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The International Newspaper of Marketing

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Midweek News Summary

Federal officials warned beer wholesalers this week that if the industry wants to hold off a drive to ban beer commercials on radio and tv, it must police itself and revise marketing tactics. *See Page 2.*

Coca-Cola USA revealed this week a new "Tab's got sass" ad theme and said it plans a massive five-week network tv blitz starting Nov. 2 for major brands. *See Page 2.*

Church & Dwight is introducing a plaque-fighting tooth powder called Dental Care. *See Page 2.*

The Wrangler division of Blue Bell will break a $25 million-to-$35 million campaign Nov. 19 for all its men's and women's clothes, further proof that if the jeans market has not yet reached bottom, it's sagging. *See Page 3.*

Coca-Cola Co. has added sparkle to Columbia Pictures by helping it "spend smarter" to promote films, cross promoting certain films and enabling the studio to research the videocassette market. *See Page 3.*

The Federal Communications Commission has ordered a tv station to meet Fairness Doctrine obligations for the first time since Mark Fowler became chairman. *See Page 3.*

Nicaragua's ruling Sandinista Front party, in its first election since overthrowing the Somoza government in 1979, has launched a Western-style media blitz to ensure its continued dominance. *See Page 3.*

MicroPro International Corp. has unveiled a new word-processing program in an effort to regain the preeminent position in the market. *See Page 3.*

Subaru, the least likely car to be stolen, is making progress in another marketing niche—styling. *See Page 56.*

DIRECT MARKETING

New York University, noting that direct marketing has become a $200 billion-a-year industry, has established the Center for Direct Marketing. The center will offer a one-year program on the subject, said to be the first of its kind. *See Page 6.*

A mailing list users' group has formed a committee to help stop abuse and unauthorized use of such lists. *See Page 7.*

MDs move to halt Kellogg health ads

By STEVEN W. COLFORD

California's Cancer Advisory Council, under the auspices of the state's Department of Health Services, is expected to ask the U.S. Food & Drug Administration to investigate Kellogg Co.'s All-Bran ads that stress cancer prevention.

The 14-member council has concluded that the ads are "misleading and objectionable."

The FDA, according to a spokesman, already is studying the Kellogg ads, and the Federal Trade Commission is believed to be conducting its own review of the print and tv campaign launched earlier this month via J. Walter Thompson USA, Chicago.

The controversial Kellogg cereal campaign (AA, Oct. 29) cites a National Cancer Institute study linking cancer prevention to fiber consumption.

The campaign brings to the forefront the dilemma of regulatory agencies that must evaluate the truthfulness of advertising claims for foodstuffs based on health or medical benefits—not taste, appearance, smell or any of the usual selling points of food.

"The line between food and drug [advertising] is getting grayer," an FDA spokesman said. "Foods—or products in general—marketed with a medical claim is a growing area."

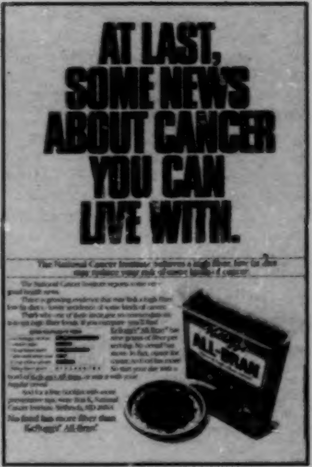
The fact that this time the advertiser is Battle Creek, Mich.-based Kellogg, with 1983 sales of $2.3 billion, and not a "mom-and-pop" operation is another new twist for FDA.

"It's just like that new product of Kimberly-Clark—the tissue [Advent] that kills cold germs—we're being asked about them, too," the spokesman said.

"Clearly, the product has a drug in it, though the company did not come to us for permission to market it," he added.

The FDA and state health officials in California expressed similar reservations over the All-Bran ads, which broke in October and are due to run at least through December.

Among the unanswered questions being asked at the FDA are "whether the ad copy suggests that bran is intended for cancer prevention" and whether the cereal label "has adequate instructions for use—it doesn't say how to use it to reduce the cancer probability [because] the NCI evidence is not



One question is whether the Kellogg ad suggests "bran is intended for cancer prevention."

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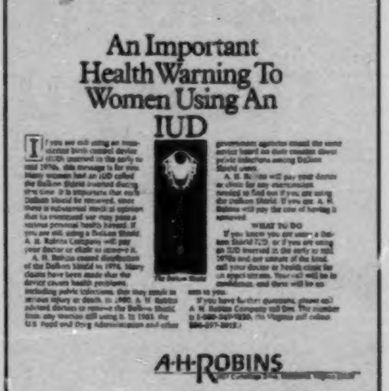
Robins starts antishield pitch


An Important Health Warning To Women Using An IUD
WHAT TO DO
A·H·ROBINS

A.H. Robins' ads discourage use of its Dalkon Shield. Burson-Marsteller, Washington, handles

By LISA PHILLIPS

Battered by product liability suits, A.H. Robins Co. is spending $4 million on a national ad campaign urging women to stop using what once was one of its hottest products—the Dalkon Shield contraceptive device.

The Robins campaign is a bid to reach those Dalkon Shield users who have not reacted to the waves of negative publicity about side effects that swamped the product in the 1970s and spawned more than 10,000 damage suits alleging serious injuries. Two women died of complications from using the product.

The Richmond, Va.-based company stopped distribution of the product in 1974, and the Food & Drug Administration last year urged women still using the shield to remove it.

Titled "An important health warning to women using an IUD"—an intrauterine device—print ads urge IUD-users to see doctors to determine if they are wearing a Dalkon Shield. The ads note Robins will pay for all medical visits to doctors or clinics, regardless of the brand, and will pay for the removal of all Dalkon Shields.

The women's rights to further legal action against Robins will not be waived by participation in the program, the ads state.

However, the campaign could be used by Robins in its efforts to defend against punitive-damage claims.

Print ads will break next week in 177 daily newspapers, 13 minority newspapers and in major national consumer magazines such as *Jet*, *Newsweek*, *People*, *Time* and *TV Guide*. Two ads are scheduled for *USA Today* and the campaign will begin in the *National Enquirer* later this month.

A three-week flight of tv ads broke this week on all three networks, SIN Television Network, and on cable superstations WTBS, WOR and WGN.

The campaign is handled by Burson-Marsteller, Washington. A Robins spokesman said no estimate had been made on the final cost to Robins, which will depend on how many women see their doctors.#

Nets fight over sportscaster

Is Brent for sale?

By ROBERT RAISSMAN

New York—Picture this: It's opening night for "Monday Night Football" in 1986 and in ABC Sports' broadcast booth is a new team. Frank Gifford still holds the play-by-play mike, but beside him are CBS Sports alumni Brent Musburger and John Madden. Gone are "Dandy" Don Meredith and O.J. Simpson.

That scenario appears to be taking shape. According to well placed network sources, ABC has made Mr. Musburger a solid offer that not only would place him in the "MNF" booth next year, but would allow him to do a number of other

(Continued on Page 57)

Presstime

Saatchi acquires Yankelovich, Skelly and White

New York—Saatchi & Saatchi Holdings, the U.S. branch of British-based Saatchi & Saatchi, has reached an agreement to acquire the Yankelovich, Skelly and White research company here and its affiliated McBer Associates consulting group, Boston, for $13.5 million in cash. The acquisition from Reliance Group Holdings confirms earlier reports (AA, Oct. 4). YS&W will operate independently.

GTE to brighten up election night

Stamford, Conn.—GTE Corp. will launch a two-month tv ad campaign on election night Nov. 6 for its Sylvania Light Bulbs line emphasizing quality control tests. With a reported budget in the $4 million-to-$5 million range, the campaign will represent the largest tv spending to date for the light-bulb brand. Doyle Dane Bernbach, New York, handles.

Clairol picks distributor for haircare line

New York—Clairol has named Fragrances Selective to distribute the Klorane French haircare line in department and specialty

(Continued on Page 59)

Market/Ad Research

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Feds rap beer promo tactics

Stop college capers, police marketing efforts, BATF officials warn, or risk stiffer ad controls

By SCOTT HUME

LAS VEGAS—If the brewing industry hopes to stall the drive to eliminate beer advertising on tv and radio, it must more vigorously police itself and revise marketing tactics, especially on college campuses.

That warning was sounded by officials of the federal Bureau of Alcohol, Tobacco & Firearms to the National Assn. of Beer Wholesalers at NABW's meeting here this week.

"I must tell you that I am disturbed by the increasing number of brewery-sponsored activities on college campuses," Bruce Weininger, chief of BATF's industry compliance division, said during a seminar.

"While I recognize such sponsorships are not technically in violation of the Federal Alcohol Administration Act," Mr. Weininger said, "such promotions are not in keeping with the industry's goal of promoting moderation."

After his speech, Mr. Weininger emphasized that the industry must take seriously efforts by citizens groups, such as Mothers Against Drunk Driving, to restrict or eliminate beer advertising.

"This industry has done a very good job speaking out against alcohol abuse, but wet t-shirt contests and chug-a-lug competitions on college campuses will undo a lot of that good work," he said. "Unless the industry takes a good look at these and other tactics, there is a very real possibility that the authority for reform will be put in the hands of Congress and that beer and wine advertising will be banned."

An indication that the industry does take the threats seriously came Oct. 29, when NABW members voted in favor of a new bylaw concerning beer on campus. The new policy states that wholesalers must abide by the wishes of a college administration concerning availability and promotion of beer on campuses.

In the short term, it appears that BATF will put beer advertising under closer scrutiny. Thomas George, chief of the bureau's regulations and procedures division, said several areas are due to be opened soon for public discussion and possible policy changes.

Among them are the use of athletes in beer advertising and regulations concerning use of the terms "light" and "natural."

Current regulations restrict advertisers from using athletes who are active players and from depicting athletes drinking beer before they go out to participate in a sporting event.

Mr. George declined to say whether those restrictions might be liberalized or restricted further, but he noted that the last time the bureau undertook a revision of beer advertising policies, it got 10,000 letters calling for tighter restrictions.

Another aspect of marketing about which brewers and wholesalers were warned was what Mr. Weininger called "the ever-increasing number of problems" relating to beer advertising at sports and entertainment sites.

The most common, and to BATF the most serious, violations are contracts that call for advertising in exchange for brand exclusivity.

"As the competition in this industry has become more intense, this has become a much more serious problem," Mr. Weininger told ADVERTISING AGE.

Some smaller brewers have complained that the $2 million fine BATF levied against Anheuser-Busch this summer for sports-marketing violations (AA, July 2) was too small a price for so large a company to pay. But Mr. Weininger defended the fine, the largest the bureau has ever called for, and noted A-B also signed a consent decree.

"Under that decree, we can return to court and get a cease-and-desist order if we have any indication that the violations are recurring," the BATF official said. "And I assure you we will."#

Tab turning 'sassy' in Coke brands' blitz

By NANCY GIGES

NEW YORK—Coca-Cola USA, feverishly completing a bevy of new commercials, revealed this week a new "Tab's got sass" ad theme and said it plans a massive five-week network tv blitz starting Nov. 2 for Tab, Sprite, Coke and other major brands.

Coke also has added golfer Tom Watson to its stable of celebrities working for the Coke brand. Mr. Watson initially will make promotional appearances, a step that often leads to appearances in Coke advertising.

The company showed its new commercials at an Oct. 31 press conference here, where it said the coming network tv blitz is set to deliver 550 million impressions. During that period, 21 different spots for Coca-Cola soft drinks will air on an average of one every three hours, the company said.

"This higher level of spending of fourth-quarter national advertising is the result of careful planning and selective, but not necessarily incremental, spending," commented Sergio Zyman, senior vp-marketing.

Holiday season ad binges by soft-drink companies, once out of character for an industry geared to warm-weather sales, are becoming more common, observers note.

Beginning Nov. 3 and running through election day, Coca-Cola will use an "election" theme for a print and tv effort for Sprite. One spot shows a man entering a voting booth and he puzzles over his selection. The spot closes with the man seen standing in front of a soft-drink vending machine and the candidate he chooses is Sprite. An ad in *USA Today* on Nov. 6, Election Day, will offer a 75¢ refund for Sprite bought during that week, and other tv spots will cite the newspaper offer. Marschalk Co. is the agency.

Actress Cindy Harrell will appear in spots for Tab through the end of this year, but new music with the "Tab's got sass" theme will replace the controversial "Let's taste new Tab." SSC&B is the agency.

Company officials said new long-term advertising clearly positioning the brand will begin next year. The objective this year was to

(Continued on Page 57)

Phone company eyes holiday callers

MCI connects with P&G

By BRIAN MORAN

MCI Communications, looking to build its long-distance customer base before the heavy holiday-calling season, this week kicks off its first consumer product tie-in promotion: A coupon effort with Procter & Gamble offering one hour of free calls.

Cincinnati-based P&G has dropped 30 million coupons in newspapers serving more than 100 markets for the two-part MCI promotion.

The coupon instructs consumers to call a special 800 number to sign up for the Washington-based MCI's service. By submitting three proofs of purchase from P&G's Cheer, Era and Cascade detergents, consumers are eligible to receive credit for 20 minutes of calls via MCI.

Customers remaining with MCI for 60 days receive credit for an additional 40 minutes worth of calls.

P&G is supporting the promotion with spot tv commercials that will run until the promotion ends Dec. 15. A 30-second spot broke Oct. 28. Leo Burnett USA, Chicago, handles.

The MCI tie-in is the latest in a string of promotions P&G has undertaken with major marketers. Last month, it kicked off a "Computerrific" promotion with IBM Corp., the computer giant's first-ever consumer product tie-in (AA, Oct. 22). The combined effort was designed to bolster IBM's PCjr model.

Earlier, three P&G brands—Cheer, Crest and Ivory—were part of a tie-in with 100 McDonald's Corp. franchises in the St. Louis area (AA, Oct. 8).#

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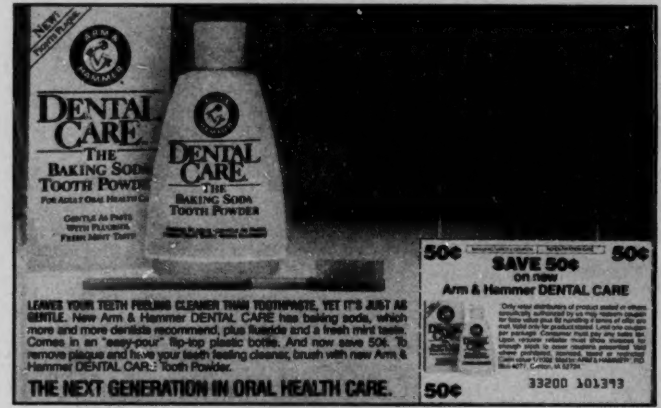
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THE NEXT GENERATION IN ORAL HEALTH CARE.

Church & Dwight is testing a new Arm & Hammer dentifrice that's mint-flavored and contains fluoride. Kornhauser & Calene handles.

Baking soda may put teeth in Dental Care

By NANCY GIGES

Church & Dwight is introducing a plaque-fighting tooth powder called Dental Care.

Until now, the company had used its century-old Arm & Hammer baking soda to enter the $900 million dentifrice category with advertising positioning the household standby as a plaque-fighter.

Now Church & Dwight has put into test in Madison, Wis., a powder packaged in a plastic bottle with a flip-top lid. Priced competitively with other dentifrices, the powder is mint-flavored and contains fluoride.

The company has told the trade it plans to support the new item heavily with a full program of advertising and promotion, although it is doubtful Church & Dwight could meet the $40 million spending in measured media invested by Colgate-Palmolive and Procter & Gamble for their Colgate and Crest category leaders.

Print ads include a 50¢ coupon and carry the theme "The next generation in oral healthcare." Packaging says the product is "for adult oral healthcare."

Tv spots by Kornhauser & Calene, New York, point out that the powder "leaves teeth feeling cleaner than the leading toothpaste and also reduces plaque." Copy explains the powder "neutralizes and deodorizes plaque acid and teeth feel cleaner."

For years, dentists have told their patients to use baking soda as an economical alternative to toothpaste, and two years ago Church & Dwight picked up on that usage by promoting baking soda as "a proven way to remove plaque." But this new product carries a price tag that is competitive with other major toothpaste brands, and, in fact, one Madison buying group turned down the new product essentially because of the pricing.

While promoting plain baking soda as a dentifrice may have sold a few more cases for the essentially stagnant brand, Church & Dwight must find successful new products to grow because baking soda is a flat category.

A number of years ago, Colgate-Palmolive tried to capitalize on the baking soda idea by selling a product called Peak with a baking soda formula.

Although still available in limited areas, the brand never became the success Colgate hoped.#

Practice

(Continued from Page 18)

tative and quantitative. Having cleanly jettisoned the old theory of summary statistics and magic numbers, we now accept the practice of backing up our basic evaluative measurements with custom-tailored diagnostics.

The most important step our industry has taken is to systematically validate the enormity of our data. While sales figures have been difficult to ferret out of clients' locked vaults, the era of cooperation has begun.

The inescapable conclusion from the cumulative weight of the industry's evidence is that we've been producing attitudinal data that has a very high correlation to sales.

So, 40 years of experience by a large number of organizations has provided a vast body of information that is reliable and valid. We must remember to have confidence in these tools that we've nurtured. Researchers do themselves and their industry a disservice, however, when we don't trust our insight and expertise to allow relatively untutored managements to dictate the techniques to be used for copy testing.

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Survey results positive

By Jack J. Honomichl

The survey research business continues to grow, according to the Council of American Survey Research Organizations, and it shows no signs of stopping.

Project commissions in the second quarter of 1984 were up 13% over the similar period a year earlier.

More than 100 members and 50 guests, speakers and exhibitors heard this industry evaluation at the ninth annual CASRO workshop Oct. 10 to 12, at the Scottsdale Conference Resort in Scottsdale, Ariz.

A confidential survey of 60 member companies showed that their collective revenues, based on newly commissioned projects, were up 11% in 1983 over 1982, officers reported.

CASRO member data for the second quarter of 1984, based on 66 reporting companies, show the upward trend continues. Project commissions in the second quarter of 1984 were up 13% over the similar period a year earlier.

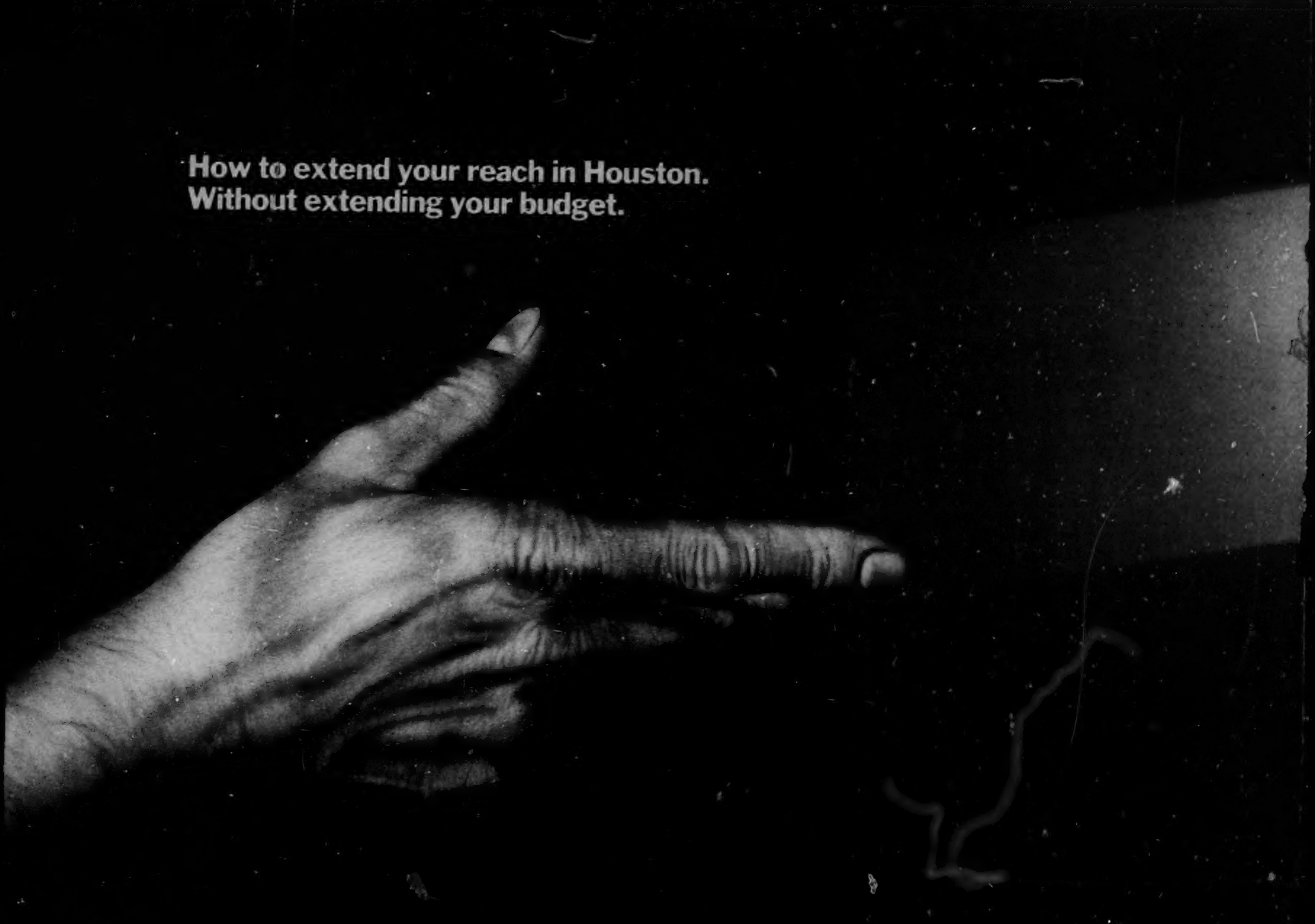
Officers elected at the conference are Thomas Lea Davidson, chairman; Joseph F. Baldi, chairman-elect; John Gilfeather, secretary, and Charles Kenney, treasurer. Diane Bowers (center) is executive director of CASRO.

The smaller companies (those with annual revenues of $2 million or less) did particularly well, according to the survey, with project commissions up 18.7% as a group.

The large companies (revenues of more than $6 million) were up 11.5%, and midsize companies ($2 million to $6 million) were up 5.9%.

Also, according to Robert E. Shaw of Burke Marketing Services, chairman of the financial/compensation survey committee, pretax profits of the 60 companies, expressed as a percentage of sales, were up to 4.3% in 1983, a sharp rebound from the recession year level of 2.8% in 1982.

The survey also reveals a continuing shift in the relative im-



How to extend your reach in Houston.
Without extending your budget.

portance of data collection methods used by Council of American Survey Research Organizations' companies in conducting projects for their clients.

In 1983, the membership reported that 41% of the dollar volume stemmed from projects where WATS/centralized telephone interviewing was the main data collection methodology, an increase from 38% in the two previous years.

One reason for the increase in telephone research, according to the survey, was the expanded use of computer-assisted equipment, which improves data recording.

Personal, door-to-door interviewing continued to drop in importance and hit a new low of 13% in 1983.

The survey also revealed there was a substantial increase in entry-level hirings during 1983, an expression of the industry's good health.

The survey also revealed there was a substantial increase in entry-level hirings during 1983, an expression of the industry's health.

The organization also announced the election of its board of directors.

Thomas Lea Davidson, president of Davidson-Peterson Associates, New York, moved from chairman-elect to chairman, succeeding Richard McCullough of Winona Research, Minneapolis, who continues on the board.

Joseph F. Baldi, Directions for Decisions, New York, was named chairman-elect. Charles Kenney, president of Research Data, Framingham, Mass., was elected treasurer, and John Gilfeather, executive vp of Yankelovich, Skelly & White, New York, was elected secretary.

Also elected to the board was Marshall Greenberg of National Analysts, Philadelphia.

Continuing on the CASRO board for another year are Foy N. Conway of Conway/Milliken Corp., Chicago; Kathleen Knight of Behavioral Analysis, Irvington, N.Y.; Robert J. Lavidge of Elrick & Lavidge, Chicago; Dexter Neadle of Audits & Surveys, New York, and Harry W. O'Neill of Opinion Research Corp., Princeton, N.J.

Charles Kenney, membership chairman of CASRO, also told attendees that membership had grown to 123 companies, up from 107 a year earlier.

The comprehensive program, engineered by workshop committee chairman Roger Ehle of Conway/Milliken Corp., focused on the theme, "Moving Our Business Forward."

Donald Clifton, chairman of the board, SRI Research, Lincoln, Neb., was the featured dinner speaker and discussed the motivation and management of staff in a research company environment.

Other guest speakers at the dinner included consultants on personal selling skills, financial planning for personal and corporate objectives, and tax matters related to mergers and acquisitions.

Before adjourning, CASRO settled on the Homestead in Hot Springs, Va., as the site of its 1985 workshop Sept. 11 to 13, which will be a commemoration of CASRO's 10th year.

Harry W. O'Neill of Opinion Research Corp. will be program chairman.

Data collection techniques

	1983	1982	1981
WATS/centralized telephone	41%	38%	38%
Central location/mall	19	17	16
Personal interview (door-to-door)	13	19	20
Non-WATS telephone (local)	7	8	7
Mail/diary	7	7	6
Focus group	6	5	6
All other	7	6	7

Source: CASRO survey

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The Chronicle
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[illegible]

Plotting structural changes in industry

By Eileen Cole

Prediction—even generalization—about the market research industry is a hazardous task.

The nature of the industry is not closely defined, and there is considerable lack of clarity about its boundaries. Companies holding large databases and supplying secondary data reports, for example, often are not considered part of the research business.

Eileen Cole is chief executive officer of Research International, a London-based market research company.

But there is little doubt that in the next few years, marriages between them and the more traditional market research companies will be frequent enough to cause dramatic changes in the structure of the industry.

It is a notorious truism that the market research industry is among the least well-researched of any industry. Estimates of expenditures are hard to come by and embarrassingly liable to error from faulty definition, misinterpretation or lack of comparability.

Anyone embarking on a crystal ball exercise in such a situation is asking for trouble. Nevertheless, speculation about the future in a business growing so quickly and so diversely is fascinating enough to encourage an attempt at forecasting the next five or ten years.

Because this predicting requires at least some rough definitions, for the purposes of this article, "market research" is defined as commercial market research in both the continuous (market measurement) and custom-designed areas. It does not include work done wholly within, for example, the universities, without content from a commercial market research agency or supplier.

The outstanding characteristic of the industry defined this way is that of vigorous long-term growth. This is true both worldwide and in all the major geographical areas, though particularly in the U.S. and Europe. The industry considers itself subject to the vagaries of recession and boom, and so it is in the short term. In the middle and longer term, despite constant predictions that growth had come to an end, it continues to flourish.

About $3 billion was spent with commercial research agencies worldwide in 1983, compared with slightly more than $2 billion in 1979. The larger part of this sum was spent by the subsidiaries of multinational corporations, and more than half of it was accounted for by the world's top 20 research organizations.

The general nature of the research spending and of agency-supplier structure in developed countries during the past 10 years shows a market dominated by a few large agencies with many smaller agencies or specialist suppliers.

The ratio of expenditures at large to small suppliers have been moving toward 80% to 20% respecitvely, a pattern typical of industry in general and a movement away from the old "cottage industry" structure of research.

The U.S. is in a class by itself in total expenditure, accounting for more than 40% of the worldwide commercially available market. This over-all preeminence is reinforced by examination of the world's top 10 market research companies.

In the custom research area, European-based market research companies play a significant role.

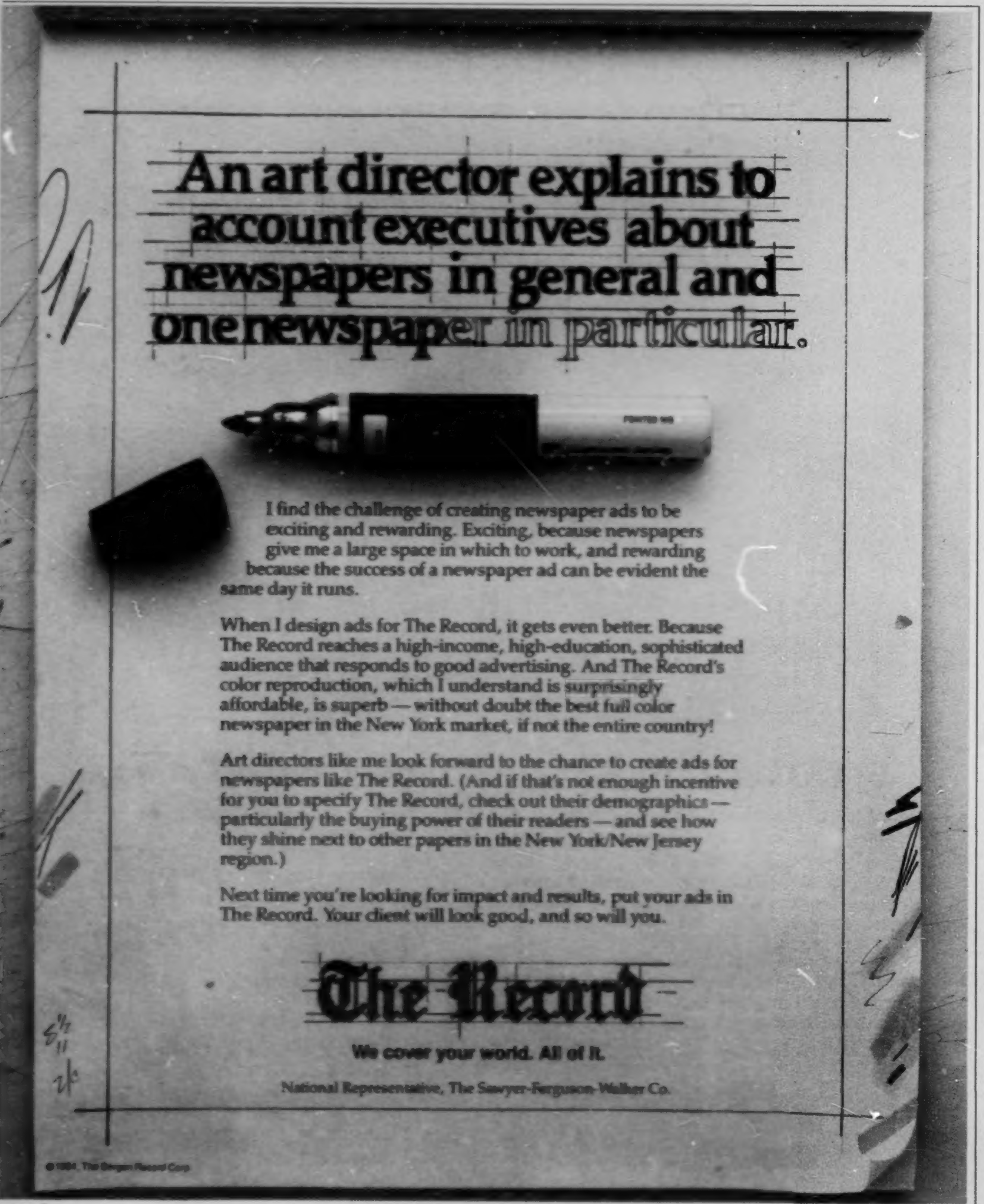
—Eileen Cole

The four largest companies are American owned and primarily are concerned with market and media measurement. The next largest is a U.K.-based company, also primarily concerned with continuous market measurement.

In the custom research area, however, the U.S. domination is much less. European-based market research companies play a significant role in this area and are particularly dominant in international research.

Apart from the U.S., total market research spending is dominated by European countries as a group, notably by the U.K., Germany and France, and the growth rate in Europe, even allowing for the vagaries of exchange rates, now tends to exceed that in the U.S.

In terms of volume, allowing



An art director explains to account executives about newspapers in general and one newspaper in particular.

I find the challenge of creating newspaper ads to be exciting and rewarding. Exciting, because newspapers give me a large space in which to work, and rewarding because the success of a newspaper ad can be evident the same day it runs.

When I design ads for The Record, it gets even better. Because The Record reaches a high-income, high-education, sophisticated audience that responds to good advertising. And The Record's color reproduction, which I understand is surprisingly affordable, is superb — without doubt the best full color newspaper in the New York market, if not the entire country!

Art directors like me look forward to the chance to create ads for newspapers like The Record. (And if that's not enough incentive for you to specify The Record, check out their demographics — particularly the buying power of their readers — and see how they shine next to other papers in the New York/New Jersey region.)

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The Record

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8½
11
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Top 10 market research companies, 1982

Organization	Home base	Research sales ($ 000,000)	Countries with office
Nielsen	USA	433	25
IMS	USA	125	57
SAMI	USA	85	1
Arbitron	USA	80	1
AGB	UK	74	20
Burke MS	USA	52	2
Research International	UK	48	29
Infratest	W. Germany	32	5
GFK	W. Germany	32	6
Market Facts	USA	27	2

Source: Advertising Age and Research International, 1984

for lower averge European salary levels, this growth is probably even more marked.

The weakest part of this analysis relates to Asia/Oceania. Very little information is available on research expenditure in Japan, for example. Research undoubtedly is growing there and elsewhere in the region, where there has been a good deal of research industry investment recently.

Apparent growth rates may be affected by differential inflation, but discounting such inflation changes the relationships only marginally. Above all, it underlines the strong real growth in the industry virtually everywhere.

Between 1977 and 1983, there have been two major world recessions and a period of general economic stress. In these circumstances, the long-term resilience of the research industry and its apparent ability to adapt itself to change and to economic conditions are especially striking.

One of the most significant and on-going characteristics of this growth, as far as custom research is concerned, is the extension in all countries of the range of product areas in which research is carried out.

In all countries, market research had its origins in fast moving consumer goods industries, much stimulated by the conditions of oligopoly there. These industries still dominate the spending worldwide both in custom research and in market measurement. The view that research expenditure soon would cease to grow was based mainly on the misconception that it would be confined to these fields.

However, economic circumstance, a recognition of the marketplace value of research information and increasingly hard selling by researchers themselves in the past 10 years have extended custom design work—and to some extent, market measurement—into a new ballpark of clients.

Finance, travel, leisure, consumer and industrial durables, ethical and nonethical pharmaceuticals, energy, social, welfare and political areas all now are researched worldwide to a degree that would have seemed impossible 15 years ago.

Such development obviously has everything to recommend it from a marketing company, consumer and research income point of view. But, it has its risks.

The application of market research techniques in the social and political arena brings the in-

(Continued on Page 36)

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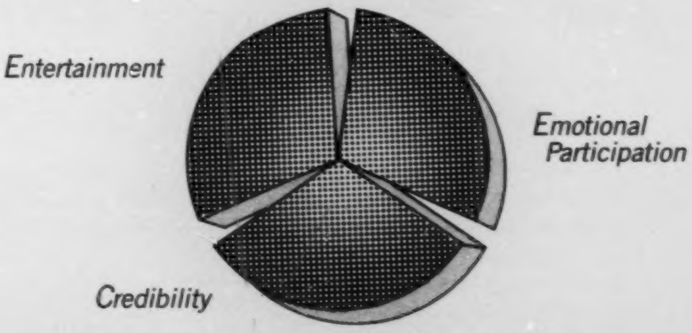

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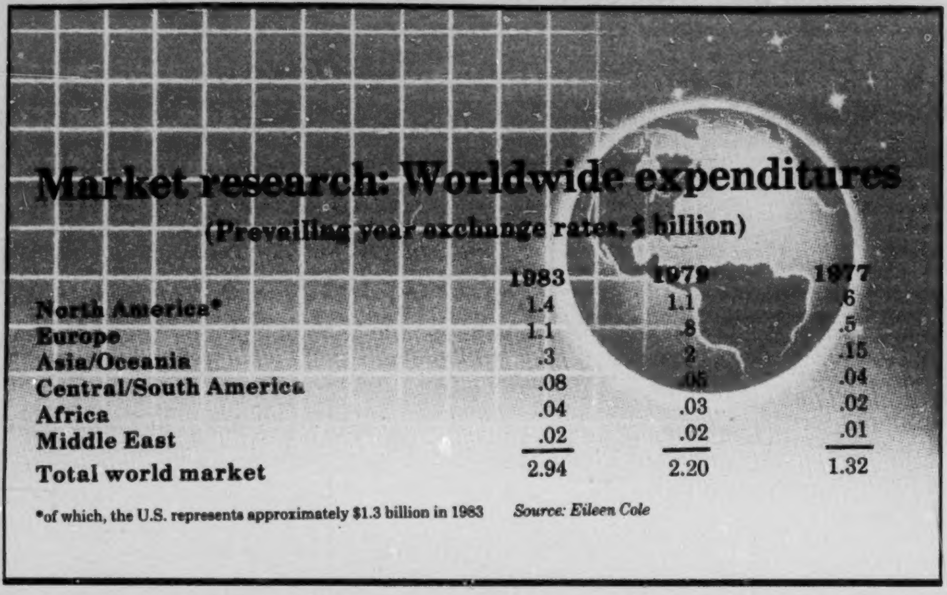
Plotting

(Continued from Page 35)

creasing involvement of pressure groups of all kinds, for some of which proving a deeply held conviction may be more important than the ethical research standards. Increasing pressure on the integrity of researchers as this situation develops could be a real hazard in the next 10 years.

As the range of products researched has widened, so has research's geographical spread. An important result of this parallel product and geographical development is the growth of the international custom research agency.

This is a European rather than a U.S. phenomenon. With the exception of the two dominant market measurement suppliers (A.C. Nielsen Co. and IMS International), U.S. agencies have very limited international operations, even though some of the members of the top 20 are members of international research chains. The enormous size of the U.S. market results in an overwhelming focus by American suppliers on the U.S.



Market research: Worldwide expenditures

(Prevailing year exchange rates, $ billion)

	1983	1979	1977
North America*	1.4	1.1	.6
Europe	1.1	.8	.5
Asia/Oceania	.3	.2	.15
Central/South America	.08	.05	.04
Africa	.04	.03	.02
Middle East	.02	.02	.01
Total world market	2.94	2.20	1.32

*of which, the U.S. represents approximately $1.3 billion in 1983 *Source: Eileen Cole*

This contrasts with the smaller but more internationally minded markets. The U.K. is the operating base of two major multinational research organizations—Research International and AGB Research PLC—and also provides the international base for two U.S.-owned suppliers—IMS and MRBI—as well as Gallup International.

Few American research companies seek or are able to offer comparable international research capabilities, and British agencies operating either from their U.S. offices or from the U.K. have become the major suppliers of American corporations' international research needs.

Three main factors influence this trend. The first and most significant is that British agencies have specialized in the international research field for a long time and are experienced in a highly technical and complex area.

In addition, U.K. salary costs are lower, tending to reduce the cost of research carried out from a European base. Third, the recent movement of exchange rates in favor of the dollar makes British research agencies increasingly attractive to American corporations.

Total figures on the growth of international research are hard to come by. However, experience in one large agency shows that, although the pattern changes with economic circumstance, long-term growth now tends to outstrip the over-all increase in research spending.

> **British agencies have specialized in the international research field for a long time.**

The next five years are likely to be marked by continuing growth of international work as multinational companies prowl the world looking for new markets, seeking improved efficiency in existing markets or continuing the development of international brands.

This growth is likely to be taken up mainly by European—and especially U.K.—agencies, while U.S. suppliers increasingly are preoccupied with the confrontation now developing in the market measurement-database businesses. In parallel with the European development, however, local agencies in many overseas countries are likely to develop, increasing over-all research spending.

International agencies will grow significantly in size as they invest in resources necessary to provide adequate service to international clients. Such changes are further developments of existing trends and can be predicted easily. More difficult to predict with accuracy is the effect of the rapidly increasing emphasis on database systems requiring a large investment, now a major feature in the

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Retail Research Division

U.S. and beginning to develop elsewhere.

The growth in market research spending is only part of a more general growth in expenditure in the information industry over-all. The sale of information presents an increasingly attractive prospect to businesses. Putting a range of different kinds of information gathering and processing skills together under one ownership is even more attractive.

The whole concept of the information business is being transformed and so may be its ownership and organization. The acquisition of A.C. Nielsen Co. by Dun & Bradstreet and the linking of Arbitron and Burke Marketing Services are likely to be the first of many acquisitions, mergers or cooperative ventures.

The advancing technology at the root of this development has been putting new life into market and media measurement systems in the U.S., systems that while operationally efficient, until recently had all the hallmarks of inertia.

The attractive bait of the immense American research spending, combined with a belief that this inertia, which had slowed major new creative thinking, could be broken, has begun to attract vigorous competition.

This competition is not only American. Major European agencies are being attracted to the U.S. both in the market-media measurement and in the custom area, bringing with them technologies they consider the equal or superior of systems in use.

The European agencies face a considerable battle, especially in market measurement. Traditional attitudes to existing suppliers, a tremendous task in putting over their new thinking to a wide range of new clients and the long established system locking in database system information to clients' own information systems are all against them.

However, recent successful American experience has shown it is possible to break the pattern. But it requires considerable investment and is a game for the big boys or those who can find big backers or rich new owners. Market-media measurement systems in the U.S. are heating up into a considerable battle of technologies, systems and money.

On one side of the battle line is an inert system slow to change because of habit and because of the difficulties of having to reshape company data. On the other side is reinvigorated or new suppliers competing with long-established operations and convinced of significant improvements in the system they have to sell.

How this will shake out is difficult to predict. But it is certain that new techniques and the increasing use of large database systems, closely tied in some cases to one source data, will cause the creation of larger and larger companies through acquisitions, mergers or partnerships. Such new supply organizations will move toward marrying the whole range of research, databases and custom research into one whole.

At the same time, they will be tying up an increasing proportion of clients' research budgets, leaving less for the creative use of custom research. Moreover, the practice of locking in data to the client's own systems is likely to make for inertia in creating and accepting change in the custom area.

After the initial period of warfare, this is not the most exciting of long-term prospects for American custom research. With the great emphasis it places on consistent repetitive measurement, it is likely to mean little in the way of wide-ranging research creativity coming out of the U.S. in the next few years.

The development of database systems and the need for large investment also is occurring in Europe and other parts of the world.

The tendency for the big agencies to get bigger and the others to get smaller must continue.

The tendency for the big agencies to get bigger and the others to get smaller must continue, with middle-size agencies having an identity crisis.

The tendency for the top end of the industry to become a much more widely based information industry, rather than concentrating simply on traditional research, also will be present. However, some of the pressures that occur in the U.S. are less marked in Europe, and some European attitudes to research always have been different from those in America.

As a result, there is likely to be a different emphasis in the structure of the industry. The European industry always has seen the custom market research agency as a creative, full-service operation including design execution, usually with its own fieldworkers and tabulation systems, and interpretation.

This structure makes for a creative attitude on the part of the agencies that are under pressure to develop new technologies to meet their clients' marketing needs and under much less pressure than agencies in the U.S. simply to turn out consistently comparative material and normative data. Also, the greater mobility of marketing people in the U.S. causes a demand for the same data routinely reported.

The relatively lower mobility in Europe, with marketing people staying longer with their product, encourages them to use

(Continued on Page 38)

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Plotting

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agencies to research more widely and diagnostically. The powerhouse for new technology in the custom research area therefore is likely to be consolidated in Europe, building on experience of the past 15 years.

In the highly competitive world of international research, it will be this kind of technology that is needed to help multinationals extend their markets. It follows that European strength in this area will tend to tie in international research to European suppliers.

International brands will become a feature of the research world in two senses. As international work develops, the custom research agencies developing their own chains will appear in more countries. Acquisition of local companies or close chain relationships will mean that the names of individual international companies carrying their own guarantees of quality will appear around the world.

In the case of custom research, these are likely to be mainly European-based agencies, but in the market measurement area, there will be a mixture of existing large American companies (notably Nielsen and IMS) and companies with a European home base such as AGB.

The other aspect of international branding will be in the product. Custom research work has been largely a commodity product in the past, certainly so far as non-U.S. agencies are concerned. Increasingly, however, these agencies are investing large amounts of talent and money in new technologies dealing with fundamental problems that affect most marketers.

As their investment in such work grows, they increasingly present their technology in branded form, both for more efficient marketing of their product and to protect their technical developments under a trade name.

These "brands" share many characteristics with U.S. "branding" of techniques, but they tend to be more complex. The main development areas in which this branding process is well advanced—as in the U.S.—are those of new product development testing from basic concept work to the finished marketing mix, with predictions of market share/tonnage; advertising tracking systems and—very recently—tracking/measurement systems for below the line expenditure and in-store promotional activity.

The extension of the branding system, however, is likely to go beyond this, and it may present European researchers with a dilemma between such systemization of their work and their pride in their creative design of custom work.

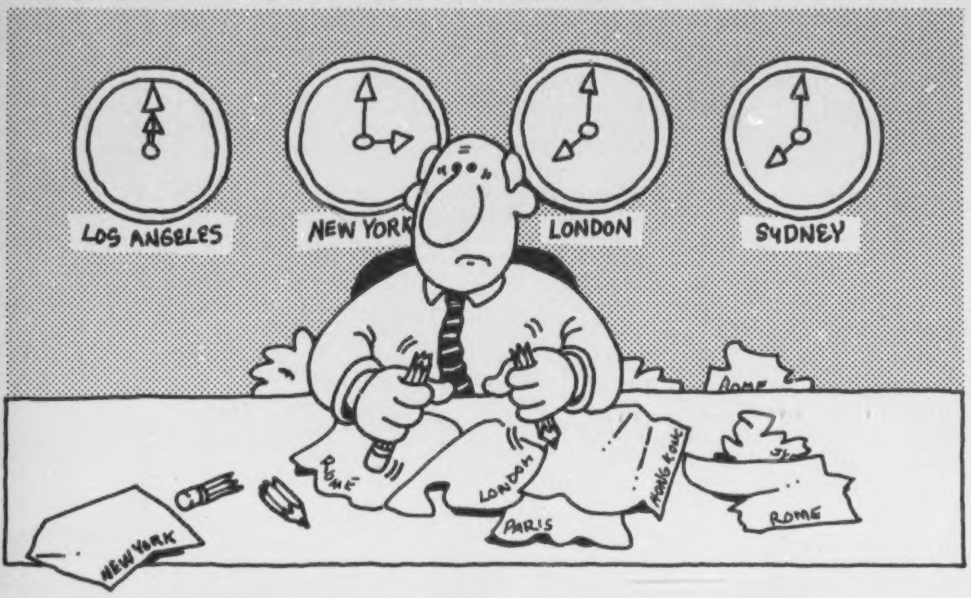
One other aspect of the overall shape of research may soon diverge between the U.S. and Europe.

The past 30 or so years have seen virtually the same retail measurement systems operated by the same suppliers on both continents. Nielsen was encouraged to set up in Europe by major clients there and operated with efficiency and success.

However, the larger retailers in Europe have grown more significant, giving the average Nielsen sample problems in representing all sections of the market satisfactorily. Proper representation of the largest retailers is difficult to achieve, in part because of their unwillingness to cooperate.

The advent of universal product coding and scanning technology has added greatly to the problems this presents. While Nielsen still is strongly placed in

International brands will become a feature of the research world in two senses.



International research need not be difficult

The coordination of international survey research can be a hassle. The challenges an international researcher faces include long-distance communication, language translation, selecting and briefing foreign suppliers, and processing and analyzing data using varying standards and systems.

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this area in the U.S. and has found continued acceptance in the retail measurement area, the situation is a good deal more complex in Europe. There, the largest retailers are considering doing measurements themselves, without agency intervention and without syndication of results.

Should this movement develop, the implications for marketing companies could be very serious and the demands on research agencies to create alternative measurement systems—particularly new types of consumer panels—very great.

The general economic pressures that encourage the use of machines instead of people are at work. In all kinds of research, therefore, we must expect to see this substitution occurring, especially in investment in hard and software related to fieldwork and all aspects of questionnaire and data handling.

European and overseas countries always have tended to do more face-to-face interviewing than the U.S., mainly because of the less widespread ownership of telephones in Europe in the past. In many countries, telephone interviewing is increasing rapidly.

However, the traditional practice of face-to-face interviewing, together with the more complex design of a good deal of European custom work, will keep it as an important method of data gathering there and this will be so in many overseas areas.

The emphasis on face-to-face interviewing, together with the fact that large custom research agencies in Europe almost all have their own national interviewer forces, has meant that the quality of personal interviewing, especially in northern Europe, is high.

Because any research is only as good as its data collection, this quality of fieldwork is a much-prized asset, and the custom of recognizing it by registration of agencies with a field force of acknowledged standards (already established in Europe) is likely to spread—to the benefit of clients.

All the factors discussed so far have been integral to the research or information industries themselves, and changes coming in them arise from those industries or from client pressures. Outside pressures, notably those from government and related forces, also will have an impact.

With increasing frequency, the call still is made for the suppression, at least around election time, of political polling.

It is vital to be alert to the suppression of democracy that this represents and to fight it at every turn. Perhaps more hazardous, however, is the ever-developing and ever-changing legislation relating to data privacy.

The danger for market research lies in the fact that well-intended and justified legislation to protect individuals is applied increasingly to market research data where individual information is lost in combination. In some major countries, the hazards to market research from this source are already significant. For corporations involved in multinational research, the issue is increasingly worrying.

The U.S. and the European market research industries, stemming from the same sources and still with the same general pattern, have developed on somewhat different lines, especially in the custom area.

Each has its strengths. The U.S. approach is orderly and systematic, making for smooth running, rapid turnaround (often branded) research, often formally integrated into the client's data and decision making process. It leans to standardized approaches and has a limited requirement for input from research agencies.

The client often plays a very major role in the design of the research and its interpretations and looks to the supplier for the mechanics. This focuses attention on the agency's mechanistic prowess but discourages it from creativity in its approach. There is great emphasis on normative data and consistent obtaining of the same data.

European countries always have tended to do more face-to-face interviewing than the U.S.

The weaknesses coming from these strengths are that creativity and change are discouraged, involvement of the agency in data interpretation is not encouraged and general all-around market research skills tend to give way to specialized skills in a narrow range of technology.

The European approach is strong in these latter areas. Clients expect agencies to play the major role in design and a large role in interpretation, so creativity is encouraged, and a good all-round training in research is the norm.

This approach also accepts the reality that not all data is clean and tidy, internally consistent, with no aberrant cells or necessarily congruent with other data (and that this can yield unexpected visionary insights into the market). However, the European researcher on average is a less good salesman, less brisk and efficient at time-tabling, more complicated (and sometimes academic) in his work and perhaps too little inclined to value norms and consistency in data.

We should move the two systems together, insisting on the best from both.

On both continents, research agencies share (at least in custom research) one characteristic they could do without—low pretax margins in a high-risk business. This, above all, is the target we should be aiming to raise to reasonable heights.

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- **Industrial survey determined size of market for 30 products**
  Employing a two-phase approach, CRS conducted 3,000 CATI interviews in the United States and Canada to determine brand share and market size for 30 products used by craftsmen and manufacturers in 60 end-user classifications.

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- **Insurance survey probes needs of older Americans**
  To determine the perceived coverage shortcomings of Medicare, 1000 CRT interviews were conducted with Americans over 65 about supplemental health insurance coverage. Results are being used to design health insurance programs that better meet the needs of the elderly.

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See Page 3

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Inside look at Reagan camp's poll nerve center

— Page 1

Pepsi sings NutraSweet song in swipe at Diet Coke

— Page 2

Tambrands: Finding more than one way to succeed

— Page 4

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— Page 6

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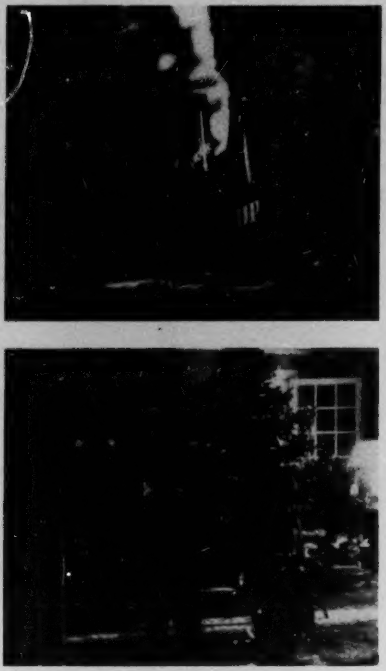

Santa's choice

When two brothers sneak downstairs to catch a glimpse of Santa in this seasonal Sprite commercial, they find he drank all the Sprite they left for him—but did not touch a drop of rival 7UP. The spot by Marschalk Co., New York, will break in several weeks as part of a five-week blitz Coca-Cola plans for its major brands (AA, Nov. 1).

Will new Diet Pepsi revive 'taste' battle?

By NANCY GIGES

New York—Pepsi-Cola USA, aiming to regain diet-cola sales lost to Diet Coke, is switching to 100% NutraSweet formulas for its diet cola brands.

At a press conference here Nov. 1, Roger Enrico, president, Pepsi-Cola USA, said tests indicated consumers preferred new Diet Pepsi by better than 2 to 1 compared with Diet Coke, suggesting a new round of "taste test" challenge advertising.

The affected brands are Diet Pepsi, Diet Pepsi Free and Pepsi Light, all of which had carried part-NutraSweet, part-saccharin formulations.

The announcement came a day after Coca-Cola USA held a press conference here to talk about a flurry of new tv spots and heavy fourth-quarter advertising for its soft drinks (AA, Nov. 1).

Responding to Pepsi's announcement following the press conference, a Coca-Cola spokesman said: "We consider it the ultimate compliment to Diet Coke. In the face of Diet Coke's phenomenal success, it is not surprising to see a variety of marketing tactics by our competitors." He said Coca-Cola has no plans at this time to change any sweetener formulas in any of its diet beverages, but will keep its options open for the future.

Purchase, N.Y.-based Pepsi is the first major company to switch to a 100% NutraSweet formula, although some small brands, including Procter & Gamble's diet Orange Crush and Squirt's diet products, are sweetened with 100% NutraSweet.

Mr. Enrico vehemently denied that the formula shift was a "desperate move."

He said: "When we signed Michael Jackson, people said it was a desperate move. When we introduced the three-liter bottle, people said it was a desperate move. And when we introduced Slice, they thought we were nuts. Our total volume is up 8% this year, and our business is extremely healthy."

The president said the Michael Jackson deal, for which Pepsi paid close to $10 million, paid off in five weeks. "I don't think it will be any more difficult to make this pay out," he said.

He also defended Diet Pepsi's recent performance, noting that during the past 10 months, the brand's sales have grown more than 30%. "The gap between Diet Pepsi and Diet Coke has been significantly narrowed,"

(Continued on Page 94)

Highlights

Opposing forces are waging a no-holds-barred ad campaign in California over a proposed statewide lottery system, spending $5 million by some estimates. *See Page 10.*

Burger King has borrowed one of the restaurant industry's tried-and-true marketing tactics—the off-menu "blackboard special"—for a new double-hamburger promotion running in several test markets. *See Page 12.*

A black organization will soon begin surveying the nation's top 200 advertisers on their black-directed ad practices. *See Page 14.*

Complete agreement between two critics is hard to find, but Gene Siskel and Roger Ebert, cohosts of the movie review show "At the Movies," were both enthusiastic supporters of Polaroid's lunchbox spot in their second annual review of commercials at Ad Age's Creative Workshop. The critics reviewed 10 tv spots. *See Page 42.*

The youngish, high-income people who buy Grand Wagoneers aren't easy marks for endorsements, so Jeep is turning to "closet celebrities." *See Page 77.*

National Car Rental knows that today's economics major likely is tomorrow's business traveler and will try to make its name better known on campus now. *See Page 77.*

Saturday Review
DIVA LINDA
Page 76

The phoenix is an appropriate symbol for *Saturday Review*, since the magazine has returned, yet again, under new management. *See Page 93.*

CORPORATE CLOSEUP

Most observers say Tambrands' introduction of Maxithins is the key to the company's transformation from a stodgy, one-product concern into a diversified, aggressive marketer. *See Page 4.*

FORUM

Malcolm Gaskin, creative director at TBWA, London, offers his cure for the ills of today's print advertising. *See Page 20.*

Practitioners in the press are kidding themselves if they believe their institution can survive without public support. That's the message from Louis D. Boccardi, soon to become president of the Associated Press. *See Page 20.*

INTERNATIONAL

"Threads," a British variation of ABC's "The Day After," is making its way across the Atlantic and should arrive in the U.S. next year. *See Page 52.*

Dentifrice marketers are blanketing Europe with toothpastes in pump dispensers. *See Page 52.*

In Brazilian advertising, the password often is "Sex sells." *See Page 54.*

Borrowing from President Reagan, Australian Labour Prime Minister Bob Hawke is launching a series of patriotic reelection tv commercials this month that observers are calling a "Reagan-style" campaign. *See Page 56.*

VIDEOTECH

Clearly relishing NBC's unaccustomed early-season ratings success, Brandon Tartikoff, president of NBC Entertainment, said last week he is in no hurry to cancel fall shows and rush in replacements. *See Page 60.*

Nashville's Program Factory is tooling up for a busy year ahead. *See Page 66.*

COMING THURSDAY

SPECIAL REPORT

Healthcare advertising is gaining wider acceptance as it becomes more valuable to medical professionals caught in a competitive marketplace.

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ABP RED TAG ABC ANPA

Gargano to chairman

Ally, Dailey pick retirement dates

By STEWART ALTER

C. Ally

P. Dailey

Carl Ally and Peter Dailey, two well known ad agency executives whose names are on the doors of their agencies, both will retire Dec. 31.

Mr. Ally, 60, will retire as chairman of Ally & Gargano, but continue as a board member and as a consultant; he still owns more than 13% of A&G's stock, as does chief executive officer Amil Gargano, who takes on the chairman title.

In a separate development, Mr. Dailey, 54, who sold the Los Angeles-based Dailey International Group to the Interpublic Group of Cos. in 1983, will leave IPG as vice-chairman and a board member.

Neither move was considered a surprise to those familiar with the situations, though Mr. Dailey's departure has prompted speculation that he may be in line for a political appointment next year.

In A&G's prospectus, issued before it went public more than a year ago, it stated, "Mr. Ally's contract provides that after the initial one-year term he will serve as a consultant to the company for a period of two years," and following

(Continued on Page 92)

'Stern' blasts editor for Hitler diary hoax

By JOSEPH M. WINSKI

Hamburg—The specter of Adolf Hitler continues to haunt *Stern*, the flagship magazine of Germany's giant publishing house, Gruner & Jahr.

Last week, *Stern* published a story that alleges a key editor involved in last year's publication of the infamous forged Hitler diaries knew they were false.

"We believe that Thomas Walde probably knew the stuff was false at least four weeks before" publication, Rolf Winter, *Stern* editor-in-chief, said in an interview last week with Advertising Age.

Mr. Walde was at the time editor of *Stern's* contemporary history section and immediate supervisor of Gerd Heidemann, the reporter who claimed to have found Hitler's diaries. Mr. Walde now works for the radio/tv unit of Gruner & Jahr.

In its current issue, *Stern* reports that Mr. Walde learned from a government crime technician in March, 1983, that the paper on which the "diaries" was written contained a whitening agent that was not available until after World War II. However, *Stern* says Mr. Walde refused to allow further testing of the papers and pushed for early publication.

The "diaries" were published in the April 25, 1983, issue of *Stern*, but within weeks the West German Archives ruled that they were "blatant forgeries." The ruling led to international criticism of the magazine's apparent stupidity and venality.

Stern's disclosure regarding Mr.

(Continued on Page 94)

CORPORATE CLOSEUP

Tambrands survives in market 'jungle'

By SHERRY SIEGEL

LAKE SUCCESS, N.Y.—Edwin Shutt Jr., president of Tambrands Inc., pooh-poohs pronouncements by industry analysts that the company's Maxithins line of feminine pads is a phenomenal success.

"I think it's a successful brand," he admits, "but I wouldn't characterize it as a phenomenal success."

Despite Mr. Shutt's caution, the consensus is that Maxithins, the company's only U.S. product besides Tampax tampons, is the key to Tambrands' transformation from a stodgy, one-product concern into a diversified, aggressive company. Maxithins, introduced in 1981, has helped enough to put Tambrands in line for 12% to 15% annual growth in sales and earnings through 1988, according to Daniel Meade, an analyst with First Boston Research.

And with Maxithins in its lineup, the company changed its name in 1983, from Tampax to Tambrands, to reflect the evolution.

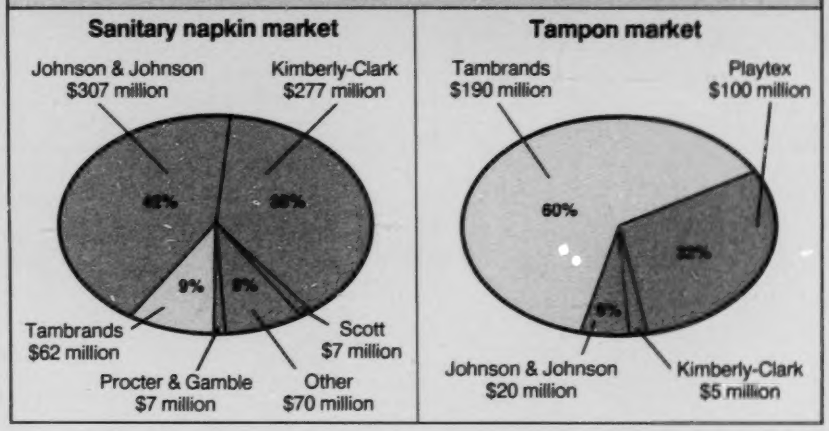
But to live up to the promise of the new name, the company must pass a number of tests. Chief among them are to keep Tampax going as the company's "cash cow," strengthen its hold in the pad market and absorb the cost of introducing Maxithins—$60 million has been spent so far—and future new-product introductions.

Tambrands, which had sales of $346.4 million in 1983, hasn't always been up to such challenges. In the mid-1970s, Tampax's market share started shrinking, falling to 41.6% by 1980. By then, said James Waggoner, an analyst with Bear Stearns, New York, the company had little to recommend itself, save a strong balance sheet.

Ironically, the toxic shock syndrome tragedy of 1980 proved beneficial for Tambrands. One analyst has written that TSS gave Tambrands "a new lease on life." Consumers turned to old reliable Tampax—especially its all-cotton variety—as superabsorbent fibers received heavy scrutiny as a possible factor in causing TSS.

Tambrands' slice of the market

Tambrands hopes the domination of Tampax in the tampon market will rub off on Maxithins' ability to make gains among sanitary napkins. Maxithins already has nearly 50% of the thin pad and pantyliners segments, but Procter & Gamble could make a sizable dent with its Always brand, which was introduced early this year. *Source: Daniel Meade, First Boston Research*



When Procter & Gamble pulled its ill-fated Rely tampons off the shelves in September, 1980—by which time it had attained a 12% market share—Tampax's share jumped 9%. Just as important for Tambrands, the brand that was shaping up as Tampax's major competition had been knocked out of the action after only nine months.

Another positive jolt was the arrival in June, 1981, of Mr. Shutt as president. He came from Clorox Co., Oakland, Cal., where he was also president. Before that, he was with Procter & Gamble.

Mr. Shutt, 57, brought brand management and international marketing experience to Tambrands, talents necessary for the company's diversification into new-product areas—a strategy the company's board adopted in 1980.

With diversification in mind, Mr. Shutt implemented a number of changes in Tambrands' organization. The company:

- Established a national network of food and drug brokers, managed by Tambrands' regional sales managers.
- Reorganized its international operations, with marketing-trained regional managers made responsible for overseeing the international marketing effort.
- Hired a vp-management information systems to update and upgrade systems.
- Promoted the vp-fibers to exec vp, responsible for the company's newly organized research and development efforts.

Shortly after Mr. Shutt's arrival, Tambrands introduced Maxithins to 44% of the U.S. (in terms of population), and the thin, superabsorbent pad grew to capture about 11% of the thin-pad market.

Maxithins bolstered Tambrand's sales, which increased to $346.4 million in 1983 from $287.5 million the previous year. Earnings, however, did not rise as quickly, reaching $51.7 million in 1983 from $43.3 million in 1982.

Analysts have lauded Tambrands for entering the thin-pad market quickly, second after Johnson & Johnson's Sure & Natural.

Even with the fast introduction, however, Maxithins faced considerable competition. The pad market is a veritable jungle, encompassing thick pads, thin pads and panty shields, different absorbencies and regular or deodorant varieties.

Tambrands entered into this catamenial pandemonium only with products in the fastest-growing segments: Thin pads and pantyshields. According to Bear Stearns' Mr. Waggoner, while the company has nearly 20% of the total pad market, it actually has close to 50% of the thin pad and pantyshields markets.

The pad market was relatively calm before 1980. But after TSS broke, the category went wild. Women began changing their habits—"dual usage," using a tampon along with a pad, is growing, for example—and the pad

(Continued on Page 74)

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Gerald Schoenfeld inc.
342 MADISON AVENUE, NEW YORK, N.Y. 10173 (212) 986-9257.

Republic perks up pitch

By BRIAN MORAN

NEW YORK—Republic Airlines hopes a new image-builder marketing push beginning this week will have business travelers bragging they've gotten something for nothing.

Republic's $8 million fall advertising campaign, which breaks Nov. 6 during election night coverage on ABC and CBS, hones in on the never-ending search for more comfortable flights and hassle-free connections.

Dancer Fitzgerald Sample here, Republic's new agency, will pepper network tv, radio and newspapers with a list of "perks" aimed at getting consumers to choose Republic as their preferred airline. The ad effort is part of a wholesale revamping of Republic's image, which extends to a new corporate logo and a paint job for the carrier's 133 planes.

DFS, which won the $30 million Republic account last June, tapped senior vp Cliff Freeman, creator of Wendy's "Where's the beef?" campaign, to join the agency's first creative effort for Republic. The resulting pool of comic tv spots plays on the business executive's dread of out-of-town trips.

Mr. Freeman, who may take credit for perhaps the best-known ad slogan of the '80s, admitted to a tinge of apprehension about his new assignment.

"In fast-food, you have three major players and the battle lines are simpler," he said. "With airlines, the ad message usually has so many elements that it's a little unfocused. Normally, I don't like to do it."

perks
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Republic Airlines
We make you feel like flying

Tag line for Republic Airlines' revamped image print ads is "We make you feel like flying." Dancer Fitzgerald Sample, New York, handles.

Mr. Freeman said DFS' creative team for Minneapolis-based Republic, headed by Stanley Becker, exec vp, was able to get around the problem by focusing on a one-word theme near and dear to the hearts of business travelers: Perks.

"It excited me as a fresh word that's not used much in print or broadcast, and there's a lot of empathy attached to it," Mr. Freeman said. "A lot of us have always wanted more from business trips that usually mean leaving our families, bad food and no sleep."

DFS' pool of tv and radio commercials for the "Perks" campaign includes introductory spots outlining Republic's service benefits, plus followup spots focusing on each perk.

The introductory tv spot features a businessman who keeps getting interrupted at the worst possible times—during a backyard barbecue, an anniversary dinner with his wife and his birthday party—by phone calls from his boss ordering him off to Omaha.

"We know what it's like to be in business," an announcer says as the woebegone businessman faces up to another road trip. Later, fortified by perks such as free drinks, front-of-the-plane wide seating and separate check-in facilities—for $15 more than Republic's normal coach fare—the traveler leaves the flight content. He even ignores a ringing pay phone at the airport.

Another spot shows a logjam of jets awaiting takeoff at an airport while confusion reigns in the control tower. The spot pitches Republic's major hubs of Detroit, Minneapolis-St. Paul and Memphis as less congested.

Other perks described in the campaign include Republic's frequent-flyer program, which requires 20,000 miles to earn a free

(Continued on Page 92)

‘Jungle’

(Continued from Page 4)

market grew from $438 million in sales in 1979 to $730 million in 1983. (During that time, the U.S. tampon market grew from $232 million to $315 million.)

Right positioning

Maxithins' success is attributed to its being in the right segment of the market, the $60 million in advertising and promotion that Tambrands has spent so far and the product's unique packaging design: Each pad is folded and individually wrapped, so it's discreet and travels well.

For its advertising, Tambrands generally uses network tv commercials wherever they're permitted, along with ads in women's service magazines around the world. The company spent $48 million in media in 1983, up from $44 million in 1982 and $28 million in 1981. William Esty Co., New York, has handled Tampax since 1980 and recently was given responsibility for a new product. MCA Advertising, New York, was assigned Maxithins in 1981 and about six months ago, the company assigned another new-product project to a third, undisclosed agency. Worldwide, Tambrands works with perhaps 20 agencies, Mr. Shutt noted.

Because of promotion costs, the Maxithins line still is losing money for Tambrands, though sales for 1983 reached $62 million and are estimated at $85 million for this year. The line is expected to turn profitable in 1985, with sales expected to be $100 million to $110 million.

Maxithins' performance during P&G's test of its Always pads in Minneapolis from December to January bodes well for Tambrands, analysts believe. While Always accumulated 20% of the market during a $100 million P&G promotion blitz, Maxithins didn't lose any share and, in fact, grew from 6% to 7.5%, according to Diana Temple, an analyst with Salomon Brothers, New York. Always took share away from Johnson & Johnson and Kimberly-Clark instead.

Despite all the activity in pads, Tambrands isn't ignoring its tampons. The tampon market is growing slowly, about 3% to 4% a year. But Tambrands has more than 60% of the market and sells more than 2.5 billion tampons yearly, producing $190 million in sales in 1983, up from $179 million in 1982.

Signs of innovation

Last year, the company introduced tampons with rounded cardboard applicator tips into the U.K.; in the U.S., the company is testing plastic applicators in the Pacific Northwest. Although some analysts say the company should have gone to plastic sooner—its biggest tampon competitor, International Playtex, uses plastic—others consider both moves positive signs of innovation.

Much of Tambrands' international effort centers on education: Spreading the word about internal feminine protection. Though Tampax tampons are sold in more than 135 countries, many women in them do not even purchase feminine protection.

Mr. Shutt likens the situation to that in the U.S. before World War II, "when no women used tampons or knew about internal protection." He recalls that ads in women's magazines would be accompanied by an education campaign.

"We're making a very conscious effort to repeat that experience [overseas]," he said. "The media haven't been worked to the extent we think they can." Toward that goal, the company has a three-person office in Manila, two people covering the Middle East and Africa and recently added a second person in South America.

New product on tap

Tambrands has been promising a new product in 1984, and Mr. Shutt is hoping to introduce it in the fourth quarter. But that may be delayed until 1985. Tambrands is saying only that it's outside the catamenial market and will take advantage of the company's delivery network of drugstores and supermarkets.

Analysts have surmised that it's an incontinence product, contraceptive sponge, oral hygiene product ("Maxifloss," cracked one analyst) or general skincare item. The company is planning a new product introduction in early 1986, as well. The first product, whatever it is, is expected to reach $10 million to $15 million in sales in its first full year.

Tambrands has made a strong commitment to product development, signaled by the arrival of Pablo Zamora from P&G product development, as vp overseeing the noncatamenial product-development effort. Before Mr. Zamora's arrival, catamenial and noncatamenial product development had been lumped together.

In addition, Mr. Shutt is "constantly on the lookout" for potential acquisitions. The company has $93 million in cash, no long-term debt and stockholders' equity of $200 million (as of yearend 1983). First Boston's Mr. Meade figures the company could easily rustle up a fund of $200 million for a purchase.

But the consumer product area has been "pretty well picked over in the U.S., and a lot of junk is brought to us" by the investment community, said Mr. Shutt. The company vowed in its 1983 annual report to avoid acquisitions of companies it doesn't know how to manage.

Unknowns ahead

As Tambrands evolves into a diversified organization, Mr. Shutt has been plumping its employe ranks. Mr. Shutt mentions proudly that Tambrands hired one of the top MBA graduates from Columbia University this year, though the student was pursued by Johnson & Johnson and Procter & Gamble.

Amid all the good news, a few unknowns lie ahead for Tambrands. All the causes of TSS remain to be found—Tambrands has so far committed more than $4 million to the search—but some believe that tampons will be exonerated as a major cause of TSS. And the Food & Drug Administration is talking about standardizing absorbency ratings for tampons. Such a requirement might cost the industry millions in compliance.

But Tambrands appears strong and ready to do battle with any adversaries in catamenial products or any new-product areas it chooses.

"Where they go from here is pretty much a mystery," said Bear Stearns' Mr. Waggoner. But for a "sleepy company that never used to make the Nielsen," as Hercules Segalas, analyst with Drexel Burnham Lambert, New York, put it, Tambrands appears, in one sense, to have already arrived.#

Lapin, Rose combine

New York—Lapin & Rose Associates has been formed with the addition of Rich Rose as a principal in the pr and marketing agency formerly known as Jackie Lapin Associates, based in Woodland Hills, Cal.

Mr. Rose, who will remain here, was an account supervisor in Taylor & Silverman Communications, a sports pr agency whose principals, Alan Taylor and Ira Silverman, earlier this fall formed separate agencies. Lapin & Rose has opened an office here at 212 Fifth Ave., 10010.#

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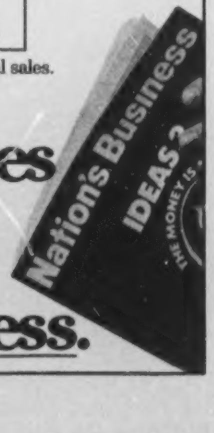

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LEGAL NOTICE

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,) R-31-M
Plaintiff,) NOTICE
v.)
FOSTER & KLEISER COMPANY, GEORGE W. KLEISER, WALTER F. FOSTER, AUGUST F. LAUSEN, JR. and RESTOP REALTY COMPANY,)
Defendants.)

TAKE NOTICE that Metromedia, Inc. ("Metromedia") has filed a motion for an order terminating the Final Decree in this action which was entered on March 13, 1931. The plaintiff, the United States of America, has consented to the entry of such an order, but has reserved the right to withdraw its consent for at least seventy (70) days after the publication of this Notice.

The Petition in Equity in this action, which was dated April 16, 1930, alleged that defendants combined and conspired to restrain and monopolize interstate trade and commerce in outdoor advertising in California, Arizona, Oregon and Washington ("the four-state area"). The Final Decree enjoined defendants from monopolizing or attempting to monopolize outdoor advertising in the four-state area. In particular, the Final Decree prohibited defendants in the four-state area from:

1. Acquiring the assets, affairs or business and from receiving, holding or voting the stock or other share capital of any competitors;

2. Formulating, adopting and practicing the policy of interfering with competitors for the purpose of preventing them from carrying on lawful busineses;

3. Formulating, adopting and practicing the policy of contracting with advertisers for displays of outdoor advertising at unfair or discriminatory prices and unfair or discriminatory terms and conditions;

4. Knowingly inducing or attempting to induce customers of competitors to breach contracts by changing and reducing bids for the display of outdoor advertising below the prices charged by defendants or their competitors;

5. Knowingly making false and unfair statements regarding the business, business standing, credit and intergrity of competitors;

6. Granting preference, priorities, rebates and discriminations in prices and terms of contracts in favor of certain advertisers for the purpose of preventing competition;

7. Giving free display of outdoor advertising for the purpose of preventing competition;

8. Compelling or attempting to compel owners of outdoor advertising structures to sell structures on such terms as may be determined and dictated by defendants by threats that outdoor structures will be constructed and operated in competition thereto; and

9. Paying any soliciting agency any higher rate of commission on contracts for outdoor advertising awarded to defendants for the purpose of inducing an award of contracts.

Interested persons may submit comments concerning this matter by sending them to P. Terry Lubeck, Assistant Chief, Intellectual Property Section, Antitrust Division, Department of Justice, 21 12th Street, N.W., Washington, D.C. 20530 (telephone: 202/724-7974). Such comments must be received by the Division within sixty (60) days.

Copies of the complaint, Final Decree, motion papers, all comments submitted and all further papers filed with the Court will be available for inspection at the Legal Procedure Unit of the Antitrust Division, Room 7416, United States Department of Justice, Tenth Street and Pennsylvania Avenue, N.W., Washington, D.C. 20530 (Telephone: 202/633-2481), and at the office of the Clerk of the Clerk of the United States District Court for the Central District of California, United States Courthouse, 312 North Spring Street, Los Angeles, California 90012. Copies of any of these materials may be obtained from the Legal Procedure Unit upon request and payment of the copying fee set by Department of Justice regulations.

Newspaper ad spending up in Aug.

New York—Advertising spending in major daily newspapers skyrocketed in August, with gains in 13 of the 16 categories measured for Advertising Age by Media Records Inc.

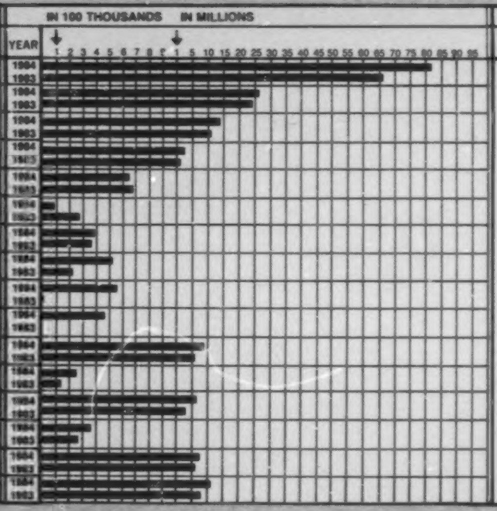
The department stores category, the medium's largest advertiser, was up 24.4% to $81.26 million, a gain of $16 million over the year-earlier period.

Food stores were up 9.1% to $25.9 million; radio, tv, phonographs, records were up 34.8% to $14.5 million; alcoholic beverages were up 35.2% to $2.1 million; airlines were up 23.9% to $7.5 million; new passenger cars were up 32.1% to $10.03 million; publishing and media were up 45.7% to $8.03 million, and cigarets were up 53% to $5.35 million.

Among the smaller categories, soft drinks/diet and nondiet were up 1.5% to $390,674; sporting and leisure-time equipment was up 48% to $242,476; cosmetics, makeup, manicure products were up 40.8% to $368,862; soaps, cleansers, polishes were up 147.2% to $508,324, and headache remedies and sedatives registered $565,978 against no activity in August, 1983.

Losing categories included cameras, photo supplies & services, down 4.9% to $661,862; beverages/coffee and tea, down 64.2% to $96,869, and cold, cough and sinus remedies, which showed no activity this August.#

FLASH REPORT: Newspaper advertising investment for August



August 1984	DOLLARS		CHANGE	
CATEGORIES	1984	1983	ACTUAL $ G OR L	% G OR L
Department stores	$81,262,042	$65,301,037	+15,961,005	+24.4
Food stores	25,961,924	23,797,258	+2,164,666	+9.1
Radio, tv, phonographs, records	14,465,818	10,734,078	+3,731,740	+34.8
Alcoholic beverages	2,146,702	1,587,642	+559,060	+35.2
Cameras, photo supplies & services	661,862	695,837	−33,975	−4.9
Beverages: coffee and tea	96,869	270,838	−173,969	−64.2
Beverages: soft drinks, diet/non diet	390,674	384,917	+5,757	+1.5
Soaps, cleansers & polishes	508,324	205,618	+302,706	+147.2
Cold, cough & sinus remedies	0	108	−108	100.0
Headache remedies & sedatives	565,978	0	+565,978	++
Publishing & media	8,036,374	5,517,255	+2,519,119	+45.7
Sporting & Leisure time equipment	242,476	163,832	+78,644	+48.0
Cigarettes	5,354,048	3,499,055	+1,854,993	+53.0
Cosmetics, makeup & manicure products	368,862	261,913	+106,949	+40.8
Airlines	7,523,576	6,074,294	+1,449,282	+23.9
Passenger cars-new	10,037,910	7,599,116	+2,438,794	+32.1

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 35 dailies and 24 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Plaque fighters keep pushing

By LAURIE FREEMAN

Marketers of toothpastes said to fight plaque continue to enter the $1 billion dentifrice market despite the lack of regulatory action on the part of the American Dental Assn. and the Food & Drug Administration.

To date, neither the ADA, through its voluntary "seal of acceptance" review, nor the FDA has released scientific or legal standards for the evaluation of these plaque-fighting dentifrices (AA, March 19).

Instead of waiting at least another six months for the ADA's Council of Dental Therapeutics approval, Vipont Laboratories, Fort Collins, Colo., has asked dentists and dental hygienists to recommend plaque-fighting Viadent toothpaste and mouth rinse.

The small company will start a $1 million national direct-mail public relations campaign later this month to educate the dental community about Viadent's benefits. The Public Relations Board, Chicago, handles the campaign.

It is not unusual for pharmaceutical marketers to introduce their products through the dental and medical communities. These "sampling" activities are not regulated by professional organizations such as the ADA and the American Medical Assn.

Appearing in distinctive purple-and-gold packaging, Viadent is certainly the most expensive of the generally higher-price antiplaque formulas. A 3-oz. tube retails up to $3.49 at some drugstores, while its main competitor, Minnetonka's Check-up, is priced a full dollar less, at $2.49 for its larger, pump-dispensed 4.1-oz tube.

Zendiaum toothpaste, a plaque-fighter marketed by Cooper Laboratories, Palo Alto, Cal., features "a unique dual-enzyme system, to keep teeth cleaner and prevent deposit buildup," according to its package labeling. It retails for $2.49 for a 2.3-oz. tube.

"Viadent costs more because of its main ingredient, sanguinarine," said Lawrence Frederick, Vipont president. Sanguinarine is a chemical derived from the bloodroot plant, said an industry source. According to some clinical studies conducted by Vipont, Viadent is effective in plaque reduction and removal.

Plaque is the product of bacteria in the mouth. It creates a dull, rough buildup on teeth that can lead to gum diseases.#

Europe Craft wins lawsuit

Los Angeles—Europe Craft Imports, marketer of Members Only clothing, has been awarded more than $73,000 by a federal district court here in a judgment against Sam Kotler.

Mr. Kotler was convicted of forging the signature of a Europe Craft officer on a licensing agreement that the defendant then used to set up a manufacturing and sales organization to duplicate and sell the Members Only racing jacket in the U.S.#

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Thursday, November 8, 1984

Advertising Age®

The International Newspaper of Marketing

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Midweek News Summary

Peter Dailey, media adviser to three Republican presidential candidates and former ambassador to Ireland, says he means to pursue his own interests when he retires from the Interpublic Group of Cos. Dec. 31. *See Page 3.*

Magazines are continuing to break advertising records faster than you can say "cpm." *See Page 3.*

Paddington Corp. continues to grope for pioneering ways to set Baileys Original Irish Cream apart from its competition, even though look-alikes and more innovative liqueur rivals have dented Baileys' sales only modestly. *See Page 3.*

Mortimer Zuckerman last week delivered an old-fashioned pep talk to the advertising sales crew at *U.S. News & World Report*, amid rumors of sagging morale. *See Page 3.*

Beatrice Cos.' U.S. foods unit Jan. 25 will begin its national promotion and sweepstakes dubbed "The United Tastes of America." *See Page 4.*

The Marriott Marquis Hotel, scheduled to open in New York in June, is but one 1,876-room cog in the master marketing plan of Marriott Corp. *See Page 4.*

Chevrolet is firing the latest salvo in the battle by domestic car makers to reclaim California, where imports hold 50% of the market, compared with 25% nationwide. *See Page 9.*

Gannett Co. is considering a risky proposition: Should it regionalize all its suburban New York newspapers under a single logotype and masthead, chancing a loss of local identification? *See Page 36.*

Scripto's first network tv advertising will set the comic team of Jerry Stiller and Ann Meara at a romantic candlelit dinner to pitch the upscale features of the marketer's new Electra disposable lighter. *See Page 39.*

DIRECT MARKETING

Mystic Color Labs has become the second-largest mail-order film processor in the country under its founder's edict: "Make money and have fun." *See Page 6.*

Brunswick Corp. is using a direct-marketing effort to upgrade its corporate image. *See Page 7.*

Tv fights beer ban talk

Nets join to counter critics

By VERNE GAY

New York—The three tv networks are pooling resources in an unusual cooperative effort to fight groups that advocate banning $526 million in wine and beer advertising from the airwaves.

The networks have put together a 40-minute videocassette detailing what they have done during the past 18 months to combat alcohol and drug abuse. The videotape will be shown Nov. 13 during a meeting at the U.S. Justice Department with network representatives, pro-ban advocates and advertising and broadcast trade groups.

Essentially, the networks want to set an agenda with these groups that will eliminate any talk of banning wine and beer tv advertising. At the same time, they want to show that they and their advertisers are not part of the problem, as several of the groups that will be present have contended.

"My concern is that this [meeting] is characterized as a defensive move," said Betty Hudson, NBC's vp-advertising and promotion, who will be the principal network representative. "We hope it will be a constructive move. We want to schmooze before they launch [an attack]. If they come to the party with the presumption that we won't cooperate, then that's awful."

Ms. Hudson added, "There is indeed a societal problem with substance abuse, and it would be worth spending our time on it even if there were not this [ad ban] pressure. Taking the advertising off the air might give [the pro-ban groups] a sense of accomplishment, but whether they've done something to cure the problem is another question."

The meeting was set up by the Justice Department's Office of Juvenile Justice and Delinquency

(Continued on Page 38)

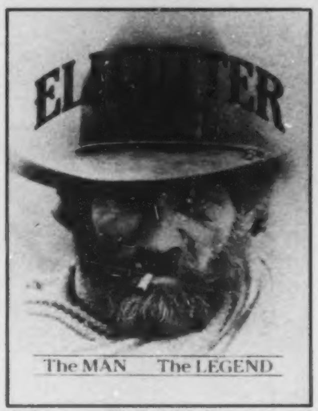
Tandy attacks IBM PC

By SARAH STIANSEN

Fort Worth—Tandy Corp., in a thrust at personal computer market leaders IBM and Apple Computer, will introduce a machine today that may be the most important in its IBM-compatible line.

Tandy is hoping that the TRS-80 Model 1000, unveiled here at the company's annual shareholders meeting, will boost its computer sales. The company has seen its

(Continued on Page 38)



The word went out ahead of me: Eli's coming
The MAN
The LEGEND
The SMOKE

New B&W brand debuts Wild West character

Brown & Williamson breaks its Eli Cutter brand into West Coast test this week. Ads via Geer, DuBois associate the cigaret's "legendary taste" with Eli Cutter, a fictitious 1800s outlaw. Copy says it "delivers the same good taste and deep down satisfaction enjoyed by men in the days of the Old West." B&W declines comment but likely test markets are San Francisco, Sacramento and Fresno.

Investors high on ad agencies

Taking stock

By STEWART ALTER

A burst of recent activity indicates that institutional investors have started giving much more serious attention to ad agency stocks.

The many reasons for this change include, perhaps most significantly, an improved image of the ad agency business itself and greater recognition of the value of advertising in general.

Food, household and tobacco products have become "very mature industries," said Charles Crane, a former senior food analyst at Oppenheimer & Co., New York, who released his first report on the agency business only two weeks ago. "Consequently, stimulating growth within these industries either means advertising the living daylights out of existing lines or introducing new products," he said, observing how the fortunes of ad agencies are a natural extension of that development.

Oppenheimer is only one of several major institutional investor-oriented securities companies that have recently started issuing reports on ad agency stocks.

Morgan Stanley & Co., New York, issued its first agency stock research report, on Saatchi & Saatchi, in early June. Wertheim & Co., New York, issued its first such report, also on Saatchi, in early July, and a second, on Ogilvy & Mather, in early September.

In all three cases, the analysts involved have added ad agencies to their package-goods coverage, which is something new. The core of analysts who have followed

(Continued on Page 37)

Presstime

Mickelberry revenues spurt 46%

New York—Mickelberry Corp., the parent of agencies including Cunningham & Walsh, Laurence, Charles & Free and Nadler & Larimer, reports third-quarter revenues of $31.7 million, up 46% from the same period in 1983, and net income of $528,000, up 13%. Nine-month revenues rose 40%, to $89.7 million, with net income up 29%, to $1.8 million. The 1984 figures reflect several acquisitions, most notably Direct Marketing Agency, one of the larger direct-marketing ad agencies *(see related story at left).*

Old Style brands switch to Ogilvy & Mather

La Crosse, Wis.—G. Heileman Brewing Co. has moved the assignments for its Old Style brands to Ogilvy & Mather, San Francisco, from Campbell-Mithun, Chicago. Despite the loss of the flagship Old Style line, which billed about $5 million in measured media last year, C-M retains other Heileman brands (including Blatz, Special Export and Schmidt).

Philip Morris rolls out low-tar Merit in boxes

New York—Philip Morris USA next week will roll nearly national with Merit low-tar filters in crushproof box packaging. The marketer hopes to improve the No. 6-selling brand's performance by combining what it claims are the two fastest-growing elements in the industry—low tar and box packaging. The king-size box will be promoted via an "across the board" campaign by Leo Burnett USA, Chicago, in magazines, newspapers, outdoor boards and Sunday supplements. Ads feature the tag line "A world of flavor in a low tar."

Ally makes plug for B&B's MCI business

New York—Ally & Gargano, looking to cash in on client MCI Communications Corp.'s decentralization of marketing for its long-distance telephone service, is trying to wrest MCI's estimated $3 million business-to-

(Continued on Page 4)

U.S.-Japan ties

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CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Marriott Marquis first in luxury chain plan

New York—The Marriott Marquis Hotel, scheduled to open here in June, 1985, is but one 1,876-room cog in the master marketing plan of Washington-based Marriott Corp.

The plan, as outlined in the Nov. 5 charter issue of *Crain's New York Business*, calls for construction of a chain of Marriott Marquis luxury hotels in major U.S. cities that attract business conventions and trade shows. Marquis hotels are scheduled to open in Atlanta next June and in Orlando, Fla., in 1986.

As part of the over-all marketing strategy, Marriott Corp. has signed a letter of intent to sell its 876-room Essex House hotel on Manhattan's Central Park South to Nikko Hotels International, a subsidiary of Japan Air Lines, for an undisclosed sum.

According to *CNYB*, Marriott Corp. chairman John Willard Marriott would not discuss details of the Essex House sale, saying only that JAL will pay "more than $125 million—much more." The sale will be completed in June, 1985, when the Marriott Marquis opens for business at Broadway and 45th Street, a decidedly less-than-luxurious neighborhood.

The Manhattan Marquis will not benefit financially from the Essex House sale, according to Stephen Giblin, the Manhattan Marquis' marketing and sales director, even though Mr. Marriott said the sale of the Essex will make it easier to market the Marquis. Mr. Giblin declined to disclose the Marquis' ad budget. The campaign is being handled by Warren/Kremer.

Marriott Marquis is part of the revitalization of the Times Square area, instigated in part by the construction of the New York Convention Center to the south between 34th and 39th Streets and 11th and 12th Avenues, scheduled for completion in April, 1986.

Other area hotels are being renovated in anticipation of more conventioneers. The old New York Statler was renamed the New York Penta after being purchased for $46 million and renovated with $20 million from Ascot Associates, a partnership among Abelco Associates, local real estate developers and the European Penta Hotel chain, which is owned by British Airways, Lufthansa and Swissair (AA, April 2).#

Crain's debuts in New York

New York—*Crain's New York Business* is the latest in a series of new business publications for the metropolitan New York market. A second charter issue of *CNYB* will be published by Dec. 10 by Crain Communications, which also publishes Advertising Age and other consumer and business publications. The first regular weekly issue will appear Jan. 7.

Each charter issue will run 40 pages, with a 50-50 ratio of advertising to editorial. Ad space for both issues was sold out. Initial circulation of *CNYB* will be 80,000, going primarily to top execs of smaller-to-midsize businesses. Selected newsstands also will carry the paper.#

Charles (Skip) Wilhelm, circulation director, passes out charter issues of *Crain's New York Business* at Grand Central Station.

National sweepstakes due in January

Beatrice offers tasty promo

By JANET NEIMAN

Beatrice Cos.' U.S. foods unit Jan. 25 will begin its national promotion and sweepstakes (AA, Oct. 1) dubbed "The United Tastes of America."

As part of what Beatrice says is a $400 million advertising budget for 1985, the promotion, including various national and regional Beatrice brands, is to build and generate corporate and brand awareness.

Beatrice plans to advertise United Tastes with a 30-second network tv spot Jan. 25 and 26. Print support will consist of 44 million couponed, freestanding newspaper inserts Jan. 27, and will be followed by a second tv spot, reminding consumers to use the insert, on ABC's "American Music Awards" Jan. 28.

The effort is from J. Walter Thompson USA, Chicago, which competed with the other Beatrice agencies for the assignment.

The insert coupons, divided into breakfast, lunch, dinner and "anytime snack" categories, will double as entry forms for the United Tastes sweepstakes. Consumers can fill out the form and redeem the coupon to enter the sweeps, or can enter by sending in the coupons or special-entry blanks from in-store displays.

The grand prize in the United Tastes sweeps will be four one-week vacations to "Breakfast in Hawaii, Lunch in San Francisco, Dinner in New York and Snack in Disney World," and $25,000 cash. Four first-prize winners will receive one-week trips to any of the four cities, and 1,000 prizewinners will receive a $150 grocery shopping spree.

Beatrice will support the promotion with special co-op advertising allowances for the trade between Jan. 14 and March 2, and point-of-purchase displays.

The new Beatrice "red stripe" logo, to be used at the end of all tv spots, will be launched during the United Tastes promotion. Beatrice is telling the trade the "red stripe" advertising "will aid consumer awareness and association of the recently acquired Esmark brands with the Beatrice family."

The company will support the logo with the audio identification that accompanied the words "You've known us all along" in earlier corporate advertising.

Next month, Beatrice will sponsor the CBS Christmas special "A Christmas to Remember," with Kenny Rogers and Dolly Parton, and "It Came upon the Midnight Clear," a made-for-tv movie starring Mickey Rooney.

Beatrice also plans a "major fall event" for next September and October to coincide with its sponsorship of the Miss America pageant.#

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ABP MPA RED TAG ABC ANPA

Presstime

(Continued from Page 1)

business account from Benton & Bowles. Ally, which already handles MCI's $40 million consumer advertising business, will present a speculative 1985 business-to-business campaign to MCI at a Nov. 12 meeting in Washington. Ally, which initiated the pitch, expects MCI to significantly boost business-to-business ad spending in '85 after a Jan. 1 splintering of the company's marketing functions into seven regional units (AA, Aug. 27). MCI needs "a stronger selling program for the business sector, which is going to be responsible for most of their bottom line in the future," an Ally executive said.

Other late news

● New York—**Needham Harper Worldwide** has added $3.5 million in billings from two Honda dealer groups: Tri-State Honda Dealers of Pennsylvania, New Jersey and Delaware, a newly formed group, and the Greater Pittsburgh Honda Dealers Assn., formerly at Robert L. Stevenson Inc., Pittsburgh. Needham is the national agency for Honda and also handles the Tri-Honda Dealers of New York, New Jersey and Connecticut.

● New York—**American Tobacco Co.'s** new print and outdoor ads for Lucky Strike Lights carry the theme "Light my Lucky." One features a male cyclist and the other a chic female. Laurence, Charles & Free handles.

● St. Louis—**Anheuser-Busch** will for the first time use Michelob spokesman John Forsythe in on-premise promotions during the upcoming holidays. The star of ABC-TV's "Dynasty" will be pictured on restaurant and tavern table tents as well as on retail point-of-purchase material promoting both Michelob (handled by Ted Bates Advertising/New York) and Michelob Light (handled by Needham Harper Worldwide, Chicago).

● Whitestone, N.Y.—**White Rock Products Corp.** is introducing this month Wineberry wine coolers into Connecticut, New Jersey and New York. The launch will be backed by a $1 million campaign by Venet Advertising, New York.

● St. Louis—**Ralston Purina Co.** in January will begin marketing Rainbow Brite, a fruit-flavored, rainbow-shaped children's cereal using the name and character licensed from Hallmark Cards' Hallmark Properties unit. Saturday morning tv and heavy newspaper couponing will support via Gardner Advertising here.

● New York—**Newsweek** and **Time** start squaring off today in a marketing battle over their election issues. *Newsweek* brings out an extra issue, with Apple Computer taking 40 ad pages as the sole advertiser. Promotion is in print (magazine, newspaper and trade) and broadcast (radio and tv). Leber Katz Partners handles. *Time* brings its Nov. 19 issue out early, with expanded editorial and $12 million worth of ads, a single-issue record. Promotion is in print (newspaper and possibly trade) and broadcast (radio). Young & Rubicam handles.

● New York—Competitive bids for the **Des Moines Register & Tribune Co.** are not expected, following an offer this week from Dow Jones & Co. and members of Register & Tribune Co. management. Industry analysts say the company, particularly its flagship Des Moines paper, has suffered business declines due to the depressed farm belt economy and increased competition from smaller Iowa dailies and direct mailers. "It's not all that tantalizing a property," newspaper analyst John Morton said. Dow Jones and the Iowa investors offered the Cowles family $112 million.

● New York—**W.R. Grace & Co.** will spend $600,000 in the next two months and another $2 million to $3 million next year in support of a new tv spot it introduced into its corporate campaign this week. The ad, which will also have a print element, looks at the problem of the growing federal deficit. Marschalk Co. handles.

● New York—**Canada Dry Corp.**, part of R.J. Reynolds Industries' Del Monte Corp. subsidiary, will launch on Nov. 26 a four-week holiday promotion on network, spot tv and radio for its mixer line. "Nothing gets a party started like Canada Dry" is the theme. The company is spending close to $4 million, including about $1.5 million through its independent bottlers. Young & Rubicam handles nationally.

● Newark, N.J.—**People Express Airlines** breaks a newspaper ad effort this week for its new Newark-to-Denver service. It will offer one-way fares of $114 off-peak and $128 peak beginning Nov. 15. Ads, headlined "The smart way to the Denver peaks," will run in more than 20 newspapers. Plapler & Associates, New York, handles.

● New Orleans—**Louisiana World Exposition** has filed for Chapter 11 in a U.S. bankruptcy court here. It lists only 20 of its largest creditors, for a total indebtedness of $36 million. Observers have said that the world's fair is expected to close Nov. 11 with as much as $140 million in unpaid bills. McDonald & Little, Atlanta, which handled the fair's initial advertising and was subsequently fired (AA, July 30), and its current agency, Fitzgerald Advertising here, are listed among the 20 creditors. According to papers filed, McDonald & Little, a subsidiary of Ted Bates Worldwide, New York, is owed $1.3 million and Fitzgerald is owed about $243,000.

● **NEWSLINE: Robert Naegele**, 69, founder and chairman of Naegele Outdoor Advertising Cos., Minneapolis, died Nov. 6. He suffered a stroke Nov. 1. Naegele officials had been negotiating the sale of the company to 3M Co., and a Naegele spokesman said his death isn't expected to affect the negotiations. . .**Gleneagles Hotels**, Edinburgh, Scotland, a four-hotel group that includes London's Picadilly Hotel, has assigned its U.S. and British advertising to **Calet, Hirsch & Spector**, New York, its first agency. . .**Fuji Photo Film USA**, New York, is kicking off a tv and newspaper campaign to promote the "Fuji videocassette video cash rebate," in time for holiday sales. Tv spots will feature a videocassette recorder that dispenses $1 bills to dramatize the rebate offer. Lord, Geller, Federico, Einstein is Fuji's agency. . .**Clorox Co.**, known in Spain as Casamitjana Mensa, has assigned Conejo Dishwashing Liquid and other unspecified assignments to **Carvis Needham**, Barcelona, an international partner of Needham Harper Worldwide. Foote, Cone & Belding previously handled. . .**Tofu Time** on Nov. 20 opens the first of a number of planned Tofutti retail stores in New York to sell its soy-based frozen dessert, a nondairy substitute for ice cream products. Levine, Huntley, Schmidt & Beaver handles.

Chains diagnose need for image campaigns

By Esther Fritz Kuntz

If it's good for General Motors, is corporate-image advertising good for the nation's top hospital chains?

Yes, say most chain executives, who are making national image campaigns—long ignored by healthcare companies—a cornerstone of newly integrated consumer ad programs.

"You don't see General Motors running ads on the West Coast with different logos and messages than the ads its runs on the East Coast," says Joel W. Hass, vp-marketing and communications for Adventist Health System/U.S. His company is conducting a two-market test of ads designed for national use.

The analogy between the automotive industry and multihospital chains is drawn also by Arthur M. Rosen, executive vp, Sudler & Hennessey, New York. In both industries, he says, the corporation advertises its name and logo nationally, trying to create the image of a quality product. Then the dealers—or individual hospitals—use that corporate name in their local ads. "It's their job to get customers into the showroom," he says.

But worrying about getting showroom traffic—let alone advertising to consumers—is a new problem for hospital chains.

Esther Fritz Kuntz, a free lance writer and former reporter at Modern Healthcare, *regularly covers the healthcare industry.*

While they have advertised regularly to investors and potential acquisition candidates, most of the leading chains began consumer advertising only during the past year.

And although individual facilities did their own local advertising in the past, spots didn't mention that the hospital was part of a chain—nor was the parent company involved in local campaigns.

But now chains have begun to coordinate marketing from the top down. At the same time that parent companies are initiating national corporate-image campaigns, individual hospitals are making the corporate connection a key part of local ads.

Efforts to link hospitals with their corporate parents are designed to develop brand-name loyalties among patients. "Our research shows that consumers would rather go to a hospital that belongs to a system," says Mr. Haas of Adventist.

Customers—trained on chain restaurants, retail stores and gasoline stations—believe that the quality of care is higher at a chain-owned hospital because chains have access to greater resources than do individual facilities, he says. They also expect services to be less expensive because of economies of scale.

Developing brand loyalty was what Humana Inc. had in mind when it began adding corporate identification to the names of its 86 hospitals two years ago, says Robert Irvine, director-public relations. Investor-owned Humana, headquartered in Louisville, is the second-largest multihospital corporation in the nation.

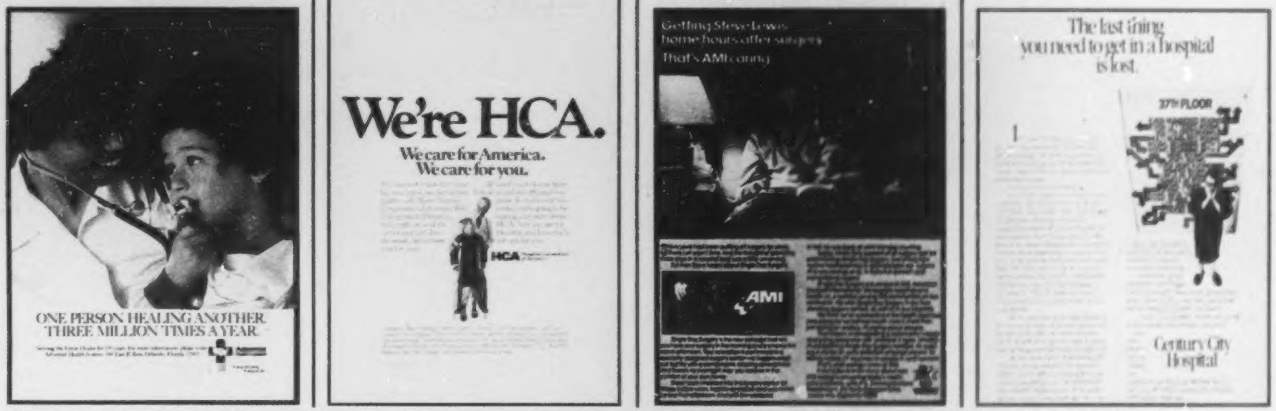
As they diversify into new healthcare services, other chains are discovering the value of corporate advertising and the name recognition it creates, says William B. Colwell, vp-public relations, Evangelical Health Systems, Oak Brook, Ill. And hospital corporations are diversifying into virtually all areas of healthcare, including health maintenance organizations, urgent care clinics and home healthcare.

Hospital Corp. of America, Nashville, launched a multimedia campaign for its 14 Houston-area hospitals Sept. 30. It is the first consumer ad effort by the nation's largest hospital corporation, HCA spokesman David McFadden says.

The theme of the campaign—"HCA. We care for America. We care for you"—is intended to let consumers know that each of the 14 facilities is affiliated with the leading U.S. hospital company, which operates 339 hospitals nationwide.

"It is no longer sufficient to simply deliver quality services," says Roland D. Wussow, HCA vp-corporate communications. "It is now necessary to communicate the specific services HCA offers."

Houston was chosen as the site for the pilot program, developed by Eric Ericson & Associ-


ONE PERSON HEALING ANOTHER.
THREE MILLION TIMES A YEAR.
Hello Houston!
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We care for America.
We care for you.
HCA
Getting Steve Lewis home hours after surgery
That's AMI caring
AMI
The last thing you need to get in a hospital is lost.
37th FLOOR
Century City Hospital

Corporate image consumer ad campaigns are being tested or used by hospital chains such as Adventist Health System, Hospital Corp. of America, American Medical International and National Medical Enterprises, which includes Century City Hospital in California.

Searching for agencies qualified to practice

An Advertising Age Roundup

Increased competition in the healthcare industry has created a veritable boom in the medical advertising business in which certain agencies stand to gain more than others. A few may realize a windfall.

But ad and healthcare executives disagree on which agencies will—and should—benefit.

"Medium-size agencies have a great opportunity here," says Richard McDonald of McDonald Davis & Associates, Milwaukee, an agency boasting 40 hospital clients in 23 states.

Most large agencies, Mr. McDonald says, would not have accepted his 40 hospital accounts. "They can't afford to," he says, "because most individual hospitals cannot afford to pay the large agencies' higher fees."

Robert Aurin, senior vp at D'Arcy MacManus Masius, Chicago, agrees. Mr. Aurin started his career in smaller agencies, where he accumulated 2½ years of healthcare ad experience with six clients. But despite stints at Leo Burnett Co., Foote, Cone & Belding and Young & Rubicam, he has not worked on a healthcare account since he left the smaller agencies.

Information for this roundup was gathered by free lance writers Elizabeth Chappell White and Esther Fritz Kuntz, Modern Healthcare *associate editor Julie Franz and Ad Age associate editor Julie Liesse Erickson.*

"Individual hospitals are not million-dollar accounts," he says. "They simply don't have enough money in their budgets to interest the big agencies."

However, arguments that healthcare accounts are not large enough to merit the attention of most agencies quickly are becoming obsolete—at least as far as chains are concerned. Although individual hospitals' ad budgets usually are limited to the $100,000 to $200,000 range, a chain combining hospitals and related healthcare business can provide a lucrative account for an agency.

Although chains still aren't big spenders, they are increasing ad budgets. Most of the large chains now budget more than $1 million annually; ad executives think the amount only can grow as competition heats up and campaign results become apparent.

There's proof in the story of Wexler & Shalek. A new Los Angeles agency, W&S picked up the accounts of two National Medical Enterprises hospitals last December when the total budget amounted to only $200,000, creative director Gary Wexler says. But after initial work, W&S was awarded all 23 NME hospitals in California—with an ad budget exceeding $2 million—and the $1.25 million account for NME's 11 urgent care centers.

Beyond budgetary considerations, previous healthcare experience has become an issue in agency selection. Mr. McDonald's 24-year-old agency has worked with healthcare accounts for 16 years. Not surprisingly, he says he believes healthcare-related experience is extremely important. His agency often hires people who have worked inside hospital public relations and marketing departments.

"Healthcare advertising is very different from commercial advertising," says Mr. McDonald, whose agency also handles traditional commercial accounts. "There are a lot of intricacies to consider."

For instance, he says, agencies "in the know" are aiming their healthcare advertising at women, because research has shown that women make most of the healthcare decisions for the family.

And Mr. McDonald says even the style of healthcare advertising must be monitored carefully. "You can't get too cute," he says, "and too much pizazz can seem sensational."

According to Mr. McDonald, developing these skills takes time; however, the agency he says presents his company with the fiercest competition—Chicago's Sturm Communications—is only four years old.

Art Sturm, founder of the agency bearing his name, deliberately avoids hiring people with medical backgrounds. "You get too close to it and you always want to do things the way they were done before," he says.

He does, however, admit that the field has many idiosyncrasies and that a basic knowledge of healthcare is necessary or "the whole thing looks like absolute chaos."

Concerns about previous healthcare experience may be water over the dam soon, as many healthcare clients explore new medical services in which past industry experience may prove meaningless.

For example, the Group Health Assn., a 127,000-member health maintenance organization, turned to Demaine Vickers & Co., a small Virginia agency with little or no healthcare experience, for its creative work.

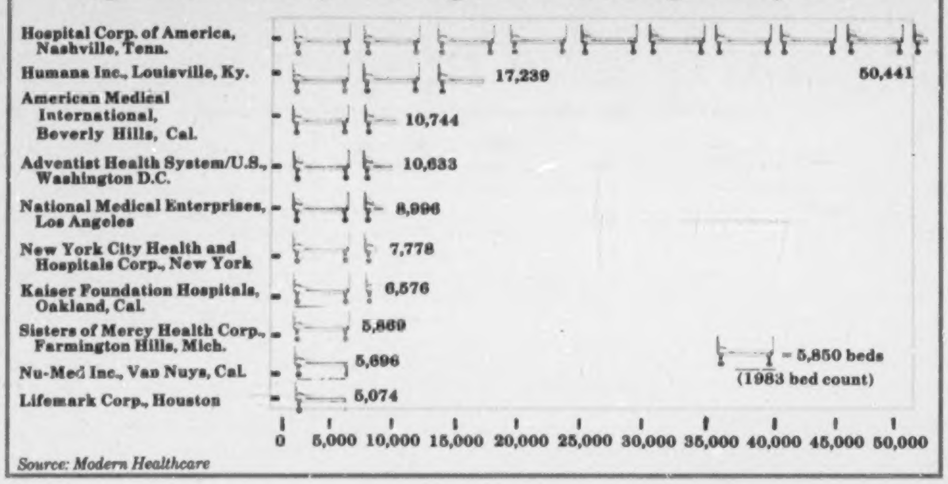
Agency principal Ron Vickers defends his position as a new kid on the healthcare advertising block. "A new agency can come in with an open mind," he says. "Especially with HMOs, a new agency doesn't know about the stigma HMOs felt in the past."

Hospital chains, unlike many other healthcare providers, favor agencies with consumer-marketing expertise over those specializing in healthcare advertising. General agencies, they reason, have expertise in speaking to consumers in layman's terms; most healthcare specialists have earned their expertise in marketing pharmaceuticals to physicians.

For other healthcare marketers, the criterion in selecting an ad agency is experience in advertising for professionals. The in-house agency for Phoenix-based Health-Tech of America, a dental franchiser, handles business for other local doctor and lawyer groups.

"Hiring a regular consumer-product ad agency is a major mistake that many healthcare franchises make," says Health-Tech president Douglas Gordon.

Top 10 centrally managed multihospital systems



Source: Modern Healthcare

ates, Nashville, because of the intense competition among area facilities, Mr. McFadden says. Later, HCA will begin similar ad campaigns in other markets.

With 12 Houston hospitals, American Medical International is one of HCA's prime competitors in the area. Beverly Hills, Cal.-based AMI has just begun advertising in the Houston market, says Ruth Galatzer, vp and director-advertising and promotion for the nation's third largest hospital chain. Ogilvy & Mather is the agency for AMI accounts in the eastern and central U.S.; Grey Advertising handles AMI nationally.

Although hospital chains are placing new ad emphasis on their corporate identity, most of their marketing directors still believe that advertising the individual hospital is more important. As Adventist's Mr. Hass says, "Systems don't take care of people—hospitals do."

Adventist is developing a catalog of ads for its 80 hospitals, Mr. Hass says. When one of its hospitals selects an ad, all the corporation need do is tailor the ad with a few mechanical changes.

The company is testing its catalog campaigns in five Los Angeles and four Chicago hospitals. Later, the chain plans to switch the campaigns to see how versatile they are.

The campaign's regional adaptability is of special interest to Adventist as it tries to forge a national corporate identity out of what was, until now, a loose affiliation of hospitals owned by the Seventh-Day Adventist Church. The organization—the nation's largest not-for-profit hospital chain and the fourth-largest system over-all—will open national headquarters in Arlington, Va., on Jan. 1.

To create the desired national identity, the ads need a similar look, Mr. Hass says. That's why Adventist chose one national agency—Doyle Dane Bernbach/Los Angeles—to handle all its hospitals.

But although hospital chains can achieve economies of scale by using the same ads in different markets, some have decided that local market differences demand individualized campaigns. National Medical Enterprises, Los Angeles, the nation's fifth largest hospital chain, has divided its hospital advertising accounts between two regional agencies designing separate campaigns for different NME hospitals.

When Wexler & Shalek, Los Angeles, won the account for 23 NME hospitals in California, creative director Gary Wexler says, "We thought we could use the same ads for the different hospitals and just change the name. But it didn't work out that way."

Some of the hospitals are located in affluent areas and others in blue-collar neighborhoods. Some want to sell themselves as high-tech hospitals, while others prefer projecting a warm and friendly image.

NME's Century City Hospital, for instance, is a small facility in an affluent, largely Jewish Los Angeles neighborhood. It competes with the large, prestigious University of California at Los Angeles Medical Center and Cedars-Sinai Medical Center. With that in mind, W&S wrote one ad for the hospital that reads, "The last thing you need to get in a hospital is lost."

A physician-referral ad aimed at the market's ethnic makeup reads, "If your son didn't become a doctor, we can recommend the ones that did."

A physician referral ad has been used to launch campaigns for all 23 hospitals. It invariably elicits the greatest response, Mr. Wexler says. One NME hospital has received 500 inquiries to the ad each month.

A referral service in general is a good way to bring more patients into a hospital, says Nathan Kaufman, NME senior vp-marketing. If a hospital refers a patient to a doctor, the physician generally will send that person to the referring hospital for care. Based on the national ratio of office visits to admissions, he says, every seven patients referred to a physician results in one hospital admission during the year.

Geography played a different part in the ad campaign for four NME hospitals in New Orleans, all situated in a bedroom community on the west side of the Mississippi River. Ninety per cent of the area residents were commuting to downtown hospitals on the east side—by the only route, a traffic-congested bridge.

"Awareness of the west bank hospitals was nil," says Melinda Helton, marketing director of Bauerline Inc., New Orleans, which serves NME hospitals in Florida and Dallas as well as New Orleans.

Bauerline placed an outdoor board at the entrance to the bridge to reach people trapped in traffic. It reads, "Why put a river between you and your hospital?" The agency used the same line in a local tv spot, ending that commmercial with the tag line "We're on your side." At the same time, the hospitals aimed a testimonial ad at physicians.

Awareness more than doubled as a result of the ads, Ms. Helton says. And when the fourth NME hospital opened on the west bank recently, it reached 90% occupancy in its first month of operation.

Although multihospital companies are using everything from tv to outdoor boards in advertising their facilities, they favor local newspaper ads directed at individual hospitals' markets. Print media are better suited to the informational, long-copy ads most hospitals are running, says Ian Latham, senior vp-creative director, Ogilvy & Mather, Atlanta.

A series of O&M-designed AMI ads provided detailed information on a variety of topics: Medical emergencies, proper nutrition, baby sitter care. Parts of those ads, Mr. Latham says, were meant to be torn out and pasted on a kitchen cupboard—something consumers couldn't do with a radio or tv spot.

"The concepts are almost reversed—ours is a service orientation versus their product orientation.

"When you market professional services, you are dealing with a negative demand. People come to you when they need help. You can't sell the negative experiences of professional services in the same way as you sell the positive experience of buying a product."

Glenda Wetzel, communications director for Benjamin Rush Center, a psychiatric hospital in Rochester, N.Y., agrees. When Rush wanted to begin advertising its psychiatric care, the marketing staff elected to produce its own tv spots.

"Most agencies are geared to selling material things," she says. "An agency that gets a hospital account has to shift its thinking to deal with human services and not cars and clothes."

Ad professionals agree that all healthcare clients present delicate aspects. Says Joan Webb, vp at Doyle Dane Bernbach/Los Angeles, "Dealing with the healthcare system is like dealing with a religious system: You have to be sensitive to both the consumers and the [practitioners]."

Mr. McDonald says he also feels the weight of the subject matter. "Dealing with life and death," he says, "is a tremendous responsibility."

Advertising

(Continued from Page 11)

did the Assn. of University Programs in Health Administration begin mandating courses in strategic planning as a requirement for accreditation.

In addition to the surplus of hospital beds, the U.S. medical marketplace is being affected by a "doctor glut." By the end of this century, there will be some 643,000 physicians nationally—a 33% increase over the current count of 485,000. In contrast to today's ratio of one doctor for every 500 people, there will be one doctor for every 388 people in the year 2000.

Dentists face the same problem. Douglas Gordon, president of Health-Tech Management, a dental franchiser, says research puts the ideal ratio of dentists to consumers at one for every 2,000 people—compared with the current figure of one for every 1,600.

Competition already is heating up among the growing number of medical professionals who are finding jobs scarce and consumers willing—and able—to shop around for medical care.

"It's certainly a problem on the suppliers' side, but it doesn't stop there," Dr. Gordon says. "Demands are lower, too. A lot of kids come through our offices and, because of improved education and local fluoridated water systems, don't have any real dental problems—not even any cavities. That makes for pretty stiff competition for their business."

Another wrench in the healthcare works has been technology's mixed blessing. Improvements in medical technology have cured diseases and lengthened life expectancies, but often at no small cost. A physician's attempt to do "everything possible" for a patient may add up to devastating medical bills that often go unpaid.

Nonetheless, many hospitals continue to purchase the latest, most sophisticated equipment in an effort to keep up with the Joneses.

Today's healthcare consumers are willing to pay for a good healthcare product at a fair market price. But in contrast to years past, an increasingly well-informed, discriminating and generally healthy public is being offered a wider choice of medical services than ever before.

"I don't think the audience has ever been so befuddled by health care," says Ronald Watt, president of Hesselbart & Mitten/Watt, a full-service Cleveland agency serving several healthcare accounts. "You used to just go to your local doctor, but today you're buffeted by the healthcare choices available."

"Healthcare used to be a seller's market, but now it's a buyer's market," says Jim Houy, vp at the American Hospital Assn. "There currently are more hospital beds than there are patients to fill them." The result: The competition is heating up faster than some hospitals can handle.

"Some hospitals will be unable to compete in this kind of marketplace," Mr. Houy says. "[Some] already are in the difficult situation of having to sit back and watch other guys stealing their customers."

Despite these troubled times for hospitals, Mr. Houy says he believes the competition is necessary and that advertising plays an important role in the process. "Somehow the decisions have to be made about which hospitals will survive," he says. "Either we regulate the hell out of everything and play God, or we put it out in the marketplace and let the people decide."

Mr. Watt agrees. "The key to success today is that everyone must realize that they are in business," he says. "And to stay in business, they have to market what they have to offer."

Marketing and business practices already have become so competitive that advertisers are drawing comparisons between the healthcare business and fast food.

"This is 'Burger Wars' in healthcare," says Art Sturm, founder of Sturm Communications, Chicago, a healthcare advertising specialist.

In Mr. Sturm's opinion, the healthcare market is teeming with similar products; the challenge to the advertiser is to create a campaign that differentiates between products. He says healthcare advertisers are asking the consumer the medical equivalent of "Do you want it flame broiled or fried?"

Healthcare advertising itself has spurred the creation of some of these new business opportunities.

The debut of medical advertising has allowed for innovation in the healthcare industry, says Art Lerner, assistant director of the Federal Trade Commission's Washington bureau. "Since then, there has been a blossoming of HMOs [health maintenance organizations], emergency centers and free-standing clinics—groups that depend on advertising to get business."

Advertising almost certainly will play a part in determining who wins and loses in the newly competitive environment.

"Our clients are entrepreneurs, really, just like us," Mr. Sturm says. "Historically there has been a lot of camaraderie in this business. Now there is stiff competition.

"Our clients want to be leaders and they want to win at somebody else's expense."

Marketing staffs give hospitals a shot in arm

By M. Lynn Folse

A seven-member team of heart surgeons, anesthesiologists and nurses hovers over a patient on the operating table at Memorial Medical Center, Springfield, Ill. It's the grand opening of the hospital's new cardiology and cardiac surgery facility. A crowd of people shuffles by and local media roll their cameras, but the medical specialists never flinch.

Memorial Medical Center in Springfield, Ill., simulated an operation to promote its new cardiac surgery facility.

They can't. They are lifeless mannequins borrowed from a local department store to simulate open heart surgery.

This is just one of the innovative techniques hospitals are using to market their capabilities and services to the public.

Four or five years ago, the traditional hospital public relations department was content to produce a house organ and a press release here and there. Today, in response to the rapidly changing healthcare industry, hospitals are adding marketing personnel, hiring outside communications specialists and launching aggressive, multimedia consumer ad campaigns.

Recent evidence suggests that this fledgling trend is beginning to gain momentum.

Today, more than three-quarters of metropolitan hospitals have a marketing department or person responsible for marketing, according to a recent survey by MarketPlus Measurement Systems, a management information service of Walker Research, Indianapolis.

But this phenomenon is relatively new. The MarketPlus survey showed that only 20% of these departments had existed for three years or more, and that more than a third were created less than one year ago.

USA Today reports that 60% of hospitals have hired marketing specialists. One consultant estimates that hospitals are spending $1 billion a year promoting their services.

This figure barely scratches the surface of the $360 billion healthcare industry, third largest in the U.S. behind education and automobiles. In all likelihood, this marketing phenomenon will grow as hospitals face increasing competition, rising provider costs and fewer government reimbursements.

Perhaps the biggest contributing factor is the nation's overabundance of hospitals. This, along with growing numbers of healthcare alternatives, has driven hospital patient census down; many hospitals are operating at between 40% and 60% bed occupancy.

Of the about 7,000 U.S. hospitals—two-thirds of which are individually owned—as many as 500 may close their doors this year, some experts say. Hundreds more may be acquired by large hospital-management companies.

Faced with what may be a widespread hospital "recession," hospital administrators must break out of their traditional not-for-profit orientations and take a long hard look at the advantages of marketing.

"Hospitals are faced with the exact same marketing challenges as General Foods is—they just don't know it yet," says Susan Anthony, senior account supervisor for Silverman Mower, a full-service agency in Syracuse, N.Y. Ms. Anthony directs the marketing program for United Health Services, a not-for-profit operator of three area hospitals in Johnson City, N.Y.

Because everyone needs healthcare at some point, the industry always has been very consumer-oriented, says Ron Watt, a Cleveland-based healthcare specialist and president of Hesselbart & Mitten/Watt, a full-service marketing company. He says healthcare "is the highest form of consumerism—but no one realized it until all the competition arose."

"Hospitals are getting more into pricing strategies, recognizing that the cost of healthcare is one of the public's greatest concerns," says Jann Dorothy, founder of the McMillan Group, Kentfield, Cal., a marketing consultancy and full-service agency specializing in healthcare.

"We have 20 hospital clients, including both for-profit and not-for-profit ownership, and all are doing price-based campaigns." The campaigns range from price-oriented maternity campaigns to same-day surgery and urgent care campaigns.

"People are changing their attitudes," she says. "They are starting to look at medicine as a business."

Still, says Teri Louden, "I think there is a fine line in advertising by hospitals." Ms. Louden is president of Louden & Co., a Chicago healthcare consulting agency.

"[Hospital marketers] don't want to be seen as slick promotions people," she says, "but on the other hand, they need to get patients, to sell their services."

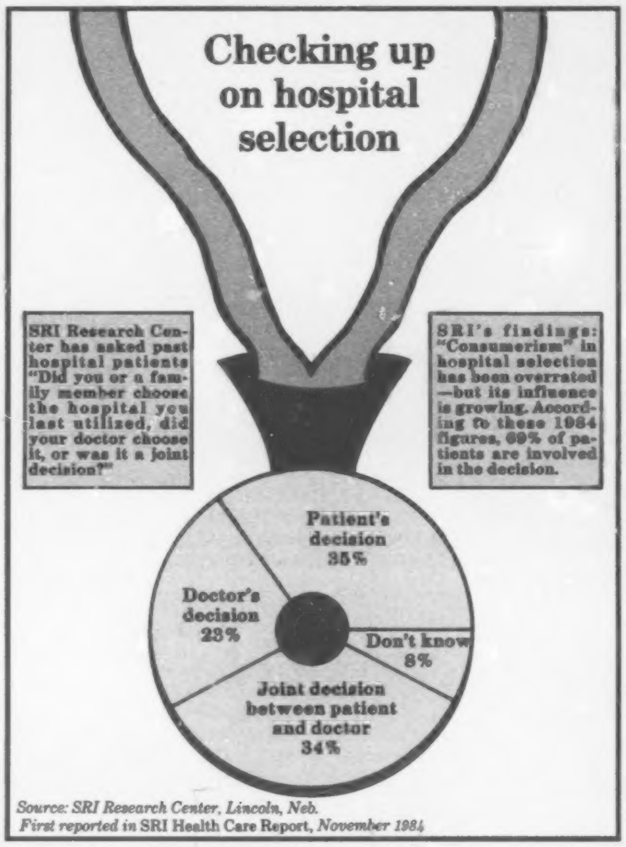
Karen Bradley, director-public relations/promotions at St. Catherine's Hospital, Kenosha, Wis., points to the difficulties of marketing voluntary hospital services.

"It's hard for people to accept marketing of an institution associated with life and death," she says. "The key to a successful ad campaign is to package the humanitarian aspects of a hospital without sounding brash or Madison Avenue."

Merle Allen, director-public relations for Memorial Medical Center, credits the success of his hospital's emergency-services advertising campaign to careful

(Continued on Page 16)

M. Lynn Folse is a free lance writer.



Source: SRI Research Center, Lincoln, Neb.
First reported in SRI Health Care Report, *November 1984*

Competition gets creative juices flowing

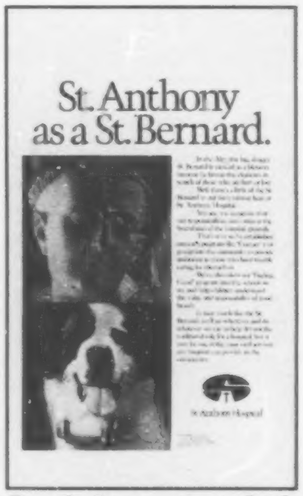
Some of today's best hospital advertising is being spurred by intense competition.

St. Anthony Hospital, a small Catholic facility in Louisville, was faced with severe competition from the four major area hospitals operated by Humana Corp., a large hospital chain with a large ad budget. Humana's headquarters are also in Louisville.

A series of award-winning ads created for St. Anthony by Doe-Anderson, a large independent ad agency in Kentucky, resulted in increased occupancy for the hospital.

St. Anthony was Doe-Anderson's first and only healthcare client. As a public service, the agency developed the campaign on a net fee basis.

"St. Anthony has to work a lot smarter and harder to go up against the chain," says Jay Giles, creative director for the ads. "Since we couldn't hope to compete with our moderate budget, we tried to outthink them."


St. Anthony as a St. Bernard.

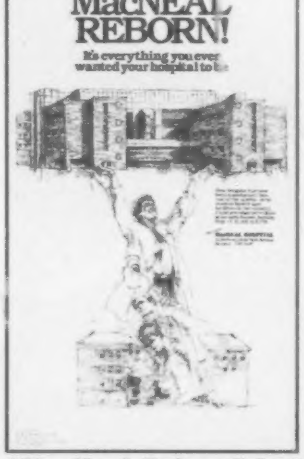
Doe-Anderson created ads playing off St. Anthony Hospital's name.

Going for the most impact with the budget they did have, the agency created five page ads that Mr. Giles says bring out the hospital's personality.

"Hospitals all tell you how caring they are," he says. "We wanted to do something different."

Playing off the hospital's name, the ads featured slogans such as "The Patience of a Saint" and "Saint Anthony as a Saint Bernard."

One ad, depicting a nun holding a newborn infant, read, "She wants to have your baby." This ad won a fifth district golden Addy from the American Advertising Federation; the over-all campaign won a silver.


MacNEAL REBORN!
It's everything you ever wanted your hospital to be

"MacNeal Reborn" had great results for MacNeal Memorial Hospital.

One of the nation's most competitive markets is Minneapolis-St. Paul, where physician surplus is a constant problem and hospitals are being taken over by healthcare corporations at twice the rate of the rest of the U.S.

One-third of the Twin Cities' hospitals have occupancy below 55%, estimates the Minnesota Medical Assn., and some 1,500 beds have closed in the past five years.

In this cutthroat environment, advertising has boomed. One Minnesota hospital, Methodist Hospital in St. Louis Park, took on 32 competitors at once, using cost comparisons as the basis for its promotional campaign.

A survey conducted by the community's hospital council determined that Methodist's

(Continued on Page 16)

Hospitals

(Continued from Page 14)

preparation of an entire marketing strategy that, before advertising started, gained the public trust.

"A not-for-profit hospital has to design its advertising campaign similar to a political campaign," Mr. Allen says. "You have to marshal all the internal audiences, community groups and special interest groups behind you, especially the most powerful group—the physicians."

Mr. Allen communicated the hospital's intentions to 1,200 key people to gain their support before launching the advertising component of the program.

"Commercials and ads were step 10 in an entire 16-phase marketing strategy," he says. Letters and brochures providing information about the center were sent not only to hospital staffers and officers, but also to medical students, area businesses, government offices, clubs and organizations, and police and fire departments, among others.

"Many hospitals are in dilemmas because they are communicating with only one segment of the population," Mr. Allen says. "An ad campaign will not only flop, but it may hurt the institution if the appropriate steps are not taken to prepare the community."

Ms. Louden agrees: "We recommend that a hospital develop an entire marketing strategy . . . that they look at their current image and plan what they want their future image to be."

> **"A not-for-profit hospital has to design its ad campaign similar to a political campaign."**
>
> *—Merle Allen*
> *Memorial Medical Center*

She says a lot of advertising activity is coming from suburban and smaller community hospitals where competition is severe.

But perhaps some of the most carefully executed and effective image advertising is being done by religious institutions, hospitals that a few years ago would have considered advertising a sacrifice of long-held humanitarian principles.

One of the forerunners in hospital advertising was a religious facility, St. Francis Hospital of Evanston, Ill., well known regionally and nationally for its Galvin Heart Institute.

In 1981, wanting to develop a better perception of St. Francis as a major medical center, the hospital engaged the services of William A. Throckmorton Inc., a small Chicago full-service marketing agency currently with seven local hospital clients.

To emphasize the hospital's breadth and personality, Throckmorton developed a series of ads that told different patient success stories.

The ads were placed in regional editions of *Newsweek, Sports Illustrated, Time, and U.S. News & World Report* as well as *Chicago* magazine.

"The ads created a flurry of excitement in the media," says Diane Carlson, director-public relations at St. Francis. "Hospitals at the time were just not doing advertising because they thought it was undignified."

The hospital's pioneering campaign was featured on NBC-TV's "Today," Chicago's WBBM-TV and Cable News Network and in stories by the Associated Press.

Even small rural hospitals are diversifying, identifying an unusual consumer need and positioning themselves to fill that niche.

Hopedale Medical Complex, a small, not-for-profit hospital in a rural central Illinois community of less than 1,000, recently instituted an alcohol treatment center for the elderly and handicapped, two groups of people with special treatment needs that were not being met by other hospitals' general detoxification programs.

Today, Hopedale is attracting patients from across the country after marketing its service

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Competition

(Continued from Page 14)

costs were lower than the area's average in 67 diagnosis-related illnesses. The hospital spent $15,000, in two ad campaigns consisting of direct mail pieces and print ads, to capitalize on that information.

To survive in Chicago, the home of not only many major medical associations and healthcare marketing companies but a large number of prestigious urban hospitals, aggressive suburban facilities are stepping up marketing campaigns.

The management staff of MacNeal Memorial Hospital, in west suburban Berwyn, recently built a $62 million, 427-bed acute care facility to replace the old hospital, which was on the verge of bankruptcy. To upgrade its image, MacNeal implemented a strong and integrated marketing program.

Called "MacNeal Reborn," the award-winning marketing program, developed by Chicago's Ruder, Finn & Rotman public relations and Sieber & McIntyre ad agencies, showed outstanding results after one year, says John Doyle, MacNeal's director of marketing and public affairs.

The benchmark of the campaign, he says, was a comprehensive telephone survey of 19 communities to find out what consumers thought of MacNeal and what their healthcare needs were. This established a database from which to work and measure results.

"An image-building program

through local radio and tv spots and direct recruitment from hospitals nationwide.

Results from these and other successful hospital advertisers are encouraging more hospitals to overcome their long-held suspicions of advertising and fears of consumer resistance and jump on the bandwagon.

The ones who don't may be left behind. Evidence suggests that the public welcomes hospital advertising.

"Public acceptance of hospital advertising is quite high," Ms. Dorothy says. "We've seen no backlash to any of our advertising. People are glad to get the information."

Ms. Dorothy also says ownership does not figure into acceptance of the message.

William Throckmorton agrees. "Today people are less concerned with whether a hospital is not-for-profit, private or religious and more concerned with the quality of care and cost-effectiveness of a hospital.

"People have become real shoppers for healthcare."

For marketing professionals, this exposes an untapped—and potentially enormous—market. Most are just becoming aware of possibilities.

"We're much more sophisticated today than we were," Mr. Watt says. "We'd get creamed if we did today what we used to do. The profession has changed a lot since I started and so has the entire healthcare field.

"It's highly exciting."

---

is important to enhance institutional loyalty," Mr. Doyle says. "But it is also important to build volume and increase market share by getting people to access the hospital through its major 'distribution points.' "

So MacNeal promoted those prime "distribution points": Its emergency room, urgent care services, physician contacts and self-referral programs such as alcohol and drug treatment.

MacNeal's combined program of image-building and special services marketing, supported by advertising, public relations and research, proved to be a sound formula for success. Followup research in six marketing areas showed that after the yearlong program, unaided recognition of MacNeal showed a 22% increase. Similarly, unaided preference showed a 17.3% gain from the precampaign figure.

"We went from being one of the pack among 10 hospitals to being second choice behind Loyola to overwhelmingly the consumer's first choice," Mr. Doyle says.

The "MacNeal Reborn" black-and-white ad won a Chicago golden Addy award, and the public relations program won a Silver Quill from the International Assn. of Business Communicators.

But the best part, Mr. Doyle says, is that after a steady 19% loss of business from 1975 to 1983, MacNeal has turned the corner. For the first time in nine years, the hospital's 1984 census showed a 10% year-to-year increase. *—M.L.F.*

Big centers follow in small footsteps

Many large, well-established, conservative institutions are sitting back and closely watching the flurry of marketing activity exhibited by their smaller, often more aggressive counterparts.

Barnes Hospital, St. Louis, a solid referral hospital and the main teaching facility for Washington University School of Medicine, doesn't need to worry much because it is one of the nation's 10 largest hospitals.

But even Barnes' patient occupancy is down 5% to 8% this year compared with 1983, says Daisy Shepard, director of public relations.

"In the St. Louis area, everyone is advertising like mad now," she says, producing a folder of other hospitals' ads she has clipped from area media. "Normandy Hospital is advertising its 'Rock-A-Bye Baby club'; St. Joseph's in Kirkwood is pitching its emergency care center with the slogan: 'Sometimes Degrees Do Make a Difference' and 'We'll Treat Your Arm and Leg Without Costing You an Arm and a Leg' . . . ."

Ms. Shepard says the flurry of activity started about August. "It took until midyear before hospitals began to realize their census were down, and then it took them some time to develop ad campaigns, and now . . . it's everywhere," she says.

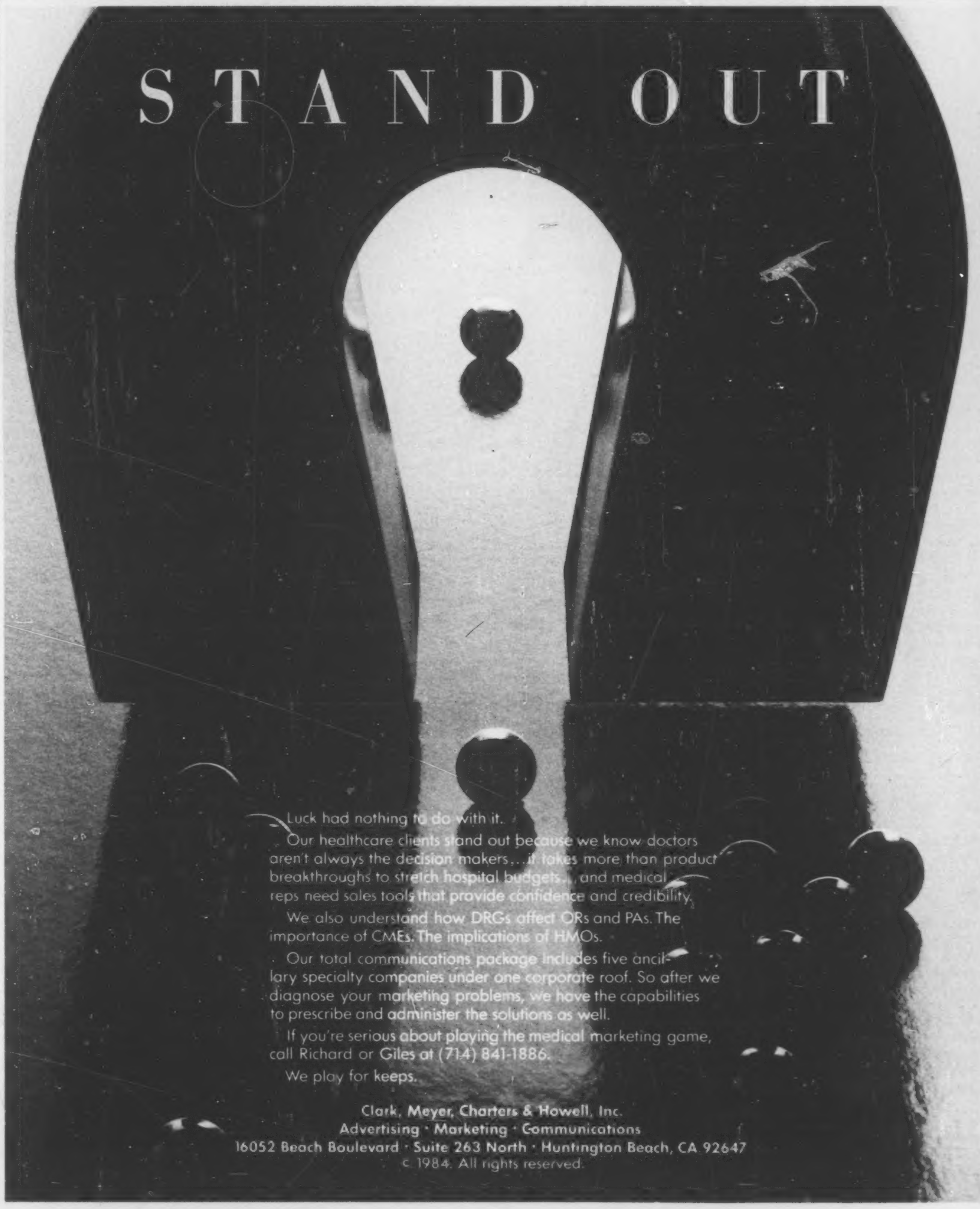
"I think all 50 hospitals in the St. Louis metro area will be advertising by the end of next year," she says. "Advertising is a stopgap for them right now, but next year it will be built into their budgets and it will be much more detailed."

Although Barnes has not done any advertising, Ms. Shepard is developing radio and print ads and engaging a media buyer for a breast cancer screening program soon to be marketed.

Rush-Presbyterian-St. Luke's Medical Center, a large referral hospital, maintains a similar position in Chicago.

"We don't have a marketing program like some of the smaller hospital communities who have been hit hard with the competition," says Carolyn Reed, news services manager for Rush.

Ms. Reed says Rush has been watching the activities of Chicago hospitals that are battling it out for patients. "Chicago has been in the vanguard as far as marketing is concerned," she says. *—M.L.F.*



Luck had nothing to do with it.

Our healthcare clients stand out because we know doctors aren't always the decision makers . . . it takes more than product breakthroughs to stretch hospital budgets . . . and medical reps need sales tools that provide confidence and credibility.

We also understand how DRGs affect ORs and PAs. The importance of CMEs. The implications of HMOs.

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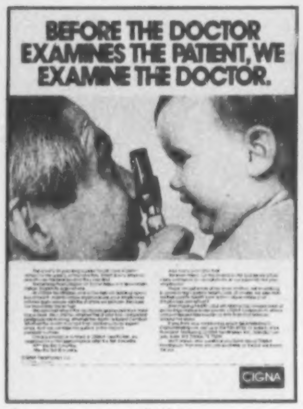
HMOs keep profession on its toes

By Elizabeth Chappell White

One of modern healthcare's greatest marketing forces was born in the 1930s, at the site of a Mojave Desert construction project.

Watching some 5,000 workers build an aqueduct designed to route water from the Colorado River to Los Angeles, Sydney Garfield saw a great opportunity. The doctor set up a practice offering prepaid medical services to each of those workers.


BEFORE THE DOCTOR EXAMINES THE PATIENT, WE EXAMINE THE DOCTOR.
CIGNA

As competition among HMOs increases, advertising will play a more important role.

By chance, one of the contractors on the project took an interest in the medical project. His name was Henry J. Kaiser, and the rest is history.

Today, more than a half-century later, the Kaiser-Permanente Medical Care Program is the largest health maintenance organization in the nation with 4.6 million members coast to coast.

The most recent figures from the Group Health Assn. of America show 320 HMOs nationally. Statistics provided by Interstudy, a healthcare policy research company, show 15 million people enrolled in HMOs.

By 1993, HMO enrollment in the U.S. is projected to climb to 50 million.

"The competition among HMOs is getting very stiff," says James Dougherty, GHAA executive director. Headquartered in Washington, the GHAA recently celebrated its 25th anniversary as the national HMO trade organization; Mr. Dougherty has served as GHAA lobbyist for 14 of those years.

"From my experience," he says, "I see unlimited growth opportunities for the next decade—and a lot of HMOs beginning to develop advertising campaigns."

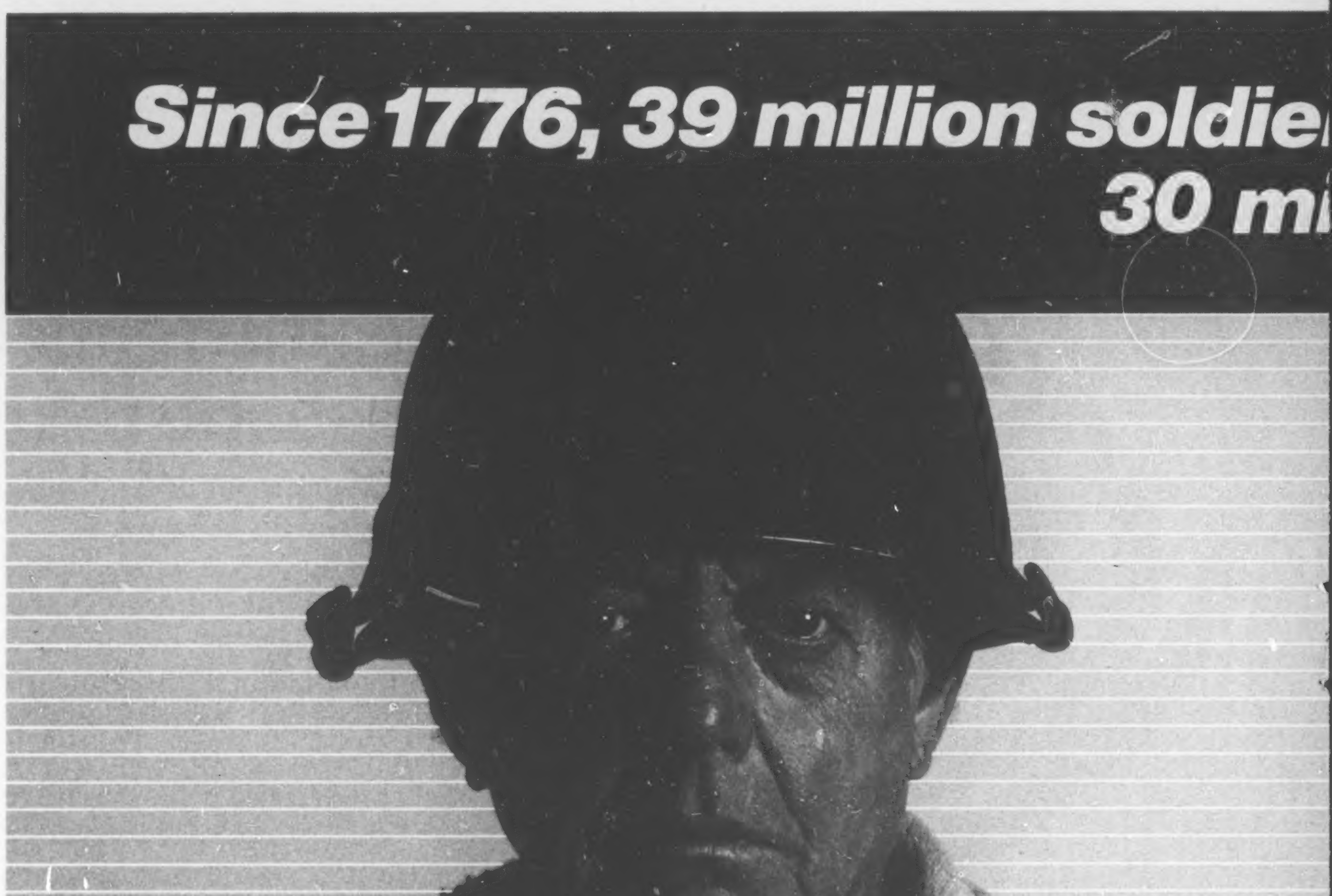
Perhaps the Kaiser Foundation's situation is the best reflection of the booming HMO marketplace. Because of its success, for years Kaiser could afford to enforce a strict policy against all advertising. Their doctors found it distasteful and unprofessional, and besides, there was virtually no competition.

In recent years, however, Kaiser has loosened its rules. The foundation has permitted its individual HMOs to advertise and is considering hiring an agency to work with top headquarters executives.

Kaiser's policy change is symbolic of changes in the HMO market—changes especially dramatic when one considers that it was not so long ago that HMOs were illegal in some states and were accused of being part of a communist plot to undermine the free practice of medicine.

It took an act of Congress to make HMOs a medical power to be reckoned with.

With the passage of the HMO Act of 1973, the federal government became the strongest supporter of HMOs. Signed into law by President Richard Nixon, the



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act struck down lingering state restrictions on HMOs and required employers to offer their workers the HMO medical insurance option. The law also provided startup funds for new HMOs.

It was President Jimmy Carter, however, whose unprecedented commitment to HMOs resulted in a federally funded HMO marketing program within the Department of Health and Human Services.

"We developed a promotional campaign to help broaden the public's awareness of HMOs," says Janet Sadler, market development specialist with the national HMO office. In its prime, the marketing program employed 22 government staffers churning out "generic ads" that independent HMOs tagged with their individual names.

> **"We really feel we broke the ice about what was acceptable for HMO advertising."**
>
> *—Janet Sadler*

Ms. Sadler thinks the government took a bold step when it decided to give HMOs a promotional boost. "We really feel we broke the ice about what was acceptable for HMO advertising," she says. "In the past, it was viewed as garish to get up and tout yourself as a healthcare delivery system, but we did it in good taste."

The campaign used radio and tv spots to increase HMO enrollment in specific communities; each HMO paid for media placement.

When President Reagan took office, Ms. Sadler's group was forced to shift gears. "We closed out government support for HMO development and began targeting the private business community," she says. New efforts portrayed HMOs as an attractive investment opportunity.

It worked. "We created a demand and investors picked up the ball right away," Ms. Sadler says.

The response from private investors has been so enthusiastic that the current administration no longer sees a need for Ms. Sadler's marketing department. Only two professional staff members remain. "The organization," she says, "is being disbanded."

But the government's involvement did spur dramatic changes in the HMO marketplace. Barbara Santry, an investment analyst with Alex. Brown & Sons, Baltimore, recommends HMOs as one of the best investment opportunities available in the healthcare industry. "Stocks are up 30% per share yearly—even 50% among the leaders," she says.

> **"I see unlimited growth opportunities . . . and a lot of HMOs beginning to develop ad campaigns."**
>
> *—James Dougherty*
> *Group Health Assn. of America*

Big business is investing in HMOs in other ways, too. As healthcare costs continue to rise, companies are encouraging HMO enrollment in an effort to cut employe healthcare benefit costs. Chrysler Corp., Detroit, which claims healthcare benefits add about $600 to the price of a new car, reportedly offers its employes U.S. Savings Bonds if they can persuade a fellow employe to enroll in an HMO.

HMOs' share of the health-

(Continued on Page 22)

rs have served their country.
llion of them are alive today.

28.5 Million veterans are currently eligible for free VA medical care.

3.5 Million veterans are over the age of 65.

12.6 Million World War II veterans will be 60 or older by 1985—and statistically will require five times more medical care than those under 60.
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The VA is DRG exempt and can expect to assume the responsibility for an increasing patient population from cost-conscious private sector medical facilities and Medicare referrals.

The VA is currently treating more than 1.3 million veterans on an inpatient basis while annually providing for 17.8 million outpatient medical visits.

More than 39 million prescriptions for ambulatory patients and more than 7 million intravenous and parenteral nutrition solutions were dispensed by VA pharmacies in 1982.
The $500 million spent by the VA on pharmaceutical purchases in fiscal year 1984 is projected to double by 1987.

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For media information, contact Michael Aster, Steve Goldstein or Jim Breuning at (201) 549-3000, 195 Main Street, Metuchen, NJ 08840.

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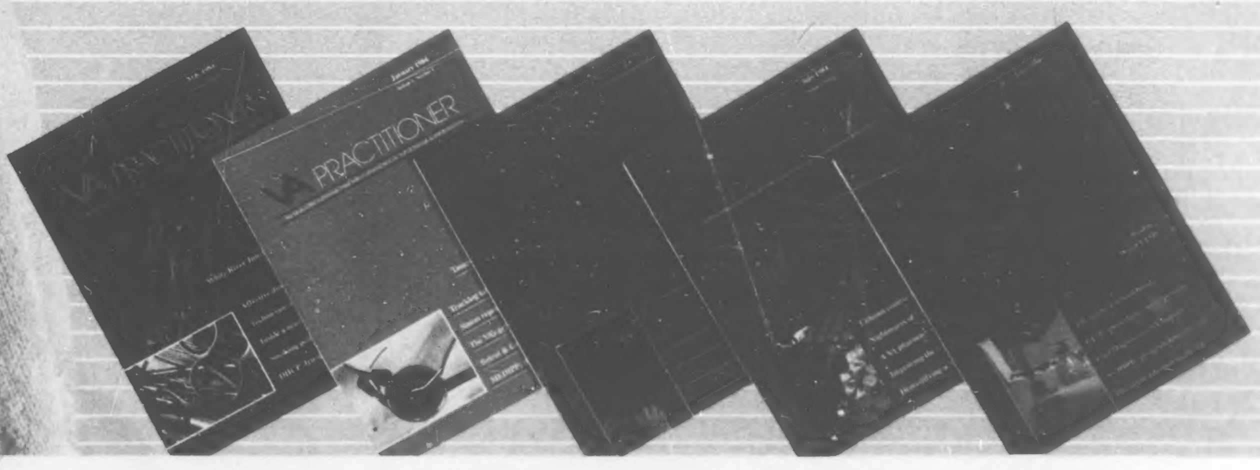

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HMOs

(Continued from Page 21)

care market, currently estimated at 6% by Interstudy, will expand even further when recent measures to make HMO enrollment available to Medicare beneficiaries take full effect. The new Medicare tie-in is spurring a great deal of ad activity. The Health Care Finance Administration is sending notices to let people eligible for Medicare know which local HMOs have contracted with the federal government to provide Medicare benefits.

According to Wayne Fowler, who heads the HCFA's medical practice department, the American Medical Assn. complained the notices were an unfair government promotion of its members' competition.

"Our notices are not promotional, they're informational," Mr. Fowler says. "But I imagine [the AMA] would prefer that we did nothing."

Reserving the right to set standards for how other advertisers handle the Medicare-HMO programs, the HCFA has written into its regulations a rule requiring that all ads be HCFA-approved.

The Federal Trade Commission has complained that the HCFA prescreening process puts HMOs at a competitive disadvantage against other healthcare providers operating without such restrictions. But, on the other hand, the AMA has recommended even stricter, more explicit guidelines for all HMO advertising.

Mr. Dougherty says the GHAA is against government censorship of HMO ads, but some "initial monitoring" of advertising aimed at Medicare beneficiaries may be necessary.

One HMO working successfully within the HCFA guidelines is the Fallon Community Health Plan, Worcester, Mass., a pilot project for the new Medicare contracting. "We began advertising in 1980 because it was the only way to reach the mass market of Medicare recipients in a brief period of time," says Denyse Newbery, director-marketing and community relations at Fallon.

"We didn't get terribly flamboyant with the ads because of the HCFA review process, but we were able to reach a whole new market that has never been tapped before."

Ms. Newbery thinks the HCFA prescreening issue will fade into the background as the competition among HMOs heats up and advertising becomes more aggressive.

"Advertising will become critical because of the increasing competition," she says. "It's going to be like McDonald's and Burger King.

"For-profit HMOs owned by companies with the big bucks don't skimp on their advertising, so we'll have to match them."

Barry Averhill, executive director of the Michael Reese Health Plan in Chicago, says he feels a similar pressure. "As the numbers [of HMOs] increase, there will be a name awareness problem," he says. "We will have to compete with the for-profit HMOs that are buying big ads on the sides of downtown buildings and even commercials during the Olympics."

Although most HMO companies are just beginning to advertise seriously, some already have set aside substantial marketing budgets.

The big money competitors worrying smaller and not-for-profit HMOs are those such as Blue Cross-Blue Shield, Chicago—relatively new to the HMO business but with plenty of resources at its disposal—which hired Marsteller to launch its major new fall ad campaign, and Los Angeles-based Maxicare, whose current national campaign is being handled by Foote, Cone & Belding.

Some HMOs seek the personal touch—and lower fees—of the smaller ad agency. On Pennsylvania Ave. in Washington is the Group Health Assn., a not-for-profit HMO with some 127,000 members of which almost half are federal employes.

Jeremiah Cole, GHA's director-marketing, decided to hire a new agency soon after assuming his position eight months ago. "We wanted a smaller agency where we would be a significant client and where top principals would come to work with us."

Mr. Cole says he was not interested in specific healthcare ad experience as he was in "good, solid broad-based experience." The HMO hired Demaine Vickers & Co., a small Alexandria, Va., agency.

As both employers and employes continue their search for cost-saving medical alternatives, HMOs stand to benefit immensely. And as HMO companies jostle for position in the increasingly competitive marketplace—at least in part with advertising and promotional campaigns—agencies serving them face a bright future as well.

> **"Advertising will become critical because of the increasing competition. It's going to be like McDonald's and Burger King."**
>
> *—Denyse Newbery*
> *Fallon HMO*

HMOs on the rise

Top 10 HMO plans†

Plan	
1. Kaiser Health Plan of Northern California	1,829,273
2. Kaiser Health Plan of Southern California	1,674,421
3. New York Health Insurance Plan	867,500
4. CIGNA Health Plan of California	348,481
5. Greater Health Co-op of Puget Sound	307,689
6. Kaiser Health Plan of Oregon	259,348
7. Group Health Plan of Minnesota	199,683
8. Health Net	186,619
9. CIGNA Health Plan of Arizona	171,129
10. HMO of Pennsylvania	159,500

Source: Interstudy

Growth of HMO chains

Rank by enrollment	Name	Enrollment* 1983	1982
1.	Kaiser Foundation Health Plan, Oakland, Cal.	4,400.0	4,200.0
2.	Blue Cross and Blue Shield Assn.,** Chicago	1,520.4	1,200.0
3.	CIGNA Healthplan, Dallas	680.0	620.0
4.	HealthAmerica Corp., Nashville, Tenn.	420.0	305.0
5.	Prudential Health Care Plan (PruCare), Roseland, N.J.	337.0	226.1
6.	Maxicare Health Plans, Los Angeles	288.0	250.0
7.	Charter Med, Minneapolis	245.0	300.0
8.	United States Health Care Systems, Willow Grove, Pa.	222.0	126.0
9.	FHP Inc., Fountain Valley, Cal.	152.0	140.5
10.	Med Centers Health Plan, Minneapolis	150.8	105.6

*Enrollment figures in thousands

**These HMOs are operated by local Blues plans, not by the association

†The HMO concept is growing so rapidly that these July 1983 enrollment figures have changed. The order of the top plans, however, is essentially unchanged.

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Monday, November 12, 1984

Advertising Age

The International Newspaper of Marketing ®

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Challenge: Restore life to High Life

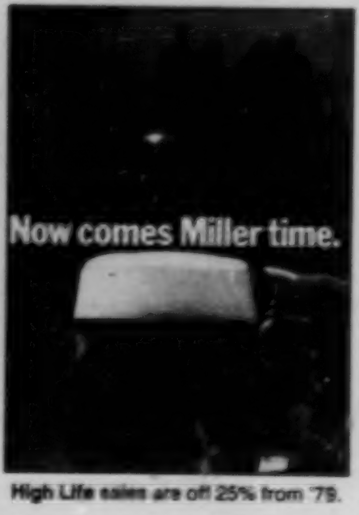
By SCOTT HUME

Most beer-industry observers credit Philip Morris Inc. with one of the greatest consumer marketing achievements of the century. It moved Milwaukee-based Miller Brewing Co., which ranked as the country's seventh-largest brewer when PM bought it in 1970, to the No. 2 spot in less than 10 years.

But those same observers believe that a marketing miracle of equal proportions may be needed to turn around Miller's ailing High Life brand.

"There's no question that this is as great a challenge as Philip Morris has ever had," said Manny Goldman, beverage analyst with Montgomery Securities, San Francisco.

Miller High Life has lost 5 million bbls., or 25% of its market, since peaking in 1979. While still the nation's No. 3 brand (behind Anheuser-Busch's Budweiser and Miller's own Lite brand), High Life's sales continue to slide.



High Life sales are off 25% from '79.

Since January, Miller has been reviewing the High Life advertising assignment.

The difficult challenge of rescuing the brand will be borne not only by Miller but also by whichever agency finally gets the assignment.

Backer & Spielvogel, New York, has had the task since 1979, when the agency was formed by two executives from former High Life agency McCann-Erickson (AA, June 25, '79, et seq.). Presentations concluded last week from the latest round of challengers for the account: Leo Burnett USA, Chicago, and the New York offices of N W Ayer; Jordan, Case & McGrath, and J. Walter Thompson USA.

The first round of alternate-creative presentations concluded in July. That round included Burnett and two other major shops: Chiat/Day and Doyle Dane Bernbach, both New York.

(Miller executives have never confirmed which agencies have been invited to pitch the account and were not available to be interviewed for this story.)

Although the High Life account has been a $50 million piece of business, it surprises at least one brewery executive that so many of the nation's top agencies would be so eager to confront the challenges of reviving the brand. "What's so amazing to me," he says, "is that so many agencies seem willing to take [the High Life account] on!"

The question everyone is waiting to have answered is: Can anyone turn the brand around? The winning agency's challenge may be as great as Philip Morris'.

"Is High Life a goner? I wouldn't go that far. There's a reasonable chance of stemming the erosion," Montgomery Securities' Mr. Gold-

(Continued on Page 112)

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CBS may return to cable tv field

By SUSAN SPILLMAN

New York—CBS, which two years ago became the first company to fold a cable tv network, is considering spending $71 million to get back into the cable programing business, sources say.

The media giant is said to be negotiating to buy a one-third interest in four regional sports networks currently owned jointly by Cablevision Systems, Woodbury, N.Y., and Washington Post Co. CBS also is talking to Cablevision about at least a one-third interest in two national pay tv channels, Bravo and American Movie Classics. Sources reported CBS is willing to pay a total of $71 million for both packages.

Spokesmen for Cablevision, CBS and Washington Post Co. declined comment on the negotiations. Sources said, however, that if details can be worked out, a deal could be signed within a month.

The motivation for CBS to get back into the cable programing arena, analysts said, is to secure another outlet for sports programing. Sports broadcast-rights fees in recent years have risen sharply and having another distribution vehicle beyond the tv network would help CBS stay competitve with NBC and especially ABC in rights bidding.

The analysts further noted that CBS appears concerned that ABC already has its cable sports outlet

(Continued on Page 113)

Adman Travis recounts Reagan turning points

Tuesday's winners

By JOHN J. O'CONNOR

New York—It was late on a Friday night last March, and Jim Travis and Jim Weller were putting together a list of people who might want to work on Ronald Reagan's reelection campaign as members of the Tuesday Team.

The two Della Femina, Travisano & Partners executives were standing outside the men's room of the Orso Restaurant on W. 46th Street, and Mr. Travis asked Mr. Weller who he would hate to compete against in a creative shootout. Without hesitation, he replied Hal Riney of Ogilvy & Mather, San Francisco.

Minutes later, Mr. Travis was on the phone to San Francisco, reaching Mr. Riney who was still at the office. Mr. Riney accepted the invitation, and the Tuesday Team's dream creative team began taking shape. In addition to Messrs. Riney and Weller, the Tuesday Team would draw on the creative talents of Ron Travisano of Della Femina, Tom Messner (Ally & Gargano), Phil Dusenberry (BBDO) and Marvin Honig (formerly of Doyle Dane Bernbach and now at Geers Gross).

Mr. Travis, the Tuesday Team's chief executive officer, explained this scenario in a hectic 20-minute interview two days after the President's landslide reelection last week. As he was about to dash to the airport for a 10-day vacation in Europe, Mr. Travis heaped praise on the people who put together more than 50 Reagan tv spots that aired, 35 that were not used and 25 on behalf of the Republican National Committee and the Republican National Congressional Committee.

Accompanied by Mark Zimmerman, a former account exec at J. Walter Thompson USA, New York, who served as account supervisor, Mr. Travis spoke of how the planning and analyis of Tuesday Team media director Robert Hinson (Rosenfeld, Sirowitz & Lawson) enabled the Reagan campaign to achieve a stag-

(Continued on Page 111)

**Winning and losing ad teams in hot Senate races.
What agencies expect from a second Reagan term.
Page 2.**

Burger tiff turns chicken

By SCOTT HUME

Forget the "Battle of the Burgers." The Challenge of the Chickens is here.

Wendy's next week breaks a five-week, $15 million campaign for its chicken sandwich, using what has proven to be one of its strongest weapons: The offbeat humor of director Joe Sedelmaier.

Chicken has become one of the hottest marketing battlegrounds in

(Continued on Page 111)

Last Minute News

Swiss court bars Barclay low-nicotine labeling

Lausanne, Switzerland—British American Tobacco Ltd., London, has lost another round in its effort to advertise its Barclay cigaret brand here as a 1mg-tar, 0.2mg-nicotine smoke (*see related item on Page 3*). The Swiss Federal High Court barred BAT from using the low-tar designation in advertising and on packaging, pending a decision by Swiss health authorities on whether Barclay's tar content can be measured adequately by existing cigaret testing equipment. A spokesman for BAT's U.S. subsidiary, Brown & Williamson Tobacco Corp., Louisville, said BAT would change its packaging and advertising to comply with the order.

Fischer returns to Grey as consultant

New York—Keith Fischer, who on May 1 left D'Arcy MacManus Masius here as president, has been quietly working at his old alma mater, Grey Advertising, as a consultant. He has been working two days a week on general management and selected recruiting projects. Mr. Fischer still does not intend to return to the agency business fulltime and is looking into other business ventures.

Tv ad sales expected to hit $9.3 billion in '85

Chicago—Network tv ad sales will top $9.3 billion next year, a 10% increase over 1984, says Television Bureau of Advertising. TvB, which

(Continued on Page 8)

Agencies cheer vote: 'Consumers will spend'

An Advertising Age roundup

Agency executives across the country are glowing in the aftermath of President Reagan's victory, asserting it means nothing but good news for ad agencies.

The Reagan landslide is "good for business, so it will be good for the agency business," says Mario Donna, partner and co-creative director of Keye/Donna/Pearlstein, Los Angeles.

Mr. Donna's optimism was echoed by a number of agency heads. A strong economy will continue during the next four years, they believe, bringing in more business from their current client lists as well as first-time advertisers.

They also think the Republican victory means the average American will have more money in his pocket and he'll be more likely to spend it than tuck it away for a rainy day.

"Many clients held their breath during the election. They didn't know if disposable income was going to go down," said Neil Cameron, senior vp-general manager, Ogilvy & Mather/Atlanta. "It would have happened if taxes were going to be increased [under Mondale]."

St. Louis agency executives agree. In the last year they have seen commercial construction on the upswing and unemployment figures fall two percentage points to 7.1%. The city's economy looks better than it has in a long time, and agency executives seem to think Reagan's reelection may clinch the recovery.

Ken Johnson, president of Batz-Hodgson-Neuwoehner, St. Louis, says the victory has buoyed the spirits of many clients who worried about the uncertainties of a change in the administration.

But in Houston, where the economic recovery has been modest at best, opinions about what Reagan's victory means are more tempered.

"I don't think the election will affect Houston's economy one way or another," said Art Casper, president and chairman of Winius-Brandon Advertising. "I just think we're in for some rough times economically, at least for the short term.

"I don't see a giant light at the end of the tunnel because of Reagan's reelection. Had it gone the other way, the tunnel would be a lot longer."

Mr. Casper says the federal government is not going to cure Houston's ills. Only a diversification of the market's economic base will fix the sluggish recovery,

(Continued on Page 111)

Highlights

Schering-Plough Corp. and Sterling Drug are major funders of a group issuing a public service spot about aspirin the FDA calls "misleading." *See Page 10.*

Major marketers in the American floral industry are injecting hefty doses of advertising into an effort to reshape their $6.9 billion business to fit the image of their European counterparts. *See Page 12.*

Joseph Stetler, interim president of the Pharmaceutical Manufacturers Assn., said the group's schism over drug legislation is almost healed, and that a new executive should be on board by Feb. 1. *See Page 12.*

Kellogg Co. says it has no plans to change its All-Bran advertising campaign message, despite criticism that it conveys a false impression about the cereal's ability to deter some cancers. *See Page 12.*

Don Ohlmeyer, chairman, Ohlmeyer Communications Cos., though perhaps most associated with tv sports, seems to be more enthused these days about other kinds of projects. *See Page 14.*

Krystle Carrington (Linda Evans) is promoting one of the 10-hottest gift items for Christmas. *See Page 100.*

Movie studios and video retailers will lose $1 billion this year to video pirates worldwide, according to the Motion Picture Assn. of America. *See Page 105.*

CORPORATE CLOSEUP

Ore-Ida Foods, the Boise, Ida.-based subsidiary of H.J. Heinz Co., has become one of the most successful brands in U.S. grocery stores by turning a huge homemade market into one in which customers would just as soon grab the product from supermarket shelves. *See Page 4.*

FORUM

Adman John Emmerling wonders what big agencies have against radio. *See Page 20.*

Editor-at-large Joseph M. Winski looks at the life and times of Ward Cleaver. *See Page 20.*

INTERNATIONAL

The International Olympic Committee could lose as much as $500 million in tv revenue if final competitions at the 1988 Summer Olympics in Seoul are not rescheduled to accommodate U.S. prime time viewing. *See Page 64.*

J. Walter Thompson Co. has been accused of acting as an arm of the U.S. intelligence services during and after World War II in Australia. The accusations were made by a Soviet journalist. *See Page 64.*

Australians are not going to let anyone—including themselves—forget that they won the America's Cup sailing title last year. Two rival production companies are racing to make tv docudramas of the behind-the-scenes success story of Perth millionaire Alan Bond and the crew of the Australia II. *See Page 66.*

VIDEOTECH

Dennis Gillespie, newly elected president of Advertiser Syndicated Television Assn., foresees continuing growth in children's programing and theatrical films fueling the barter boom. *See Page 70.*

The Disney Channel will spend about $1 million on a cooperative multimedia Christmas campaign to run between Nov. 12 and Dec. 25. *See Page 70.*

COMING THURSDAY

SPECIAL REPORT

The business office of tomorrow is right around the corner, and it probably will look a lot like today's. The combined computer and communications technologies will be the power behind it all.

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Behind the winners and losers

Some of the toughest Senate campaigns were fought by spending top dollar for high-powered media and political consultants. Here's a list of players in several key races, with winners mentioned first. Source: *Federal Election Commission, Advertising Age.*

North Carolina

Jesse Helms (R)
Jefferson Marketing, Raleigh, N.C., media planning and buying
Castellanos & Associates, Arlington, Va., media consulting
Bruce Eberle Inc., Vienna, Va., direct mail
Arthur Finkelstein, Irvington, N.Y., pollster

James Hunt (D)
D.H. Sawyer & Associates, New York, media work and buying
Craver Matthews, Falls Church, Va., direct mail
A.B. Data, Milwaukee, direct mail
Peter D. Hart Research Associates, Washington, pollster

Illinois

Paul Simon (D)
The Communications Co., Washington, media, creation and buying
A.B. Data, Milwaukee, direct mail, with assistance from Public Communication Group, Washington
Cambridge Survey Research, Washington, pollster

Charles Percy (R)
Ailes Communications, New York, media work
Libov & Associates, New York, media buyer
Odell Roper & Associates, Bethesda, Md., direct mail
Market Opinion Research, Detroit, pollster

Iowa

Tom Harkin (D)
Db Productions, Des Moines, and Rothstein and Co., Washington, media production
Buying and direct mail done by the campaign
Peter D. Hart Research Associates, Washington, pollster

Roger Jepsen (R)
Robert Goodman Agency, Brooklandville, Md., media production
CMF&Z, Des Moines, media buyer
Herman Pirchner Inc., Dallas, direct mail
Decision/Making/Information, Santa Ana, Cal., pollster

Texas

Phil Gramm (R)
Ailes Communications, New York, media producers
Black Manafort & Stone, Alexandria, Va., media buyer and consultants
Carl Rove, Austin, Tex., direct mail
Lance Tarrance, Houston, pollster

Lloyd Doggett (D)
Zimmerman Galanty & Finman, Santa Monica, Cal., media creators and buyers
Public Communications Group, Washington, direct mail
Peter D. Hart Research Associates, Washington, pollster

Minnesota

Rudy Boschwitz (R)
Robert Goodman Agency, Brooklandville, Md., media planner
Rudy Marti, Minneapolis, media buyer
Odell Roper & Associates, Bethesda, Md., direct mail
Bailey Political Consultants, Sunset, Utah, general strategists
Decision/Making/Information, Santa Ana, Cal., pollster

Joan Anderson Growe (D)
National Voter Contact, Washington, media work
Mercurio Consultants, New York, media buyers
Public Communications Group, Washington, direct mail
Hamilton & Staff, Chevy Chase, Md., pollster

Nestle bar sells with a passion

By GAY JERVEY

Tv viewers in Eau Claire, Wis., and Albany, N.Y., this week will get a chance to look—and possibly do a double take—when Nestle Co. begins a new campaign that moves All-American candy bar advertising into the MTV-esque world of the erotic, pulsating sell.

The new ads, themed "Nestle's passion," feature throbbing music and lyrics, such as "Did you ever have a craving?" "What a creamy sensation," "Gimme, gimme your Nestle" and, in what appears to be a brief moment of hard product sell, "Smooth and rich. Everybody loves it, tastes so good, no other chocolate does it."

The spot—which is punctuated with the word "passion," accompanied with lavish visuals of chocolate dripping and young, beautiful people taking nibbles and bites—

(Continued on Page 113)

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Newspaper Ad Linage

August 1984 vs. August 1983

AKRON, OH

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Beacon Journal (E)	1.556.821	384.639	1.689.776	323.475
Beacon Journal (S)	1.079.645	101.946	971.880	119.034
Grand Total	2.636.466	486.585	2.661.656	442.509

NOTE: Part run figures supplied by publisher to Media Records

***ATLANTA, GA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Constitution (M)	3.541.909	799.154	2.867.020	679.753
Journal (E)	3.483.518	816.486	2.999.072	762.380
Journal & Constitution (S)	2.303.330	806.801	1.884.163	755.807
Journal & Constitution (Sat)	673.385	——	591.977	——
Grand Total	10.002.142	2.422.441	8.342.232	2.197.940

NOTE: Constitution Morning and Journal Evening published five days a week only

Constitution Morning, Journal Evening, Journal & Constitution Saturday and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective April 30, 1984

***BALTIMORE, MD**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News-American (S)	607.293	21.248	501.936	55.380
News-American (E)	897.580	96.928	988.374	253.320
Sun (M)	2.441.445	58.579	1.942.850	143.326
Sun (E)	1.997.871	58.694	1.889.114	142.896
Sun (S)	2.639.177	75.015	2.309.304	5.472
Grand Total	8.583.366	310.464	7.631.578	600.394

NOTE: Sun Morning and Sun Evening started publication of a combined Saturday edition effective March 24, 1984. The linage is shown only in the Sun Morning

News-American Sunday and Evening changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width, and Sun Morning, Evening and Sunday changed from a nine column (2664 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984

***BERGEN COUNTY, NJ**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Record (E)	3.104.566	409.903	2.516.505	379.469
Record (S)	2.237.602	275.560	2.083.959	437.886
Grand Total	5.342.168	685.463	4.600.464	817.355

NOTE: Record Evening published five days a week only

Record Evening and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984.

***BOSTON, MA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald (M)	893.752	——	795.318	3.120
Herald (S)	246.137	360.988	464.246	78.984
Globe (M)	2.864.579	150.386	2.602.671	128.190
Globe (S)	3.073.394	338.220	2.751.012	328.022
Grand Total	7.077.862	849.594	6.613.247	538.316

NOTE: Globe changed from All Day publication to morning publication effective April 2, 1984.

Herald Morning and Sunday changed from a seven column (1400 lines per page) tabloid width, to a five column (980 lines per page) tabloid width effective July 1, 1984. Globe Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width effective July 2, 1984

BOULDER, CO

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Camera (M)	2.227.714	——	2.147.422	——
Camera (S)	907.486	——	967.950	——
Grand Total	3.135.200	——	3.115.372	——

NOTE: Figures supplied by publisher to Media Records

***BUFFALO, NY**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (AD)	2.271.374	218.460	2.225.830	340.755
News (S)	784.009	263.368	856.956	228.486
Grand Total	3.055.383	481.828	3.082.786	569.241

NOTE: News All Day and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective May 1, 1984

***CAMDEN, NJ**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courier-Post (E)	1.808.033	315.379	1.607.025	98.102
Courier-Post (S)	735.634	15.602	731.473	46.144
Grand Total	2.543.667	330.981	2.338.498	144.246

NOTE: Courier-Post Evening and Sunday changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective May 1, 1984

CHARLOTTE, NC

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (E)	1.281.324	——	1.161.8[illegible]	——
Observer (M)	1.908.933	723.770	1.633.6[illegible]	698.853
Observer (S)	1.055.838	547.814	900.73[illegible]	406.653
Grand Total	4.246.095	1.271.584	3.696.14[illegible]	1.105.506

NOTE: News Evening published five days a week only

***CHICAGO, IL**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (Ad)	2.295.480	2.575.554	2.002.775	2.290.294
Tribune (S)	1.862.847	896.191	1.567.283	738.159
Sun-Times (M)	2.277.764	1.105.884	2.263.974	966.078
Sun-Times (S)	810.619	506.802	777.631	551.909
Grand Total	7.246.710	5.084.431	6.611.663	4.546.440

NOTE: Sun Times Morning and Sunday changed from a six column (1200 lines per page) width tabloid to a five column (980 lines per page) width tabloid effective July 2, 1984

***CINCINNATI, OH**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Enquirer (M)	2.605.984	228.328	2.470.106	172.848
Enquirer (S)	1.749.155	87.772	1.568.602	64.840
Post (E)	1.078.116	351.392	1.078.886	172.704
Grand Total	5.433.255	667.492	5.117.594	410.392

NOTE: Enquirer Morning and Sunday and Post Evening changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***CLEVELAND, OH**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Plain Dealer (M)	2.934.932	511.737	2.978.398	373.692
Plain Dealer (S)	1.768.565	125.694	1.768.550	62.917
Grand Total	4.703.497	637.431	4.746.948	436.609

NOTE: Plain Dealer Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***DALLAS, TX**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (M)	6.719.912	338.945	5.388.331	316.848
News (S)	3.385.915	226.736	2.798.384	235.324
Times-Herald (AD)	5.923.957	378.397	4.750.243	243.797
Times-Herald (S)	2.433.765	526.648	2.157.417	394.749
Grand Total	18.463.549	1.470.726	15.094.375	1.190.718

NOTE: News Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width, and Times Herald All Day and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***DENVER, CO**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Rocky Mountain News (M)	5.978.443	73.588	5.820.460	——
Rocky Mountain News (S)	1.482.483	20.264	1.385.293	28.192
Post (M)	3.895.080	217.049	3.471.769	269.368
Post (S)	2.224.951	24.928	2.394.065	29.616
Grand Total	13.580.957	335.829	13.071.587	327.176

NOTE: Rocky Mountain News Morning and Sunday changed from a seven column (1365 lines per page) width tabloid to a five column (980 lines per page) width tabloid, and Post Morning and Sunday changed from a nine column (2772 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984

***DETROIT, MI**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Free Press (M)	1.875.268	823.617	1.822.313	802.564
Free Press (S)	700.733	288.849	720.118	244.692
News (AD)	2.617.996	457.982	2.551.687	503.896
News (S)	1.541.955	211.954	1.406.684	241.534
Grand Total	6.735.952	1.782.402	6.500.802	1.792.686

NOTE: Free Press Morning and Sunday changed from a nine column (2736 lines per page) width to a six column (1830 lines per page) width, and News All Day and Sunday changed from a nine column (2808 lines per page) width to a six column (1872 lines per page) width effective July 1, 1984

***ERIE, PA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (E)	1.404.195	65.736	1.318.110	10.592
Times-News (S)	1.028.543	154.976	1.018.688	22.096
Grand Total	2.432.738	220.712	2.336.798	32.688

NOTE: Times Evening and Times-News Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 1, 1984

FORT LAUDERDALE, FL

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News & Sun Sentinel (S)	1.465.969	——	——	——
Sun Sentinel (M)	4.573.953	——	——	——
Grand Total	6.039.922	——	——	——

NOTE: 1983 figures not available

***FORT WAYNE, IN**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Journal Gazette (M)	1.466.638	——	1.521.719	——
Journal Gazette (S)	929.069	——	880.217	——
News Sentinel (E)	1.682.648	——	1.752.523	——
Grand Total	4.078.355	——	4.154.459	——

NOTE: Journal Gazette Morning and Sunday and News Sentinel Evening changed from anine column (2790 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984.
Part run figures not available

GARY, IN

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post Tribune (E)	911.918	196.364	943.292	177.184
Post Tribune (S)	368.914	79.702	352.828	72.310
Grand Total	1.280.832	276.066	1.296.120	249.494

NOTE: Figures supplied by publisher to Media Records

***GREENWICH/STAMFORD, CT**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Time (E)	1.559.876	——	1.340.929	——
Time (S)	749.639	——	760.161	——
Advocate (E)	1.984.782	26.464	1.918.539	34.560
Advocate (S)	837.606	——	807.280	——
Grand Total	5.131.903	26.464	4.826.909	34.560

NOTE: Time Evening and Sunday and Advocate Evening and Sunday changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) effective August 1, 1984

***HARTFORD, CT**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courant (M)	2.754.262	532.763	2.561.479	368.370
Courant (S)	1.575.573	1.294.669	1.309.039	1.123.389
Grand Total	4.329.835	1.827.432	3.870.518	1.491.759

NOTE: Courant Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***HONOLULU, HI**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Advertiser (M)	2.647.616	——	2.583.817	——
Star-Bulletin (E)	2.540.054	——	2.527.766	——
Star-Bulletin & Advertiser (S)	1.361.682	——	1.268.410	——
Grand Total	6.549.352	——	6.379.993	——

NOTE: Advertiser Morning, Star-Bulletin Evening, and Star-Bulletin & Advertiser Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***HOUSTON, TX**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Chronicle (AD)	6.769.367	803.934	7.325.588	559.941
Chronicle (S)	2.646.505	467.868	2.380.922	408.076
Post (M)	4.250.977	695.786	4.747.987	405.471
Post (S)	1.354.915	343.962	1.375.277	422.048
Grand Total	15.021.764	2.311.550	15.829.774	1.795.536

NOTE: Chronicle All Day and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984, and Post Morning and Sunday changed from a nine column width (2655 lines per page) to a six column width (1764 lines per page) effective July 1, 1984

***LONG BEACH, CA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Press Telegram (M)	2.185.306	——	1.806.578	——
Press Telegram (S)	785.472	——	798.216	——
Grand Total	2.970.778	——	2.604.794	——

NOTE: Press Telegram Morning and Sunday changed from an eight column (2408 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

LONG ISLAND, NY

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Newsday (E)	3.415.799	815.838	2.972.536	699.480
Newsday (S)	1.455.894	959.506	1.480.321	996.797
Grand Total	4.871.693	1.775.344	4.452.857	1.696.277

***LOS ANGELES, CA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (M)	5.908.507	4.174.343	5.079.016	3.605.188
Times (S)	2.842.257	1.348.720	2.620.577	1.430.581
Herald-Examiner (M)	1.073.334	261.630	907.311	269.597
Herald-Examiner (S)	232.195	58.529	305.094	71.874
Grand Total	10.056.293	5.843.222	8.911.998	5.377.240

NOTE: Times Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective July 2, 1984, and Herald-Examiner Morning and Sunday changed from an eight column width (2240 lines per page) to a six column width (1680 lines per page) effective July 1, 1984.

***LOS ANGELES/SAN FERNANDO VALLEY, CA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (M)	3.548.071	434.842	2.940.824	548.917
News (S)	1.288.228	40.986	1.008.968	192.756
Grand Total	4.836.299	475.828	3.949.792	741.673

NOTE: News Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1764 lines per page) effective July 2, 1984

LOS ANGELES/TORRANCE, CA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Breeze (E)	2.293.144	——	1.979.082	——
Breeze (S)	870.478	——	776.468	——
Grand Total	3.163.622	——	2.755.550	——

NOTE: Figures supplied by publisher to Media Records
Breeze Evening and Sunday changed from an eight column (2408 lines per page) width to a six column width (1806 lines per page) effective July 1, 1984.

LOUISVILLE, KY

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courier Journal (M)	1.931.594	323.778	1.551.564	231.588
Times (E)	1.954.148	606.690	1.683.724	618.338
Courier Journal (S)	1.758.456	3.850	1.544.872	6.272
Grand Total	5.644.198	934.318	4.780.160	856.198

NOTE: Figures supplied by publisher to Media Records

MACON, GA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Telegraph & News (M)	1.050.322	451.850	844.340	341.558
Telegraph & News (S)	588.812	244.762	638.848	87.570
Grand Total	1.639.134	696.612	1.483.188	429.128

NOTE: Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.
Telegraph & News Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984. Telegraph Morning and News Evening combined into one Morning publication the Telegraph & News effective September 6, 1983

MIAMI, FL

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald (M)	2.100.941	——	2.416.537	——
Herald (S)	844.065	——	1.294.629	——
News (E)	504.211	——	1.109.969	——
Grand Total	3.449.217	——	4.821.135	——

NOTE: Part run figures not available

MINNEAPOLIS, MN

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star & Tribune (AD & Sat)	2.267.933	434.830	2.063.432	219.296
Star & Tribune (S)	2.082.815	32.928	1.911.042	6.034
Grand Total	4.350.748	467.758	3.974.474	225.330

NOTE: 1983 figures supplied by publisher to Media Records. 1983 part run daily is TMC and Community linage only. 1983 part run Sunday is Country linage only.

***NASHVILLE, TN**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Banner (E)	1.709.547	626.767	1.448.611	469.564
Tennessean (M)	1.706.937	600.970	1.386.232	475.664
Tennessean (S)	1.052.825	328.468	937.314	289.700
Grand Total	4.469.309	1.556.205	3.772.157	1.234.928

NOTE: Banner Evening and Tennessean Morning and Sunday changed from a six column (1800 lines per page) format to a six column (1806 lines per page) format effective July 1, 1984

***NEW YORK, NY**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (M)	2.808.529	449.257	2.729.286	318.691
Times (S)	3.079.011	1.474.950	2.891.837	1.695.582
News (M)	1.275.046	1.838.579	1.321.885	1.451.291
News (S)	500.745	1.131.367	472.254	1.265.960
Post (AD)	1.148.545	——	1.023.470	——
Grand Total	8.811.876	4.894.153	8.438.732	4.731.524

NOTE: Times Morning and Sunday changed from a nine column width (2700 lines per page) to a six column width (1764 lines per page). News morning and Sunday changed from a six column width tabloid (1200 lines per page) to a six column width tabloid (1176 lines per page), and Post All Day changed from a seven column width tabloid (1400 lines per page) to a five column width tabloid (980 lines per page) effective July 2, 1984

***NEWARK, NJ**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star Ledger (M)	4.438.960	98.598	3.412.707	149.282
Star Ledger (S)	2.979.819	408.516	2.514.022	390.808
Grand Total	7.418.779	507.114	5.926.729	540.090

NOTE: Star Ledger Morning and Sunday changed from a nine column (2835 lines per page) format to a six column (1788 lines per page) format effective July 1, 1984

***OAKLAND, CA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (M)	1.733.851	977.324	1.679.061	227.486
Tribune (S)	799.881	396.752	779.546	305.176
Grand Total	2.533.732	1.374.076	2.458.607	532.662

NOTE: Tribune Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2, 1984

***ORANGE COUNTY, CA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Register (AD)	5.600.549	1.026.038	4.860.727	956.787
Register (S)	2.006.714	101.672	1.840.498	65.024
Grand Total	7.607.263	1.127.710	6.701.225	1.021.811

NOTE: Register All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984

***ORLANDO, FL**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Sentinel (AD)	2.003.141	510.126	3.028.615	402.836
Sentinel (S)	754.028	280.090	1.043.172	190.156
Grand Total	2.757.169	790.216	4.071.787	592.992

NOTE: Sentinel All Day and Sunday changed from an eight column width (2352 lines per page) to a six column width (1764 lines per page) effective July 1, 1984. Part run totals do not include County Sentinel and Sentinel Bonus linage.

***PHILADELPHIA, PA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Inquirer (M)	2.451.897	642.671	2.102.586	646.766
Inquirer (S)	1.744.173	554.138	1.601.668	405.879
News (E)	1.238.882	25.728	1.158.168	10.080
Grand Total	5.434.952	1.222.537	4.862.422	1.062.725

NOTE: Inquirer Morning and Sunday changed from a six column (1860 lines per page) width to a six column (1872 lines per page) width effective January 1, 1984

PHOENIX, AZ

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Arizona Republic (M)	3.488.142	87.920	3.061.100	100.016
Arizona Republic (S)	2.116.380	——	1.691.438	——
Gazette (E)	3.410.428	89.362	2.996.042	102.634
Grand Total	9.014.950	177.282	7.748.580	202.650

NOTE: Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.

Arizona Republic Morning and Sunday and Gazette Evening changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective August 29, 1983

PORTLAND, OR

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Oregonian (AD&S)	4.343.444	——	4.008.648	——
Grand Total	4.343.444	——	4.008.648	——

NOTE: Figures supplied by publisher to Media Records

Oregonian All Day and Sunday changed from a nine column width (2709 lines per page) to a six column width (1606 lines per page) effective July 1, 1984. Figures are converted to a six column format as supplied by publisher.

PROVIDENCE, RI

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Bulletin (E)	977.760	521.472	877.100	344.036
Journal (M)	1.139.726	290.668	1.000.524	164.150
Journal (S)	1.305.094	309.456	1.038.646	136.374
Grand Total	3.422.580	1.121.596	2.916.270	644.560

NOTE: Bulletin Evening and Journal Morning have a combined Saturday edition. The linage is shown only in the Journal Morning.

Bulletin Evening and Journal Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984. Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.

***ROCHESTER, NY**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Democrat & Chronicle (M)	2.022.183	192.970	1.768.293	261.245
Democrat & Chronicle (S)	1.135.132	227.652	1.152.654	123.940
Times Union (E)	1.696.861	225.649	1.649.064	155.282
Grand Total	4.854.176	646.271	4.570.011	540.467

NOTE: Democrat & Chronicle Morning and Sunday and Times Union Evening changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) format effective June 25, 1984

Note: Times Union evening published five days a week only.

SACRAMENTO, CA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Bee (M&S)	6.619.896	355.917	6.928.040	——
Grand Total	6.619.896	355.917	6.928.040	——

NOTE: 1983 figures supplied by publisher to Media Records.

Bee Morning and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1, 1964.

ST. LOUIS, MO

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post Dispatch (M)	2.439.470	860.202	1.757.093	301.644
Post Dispatch (S)	2.391.415	——	2.334.958	——
Grand Total	4.830.885	860.202	4.092.051	301.644

NOTE: Figures supplied by publisher to Media Records. Post Dispatch changed from Evening publication to Morning publication effective February 27, 1984.

Post Dispatch Evening and Sunday changed from a nine column width (2709 lines per page) to a six column width (1890 lines per page) effective August 1, 1983.

***ST. PAUL, MN**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Pioneer Press (M)	1.530.402	——	1.334.543	——
Pioneer Press (S)	1.411.948	——	1.356.479	——
Dispatch (E)	1.532.599	——	1.343.605	——
Grand Total	4.474.949	——	4.034.627	——

NOTE: Pioneer Press Morning and Sunday and Dispatch Evening changed from a six column (1782 lines per page) format to a six column (1764 lines per page) format effective July 1, 1984

Note: Pioneer Press Morning and Dispatch Evening have a combined Saturday edition. The linage is shown only in the Dispatch evening. Part run figures not available.

***SAN ANTONIO, TX**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Express (M)	2.885.974	532.584	2.446.797	413.106
Express-News (S)	1.549.107	297.240	1.323.888	400.920
Express-News (Sat)	835.139	——	743.473	——
News (E)	2.871.052	364.226	2.255.643	410.682
Light (E)	2.705.886	771.992	2.436.466	499.099
Light (S)	1.479.059	435.845	1.271.419	364.736
Light (Sat)	707.642	——	590.597	——
Grand Total	13.033.859	2.401.881	11.068.283	2.088.543

NOTE: News Evening and Light Evening published five days a week only.

Express Morning, Express-News Sunday and Saturday News Evening, and Light Evening Sunday and Saturday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective June 1, 1984

***SAN DIEGO, CA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Union (M)	3.951.566	217.466	3.368.259	400.828
Union (S)	1.889.294	——	1.756.129	——
Tribune (E)	4.140.381	217.434	3.928.301	390.037
Grand Total	9.981.241	434.900	9.052.689	790.865

NOTE: Union Morning and Sunday and Tribune Evening changed from an eight column (2408 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984

***SAN FRANCISCO, CA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Chronicle (M)	2.563.889	939.924	2.353.380	942.941
Examiner (E)	2.548.529	922.382	2.323.899	924.766
Examiner & Chronicle (S)	1.213.600	587.336	1.158.910	522.000
Grand Total	6.326.018	2.449.642	5.836.189	2.389.707

NOTE: Chronicle Morning, Examiner Evening and Examiner & Chronicle Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2, 1984

***SAN JOSE, CA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Mercury News (AD)	5.857.551	569.787	5.116.826	790.356
Mercury News (S)	2.479.617	——	2.237.965	——
Grand Total	8.337.168	569.787	7.354.791	790.356

NOTE: Mercury News All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1788 lines per page) effective July 1, 1984

Note: Mercury Morning and News Evening combined to one edition, Mercury News All Day effective August 29, 1983. The Mercury Morning 1983 linage is reported in the Mercury News All Day listing

Prior to August 29, 1983 the Mercury Morning and News Evening had a combined Saturday edition, with the figures shown in the Mercury Morning.

***SHREVEPORT, LA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Journal (E)	1.690.364	121.912	1.526.328	94.928
Times (M)	2.133.029	333.088	1.970.364	152.568
Times (S)	1.104.448	89.364	1.032.790	99.708
Grand Total	4.927.841	544.364	4.529.482	347.204

NOTE: Journal Evening and Times Morning and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 30, 1984

STATE COLLEGE, PA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Centre Times (E)	1.321.642	72.240	1.371.776	98.826
Centre Times (S)	159.978	3.612	374.486	——
Grand Total	1.481.620	75.852	1.746.262	98.826

NOTE: Figures supplied by publisher to Media Records

***SYRACUSE, NY**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald Journal (E)	1.855.816	402.580	1.726.818	461.095
Herald American (S)	919.586	358.120	994.937	170.060
Post-Standard (M)	1.650.621	436.603	1.512.231	431.441
Grand Total	4.426.023	1.197.303	4.233.986	1.062.596

NOTE: Herald Journal Evening, Herald American Sunday, and Post Standard Morning changed from a nine column (2727 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

TAMPA, FL

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (AD)	4.323.957	1.738.194	3.364.638	984.136
Tribune (S)	2.178.228	——	1.948.418	——
Grand Total	6.502.185	1.738.194	5.313.056	984.136

NOTE: Figures supplied by publisher to Media Records. Comics linage is not included

Tribune All Day and Sunday changed from a nine column (2835 lines per page) width to a six column (1890 lines per page) width effective July 1, 1984

TOLEDO, OH

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Blade (E)	1.445.416	——	1.368.094	——
Blade (S)	1.098.384	——	936.222	——
Grand Total	2.543.800	——	2.403.316	——

NOTE: Figures supplied by publisher to Media Records

Blade Evening and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective April 2, 1984

TORONTO, CANADA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Sun (M)	2.046.831	55.760	1.758.342	——
Sun (S)	697.197	35.904	492.887	28.512
Globe & Mail (M)	2.510.706	228.381	2.109.628	353.980
Grand Total	5.254.734	320.045	4.360.857	382.492

***WASHINGTON, DC**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post (M)	5.249.371	701.285	4.828.399	766.534
Post (S)	2.441.426	441.641	2.354.693	526.723
Grand Total	7.690.797	1.142.926	7.183.092	1.293.257

NOTE: Post Morning and Sunday changed from a nine column (2781 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Alexandria Journal (M)	1.186.208	——	1.036.495	——
Prince George's Journal (M)	1.028.584	——	971.691	——
Montgomery Journal (M)	1.037.148	5.024	994.034	——
Fairfax Journal (M)	1.203.377	5.024	1.081.416	——
Arlington Journal (M)	1.189.409	——	1.038.844	——

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only, and changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984

WEST PALM BEACH, FL

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post (M)	3.093.608	443.072	2.587.522	282.002
Times (E)	2.663.822	49.462	2.299.948	——
Post (S)	1.610.546	134.666	1.553.286	109.256
Grand Total	7.367.976	627.200	6.440.756	391.252

NOTE: Figures supplied by publisher to Media Records

Times evening published five days a week only

***WESTCHESTER ROCKLAND, NY**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Reporter Dispatch (E)	1.378.349	221.605	1.285.034	238.119
Reporter Dispatch (S)	944.239	362.200	1.086.271	253.152
Grand Total	2.322.588	583.805	2.371.305	491.271

NOTE: Reporter Dispatch Evening and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective June 25, 1984

WICHITA, KS

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Eagle-Beacon (M)	2.060.266	——	1.908.093	
Eagle-Beacon (S)	1.069.479	——	882.112	——
Grand Total	3.129.745	——	2.790.205	——

NOTE: Part run figures not available

Source: Media Records

Linage figures have been provided by Media Records for the exclusive publication of Advertising Age. They may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Report Service, total advertising linage shown were provided by the newspaper to Media Records and included in this compilation.

CONVERSION METHODOLOGY

Due to the introduction of the SAU 6 column format, Media Records applies the following conversion methodology to report comparable figures (1984 month vs. 1983 data) for newspapers that changed column formats in 1984. These newspapers are indicated with an asterisk (*):

7 column tabloids which have adopted a 5 column tabloid format are converted back to the original 7 column formats.

8 column broadsheet standards which have adopted a 6 column broadsheet standard format are converted back to the original 8 column formats.

9 column broadsheet standards which have adopted a 6 column broadsheet standard format are converted back to the original 9 column formats.

6 column broadsheet standards or tabloids which have a slight depth change in 1984 but did not change column format are converted back to original depth.

Mondale 'risks' fall short

AUSTIN, TEX.—The Mondale-Ferraro strategy of taking chances and going for the "win" may have helped fuel President Reagan's historic landslide victory, a top Mondale aide said last week.

"Our strategy was not to lose by 10 to 12 points; the idea was to win," said Roy Spence, the Texas adman who served as the Mondale campaign's media adviser. "We probably could have gotten closer with a basic, straight Democratic approach, but Mondale believed, as did I, that we had to go for a win strategy."

Although Walter Mondale knew he was up against "probably the most popular president" since Franklin Roosevelt, Mr. Spence said, the strategists scrapped traditional Democratic efforts in political ads and decided to focus on issues such as the deficit, nuclear freeze and the "Star Wars" approach to deterrence.

The hardest-hitting portion of this strategy came only in the last 10 days of the campaign, said Mr. Spence, an exec vp with GSD&M here. The big buys came in states the campaign deemed close, including New York, Pennsylvania, Massachusetts and Illinois.

"Though we didn't win," Mr. Spence said, "we were coming home with heavy [emphasis on] fairness and arms control that moved voters dramatically—but not fast enough." He added, "Maybe they [the critics] were right that we could not sell our issues: War and peace, decency and fairness."

Mr. Spence, preparing for a vacation after working with Mr. Mondale since before the primaries, said public opinion bounced sharply during the two debates between the presidential candidates. After the second debate, many Americans went back to their good feelings for President Reagan that existed before the first debate, he said.

Looking back, Mr. Spence said the Mondale campaign could have done a better job of focusing on the issues and may have had too many messages in executing the "high-stakes win strategy."

Some critics point to a failure in the campaign as its inability to capitalize on the momentum it gained from the Democratic national convention. Reports have indicated, however, that internal bickering hampered the Mondale-Ferraro campaign initially. Mr. Spence had no comment.#

New California lottery may spend $50 million

LOS ANGELES—California's state lottery, expected to start March 21 following voter approval last week, promises to be one of the more hotly contested advertising accounts in the state. There is speculation that some $50 million will be spent to promote it.

At present, California Gov. George Deukmejian has 30 days to name the five-member commission and executive director to run the state's game. Once that is undertaken, lottery management will determine when and how the lottery will be promoted.

Under the Proposition 37 lottery initiative, passed Nov. 6 by a 58%-to-42% margin, no more than 16% of the lottery's total revenues may be spent for operations. Advertising, marketing and promotional expenses will make up a percentage of that sum.

The initiative spells out that the commission will expend 3.5% of the projected sales of all lottery tickets for advertising, promotion and incentives in the first year. The California lottery—which more than likely will be the largest in the U.S.—is projected to have annual sales in the range of $1.5 billion to $1.7 billion, sources say.

According to the initiative, an independent company is to review the effectiveness of the lottery's marketing program. The results of that audit will be presented to lottery management and California governmental officials.#

Cheery vote

(Continued from Page 2)

he adds. Compared with the rest of the country, Colorado is enjoying good economic times. Average personal income ranked eighth-highest among the states in 1983, and in September the unemployment rate was lower than all but eight other states. So, as a rule, Denver ad executives are pleased with the election results, on the assumption that Reagan's continuation in the White House will mark a continuation of prosperity.

"Our business has never been better than it has been in the past four years," said Tom Hagan, exec vp, Karsh & Hagan. "Let the good times continue to roll."

One exception to the general optimism is Garry Mitchell, president of Tracy-Locke/BBDO, Denver. "I think anyone who is saying that this is going to be good for the advertising business is premature and apt to be wrong," he says. But Mr. Mitchell appears to be a lone wolf crying in the night.

In New Jersey, where the state is making a fast metamorphosis from a manufacturing to a white-collar economy, agency executives are glowing.

Bob Prewitt, president of DANA Advertising, Hopewell, N.J., agrees. DANA has seen its billings grow from $3 million in 1983 to $10 million this year. Our business is driven by [attitude] as much as by reality," he said. "There is a feeling of growth and as long as there is a feeling about it, people are willing to spend money to make money. . .That's what marketing is all about."#

How the polls fared

Final poll presidential election results from various media and how they stacked up (undecideds not included). *Source: Advertising Age.*

Media	Reagan	Mondale
Actual results	**59%**	**41%**
USA Today	60%	35%
NBC	58%	34%
Gallup	57%	39%
ABC/*Washington Post*	57%	39%
CBS/*New York Times*	56%	37%
Harris/National Public Radio	55%	43%
Los Angeles Times	57%	38%

Contributing to this report were reporter Ruth Stroud and regional correspondents Lori Kesler, Jennifer Lawrence, Russell Shaw, Janet Simons and Pat Winters.

Winners

(Continued from Page 1)

gering 620 gross rating point level on network tv during the final week of the campaign.

Joan Blayney, Tuesday Team associate media director and formerly with NBC Entertainment, later estimated that the Mondale campaign managed a 500 gross rating point level in the final week before Election Day. In the last two weeks of the campaign, Mr. Zimmerman estimated, the Reagan-Bush '84 campaign spent $5 million of the $23 million media budget.

Mr. Travis said he believes a key strategic move involved the airing of the Reagan documentary (put together by Mr. Dusenberry and first shown during the Republican national convention) on all three networks, major independents and cable tv at 8 p.m. Sept. 11. The maneuver, he said, enabled the campaign to be kicked off with an over-all 25.6 rating and 46 share.

"From the very beginning," Mr. Travis said, "we thought the election would be very close, no more than a four-to-five-point spread. People were saying Mondale had put together one of the best political organizations in history, and he was one of the best professional politicians around."

As a result, the Tuesday Team worked relentlessly, with commercials being written, approved and produced in a matter of a couple of days. Reagan strategists even drew key lines from the spots to be used in President Reagan's and Vice-President Bush's speeches. They selected "Prepared for peace" (Weller), "Prouder, stronger, better" (Riney) and "America's coming back" (Weller).

Mr. Zimmerman explained another strategic aspect of the campaign was the planned use of commercials from the pool that were synchronized with the issues President Reagan was addressing on a week-by-week basis.

Messrs. Travis and Zimmerman bristled over criticism that the Reagan spots were merely "slick pictures."

"If you look at our commercials, the imagery drove up the positives about Mr. Reagan's policies," Mr. Travis said. "But copy was always tough. It cited the administration's accomplishments and drove up the negatives of Mr. Mondale without ever mentioning his name."

Mr. Zimmerman said critics are forever saying how political advertising is so negative. "The White House understood that we happen to be, in terms of communicating, the experts in getting the message to people in 30 seconds. We merely tried to give the people advertising they would like to watch. I think we did politics a service."#

Jack springs new name

By JENNIFER PENDLETON

Ralston Purina Co.'s Jack in the Box fast-food chain is trying out a new name—Monterey Jack's—and returning to an old habit in its tv advertising—logo blasting.

The 800-unit San Diego-based restaurant chain, which turned around its once slumping business with menu and store design changes beginning four years ago, is completing that process with a new name it hopes is more in keeping with its improved image.

This week, the Ralston subsidiary will convert its 30 stores in the Seattle area to the Monterey Jack's name, following a company tryout of the new moniker in Beaumont, Tex., and Albuquerque. The company has put up new signs and changed employe uniforms to reflect the new identity. Sources close to the company describe the switch as a test which, if successful, will be introduced systemwide.

Richard Pearce, Jack in the Box's vp-marketing, refused to comment on the name change.

Jack in the Box is informing the public of its new name with at least one tv commercial using a familiar theme, an exploding logo. One spot features footage from the company's famous 1980 "Clown blasting" commercial in which an elderly lady drives up to a Jack in the Box clown to watch it blown to bits by dynamite.

This time, the old lady returns to the Jack in the Box sign to find out the changes the fast-food chain is planning. The narrator outlines the menu revamp of the past four years and explains that, as the chain has improved, its child-oriented name just doesn't fit. The camera then zeroes in on the Jack in the Box sign, which is demolished in an explosion. It reveals its new Monterey Jack's name.#

Chicken

(Continued from Page 1)

fast-food restaurants and retail grocery stores, as consumption of red meat declines. Dublin, O.-based Wendy's is hoping that the new spot's tag line, "Parts is parts," will do for its chicken sales what "Where's the beef?" did for its hamburgers.

Burger King's original "broiling vs. frying" campaign showed that consumers would respond to advertising that addresses technical points of difference as well as claims of superior taste. The new Wendy's spot follows a similar tack, contrasting the "100% natural boneless breast of chicken" used in its sandwich with the "processed chicken" used in McDonald's Chicken McNuggets and in Burger King's and some other competitors' chicken sandwiches.

"Processed chicken" spot

In the "Parts" commercial, a customer at an unnamed fast-food restaurant asks what the person ahead of him has ordered. Told that it's "processed chicken," he asks for an explanation. The counter worker explains in excruciating detail that processed chicken is made from various parts of a chicken that are ground up and formed into shapes. The counter worker shrugs off a question about *which* parts of the chicken are used with the reply "Parts is parts."

The spot reunites the team that brought America "Where's the beef?" Mr. Sedelmaier directed from a script by Dancer Fitzgerald Sample senior vp Cliff Freeman. DFS' Susan Scherl produced the commercial, with Donna Weinheim's art direction.

Mr. Freeman admitted that trying to follow the phenomenal success of the "Where's the beef?" campaign did present an obstacle.

"The pressures were felt by everyone, I think, including Joe," Mr. Freeman said. "But eventually we got over it. We had to. And I think we did a very good, very effective spot."

There really was no pressure, he said, to write a memorable line that could take off as "Where's the beef?" did. "'Catch-phrase' thinking is destructive," he said.

Mr. Freeman also said he and Mr. Sedelmaier have collaborated on additional Wendy's commercials (but not "Where's the beef? IV" or "Parts is parts II") currently being tested.

The Sedelmaier-directed spot was one of two different executions for the chicken sandwich Wendy's considered (AA, June 13). "Parts is parts" aired in Richmond, Va., this summer, while another spot, featuring chicken puppets dancing at the Chicken Club, was tested in Oklahoma City. A Chicken Club sandwich (the basic sandwich topped with bacon) is a menu option for Wendy's operators, and it's possible that the second spot will be used nationally.

Chicken has become a major part of most fast-food chains' menu lineup. Analysts say Chicken McNuggets, introduced in 1980, now account for about 10% of per-store sales for McDonald's. That would be approximately $750 million in domestic sales.

A similar trend has taken hold in the retail frozen boneless chicken market. That segment, now $275 million, has grown rapidly during the past few years, with the introduction of Hot Bites from ConAgra's Banquet Foods unit and more competition from Tyson Foods and Victor F. Weaver Inc.

Banquet Foods, St. Louis, is extending the Hot Bites line of chicken patties, nuggets and sticks with Entree Express, a five-item line that includes regular, barbecue and Italian chicken patties.

Chains reacting

But the fast-food chicken chains already have begun fighting back both McDonald's and local freezer cases. Louisville-based KFC is rapidly expanding the marketing territory for Kentucky Nuggets, which it began testing this summer (AA, Aug. 20).

Church's Fried Chicken, San Antonio, the nation's No. 2 chicken chain, has joined the counterattack, too. Last month it launched Crispy Nuggets in its 1,300 stores (AA, Oct. 1).

Oak Brook, Ill.-based McDonald's last year withdrew its McChicken sandwich from most stores where it had been offered. One of that product's competitive disadvantages, analysts said, was that it was made from processed chicken, while other chains—like Arby's, KFC and Wendy's—were introducing natural chicken breast sandwiches.

With Wendy's, KFC and Church's advertising now all pointing disparaging fingers at McDonald's processed-chicken McNuggets, one of Big Mac's most important menu items is in for a market-share war on three fronts.

But McDonald's is not without its own formidable arsenal. Sources say new advertising support for McNuggets is set to break around Thanksgiving.#

Also contributing to this story was senior reporter Janet Neiman.

No doldrums for public shops

By STEWART ALTER

NEW YORK—Need proof that 1984 is shaping up as a banner year for public ad agencies? Consider the strong results for the traditionally limp third quarter.

"I'm always prepared to explain away the third quarter and apologize for it, to point out that it's not at all unusual that expense levels are high because the fourth quarter is the big season for ad agencies and they're staffing up," said Alan Gottesman, a securities analyst who follows ad agencies at L.F. Rothschild, Unterberg, Towbin.

"But this year I didn't have to do it," he said. "Everybody is running at 20% growth or better, so I have an unused, but ready, excuse."

Marketers "were out there advertising in the summer a little bit more than they normally do," said Mr. Gottesman. The Olympics was one factor, but not the only one, he said.

Indeed, as the accompanying chart indicates, the third quarter was strong for almost all the public agencies. The exception was Doyle Dane Bernbach, which was still in the loss column owing to its unusual year of account losses. But even DDB had an 11% gain in gross income in the third quarter, compared with the year-ago quarter, and cut its pretax losses in half (from $1.965 million to $948,000). For the nine months, it showed a gain of 26% both in pretax income and in net earnings—figures in line with those of the other public shops.

The summer months inspired a turnaround for Ally & Gargano, which had a lackluster fiscal year. (The agency is on a July 1 to June 30 fiscal calendar, so everyone else's third quarter is its fiscal first quarter.) In that quarter, which ended Sept. 30, net earnings rose a whopping 172% to $430,000 from the comparable period in 1983.

Foote, Cone & Belding, Chicago, also reported record revenues for its third quarter. Net earnings rose 62.2% to $4.7 million over restated 1983 earnings of $2.9 million. Results for 1983 have been recalculated to include the NCK Organization Ltd., which was merged into FCB last January.

Additionally, the third quarter found the public agencies continuing to improve their profit margins.

"Pretax profit margins improved in the third quarter and for the year to date in spite of the fact that translation of our international results sharply impacted our performance," commented Don Johnston, chairman-chief executive officer, JWT Group.

In the third quarter, JWT's pretax profits as a per cent of revenues edged up to 8.2% from 8%, while increasing to 8.5% from 7.4% for the nine months.

But the pretax margin increases were even more substantial for some of the other agencies.

Ogilvy & Mather's third-quarter pretax margins rose to 9.1% of revenues from 8%, and to 9.9% from 8.5% for the full nine months. For the Interpublic Group of Cos., the third-quarter pretax margin rose to 6.6% from 5.4%, while for the nine months the increase was to 11.5% from 9.6%. Grey Advertising's third-quarter margins rose to 10.4% from 8.1%, and to 11% from 9.5% for the nine months.

Even BBDO, which already runs a pretty tight ship, inched up to a 10.4% pretax profit margin as a per cent of revenues in the third quarter from 10.1% in the similar period, and to 13% from 12.6% in the nine-month period.#

Agency financial results

It looks like 1984 will be a banner year. All agencies, with the exception of Doyle Dane Bernbach, are reporting record high revenue gains. NM means not meaningful. Source: *Advertising Age*.

	Income ($000)			Revenues ($000)		
Agency	1983	1984	(%)	1983	1984	(%)
Third quarter						
A&G *(1st qtr)*	158	430	+172.2	4,560	6,007	+31.7
BBDO	2,965	3,913	+ 31.9	63,128	72,336	+14.5
DDB	(1,965)	(948)	NM	41,962	46,438	+10.6
FCB*	2,924	4,742	+ 62.2	58,369	68,185	+16.8
Grey	1,585	2,010	+ 26.8	40,970	49,767	+21.4
Interpublic	2,514	3,182	+ 26.5	136,959	144,962	+ 5.8
Mickelberry	468	528	+ 12.8	21,667	31,692	+46.2
O&M	2,814	4,606	+ 63.6	80,996	102,498	+26.5
JWT	3,932	4,763	+ 21.1	108,139	126,829	+17.3
Nine months						
BBDO	11,183	15,158	+ 35.5	185,438	223,096	+20.3
DDB	3,754	4,731	+ 26.0	137,764	151,743	+10.1
FCB*	7,869	11,194	+ 42.3	163,957	196,509	+19.9
Grey	5,373	7,183	+ 33.7	114,332	145,656	+27.4
Interpublic	15,701	22,749	+ 44.8	424,883	460,884	+ 8.5
Mickelberry	1,374	1,789	+ 30.2	64,344	89,690	+39.4
O&M	8,806	14,109	+ 60.2	249,455	307,947	+23.4
JWT	11,035	14,695	+ 33.2	328,645	375,677	+14.3

**1983 figures for FCB are restated.*

Aspirin

(Continued from Page 10)

determining a psa's truth or falsity, as well as for deciding whether to air it. He said the Fairness Doctrine might apply if the spot presented only one side of an argument "in an obvious and meaningful way."

At the FDA, which got condemnations of the psa from the Centers for Disease Control in Atlanta and Dr. Edward Brandt, assistant secretary for health, there is even more trepidation.

The agency claims several studies have indicated a Reye's-aspirin link and is involved in what it hopes will be a definitive national study on the disease. A pending proposal to include a Reye's warning on aspirin labels rides on the outcome of the study.

Despite its resolve, the FDA is reluctant to challenge the First Amendment right of the CCC to air its opinion, disputed though it may be.

"I can't say we couldn't perhaps find some legal excuse" to go after the psas, an FDA spokesman said. "But the fact that we find them misleading doesn't precipitate any action."

He said the FDA unsuccessfully asked the committee to withdraw its ads, then switched tactics.

The FDA's own Reye's syndrome message to nearly 10,000 tv and radio stations at a cost of about $12,000 went out as news, not a psa.

That decision stems from last year, when the CCC, using stationery with a legal firm's letterhead, warned tv and radio stations they would be subject to equal-time provisions if they aired the FDA's 1983 Reye's warnings, an agency official said. The CCC also warned supermarkets against displaying FDA-supplied materials on Reye's syndrome near their aspirin counters, or face possible charges of mislabeling.

The committee's psa was not sent to CBS or ABC, according to network officials, one of whom noted that independent stations, with their less-stringent regulations, might be more inclined to air them. NBC was unavailable for comment.

For its part, the CCC questions whether any evidence has been found to establish a Reye's-aspirin connection, and paints itself as a group of 1,200 caring pediatricians interested in issues affecting children.

"We are disappointed that the FDA singles out aspirin. . .based on earlier inadequate data," said Neal Chayet, a Boston attorney and cofounder of the committee and its parent organization, the International Science Exchange.

"The question is whether aspirin is a risk factor," said Mr. Chayet, who also hosts a syndicated radio program produced for CBS, "Looking at the Law." "We think it is in everyone's best interest to find a relationship, if there is any."

Mr. Chayet said the committee soon hopes to launch its own study on Reye's, an effort that would match the government's study. The National Health Service is due to release results of a pilot study in a few weeks that, one government source said, will reinforce the notion that aspirin increases a child's risk of Reye's syndrome.#

Car radio

(Continued from Page 3)

late in September and concluded in October.

GM also has completed a significant holiday radio buy across 10 markets that will employ a "Buckle-up, drive safely" theme.

The new emphasis on radio is a result of several factors, sources said, but primarily the auto makers are using radio as a wedge into the 18-to-34-year-old market.

"There is a greater emphasis on youth in [Chevy's 1984 media campaign], especially 18 to 34, and it is hard to reach this demographic on television," said a spokesman for Campbell-Ewald, Warren, Mich., Chevy's agency.

In the reorganization of General Motors, Chevrolet will be considered an entry-level nameplate, hence the importance of luring younger buyers.

The C-E spokesman said the funds for the radio buy were not taken out of the spot tv budget.

Radio also is getting increased attention because of staggered car introductions during the year, sources said.

Although the Spectrum and Ram 50 introductions will occur during the traditional October new-car period, other introductions occurred last spring.

Radio has become an important tool to support the new cars, sources said. Radio advertising offers great flexibility and can be used to build frequency quickly.

The Dodge Ram 50 buy is the largest radio buy that Dodge has made in a year.

The campaign, which will break this month, "is geared to take on the imports," said Gene McCarthy, executive media director at BBDO, Southfield, Mich., which handles Dodge.

Dodge decided to build heavy frequency for the car over a four-week period and believed radio could best be used for the effort.

Dodge's return to radio, like Chevy's, illustrates an effort to reach a youth market.

Like Chevy, Dodge deemphasized radio after the car market began to boom two years ago.

"You have to remember that Chrysler has always been responsive to radio, and during the tough days it spent a lot on the medium," Mr. McCarthy said. However, he said, when the climate improved, more money shifted to spot tv at the expense of radio.#

Remedy

(Continued from Page 6)

homeopathic product each year for the next seven years to its list of advertised remedies.

"There's really no equivalent to Oscillococcinum in the [over the counter] market," he said. "We are seeking to fill a void, not take business from other companies."

Mr. Borneman said his company considered changing the product's long, tongue-twisting name.

But it concluded that even if consumers couldn't remember how to say it, the difficulty would help them remember the product, and they could describe the product well enough to the retailer to ask for it.

"At worst, it's funny, entertaining, intriguing—rarely offensive," he said.#

Campbell's eyeing convenience market

By NANCY GIGES

CAMDEN, N.J.—Campbell Soup Co. is making a big push to take advantage of the fast-growing convenience food store market.

Campbell has formed a new business unit aimed at creating new products and repositioning existing products for these retail outlets, and has appointed C. Robert Marshall as general manager.

Formerly national accounts manager, foodservice products, Mr. Marshall joined Campbell in 1967 as a sales rep, and has worked in a number of marketing and sales positions. Noting that convenience stores are beginning to function as mini-restaurants, Mr. Marshall said his first objective is to talk to convenience store people. "We are the Campbell Soup Co., and I would like to get them in a soup program," he said.

Other big sellers in these outlets are hot beverages and microwave products. Mr. Marshall acknowledged that Campbell does not have a complete line now, but president Gordon McGovern is committed to this market and wants to expand as quickly as possible.

Another product line that will be investigated is the new Fresh Chef salads, which are testing in the Denver market. Mr. Marshall hopes to be ready to test products in about six months and foresees adding an ad agency in a year.

Mr. Marshall said the 58,000 convenience stores in the U.S. accounted for almost $29 billion in sales in 1983.#

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C2710-1

Thursday, November 15, 1984

$1.25 a copy; $52 a year

Advertising Age

The International Newspaper of Marketing ®

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Midweek News Summary

E. & J. Gallo Winery is expected to introduce its first wine cooler, Bartles & James, in several test markets early next year. *See Page 2.*

Lotus Development Corp. is using two of the biggest movers and shakers behind Diet Coke's soaring success to market a new software program as a mass-appeal consumer item. *See Page 2.*

Ore-Ida Foods sits firmly enthroned at the top of the frozen potato market, but it wasn't always that way. *See Page 3.*

Time Inc. has signed IBM Corp. as the single sponsor of *Home Office*, a publication it plans to test next spring. *See Page 3.*

An American Dairy Assn. campaign is employing bolder, more specific health claims for foods, a key feature in Kellogg's controversial new campaign for All-Bran cereal. *See Page 3.*

A battle is shaping up between the "class" and "trash" tv miniseries. In round one, tv's biggest advertiser and its quality program were forced to head for cover. *See Page 3.*

The post-Franco Spanish government is embroiled in a dispute with the Roman Catholic church and the advertising industry over a commercial banned from the state-run tv network. *See Page 3.*

The success of Development Dimensions International, which will serve its one-millionth customer this year, illustrates the boom in the training industry. *See Page 32.*

The Washington Post spins off another weekly Jan. 9 when a two-page health insert in its "Style" section blossoms into a 32-page tabloid that already has an advertising base among health companies usually committed to trade publications. *See Page 35.*

DIRECT MARKETING

A French mail-order catalog marketer is leading the world in the use of the latest marketing technology—interactive video. *See Page 8.*

Adelphi University is reacting to the shrinking reservoir of potential college students by using a direct-response campaign to shore up its enrollment. *See Page 9.*

High Life goes to JWT

B&S keeps media buys

New York—J. Walter Thompson USA this week was handed one of marketing's biggest creative challenges—the opportunity to help rescue Miller High Life beer.

Miller Brewing named JWT to succeed Backer & Spielvogel for creative responsibility on the $50 million Miller High Life account. The assignment was announced Nov. 12. Thompson reportedly was the last of the four agencies to give its final presentation last week.

Leo Burnett USA, Chicago, was said to have had the first shot, making its presentation to Miller Brewing executives Nov. 2. The New York offices of Jordan, Case & McGrath; N W Ayer, and JWT followed, in that order, Nov. 9.

Backer & Spielvogel hardly has been left out in the cold. A Miller spokesman said that agency will continue to handle media buying for all Miller brands, including High Life, which have total billings of about $150 million.

It also remains agency for Miller's Lite, Lowenbrau, Meister Brau, Milwaukee's Best and Magnum Malt Liquor brands. Creative responsibility for low-alcohol Sharp's LA earlier was given to Burnett, and Chiat/Day here has been assigned creative for Plank Road, a new premium brand now in test.

A source at Miller parent Philip Morris Inc. said Backer & Spielvogel had been told previously that it was no longer being considered for the High Life creative assignment. However, a source at Backer &

(Continued on Page 34)

ANA tunes in to tv problems

Panel tackles 'light' viewer

Photo by Mary Herlehy

The incoming meet the outgoing at the Assn. of National Advertisers annual meeting: (From l.) Herbert Baum, newly elected ANA vice-chairman and corporate vp-marketing, Campbell Soup Co.; Karen Baum; Spencer Boise, new ANA chairman and vp-corporate affairs, Mattel Inc.; Marty Boise; Nancy Goldstein, and Robert Goldstein, outgoing ANA chairman and vp-advertising, Procter & Gamble.

Scottsdale, Ariz.—The word "light," a mainstay in national advertisers' product vocabulary for more than a decade, now is being applied to an elusive potential customer known as the light tv viewer.

But whether network tv should be the medium to use in trying to reach light tv viewers was one of several issues examined by a panel at the Assn. of National Advertisers' 75th annual meeting here. The panel also addressed itself to the problem of double-digit increases in network tv costs, clutter and alternative media options.

William Claggett, vp-director of advertising and marketing services, Ralston Purina Co., St. Louis, noted that 40% of Ralston's sales come from the light tv-viewing segment. Therefore, Mr. Claggett believes the three major tv networks should consider network cost reductions in light of the diminishing tv audience.

While Mr. Claggett admitted that 80% of Ralston's budget remains committed to network tv, he said "we have to keep massaging it [network tv] to get the maximum out of it." He also said the light tv-viewing problem has forced Ralston to become more intelligent in the programing that it buys. Through buys on miniseries and programing such as CBS-TV's "60 Minutes," he said, light viewers are being reached, although Ralston is "paying a premium to reach them."

Lawrence Lamattina, exec vp-media and network programing, SSC&B:Lintas Worldwide, New York, made the point that "advertisers are kidding themselves" in considering networks a "specialized medium." He noted that buyers of network time are looking for "big numbers and mass coverage."

On the issue of reducing network tv's escalating prices, Mr. La-

(Continued on Page 4)

Des Moines buy ripples at Cowles

By WILLIAM GLOEDE

The surprise attempt by executives of the Des Moines Register & Tribune Co. and Dow Jones & Co., New York, to buy the Iowa company from the Cowles family has led to infighting among board members and major stockholders.

The developments have raised prospects that an outside media company may have a shot at acquiring not only the Des Moines company but also the Minneapolis-based Cowles Media Co.

Observers believe the five largest U.S. newspaper publishers each will make bids. The Washington Post Co. has in the past expressed an interest in a buyout.

One of the major players in the

(Continued on Page 34)

Presstime

Court forbids some ads for Advil

New York—A U.S. district court here has banned American Home Products' Whitehall Laboratories division from using previously discontinued ads for Advil, its nonprescription ibuprofen product. The court also said that Whitehall may continue to use ads now running. Former advertising, via Young & Rubicam, used the sentence "It's so effective that doctors have already prescribed it over 130 million times" and showed Advil as an orange-colored tablet, rather than its true color, brown. Upjohn Co., marketer of Motrin, an orange-colored prescription ibuprofen tablet, sought an injunction against all of Whitehall's Advil ads as deceptive and misleading.

Advance acquires 17% stake in New Yorker

New York—Advance Publications and its chairman, S.I. Newhouse Jr., will acquire 17% of the stock of The New Yorker Magazine Inc. for what Mr. Newhouse said are investment purposes. The stock is to be acquired from PaineWebber Group, which recently boosted its stake in the company (AA, Oct. 15), and from Philip Messinger, a private investor. New Yorker Inc. president J. Kennard Bosee said the company had been aware of Advance's move for a couple of days and that Mr. Newhouse "has told us there are no plans to seek control or influence management."

(Continued on Page 4)

D[illegible] ads join focus

NEWSPAPER

AA
DC2001 4CONGLI
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Gallo ready to squeeze into wine cooler market

By RUTH STROUD

E. & J. Gallo Winery's long-rumored entry into the fiercely competitive wine cooler category apparently is at hand.

The Modesto, Cal.-based winery is expected to introduce its cooler, Bartles & James, in several test markets early next year, sources said. From a first-hand description, the product seems aimed at a more sophisticated consumer than its successful predecessors, California Cooler, Canandaigua (Sun Country cooler) and Wine Group (20/20 Wine Cooler).

Bartles & James will come in green, 12-oz. bottles resembling those used for Michelob beer, with a white label and gold lettering.

Round of tests slated

One source said the cooler would be produced in limited quantities in the next few weeks and tested in several unidentified markets. Further information on advertising, pricing, packaging or contents was unavailable at press time.

Ogilvy & Mather, San Francisco, is Gallo's agency.

A Gallo spokesman said the company has been monitoring sales trends in the segment but has no plans to test a product. "Bartles & James is one of the names we are considering testing, but we have no firm plans at this point to even market-test," he said.

Gallo, the world's largest winery, is known more for building market share through skilled sales and marketing than for inventive new products. Longtime Gallo observers say the company often tests products internally for several months before trying them.

Rumors have swirled since early this year around Gallo's entry into the wine cooler market, with most speculation centering on a product called California Quencher. But that name was believed to be too close to another Gallo product, Boone's Farm Country Kwencher, a fruit-flavored wine.

Sizzling category

A Gallo wine cooler entry would fuel an already sizzling category. The $250 million-to-$350 million business has attracted some top U.S. wineries, including Heublein Wines, Farmington, Conn.; Wine Group, San Francisco, and, most recently, Seagram Wine Co., New York, which introduced Seagram's Cooler (AA, Oct. 25) last month.

Heublein and Seagram have products aimed at more upscale consumers, whereas category leader and pioneer California Cooler and its most successful competitors have sought a more down-to-earth positioning.

Heublein's Citronet, a clear-liquid, 4%-alcohol cooler hasn't fared well despite heavy advertising in some markets via DYR, Los Angeles, sources said.

Wine industry consultant Jon Fredrikson cited Citronet's example as reason to doubt the stylish positioning of Seagram's Cooler and Bartles & James.

About 29 million gals. of wine cooler were shipped through September, more than all the sparkling wine shipped in 1983. But lately the category has begun to reflect the seasonality of the beer and soft-drink markets. Shipments during September dipped to 3.8 million gals., down about 33% from the 1984 peak in July, he said.

Stockton, Cal.-based California Cooler, which controls 60% of the market, hopes to maintain its awareness in consumers' minds through holiday promotions and is busy concocting what sources say is an "absolutely wild" campaign for next year with new agency Chiat/Day, San Francisco.

Tom Gibbs, California Cooler's director of marketing, maintained that Gallo's expected entry doesn't disturb him. "The category needs more awareness, and this will help," he said.

Legal action taken

Mr. Gibbs is disturbed about two competitors, however. The company recently filed suits against Joseph Victori Wines, New York, marketer of Calvin Cooler, and Loretto Winery, Pleasanton, Cal., which sells California Special Cooler.

The suits claim both companies have created products that either in name, labeling or advertising have confused consumers and retailers into believing they are the real California Cooler. The suits seek preliminary injunctions against both companies. The defendants deny the charges.#

Lotus Jazzing up software

By BRIAN MORAN

NEW YORK—Two of the biggest movers and shakers behind Diet Coke's soaring success have rejoined forces to market a new Lotus Development Corp. software program as a mass-appeal consumer item.

Malcolm MacDougall, who headed SSC&B's creative team for Diet Coke, and Henry Cardello, onetime marketing director for Coca-Cola USA's cola brands, are working on an introductory ad campaign that will position Lotus' new Jazz software as an indispensable tool for baby-boomers.

"We're going to put Jazz on as many lips as Diet Coke," said Mr. MacDougall, president and creative director of Hill, Holliday, Connors, Cosmopulos here, which is handling creative for the Lotus product. HHCC/Boston, Lotus' agency of record, is handling media for the campaign, expected to break in March.

Mr. MacDougall said the campaign will address what consumers have been trying to figure out for a long time: What can a computer do for me?

Jazz, introduced here Nov. 12, is an integrated package for Apple Computer's Macintosh personal computer that includes word processing, spreadsheet, database, communications and graphics applications.

Cambridge, Mass.-based Lotus and Cupertino, Cal.-based Apple are discussing joint advertising and promotion campaigns for Jazz that could far outstrip previous spending levels in the software field. Lotus, which last summer became the first software marketer to advertise on network tv, "probably" will go back on tv with Jazz, Mr. Cardello said.

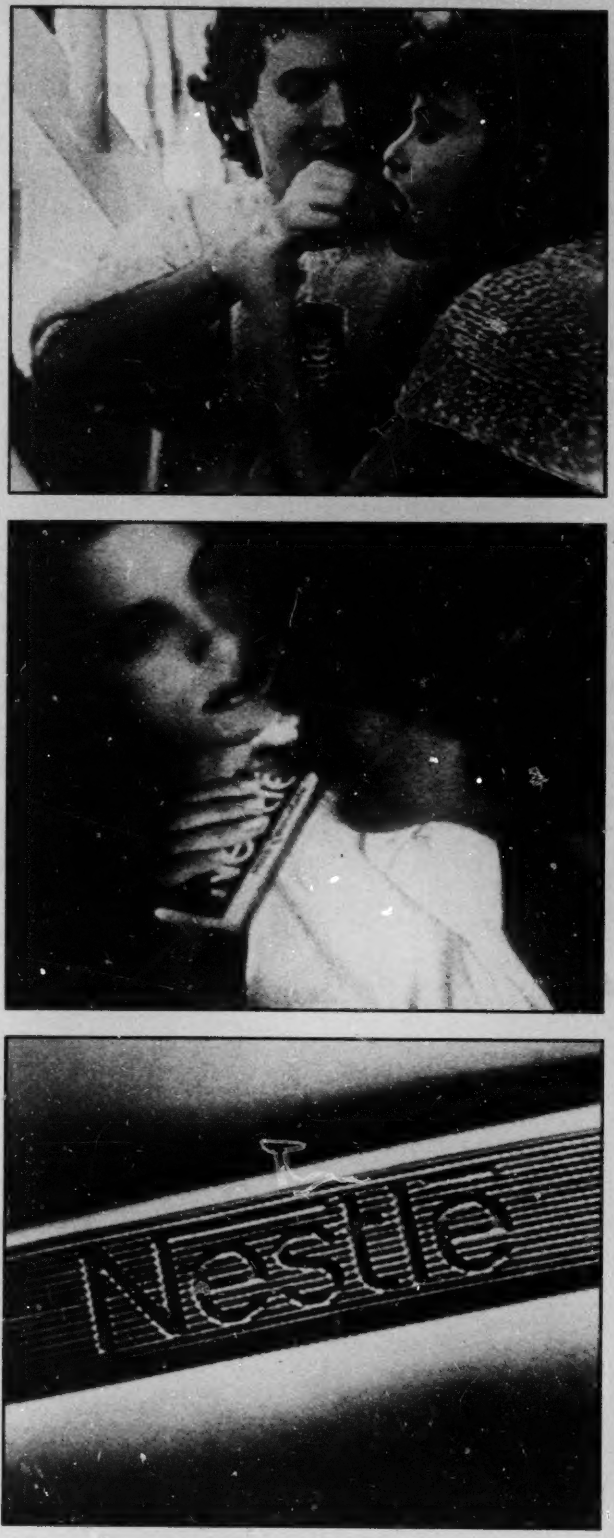
Mr. Cardello, who joined Lotus in July, is confident that the Macintosh's easy-to-use design will open up new, broader markets for integrated software.

Lotus' successful 1-2-3 software, which runs on the IBM Personal Computer and compatibles, is geared mainly to data-processing and management-information systems workers at *Fortune* 1000 companies.

Because Jazz is easier to run than existing integrated programs, the product-benefit message will translate better to tv, said Mr. Cardello. Lotus' tv spots for Symphony were criticized for failing to address what the product did.

Available late in the 1985 first quarter, Jazz is expected to improve Apple's penetration in the business market, now dominated by IBM.

At $595, Jazz is priced between the two existing Lotus programs, 1-2-3 and Symphony.#



Hot chocolate

The All-American candy bar gets a taste of the provocative in commercials Nestle Co. is testing in Eau Claire, Wis., and Albany, N.Y. (AA, Nov. 12). The spots, themed "Nestle's passion," feature throbbing music, suggestive closeups and lyrics filled with double-entendres. J. Walter Thompson USA, New York, is the agency.

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ABP
RED TAG
ABC
ANPA

Rodale tries 'Superfit' idea

By STUART J. ELLIOTT

EMMAUS, PA.—Rodale Press will test a fitness magazine next year and has filled two new top-level positions.

The moves are in keeping with Rodale's recent turn toward a more aggressive stance in product development, advertising, marketing and promotion.

This is all "the result of some strategic initiatives the company took," Rodale president Robert Teufel said during an interview. "In order to maintain our market share, it is essential we continue our growth."

The magazine to be tested is called *Superfit*. It first appeared as a supplement to the November/December issue of Rodale's *Bicycling*, and will be aimed at "a person who would be active in any sport, who has an interest in high-level training," Mr. Teufel explained.

Some 200,000 copies of *Superfit* —dated summer, 1985—are slated to appear on newsstands nationwide next April 23. Cover price will be $2.50. Rates for ads, to be sold initially by *Bicycling's* sales staff, are $600 for a b&w page and $1,000 for a color page.

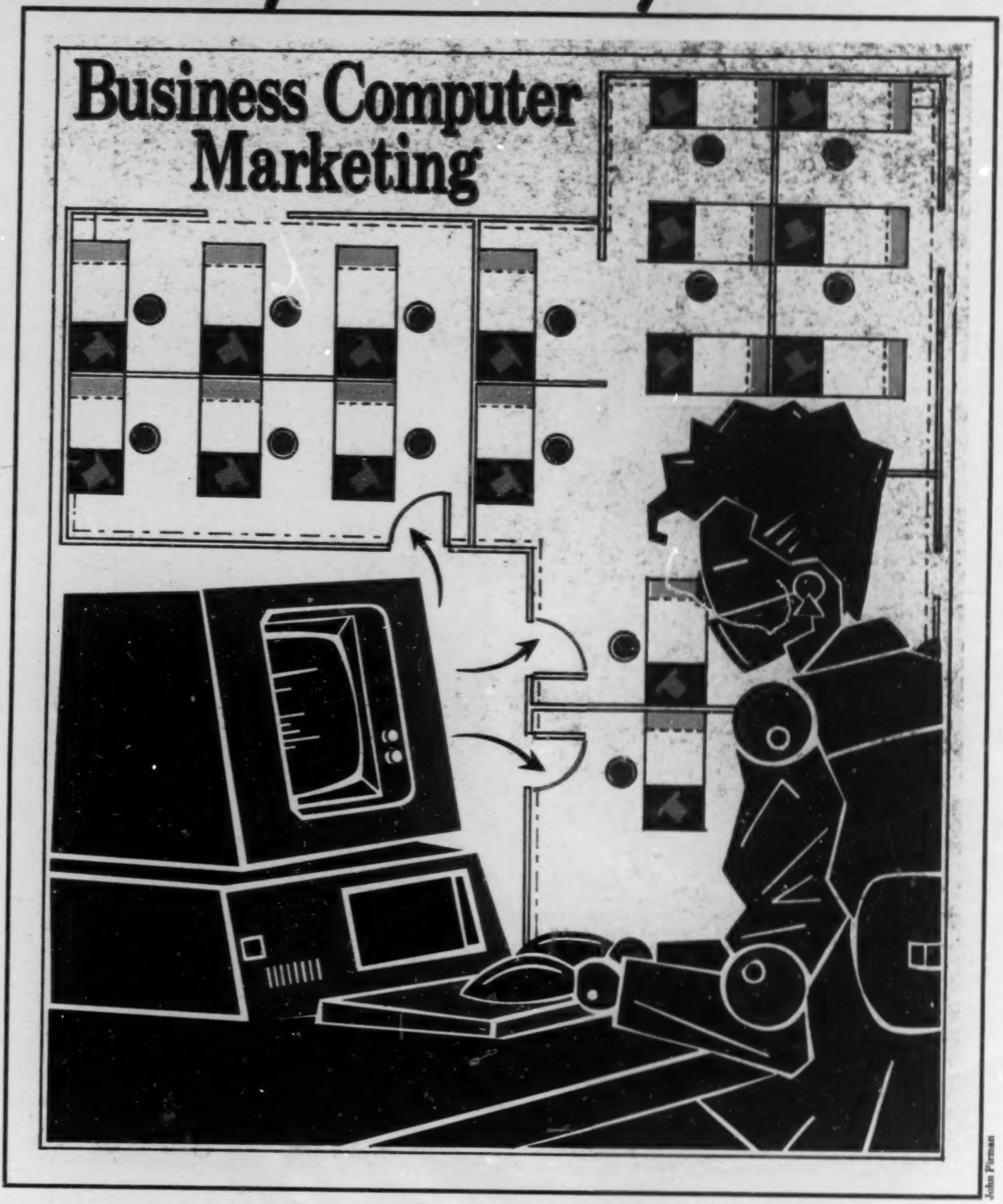
If the test is successful, *Superfit* would become a quarterly, under the aegis of *Bicycling*.

Rodale also is considering the acquisition of small sports and fitness-oriented magazines that would be taken, like *Superfit*, into the Bicycling family.

Superfit is the first magazine to

(Continued on Page 34)

Special Report



John Firman

Designing the office of the future

By Ed Fitch

"The office of the future." If that phrase doesn't set your mind to wandering, probably nothing will. Perhaps you picture yourself sitting at a command module, barking instructions into the air with a roomful of robots heeding your every beck and call.

Well, take your boot heels off the desk, forget George Jetson and skip the "Star Wars" illusions. Except for office furniture and design enhancements, the office of tomorrow most likely will look a lot like the place you park yourself every day. It simply may be a combination of the workhorses of today's technologies—terminals and telephones.

"Two years ago, once you peeled the onion, you found that companies [interested in office automation] really wanted word processing," says J. David Lyons, vp and general manager-information systems division of Westboro, Mass.-based Data General Corp. "In the last two years, companies have been investing in decision support, data processing, business graphics. The integration of voice and data processing capabilities will come to the forefront over the next year."

The potential results of this merger are astounding. Envision the capabilities of computers compounded and streamlined, accomplishing more operational functions and making people more effective at their jobs. *This* is the office of the future.

Manufacturers already are developing the essential ingredients and formulating the proper layout for this office. "All of the pieces are being put into place, although the determination of the value and utility are still ahead," Mr. Lyons says. Networking, electronic mail, microcomputer-to-mainframe software and hardware links—these enhancements of existing technologies are refining and expanding computer applications.

The key is communications. Networking is essentially intraoffice communications. Electronic mail serves interoffice communications, and micro-mainframe links provide intercomponent communications. "Real product development is blurring the lines between the two technologies," says Don Warden, director of advanced communications technology-research and development division, NCR Corp., Dayton, O.

The road to integrate these industries has taken some interesting twists and turns; how the business arrived at this junction is debatable. Whether the movement was driven by consumer need or industrial product development "is a little like the chicken and the egg question," says Eugene Lotochinski, vp-market development, Nashville, Tenn.-based Northern Telecom.

Mr. Warden agrees, saying that both market need and industry innovation are driving the convergence of technologies. "Another factor is the regulatory and legal environment, which is changing constantly and creating a framework that encourages the blurring of distinctions. The deregulation of the phone industry is continuing to lead both industries toward competitiveness," he says.

From the suppliers' perspective, technology will continue to explode of its own accord regardless of market need, says Richard Santagati, chairman of the board and president of Nynex Business Information Systems Co., White Plains, N.Y. "The reality is that as more products are made available, the market doesn't know how to use

(Continued on Page 12)

Ed Fitch, an Ad Age associate editor, coordinated this Special Report.

Demand for electronic mail arrives early

By Lori Kesler

An exuberant public relations representative for an electronic mail company likes to tell how he nearly forgot his mother's birthday, then saved face at the last minute by sending her a birthday greeting via electronic mail.

Although electronic mail's fortunes never will hinge on cranking out birthday messages for mom, his story illustrates a valid point: Instant mail offers benefits anyone can understand.

After all, this is technology with a purpose, a procrastinator's dream come true, an efficient tool for folks who push their deadlines to the limit.

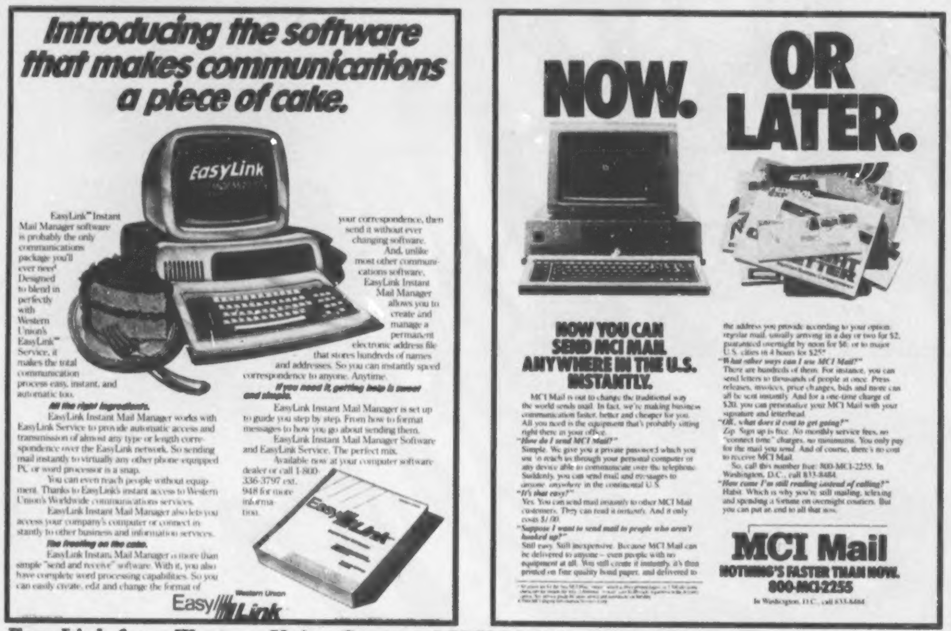
Electronic mail can give business professionals the means to communicate with hundreds of vendors, clients, distributors or sales people in one fell swoop. "Electronic mail will be the first electronic service to reach its peak by virtue of need," says Bob Smith, vp-marketing, Business Computer Network, Cardiff-by-the-Sea, Cal.

The electronic mail companies are just beginning to spread their gospel. Atari founder Nolan Bushnell once called the home computer "a tremendous solution looking for a problem." The same statement could have described electronic mail.

However, that's changing. One expert says the industry is reaching the point where market demands are outstripping technology. Customers are clamoring for services that are still on the drawing boards—a good sign that the world is ready to mail electronically.

Meanwhile, electronic mail companies are trying to figure out how to market themselves to the public. "The services are still pretty fuzzy," Mr. Smith says. "There's not a lot of benefit advertising going on." But this may be because the market still is taking shape.

A quick glance over the shoulder shows electronic mail hardly existed before last year. MCI Mail, the product of Washington-based MCI Communications Corp., perhaps the most visible and aggressive company of the lot, celebrated its first birthday in September. Rockville, Md.-based General Electric Information Systems Co., a provider of internal corporate communications systems, waited until late 1983 to invest heavily in the free-standing electronic mail market, powering itself into the fray with a series of new-product enhancements for its Quik-Comm service.


EasyLink
Western Union
EasyLink

Introducing the software that makes communications a piece of cake.

EasyLink™ Instant Mail Manager software is probably the only communications package you'll ever need! Designed to blend in perfectly with Western Union's EasyLink™ Service, it makes the total communication process easy, instant, and automatic too.

All the right ingredients.

EasyLink Instant Mail Manager works with EasyLink Service to provide automatic access and transmission of almost any type or length correspondence over the EasyLink network. So sending mail instantly to virtually any other phone equipped PC or word processor is a snap.

You can even reach people without equipment. Thanks to EasyLink's instant access to Western Union's Worldwide communications services.

EasyLink Instant Mail Manager also lets you access your company's computer or connect instantly to other business and information services.

The frosting on the cake.

EasyLink Instant Mail Manager is more than simple "send and receive" software. With it, you also have complete word processing capabilities. So you can easily create, edit and change the format of your correspondence, then send it without ever changing software.

And, unlike most other communications software, EasyLink Instant Mail Manager allows you to create and manage a permanent electronic address file that stores hundreds of names and addresses. So you can instantly speed correspondence to anyone. Anytime.

If you need it, getting help is sweet and simple.

EasyLink Instant Mail Manager is set up to guide you step by step. From how to format messages to how you go about sending them.

EasyLink Instant Mail Manager Software and EasyLink Service. The perfect mix.

Available now at your computer software dealer or call 1-800-336-3797 ext. 948 for more information.

Western Union EasyLink

NOW. OR LATER.

HOW YOU CAN SEND MCI MAIL ANYWHERE IN THE U.S. INSTANTLY.

MCI Mail is out to change the traditional way the world sends mail. In fact, we're making business communication faster, better and cheaper for you. All you need is the equipment that's probably sitting right there in your office.

"How do I send MCI Mail?"
Simple. We give you a private password which you use to reach us through your personal computer or any device able to communicate over the telephone. Suddenly, you can send mail and messages to anyone, anywhere in the continental U.S.

"It's that easy?"
Yes. You can send mail instantly to other MCI Mail customers. They can read it instantly. And it only costs $1.00.

"Suppose I want to send mail to people who aren't hooked up?"
Still easy. Still inexpensive. Because MCI Mail can be delivered to anyone—even people with no equipment at all. You still create it instantly, it's then printed on fine quality bond paper, and delivered to the address you provide according to your option: regular mail, usually arriving in a day or two for $2, guaranteed overnight by noon for $6, or to major U.S. cities in 4 hours for $25.*

"What other ways can I use MCI Mail?"
There are hundreds of them. For instance, you can send letters to thousands of people at once. Press releases, invoices, price changes, bids and more can all be sent instantly. And for a one-time charge of $20, you can personalize your MCI Mail with your signature and letterhead.

"OK, what does it cost to get going?"
Zip. Sign up is free. No monthly service fees, no "connect time" charges, no minimums. You only pay for the mail you send. And of course, there's no cost to receive MCI Mail.

So, call this number free: 800-MCI-2255. In Washington, D.C., call 833-8484.

"How come I'm still reading instead of calling?"
Habit. Which is why you're still mailing, telexing and spending a fortune on overnight couriers. But you can put an end to all that now.

MCI Mail
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EasyLink from Western Union Corp. and MCI Mail from MCI Communications Corp. vie in the young electronic mail industry.

Even Western Union Corp., Upper Saddle River, N.J., whose 1938 telex machine represented the granddaddy of electronic mail, is just now starting to rev its corporate engines. Although it unveiled EasyLink two years ago, Western Union didn't promote it much until competitors pointed the way.

"Western Union has the largest share of the electronic mail market with its 1.5 million telex subscribers and 65,000 on EasyLink," Mr. Smith says, but "Western Union didn't even seem to know it was in the electronic mail business."

Audrey Mandela, senior analyst for the Yankee Group, a Boston-based market research and consulting company, says electronic mail may begin to look more like a retail industry early in 1985. "By then we'll see some real competition for MCI," she says, noting that Western Union's planned improvements for EasyLink should turn it into a more viable product in the next couple of months.

But, she says, the definition of electronic mail may get fuzzier as sending simple messages gives way to a broader range of applications, such as billing, order processing, inventory tracking, electronic banking and database information retrieval.

At the moment, a number of contenders are in the market: Along with Western Union, MCI and GEISCO, there's Email from CompuServe; Telemail from GTE; Dialcom offered by ITT; OnTyme from Tymshare, and the newest entry, RCA Mail from RCA Global Communications.

The electronic mail field has grown crowded and "the door is slowly shutting," Mr. Smith says. "The number of players probably won't grow. In fact, anyone getting in now is arriving pretty late."

The market already has claimed one fatality. The U.S. Postal Service's ill-fated electronic mail effort, E-Com, shut down this summer after losing an estimated $50 million to $100 million since its launch in January, 1982. The government is looking for a buyer to take E-Com equipment off its hands and operate it as a private enterprise.

But companies with the right stuff have plenty of opportunities. The industry's billings are expected to soar to more than $1 billion by 1990—possibly upward from that point. Experts predict an influx of some 3 million new subscribers in the next 18 months alone, most of them business customers.

J. Robert Harcharik, president of MCI Digital Information Services, estimates the electronic mail industry's 1984 billings will reach about $75 million, "which makes it a small business at the moment. But if you widen the outlook to include all kinds of urgent communications on hard copy—and we compete in those areas, too—the potential market is probably $3 billion.

"Then, if you go ahead and look at the first-class mail stream and see what's time-sensitive, the potential market size adds up to $8 billion or $9 billion today," he says. "In the future, who knows how much of our communications could convert to electronic transfer?"

Customers may look for more communications conversions because electronic mail is cheap. One company charges as little as

Lori Kesler is one of ADVERTISING AGE's computer-based correspondents.

Future

(Continued from Page 11)

them."

"The consumer—both the classic package goods consumer and the business professional—doesn't demand an integrated voice and data system until he absolutely has to have it," Mr. Warden says. However, it is becoming evident that the day of demand is fast approaching.

"Today, different departments within a company are using various technologies to meet the company's needs; it's a very patchwork-quilt approach," Mr. Santagati says. "The power of integration in terms of efficiency, functions and costs are not experienced." To realize these benefits, he says, most companies should integrate their systems, depending on the extent of their data processing operations.

Demand also is increasing because workers have become the most costly factor in the office automation formula. "The cost equation has shifted to where you can achieve extensive computing capabilities for a few thousand dollars," Mr. Lotochinski says. "Because the executives are the most expensive element of the system, the task is to give them a terminal to optimize their value."

To avoid duplicating efforts and to streamline the decision-making process, communication among terminal-tied executives is critical.

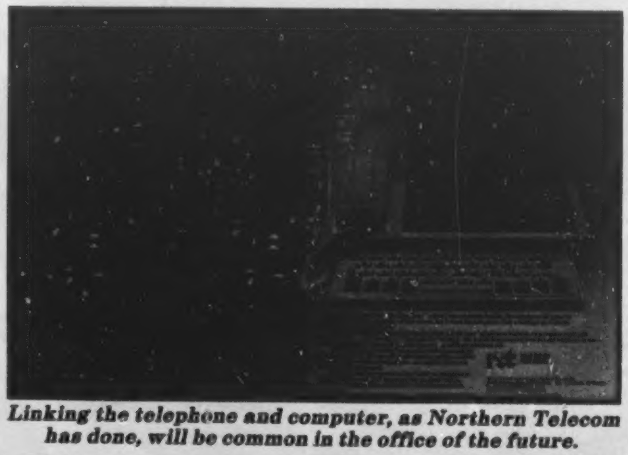
Because it is in corporate America's best interest to merge data processing and voice communications functions, strategic competitors serving the office automation market must have a product that does it all, Nynex's Mr. Santagati says. Customers don't want to go to different vendors, he says, so "vendors want to be able to say, 'Stick with me and I'll offer all of the products you'll ever need.' "

But just because two very technically oriented industries are converging doesn't mean research and development departments can spin out a combined product line tomorrow. "Two respected [data processing] companies, Wang and IBM, couldn't develop a voice PBX that handles voice and data communications at the same time," he says.

"Voice capabilities are not easy to develop, so these companies go out and acquire the technology from smaller vendors," Mr. Santagati says.

Because PBX manufacturing is considered more risky—evolving and being replaced at a more rapid pace—some experts say data processing companies are in the position of having to approach the telecommunications manufacturers with partnership agreements.

Mr. Lotochinski says another factor may put data processing companies in a bit of a tougher spot. "The computer industry has grown up with fault conditions—a certain amount of down time has become expected. This is not expected of communications systems. Also embedded in telecommunications systems are very high reliability computers, so we're already very involved in aspects of computerization."



Linking the telephone and computer, as Northern Telecom has done, will be common in the office of the future.

For the most part, the emphasis seems to be on adding communications capabilities to data processing devices and systems. The increasingly popular local area networks, Mr. Lotochinski says, are a clear case of injecting the communications function into data processing.

It is clear that companies in both industries must understand the other's technology if they are to remain viable competitors. "It's not necessary to have a full product line addressing both tomorrow," NCR's Mr. Warden says. "But in terms of long-range planning and developing the proper system architecture, now is the time to start. Personally, I feel that

17 cents to transmit an electronic message coast to coast. Another sends a note around the globe for 50 cents.

And the price of many services probably will continue to fall. In the heat of competition, some companies already have dropped plans for initiation fees and monthly minimums.

"Compare the costs of electronic mail with other available means of communication and you can see the impact technology is having," says Charles Staumbaugh, marketing manager, Office Communications Operations, GEISCO. "That's why everyone is so interested. The cost-savings potential is tremendous."

> **"We've been tracking the trends since 1975, and . . . the growth in this area took place faster than we expected."**
>
> *—John Naughton*
> *Western Union*

Mr. Staumbaugh says although electronic mail technology has existed for many years, it became feasible to market the services only when large numbers of people had personal computers to hook into the systems.

"It's like when the phone was invented," he says. "People could use it only if they had somebody to call. That's what the industry's been waiting for."

John Naughton, Western Union's vp-information network systems and services, agrees that electronic mail's development has been driven by "the success and ubiquity" of personal computers and word processors. "We've been tracking the trends since 1975, and I have to say the growth in this area took place faster than we expected," he says. Support for electronic mail is coming from several places, Mr. Naughton says, including a "surprisingly strong demand from small businesses and individual users."

Mr. Naughton envisions the market developing across a wide spectrum, with "the worlds of simple messaging and more complex data communications moving together very quickly."

Most companies are carving out special niches in the market. GEISCO, expecting most of the industry growth to come from big business, is positioning itself to serve that market segment.

MCI Mail, on the other hand, targets the other end of the market with an open-ended system that will send both electronic messages and hard-copy letters. "We designed our system for small businesses—and priced it for them, too," Mr. Harcharik says, "because until we got in, electronic mail just didn't offer anything for Harry, the little guy."

With MCI Mail, Harry can use electronic mail to communicate with all his associates—system subscribers and nonsubscribers alike. MCI executives figure it won't take Harry long to realize that all-electronic mail delivery is the fastest and cheapest way to go. And sooner or later, they say they hope he'll get everyone else to join MCI.

Western Union is "going after all market segments, the small users and the large, because the network drives the business," Mr. Naughton says. "As a network gets larger, it has more value at all levels."

Although "Western Union is looking at the entire market," Ms. Mandela says, "right now they appear to be addressing the small user more than anything else." She says Western Union also is attempting to protect its huge international telex base by-

(Continued on Page 14)

Carriers travel new routes

Taking advantage of electronic mail is a bit more confusing than using the U.S. Postal Service—you don't just stick a stamp on something and send it. The following examples—covering three of the larger players—illustrate how the electronic mail market has been segmented and explain how the various services are structured.

MCI Mail

MCI Mail, launched in September, 1983, by Washington-based MCI Communications Corp., allows its 150,000 subscribers to send three to five pages of text from their own computers or word processors to other registered users for $1.

In virtually all electronic mail systems, the letter goes into an "electronic mailbox," which holds the material until the recipient can retrieve it. The company says it's developing an alert system—probably phone-based—to tell subscribers when an urgent message arrives.

MCI Mail also delivers to nonsubscribers in three ways:

- High-priority letters and messages can be transmitted and printed at one of MCI's 18 "postal sites" and delivered by Purolator Courier within two to four hours for $25. Letters can be printed on a company's letterhead if previously registered.
- MCI Overnight, priced at $6, also is delivered by Purolator.
- The MCI Letter, which costs $2, is transmitted via MCI phone lines to company postal sites. From there it is relayed to the U.S. Postal Service for next-day delivery.

MCI Volume Mail, a direct mail product, sends the same letter to hundreds or thousands of addresses.

In 1985, MCI Mail plans to focus its marketing efforts on certain specialized groups, including ad and public relations agencies, credit collection companies, professional associations and manufacturers with extensive dealer distribution networks. The company advertised heavily on tv last fall, but now prefers print ads.

EasyLink

Upper Saddle River, N.J.-based Western Union Corp.'s EasyLink, test marketed in 1982, began regular service in early 1983. It links 98,500 users who transmit 115,000 messages daily, or about 2.3 million a month. EasyLink can connect with those outside the network via Western Union telegram, Mailgram, cablegram or computer-generated letter.

A four-line message sent with high-speed equipment costs 17 cents. Starting in January, EasyLink will offer two-hour and overnight delivery service, priced at $30 to $40 and $7 to $10 respectively, through San Bruno, Cal.-based DHL Worldwide Courier Express. It recently introduced Memory Mail service for multiple mailings—customer billings, letters to stockholders, special offers.

EasyLink is testing a "mailbox alert" paging device—reportedly available early next year—that will tell the recipient a message is in the electronic mailbox. "Conversational EasyLink" also is being developed to enable two users to converse directly terminal to terminal.

EasyLink's current ad push promotes a $95 software package that provides log-on capability, disk file management and word processing functions. The company is spending $15 million in advertising this year as well as heavily promoting its software package to computer dealers, including commissions for signing up customers. On the corporate customer side, Western Union is going after vertical markets such as trucking, banking, retailing and meatpacking with direct sales efforts and industry-specific proposals.

Quik-Comm

Quik-Comm has some 600 major company clients, mostly multinational corporations, that together generate about 2 million messages a month. Company officials predict their electronic mail service will generate more than $100 million in revenues in 1987.

Developed 11 years ago for internal use at General Electric Co., Quik-Comm could not be marketed to others until a 1980 Federal Communications Commission ruling sanctioned it.

At that time, Rockville, Md.-based General Electric Information Services Co., dressed up its Quik-Comm system and began selling it to longstanding clients such as Eastman Kodak. The effort succeeded and went international.

A year ago, GEISCO formed a venture within itself, called Office Communications Operations, to move quickly to develop a free-standing electronic mail service.

Its background in data processing services led GEISCO to customize electronic mail service for large companies rather than offer a generic package. GEISCO's 3,000 sales and support representatives market directly to corporations' management information systems personnel. Quik-Comm service may include amenities such as consultation, programing and specialized training for client users.

Quik-Comm has no service equivalent to the hard-copy products from MCI and EasyLink, but it provides a range of computer-based offerings such as computer conferencing and electronic bulletin boards.

—L.K.

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companies that aren't eventually involved in both areas will be left out in the cold."

Niche vendors probably always will have a place in this highly diversified market, however. "Companies' office automation needs are different," Mr. Santagati says, "and the strategic competitors cannot fill all of the needs."

Mr. Warden says he doubts any one company will engineer a total system through in-house efforts. "But the large umbrella company has the ability to pull together all of the components."

How chummy companies should become with those in the other industry remains largely undetermined. "The trend is to cooperate with players in the other industry," Mr. Warden says. Examples of varying levels of cooperation are rampant—from IBM's prospective purchase of Rolm Corp. to NCR's equity stake in Ztel to Digital Equipment's technology development agreement with Northern Telecom.

"Although the trend to combine efforts is there, it doesn't necessarily portend the merging of these companies," he says. "Personally, I believe the stakes are sufficiently large that one industry will not take over the other. Most companies realize they have distinct limitations of expertise. Technologically, the correct and appropriate architecture systems will evolve so neither side has to go in and do the other's job."

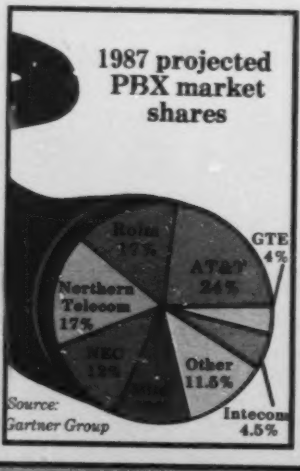
Most companies also realize that if they are to maintain market flexibility, they should not establish ties that bind. Marketing agreements, technology development ventures and cross licensing seem to be the most prevalent patterns of achieving trans-industry technology.

Companies that acquire or merge with other suppliers "are tied to whatever products their plants manufacture; they are captives of their own product lines," Mr. Santagati says. Those that establish looser agreements, he says, are captive only to market need. "We focused on marketing agreements because it is too early and not necessary at this time to acquire companies to provide supporting technologies."

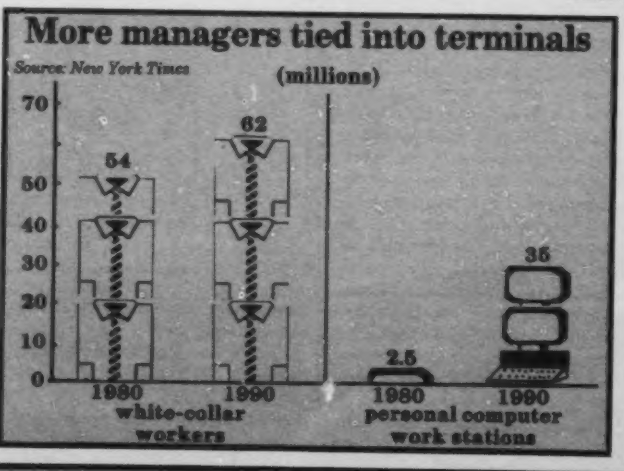
At their most basic, "the agreements spring from a need for people to come together both from a technology and marketing standpoint," Data General's Mr. Lyons says. "It doesn't really matter which form a company follows as long as they satisfy the need to bring technology and marketing skills together."

Between consumer demand and the wild ride through technology's wonderland, manufacturers in both industries will come together—and quickly. "Quite simply, by getting together you can come up with a better solution," Mr. Lotochinski says.

"Once the stand-alone computer was the key to delivering on the promise of the automated office, but needs have changed," Mr. Santagati says. "When you look at where we are today and realize where we can be in the future, it's incredible. The potential to tie office functions together makes the market unlimited."


1987 projected PBX market shares

Source: Gartner Group


More managers tied into terminals

Source: New York Times

Software links big and small

By Richard Edel

It may shock International Business Machines to learn that its mainframe computers are an endangered species. One ad for a computer software company shows an IBM mainframe sandwiched between etchings of vanishing and extinct species with the tag line: "Save the Mainframe."

Of course, the ads created for Irvine, Cal.-based Mega Group by Cox & Burch Advertising, Newport Beach, are tongue-in-cheek. Nobody expects IBM's mainframes, 70% of current U.S. mainframe installations, to become museum relics. Mega Group and vendors like it would face extinction if demand were to dry up for independent software targeted at mainframe users.

But such is the ironic hyperbole that captures the attention of data processing professionals in the battle to market mainframe-to-microcomputer software, says Ned Madden, account manager at Cox & Burch. "Everybody is predicting that the mainframe is going to die because of the phenomenal success of personal computers. But Mega Group is saying, 'Why should it?'" Mr. Madden says.

That very question is dwelling in the minds of mainframe hardware and software makers as they design products for the offices of today and the future. Competing with the expanding capabilities and user friendliness of the microcomputer, they are gambling big stakes that some data processing functions will remain within the exclusive realm of the big machines. Roughly translated, these companies' task is to personalize the rather imposing mainframe.

A major hurdle is to make the mainframes more accessible and understandable to nontechnical people, says Peter J. McLaughlin, president of Chicago Soft, a Mega Group competitor. "Previous to this product type, most white-collar professionals had been swimming in reams of paper from data processing batch reports," he says. "All of a sudden, this tool comes along allowing direct access to the incredible raw power of the mainframe."

Randy Whitesides, Mega Group's vp-marketing, agrees, saying, "Before, you almost had to be a programer to use a mainframe. Our software opens the power and flexibility of a mainframe to anyone who can operate a personal computer."

For this reason, many of the dozen or so independent software companies selling mainframe-to-micro software links are basing their ad messages on the similarity of their programs to those available exclusively for personal computers.

Mega Group takes IBM mainframes off the endangered species list.

Mega Group's own health depends on the continued survival of mainframes.

Mega Group, for example, offers MegaCalc, which resembles VisiCorp's VisiCalc, Lotus Corp.'s Lotus 1-2-3, Microsoft's MultiPlan and other popular and pervasive microcomputer spread-sheet programs. Chicago Soft offers Dynaplan, which resembles VisiCalc, Lotus 1-2-3 and Sorcim Corp.'s Supercalc.

In addition, mainframe software vendors are racing to market easy-to-use applications software for file management, electronic mail, communications, statistical analysis, word processing and other functions.

The interactive software is targeted primarily at professional-level users in the top 1,000 corporations. It also has applications in large universities and government agencies. Prices for a spread-sheet package can range from rentals of less than $1,000 a month to $20,000 for permanent license.

Because software programs are copyrighted, buyers generally purchase only the limited rights to use them. On-Line Software International, Fort Lee, N.J., offers licensing for a family of products, called Omnilink, at prices of up to $30,000.

Interactive software differs from so-called batch run programs, an example of which might include payroll check processing, in that it allows users to selectively tap database information to prepare budgets, per-

(Continued on Page 18)

Targeting friendly users

The success of advertising software programs that link mainframes to microcomputers sometimes depends not on what is said, but who it is said to, says Peter McLaughlin, president of Chicago Soft.

"You have to do highly targeted advertising [such as direct mail] or you generate an endless stream of questions from people who couldn't use your product. You could tie up all of your resources explaining that the product is great, but it won't run on an IBM PC XT," he says.

The chief problem is that many software buyers confuse products targeted at mainframe users with those available exclusively for microcomputers.

A case in point is Chicago Soft's mainframe spread-sheet program, Dynaplan, which was designed to resemble micro-oriented products such as Lotus 1-2-3. While both programs perform essentially the same tasks, Lotus is sold to personal computer users while the much more powerful and costly Dynaplan is sold to data processing managers in *Fortune* 1,000 companies.

"There are millions of potential Lotus 1-2-3 buyers, but we would be happy if we reach a total [mainframe] user base of 1,500," Mr. McLaughlin says.

Complicating matters is the fact that at times it is difficult to determine which end users need spread sheets for microcomputers and which should have those for mainframes, says John Worthen, president of Focus Research Systems, Hartford, Conn.

The market for spread-sheet applications is growing quickly, he says, but most of that growth is in the microcomputer arena. Mr. Worthen estimates that 10% of some 12,000 domestic mainframe installations already have mainframe spread sheets—a small niche of the over-all market.

"The interesting thing is that as senior level analysts and managers become more computer literate, will this result in an increasing demand for much more sophisticated financial modeling tools?" Mr. Worthen asks. "And the droves of general management have never gotten near the stuff. What will happen if they

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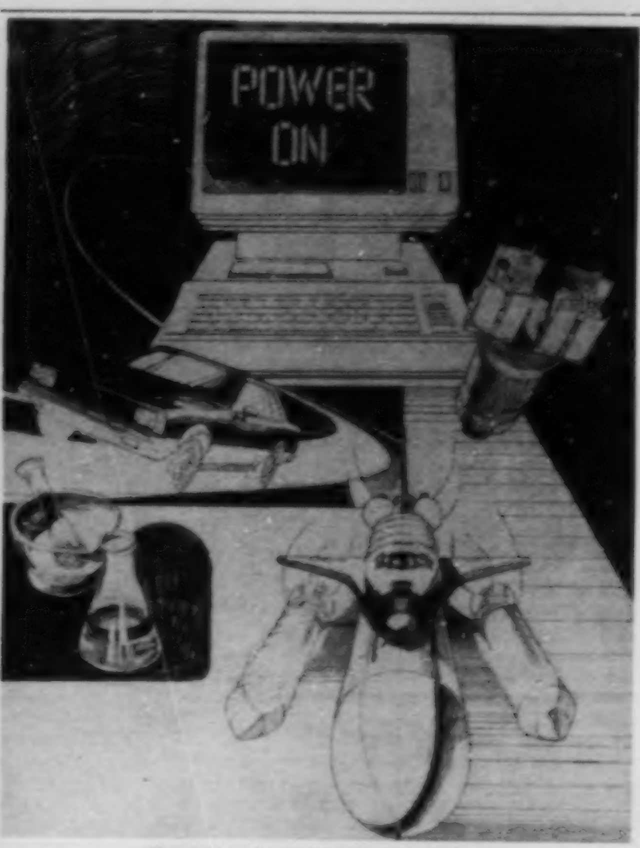

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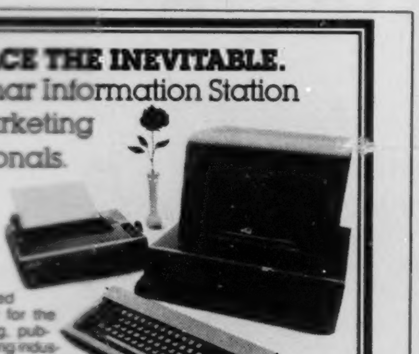

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Software

(Continued from Page 16)

form financial modeling and analyze data.

The information may then be recorded on floppy disk or returned to the mainframe for processing and storage.

"It is perfect for one-shot, 'what if' analysis," Mr. McLaughlin says. "What effect would interest rates have on a company if they went from 10% to 18%? Or what if you changed your inventory from 30 days on hand to 15 days? These are really middle-management decisions requiring information that you would otherwise have to create by hand."

The market for such programs barely has been scratched. Total mainframe installations in the U.S. are expected to grow from about 61,000 this year to about 72,000 in 1986 with a corresponding increase in mainframe software sales over the same period of $6.3 billion to $10.5 billion, says International Data Corp., a Framingham, Mass.-based computer industry research company.

This year, U.S. corporate management information service departments will spend $100 billion, $34 billion of which will go to hardware purchases and $5 billion to software packages, according to *Fortune*. A survey by *Software News* estimates the annual revenue growth of applications software in 1984 at 28% and spread-sheet software at 37%.

But questions remain about the ultimate profitability of mainframe-to-micro products as stand-alone microcomputers continue to score significant gains in meeting office productivity needs.

Although micros will never match mainframes in terms of memory and power, the number of users who need that kind of memory and raw number crunching power may be very limited, says David Bunnell, editor and publisher of *PC World*, San Francisco.

"The fantasy is that somehow it would be useful if everyone who works at a desk is linked to the mainframe," he says. "I believe the stand-alone option and the ability to communicate with other desktop computers is far more important.

"If you're the chief financial officer," Mr. Bunnell says, "it is important that you be linked to the mainframe. But if you're a marketing manager, its value is debatable."

The importance of mainframes will remain relatively static in years to come, he says. "But that does not mean they will become less important." Others share his opinion.

"The big questions [are]: 'Is the mainframe kind of a dying thing? Are minicomputers and micros becoming a lot more popular?' " says K. Michael Frazier, project leader-financial management systems, U.S. House of Representatives Information Systems in Washington.

The House information center recently purchased a $13,000 spread-sheet program from Mega Group and another from Oxford Software, Hasbrouck Heights, N.J., he says. The software links are used by the House Office of Finance, which pays the authorized expenses of legislators and their staffs. A mainframe link was needed for cost projections, budgeting and data analysis.

The finance office had been using a minicomputer's spreadsheet, which proved slow, limited and ineffectual, Mr. Frazier says.

Micros flex sales muscles

(U.S. vendors worldwide sales, $ billion)

Software

	Mainframe/minis	Micro computers
1983	6.7	1.5
1985*	12.2	3.6
1987*	21.9	8.1
1989*	39.1	15.3

Hardware

	Mainframe/minis	Micro computers
1983	19.8	10.1
1985*	22.2	23.9
1987*	27.1	35.4
1989*	33.5	45.9

*estimate

Source: InfoCorp

"There is much renewed enthusiasm [about working with the mainframe] since establishing the software link," he says. "Once we extract data the finance office needs, we remove ourselves from having to deal with it. They are free to choose the information they want at their leisure. Users can manipulate the data to their heart's content."

Mr. Frazier says the software packages take the burden off programers because they eliminate the need to write ad hoc programs to obtain information from the database. "The main advantage of the software is that it is capable of handling a great deal of information," he says. "As long as there are mainframes, I think there will always be a need for something like this."

Some software vendors worry that significant changes in demand for mainframe-to-micro software products may attract the attention and competition of suppliers of mainframe and personal computer software. VisiCorp, for example, recently teamed with Informatics General Corp. to market VisiAnswer, a program linking an IBM personal computer with an IBM mainframe database.

IBM markets a mainframe spreadsheet program called OxyCalc—suppliers say it has not had a major effect on their sales potential.

Fortunately for those mainframe software specialists who desire a low profile, the market is mostly overshadowed by the ballooning market for micro programs.

"The big bucks are definitely there for the microcomputer market, its support, service and technology," Mega Group's Mr. Whitesides says. With several micro software suppliers recording sales last year in the $100 million range, it is likely that major companies will seek that market, he says. Even if Mega Group's 1984 profits of $3 million double or triple next year, they are minuscule by comparison, he says.

If IBM decides it wants to totally control the business, "there is probably nothing we can do," he says. "I doubt very seriously that that will happen."

To explain his confidence in this assumption, Mr. Whitesides says it would take a huge investment to duplicate the research and programing time companies such as Mega Group already have expended.

A second fact is even more telling: A certain huge mainframe manufacturer just became a Mega Group customer, he says.

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Targeting

(Continued from Page 16)

do? "It's really a confused market right now and this is a great big issue," Mr. Worthen says.

The issue has many facets, analysts say. One is the cost of mainframe applications programs.

For example, the price tag of a mainframe spread-sheet package could exceed $20,000. That compares with a less than $1,000 cost for the best micro spread sheets.

Other issues include how programs are set up on the mainframe, the amount of mainframe computing time they tie up and how to establish controls over access to sensitive database information, experts say.

At least one marketer is trying to cover all the bases in its advertising and marketing. On-Line Software, Fort Lee, N.J., is offering entry-level mainframe to micro software that can be upgraded with a second program, providing a broader range of sophisticated functions. The package is a "generic" link, meaning it can work with existing programing and stored data, an important factor.

"We provide two versions of the product to reach the segmented users in the upper end of the market and at the lower end where most of the action is," says Spencer Rutledge, director-sales and marketing for On-Line.

"Some competitive products were offering a fraction of the function at a fraction of the cost," he says. With a powerful English-language data access and retrieval system—the mainframe's traffic cop—On-Line's package efficiently manages information into and out of the mainframe. It also supports personal computer communications via built-in electronic mail, which means "the personal computer is no longer an island," he says.

At least one data processing manager from a company very near the top of the *Fortune* 500 is impressed by On-Line's approach.

"I'd like a generic program [that works with all stored data]. I don't like the idea of buying several [mainframe-to-micro] links. I'd like to restrict users to a few packages that we know how they work," Mr. Rutledge says.

The data processing manager also says the near future looks bright for mainframe applications programs. "There is a tremendous pentup demand for these automated tools. Users want them today." —*R.E.*

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Taking the next logical step

By Kurt Hoffman

The next generation of computers will lead much more than a mundane existence of repetitive number crunching. Thus far, conventional computing has lacked any semblance of actual knowledge or logic—lots of data, but no ability to reason with or apply that data. This task has been left to humans.

Changes are in store, however, as decades of research on artificial intelligence begin to bear fruit. One example is a knowledge engineering system that has yielded startling results diagnosing illnesses written about in the "New England Journal of Medicine." These early developments only foreshadow the potential of applying knowledge and logic to vast sources of data.

A few basics—very *basic* basics—might help. "Artificial intelligence," says Rosann Stach, manager-corporate development and public relations for Teknowledge Inc. of Palo Alto, Cal., "is the subfield of computer science that is concerned with symbolic reasoning and problem solving. It's a science of concepts and techniques."

The fundamental difference between artificial intelligence's symbolic processing and basic computer operations recently was explained by Abraham Hirsch, product marketing manager at Symbolics Inc. "Data definitions and the allowable relationships between data elements and files are narrow, literal and unforgiving .... Computers can go on crunching numbers indefinitely without getting bored or tired, but without getting any smarter."

On the other hand, he says, artificial intelligence's symbolic processing "seeks to emulate the richness of human thought, however crudely, by enabling computers to manipulate arbitrarily defined objects or symbols made up of lists of associated properties.

"Symbolic processing," Mr. Hirsch says, "therefore has two advantages over numerical processing—flexibility and the ability to accommodate uncertainty and extreme complexity."

The majority of artificial intelligence research traditionally has taken place in academic institutions such as Stanford University, Massachusetts Institute of Technology and Carnegie-Mellon University. Consequently, both the pool of experts and the available resources have remained fairly limited.

The growing attraction of artificial intelligence to many corporations, as well as the Pentagon through its Defense Advanced Research Projects Agency, is causing problems for the artificial intelligence research community. Institutions and other entities involved in basic research are hard pressed to bid for the talents of the limited number of experts. Academics have expressed concern that the brain drain is leaving basic artificial intelligence research foundering.

This is happening when recent gains in hardware and software technologies are bringing some of the most basic artificial intelligence applications within grasp. The development of symbolic computing machines—which efficiently process LISP, the specialized artificial intelligence computer language that expresses information in symbolic terms—has heightened corporate awareness of the potential.

However, not many commercial applications have been developed, says Susan Thomas of Quintus, a Palo Alto, Cal., software company. "Most of the activity is going on in large corporations, and they are developing applications for their own internal use."

Because of the field's youth, many of the companies involved are devising rather esoteric technical applications such as computer-aided design and com-

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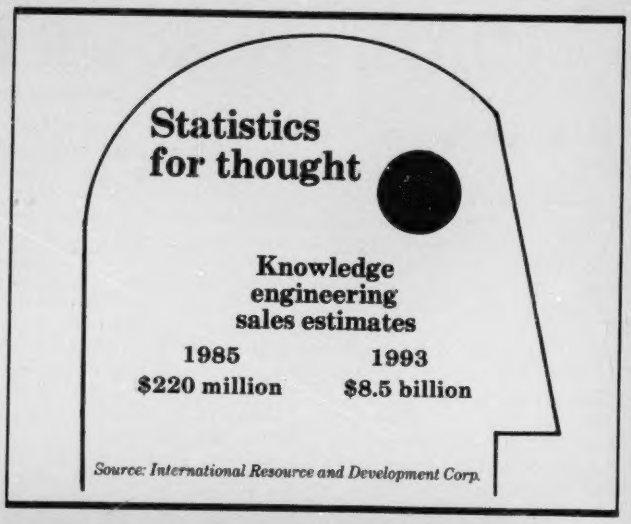
Kurt Hoffman, a frequent contributor to Special Report, is eagerly awaiting the application of artificial intelligence to the writing process.

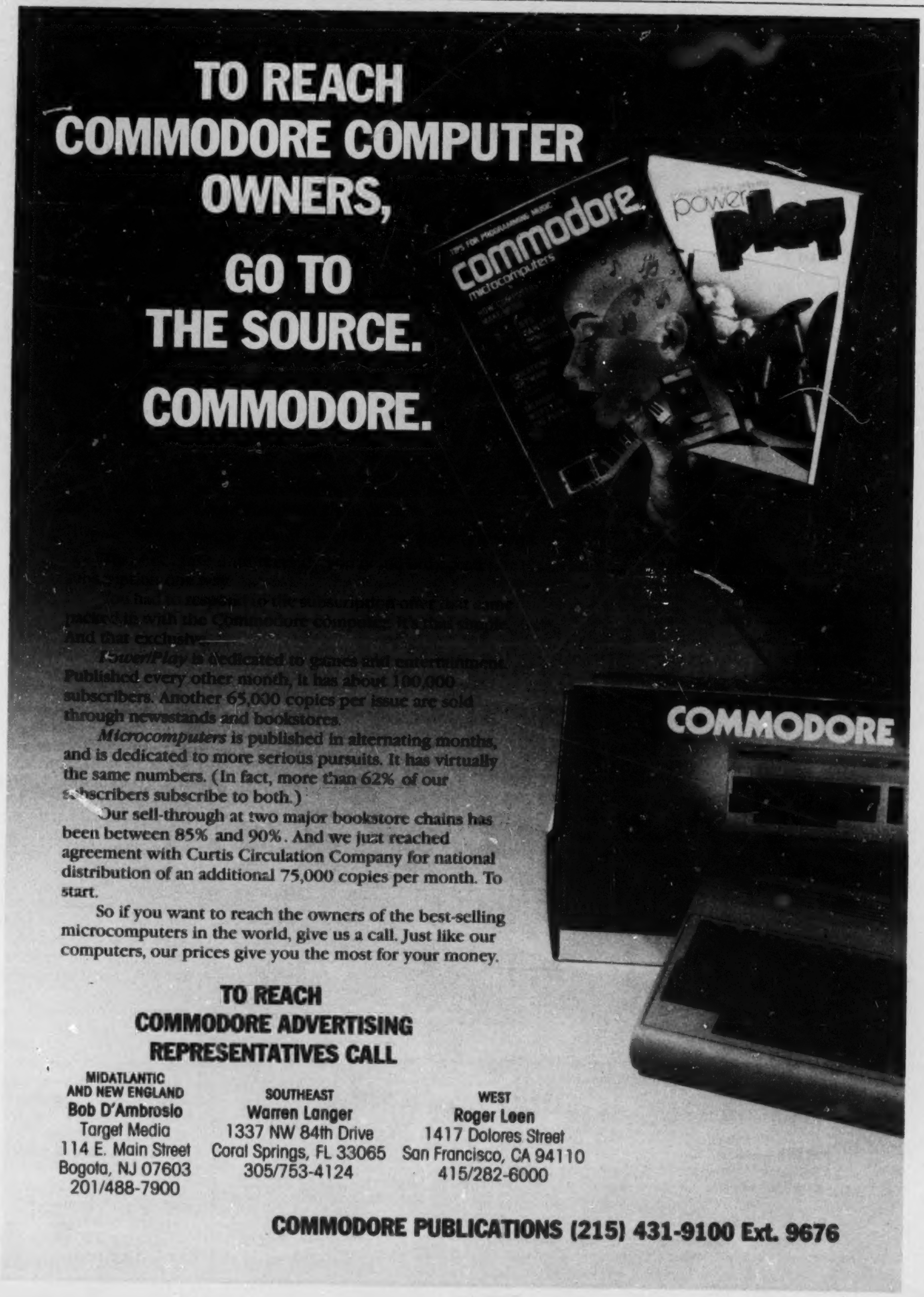


Statistics for thought

Knowledge engineering sales estimates

1985	1993
$220 million	$8.5 billion

Source: International Resource and Development Corp.



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Chips are down for semiconductor industry

By Cathy Curtis

"Every chip sells for $5. Except for those chips that sell for less than $5."

This is Gelbach's Law, named after Santa Clara, Cal.-based Intel Corp.'s senior vp-director-corporate sales, Edward Gelbach. What it doesn't explain is that those circuit-laced, fingernail-size chips, which serve as the memory and brains of electronics products, are available at movie ticket prices only a few years after they were introduced at the going rate for season subscriptions to the opera.

The method behind this mad price cutting—some chip prices have plunged 70% within a year—is the semiconductor industry's remarkable production curve, which decrees that prices fall 20% to 30% for every doubling in production capability. Meanwhile, the number of circuits on a single chip has been doubling every year for the past two decades.

After a 1981-82 slump, the industry has been enjoying a boom. Last month at a Semiconductor Industry Assn. press conference, Irwin Federman, president of Monolithic Memories, Santa Clara, Cal., predicted "awesome growth" for certain segments of the chip market.

This year, the SIA forecasts a 48% jump in sales, to $26.3 billion, which should make the big five U.S. chip makers—Intel, Motorola, National Semiconductor Corp., Texas Instruments and Advanced Micro Devices—pleased as punch.

For the six quarters following the 1982 slump, chip makers have sold everything they could produce.

The boom collapsed during the last quarter into a mush period for sales.

Only a few months ago, a six-month wait by customers for commodity components was not uncommon. In today's supply-heavy market, it is possible to buy certain items "off the shelf." That's life in the fast lane of the semiconductor industry, in which a quarter can seem like forever.

In addition to suffering from more supply than demand, the chip industry has become increasingly capital-intensive in the past few years. The specialized machinery that manufactures the chips has grown more complex and costly. The price-tag of one line of machines that slice wafers into chips—fabricated out of half-millimeter-thick wafers of purified sand—has jumped from $20 million to $60 million in a few years. The big five chipmakers will spend an estimated $874 million for additional plants and equipment this year.

Chips are not the industry's only products. Others include electron tubes and resistors. But chips represent the leading edge in advanced semiconductor technology.

Not all chips are created equal in the razzle-dazzle department, however. At the bottom of the heap are commodity chips, notably the memory chips that store data and feed it to the microprocessor "brains." Decisions to buy these chips commonly are made by a customer's purchasing department, which is typically guided by price.

"They're like jellybeans," says Jan Rey, an analyst at Dataquest, San Jose, Cal. "They're a dime a dozen." These chips, which have a product life of about four years, represent the most vulnerable end of the business, the first area hit between the supply and demand swings that can make one quarter so different from the next.

Next in line are the microprocessors made for general applications. Every member of a microprocessor "family" offers some slight edge over its siblings. Intel's 80286 is the 16-bit successor to the 8088 and 8086; Motorola's 32-bit 68020 is the latest entry in the sophisticated 68000 family.

The ultimate success of these chips hinges on whether they are designed into industry-leading products. Intel is the blue-ribbon winner in this contest. In 1980 it came out with the 8088, selling the chip to International Business Machines for its PC. Now the 8088 has become the *de facto* industry standard, the brainpower of a host of other personal computers.

IBM, which now owns a 20% share in Intel, will be using the

Cathy Curtis lives just north of Silicon Valley in Berkeley and is increasing her concentration on computer-related subjects.

Logical

(Continued from Page 21)

puter-aided engineering for semiconductor and computer manufacturing. Beyond this, the other players tend to be large corporations that are on the leading edge of their industries, Ms. Thomas says.

"It's not really as much the type of industry as it is the type of company," she says. "Innovative companies are looking into artificial intelligence."

For example, Ford Motor Co., General Motors and Chrysler all have active artificial intelligence programs. "The automotive manufacturers have been very interested, largely because their industry is highly competitive; they have the available financial resources to assemble and equip effective research teams, and they have very heavy requirements for automating the design process," Ms. Thomas says.

Also, Japan has an aggressive cooperative research program between the government and Japanese computer marketers. One thing U.S. auto makers and other manufacturers cannot afford is to let the Japanese become even more competitive in research and design.

Most of the commercial artificial intelligence systems are being offered by small companies that apply, package and sell the research. "The people who are going to be out there with marketable products are the spinoff companies founded by or built around artificial intelligence experts who at one time were performing basic investigation for an educational institution or large corporation," Ms. Thomas says.

If someone is a real whiz "and they want some independence, chances are you'll eventually find them in a small company, possibly one they started themselves," she says. "It's a pattern that happens all the time in the computer industry." Smaller companies have attracted millions of dollars from venture capitalists in the past several years and, in some cases, have had major U.S. corporations buy into their activities.

Artificial intelligence has four basic commercial fields: Natural language processing, computer vision, computer hardware for symbolic processing and knowledge engineering. Knowledge engineering, which encompasses "expert systems," is probably the most familiar, as well as the most fantastic, to the general public.

Although knowledge engineering is barely into the first stage of its infancy, industry analysts agree that its rapid growth is certain. "Knowledge engineering is the process of achieving expert problem-solving performance from computer systems by incorporating human knowledge and experience into those systems," Teknowledge's Ms. Stach says.

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How the wafer market stacks up

	Predicted world sales ($ billion)	Per cent growth
1983	$17.8	—
1984	26.3	48
1985	32.2	22
1986	36.2	12
1987	43.0	19

Source: Semiconductor Industry Assn.

80286 in its PC AT desktop computer. Able to handle 16 million pieces of computer information, the 80286 may be the next silent star of the personal computer world.

The area of biggest growth today is in custom chips made for specialized computer applications. Some analysts think the market for microprocessor chips for graphics-oriented personal computers will be the next bonanza. Now these chips are very expensive to produce. A big demand will push the price down, but currently the computers are too expensive to attract much consumer attention.

Specialized microprocessors are sold with a package of technical support. "That's why Intel is ahead," says analyst Bill Frank at Infocorp, Cupertino, Cal. "[They have] a sell-to-the-engineer mentality."

Typically, it takes four to six weeks to develop a new microprocessor; more sophisticated varieties may take 1½ to three years. Intel's George Alexy, product market manager-high-performance microprocessors, says his company often will disclose information at an early date so customers can forecast future product designs.

"When the 8086 and 8088 were designed," he says, "we were disclosing information on the 80186 so that they could anticipate the capabilities of the next generation and plan for it in the hardware and software design."

In manufacturing a chip, the prime concern "is keeping within a common architectural family so as to be certain to preserve as much software in the market," Mr. Alexy says. Another advantage is "not having to retrain people every time a new microprocessor is developed." A chip maker generally will introduce a general purpose product to establish a software and customer base, and then add custom features in markets where the volume justifies the investment.

Chips typically are advertised within a quarter of a product's introduction, when the chip maker can deliver sample quantities but before volume production is up to speed. Sources esti-

(Continued on Page 24)

Resource & Development Corp., Norwalk, Conn., the 1985 knowledge systems market, including hardware, software and services, is estimated at $220 million. The total 1993 market is predicted to top $8.5 billion.

A knowledge engineering system consists of a vast database of information plus if-then rules that capture the practical applications of knowledge.

The end result: An enormous amount of information as well as knowledge of the practical applications of that information can be made available consistently and efficiently to a broad spectrum of people. Or in the case of the expert system, the highly specialized knowledge and experience of one person in an organization can be shared.

"An expert system is a program contained in a database that includes the knowledge and expertise of an individual or group of individuals in a specific topical area," Ms. Thomas says. "The expert system provides the nonexpert user access to that information in a relatively simple way, usually through an interactive dialog in a command language that is English or very close to English.

"The core of the artificial intelligence system is the ability to draw logical inferences between the facts, or the objects of facts, that are in the data base," she says. That process is an attempt to emulate human thought.

The real-world applications of knowledge engineering systems are mind boggling. From medical diagnosis to financial risk management decisions to automotive engine trouble shooting, the possibilities are endless. Several companies reportedly are working on expert systems for nuclear power plants that will explain and recommend responses to emergency conditions and then intelligently react.

Significant market-related trends are forthcoming, Ms. Stach says. "Many of these tools are being sold to researchers, and we expect to see sales moving more to the applications builders—the large management information systems companies and large corporations, as well as the software and computer vendors," she says. "The market will tend to evolve out of the research community." She also expects the end user market to grow.

In a few years, this type of sales activity probably will be a mere drop in the bucket as artificial intelligence research accelerates, fueled by corporate and venture dollars and the enthusiasm of expanded applications.

"The scope of the artificial intelligence field is really huge—we're talking about the next generation of software development," Ms. Thomas says. "It's not this separate little market that the general public seems to be focusing on right now. There's a lot of interest and activity in expert systems, but you're not hearing about the other 90%." ■

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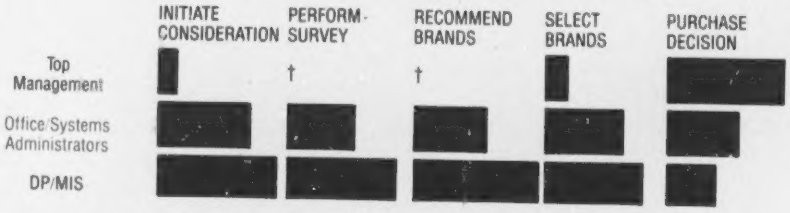
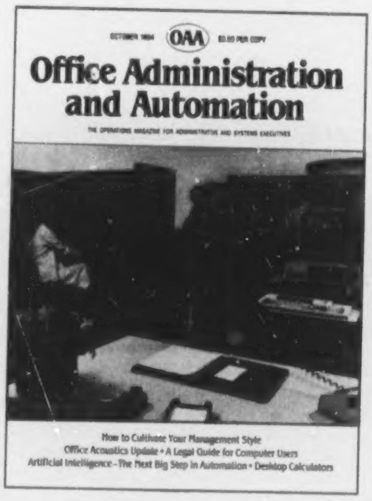
RELATIVE INVOLVEMENT OF EACH MANAGEMENT GROUP IN DECISION-MAKING PROCESS



* Three in-depth studies were conducted by the independent research firm of John T. Fosdick Associates Inc., Mamaroneck, NY, between January and July, 1983. Shown above are the relative weights of these management groups in firms of 100 + employees, according to the July phase of these studies. The complete report, showing response from over 1,000 subscribers is available on request.

† Too small to project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Industry giants cross lines

By Cara S. Trager

International Business Machines may be enjoying its leadership position in the office computer market, but it's clearly not resting on its desktop laurels.

With the entrance of American Telephone & Telegraph into the personal computer market last June, IBM may well have a monkey on its back whose potential strength may equal, if not exceed, its own. Although New York-based AT&T has miles to go in pursuing the competitive corporate computer market, let alone overtake IBM's lion's share of it, industry analysts say AT&T could emerge as a formidable competitor in the long-term.

Following the divestiture that allowed it to branch into computers, AT&T introduced six machines in March. These ranged from a superminicomputer used in telephone networks to a desktop supermicrocomputer that can support 18 terminals. In June, the company launched its personal computer, along with a local area network to tie electronic office machines into a single system, new software applications, four protocol converters and six printers.

Additionally, the telecommunications company purchased 25% of Olivetti Corp. in December, 1983, to establish a worldwide distribution channel as well as to share manufacturing expertise. The AT&T Personal Computer 6300 resulted from their joint efforts.

"AT&T is acting to get its house in order, and it's moving in several directions at once," says Ulric Weil, an analyst with Morgan Stanley in New York.

To be sure, IBM isn't standing still, either. The Armonk, N.Y.-based computer giant has been engineering aggressive acquisitions, launching new products and reducing prices. The company recently proposed to fully acquire Rolm Corp., a Santa Clara, Cal.-based telecommunications equipment producer; Big Blue currently owns 23% of Rolm.

Analysts say the Rolm acquisition would give IBM a substantial boost in the trend of combining voice and data transmission technologies. "IBM needs communications capabilities to tie hardware—the mainframes and office systems—together, and that's the reason it's doing the Rolm deal," says Ken Sobel-Feldman of the Gartner Group, a Stamford, Conn.-based computer industry consultancy.

The proposed Rolm acquisition also represents IBM's effort to strengthen its position in a field that is AT&T's bailiwick. The move puts IBM squarely in competition with AT&T, which entered the computer market after cultivating a major share of the PBX business.

"Over the long-term—about two to three years—if all goes well, AT&T will be a major competitor to IBM, and IBM is acting as if it expects it to be," Mr. Weil says.

IBM has increased its share of Intel Corp., a supplier of critical microprocessor and memory chips, to 20%. Analysts say the link gives IBM an advantage in producing mainframe computers, reducing its dependence on chip shipments from Japanese companies.

Both the Rolm and Intel ventures reflect IBM's eagerness to accelerate product development by acquiring resources and talent, rather than relying on inhouse efforts.

At the same time, IBM is moving full speed ahead, spinning out products that could keep many competitors, especially a newcomer such as AT&T, at more than an arm's length. The PC AT (Advanced Technology)—reportedly twice as fast and offering three times more memory capability and four times more data storage than most business-oriented desktop computers—is perhaps the most significant introduction. Some observers say the model was named "AT" as a subtle dig at AT&T, although IBM sources deny this.

IBM bites the competition

Share of office personal computer sales

	1984	1983	1982
1. IBM	40%	30%	18%
2. Tandy	11	10	11
3. Apple	9	19	22
4. Hewlett-Packard	5	6	5
4. Compaq	5	3	—
6. Wang	4	—	—
7. Zenith	3	2	3
7. DEC	3	3	—
Other	20	27	41

Source: Future Computing

The PC AT has emerged as the new computer with which other suppliers must reckon. The relatively low-price unit—retailing at $3,995 for the base model, $5,795 for an enhanced version—generally is regarded as key to IBM's entrance into office computer networks and software. As a result, many suppliers of IBM PC-compatibles are expected to readjust their lines to market machines that impersonate the AT.

Whether AT&T will be among the vendors supplying a version of IBM's potentially hot machine remains questionable. For now, however, it seems unlikely.

"We don't need to respond to the AT—our 3B2 and PC Interface give superb price performance with a number of users involved," says Stuart Mencher, director-data systems marketing at AT&T Information Systems. "What we announced on June 26 was just the tip of the iceberg. We plan to announce new products every three to six months."

IBM is also on a nonstop course of product introductions. This year, the company introduced TopView, a software that allows the user to perform several tasks concurrently; Xenix, a multiple-user operating system for the PC AT; Cedar, a combination telephone-computer terminal, and two major business software series.

Beyond its acquisitions and new products, Big Blue is making headlines with its juggling of prices. The company, whose goods typically are priced as premium products, recently announced sharp reductions on some of its wares. For example, the price of the PC, complete with 64K memory and a 360K disk drive, was reduced from $2,105 to $1,185. Industry observers generally concur, however, that AT&T's wares remain competitively priced with IBM's.

Analysts predict that the PC AT is sure to spark price-cutting in an industry whose prices virtually are guaranteed to drop 15% to 20% annually. "IBM is generally higher priced—it's the umbrella for the market—but it still gets good margins," says Robert J. Conrads, director of McKinsey & Co., a management consulting company in Los Angeles. "The umbrella isn't as large as it used to be; only very efficient products can be produced."

Although IBM refuses to discuss its competition in the press, company sources acknowledge that some recent steps were taken in response to market conditions. "IBM announces new products and price reductions based on business decisions, and a lot of things are involved," says Michael Reisman, IBM communications specialist. "But to say IBM is doing all this in reaction to competition is wrong. That's not the only reason."

Nevertheless, such moves do serve to further strengthen IBM's already enviable position in the office computer market. As analysts see it, by moving to plug gaps in its product line, IBM stands little chance of losing its tight grip on the corporate market.

The company's distribution is vast and varied, selling wares through IBM Product Centers, as well as through authorized IBM personal computer dealers, personal computer and software dealers and value-added dealers and retailers. Additionally, IBM sales representatives pitch larger volume accounts.

Mr. Conrads also says that as companies require more technical expertise in communications and move data processing personnel into telecommunications functions, Big Blue's old clientele could be among its newest target customers.

Despite everything it has going in its favor, IBM is not necessarily a shoo-in to become the ultimate computer king. AT&T has potentially powerful

Cara S. Trager is a frequent contributor to Special Report.

Chips

(Continued from Page 23)

mate that the cost of marketing a chip is 10% to 15% of projected revenues. As Jeff Nutt, technical marketing manager at Phoenix-based Motorola Semiconductor Products Sector, says, "Most of our customers spend a lot more—they're going for the general marketplace."

The pricing of chips is "a very touchy situation," according to Dataquest's Ms. Rey. "A company will advertise the price of a chip as close to $400, but if you want to buy it, you can pay from $400 to $0. The [average selling prices] you hear fluctuate depending on circumstance," she says.

Those circumstances normally are the quantity of an order, taxes added by import-export arrangements and the position of the chip in its life cycle. For quantities of less than 1,000 units, large manufacturers defer to distributors, who traditionally account for some 20% of sales.

Motorola, Intel's major competitor, has staked out 16 of the top 30 chip markets, according to industry analysts. Other markets that the company will target include robotics, high-volume data processing and computer-aided design and manufacturing. Successful at making both memory and microprocessor chips, Motorola is known for its marketing flair.

Motorola's 68000 chip was chosen by Apple Computer for its Macintosh, and the new 68020 powerhouse is rumored to be the chip of choice for the next version of the Macintosh. "Eventually, as time goes on, [the 68000] will become your common workhorse," Mr. Nutt says. On the market for four years, it has developed the all-important software and user base that keeps a middle-age chip blooming.

At the moment, Motorola believes it can rest on its 68000 chip, which is capable of routinely executing 2.5 million instructions a second and up to 8 million a second in single bursts. However, Santa Clara-based National Semiconductor, which came out with a less complex 32-bit chip last year, has teamed with Dallas-based Texas Instruments to create a new superchip.

"It's not clear what 32 bits really brings to the party," Intel's Mr. Alexy says. More performance isn't everything from Intel's view, especially because the market is still largely unable to use such a powerful performer. "Going to 32 bits is like trying to put a truck diesel engine in your car when you need a four-speed transmission," he says.

Statistics are being tabulated on the end-user market for chips. A few years ago, the unexpected growth of the videogame market was big news; during last year's explosion of the personal computer market, "you saw a lot of eight-bit microprocessors grow a lot," Ms. Rey says.

Because some 24 semiconductor companies took a beating during the 1970s when they attempted to cash in on the digital watch craze, much larger industries are being targeted today. Although chips can be found in everything from videocassette recorders to washing machines, analysts predict the biggest growth areas in industrial, automotive and telecommunications applications.

Computer manufacturers choose a chip depending on how it conforms to industry standards, "which is very often as simple as whatever IBM is choosing," says a marketing manager at a small Silicon Valley computer company. "You must conform to existing standards [if] you want the largest potential universe of customers. At one point, though, there isn't any bandwagon—just all those choices. You're assessing market conditions two to three to four years from now."

During the big boom, personal computer manufacturers became used to queuing up for their chips, a waiting game that depended on the size of the order, the availability of ready cash and previous relations with the chip maker.

To meet customer orders and assure broad geographic distribution, chip makers routinely license other chip suppliers—often Japanese semiconducter companies—to serve as second sources. Sometimes this results in joint product development; Intel has had a 10-year technology exchange relationship with Advanced Micro Devices.

The widely publicized shakeout among customers has been thought to be one of the chief factors—along with recent record high shipments—behind the sudden plunge in chip sales. "If there's a backlog on chip orders, when it starts swinging around, if a company stays in business, it can renegotiate the contract," Infocorp's Mr. Frank says.

"But if it's in Chapter 11 there's nothing you can do."

Computer companies tend to be "overly optimistic," Mr.

allies in the fledgling regional telephone companies such as Nynex, Ameritech and Pacific Telesis.

AT&T officials acknowledge that the former subsidiaries represent a possible distribution opportunity. However, other vendors also have a shot at these independent regional companies. Rather than rely on the regionals, AT&T is determined to become a regular player in traditional computer outlets—specialty stores, value-added dealers and value-added retailers.

Already, the company has won shelf space in Sears Business System Centers, MicroAge, ComputerLand, CompuShop, Genra, The Computer Store and Amerisource. With its products in 600 stores to date—already exceeding interim projections—AT&T is optimistic that it will reach its yearend goal of 900.

Still, the giant telecommunications company has a long way to go in catching up with the rest of the market.

"AT&T is strong in the office, but it's a hell of a challenge to crack the computer market," says Stephen T. McClellan, vp, Salomon Brothers, New York. "It's easy to come up with products—as IBM is demonstrating with Rolm—but AT&T must learn how to market and sell."

David Bunnell, chairman-publisher of San Francisco-based PC World Communications, also says IBM holds the key cards—selling experience and marketing expertise—in the computer game.

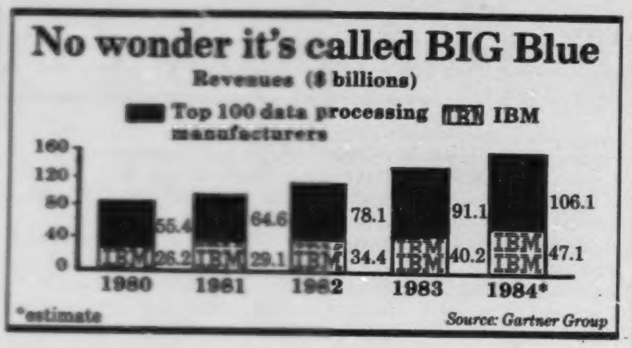
"IBM has lots of advantages. It's been a competitive company and a very successful one at that. Meanwhile, AT&T has been a protected monopoly that must learn to compete in the market. If I were to bet, I would put my money on IBM. No one has ever had to give it subsidies."

To such statements, AT&T's Mr. Mencher says: "Most analysts look at us as a phone company with a phone company mentality."

On the contrary, he says, for the past five years, AT&T has been gearing up for the divestiture and the company's subsequent entrance into computer marketing.

AT&T is ready to meet the challenge, Mr. Mencher says. Company sources say its Unix operating system, along with its other products and software, will position the company as an industry power. The Unix system, designed for a multi-user environment for any size computer, is being used by more than 70 manufacturers in 150 models.

AT&T also has come to the market with PC Interface, a new software program that allows up to 16 IBM-compatible computers, including AT&T's personal computer, to share the resources of its 3B2 machine, which utilises the Unix system.


No wonder it's called BIG Blue

*estimate

Source: Gartner Group

But while many industry observers say AT&T's Unix operating system is the wave of the future, Mr. Bunnell says he thinks otherwise. He calls Unix "a joke," noting, "It's too complicated, way too awkward and confusing to implement and use."

But, by virtue of its size and telecommunications expertise, AT&T still represents a force IBM must reckon with sooner or later.

"IBM has to be concerned about communications and computers merging. In the future, there will be only one desktop appliance. Today, it's the telephone and the second one is the computer. The future will just see one device," Mr. Bunnell says. "Whether it's IBM, Apple or AT&T, the one who controls the communications network will be the one . . . on the desk."

Mr. McClellan doesn't write off AT&T either. The communications giant, he says, will enjoy a long and prosperous life in the computer business. "AT&T will be No. 10 by 1990 in computers. They have enough resources to achieve that end."

Frank says. A chip maker often ends up with more product on its scheduled shipments than its customers can accept.

Currently, the ratio of average orders to average sales has dropped to unusual lows. During the past couple of months, some computer companies have dumped their surplus chips on the "gray market."

The present slowdown may be just a hiccup in the over-all trend toward booming sales. Adam Cuhney, vp at New York-based Salomon Brothers, says, "The washout is upon us or possibly behind us," with a coming turnaround in orders that "could be as surprisingly steep" as the dramatic growth of the personal computer market a year ago.

And, as Intel president Gordon Moore said recently, "The main aspect of semiconductor technology is that it is so broadly applicable. All that it has to do is to be applicable and reasonably inexpensive, and it finds its way into every little nook and cranny."

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Because the sky's the limit.

Atlanta Journal-Constitution Circulation

	Combined Daily	Saturday	Sunday
Total Paid Circulation 9/30/84*	[illegible]	448,640	571,646
Change: 9/30/84 vs. 9/30/83	[illegible]	+15,934	+28,393

*Six-month average. As filed with the Audit Bureau of Circulations, subject to audit. Sources: Audit Bureau of Circulations Publisher's Statements for six-month periods ending September 30, 1983 and September 30, 1984. Sales and Marketing Management Survey of Buying Power, 1983. Scarborough Atlanta Market Study, 1981 and 1983.

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THE ATLANTA CONSTITUTION
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C2710-1

Monday, November 19, 1984

$1.25 a copy; $52 a year

Advertising Age®

The International Newspaper of Marketing

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Nielsen attacks vcr zap factor

By SUSAN SPILLMAN

NEW YORK—Capitulating to advertiser pressure, A.C. Nielsen Co., Northbrook, Ill., will add a new report to its national quarterly tv sweeps ratings that will account for videocassette recorder taping, perhaps as early as this month.

During the four four-week sweeps periods, Nielsen will report two ratings for every tv show. The first will be the traditional rating. The second will break out only the number of homes recording, rather than watching, a program, according to Stanley Seagren, product development manager, Nielsen Television Index.

If the difference in the two ratings proves significant—and it isn't expected to be so initially—Nielsen will consider making changes in the way it reports all tv ratings, said Mr. Seagren.

Currently, Nielsen metered ratings include vcr recording. But advertisers, most notably General Foods, have complained that this method inflates the ratings, which serve as the basis for tv advertising costs.

The argument is that not all programing recorded on vcrs is watched. When the programing is played back, viewers often zap out commercials by using fast-forward controls.

The new Nielsen report could have wide-ranging impact on both the negotiating of advertising time and the setting of prices on network television. By breaking out the videotaping of programing, the report will provide advertisers ammunition to confront broadcasters on the issue of overpaying for previously measured viewing. Advertisers can be expected to use the report as a wedge to drive down prices.

Broadcasters could be faced with having to decide which Nielsen measurement to use when setting prices. If the new service is used, broadcasters in the long run will have to raise their cost-per-thousand rates or face the loss of considerable revenues.

The new Nielsen service is important for two other reasons. First, it will give advertisers an up-to-the-minute measurement of the impact of vcr usage on the segmentation

(Continued on Page 92)

$20 million effort perks

GF 'coffs' up NutraSweet

By GAY JERVEY

General Foods, the White Plains, N.Y., company that pioneered multiproduct use for aspartame, will get there first again next month when it christens a new line of low-calorie International Coffees with NutraSweet.

Although GF declined to release budget figures, trade sources expect the company to spend $20 million during the first year, thus exceeding 1983 expenditures for the sugar-sweetened International Coffees brand, estimated at $15 million.

Cited by Wall Street as yet another example of GF's renewed aggressiveness—not to mention the seem-

(Continued on Page 92)

Presenting Sugar Free
General Foods International Coffees
Suisse Mocha
Swiss Style Instant Coffee Beverage
...and creamy ...you'll say, "Mmmmm."
Celebrate the moments of your life with General Foods® International Coffees.
Now available in Regular and Sugar Free.

Print ads for GF's International Coffees with NutraSweet begin next month and take a firm, introductory approach. Young & Rubicam, New York, handles.

Monday football beer bust seen for '85 season

By VERNE GAY

NEW YORK—The two-beer advertising exclusivity hold on ABC-TV's "Monday Night Football," which has generated controversy from Detroit to Washington because of suggested antitrust violations, could be a thing of the past by next year, according to sources.

But it will not be the threat of litigation or government intervention that ends Miller Brewing's and Anheuser-Busch's three-year reign on the broadcast.

This time, the sticking point is money: ABC is expected to press for similar, if not increased, advertising rates on the prime time sports program in 1985, even though "MNF" has suffered a severe ratings decline this season. The price of exclusivity advertising on football has less to do with ratings than advertiser demand for the programing. ABC, therefore, reportedly could increase the minimum exclusivity buy from three minutes to four minutes per game.

If the scenario works as it did in 1981, when Anheuser-Busch broke Miller's stranglehold on "MNF," the result will be the inclusion of

(Continued on Page 92)

Last Minute News

Shulton skincare line faces U.S. test

WAYNE, N.J.—American Cyanamid Co.'s Shulton division has begun testing the SanSoucis skincare line in Baltimore and Washington. Currently sold in the U.K., the line includes a day cream, night cream and cleansing milk. Each will sell for $12.50 in drugstores and mass merchandisers. Carrafiello, Diehl & Associates, Irvington, N.Y., handles.

Dailey spot for Peter Pan has grownup flavor

FULLERTON, CAL.—The first advertising from Dailey & Associates, Los Angeles, for Beatrice/Hunt-Wesson Foods' Peter Pan peanut butter consists of an elaborately staged, 30-second tv spot breaking Nov. 26. It apparently is aimed at creating a more adult aura for the brand. The spot's costume party setting includes Peter Pan, Captain Hook, Beethoven and other historical and make-believe characters. Music is a variation on the 1950s rock song "Peanut Butter." Foote, Cone & Belding previously handled Peter Pan when it was an Esmark brand (AA, Jan. 30).

GE breaks image campaign in theaters

NEW YORK—General Electric Co., Fairfield, Conn., plans an image ad campaign this fall on Screenvision Cinema Network, a service that places commercials in movie theaters before films are shown. The campaign is aimed at a young-adult audience not easily reached with tv. BBDO, New

(Continued on Page 8)

NEWSPAPER

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'Beer'—The movie

Ad world tweaked in spring spoof

By BOB MARICH

Some of Madison Avenue's own are getting ready to serve up a movie that spoofs the art of beer tv commercials and the advertising business that brews them.

The film is Orion Pictures' "Beer," targeted for a spring, 1985, release. Director Patrick Kelly, a newcomer to movies, is an agency copywriter turned tv commercials director best known for his work on the Federal Express campaign. Fourteen actors from Mr. Kelly's tv commercials are filling supporting roles in the movie, too.

"I'm looking forward to going beyond 30 seconds," Mr. Kelly said in an interview. "I just get going with a commercial, but then I have to quit. Usually, commercials would work great in 35 seconds."

Mr. Kelly, 43, had a hand in Federal Express both as an Ally & Gargano copywriter and then later, after he left the agency, as a New York-based independent tv commercials director. Mr. Kelly's associates say his 22-year advertising career is marked by a penchant for injecting offbeat humor in his work. "He's a comedy junkie," says Mike Tesch, a colleague still at Ally & Gargano.

In "Beer," a hard-driving female agency executive, played by actress Loretta Swit of "M*A*S*H" fame, concocts a campaign for the failing Norbecker beer brand. The campaign catapults three "regular guys" to stardom as presenters in its commercials. "When it's time to get lucky, just whip out your Norbecker" is a slogan used to promote a macho image for the beer.

L. Swit

D. Wohl

Mr. Kelly insists "Beer" will be a simple, straightforward comedy. But other sources say the film heaps on Madison Avenue the same type of biting, black-humor satire that the movie "Network" aimed at the tv business.

In "Beer," Ms. Swit's character is a hard-boiled, ambitious ad agency executive who, when the three tv commercial stars are lost in a plane crash, crassly responds by planning an elaborate funeral as a publicity stunt. When it's

(Continued on Page 94)

Booze ban meet: No High Noon yet

By STEVEN W. COLFORD

WASHINGTON—It was not the guns-blazing shootout that many in the advertising and alcohol industries anticipated. But the second Department of Justice meeting on alcohol and drug abuse shed some light on how widespread the ban-the-booze movement is—not very—and how uninformed many of the less hard-line citizen and consumer groups are of what the industries and media are doing in the way of programing and public service efforts.

The meeting of citizen groups such as the National Council on Alcoholism, Students Against Drunk Driving and the B'nai B'rith Youth Organization also failed to produce a clear portrait of what Justice intends to come out of the four sessions.

The first meeting last month was for alcohol advertisers and the media, and the third, later this month in New York, will focus on businesses that have implemented programs to deal with employe drinking. The final meeting will be for professional health groups.

An attempt at last week's meeting by officials from the department's division of juvenile justice and delinquency prevention to bring some unanimity from the disparate voices failed.

When James Wootton, deputy administrator, tried to sell the citizen groups and representatives of the media, alcohol and advertising indusries on the idea of a statement of purpose, the meeting bogged down into battles of semantics and philosophies.

The biggest stumbling block was the department's propensity to

(Continued on Page 97)

There's greater life in the 'News': Hoge

By WILLIAM F. GLOEDE

NEW YORK—Six months after a new management team headed by James Hoge arrived at the *Daily News* here, the newspaper is leaner, livelier and hell-bent on broadsiding the rival *Post*.

The *News* took direct aim at the *Post* last week by hiring away the *Post's* editorial cartoonist and by announcing, in an interview with ADVERTISING AGE, that the *News* will not raise its newsstand price any time in the near future. The *Post* this month increased its newsstand price to 35¢. The *News* is 30¢.

Said Mr. Hoge, "We do not have any plans for price increases, daily or Sunday."

The *News* scored what publisher-chief executive officer Mr. Hoge considers a major coup when it raided the *Post's* newsroom and

(Continued on Page 97)

Photo by Arnold Adler

James Hoge, publisher-ceo of the *Daily News*, has changed the editors and modified the design of the paper since his arrival six months ago.

Highlights

Playboy Enterprises is stepping up marketing research as it braces for a year in which profit gains by flagship *Playboy* will come under pressure, stockholders were told last week at the company's annual meeting. *See Page 10.*

Thompson Medical Co. hopes to expand its appeal to diet and health-conscious consumers with a new line of low-sodium, low-fat food products under the Nathan Pritikin label. *See Page 12.*

Fallon McElligott Rice won three awards in this year's Athena competition, sponsored by the Newspaper Advertising Bureau, which honors outstanding newspaper ads. *See Page 32.*

Pabst Brewing Co. said last week that it has received proposed tender offers from both G. Heileman Brewing Co. and S&P Co., a holding company owned by financier and brewer Paul Kalmanovitz. *See Page 70.*

Robert Lund, retiring vp in charge of GM's corporate sales and marketing staff, says changes in the auto market make it likely Chevrolet never again will approach selling 4 million vehicles in a year. *See Page 74.*

Procter & Gamble is attempting to crowd out the competition with the national introduction of Lilt shampoo, conditioner and deep conditioner for permed hair. *See Page 86.*

The creation of five new exec vp posts at Wells, Rich, Greene/New York signals the continuing decentralization of power at the agency, as well as the grooming of future top managers, according to observers. *See Page 87.*

Computer retailers, their shelves overrun with unsold inventory, are clamoring for sophisticated add-on products to make existing "boxes" perform up to the standards of a maturing market of computer users. *See Page 91.*

CORPORATE CLOSEUP

Ten years ago, Kimberly-Clark was the company that made Kleenex tissues—and little more. Today, it's a $3.3 billion diversified consumer products giant that has gone head-to-head with P&G, Johnson & Johnson and others—and succeeded. *See Page 4.*

FORUM

Sy Levy, president of Rosenfeld, Sirowitz & Lawson Direct, discusses the advantage direct marketers have discovered over retailers. *See Page 20.*

Copywriter R.J. McGuill discourses on "How to Colorado Springs." *See Page 20.*

INTERNATIONAL

Jacques Seguela, creative head of France's No. 2 ad agency, Roux, Seguela, Cayzac & Goudard, has spent his career breaking down the status quo while building up a list of critics and admirers. *See Page 58.*

Brazilian admen are turning the creative process upside down in their country with the introduction of commercial spots that are linked to the exact moment they are televised. *See Page 58.*

Many Japanese next month are going to be doing their Christmas shopping at "comprehensive specialty stores," which are sweeping the retail scene in Japan. The latest example is WAVE, now celebrating its first anniversary. *See Page 60.*

SPECIAL REPORT

Black media offer advertisers a way to segment the black consumer market, which numbers 26.5 million. Broadcast, print or outdoor, black media can give an undistorted view of black life styles. *See Page 43.*

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Quaker may join growing parade of health claims

By DAVID SNYDER
Crain News Service

KANSAS CITY, Mo.—If medical research programs come up with the right answer, Quaker Oats Co. soon may suggest its oat products can reduce cholesterol.

But top executives for the $3.3 billion Chicago company said after its annual meeting here last week they won't give the final go-ahead for a health-oriented marketing strategy until medical claims linking oat bran to reduced cholesterol levels are confirmed by additional research. More conclusive findings are expected soon from at least two university research projects, partly funded by Quaker.

A Quaker ad campaign would come as interest in health claims by food producers has skyrocketed. Last month, Battle Creek, Mich.-based Kellogg Co. launched a controversial new ad campaign suggesting its All-Bran high-fiber cereal can reduce the risk of cancer (AA, Oct. 29, *et seq.*).

Regardless of adverse publicity created by the Kellogg campaign, observers agree a similar Quaker campaign stressing cholesterol benefits could create a major new selling point for its extensive line of oat bran and oatmeal items.

"We will certainly try to put [the research findings] to use," said William Smithburg, chairman and chief executive officer. "But we want to make darn sure we have our ducks in a row and that we have clearly documented our claims."

Quaker is funding research by nutrition experts at the University of Kentucky, University of Toronto and at Northwestern University.

So far, findings by the Kentucky research group indicate that con-

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Eggert link forged

DYR goes Deutsch

By DENNIS CHASE

DYR Worldwide, making its first move to gain Japanese clients in Europe, announced today it is linking with R.W. Eggert GmbH, the second-largest independent agency in Germany.

The nonequity agreement is DYR's first link with an agency other than its parents, Young & Rubicam and Dentsu. But agency officials decided a link with a major German shop was needed in order to lure major Japanese clients in Germany.

"If we go into a market, it can't be as the 55th-largest agency," said Alexander Brody, DYR president-chief executive officer.

DYR, a 50-50 joint venture owned by Young & Rubicam and Dentsu, will bill $300 million this year, or 50% more than 1983. Eggert, the 11th-largest agency in Germany, billed $65.3 million last year.

Mr. Brody said the agency has assigned Fumio Oshima to the Eggert office to go after blue-chip Japanese clients.

"Our prospects include anyone on Dentsu's client list, which means all leading Japanese companies," Mr. Brody said.

In Eggert, Mr. Brody has chosen a fiercely independent German

(Continued on Page 94)

Kareem rebounds

NBA star blooms late as endorser

By ROBERT RAISSMAN

For 15 years, Kareem Abdul-Jabbar has been an enigma.

Our new column by Robert Raissman, reporting on the megabucks world of sports and marketing, begins in this issue on Page 88.

He dominated the sport of basketball in college as Lew Alcindor, and in the pros as the first 7-ft., 2-in. convert to the Muslim faith. Labeled a radical untouchable by Madison Avenue, he has remained distant and unapproachable, conveying to commercial America and the media that serve it that the feelings of animosity were mutual.

He has lived through the mysterious shooting deaths of seven persons in a house he owned in Washington and the publication last summer of his autobiography, in which he admitted experimenting with drugs in college. And the greatest joy in his

(Continued on Page 94)

Kareem Abdul-Jabbar is taking his game off the court as he pursues endorsements.

JWT not sure which theme won High Life

By STEWART ALTER

That Miller High Life is going to be a hard advertising puzzle to solve is best confirmed by examining the single idea that won the $50 million account.

There wasn't any.

J. Walter Thompson USA's presentation that last week brought it the creative assignment for Miller Brewing's High Life brand (AA, Nov. 15) was an array of "very, very different" creative ideas, some of which Miller will now put into test.

"I think what was most interesting to them was the breadth of the thinking on the creative work and that we demonstrated a good understanding of the beer business," said JWT/USA chairman Burt Manning.

That Thompson's presentation succeeded in establishing its credentials as a savvy beer shop was a particularly sweet part of its High Life triumph.

The JWT team with the most recent beer experience, the Chicago-based group that had been assigned to Adolph Coors Co.'s Herman Joseph's brand, was kept on the bench while the rest of the Thompson system contributed ideas to JWT's High Life team.

The quarantine on the Chicago Thompson beer unit was "disturbing," Mr. Manning said, though Thompson had agreed to it after it quit the Coors business to pursue

(Continued on Page 94)

World News Roundup

LONDON—**The British government**, to the dismay of the pharmaceutical industry, plans to chop $130 million from the National Health Service's budget next year by telling doctors to prescribe generic drugs for common ailments such as colds, indigestion and anxiety.

OTTAWA—**The new conservative Canadian** government has terminated Canadian Media Corp., which handled the government's $45 million media buying account. No replacement has been named.

LONDON—**Ogilvy & Mather International** has bought Trenear-Harvey Bird & Watson, which claims to be largest direct-marketing agency in the U.K. THB&W will be merged into Ogilvy & Mather Direct and will have combined billings of $26 million.

BERLIN—**Brinkmann A.G.**, a subsidiary of Rothmans, has picked Team/BBDO to handle its $6 million Lord Extra filter cigaret account, which pulled out of Foote, Cone & Belding in October.

MELBOURNE—**Atari Inc.'s** principal Australian distributor, Futuretronics Australia, was placed in receivership—the first major casualty in the videogame/home computer market here. Futuretronics owes McCann-Erickson $400,000 and Concord Advertising $130,000.

ZURICH—**Peter M. Schneeberger** has been ousted as president-chief executive officer of Ringier A.G., Switzerland's largest publishing enterprise, and replaced by two sons of founder Hans Ringier.

LONDON—**Coleco Industries** reportedly is pulling its videogames and Adam computer out of the U.K. market. The Adam computer made its debut in the U.K. this summer.

Bergin repels British invasion

By JOHN J. O'CONNOR

SCOTTSDALE, ARIZ.—Thanks to a remarkably insightful presentation by McCann-Erickson U.S.A. president John Bergin, America's creative reputation has won a victory on a scale akin to the Marines' liberation of Grenada.

In debating the "bloody Brits," two top executives of Saatchi & Saatchi Compton Ltd., London, at the Camelback Inn here, the acid-tongued Mr. Bergin, who characterized the confrontation as a "public 'smugoff,'" argued that great creative work is not confined to any country.

On the other hand, Terry Bannister and Roy Warman, joint managing directors and chief executive officers of Saatchi & Saatchi Compton, had come to the Assn. of National Advertisers' 75th annual meeting to show why "the U.K. is the fountain of creativity," Mr. Bannister observed. He drew laughs with the afterthought, "but not acknowledged by the French." Pity he and Mr. Warman did not bring along a larger supply of such bon mots to blunt the Bergin tour de force.

To drive home his point that creativity is not confined to any country's boundaries, Mr. Bergin—a judge for this year's Cannes Festival—showed commercials from around the world, including his "favorite beer commercial," a 30-second Saatchi spot for Castlemaine Australian beer's introduction in the U.K. ANA members laughed almost as loud when the spot was reshown during the Saatchi executives' time at the mike.

Mr. Bergin also made the point

(Continued on Page 96)

New PMG steps into firefight

By STEVEN W. COLFORD

WASHINGTON—In 1970, Paul Carlin, named last week to succeed William Bolger as Postmaster General, received the Benjamin Franklin Award, the U.S. Postal Service's highest management honor, for helping to reorganize the service.

After assuming office Jan. 1, Mr. Carlin might be in line for another medal—the Purple Heart—as the verbal skirmishing between second and third-class mailers over the recommended postal rate increase threatens to explode into legal warfare.

By the time Mr. Carlin, the

(Continued on Page 96)

'New York Times' tops designers' list

By MICHAEL EMERY

The *New York Times* is the nation's best designed newspaper, and *USA Today* uses color in the most effective manner, according to a nationwide survey of newspaper graphics experts.

For this study, commissioned by ADVERTISING AGE, Media Research Institute, Pacific Palisades, Cal., polled 604 members of the Society of Newspaper Design and received 170 responses. The majority were from graphics editors, art directors, editors and others making daily decisions on page design and the use of color.

The *New York Times* was the overwhelming choice in the over-all design category. This perhaps will be a surprise to some, but not to anyone who has followed the overhaul conducted during recent years by executive editor A.M. Rosenthal and his associates, including assistant managing editor-art Louis Silverstein. The *Times* has been honored in every Society of Newspaper Design competition, beginning with the first in 1979-80.

The *Morning Call* of Allentown, Pa., edged *USA Today* for second place in over-all design, followed by the *Seattle Times* and *Washington Times*.

In the color category, *USA Today* was a landslide winner. However, in response to a number of other questions, respondents indicated they would make major changes with *USA Today* if they had the chance. The *Register*, based in the Orange County, Cal., city of Santa Ana, and the *St. Petersburg* (Fla.) *Times* placed second and third in the color

(Continued on Page 36)

Mr. Emery is a professor of journalism at California State University, Northridge, and director of the Media Research Institute.

THE MORNING CALL

$175-billion '84 deficit 10% less than last year's

Shultz urges force to stop terrorists

Man 'critical' after R.22 crash

Mondale tries to defy doomsayers

The New York Times

SND ranked the *New York Times* as the best designed newspaper, followed by the *Morning Call* of Allentown, Pa.

'New York Times' tops design list

(Continued from Page 3)

category, followed by the *Chicago Tribune* and the *Morning Call*.

The first of 21 questions asked respondents to pretend they were at a convention, holding up and ranking "the five best designed newspapers" for the audience. Design was defined as "use of typography; story and photo layout; use of sketches, diagrams and other informational graphics, and over-all organization of the paper's elements."

They then were asked to rank the five papers using color "in the most appropriate and effective fashion."

Other questions involved design changes at the respondent's paper, and the impact *USA Today* has had on design. Here are the findings of the study:

- Respondents listed 102 different papers in the over-all design and color rankings, but when it came to the top five there seemed to be a consensus. The *New York Times* was marked by 48%, the *Morning Call* and *USA Today* by 38%. *Seattle Times* by 32% and *Washington Times* by 27%.
- The *Seattle Times* demonstrated impressive consistency in gaining support from all regions in both categories. In the over-all competition, the *Times* was the only paper to finish in the top five in all five regions (all other leaders slipped at least once).
- Smaller papers, such as the *Herald* of Everett, Wash.; the *Columbia* (Mo.) *Daily Tribune*; the *Eugene* (Ore.) *Register-Guard*, and the *Virginian-Pilot*, Norfolk, Va., were recognized for their efforts.
- Fully 67% of the respondents said their paper increased its use of color during the past year. Color was introduced by 11%.
- Regarding informational graphics (charts and graphs), 22% said they introduced it and 60% said they increased the amount used.
- Photo layouts had been given more emphasis on only 25% of papers, despite the over-all increased interest in page appearance and impact.
- The most likely person to initiate a design change would be the graphics editor or the managing editor, but usually in consultation with someone else. Editors were listed next. Only one person said a committee would decide (although several papers reported having committees), and only one said a consultant would have the authority.
- Forty per cent said the main reason for design change was a "deep interest in keeping up with design trends and technology" as opposed to whim, competition or desire for status. However, many respondents indicated multiple reasons.
- There is a sense of frustration on the part of many respondents, 120 of whom (77%) said they have been denied chances to make design changes because of cost or more often lack of authority. In fact, 86 listed authority problems and a few singled out tradition-minded publishers.
- The typical respondent was someone with between five and nine years of "experience in this specialty." Slightly less than half had some design training in a journalism school, and slightly more than half (some were the same people) had design training elsewhere on campus. Despite this training, 78% said they learned the most about "design principles" on the job.
- *USA Today's* impact has been recognized by professionals. A full 60% said their paper has changed because of *USA Today's* presence, and 94% said they thought papers other than their hometown paper had changed because of *USA Today*. Changes in color were mentioned by 62 (40%); informational graphics by 50 (32%). There was little influence in the areas of typography, layout, photography and news play.
- Asked about *USA Today's* "best contribution to the field of design," almost everyone listed a specific area (sports, weather) or a technique (informational graphics) rather than crediting the paper with intellectual and motivational leadership.
- If given a chance to change something on *USA Today*, 62 (40%) would tinker with Page One. However, another question revealed great unhappiness with the size and handling of photos.
- Which papers do these Society of Newspaper Design members check for suggestions? The *New York Times* is the winner again (34%), followed by *USA Today* (19%), the *Morning Call* (16%), *Seattle Times* (11%), the *Register* (11%), *Chicago Tribune* and *Boston Globe* (10%) and *St. Petersburg Times* (7%).

Best in over-all design

1. The **New York Times** led in three regions: West, South and mid-South, and East. It slipped to sixth in the mountain states and the Southwest and was second in the Midwest.

The *Times* was mentioned on 81 of the 170 sheets (48%) and only a half-dozen qualified their votes with "inside pages only" or "Sunday." The streamlined look of the various special sections and the greatly improved Page One have great appeal to respondents.

2. The **Morning Call** of Allentown, Pa., had strong support in four regions. While it slipped in the mountain and southwestern region (ninth). The *Call* was fourth in the West, first in the Midwest, second in the South and mid-South, and third in the East. The *Call* was fifth in the color category.

3. **USA Today**, first by a wide margin in the color category, was strong in four regions in the over-all category. Although ninth in the West, *USA Today* was first in the mountain and southwestern states, third in the Midwest, fourth in the South and mid-South, and second in the East.

4. **Seattle Times**, the most consistent of all of the papers, was second in the West, second in the mountain-southwestern area, fifth in the Midwest, fifth in the South and mid-South, and fifth in the East. The *Times* was seventh in the color rankings, slightly behind the *Orlando Sentinel* and ahead of the *Miami Herald*, both known for color.

5. **Washington Times**, although embroiled in controversy because of ownership by the Rev. Sun Myung Moon's Unification Church, has earned much respect in the design field. The *Times* was third in the West, 10th in the mountain states and the Southwest, seventh in the Midwest, third in the South and mid-South, and fourth in the East. In the color category, the paper ended up 10th.

6. The **Register**, based in Santa Ana, Cal., is another paper with impressive over-all votes: Fifth in the West, third in the mountain-southwestern area, sixth in the Midwest and seventh in the South and mid-South and East. In color rankings, the *Register* was a clear second, well ahead of third place *St. Petersburg Times* in total points and first place votes.

7. **Chicago Tribune**, fourth in the use of color, slipped badly only in the South and mid-South on its way to a seventh-place finish in over-all design. The *Tribune* was seventh in the West, eighth in the mountain-southwestern region, fourth in its own Midwest, 14th in the South and mid-South, and ninth in the East.

8. **Boston Globe**, a solid performer, emerged with a profile similar to the *Chicago Tribune*. The

USA TODAY
THERE HE GOES AGAIN
Reagan off to 2nd term in 49-state sweep
NEWSLINE
WEDNESDAY EVENING
'84 Olympics
SPECIAL SECTION
The Register
DeLorean case sent to jury
Hijacking of Iranian jetliner ends with surrender in Rome

Gannett Co.'s *USA Today* and the *Register*, Santa Ana, Cal., were first and second, respectively, in the color category.

Top 10 over-all design leaders

(Based on a survey of 604 members of the Society of Newspaper Design. Total votes and first place votes in parentheses; first place was worth 5 points, second place 4, third 3, etc.) *Source: Advertising Age, Media Research Institute, Pacific Palisades, Cal.*

Paper	Total points
1. New York Times (81-33)	305
2. Morning Call (Allentown, Pa.) (65-13)	201
3. USA Today (64-17)	196
4. Seattle Times (54-10)	180
5. Washington Times (46-9)	146
6. Register (Santa Ana, Cal.) (37-8)	123
7. Chicago Tribune (33-11)	112
8. Boston Globe (33-5)	101
9. St. Petersburg Times (27-10)	94
10. Kansas City Star (25-1)	58

The leaders in use of color

(Total votes and first place votes in parentheses. First place was worth 5 points, second 4, third 3, etc.)

Paper	Total points
1. USA Today (108-53)	427
2. Register (Santa Ana, Cal.) (64-31)	259
3. St. Petersburg Times (57-23)	222
4. Chicago Tribune (30-6)	90
5. Morning Call (Allentown, Pa.) (29-3)	89
6. Orlando Sentinel (31-2)	82
7. Seattle Times (26-2)	77
8. Miami Herald (23-4)	69
9. Mercury (San Jose, Cal.) (16-1)	53
10. Washington Times (12-2)	31

(Next, in declining order: *Eugene Register-Guard, Dallas Morning News, Herald (Everett, Wash.), Kansas City Star, Los Angeles Herald Examiner, Virginian-Pilot (Norfolk, Va.), St. Louis Post-Dispatch, Record (Bergen County, N.J.), Fort Myers (Fla.) News-Press.*

Many respondents from design ranks

Media Research Institute sent questionnaires to 604 American members of the Society of Newspaper Design, an organization that has become prominent through its annual award competition and its publications. In all, 170 responses were received, with 156 respondents indicating a position with a daily newspaper; 14 answers were from academics and outside consultants.

Of the respondents, 33 were from the West, 24 from the Mountain states and the Southwest, 38 from the Midwest, 34 from the South and mid-South, 38 from the East, while three did not identify their area.

The respondents included 38 who said they were the graphic design editor/coordinator at their paper; 13 who said they were graphic designers (a number held two positions), and 13 others who said they were art directors or assistant art directors.

Also, 15 editors, 15 managing editors, 33 "other" editors and two publishers responded.

Responses came from most of the leaders in design, including 17 persons at papers of more than 500,000 circulation, 19 at papers of between 250,000 and 500,000, 30 at papers of between 100,000 and 250,000, 32 at papers of between 50,000 and 100,000 and 58 at papers of less than 50,000.

A number of the questions applied only to those working on a daily newspaper, and percentages offered for those answers are based on the number 156. Otherwise, percentages are based on the entire response group of 170.

There was only one suggestion that there was a built-in bias in using the Society of Newspaper Design members, who are tied to the "Allentown school" of design. An advantage of using the society's list was that many members are familiar with papers outside of their regions, including some of the smaller papers.

It should be remembered that this is a recognition survey based on the perceived quality of design and use of color. The numbers should be viewed in a general way to note patterns and attitudes about the vast number of changes in design and use of color. —*Zanaleen Steiner*

Globe was sixth in the West, seventh in the mountain-southwestern section, fell to 13th in the Midwest, earned sixth in the South and mid-South, and finished eighth in the East.

9. **St. Petersburg Times**, living up to its reputation for use of color, finished a strong third, well ahead of the *Chicago Tribune*. In over-all design, the *Times* was consistent, getting eighth in the West, fifth in the mountain-southwestern area, eighth in the Midwest and sixth in the East.

But it transcended any expectation of regional bias, as respondents in the South and mid-South placed the *Times* ninth, behind the *Orlando Sentinel*.

10. **Kansas City Star**, 10th in over-all design, finished 14th in the color rankings. In addition, the sister *Kansas City Times* picked up a few votes.

The *Star* was 13th in the West, moved to 11th in the mountain-southwestern region, 10th in the Midwest, 11th in the South and mid-South and the East.

Notably absent from the over-all design rankings were some newspapers often ranked in the top 10 in over-all quality: *Los Angeles Times*, *Christian Science Monitor*, *Philadelphia Inquirer* and *Washington Post*. (However, this survey was undertaken before the *Post's* major redesign.)

Other major papers that didn't make the top 20 in this survey include the *Dallas Times Herald*, *Milwaukee Journal* and *St. Louis Post-Dispatch*, along with the Detroit, San Francisco and Denver papers.

It should be noted that the *Los Angeles Times*, the nation's largest newspaper in ad linage, only recently began the conversion to color. Daily special Olympics sections, featuring color photos, were part of this emergence. Nevertheless, the *Times* received only two mentions for its over-all design, with the others listed above faring about the same.

Design is a very subjective thing to judge. A "sharp layout" to one person is "too cluttered" for another. But apparently one group of papers (plus probably a few other smaller papers going unnoticed) consistently is outdistancing the others when it comes to the application of design principles.#

These newspapers were ranked among the 10 best designed papers in the U.S. by members of the Society of Newspaper Design in a study commissioned by ADVERTISING AGE.

The second 10 design leaders

Paper	Total points
11. Herald (Everett, Wash.) (16-3)	46
12. Mercury (San Jose, Cal.) (17-1)	45
13. Orlando Sentinel (12-3)	40
14. Columbia Daily Tribune (15-3)	38
15. Miami Herald (10-3)	32
16. Louisville Courier-Journal (8-4)	32
17. Wall Street Journal (11-0)	29
18. Newsday (11-0)	26
19. Democrat & Chronicle (Rochester)	26
20. Dallas Morning News (10-1)	25

Institute tracks media progress

Media Research Institute of Pacific Palisades, Cal., is a nonprofit organization designed to conduct qualitative and quantitative studies of media performance.

An expanded version of this study showing more than 24 design leaders is available for $18 from R.J. Berg Publishers, Box 20450, 6100 N. Keystone Ave., Indianapolis, Ind. 46220.

This book has additional tables showing the attitudes of respondents on all survey questions, including a number on the contributions made by *USA Today*.

Also available is "America's Leading Daily Newspapers," an illustrated booklet based on responses from 610 publishers, editors and academics ($6).

For information abut MRI write to 331 Via de la Paz, Pacific Palisades, Cal. 90272.#

TRAHEY GOES TO THE MOVIES

Add three films to your 'don't miss' list

By JANE TRAHEY

I don't always get to the right preview at the right time in the right place to get to the right issue at ADVERTISING AGE, so in the last week or so I paid my hard-earned cash to see some of the hot movies I missed. Here's how I rate them.

AMADEUS. Rated DM. From an esthetic point of view, "Amadeus" is beautiful. Miroslav Ondricek's photography of old Prague convinced me I was deep in the heart of old Vienna. The acting is knockout. Tom Hulce (Mozart) is brilliant. Mozart's talent, precociousness and bizarre behavior drive the court-composer Salieri, a conservative and mediocre musician, right up the palace walls. He is consumed by jealousy.

The direction is intriguing, and anyone who admires perfect timing will love it. And I can think of a hundred other reasons to go. The way director Milos Forman interweaves music with plot, action with opera, story with symphony is worth $5. And for Mozart's deathbed dictating of his requiem to Salieri, who hopes to claim it as his own as soon as Mozart dies—well, you owe Peter Shaffer, the author, another fiver.

PLACES IN THE HEART. Rated DM. Bob Benton, ex-advertising impresario, writes and directs this Sally Field movie. It's a reminiscent tale of Benton's home town, Waxahachie, Tex., during the Depression. The props are stellar and lend great authenticity to the story.

Sally Field does her Norma Rae bit again. But who cares? She does it so well. Here she is left to cope with two children, a mortgaged farm and a dwindling bank account when her husband is shot by a drunken black teen ager.

The movie has a cast of good folks and bad folks. The bad include the greedy banker, the cheating cotton broker, the philandering husband of Sally's sister and the Ku Klux Klan.

The good folks are nicely topped off by Mose, a black itinerant beggar who coaxes Sally to let him stay for room and board in return for helping her grow a cotton crop, and a blind young man who is plopped into Sally's house by the greedy banker.

Even though I had been warned about the symbolic ending, I liked it. If Benton hadn't added that touch, he would have ended up with just a '40s movie. Want a warm and nice two hours? See "Places in the Heart."

KARATE KID. Rated DM. This is a thoroughly charming (if highly unbelievable) movie. A displaced, lonely teen age boy is dumped into the California scene when his mother moves. He is bullied to bits at school.

He meets the "super" of his new apartment building—a wise, elderly Japanese man who grows bonsai trees for a hobby. The super, played by Pat Morita, sums up the kid's problems and teaches him the martial arts. The kid gets his self-image back. The tricks Morita plays to teach karate to Ralph Macchio, the kid, make the movie a lot of fun. If you see it, take a kid.

THE BROTHER FROM ANOTHER PLANET. Rated NP. Too bad David Bowie was busy. He's what's missing. This movie is a strange amalgamation of creatures who escape from a planet, where they are slaves, only to inhabit one directed by John Sayles.

There are nice touches, such as a new look at Harlem and some good cracks at New York City bureaucracy in the welfare world. There is also enough well choreographed violence for all. I thought it needed popcorn, but they're standing in line for this movie so word-of-mouth is good.

FIRST NAME CARMEN. Rated ABAM. This French film is the next best thing to a Seconal. There's an unexplained boring string quartet that is cut into an unexplained bank robbery that is cut into at least a half-hour of footage of waves breaking against the shore. Between the surf and the strings I slept.

I know it's chic to love Jean Luc-Goddard, but it beats me why the critics pat him on the back. This is an unmitigated bore. Unless you want a nap.

WOMAN IN RED. Rated ABAM. I can believe a genius like Gene Wilder would remake a wonderful French movie. But I can't believe he'd do it so badly. Gene Wilder stars with Charles Grodin. It ain't enough.

GARBO TALKS. Rated NP. A soupy story about an aggressive New York mother (Anne Bancroft) and her highly influenced-by-mama son (Ron Silver). Mama comes down with an inoperable brain tumor. Her last wish changes her son's life. She wants to meet the ever-elusive Garbo. Can sonny boy pull it off before tumor takes over? Tune in.

A SUNDAY IN THE COUNTRY. Rated SAM. A touching film about a 70-year-old painter who looks forward to and spends a day with his son, his son's wife and his son's children. The lot of them disappoint him. They are their usual klutzsy selves. Then his vibrant, offbeat daughter drops in and breathes life into the old man and jealousy into her brother.

The movie is slow paced, but it is about a 70-year-old who *is* slow paced. Based on a novel by Pierre Bost, it is directed by the gifted Bertrand Tavernier. If you like French countryside pictures and bittersweet tranquility—try it.#

Jane Trahey's rating guide

DM - don't miss

WF - wildly funny

NP - needs popcorn

SAM - slow as molasses

IPIF - if parking is free

ABAM = avoid by all means

Jane Trahey is a copywriter, author and head of her own agency, Trahey Advertising, New York.

Radio stations foster loyalty in Detroit

By Pat Strnad

Marketers and black-oriented radio stations are humming the same tune and the lyrics go like this: Radio is the most effective means of targeting the black consumer market.

"It's critical that advertisers who want to reach blacks use black media. When a black radio station features an ad for a product, it's almost like an endorsement of that product," says Joel P. Martin, president-creative director, J.P. Martin Associates, New York.

> **"There's some personalization here . . . . Mainstream advertising doesn't have that kind of faith."**
>
> *—Norman Miller, WQBH*

"Many of the radio personalities are key community figures, and listeners know who they are. Blacks do look at tv, of course, and some advertisers can reach them there.

"But messages coming from a black radio station make ads more convincing and believable," she says.

This information is of particular interest to marketers interested in moving their products in Detroit, a city with a sophisticated radio market and a black population that is 63.1% of the city's total population of 1.2 million.

According to the U.S. Census Bureau, the average household income for blacks in Detroit is slightly more than $16,000, an average that surpasses that for blacks in every other major urban area in the U.S.

One station reaching that market takes its ad responsibility seriously. Detroit's black inspiration station, WQBH (am), screens its advertisers, says Norman Miller, sales manager at WQBH.

"We don't allow ads for products that aren't any good. There's some personalization here, a level of trust," Mr. Miller says. "Mainstream advertising doesn't have that kind of faith."

Some leading national advertisers agree. Black listeners' confidence in black radio is a key reason Coca-Cola Co. uses the medium, says Sara Tozer, director-advertising at the Detroit-based bottling company.

"Our relationship with the [black] radio station gives us a strong competitive edge," she says.

Gregg Reynolds, vp-public affairs for Kentucky Fried Chicken, Louisville, Ky., says although KFC doesn't advertise through black media on a national level, local co-op groups do so for individual franchisers.

"We make extensive use of black radio because people are more responsive to it than they are to any other media.

"There is a tremendous amount of loyalty to black radio stations. We know there's big listenership in black radio," Mr. Reynolds says.

Radio not only provides a favorable environment for ad messages, but an opportunity for the advertiser to become personally involved with the public, Ms. Tozer says.

"Black radio stations are usually involved in community activities, which is very important to us," she says. Her company recently participated in a break-dancing tournament with a Detroit black-oriented radio station, WJLB (fm).

"It was outrageously successful. That kind of activity really makes the difference, in addition to the media value of the station. It creates a positive environment," Ms. Tozer says.

Aside from the community involvement and awareness black radio maintains with its listeners, many advertisers use the medium mainly because of its ability to target an audience.

"Radio in general reaches a large bulk of people when no one else can," says Pat Miller, car advertising specialist for Detroit-based Ford Motor Co.

"You can't drive and read the paper. And when you're on the road, you're only minutes from a supermarket," Mr. Miller says.

In addition to its point-of-purchase accessibility, the medium offers other advantages.

"There are psychographic factors involved in why radio is especially important to reach the [black] consumer," says Tom Burrell, president-creative director, Burrell Advertising, Chicago.

"Radio is more personal, dynamic, and traditionally has been very segmented," he says.

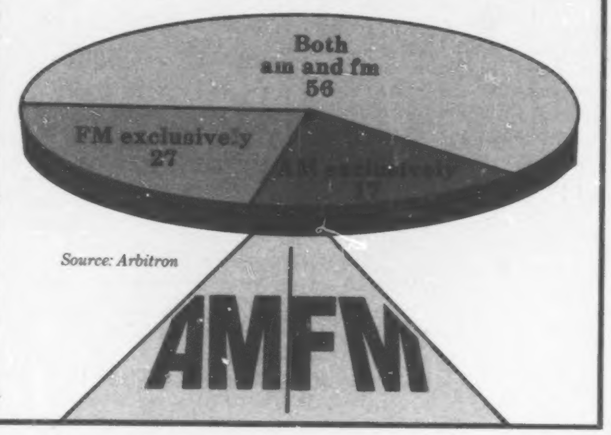
In radio, the black market is one of many segmented audiences. However, within the scope of black radio there is more segmentation.

And one area—covered by Detroit stations WCHB (am) and WQBH (am)—is gospel music programing.

Ms. Martin of J.P. Martin Associates says she believes gospel music programing is a fantastic opportunity for corporate messages and family products.

Black radio listeners in the balance

(per cent of am and fm listeners)



Source: Arbitron

"Gospel music attracts primarily women and families. Gospel listeners are generally conservative, they're believers, and they're church-going. Most black leaders come out of the church," she says. "Look at Martin Luther King Jr. and Jesse Jackson. The church is the rock the black community is built on. Religion is a delicate issue, and it takes a sensitive company to deal with the church."

Another segment of the black radio audience is the youth market. There are many youth-oriented black radio stations in Detroit, and they provide an audio medium for such advertisers as Coca-Cola, McDonald's, Burger King, Michelob and others.

Creatively, black radio is no different from other forms of black-oriented media. "We tend to use black models and black voiceovers in black-targeted ads," Ms. Martin says. "We want to instill a semblance of the black environment. On the creative side, there are differences in tone, style and sense of humor.

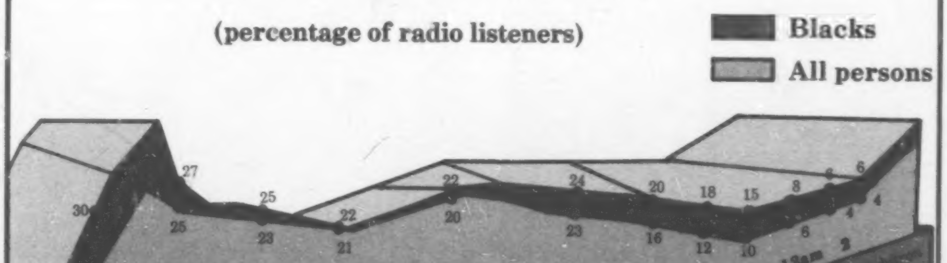
Striving to bring more realism and sophistication to the black market is Jackson & Co., a Detroit-based ad agency that specializes in minority marketing communications.

"We try to target black professionals and we show their life styles," says Cedric Jackson, president of the agency. "I know of one station that goes back to the old '60s routine. They use situations that don't fit the modern black today."

Black radio listeners top all

Monday-Friday average two-hour rating

(percentage of radio listeners)



However, using a black model and voiceover doesn't make an ad more attractive to black consumers, if that strategy is the only one being used, according to Mr. Burrell.

"Black people are different from white people, and you've got to factor that in. For many products and services, the way a consumer perceives a product is important, and it could be different enough to warrant different strategic approaches," he says.

"It's not really an executional issue, but a strategic one. Just changing the voiceover or putting a black person in the ad sounds like a cosmetic way to make the ad different. It's not how you say it, it's what you say," he says.

However, with the proper marketing strategy, radio can be an effective means of communicating with the black consumer.

Despite these attributes, Mr. Jackson says Detroit is indicative of national radio in that many national advertisers consider black radio there as third, fourth or even fifth rated. "It's not a top buy. Local retailers have no choice but to buy because they're here. The national view is, however, if we have a few dollars left over, we'll give it to Detroit," he says.

Several of Detroit's black radio stations echoed similar sentiments.

Verna Green, general manager of WJLB (fm), says there is a bias among advertisers, a reluctance to accept blacks as significant consumers.

"There's a tendency among advertisers to look at income level rather than consumption level with blacks. More attention is given to what they don't have than to what they do have," Ms. Green says.

Martha Jean Steinberg, WQBH's vp-general manager, a radio personality and a Detroit black community leader, says, "Advertisers just don't realize that when you advertise through us, you're investing in the community."

Black radio is effective in reaching the black market through community involvement and formats, according to Anthony Moore, vp-media and research director, Proctor & Gardner, Chicago. "Music has taken on a noncolor; what breaks out the [black] segment is community involvement," he says.

In Detroit, some of the radio stations are changing from black to urban contemporary formats. Stations that once were exclusively black are evolving toward broader formats to entice a wider audience.

Joe Spencer, program director of WGPR, says there is an advantage to a lot of black radio not being limited to black audiences. "It used to be if advertisers were going to go mainstream advertising, they wouldn't advertise on black radio because it was too specialized. Now it's getting much more general."

Pat Strnad is an editorial assistant in the Detroit bureau of Advertising Age.

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

November

Art & Antiques

	Current month		Year-to-date	
	1984	1983	1984	1983
American Artist	114.9	88.5	853.3	723.6
Antiques	193.3	159.7	1,659.0	1,445.6
Antique Monthly	—	—	—	—
Art in America (11X)	—	—	—	—
Plate World (6X)	65.6	76.4	416.7	493.6
Southwest Art	84.0	104.5	984.0	877.0
Total Group	457.8	429.1	3,913.0	3,539.8
% change	+6.7%		+10.5	

Auto/cycle/rec. vehicles

AutoWeek	126.5	142.4	1,446.9	1,420.2
Car & Driver	100.2	96.3	1,003.5	998.6
Car Collector & Car Classics	23.8	21.2	218.4	235.2
Car Craft	66.1	58.5	805.9	791.6
Cycle	36.5	29.2	488.6	647.3
Cycle Guide	—	—	393.6	440.1
Cycle World	29.7	31.7	545.2	556.2
Dune Buggies & Hot VWs	67.1	87.1	872.9	791.2
Family Motor Coaching	139.5	128.1	1,596.4	1,278.5
4 Wheel & Offroad	79.0	60.6	816.1	742.3
Four Wheeler	95.0	55.1	890.0	468.7
Hot Rod	48.9	42.7	685.1	622.5
Motorcyclist	25.3	22.6	388.7	400.6
Motor Trend	80.3	71.5	731.8	707.4
Motorhome	94.6	69.7	997.4	802.6
Pickup, Van & 4 WD	31.5	26.1	349.0	370.3
Road & Track	123.5	111.6	1,139.0	1,092.2
3 Wheeling	38.9	32.8	352.2	307.0
Trailer Life	118.9	106.0	1,358.9	1,180.7
Total Group	1,325.3	1,193.2	15,079.6	13,883.5
% change	+11.1%		+8.6%	

Boating & yachting

Boating	120.6	106.1	1,499.5	1,252.7
Chesapeake Bay	26.3	20.5	322.1	306.1
Cruising World	105.4	111.1	1,647.6	1,591.7
Lakeland Boating	53.5	21.5	596.8	447.8
Motor Boating & Sailing	142.1	104.0	1,758.3	1,498.5
Sail	120.6	101.5	1,544.0	1,332.1
Sea & Pacific Skipper	46.7	46.4	631.7	721.5
Small Boat Journal (6X)	—	—	215.1	195.2
Trailer Boats	24.2	18.0	356.8	248.3
Western Boatman (6X)	20.3	19.5	145.1	114.3
Yachting	167.2	138.7	1,921.9	1,674.2
Total Group	826.9	687.3	10,638.9	9,382.4
% change	+20.3%		+13.4%	

Canadian

L'Actualite	113.0	105.4	764.9	615.1
Chatelaine:				
English Edition A.	140.3	153.7	1,104.6	1,085.1
French Edition	124.9	150.4	949.1	965.2
City Woman (5X)	51.5	62.2	228.3	251.5
Equinox	46.8	49.0	250.1	245.3
Financial Post Magazine A.	62.3	45.7	493.5	366.4
Flare A.	72.4	65.5	627.5	565.9
Homemaker's Magazine	100.3	123.7	704.4	847.8
Madam Au Foyer	82.0	86.0	611.8	660.4
Macleans A. (52X)	186.6	157.3	1,419.3	1,156.5
Montreal Calandar	56.0	47.0	322.1	292.0
Montreal Ce Mois Ci	60.0	59.0	529.5	384.5
Quest Magazine (8X) A.	30.2	56.5	209.3	354.0
Reader's Digest:				
Canadian-English A.	99.7	100.2	792.2	773.9
Canadian-French A.	96.8	98.5	710.1	703.8
Toronto Life	146.2	146.6	1,062.2	991.0
Vancouver	106.8	100.1	814.7	868.3
Total Group	1,582.5	1,606.8	11,593.6	11,126.7
% change	−1.5%		+4.2%	

Civic/fraternal

American Legion	19.4	28.8	258.9	305.2
Elks Magazine (10X)	24.0	27.0	227.3	251.7
Kiwanis Magazine	15.4	15.4	138.5	150.3
Lion (10X)	3.7	14.3	61.5	73.0
Moose Magazine	18.0	18.0	200.0	221.0
Rotarian	10.6	19.7	130.0	151.7
V.F.W. (10X)	22.8	28.7	289.6	312.0
Total Group	113.9	151.9	1,305.8	1,464.9
% change	−25.0%		−10.9%	

Comics

Archie Comic Group (6X)	—	—	50.0	50.0
DC Comics	6.0	8.0	81.0	87.0
Marvel Comics Group	9.0	10.0	101.0	110.0
Total Group	15.0	18.0	232.0	247.0
% change	−16.7%		−6.1%	

General

American Health (6X)	45.5	54.7	375.0	254.8
The Atlantic A.	79.1	70.5	519.9	476.9
Audubon Magazine (6X)	41.4	34.6	174.6	217.7
Changing Times	39.9	62.5	485.2	463.1
Ebony	97.2	93.3	1,003.5	963.1
Fifty Plus	45.3	36.7	394.1	292.0
Food & Wine	79.8	68.6	443.9	418.7
Games	24.5	27.1	228.7	300.9
Home Entertainment (6X)	33.0	—	221.8	138.0
Harper's Magazine A.	16.7	25.4	257.0	193.9
Life	104.3	89.7	678.1	647.2
Modern Maturity (6X)	59.5	54.9	219.1	210.3
Money	188.8	180.6	1,372.1	1,278.1
Moneysworth (4X)	—	—	53.8	72.1
Mother Earth News (6X)	37.9	49.5	300.8	364.6
Mother Jones (10X)	15.7	17.2	152.4	140.3
National Geographic	30.7	35.3	264.4	256.4
Natural History	50.2	60.0	470.8	428.5
Prevention	69.7	77.7	754.1	851.0
Psychology Today	42.5	30.5	293.3	287.9
Reader's Digest A.	120.8	133.2	955.9	924.0
Signature	86.8	74.6	624.2	619.2
Success	37.7	40.6	377.8	378.9
Town & Country	272.0	244.2	1,696.0	1,602.3
Travel/Holiday	32.1	40.2	466.8	448.2
Travel & Leisure	146.7	126.5	1,195.7	989.2
Vanity Fair	37.4	50.4	285.6	475.9
Video	92.2	71.0	771.8	685.4
Video Review	77.2	72.0	604.1	701.2
Writers Digest	26.9	26.7	268.4	287.7
Yankee	102.5	153.8	903.4	1,042.9
Total Group	2,134.0	2,101.8	16,689.9	16.410.4
% change	+1.5%		+1.8%	

Home

Americana (6X)	33.0	36.4	226.0	218.8
Better Homes & Gardens	159.2	156.6	1,335.0	1,222.5
Country Journal	28.8	40.0	352.7	419.9
Country Living	76.4	75.5	727.7	584.6
Dallas/Ft. Worth Home & Garden	79.6	72.3	738.4	688.2
Early American Life (6X)	—	—	140.8	141.9
Family Handyman (10X) A.	—	—	644.9	600.1
Flower & Garden (6X)	—	—	183.6	195.9
The Homeowner (6X)	24.1	26.1	241.2	163.0
House Beautiful	129.3	127.1	1,059.1	990.2
House & Garden	127.7	98.5	1,004.0	732.2
Houston Home/Garden D.	102.8	143.0	1,150.2	1,144.3
Metropolitan Home	88.1	93.0	796.6	654.6
New Shelter (9X)	50.3	51.4	447.0	443.0
1001 Home Ideas	51.3	46.4	457.6	372.8
Organic Gardening	46.5	59.2	676.2	775.7
Phoenix Home/Garden	78.5	67.1	627.0	522.4
San Diego Home/Garden	73.7	67.3	798.9	743.7
Southern Accents (4X)	101.9	80.3	477.9	311.7
Southern Living	184.7	191.3	1,500.6	1,424.8
Sunset Magazine A.	185.8	201.8	1,551.3	1,573.5
Texas Homes	88.3	88.3	884.9	792.9
Workbench (6X)	61.2	73.6	357.7	396.3
Total Group	1,771.2	1,795.2	16,379.3	15,113.0
% change	−1.3%		+8.4%	

In-flight & other passenger

Aboard Group (7) (4X)	—	—	64.4	53.6
Alaska Airlines	52.4	49.2	574.1	517.8
American Way	118.6	121.9	1,118.1	1,029.5
East/West Network:				
Amtrak Express	34.7	48.5	364.4	469.0
Continental	60.5	74.7	662.1	725.8
Eastern Review	127.2	129.0	1,272.8	1,142.2
Ozark	47.5	54.0	498.7	531.5
PSA Magazine	109.2	90.5	1,129.9	988.9
Pan Am Clipper	70.5	49.3	685.7	472.4
Republic Scene	60.8	81.0	650.5	647.9
United	130.2	125.8	1,269.7	1,075.2
USAir	58.8	73.0	665.3	704.4
Western's World	79.2	80.3	743.3	696.4
Halsey Publications:				
Air Cal	72.0	49.8	578.5	440.4
Braniff	34.6	—	231.6	—
Delta Sky	85.2	77.2	837.8	736.2
Frontier	42.2	34.8	359.1	390.6
Northwest Orient	46.2	56.8	366.2	342.8
Skylite	26.2	28.6	228.0	202.8
TWA Ambassador	73.9	85.0	678.0	607.3
Hawaii	23.3	22.1	239.6	189.1
Pace (6X)	86.8	51.3	655.9	257.5
Southwest Airlines	92.4	96.6	1,031.7	1,080.1
Spirit of Aloha	24.3	22.6	241.8	186.9
Total Group	1,556.7	1,502.0	15,147.2	13,488.3
% change	+3.6%		+12.3%	

Men's

Esquire A.	133.0	108.3	1,147.0	1,021.2
Firehouse Magazine	53.2	66.3	627.5	604.3
Gentlemen's Quarterly A.	201.2	165.0	1,771.8	1,301.8
Penthouse A.	62.0	60.3	559.0	619.5
Playboy A.	80.9	95.2	794.2	899.0
Total Group	530.3	495.1	4,899.5	4,445.8
% change	+7.1%		+10.2%	

Metropolitan

Aloha (6X)	39.8	28.3	185.7	168.5
Baltimore	85.6	68.2	705.6	654.7
Boston	201.3	159.2	1,610.0	1,452.5
Chicago	213.8	174.3	1,586.0	1,550.3
Cincinnati	92.4	87.9	606.5	609.2
Cleveland	93.3	84.3	764.9	732.8
Coast (38X)	75.1	81.3	2,833.0	2,917.5
Columbus Monthly	64.2	83.6	761.4	795.2
Commonwealth	48.6	29.3	434.6	373.6
Country Magazine	44.9	41.1	459.7	342.5
D/Magazine, Dallas/Ft. Worth	203.4	158.2	1,473.5	1,290.7
Denver	41.2	49.0	371.7	387.5
Exclusively Yours, Wisconsin (15X)	68.0	74.9	795.7	811.9
Grand Rapids	65.3	40.0	588.8	571.3
Gulfshore Life (10X)	44.7	51.8	585.6	496.2
Honolulu	116.2	106.1	722.2	782.9
Houston City	97.9	90.2	938.8	805.8
Kansas City	39.6	39.0	374.4	336.6
Los Angeles	232.0	251.0	2,252.0	2,158.5
Louisiana Life (6X)	104.5	102.8	479.6	453.0
Madison	48.0	50.0	504.2	517.8
Miami Mensual	56.5	52.0	525.0	498.0
Miami/South Florida	148.0	115.5	985.0	944.0
Milwaukee	64.3	45.7	506.1	237.4
Minneapolis/St. Paul	125.9	138.4	1,054.4	913.8
Monthly Detroit	96.4	54.5	718.6	590.3
New Jersey Monthly	66.4	66.0	610.0	581.4
New Mexico	52.1	42.5	419.6	272.2
Ohio	51.8	45.1	691.8	559.2
Orlando	83.7	76.0	924.5	826.9
Palm Beach Life	85.8	79.0	780.7	726.5
Philadelphia	156.4	167.1	1,455.7	1,435.5
Phoenix	106.3	91.5	995.5	838.4
Pittsburgh	77.1	87.8	680.2	669.1
St. Louis	71.0	70.0	668.0	637.0
San Diego	184.9	162.6	1,669.3	1,496.2
San Francisco	104.0	64.7	849.4	654.8
San Francisco Focus	119.3	72.3	722.5	532.8
Texas Monthly	196.2	170.5	1,500.4	1,352.3
Ultra	114.4	78.2	939.8	714.9
Washington Dossier	74.8	68.2	586.8	530.1
The Washingtonian	187.0	175.0	1,672.6	1,582.6
Total Group	4,242.1	3,773.1	36,404.1	34,802.4
% change	+12.4%		+4.6%	

Movie/romance/radio/tv

Macfadden's Women's Group:				
Modern Romances	19.4	26.7	260.2	293.3
Secrets	19.4	26.7	260.2	293.3
True Confessions	19.4	26.7	260.2	293.3
True Experience	19.4	26.7	260.2	292.3
True Love	19.4	26.7	260.2	292.3
True Romance	19.4	26.7	260.2	292.3
Sterling Women's Group:				
Daytime TV	28.5	28.8	308.5	292.3
Modern Screen	—	—	101.5	210.2
Movie Mirror (6X)	—	28.2	102.5	178.3
Soap Opera Stars	—	20.5	106.8	240.3
TV Movie Screen (6X)	—	—	19.0	126.6
TV Picture Life (6X)	—	26.2	92.0	113.9
Teen Bag (6X)	—	—	48.1	28.9
Total Group	144.9	263.9	2,339.6	2,950.3
% change	−45.1%		−20.7%	

Music/entertainment

American Film (10X)	—	—	210.5	245.7
Audio	84.8	63.9	864.3	646.0
Circus Magazine	51.1	39.5	422.0	320.0
Dance Magazine	53.7	62.0	664.8	678.3
Musician	61.3	63.7	660.2	710.6
Playbill	87.6	71.7	649.8	596.1
Record	31.8	22.5	268.1	118.6
Stereo Review	59.0	60.2	509.7	548.2
Total Group	429.3	383.5	4,249.4	3,863.5
% change	+11.9%		+10.0%	

National Sunday Magazines

Family Weekly A.	66.7	52.8	660.5	771.4
Parade	60.2	54.5	589.2	716.8
Total Group	126.9	107.3	1,249.7	1,488.2
% change	+18.2%		−16.0%	

Outdoor & sport

Alaska	46.1	42.3	461.8	452.6
The American Handgunner (6X)	—	—	—	—
American Hunter	24.7	28.6	229.8	238.7
American Rifleman	31.1	30.3	326.6	325.1
Backpacker (6X)	44.2	55.4	257.7	310.7
Bass Master (8X) A.	64.9	50.2	449.4	416.8
Bicycling (9X)	81.8	78.1	939.7	896.5
Field & Stream	102.5	72.8	950.0	957.3
Fins & Feathers A.	30.6	37.1	470.9	441.6
Fishing World (6X)	18.2	20.9	221.6	225.8
Florida Sportsman	69.0	58.1	916.1	747.2
Flying	68.5	57.8	535.4	463.6
Fur-Fish-Game	28.3	30.6	265.1	265.5
Golf Digest	63.1	72.0	981.4	966.7
Golf Magazine	56.8	47.6	762.4	700.5
Guns & Ammo	59.4	58.5	572.8	574.1
In-Fisherman (6X)	65.5	46.0	490.0	428.0
Muscle & Fitness	111.0	124.0	1,209.0	1,167.0
Outdoor Life	80.1	53.5	857.2	794.2
Petersen's Hunting	55.8	51.0	512.6	452.3
The Runner	71.5	47.8	539.3	461.2
Runner's World (13X)	40.0	47.7	581.6	550.3
Salt Water Sportsman	65.0	46.7	774.4	594.6
Shooting Times	41.3	41.3	427.9	411.7
Ski (8X) A.	207.3	195.0	731.0	604.9
Skiing (7X)	208.4	186.3	805.9	716.6
Skin Diver	65.4	67.6	820.1	791.0
Southern Outdoors (8X)	41.5	42.7	356.0	379.8
Sport	52.5	50.3	509.5	452.7

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. D. November, 1983, figure includes special 32-page advertising section. E. November, 1984, figure reflects three issues and November, 1983, figure reflects two. F. October, 1984, reflects three issues and October, 1983, figure reflects two. G Figures reflect broadsheet format. *All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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November

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Sports Afield	102.2	79.8	976.4	922.7
Tennis	62.5	51.4	965.6	859.0
Western Outdoors (10X)	43.4	22.6	425.9	307.5
Total Group	**2,002.6**	**1,894.0**	**19,323.1**	**17,876.2**
% change		**+5.7%**		**+8.1%**

— Photography —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
American Photographer	50.5	58.0	462.5	565.4
Petersen's Photographic	43.0	57.5	371.3	407.3
Popular Photography	101.0	110.5	1,061.3	1,223.2
Total Group	**194.5**	**226.0**	**1,895.1**	**2,195.9**
% change		**−13.9%**		**−13.7%**

— Religious —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
BBI Jewish Monthly (10X)	27.1	24.6	229.7	220.3
Christian Herald	47.0	47.0	366.5	364.7
Christian Life	39.7	38.9	320.5	312.4
Christianity Today	94.2	81.8	800.5	662.8
Inside (4X)	—	—	251.3	218.5
Moody Monthly	53.8	60.3	519.3	523.3
Today's Christian Woman (6X)	70.7	63.5	259.0	187.2
Toral Group	**332.5**	**316.1**	**2,746.8**	**2,489.2**
% change		**+5.2%**		**+10.3%**

— Science/electronic/mechanic —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Compute	86.4	190.2	853.2	1,575.7
Computers & Electronics	48.8	53.0	507.7	653.9
Creative Computing	150.1	197.3	1,318.4	1,946.4
Discover	45.3	53.3	393.3	462.6
Family Computing	69.0	61.2	601.4	135.5
InfoWorld	189.0	311.0	2,136.0	2,327.0
Mechanix Illustrated	63.6	75.7	778.3	775.2
Omni	79.6	84.0	720.4	731.6
Popular Mechanics	120.1	109.4	1,063.7	1,096.8
Popular Science	84.2	104.4	899.0	965.3
Science Digest	50.4	52.0	351.7	369.0
Science 84 (10X)	81.6	60.3	347.4	366.6
Scientific American	103.1	115.8	769.3	673.5
Spectrum	113.5	121.5	1,112.3	958.3
Total Group	**1,284.7**	**1,590.1**	**11,852.1**	**13,037.4**
% change		**−10.2%**		**−9.0%**

— Women/fashion/service —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Bride's Magazine (6X) A.	268.4	253.5	1,912.3	1,819.2
Cosmopolitan A.	229.2	235.8	2,328.7	2,242.6
Essence	86.3	77.2	931.7	880.3
Family Circle A.	163.4	178.8	1,640.9	1,667.0
Glamour	193.4	210.8	2,009.1	1,882.6
Good Housekeeping A.	228.2	225.2	1,825.8	1,888.8
Harper's Bazaar	178.3	176.8	1,678.4	1,439.4
Health	48.2	44.9	417.0	360.5
Ladies' Home Journal	136.6	136.8	1,145.9	1,082.6
Ladycom	42.0	34.7	409.0	356.4
Mademoiselle	137.4	164.3	1,565.8	1,475.2
McCall's	137.7	135.2	1,065.5	1,012.1
Modern Bride (6X)	209.0	201.5	1,604.9	1,518.5
Ms.	72.4	54.7	588.2	494.3
New Woman	51.3	59.8	522.0	526.3
Parents Magazine A.	122.7	106.6	882.4	847.1
Playgirl	29.7	35.5	363.4	420.4
Redbook	129.6	124.6	1,073.0	997.3
Self	95.3	92.2	1,087.0	856.0
Seventeen	105.2	107.0	1,408.4	1,226.4
Shape	73.5	68.0	669.5	619.0
Soap Opera Digest	30.3	24.5	300.6	307.3
'Teen Magazine	36.2	50.0	587.1	603.4
True Story A.	43.5	57.3	621.5	634.8
Vogue	326.3	346.5	3,223.4	2,864.5
W Magazine E.	155.2	131.1	1,273.1	1,110.6
Weight Watchers	29.5	27.5	335.8	286.1
Woman's Day A.	135.4	152.1	1,374.1	1,466.8
The Workbasket (10X)	41.2	50.8	386.2	395.4
Working Mother	107.9	111.4	823.6	772.1
Working Woman	144.2	142.5	1,187.3	1,090.7
Total Group	**3,787.5**	**3,817.6**	**35,241.6**	**33,144.7**
% change		**−0.8%**		**+6.3%**

— Youth —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Boys' Life	18.5	37.4	198.7	257.4
Campus Life	55.1	42.6	452.4	408.0
Total Group	**73.6**	**80.0**	**651.1**	**665.4**
% change		**−8.0%**		**−2.1%**

October

— Business —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Arizona Business Gazette G.	25.7	15.7	249.3	157.5
Atlanta Business Chronicle (52X)	58.5	57.2	478.6	338.7
Austin Business Journal	49.8	—	450.5	—
Barron's (52X)	273.1	273.3	1,936.9	2,046.3
Boston Business Journal	129.0	81.8	941.7	640.4
Business Week (52X) A.	599.6	584.1	4,033.0	3,712.2
California Business	103.6	70.0	923.8	732.0
Capital District Business Review	63.3	36.4	473.3	365.0
Crain's Chicago Business (52X)	187.2	190.9	1,342.1	1,261.2
Crain's Cleveland Business	85.4	63.8	666.6	509.1
Dallas/Ft. Worth Business (52X)	55.6	62.1	431.1	389.6
Dun's Business Month	122.9	94.1	680.5	623.8
The Executive	—	—	—	—
Financial World (24X)	48.4	42.6	310.7	355.3
Florida Trend	104.5	100.8	862.2	745.6
Forbes (28X) F.	489.1	446.7	2,959.4	2,606.5
Fortune (26X) A.	477.2	517.0	2,824.0	2,572.1
Frequent Flyer	70.9	54.1	573.5	470.0
Futures	61.6	69.7	564.6	562.7
Hawaii Business	50.4	48.3	504.6	480.2
High Technology	59.5	37.5	338.9	280.5
Inc. Magazine A.	130.3	141.8	1,183.6	1,030.3
Income Opportunities (10X)	—	—	371.7	344.0
Industry Week (26X) A.	158.8	151.1	1,110.6	1,030.9
Indianapolis Business Journal	149.7	103.0	1,1[illegible]2.9	862.6
New Orleans Citibusiness	139.2	145.2	1,144.9	1,088.4
Nation's Business A.	42.6	25.9	336.1	251.2
New England Business (20X) B.	89.8	74.8	719.9	616.0
Pacific Business News (52X)	110.2	127.9	1,013.0	995.4
Philadelphia Business Journal	176.0	88.0	1,115.5	646.9
Pittsburgh Business Times (52X)	70.6	57.8	556.1	491.8
Savvy	49.4	40.3	417.6	403.7
St. Louis Business Journal	170.0	144.3	1,371.1	1,085.1
Texas Business	106.4	117.5	728.8	642.4
Venture	105.4	86.5	825.5	589.9
Total Group	**4,613.7**	**4,150.2**	**33,582.6**	**28,927.3**
% change		**+11.2%**		**+16.1%**

— Newspaper Sunday magazines* —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Arizona Republic	55.0	50.0	601.0	627.0
Boston Globe	251.6	190.5	2,021.3	1,812.7
Chicago Tribune	75.9	106.2	720.6	827.8
Cleveland Plain Dealer	61.5	105.5	582.4	836.9
Columbus Dispatch	44.9	50.8	486.7	457.9
Dallas Times Herald	80.6	55.7	783.3	683.0
Denver Post	78.6	126.6	751.8	916.2
Detroit News	81.7	106.0	848.0	913.0
L.A. Times Home Magazine	150.2	166.8	1,074.1	932.9
Louisville Courier-Journal	68.5	71.2	693.9	853.2
Miami Herald	45.0	50.6	505.8	527.0
New York News	—	—	—	—
New York Times Magazine	475.4	515.7	3,741.5	3,432.0
Philadelphia Inquirer	56.4	62.9	192.0	157.1
Toledo Blade Magazine	43.3	41.6	504.7	448.2
Washington Post	125.7	154.2	1,100.4	1,104.0
Total Group	**1,694.3**	**1,854.3**	**14,607.5**	**14,528.9**
% change		**+8.6%**		**+0.5%**

— Weeklies/bi-weeklies —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
The Advocate (25X)	99.5	106.9	1,054.8	1,066.9
Army Times Military Group:				
Air Force Times (52X)	201.0	174.1	1,515.6	1,455.4
Army Times (52X)	200.5	181.9	1,451.6	1,429.0
Navy Times (52X)	209.2	186.6	1,620.6	1,611.5
The Times Magazine	11.4	7.5	156.7	143.9
The Blood-Horse (52X)	506.8	506.4	4,625.9	4,549.0
Capper's Weekly (26X)	24.6	28.3	261.0	266.4
Commonweal (22X)	8.5	3.4	60.4	60.7
Grit (52X) A.	18.8	32.4	229.0	257.7
National Journal	24.0	37.0	268.7	260.0
National Review	31.6	28.0	265.9	309.8
New Republic (48X)	50.8	45.9	313.2	325.5
New York Magazine (50X)	412.0	384.2	2,257.1	2,263.6
New Yorker (52X)	429.6	477.6	2,715.2	2,795.7
Newsweek (52X) A.	356.5	389.12	304.4	2,276.9
People (52X)	479.6	374.9	3,120.5	2,635.9
Rolling Stone (25X)	85.6	119.3	851.4	928.6
Sporting News (52X)	59.3	81.8	488.3	566.6
Sports Illustrated (52X) A.	343.8	333.4	2,513.7	2,280.6
Time (52X) A.	337.7	386.6	2,221.7	2,191.7
Travelhost (52X) C.	3,297.0	3,112.0	32,242.0	29,254.0
TV Guide (52X) A.	376.0	416.0	3,072.9	2,957.9
Us Magazine (26X)	43.0	30.3	360.3	449.8
U.S. News & World Report (52X) A.	213.9	210.3	1,383.8	1,430.9
Total Group	**7,820.7**	**7,6[illegible]9.8**	**65,354.7**	**61,768.0**
% change		**+1.8%**		**+5.8%**

— Foreign —

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Good Housekeeping Foreign Editions:				
Australia	37.2	38.3	329.5	347.1
Japan	66.8	60.0	701.9	570.0
Great Britain	205.0	176.0	1,249.3	1,143.3
Buenhogar:				
Central America	1.3	3.0	14.5	18.0
Chile	1.3	3.0	8.0	13.0
Colombia	52.0	42.2	319.2	373.8
Dominican Republic	7.0	7.0	53.0	116.5
Ecuador	11.0	20.5	123.5	104.5
Mexico	62.3	61.2	403.7	403.0
Peru	24.5	39.8	179.3	224.3
Puerto Rico	8.3	12.2	134.5	119.2
U.S.	23.7	29.7	131.7	113.5
Venezuela	47.5	33.5	265.5	207.3
Geomundo:				
Central America	9.5	8.0	60.3	48.0
Chile	9.5	7.0	57.3	48.0
Colombia	14.0	12.5	92.5	105.5
Ecuador	7.0	6.0	40.0	40.0
Mexico	15.5	9.0	81.8	63.5
Peru	9.5	11.0	56.3	63.0
Puerto Rico	4.5	6.0	28.3	38.0
Venezuela	11.5	10.0	103.8	101.7
Hombre De Mundo:				
Central America	19.5	12.0	178.0	137.3
Chile	6.0	7.0	61.0	56.0
Colombia	15.0	16.0	101.0	106.0
Ecuador	4.0	7.0	44.0	55.0
Mexico	26.0	24.5	147.2	127.8
Peru	5.0	10.0	58.0	56.0
Puerto Rico	10.0	10.0	86.0	59.3
Venezuela	7.0	7.0	63.0	54.3
Ideas Para Su Hogar:				
Central America	—	—	1.5	2.0
Chile	—	—	1.0	—
Colombia	25.5	36.8	191.5	254.5
Ecuador	7.0	7.0	52.5	34.0
Mexico	19.3	18.5	95.5	135.3
Peru	4.0	27.2	57.0	92.2
Puerto Rico	—	—	5.0	6.0
Venezuela	31.0	18.0	171.0	126.2
Mecanica Popular:				
Argentina	6.8	9.3	54.7	73.2
Central America	14.5	13.5	127.7	124.7
Chile	8.2	8.3	63.3	63.7
Colombia	23.3	18.3	146.8	170.7
Mexico	2[illegible].7	11.3	134.3	93.7
Peru	16.3	26.5	155.3	200.5
Puerto Rico	14.5	14.5	140.8	146.2
Venezuela	20.2	21.7	165.2	202.0
The Ring en Espanol:				
Mexico	0.2	—	0.7	—
Puerto Rico	—	—	1.0	—
U.S.	4.5	3.3	41.8	33.0
Venezuela	2.0	—	14.0	7.0
Vanidades Continental:				
Central America	10.8	9.0	68.3	70.2
Chile	3.3	1.0	21.3	31.5
Colombia	113.5	80.5	636.0	638.5
Dominican Republic	8.0	17.5	79.2	176.0
Ecuador	20.5	16.8	179.8	126.2
Mexico	163.7	154.2	858.3	965.5
Peru	31.3	37.3	209.0	286.5
Puerto Rico	40.8	29.2	356.2	331.5
U.S.	55.8	57.0	434.7	455.3
Venezuela	93.0	42.5	477.5	428.3
Business Week Int'l.	215.8	280.7	383.5	1,469.3
Cosmopolitan Foreign Editions:				
Australia	100.0	112.9	602.6	637.6
Brazil	49.0	76.0	375.9	440.2
France	163.7	151.7	1,248.5	941.2
Germany	128.3	91.3	883.2	565.1
Great Britain	168.0	162.0	1,133.3	1,094.9
Greece	50.0	53.0	487.0	475.0
Holland	93.0	70.0	507.0	416.5
Italy	87.7	105.0	519.3	617.2
Japan	47.0	42.7	313.7	380.4
South Africa	130.0	—	718.5	—
Cosmopolitan en Espanol:				
Central America	1.0	3.3	8.0	20.8
Colombia	14.2	11.5	102.7	139.5
Ecuador	1.0	0.3	4.0	8.0
Mexico	88.7	79.5	460.8	545.7
Peru	4.0	4.3	27.0	65.0
Puerto Rico	15.0	21.8	269.7	189.8
U.S. (Spanish language)	19.0	32.0	189.0	178.8
Venezuela	30.5	16.8	172.5	126.7
International Communications:				
African Business	33.7	29.7	280.2	293.3
New African	24.7	9.3	173.9	190.8
The Middle East	13.8	18.5	177.6	260.5
International Management:				
Africa	16.5	18.7	119.2	160.2
Europe	59.3	60.0	394.7	404.2
Latin America	12.3	17.7	82.8	125.0
Middle East	28.5	31.5	154.8	228.8
Pacific	23.8	18.7	132.7	153.0
Johnston International:				
Alam Attijarat	77.0	94.5	589.1	615.8
Ejecutivo	14.7	17.0	52.6	74.0
Modern Africa	36.3	25.5	117.1	118.4
Modern Asia	33.3	39.8	285.9	352.0
Newsweek International A:				
Atlantic	141.6	150.4	854.3	914.8
Latin America	38.5	43.4	247.1	300.6
Pacific	103.[illegible]	114.4	644.3	711.1
Progreso (9X)	11.5	16.5	56.9	90.5
Reader's Digest:				
Arabic	9.5	19.0	86.5	113.0
Asian	293.0	303.8	1,846.0	2,185.8
Australian	65.5	100.5	723.3	676.7
Belgian-Flemish	109.5	122.0	781.5	783.0
Belgian-French	81.0	90.0	512.0	586.0
British	94.4	58.9	536.8	583.4
Chinese B.	157.0	126.0	1,001.2	1,054.3
Danish	47.0	46.8	317.8	329.2
Dutch	66.5	55.5	385.8	338.4
Finnish	84.0	121.0	423.5	665.0
French	64.3	82.0	460.0	544.6
German	89.9	100.6	659.8	701.5
Greek	1.5	11.5	85.0	11.5
Iberian	28.0	30.0	176.0	173.5
Indian-English	65.0	93.5	697.5	713.8
Indian-Hindi	12.0	9.0	57.5	44.5
Italian	31.0	52.5	325.0	455.0
Japanese	48.7	60.3	433.0	489.0
Korean	21.0	25.5	229.0	205.2
Latin American:				
Argentina	25.0	26.0	198.0	150.0
Brazil	5.5	6.0	28.0	85.5
Central American	13.5	19.5	97.0	114.5
Chile	7.5	28.0	104.5	156.5
Colombia	36.0	16.0	300.5	347.0
Ecuador	11.5	15.0	83.0	109.0
Mexico	64.1	77.3	472.1	448.0
Peru	13.5	14.0	93.5	101.5
Puerto Rico	4.0	7.0	53.5	63.5
U.P.B.	9.5	13.0	74.5	103.5
U.S. Spanish	18.5	15.5	102.0	139.5
Venezuela	14.0	19.5	112.0	141.5
New Zealand	89.3	100.5	843.6	858.8
Norwegian	34.8	71.7	322.7	381.8
Portugal	36.5	31.0	357.5	433.6
South African	140.0	131.0	943.8	975.0
Swedish	13.0	28.0	105.0	198.0
Swiss-French	39.0	42.0	255.6	288.0
Swiss-German	46.0	56.0	333.0	365.0
Time International:				
Time-Asia	136.9	166.8	892.1	997.3
Time-Atlantic	199.4	246.4	1,053.1	1,078.5
Time-Canada	318.2	319.0	1,780.8	1,506.7
Time-Latin America	83.7	92.0	476.1	450.6
Time-South Pacific	177.1	256.9	1,140.2	1,312.1
Visao (52X)	211.3	192.0	1,757.7	1,718.5
Vision/Latin America (26X) A.	35.0	42.8	286.4	295.8
Total Group	**6,708.0**	**6,900.3**	**45,883.8**	**46,956.8**
% change		**−2.7%**		**−2.2%**

C2710-1

$1.25 a copy; $52 a year

Monday, November 26, 1984

Advertising Age

The International Newspaper of Marketing

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Ford ad buy fuels Super Bowl fillup

By VERNE GAY

New York—It's last call for the Super Bowl.

Despite its breathtaking $1 million-a-minute price tag, ABC's broadcast of the 1985 Super Bowl moved much closer to a sellout last week when the Ford division of Ford Motor Co. locked up domestic auto sponsorship as part of a $10 million package buy. J. Walter Thompson USA, Detroit, is Ford's agency.

At press time, ABC had only two remaining unsold minutes in the game.

The deal with Ford is ABC's biggest coup to date in its struggle to maintain pricing on Super Bowl XIX. In September, Chevrolet, the incumbent domestic auto sponsor, decided against taking its option to participate in the game as a protest of the $1 million price tag. Observers at the time had predicted ABC would be forced to split the domestic auto sponsorship between several auto makers, leaving open the possibility for "opportunistic buys" on the game at prices far below the $525,000 going rate for individual 30-second spots (AA, Sept. 24, *et seq.*).

The importance to ABC of maintaining single auto exclusivity was underscored by the network's willingness to sell Ford five spots in the Super Bowl as the lesser part of a "special events" package that includes more than $7 million in time on the fall, 1985, ABC 10-hour miniseries "North and South."

Ford's move also signals the seriousness of its com-

(Continued on Page 76)

Super Bowls' super costly 30s

This chart shows the year-by-year increases in the average cost of a 30-second commercial on the Super Bowl broadcast over the past 10 years. While the average rating of audience has remained relatively constant, the prices have escalated more than 400% since 1975 and cost-per-thousand rates have increased threefold.

This year, the average Super Bowl commercial will cost between $500,000 (on a package or exclusivity deal) and $525,000 for a single unit. The 1985 Super Bowl price hike is the greatest since 1982, the first Super Bowl after the NFL season was interrupted by the players' strike. *Source: Lord, Geller, Frederico, Einstein and J. Walter Thompson USA, New York.*

Year	Game *(winner in bold)*	Cost	CPM	Rating
1975	**Pittsburgh** vs. Minnesota	$110,000	3.74	42.4
1976	**Pittsburgh** vs. Dallas	125,000	3.96	42.3
1977	**Oakland** vs. Minnesota	162,000	4.72	44.4
1978	**Dallas** vs. Denver	185,000	5.27	47.2
1979	**Pittsburgh** vs. Dallas	222,000	6.28	47.1
1980	**Pittsburgh** vs. Los Angeles	225,000	6.39	46.3
1981	**Oakland** vs. Philadelphia	275,000	7.98	44.4
1982	**San Francisco** vs. Cincinnati	335,000	8.31	49.1
1983	**Washington** vs. Miami	400,000	9.94	48.6
1984	**Los Angeles** vs. Washington	445,000	11.41	46.4
1985	**Unknown**	525,000	13.00	48.0

Court protects Chiat/Day from Godfather's hit

By SCOTT HUME and RUTH STROUD

Los Angeles—A state appeals court last week freed Chiat/Day from a controversial court order barring key staffers from working on the agency's Pizza Hut account.

For Chiat, the appellate court's action takes some of the sting out of its bitter court fight with Godfather's Pizza, an advertiser it first courted, then jilted in favor of the more lucrative Pizza Hut business.

It also should calm the national ad agency community's fears that the California courts were on the verge of setting new standards of conduct for agencies that pursue the business of rival advertisers.

The American Assn. of Advertising Agencies had intervened directly on Chiat's behalf to protest a trial court's initial decision in the case.

Chiat's victory was not complete, however. Part of Godfather's Round 1 court victory—an order barring agency executives from disclosing confidential Godfather's marketing information—was upheld by the appeals court.

Still to be decided is the suit filed by Costa Mesa, Cal.-based Godfather's, a division of Diversifoods, Itasca, Ill. The suit, filed against Chiat last July (AA, July 16, et seq.), charges that the agency withdrew from the competition for its $5 million creative account to pursue the $20 million account of Godfather's major competitor, Wichita-based Pizza Hut.

The suit alleges breach of fiduciary duty, unfair competition, breach of contract and breach of implied covenants of good faith. It seeks punitive damages of $10 million or 20% of Chiat/Day's net worth, whichever is greater.

It also sought the injunction prohibiting Chiat/Day from disclosing the sensitive marketing information it had given the agency and prohibiting 10 agency staffers who had worked on the Godfather's presentation from working on Pizza Hut advertising.

A preliminary injunction covering both confidentiality and account personnel was granted by the California superior court in September. It is that injunction

(Continued on Page 78)

P&G's liquid Tide ad asks "Who could create a liquid laundry detergent that's better than yours?"

Can liquid Tide pull Wisk under?

By NANCY GIGES and LAURIE FREEMAN

Procter & Gamble is planning a $50 million ad campaign for the national introduction of Tide liquid laundry detergent as it seeks to recoup market share lost to other liquids and blunt the rollout of Lever Bros.' Surf.

Heavy-duty liquids have grown to more than 24% of the total category, up from 21% in 1981, but the $700 million segment has continued to be dominated by Lever's Wisk. Not even P&G has been able to slow Wisk's climb to a better than 7% share of the $3 billion laundry detergent business. Meanwhile, Tide's share has fallen from 24.5% in 1981 to 21.8% for the first half of 1984.

With an expected $50 million campaign also set for Surf (AA, Oct. 25), pitting the brand against Tide powder, heavy-duty detergent advertising will pound the airwaves next year. Both companies are expected to spend at least an equal amount in promotion.

The liquid Tide introduction kicks off Jan. 14, with tv spots created by Saatchi & Saatchi Compton, New York. With the

(Continued on Page 78)

CBS set to close cable buy

By SUSAN SPILLMAN

New York—CBS is expected to close two deals this week to buy equity in six cable tv networks for $60 million to $70 million (AA, Nov. 12).

The media giant will announce the purchase of a one-third interest in four regional sports networks owned jointly by Cablevision Systems, Woodbury, N.Y., and Washington Post Co., sources said. In a separate deal, it will acquire half of two national pay tv channels, Bravo and American Movie Classics, now solely owned by Cablevi-

(Continued on Page 76)

Last Minute News

Ponderosa may pull up stakes on account

Dayton, O.—Ponderosa reportedly plans to move its $15 million-plus account out of Avrett, Free & Ginsberg, New York. The 700-restaurant chain has beefed up broadcast advertising in the last two years in an effort to expand beyond its niche as a budget steak house operation. Ponderosa spent $3.6 million for spot tv in the first half of 1984, up 9% from the total for all of '83 and more than 2½ times the total for '82, says Leading National Advertisers. Neither the ad agency nor Ponderosa would confirm the reports of an impending switch.

JWT, ABC to weigh effectiveness of 30s vs. 15s

New York—J. Walter Thompson USA and ABC-TV will undertake a joint research project to compare the effectiveness of 30-second units with 15-second units. The commercials, to be supplied by five advertisers, will be examined in different clutter situations, JWT says. Results will be presented in March at the Advertising Research Foundation's annual meeting.

CBS Super Bowl radio broadcast 80% sold

New York—CBS Radio Network is 80% sold out on its 1985 broadcast of the Super Bowl (*see earlier story on Page 1*). Major advertisers include American Honda Motor Co. Anheuser-Busch, Cotter & Co.'s True-Value Hardware Stores, General Motors Corp. and its Buick and Delco divisions, Stearns & Foster Co. and Toshiba America. A 60-second unit on the CBS radio broadcast costs $30,000.

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NEWSPAPER

Ziff-a-dee-do-dough:

AA
DC20014CONGL1 FMJF M
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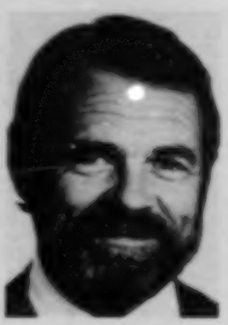
O&M's Riney unit gets independence

By JENNIFER PENDLETON and RUTH STROUD

Ogilvy & Mather's San Francisco office will soon become an independent subsidiary of its international parent, a move that frees the agency, now headed by creative titan Hal Riney, to become a major force nationally.


H. Riney

The shift, which O&M International made public last week, coincided with the San Francisco shop's announcement that it had gained the $5 million-to-$10 million Crocker Bank account. That business, formerly at Needham Harper Worldwide, Los Angeles, conflicted with California Federal Savings & Loan Assn., a $12 million account recently gained by O&M's Los Angeles office (AA, Nov. 5).

In a telephone interview, Mr. Riney said that though Crocker Bank's selection accelerated the agency's decision to spin off its San Francisco office, the move had been contemplated for some time.

Conflict, the inevitable by-product of membership in a large multinational agency, was holding back the agency from pursuing many new business leads, said Mr. Riney, who holds the title of exec vp-managing director. The agency now has annual billings of $80 million to $100 million.

The newly independent shop hasn't been named yet, but it seems likely that Mr. Riney's name will have a prominent spot in the title.

Mr. Riney denied speculation that the decision to make O&M an independent unit may stem from a fear of losing the powerful creative executive to another shop.

Sources say Mr. Riney's considerable creative reputation is the main drawing card of new business to the agency. If he were to be lured to a competitor—or were to set up his own shop—he could effectively obliterate O&M's San Francisco presence, they contend.

Agency sources describe the decision to split the San Francisco office as "an Interpublic [Group of Cos.] so-

(Continued on Page 80)

Highlights

Anheuser-Busch, recognizing that there's more to its beer marketing than just Budweiser, is injecting a new burst of advertising behind its Natural Light brand. *See Page 10.*

Liggett & Myers, in what is seen as an effort to differentiate its generic and private-label cigaret lines from its competitors', is guaranteeing the quality of those products "unconditionally." *See Page 10.*

Audi, the Volkswagen of America division, doesn't market Porsches any more but still wants to impress potential buyers. *See Page 12.*

Chrysler Corp. says its ratings gamble on the inaugural Breeders' Cup horse races paid off. *See Page 12.*

Eleven creative directors share how they got started in the advertising business. *See Page 40.*

More than a year since *Inside Sports* came back from the dead, its owners say it's alive and well. But competitors disagree. *See Page 72.*

Pepsi-Cola USA has signed up the rock band and teen-age heartthrobs Menudo to appear in tv commercials for Pepsi next year. *See Page 75.*

CORPORATE CLOSEUP

Ashton-Tate, the once small, entrepreneurial software publisher, has assigned itself no small task: It wants to become "the IBM of the software industry." *See Page 4.*

FORUM

An American prison inmate replies to an earlier *Forum* article, "Crimebusters, China-style." *See Page 18.*

Adman James Paroline writes about working with clients who are part of the boom of entrepreneurial companies. *See Page 18.*

INTERNATIONAL

"Rock in Rio" is coming to Brazil, and organizers are hoping the mammoth, 10-day rock music festival, reminiscent of the famed 1969 Woodstock music and art fair, will be a marketing bonanza. *See Page 46.*

The story behind *La Prensa*, Central America's most controversial newspaper, is more than a tale of free press vs. revolutionary government; it also is a tale of an assassinated editor and a grieving family of journalists torn apart by ideology and left on opposite sides in the Nicaraguan political strife. *See Page 48.*

Japanese marketers in Thailand present just as much of a challenge to U.S. companies in Asia as they do in the U.S. This time, the challenge comes from a new Japanese-made sanitary napkin that threatens to erode the market share of U.S. companies here. *See Page 48.*

VIDEOTECH

Gen. William Westmoreland put "history notes" into the court record to prove he kept his superiors informed about how Vietcong forces should be counted. Columnist Maurine Christopher says that he could have avoided trial by walking out on a jackhammer-style tv interview when the CBS documentary at the heart of Gen. Westmoreland's libel suit was being taped. *See Page 52.*

COMING THURSDAY

SPECIAL REPORT

Media inflation in 1984, boosted by the Olympics and elections, exceeded the general inflation rate. The 1985 media inflation rate is expected to be lower than 1984's because of smaller economic expansion and other factors.

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ABP

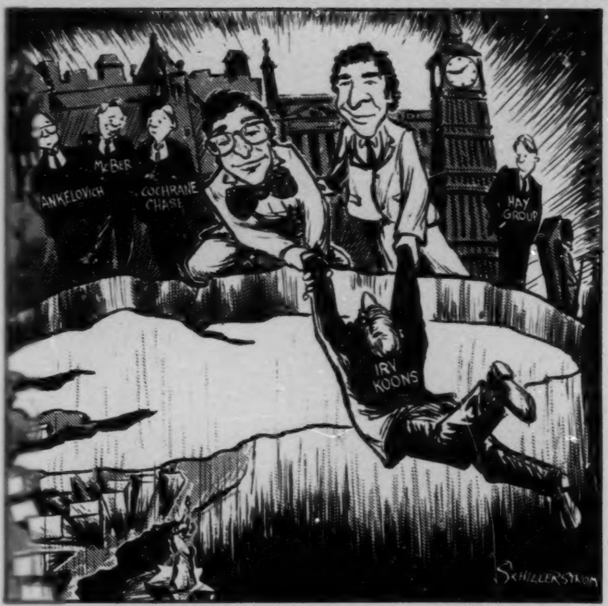


Illustration by Roger Schillerstrom

Admen agog as Saatchis shop around

By STEWART ALTER

Saatchi & Saatchi Co., once content to gobble up ad shops, has been on a spree in recent weeks buying everything but agencies.

Less than a month ago (AA, Nov. 1), the London-based company announced it was going to spend $20 million to buy a research company (Yankelovich, Skelly & White, New York) and a consulting organization (McBer & Co., Boston). Before the dust could settle, it plunged into its largest acquisition to date, when it agreed to spend $100 million to buy Hay Group, Philadelphia (AA, Nov. 15), one of the world's largest management consulting companies.

Then, within a week, it closed another deal, buying Irv Koons Associates, a New York-based package design organization.

Because of its size, Hay has to be the most significant of these non-advertising agency acquisitions and the one raising questions about Saatchi's ability to manage a diversified communications conglomerate as well as it can put one together.

Hay's purchase thrilled the British financial markets, but got mixed reviews among leading U.S. agency executives. None of those U.S. executives interviewed saw it as a trend they were likely to follow.

"I think it's a rather good idea," said John Bowen, chairman-chief executive officer, Benton & Bowles, New York, and the most enthusiastic respondent. His appreciation paralleled Saatchi's own explanation of the move.

"Despite what clients say, they do depend on ad agencies to give

(Continued on Page 76)

Antsy Esty gives world an earful

By STEWART ALTER

New York—With gaining new business in mind, William Esty Co.'s new management team plans to raise what has become the lowest profile on Madison Avenue.

"We would like to talk to the public more," said Laurence Wassong, Esty's new president-chief operating officer, who described an interview with him and new chairman-chief executive officer Gordon Bushell as "our coming-out party."

That may be ho-hum material anywhere else, but it's big news at Esty, which has been less than eager to give interviews since its founding in 1932 with R.J. Reynolds Tobacco Co. as its first client.

What has changed? Well, RJR for one—the client has jacked up its own profile, especially in recent years since it became an active acquirer.

And Esty, while remaining solid with 12 blue-chip clients, has not been winning RJR assignments as a result of those acquisitions. In fact, the agency has been losing accounts, such as Colgate-Palmolive Co. and Warner-Lambert Co., because it lacks an international presence.

With that as a backdrop, Esty's low profile has kept it from getting calls to pitch new business.

"What we'd like to do is get on

(Continued on Page 78)

Ziff-a-dee-do-dough: $700 M!

By WILLIAM F. GLOEDE

NEW YORK—The sale of the 12 business and 12 consumer magazines owned by Ziff-Davis Publishing Co. took a pair of unexpected turns last week and put the consumer books in the hands of CBS Magazines and the business books into the grasp of Rupert Murdoch's News America Corp. It also put $712.5 million in Ziff-Davis' coffers.

Industry sources said Mr. Murdoch had hoped to acquire all the magazines, but was outbid by CBS for the consumer books. His acquisition of the dozen Ziff-Davis business titles, concentrated in the aviation and travel industries, represents the Australian publishing magnate's first foray into business publishing.

News America paid $350 million for the 12 business titles, which include *A/C Flyer, Aerospace Daily, Aviation Daily, Business & Commercial Aviation, Hotel & Travel Index, Meetings & Conventions, Official Hotel & Resort Guide, Official Meeting Facilities Guide, Travel Weekly, Weekly of Business Aviation, World Aviation Digest* and *World Travel Directory*. All are profitable, according to a Ziff-Davis spokesman.

Mr. Murdoch called the acquisition "a major strategic investment" for News America, the U.S. subsidiary of his worldwide publishing conglomerate, News Corp. Ltd. He pledged to preserve the "editorial excellence and integrity" of the Ziff-Davis publications and also said, "We intend to retain the superb current staff."

In a joint statement announcing the sale, William Ziff, the sole shareholder in the company that bears his name, called Mr. Murdoch "one of the most brilliant publishing executives of our time."

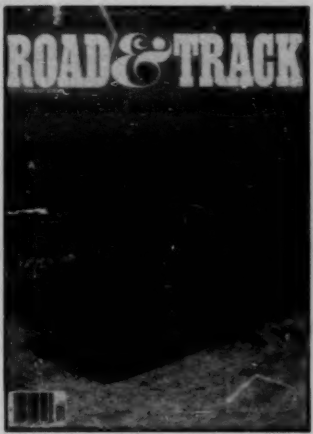
In acquiring the business publications, News America bested American Express Co. and Washington Post Co., both of which reportedly were eager to buy the group for its travel publications. An insider group also was attempting to acquire the aviation publications, sources reported.

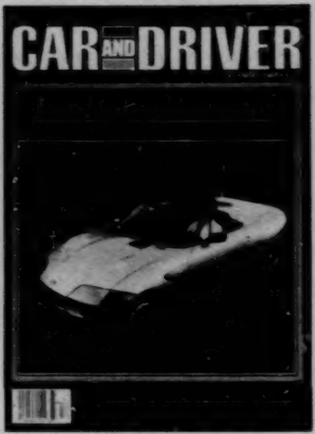
The $362.5 million sale of Ziff-Davis' 12 consumer magazines to CBS Magazines has advertisers pondering the potential for a new, male-skewed advertising network that could take shape as CBS absorbs the Ziff books.

CBS beat out such magazine giants as Time Inc., ABC Publishing and Times Mirror Magazines in the bidding for the Ziff-Davis publications. CBS did not bid on the business group.

Included in the sale to CBS are *Backpacker, Boating, Car & Driver, Cycle, Flying, Modern Bride, Popular Photography, Runner, Skiing, Skiing Trade News, Stereo Review* and *Yachting*.

Industry analysts believe CBS could expand the existing Ziff-Davis Magazine Network sales group, noted in the industry for its efficiency and professionalism, and merge it with the portions of its own network that rep the seven male-oriented titles of its 10 existing consumer magazines.





CBS Magazines' *Road & Track* **and Ziff-Davis'** *Car & Driver*, **formerly fierce competitors, will likely remain so even though they're to be united under the roof of Black Rock, CBS' New York headquarters.**

Joseph Fuchs, publishing industry analyst for Kidder Peabody & Co., said he believes "the real economic hook" of the deal is that "it makes a very compelling network advertising buy.

"Clearly, there are overlaps," said Mr. Fuchs. "They're going to

(Continued on Page 80)

Colgate broadens position

Irish Spring to try new tack

By NANCY GIGES

Colgate-Palmolive is planning a big splash for the repositioning of Irish Spring bar soap as the company aims to bridge the deodorant and complexion segments of the $1 billion category.

Although the reformulated, repackaged version has been on retail shelves for several months, Colgate, New York, is expected to wait until the holiday season is over to begin its estimated $10 million campaign, which departs markedly from traditional bar-soap advertising.

Colgate gave consumers in Pittsburgh a preview of the new approach when it recently ran a humorous commercial on a one-shot basis. The spot shows a nervous Don Knotts-type character enthusiastically touting the soap he has discovered in a stand-up sell job. But while he is talking, each time he mentions the name Irish Spring, the soap he is holding in his hand squirts water at him.

Finally he becomes so disgusted with the soap he puts it in the

(Continued on Page 79)

World News Roundup

PARMA, ITALY—Barilla, the world's No. 1 pasta marketer, is considering either Young & Rubicam, SSC&B:Lintas or J. Walter Thompson Co. for its $11 million account. TBWA formerly handled.

LONDON—Guinness, a U.K. brewer, is buying Champney Group, a health and fitness marketer, for $3.9 million. Included are Champney's health spas, branded mineral water and decaffeinated coffee.

BREMEN, W. GERMANY—Young & Rubicam picked up Brinkmann A.G.'s $3 million Lux Filter cigaret account from MWI, Hamburg. Y&R also is handling an estimated $3 million introductory campaign for Brinkmann's Muratti 1 cigarets.

LONDON—Wm. Wrigley Jr. Co. is moving its $2.6 million chewing gum account here from Foote, Cone & Belding to BBDO, which handles most of Wrigley's U.S. account. The move apparently was sparked by Wrigley's plans to use U.S.-made tv spots in the U.K.

HAMBURG—Rivals Procter & Gamble and Unilever are testing concentrated versions of their detergents in Europe. P&G is testing Ariel in Berlin, the Canary Islands and Monaco, while Unilever's German subsidiary, Lever Sunlicht, is testing Omo in Hesse. Saatchi & Saatchi Compton handles Ariel, and Lintas:Hamburg handles Omo.

LONDON—American Express Ltd. is testing a British version of its well known U.S. "Do you know me?" testimonial campaign in

(Continued on Page 48)

B&B nips MCI work from Ally

By BRIAN MORAN

NEW YORK—Benton & Bowles has turned the tables on Ally & Gargano's bid to wrest an estimated $3 million in billings from MCI Communications Corp.

Following an agency review by the Washington-based long-distance carrier, B&B has not only rebuffed Ally's challenge for MCI's business-to-business advertising but has been awarded a major new assignment in consumer advertising.

That field previously was Ally's

(Continued on Page 80)

ADWATCH

Ads offer less bang for buck

By SCOTT HUME

The proliferation of advertised brands may be having a negative effect on advertising awareness.

A comparison of last month's results for ADVERTISING AGE's adWatch survey with those from a year earlier suggests that such a negative impact may be surfacing. While unaided recall of advertising is up (*i.e.*, a lower percentage of respondents drew a blank when asked to name the first advertising that came to mind), ad awareness in many product categories is down.

Last month, 56% of the 1,251 adults surveyed were able to name a specific advertisement when asked, "What advertising comes to mind from all that you have seen, heard or read in the past 30 days?" That compares with only 45% in October, 1983.

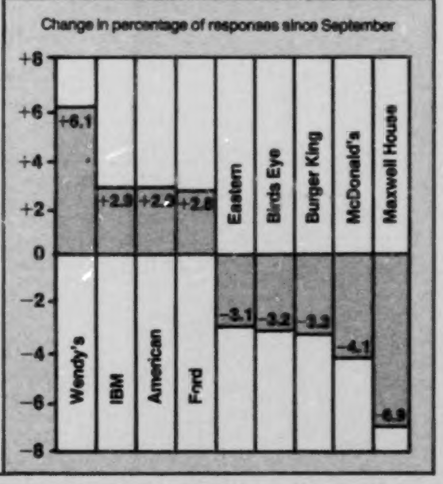
But in specific product categories, the problem of advertising "unawareness" continues. After all the millions of dollars put into tv, radio, print and outdoor advertising, the monthly adWatch survey always shows that significant percentages of the sample don't recall *any* of that advertising.

Take the wine category as an example. Last month,

(Continued on Page 54)

Oct. winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? ***Note:*** **A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.**



Warwick starts 'Made in U.S.A.'

By PAT SLOAN

NEW YORK—The Crafted with Pride in the U.S.A. Council will break the first leg of a $30 million three-year campaign today via Warwick Advertising, but Warwick and others still are competing for the main body of the account (AA, Oct. 29).

Scheduled to make presentations to the council next week along with Warwick are at least 10 agencies, including Grey Advertising, Doyle Dane Bernbach and BBDO. The campaign, projected at a $10 million annual rate, is backed by the council. The group includes textile and fiber companies such as Du Pont and J.P. Stevens, as well as major American apparel marketers such as Blue Bell and Pendleton.

The council, chaired by Roger Milliken, chairman of Milliken & Co., was organized in April. The ad campaign was designed to tie into recently enacted federal legislation requiring that after Dec. 24 all domestically produced apparel and home furnishings carry a "Made in U.S.A." label.

Warwick's campaign, which may represent less than 10% of the council's $10 million annual budget, will set the stage for what to expect next fall. Running in trade publications, daily newspapers and national newsweeklies, ad copy emphasizes the advantages to retailers and manufacturers of buying goods made in the U.S., including faster delivery and reorders. Provocative headlines will note that once the consumer campaign begins, "She'll be looking for US in her blouse" or "He'll be looking for US in his slacks." Photography is by Francesco Scavullo.

When the next round of ads will begin or what their form will take is not known. Sean Driscoll, senior vp of Warwick, said that will de-

(Continued on Page 80)

Generics smoke out competition

By **JOHN C. MAXWELL JR.**

The big news in the cigaret industry continues to be the discount brands, led by generics.

While for the year they accounted for some 5.7% of the industry—almost double the 3.3% rate in 1983—they are probably running closer to a 6.5% rate currently. Of this, 4.7% is attributed to generics, 0.4% to the recycled Doral and 0.7% to Century (now in 88% of the country).

Liggett Group had the biggest over-all jump, up some 21% and a full-market share point, due entirely to the company's generic entries. R.J. Reynolds had the second-largest increase, up 1.5% with a 0.5% share point increase, again preponderantly due to its discount brands. The only reason why Brown & Williamson's volume and market share were off only slightly was due to new generic introductions.

Over-all, other companies had meaningful down volumes and market shares, with the exception of Philip Morris, which was up a modicum. In fact, the only major brand of Philip Morris that was up was Marlboro, 4.4% and a full market-share point. The only other meaningful brand that showed a reasonable increase was Newport, up some 8.9%. Reynolds' Winston, Salem and Camel seem to have stabilized.

One could make a case that if a company is not in discount brands, which is now the only growth area of the industry, its over-all sales volume is going to continue to be under pressure. Obviously if it were not for this grouping, plus some loading and new-product introduction, the industry would be down substantially more than our estimated 0.2% for the calendar year 1984.

As is well known, these discount-brand products have not been advertised to any degree; it has been mainly word of mouth that has caused them to grow. This proves the substantial need for this type of product in the marketplace.

It has been documented that people are increasingly price-value oriented, and if there are two products of the same quality available, they will choose to buy the cheaper one.

We feel that the main causative factor for discounting is the major jump of cigaret costs from about 70¢ a pack three years ago to now probably more than $1. This leap was the result of a major tax increase by the federal government and increases by state and local tax authorities as well as the increases imposed by companies over this period of time. We feel companies and state and local government (through taxation) will continue to increase prices. Therefore, we believe discount brands—because of their $2-plus per carton differential—will continue to grow, though much more moderately in the future.

Discount brands as a whole are now the fifth-largest-selling product (a fantastic jump considering they have been in the market for only three years). They are outselling everything except Marlboro, Winston, Salem and Kool.

Looking ahead, excluding a new surge on the part of the discount brands, it seems that we have seen the high in terms of cigaret consumption. Not only has the industry been adversely affected by prices, as discussed above, but by the increasing protest on the part of antismoking personalities. If 60 million-to-70 million smokers are required to give up one cigaret a day because of restrictive legislation or through social pressure, we are talking about 22 billion cigarets a year not being smoked.

This combination of higher prices for cigarets, the popularity of discount brands and antismoking pressures is not good for the industry over the longer term. However, we would not be surprised to see another price increase on the order of 3% prior to yearend.#

Mr. Maxwell is with Laidlaw Ansbacher, New York.

U.S. cigaret manufacturing

Philip Morris continues to pace the market, but R.J. Reynolds and Liggett Group showed significant gains during 1984, based largely on the strength of discount brands. ***Source: John C. Maxwell Jr., Laidlaw Ansbacher, New York.***

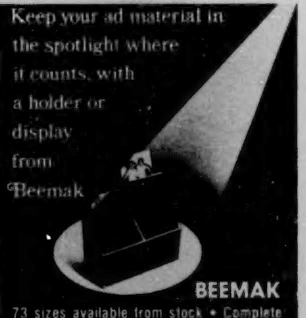
	Billions of units						Share of domestic mkt.	
	Domestic		Export		Total			
Company	1983	1984	1983	1984	1983	1984	1983	1984
Phillip Morris	205.05	205.50	40.80	40.00	245.85	245.50	34.4	34.5
R.J. Reynolds	187.52	190.34	17.55	15.00	205.07	205.34	31.5	32.0
Brown & Williamson	68.52	67.81	10.50	9.50	75.02	77.31	11.5	11.4
Lorillard	55.00	49.95	—	—	55.00	49.95	9.2	8.4
American Brands	51.50	47.01	0.55	0.45	52.05	47.46	8.6	7.9
Liggett Group	28.60	34.60	—	—	28.60	34.60	4.8	5.8

Cigaret's top ten

While the leading brands either dipped or remained flat, No. 1 Marlboro continued its upward surge. ***Source: John C. Maxwell Jr., Laidlaw Ansbacher.***

Company Brand	Units		Per cent	
	1983	1984	1983	1984
Philip Morris				
Marlboro	120.12	125.40	20.1	21.1
Benson & Hedges	29.83	28.80	5.0	4.8
Merit	26.00	24.35	4.4	4.1
Total	175.95	178.55	29.5	30.0
R.J. Reynolds				
Winston	71.05	71.04	11.9	12.0
Salem	48.35	48.39	8.1	8.1
Camel	27.16	26.84	4.6	4.5
Vantage	21.98	20.98	3.7	3.5
Total	168.54	167.25	28.3	28.1
Brown & Williamson				
Kool	42.70	41.69	7.2	7.0
American Brands				
Pall Mall	24.74	22.45	4.1	3.8
Lorillard				
Kent*	23.34	19.71	3.9	3.3
Grand Total	435.27	429.65	73.0	72.2

*Recalculated to include Golden Lights brand family.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Snack line Chex out party mix's popularity

By **JANET NEIMAN**

After years of pushing its Chex brand cereals as ingredients for the well known Chex party mix, Ralston Purina Co. is test-marketing a three-item line of premixed Chex Snack Mix.

The product, in traditional, nacho cheese and sweet & nutty flavors, is testing in Marion, Ind., and possibly other markets.

St. Louis-based Ralston traditionally advertises the Chex snack as a party mix, but couponed newspaper inserts for the Chex Snack Mix say: "Now, that irresistible combination of seasoned Chex brand cereal, peanuts and pretzels isn't just for parties anymore."

Ads also play off the idea that "the snack you've loved for years" now comes in a box. "It's already oven-baked and oven-fresh, so you can love it alone or love it with friends. . .on the spot," the copy says. "You've loved it for years, but you've never loved it like this before."

Wells, Rich, Greene, New York, which handles advertising for Chex cereals, is also the Chex Snack Mix agency.

The new line is a logical extension of Chex cereals, and snack marketers aren't likely to be the only ones watching its progress. Kellogg Co., Battle Creek, Mich., has promoted use of its 2-year-old Crispix corn & rice cereal—a direct competitor to Chex—with a back-panel recipe to make Crispix party mix.#

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Gary & Goltz makes move

GREEN BAY, WIS.—Gary & Goltz Advertising here has moved to 975 Hansen Rd., 54304-5354.

Kraft spreads itself around

By JANET NEIMAN

Kraft Inc. is spreading itself thick in the butter substitute market, entering its third such test-market product in a year.

The newest item, Parkay Plus, is a margarine with 28% real cream, now testing in western and midwestern markets. The product joins Sheffield Farms and Touch of Butter, both butter blends using vegetable oil.

Sheffield Farms has been testing in the Southeast since last fall (AA, April 30); Touch of Butter has been in midwestern and southwestern markets since summer (AA, Aug. 6).

Kraft's interest in the category appears to be two-pronged. As consumers move away from butter and margarine and toward lower-calorie spreads, Dart & Kraft's Glenview, Ill.-based foods unit needs to buffer itself against losses to its important Parkay margarine.

Sources say Unilever's Shedd's Spread, purchased last year from Beatrice Cos., has been eroding margarine sales rapidly and that Shedd's ButterMatch blend has done well in the butter-blend segment. (Sources say Unilever also is working on another entry in that arena.)

At the same time, Kraft, like other marketers, sees the possibility of higher profit margins that come with butter and margarine blends and spreads.

Kraft's Sheffield Farms entry, priced between margarine and butter, has been viewed as a way to recoup losses from consumers moving to blends from Parkay, although sources said there are indications that Kraft may be pulling it out of the market. Touch of Butter is seen as Kraft's response to Shedd's headway in the market.

Parkay Plus, however, is a margarine with cream, or what one source called "souped-up margarine," priced at about $1.19—the same as premium margarine. The cream content, this source said, "gives them more impact with the consumer than it's costing them."

Land O' Lakes Inc. initially opened up the blend segment three years ago with Country Morning Blend, containing 40% sweet cream butter. The Arden Hills, Minn., company has been joined since then by at least three Beatrice products—Golden Farms Blend, Keller's Golden Blend and Hotel Bar Blend—marketed in various regions of the country.

Growth of the blend segment, however, has been more sluggish than expected, reaching about $65 million.

Like Sheffield Farms and Touch of Butter, Parkay Plus is being advertised in a tv, magazine and newspaper couponing effort emphasizing taste.

Needham Harper Worldwide, Chicago, which also handles Sheffield Farms, has the Parkay Plus account. Foote, Cone & Belding, Chicago, handles Touch of Butter.#

AdWatch

(Continued from Page 3)

21% of the sample said, "An advertisement comes to mind, but I don't recall the brand." Another 42% said, "Sorry, nothing comes to mind."

In other words, no wine advertising proved significantly memorable to nearly two-thirds of the national sample.

The "unawareness" total for the liquor category is even higher—72% said no specific brand advertising came to mind.

Distilled-spirits producers' self-imposed lack of tv advertising partly explains that higher total, however.

In many categories in which comparable figures are available for October, 1983, and October, 1984, "unawareness" totals are higher this year. While 25% of the sample came up dry last year when asked to name the first beer advertising that came to mind, that figure was 30% last month.

Similar increases of at least five percentage points show up in the medicine and drugs, cosmetics, tobacco, cameras and pet foods categories.

Major advertisers do not appear to be the losers in this trend. The total share of first mentions garnered by the top five advertised brands within each category has remained approximately the same. When the percentage of persons saying they can recall no specific advertising has risen, the change usually has come at the expense of secondary brands.

Budweiser, Miller, Miller Lite, Coors and Stroh accounted for about 45% of total first mentions in both the October '83 and October '84 surveys. But the higher percentage of respondents this year saying no advertising comes to mind means fewer brands other than the top five are being recalled, or that they are getting less recall.

What all this suggests is that while the number of brands and products within most categories is growing, it may be getting more difficult for those new brands to compete for consumer awareness.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a random sample of consumers to name the advertising that first comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,254 adults were questioned by telephone. Under adWatch methodology, an increase or decrease in recall between monthly surveys of 2.8 percentage points is considered statistically significant and attributable to more than sample variations.

Among significant changes last month:

- "Unawareness" is hardly a problem for the **fast-food** category, since 90% of the sample was able to recall a fast-food advertisement. Fast-food's problem is changeability, as it proved last month.

Once again, Wendy's was the survey's biggest gainer. Last month, its advertising came to mind first for 27.4% of respondents, up 6.1 points from a 21.3% share in September. Much of that gain came at the expense of McDonald's, whose share of category awareness continued its slide. Big Mac's advertising was named by 35.9% in October, down 4.1 points from 40% in September.

Burger King remained in the No. 3 spot despite a 3.3 point drop to 10.5% of first mentions. But the new comparative advertising that broke last week could help BK narrow the gap once again.

- Despite having a fairly narrow user base, the **computer** category has a surprisingly strong awareness level. Only 31% of respondents last month were unable to recall advertising for computers, a better showing than the laundry (37%), medicine (38%), home electronics (62%) and financial services (62%) categories, among others.

Apple still dominates the category, getting 33.3% of first mentions last month. But IBM made a small improvement, rising 2.9 points to a 16% recall share. Commodore remained No. 3 with 5.7%.

- It may seem un-American, but 20% of respondents didn't recall any advertising for **cars and trucks** last month. Among those who did, more recalled Ford advertising. Its share of first mentions last month was 23.9%, a 2.9 point improvement over September.

Chevrolet ranked second with 14.5%; Toyota was No. 3 with 8%.

- The two leaders in the **airlines** category swapped standings last month. American's recall rose 2.9 points to 16%, enough to displace United in the No. 1 spot. Eastern's share of first mentions dipped 3.1 points to 8.8%, keeping it barely ahead of No. 4 TWA (8.4%) and No. 5 Delta (8.2%).

- Folger's is back as No. 1 in the **coffee** category even without Mrs. Olson. P&G put the product's longtime spokeswoman on hiatus in September (AA, Sept. 27), but recall of the product's advertising hasn't suffered at all. Indeed, it rose slightly (2.5 points) to 24.5%.

Meanwhile, recall of former No. 1 brand Maxwell House tumbled 6.9 points—the heaviest loss of the month—dropping it into the No. 2 spot with 20.2% of first mentions. Perhaps Maxwell House could pick Mrs. Olson up on waivers.

Sanka moved into the No. 3 spot with 6.4%.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Decadence

(Continued from Page 36)

rately portrayed—in "The Big Chill."

Nine years ago, a couple of the Decadence Party hosts were teachers, one was a lawyer at a legal-aid clinic, one a perennial student. Struggling, idealistic, hard-drinking, dope-smoking types (although they were already beginning to swear off the dope by then). Fertile minds, tons of potential. Most of them hung out together in certain Quarter bars, and there were other connections—Tulane and U. of New Orleans.

Now look at them: Solid citizens, hard workers, conformists—the ones who don't leave home without it. The legal-aid lawyer has become a prosecutor for the city, and has even run (unsuccessfully) for district attorney.

One of the teachers is a real estate broker who owns some nice pieces of property around town. Another teacher has become the chief economist for the city.

The perennial student has married her gynecologist and, word has it, left school...

At 3 o'clock the party is losing whatever steam it had. At 4 o'clock, I'm having trouble spotting any scene with a remote hint of decadence, or even modest excess.

At 8 o'clock that morning I'm on my way back to New York. Forget about October 31st in the Quarter. On the streets of Greenwich Village, there's a parade every Halloween that, while not quite decadent, is four or five times as racy as anything I've seen down here all week.#

Brady's Bunch

I think **Svetlana** and the Russians deserve one another.

Roger Railton-Jones of Carl Byoir (how about that for a pr guy's name?) writes to say **Richard Burton's** first film, about the inundation of a small town by a great new dam, was "The Last Days of Dolwyn," produced by Anatole de Grunwald about 35 years ago. Railton-Jones worked for Grunwald, and after the film was made Burton returned to the West End stage but was, even then, Railton-Jones recalls, talking about "making a financial killing in the movies."

Was anyone terribly surprised when all six of our **Olympic fighters** won their first pro bouts the other night on ABC?

I'm deeply shocked to learn, now that the elections are over, that **Mr. Stockman** has informed the President the current year's budget deficit won't be the $175 billion he promised but actually $210 billion. I guess new data suddenly became available because I'm sure if he'd had this info on Nov. 5, Mr. Reagan would have shared it with us.

Interesting quote from Time Inc. editor-in-chief **Henry Grunwald** in his Chet Huntley Memorial lecture: "It is significant that several right-wing activist groups have been set up to finance libel litigation against the press for political reasons."

Grunwald

Burton

Stockman

Anouk Aimee, the lovely French actress in town with her pal, designer Emanuel Ungaro, said the remake of "A Man and a Woman," with Jean-Louis Trintignant, is about to roll. Anouk looks every bit as good as she did in the original and in her first big film, "La Dolce Vita." And she's still wearing those dark shades.

Joel Raphaelson of Ogilvy & Mather informs me that **Mencken** was not "sour." And he promises to tell me about a chat he and Mencken had in 1948 at the Progressive Party (Henry Wallace) convention in Philadelphia. Such promises sustain me in these difficult times.

Bob Lauterhorn of International Paper tells me their public service ad campaign getting kids to read and write effectively, "The Power of the Printed Word," which has been running since 1979, draws about a thousand letters a day. With functional illiteracy a bleeding wound in this country, this is solid stuff indeed.

Best football game of the season, college *or* pro, was Boston College-Army. **Flutie** was there, of course, and Army had some kid with three broken ribs playing quarterback and running every other play. Final was 45-31 and when it was over all those Boston Irishmen got up and cheered the Army guy. When you get stuff like that, who needs Kansas City versus the Vikes?

Good party tonight (Nov. 26) at the Algonquin in Manhattan. Arthur Miller, **Dustin Hoffman** and others will be there to celebrate a new publication of "Death of a Salesman" by the Limited Editions Club.

Sexy Rexy Harrison, sporting a Henry Higgins hat, camel's hair coat, red scarf and three-week beard, annoyed a few patrons of the Four Seasons the other day by stepping merrily to the head of the hatcheck line. Liza Doolittle would 'ave 'ad 'is 'ead.

I asked **Pavarotti** if he enjoyed popular music. Oh, yes, very much so. The Beatles? "I am ecstatic," said the great man. Boy George? "Ah, yes." Luciano was in town for a Madison Square Garden concert, yet another sellout.

J.C. Penney president David F. Miller takes over a New York disco, Private Eyes, tomorrow (Tuesday) to launch a new women's wear collection by **Lee Wright**. Mr. Miller says Penney is determined "to become America's first national department store."

Only two world heavyweight champs attended college. Who were they?

Michael Paulle, whose Synarome Corp. came up with the pre-election idea of a "Gerry" perfume, tells me now they're thinking of a **George Bush** cologne called "Kicking Ass."

I'm supposed to know about such things but I was absolutely stunned when New York's *Daily News* announced cartoonist **Paul Rigby** was jumping to the *News* from the rival *Post*. Rigby, an Australian, has long been closely associated with *Post* owner Rupert Murdoch, having worked for Rupert's papers in Australia and London before coming to New York seven years ago. A source at the *News* tells me several other *Post* stars are on a *News* "hit list" as Jim Hoge heats up the newspaper wars.

Richard Burton married five wives, drank too much, ignored his doctors' advice, raised hell and left an estate of $4.58 million. There must be a moral here somewhere.

By James Brady

Read James Brady's essays in Thursday's ADVERTISING AGE.

Browning spray from Clorox bows

By JENNIFER PENDLETON

Buoyed by predictions that microwave ovens will be in more than 50% of U.S. households by the end of 1985, Clorox Co. will become the first major company to market a microwave browning agent nationally.

The Oakland, Cal.-based marketer will be out with Kitchen Bouquet Microwave Browning Spray in December, backed by magazine, newspaper and tv advertising (AA, Nov. 19). The browning spray is a line extension of its Kitchen Bouquet browning, seasoning sauce and gravy aid.

A Clorox executive said regional browning agent products are usually applied with a brush. Clorox's pump spray offers greater convenience, the company believes.

Ads in women's and food magazines, as well as freestanding inserts, will break in December. They will compare the look of meat prepared in a microwave oven without a browning agent with those sprayed with Kitchen Bouquet. Newspaper ads and tv spots will follow. Young & Rubicam, San Francisco, is the agency.#

Saatchi

(Continued from Page 2)

them marketing counsel and not just to make ads," said Mr. Bowen. "So in the broadest sense, consulting with clients is part of the totality of an ad agency."

British investors also liked the idea. "The market reaction was very enthusiastic," said Mark Shepperd, an investment analyst at Phillips & Drew, London, the securities company that placed £80 million worth of stock with its clients in order to fund the buy.

"They're brilliant in financial maneuvers. No one can fault them in that area," said Philip Geier Jr., chairman-chief executive officer, Interpublic Group of Cos., New York.

But management consulting is not a direction IPG is headed in. "I wouldn't do it," said Mr. Geier. "I want to see things integrated into the agency system. I believe in communications coordination."

Robert Jacoby, chairman-chief executive officer of Ted Bates Worldwide, New York, believes that management consulting is a very different kind of business from advertising.

"I think it's a big mistake," he said of the Hay acquisition. "Every time agencies, in this country at least, have gone too far afield in acquisitions they've gotten burned.

"If you wander too far afield in acquisitions, how do you go in and fix it if something goes wrong?" said Mr. Jacoby.

Others, including Mr. Bowen, didn't see that as a problem. "My experience is that if you have a good set of managing principles, it works everywhere," he said.

But does Saatchi have those good management principles? Or is it buying up too much too fast?

There is some concern among potential sellers about being caught up in the whirlwind. In discussing why Doyle Dane Bernbach International decided not to sell, Barry Loughrane, chairman-chief executive officer, gave a reason that might apply to other major shops as well. "Supposing Doyle Dane Bernbach sold to the Saatchis," said Mr. Loughrane. "Then a year later when they'd buy another agency, and the year after that when they'd buy yet another, what would happen to Doyle Dane Bernbach?"

Mr. Shepperd believes Saatchi will need some breathing space now. "They are going to be very busy over the next few years with this," he said. "I would be surprised if there was another major acquisition in the advertising sector in the next 12 months."

A Saatchi spokesman disagreed, saying, "This acquisition should not be taken to mean that we won't be in a position or interested in acquiring either another advertising business or another business." He also felt that the agency already has proved it is a successful manager of acquired businesses.

Except from a financial standpoint, "I don't think anyone in the U.S. is particularly impressed with what's happened at Compton," said Emma Hill, an analyst at Wertheim & Co., New York, who is generally impressed with Saatchi. "They've turned Compton into a money-making machine."

She compared Saatchi with Ogilvy & Mather, which she called "a superb advertising agency, but one that doesn't have the financial prowess that Saatchi has. Long-term success depends on how good you are at servicing clients, but stock price is dependent on how much money you're making this year," she said. "I'm not saying that they're not balanced, but just that they definitely stand out on the financial side."

Many industry observers agree that they have not seen any great transformation at Compton, but Saatchi and Compton explain that that's because none was intended.

"Compton is a very, very successful agency. It wouldn't be appropriate for Compton to change its image," the spokesman said.

Moreover, the Saatchi spokesman said, "This is a service business. If you're not managing a service business well, you lose clients or you lose personnel," neither of which has been the case at Compton.

Some think it's too early to project whether Saatchi will be a successful manager of a large variety of businesses.

"They're making sound business decisions. I think Compton was a smart move," said Ms. Hill. "But are they building an organization through acquisitions that has continuity and quality? I can't say they're not, but it's just too early."#

Daily double for Dallas

Bloom blossoms for 800-FLOWERS

Irving, Tex.—Floral telemarketer 800-FLOWERS and Chiat/Day, New York, have parted company, citing "mutual operating considerations."

Word leaked that Bloom Agency, Dallas, had snapped up the $12 million account, though officials at Bloom and 800-FLOWERS would not confirm the appointment.

Bloom issued a staff memo Nov. 20 announcing the agency's selection by 800-FLOWERS.

But the next day, Bloom officials would not respond to inquiries, and 800-FLOWERS vp-advertising Connie Kennedy stood by the company's prepared statement, in which president John Douglas said no agency has been appointed to succeed Chiat/Day.

The new telemarketer selected Chiat/Day last summer (AA, June 25). It then began test-marketing in Chicago in preparation for introduction in Dallas-Fort Worth, Los Angeles, New York and then a sweep nationwide in the first half of 1985 (AA, Oct. 15).

Ms. Kennedy said the disruption in agency relationships will not set back the company's scheduled national expansion.

Chiat/Day president Guy Day said that the agency and client are parting as "the fondest of friends." Distance had become a factor in the relationship, he said.

"Startup companies are strange beasties," Mr. Day added, saying that "emotionally, we were in sync, but we weren't right for each other."

The service can accommodate 600 operators at its headquarters and telemarketing center here, where customers' orders are relayed to 5,000 member florists. The service, based on minimum $30 credit-card orders, offers a replacement guarantee within 24 hours if, for any reason, the flowers are not beautiful when delivered.#

Fina closer to home at Levenson

Dallas—American Petrofina will end its 20-year relationship with Geer, DuBois, New York, on Jan. 1 by shifting its estimated $2 million account to Levenson, Levenson & Hill here.

Despite the change, Fina's advertising will continue to feature country singer Mel Tillis as spokesman, said J.W. (Bill) Cahill, the company's director of advertising and public relations.

The marketer of gasoline products in 22 Sunbelt and Midwest states had been quietly looking at what he said are the five leading agencies here. His goal was to develop an agency link closer to home.

The move follows the naming of Paul Meek as chairman in October and the promotion in March of Jackie Thomas to vp of the company's American Petrofina marketing division.

Mr. Meek has retained the posts of company president-chief executive officer. As chairman, he succeeds R.I. Galland, who retired. Mr. Thomas previously was on special assignment with Fina and had no official title.

In recent years, Fina has used tv in the spring, radio in the summer and tv again in the fall, Mr. Cahill said. It also has sponsored Southwest Conference college football broadcasts for two years.

The account shift does not affect Fina's petrochemical trade advertising account, which remains at Womack/Claypoole/Griffin, Mr. Cahill said.#

Ford buy

(Continued from Page 1)

mitment to "big event" use of tv as the cornerstone of its 1985 marketing plan, a strategy that has been unfolding for several years. Ford's 1985 media budgets still are not formally approved, yet the auto maker decided to move quickly on the special request of its media strategists to lock up both the Super Bowl and "North and South," a Civil War saga.

"We made a buy we felt was consistent with our advertising strategies and goals and [the buy] complemented what ABC wanted to do as well," said Chuck Schneider, media analysis manager of the Ford division.

The big buy will form a major wraparound for Ford's entire marketing strategy in 1985. While the Super Bowl will kick off the auto maker's calendar year, ABC's Civil War miniseries will be telecast near the start of its new model year. The miniseries will be used to support Ford's 1986 new-car introductions.

Ford's Super Bowl participation will total five announcements in the second and third quarters of the game. Ford also will have opening and closing billboard credits during those quarters.

Ford will share "North and South" sponsorship with four others. The deal gives the company opening and closing billboards on the telecast for four nights.

"This [buy] is not something new or unusual," said Mr. Schneider. "If anything, it is a restatement of the strategy we've had for some time, coincidental with the fact that we had sponsorship on 'Winds of War,' which was also on ABC. Basically, we think ABC has demonstrated the ability to produce high-quality miniseries." Mr. Schneider added that the Super Bowl and "North and South" would be two of the largest single tv purchases of the year.

Ford's appetite for the Super Bowl was whetted by the fact it would not have the baseball World Series in '85, Mr. Schneider said. He added that the purchase would not affect Ford's other National Football League commitments, which include quarter-game sponsorship on NBC's NFL schedule and on some of CBS' games.

Sharing the Super Bowl berth with Ford will be Nissan, the foreign auto sponsor, and a host of other advertisers, including Anheuser-Busch, Cullinet Software, ComputerLand, Johnson Controls, McDonald's, Minolta, Northwestern Mutual Life Insurance Co., Sharp, Sony, IBM and Stroh Brewery, according to ABC. Apple Computer also has purchased time on the event, which will be played at Stanford Stadium, Palo Alto, Cal., near the computer manufacturer's Cupertino headquarters.

At a cost of $525,000 for a 30-second unit, ABC will reap at least $25 million from the game. ABC said 46 units out of 50 have been sold, although four of the sold units technically are on hold pending final signing of contracts.

Initial resistance to the high price led to the pullout of several major advertisers that were sponsors of NBC's 1984 telecast, including National Life Insurance, Tandy and Eastern Air Lines (AA, Oct. 1). However, ABC confidently predicted it would be hanging out the SRO sign by kickoff on Jan. 27.

Nevertheless, resistance to the steep price did not soften at several agencies. A source at one major shop derided ABC's Super Bowl pricing strategy as "creative" and refused to place clients in the event. Yet it appears that many advertisers agreed with another opinion about the Super Bowl: "At first, you think $1 million a minute is mind-boggling and that no one could rationalize paying that," said one agency executive. "But then, after sitting in the quiet of analysis, you realize it will get a 50 rating and be a giant event."#

CBS Cable

(Continued from Page 1)

sion. Executives at Cablevision, CBS and Washington Post Co. refused to comment.

But other sources said the deal could be announced today.

The four sports networks serve Chicago, New England, the New York tristate area (Connecticut, New Jersey and New York) and Philadelphia. Bravo is a 4-year-old cultural channel, and American Movie Classics is a 6-week-old companion pay channel to Bravo.

The deal comes two years after CBS became the first company to fold a cable tv service. CBS Cable, an advertiser-supported cultural service, was disbanded in 1982 after piling up $30 million in losses.

"But this move makes a lot more strategic business sense," said Joseph Fuchs, an analyst at Kidder Peabody & Co. "They're not going it alone, so the risk is much less and these services have broader appeal than CBS Cable did. It's a logical extension of their business."

The main motivation for CBS' getting back into cable, however, may be to gain another outlet for sports programing. Sports broadcast-rights fees in recent years have risen sharply, and having another distribution vehicle beyond the network would help CBS stay competitive with its rivals, especially ABC, which now owns 80% of Entertainment & Sports Programming Network.

CBS could use the cable outlets for those sporting events it purchases as parts of packages but that it cannot squeeze into its network lineup. Having cable services also may give it leverage when bargaining for broadcast rights.

Not everyone agrees with the possible advantage of CBS' move. Alan Gottesman, an analyst at L.F. Rothschild, said that "the smartest thing CBS ever did was get out of cable. Why should they mess with their revenues like this? They're a $6 billion company."

The deal makes sense for Cablevision and Washington Post Co. It gives them cash and spreads the risk.

Of the six services, only SportsChannel in New York and Prism, the Philadelphia sports network, are profitable. Cablevision officials claim Bravo could break even by the end of the year.#

C2710-1

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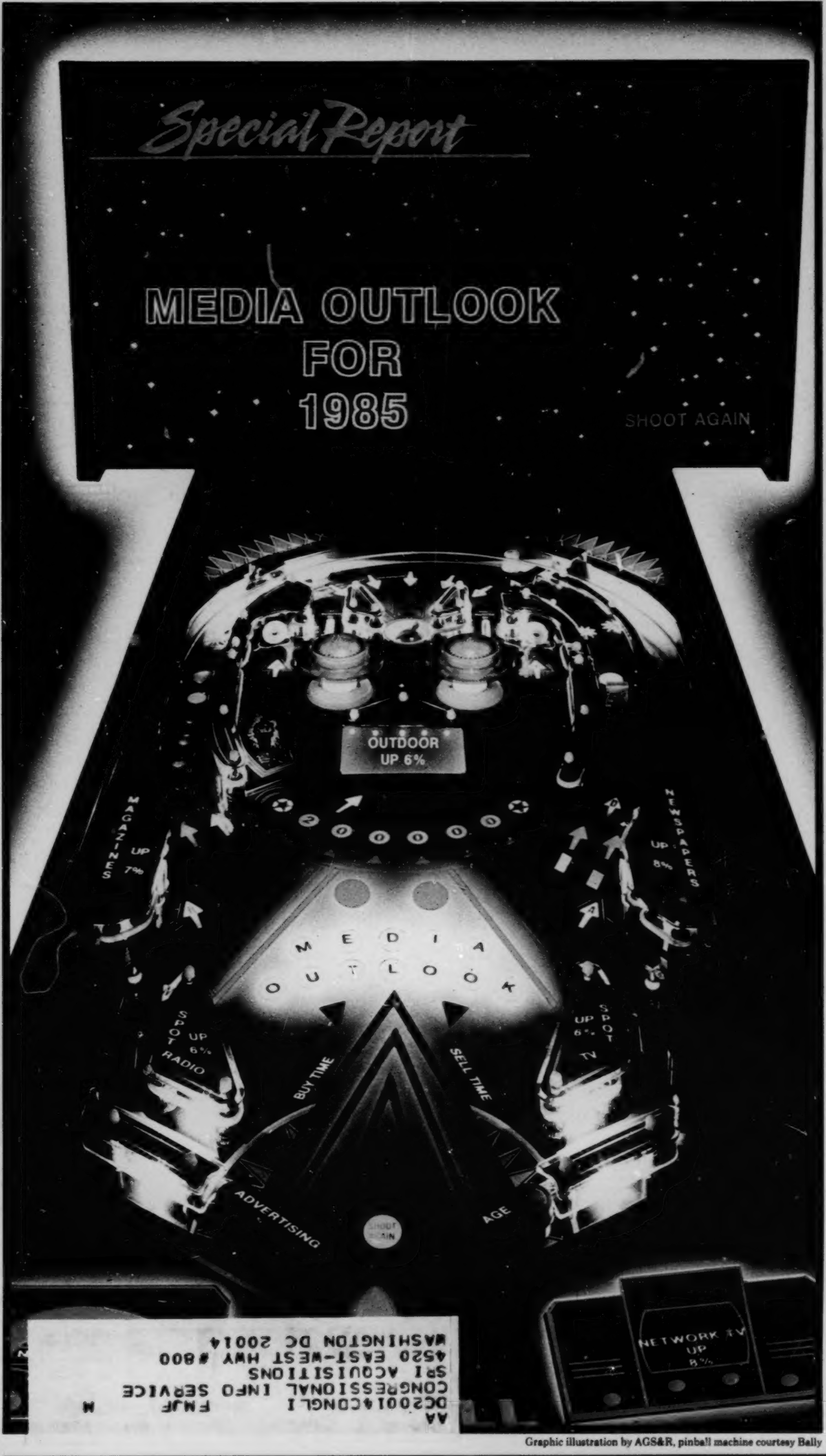
Special Report
MEDIA OUTLOOK FOR 1985
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OUTDOOR UP 6%
MAGAZINES UP 7%
NEWSPAPERS UP 8%
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NEWSPAPER

Graphic illustration by AGS&R, pinball machine courtesy Bally

Barter films unreel blows to networks in ratings

— Page 3

Media price increases to moderate during '85

— Page 11

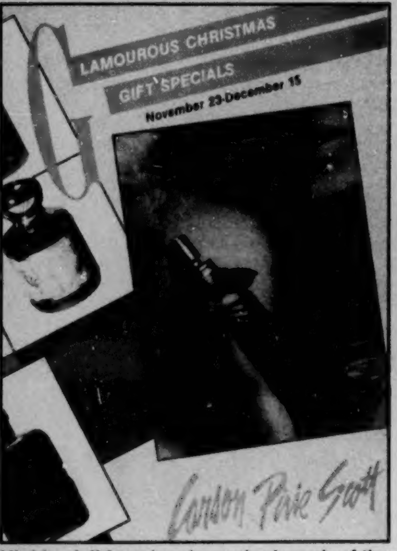
Leveraged buyout craze cools among media giants

— Page 44

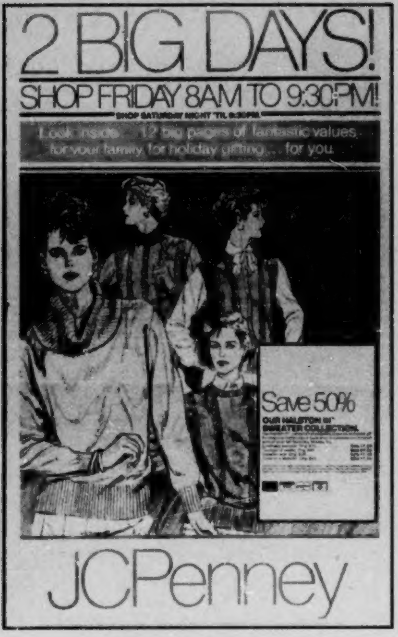
How creative approach helps build TRW image

— Page 50

Stores gobble post-turkey sales



Highly visible sale ads marked much of the post-Thanksgiving Christmas shopping advertising run by stores looking to get a fast start on holiday sales.


2 BIG DAYS!
SHOP FRIDAY 8AM TO 9:30PM!
SHOP SATURDAY NIGHT 'TIL 9:30PM
Look inside... 12 big pages of fantastic values for your family, for holiday gifting... for you.
Save 50%
OUR HALSTON III SWEATER COLLECTION
JCPenney

But heavy promotion is key

An Advertising Age roundup

The post-Thanksgiving Christmas shopping rush turned up strong sales for many stores across the country. But retailers had to work hard for their money and their fast break from the starting gate.

Department stores, in particular, relied heavily on intensive promotional packages that possibly cut into sales of some mass merchandisers and smaller specialty stores. But even so, not all department stores managed to keep up with the pack, as evidenced by some spotty sales and a slow start for a few in the Southeast. Southwest and Northwest.

"I've never seen such a promotional Christmas," said John Landschulz, a securities anyalyst who follows retailing for Mesirow & Co., Chicago. "The department stores have really worked the market, and consumers are responding to all the good deals. They hung back a little on promoting price but now they're in full swing."

Mr. Landschulz said that for the first time he is hearing mass merchandisers complain about how aggressive department store chains are taking market shares.

As a general rule, how things go immediately following Thanksgiving can indicate results for the entire Christmas season. Between Thanksgiving and Dec. 25, stores can take in as much as 30% of their annual sales and 50% of their profits.

Said Gil Berliner, vp with Independent Retailers Syndicate, a New York buying office representing 180 department and specialty stores and regional chains: "Promotions are still very much with us and very strong, but so far we're very positive, with our stores averaging 10%-to-12% gains for Thanksgiving weekend. But you have to take each day as it comes. The momentum started early and we hope it continues."

He cautioned that if there is any slack, stores will unleash a barrage of unplanned markdowns along with the planned sales.

On Nov. 23 and 24, Carson Pirie Scott & Co., operating 24 stores in the Chicago area and downstate Illinois, posted double-digit sales increases, said Neil A. Ramo, president of the chain's department stores division. But at least some of those gains, a Carson's spokesman said, were attributable to a 48-page "sale book," Carson's first-ever attempt to so visibly promote its traditional storewide

(Continued on Page 56)

Billboard's buyers see stock topping charts

By STUART J. ELLIOTT

NEW YORK—One of the new owners of Billboard Publications says the company could someday be selling stock to the public.

"We hope to take the company public in the next three to five years, if the markets are right," said Gerald Hobbs, one of two leaders of a management group involved in the buyout of Billboard.

Such a move would be in keeping with the new owners' philosophy of "looking for growth" in the company, Mr. Hobbs said.

Billboard, which has been on the market since last summer (AA, July 5, *et seq.*), is to be sold to a corporation owned by Boston Ventures and a Billboard management group.

Boston Ventures is a limited partnership that specializes in investing in communications, entertainment and leisure companies. The Billboard management group is led by Mr. Hobbs, exec vp-publisher, *Billboard*, and Samuel Holdsworth, publisher, *Musician*, one of the company's five other magazines. An unspecified number of other employes also are to be shareholders in the management group.

The purchase price was not disclosed. But it is believed to be a bit more than $40 million, which would be on the high side of the estimates that publishing industry sources had placed on the company's worth. Those figures ranged from $30 million to $40 million.

Billboard's annual revenues are about $45 million, with net income said to be at about $3 million.

Under a definitive agreement reached Nov. 26 and expected to be completed early next year, Billboard is to be sold to Boston Ventures and the management group by William Littleford, chairman, president and

(Continued on Page 54)

A(shton) to Z(iff) for Cole

By STUART J. ELLIOTT

NEW YORK—David Cole, former chairman-chief executive officer of Ashton-Tate, a leading software publisher, is joining Ziff Corp. to supervise its computer magazines, databases and information companies.

The appointment of Mr. Cole as president-chief operating officer follows by a week the sale of 24 major consumer and business publications by owner William Ziff (AA, Nov. 26). The naming of Mr. Cole is seen as a way to emphasize that Ziff Corp., even after selling $712.5 million in magazines, still owns some major media properties.

Mr. Cole will succeed Philip Korsant, who becomes Ziff Corp.'s chairman. Mr. Korsant succeeds Mr. Ziff, who becomes chairman of the executive committee, a new post.

"David Cole's mission," Mr. Ziff said in a statement, is to make the company's remaining holdings "preeminent in their fields." His "vision and thoughtfulness," he said, as well as Mr. Cole's past print experience, "make him particularly well suited to lead us."

Mr. Cole left Culver City, Cal.-based Ashton-Tate in October to accept what he then called a "once-in-a-lifetime position" with an unidentified East Coast company (AA, Nov. 26). He joined Ashton-Tate in 1982 as president-chief executive officer.

At Ziff, Mr. Cole will supervise 11 computer publications: *A-plus, A-plus Buyers Guide, A-plus Disk, Computers & Electronics, Creative Computing, Digital Review, PC, PC Buyers Guide, PC Disk, PC Tech Journal* and *PC Week*. He also will supervise two databases—Data Decisions and Data Sources—and five information companies. ∎

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JWT & ABC ask: To split, or not to split?

By VERNE GAY

NEW YORK—J. Walter Thompson USA and ABC-TV Network, in an unusual joint research project, are seeking answers to an advertising enigma: Will split-30s hurt or enhance commercial tv?

The results of the project (AA, Nov. 26) will serve as the basis for ABC's policy in accepting and placing split-30s, which are two commercial units for dissimilar products from the same advertiser contained within a single 30-second commercial unit.

JWT hopes the results will support its position in favor of splitting the 30-second unit. The agency has encouraged clients to use split-30s to build frequency and cut costs. JWT therefore was encouraged by initial results of the test: Viewers tended to recall no more than four ads per half-hour program, no matter the length of the commercial or the number of commercial messages in a pod.

Both parties also hope the results will serve as the benchmark for industrywide acceptance of the practice.

The project is unusual in at least two respects. It marks the first time a major tv network is cooperating with an agency to decipher the impact of split-30s on viewer recall and commercial clutter. The formal union of a leading agency and a network on a pivotal research question is a milestone as well.

The issue of split-30s arose last year when Alberto-Culver, following the abolition of the National Assn. of Broadcasters code on acceptable commercial loads, demanded that the tv networks permit advertisers to "program" their 30-second units with more than one product. Previously, unrelated products could not appear in the same commercial pod.

The controversy, which has divided the advertising industry, centers on the potential of severe commercial clutter if splitting the 30 becomes the norm. Also, advertisers worry that the 15-second unit will replace the 30-second standard but that prices will not be cut in half. Split-30s also have divided advertisers into two camps: Package-goods advertisers, who most readily could employ split-30s to advertise underbudgeted brands, and other service and big-ticket-item advertisers, for whom the split-30 is worthless. This latter group fears that the increase in split-30s by other advertisers will weaken the impact of their own advertising.

ABC approached JWT in August about the collaboration because "we wanted to acquire credibility. For a network to do this on a unilateral basis might open it to questions," explained Marvin Mord, vp-marketing and research services, ABC Inc.

The research project will cover two phases. A third phase dealing with "other issues," including commercial zapping, will be undertaken by JWT alone.

The first phase, which ended last week, included interviews with 30 persons who had watched a half-hour pilot comedy show supplied by ABC. The program had three commercial breaks. The first pod

(Continued on Page 54)

Crafted in the interim

Warwick Advertising's interim ad campaign for the Crafted with Pride U.S.A. Council uses provocative headlines to educate businessmen and consumers about the forthcoming "Made in U.S.A." labels. The bulk of the campaign, however, does not yet have an agency. Warwick is one of at least 10 agencies that will begin making presentations the first week in December (AA, Nov. 26).

MADE IN THE USA

He'll be looking for US in his shirt.

And in his jackets. And slacks. And rainwear.

Because as a result of Congressional legislation, consumers will have a choice. All apparel and home fashions manufactured in this country after December 24 will proudly carry a "Made in U.S.A." label.

Your customers are going to come looking for it. And we'll be telling them why they should look for it in a big, big way.

We're mounting a multi-million dollar campaign that will make consumers aware of the quality, the style, and the value of merchandise made in the U.S.

It's clear that we mean business. Big business for you. You already know you get better delivery with US. And that you can reorder easily with US. And that you don't have to commit your money far up in front with US.

So as you plan Fall '85, look at US before you leap overseas.

Take a good look at US.

CBS cable deal counters ABC

Sports rights bidding a key

By SUSAN SPILLMAN

New York—CBS' $57 million return to cable tv programing was a calculated move by the media giant to gain negotiating leverage in sports rights bidding and to counter ABC Inc.'s majority ownership of Entertainment & Sports Programming Network (AA, Nov. 12, *et seq.*).

It also gave CBS a virtually risk-free entry into the pay tv sports business, since team contracts already have been hammered out with the four regional sports services in which it purchased an equity interest.

CBS purchased equity in regional sports services in the New York area, Philadelphia, Chicago and New England, and two national pay tv networks—Bravo, a 4-year-old cultural service and American Movie Classics, a 2-month-old companion service.

"The deals give us some negotiating power when buying sports programing for CBS. It will especially make us competitive with ABC, which owns part of ESPN," said James Rosenfield, senior exec vp, CBS/Broadcast Group.

He added, "We targeted regional pay tv sports as an important area for us to get into several years ago, but in going it alone the economics just weren't right. This fits our strategic plan like a glove."

In 1983, CBS explored putting together sports networks in the San Francisco area and Cleveland.

As for Bravo, the service is expected to turn a profit for the first time by the end of this year. Mr. Rosenfield said Bravo represents an opportunity for CBS to show its programing expertise.

"We're in the tv business," said Mr. Rosenfield, "and pay tv is a part of the future of tv, so we should be in that too."

CBS had been in the basic cable adver-

(Continued on Page 4)

Barter films hurt nets

Advertisers take notice

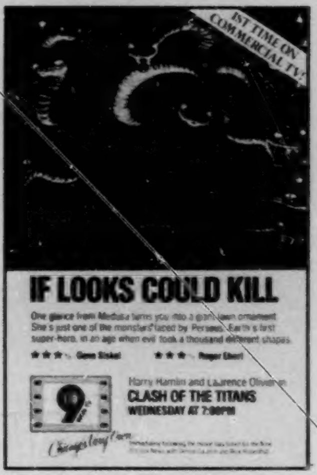
By BOB MARICH

A new generation of barter syndication movies and specials are challenging—and sometimes beating—the three commercial tv networks in their stronghold of prime time.

"Clash of the Titans," an MGM/UA Television theatrical film syndicated to 110 tv stations covering 85% of U.S. tv households during November, is the latest example of the trend.

The movie beat or tied the three commercial networks' programing, including CBS' "Magnum, P.I.," during a Nov. 1 telecast in San Francisco via KTVU, Cox Communications' independent tv station. In San Francisco, "Clash" averaged a 12.4 rating/19 share in the A.C. Nielsen Co. ratings and a 14.7/23 in Arbitron Co. ratings. The measurements came during a crucial rating sweeps period.

High ratings for "Clash" are trickling in from other markets, too, although tv stations elsewhere often are scheduling the movie on a variety of nights. Because such syndication specials tend to air over a period of days or weeks and pop up irregularly, their impact has been largely overlooked by the tv industry. However, many advertisers are taking notice.


1ST TIME ON COMMERCIAL TV!

IF LOOKS COULD KILL

One glance from Medusa turns you into a giant lawn ornament. She's just one of the monsters faced by Perseus, Earth's first super-hero, in an age when evil took a thousand different shapes.

★★★ — Gene Siskel ★★★ — Roger Ebert

Harry Hamlin and Laurence Olivier in CLASH OF THE TITANS WEDNESDAY AT 7:00PM

"Clash of the Titans" is just one syndicated movie beating the nets' prime time programs.

"The syndication market is a growing alternative to the [three commercial] tv networks in which you can get sizable national audiences," said Peter Spengler, vp-advertising sales at Bristol-Myers. B-M was a major sponsor of "Andrea Doria: The Final Chapter," an Aug. 16 prime time special about a sunken ocean liner, which posted a 19.5 rating nationally in the Nielsen Television Index. The highest network average during that week was ABC-TV's 13.3 rating.

More potent prime time syndication specials will surface in the weeks ahead.

A made-for-tv syndication movie starring Mickey Rooney, "It Came Upon the Midnight Clear," will air the week of Dec. 8. LBS Communications has lined up 110 tv stations covering 85% of U.S. tv homes to carry the drama. Columbia Pictures Television, a Coca-Cola Co. unit, produced the movie, and Coke is a half sponsor. Other major sponsors lined up by LBS are Beatrice Cos., Revlon Inc., Pillsbury Co., Procter & Gamble, American Cyanamid Co., Taylor

(Continued on Page 4)

FCB sees stars in syndication try

Los Angeles—Foote, Cone & Belding's tv programing arm is entering tv syndication for the first time with a series about Hollywood movies plucked from cable tv.

The program is "Seeing Stars," a weekly half-hour series in which stars talk about themselves and their movies. Orbis Communications, a New York barter-syndication company, will handle sales to broadcast tv stations and also national ads within the syndicated show.

"Seeing Stars" makes its syndication debut in April, at which time it will cease to run on USA Cable Network, where it started in June. FCB/Telecom, the agency's program arm responsible for five cable tv series, created the show as a sponsored cable series for Clorox Co., which will be the major sponsor of the syndicated version.

Jack McQueen, senior vp-director of FCB/Telecom, said the program's cable run proved it has audience-pulling power, particularly among young women, Clorox's target.

Past guests have included Sylvester Stallone, Bill Murray and Steve Martin.

Mr. McQueen believes the switch to broadcast syndication will increase "Seeing Stars" audience. He hopes that, as a syndicated vehicle, the series will reach about 70% of the U.S. (59 million tv households) compared with USA Cable Network's 32% penetration level (27.3 million tv homes).

Executive producer Dick Crew said tv stations carrying the show will get clips of star interviews suitable for plugging into the stations' news and local magazine programs as short reports.

"Alive & Well," Bristol-Myers Co.'s health series, made the transition to commercial tv syndication from cable tv in September. But that series, now on 15 tv stations, continues to air on USA Cable Network. Orbis Communications also is the syndicator of "Alive & Well," a five-day-a-week hour series in syndication.#

Media budgeting needs creative touch

By HERB ZELTNER

One of the chronic yet important challenges facing media strategists is answering agency and client management questions about the ad budget:

What is my optimum spending rate? Why should I okay such a large increase? All my other expenses are being held tight so why should my advertising costs be allowed to go up so fast?

It's understandable that considerable management attention is focused on the matter.

After all, media costs are usually one of the largest expense categories for most marketing organizations.

In an attempt to find good solutions to next year's budget, media and marketing strategists traditionally resort to one of several techniques.

The most common is adjusting last year's budget to reflect changes in volume or revenue goals. This presumes a direct cause-and-effect relationship between advertising pressure and sales results. That may be possible in retail and direct response efforts, but it certainly is a forlorn hope in most national-brand image advertising.

Another approach is adjusting last year's budget by the level of anticipated change in inflation indexes—usually for the economy in general, but sometimes by projecting media cost increases. The problem often inherent in this process is that a marketer ends up spending more to stay even, and thereby does not improve his coverage over the previous year.

This is the second in a series of articles about the dramatic new challenges that confront media thinking and practices. Written by Herbert Zeltner, editor of Ad Age's Sounding Board and a media expert and advertising consultant, the articles deal with the developments and trends that are shaping management decisions of today's media operations. The editors of Advertising Age invite reader response to these articles.

A third and widely used technique is studying competitive spending levels and then reacting. One alternative would be to maintain "share of voice" by estimating what it takes to achieve the same percentage of total competitive spending in the category. This "share of voice" approach can be adjusted, depending on the market situation and management intent.

The problem with this approach is that the competitors' figures probably are incomplete and out of date.

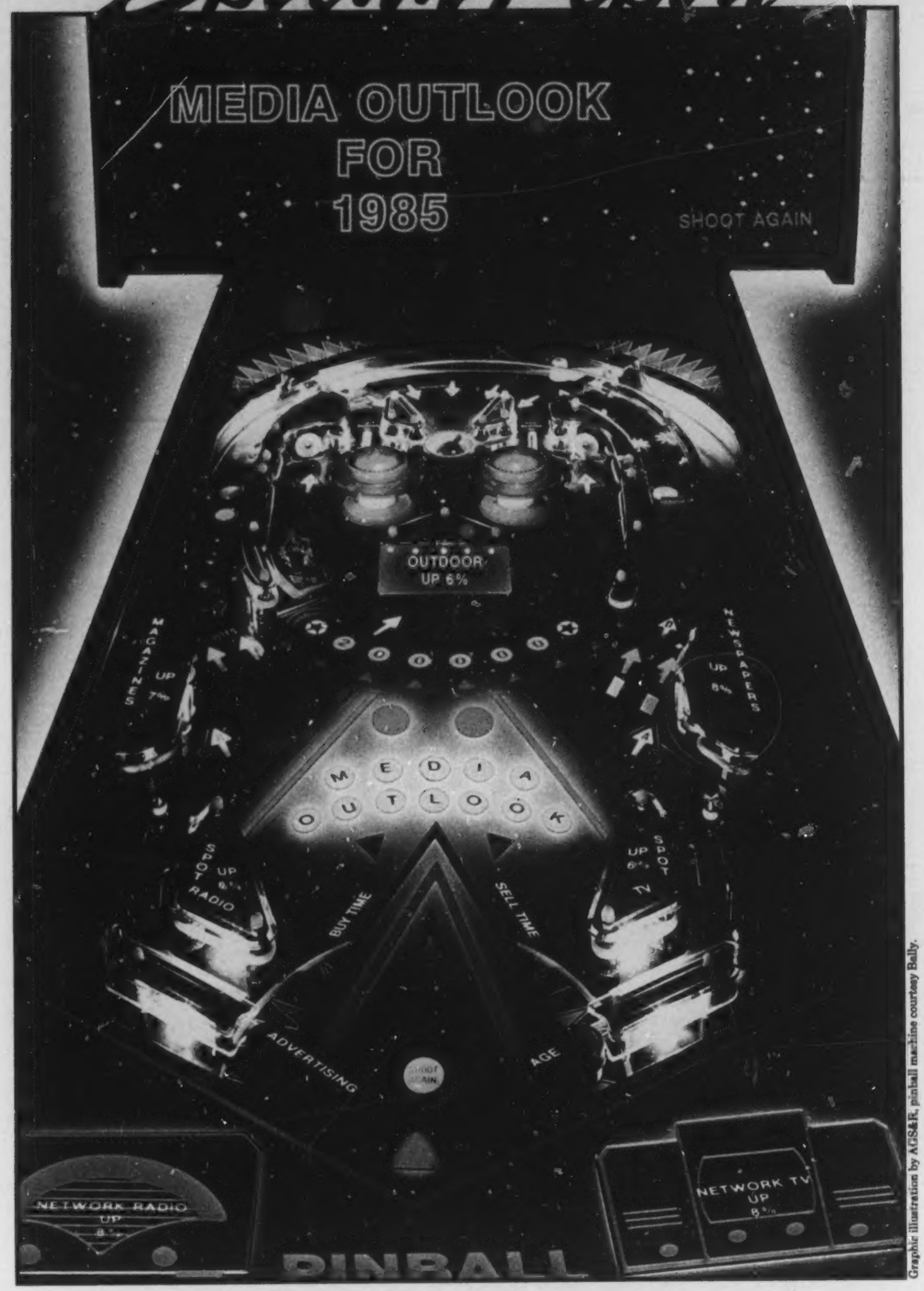
A further drawback to competitive "framing" is that this concept cannot account for likely changes in the effectiveness of new creative and media moves by competitors.

Another approach to budgeting ad dollars is the surprisingly widespread use of a "leftover" technique. In this case, the ad budget is simply the total of all remaining revenue funds (plus a planned profit contribution) after other costs are subtracted.

As primitive as the approach may seem, it offers practicality. Its use also recognizes that we really know very little about optimizing media expenditures, but it doesn't consider potential gains in adver-

(Continued on Page 46)

Special Report



Graphic illustration by AGS&R, pinball machine courtesy Bally.

Price increases to moderate in 1985

By Robert J. Coen

Media inflation in 1984 failed to track the general inflation rate, as had been expected. The composite increase of all media prices went from 7.1% in 1983 to 8.2% in 1984. The gross national product price deflator for the full year is expected to rise only 3.8%, as it did last year.

Since the middle of 1983, retailers and manufacturers have experienced a surge in pentup buyer demand. This is why media prices rose sharply again in 1984 while most other prices continued to move only moderately higher, in the range of 3% to 5%.

In 1985, the economic expansion will be considerably smaller than it has been, and next year's advertising activity will not receive the extra stimulus of the Olympics or the elections. The media inflation rate in 1985 most likely will be significantly lower than it has been this year.

Media price trends

Media price trends correlate with total inflation over long periods of time, but shifts in supply and demand are the major explanations for short-term price changes.

Because network tv prices have been rising faster than inflation and most other media prices, this category provides an ideal illustration of the way these variables influence price changes for the perishable time and space units of all media.

> **Shifts in supply and demand are the major explanations for short-term price changes.**

Brief observations about the recent trends in the other major media follow the more detailed review of network tv trends.

Network tv

Tv clearly has demonstrated that it can produce awareness and a minimal amount of information about products faster than any other medium. As a result, the demand for network time has grown nearly every year for a third of a century.

The table on p. 12 indicates what has happened to prime-time commercial prices between 1973 and 1983 as a result of the limited supply of prime-time inventory.

In 1973, all three networks combined had only 20,436 minutes of prime evening commercial time to sell. The increase to 23,980 minutes 10 years later is insignificant when considered in relation to the thousands of different brands bidding for these time slots.

For example, National Scanning Services, a subsidiary of NABSCAN USA, has nearly 300,000 product codes in its scanner dictionary. Some brands have three or four codes, but NABSCAN estimates there are more than 50,000 brands sold in supermarkets alone.

Ten years ago, five major product categories—food, toiletries, drugs, soaps and household supplies—accounted for 59% of all network revenues and, whenever their demand softened, network price rises were quite modest. In 1983, these advertisers accounted for only 48% of network revenues while new big spenders widened

(Continued on Page 12)

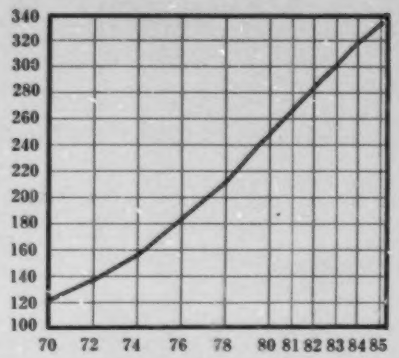
Robert J. Coen is senior vp-director of forecasting, McCann-Erickson, New York.

Cost indexes

(1985 is an estimate on all indexes)

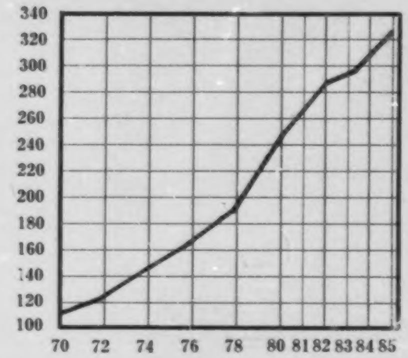
Hourly earnings

1967=100



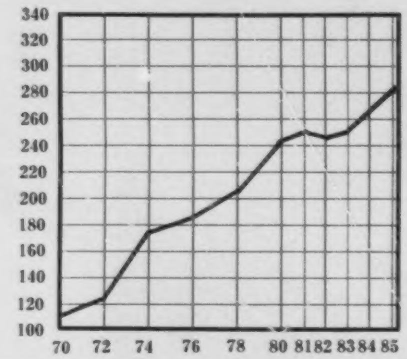
Consumer prices

1967=100



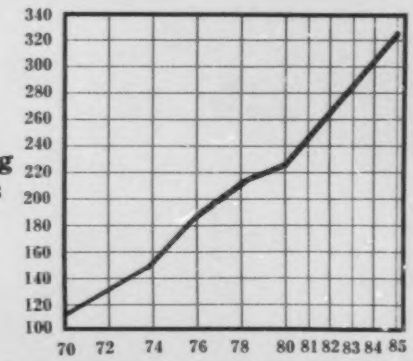
Producer prices—farm products

1967=100



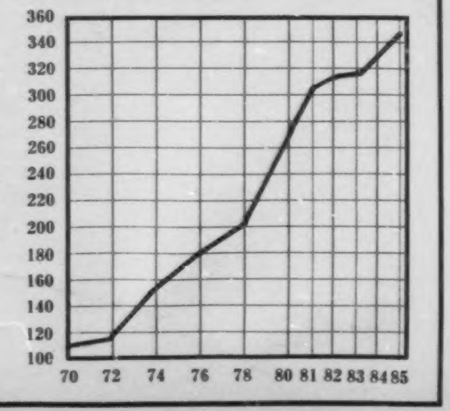
Advertising exposures

1967=100



Producer prices—industrial products

1967=100



Source for all indexes: McCann-Erickson

Increases to moderate

(Continued from Page 11)

the buyer demand.

Advertisers of beer, apparel, utilities, amusements, office equipment and financial services increased their share of network buying from 9% in 1973 to 23% in 1983.

The networks' total ad revenues in 1984 have been excellent. Total 1984 ad expenditures on the networks should rise by more than 16% over 1983. Most of this increase comes from higher prices. The number of network commercials sold will be only about 1% more than 1983, so the average cost of all network commercials will be about 15% higher than in 1983. After discounting for the extraordinary increases for the Olympic spots, the other commercials in 1984 cost 12% more than in 1983.

In 1985, the networks will continue to enjoy some of the benefits of their "sellers" market situation, but they also will confront the fact that the large cumulative rise in prices recently may eliminate buyers that no longer can afford network tv. In 1985, consumer prices are expected to rise about 5%, but network tv unit prices most likely will continue to rise at a somewhat faster pace—about 8%.

Spot tv

In 1984, the Olympics, the elections, the spillover or shift from the networks and the improvement in local retail advertising activity helped keep spot demand strong in most markets. Spot rates did not go up as fast as network rates, but a rise of 10% was higher than other media. In 1985, we expect spot prices to moderate and rise about 6%, or just a little more than consumer prices.

Radio

The radio medium is subject to about the same pressures as tv except local market conditions have more weight in determining demand.

In 1984, demand was strong and the indications are that network radio prices rose about 9% and spot 8%. In 1985, we expect to reach a plateau in demand, but we expect network radio prices to move upward 8% and spot 6%.

Newspaper

The newspaper medium is similar to tv because in most markets there is only one major "seller" of newspaper ad space. The newspaper has a monopoly and because space is limited, rates usually rise faster than other prices in our economy, even when newsprint prices fall.

In 1984, newspapers raised their rates in most markets about 9%. Even though the rate of increase will moderate slightly in 1985, we still expect price increases of 8%.

Magazines

Magazines are, in principle, no different from any other medium in their desire to maximize the rates they charge for the space in their perishable issues. The main difference between magazines and other media relates to the supply side of the relationship.

The supply of choices available as advertising options is much greater in the case of magazines than in any other medium, causing magazine rates to move up slower than other media rates. It also explains why the readers of magazines contribute (through subscriptions) much more to total publication revenues than they do in the other media.

Nevertheless, when magazine ad demand quickened in 1984, rates went up about 8% and, although moderation is expected in 1985, it still will cost about 7% more to buy magazine ad pages.

Outdoor

The outdoor media is another classic example of the supply and demand model. In the '50s and '60s, the medium lost many traditional outdoor advertisers to tv, and highway beautification pressures trimmed the supply even further.

By the end of the '60s, the supply of outdoor space had declined to a bare minimum. Then demand jumped sharply when tobacco products left the broadcast media and began to sign up for an increasing number of outdoor boards. For the past 15 years, new cigaret brands helped to swell the demand, while a proliferating number of beer, wine and liquor brands also bid for the space.

The number of locations and the quality of the locations increased slightly, but plant operators maintained a balance that kept outdoor as a sellers' market for years.

For more than a decade, the outdoor medium has obtained double-digit annual increases. In 1984, liquor and cigaret demand cooled, and the price increases for this medium finally are showing signs of moderation. This year, the increases averaged about 8%, and next year we expect price increases to

Average annual price increases

Prices	1981	1982	1983	1984	1985*
Consumer prices	+10.4%	+ 6.1%	+3.2%	+ 4.3%	+5.2%
GNP deflator	+ 9.6	+ 6.0	+3.8	+ 3.8	+4.9
Media cpms					
Network tv	9.7%	+11.9%	+9.0%	+11.0%	+8.0%
Spot tv	+10.9	+11.2	+8.0	+ 8.6	+6.0
Magazines	+ 8.7	+ 9.0	+8.0	+ 8.1	+6.0
Newspapers	+11.9	+ 9.6	+9.0	+ 8.0	+8.0

Source: McCann-Erickson
*Estimated

Media unit* cost trends (1967 = 100)

	1981	1982	1983	1984	1985**
Newspapers	279	308	336	366	395
Magazines	201	219	237	256	274
Network tv	329	365	394	441	476
Spot tv	286	317	342	376	399
Network radio	244	268	300	327	353
Spot radio	215	232	248	268	284
Outdoor	303	330	363	392	416
Direct mail	263	286	290	299	319
Composite	270	297	318	344	369

Source: McCann-Erickson

*A unit in the various media listed include a single black-and-white page for newspapers, a four-color ad for magazines, 30-second spots for network and spot tv, one-minute spots for network and spot radio, a 100 showing in outdoor (100 GRPs, which is the reach and frequency of x-amount of boards per day), and 25,000 pieces of direct mail.

**Estimated

Media cpm trends (1967 = 100)

	1981	1982	1983	1984	1985*
Newspapers	263	288	314	339	366
Magazines	188	205	221	239	254
Network tv	261	292	318	353	381
Spot tv	223	248	268	291	309
Network radio	202	220	244	264	282
Spot radio	182	195	207	221	233
Outdoor	242	262	286	306	322
Direct mail	263	286	290	299	319
Composite	244	267	286	307	329

Source: McCann-Erickson
*Estimated

NOTE: McCann-Erickson's annual advertising expenditure reports are a main source for the media price indexes. This year, McCann-Erickson has adjusted the direct mail index so one-quarter of the weight is based on the postage cost of third-class bulk mail. Three-quarters is based on the general inflation increases affecting the costs for lists, handling and production.

Network tv commercial sales and prices (Primetime 1983 vs. 1973)

	1983	1973	% Change
Hourly ad minutes of programming	6:50	6:06	+ 14.7%
Commercial minutes sold	23,980	20,436	+ 17.3
Revenue received	$3,668,877,000	$1,125,130,000	+226.0
Cost per minute	$153,000	$55,060	+177.9
Cost per "thirty"	$ 76,500	$27,530	+177.9
Homes reached	12,660,000	12,000,000	+ 5.5
Adults reached	17,220,000	18,090,000	− 4.8
Consumer Price Index	298	133	+124

Sources: BAR, Nielsen, Department of Commerce moderate even more.

In markets with unsold locations, prices may not change much at all next year, but in most markets the prices should be about 6% higher than they are this year.

Direct mail

In recent years, the volume of ad messages distributed through the mail has soared.

Two years ago, the U.S. Postal Service introduced special discounts for mail presorted by carrier routes.

That helped reduce the unit cost of mail advertising.

In 1984, the expansion in unit volume continued and postage cost per piece has been flat, but costs for mail lists, paper, production and handling are higher than they were in 1983.

Despite these other rising expenses, the mail advertiser had a very modest cost increase for each piece in 1984 of only about 3%.

In 1985, the Postal Service will raise postage prices significantly. For the year, the postage portion of mail costs will rise about 12%.

The balance of mailing costs and the other costs are expected to be more in line with the general U.S. inflation rate. The combined cost per unit of mail advertising is expected to rise about 7% in 1985.

This will be the first time in more than three years that the cost of mail advertising has risen faster than most prices in the economy.

Summary

Media time and space are perishable, so prices are influenced by shifts in supply and demand. General inflation correlates with media price change because it influences all business expenses, but if ad availabilities of a medium are limited and demand is high, the ad rates will go up much faster than the general inflation rate.

Good examples of this are the tv networks and the *Wall Street Journal.* These media are convinced that they are indispensable to a large number of advertisers. Many advertisers would agree. As a result, their ad rates have risen much faster than most prices.

Advertisers also help to bid up the price of such media if they think their use will help in the competition for market share. But if they disagree, then the tables are reversed, regardless of the general inflation trends.

In 1984, a coincidence of favorable developments led to extraordinary advertising demand, while the short-term supply of media units remained virtually unchanged.

As a result, the price of most media rose much more rapidly than other prices.

Next year, despite slackened demands, we still expect ad needs to expand more rapidly than the economy.

Ad rate increases will show some moderation, but prices for most media are likely to rise more than other costs of doing business.

Media prices are determined in a free and uncontrolled marketplace, and in 1985 the market will be a little less ebullient than it was this year. ■

Panel qualifies rosy forecast

By Herbert Zeltner

The coming year shapes up as extraordinarily bullish for the world of consumer media, but it is one in which unqualified euphoria is far from the norm, according to a survey of seven leading media directors at ad agencies across the country.

Client demands and agency efforts seem to be more intense than ever in finding better bargains, improving efficiencies, honing in on precise targets and searching for ways to prove effective advertising delivery, rather than relying on raw tonnage, the panelists say.

The experts see budgets for new products as very promising. They prove more grudgingly optimistic toward media budgets for established brands.

They peg budget increases for existing products at about 10%, which puts projections near maintenance level because the cost of media is expected to rise near those levels. On the flip side, potentially explosive growth is in the cards for new product and expansion activity, promising major increases in over-all billings.

Media mavens will continue to be fascinated, and only fascinated, with the emerging, sometimes exotic availabilities on the tv horizon, including cable and its interactive forms.

They will continue to keep a wary eye on the audience encroachment by videocassette recorders, but their interest will chase the increasing versatility of network and local tv through tie-ins that give the colossal audience media greater segmentation capabilities. One panelist calls this the "demassification" of tv.

There is more widespread interest than ever in using radio as a tonnage medium to extend audience reach—achieved, for example, by pulling some tv expenditures out of that medium and inserting them in radio to boost over-all weight—but panelists express nagging anxieties about the need to maintain costs at reasonable levels and the demand for greater accuracy in measuring smaller audiences.

Potentially explosive growth is in the cards for new product activity, promising increases in over-all billings.

Major consumer magazines are more vital and healthy than ever, but growing concerns over the pressure to negotiate rates may weaken and even kill several marginal titles, panel members say.

There is a renewed appreciation of the tried-and-true audience delivery values of traditional media forms such as newspapers and outdoor, but the industry continues to seek nontraditional, innovative approaches for applications of direct marketing, sponsorship of special events and use of blockbuster units in print and broadcast.

These media executives are involved in over-all spending and media strategy decisions across the full spectrum of consumer and industrial ad activity—durables, package goods, high technology and services—in agencies with current media billings in excess of $4.5 billion.

Their comments follow in a succession of stories. ■

Herbert Zeltner, in addition to being editor of the ADVERTISING AGE *Sounding Board, is a New York-based independent marketing consultant to advertisers, ad agencies and media companies.*

Budgets: New products to spur spending

The ADVERTISING AGE panel is upbeat yet restrained about media budget levels for ongoing brands in 1985, but there is no guarded forecasting for budgets for new brands.

Panelists footnote their outlook for ongoing brands by crediting their clients as being "reasonably optimistic." The general pattern for ongoing product spending shows media dollars increasing between 10% and 12% for the coming year.

For the most part, this increase is explained as "just trying to keep up with media inflation" where general cost increases across both broadcast and print are anticipated to be between 8% and 11%.

But this increase in established brand spending is far from routine. "Approval of budgets is not automatic," Herb Gordon of Ketchum says. "Clients are questioning; extensive rationale is needed."

Alec Gerster of Grey explains it as "not a flood of money coming in over the transom."

Paul Benjou of Leber Katz says that during 1985, media plans will take on a new dimension for both clients and agencies. He expects these plans to "become more performance and goal oriented with a serious eye toward accountability."

Others point to harder questioning than ever by clients who want support for media dollar recommendations to justify the sometimes significantly larger sums being recommended.

Ken Caffrey of Ogilvy & Mather emphasizes the intensity of the squeeze involved, saying budgets for many large package goods brands are "relatively flat" and, with expected rate increases, this puts the spotlight on finding ways to minimize losses in advertising weight.

Plenty of aggressive action, however, is expected on the new product and rollout front. One media director termed spending plans in this arena as "nothing short of explosive."

Another indicated two clients, viewed as "sleeping giants," will be moving out smartly in 1985 with expenditures 20% to 50% greater than their corporate ad dollar totals in 1984.

Among reasons for the expected extraordinary increases behind new product introductions and expansion programs are the enormous amount of development and testing over the past several rebuilding years.

There is a widespread belief among major marketers that large sums of dollars should be committed soon, "while funds are still available," in a strenuous attempt to safeguard and enlarge company franchises in the marketplace.

For instance, two media directors say their clients' strategy seems to be one of moving fast in 1985 to beat "the next downturn" in the economy, now being anticipated for 1986.

In regard to strategy approaches, media plans will become more complex and detailed next year. Don Stork of Advanswers terms it a need to "cross over all media lines" to adjust programs to follow changing audience patterns. He says the old traditional formats are breaking down more rapidly now and instead of attempting to dominate a medium, an advertiser is trying to dominate competition.

Peter Triolo of William Esty sees a "need for different scenarios"—a requirement to look at many more alternatives than before—yet with disciplined thinking supported by a solid base of facts and statistics.

Still another aspect of 1985 media planning continues to be a trend spotted over the past years—Mr. Triolo terms it "staying loose," or maintaining a high degree of fluidity in plans to meet changing developments in the marketplace and to provide companies the opportunity to adjust budgets as financial requirements dictate.

A result of all of these evolving forces are media programs that continue a pattern seen a year ago—more fine tooling and use of more selective media. The evolution is rolling out quickly toward making national media planning sensitive to geographic and demographic precision needs. ■

Officers offering outlook

The media officers participating in the ADVERTISING AGE panel on media outlook are:

- Paul Benjou, senior vp-media director, Leber Katz Partners, New York.
- Kenneth Caffrey, senior vp-executive director of media operations, Ogilvy & Mather, New York.
- Alec Gerster, senior vp-director of media and programing, Grey Advertising, New York.
- Herbert D. Gordon, senior vp-media services, Ketchum Advertising/USA, Pittsburgh.
- Raymond A. McArdle, senior vp-media director, D'Arcy MacManus Masius, New York.
- Don Stork, president, Advanswers Media/Programing, St. Louis (joined by John Marlow, senior vp-marketing).
- Peter Triolo, senior vp-media director, William Esty Co., New York. ■

Ad-supported media grow more robust

By John S. Suhler and David C. Lamb

The communications industry is a large and vital sector of U.S. and Canadian business and is becoming increasingly so. These communications companies represented more than $50 billion in revenues in 1983.

Five segments of the communications industry that are either entirely or partially advertising supported accounted for more than half of the communications industry revenues last year. They accumulated an even greater percentage of industry pretax income.

The five ad-supported segments—radio and tv broadcasting, cable and pay tv, business magazine publishing, consumer magazine publishing and newspaper publishing—consistently have outperformed the communications industry as a whole in both growth and performance.

While the communications industry increased revenues at a compounded annual rate of 12.9% over the past five years, the ad-supported sector managed 14.0% annual growth. The contrast is starker if ad-supported media are compared with a composite of the five other communications segments—business information services, book publishing, entertainment programing and distribution, recorded music and miscellaneous—which had a compounded annual revenue growth rate of 10.3% over the five years.

John S. Suhler is president of Veronis, Suhler & Associates, a New York investment banking company specializing in mergers and acquisitions in the communications industry. Since 1983, VS&A has represented clients in 22 investment banking transactions totaling more than $320 million. David C. Lamb is an associate in the company and editor of the VS&A "Communications Industry Report," from which the following material was extracted.

In pretax income growth, the communications industry as a whole and its ad-supported sector performed more closely. For both, pretax income growth has accelerated every year since 1979.

But, the ad-dependent subset outpaced the industry in pretax operating income compounded annual growth, 12.6% vs. 11.6%. The subset not supported by advertising experienced income growth of 9.7%.

Individually, the ad-supported segments generally perform well in comparison with other segments of the communications industry, frequently appearing among the top of the industry's 10 segments on the basis of several standard performance measures.

Four of the five did so, for example, in terms of 1983 return on assets—both pretax income and cash flow—as well as on the basis of 1983 pretax and cash flow operating margins. Three of the five appeared in the top half of the industry when 1983 margins are compared with those in 1979.

The charts and discussion that follow detail the growth and performance of each of the five ad-supported segments over the past five years. Taken as a whole, the performance of these sectors is upbeat, particularly when the effects of the recession are factored in. The segments' performance over that difficult period was admirable and the rebounds that some segments—notably newspapers—experienced in 1983 were encouraging.

The accompanying charts are totals for 250 company segments reported in the VS&A study of publicly-held companies. VS&A reports a company's communications segment, such as consumer magazines, under the VS&A communications category of the same name when the company's consumer magazine revenues are 60% or more of total revenues generated in the corporate segment in which it is placed. Many companies group their communications lines in segments whose over-all revenues may dwarf those of the communications lines. In these cases, where revenues are know, VS&A places them in a "miscellaneous" category.

Radio and tv: Cash cows

Radio and tv broadcasting stations are known as strong generators of cash. Their performance shows the reputation is well earned.

In 1983, radio and tv companies recorded a 12.8% annual revenue growth, which not only equaled their 1982 growth rate but bettered their five-year compounded annual growth rate of 12.3%.

The companies' operating income increased 14.4% in 1983—nearly double 1982's 7.4% annual gain and the five-year compounded annual rate of 7.7%. Annual cash flow growth of 12.3% compounded was also strong.

The operating income margins have remained very stable—about 18%—over the five-year period, after a three percentage point drop in 1980.

The segment also performed well in return on assets in 1983, with an operating income return of 23.1% and cash flow return of 26.2%.

In 1983 pretax operating income margins, Times Mirror, Capital Cities and A.H. Belo led

(Continued on Page 26)

Consumer magazine publishing 1979-1983 segment operating data

($000,000)	1979	1980	1981	1982	1983
Revenues	$1,715.9	1,868.8	2,071.6	2,174.7	2,395.3
Pretax operating income	159.1	154.7	198.5	215.3	212.7
Assets	482.9	520.6	555.6	537.4	556.6
Pro-forma operating cash flow	173.5	172.0	218.8	239.2	237.0

Source: VS&A

Consumer magazine publishing 1979-83 growth and performance measures

Segment rank in communications industry in ( )

	12 company segments in sector			
Growth/performance measure	Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1979-83 compound annual growth	8.7% (8)	7.5% (7)	3.6% (8)	8.1% (7)
1983 growth	10.1% (7)	−1.2% (9)	3.6% (10)	−0.9% (9)
1983 operating margins		8.9% (9)		9.9% (9)
1983 margin index (1979 = 100)		96 (5)		98 (5)
1983 return on assets		38.9% (1)		43.3% (2)
1983 asset turnover			4.38 (1)	

Source: VS&A

Cable and pay television 1979-1983 segment operating data

($000,000)	1979	1980	1981	1982	1983
Revenues	$ 777.1	1,137.3	1,747.4	2,632.0	3,447.7
Pretax operating income	187.2	221.1	315.6	477.8	626.5
Assets	1,546.1	2,502.3	4,011.2	5,846.7	6,935.9
Pro-forma operating cash flow	296.1	378.0	551.4	847.8	1,121.9

Source: VS&A

Cable and pay television 1979-83 growth and performance measures

Segment rank in communications industry in ( )

	37 company segments in sector			
Growth/performance measure	Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1979-83 compound annual growth	45.1% (1)	35.3% (1)	45.5% (1)	39.5% (1)
1983 growth	31.0% (1)	31.1% (3)	18.6% (2)	32.3% (2)
1983 operating margins		18.2% (2)		32.5% (1)
1983 margin index (1979 = 100)		75 (9)		85 (8)
1983 return on assets		9.8% (9)		17.6% (7)
1983 asset turnover			0.54 (10)	

Source: VS&A

Ad-supported media lead communications industry

	Yearly totals					Annual growth (%)				1979-83 compound annual growth
VS&A sector	1979	1980	1981	1982	1983	1980	1981	1982	1983	
	($000,000)					(%)				(%)
Revenues										
Communications industry totals	$31,371.8	36,290.2	40,544.9	45,268.7	50,916.3	15.7	11.7	11.7	12.5	12.9
VS&A ad supported sector totals*	17,468.3	20,237.8	23,399.3	26,400.1	30,110.6	15.9	15.6	12.8	14.1	14.6
Non-ad supported sector totals	13,903.5	16,050.4	17,145.6	18,868.6	20,805.7	15.4	6.8	10.0	10.3	10.6
Ad supported sector totals w/o agencies	16,080.9	18,555.1	21,538.3	24,220.1	27,603.6	15.4	16.1	12.5	14.0	14.5
Pretax operating income										
Communications industry totals	4,916.0	5,087.0	5,639.7	6,315.2	7,614.1	3.5	10.9	12.0	20.6	11.6
VS&A ad supported sector totals*	3,060.4	3,196.7	3,700.1	4,026.6	4,922.8	4.5	15.7	8.8	22.3	12.6
Non-ad supported sector totals	1,855.6	1,890.3	1,939.6	2,288.6	2,691.3	1.9	2.6	18.0	17.6	9.7
Ad supported sector totals w/o agencies	2,871.9	2,989.6	3,498.0	3,800.7	4,651.3	4.1	17.0	8.7	22.4	12.8
Assets										
Communications industry totals	23,255.6	27,710.9	33,515.6	39,213.7	44,585.8	19.2	20.9	17.0	13.7	17.7
VS&A ad supported sector totals*	13,045.7	15,950.0	19,317.4	23,310.5	26,694.9	22.3	21.1	20.7	14.5	19.6
Non-ad supported sector totals	10,209.9	11,760.9	14,198.2	15,903.2	17,890.9	15.2	20.7	12.0	12.5	15.1
Ad supported sector totals w/o agencies	11,330.9	13,990.1	17,126.1	20,653.3	23,662.3	23.5	22.3	20.6	14.6	20.2
Operating cash flow										
Communications industry totals	5,632.2	5,992.4	6,760.6	7,840.8	9,467.7	6.4	12.8	16.0	20.7	13.9
VS&A ad supported sector totals*	3,504.9	3,761.3	4,421.9	4,979.2	6,090.9	7.3	17.6	12.6	22.3	14.8
Non-ad supported sector totals	2,127.3	2,231.1	2,338.7	2,861.6	3,376.8	4.9	4.8	22.4	18.0	12.2
Ad supported sector totals w/o agencies	3,291.3	3,522.2	4,182.6	4,705.2	5,762.4	7.0	18.7	12.5	22.5	15.0

The Communications Industry in this chart is comprised of 250 segments of companies, 141 of which are ad supported and 109, non-ad supported. For a company segment to be included in the industry totals, it must be either public or comply with many of the disclosure requirements of public companies. Revenues also must exceed $1 million.

	Pretax operating income margins (%)					1983 margin index (1979=100)
VS&A sector	1979	1980	1981	1982	1983	
Communications industry totals	15.7	14.0	13.9	14.0	15.0	95
VS&A ad supported sector totals*	17.5	15.8	15.8	15.3	16.3	93
Non-ad supported sector totals	13.3	11.8	11.3	12.1	12.9	97
Ad supported sector totals w/o agencies	17.9	16.1	16.2	15.7	16.9	94

VS&A sector	1983 pretax operating income return on assets (%)	1983 asset turnover (times/year)
Communications industry totals	18.2	1.22
VS&A ad supported sector totals*	19.7	1.20
Non-ad supported sector totals	15.9	1.23
Ad supported sector totals w/o agencies	21.0	1.25

	Pro-forma operating cash flow margins (%)					1983 margin index (1979=100)	1983 operating cash flow return on assets (%)
VS&A sector	1979	1980	1981	1982	1983		
Communications industry totals	18.0	16.5	16.7	17.3	18.6	104	22.6
VS&A ad supported sector totals*	20.1	18.6	18.9	18.9	20.2	101	24.4
Non-ad supported sector totals	15.3	13.9	13.6	15.2	16.2	106	20.0
Ad supported sector totals w/o agencies	20.5	19.0	19.4	19.4	20.9	102	26.0

Source: Veronis, Suhler & Associates, New York

*Figures include those of 13 advertising agencies

Robust

(Continued from Page 22)

the radio and tv segments of 59 companies comprising the VS&A radio and tv sector with 53.2%, 52% and 39.1%, respectively. Viacom's five-year compounded annual pretax operating income was heads above all others at 135.3%.

Cable and pay tv: Still superstars

Though profit margins have eroded from their startup days, cable and pay tv companies have performed superlatively compared with other communications industry segments.

No segment grew at a faster compounded annual rate from 1979 through 1983. In revenues, pretax operating income, assets, operating cash flow and 1983 operating cash flow margins, the cable and pay tv segment was No. 1. And its operating income margins in 1983 were the industry's second best.

The only two areas in which cable trails the communications industry are in 1983 return on assets and comparisons of 1983 margins with those of 1979. The relatively low return on assets is attributable to cable's high asset base. The relatively low margin performance stems from cable's rapid expansion.

Cable and pay tv companies posted 45.1% compounded annual revenue growth and 35.3% pretax operating income growth over the five-year period ended in 1983. While pretax profit margins dropped significantly in 1980, they have reached a plateau and are holding steady at about 18%.

The segment exhibits high cash flow strength. Its 1983 cash flow margins were 32.5%; over the five years, they grew at a compounded annual rate of 39.5%. Cash flow return on assets was 17.6%.

In 1983, cable and pay tv companies' revenues grew 31% over the previous year. While the segment recorded the slowest pace in the five-year period, it still is one area that companies operating in other non-ad-supported segments of the communications industry would like to acquire.

In 1983 pretax operating income margins, United Cable Television Corp., TCA Cable TV and Rogers Cablesystems led the cable and tv segments of 37 companies comprising the VS&A cable and pay tv sector with 37.6%, 36.5% and 34.5%, respectively.

Newspaper publishing: An undertold story

Despite publicity given to closings, newspaper publishing is alive and surprisingly healthy.

Newspaper publishing has the third highest operating income and cash flow margins in the industry—18.1% and 21.3%, respectively. And it showed the third best improvement in its 1983 margins over 1979 levels.

Among the ad-supported segments, newspaper publishing ranked second in five-year compounded pretax operating income (14.8%), behind cable and pay tv companies (35.3%). Annual income growth in 1983 of 32.5% paced the ad-supported segments, and its profit margins—both pretax and cash flow—in 1983, compared with those in 1979, showed the greatest growth.

In 1983 return on assets (a measure of pretax operating income and assets), newspaper publishing ranked fourth in the industry and third among the five ad-supported segments, slightly better than its asset turnover would suggest.

In 1983 pretax operating income margins, Thomson Newspapers, Gray Communications and Lee Enterprises led the newspaper segments of 27 companies comprising the VS&A newspaper sector with 33.4%, 30% and 24.9%, respectively. Quebecor and the New York Times Co. were 10 percentage points ahead of the rest in five-year compounded annual pretax operating income with 37.9% and 37.0%, respectively.

Business magazines: Dependably profitable

Business magazine publishers can be counted on to chalk up relatively high profit margins every year, based on results for the past five years.

This communications industry segment ranks fourth in both five-year compounded growth and 1983 annual growth of its operating income. It was also one of the four industry segments to show improved margins for 1983 over 1979.

Another measure of this segment's strength is its small asset base compared with the size of its revenues. In the industry, only consumer magazine publishers operate with a smaller relative asset base.

Business magazine publishers, although experiencing only 8.8% compounded annual revenue growth from 1979-83, achieved 10.2% compounded annual income growth and a 5% compounded annual increase in profit margins over five years.

The publishers' pretax operating margins for 1983 reached 13.9%, a five-year high and up from 11.9% the previous year. Meanwhile, 1983 pretax operating income return on assets stood at 30.8%, and 1983 assets turned over an unusually rapid 2.22 times.

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Radio & television broadcasting 1979-1983 segment operating data

($000,000)	1979	1980	1981	1982	1983
Revenues	$6,759.1	7,579.7	8,447.6	9,529.4	10,747.6
Pretax operating income	1,388.7	1,351.3	1,519.4	1,632.2	1,866.9
Assets	4,914.1	5,500.9	6,331.9	7,455.3	8,726.7
Pro-forma operating cash flow	1,520.3	1,506.8	1,702.8	1,852.6	2,123.6

Radio & television broadcasting 1979-83 growth and performance measures

Segment rank in communications industry in ( )

	59 company segments in sector			
Growth/performance measure	Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1979-83 compound annual growth	12.3% (5)	7.7% (6)	15.4% (5)	8.7% (6)
1983 growth	12.8% (4)	14.4% (7)	17.1% (3)	14.6% (7)
1983 operating margins		17.4% (4)		19.8% (4)
1983 margin index (1979=100)		85 (7)		88 (7)
1983 return on assets		23.1% (5)		26.2% (5)
1983 asset turnover			1.33 (7)	

Business magazine publishing 1979-1983 segment operating data

($000,000)	1979	1980	1981	1982	1983
Revenues	$773.2	871.9	1,002.8	1,014.8	1,084.4
Pretax operating income	102.1	109.1	116.4	120.4	150.5
Assets	390.1	420.3	462.2	478.8	498.8
Pro-forma operating cash flow	109.4	116.9	127.5	132.5	164.7

Business magazine publishing 1979-83 growth and performance measures

Segment rank in communications industry in ( )

	11 company segments in sector			
Growth/performance measure	Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1979-83 compound annual growth	8.8% (7)	10.2% (4)	6.3% (7)	10.8% (5)
1983 growth	6.9% (8)	25.0% (4)	4.2% (9)	24.3% (5)
1983 operating margins		13.9% (5)		15.2% (5)
1983 margin index (1979=100)		105 (4)		107 (4)
1983 return on assets		30.8% (3)		33.7% (3)
1983 asset turnover			2.2 (2)	

Newspapers 1979-1983 segment operating data

($000,000)	1979	1980	1981	1982	1983
Revenues	$6,055.6	7,097.4	8,268.9	8,869.2	9,928.6
Pretax operating income	1,034.8	1,153.4	1,348.1	1,355.0	1,794.7
Assets	4,005.7	5,054.0	5,759.2	6,335.1	6,944.3
Pro-forma operating cash flow	1,192.0	1,348.5	1,582.1	1,633.0	2,115.2

Newspapers 1979-83 growth and performance measures

Segment rank in communications industry in ( )

	24 company segments in sector			
Growth/performance measure	Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1979-83 compound annual growth	13.2% (4)	14.8% (3)	14.7% (6)	15.4% (3)
1983 growth	11.9% (5)	32.5% (2)	9.6% (7)	29.5% (3)
1983 operating margins		18.1% (3)		21.3% (3)
1983 margin index (1979=100)		106.0 (3)		108.0 (3)
1983 return on assets		27.0% (4)		31.9% (4)
1983 asset turnover			1.5 (5)	

Source: VS&A

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Media carrot may need gilding

Agencies' low pay, lack of training deter many

By Anna Sobczynski

The media department is no longer the refuge for the timid, bespectacled numbers-cruncher. Clark Kent slipped into the phone booth several years ago and stayed there. Media Superfolk have been emerging since.

But according to leading agency media executives, there does not seem to be enough of the Superfolk type, despite the presence of young people clamoring to get in to agency media departments.

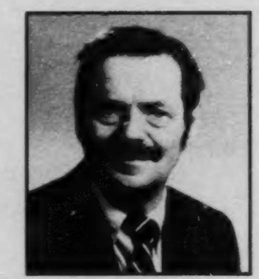
The rub is that young media aspirants are thwarted by a lack of effective training programs at agencies and by low salaries. Some of the cream is taken by media buying services and the burgeoning in-house corporate media departments, headhunters say.

And compounding the problem is a high turnover rate in media departments, note industry executives. They cite low pay and the client list as two reasons. Some accounts burn people out—"hectic accounts that operate very close to the deadline and those in which things are constantly changing," says Edward Weiner, senior vp-media director, Avrett, Free & Ginsberg, New York. Computers also have freed media people from certain automated functions, but they have lowered manpower needs.

There is no shortage of manpower available to media—at least at the front door. At the Chicago offices of D'Arcy MacManus Masius, between 50 and 75 resumes arrive in the morning mail each week. That translates into almost 4,000 inquiries a year. D'Arcy can take in only about two of these media aspirants, says Joseph P. Zeller, senior vp-media director.

Once these two media novices have been singled out to work for one of the top agencies in the country, they can expect to earn between $12,000 and $14,000 a year. "It's the lowest, poorest paying job in the entire world," Mr. Zeller says.

Compared with the entry-level salaries of other agency positions, "the poor media schlepp is at the low end of the totem pole. Those going into account work, for example, can make probably $4,000 more to start," says Mr. Zeller, who refers to this time as the "dues-paying period."



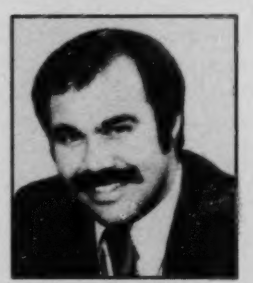
Leo Burnett USA likes to grow its own media talent, according to senior vp Willard G. Hadlock.

Those willing to accept that $12,000 for the next few years can anticipate generous salaries once they attain higher level positions. A second bright spot is the note of optimism voiced by Simmy Sussman, president of Sussman & Morris Associates, a New York-based marketing and advertising agency executive placement company. She says salaries have risen this year between 15% and 25%, including entry-level positions.

In 1979, the beginning assistant media planner was paid between $10,000 and $12,000 annually. This year, those at entry level can ask the moths in their wallet to make room for an additional $1,500 to $3,000, she says.

During that same five-year period, upper-level salaries have been going through the roof, according to Ms. Sussman. A senior vp-media director's annual salary almost doubled, from an upper limit in 1979 of $80,000 to more than $156,000 in 1984. It's worth waiting in the wings as an understudy if you're one of the "bright, shining stars" media directors look to light up their lives, Ms. Sussman says.

But it's difficult to attract stars at disposable lighter prices. Media stars have to compete with account managers and creative directors. "Advertising agencies put a very large emphasis on creative. That's what they win accounts on. So they pay a lot of money to creative people," says Charles T. Scimeca, chairman of Century Media Corp., a New York-based media service.



Terrific creative work needs good media planning, says Charles T. Scimeca, Century Media Corp.

Observers say the employe turnover rate also is higher in creative than in media, which adds to the disparity in salary. Still, Walter A. Staab, president of SFM Media Corp., a New York media buying service, says he is convinced that in terms of contribution, "creative people and account executives command a disproportionate share of the salary funds."

Mr. Scimeca says lack of foresight by agencies will catch up with them. "Because less money goes to the media department, the result is inferior planning and buying. So even if you have all this terrific creative, it doesn't follow through [to the marketplace]," he says. The low salary makes it difficult to attract the special people. Ms. Sussman is trying "to raise the salary level in order to raise the caliber of the candidates."

When Mr. Zeller looks for new media faces for D'Arcy, he's not looking just for a degree, though that's a requirement, and he's not looking just for prowess in the use of numbers, though that, too, is a factor. He's looking for those who are "antsy, cocky, aggressive. For those who did something other than just get a degree, whether they played lead guitar in a rock band, or were captain of the football or debate team. Something that says this person has a deeper dimension. People who have a super-high energy level."

The media person is at the low end of the totem pole, says Joseph P. Zeller, senior vp, D'Arcy.

The prospective D'Arcy candidate who passes the screening test heads for the interview. If it becomes apparent that the interviewee wants to get into account management courtesy of the media department, the candidate is pointed toward the exit door.

Those who are interested in pursuing media as a career find "that creative is not limited to the creative department, and that they can express themselves, generate ideas, and see those ideas become reality," Mr. Zeller says. Unlike the account management person who is usually saddled with one account, the media person often works with all the agency's clients.

There are those who escape even the most watchful media director's scrutiny and reveal that they've been account management devotees in disguise. But for those who do not have master's of business administration degrees, which generally are

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Anna Sobczynski has contributed stories in the past on media buying as a career.

Robust

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Pretax operating income increased nearly half again over the five years. In 1983, it surged 25% over 1982, substantially bettering the five-year compounded annual growth rate. The 1983 performance was the best of any in the period for this segment and a recovery from the 3.4% in 1982.

In 1983 pretax operating income margins, United Newspapers (Gralla), McGraw-Hill and Harcourt Brace Jovanovich led the business magazine segments of 11 companies comprising the VS&A business magazine sector with 22.7%, 17.1% and 14.8%, respectively.

Consumer magazines: Efficient asset users

Consumer magazine publishing is a communications industry standout for its efficient use of assets. But in other types of measures, the segment trails the industry norm.

Consumer magazines posted the highest 1983 operating income return on assets (38.9%) and the second highest cash flow return (43.3%), with the highest asset turnover of an industry segment—4.38 times in 1983. This performance is all the more impressive because the segment was one of two in the industry with both operating income and cash flow margins below 10%.

In both five-year and 1983 growth measures, however, the segment performed somewhat below the average of the communications industry. Its best performances came in operating margin increases in 1983 over 1979, on which it ranked fifth. Its best performance on other five-year, as well as 1983, growth measures was seventh.

Among the five ad-supported segments, consumer magazine publishing ranked first in the most efficient use of its assets. It stood in the top three in 1983 margin growth over 1979. It ranked near or at the bottom on the basis of other measures.

Consumer magazine publishers experienced 8.7% compounded annual revenue growth, 7.5% compounded annual income growth and a 4% decline in profit margins over the five years. The segment's pre-tax income margin in 1983 was 8.9% —down from 9.9% in 1982.

Consumer magazine publishers' revenues grew 10.1% during 1983, up from the previous year's 5% annual growth rate. The 1983 result was better than the compounded annual growth rate for the past five years. Pretax margins for 1983 were 8.9% —down from 9.9% in 1982.

In 1983 pretax operating income margins, TL Enterprises, Webb Co. and Times Mirror led the consumer magazine segments of 12 companies comprising the VS&A consumer magazine sector with 45.6%, 15.9% and 14.4%, respectively. ■

Interconnects may be cable's link to ad growth

By Kevin Brown

When 3M turns on its new microwave interconnect on Long Island early in 1985, buying of local advertising on the area's cable systems will become less cumbersome and more like buying spot tv.

The new microwave interconnect, called Metropolitan Transmission Center, will link 17 local cable systems with more than 1 million subscribers. It also will provide direct insertion for spot cable advertising into four ad-supported networks, offer computerized billing and improved picture quality, and provide video recording of the first and last frame of each commercial.

Such so-called "hard" interconnects as the 3M system are helping advertisers eliminate the guesswork in buying cable by providing better ad verification procedures (through the frame recording), cutting the costs connected with dubbing commercials and offering entire markets as a one-buy, one-invoice option.

The $4 million interconnect system in New York replaces a "soft" interconnect in which the member cable systems had a contractual association through which a single commercial tape is dubbed 17 times and "bicycled" to the systems.

"We try to make cable as much like other media as we can for the advertiser," says Tom Sassos, vp-general manager of Cable Networks Inc., a subsidiary of 3M and a national rep company. CNI represents cable systems in 12 of the top 25 tv markets, giving it a market of 4.8 million subscribers reaching 13% of the total cable universe.

It is this type of coverage with just one buy and one tape that should help build spot cable into a stronger medium for national and regional advertisers.

The potential is big. In 1983, for example, spot cable buying of $50.4 million represented 18% of total cable spending of the four dominant networks monitored by Broadcast Advertiser's Reports. And in 1984, total spot spending should rise to $80 million, according to Paul Kagan Associates, cable industry consultants.

Currently, cable systems are pulling in only an estimated 1% of gross revenues from advertising, even though Mr. Sassos at CNI and system general managers say those numbers should be 3% to 5%. The formation of interconnects is seen by many as the means to make up that difference.

But the ad dollars in cable at this point are staying with the ad-supported networks. Part of the reason is that even interconnects are hamstrung by local factors. Channel capacity often is tied up by the number of local broadcast stations for which cable systems are required to reserve channels under the Federal Communications Commission's "must-carry" rule. National networks generally give a system two minutes for each hour of programing for local advertising.

The "hard" Bay Area Cable Interconnect, for example, is far from its ad dollar potential. Not all of the 37 systems in the interconnect carry all the major ad-supported networks available on the interconnect.

"There are as many as 22 must-carries," says Jack Yearwood, vp-general manager of the five-year-old interconnect, who says slightly more than 1% of the anticipated $300 million in spot tv spending in 1985 in the area of dominant influence will channel through the interconnect. "The interconnect intake should be 5%."

Too many reps can spoil the broth, according to Melissa Helms, ad and promotion manager for Prime Cable, part of the Atlanta Cable Advertising Network, a soft interconnect system. Prime is one of eight systems in the interconnect covering 117,300 subscribers.

"The advantage of having an interconnect lies in the use of a single rep firm. Too many rep firms selling ads leads to confusion and a devaluation of a market's ad time," she says.

If several reps are selling spot cable, and one is having trouble selling time, he might offer that time for less money, bringing down the price of spots in an entire market.

CNI is attempting to persuade the Atlanta "soft" system to go "hard." "But none of the systems want the other to own it," CNI's Mr. Sassos says.

Kevin Brown is an editorial assistant for AD AGE.

Franchises group to expand coverage

An interconnect is a group of cable franchises in one major market that join contractually to sell advertising.

Coverage depends on the number of subscribers and the individual system's ability to insert local advertising on national ad-supported cable networks, such as MTV: Music Television, Cable News Network and USA Cable Network. The equipment needed to insert ads costs between $25,000 and $50,000 for each network.

The networks allow an average of about two minutes an hour for local ad insertion. Systems divide that time between their interconnect, which provides national and regional spots sales, and their own sales force.

Some systems may keep as much as 75% of their ad time for local use.

The rest of the time is sold by national sales reps such as Cable Networks Inc. and Nationwide Cable Rep. In most interconnects, ads sold by national reps can be inserted on one or more of the cable systems.

Of the more than 40 operating interconnects, most use two kinds of ad distribution. The first, called "soft," involves copying tapes of commercials and sending them to systems within the interconnect. Commercials are inserted by systems at the same time in what is known as "simultaneous traffic."

"Hard" interconnects use computers through which the ads are microwaved or cabled to members and inserted directly onto national cable networks.

Although some interconnects use a combination of both soft and hard distribution—depending on the capabilities of member systems—more than 20 are hard. A few hard interconnects are separate corporate entities, owned by some or all of the member franchises, or by an outside company.

System owners and interconnect general managers say hard distribution is less expensive. In some soft interconnects, video dubbing, billing and distribution expenses may run more than $750,000 a year, according to one general manager.

Making the transition from soft to hard costs between $1 million and $5 million, depending on the number of systems in the interconnect and the number of cable networks on which ads will be inserted. *—K.B.*

Top 25 cable systems line up networks for local ads

Rank	System	Operator	Basic subscriptions	Ad-supported networks*																			Interconnect status	Total subscriber reach	No. of systems
				USA	MTV	ESPN	CNN	CNNHN	LIFE	NICK	ARTS	TNN	CBN	FNN	TWC	BET	SIN	SPN	MSNC	CM	LC	**			
1	San Diego, Cal.	Cox Cable	250,001 Nov. 1984	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓								✓	San Diego Interconnect-hard	375,000	2
2	Woodbury (Long Island), N.Y.	Cablevision Systems	235,000 Sept. 1984	✓	✓	✓	✓	✓	✓	✓	✓	●	✓	✓	✓					●		✓	N/A	N/A	N/A
3	San Antonio, Tex.	Rogers Cablesystems	200,000 Oct. 1984	✓	✓	✓	✓	●	●	●	●	●	●	●	●	●	●	●		●		✓	N/A	N/A	N/A
4	Manhattan, N.Y.	ATC	188,000 Dec. 1983	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓						✓	Metropolitan Transmission Center-soft	1,000,000	13
5	Houston, Tex.	Warner Amex	185,000 Oct. 1984	✓	✓	✓	✓	●	✓	●	●	●	✓	●	✓	●	●			●	●		Houston Qube Interconnect-hard	200,000	4
6	Orlando, Fla.	ATC	170,000 Dec. 1983	✓	●	●	●		●	●	●	●	●		●		●						N/A	N/A	N/A
7	East Orange, N.J.	Maclean Hunter	169,000 Nov. 1984	✓	✓	✓	✓	●	●	●	●			●		●						✓	Metropolitan Transmission Center-soft	1,000,000	13
8	Wayne, N.J.	UA Cablesystems	132,000 Oct. 1984	●	✓	✓	✓		●	●	●	●	●	●		●		●				✓	Metropolitan Transmission Center-soft	1,000,000	13
9	Cincinnati	Warner Amex	130,000 Nov. 1984	✓	✓	✓	✓	●	✓	●	●	✓	✓	●	●	●		●	●	●	●	✓	N/A	N/A	N/A
10	Englewood, Colo.	United Cable	120,000 Nov. 1984	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	●	✓	●	✓	Colorado Alliance for Cable Advertising-soft	179,000	6
10	Tulsa, Okla.	United Cable	120,000 Oct. 1984	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓				✓		✓	N/A	N/A	N/A
12	Audubon, N.J.	NYT Cable	118,500 Nov. 1984	✓	✓	✓	✓		✓	●		●	●	●									N/A	N/A	N/A
13	Atlanta, Ga.	Prime Cable	117,350 Sept. 1984	✓	✓	✓	✓	●	●	●	●	●	●		●	●		●	●		●		Atlanta Cable Advertising Network-soft/hard	185,000	8
14	Rochester, N.Y.	ATC	115,000 Nov. 1984	✓	✓	✓	✓	✓	✓	●	●	✓	●										N/A	N/A	N/A
15	Baltimore County, Md.	Comcast Cable	110,829 Nov. 1984	●	✓	✓	✓		✓	●	●	●										✓	N/A	N/A	N/A
16	Tidewater (Norfolk), Va.	Cox Cable	108,000 Sept. 1984	✓	✓	✓	✓	●		●		✓	●		✓								Tidewater Cable Interconnect-soft	175,000	3
17	Erie County, N.Y.	International	106,000 Nov. 1984	✓	✓	✓	✓		✓	✓	✓	✓	●									✓	N/A	N/A	N/A
18	San Jose, Cal.	Gill Industries	104,000 Oct. 1984	✓	✓	✓	✓		●			●	●							●			Bay Area Cable Interconnect-hard	574,000	37
19	Jacksonville, Fla.	Continental	100,000 Nov. 1984	✓	✓	✓	✓	✓	●	●	●	●	✓			●			●				Coastline Communications-hard	110,000	2
20	Austin, Tex.	ATC	98,900 Dec. 1983	✓	✓	✓	✓	●	●	●		●		●	●		●	●		●			N/A	N/A	N/A
21	Seattle, Wash.	Group W Cable	98,000 Sept. 1984	✓	✓	✓	✓			●	●	✓											Northwest Cable Interconnect-soft	285,000	5
22	San Juan, P.R.	Harris Cable Corp.	97,582 Nov. 1984	●	●	●	●	●	●	●	●		●					●					N/A	N/A	N/A
23	Hauppauge, N.Y.	Viacom Cablevision	97,438 Oct. 1984		✓	✓	✓	✓	✓	●				✓	✓							✓	Suffolk County Interconnect-soft	145,000	3
24	Honolulu	ATC	97,100 Dec. 1983	✓	✓		✓	✓	✓					✓									N/A	N/A	N/A
25	Toledo, O.	Buckeye Cablevision	97,000 Nov. 1984		✓	✓	✓		✓	✓			✓									✓	N/A	N/A	N/A

Source: Cabletelevision Advertising Bureau, Cable Networks Inc., Nationwide Cable Rep. and Advertising Age research.

*Ad-supported networks:

✓ indicates that system inserts local advertising on network

● indicates that system carries network, but does not insert local ads

Note: some networks may be received only on upper tiers

**Carries other sports channels with local ad insertion, some through local interconnects

USA Cable Network (USA), MTV: Music Television (MTV), Entertainment Sports & Programming Network (ESPN), Cable News Network (CNN), CNN Headline News (CNNHN), Lifetime (LIFE), Nickleodeon (NICK), ARTS & Entertainment (ARTS), The Nashville Network (TNN), Christian Broadcasting Network (CBN), Financial News Network (FNN), The Weather Channel (TWC), Black Entertainment Television (BET), Spanish International Television Network (SIN), Satellite Program Network (SPN), Modern Satellite Network Channel (MSNC), Country Music (CM), Learning Channel (LC).

Deregulation may scramble time buying

By Maurine Christopher

The year ahead will be a time of wondering about and watching how the broadcast deregulatory picture in Washington will shape up and what the impact will be on the buyers and sellers of tv and cable time.

Waiting for the next act to unfold on raging controversies held over from this year are the proposed higher ceiling for tv station ownership and must-carry requirements for cable systems. Meanwhile, the Federal Communications Commission's sidetracked, tentative order to repeal the ban against network prime time co-production and domestic syndication languishes in bureaucratic limbo.

Revisions of the status quo on any one of these and lesser issues by the FCC eventually could trigger balance of power realignments that will affect the media buying community.

Generally, a second administration in the White House brings with it a shift in approach, a tightening of established policies or movement to different ones, and cast changes in the cabinet offices and at the regulatory bureaus.

The crucial figure to keep an eye on for media developments is Mark Fowler, the incumbent FCC chairman. He has been a vigorous quarterback and gung-ho cheerleader for deregulation in all areas of communications.

Will he push as hard to keep the "free market" momentum going in a second Reagan term, as he did in the first? Last year, the chairman was reined in by President Reagan after the FCC had voted to let the networks return to domestic program syndication. Later, Mr. Fowler was halted in his tracks by Congress after he and his fellow commissioners voted to raise the limit on tv station group ownership to 12 and to lift any limit by 1990.

Some industry kibitzers speculate about whether Mr. Fowler might follow a well-trodden path and leave his $71,100 government post for a bigger salary in the private sector in 1985. Others say "this good Reagan soldier" may be rewarded with a deputy cabinet post, though Mr. Fowler has told associates he plans to remain as chairman.

Even so, Washington sources already are theorizing about who might be most likely to take over as FCC chief if Mr. Fowler moves. Some FCC insiders would like to see Mimi Dawson, who has been on the commission for 2½ years. However, there is always the possibility that the White House may bring in a new face.

Regardless of who is in the chairman's office in 1985, these deregulatory controversies remain.

Revisions of the status quo by the FCC eventually could trigger balance of power realignments that will affect the media buying community.

Already the single company or individual ownership ceiling on radio stations has been increased from seven to 12 each for am and fm. Gannett Co., which had its full complement of seven am and fm units, jumped ahead of the field to buy KKBQ (am, fm) in Houston for $35 million, thereby becoming the first group owner to advance beyond the previous limit. But radio stations are so plentiful that larger groups will not change life noticeably for time buyers.

In contrast, expansion of tv ownership, especially if ABC, CBS and NBC were allowed to add more stations, could be devastating for sponsors and program suppliers, according to Jack Valenti, president of the Motion Picture Assn. of America, and Ted Turner, chairman of Turner Broadcasting System. Messrs. Valenti and Turner are two of the most spirited opponents of the proposal on the back burner to raise the single owner maximum for tv to 12.

So far, the advertising community has not voiced concern about the proposed limits for tv station ownership.

David Braun, media services director of General Foods and chairman of the Assn. of National Advertisers tv committee, doesn't expect the large station groups to raise any problems for sponsors if and when they are authorized by the FCC to purchase additional stations.

He and other advertisers say they believe bigger, stronger groups might be helpful for them and for tv in general. The groups would have improved resources for program development, and they would provide the facilities for ad hoc networks to help keep the Big 3's sponsor prices in line.

Rates are the name of the game. Traditionally, they are fought eyeball to eyeball almost continuously in the marketplace. Never has this been more evident than in 1984 because of the football free-for-all that followed the courts' dismantling of long-term network tv contracts with the National Collegiate Athletic Assn.

Unless ABC, CBS and NBC flouled the antitrust laws by trying to force tie-in sales for network and spot, an unlikely and impractical event that has rarely if ever happened, this scrapping over rates will continue to be the case even if single owner station lists are permitted to expand.

Further, odds are that the proposed 12-station rule, including a provision to remove all limits within six years, is dead. After several congressional committees acted to halt the implementation of the revised tv station ownership policy, the FCC issued a stay order until April 1 and promised to reconsider.

The staff is struggling through another huge stack of com-

Maurine Christopher is Advertising Age's roving editor and Videotech columnist.

Media budgeting needs creative touch

(Continued from Page 3)

tising productivity as creative and media strategies are improved.

Regardless of which approach budget planners prefer, there is a shortcoming in using any of these devices.

None takes into account the impact of advertising cost changes over time. Linked to this need for a longer term frame of reference is the need to apply the knowledge accumulated over past years about a given brand's response to varying spending levels.

Media price escalation has been more intense than the general consumer price index over the past 10 years, making a longer trend line more important in devising media budgets. Between 1975 and 1984, the consumer price index rose 88%. For that time period, network tv is up about 170%; network radio 185%; magazines have doubled, and newspapers have increased 125%.

Some recent experiences by this writer in working with clients to determine brand spending levels suggest that most ad executives have become numb to price increases, but they sometimes are surprised to see what it takes to buy the same media several years later.

Examining brand budgets over several years and matching them to long-term media cost movements will give the planner an indication of what the correct budget should be, and it will add a new frame of reference from which the adequacy of ad dollars can be tested.

How do we go about an exercise of this sort? The chart illustrates general price trends—all expressed on a current dollar basis (unadjusted for inflation)—for both out-of-pocket costs and estimated costs per thousand.

It takes a representative "market basket" of various popular buys in each of seven significant media categories for national advertisers and estimates price quotation trends using 1975 as a base of 100.

The 1984 figures shown are an index for each of the seven categories nine years later.

The entries factored in for 1984, however, are for the first six months.

The 1985 figure uses anticipated price increases for each category based on a recent poll of top agency media directors.

Naturally, individual media sales representatives or other analysts might have different figures based on other assumptions. Regardless of what each number might be, the general direction remains the same and should be helpful as an indicator.

Using these ballpark estimates—each of which demonstrates a more rapid price increase than for the whole economy—can lead to some dramatic points of comparison. Two examples:

Example A

Assume that in 1975, spending for a nonbroadcast brand was $1 million, half in consumer magazines and half in run-of-press newspapers.

By 1984, total media spending would have to have risen to $2.15 million simply to maintein the composition of the program.

If our estimate of rate increases for these two print categories for the coming year is used to approximate 1985 levels, the budget will have to rise to $2.31 million just to remain even.

Example B

A decade ago, it would have been reasonable to assume that a nationally distributed grocery package goods product heavily involved in broadcast would have been spending at about a $5 million level.

Assuming that half the dollars were spent in network tv and the other half split evenly between spot tv and network radio, the escalation over the next nine years is striking.

Spending totals in 1984 would have to rise to much more than $13.5 million to stay even with the unit cost increases over the nine years.

In estimating what it would take to hold cost increases steady for 1985, media funds would have to rise to more than $14.7 million.

Needless to say, astute media and marketing management can do many things beyond simply "hanging on for dear life" in meeting the insistent cost increases of important media.

Commercial time lengths, space unit size and color treatment can be modified to achieve greater efficiency.

Dayparts can be shuffled or magazine title choices can be rearranged in an attempt to stretch dollars.

Advertising weight can be concentrated more tightly in presumably more responsive areas to get back more sales response.

The fact remains that the cost of advertising—across all categories and in almost all forms—has gone up well beyond the consumer price index. It is essential that serious planners keep in mind the true extent of this erosion when trying to determine the adequacy of a budget.

One way is using the figures that accompany this article as a testing device. If a planner wants to be more specific to his own needs and media profile, he can change the base data or make refinements or adjustments.

Use of the cpm track rather

National advertising media
Price trend indexes by category
(1975 = 100)

	Out-of-pocket current dollars	CPM current dollars
Network tv		
1984*	270.0	275.0
1985*	297.0 (up 10%)	303.0
Spot tv		
1984	260.0	248.0
1985	281.0 (up 8%)	268.0
Network radio		
1984	285.0	263.0
1985	302.0 (up 6%)	279.0
Spot radio		
1984	213.0	190.0
1985	230.0 (up 8%)	205.0
Magazines		
1984	205.0	195.0
1985	221.0 (up 8%)	211.0
Newspapers		
1984	225.0	223.0
1985	241.0 (up 7%)	239.0
Outdoor		
1984	220.0	205.0
1985	238.0 (up 8%)	221.0

*1984 = Preliminary
1985 = Estimate

Source: Herb Zeltner

ments. Before the end of the year, the staff and the commissioners will be working quietly to evolve a compromise to mollify Congress and its powerful committee chairmen. As always, the FCC doesn't want Congress snatching the ball.

Some combination of a numerical and population percentage limit may be voted on early next year, assuming the revamp goes smoothly. Many people believe the population reach is more essential than the number of stations, especially for the more coveted vhf channels.

The Turner request for a retention of the current seven-station cap (five vhf and two uhf outlets) reminds the regulators that there are only 23 markets among the 100 largest that can boast four hometown vhf channels. Turner Broadcasting System executives argue this fact makes a fourth, broadcast tv network physically impossible.

Allowing the Big 3 to buy as many as 12 tv stations "would directly reduce the feasibility of such ad hoc networks by increasing the ability of the major networks to prevent the emergence of such a competitive threat and would increase the incentive of large group owners to behave like the networks," TBS executives say.

Formulas being discussed at the FCC include a 25% population reach nationally for a single group owner in the case of vhfs and 30% if some are uhfs. There is talk of raising the demarcation by another 2.5% for minority owners.

In and out of Congress, most people expect the limit for tv to be modernized somewhat in line with changes in the communications industry.

It is only fair, this theory holds, that broadcast groups get some relief because today they must compete with wired tv, videocassette machines and satellite-to-home delivery.

On the other hand, most observers say they believe that the current form of a new rule that will welcome the Big 3 back into domestic syndication and prime-time program partnerships is in a deep coma from which it will not recover, at least during the current administration, because of lack of support from the President.

Had that order not been stymied by President Reagan, Mr. Valenti and others, independent stations, which heve been made hearty by popular offnetwork reruns, would have gone into decline, many independent general managers say. That, in turn, would have strengthened the network-owned stations and other affiliates in their bargaining with advertisers.

From the sponsors' vantage, the most significant controversy may be the "must-carry" rule. This regulation requires a neighborhood cable system to schedule virtually all local on-air channels with any appreciable reach in its coverage area, even though the channels may be a duplicate or a triplicate of ABC, CBS, NBC or public tv.

Cable operators and programers find this unreasonable, unjust and a potential drain on the budget. They argue the public interest, necessity and convenience would be better served if the system could replace one of the ABC schedules with Cable News Network or one of the CBS schedules with USA Cable Network, for example.

However, if the must-carry rule were loosened to permit cable operators to elect not to carry all of a Big 3 network schedule in favor of samplings from the cable satellite, media buyers and planners would find life more stressful as they try to get the kind of coverage required by big marketers.

TBS has sued to force the FCC to put the must-carry issue on its calendar for rule-making consideration, but this is a slow process. The FCC shows no signs of giving it priority, although the commission is considering whether teletext and other services run during the vertical interval space should be accorded must-carry status along with the main tv station signal.

Media Outlook report coordinator: Craig Endicott.

Coming

Next week ADVERTISING AGE's Special Report will focus on Cable Television.

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than out-of-pocket estimates might be preferred if weight maintenance, rather than dollars, is being watched.

The media research units of many agencies as well as the various media promotion organizations all can help with historical data and computations.

Regardless of which yardsticks are used, it seems more necessary than ever that planners acquaint their account people and client marketing executives with the true extent of media inflation when the subject turns to budgets.

After all, these figures suggest that the cost to marketers of advertising in national media forms has doubled or even tripled in some cases over the past nine years.

Obviously, if brands' advertising budgets have been edging up incrementally each year and not holding to this accelerated pace—as many have—marketers have been buying less media exposure than they perhaps thought.

Still, a budget increase is a budget increase—in real terms—after inflation adjustments are made.

A good practice might be to start advertising budget meetings with a reminder of how much less valuable the dollar has become—not only in the supermarket but in the media market.

These longer term trend figures should help in spotlighting the issue. They also should lend more realism to the debate about whether ad expenditures are too high, too low—or just right.

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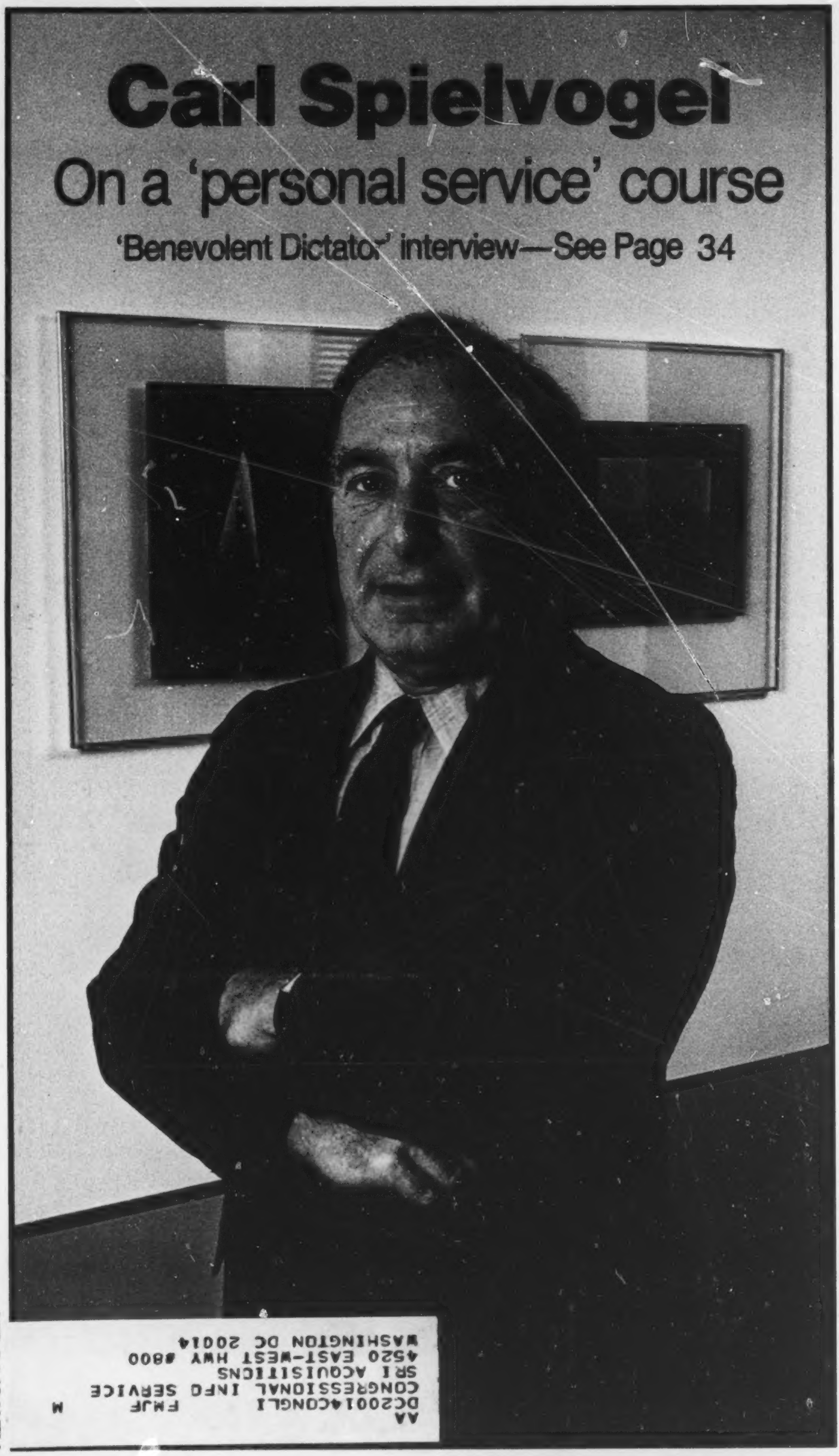

Carl Spielvogel

On a 'personal service' course

'Benevolent Dictator' interview—See Page 34

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P&G rethinks media-buying strategies—net tv losing

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Hitler 'diary' aftershocks shake future for 'Stern'

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Agencies like the looks of controversial U.S. tax plan

—Page 3

Global media: A revolution is unfurling in world arena

—Special international section

Morris collared for new drive

By RUTH STROUD

TERMINAL ISLAND, CAL.—Star-Kist Foods has Morris the cat on the prowl again, this time in a $20 million campaign—its largest ever—for two new cat food lines, breaking nationally in April.

It was the finicky feline that helped turn Star-Kist Foods' 9-Lives canned cat food into the dominant brand in the $1.9 billion cat food category. Now Star-Kist is making a more aggressive effort to capture a larger share of the other two segments of the category—soft moist and dry cat foods.

The H.J. Heinz Co. subsidiary is putting the big push—about double what it has spent annually on its 9-Lives brand—behind the introduction of 9-Lives Tender Meals semimoist cat food and 9-Lives Crunchy Meals dry food products. The company, which claims it accounts for one-third of all canned cat food sold, believes these two other segments, which have an annual dollar volume of nearly $1 billion, represent its strongest opportunities for growth in cat food.

Star-Kist already had semimoist and dry items under the 9-Lives name. It apparently plans to absorb these into the new lines. Morris never was used to promote them. Sylvester the Cat, the Warner Bros. cartoon character, appeared on the packaging and in tv spots.

In addition to the media spending, Star-Kist plans an intensive $10

(Continued on Page 96)

Shulton touts new format for tv spots

By PAT SLOAN

NEW YORK—During the next three weeks, American Cyanamid's Shulton USA division will try to sell the tv networks and major syndicators on five 30-second and 60-second pilot vignettes that would air as lead-ins to commercials for Shulton's women's brands.

Shulton's sales pitch comes as the company, best known for its Old Spice men's products, is trying to increase its appeal to women because of its growing number of women's products, said Jim Gibbs, advertising services director, Shulton USA, Lederle Labs and Jacqueline Cochran Inc.

Shulton, which has introduced Ladies Choice antiperspirant and is adding a styling mousse to its Breck haircare line, also is testing two women's skincare products, Equa-Balance and SanSoucis. But the vignettes, Mr. Gibbs said, also could be used before commercials for Lederle's Centrum vitamins or even some of Cochran's fragrances.

The vignettes, created by Sister's Arts and consultant Darren Kloomack, are not informational but dramatic/comedic soliloquies of women's concerns, such as food binging, reentry into the work force and childbearing versus career choice. At the conclusion of each monolog, a bridge line such as "Intimacies from Ladies Choice" or "Intimacies from Centrum" is used to segue into the appropriate commercial.

Mr. Gibbs said Shulton tried a similar 60-second concept three years ago, called "Portrait of a Woman," but "we never sold anyone on running them."

Mr. Gibbs believes the concept is valid based on the strength of similar sports fillers, such as Seventh Inning Stretch, for the men's market.

With the Intimacies program, Shulton would pay for the production costs of each filler, which came to about $7,000 each, plus the following 30-second commercials. It would be left to the network or syndicator to create time for the "Intimacies" spots, either by using the spot as a filler or taking a minute out of another program.

Given that, Mr. Gibbs is fully aware "that we will have to buy our way in to make them interested. If everyone isn't happy, this won't go. Everyone has to

(Continued on Page 94)

Highlights

G. Heileman Brewing, La Crosse, Wis., is introducing nationally Black Label 11-11 Malt Liquor. The new brand is Heileman's fourth entry in the category. *See Page 10.*

Benevolent Dictator Carl Spielvogel turned his experience working for the *New York Times* into a job at McCann-Erickson and Interpublic Group of Cos. He now is chairman-chief executive officer of Backer & Spielvogel. *See Page 34.*

"Rome wasn't built in a day," says William O'Neil, founder of *Investor's Daily*, and that's the philosophy he's following in building circulation and respect for his new publication. *See Page 62.*

Even as Lee Iacocca still is turning on his considerable public charm in Chrysler Corp. ads, the current architect of the new Chrysler corporate image is pondering how to follow that act after the flamboyant chairman leaves. *See Page 80.*

Defying traditional wisdom that summer is the best time to sell, imported beer marketers are resorting to heavy media spending to get their high-brow brews into the hands of holiday celebrants. Meanwhile, Anheuser-Busch and White Rock Products are responding to concerns about holiday overindulgence by promoting low or no-alcohol beers. *See Page 86.*

Computerized desk-organizer marketers are clamoring for attention from a potentially huge business market. *See Page 88.*

Control Data Corp., a computer services marketer, claims it has a remedy for profit-conscious consumer-product brand managers who can never get enough numbers to crunch from their ad agencies. *See Page 88.*

Cover photo by Arnold Adler.

CORPORATE CLOSEUP

Success and ambition are firmly established attributes at National Convenience Stores, which owns and operates 1,100 convenience stores. *See Page 4.*

FORUM

Hal Katz, exec vp of Vitt Media International, urges advertisers to challenge their ad agencies on media decisions. *See Page 16.*

Kenneth Brown, a public policy researcher, says that the revolution in communications and computers is yet to come. *See Page 16.*

VIDEOTECH

Bristol-Myers Co. is sponsoring a one-hour Easter special on ABC Television starring Martin Sheen and Alan Arkin that is being produced by Paulist Productions, an independent not-for profit company with ties to the Paulist Order of the Catholic church. *See Page 69.*

A new service that for the first time will provide cable operators with extensive demographic information about nonsubscribers in their franchise areas will be marketed next week. It should be a boon for operators. *See Page 70.*

COMING THURSDAY

SPECIAL REPORT

The promise of local programing, local access and local advertising has been elusive in some markets, but in others cable is almost living up to its various expectations.

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McGraw rewrites the book along marketing lines

By STUART J. ELLIOTT

NEW YORK—McGraw-Hill will reorganize $400 million worth of operations and recast its top executive lineup to redeploy itself along market rather than product lines.

The realignment, effective Jan. 1, cuts six line units to five operating units and creates three new executive posts. It is extensive enough that even a press release issued Nov. 29 characterized the changes as "sweeping."

In the most significant realignment, Donald Fruehling, 53, president, McGraw-Hill Book Co., will be promoted to a new corporate post, exec vp-publishing operations. Howard Hosbach, 53, president, Standard & Poor's, will become president, McGraw-Hill Financial & Economic Information Co., a new operating unit that combines two of the six old line units—S&P and Data Resources—and the recently acquired Monchik-Weber Corp. Joseph Kasputys, 48, who was Data Resources' president, will take a new corporate post, exec vp-development, and serve as the company's chief economist.

Among the important shifts on the organizational chart, Mr. Fruehling will report to Joseph Dionne, president-chief executive officer, McGraw-Hill, as will Mr. Hosbach, though his new post is an operating, not a corporate, post.

By moving into his new corporate post, Mr. Fruehling becomes a major player in McGraw-Hill's future. He will be the company's fourth exec vp, joining Mr. Kasputys; Brenton Harries, exec vp-corporate development, and John Cave, exec vp-chief financial officer. Industry analysts speculate this could put him in line for the presidency should Mr. Dionne be promoted to chairman when chair-

(Continued on Page 94)

NBC finds glory, too

Sweeps cheer CBS

By JAMES P. FORKAN

NEW YORK—When the November sweeps period ended last week CBS emerged easily as the victor, but NBC, still relishing its role as this season's spoiler, outpointed ABC.

The ratings period, which ended Nov. 27 in Arbitron's book, the following night in Nielsen's, found NBC as the only network to improve over the sweeps a year ago. ABC was hindered by its poorest November performance since 1968, and CBS suffered its first third-place finish during a regular season week since September '80 (AA, Nov. 29).

ABC's brightest spot came when the $4.5 million "Ewok Adventure" tv movie, co-produced by Lucasfilm, helped lift it to No. 2 for the week ended Nov. 25.

NBC, whose Nielsens in Weeks 8 and 9 were bolstered by the two-part "Fatal Vision" drama, boasted that its ratings were up about 5% compared with November '83. In contrast, CBS and ABC ratings declined by 10% and 15%, respectively.

CBS, hurt by "Vision," "Ewok," a two-hour "Love Boat" and its own unappealing Tuesday and Wednesday tv movies, is sticking by the view that weekly series are the backbone of long-term success. David Poltrack, CBS' vp-research,

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GLOBAL MEDIA

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A media revolution in the making

By DENNIS CHASE and KEVIN COTE

These two trends—the globalization of media and the globalization of markets—go hand in hand, and together they are changing the shape of our lives—Lee Huebner, publisher, *International Herald Tribune.*

From Hong Kong to Paris to New York, a melodrama is unfolding as media executives try to figure out what media globalization means for them.

What they are finding so far is that it is too soon to tell.

The term "global media" generally refers to those publications that have a substantial circulation on several continents, have global editorial content, are primarily in English and in which advertising in all editions can be purchased from one central office.

It differs from international media, which typically are indigenous publications shipped to foreign markets.

While global media has received most of the attention, so far advertiser interest has focused more on regional markets than global markets. For example:

- When the *IHT* started printing its newspaper in Asia in 1980, Mr. Huebner predicted that 50% of the newspaper's U.S. and European advertisers would add the Asian circulation onto Europe. Instead, 80% did.
- When *USA Today* started distributing in Europe a scaled-down, 16-page version of its U.S. edition, Vincent Spezzano, president of USA Today International Corp., expected to reach mostly U.S. tourists. Instead, he is finding that a surprising number of Europeans are buying the paper as well.
- When the *Wall Street Journal* launched its European edition in January, 1982, many observers predicted that a major circulation victim would be the *IHT*. Instead, the *IHT's* circulation increased faster after the *Journal* arrived in Europe than it had before.

However, there are signs that the market for global media may burgeon at any time:

- When Rupert Murdoch purchased the pan-European tv channel, Sky Channel, many predicted the venture would fail because of language differences throughout Europe. Instead, Sky Channel executives were astonished to find that Europeans are so hungry for tv they will watch drama programs in English even if they don't speak the language.
- Several publications, including the *IHT*, *Financial Times* and *International Management*, are considering publishing U.S. editions. The main reason is to match the discounts being offered by competing media to advertisers who buy space in the U.S. edition and "add-on" foreign editions.

But for every global success, there is disarming news.

The number of U.S. advertisers placing global ads—which appear in every edition of the publication—is small. Both *Time* and *Newsweek* executives say only a few advertisers ran ads in nearly every edition this year.

Both newsweeklies are global publishing pioneers, but, ironically, are now creating regional editions for advertisers who want to pinpoint markets instead of going global.

Furthermore, the global market is unstable, even in the business-to-business category.

Bank ads, normally recession-proof, are off sharply this year because of bank failures and profit declines.

The strong U.S. dollar has wreaked havoc with global publications' media rate cards. Savvy advertisers consider arbitraging British pound sterling and Italian lira rate cards against U.S. rates that don't match and get "discounts." To keep up, media rate cards have to be changed often.

Tv, the logical mass medium for global consumer ads, has problems with a web of idiosyncratic government and cultural restrictions that have given advertisers, agencies and media executives nightmares.

In most countries, tv commercials are not afforded the same First Amendment-type protections that they receive in the U.S. The International Advertising Assn. next year will publish a major study showing that United Nations and other international charters guarantee protection.

So which advertising works globally? Corporate image and product advertising by financial institutions, aerospace and computer marketers, airlines, rental car companies and hotels are hot.

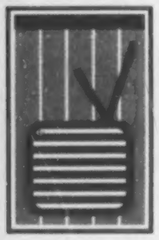
On tv, it seems sports, music and children's programing work worldwide, but advertiser sponsorship arrangements are complicated.

The best advice seems to be that of Lewis Young, president of Diebold Group, international management consultants, and former editor of *Business Week*:

"The trick," he told marketers recently, "is knowing what will work on a global basis—and don't push too hard."#

The identity crisis that bedevils 'WorldPaper'

By MITCHELL LYNCH



BOSTON—Everything's just fine in Nigeria.

At least that's how *WorldPaper's* local correspondent sees things in a dispatch from Lagos, the capital, where the new military government has launched a "war against indiscipline."

The generals are "restoring moral ethos and social values," the article goes on to say.

Some early results: "Rowdy public scenes are fast disappearing. Bus drivers rebuke passengers for rushing. Bank clerks admonish customers who cut in line."

And that's not all: Former politicians are routinely tossed into prison for terms running from 21 years to life.

Two newspaper reporters are sentenced to a year in prison and their paper, the *Guardian*, is fined $66,000 for "publishing false information."

Why, notes the article in obvious approval, even condemned armed robbers have reason for thanks under the new regime. "The trials are faster than before," it says.

The article is written by Abiodun Lewis, an associate editor at the *Guardian*, the Nigerian newspaper fined all that money, whose reporters were imprisoned.

What?

Is *WorldPaper* putting the reader on? Is this stuff tongue in cheek?

No, it's just another article in yet another monthly issue of *WorldPaper*, designed to be no less than "a newspaper for the global community."

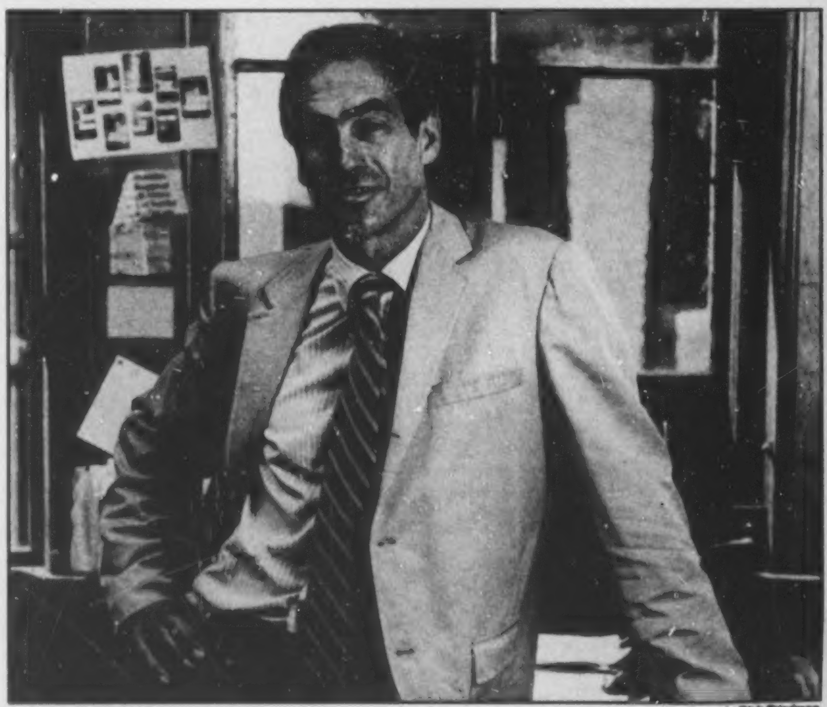
Published in Boston, the newspaper supplement is dedicated to putting the world's events into perspective, thus creating better understanding and global harmony.

While at it, *WorldPaper* is out to make a buck, too.

But five years after it began publishing, *WorldPaper* seems to be having an identity crisis. The tabloid has had to lower the loftiness of its goals, and its circulation sights have shriveled from global to a scattering of 18 countries, mostly in the Third World. It has yet to penetrate and hold distribution in the U.S., Canada and Europe—except for Norway.

Its policy of having news covered only by local editors and reporters often causes far

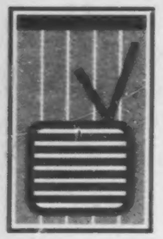
(Continued on Page 59)



Photograph: Rick Friedman

Crocker Snow, *WorldPaper* publisher, says his newspaper is for the "global community," but circulation is limited and some critics say the publication lacks credibility.

Global media: How the giants cope



For global publications, battles in the boardrooms of the companies they cover are nothing compared to their own fights for the global advertising dollar. Like evenly matched boxers, the Wall Street Journal *goes up against the* Financial Times *and* International Herald Tribune; Business Week *takes on* Fortune *and* The Economist, *and* Time *and* Newsweek *export their U.S. battles internationally. Herewith our reports:*

'IHT' battles back against competition

By DENNIS CHASE

New York—There was a time when Europe was wide open territory for anyone aiming to become pan-European media, and advertisers had little choice but to do business with the only player in town, the *International Herald Tribune*.

But like the Wild West in the U.S., those days are long gone. They started eroding in earnest when the *Financial Times*, the leading financial newspaper in the U.K., launched a European edition in 1979. They took another blow when the *Wall Street Journal/Europe*, was launched in 1983, and now face the last roundup when *USA Today*, which is aiming for the expatriate and tourist end of the *Tribune's* readership, starts printing in Europe next year.

The new question that observers are asking is: Can the *IHT* maintain its position as the premier pan-European newspaper in the face of this onslaught?

"I don't see how the *IHT* can keep up [in Europe] unless it gives space away to advertisers," says Mike Wilson, *Wall Street Journal* advertising manager for North America.

IHT publisher Lee Huebner hotly disputes this. "It's like saying that the *Journal* in the U.S. competes for readers with the *New York Times*," he says. "It's not a zero-sum situation."

The fight for global readers and advertisers is not confined to Europe. Both the *Wall Street Journal* and *IHT* have major Asian editions, the *FT* is considering printing an Asian edition in 1986 and *USA Today* is also exploring Asia.

They are moving so quickly because initial growth can be rapid. Since the *WSJ/E* entered Europe 23 months ago, the *Journal* has increased its European circulation from 7,500 to 25,411 in about four years less time than it took to reach that figure in Asia. Advertising is averaging four pages an issue this year, up from three pages last year.

Executives at the *FT* also are happy with worldwide circulation that grew to over 215,000 this year, or 13% over 1981. Advertising volume is up 30% in pages this year over last, partially due to a 10-week printers' strike in 1983.

But the biggest surprise has been the *IHT's* resilience. The *Tribune's* circulation has grown 7% since 1983, to 157,560, including 4% growth in Europe, to 119,769, and 11% in Asia, to 24,103.

"Our fastest growth since 1967 has occurred since the *Journal* arrived in Europe," says Mr. Huebner. Advertising linage is up "slightly," he says, but adds, "We've looked at this campaign by campaign and found we have not lost any advertising to the *Journal*."

One reason may be positioning. The *Journal* constantly stresses the "quality" of its demographic profile, which surveys show is the "highest" in Europe, it says.

Conversely, the *IHT* stresses its broad appeal and bills itself as the "in-flight" newspaper because it is often given away by airlines.

However, all of those in the race for European and Asian readers have had to adjust to the new crowded marketplace, and several problems have emerged:

U.S. edition. Neither the *IHT* nor the *FT* prints in the U.S., which puts both publications at a major disadvantage to the *Journal*, the largest-selling newspaper in the world, largely because of its more than 2 million U.S. circulation.

IHT officials have considered distributing the paper in the U.S., concentrating on New York where the global ad community it is trying to reach will see it. "One of our big problems is that the people who advertise in the *IHT* don't read it every day," said Richard Morgan, *IHT* associate publisher.

The *FT*, with its 6,000 circulation receiving the publication days late in the U.S. now, likely will print a U.S. edition next year.

Add-ons. In the race to see who can offer the best discount and split-run deals to advertisers, all publications are looking to start new editions. Dow Jones is investigating a Latin American edition. The *IHT* has looked at—but is not now "actively" considering—offering advertisers in the *New York Times* and *Washington Post* (two of its owners) the opportunity of "adding on" the *IHT* at a discount.

Publisher Lee Huebner says the *IHT* is flourishing.

For the *FT*, "in the long term we want add-ons [in a U.S. edition], but what's the magic circulation number we need in the U.S. to get them—that's the question," said Laurance Allen, director of FT Publications in New York.

These add-ons can be a saving for advertisers. For example, the cost of a page this year in the *IHT's* Europe and Asia editions is $27,730, or 14% less than if an advertiser bought separately into each edition. Not surprisingly, 80% of all the *IHT's* advertisers buy a "global" ad, compared with a far smaller percentage at the *Journal*.

Tombstone ads. In the race for what had been a big advertiser category, the *IHT* has probably lost some "tombstone" ads—announcements that deals involving public shares have been completed—to the *Journal* and the *FT*. But those have been replaced by corporate and "personal finance" ads from brokerage houses, for example, so the *IHT* now gets only 20% of its ad revenues from financial ads, compared with 30% five years ago.

What will happen if tombstone ads stage a comeback, as some expect? The *IHT's* Mr. Huebner says tombstone ads are less important than in previous years, but the *Journal's* Mr. Wilson expects them to kick up and heighten the competition. "Let's face it, tombstone ads aren't going to run in seven different books," says Mr. Wilson.

News mix. As the only daily international newspaper that tailors its coverage to individual markets, the *Wall Street Journal* still is struggling to get the right mix of U.S. and foreign news.

In Asia, where *Journal*-type news is difficult to come by because most of the local press is government-controlled, the paper has been forced to run some stories from the U.S. edition that have only marginal interest in Asia.

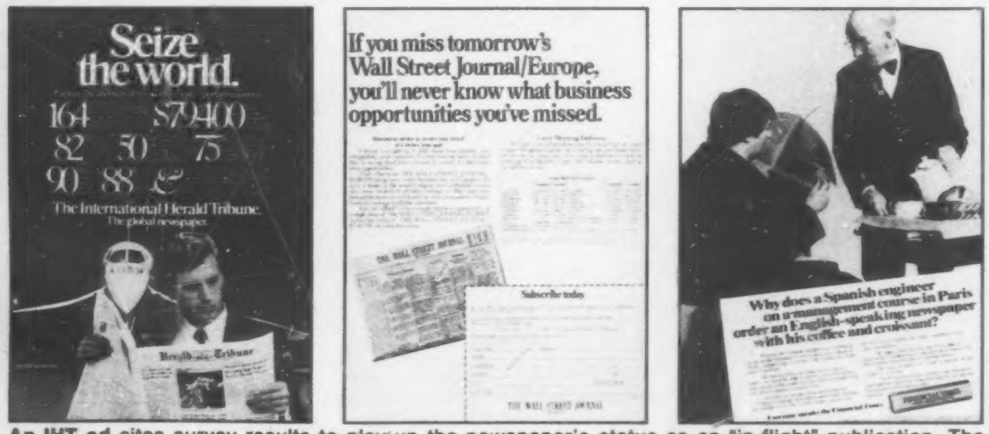
"We still haven't figured out the right mix," admitted one *Journal* executive.

Dow Jones & Co. recently named Robert Keatley, former editor of the *Asian WSJ*, as the third editor of the *Wall Street Journal/Europe* in less than two years.

Mr. Keatley's plan is to increase the European content of the European *Journal* at the expense of some U.S. stories. This is sure to raise howls from many readers who complain they miss the U.S. coverage of the old international air edition, shipped from the U.S.

"We won't drop anything of significance, but there are many U.S. stories that just don't travel well," says Mr. Keatley.

The *IHT* also has added an "American Topics" column, to counter the *Journal's* U.S. coverage, and recently added a "Personal Finance" section, partly because advertising in this category is up 50% this year.#



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The International Herald Tribune
The global newspaper
Herald Tribune
If you miss tomorrow's Wall Street Journal/Europe, you'll never know what business opportunities you've missed.
Subscribe today
THE WALL STREET JOURNAL
Why does a Spanish engineer on a management course in Paris order an English-speaking newspaper with his coffee and croissant?

An IHT ad cites survey results to play up the newspaper's status as an "in-flight" publication. The *WSJ/Europe* ad stresses local news coverage while the *FT* touts its pan-European readership.

'Fortune' and 'BW' at global ad impasse

By KEVIN COTE

New York—*Business Week* and *Fortune* are finding the global marketplace is a little like the Tar Baby in the Uncle Remus stories: The harder you hit it, the deeper your fists get stuck.

When *BW* launched its international edition in 1981, two years before *Fortune* did the same thing, the McGraw-Hill flagship magazine was in an enviable position.

The "international" edition was a carbon copy of the U.S. publication, except for the pure gravy of extra ad pages from advertisers wanting foreign circulation only.

This resulted in such curiosities as foreign readers attempting to call "800" telephone numbers originally appearing in ads designed for U.S. readers only, but now also advertised in the "international" edition of *BW*.

Fortune initially tried something similar, and both magazines became so cluttered with ads (only a portion of which made sense to readers outside the U.S.) that each publication was split for the first time into two advertising editions: Domestic and international.

What neither publication counted on was U.S. advertisers who talked a global game but never came across.

"When we offered the international edition and inflated its profile, all of a sudden many advertisers became aware of the fact that it would be easy to buy North America and save a modest amount of money," said Michael Dudler, associate director of the international edition of *Fortune*.

Another problem was that subsidiaries of U.S.-based global companies refused to follow orders from headquarters to buy space in *Fortune*. "There is a resistance to directions out of the U.S.," said Mr. Dudler.

The Economist, rival to both *BW* and *Fortune*, also is hit by this phenomenon of U.S. advertisers opting out of international editions, or letting their foreign subsidiaries make that decision. "Our pricing structure favors the worldwide advertiser," said Sandra Ourusoff, *The Economist's* senior vp in New York.

"They [*BW* and *Fortune*] didn't do their homework," said Filberto Fernandez, an international ad executive with Bank of Boston. "I think they just lifted the publications in the U.S. without being sensitive to cultural differences."

Despite the setbacks, this year for the first time circulation of *Fortune's* international edition—90,000—surpassed the circulation of *Business Week's* edition—81,000.

But the international advertising picture has stayed gloomy, and revenues are flat for both publications this year.

Partly in reaction, both *BW* and *Fortune* have been enticing U.S. advertisers into their international editions with bargain "add-on" rates—discounts for purchases of space in more than one edition.

But those deep discounts are coming down next year.

Fortune's whopping international add-on, which boiled down to a 72% discount for advertisers buying the international edition after paying the full rate to be in the U.S. edition, is going the way of the nickel candy bar.

The add-on for next year will be pegged at 50% off the flat international rate, more in line with the 40% discount available at *BW*.

Steve Klein, a media planner at Grey Advertising, said *Fortune's* international edition has wound up on his schedules simply because the discount was all but a give-away.

On the circulation side, there is some skepticism about the ability of these publications to reach foreign readers.

At a recent New York conference, Lewis Young, former editor of *Business Week*, said, "My experience is that there is a nationalistic pride associated with publications. While we like to talk about international editions of this or that magazine, when you're in Germany, the Germans talk about 'that American publication, *Business Week*.'"

Executives at *Business Week* and *Fortune* insist their international editions are turning a profit, albeit modest ones.

In light of this, *Business Week* and *Fortune* are investing heavily in promotion and beefed-up international editorial coverage.

This comes at a time when the strength of the dollar in Europe, the largest market for both publications, is thwarting gains in ad revenues *(see story on Page 61)*.

As these magazines become less reliant on global U.S. advertisers buying off the U.S. dollar rate cards and more on foreign advertisers buying off foreign currency rate cards, the weak foreign currencies have meant poor results when translated into U.S. dollars.

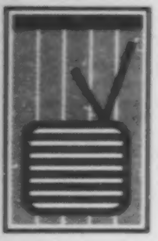
Taking this into consideration, the publications are reexamining their ad rates and taking different tacks. Denis Beran, international publishing director at Business Week, said *BW* next year will increase rates by about 4%.

At *Fortune*, revenues must in-

(Continued on Page 60)

Media giants face off in fight over European ads

By DENNIS CHASE



New York—Battle lines are being drawn in a fierce war for an international media dollar that may be moving to global publications and away from local media.

The battleground is Europe, the slugging probably will start next year and no one is pretending that the fight will be friendly.

In one corner are local newspapers and magazines, published in the language of their countries and reaching impressive shares of their target audiences. These include big European publishers, such as *Frankfurter Allgemeine Zeitung*, the leading West German newspaper, and *Le Monde*, the biggest French newspaper.

In the other corner are "global" publications—all in English and reaching relatively small shares of the same audiences. These include major U.S. publishers—Dow Jones & Co., McGraw-Hill and Time Inc.

At stake is more than $126 million in international media spending (this year's total), or 400% more than 10 years ago. This international advertising pie formerly went completely to local publications, but now is shared with publications that have "global" or pan-regional editions.

Global publishers are offering attractive "add-on" packages in which advertisers buy space in one edition at the full rate and then buy additional space in other regional editions at a discount.

Advertisers also can take advantage of split runs, which allow them to run different ads in different worldwide editions, often at a discount. The issue has come to a head in the last several years with the advent of new international editions of *Business Week* and *Fortune* and with *Wall Street Journal* editions in Europe and Asia.

Urs Wunderli: Global publications pose a threat to local media.

At an international media seminar this fall in Zurich, attended by publishers of both local and global media, "it was all very friendly and polite, but what are we being polite about?" asked an angry Urs Wunderli, president of SFW/PRI International, the largest international publishers representative based in the U.S.

"These [global] guys are trying to take away our business," said Mr. Wunderli, whose company represents *FAZ* and *Le Monde* newspapers and *Der Spiegel* and *L'Expansion* weekly magazines.

Mr. Wunderli and others are complaining that global publications only skim the top of the global business community, yet are gaining advertising revenue.

On the other hand, "purely national advertising is a luxury," said Mike Wilson, *Wall Street Journal* advertising manager for North America. "All the translation and production changes that have to be made from country to country are a waste of time."

How much advertising global publications are taking away from indigenous publications is unclear. Mr. Wunderli conceded that now it is a small amount, for example, only 2% of the total $800 million in annual revenues anticipated by Publicitas this year will be lost to international media. Publicitas is the leading European publishers advertising representative and part owner of SFW/PRI.

But "it's [bad] public relations for our company," Mr. Wunderli said. The worry is that this could snowball into losses of other business, such as market and media research and translation services.

The battle between the local and international sides could kick off in earnest next year. A group of 15 European publishers, who normally meet over cocktails but rarely have any business dealings with one another, are trying to join forces in a unique survey.

This first joint readership survey among indigenous European publications would measure a bigger universe of European readers than any of the existing pan-European surveys—as many as 10 million *(see related story at right)*.

Others doubt the survey will ever get off the ground. "It's like the Common Market—these guys are not used to cooperating with one another," said one U.S. foreign media representative.

Publishers of local media agree that their bottom lines have not suffered yet, but "it's a philosophical question," said Luyte Sieders, advertising director for Bonaventura, publisher of *FEM*, the leading Dutch business magazine, and *Elseviers*, the leading newsweekly.

"Global advertisers should first use indigenous media," he said, "and then if there is any money left over, use pan-European media, not the other way around."#

Key surveys point to successes and flops

New York—The battle for supremacy between indigenous and international publications is being waged largely around readership surveys.

International publishers say the key regional readership surveys—the Pan-European Survey and the European Businessmen Readership Survey—show that their publications are gaining ground.

But Asian and European publishers say the surveys distort the strength of pan-regional publications and underestimate the strength of local publications.

The latest PES, sponsored this year by *The Economist*, *International Herald Tribune*, *Newsweek*, *Scientific American* and *Time*, covered 7,000 "senior executives and professionals."

It found that *National Geographic* and *Reader's Digest* had the highest "average-issue readership" among international publications in Europe, while the *Wall Street Journal/Europe* had the lowest.

But the survey also found that these publications lagged far behind local publications in individual countries.

For example, in the U.K., the *Sunday Times* reaches 42% of the PES audience, compared with 15.8% for the *Financial Times*, the leading international financial publication in the U.K.

The outcome was the same for this year's EBRS, which more narrowly measures business readers. The *Financial Times* is a leading international publication among businessmen in Europe, with a 16.2% EBRS coverage.

But in one private comparison made for a client by Publicitas, the leading European publishers advertising representative, *The Economist* and *IHT* together reached only 1% of the EBRS audience in West Germany, compared with 56% for *Frankfurter Allgemeine Zeitung*, the leading newspaper.

Local business publications in Europe do far better than international publications in nearly every national survey. In the Netherlands, for example, one survey this year gives the national *Financial Economic Weekly* 13% of the survey's average-issue readership, compared with 3% for *The Economist* and 2% for *Business Week*.

Many contend that the international surveys are biased because they are financed by international media.

"The questionnaires are often adjusted from survey to survey, making it impossible to do comparisons and always benefiting the sponsoring media," said a U.K.-based media consultant.

When some U.S. ad agencies tell their clients that international media are a better buy, "we believe this is not systematically correct. . .for the same paid space" because of the additional reach of national publications, said Jean-Michel Graf, director of Publicitas' international division.

U.S. ad agencies are taking heat from critics of the global media trend. Representatives of indigenous media believe the agencies have few international media experts who truly understand local publications.

Victor Webb, president of Branham International, a media representative for such leading financial publications as *Australian Financial Review* and *Les Echos* in France, believes national publications are not getting a fair hearing because of the slick selling job done by international media.

"The indigenous media are losing by default," Mr. Webb said.#

Marketers mixing local and global ads

New York—U.S. global advertisers say global publications are at the fringe—not the heart—of their media buying plans.

"The pan-regional [English-language] publications are really an addition to local media," said Bruce Roberts, Morgan Guaranty vp-advertising.

The bank is spending $2 million this year outside the U.S. on a corporate campaign, and about 33% of that is going to pan-regional publications such as the *International Herald Tribune* and *Wall Street Journal/Europe*.

"Not one penny that we would have spent on local media has been sacrificed," Mr. Roberts said.

Some global advertisers admit that their reasons for choosing global media appear dubious.

"The problem is that many people in the U.S. are not familiar with the [local European] publications," said Nancy Trevino, international marketing communications specialist at Wang Laboratories, Lowell, Mass. "If someone comes to me to talk about, say, a [Spanish-language] computer publication in Latin America, well, a lot of people here don't speak Spanish. So it's a battle."

Last August, Wang launched the biggest international corporate campaign in its history.

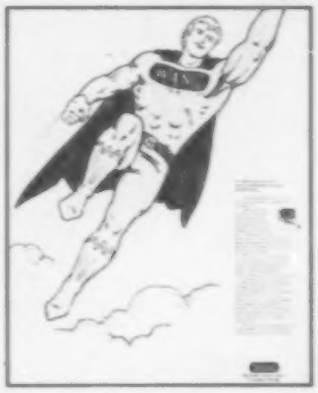
In the U.S., the campaign is based on symbols, such as crossed fingers for keeping up service commitments and a wedding ring for Wang's "partnership" with its customers. The campaign is themed "We put people in front of computers."

But in Europe and Australia, the symbols used in the U.S. campaign—created by Hill, Holliday, Connors, Cosmopulos—are replaced with symbols more familiar or acceptable to local customers. For example, in Germany, a "Superman"-type character is used to show that, by adding components, Wang computers can be made increasingly sophisticated. "You should know what your child can become," the ad reads.

The German ads were placed only in local publications.

Wang is not committed to this approach for future campaigns, however. In fact, the current U.S. campaign appears in pan-regional media in Asia, where English is more common than in Europe. The choice in Europe and Australia was strictly "creative-driven," Ms. Trevino said.

A campaign that began last spring for Pittsburgh-based Rockwell International's aerospace, automotive, electronics and general industries businesses is using mostly indigenous general-business newspapers and magazines.



Wang's German ad says: "You should know what your child can become."

The campaign, created by Campbell-Ewald, is themed "Rockwell International technology: It's in everything we do."

"There is no true pan-European publication that addresses top management people in Europe, because you need to speak to people in their own language," said Thomas Haas, Rockwell's manager for advertising.

But even Rockwell is using the *IHT* and *Wall Street Journal/Europe* for its campaign. "We need them to fill in the gaps," Mr. Haas explained.

McDonnell Douglas Corp., St. Louis, has taken a different tack. For the $1.5 million corporate campaign that it kicked off last January, the aerospace company and its agency, J. Walter Thompson USA, have used a mix of local and pan-regional publications, including *The Economist*, *Financial Times* and *Wall Street Journal/Europe*.

The campaign is appearing in 300 publications in 11 languages.

"It's a big world, and influences cross borders," said John Bickers, McDonnell Douglas director of advertising. "Let's face it. There are some powerful local publications you can't ignore."

But to keep up with competitors, Mr. Bickers is forced to use global publications, too.

"If you're playing a basketball game," he said, "you can't afford to give away points."#

How to read the chart

The global media chart on Page 51 was compiled from a survey of top media, advertiser and ad agency executives who were asked to name the leading global publications that they felt met the following criteria:

- Substantial mass circulation on at least three continents.
- Worldwide circulation of 50,000 with the circulation of its international editions equaling at least 10% of its domestic edition.
- Editorial content global in scope, and primarily in English.
- Advertising in all editions purchased through one central office. Trade books were not included because they are not mass-circulation publications.

Licensed publications also were excluded because, for the most part, they are not centrally controlled either on the advertising or editorial side.#

Advertising Age's global media lineup

	Title/Publisher	Major printing plants for int'l. editions	Paid N. American circulation (6/84)	Paid foreign circulation by region (6/84)	Paid global circulation (6/84)	Cost of worldwide B&W page ($/1985)	Global CPM b&w pg. ($/1985)	Top worldwide advertisers[1] 1984
Dailies	***Financial Times of London*** Financial Times Ltd. London	London Frankfurt	5,816	Europe: 201,610[2] Middle East/Africa: 4,820 Asia/Pacific: 2,796 Latin America: 397 Other: 381	216,400	full: 24,192 qtr: 6,048	111.79	British Telecom American Express Ford BMW British Airways
	International Herald Tribune New York Times & Washington Post	Paris London Zurich Hong Kong Singapore	2,070	Europe: 119,769 Middle East/Africa: 11,146 Asia/Pacific: 24,103 Other: 472	157,560	full: 26,500 qtr: 6,625	168.19	AT&T ITT IBM Pan American Air France
	Wall Street Journal Dow Jones & Co. New York	Hong Kong Singapore Heerlen, Neth.	1,959,873[3]	Asia: 27,727[3] Europe: 25,411	2,013,011	full: 89,049 qtr: 22,262	34.91	Hewlett-Packard[4] AT&T Wang Laboratories Citibank Bankers Trust
Weeklies	***Business Week*** McGraw Hill New York	Philadelphia PA	775,223	Europe: 40,935 Asia: 20,989 Latin America: 17,462 Other: 1,696	856,305	full: 29,720	34.72	Citibank[5] L.M. Ericsson Hewlett-Packard N.V. Philips Rothmans Int'l.
	The Economist The Economist Newspaper London	Singapore London Connecticut	101,253	Europe: 114,709 Asia/Pacific: 19,625 Africa: 6,855 Middle East: 5,923 Central & S. Am.: 4,498	252,863	full: 5,550	21.94	Singapore Airlines Barclays Bank Lufthansa Bankers Trust Pratt & Whitney
	Guardian Weekly Guardian Publications Manchester	Montreal Lincoln (U.K.)	24,569	Europe: 16,782 Asia: 12,188 Africa: 4,002 Latin America: 1,277 Middle East: 1,169	60,455	full: 957	15.82	Tyndall Managers Trenchermans Autoquest Fairlawn Apartments Amnesty International
	Newsweek Newsweek Ltd. New York	Zurich Tokyo Hong Kong Daytona Beach	3,037,277	Atlantic: 302,343 Pacific: 208,299 Latin Am.: 46,091	3,594,010	full: 82,470	19.36	Rupperts/Rothmans[4] British American Tobacco Singapore Airlines L.M. Ericsson Rolex Watch
	Time Time Inc. Publications New York	Toronto Miami, FL Weert, Neth. Melbourne Hong Kong	4,993,066	Atlantic: 525,122 Asia: 242,214 S. Pacific: 140,671 Latin Am.: 100,265	6,001,338	full: 107,358	17.89	British American Tobacco[4] Distillers Co. Singapore Airlines Rolex Watches Nissan Motors
Monthlies	***International Management*** McGraw-Hill Publications Maidenhead, Berkshire England	Singapore St. Gallen, Switz.	—	Europe: 70,440 Asia/Pacific: 30,128 Latin Am.: 30,080 Middle East: 22,086 Africa: 13,137	160,000[6]	full: 15,814	73.93	N.V. Philips Dresdner Bank Lufthansa L.M. Ericsson Combustion Engineering
	National Geographic Nat'l. Geographic Society Washington, D.C.	Corinth, MS	9,018,349	Atlantic: 683,839 Pacific: 377,459 Latin Am.: 90,275 Other: 32,932	10,202,854	full: 107,460	10.59	Canon Cameras AT&T Nikon Inc. Olympus Camera Corp. Nissan Motors
	Reader's Digest Reader's Digest Assn. Pleasantville, N.Y.	26 cities around the world	19,535,000	Atlantic: 7,302,000 Pacific: 2,181,000 Latin Am.: 1,265,000	30,283,000	full: 187,215	6.18	Unilever[4] Toyota Motors Dart & Kraft N.V. Philips Franklin Mint
	Scientific American Scientific American Inc. New York	Chicago IL	554,856	Europe: 65,842 Asia/Pacific: 21,731 Cen. & S. Am.: 6,310 Africa: 2,580 Middle East:1,513	652,832	full: 20,000	30.77	MacDonnell-Douglas Hewlett-Packard Hughes Aircraft AT&T Rolex Watches
	South South Publications Ltd. London	London	7,738	Africa/Middle East: 28,359 Asia/Pacific: 13,763 Europe: 13,472 Latin Am.: 10,573	72,718	full: 2,760	38.33	British Rail Engineering Ltd. British Leyland Combustion Engineering Citibank AT&T
	WorldPaper[7] World Times Inc. Boston	18 countries around the world	—	Latin Am.: 309,000 East Asia: 301,000 Middle East: 119,500 Europe: 26,000	755,500	full: 23,100 qtr: 8,085	30.00	AT&T Pan American Xerox Corp. Overseas Private Inv. Corp. American Express
Other	***Fortune*** Time Inc. Publications New York	Waseca, MN	616,853	Europe: 55,310 Asia: 29,992 Other: 7,748	709,903	full: 25,800	36.85	ITT Singapore Airlines General Foods Matsushita General Motors
	Harvard Business Review Harvard Business Review Boston	Glasgow, KY	211,726	Europe: 12,322 Asia/Pacific: 8,042 Cen. & S. Am.: 3,848 Africa: 2,214 Middle East: 1,496	240,046	full: 6,315	26.31	General Motors Philips Business Systems IBM AT&T Barclays Bank

[1] In all U.S. and international editions.
[2] All circulation figures in category are for June, 1983.
[3] As of September, 1984.
[4] All advertisers in category are for non-U.S. editions.
[5] All advertisers in category are for non-U.S. editions, 1983.
[6] Controlled circulation.
[7] Distributed as a newspaper supplement.

Source: compiled by Advertising Age.

Newspaper Ad Linage September 1984 vs. September 1983

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
AKRON, OH (6)				
Beacon Journal (E)	1.450.258	277.481	1.684.543	325.949
Beacon Journal (S)	1.296.108	138.865	921.669	101.168
Grand Total	2.746.366	416.346	2.606.212	427.117

NOTE: Part run figures supplied by publisher to Media Records

***ATLANTA, GA** (8)				
Constitution (M)	2.996.224	520.215	3.145.446	674.359
Journal (E)	3.106.983	542.247	3.100.575	599.935
Journal & Constitution (S)	2.842.500	895.227	2.014.465	625.389
Journal & Constitution (Sat)	836.430	——	570.033	——
Grand Total	9.782.137	1.957.689	8.830.519	1.900.683

NOTE: Constitution Morning and Journal Evening published five days a week only

Constitution Morning, Journal Evening, Journal & Constitution Saturday and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective April 30, 1984

***BALTIMORE, MD** (9)				
News-American (S)	728.939	41.552	501.174	31.392
News-American (E)	779.466	59.496	943.053	136.380
Sun (M)	2.153.428	43.121	2.205.669	143.713
Sun (E)	1.712.273	43.133	1.972.367	143.713
Sun (S)	3.396.081	108.054	2.415.121	——
Grand Total	8.770.287	295.356	8.037.384	455.198

NOTE: Sun Morning and Sun Evening started publication of a combined Saturday edition effective March 24, 1984. The linage is shown only in the Sun Morning.

News-American Sunday and Evening changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width, and Sun Morning, Evening and Sunday changed from a nine column (2664 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984

***BERGEN COUNTY, NJ** (9)				
Record (E)	2.615.024	302.456	2.791.531	319.274
Record (S)	2.894.109	386.966	2.137.370	411.737
Grand Total	5.509.133	689.422	4.928.901	731.011

NOTE: Record Evening published five days a week only

Record Evening and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984

***BOSTON, MA**				
Herald (M) (T-7)	762.827	——	752.409	——
Herald (S) (T-7)	398.905	442.784	396.383	66.360
Globe (M) (9)	2.630.065	91.550	2.711.299	153.468
Globe (S) (9)	3.900.336	365.464	2.841.188	210.544
Grand Total	7.692.133	899.798	6.701.279	430.372

NOTE: Globe changed from All Day publication to morning publication effective April 2, 1984

Herald Morning and Sunday changed from a seven column (1400 lines per page) tabloid width, to a five column (980 lines per page) tabloid width effective July 1, 1984. Globe Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width effective July 2, 1984

BOULDER, CO (6)				
Camera (M)	1.957.302	——	2.025.097	——
Camera (S)	1.059.115	——	822.850	——
Grand Total	3.016.417	——	2.847.947	——

NOTE: Figures supplied by publisher to Media Records

***BUFFALO, NY** (6)				
News (AD)	1.969.310	260.956	2.159.144	241.840
News (S)	989.599	547.208	829.408	238.760
Grand Total	2.958.909	808.164	2.988.552	480.600

NOTE: News All Day and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective May 1, 1984

***CAMDEN, NJ** (6)				
Courier-Post (E)	1.878.555	137.260	1.836.946	150.915
Courier-Post (S)	935.705	44.028	713.084	109.372
Grand Total	2.814.260	181.288	2.550.030	260.287

NOTE: Courier-Post Evening and Sunday changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective May 1, 1984

CHARLOTTE, NC (6)				
News (E)	1.072.280	——	1.156.731	——
Observer (M)	1.781.523	473.771	1.678.933	514.533
Observer (S)	1.312.041	716.216	985.844	357.450
Grand Total	4.165.844	1.189.987	3.821.508	871.983

NOTE: News Evening published five days a week only

***CHICAGO, IL**				
Tribune (Ad) (6)	2.232.019	2.558.856	2.023.522	1.712.604
Tribune (S) (6)	2.477.443	1.115.481	1.689.425	728.556
Sun-Times (M) (T-7)	2.072.616	856.473	2.570.836	748.306
Sun-Times (S) (T-7)	975.209	699.523	730.237	445.311
Grand Total	7.757.287	5.230.333	7.014.020	3.634.777

NOTE: Sun Times Morning and Sunday changed from a six column (1200 lines per page) width tabloid to a five column (980 lines per page) width tabloid effective July 2, 1984

***CINCINNATI, OH** (6)				
Enquirer (M)	2.366.190	95.344	2.296.401	168.344
Enquirer (S)	2.170.966	56.840	1.592.916	87.632
Post (E)	956.605	377.416	917.198	128.308
Grand Total	5.433.761	529.600	4.806.515	384.284

NOTE: Enquirer Morning and Sunday and Post Evening changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***CLEVELAND, OH** (9)				
Plain Dealer (M)	2.635.655	393.572	2.998.801	422.393
Plain Dealer (S)	2.198.066	82.068	1.641.541	88.503
Grand Total	4.833.721	475.640	4.640.342	510.896

NOTE: Plain Dealer Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***DALLAS, TX** (9)				
News (M)	6.129.964	279.011	5.738.368	349.834
News (S)	3.961.788	264.841	2.727.328	262.505
Times-Herald (AD)	5.502.374	196.242	4.802.412	194.306
Times-Herald (S)	2.986.406	531.081	2.147.886	438.135
Grand Total	18.580.532	1.271.175	15.415.994	1.244.780

NOTE: News Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width, and Times Herald All Day and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***DENVER, CO**				
Rocky Mt. News (M) (T-7)	5.355.647	23.189	5.625.245	1.984
Rocky Mt. News (S) (T-7)	1.837.963	——	1.148.317	51.720
Post (M) (9)	3.361.938	157.270	3.499.199	163.035
Post (S) (9)	2.658.427	44.040	2.254.921	14.472
Grand Total	13.213.975	224.499	12.527.682	231.211

NOTE: Rocky Mountain News Morning and Sunday changed from a seven column (1365 lines per page) width tabloid to a five column (980 lines per page) width tabloid, and Post Morning and Sunday changed from a nine column (2772 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984

***DETROIT, MI** (9)				
Free Press (M)	1.813.676	518.425	1.989.970	1.079.030
Free Press (S)	915.682	334.193	719.064	234.639
News (AD)	2.476.476	494.385	2.555.236	499.663
News (S)	1.942.453	299.218	1.407.303	189.972
Grand Total	7.148.287	1.646.221	6.671.573	2.003.304

NOTE: Free Press Morning and Sunday changed from a nine column (2736 lines per page) width to a six column (1830 lines per page) width, and News All Day and Sunday changed from a nine column (2808 lines per page) width to a six column (1872 lines per page) width effective July 1, 1984

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
***ERIE, PA** (9)				
Times (E)	1.238.581	7.296	1.197.324	4.704
Times-News (S)	1.275.184	186.680	965.419	40.536
Grand Total	2.513.765	193.976	2.162.743	45.240

NOTE: Times Evening and Times-News Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 1, 1984

FORT LAUDERDALE, FL (6)				
News & Sun Sentinel (S)	1.916.562	——	——	——
Sun Sentinel (M)	4.132.887	——	——	——
Grand Total	6.049.449	——	——	——

NOTE: 1983 figures not available

***FORT WAYNE, IN** (9)				
Journal Gazette (M)	1.251.490	——	1.336.197	——
Journal Gazette (S)	1.188.559	——	787.711	——
News Sentinel (E)	1.490.149	——	1.592.979	——
Grand Total	3.930.198	——	3.716.887	——

NOTE: Journal Gazette Morning and Sunday and News Sentinel Evening changed from a nine column (2790 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984. Part run figures not available

FORT WORTH, TX (6)				
Star-Telegram (M)	4.166.260	1.034.516	2.817.332	507.822
Star-Telegram (E)	2.935.366	769.356	2.189.516	542.612
Star-Telegram (S)	2.748.200	822.794	1.370.992	297.920
Grand Total	9.849.826	2.626.666	6.377.840	1.348.354

NOTE: Figures supplied by publisher to Media Records. Star-Telegram Morning, Evening and Sunday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective July 1, 1984

GARY, IN (6)				
Post Tribune (E)	1.231.314	294.952	1.217.076	298.396
Post Tribune (S)	397.866	96.488	371.434	70.812
Grand Total	1.629.180	391.440	1.588.510	369.208

NOTE: Figures supplied by publisher to Media Records

***GREENWICH/STAMFORD, CT** (9)				
Time (E)	1.427.925	——	1.386.387	——
Time (S)	987.780	——	628.368	——
Advocate (E)	1.722.526	6.816	1.884.195	14.640
Advocate (S)	1.025.377	——	672.118	——
Grand Total	5.163.608	6.816	4.571.068	14.640

NOTE: Time Evening and Sunday and Advocate Evening and Sunday changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) effective August 1, 1984

***HARTFORD, CT** (9)				
Courant (M)	2.587.350	517.619	2.694.879	520.627
Courant (S)	1.943.747	1.791.922	1.312.050	924.230
Grand Total	4.531.097	2.309.541	4.006.929	1.444.857

NOTE: Courant Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***HONOLULU, HI** (9)				
Advertiser (M)	2.232.862	——	2.471.618	——
Star-Bulletin (E)	2.071.164	——	2.349.028	——
Star-Bulletin & Advertiser (S)	1.632.471	——	1.304.746	——
Grand Total	5.936.497	——	6.125.392	——

NOTE: Advertiser Morning, Star-Bulletin Evening, and Star-Bulletin & Advertiser Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

***HOUSTON, TX** (9)				
Chronicle (AD)	5.994.172	498.062	7.816.867	460.239
Chronicle (S)	3.229.518	552.429	2.549.667	304.122
Post (M)	3.998.899	555.388	5.555.518	432.655
Post (S)	1.763.785	368.276	1.434.987	348.648
Grand Total	14.986.374	1.974.155	17.357.039	1.545.664

NOTE: Chronicle All Day and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984, and Post Morning and Sunday changed from a nine column width (2655 lines per page) to a six column width (1764 lines per page) effective July 1, 1984

***LONG BEACH, CA** (8)				
Press Telegram (M)	1.935.681	469.924	2.031.028	487.158
Press Telegram (S)	1.102.724	50.960	744.545	83.076
Grand Total	3.038.405	520.884	2.775.573	570.234

NOTE: Press Telegram Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984. Part run figures supplied by publisher to Media Records.

LONG ISLAND, NY (T-6)				
Newsday (E)	3.027.175	683.058	2.994.766	817.158
Newsday (S)	2.075.390	1.154.751	1.599.724	1.078.984
Grand Total	5.102.565	1.837.809	4.594.490	1.896.142

***LOS ANGELES, CA** (8)				
Times (M)	5.060.259	3.805.110	5.425.748	3.547.946
Times (S)	3.598.478	1.781.923	2.597.491	1.249.901
Herald-Examiner (M)	901.358	205.934	873.578	260.751
Herald-Examiner (S)	309.434	109.090	255.132	69.357
Grand Total	9.869.529	5.902.057	9.151.949	5.127.955

NOTE: Times Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective July 2, 1984, and Herald-Examiner Morning and Sunday changed from an eight column width (2240 lines per page) to a six column width (1680 lines per page) effective July 1, 1984

***LOS ANGELES/SAN FERNANDO VALLEY, CA** (8)				
News (M)	3.027.936	358.723	3.015.705	648.623
News (S)	1.582.356	82.732	994.408	128.584
Grand Total	4.610.292	441.455	4.010.113	777.207

NOTE: News Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1764 lines per page) effective July 2, 1984

LOS ANGELES/TORRANCE, CA (8)				
Breeze (E)	2.006.214	——	1.984.626	——
Breeze (S)	1.046.920	——	626.976	——
Grand Total	3.053.134	——	2.611.602	——

NOTE: Figures supplied by publisher to Media Records

Breeze Evening and Sunday changed from an eight column (2408 lines per page) width to a six column width (1806 lines per page) effective July 1, 1984

LOUISVILLE, KY (6)				
Courier Journal (M)	1.545.768	267.316	1.623.580	289.898
Times (E)	1.451.590	506.856	1.542.198	483.896
Courier Journal (S)	2.137.688	10.374	1.568.616	3.780
Grand Total	5.135.046	784.546	4.734.394	777.574

NOTE: Figures supplied by publisher to Media Records

MACON, GA (6)				
Telegraph & News (M)	923.370	306.908	834.484	303.478
Telegraph & News (S)	724.332	284.242	518.924	95.354
Grand Total	1.647.702	591.150	1.353.408	398.832

NOTE: Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher

Telegraph & News Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective July 1, 1984. Telegraph Morning and News Evening combined into one Morning publication the Telegraph & News effective September 6, 1983

MIAMI, FL (6)				
Herald (M)	2.408.016	——	2.526.843	——
Herald (S)	1.765.318	——	1.362.665	——
News (E)	1.044.756	——	1.130.125	——
Grand Total	5.218.090	——	5.019.633	——

NOTE: Part run figures not available

MINNEAPOLIS, MN (6)				
Star & Tribune (AD & Sat)	2.025.960	336.593	2.041.648	168.938
Star & Tribune (S)	2.637.767	31.184	1.899.982	4.704
Grand Total	4.663.727	367.777	3.941.630	173.642

NOTE: 1983 figures supplied by publisher to Media Records. 1983 part run daily is TMC and Community linage only. 1983 part run Sunday is Country linage only

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
***NASHVILLE, TN** (6)				
Banner (E)	1.421.039	449.044	1.442.138	327.356
Tennessean (M)	1.449.297	448.742	1.468.410	335.756
Tennessean (S)	1.384.338	389.000	977.781	185.796
Grand Total	4.254.674	1.286.786	3.888.329	848.908

NOTE: Banner Evening and Tennessean Morning and Sunday changed from a six column (1800 lines per page) format to a six column (1806 lines per page) format effective July 1, 1984

***NEW YORK, NY**				
Times (M) (9)	3.057.954	284.814	3.417.788	287.571
Times (S) (9)	4.403.089	2.034.708	3.244.757	1.883.639
News (M) (T-6)	1.050.882	1.715.042	1.294.444	1.533.283
News (S) (T-6)	681.142	1.539.268	549.981	1.218.585
Post (AD) (T-7)	1.018.814	——	1.121.731	——
Grand Total	10.211.881	5.573.832	9.628.701	4.923.078

NOTE: Times Morning and Sunday changed from a nine column width (2700 lines per page) to a six column width (1764 lines per page). News morning and Sunday changed from a six column width tabloid (1200 lines per page) to a six column width tabloid (1176 lines per page), and Post All Day changed from a seven column width tabloid (1400 lines per page) to a five column width tabloid (980 lines per page) effective July 2, 1984

***NEWARK, NJ** (9)				
Star Ledger (M)	3.912.652	96.341	3.897.559	114.800
Star Ledger (S)	3.993.020	464.256	2.808.924	323.408
Grand Total	7.905.672	560.597	6.706.483	438.208

NOTE: Star Ledger Morning and Sunday changed from a nine column (2835 lines per page) format to a six column (1788 lines per page) format effective July 1, 1984

***OAKLAND, CA** (8)				
Tribune (M)	1.555.097	672.587	1.664.977	222.653
Tribune (S)	1.025.473	434.092	836.721	304.488
Grand Total	2.580.570	1.106.679	2.501.698	527.141

NOTE: Tribune Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2, 1984

***ORANGE COUNTY, CA** (8)				
Register (AD)	5.080.265	984.986	5.064.399	763.736
Register (S)	2.516.117	127.976	1.806.239	37.200
Grand Total	7.596.382	1.112.962	6.870.638	800.936

NOTE: Register All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984

***ORLANDO, FL** (8)				
Sentinel (AD)	3.299.490	258.813	3.157.866	253.332
Sentinel (S)	1.400.886	540.696	1.095.784	195.288
Grand Total	4.700.376	799.509	4.253.650	448.620

NOTE: Sentinel All Day and Sunday changed from an eight column width (2352 lines per page) to a six column width (1764 lines per page) effective July 1, 1984. Part run totals do not include County Sentinel and Sentinel Bonus linage

***PHILADELPHIA, PA**				
Inquirer (M) (6)	2.250.471	729.649	2.323.368	706.212
Inquirer (S) (6)	2.389.904	711.817	1.745.233	417.748
News (E) (T-5)	1.163.350	38.652	1.243.148	36.408
Grand Total	5.803.725	1.480.118	5.311.749	1.160.368

NOTE: Inquirer Morning and Sunday changed from a six column (1860 lines per page) width to a six column (1872 lines per page) width effective January 1, 1984

PHOENIX, AZ (6)				
Arizona Republic (M)	4.260.578	154.140	3.905.258	137.522
Arizona Republic (S)	2.670.234	——	2.180.262	——
Gazette (E)	4.138.232	156.128	3.793.356	139.454
Grand Total	11.069.044	310.268	9.878.876	276.976

NOTE: Figures supplied by publisher to Media Records

PORTLAND, OR (6)				
Oregonian (AD&S)	4.512.914	——	3.939.978	——
Grand Total	4.512.914	——	3.939.978	——

NOTE: Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher

Oregonian All Day and Sunday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective July 1, 1984

PROVIDENCE, RI (6)				
Bulletin (E)	1.342.642	721.994	1.248.282	480.312
Journal (M)	1.525.216	469.714	1.420.888	250.908
Journal (S)	1.690.864	384.468	1.454.306	182.784
Grand Total	4.558.722	1.576.176	4.123.476	914.004

NOTE: Bulletin Evening and Journal Morning have a combined Saturday edition. The linage is shown only in the Journal Morning

Bulletin Evening and Journal Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984. Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher

***ROCHESTER, NY** (9)				
Democrat & Chronicle (M)	1.766.313	150.313	1.652.101	293.355
Democrat & Chronicle (S)	1.491.464	261.868	1.123.316	140.404
Times Union (E)	1.417.252	193.081	1.456.453	223.671
Grand Total	4.675.029	605.262	4.231.870	657.430

NOTE: Democrat & Chronicle Morning and Sunday and Times Union Evening changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) format effective June 25, 1984

Note: Times Union evening published five days a week only

SACRAMENTO, CA (9)				
Bee (M&S)	6.492.702	287.651	7.058.856	——
Grand Total	6.492.702	287.651	7.058.856	——

NOTE: 1983 figures supplied by publisher to Media Records

Bee Morning and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1, 1964

ST. LOUIS, MO (6)				
Post Dispatch (M)	2.407.466	646.611	1.705.898	216.048
Post Dispatch (S)	3.119.015	——	2.029.982	——
Grand Total	5.526.481	646.611	3.735.880	216.048

NOTE: Figures supplied by publisher to Media Records.

Post Dispatch changed from Evening publication to Morning publication effective February 27, 1984

***ST. PAUL, MN** (6)				
Pioneer Press (M)	1.290.394	——	1.307.039	——
Pioneer Press (S)	1.821.048	——	1.346.639	——
Dispatch (E)	1.209.205	——	1.337.914	——
Grand Total	4.320.647	——	3.991.592	——

NOTE: Pioneer Press Morning and Sunday and Dispatch Evening changed from a six column (1782 lines per page) format to a six column (1764 lines per page) format effective July 1, 1984

Note: Pioneer Press Morning and Dispatch Evening have a combined Saturday edition. The linage is shown only in the Dispatch evening. Part run figures not available

***SAN ANTONIO, TX** (9)				
Express-News (AD)	2.293.699	323.364	2.653.474	296.744
Express-News (S)	1.888.934	373.708	1.347.330	302.412
Express-News (Sat)	1.039.341	——	762.609	——
News (E)	419.336	60.660	2.245.236	255.344
Light (E)	2.198.905	438.390	2.418.068	410.425
Light (S)	1.781.555	529.595	1.309.886	319.538
Light (Sat)	893.974	——	594.754	——
Grand Total	10.515.744	1.725.717	11.331.357	1.584.463

NOTE: Express Morning, Express-News Sunday and Saturday, News Evening and Light Evening, Sunday and Saturday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective June 1, 1984. Express Morning and News Evening combined to one edition, Express-News All Day effective September 10, 1984. The Express Morning linage is reported in the Express-News All Day listing

Prior to September 10, 1984, Express Morning and News Evening published five days a week only. Light Evening published five days a week only

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
***SAN DIEGO, CA** (8)				
Union (M)	3.617.466	155.670	3.682.256	370.594
Union (S)	2.445.227	——	1.607.205	38.880
Tribune (E)	3.646.255	148.719	3.793.245	397.710
Grand Total	9.708.948	304.389	9.082.706	807.184

NOTE: Union Morning and Sunday and Tribune Evening changed from an eight column (2408 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984

***SAN FRANCISCO, CA** (8)				
Chronicle (M)	2.379.142	753.531	2.497.681	906.419
Examiner (E)	2.314.796	750.070	2.439.953	902.581
Examiner & Chronicle (S)	1.563.391	733.600	1.152.324	462.232
Grand Total	6.257.329	2.237.201	6.089.958	2.271.232

NOTE: Chronicle Morning, Examiner Evening and Examiner & Chronicle Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2, 1984

***SAN JOSE, CA** (8)				
Mercury News (AD)	5.164.298	516.257	5.029.026	678.659
Mercury News (S)	3.039.376	——	2.166.197	——
Grand Total	8.203.674	516.257	7.195.223	678.659

NOTE: Mercury News All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1788 lines per page) effective July 1, 1984

***SHREVEPORT, LA** (9)				
Journal (E)	1.424.723	92.960	1.448.736	97.072
Times (M)	1.940.372	224.852	1.921.339	138.512
Times (S)	1.421.199	118.852	1.064.459	49.432
Grand Total	4.786.294	436.664	4.434.534	285.016

NOTE: Journal Evening and Times Morning and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 30, 1984

STATE COLLEGE, PA (6)				
Centre Times (E)	924.420	54.180	1.012.158	70.588
Centre Times (S)	536.620	——	375.802	——
Grand Total	1.461.040	54.180	1.387.960	70.588

NOTE: Figures supplied by publisher to Media Records

***SYRACUSE, NY** (9)				
Herald Journal (E)	1.634.143	292.776	1.852.559	187.570
Herald American (S)	1.178.171	531.441	973.224	150.240
Post-Standard (M)	1.379.705	395.333	1.453.558	315.489
Grand Total	4.192.019	1.219.550	4.279.341	653.299

NOTE: Herald Journal Evening, Herald American Sunday, and Post Standard Morning changed from a nine column (2727 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984

TAMPA, FL (9)				
Tribune (AD)	3.526.433	1.627.877	3.665.691	1.039.363
Tribune (S)	2.642.365	11.344	1.788.188	——
Grand Total	6.168.798	1.639.221	5.453.879	1.039.363

NOTE: Figures supplied by publisher to Media Records. Comics linage is not included

Tribune All Day and Sunday changed from a nine column (2835 lines per page) width to a six column (1890 lines per page) width effective July 1, 1984

TOLEDO, OH (6)				
Blade (E)	1.309.000	——	1.325.128	——
Blade (S)	1.273.286	——	891.646	——
Grand Total	2.582.286	——	2.216.774	——

NOTE: Figures supplied by publisher to Media Records

Blade Evening and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective April 2, 1984

TORONTO, CANADA				
Sun (M) (T-6)	1.748.359	33.756	1.928.051	9.120
Sun (S) (T-6)	868.870	60.624	585.468	——
Globe & Mail (M) (9)	2.930.570	255.713	2.628.743	258.623
Grand Total	5.547.799	350.093	5.115.262	294.743

***WASHINGTON, DC** (9)				
Post (M)	5.419.101	438.848	5.489.127	631.798
Post (S)	3.082.858	596.940	2.438.635	326.484
Grand Total	8.501.959	1.035.788	7.927.762	958.282

NOTE: Post Morning and Sunday changed from a nine column (2781 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984

Alexandria Journal (M)	1.091.702	——	991.140	——
Prince George's Journal (M)	1.020.425	——	941.841	18.720
Montgomery Journal (M)	1.028.335	——	950.365	——
Fairfax Journal (M)	1.134.800	——	1.029.489	4.320
Arlington Journal (M)	1.098.921	——	1.006.194	——

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only, and changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984

WEST PALM BEACH, FL (6)				
Post (M)	2.686.754	365.876	2.641.240	372.218
Times (E)	2.083.382	34.580	2.081.422	10.766
Post (S)	1.882.720	157.500	1.406.818	106.932
Grand Total	6.652.856	557.956	6.129.480	489.916

NOTE: Figures supplied by publisher to Media Records

Times evening published five days a week only

***WESTCHESTER ROCKLAND, NY** (8)				
Reporter Dispatch (E)	1.235.140	184.489	1.491.848	188.148
Reporter Dispatch (S)	1.272.085	236.320	994.359	255.720
Grand Total	2.507.225	420.809	2.486.207	443.866

NOTE: Reporter Dispatch Evening and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective June 25, 1984

WICHITA, KS (6)				
Eagle-Beacon (M)	1.655.110	——	1.767.741	——
Eagle-Beacon (S)	1.356.224	——	912.771	——
Grand Total	3.011.334	——	2.680.512	——

NOTE: Part run figures not available

NOTE: Figures in Parenthesis Denote Reported Newspaper Column Format. For example: (6)—Six Column Broadsheet, (T-7)—Seven Column Tabloid

Source: Media Records

Linage figures have been provided by Media Records for the exclusive publication of Advertising Age. They may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Report Service, total advertising linage shown were provided by the newspaper to Media Records and included in this compilation.

CONVERSION METHODOLOGY

Due to the introduction of the SAU 6 column format, Media Records applies the following conversion methodology to report comparable figures (1984 month vs. 1983 data) for newspapers that changed column formats in 1984. These newspapers are indicated with an asterisk (*).

7 column tabloids which have adopted a 5 column tabloid format are converted back to the original 7 column formats.

8 column broadsheet standards which have adopted a 6 column broadsheet standard format are converted back to the original 8 column formats.

9 column broadsheet standards which have adopted a 6 column broadsheet standard format are converted back to the original 9 column formats.

6 column broadsheet standards or tabloids which have a slight depth change in 1984 but did not change column format are converted back to original depth.

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Crain's International Newspaper of Marketing

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AT&T scatters ad plans

By VERNE GAY

New York—AT&T, convinced it has spent enough ad money in network news explaining the impact of telephone deregulation, reportedly is trying to shift as much as $5 million in first-quarter money out of news and into prime time and sports.

The AT&T request for relief would have to be approved by the networks. If approved, the move could have a significant impact on the first-quarter network scatter market, making available scatter news inventory in what had been a virtually sold-out daypart. At the same time, the spending shift once again could rewrite the list of the biggest spenders in network news. At about $12 million, AT&T this year is network news' largest single advertiser, according to one estimate. A few years ago, laxatives and pharmaceuticals dominated the daypart.

Benton & Bowles senior vp-national broadcast and programing Irwin Gotlieb predicts the total news marketplace in 1985 will be $475.1 million. It was $350 million only three years ago. The B&B forecasts do not include morning or overnight newscasts.

"I don't think they [AT&T] are cutting back dollars," said a source. "They are no longer explaining divestiture so that maybe news is not the best place to tell their story." D'Arcy MacManus Masius handles that portion of the AT&T business. Ray McArdle, senior vp-media director at DMM, said, "We have no knowledge this [shift from news] would happen. We are working on our 1985 plans right now."

While first-quarter scatter activity is brisk in news and daytime, the prime time scatter market is very sluggish, according to sources. However, Louis Schultz, exec vp-director of media at Campbell-Ewald, Warren, Mich., said at least two networks were giving football makegoods in prime time. Those makegoods should eat up some scatter inventory and help maintain pricing strength for the remaining prime time scatter inventory.

"Prime is the slowest of the three dayparts," said B&B's Mr. Gotlieb. "NBC is out of the market, basically [for daytime]. ABC has a lot of inventory and CBS has a little." He estimates that before makegoods are reexpressed at ABC, the network has between 25% and 27% of its inventory available.

The three-network first-quarter scatter prob-

(Continued on Page 42)

All-Bran ads garner praise of FTC exec

By STEVEN W. COLFORD

Washington—Kellogg Co.'s controversial All-Bran campaign, the target of review at two federal agencies, was held up as an industry exemplar this week by a Federal Trade Commission official who said it was the kind of information vehicle the agency wants to encourage.

By issuing such a ringing endorsement, Carol Crawford, director of the FTC's bureau of consumer protection, may have provided Kellogg and the advertising industry with a catalyst for expanded promotion of foods on the basis of their medical or health benefits.

Still to be heard from, however, is the Food & Drug Administration, where commissioner Frank Young must determine whether All-Bran's medical claim that—as a high-fiber product, its consumption can help prevent cancer—converted a cereal into a drug, based on the FDA's statutes.

Mr. Young's more cautious attitude toward Kellogg's All-Bran claims reflects a concern for the "larger issue" of food promotions with a medical claim, according to an FDA spokesman. That extra helping of caution may manifest itself in an FDA request for a food industry moratorium on promotions with medical claims (AA, Dec. 3).

But at least for the time being, Kellogg and the National Cancer Institute, which cooperated in the development of the All-Bran ads, got a big reward for their advertising bravery.

A Kellogg spokesman said the company is "pleased with the FTC statements." The spokesman declined to speculate on what affect the FTC position may have on similar ad claims in the future.

A spokesman at NCI said the prestigious branch of the National Institutes of Health was "very happy" with Ms. Crawford's comments.

"This should be welcome to other responsible marketers who are looking to take a similar approach," said Paul Nevel, associate director for communications.

At the Center for Science in the Public Interest, a citizen group that had praised the Kellogg

(Continued on Page 42)

THE QUENCH THAT STOLE CHRISTMAS.
CALIFORNIA COOLER

Holiday thirst

California Cooler tries to shake off the summer-beverage tag with holiday trade ads. Chiat/Day, San Francisco, handles.

Midweek News Summary

Dataproducts Corp., which claims to be the largest independent manufacturer of computer printers in the world, plans to shift its emphasis from manufacturing for other companies to marketing printers carrying its own name. *See Page 2.*

The National Assn. of Broadcasters for the first time is using a satellite feed to 700 tv stations to transmit public service announcements that caution against drinking and driving. *See Page 2.*

Campbell Soup Co. expects to remain the leader in the condensed-soup market with the help of a new spokesman—the former "world's fastest waiter." *See Page 2.*

Bozell & Jacobs, in a major upheaval only partly of its own doing, lost its top executive and two of its top creative talents in Minneapolis. *See Page 3.*

Marketers of French champagnes, those esoteric bubblies that cost more and supposedly taste better, this year are having their corks popped by more than the tuxedo set. *See Page 3.*

The overwhelming success of the cuddly, pudgy-faced Cabbage Patch dolls has produced another entry in the licensing bonanza: Cabbage Patch Kids all-natural vitamins. *See Page 3.*

The Movie Channel pay tv service will begin its first national consumer campaign in February to distinguish itself as the only pay channel that shows only movies. *See Page 3.*

Michael Omansky, RCA Records' director of marketing since spring, has a background in package goods, so it seemed inevitable that he would try some tricks of that trade on record buyers. *See Page 40.*

DIRECT MARKETING

The demand for direct-response space ads is making a comeback in the first quarter of 1985 after falling off sharply in the second half of this year, according to magazines and mail-order distributors. *See Page 6.*

The Scanticon-Princeton Executive Conference Center and Hotel turned to direct marketing to help fill the center during the normally slow months of December through March. *See Page 6.*

Shops vie for Labatt account

Getting the Blues

By TONY THOMPSON

Toronto—J. Walter Thompson, which last month gained the $60 million Miller High Life account in the U.S., may find it has lost a $15 million beer account in Canada.

That's the size of Labatt Brewing Co.'s Blue account—Canada's No. 1 brew—now with JWT. A decision is expected this month.

Five major U.S. agencies—including JWT—are contending. But JWT's Miller account gain in the U.S., from Backer & Spielvogel,

(Continued on Page 42)

Presstime

Shulton sues over English Leather ads

New York—American Cyanamid Co.'s Shulton USA division has filed suit in federal district court against MEM Co. and its agency, MacNamara, Clapp & Klein. Shulton seeks unspecified damages and corrective advertising over MEM's English Leather Spiced men's fragrance. Ads now take direct aim at Shulton's Old Spice with copy such as "If you like Old Spice, you'll like English Leather Spiced even more."

Ponderosa cites expansion in account move

Dayton, O.—Ponderosa confirms that it will move its estimated $15 million account from Avrett, Free & Ginsberg, New York (AA, Nov. 29). An executive with the 650-unit steak house chain said "aggressive expansion plans" necessitate tapping a larger agency with offices nationwide. Finalists were not disclosed. A decision is expected next month. Ponderosa earlier had moved responsibility for its Casa Lupita Mexican chain from AF&G to Geer, DuBois, New York (AA, Oct. 1).

Trump Plaza casino may shuffle agencies

Atlantic City, N.J.—The Trump Plaza casino, which opened last May as Harrah's at Trump Plaza, is reviewing its $5.5 million account. Incumbent agency Trout & Ries, New York, is participating in the review. Trump

(Continued on Page 43)

Ups and downs

Of

Coming Monday: Annenberg

Walter Annenberg, magazine publisher of the year, talks about his *TV Guide* and other matters.

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CBS game plan skirts 'risky' Olympics bid

By ROBERT RAISSMAN

New York—CBS will bid as agressively for the 1988 Summer Olympics as sound business judgment dictates, says Neal Pilson, the network's top sports executive.

But according to CBS Sports commentator Brent Musburger, CBS Inc. chairman Thomas Wyman says it's "not likely" CBS will win the rights to the Summer Games in Seoul, South Korea.

At a press conference this week announcing the extension of his CBS contract through 1990, Mr. Musburger spoke of a conversation with Mr. Wyman.

At the time, CBS was making Mr. Musburger a counter-offer to a reportedly very lucrative deal from ABC. Mr. Musburger, who was in the final months of a CBS contract that paid him more than $500,000 a year, said his decision to leave or stay with CBS would depend on what assignments he would have.

One plum Mr. Musburger coveted was to anchor an '88 Olympics broadcast.

"Mr. Wyman said he was not going to mislead me," Mr. Musburger said. "He said it was 'not likely' that CBS would wind up with the Seoul Olympics."

In the end, Mr. Musburger's decision rested on something other than the Olympics assignment, namely becoming CBS' headliner on all major sporting events.

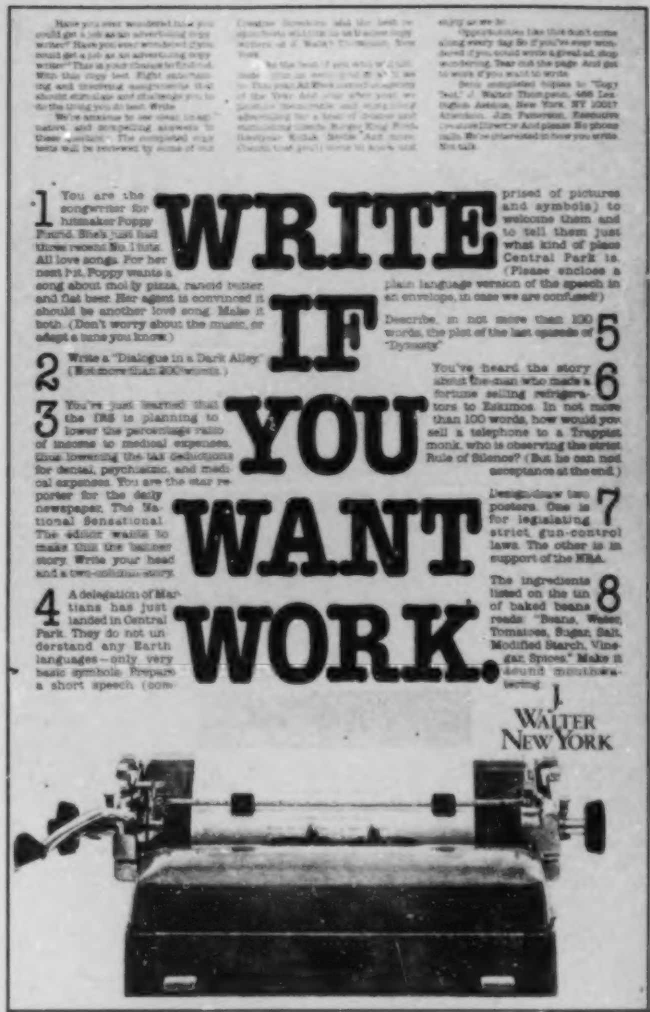
CBS also offered lots of money. Although official details on Mr. Musburger's new salary were not revealed, sources estimate the sportscaster may have more than doubled his current income as he masterfully played off ABC against CBS.

But the shocker revelation was that CBS' Mr. Wyman is apparently convinced that ABC, which holds the $309 million rights to the 1988 Winter Olympics in Calgary, Alta., is prepared to go beyond the $400 million ceiling most network sources put on the Seoul games (AA, Oct. 8).

Whether CBS gets the Olympics still depends on the "level" of bidding, said Mr. Pilson, exec vp, CBS/-Broadcast Group.

"As we have demonstrated in the past, we are not going to submit a financially unsound, risky bid," he said. "But we are going to be very competitive at what we consider to be sound financial levels for the event."

Rights could go as high as $700 million, Barry Frank said. Mr. Frank is group vp at Trans World International, a unit of International Management Group and the company that the International Olympic Organizing Committee has appointed to sell U.S. tv rights.#


WRITE IF YOU WANT WORK.
1
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J. WALTER THOMPSON NEW YORK

Finding the write stuff

If you can describe, in fewer than 100 words, the plot of the last episode of "Dynasty," you may be on your way to becoming a copywriter at J. Walter Thompson USA, New York. The challenge is part of JWT's unusual recruitment ad in the *New York Times* (AA, Dec. 3).

NAB sends liquor psas by satellite

Washington—The National Assn. of Broadcasters for the first time is using a satellite feed to nearly 700 tv stations to transmit 25 public service announcements that caution against drinking and driving.

Broadcasters are stepping up their good citizen role in at least partial reaction to the grass roots public campaign against drunk driving. That campaign has raised industry fears of a public backlash against beer and wine advertising on tv.

NAB collected the psas from the Ad Council, American College of Emergency Physicians, Mothers Against Drunk Driving, National Institute of Drug Abuse and others. Most had aired previously. By using a satellite feed to all major markets and the tv networks, NAB hopes to reach stations that wouldn't normally get the material.

There's no conflict between the association's fight against drunken driving and increased tv advertising for beer and wine during the holidays, contended Andy Ockershausen, vp at Washington's WMAL and chairman of the NAB task force that put together the psa feed.#

Thompson weighs in ads for diet aids

By LISA PHILLIPS

New York—Thompson Medical Co. has declared February "National weight-loss month" to push its top-selling Dexatrim and Slim-Fast diet aids—possibly for those who end up fudging their New Year's resolutions to lose weight.

National tv and print ads will support in-store displays and 90 million consumer coupons and rebate offers. Saatchi & Saatchi Compton, New York, handles both lines.

The special-event promotion is a new tack for Thompson, said pr director Dean Siegal. "We've just started getting into it, and we find we're good at it," he said.

This is the first time both No. 1-selling brands have been positioned together, he said, adding that each appeals to a separate market—one as an appetite suppressant, the other as a meal replacement—with very little consumer crossover.

Thompson plans a $30 million ad budget next year for all its diet aids, which include Prolamine capsules, Appedrine tablets, Control capsules and Aqua-Ban tablets, handled by Marschalk Co., New York.

Dexatrim appetite suppressant capsules, with line extensions into extra-strength and caffeine-free extra-strength capsules, receives the largest ad spending from Thompson, totaling nearly $9 million during the first six months of this year. In 1983, spending reached $19.5 million.

Slim-Fast meal replacement is being revitalized, with ad spending going from $4.5 million for all of 1983 to $7 million for the first six months of 1984.

Ad spending had plummeted earlier during the '80s, following the roller-coaster effect of the liquid protein supplement craze of the late '70s.

But following the success of the Cambridge Diet, a meal replacement chiefly sold door-to-door for about $18 a can, Thompson decided to resurrect Slim-Fast, which sells for $8-to-$9 a can.#

Dataproducts now wants name in print

By CLEVELAND HORTON

Dataproducts Corp., which claims to be the largest independent manufacturer of computer printers in the world, plans to shift its emphasis from manufacturing for other companies to marketing printers carrying its own name.

To assist in the new retail push, Dataproducts recently named Ammirati & Puris, New York, to handle what the company says will be at least a $12 million account. Former agency is John Corey Advertising, Woodland Hills, Cal. New creative work is due in January.

Founded in 1966, the Woodland Hills-based company gained prominence as an original-equipment manufacturer of high-speed computer printers, selling its products to IBM Corp., Wang Laboratories and other computer marketers that, in turn, marketed the machines under their own names.

Four years ago, Dataproducts began selling its printers under the Dataproducts name. However, the effort was "half-hearted," according to a company spokesman. Only 10% of the company's $400 million

(Continued on Page 41)

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ABP MPA RED TAG ABC ANPA

Waiter, fly with my soup

By LISA PHILLIPS

Campbell Soup Co. expects to remain front-runner in the condensed-soup market with the help of a new spokesman—the former "world's fastest waiter."

Roger Bourban, now a restaurateur and chef in his native Switzerland, will be featured in commercials for Campbell's condensed red-and-white label soups next year. He qualified in 1981, 1982 and 1983 for the "Guinness Book of World Records" by running 26 miles while balancing a tray and an open bottle of mineral water without spilling a drop.

Pierce Pelouze, Campbell's promotions director, explained that in Mr. Bourban the company found a spokesman "emphasizing our concern for product excellence and our concurrent thrust into the area of over-all consumer well-being." Backer & Spielvogel, New York, handles the red-and-white line.

Campbell, Camden, N.J., also will sponsor a series of 26 "Sports Capsules," written in Spanish and profiling famous Hispanic sports figures from all over the world. Five-minute segments will air twice a week on the 120 tv stations of the Spanish International Network.

On Christmas Eve, Campbell will begin promoting the "Campbell Family Movie" package, a special lineup of children's movies to air on daytime tv throughout the holiday season in 32 major U.S. markets. Promos will run on participating tv stations, in local newspapers and *TV Guide*.

Campbell is the exclusive sponsor of "CFM" and will promote red-and-white label soups, Franco-American pasta products and JuiceWorks beverages.#

Community channels cause controversy

By Don Veraska

When cable tv arrived on the national scene some years ago, it promised to be more than just another commercial tv system.

Cable, as an industry, promised excellent service, the latest in technical quality and programing reflecting the needs and desires of the communities that granted cable companies local franchises.

Today, cable tv is providing some of what it promised, but local programing is far from a national success story. Programing varies from very simple "home movie" type shows to highly sophisticated programs that proponents say are as good as or better than anything on public tv.

Shows include local newscasts, sports specials, previews of city council meetings and an eighth-grade academic tournament.

In some places, local programing adds to cable's value as a marketing tool, and in others, it is just another expense.

"But we are seeing more and more places where it is working, a lot more success stories," says Sue Buske, executive director of the National Federation of Local Cable Programers in Washington, a cable activist group.

Local programing falls into two categories: Local access and local origination.

Local access is defined as programing produced and controlled by groups or individuals within the community and includes shows of local governmental and educational organizations, such as school board and city council meetings.

Local origination is programing produced and controlled by the cable system, although local groups and organizations may be involved in production.

Public access channels generally carry no ads, but local origination channels seek ads. The boundaries between the two, however, often are blurred and what one cable system calls local or public access, another calls local origination.

Almost everyone agrees that local origination and public access are akin to motherhood and apple pie. Everyone says they believe that locally produced cable tv programs are a potentially valuable asset.

But there isn't agreement between cable tv consumer groups and operator groups on whether too much is demanded and expected of local cable programers.

"We believe strongly in access," says Ed Dooley, vp-public affairs, National Cable Television Assn., an operator and supplier group. "They [the National Federation of Local Cable Programs] believe in access, access, access."

The NCTA, founded in 1952, represents more than 2,100 cable systems, equipment manufacturers and distributors.

The NFLCP, with an annual budget of $300,000, is an eight-year-old organization founded to foster citizen participation in community programing.

Both organizations strongly support local cable programing, and both have annual awards for local programing.

"Local origination and access is good if it can deliver what the subscribers want," Mr. Dooley says. "But it can be an intolerable burden to tie up 15 or 20 channels that could be used for other programing."

Mr. Dooley cites examples, such as Dallas, where the city government required 17 channels be set aside for local programing, a requirement that later was eased.

NFCLP's Ms. Buske, however, says the problem is not generally the requirements for local programing channels, but the failure of cable companies to provide not only sufficient equipment and money for local programing, but also the expertise to help the public produce quality programing.

"The channel is doomed if the cable company hires a 'producer' rather than a community facilitator—a person who knows how to make it work," Ms. Buske says.

However, Mr. Dooley says the success of an access station isn't entirely dependent upon the station's commitment, but it requires a degree of local activism, "some spirit, some driving community force, like a university campus," for instance.

The history of local origination and public access programing on cable is not well documented, according to both the NCTA and the NFLCP. Neither is sure when the first such stations went on the air.

In the early 1950s, some cable systems were set up to pull in distant commercial station signals. Some of these stations decided it might be good business to put the mayor on one of those channels or broadcast a community bulletin board.

Public access and local origination channels began full-scale operation in the 1960s, and by 1972 the Federal Communications Commission required that cable franchises in the top 100 markets provide at least three access channels—for the public, government and education.

It also required that cable systems with more than 3,500 subscribers provide some channel capacity for public access or local origination programing.

The U.S. Supreme Court overturned this regulation in 1979, holding that the FCC did not have authority to issue it. But by that time, cable systems were proliferating to such an extent that potential cable companies competed for local franchises with promises of access channels, equipment, tv studios and mobile vans.

Today, both organizations estimate that of the nation's about 6,500 systems, between 800 and 1,000 have one or more access or local origination channels.

Although a 1979 Supreme Court decision gave jurisdiction over cable systems to local governing bodies, federal statutes gave this authority in the cable tv deregulation act just this year. This act, which takes effect Dec. 29, gives those governing bodies the right to require new cable franchises to provide access channels.

Another section of the deregulation act allows the governing body to permit the cable company to put other programing on public access stations that are not being used for that purpose.

The law specifies, however, that there must be a provision for reclaiming that time should public groups request it.

The alternative programing provision of the act was endorsed by the NCTA and was not opposed by the NFLCP.

"If 3,000, 4,000 or 5,000 hours a year are lying fallow in an unused access station, it is a tremendous loss to the community," NCTA's Mr. Dooley says.

However, if channels designated for access are not used, subscribers could lose interest in both the stations and the cable company.

Ms. Buske says her organization's primary responsibility is to ensure the continued availability of access channels.

"We think it is appropriate for the city to set up procedures for these channels' alternate use," she says. "But we don't want to see any of these channels lost or taken away without procedures for their being reclaimed."

Ellis Woodward, an aide to Rep. Timothy Wirth (D., Colo.), chairman of the subcommittee on telecommunications and finance of the House energy and commerce committee, says the primary congressional concern on access is availability.

"We're not in the business of programing. We want to ensure that access is available. That's our main concern," he says.

Mr. Woodward says the quality of access channels varies considerably from municipality to municipality. "In Reston [Va.], where I live, access is very popular. More and more groups are getting into it."

Availability and diversity are also the major concerns of Rep. Wirth, Mr. Woodward says. "He sees it from the standpoint that when there are that many channels available, you don't want one person as the editor of all of them. You want diversity."

Both Mr. Dooley and Ms. Buske see successful access channels as meeting that standard as well as providing a positive marketing tool for cable companies.

Ms. Buske agrees. "Public access is beginning to catch on. People are seeing the benefits. There are audience surveys that show local programing channels in some markets have higher ratings than the local public broadcasting station," she says.

Both Ms. Buske and Mr. Dooley warn that it is difficult, if not impossible, to determine ratings of individual cable programs in a multichannel environment.

"You're making a mistake if you judge access by ratings," Mr. Dooley says.

"It's an opportunity for citizens to put on something good. You measure success by quality of the programing."

However, the future of local access is uncertain unless it receives additional commitment from cable companies and the franchising municipal bodies, Ms. Buske says.

Mr. Dooley agrees, but says cable operators have their limits. "We support and believe in access and local origination programing. But there ought to be some sort of pragmatism involved in how much cost is borne by the community," he says. "If a cable company makes its best effort and it doesn't seem to generate interest, I think we can assume they are getting some message from the consumer."

Don Veraska is a Washington-based free lance writer.

Watching tv at home

(Total weekly minutes viewed per home)

	First half 1984		First half 1983		Per cent change
	Minutes	Share	Minutes	Share	
Cable origin	431	13	323	10	+33.4
Superstations	288	9	254	8	+13.4
Pay service	362	11	355	11	+2.0
Affiliates	1971	58	1962	60	+0.5

Source: A.C. Nielsen

Cable deregulation

(Continued from Page 3)

that a cable network is pulling such and such a share, and Madison Avenue buys in proportion to the subscriber base."

Mr. Rosenberg says there are too many questions about the ramifications of some of the act's provisions to say how it will affect cable advertising.

"Cable TV Advertising," an industry newsletter published by Paul Kagan Associates, predicts substantial ad growth for cable, but not because of deregulation. The newsletter estimates that 1984 cable ad revenues of $462 million will exceed $1.1 billion by 1986, $2 billion by 1989, $3 billion by 1991, and reach almost $4.6 billion by 1993.

Larry Gerbrandt, associate editor of the newsletter, says the cable deregulation act does not appear to change those projections.

Cable advertising, he says, is tied to three factors: Subscriber growth, ratings growth and cost per thousand subscribers. Of those three factors, the legislation potentially will affect only the first.

The NCTA's Mr. Dooley says provisions of the legislation, which limits the franchise demands local governments can put on cable systems, help speed the expansion of cable service to major markets not yet wired, including some parts of New York, Chicago, Philadelphia, Detroit, Cleveland, St. Louis, Baltimore and Washington.

When these systems are complete, Mr. Dooley says advertising will be attracted through greater penetration of networks such as Entertainment & Sports Programming Network, Cable News Network, USA Cable Network and MTV: Music Television.

Wiring these cities for cable will increase the subscriber base, estimated this summer at between 30.7 million and 36.1 million homes.

But all large metropolitan markets may not be wired, according to some in the industry. A spokesman for American Television & Communications

Local ads hit the spot for operators

By Sharon Donavon

Large multiple cable system operators and networks care about selling local spot time, but desire isn't always enough, executives say.

"It reminds me of trying to sell fm radio in the old days when you just couldn't give it away in New York City," says Allan Eisenberg, corporate manager-ad sales at American Television & Communications. Like cable tv today, fm radio then was too new and too small to attract advertisers.

But all that changed very quickly when U.S. auto makers began equipping cars with fm radios. Similarly, he says, "As cable penetration grows and the broadcast networks' audiences continue to erode, advertising on cable will increase dramatically."

Looking for new revenue sources to offset increasing development costs, most major cable operators agree that local advertising is in the embryonic stages of becoming an important focal point of cable marketing.

"Local advertising is an extremely exciting subject for local system operators," says Robert Alter, president of the Cabletelevision Advertising Bureau. "They see it as one of the best immediate sources for revenue income and potential growth. Every major system is now gearing up for local ad activity."

This was not always the case. Years ago, Mr. Alter says, cable companies were banking on pay services to generate revenues. As the emphasis shifted to marketing improved basic programing and as audiences increased, cable created a market for local advertising.

"At Cox Cable, local ad sales have so far proved to be the most effective and efficient way to generate revenue," says Arthur A. Dwyer, senior vp. After launching local ad sales programs three years ago, the sales in 1984 will hit $10 million, representing about 2% of Cox's annual revenue and about 5% of its annual operating income with the remainder generated by subscriber fees.

At Group W Cable, Thomas McKinney, vp-ad sales, foresees local ad sales representing frosting on the cake.

"Currently," he says, "ad sales in 60 of the company's 135 systems are generating about 4% of the company's revenues." He expects that figure to double by next year.

At Tele-Communications Inc., Scott Weeker, director-marketing, says local ad sales have the potential of generating an additional $10 in net profit for each subscriber.

While many cable companies have made major strides to equip systems for local ads, some are just on the brink of moving in that direction.

For example, TCI, which ranks No. 1 with 3.5 million subscribers nationally, according to the CAB, is entrenched in developing routes to capture local ad sales markets.

Mr. Weeker says his cable company, which owns, operates or is affiliated with more than 700 systems nationwide, has only 12 systems with local ad sales. Until this year, gaining ground in this arena was not a priority, he says.

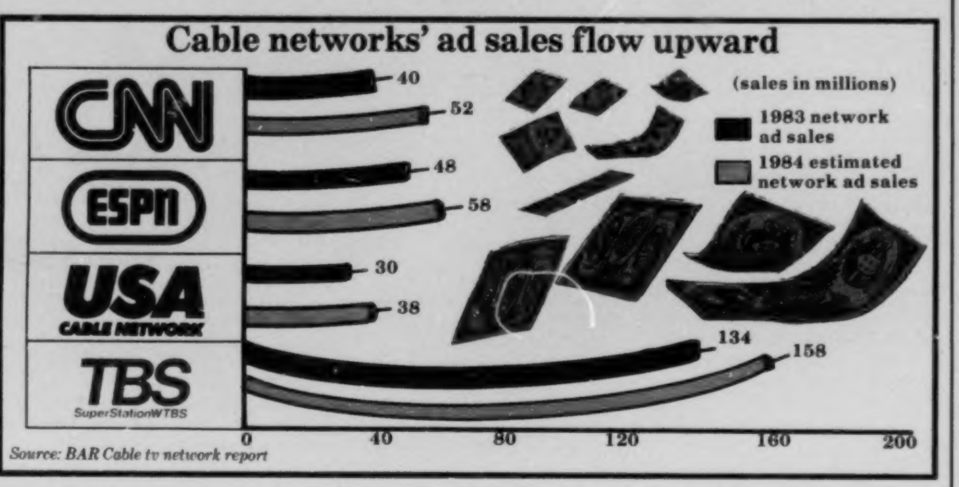
Company officials are studying a number of routes, including a system that would be able to insert an ad into all 700 systems from the company's Denver headquarters. After 1½ years of study, that project is still in the research and development stages, he says.

"The heavy costs of such a program would necessitate a heavy subscriber base to make it pay out," Mr. Weeker says, adding that most of TCI's systems are in small markets—between 5,000 and 8,000 subscribers.

As interest in local advertising increases, Mr. Weeker says his company is considering more immediate ways to tap into the local ad revenue stream. The company's 10 groups operate independently, but they recently were given the green light to consider contracts with outside companies that handle systems' local ad sales.

Also, TCI systems in San Francisco and Philadelphia agreed recently to an arrangement by which interconnects will handle ad sales.

"From these steps, we'll see where it goes. The reality is that the business is out there," Mr. Weeker says, "but we are waiting for the business to develop further before we take further steps with our own national insertion capability."


Cable networks' ad sales flow upward

Source: BAR Cable tv network report

For many cable companies, next year appears to be the pivotal year in which to make strides in local cable sales.

"Early on, there was a lot of money put into ad sales and there was a negative return. Previously, we had to concentrate on keeping the signal on rather than marketing," Mr. Weeker says. "But it's time to get smart about ad sales. Basically we are at the takeoff stage and we expect to make a greater leap toward that revenue stream."

Warner Amex Cable Communications has enjoyed a surge in local ad sales. In 1982, its first year of local ad sales, Warner Amex reported $3 million in ad sales from five systems. That total is expected to reach $8 million in 1984 from 13 systems. The 140-system company is attacking the prospects on three fronts with a number of experimental arrangements, says Larry Zipin, director-ad sales.

Eight of its systems—with subscribers ranging from 500,000 to 800,000—are outfitted with ad sales departments. And in its Tidewater, Va.-system, Warner Amex is involved in an interconnect joint venture that includes Cox Cable Communications and Newport News Cable, targeting a total subscriber base of 100,000.

In 15 other markets, Warner is subcontracting local ad sales to advertising rep companies.

For ATC, local ad sales "represents one of our biggest pushes," Mr. Eisenberg says. While only 20 of ATC's 125 systems are selling local advertising, that represents nearly half of the cable company's 1.3 million subscribers, he says. Within the next two to three years, he says, the company expects to have all its cable systems with commercial insertion capability.

Many cable companies have concentrated their local ad sales efforts in large markets. At Cox, for example, the 20 systems capable of generating video advertising income represent less than half of Cox's 54 systems, but about 70% of the operator's 1.5 subscribers.

While most of ATC's ad sales projects have been targeted at major markets, the company is experimenting with local ad sales in smaller markets.

One of the company's most successful test markets has been Birmingham, Ala., where ad sales have jumped 125% in the two years local ads have been offered.

"That city was not considered the best market. It had a poor economy and high unemployment. We figure that if it worked there, it would work anywhere," Mr. Eisenberg says.

Despite the potential for ad sales in medium markets, few cable operators believe that ad sales will materialize in small markets and, consequently, few operators expect to see all of their systems develop local ad sales capability. By the end of the 1984, CAB officials expect half of the cable subscribers in the nation will be in systems where local advertising is available, up from about 40% in 1983 and about 10% in 1982.

According to Mr. Alter, penetration of local ad capabilities is unlikely to reach 100%. He says outfitting and staffing smaller systems to enable them to offer local ads probably will be too expensive; however, he predicts that within two to three years, 70% to 80% of the cable subscribers will be in systems featuring some ad capability.

Mr. McKinney predicts Group W will peak in the next two years with 75% of its systems having local ad sales potential.

At ATC, Mr. Eisenberg predicts that 1985 will be a breakthrough year for national spot advertising prospects. "Up until now, that market has been very soft. Cable networks charge such low rates and have made advertisers think they don't need to buy spot ads. But as the network rates increase, the national spot market will open up," he says.

Although local ad sales have been a pleasant surprise for some, "national advertising is not growing as fast as we would like it," Mr. Dwyer says.

According to Group W's Mr. McKinney, "National has simply not grabbed hold yet. The major markets are just not wired for it and ad agencies complain that it's a difficult buy until interconnects become commonplace."

Educating the ad community about the benefits of cable marketing has been tough, cable operators say. "Teaching the ad community what a cable ad is all about and finding a niche in the market has been time-consuming," Mr. McKinney says. "It took all of us time to learn how to package it and use it."

It's been a gradual process, Warner Amex's Mr. Zipin says. "In the minds of buyers, there was some question of perception of cable. Until recently, local agencies and advertisers didn't feel the impact of cable strongly enough to consider it," he says. "But for the future, rather than perceive cable advertising as taking away a line from their budgets, they must see it as a right medium with a page all its own." ■

Sharon Donavon is ADVERTISING AGE'*s New Orleans correspondent and a frequent contributor to cable tv publications.*

Corp., the Time Inc. subsidiary and the nation's second largest multiple system operator, argues that restrictive franchising requirements—limited under the act—are only one factor in a company's decision to seek a franchise in a major market.

The legislation authorizes franchising authorities to charge up to a 5% annual franchise fee from the cable operator, based on gross revenues. For some cable companies, this means increased fees. The Federal Communications Commission now sets a maximum of 3%, but allows up to 5% if the franchising body shows good cause for a higher rate.

For others, the new rule means an end to franchising surcharges, which some municipalities have imposed in addition to franchise fees.

Based on this rule, "I don't see any great rush into the major markets. Five per cent of gross is 40% of the net of a healthy cable system," the spokesman says.

However, the ATC spokesman says the cable deregulation legislation will help advertising in at least one important way.

Cable advertising, he says, is most profitable when commonly owned cable systems are clustered in contiguous markets, allowing advertisers to reach subscribers most economically.

The law's refranchising provisions will reduce that problem, he says. "The clustering concept makes cable a more viable advertising medium for a market."

Even if cable companies do penetrate the remaining large urban markets, Paul Schonewolf, vp-marketing for General Electric Cable, Schenectady, N.Y., says cable service to big new markets will not necessarily increase advertising.

"What cable offers is not numbers. Commercial television is always going to have the numbers. Cable offers the demographics—MTV to reach the teen for example."

But Mr. Schonewolf does say that with the deregulation of basic cable rates, many cable systems that now charge for the four major ad-supported services (ESPN, CNN, USA Cable and MTV) will include them in basic service.

This will increase the numbers of subscribers, which will attract more ads, he says. ■

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Nets out to bring barter back in line

Growing $500 M market threatens sales

By VERNE GAY

NEW YORK—Network tv, which has long dismissed barter syndication as a nuisance for spot tv, is conceding for the first time that the growing $500 million barter market poses a most pressing threat to national tv sales.

ABC-TV's marketing development department has produced an extensive three-part primer on barter and how advertisers are using the medium. The primer, which ABC says is intended to educate top network sales personnel on barter and how to blunt its acceptance with advertisers, includes a long diatribe on the drawbacks to syndication, according to sources who have seen the report. The primer has been making the rounds at ABC for six weeks.

ABC is following CBS-TV's lead, which in October made a barter presentation to several agencies. Those presentations resulted from a CBS Sales internal study of advertiser-supported barter last February in what it described as a fact-finding mission. Sources said the CBS presentation was not well received by agency executives.

It's not known whether ABC plans to make its antibarter primer public. However, sources speculated that if the manual receives a favorable response from key members of the advertising community, ABC may build a new marketing program around it.

"The internal presentation was created to build on an account exec's knowledge of syndication, and we may be doing an adaption of it," said Chuck Gabelmann, vp-sales development and affiliate projects, ABC. "Barter is certainly growing. I don't want to say that it's full-fledged competition, but it's certainly something we have to keep an eye on."

Mr. Gabelmann did not reveal the conclusions of the ABC presentation. Based on the CBS presentations, however, the network probably criticized syndication for its lengthy delays in audience measurement and the great variance of syndi-

(Continued on Page 80)

LA
Sometimes it's the perfect thing to say.

Never too old

"My idea of a good time is not sleeping with the coats," says well known party animal George Burns in an upcoming campaign explaining why he drinks Anheuser-Busch's LA low-alcohol beer. But when a fur-coated temptress arrives he says, "Maybe I'll change my mind." *(See story on Page 10.)*

Manufacturer/retailer power balance is the target

O&M now a 1-stop shop

By STEWART ALTER

Ogilvy & Mather International disclosed last week it has been working for two years on a comprehensive strategy to restore leverage lost by manufacturers to retailers.

A key element in O&M's strategy, outlined at meetings with institutional investors, is the coordinated use of advertising, public relations, direct marketing and other services that Ogilvy has been marshalling under its banner.

O&M was one of three publicly held agencies that discussed growth strategies before gatherings of blue-chip investors organized by Wertheim & Co., a New York securities company.

Wertheim sponsored two days of presentations—one day in Boston and the other in Chicago—in which the managements of O&M International, Saatchi & Saatchi and BBDO International each made an "invest-in-us" pitch.

Those presentations offered some marked contrasts between the organizations and strategies of these three major multinational agencies.

Saatchi's intention to expand the scope of its services already has become evident through its recent whirlwind acquisitions of the Hay Group management consulting company and the Yankelovich, Skelly and White research company.

But O&M, with less fanfare, apparently also has been hatching a major, if dissimilar scheme, to expand its mandate as a communications company. Unlike Saatchi (but like BBDO), it plans only to stay in advertising and related fields.

O&M maintained in its presentation

(Continued on Page 82)

Carbide deals with disaster

By GAY JERVEY

Top Union Carbide Corp. officials were meeting at their Danbury, Conn., headquarters Dec. 7 with Marsteller Inc.'s Burson-Marsteller crisis communications unit—the public relations group that two years ago helped Johnson & Johnson deal with its Tylenol poisonings crisis.

The scope of Union Carbide's problem became more pronounced with each passing hour last week, as a poison gas leak at its plant in Bhopal, India, killed nearly 2,000 people and injured tens of thousands of others.

The Bhopal disaster, called the worst industrial accident in history, led India's government to arrest Carbide chairman Warren Anderson on "negligence and corporate liability" charges when he arrived at the stricken city. He was later released.

The chaos at company headquarters was exacerbated by several bomb threats during the week. UC was unable to implement an immediate plan of action.

According to Tom Mosser, president of Burson-Marsteller's New York office, the agency's crisis management group—which recently worked with Great Adventure following a tragic fire at its Jackson, N.J., amusement park—is studying the problem from all possible angles.

"They're doing all the right things—looking into the possibility of research to determine public opinion, to find out what people are saying and thinking," Mr.

(Continued on Page 83)

At 76, Annenberg's

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NEWSPAPER

Last Minute News

Y&R/Zemp execs perish in Florida plane crash

JACKSONVILLE, FLA.—Two executives at Young & Rubicam/Zemp, St. Petersburg, were among 13 persons killed Dec. 6 in the crash of a Provincetown-Boston Airline plane shortly after takeoff. They were James Killinger, 43, vp-associate creative director, and Gail Palmer, 27, account exec. They were returning to St. Petersburg following a client meeting with Florida National Bank execs. In October, a helicopter crash in the Virgin Islands took the lives of Wells, Rich, Greene art director Joseph Capitelli and free-lance photographer Gordon Gahan (AA, Oct. 25).

Print campaign seeks to buck up IRA use

WASHINGTON—Foundation for Savings Institutions next month will break a $14 million, three-month campaign to draw investors from mutual funds to Individual Retirement Accounts. Backer & Spielvogel, New York, handles the print campaign. It attacks mutual funds' poor showing in the last year and pitches IRAs as "the retirement plan that comes with a money-back guarantee."

Almay takes first step with moisturizer

NEW YORK—International Playtex's Almay division will introduce its first one-step, hypo-allergenic moisturizer in cream and lotion in early 1985. Saatchi & Saatchi Compton will handle the $4.7 million ad budget.

(Continued on Page 8)

Bucks balloon in big burger battle

By SCOTT HUME

The so-called "Battle of the burgers" has become the "Battle of the network stars."

Network tv ad spending by the Big 3 burger chains—McDonald's, Burger King and Wendy's—totaled $189.4 million during the first nine months of this year, a whopping 94% increase over the $97.5 million spent by the hamburger giants during 1983's first three quarters, according to figures from the Television Bureau of Advertising and Broadcast Advertisers Reports.

The largest dollar increase came from McDonald's, which nearly doubled network spending and is well on its way to becoming one of the largest network advertisers. Big Mac's bill was $60.8 million above what it spent during the first nine months of 1983 for a total through September of $122.3 million.

When McDonald's last year urged its franchisees to raise from 25% of sales to 2% their contribution to the Operators National Advertising Fund (used to buy network time), one fast-food chain executive charged Big Mac with attempting to "drown out" all competing advertising (AA, Oct. 3, '83).

That may have been McDonald's goal, but Wendy's and Burger King franchisees also have upped their network contributions to keep their shares of network time.

Wendy's more than doubled its network spending from $11.1 million to $24.4 million. Burger King's network expenditures were $42.7 million, up 71%.

The adjusted franchisee contributions account in large part for the double and triple-digit increases registered this year in network spending.

But this battle of network budgets isn't over yet.

"You'll see our network spending rising at a faster rate than it has in the past," said Wendy's exec vp William Welter. "In addition to the increased contributions, there's the double effect of our faster rate

(Continued on Page 82)

Fast-food chains' tv spending

Burger King and Wendy's continue to increase over-all tv spending by larger percentages than McDonald's, but they still can't match Big Mac's budget. At its current rate of increase, McDonald's may spend $250 million on tv advertising this year, two-thirds of it on the networks. Wendy's has increased network buyr 120%. ***Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.***

	Jan.-Sept. 1983 ($ thousands)			Jan.-Sept. 1984 ($ thousands)			Per cent change
Rank/Chain	Network	Local	Total	Network	Local	Total	'82-'83
1. McDonald's	61,534.7	75,519.7	137,054.4	122,257.6	65,913.9	188,171.5	+37
2. Burger King	24,866.6	32,937.3	57,803.9	42,726.1	56,646.4	99,372.5	+72
3. Wendy's	11,096.1	20,980.1	32,076.2	24,404.0	30,620.7	55,024.7	+72
4. Kentucky Fried Chicken	23,923.5	15,046.7	38,970.2	32,126.5	17,506.8	49,633.3	+27
5. Pizza Hut	15,631.6	21,335.5	36,967.1	13,528.5	30,499.4	44,027.9	+19
6. Red Lobster Inns	4,869.1	17,475.4	22,344.5	12,908.0	10,727.9	23,635.9	+ 6
7. Taco Bell	—	14,323.7	14,323.7	—	21,641.5	21,641.5	+51
8. Hardee's	—	12,781.5	12,781.5	4,718.0	14,027.1	18,745.1	+47
9. Denny's	11,421.1	2,379.7	13,300.8	12,214.7	2,954.8	15,169.5	+14
10. Long John Silver's	—	13,408.0	13,408.0	—	14,655.3	14,655.3	+ 9
11. Arby's	3,768.9	4,976.2	8,745.1	2,869.3	6,247.0	9,116.3	+ 4
12. Jack in the Box	187.7	10,633.4	10,821.1	—	8,687.7	8,687.7	−20
13. Dairy Queen	—	8,394.8	8,394.8	—	8,594.4	8,594.4	+ 2
14. Sizzler	—	6,450.7	6,450.7	—	7,782.6	7,782.6	+21
15. Godfather's Pizza	-	5,800.3	5,800.3	—	7,534.2	7,534.2	+30
Top 15 total	157,299.3	262,443.0	419,742.3	267,752.7	304,039.7	571,792.4	+36
Category total	160,134.9	358,838.5	518,973.4	270,513.7	426,099.9	696,613.6	+34

Highlights

While consumer acceptance of low-alcohol beer remains unclear, Anheuser-Busch has embraced its LA beer as a member of the family. *See Page 10.*

Just as major toothpaste marketers are jumping on the pump-dispenser bandwagon, Minnetonka will toss a whole new element into the market by introducing its Check-Up dentifrice nationally in a flip-top container. *See Page 12.*

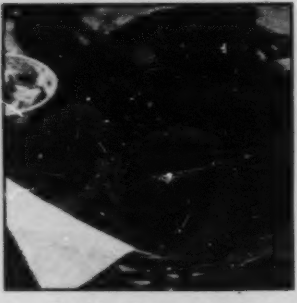
Julius Erving has followed a strict game plan on and off the court. The Philadelphia 76er's forward has developed a marketing career, making endorsements for a variety of products, including Coca-Cola. *See Page 38.*

Exports are booming for the creative departments of many Spanish ad agencies. More multinational advertisers are placing their pan-European campaigns in the hands of Spanish agencies. *See Page 40.*

Their legal brief alleges "antitrust violations," but that's just a nicer way for 11 major airlines to charge United Airlines and American Airlines with trying to bleed them dry. *See Page 69.*

Pegasus Airlines, a new carrier, expects to launch service in April on some Caribbean routes abandoned by bankrupt American International Airways. *See Page 69.*

Land O'Lakes is testing its new Cheddar Cheese rings in restaurants in the eastern and southern U.S. *See Page 75.*



CORPORATE CLOSEUP

Ivor Wallace Hughes, chairman-ceo of Brown & Williamson Tobacco Co., is leading a company emerging from two years of corporate introspection, reorganization of the marketing department and rethinking of virtually every aspect of the way it does business. B&W, said Mr. Hughes, is now a "very, very aggressive competitor." *See Page 4.*

FORUM

Management professor S. Prakesh Sethi thinks counteradvertising may be a tool to help open up Japanese markets. *See Page 18.*

Copywriter Rob Resnick wonders whether he and his cohorts are the Rodney Dangerfields of creative departments. *See Page 18.*

INTERNATIONAL

In Chile, a state of siege that has caused the deepest political turmoil since the 1970s has had one side effect: It has been a bonanza for tv ads. *See Page 48.*

John Bernbach, the 40-year-old son of the late Bill Bernbach, says he has no designs on filling his famous father's shoes as head of Doyle Dane Bernbach's worldwide operations and that he is happy with his appointment as president of the agency's international division. *See Page 48.*

Heisse Hexe (Hot Witch) is the name of hot hamburgers and cheeseburgers being sold in Germany from mobile units, containing a freezer with a microwave oven on top. *See Page 50.*

VIDEOTECH

NBC-TV, bolstered by improved ratings and demographics, already is enjoying tremendous monetary advantages in its new No. 2 position *See Page 56.*

NBC and CBS will weigh in with heavyweight miniseries in April, 1985, to end the regular season with a wallop. ABC has planned no miniseries for that period. *See Page 57.*

COMING THURSDAY

SPECIAL REPORT

California isn't Connecticut. It isn't like any of the other 48 states either, when it comes to life style and product preferences. California establishes trends for the rest of the nation, and so plays an important marketing role.

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NEWSPAPER AD EXPENDITURES FOR SEPTEMBER, 1984 68
FAST-FOOD CHAINS' TV SPENDING 2

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IBM's portable out to lap field in pc market

By BRIAN MORAN

IBM Corp. is preparing to invade another segment of the fiercely competitive personal computer market with a powerful 10-lb. portable, 20 lbs. lighter than its smallest current model.

The new briefcase-size Personal Computer, which industry sources said could be unveiled as early as this week, seems certain to spark a bruising new battle for Big Blue rivals Data General Corp., Hewlett-Packard, Texas Instruments and dozens of other brands.

A string of other companies is lined up to climb into the ring next year.

Though IBM's Entry Systems division, Boca Raton, Fla., would not confirm the existence of the lap model, sources said several prototypes have been developed.

Next to the IBM name, the new machine is expected to boast a significantly easier to read screen.

The lap machine will herald an anticipated flurry of personal computer product upgrades from Big Blue. Analysts expect IBM to unleash faster versions of the PC and PCjr machines by February.

More than 100 portable models are competing for shelf space in what's become one of the fastest growing personal computer segments, and the field is expected to swell even more with the anticipated arrival next year of machines from Japanese companies.

The IBM machine will be pitted directly against similar 10-lb.

(Continued on Page 83)

Sunlite brand gets a new ray of hope

By RUTH STROUD

FULLERTON, CAL.—Beatrice/Hunt-Wesson Foods has renamed and repositioned its ailing Sunlite sunflower oil in an effort to make it shine again as part of a family of Wesson oils.

At the same time, the company is expanding the Wesson oil line with a new corn oil, taking on the category king, Englewood Cliffs, N.J.-based CPC International's Mazola corn oil. Until now, the Wesson line consisted only of vegetable oils.

In changing the name to Sunlite Wesson 100% sunflower seed oil, the company is attempting to cash in on the well known Wesson brand name.

"If that doesn't work, I don't see much hope for it," noted one observer. (The name Sunlite has been reduced in size on the label and gradually will be eliminated.)

National tv and print ads reassure consumers that despite the new name and plastic bottle, this is the same 100% sunflower oil they're accustomed to. Dailey & Associates, Los Angeles, is the agency. Ketchum Advertising, San Francisco, handles Wesson vegetable oil, plus the new Wesson corn oil.

Once the rising star in Hunt-Wesson's oil business, Sunlite's market share has dropped dramatically from a peak of 5.1% (pound share) in 1980 to 2.3% in recent months.

By all accounts, its decline has been expensive for the company. One competitor estimated Hunt-Wesson has poured $40 million into tv advertising on the brand since its inception, not to mention ex-

(Continued on Page 82)

Castor big winner for Hispanic efforts

New York—Castor Spanish International emerged as the big winner in the recent El Cervantes Media Awards presentation.

This is the third year that the nonprofit Hispanics in Communications has made the presentations, which recognize advertising efforts aimed at Hispanic consumers.

In the outdoor-transit category, the El Cervantes client-agency winners were Heublein-CSI for regional and OTI Song Festival-Spanish International Network for national.

The winning combination in the newspaper category was Lite beer from Miller and its agency, Mendoza, Dillon & Asociados, Newport Beach, Cal.

In magazines, Belleza Internacional-Les Pinto & Co. was the national winner and Heublein-CSI was the local winner.

In radio, Dr Pepper Co.-Zubi Advertising Services, Miami, won for the local 60-second spot category, and Stroh Brewery's Schaeffer beer and agency, Badillo-Compton, Caparra Heights, P.R., won for best regional 60-second spot.

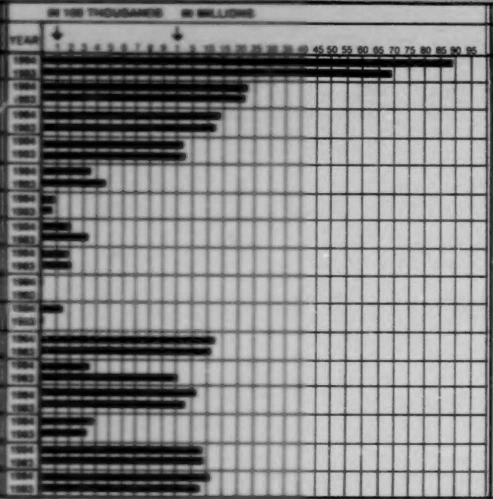
In other radio categories, Fabulous Diamonds-ZAS won for the best local campaign. The best regional campaign belonged to Zayre Corp.-Ingalls Associates, Boston. The best national campaigns were Anheuser-Busch's Budweiser and CSI and Coca-Cola Co.-CSI.

In public service radio, the winners were Museo Cubano de Arte y Cultura-ZAS, and United Way of Dade County-ZAS.

Cervantes tv winners were Stroh's Schaeffer-Badillo-Compton for regional campaign, and A-B's Budweiser-CSI and Ford Motor Co.-J. Walter Thompson-Hispania for national campaigns.

Budweiser and CSI also were the client-agency winners in the best multimedia national campaign.#

FLASH REPORT: Newspaper advertising investment for September



September 1984 CATEGORIES	DOLLARS 1984	DOLLARS 1983	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Department stores	$88,126,885	$69,735,445	+18,391,440	+26.4
Food stores	23,564,088	23,167,247	+396,841	+1.7
Radio, tv, phonographs-records	14,292,966	12,314,854	+1,978,112	+16.1
Alcoholic beverages	2,216,728	2,692,860	−476,132	−17.7
Cameras, photo supplies & services	341,699	481,551	−139,852	−29.0
Beverages: coffee and tea	84,723	99,467	−14,744	−14.8
Beverages: soft drinks, diet/non diet	203,505	349,465	−145,960	−41.8
Soaps, cleansers & polishes	199,811	212,163	−12,352	−5.8
Cold, cough & sinus remedies	253	0	+253	++
Headache remedies & sedatives	161,801	1,836	+159,965	+8712.7
Publishing & media	13,521,449	11,132,171	+2,389,278	+21.5
Sporting & Leisure time equipment	353,354	1,012,100	−658,746	−65.1
Cigarettes	5,617,840	3,940,348	+1,677,492	+42.6
Cosmetics, makeup & manicure products	395,110	338,128	+56,982	+16.9
Airlines	9,773,279	9,903,212	−129,933	−1.3
Passenger cars-new	10,929,043	8,075,789	+2,853,254	+35.3

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 35 dailies and 24 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Retail continues surge in papers

New York—Retail ad spending in daily newspapers continues surging, with department stores leading the way, according to the September Flash Report of Newspaper Advertising Investments.

The report, prepared for Advertising Age by Media Records, tracks newspaper retail advertising in 15 markets.

The department store category, the largest user of the newspaper medium, showed a 26.4% increase in September, 1984, over the same month in '83, with total expenditures for the category exceeding $88 million.

Among other categories posting gains were food stores, up 1.7% to $23.5 million; radios, tvs, phonographs and records, up 16.1% to $14.3 million; publishing and media, up 21.5% to $13.5 million; new passenger cars, up 35.3% to $10.9 million; cigarets, up 42.6% to $5.6 million, and cosmetics, makeup and manicure products, up 16.9% to $395,110.

Ad spending for headache remedies and sedatives sprouted from nearly nothing in September, 1983, to $161,801 in September, 1984.

Among categories posting losses were alcoholic beverages, down 17.7% to $2.2 million; airlines, down 1.3% to $9.8 million; sporting and leisure-time equipment, down 65.1% to $353,354; cameras, photo supplies and services, down 29% to $341,699; beverages-soft drinks, down 41.8% to $203,505; soaps, cleansers and polishes, down 5.8% to $199,811, and beverages-coffee and tea, down 14.8% to $84,723.#

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When you use The Houston Chronicle as your primary medium in conjunction with a TV buy, you're getting the most for your advertising dollar. Because you're increasing your reach. Without increasing your [illegible].

Tv, admen stay with boxing

By ROBERT RAISSMAN

New York—The tv networks and agencies involved in boxing telecasts took the American Medical Assn.'s roundhouse punch at the sport last week and shrugged it off.

The AMA called for the abolition of both amateur and professional boxing, citing its adverse effects on the health of participants. Ironically, if the AMA's action leads to legislation, the networks might be the only organized force to lobby in boxing's favor.

"So long as boxing is a lawful, licensed, sanctioned sport [and] so long as a substantial number of our viewers want to watch boxing and demonstrate that interest through the ratings, we will broadcast the sport," said Neal Pilson, exec vp, CBS/Broadcast Group.

Conceding that the AMA has the right to urge states to ban the sport, Mr. Pilson said, "I don't think it's up to the networks to set the law and the tastes for the American sports viewer."

NBC boxing consultant Dr. Ferdie Pacheco said the AMA resolution could affect boxing, "but just how much, I don't really know."

An ABC spokesman said the network will continue to air the sport and "report" what's going on during the event rather than get involved in making any moral judgment concerning boxing or any other sport it covers.

Agency sources maintained that advertisers would continue to put their dollars into boxing. "We are looking at the audience it [boxing] generates," an agency exec said. "But we're looking at the audience any event generates, regardless of what sport."

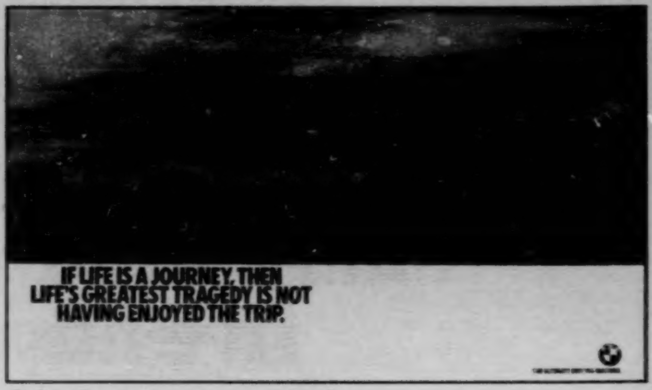
In most cases, advertisers purchase boxing inside a sports anthology program. They don't know specifically when boxing will be on the schedule but are aware that anthologies with boxing as the main event get higher ratings than anthologies without boxing.

If boxing were to be pulled from an anthology, ratings likely would slip, especially in the key male 18-to-45-year-old group.

"If the AMA is against boxing and the public agrees, that's one thing," said Steve Leff, exec vp, Backer & Spielvogel, "but if the public doesn't agree and the sport continues, that's something else."

The boxing industry has never looked to a situation in which members might have to lobby to keep the sport alive.

"Boxing is the safest target in the sports establishment to attack because it has positioned itself that way," a network source said.#



It's how you get there

Print ads now breaking and tv starting in mid-December for BMW retain the auto maker's "The ultimate driving machine" theme line via Ammirati & Puris, New York. The heaviest push starts in January, to avoid pre-Christmas advertising clutter. BMW is offering a larger six-cylinder engine in larger models, such as the 635CSi shown here.

1-stop

(Continued from Page 1)

that its strength lay in its being "one agency indivisible" that offered a "complete range of communications services, integrated and controlled from a central point," said Graham Phillips, chief financial officer at O&M International and managing director of the agency's New York office.

Mr. Phillips asked, "What is the ultimate benefit of this?" He then disclosed that "all clients have a great deal of trouble dealing with the trade. By putting all these services together, we can give them stronger consumer pull so that they will become less dependent on the trade down the road."

In an interview afterward, Mr. Phillips described this as the "much greater hidden agenda" behind O&M's development of its system of integrated, coordinated communications services. He explained that "one of the greatest concerns clients have today is the amount of money they have to spend to maintain distribution."

As factors contributing to that growing retail trade strength, Mr. Phillips listed such factors as the growth of store brands, including premium ones; scanning, which is making retailers more knowledgeable about brands than manufacturers, and the increased growth and concentration of some chains.

Mr. Phillips, however, would provide no details about how O&M plans to translate this into action.

Martin Sorrell, Saatchi's group financial director, provided some additional insight into that company's growth strategies. "We see an opportunity to expand from a strong base in marketing services to broaden the scope of the advisory services that we offer clients."

Saatchi is much less interested in centralization, coordination and integration of its services and intends to proceed cautiously in bringing them together. Asked about plans to turn management consulting or research clients into advertising ones, or vice versa, Mr. Sorrell said, "We're into new territory. We're going to take a slow and steady approach."

The Saatchi executive also gave an outline of the company's acquisition goals. He showed a chart that presented Saatchi's ranking in the U.S., U.K. and worldwide in a number of service areas, including advertising, direct marketing, management consulting, market research, pr and sales promotion.

Using this as a guide, the holes in Saatchi's network are pr, where it has no major presence on either side of the Atlantic; direct marketing, where it is No. 10 in the U.S. but not a factor at all in the U.K.; sales promotion, particularly in the U.S.; market research, especially in the U.K., and advertising in the U.S., where it will try to improve its No. 10 ranking.

The chief goal for BBDO, a relative latecomer to the international scene, is overseas growth, including specialized agencies, said Steve Kahler, BBDO exec vp and president of its Doremus & Co. subsidiary. "We are now beginning to attract the multinational clients," Mr. Kahler said, referring to recent European assignments from Apple Computer, Gillette Co., Kuwait Petroleum and Wm. Wrigley Jr. Co.

There also are three major markets where its general agencies are not in the top 10—the U.K., France, and Brazil—and where it may concentrate its efforts.#

Burgers

(Continued from Page 2)

of new-store openings and rising average unit sales."

Those same factors will keep other chains' network spending spiraling up next year.

Trying to make the "burger battle" a four-way race is Rocky Mount, N.C.-based Hardee's, which this year made its first network buys (AA, March 19). TvB put its network spending at $4.7 million for the first nine months.

But Hardee's is heavily advertising a pre-Christmas Disney toy promotion, and exec vp-marketing Ron Wertheim said its network spending for the year will be closer to $10 million. The chain is committed to a network schedule at least through September.

Despite the challenges, McDonald's has managed to widen the gap between it and its major competitors. The nine-month McDonald's network spending is 182% of BK's and Wendy's combined spending. For the first three quarters of 1983 it was 170%.

If McDonald's network expenditures continue at this pace through yearend, its total 1984 network bill should top $160 million, putting it comfortably among the top 10 spenders in the category. Last year, the chain spent $80 million on the networks, placing it 22nd.

McDonald's total tv spending, combining network and local buys, could be nearly $250 million. That would be more than was spent on tv in 1983 by any company except Procter & Gamble, the perennial multibrand advertising champion.

From April to September, McDonald's spent $97 million on network buys, $16 million more than in all of 1983.

Sources estimate that McDonald's may have spent as much as $60 million in the third quarter alone, a period that included heavy spending during and before the Olympics, as well as the launch of the "It's a good time for the great taste ot McDonald's" campaign.

Leo Burnett USA, Chicago, has McDonald's national account. J. Walter Thompson USA, New York, is BK's agency; Dancer Fitzgerald Sample, New York, handles Wendy's, and Benton & Bowles, New York, has Hardee's.

Burnett's network-billings windfall has come partly at the expense of agencies handling local co-op assignments. McDonald's local tv spending during the first nine months totaled $65.9 million, nearly 13% below the $75.5 million spent during the comparable period in 1983.

Burger King and Wendy's have continued to increase local tv ad spending while beefing up their network buys. For the first time, their combined local tv spending of $87.3 million exceeds McDonald's $65.9 million expenditure.

Network spending by the top 15 restaurant chains was $267.8 million through September, a 70% increase over the same period last year. Local tv spending rose 16%, to $304 million.#

Tv travel ads sail up

New York—Spending for travel promotion ads on network and spot tv rose 35% for the first nine months of 1984, the Television Bureau of Advertising reports.

U.S. and foreign travel promoters spent $241.4 million on U.S. tv advertising from January through September, TvB says.

Passenger travel ad spending hit $155.9 million in the nine-month period, 34.2% above the total for the same point in '83.

United Airlines' tv ad spending soared 78.8% to $35.7 million. American Airlines' spending was up 43.2% to $29.9 million.

Australia leaped to the top of the tv ad category for country-state-local tourism, with $3.5 million spent versus none in '83.

Canada also showed a fat increase in spending. It placed third in '84, with spending of $3.1 million in the first nine months, versus only $12,000 spent a year earlier on U.S. tv ads.

The hotel-resort-tourist promotion category was up 35.8% from the first nine months of '83, with tv ad spending rising to $80 million. Ramada Inns was the largest spender at $4.8 million, up 20%. The travel-tour category increased its tv ad spending by 66% to $5.5 million. American Express Travel Stores spent $1.8 million in tv advertising, almost 18 times the total for a year earlier.#

Taxes

(Continued from Page 3)

20% of all ad expenditures to the normal 43.3% corporate tax rate. Ad spending is deductible now.

Such a tax would bring in more than $520 million a year to offset a swelling budget deficit.

A government decision on the ad tax is expected Dec. 20. "There are some who are pessimistic about defeating the ad tax this year, although I am personally optimistic we can kill it," said Satoshi Watanabe, executive director of the Japan Advertising Federation.

In Australia, admen are gearing up to challenge a possible tax following the reelection this month of Prime Minister Bob Hawke.

"We should be aware of the danger and start preparing our case against it," said Fred Benchley, general manager of John Fairfax & Sons, one of Australia's most powerful media groups.

In the U.K. the Treasury Department last month leaked reports it may impose a value-added tax on newspapers and magazines—possibly as much as 15%.

"If the government increases taxes on publications, many publications will close and advertising will fall," said Mike Waterson, director of research for the British Advertising Assn.

The Indian government in 1983 eliminated some tax deductions for ad spending—in effect, imposing a tax on the industry.

The trend is hitting smaller markets, too. Advertisers and agencies are lobbying against an advertising tax in Finland. The Korean advertising industry successfully lobbied against a tax on foreign marketers' advertising last July and convinced the government to rescind an existing tax.

But perhaps the greatest fears are in Ireland, where the Assn. of Advertisers last month ran a three-page insert in Irish newspapers opposing a proposed 2% tax on some promotional expenses of tobacco marketers.#

Contributing to this article: Laurel Wentz in London, Des Kilalea in Johannesburg, Geoffrey Lee Martin in Sydney and Jack Burton in Tokyo.

Chain offers burger truce

San Diego—Jack in the Box fast-food chain is spoofing the so-called "burger wars" of its competitors in a new commercial introducing its latest product, the Ham & Swiss Burger Classic.

In a 30-second spot that broke last week, the restaurant chain says "When you get tired of the burger wars," Jack in the Box is the place to go.

The commercial opens on a battlefield. A young man who looks as if he could appear in a McDonald's commercial pops up and says "two all-beef patties." He is followed by a young woman (wearing a hat that resembles those of Burger King employes) who remarks about flame broiling, then throws a grenade. In the third scene, an old lady in a trench (with a slight resemblance to Wendy's spokeswoman Clara Peller) asks, "Where's the. . ." but her question is interrupted by an explosion.

The new tv ad is the first of several introducing new products. Wells, Rich, Greene/West, Los Angeles, is Jack in the Box's agency.

Jack in the Box, a division of Ralston Purina Co. with some 800 units, is continuing to test a new name, Monterey Jack's, at outlets in Seattle, Albuquerque and Beaumont, Tex. (AA, Nov. 12).#

Sunlite

(Continued from Page 2)

pensive couponing efforts.

Procter & Gamble's Puritan brand, a blend of sunflower and soy oils, cost a great deal in advertising with little return for several years, but has stablized at between 3% and 4% share, sources said.

For the new corn oil, literature sent to brokers indicates that the Beatrice Cos. subsidiary is positioning the product squarely at Mazola users. The company tells brokers it is prepared to promote the product heavily—dispensing 20 million coupons to stimulate consumer trial between January and November. Product is becoming available in the Northeast, but Ketchum sources say the agency is working on a budget and tv spots.#

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Monday, December 17, 1984

Advertising Age®

Crain's International Newspaper of Marketing

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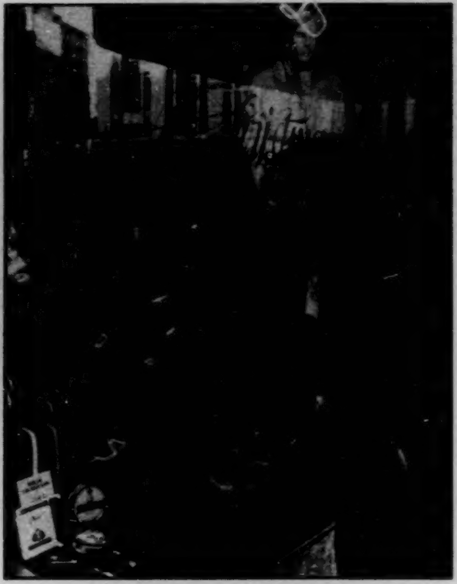
Ginza preppy: Argyles draw yule shopper in Japan, where U.S. styles are hot. P. 32.



Reluctant looker: Slow sales in U.S. force price cuts on many Christmas items. P. 2.

Nynex leading 'Magnificent 7' into computers

By BRIAN MORAN

Nynex Corp.'s opening of its first two computer stores last week is bound to unleash a stampede to computer retailing by the seven "Baby Bell" regional telephone companies.

The Nynex computer store chain, operating under the Datago name, starts with units in Albany, N.Y., and Springfield. Mass. The Datago debut had been blocked by the Justice Department since March.

Justice's approval of Nynex's application is expected to help clear the way for all the Bell spinoffs to grab a share of the blossoming computer retail market. Pacific Telesis, San Francisco, has set its sights on opening a national chain of computer outlets next year (AA, Nov. 15), and Bell Atlantic, Philadelphia, has similar plans. Other Bell operating companies say they are studying the matter.

Although their impact on the computer retail business will be negligible at first, the regionals pack plenty of potential clout through their Ma Bell heritage, high-tech know-how and financial strength, analysts say. ComputerLand, Hayward, Cal., and Tandy Corp., Fort Worth, Tex., dominate the $4.7 billion computer store

(Continued on Page 54)

DMA to let consumers hang up on pitches

By PAUL L. EDWARDS

NEW YORK—If you're tired of unsolicited telephone sales calls, help is on the way.

The Direct Marketing Assn.'s board of directors next month will consider implementing a Telephone Preference Service (TPS) that would give consumers a way to cut down on the number of those phone calls they receive.

The service would be analogous to DMA's Mail Preference Service, established in 1971, which enables consumers to eliminate receipt of most direct mail. To date, more than 944,000 people have requested inclusion in the mail service. Specific details of the proposal, including funding, remain to be worked out, but a DMA spokeswoman said none of this "should be too difficult to arrange."

Assuming the board ratifies the proposal when it meets here Jan. 9 and 10, she said it is likely TPS will be operating within the first half of 1985.

Telemarketers appear to be solidly behind the proposal. "I think it's wonderful," said Eva Roman, chairman of Campaign Communications Institute, a New York-based telemarketing service bureau. "This will give consumers the privacy that they want. They should be protected."

Peg Kuman, chairman of DMA's telephone marketing council and director of Publisher's Clearing House Telephone Marketing Services, Port Washington, N.Y., said TPS will make telemarketing more efficient. "People doing telemarketing only want to reach people who are interested," she said. "We don't want to spend money calling people who don't want to be called."

The proposal to be considered results from nearly two years of test-marketing by DMA to determine whether there was sufficient consumer interest in such a program.

The test began in Rochester, N.Y., with an envelope stuffer included in local telephone bills. Consumers who wanted to be deleted from telephone lists were asked to send back

(Continued on Page 56)

Out of the mouths of babes

Antismoking ads ill-conceived?

By WILLIAM F. GLOEDE

NEW YORK—As antismoking tv spots go, this one is a gut-wrencher

A fetus exhales cigaret smoke. A voiceover warns: "Would you give a cigaret to your unborn child? You do every time you smoke when you're pregnant. Pregnant mothers: Please don't smoke."

The "fetus," depicted as actually smoking a cigaret, is a sculpted model imbued with life by computerized camera work.

The American Cancer Society public service announcement is the product of a youthful and relatively inexperienced special-effects film team, two of whom work for George Lucas' Industrial Light & Magic unit of Lucasfilm.

The ACS spot has been accepted by ABC and Turner Broadcasting System. ACS is still negotiating with CBS and NBC. Also, copies of the psa have been dispatched to all regional ACS offices for distribution to local tv stations.

Antismoking spot talks tough.

"This is one of the most impressive, effective spots ever done in the antismoking campaign," said Irv Rimer, vp-public relations at the cancer group's headquarters here.

Mr. Rimer said he has no idea when the spot may begin running, but he speculated that the networks could start airing it in Jan-

(Continued on Page 54)

NEWSPAPER
AA
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Last Minute News

Commodore commands search for 2nd agency

WEST CHESTER, PA.—Commodore International is searching for an additional ad agency. The shop would handle a possible major expansion into new microcomputer product lines late next year. Anametrics, New York, is Commodore's agency of record and is expected to retain responsibility for the current product line.

Ted Bates bags $22 million Olivetti pc acount

MILAN—Ted Bates Worldwide will announce this week it has won the $22 million Olivetti personal computer account for all of Europe. D'Arcy MacManus Masius and Ogilvy & Mather also pitched for the account, previously in-house (AA, Dec. 3).

'Differences' end Romano's 21 years at Bates

NEW YORK—Ronald Romano, an exec vp-executive creative director and onetime co-creative director at Ted Bates Advertising/New York, is leaving the agency after a 21-year career there. Michael Becker, vice chairman-chief creative officer, cited "philosophical differences" in confirming the departure. Mr. Becker has been restructuring the Bates creative department.

Leber Katz prize-winner Linder gets ax

NEW YORK—Lou Linder, creative director and copywriter for one of this year's biggest award-winning ad campaigns, has been let go from his vp-associate creative director job at Leber Katz Partners. "There's some irony in losing my job in the same year I've won all these creative awards," Mr. Linder said. His U.S. Department of Transportation anti-drunken driving campaign won several awards, including a Clio for best campaign.

(Continued on Page 8)

Retailers trimmin' more than trees

By PAT SLOAN

With Christmas sales in many major cities still more ho-hum than ho-ho-ho, some stores are slapping together unusual and unanticipated promotions to ensure that Christmas does indeed come by Dec. 25.

In Seattle, Frederick & Nelson turned a previously planned 16-hour Saturday sale into a three-day event.

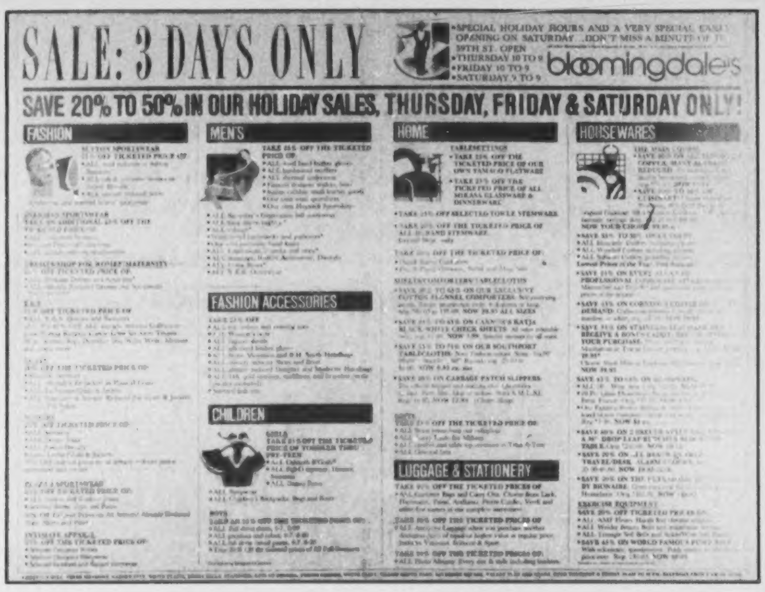
Fearing a sales sack from armchair quarterbacks, Frederick & Nelson sent out a promotional blitz announcing that areas in its stores had been set aside for football tv viewing, replete with free beer, popcorn and peanuts.

The success of the Seattle Seahawks this season has intensified local interest in the National Football League. A month ago, a football telecast seriously affected Frederick & Nelson sales for the day. "It's tough," said a Frederick & Nelson spokesman. "People wouldn't be doing all this promoting if it weren't."

Retailers generally resist the kind of unplanned pre-Christmas sales and promotion that Frederick & Nelson is holding. Markdowns and expenses related to these efforts come directly off the bottom line, and Christmas volume traditionally accounts for 50% of a retailer's annual profit.

But as shoppers seem to have developed a

(Continued on Page 56)



SALE: 3 DAYS ONLY

•SPECIAL HOLIDAY HOURS AND A VERY SPECIAL EARLY OPENING ON SATURDAY...DON'T MISS A MINUTE OF IT
59TH ST. OPEN
•THURSDAY 10 TO 9
•FRIDAY 10 TO 9
•SATURDAY 9 TO 9

bloomingdale's

SAVE 20% TO 50% IN OUR HOLIDAY SALES, THURSDAY, FRIDAY & SATURDAY ONLY!

FASHION

MEN'S

HOME

HOUSEWARES

FASHION ACCESSORIES

CHILDREN

LUGGAGE & STATIONERY

Slower-than-expected sales prompted Bloomingdale's to run a contingency promotion.

Highlights

A new public service campaign seeks volunteers to help combat the multi-billion-dollar problem of illiteracy in the U.S. *See Page 6.*

Psychological potholes are out there waiting to swallow up free lancers who allow themselves to fall in. But there are ways to avoid the perils and enjoy the benefits of being on your own. *See Page 24.*

The way Edgar Bronfman sees it, others are just starting to view the House of Seagram as the marketing hub it has said it would be. As for the stagnation plaguing the U.S. wine market, it is only temporary, and will be followed by a period when Americans become more loyal, consistent wine drinkers. *See Page 38.*

Beatrice Cos.' Swiss Miss subsidiary hopes to pluck a new share of the milk-additive market with Sugar Free Strawberry Milk Maker, trade sources report. *See Page 46.*

The dairy industry will spend $13 million early next year on advertising aimed at women that's meant to address its "user-image problem": That milk and cheese are high-fat foods. *See Page 46.*

The Limited has decided to kill plans to run Pic-A-Dilly, its latest acquisition, as an autonomous operation in favor of merging it with another subsidiary. *See Page 47.*

BMW of North America is shifting its marketing focus to the upper end, as new models broaden the 1985 lineup and widen the BMW appeal to buyers. *See Page 48.*

Chrysler Corp. is unwrapping its H-body sporty sedan advertising well before Christmas. *See Page 48.*

Johnson Products Co., once the leader in the estimated $800 million ethnic haircare market, no longer claims the top spot, Johnson president George Johnson told shareholders at the company's annual meeting last week. *See Page 49.*

CORPORATE CLOSEUP

Fotomat, the struggling photofinisher, two-thirds its former size and barely hanging on, nevertheless is a company whose name still is etched on the American psyche. *See Page 4.*

FORUM

Copywriter Paul Partridge adds to the lore of How to New York. *See Page 16.*

Melvin Ross, president of Ross Research Center, offers what he considers the bottom line in the subliminal ad debate—they don't work. *See Page 16.*

INTERNATIONAL

This Christmas season a Western visitor to Tokyo may thinks he is in Des Moines. Japanese stores, especially those in the fashionable Ginza shopping district, are chock full of products from the West. *See Page 32.*

Folks used to hang the Sears, Roebuck & Co. catalog in this room, but if Convenience Advertising in Melbourne has its way, the backs of toilet stalls in public washrooms will be used for print advertising. *See Page 32.*

A Swiss watch marketer wants Saudi Arabians to unstrap their diamond-studded Rolex watches and use the colorful—and much less expensive—Swatch. *See Page 33.*

VIDEOTECH

Following a four-month test, the Electronic Mall, a joint venture between CompuServe and L.M. Berry, will be introduced nationally in 1985. *See Page 34.*

Political advertising came under fire last week at the National Conference on Tv Ethics, with the head of Campbell Soup Co.'s in-house agency saying the ads "violate every positive promise in advertising." *See Page 35.*

The Council for Cable Information, a group formed last year to improve consumer awareness of cable tv, said a test of its campaign in three markets improved 14 out of 19 consumer attitudes toward cable tv. *See Page 35.*

COMING THURSDAY

SPECIAL REPORT

The great outdoors is becoming even greater for advertisers in many categories. Increases are reported in 30-sheet boards, eight-sheet boards and co-op advertising, too.

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Net blockade may preempt affiliate flight

By VERNE GAY

New York—December, the first post-sweeps month, also is prime time for preemptions by network affiliates—and the problem this year is worse than normal in some dayparts, according to at least one top-level network executive.

"If you're trying to introduce new programs, it [preemption] can be devastating, and that's exactly what's been happening," said Ray Timothy, group exec vp at NBC. "We have suffered an inordinate amount of preemption. There's no question about it, and it's happening across the board. We're talking about it in January at the regional affiliate meetings."

NBC and CBS will unveil elaborate presentations at regional affiliate conferences in January and February. While each will add new twists to some of the themes used in presentations earlier this year, the plea will remain essentially the same: Every time the network is preempted the affiliate is hurt and, ultimately, so is the bread-and-butter national advertiser.

It is unclear whether preemptions of network programs are increasing. Each network claims that more than 90% of all programing is cleared during all dayparts and that certain dayparts actually have improved clearance levels. NBC, for example, has built its daytime clearance levels compared with last year.

However, a new urgency has been attached to the problem. An axiom is taking shape that says, as the barter syndication market grows, so will preemptions of network programing. "Certainly the availability of such product is one of the things which causes preemptions to happen," said Mr. Timothy.

No one disputes the growth of

(Continued on Page 52)

John Boy wedges into Bing's shoes

By TOM BAYER

Houston—If the Minute Maid name connotes speedy action, it doesn't apply to its orange juice endorsement advertising program.

The Coca-Cola Foods unit announced last week that it had signed actor-director Richard Thomas and his family to replace the Bing Crosby family—seven years after the death of "Der Bingle."

The o.j. marketer's rivals used those years to move into a market once virtually owned by Minute Maid.

Eugene V. Amoroso, Coca-Cola Foods president, would not say Minute Maid's return to wholesome spokesmanship was precipitated by the stiffening competition, but he conceded "it cannot be ignored." Michael F. Lesser, chairman of Marschalk Co., New York, Minute Maid's agency, said the new open-ended alliance with the Thomas family is definitely recognition of that competition.

The Thomases' role, which begins next month, ends the seven-year period during which Coca-Cola Foods coasted on its Bing Crosby legacy for the Minute Maid brand.

In that time, Minute Maid had become a sitting duck for swiftly moving competitors. The brand received ad support, but Coca-Cola Foods hadn't settled on a successor to the Crosby family or even whether to have a successor family until now.

The company asserts that Min-

(Continued on Page 52)

CORPORATE CLOSEUP

Fotomat: Someday, its prints will come

By LISA L. TREISTER

FOTOMAT
FOTOMAT
Preferred Customer Card
Fotomat

A new holiday tv spot, breaking this week, focuses on the struggling Fotomat's Preferred Customer Card, which gives customers a choice of a free roll of film or free second prints. Henderson Advertising, Greenville, S.C., is the agency.

St. Petersburg, Fla.—In three days, Fotomat Corp. will begin airing its annual Christmas and New Year's promotion and pray that holiday sales will bring plenty of much-needed good cheer in 1985.

The struggling photo-finisher, two-thirds its former size and barely hanging on, nevertheless is a company whose name still is etched on the American psyche. Consumer surveys bear out that name recognition; so does Johnny Carson. He kicks around the Fotomat name often.

Example: One night in October, Johnny and sidekick Ed McMahon offered remedies for boredom.

One particularly raunchy suggestion caused Johnny to pause. Ed looked at the cue card Johnny had handed him and gave his boss the go-ahead.

Johnny: Do you like to take off your clothes?

(Hoots and whistles from the audience.)

Johnny: Well, take off your clothes and walk up to your nearest Fotomat window. Press yourself against the glass and shout, "Enlarge this!"

(Audience roars.)

Fotomat thinks it's funny, too. The joke keeps the company's name before the public, at no cost. And with sales at an all-time low and more losing quarters in the past two years than profitable ones, Fotomat can use all the free advertising it can get.

More significantly, there is pressure throughout the photo-finishing industry. Camera sales have slowed from their 1978 peak of 20.4 million units to 16.9 million units in 1983, with annual increases expected to be from 5% to 7%.

Videocamera sales are picking up, and newer technologies are being refined. Price competition isn't expected to ease, and minilabs are still on the rise.

It wasn't always this difficult. At its peak, Fotomat's 3,850 kiosks and stores covered 63% of all U.S. households, and its stock traded at $21 per share. Today, one share goes for $1.50 or so.

But poor business decisions, overexpansion and the advent of new technologies, particularly minilabs that provide one-hour turnaround on prints, sent company profits tumbling. As early as 1978, operating income dropped to $15.9 million from $20 million the year before.

By 1982, the company was in the red, with a $10.9 million loss, followed the next year by a $38.3 million loss on revenues of $236.5 million.

For fiscal 1985, which ends Jan. 31, the company has rebounded, reporting gains of $1.5 million and $252,000 in the second and third quarters, respectively. These results follow an $8.9 million loss in the first quarter.

Though chairman Ross Roeder would be the first to admit that the battle for profitability is not over, he is relieved there are other signs of progress.

Last month, Tokyo-based Konishiroku Photo Industry Co. Ltd., the maker of Konica cameras and other photo products, signed a letter of intent to invest $10 million in cash in Fotomat and increased its stake in the company from 20% to 60%. The final agreement is expected to be signed in February.

"We're not out of the woods yet, but this was the major piece," Mr. Roeder said.

The Fotomat chairman prefers to call Konishiroku's bailout a "friendly investment" rather than a takeover, and he confirmed that the Japanese company will be sending two or three people to St. Petersburg.

Company observers said the Japanese photographic supplier had to provide the necessary cash because it had too much to lose had Fotomat gone under.

"This might give them [Fotomat] what they need. I find it encouraging for Fotomat," said Edith Gordon, who writes about the industry for *Photo Weekly*.

Added industry analyst Eugene Glazer of Dean Witter Reynolds, "It is a friendly takeover as opposed to an unfriendly takeover. By and large, it's a positive for Fotomat."

The depth of the 17-year-old Fotomat's difficulties goes even beyond what Mr. Roeder anticipated when he assumed leadership of the company in January, 1982. Mr. Roeder, 46, is former president-chief operating officer of Winchell's Donut Houses and a former exec vp of Winchell's parent, Denny's Inc., La Mirada, Cal. He also was a member of Fotomat's board.

One of the first things Mr. Roeder did was consolidate Fotomat's headquarters, at that time split between La Jolla, Cal., and Wilton, Conn.

St. Petersburg, ironically where Fotomat traces its beginnings, wooed the failing business back with a good deal on an old Sears store. The move was expensive—an estimated $7 million—but the company proved able to slash its corporate staff from 500 to

(Continued on Page 40)

WHO SHOOK UP YOGURT?

The same people who would like to put your upcoming success in headlines. The same techniques that developed Le Shake Yogurt, put Baking Soda in more than thirty million refrigerators, developed new Alka Mints for Alka Seltzer and new S.O.S. Oven Pads . . . can work for you.

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Net tv ad slowdown seen

By STEWART ALTER

With 1985 a post-Olympics year, Robert Coen is predicting network tv ad sales to be up only 5.5%. But stronger-than-expected network tv sales took the industry forecaster by surprise in 1984.

A year ago, the McCann-Erickson senior vp-director of forecasting predicted that national ad spending on network tv would rise 12% to 13%. But the resistance to rising time prices he expected never fully materialized. "The networks were able to sell at premium prices and sales only slowed down at the end of the year," said Mr. Coen, noting that actual 1984 network tv ad sales were 20% higher than in 1983.

Mr. Coen, who made his predictions at Paine Webber's Conference on the Outlook for the Media in New York last week, projected that total U.S. advertising will slightly outpace the growth of the economy and be up 9.7% to $95.9 billion next year.

National broadcast should be up 6% (with spot tv and radio up 7% and network tv 5.5%) to $17 billion; cable and syndication tv should be ahead 20% to $960 million; national print ahead 9% to $8.6 billion, and local advertising up 10.3% to $38.5 billion.

He also predicted that next year for the first time since 1980 overseas ad increases in dollars should be higher than U.S. ad growth. He predicted a 10% increase to $70.4 billion in overseas ad expenditures. With the $95.9 billion projected for the U.S., that should bring worldwide ad expenditures to $166.3 billion in 1985, a gain of 9.8%.

In 1984, worldwide ad expenditures came to $151.4 billion, an 11.4% increase from 1983. Overseas expenditures were up 6.5% to $64 billion, and U.S. ad expenditures up 15% to $87.4 billion.

In the U.S., the biggest media ad growth in 1984 came for national broadcast, up 16.8% to $16.1 billion. Within that, network tv was up 20% to $8.4 billion, spot tv up 11.8% to $5.4 billion, radio up 12.8% to $1.5 billion, cable tv up 25% to $400 million and syndicated tv up 33.3% to $400 million.

Total national print in 1984 was ahead 13.6% compared with 1983 to $7.9 billion, with magazines up 16% to $4.9 billion and newspapers up 10% to $3 billion. Direct mail was up 14% to $13.4 billion. In local advertising, newspapers rose 16.7% to $20.8 billion and local tv 15.7% to $5 billion.

Looking at the product category expenditures in network and spot tv and magazines for the first nine months of 1984 compared with the comparable period in 1983, restaurants were up a whopping 34%. Mr. Coen said, "The battle for the burger market was intense."

In other categories, foods rose 23%, autos 19%, drugs/remedies 18%, candy/soft drinks 14% and toiletries 10%.#

Ad spending

1985 projections for U.S. ***Source: Robert Coen, McCann-Erickson.***

	Change over '84 (%)	Millions of dollars ('85 proj.)
National		
Broadcast	+ 6.0	16,245
Print	+ 9.0	8,645
Other	+11.0	27,540
Total	+ 9.2	53,390
Local	+10.3	38,510
Cable	+20.0	960
Grand total	+13.8	95,860

HBO cuts net spending

New York—Home Box Office will shift to a localized ad strategy in 1985. The move means network tv ad spending, expected to reach $10 million this year, will be slashed in 1985.

The New York-based Time Inc. subsidiary plans to mount local ad blitzes in target markets for limited periods (AA, Dec. 10). HBO will coordinate its localized ad surges with cable systems located in target markets that will attempt to strengthen sales service for the duration of the drive.

John Billock, HBO senior vp-marketing, explained that in addition to creating demand with advertising, cable operators need to have a system in place to handle the flood of inquiries that follow a promotional period.

The shift away from broad image-building advertising to a strategy linking advertising with sales comes as HBO's growth has slowed dramatically.

Mr. Billock said HBO's ad theme, "There's no place like HBO," probably won't be changed. But ads "will be more programing oriented rather than user-imagery oriented," he said.

BBDO handles HBO's $20 million account. Ted Bates Advertising/New York is the agency for HBO's sister service, Cinemax, a $7 million account.#

Quick, easy meals see sales cooking

By JOHN C. MAXWELL JR.

The purchase-meal industry continued to show good sales growth through 1983; the industry posted a gain in sales of approximately 13.2%, or $38.66 billion versus $34.16 billion.

One reason for the gain was continued economic strength through 1983. We see growth continuing strong through 1984 and 1985, on the order of 12% to 14%.

Another reason for the success of the purchase meal industry is demographics. We are now dealing with smaller families, more working women and a larger percentage of the population that is single (about 23%). We do not see any slowdown of these trends and, in fact, believe they will continue to gain momentum. All this bodes well for the industry.

In today's fast-paced world, working people have more of a need for quick, easy foods they can pick up during lunch hours, on their way home from work in the evening or when they go out to eat. We see more of a trend in the fast-food business toward more wholesome eating, since the '80s seem to be the health decade—chicken and fish entrees are gaining importance. Two other indications of this healthier-eating trend have been the major success of salad bars (in many concepts) and the inclusion of mesquite-grilling facilities in many restaurants—the newest industry money-maker.

Another constant has been the ability of companies to correctly interpret trends. A case in point is the chicken chunks market, which has provided the industry with a new product to fuel further growth through menu expansion.

As indicated by the Gallup Poll and other surveys, there has been a significant rise in the number of meals being eaten out. This relates not only to fast-food restaurants, but also more upscale concepts. The increase in eating out is based on two facts: People now have less time to prepare meals but more disposable income. As a result of social and economic trends, there are many two-career couples, particularly in the cities and suburbs, who may eat out four to five times a week. The average percentage of eating out over the years has risen in direct correlation with the increase in the number of women in the labor force—except during certain recessionary periods.

McDonald's continued to maintain its lead in market share in 1983, though its share dropped slightly (from 18.6% to 18.3%), with Burger King picking up the slack (rising from 6.4% to 6.7%). Kentucky Fried Chicken maintained its third-place position, but only by a hair; Wendy's is quickly closing the gap. Otherwise, the order of the top 10 was basically unchanged. Sales increased across the board. The best sales increases among the top 10 came from Hardee's, up 32%; PepsiCo's Taco Bell, up 22.3%; Pillsbury's Burger King, up 18.7%, and PepsiCo's Pizza Hut, with an 18% gain. As a whole, the top 10 accounted for $19.69 billion—more than half of total industry sales.

Market share by segment for hamburgers, franks, roast beef and other mainly red-meat concepts fell slightly; steak and full-menu restaurants also declined. Over-all, there was a general expansion of ethnic and specialty foods. The pizza segment of the restaurant business grew 17.1% year-to-year in terms of sales. Mexican food maintained almost a 4% share of the market, but we feel it still has quite a bit of growth potential, as do the chicken and seafood concepts—now accounting for 10% and 4.4% of the market, respectively. The last three segments mentioned also had three of the largest year-to-year percentage gains in sales: Chicken up 23.5%, seafood up 19.9% and Mexican up 15.6%.#

Mr. Maxwell is with Laidlaw Ansbacher Inc., New York.

Restaurant sales

Top ten meal companies' annual sales ($ millions). *Source: *Based on Commerce Department data.*

Firms	1979 Sales	1979 Share	1980 Sales	1980 Share	1981 Sales	1981 Share	1982 Sales	1982 Share	1983 Sales	1983 Share
McDonald's	4,448.0	18.0	5,049.0	18.1	5,770.0	18.3	6,362.0	18.6	7,069.0	18.3
Burger King	1,404.2	5.7	1,755.4	6.3	1,992.6	6.3	2,191.4	6.4	2,601.2	6.7
Kentucky Fried Chicken	1,350.0	5.5	1,440.0	5.2	1,600.0	5.4	1,700.0	5.0	1,870.0	4.8
Wendy's International	1,001.9	4.0	1,209.0	4.3	1,424.0	4.5	1,632.0	4.8	1,820.0	4.7
Pizza Hut	833.0	3.4	945.0	3.4	1,126.0	3.7	1,329.0	3.9	1,568.0	4.1
Dairy Queen	810.0	3.3	904.0	3.2	1,103.0	3.5	1,198.0	3.5	1,288.0	3.3
Hardee's	749.2	3.0	751.5	2.7	976.9	3.1	940.0	2.8	1,250.0	3.2
Denny's	463.0	1.9	541.0	1.9	661.0	2.1	740.0	2.2	826.0	2.1
Red Lobster	340.0	1.4	400.0	1.4	553.0	1.8	625.0	1.8	725.0	1.9
Taco Bell	342.0	1.4	415.0	1.5	501.0	1.7	552.0	1.6	675.0	1.7
Total top 10	11,741.3	47.4	13,409.9	48.1	15,707.5	53.3	17,269.4	50.6	19,692.1	50.9
Total industry*	24,765.9	100.0	27,867.0	100.0	30,042.3	100.0	34,158.5	100.0	38,664.2	100.0

Restaurant sales

Sales of restaurants by major activity ($ thousands). *Estimate. *Source: Commerce Department.*

	Firms	1981 Sales	1981 Share	1982 Sales	1982 Share	1983 Sales	1983 Share	1984* Sales	1984* Share	83/84 Sales
Hamburgers, franks	107	14,327,705	47.7	16,862,890	49.4	18,961,299	49.0	21,315,390	48.3	+12.4
Steak, full menu	109	6,566,702	21.9	6,708,742	19.7	7,265,923	18.8	8,073,079	18.3	+11.1
Pizza	94	3,169,601	10.6	3,740,072	10.9	4,412,068	11.4	5,165,281	11.7	+17.1
Chicken	30	2,833,007	9.4	2,947,512	8.6	3,569,907	9.2	4,410,277	10.0	+23.5
Seafood	13	888,491	2.9	1,372,485	4.0	1,638,150	4.2	1,964,300	4.4	+19.9
Mexican (tacos, etc.)	33	1,069,712	3.6	1,258,054	3.7	1,500,828	3.9	1,734,457	3.9	+15.6
Pancakes, waffles	15	847,650	2.8	893,625	2.6	873,233	2.3	929,281	2.1	+6.4
Sandwich and other	39	339,480	1.1	375,138	1.1	442,809	1.2	555,594	1.3	+25.5
Total	440	30,042,348	100.0	34,158,518	100.0	38,664,217	100.0	44,147,609	100.0	+14.2

Big Mac biscuits move

OAK BROOK, ILL.—Add to the list of untrue marketing rules of thumb the belief that you can't sell biscuits north of the Mason-Dixon line.

McDonald's is introducing freshly baked biscuits to the breakfast menu at selected stores in Chicago, which joins Boston and Denver as test markets (AA, Oct. 29) for a product conventional foodservice wisdom said wouldn't sell outside the Deep South.

Sources say McDonald's already has proved that wrong. Biscuit sales in Boston have been surprisingly strong.

Biscuits have been on the McDonald's morning menu for years in the Southeast, where the assumption was that you couldn't sell English muffins. But sell them in the North? Never.

When Rocky Mount, N.C.-based Hardee's made breakfast biscuits a required item, consumers in the snowbelt were slow to warm to the product. But their resistance wore down, and Hardee's biscuit breakfast has established itself even in such markets as Minneapolis.

The "civil war" between the two products appears to be ending. Biscuits—with sausage or with egg, cheese and bacon—coexist with their Yankee cousins, the McMuffins, in the three markets. A national pairing of muffins and biscuits could begin next year.

Wendy's and Burger King continue to skirt the issue. The breakfast menu Wendy's has been rolling out market-by-market for the past two years is built around good old nonregional toast. BK has put its money on croissants for its breakfast sandwich.#

New Swiss Miss the 'berries'

By JULIE FRANZ

BRENTWOOD, TENN.—Beatrice Cos.' Swiss Miss subsidiary hopes to pluck a new share of the milk-additive market with Sugar Free Strawberry Milk Maker, trade sources report.

The product, an extension to Swiss Miss' Chocolate Milk Maker line, is expected to enter markets nationally in January, and will be targeted heavily to Hispanics.

All Swiss Miss Sugar Free products are sweetened with 100% NutraSweet.

But Swiss Miss may not find the market ripe for its new product. Grocers are reluctant to carry strawberry milk additives because they "historically sell lousy," one industry source said. "People just like chocolate better."

"If all three of my competitors carry [Strawberry Milk Maker], I'll carry it," one buyer said. "But they don't, so I won't."

Swiss Miss did find a strong market for strawberry milk additives among Hispanic consumers, said Greg Ostrander, director-advertising.

The company will target Hispanics with its tv and print campaign for Strawberry Milk Maker. That effort is still under development by Bozell & Jacobs, Minneapolis. The campaign will focus on Chicago, Miami, New York and San Antonio—cities with large Hispanic populations, Mr. Ostrander explained.

Tv spots for the product may resurrect the animated Swiss Miss character. But the company won't use former spokesman Judd Hirsch of tv's "Taxi" fame. Swiss Miss is looking for someone more easily identified with its brands, Mr. Ostrander said.

Tv spots, themed "Great Swiss Miss taste and sugar-free," will run in conjunction with 20¢-off coupons via freestanding inserts in Sunday newspapers.

Strawberry Milk Maker is packaged in 14-envelope cartons for about $1.89 or 30-serving cans for $2.89.

Swiss Miss also is planning a regional debut early next year for Sugar Free Malt Milk Maker, buyers say.

Nestle's Quik holds the majority of the strawberry milk-additive market, industry analysts say.

White Plains, N.Y.-based Nestle Co. will jump into the fray in January with its national rollout of Quik Sugar Free with 100% NutraSweet (AA, Oct. 22). It will retail for $2.89 for a 30-serving canister and $1.79 for a 14-envelope carton. Quik Sugar Free will be available only in chocolate flavor.

McCann-Erickson, New York, handles.#

McCann's milk campaign quells fear of fattening

By JANET MEYERS

ARLINGTON, VA.—The dairy industry will spend $13 million early next year in an effort to convince women that milk and cheese are not high-cholesterol fuel on the road to becoming a "chubbette."

The message, financed through the National Dairy Promotion & Research Board, consists of a $9.5 million network tv campaign and $3.5 million in print, both handled by McCann-Erickson, San Francisco. The board administers funds from a federally authorized assessment on dairy farmers to market dairy products (AA, June 21, *et seq.*).

The tv effort breaks nationally in January, and the print campaign will kick off a month later in *McCall's*, *Seventeen* and other women's magazines.

Because of milk's image as a high-fat food, the campaign will stress exercise, sleekness and the health aspect of calcium in its three tv spots.

The accent on calcium will not be the hard sell used in a recent American Dairy Assn. campaign by D'Arcy MacManus Masius, Chicago (AA, Nov. 15). That effort promoted the calcium in milk as a way to help prevent bone degeneration.

Bill McEwen, McCann senior vp-director of strategic planning and research, said he wanted a different approach.

"We were trying to address the user-image problem," he said. "Women say, 'I don't want to drink milk. I don't want to be a chubbette.'"

Because Mr. McEwen believes milk carries a "square" image, McCann's three 30-second spots will feature attractive, modern women, regardless of age.

Women also are the target in another dairy promotion. The Mid-Atlantic Milk Marketing Assn. in February will spend some of its $1.5 million budget on a new tv spot featuring an older woman athlete, gymnast Helen Sjyrson, drinking a glass of milk.

The spot falls into the athletic pattern set by the association's agency, W.B. Doner & Co., Baltimore. Other commercials have used Cal Ripken Jr. of the Baltimore Orioles and Mike Schmidt of the Philadelphia Phillies to catch the eye and palate of youngsters.

McCann's research showed women identify more with ads depicting a slice of life. So all three spots—one for the 13-to-24 group, another for those 25 to 49 and another for the 50-and-over crowd—feature women relaxing alone after exercising.

In the first spot, a young, leotard-clad woman returns home and reads a letter from her boyfriend while savoring a tall glass of milk. The second spot opens with a woman resting alone in an exercise studio after a tiring workout, nibbling cheese and fruit. The third depicts an older woman snacking on cheese after an invigorating swim.

Through all the spots there is a common theme—"softly she moves, graceful and free"—while a background voice explains that milk, cheese, cottage cheese and yogurt can satisfy daily calcium requirements.

All three spots fade out after a montage of dairy products, with the same tag line that appears in print—"Dairy foods: Calcium the way nature intended.".

McCann began the campaign as part of its work for the California Milk Advisory Board to counteract ad claims by calcium pill marketers that tout their products as a no-fat way to satisfy daily calcium requirements.#

C2710-1

$1.25 a copy; $52 a year

Thursday, December 20, 1984

Advertising Age®

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Midweek News Summary

The Out-Of-Home Measurement Bureau has revamped its audit statements and added an annual update to the audit reports in an effort to provide marketers with more and fresher information. *See Page 2.*

Home Box Office will test—for the first time—a national direct-response tv campaign in order to woo new subscribers. *See Page 2.*

As the 44-year-old president of CBS Sports, Peter Lund is at the top of his game. *See Page 3.*

Tv commercial director Bob Giraldi usually captures life's experiences with his camera. But this week he seeks to recreate the spirit of a beloved Italian town in a new New York restaurant he and partner Phil Suarez have opened. *See Page 3.*

Opinion polls taken last week found that 70% of the British public would rather have advertising on the British Broadcasting Corp. than higher license fees. *See Page 3.*

G. Heileman Brewing's acquisition of Pabst Brewing hit a snag this week when two competitors sued to stop the buyout. *See Page 33.*

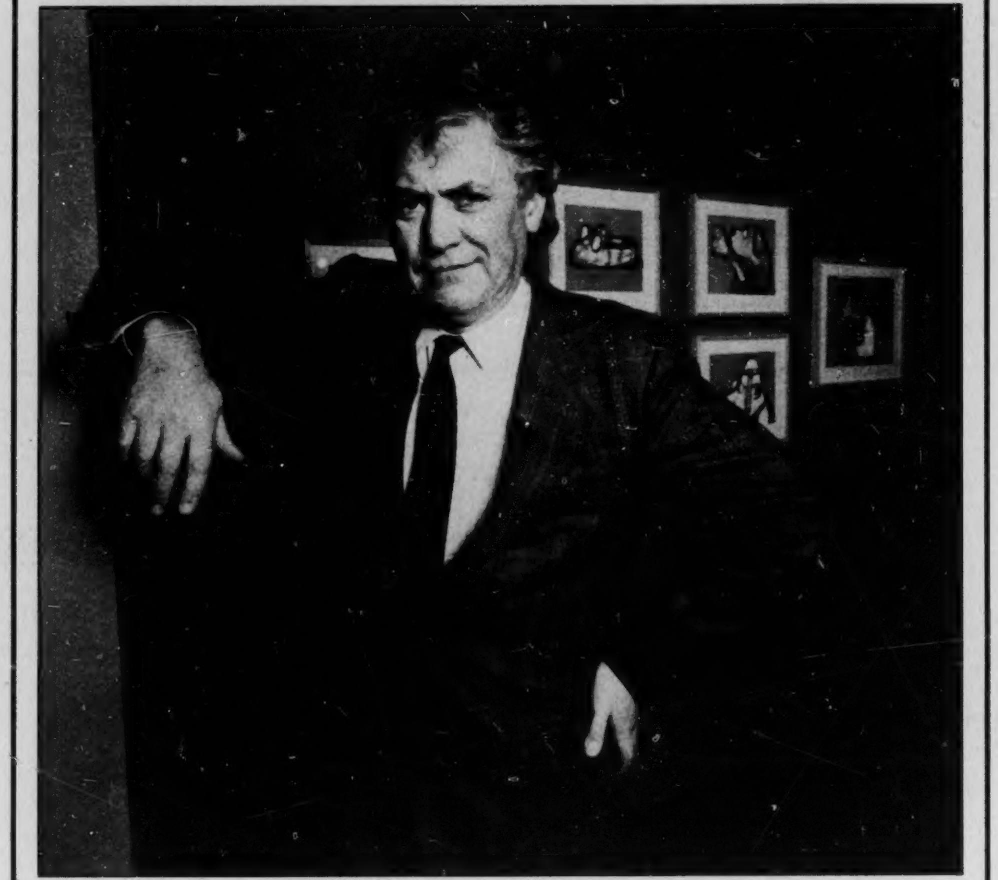
Costa Cruises is out to put some zip in the cruise business, hoping to replace images of shuffleboard-playing middle America with exotic dreams of romance. *See Page 33.*

The resignation of Castle & Cooke president-ceo Ian Wilson may spell the end—or at least a slowdown—of its race to become an aggressive, market-driven food and real estate company. *See Page 34.*

DIRECT MARKETING

Media Syndication Group, which has been marketing a bank credit card statement insert program to mail-order companies for the past year, is planning to expand its own marketing strategy to include charitable institutions, airlines, rebate offers and cents-off coupons for package goods. *See Page 5.*

The prodigious growth in Yellow Pages directories this year—some 400 new books were piled atop the existing 5,800—is causing considerable consternation among national advertisers. *See Page 6.*



"I'm not loved for what I do," says Edward Booth-Clibborn, chairman at London's Design & Art Directors Assn., who is currently touting his European illustrations exhibition around the U.S.

Booth-Clibborn: DADA speaks

By ANN COOPER

There is a general air of chaos surrounding Edward Booth-Clibborn, chairman at London's Design & Art Directors Assn., and he clearly enjoys it.

Passionate, enthusiastic and articulate, with a shock of unruly, graying curls and the twinkling smile of the miscreant, he gives the impression he is never happier than when creating artistic tidal waves.

His current obsession is the decision by New York's posse of art critics to ignore his exhibition of European illustration, currently on show at the Cooper-Hewitt Museum in Manhattan.

"I phoned up the *New York Times*, and they said they never cover illustrators. I was amazed," he says, gesticulating madly against the Cooper-Hewitt's potted plants. "If you look at newspapers like the *Boston Globe* and magazines like *Esquire* and *Rolling Stone*, they contain some really amazing illustrative work.

"The images being created are much more exciting than in most New York art galleries. If you think back to the '30s, they didn't have any film critics. Film wasn't seen as an art form then. It'll be just the same with illustrations. I think we're way ahead of our time."

Apart from chairing DADA, the group said to have so greatly influenced standards of creativity in Europe, Booth-Clibborn is publisher-editor of *European Illustration* and *American Illustration*. These annuals feature the year's most outstanding illustrative and photographic images, drawn from competitions on both sides of the Atlantic.

Booth-Clibborn's exhibition is based on the con-

(Continued on Page 32)

Stroh to nets: Fight off ad ban

By VERNE GAY

New York—Stroh Brewery Co. last week staged an unprecedented series of meetings with top network tv executives to measure the networks' resolve to stave off the movement to ban beer and wine broadcast advertising.

In the meetings, Stroh executives said the Detroit-based brewer would refuse to match its own product ads with public service spots advocating moderation in alcohol consumption. Failing to prevent a ban on the unrestricted advertising of a legal product, Stroh maintained, could have dramatic spillover effects for other network tv advertisers, such as marketers of over-the-counter pharmaceuticals that also have harmful effects when abused.

The meetings—the first between a major brewer and the networks—were initiated by Stroh out of a fear that "legislative hearings re-

(Continued on Page 33)

Presstime

Virginia Slims Ovals get failing grade in test

New York—Philip Morris USA is withdrawing Virginia Slims Ovals 100s from test in Birmingham, Ala., Las Vegas and Rochester, N.Y. The line extension (AA, June 4), which sported the upscale look of PM's Ovals brand in the U.K., "did not meet our expectations in terms of adding incremental sales," said a PM USA spokesman. The product had been in test since early July. Leo Burnett USA, Chicago, is the agency.

Tuesday Teammate Travis rejoins agency

New York—James Travis, who took a leave of absence to head the Tuesday Team, an ad hoc agency that helped reelect President Reagan, has rejoined Della Femina, Travisano & Partners. Mr. Travis gets the new title of vice-chairman-chief operating officer. Louise McNamee, who filled in for Mr. Travis as acting president, now becomes president.

Chrysler wheels $210 million into ads

Dearborn, Mich.—Chrysler Corp.'s 1985 ad spending will increase to $210 million, up 5% from '84. "We have some new products, so it's up a little," chairman Lee Iacocca said. The auto maker's agen-

(Continued on Page 35)

James taking over at I

Diamonds are P&G's best friend—Page 3

NEWSPAPER

AA
DC20014CONGL1 [illegible] M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

James rises to McCann's top spot

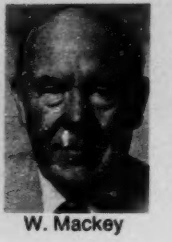
By STEWART ALTER

Robert James will take over next year as chairman-ceo, McCann-Erickson Worldwide, in a predictable line of succession.

Mr. James, 48, who has been president-chief operating officer for the past 18 months, will succeed Willard Mackey Jr., 62. Mr. Mackey will relinquish the ceo post March 1 and the chairman's post July 1, when he will retire. No successor to Mr. James has been named.

The top post at McCann is important in the world of multinational advertising. The agency, with $1.4 billion in non-U.S. billings in 1983, is the largest U.S. shop in overseas billings.

R. James


W. Mackey

Mr. Mackey was head of McCann's international division at a time when the U.S. and international divisions reported directly to Philip Geier Jr., chairman-ceo, Interpublic Group of Cos., McCann's parent.

In January, 1981, the U.S. and overseas agencies were brought together for the first time as a single operating company, and Mr. Mackey became ceo.

"At any point we are talking to two or three major advertisers about the possibility of taking on new multi-country assignments in the $50 million-to-$100 million range," said Mr. James.

Mr. James, who joined McCann in 1981 as vice-chairman, U.S. operations, has played a key role in building domestic billings from $430 million when he started to $750 million today.

But while global advertising is becoming more important in the marketing world, Mr. James also believes it has become too oversimplified. "The terrible thing about globalization is that people have tended to portray it either as good or bad," he said. "We knew for a long time that it's not all black and white."

Mr. James first started in the business on the client side, in sales for Procter & Gamble. After becoming a sales manager, he left to join Colgate-Palmolive as product manager.

He moved to Ogilvy & Mather and then Marschalk Co., which he joined as a senior vp in 1968. He became president of Marschalk in 1975 and vice-chairman of parent Interpublic in July, 1980, where he first became exposed to the international advertising area.

In addition to his regular duties, Mr. James has been acting as general manager of McCann's New York office, following the departure of Jim Kuras to Needham Harper Worldwide.

Mr. James worked under Mr. Mackey both at Marschalk and McCann. Mr. Mackey played a key role in McCann's Coca-Cola account.

He was manager of McCann's Atlanta office in 1963, joined Coca-Cola itself as international marketing director in 1968, moved to Marschalk as president in 1970 and in 1975 took over McCann's international division.#

Outdoor ad bureau freshens up audits

By WILLIAM F. GLOEDE

New Canaan, Conn.—The Out-Of-Home Measurement Bureau has revamped its audit statements and added an annual update to the audit reports, in an effort to provide marketers with more and fresher information.

OMB, the advertising auditing organization for eight-panel, backlighted, painted poster and bus shelter advertising, will phase in the new audit statements during 1985. They will report the number of outdoor ad unit locations by both county and major city.

Formerly, the locations were lumped into a metropolitan area according to the media company's definition of the market. The new statement will also report more complete information on circulation values.

"This will provide advertisers with much more useful information than has ever been available," explained managing director Julian Sloan. Advertisers will be able to better use demographic information in placing eight-panel or shelter advertising, he said, once they know where outdoor units are located within the market.

Special Report on Outdoor Advertising begins on Page 11.

The outdoor industry has traditionally reported audit data once every three years. OMB's move to include annual updates to the three-year audit reports is an effort to keep audit data current.

"In markets that are building or expanding, it's going to be an excellent tool," said Connie Barry, president of the Shelter Advertising Assn., the trade group of bus shelter owner-operators.

The annual updates will be based on samples of traffic recounts selected within a market by OMB. Inventory and population estimates will be furnished by individual outdoor companies.

To date, most major-market outdoor companies have subscribed to the OMB audits.#

Pay service tests campaign to attract subscribers

HBO hurls a direct pitch

By SUSAN SPILLMAN

New York—Home Box Office will test—for the first time—a national direct-response tv campaign in order to woo new subscribers.

The test, which begins Dec. 31, will consist of two separate 30-second spots to run at least 50 times a week for four weeks on each of 10 cable networks, including Lifetime, USA Network and the Arts & Entertainment channel.

HBO expects 20 million potential subscribers to see at least one of the spots during the four-week period.

The test comes at a time when the Time Inc. pay cable service is finding problems attracting subscribers at its former robust rate. HBO is expected to add only 1 million new subscribers this year, half as many as it hoped, according to Tony Hoffman, an entertainment analyst at Cralin & Co.

The first spot was made in-house, using outtakes from HBO's "There's no place like HBO" commercial created by BBDO.

The second commercial, called "The nosy neighbor," was created totally in-house; it shows a couple watching HBO while a neighbor spies on them, enviously, through a window.

Both spots will offer viewers a premium and a toll-free number to call. HBO then will turn over all leads to the respondents' local cable operators.

In the past two years, HBO has conducted several co-op direct-response campaigns ~~on a~~ spot market basis ~~(AA, Aug.~~ 30), with an average 2.1% response rate. But this marks the first time the network will air direct-response commercials nationally, footing the entire bill—less than $1 million in this case.#

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Issue schedule for the holidays

There will be no Thursday issues of Advertising Age on Dec. 27 and Jan. 3 because of the holidays. The Monday issues scheduled for Dec. 24 and Dec. 31 will be published as usual.

The Special Report on International Marketing will run in the Dec. 24 issue.

The Dec. 31 issue will feature our annual Forecast & Review, including newsmakers of 1984, newsworthy products, top events, categories to watch in 1985 and our selection of the Adman of the Year.

SALE
Datago
The safety net for small businesses leaping into the future

Datago stores on the move

Nynex Corp.'s Datago, the northeastern Bell spinoff's entry into computer retailing, shoots for small businesses in a spot tv campaign breaking Jan. 1 (AA, Dec. 17). Ammirati & Puris, New York, handles.

Outdoor boards get down to business

Spending in some categories skyrockets

By Kurt Hoffman

In some industries, outdoor advertising of business-to-business messages is emerging stronger than ever. While business-to-business represented only 5% to 10% of the $1.02 billion outdoor experditures in 1983, with an approximate 8%, or $85 million, rise in 1984, the growth rates for some industries are staggering.

"No one is wasting ad dollars anymore," says Jack Donohue, vp of the Institute of Outdoor Advertising. "Everyone's looking at the effective and efficient use of their media dollar. They're using our medium to pinpoint specific demographic or geographic needs."

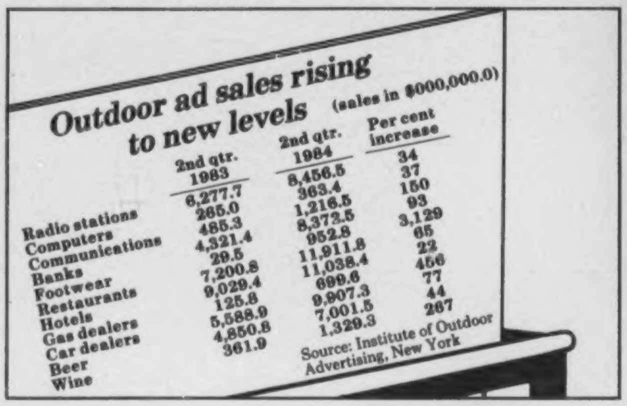
Take for example computers and other electronic products for the office. Driven by fierce competition within their own circles, companies marketing these products are funneling more money than ever into outdoor business-to-business communications.

IOA statistics show that from 1982 to 1983, expenditures of this sort leapt 194%, for office machines, fixtures and accessories, and a whopping 164% to $615,300 for computer and data processing companies.

"It's a real struggle for individual companies to dominate in other media," Mr. Donohue says. "If you look at a recent issue of *Inc.*, there probably are no fewer than 58 computer ads, plus a multipage, four-color pullout. If you represent a smaller company, how are you going to achieve any dominance?"

Strategic use of outdoor may be the answer. "Companies are realizing that they can go into individual markets with a solid, well thought-out outdoor campaign and really give the impression that they are larger than they really are," Mr. Donohue says.

This saturation also gives smaller or newer companies a leg up in the competition for top-of-mind awareness. "When you think personal computers, which companies come to mind? IBM? Apple? Even the top two companies only have a small share of the market. And if you happen to be a smaller company, how are you going to budge Apple or IBM? You're going to have to do something a little more creative than going in the same media they use with an average advertising message."



Outdoor ad sales rising to new levels (sales in $000,000.0)

	2nd qtr. 1983	2nd qtr. 1984	Per cent increase
Radio stations	6,277.7	8,456.5	34
Computers	265.0	363.4	37
Communications	485.3	1,216.5	150
Banks	4,321.4	8,372.5	93
Footwear	29.5	952.8	3,129
Restaurants	7,200.8	11,911.8	65
Hotels	9,029.4	11,038.4	22
Gas dealers	125.8	699.6	456
Car dealers	5,588.9	9,907.3	77
Beer	4,850.8	7,001.5	44
Wine	361.9	1,329.3	267

Source: Institute of Outdoor Advertising, New York

Hidden Creek Condominiums. Shedding new light on affordable prestige.
Right on Hoya. Follow the signs.

Lighted interiors and shadowy figures are part of an outdoor board from Reed, Ham & Jackson.

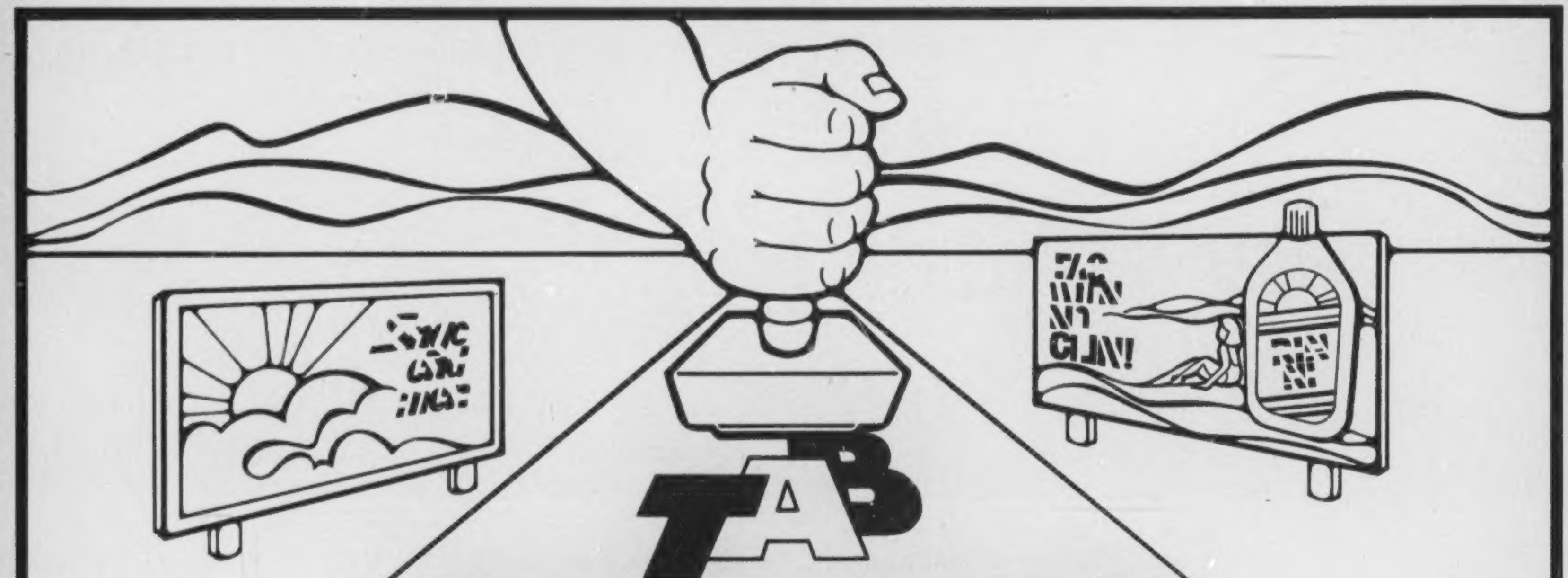
Another big plus of saturating individual markets is the accompanying ability to tie in with local retailers. These same retailers, however, probably will be less than enthused with your company's ad on Page 200 of *Inc.*. "These retailers expect you to help push the product, and an ad on Page 200 won't push much," Mr. Donohue says. "If you're a smaller company, the market leaders are going to bury you in the print and broadcast media."

The logical solution, he says, is strategic use of outdoor to establish your company in select markets.

"As an industry, we're pursuing the computer and electronics companies very aggressively," Mr. Donohue says. "They are spending a lot of money, and it's

(Continued on Page 18)

Kurt Hoffman is a frequent contributor to Special Report.



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The Traffic Audit Bureau, Inc.

Business

(Continued from Page 16)

tough for them to pick up a share of that market. We're matching our benefits with their marketing needs, and it's proving to be a very nice marriage."

Other industry groups making greater use of outdoor for business-to-business messages include transportation companies and overnight delivery services.

"With outdoor advertising, the bottom line for us is a long-lasting presence in a given market," says Greg Conville, regional planner-advertising for Amtrak.

"We're primarily using outdoor in markets where we have frequent service—mostly in the short-haul markets of the northeast corridor between Washington and Boston."

99.5 KISS
The Home of Rock 'n Roll

Reed, Ham & Jackson is known for using innovative and bizarre 3-D art.

Mr. Conville says Amtrak faces a frustrating situation regarding business passengers along these heavily traveled routes.

"We need to get business travelers to realize that we have an alternative that can get them to their destination comfortably and in a reasonable time frame.

"But air transportation is a tough habit to break. A lot of business travelers use us during inclement weather, but when the sun comes back out, bingo, most of them go running back to the airlines."

In the endless quest for greater market share, Amtrak has its ad agency, Needham Harper Worldwide of New York, design and produce outdoor messages that focus on various aspects of Amtrak service, and it supplements the outdoor efforts with complementary print advertising.

"Whether the outdoor message is Amtrak's convenience, cost or first-class service, we run print ads that play off and amplify the outdoor theme," Mr. Conville says. "The harmony factor is very key to a successful message."

While Amtrak competes for business travelers, other railroads such as Union Pacific, CSX Corp. and Conrail as well as some of their counterparts in the trucking industry—Consolidated Freightways and Overnite Transportation—use outdoor messages in manufacturing areas, port cities and at other centers of origin for high-volume freight.

Image, market presence and quality of service are common messages in these efforts. According to IOA, outdoor ad expenditures by steamship lines, trucking companies and railroads jumped 90% from 1982 to 1983.

Indispensable

When saturating individual markets, companies can tie in with local retailers.

Outdoor business-to-business expenditures for industrial and agricultural development companies rose 76% to $238,700 and 1,623% from $9,200 for packaging and paper products companies during the same 1982 to 1983 period.

Mr. Donohue says the drastic jump in outdoor use by certain industries in part reflects the fact that many companies traditionally have overlooked the inherent advantages of the medium, which creates a challenge for IOA.

"We don't try to convince advertisers to radically change their media plan. Our objective is to educate them as to how outdoor really becomes an essential element in that media plan—how it can extend the life of a broadcast campaign and add reach and frequency to a print campaign," Mr. Donohue says. "It's an often overlooked medium that can really help acknowledge certain marketing objectives."

Another problem is that some agencies just haven't mastered the medium. Common problems include attempting to apply print ad concepts to outdoor, and underutilization of board space.

"Agencies shouldn't take a magazine ad and try to cram all the elements onto an outdoor board, where the viewer has an average of six to ten seconds to see it.

"You have to pick out one focal point of the print ad and match it with an effective graphic," he says.

"Another general rule to remember is to use the bigness of the medium. It's larger than life, and that's how it should be used. Big letters. Big graphics." Not a whole body, he says, perhaps just a head with a bit of shoulder.

This is not to suggest that vast majority of outdoor efforts are bungled by inept agencies. On the contrary, many have artfully mastered the outdoor medium. Foote, Cone & Belding of Los Angeles consistently produces superior outdoor creative. Chiat/Day has chalked up a string of successful campaigns for Nike. Coons, Corker, Sullivan & Associates of Spokane, Wash., has designed some highly effective business-to-business creations for Lippencott-Interconnect, a business telephone service.

And there is Reed, Ham & Jackson of San Antonio, Tex. If, on your next drive through San Antonio, you should venture upon a giant lampshade—lighted at night, of course—jutting forth from a 14-by-48-ft. board or a huge telephone receiver similarly situated, fear not the coming of the Jolly Green Giant. This is the work of Reed, Ham & Jackson.

"It's our demonstrative feeling, and we've proved it over the years, that one great piece of outdoor is worth about a hundred showings of a 30-sheet in one corridor," says David Ham, one of the agency's principals. "It just re-creates excitement."

Known as an agency that begins its creative thinking with outdoor campaigns, Reed, Ham & Jackson has achieved a string of successes through the use of innovative and occasionally bizarre 3-D art on outdoor boards.

"The potential of outdoor is basically infinite," Mr. Ham says. "The thing that print will do for you every time is provide direction and detail, which is something that neither radio or outdoor can accomplish. Nothing sells like print when you get

(Continued on Page 20)

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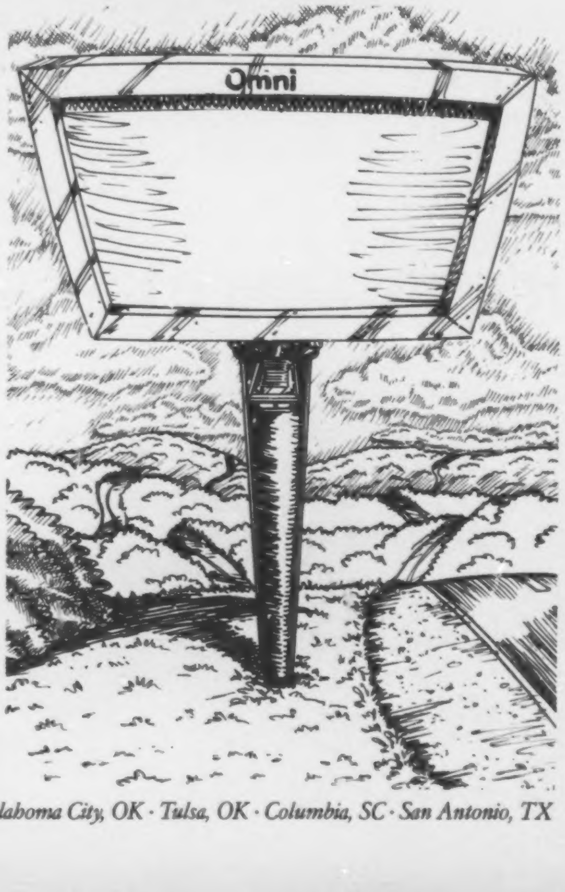

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Business

(Continued from Page 18)

down to the nitty-gritty of providing details.

"But it's my contention that first you have to get people's awareness before they'll be willing to read the print. To do that, you've got to stand apart from the relative field of competition."

"Standing apart" is a mild way of describing the agency's creations.

"What's Black, White and Read all Over?" one board asks. "The *Express News*."

A rolled up newspaper is gently clenched in the teeth of a giant 3-D dog head protruding from the board.

Creatives for other clients have featured scaled down 3-D townhomes (replete with lighted interiors and shadow figures at night) perched on boards for real estate clients, and a mannequin brick mason (dressed as Santa Claus during the Christmas season) putting the final touches on a chimney for a local builder's promotion.

Use of the mannequin created some problems. According to Mr. Ham, a group of local high school students formed a club—a cult of sorts—and one of the membership requirements was that you had to steal a mannequin from one of the outdoor boards.

"We had to start bolting them down," he says.

However, one afternoon an aspiring cultist managed to detach all but one fastener. "So there the mannequin was, dangling by an arm.

"The kid climbed behind the board, unscrewed the bolt, and the dummy crashed to the ground.

"A guy at a mechanic's place a few blocks away happened to see it fall and figuring that somebody had bought the farm, he called for an EMS [emergency medical service] unit." The rescue unit was not amused.

The costs for producing these unusual visuals are considerably greater than production costs for a conventional 30-sheet. For example, Mr. Ham estimates that two fairly exotic boards the agency recently produced for ComputerLand cost about $4,500 each, compared with about $1,000 for a straight presentation. "Our clients are more concerned with performance," he says.

That performance record

Trucks keep messages on the move

Next time you're cruising on the interstate, take a closer look at the tractor-trailer traffic. A quiet revolution is taking place as truck fleet managers, realizing the golden potential of these moving message boards, shun the traditional steel gray of the past in favor of colorful, high-tech fleet markings that do their companies justice.

The fleet marking phenomenon extends well beyond trucking companies merely announcing the existence of their services. Nontransportation companies that own their truck fleets (known as private carriers), such as Levi Strauss & Co., San Francisco, and Safeway Stores Inc., Oakland, Cal., are latching onto the graphics movement in record numbers.

"After decades of running nondescript gray trailers up and down the highways, more and more private truck fleets are using this free advertising space to plug their own products and services," says Jack Rosenbaum, managing director of the Private Carrier Conference of American Trucking Assns., Alexandria, Va.

He says more than 100 private carriers entered the conference's 20th Annual Fleet Marking Contest this year. Similar fleet marking competitions are held by *Commercial Carrier Journal* in conjunction with the Private Truck Council of America, and by *Fleet Owner*.

The investment pays in a variety of ways. Research conducted by the ATA Foundation indicates that the average over-the-road tractor-trailer makes about 10.1 million impressions annually, while its city delivery counterpart is seen about 16 million times.

It's largely up to the individual fleet owner to decide whether those impressions will

Truck fleet managers are decking out their vehicles in bright colors and designs.

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Kubin-Nicholson 1984

lures new business through the agency's doors. Just four days before the interview, Mr. Ham was approached by a local real estate developer with marketing problems.

After having completed a development in San Antonio, the man sought financial marketing support from a local savings and loan, which suggested stretching the $450,000 ad budget evenly over the two years of interim financing.

732-7111
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THE HEATHER
Condominium Residences
Sitterle Homes. Built without compromise

Reed, Ham & Jackson's creative outdoor campaigns are heavy on the unusual.

His original ad agency ran a lot of small newspaper ads and erected some signage at the property site.

After months of minimal sales action, the developer changed agencies. The second agency produced some four-color brochures and more newspaper advertising, but few sales. Onwards to Reed, Ham & Jackson.

"He's come to us now, a year and a half into his project, with his budget down to $100,000," Mr. Ham says.

"He's paying $150,000 a month for interim financing, and he hasn't sold a unit in four months.

"Now our contention and experience is that if you go ahead and frontload the project and make the biggest splash possible, then you'll generate the momentum to turn sales," he says. "And nothing sells like people buying. When you get a bunch of people and they start to buy, it's like a feeding frenzy in a duck pond."

Does the new client have any particular approach he'd like them to pursue?

"He knows our track record," Mr. Ham says, "and he's expecting something unusual. We won't let him down."

---

be negative, neutral or positive.

Because three out of four survey respondents indicated they develop an impression of the company, its products or services from the appearance of the vehicle, the stakes are a lot higher than they initially appear.

Technological advancements in the materials and procedures used in fleet marking deserve the lion's share of credit for the growing use of the medium.

They also have allowed longtime users of fleet graphics to achieve significant fleet marking savings. For example, Giant Food, a regional grocery store chain based in Landover, Md., has reduced its fleet marketing budget by two-thirds after switching from fiber glass signs to vinyl decals, according to Bill Hefferin, general manager-fleet maintenance.

The screen-printed process-color decals were designed and produced by Creative Screen Print, Richmond, Va. Decals making up the Giant logo are produced from 3M Co. Controltac material and are permanently applied to the trailer sides.

"Not only are the decals less expensive then the embedded fiber glass, but they take only about four man-hours to apply per trailer, and they don't require riveting the trailer body," Mr. Hefferin says. Giant Food marked about half of its 900-unit fleet and plans to finish the project at the rate of about 30 a month, he says.

Digital Equipment Corp. of Maynard, Mass., decided to use its highway fleet to carry a business-to-business message about the company's personal computers and office machines. Stressing that the personal computer is an office solution, the Digital marking includes a very bold logo and the company's toll-free number (1-800-DIGITAL) on the trailer door.

"The personal computer had just been announced, so it made sense to go ahead and plug our most recent product," says Bob Dobinski, a Digital industrial designer and creator of the decal.

The company spent about $250,000 marking its fleet of 106 trailers and 26 tractors, which spend most of their time on New England highways.

Although it's difficult to measure the direct success of the marking program, Digital is confident that the move was the right way to go. "Certainly from an image and public relations perspective, it has paid off very well," says John Gwinn, manager-executive programs. —*K.H.*

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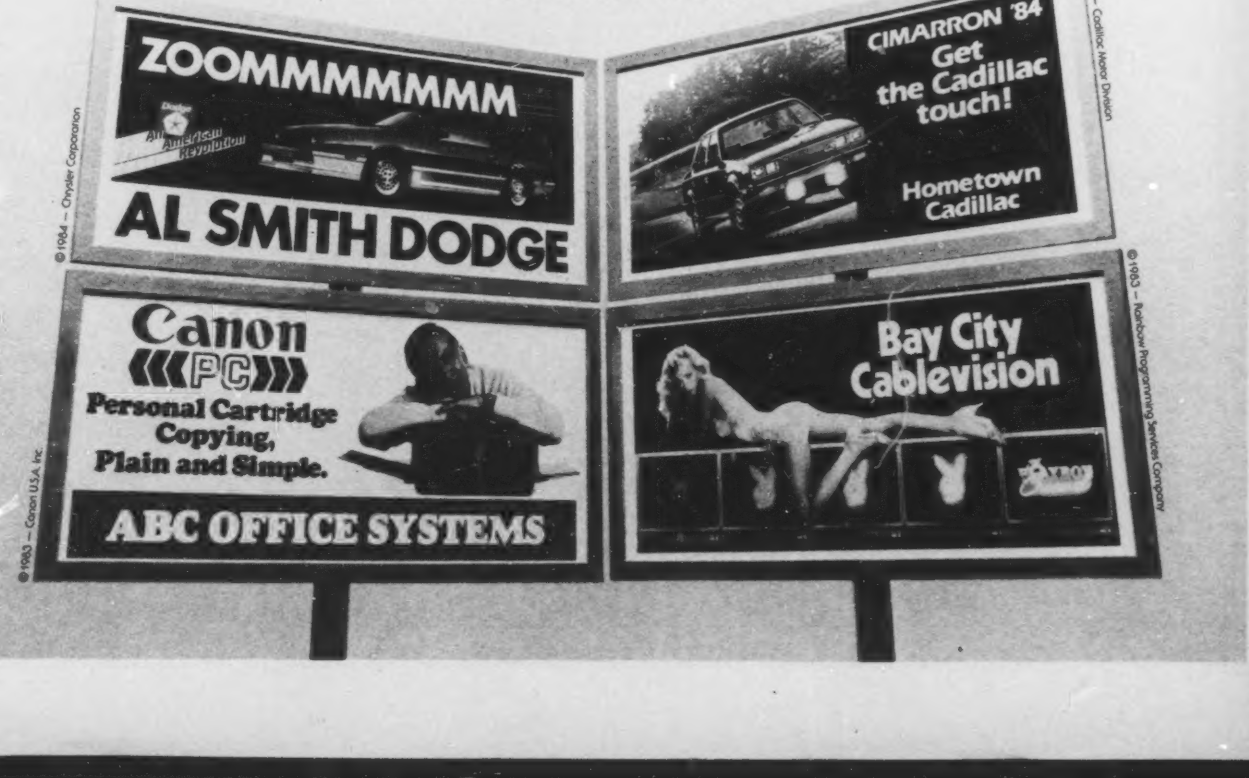
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PEOPLE PATTERNS

Santa will be carrying a big bag of toys

By PETER FRANCESE

Christmas would hardly be Christmas without a few toys. A few? How about $5 billion worth? That's how much I estimate Americans spent on toys for Christmas, 1983. And this year they should spend even more.

According to the toy marketers trade association, its members shipped toys valued at $7.5 billion in 1983. That translated into $10.4 billion in retail toy sales, about half of that at Christmas.

After five years of fairly spectacular growth, toy shipments declined slightly from 1982 to 1983. Perhaps it was only a coincidence, but the number of births also declined about 1%. A more likely reason for the lack of growth in toy shipments is that the value of electronic games dropped more than $200 million.

But shipments of baby dolls increased 50% last year. Some of those dolls are almost human. They walk, talk, perform various bodily functions and even have demographic characteristics. Dolls are designed to have specific racial or ethnic characteristics, and some are clothed for a particular occupation.

We don't have a census of dolls or other toys, but we do know who buys the toys and who gets them. Grandparents can be counted on to buy lots of toys at Christmas for their grandchildren, but it's the parents who really get shaken down. The average parent probably will spend between $150 and $200 for toys this year.

The people who buy them may get to play with them briefly, but four out of every five toys are bought for a child younger than 10—and half of all toys are for children 5 to 10.

From 1977 to 1982, the number of children younger than 5 increased 12%, while the number of those 5 through 9 declined 9%. At the same time, toy shipments increased 121%. Clearly, something besides the number of toy consumers is driving this industry.

During the next five years, we expect the number of children younger than 5 to increase 4%, while those heavy toy users 5 to 10 will grow 12%. If current patterns persist and the economy remains strong, toy marketers can look to another doubling of business in the next five years.

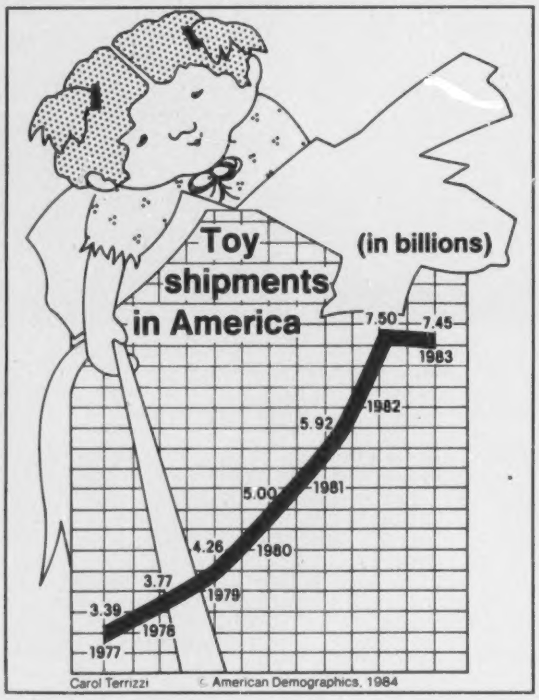
Three factors that drive this industry all look positive.

First is more grandparents, each of whom has fewer grandchildren but more discretionary income to be captured by the Christmas spirit.

Second is the preponderance of working mothers. Because more than half of all mothers of preschoolers are in the labor force (and two-thirds of those with school-age children), there is more money available in the household to be spent on the children.

Third, almost half of all babies born today are first babies. According to a new book by Thomas Espenshade, in which he estimates parental expenditures by order of birth, the average middle-income parent spends 52% more from birth to age 5 on the first child than on the second.

All these factors are expected to continue boosting the toy business in general, but not necessarily specific toys. Things that go flash, whiz, bang, whir and grind—and require a fortune in batteries—appear to be on the wane.



Carol Terrizzi © American Demographics, 1984

Simple, basic toys that are built to last beyond Dec. 26 continue to sell well and probably will do so for many holiday seasons to come.

Grandparents, in addition to toys, play a special role at holiday time. Because of dropping birthrates and rising longevity, there are only half as many grandchildren per grandparent as there was a generation ago.

The Census Bureau estimates that there were nearly 40 million grandparents in 1983—21.5 million grandmothers and 17.5 million grandfathers. That's only an estimate because the family relationships asked about in questionnaires rarely extend beyond one generation.

One way to look at the trends in gifts and pinched cheeks at Christmastime is to find out how many children younger than 10 there are in relation to people older than 65. I call this the grandchild-grandparent ratio, or the grand ratio for short.

We can speculate that as this ratio falls, the presents under the tree will get bigger and children will see more of their grandparents.

In 1950, the grand ratio was 2.4—pretty high. There were not very many elderly people then and the baby boom had been exploding for several years. The ratio stayed high until after 1960. Then with the end of the baby boom and the beginning of sharply rising longevity for the elderly, the grand ratio fell precipitously for 20 years. Today it is only 1.2.

This means there are more children today who will benefit from knowing their grandparents without so much competition from cousins. Grandpa and Grandma are better off, too. Social Security payments have been adjusted for inflation, and pension benefits are more generous.

Not all the elderly are well-to-do, but according to a study by the Census Bureau and the Conference Board, people older than 65 have the highest per capita spendable discretionary income of any age group. And where do discretionary dollars go at Christmas? Into presents, of course. Discretionary money also helps the entire family of the grandchildren. I met a grandfather the other day who told me he was part owner of two houses besides his own. He had put up the equity so two of his children could buy homes for their families.

The transfer of money from parents to children and to grandchildren has been going on for a long time. The phenomenon is not well-documented, but I suspect it is growing and may be the only reason many young families can afford to buy a house at today's prices and interest rates.

In the future, the grand ratio is projected to continue falling, so by the year 2000 there will be only one child younger than 10 for every person older than 65. Perhaps by then we will see the return of the extended family.

Years ago, elderly people lived in or near the house of their children and helped out. With more than half of the parents of preschool children in the labor force and so many fewer grandchildren predicted, maybe it would be better for everyone if grandparents were around all the time. Then grandparents could give their grandchildren the biggest and best present of all—themselves.

Peter Francese is publisher of American Demographics.

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Parting Shot / *BY RANCE CRAIN*

Ad club could polish Chicago's image

I gave a talk to the Chicago Advertising Club the other day suggesting that the city's advertising community had the right stuff to help repair Chicago's tarnished image.

Too many people—visitors from the Midwest, other parts of the country and abroad—would just as soon skip a visit to Chicago. A city with a negative image discourages tourism, but even more important, it discourages growth—and that has an impact on all of us. When Chicagoans feel they have a city running in neutral, or worse, it's a mood that helps to discourage business from considering a move to the city. Worse, it encourages business to think about moving away.

Chicago is a city in transition, and the jury is still out on whether we'll emerge in better or worse shape. The council wars have taken their toll, of course, and they vividly show the debilitating effects of what happens when the old coalition among government, labor, finance, business and religion finally and irrevocably breaks down. To those of us outside the city council boxing ring, it seems as if the city is what's getting beaten up, rather than the boxers.

It also might be fair to blame the council wars for the decision of city business leaders to keep their relatively low profile. You could argue, however, that the current political stalemate actually may have been encouraged by the lack of business involvement.

During the last mayoral election, business seemed to keep its profile as low as possible while waiting to see what would happen. When the election resulted in a division close to a stalemate, business continued to sit it out.

In any case, the older business leaders who were committed to civic leadership as a way of life in the days of Mayor Daley gradually have faded from the scene, and young business leaders eager to make their presence felt have not yet emerged to replace the old guard.

A city with a negative image discourages tourism, but even more important, it discourages growth.

That's not to say they're not there. Men such as Quaker Oats' Bill Smithburg, Helene Curtis' Ron Gidwitz and Commonwealth Edison's Jim O'Connor show great leadership potential for the city. But right now, they are too busy building their companies—and their own careers—to have the time for intensive civic involvement.

Maybe, just maybe, we've hit rock bottom. In the final hours of the last Illinois General Assembly, legislators cleared the way for a long-sought expansion of McCormick Place and approved funding for a $10 million Illinois tourism campaign. The McCormick Place expansion enabled the city to keep the giant Consumer Electronics Show.

The tourism campaign is the first really effective effort I've seen for Chicago. It cleverly promotes the city as a "hot" place to visit during the Christmas season, using a Bahamian guy with the same kind of laugh and white suit as the spokesman touting caffeine-free ("ha-ha-ha") 7UP.

The Chicago spot will appear in 16 midwestern tv markets from Detroit to St. Louis, and it's backed by print and radio. The Illinois Office of Tourism has set up a special toll-free number, 1-800-HOT-TOWN, that viewers already are calling for brochures and additional information. Zechman & Associates, a Chicago agency, created the ads.

The Chicago advertising community, it seems to me, can play a major role in the city's turnaround. With momentum finally on the upswing, it makes sense for ad people not only to get on the bandwagon, but also to help lead it. What I suggested in my talk is that the Chicago Ad Club take the city's image problem on as a "client" and come up with plans to keep beating the drums for the city in all kinds of ways.

The International Advertising Assn. is holding its congress here in 1986, drawing ad executives from more than 70 countries. What an opportunity for Chicago's advertising community members to make *their* ad group feel welcome—and to go home enthusiastic boosters of Chicago.

C2710-1

$1.25 a copy; $52 a year

Monday, December 24, 1984

Advertising Age®

Crain's International Newspaper of Marketing

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Inaugural spot buys gala night

By VERNE GAY

The hottest question on Madison Avenue this week is: What would you pay to have dinner with Cary Grant or Elizabeth Taylor, drink Chateau Margeaux 1972 and be catered to by the finest chef in the nation's capital?

Before answering, consider this: You also get to see a live performance by Frank Sinatra, with Wayne Newton appearing as a warm-up act.

A good deal at any price, you say? Well wait, there's more! Within hailing distance of your table will be none other than President Reagan himself.

Welcome to the Jan. 19 White House Inaugural Gala, where all

(Continued on Page 39)

P&G pins strategy on super Pampers

By LAURIE FREEMAN

Competition in the disposable diaper category is heating up as Procter & Gamble prepares to deliver a counterpunch against Kimberly-Clark Corp. with new superabsorbent Pampers.

The P&G entry challenges K-C's Huggies, the premium diaper that continues to build up marketing clout.

Cincinnati-based P&G, which still leads the over-all disposable diaper category with a 52% share, may introduce the new Pampers nationally by the end of 1985, sources indicate.

P&G's answer to Pampers' share decline, new Pampers with concentrated absorbency, has been in Kansas test markets since early November. The new premium diaper may well be the marketing edge the company is seeking.

The restaged Pampers diapers resemble Luvs, with elasticized legs, refastenable tapes and an hourglass shape.

"New Pampers is a full-shaped disposable diaper that's more absorbent, leaks less and fits better than

(Continued on Page 34)

Stores fight for market share

Price-cuts fuel late yule push

By PAT SLOAN

New York—Santa may be dashing, but retailers are still slashing their way through Christmas.

J.C. Penney Co. last weekend pulled its image ads, via N W Ayer, New York, and aired a tv spot created in-house offering 25%-to-50% off in various departments, including jewelry, linens and sweaters. Although the sale had been planned in advance and advertised through preprints, the national spot was an 11th-hour decision.

"It was added on to draw added attention to the sale," said Terry Prindiville, director of corporate marketing. "The retail environment has been very promotional this Christmas, and we felt Penney had to communicate it had a lot of good values."

Only days before, B. Altman & Co. popped an ad in the *New York Times* announcing "Surprise savings. Two days only—25% off ticketed prices." Key to the ad was the reminder "Come wrap up your shopping, and remember, you'll be saving an additional 25% on many already reduced items."

Faced with heavy promoting from its competitors, explained George Hanley, vp-sales promotion director, Altman's sale was an add-on, "part of the whole process going on across the country to maintain market share."

Nor are the promotions likely to abate. Said William Davidson,

(Continued on Page 39)

O&M gets a kick out of Santa

Ogilvy & Mather's annual staff meeting at Carnegie Hall included "Miracle on 48th Street," a staff-written musical in which the agency wins the Santa Claus account. The finale's chorus line included (l. to r.) Keith Bainbridge, Jonas Wagner, Kelly O'Dea (in Santa costume) and John Farr.

A-B clicks off radio ads, beefs up tv for LA push

By VERNE GAY

Anheuser-Busch has pulled $1.5 million in radio time for its "The way you live today" LA low-alcohol beer campaign and plowed the money into tv to back its new LA effort featuring George Burns (AA, Dec. 10).

In total, the LA brand will be backed by an estimated $10 million media budget in 1985, with almost all of the spending going into tv. A-B initially had applied 15% of the brand's budget to radio.

The reason for the switch is the same one that besets many advertisers: A-B was unconvinced its radio ads had nearly the same creative clout as its new tv spots.

"There have been no major media cuts on LA," said a spokesman for the St. Louis-based brewer. "There have been reassessments. The brand has no strong radio creative but it does have strong tv creative, so we shifted previously placed radio budgets to tv."

D'Arcy MacManus Masius, St. Louis, is the agency.

The new tv campaign features George Burns in a variety of

(Continued on Page 39)

Nabisco shakes up

NEWSPAPER

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Last Minute News

Cigaret companies lock horns in price war

Durham, N.C.—Liggett & Myers Tobacco Co. is offering "sizable discounts," says Steve Cohen, manager of generic and private-label brands, in what is shaping up as a price war over that segment. The move is in response to Louisville, Ky.-based Brown & Williamson Tobacco Corp., which is offering $1 off per carton to consumers and is allowing retailers a $1-per-carton sales incentive. L&M is the leading marketer of generic and private-label smokes. Separately, cigaret marketers last week hiked prices 3% to 4% on all branded items.

Opposition to Nicklaus leaves Chiat in rough

Huntington Beach, Cal.—Uniden Corp. of America has dropped Chiat/Day, New York and Los Angeles, from its review because the agency insisted that the company drop golfer Jack Nicklaus as its spokesman. Still vying for the communications equipment company's $14 million account are Laurence, Charles & Free; Compton Advertising, and Ally & Gargano, all New York. DYR, Los Angeles, is the former agency.

Metzdorf-Marschalk wraps up TG&Y account

Oklahoma City—Discount merchandiser TG&Y Stores Co. has moved its $6 million broadcast advertising account to the Metzdorf-Marschalk Co. from Intermedia Time Buying, Sherman Oaks, Cal.

(Continued on Page 8)

Nabisco shakes units, rattles shops

By NANCY GIGES

Nabisco Brands, flush in the middle of an annual agency review, dropped some fireworks into its marketing operation.

The East Rutherford, N.J.-based company used the setting of the review to shake up its corporate structure, put a new product up for agency competition and pronounce itself satisfied with its in-house shop.

Nabisco conducts the review each year at this time as plans for the coming year are prepared, sometimes resulting in realignments.

This year, the company consolidated several units into three operating divisions—biscuits, Planters/Life Savers and grocery.

It also asked three New York shops not now working for the biscuit division to compete for an unidentified snack product to be introduced next year. The three—Bozell & Jacobs, Dancer Fitzgerald Sample and J. Walter Thompson USA, New York—are agencies of record for products from other company divisions.

As to its in-house shop, Ohlmeyer Advertising, Nabisco attempted to squelch reports that the company is unhappy with the agency's work.

The consolidation move brings together Planters and Life Savers, which share many distribution outlets, and combines margarines and desserts under the grocery division, along with cereals, bread mixes and pet foods. The third division, biscuits, remains unchanged. The groups all report to Peter Rogers, exec vp-operations, Nabisco Brands USA.

John Greeniaus becomes president of the biscuit division, a post held by Mr. Rogers. Mr. Greeniaus had been ceo, Nabisco Brands Ltd., London. Larry Kleinberg, formerly president, Life Savers, has been named president, Planters/Life Savers. William McKnight, formerly president, grocery products group, will add the margarine and desserts division to his unit.

Ellen Marram, formerly vp-marketing, margarine, has been named vp-marketing, grocery products. A new sales and distribution division will be formed to combine those functions for the grocery products and Planters/Life Savers units.

Mr. Rogers said the reorganization is an attempt to capitalize on the leverage and economies of scale gained from consolidating like businesses.

He pointed out that only 40% of the Planters and Life Savers business comes from grocery stores, while the remainder comes from other classes of trade.

In defending Ohlmeyer Advertising, Mr. Rogers said there has been no more friction than the normal agency-client relationship.

Ohlmeyer, a unit of Ohlmeyer Communications, New York, handles Triscuits, Wheat Thins, Better Cheddars and snack crackers. Nabisco holds a majority interest in Ohlmeyer Communications, a programing and production company.

Sources close to the agency say the shop has had difficulty coming up with commercials within the brands' budgets and with acceptable creative.

"From a corporate standpoint, it wouldn't make sense for us to take business from a house agency," he said. "One is much less likely to fire a house shop since we still have the rent to pay whether we give them business or not. One tends to work harder with an in-house agency."

Nabisco has been trying to build up the ad agency division of Ohlmeyer, which also does work for Stroh Brewery Co. and Times Mirror Magazines.#

'CR' suit nicks Remington's ad for shaver

By GAY JERVEY

Consumers Union is suing Remington Products and two department stores in a new attempt to keep marketers from exploiting the product ratings CU publishes in "Consumer Reports."

The lawsuit against Remington, R.H. Macy & Co., and Gimbels renews CU's long-standing contention that advertisers have no right to use its rating or the trademark "Consumer Reports" without its permission.

That position was shaken last October, however, when the U.S. Supreme Court declined to review a lower court decision that allowed Regina Corp., Rahway, N.J., to use in ads excerpts from a "Consumer Reports" review that favorably rated a Regina vacuum sweeper (AA, Oct. 4).

According to court papers filed last week in New York state court in Manhattan, the Remington ads violate CU's policy barring commercial use of its findings and ratings. CU also prohibits any such use of its trademark.

CU is asking for an injunction to halt the ads as soon as possible.

Mount Vernon, N.Y.-based CU said the legal action follows repeated requests that Remington stop the ads and packaging that describe Remington's XLR-3000 shaver as the "top-rated shaver in 'Consumer Reports.' "

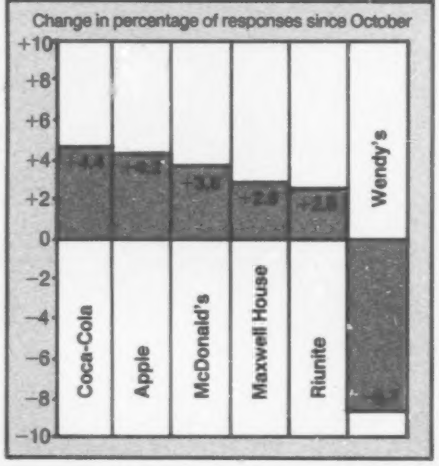
CU also maintains that the print

(Continued on Page 39)

ADWATCH

Nov. winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



Coke scores extra point in cola ad wars

By SCOTT HUME

The stakes were high, the competition fierce and the final score close. But what really decided the contest was the victor's home-field advantage.

No, this isn't a recap of the NFL playoffs; it's an update on the Great Cola Advertising War.

For the first time since it was overtaken by Pepsi-Cola in January, Coca-Cola advertising recall share once again sits atop the soft-drink category.

Asked to name the first soft-drink ad that came to mind, 30.6% of the 1,254 adults polled last month in ADVERTISING AGE's adWatch survey named Coke; 30.1% said Pepsi. Certainly that's sweet news for Coca-Cola, whose ads have been featuring Bill Cosby telling consumers that Coke is less sweet than Pepsi.

Before the celebration starts at Coca-Cola Co.'s Atlanta headquarters, it should be noted the national recall-share figure doesn't tell the whole story.

Actually, Coke's ads came to mind more often

(Continued on Page 37)

Highlights

A Campbell-Ewald three-page ad in the *New York Times* is part of the agency's "renewed aggressive stance." *See Page 6.*

Sharp Electronics Corp. returns to the airwaves with its first tv ads for audio products in two years. *See Page 32.*

When Toyota's MR2 "Fiero-killer" arrives next month, Pontiac will counter with a hard-hitting campaign. *See Page 33.*

CORPORATE CLOSEUP

The self-reliance, self-sufficiency ethic Rodale Press champions is facing stiff competition from a revival of conspicuous consumption, a concern among the young and affluent not just for appearance but appearances. *See Page 4.*

INTERNATIONAL

Carling O'Keefe has scored a goal in its fight with Molson Cos. over sponsorship of National Hockey League tv broadcasts in Canada. *See Page 16.*

The Federation Internationale des Football Assns. this month agreed to start important 1986 World Cup matches at times that satisfy European tv demands. *See Page 27.*

VIDEOTECH

The inspiration for Public Broadcasting Service's latest programing promotion is not Alistair Cooke, but Mr. Whipple. *See Page 13.*

MCA Television has become the third major movie studio to set up a monthly barter-syndication network offering theatrical movies that have not been aired by the commercial tv networks. *See Page 13.*

SPECIAL REPORT

Some product categories are hot the world over. ADVERTISING AGE details new products, products that have tried and failed and products that are huge successes. *See Page 17.*

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'Hammer' falls

By JAMES P. FORKAN

NEW YORK—Criminals must love the irony: Mike Hammer, who on his weekly CBS-TV series has put so many crooks into the slammer, is now languishing in a jail cell, in the person of actor Stacy Keach.

Another ironic touch can be found in CBS' tune-in ad campaign for the Saturday series, themed "Nobody nails 'em like Hammer!"

For those in the tv business most directly involved in the series, however, the mood was one of concern. And when a London court refused to free Mr. Keach from a nine-month jail sentence on cocaine-smuggling charges, CBS decided to put the Saturday series "on hiatus" after its Jan. 12 telecast. Future plans are to be announced.

Given Mr. Keach's jail term, however, some CBS sources hinted the future for "Mickey Spillane's Mike Hammer," as the show is called, appeared dim. Another factor working against "Hammer's" renewal is the so-far sluggish ratings. The series has averaged only a 23 share in the 12-week Nielsens through Dec. 16, a level it held from the November sweeps into this month.

CBS and the show's co-producers, Jay Bernstein Productions and Columbia Pictures Television, were forced to halt production this month, following Mr. Keach's imprisonment in England on the drug charges.

Thus far, 14 episodes have been finished, with eight yet to be shot (AA, Dec. 17). Of the 14 originals,

(Continued on Page 37)

Issue schedule for the holidays

There will be no Thursday issues of ADVERTISING AGE Dec. 27 or Jan. 3 because of the holidays. This issue includes the Special Report on International Marketing. Our annual Forecast & Review issue, which includes our selection of Adman of the Year, will be published Monday, Dec. 31.#

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

December

Art & Antiques

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
American Artist	68.4	55.4	921.2	783.1
Antiques	132.9	113.3	1,791.9	1,558.9
Antique Monthly	27.4	26.8	375.4	366.1
Art in America	107.5	125.1	1,398.3	1,311.9
Southwest Art	71.2	104.7	1,045.3	1,059.8
Total Group	407.4	320.6	5,532.1	5,079.8
% change		+27.0%		+8.9%

Auto/cycle/rec. vehicles

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
AutoWeek D.	137.4	107.8	1,584.3	1,528.0
Car & Driver	117.4	124.2	1,120.9	1,122.8
Car Collector & Car Classics	23.8	21.3	242.2	256.5
Car Craft	61.8	67.0	867.7	858.6
Cycle	36.6	37.1	525.2	684.4
Cycle World	36.7	28.4	581.9	584.6
Dune Buggies & Hot VWs	75.8	84.1	948.7	875.3
Family Motor Coaching	125.8	91.0	1,722.2	1,369.5
4 Wheel & Offroad	72.7	63.8	888.5	806.1
Four Wheeler	85.6	66.3	975.6	534.9
Hot Rod	50.2	60.5	735.3	683.3
Motorcyclist	29.4	15.9	418.0	416.5
Motor Trend	68.5	80.1	801.3	787.4
Motorhome Life	88.7	73.3	1,086.1	875.9
Pickup, Van & 4 WD	29.4	29.9	378.4	400.2
Road & Track	109.9	115.2	1,207.4	1,249.4
3 Wheeling	48.0	30.4	400.2	337.4
Trailer Life	112.3	106.5	1,471.2	1,287.2
Total Group	1,310.0	1,202.8	15,956.1	14,657.7
% change		+8.9%		+8.9%

Boating & yachting

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Boating	91.0	88.9	1,590.5	1,341.6
Chesapeake Bay	17.4	18.3	339.5	324.4
Cruising World	95.9	105.5	1,743.5	1,697.2
Motor Boating & Sailing	114.1	100.4	1,872.4	1,599.0
Sail	93.5	83.1	1,637.5	1,415.2
Sea & Pacific Skipper	43.9	47.2	675.6	768.7
Trailer Boats	—	—	356.8	248.3
Western Boatman (6X)	—	—	145.1	114.3
Yachting	136.9	126.1	2,058.8	1,800.3
Total Group	592.7	569.5	10,419.7	9,309.0
% change		+4.1%		+10.7%

Canadian

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
L'Actualite	87.7	79.5	852.6	694.6
Chatelaine:				
English Edition A.	88.4	97.0	1,193.0	1,182.1
French Edition	85.6	95.9	1,034.7	1,061.1
City Woman	—	—	281.2	251.5
Equinox	46.8	49.0	250.1	243.5
Financial Post Magazine A.	33.1	31.7	526.6	398.1
Flare A.	54.2	58.3	681.7	624.2
Homemaker's Magazine	87.4	85.5	791.8	933.3
Madam Au Foyer	75.8	64.0	687.6	724.4
Macleans (52X) A.	108.5	98.2	1,527.3	1,278.1
Montreal Calendar	42.7	40.0	536.4	332.0
Montreal Ce Mois Ci	51.0	62.0	580.5	446.5
Quest Magazine (8X) A.	20.4	41.6	229.7	395.6
Reader's Digest:				
Canadian-English A.	126.1	119.1	918.3	893.0
Canadian-French A.	127.1	119.9	837.2	823.7
Toronto Life	150.2	159.3	1,212.4	1,150.3
Vancouver	116.6	112.1	1,097.0	980.4
Total Group	1,301.6	1,313.1	13,238.1	12,412.4
% change		−0.9%		+6.7%

Civic/fraternal

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
American Legion	17.6	18.7	276.6	323.9
Elks Magazine (10X)	—	—	227.3	251.7
Kiwanis Magazine	—	—	138.5	150.3
Lion (10X)	—	—	61.5	73.0
Rotarian	8.7	10.6	138.7	162.3
V.F.W. (10X)	12.9	11.0	302.5	323.0
Total Group	39.2	40.3	1,145.1	1,284.2
% change		−2.7%		+10.8%

Comics

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Archie Comic Group (6X)	10.0	10.0	60.0	60.0
DC Comics	10.0	9.0	91.0	96.0
Marvel Comics Group	9.5	10.0	110.5	120.0
Total Group	29.5	29.0	261.5	276.0
% change		+1.7%		−5.2%

General

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
American Health (6X)	31.5	—	406.5	254.8
American West (6X)	32.7	22.5	163.3	158.5
The Atlantic A.	70.3	45.3	590.2	522.2
Audubon Magazine (6X)	—	—	174.6	217.7
Bon Appetit A.	135.8	125.3	1,117.4	1,017.1
Changing Times	47.3	47.8	532.5	510.9
Cuisine Magazine	76.6	65.0	668.5	522.9
Ebony	98.8	86.8	1,102.3	1,049.9
Fifty Plus	24.0	23.5	418.1	315.5
Food & Wine	58.2	50.1	502.1	468.8
Games	24.6	29.9	253.3	330.9
Geo	26.5	38.2	403.1	333.6
Gourmet	117.1	118.8	988.7	931.8
Home Entertainment (6X)	34.7	34.0	255.6	172.0
Harper's Magazine A.	21.5	25.4	278.5	219.5
Life	87.1	86.4	765.2	733.6
Modern Maturity (6X)	43.8	25.2	259.5	235.4
Money	149.0	152.5	1,521.1	1,430.6
Moneysworth (4X)	—	—	53.8	72.1
Mother Earth News (6X)	37.9	49.5	300.8	354.6
Mother Jones (10X)	11.1	17.8	163.5	108.1
National Geographic	35.3	26.3	290.8	282.7
Natural History	39.8	38.4	510.6	355.9
Prevention	53.9	58.2	808.0	909.2
Psychology Today	25.4	21.2	318.7	309.1
Reader's Digest A.	111.7	108.9	1,082.3	1,032.9
Signature	41.8	40.6	666.0	659.8
Smithsonian	92.0	85.2	1,014.1	938.1
Success	36.3	34.8	413.7	413.6
Town & Country	195.6	211.9	1,067.9	1,048.9
Travel/Holiday	27.1	24.5	493.9	472.9
Travel & Leisure	99.3	101.6	1,297.6	1,090.9
Vanity Fair	49.5	37.7	335.1	513.6
Video	115.5	84.7	887.2	770.1
Video Review	80.3	74.9	684.4	776.1
Writers Digest	22.2	24.6	290.6	312.3
Yankee	71.6	94.4	975.0	1,137.3
Total Group	2,225.8	2,111.9	22,063.4	21,154.9
% change		+5.4%		+4.3%

Home

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Americana (6X)	33.0	36.4	226.0	218.8
Architectural Digest A.	139.1	144.5	1,601.9	1,556.7
Better Homes & Gardens	142.2	132.5	1,478.2	1,354.9
Country Journal	36.9	30.1	399.6	410.0
Country Living	66.9	47.1	794.6	631.7
Dallas/Ft. Worth Home & Garden	92.4	83.8	910.3	844.3
Early American Life (6X)	22.6	34.3	163.4	176.2
Family Handyman (10X) A.	48.2	49.5	752.1	715.8
Flower & Garden (6X)	37.8	37.3	221.4	234.1
Home	27.7	33.0	613.6	457.2
The Homeowner (6X)	—	—	241.2	163.0
House Beautiful	77.4	91.3	1,136.5	1,081.5
House & Garden	93.9	93.9	1,098.0	826.1
Houston Home/Garden	111.0	125.2	1,261.2	1,213.5
Metropolitan Home	87.2	76.0	880.0	730.6
New Shelter (9X)	—	—	447.0	443.0
1001 Home Ideas	38.3	28.3	496.6	401.2
Organic Gardening	52.4	63.8	728.6	839.5
Phoenix Home/Garden	61.2	57.0	688.2	582.0
San Diego Home/Garden	65.7	71.1	864.6	814.8
Southern Accents (6X)	—	—	477.9	311.7
Southern Living	124.6	118.4	1,625.2	1,543.2
Sunset Magazine A.	132.8	125.3	1,684.1	1,698.8
Texas Homes	75.1	79.5	960.0	872.4
Workbench (6X)	—	—	357.7	396.3
Total Group	1,566.4	1,558.3	20,107.9	18,557.3
% change		+0.5%		+8.4%

In-flight & other passenger

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Aboard Group (7) (4X)	—	—	64.4	53.6
Alaska Airlines	54.3	43.8	628.4	561.7
American Way	77.6	93.4	1,195.7	1,122.9
East/West Network:				
Amtrak Express	28.7	31.7	393.1	501.7
Continental	45.3	—	707.4	720.3
Eastern Review	99.3	102.2	1,372.1	1,249.7
Northwest Orient	38.5	—	81.0	—
Ozark	42.8	37.5	541.5	581.7
PSA Magazine	89.0	90.5	1,218.9	1,099.2
Pan Am Clipper	67.8	35.3	753.5	506.2
Republic Scene	48.2	50.5	698.7	701.4
United	87.3	83.2	1,357.0	1,162.6
USAir	52.5	56.8	717.8	761.2
Western's World	53.7	62.2	797.0	761.8
Halsey Publications:				
Air Cal	53.0	40.0	631.5	480.4
Delta Sky	70.7	64.0	908.5	800.3
Frontier	27.9	31.2	386.9	421.8
Skylite	21.0	19.2	249.0	222.0
Hawaii	23.3	22.1	262.8	211.2
Pace (6X)	—	—	666.9	257.5
Southwest Airlines	72.8	89.8	1,104.5	1,169.9
Spirit of Aloha	24.3	22.6	266.1	209.5
Total Group	1,078.0	975.0	14,991.7	13,526.6
% change		+10.6%		+10.8%

Men's

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Esquire A.	262.3	291.2	1,409.3	1,312.3
Firehouse Magazine	50.7	47.2	678.2	651.5
Gentlemen's Quarterly A.	160.0	146.4	1,929.8	1,448.2
Penthouse A.	66.3	92.4	625.3	711.9
Playboy A.	110.2	126.3	904.4	1,025.3
Total Group	649.5	703.5	5,547.0	5,149.2
% change		−7.7%		+7.7%

Metropolitan

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Aloha (6X)	39.5	28.3	185.7	168.5
Atlanta	59.4	27.1	762.5	715.3
Baltimore	129.2	101.4	834.7	756.1
Boston	220.9	177.3	1,831.1	1,629.8
California Living	90.6	77.4	640.6	651.0
Charlotte (10X)	—	—	20.0	21.0
Chicago	188.0	217.5	1,775.0	1,768.5
Chicago's North Shore	108.4	111.7	1,060.4	1,026.9
Cincinnati	75.8	60.7	682.3	669.9
Cleveland	93.6	139.6	944.5	952.4
Coast (38X)	70.4	77.0	2,903.4	2,994.0
Columbus Monthly	74.4	81.9	835.8	877.1
Commonwealth	40.3	43.1	474.9	416.7
Connecticut	82.7	84.3	999.5	903.3
Country Magazine	42.1	35.3	501.8	377.8
D/Magazine, Dallas/Ft. Worth	176.1	164.1	1,649.6	1,454.8
Denver	52.5	36.3	424.2	423.9
Exclusively Yours, Wisconsin (15X)	72.0	78.0	870.5	889.9
Grand Rapids	46.3	46.0	635.1	617.3
Honolulu	79.8	68.5	802.0	791.4
Houston City	115.2	101.5	1,054.0	907.3
Indianapolis	40.0	41.8	445.6	600.6
Kansas City	46.0	50.0	420.7	386.6
Los Angeles	255.5	299.0	2,507.5	2,457.5
Louisiana Life (6X)	104.5	102.8	479.6	453.0
Madison	61.0	51.0	547.0	517.8
Metropolitan Detroit	93.3	—	722.0	—
Miami Mensual	61.8	53.2	586.8	551.2
Miami/South Florida	135.7	137.0	1,120.9	1,080.6
Milwaukee	105.3	52.1	611.3	289.4
Minneapolis/St. Paul	117.1	124.2	1,171.5	1,038.0
Monthly Detroit	109.3	72.5	827.8	662.8
Nashville	26.0	24.0	330.0	411.0
New Jersey Monthly	59.3	67.7	669.3	649.0
New Mexico	43.6	38.8	463.2	311.0
Ohio	50.8	52.1	742.6	611.3
Orlando	95.3	75.8	1,019.8	902.7
Palm Beach Life	121.3	114.2	902.0	840.5
Philadelphia	183.8	175.1	1,636.2	1,610.6
Phoenix	115.4	97.0	1,110.8	935.0
Pittsburgh	65.9	85.6	746.3	754.7
St. Louis	80.0	90.3	748.0	727.3
San Diego	197.3	176.3	1,866.6	1,672.5
San Francisco	110.0	90.7	959.5	745.5
San Francisco Focus	108.0	56.0	830.5	588.8
Texas Monthly	156.4	151.7	1,656.8	1,504.0
Twin Cities	70.7	90.8	786.2	494.7
Ultra	123.1	108.9	824.0	1,055.0
The Washingtonian	194.0	165.0	1,866.0	1,747.6
Total Group	4,787.9	4,400.6	46,486.1	42,811.6
% change		+8.8%		+8.6%

Movie/romance/radio/tv

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Macfadden's Women's Group:				
Modern Romances	17.7	24.0	277.9	316.2
Secrets	17.7	24.0	277.9	316.2
True Confessions	17.7	24.0	277.9	316.2
True Experience	17.7	24.0	277.9	316.2
True Love	17.7	24.0	277.9	316.2
True Romance	17.7	24.0	277.9	316.2
Sterling Women's Group:				
Daytime TV	28.5	27.5	337.0	353.3
Modern Screen	21.5	19.5	123.0	229.7
Movie Mirror (6X)	21.5	—	124.0	178.3
Soap Opera Stars	17.5	—	124.3	240.[illegible]
TV Movie Screen (6X)	6.0	—	25.0	126.[illegible]
TV Picture Life (6X)	6.0	—	98.0	113.9
Teen Bag (6X)	8.0	7.7	65.3	45.5
Total Group	215.2	198.7	2,564.0	3,184.8
% change		+8.3%		−19.5%

Music/entertainment

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
American Film (10X)	44.0	43.5	285.5	320.8
Circus Magazine	59.3	41.2	481.3	361.2
Dance Magazine	63.1	71.6	727.9	749.9
Musician	61.5	71.7	721.7	782.2
Playbill	75.4	68.7	725.2	664.8
Record	40.8	23.3	308.9	142.0
Stereo Review	52.3	55.8	562.0	604.0
Total Group	396.4	375.8	3,812.5	3,584.9
% change		+5.5%		+6.3%

National Sunday Magazines

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Family Weekly A.	55.4	42.6	715.9	814.0
Parade	56.6	41.6	645.8	758.4
Total Group	112.0	84.2	1,361.7	1,572.4
% change		+33.0%		−13.4%

Outdoor & sport

	Current month 1984	Current month 1983	Year-to-date 1984	Year-to-date 1983
Alaska	51.2	54.6	513.0	507.2
American Hunter	34.6	27.8	264.5	266.6
American Rifleman	26.5	20.0	353.1	347.1
Backpacker (6X)	—	—	257.7	310.7
Bass Master (8X) A.	—	—	449.4	416.8
Bicycling (9X)	—	—	939.7	896.5
Field & Stream	69.6	66.5	1,019.7	1,023.7
Fins & Feathers A.	30.4	27.4	501.3	469.0
Fishing World (6X)	—	—	221.6	225.8
Florida Sportsman	82.2	65.7	998.3	811.9
Flying	39.2	48.3	574.6	511.9
Fur-Fish-Game	20.9	21.9	286.0	287.4
Golf Digest	98.9	92.0	1,080.2	1,058.6
Golf Magazine	48.1	50.0	810.4	750.6
Guns & Ammo	44.2	38.5	605.5	543.3
Muscle & Fitness	122.0	119.0	1,331.0	1,286.0
In-Fisherman (6X)	65.5	46.0	490.0	428.0
Outdoor Life	58.9	50.4	916.4	844.9
Outside Magazine	45.9	40.3	467.4	430.2
Petersen's Hunting	43.5	26.2	556.1	478.4
The Runner	43.0	41.7	582.3	502.9
Runner's World (13X)	41.2	43.3	622.8	598.7
Shooting Times	34.7	36.9	462.6	448.6
Ski (8X) A.	139.5	155.3	870.5	760.2
Skiing (7X)	179.6	166.8	986.6	883.4
Skin Diver	64.3	72.1	884.3	863.0
Southern Outdoors (8X)	—	—	356.0	379.8
Sport	42.0	50.7	551.5	502.7
Sports Afield	76.8	83.1	1,053.2	1,005.8

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. D. Five issues in Dec., 1984, and four in Dec., 1983. E. Two issues in Dec., 1984, and three in Dec., 1983. F. Includes 14.5 page special insert. *All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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December

	Current month		Year-to-date	
	1984	1983	1984	1983
Tennis	70.4	65.1	1,035.9	924.2
Western Outdoors (10X)	—	—	425.9	307.5
Total Group	**1,573.1**	**1,509.6**	**20,467.5**	**19,071.4**
% change		**+4.2%**		**+7.3%**

Photography

	Current month		Year-to-date	
	1984	1983	1984	1983
American Photographer	45.2	56.2	507.7	621.6
Petersen's Photographic	39.2	52.9	410.5	460.2
Popular Photography	102.5	113.3	1,163.8	1,336.5
Total Group	**186.9**	**222.4**	**2,082.0**	**2,418.3**
% change		**−16.0%**		**−13.9%**

Religious

	Current month		Year-to-date	
	1984	1983	1984	1983
BBI Jewish Monthly (10X)	25.2	22.4	254.9	242.7
Christian Herald	39.8	33.3	406.3	399.1
Christian Life	24.3	49.6	344.8	362.0
Christianity Today	43.3	32.0	843.9	694.8
Inside (4X)	86.3	74.6	337.6	293.1
Moody Monthly	46.7	52.3	566.0	575.7
Today's Christian Woman (6X)	70.7	63.5	259.0	187.2
Total Group	**336.3**	**327.7**	**3,012.5**	**2,754.6**
% change		**+2.6%**		**+9.4%**

Science/electronic/mechanic

	Current month		Year-to-date	
	1984	1983	1984	1983
Compute	112.6	215.1	965.8	1,790.8
Computers & Electronics	39.8	47.6	547.5	701.5
Creative Computing	134.7	197.3	1,453.1	2,143.7
Discover	41.2	45.9	434.5	508.5
Family Computing	90.0	87.2	691.4	222.7
Info World	201.0	315.0	2,337.0	2,642.0
Mechanix Illustrated	60.3	59.5	838.6	834.7
Omni	96.4	82.5	816.8	814.1
Personal Computing	193.0	220.4	1,914.8	2,426.9
Popular Mechanics	87.6	88.3	1,154.3	1,185.1
Popular Science	73.7	97.7	972.7	1,063.0
Science Digest	36.6	50.1	378.8	424.6
Science 84 (10X)	31.0	48.5	378.3	414.4
Scientific American	70.7	75.8	839.8	749.2
Spectrum	84.4	84.3	1,196.6	1,042.6
Total Group	**1,353.0**	**1,715.2**	**14,917.0**	**16,963.8**
% change		**−21.1%**		**−12.1%**

Women/fashion/service

	Current month		Year-to-date	
	1984	1983	1984	1983
Bride's Magazine (6X) A.	—	—	1,912.3	1,819.2
Cosmopolitan A.	183.9	221.4	2,512.6	2,464.1
Essence	77.5	86.4	1,009.2	966.7
Family Circle A.	154.4	122.8	1,796.0	1,789.8
Glamour	163.4	149.0	2,172.5	2,031.6
Good Housekeeping A.	208.9	207.3	2,033.3	2,093.9
Harper's Bazaar	135.9	118.9	1,814.3	1,558.3
Health	28.0	35.8	445.0	396.3
Ladies' Home Journal	122.1	96.8	1,268.0	1,179.4
Ladycom	—	—	409.0	356.4
Lady's Circle	6.8	11.8	85.8	105.0
Mademoiselle	118.8	98.5	1,684.6	1,573.6
McCall's	128.0	94.5	1,193.5	1,106.6
Modern Bride (6X)	—	—	1,604.9	1,518.5
Ms.	62.4	55.7	650.6	550.0
New Woman	37.5	39.7	559.5	566.3
Parents Magazine A.	118.0	74.2	1,000.4	921.3
Playgirl	32.5	40.9	395.9	461.3
Redbook	104.8	102.7	1,177.8	1,100.0
Self	71.6	72.0	1,158.5	928.1
Seventeen	87.2	85.3	1,495.6	1,311.6
Shape	58.0	61.0	727.5	670.0
Soap Opera Digest	20.8	19.1	321.4	326.4
'Teen Magazine	32.6	46.6	619.7	650.0
True Story A.	53.2	57.5	674.7	692.3
Vogue	245.0	240.1	3,468.4	3,104.6
W Magazine E.	62.0	80.1	1,335.0	1,190.6
Woman's Day A.	153.3	139.7	1,525.5	1,606.6
The Workbasket (10X)	—	—	386.2	396.4
Working Mother	91.9	83.0	915.5	855.1
Working Woman	120.8	94.0	1,308.1	1,184.7
Total Group	**2,679.0**	**2,523.2**	**37,661.3**	**35,474.7**
% change		**+5.8%**		**+6.2%**

Youth

	Current month		Year-to-date	
	1984	1983	1984	1983
Boys' Life	11.8	20.6	210.5	278.0
Campus Life	31.5	30.6	483.9	438.6
Total Group	**43.3**	**51.2**	**694.4**	**716.6**
% change		**−15.4%**		**−3.1%**

November

Business

	Current month		Year-to-date	
	1984	1983	1984	1983
Arizona Business Gazette	23.3	17.0	272.5	174.5
Atlanta Bus. Chronicle (52X)	47.2	49.4	522.8	388.1
Austin Business Journal	43.0	—	493.5	—
Barron's (52X)	237.0	229.5	2,173.9	2,275.8
Boston Business Journal	117.1	80.3	1,058.9	720.7
Business Week (52X) A.	508.2	512.1	4,541.2	4,222.3
California Business	86.5	89.6	1,010.3	821.6
Capital District Bus. Review (25X)	35.5	33.6	508.8	398.6
Corporate Report/-Kansas City	74.2	59.8	681.2	571.2
Corporate Report/-Minnesota	82.3	96.6	953.4	866.9
Crain's Chicago Bus. (52X)	168.6	159.4	1,510.7	1,408.4
Crain's Cleveland Bus.	85.0	65.4	751.6	574.5
Dun's Business Month	79.4	91.4	759.9	715.2
Financial World (24X)	39.3	55.0	350.0	410.3
Florida Trend	82.5	81.4	945.3	827.0
Forbes (28X)	445.8	429.9	3,405.2	3,036.4
Fortune (26X) A.	357.5	348.4	3,181.5	2,920.6
Frequent Flyer	73.5	64.8	653.1	534.8
Futures	53.0	61.0	617.6	623.7
Hawaii Business	56.8	52.4	561.4	532.6
High Technology D.	34.1	37.9	373.0	318.4

	Current month		Year-to-date	
	1984	1983	1984	1983
Inc. Magazine A.	149.6	146.5	1,333.2	1,176.8
Income Opportunities (10X)	44.8	51.4	464.8	450.4
Industry Week (26X) A.	152.9	131.5	1,263.5	1,162.4
Indianapolis Business Journal	119.8	93.4	1,262.7	956.0
Minnesota Business Journal	59.7	44.7	557.7	447.4
Nation's Business A.	61.5	45.9	396.6	287.1
New England Bus. (20X) B.	98.5	66.7	818.4	682.6
New Jersey Success	—	—	—	—
New Orleans Citibusiness	143.6	110.8	1,288.5	1,199.2
Pacific Business News (52X)	94.6	116.3	1,107.6	1,111.7
Philadelphia Bus. Journal	89.0	63.4	1,204.5	710.3
Pittsburgh Bus. Times (52X)	59.7	59.2	615.9	551.0
Savvy	61.0	57.1	478.6	460.8
St. Louis Business Journal	189.6	100.1	1,560.8	1,185.3
Texas Business	78.2	76.3	806.9	718.7
Venture	131.8	126.4	969.6	713.5
Total Group	**4,397.7**	**4,049.8**	**40,743.6**	**35,243.2**
% change		**+8.6%**		**+15.6%**

Newspaper Sunday magazines*

	Current month		Year-to-date	
	1984	1983	1984	1983
Arizona Republic	58.0	71.0	669.0	627.0
Boston Globe	256.2	289.2	2,277.5	2,101.9
Chicago Tribune	134.6	121.5	855.3	949.3
Cincinnati Enquirer	—	—	—	—
Cleveland Plain Dealer	85.0	93.0	650.0	939.0
Columbus Dispatch	67.9	58.6	554.6	516.5
Dallas Times Herald	83.5	68.0	866.8	751.0
Denver Post	111.7	136.9	863.5	1,053.1
Detroit News	134.0	156.0	1,057.0	1,159.0
L.A. Times Home Magazine	121.1	137.3	1,195.2	1,070.2
Louisville Courier-Journal	127.1	113.9	821.0	967.1
Miami Herald	58.3	55.1	564.1	582.1
New York News	—	—	—	—
New York Times Magazine	534.2	450.9	4,275.7	3,882.9
Philadelphia Inquirer	91.3	69.5	647.8	624.5
Toledo Blade Magazine	62.7	49.5	567.4	497.7
Washington Post	133.8	129.2	1,234.2	1,233.2
Total Group	**2,359.4**	**1,999.6**	**17,099.0**	**16,954.5**
% change		**+18.0%**		**+0.8%**

Weeklies/bi-weeklies

	Current month		Year-to-date	
	1984	1983	1984	1983
Army Times Military Group:				
Air Force Times (52X)	183.8	178.4	1,699.4	1,633.8
Army Times (52X)	178.5	175.0	1,630.1	1,604.0
Navy Times (52X)	200.8	193.9	1,821.4	1,805.4
The Times Magazine	12.4	12.5	169.1	156.4
The Blood-Horse (52X)	1,969.9	1,994.3	6,596.9	6,543.3
Capper's Weekly (26X)	24.8	23.6	285.8	290.0
Commonweal (22X)	17.4	12.9	77.8	73.6
Golf World (43X)	31.8	35.2	802.4	812.9
Grit (52X) A.	18.7	26.4	247.7	284.1
National Journal	34.0	23.0	303.0	283.0
National Review	35.9	44.1	301.8	353.9
New Republic (48X)	35.0	48.9	339.9	374.4
New York Magazine (50X)	335.3	305.4	2,592.4	2,569.0
New Yorker (52X)	433.7	507.6	3,148.9	3,303.3
Newsweek (52X) A.	408.4	396.1	2,712.7	2,675.7
People (52X) F.	492.7	444.5	3,613.9	3,080.3
Rolling Stone (25X)	102.5	102.4	953.9	1,031.0
Sporting News (52X)	52.4	55.1	540.7	621.7
Sports Illustrated (52X) A.	299.0	267.7	2,812.7	2,548.3
Time (52X) A.	329.2	291.9	2,559.6	2,483.6
Travelhost (52X) C.	3,164.0	2,963.0	35,406.0	32,317.0
TV Guide (52X) A.	422.6	383.4	3,495.6	3,341.3
Us Magazine (26X)	37.8	45.7	399.1	495.4
U.S. News & World Report (52X) A.	196.1	195.1	1,579.9	1,626.0
Total Group	**9,016.7**	**8,726.1**	**74,090.7**	**70,307.4**
% change		**+3.3%**		**+5.4%**

Foreign

	Current month		Year-to-date	
	1984	1983	1984	1983
Good Housekeeping Foreign Editions:				
Australia	35.2	43.7	364.7	390.8
Japan	96.5	88.0	798.4	657.9
Great Britain	218.6	185.7	1,467.9	1,329.0
Buenhogar:				
Central America	4.0	5.0	18.5	23.0
Chile	2.0	3.0	10.0	16.0
Colombia	53.0	85.5	372.2	459.3
Dominican Republic	8.0	23.3	61.0	139.8
Ecuador	19.0	27.0	142.5	131.5
Mexico	73.0	111.0	476.7	514.0
Peru	12.3	50.8	191.7	275.2
Puerto Rico	19.3	28.5	153.8	147.7
U.S.	16.2	13.0	147.8	126.5
Venezuela	52.0	45.0	317.5	252.7
Geomundo:				
Central America	10.0	9.0	70.3	57.0
Chile	9.0	6.0	66.3	54.0
Colombia	17.2	15.0	109.7	120.5
Ecuador	5.0	4.0	45.0	44.0
Mexico	15.5	4.0	97.3	77.5
Peru	7.0	7.0	63.3	70.0
Puerto Rico	4.0	7.0	32.3	45.0
U.S.	9.2	5.0	60.5	39.0
Venezuela	13.5	42.5	117.3	144.2
Hombre De Mundo:				
Central America	15.0	11.0	78.0	65.3
Chile	13.0	11.0	74.0	67.0
Colombia	15.7	23.5	116.7	129.5
Ecuador	9.0	11.0	53.0	66.0
Mexico	42.2	33.7	186.3	161.5
Peru	8.0	12.0	66.0	68.0
Puerto Rico	11.0	12.0	97.0	71.3
U.S.	10.2	7.0	75.0	40.0
Venezuela	27.5	16.5	205.5	153.8
Ideas Para Su Hogar:				
Central America	—	1.0	1.5	3.0
Chile	—	1.0	1.0	1.0
Colombia	3.2	62.0	224.7	316.5
Ecuador	—	8.5	2.5	45.5
Mexico	22.7	17.8	118.2	153.2
Peru	10.0	28.0	67.0	117.2
Puerto Rico	7.0	0.3	12.0	6.3
U.S.	8.8	6.5	82.5	55.8
Venezuela	44.5	23.2	215.5	148.3

	Current month		Year-to-date	
	1984	1983	1984	1983
Mecanica Popular:				
Argentina	3.2	7.2	57.8	80.3
Central America	14.7	17.2	142.3	141.8
Chile	8.2	7.5	71.5	71.2
Colombia	22.0	22.8	168.8	193.5
Mexico	17.8	13.0	152.2	106.7
Peru	15.3	24.7	170.7	225.2
Puerto Rico	14.2	18.5	155.0	164.7
U.S.	8.3	5.0	58.5	38.0
Venezuela	18.7	20.0	183.5	222.0
The Ring en Espanol:				
Colombia	—	—	4.0	—
Mexico	0.2	—	0.3	—
Puerto Rico	—	—	1.0	—
U.S.	9.0	5.3	50.8	38.5
Venezuela	2.0	—	16.0	7.0
Vanidades Continental:				
Central America	22.8	15.3	88.2	85.5
Chile	10.3	2.0	31.7	33.5
Colombia	117.0	101.2	753.0	739.7
Dominican Republic	15.7	27.0	94.8	203.0
Ecuador	27.7	20.8	207.5	147.0
Mexico	175.3	196.7	1,033.7	1,152.2
Peru	24.7	44.7	233.7	331.2
Puerto Rico	48.7	53.7	404.8	385.2
U.S.	52.7	51.7	487.3	507.0
Venezuela	106.2	55.2	583.7	483.5
Business Week Int'l.	173.6	229.0	1,557.1	1,698.3
Cosmopolitan Foreign Editions:				
Australia	116.9	104.8	719.5	742.4
Brazil	74.3	68.0	450.2	505.2
France	139.3	126.3	1,387.8	1,067.5
Germany	140.5	103.7	1,023.7	668.8
Great Britain	178.0	172.0	1,311.3	1,266.9
Greece	87.0	90.0	574.0	565.0
Holland	86.0	66.0	593.0	482.5
Italy	85.2	94.0	604.5	758.0
Japan	33.3	44.7	347.0	425.0
South Africa	123.0	—	841.5	—
Cosmopolitan en Espanol:				
Central America	10.0	5.5	18.0	26.3
Colombia	26.3	36.2	129.0	175.7
Ecuador	1.0	4.5	5.0	12.5
Mexico	101.5	118.8	562.3	664.5
Peru	5.5	15.5	32.5	80.5
Puerto Rico	26.0	40.5	295.7	230.3
U.S. (Spanish language)	29.2	27.3	218.2	206.2
Venezuela	44.0	30.3	216.5	157.0
International Communications:				
African Business	25.0	37.7	305.2	331.1
New African	18.5	14.6	192.4	205.4
The Middle East	24.4	23.5	202.0	284.0
International Management:				
Africa	12.8	14.3	132.0	174.5
Europe	60.5	62.7	455.2	466.8
Latin America	22.0	13.0	104.8	138.0
Middle East	29.0	27.7	183.8	256.5
Pacific	13.3	17.3	146.0	170.3
Johnston International:				
Alam Attijarat	79.9	55.0	639.0	670.8
Ejecutivo	17.3	25.5	70.0	99.8
Modern Africa	39.2	23.0	156.3	141.4
Modern Asia	74.8	39.2	360.7	391.2
Newsweek International A:				
Atlantic	123.8	136.9	978.2	1,051.8
Latin America	23.0	32.0	270.0	332.7
Pacific	77.4	104.1	721.7	815.1
Progreso (9X)	9.3	11.8	65.2	102.3
Reader's Digest:				
Arabic	21.5	17.5	110.0	130.5
Asian	222.0	322.5	2,068.0	2,508.3
Australian	83.0	125.3	806.3	802.0
Belgian-Flemish	138.0	162.5	919.5	945.5
Belgian-French	94.0	123.0	606.0	709.0
British	72.0	98.6	608.8	685.0
Chinese B.	148.0	169.5	1,149.2	1,223.8
Danish	33.5	44.5	351.3	374.2
Dutch	52.5	57.0	438.3	395.1
Finnish	38.5	56.0	462.0	721.0
French	53.2	81.6	513.2	626.2
German	90.0	122.1	749.8	823.6
Greek	4.0	—	89.0	11.5
Iberian	30.5	19.5	206.5	193.0
Indian-English	88.5	77.0	786.0	790.8
Indian-Hindi	15.5	—	73.0	44.5
Italian	46.0	66.5	371.0	521.5
Japanese	53.4	48.9	486.4	537.9
Korean	25.0	31.0	254.0	236.2
Latin American:				
Argentina	29.5	23.5	227.5	173.5
Brazil	7.5	8.0	35.5	93.5
Central American	10.5	15.0	107.5	129.5
Chile	10.5	11.5	115.0	168.0
Colombia	45.0	47.0	345.5	394.0
Ecuador	9.5	14.0	92.5	123.0
Mexico	91.5	71.2	563.6	519.2
Peru	13.0	18.0	106.5	119.5
Puerto Rico	6.0	14.0	59.5	77.5
U.P.B.	10.5	14.0	85.0	117.5
U.S. Spanish	23.5	18.5	125.5	158.0
Venezuela	12.5	17.5	124.5	159.0
New Zealand	125.5	113.0	969.1	971.8
Norwegian	38.0	56.3	360.7	448.1
Portugal	60.8	70.0	418.3	503.6
South African	157.5	161.0	1,101.3	1,136.0
Swedish	3.5	27.0	108.5	225.0
Swiss-French	32.6	41.0	288.2	329.0
Swiss-German	43.8	55.3	376.8	420.3
Time International:				
Time-Asia	112.1	131.8	1,003.6	1,134.7
Time-Atlantic	138.0	182.9	1,193.2	1,263.3
Time-Canada	290.8	271.6	2,071.8	1,778.5
Time-Latin America	67.2	76.9	541.7	556.1
Time-South Pacific	192.9	207.6	1,334.6	1,521.2
Visao (52X)	165.7	160.3	1,953.4	1,828.8
Vision/Latin America (26X) A.	51.1	48.2	337.5	344.0
Total Group	**6,870.9**	**7,328.0**	**52,429.8**	**54,479.0**
% change		**−6.2%**		**−3.8%**

Philip Morris gives Marlboro 25s more country

By WILLIAM F. GLOEDE

New York—Marlboro smokers will get a "lot [more] to like" as Philip Morris USA takes the 25-pack version of its flagship brand into a national rollout.

Marlboro 25s will enter 46 states on Jan. 1, backed by a heavy print and outdoor campaign via Leo Burnett USA, Chicago.

The advertising will not use the familiar Marlboro Man, though it will capitalize on his image by picturing the new packaging beside a pair of spurs. Marlboro Red and Marlboro Lights soft packs will be included in the introduction.

Marlboro 25s will not be available in the District of Columbia, Montana, Nevada, New Jersey and New York. PM believes that tax laws in those jurisdictions disproportionately increase the price of a 25-pack.

Unlike competing brands, Marlboro 25s will not be sold at a discount; the 25-pack will sell for 25% more than the 20-pack. Cartons will contain eight packs of 25, or 200 cigarets—the same number as in traditional cartons.

The national rollout comes after six months of successful testing—first in Atlanta; Hartford, Conn., Indianapolis and Spokane, Wash., and then later in six southeastern states.

Observers believe PM's strategy in developing a 25-cigaret pack version of the Marlboro brand is to increase share by increasing consumption.

Trade sources say that where the 25-pack has been in test, 70% of its sales have been to regular Marlboro smokers.

"I think they're taking a page out of drink [alcoholic beverage] marketing—the idea that consumption goes up to availability," said John C. Maxwell Jr., tobacco industry analyst for Laidlaw-Ansbacher, New York.

Marlboro is the nation's largest-selling cigaret. Mr. Maxwell's yearend analysis of the cigaret market reveals that the brand has a 21.4% share of the market, up more than a full percentage point from '83.

The rollout of Marlboro 25s is the first U.S. introduction of a regular-price (per unit), branded smoke in the 25 configuration. But the 25-count is the norm overseas and in Canada.

R.J. Reynolds Tobacco Co., Winston-Salem, N.C., has successfully rolled its Century 25s national (minus the same five areas as Marlboro 25s), but it is sold at the same price as 20-to-the-pack brands.

Mr. Maxwell's yearend analysis puts Century's share at 0.9% of the market; a 0.5% share usually is enough to guarantee brand success in the cigaret business.

Brown & Williamson Tobacco Corp., Louisville, Ky., also is testing 25-cigaret packaging in its Richland brand.

Like Century, it sells for the same price as traditional 20-smoke packs. Richland is available in 20% of the country.#

B&W promotes 3 execs

Louisville, Ky.—Three top executives at the Brown & Williamson Tobacco Corp. are climbing to the upper rungs of the corporate ladder.

John Alar, 58, has moved to the new post of vice-chairman from president-chief operating officer. Succeeding him is Thomas Sandefur, 45, formerly exec vp. Richard Blott, 42, formerly senior vp-corporate marketing, succeeds Mr. Sandefur.

B&W is the nation's third-largest tobacco marketer.

The appointments come at a time when it has adopted a more aggressive marketing strategy in introducing new cigaret brands into test markets and developing a complete line of generic and private-label products.#

adWatch

(Continued from Page 2)

than did Pepsi's only in the South Central states. Its whopping 42%-to-24% lead over Pepsi in that "home-field" area was enough to give it the national title.

Purchase, N.Y.-based Pepsi-Cola Co. remained the recall-battle winner in the Northeast (32% for Pepsi versus 26% for Coke), North Central states (37% versus 24%) and the West (29% versus 26%).

Over-all, however, it came up 0.5% short of Coke.

Perhaps Pepsi should book Michael Jackson for a free concert in Atlanta.

The soft-drink category is only one of several where shares of advertising recall vary significantly from region to region.

Anheuser-Busch's Budweiser, for example, is the national king of beer advertisers. Last month, its advertising came to mind first for 15% of the sample, compared with 8.4% for No. 2 Miller, 8.2% for No. 3 Lite beer from Miller and 7.7% for No. 4 Coors.

In the Northeast, Miller is No. 1 with Bud second. In the South, recently introduced Coors is a close No. 2 behind Bud. Miller Lite is second to Bud in the North Central states, with Coors No. 3.

Airline advertising is even more prone to regional favoritism. The national order of finishes last month was American (13.5% of first mentions), United (13.3%), Eastern (9.3%), Trans World Airlines (7.3%) and Delta (5.7%).

Regionally, recall of those carriers' advertising varied according to the strengths of their schedules in those areas.

In the West and North Central states, United's recall score was highest. In the South Central states, American and Eastern are deadlocked for the No. 1 spot, with Delta close behind

American rules in the Northeast, followed closely by Eastern and then United.

A similar pattern of regional differences surfaces in the hotly contested coffee category. The share of recall for General Foods Corp.'s Maxwell House rose 2.9 percentage points nationally to 23.1% last month, pulling it almost even with the category leader, Procter & Gamble's Folgers (23.9%).

Maxwell House already is the leader in the Northeast, where it came to mind first for 36% of the sample, compared with 13% for Folgers.

But the tables are turned in the West: 28% for Folgers versus 7% for Maxwell House.

What these regional peaks and valleys amount to is reaffirmation of a basic marketing tenet: Every marketing war really is the sum of skirmishes for consumers' attention fought daily in every region.

AdWatch is a joint project of Ad Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name the advertising in several product categories that first comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,254 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variations.

Among other changes last month:

- Regional variations aren't a factor in the **fast-food** category. McDonald's Corp. is No. 1 everywhere. Still, the Battle of the Burgers has resulted in steady ups and downs in ad recall for the major chains. Last month, it was Wendy's International's turn to suffer a decline.

Caught in an advertising valley between the phaseout of "Where's the beef?" Part III and the beginning of the "Parts is parts" Challenge of the Chicken campaign, Wendy's share of first mentions dropped 8.7 percentage points to 18.7%. McDonald's increased its share, to 39.7% from 35.9%.

Burger King Corp.'s share of first mentions inched up to 13.2% from 10.5% in October.

- Apple Computer again is widening its lead in the **computer** category. Last month, its share of first mentions rose 4.2 points to 37.5%. No. 2 IBM Corp. lost some of the ground it had gained in October, falling to 13.7% from 16%. Commodore International held the No. 3 spot with 7%.

By the way, NCR Corp. quietly has slipped into the No. 5 spot with a 2.8% share of first mentions. "Surprised?" as spokesman Dom DeLuise asks.

- Villa Banfi USA's Riunite, which has increased its tv exposure lately, has regained the top spot in the **wine** category with a 2.8-point gain to 10.2%. Gallo, from E. & J. Gallo Winery, falls to No. 2 with 8.9% of first mentions. Taylor California Cellars' ad recall is third at 3.3%. Gallo's advertising remains the best recalled in the West, however.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

'Hammer'

(Continued from Page 2)

nine already have aired. To give itself some planning time, CBS earlier had slated one repeat episode for Dec. 15 and inserted one of last season's two "Hammer" tv movies ("More Than Murder") into the Dec. 22 lineup.

As if the production and scheduling woes were not enough, sponsor pullouts were said to be another possible headache for executives at Black Rock. Some industry sources said some advertisers, not wanting to be tarred by Mr. Keach's drug problems, are said to have asked to have their spots shifted elsewhere between now and "Hammer's" finale.

However, a CBS spokesman said the network was unaware of such requests, and a couple of major agency executives said they had heard of no such plans at their shops or others. Prudential Insurance Co., Newark, said to be one sponsor planning a quick exit, declined to comment.

Meanwhile, Coca-Cola Co., Atlanta, as the parent of Columbia, "Hammer's" co-producer, is said to have been fretting about its own image and how it might be tarnished by even an indirect association with Mr. Keach's cocaine use.#

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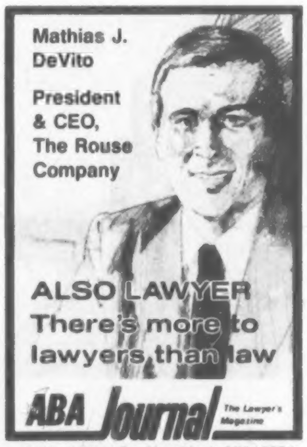

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AT&T dials up shop shootout worth $50 M

By STEWART ALTER

New York—AT&T in February will stage a $50 million winner-take-all creative shootout for its entire consumer-products account, now split between N W Ayer, D'Arcy MacManus Masius Worldwide and Foote, Cone & Belding.

Only the three incumbents have been invited to pitch the AT&T Information Systems Group business. DMM, the current agency for AT&T consumer sales and service, and Ayer, which handles AT&T brand telephones, have the most at stake: More than $20 million each in billings. Ayer, however, also handles corporate and U.S. residential long-distance advertising, which will not be affected by the consumer-products consolidation.

FCB clearly has the most to gain, since its current AT&T assignment for cellular phones is a growing but still small account. The half-day presentations begin Feb. 7.

In recent months, AT&T has reorganized its Information Systems Group, including placing all consumer-product advertising

(Continued on Page 4)

Landau ponied up cash for horses

By ROBERT RAISSMAN

New York—Testifying at a creditors' hearing last week, Robert Landau, chairman of the bankrupt Robert Landau Associates, a sales promotion/sports marketing company, said he took a cash advance of approximately $1 million from the company to purchase—as an individual—a partnership interest in thoroughbred racehorses.

Mr. Landau's revelation concerning the investment in the horses came during questioning concerning cash advances Mr. Landau had taken from his company. Mr. Landau said one cash advance was for about $1 million and was used to purchase the horses. He did not specify when he had taken that cash advance. He took additional cash advances through the course of 1983 and 1984, according to his testimony.

RLA filed a petition for reorganization under the Federal Bank-

(Continued on Page 26)

Last Minute News

'Sensational offer' draws Ward's ceo Pistner

Chicago—Stephen Pistner, 52, ceo of Montgomery Ward & Co., has resigned, *Crain's Chicago Business* reports. Richard Tucker, a top executive of Mobil Corp., Ward's parent, will take the post temporarily. Under Mr. Pistner, Ward's returned to modest profitability earlier this year, but reported a $15 million net loss for the third quarter compared with a $2 million profit a year earlier. "A sensational offer somewhere else" is Mr. Pistner's primary reason for leaving, sources say.

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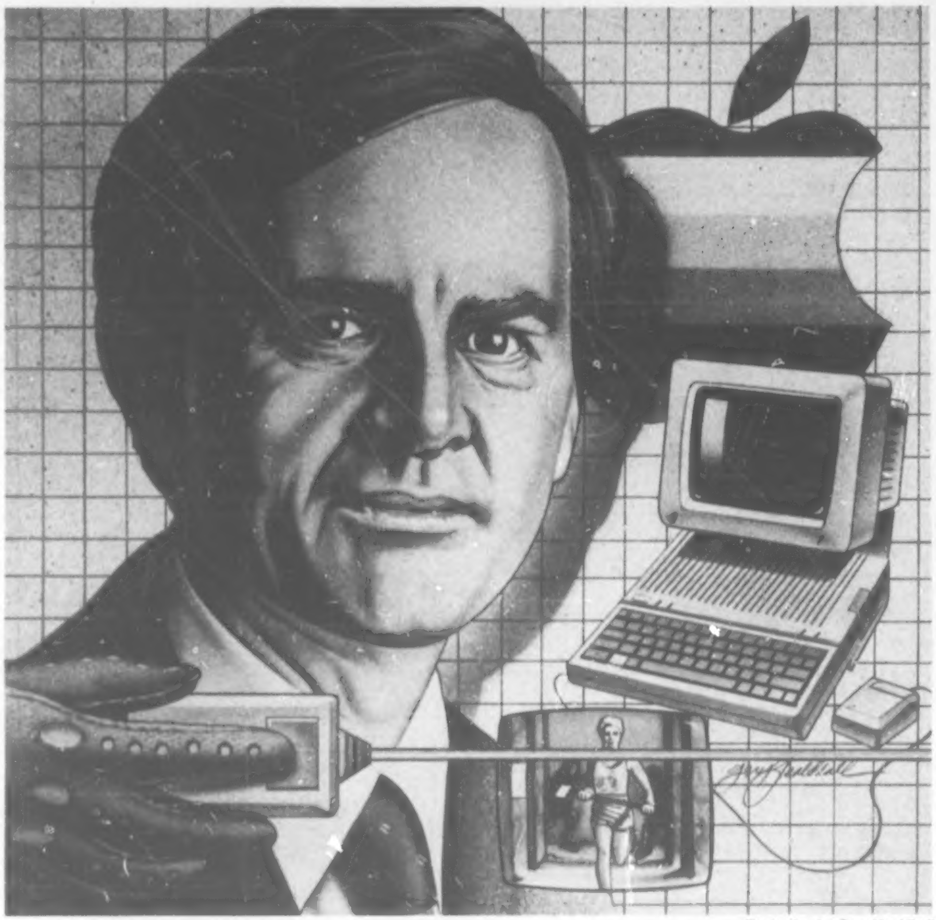

Illustration by Gary Yealdhall

John Sculley

Marketing methods bring Apple back

By BRIAN MORAN
and CLEVELAND HORTON

When he took on the top marketing mantle at Pepsi-Cola Co. back in 1970, 30-year-old John Sculley's first assignment was one that had confounded predecessors for years: Develop a bottle that was snappier than rival Coca-Cola's.

Millions of dollars were poured into the effort, but Pepsi's packaging mavens continually came up dry in attempts to top Coke's unique hourglass bottle. Meanwhile, Mr. Sculley thrust the company into its first massive consumer research study and found there was no limit to how much Pepsi people would guzzle once they had it.

With that discovery, Mr. Sculley was inspired to abandon the Coke bottle-buster effort and introduce large-size plastic containers and multiple packs of bottles and cans, innovations that rallied Pepsi's independent bottlers and went on to revolutionize the soft-drink industry. Mr. Sculley's decision to carve out a new "heavy users" market and to unite Pepsi's 400 franchisees catapulted the company to unprecedented growth in the battle against Coca-Cola Co.

As president-ceo of Apple Computer for the last 20 months, Mr. Sculley has borrowed a few pages from his Pepsi book and brought Apple back from the brink of extinction in the personal computer market.

Recognizing that dealers account for some 80% of the industry's sales, Mr. Sculley scuttled Apple's network of outside reps and marshaled a 350-person sales force to blunt IBM Corp.'s mounting domination. He expanded Apple's retail network by 33%, to 2,000 dealers; tripled Apple's advertising budget to $100 million, and supported new products with attention-grabbing campaigns like the Macintosh "1984" tv commercial and sole sponsorship of *News-*

(Continued on Page 22)

Hot new items light fire in food, haircare

By ALAN B. MILLER JR.

SAMI retail food store figures have identified the product categories with the highest growth rates for 1984.

Mr. Miller is vp-sales service for SAMI (Selling Areas-Marketing Inc.), New York.

Within each product department we have pinpointed the five categories with the most significant jumps in volume for the year ending Nov. 9 versus the corresponding year-ago period.

In several instances, the expansion has been the result of new products. These include the beverage and frozen-food categories as well as hair-setting needs, with new hair-styling mousse products, and oven cleaners, where new items in pad form have generated new sales volume.

In a number of instances, new-products growth has led to the establishment by SAMI of entirely new categories. The frozen single-dish category volume approached $2 billion in annual sales and became a product group, subdivided into seven different categories of entrees. Frozen quiche and pancake batter became important enough to qualify as a category, as did frozen sandwiches, corn dogs, frozen seafood cocktails and frozen microwave oven popcorn.

In the nonfrozen area, sales growth led to the new categories of mildew removers, plastic storage bags, fruit rolls and bars and refrigerated bread dough, pie crust and Mexican foods.

Dry grocery: Food

Excluding the low-volume miscellaneous fruit juice category, which had a high percentage increase, the highest rate of growth in the food categories was diet miscellaneous foods, where the new Carnation and Slim Fast diet lines are found. Aseptic packs, which over-all passed the 1 billion-a-year unit sales level during 1984, contributed to the growth of blended fruit juices.

Bottled water has been on a roll ever since Perrier passed the Statue of Liberty and became an American household word.

In 1984, sales of fruit rolls reached the $100 million level and then passed it, and as the year drew to a close, products in bar form rather than rolled fruit became the next stage of evolution.

Prepared rice, particularly flavored casseroles, with Lipton as a new entry, grew 19% and the category was nearing $200 million at yearend.

Dry grocery: Nonfood

There were no outstanding high-volume innovative new products to push volume ahead in the nonfood sector. The highest growth rate was achieved by the commodity rock salt category—the result of

(Continued on Page 26)

High-flying categories of 1984*

Source: SAMI

Rank	Annual national Food store retail sales ($ millions)	Category	Annual tonnage** (% gain)
Dry grocery: Food			
1	93.0	Diet misc. foods	+ 43
2	91.8	Blended fruit juices	+ 34
3	181.6	Bottled water	+ 28
4	144.0	Fruit rolls and bars	+ 28
5	196.1	Prepared rice	+ 19
Dry grocery: Nonfood			
1	16.9	Rock salt	+ 32
2	47.9	Fireplace logs & bricks	+ 30
3	14.3	Upholstery cleaners	+ 15
4	20.7	Soap: Bubble bath for children	+ 13
5	65.9	Oven cleaners	+ 12
Frozen food			
1	40.3	Quiche & pancake batter	+ 61
2	283.2	Oriental dishes	+ 55
3	62.1	Oriental dinners	+ 54
4	87.8	Hors d'oeuvres	+ 42
5	142.9	Fish dishes	+ 29
Refrigerated: Food			
1	29.0	Apple juice/cider	+ 28
2	22.4	Miscellaneous juices	+ 24
3	1,067.2	Orange juice	+ 19
4	536.6	Yogurt	+ 17
5	66.8	Salad dressings & sauces	+ 16
Health and beauty aids			
1	36.7	Hair setting needs	+312
2	107.1	Eye care products	+ 20
3	52.0	Appetite suppressants	+ 19
4	22.2	Sleeping aids	+ 16
5	19.3	Lip care products	+ 12

*For 12 months ended Nov. 9, 1984

**Pounds for food categories; units for nonfood.

Highlights

Christmas 1984 will be remembered by retailers as a seasonal good news/bad news story. The good news was sales were up; the bad news was no one got rich off them. *See Page 4.*

As post-Christmas shoppers tumble into London's Harrods this week for its annual sale, there is likely to be something new for British shoppers to get angry about—Americans flying over for the event. *See Page 13.*

The fine art of writing humorous commercials isn't acquired overnight. Author Melvin Helitzer offers some pointers in his book, "Comedy Techniques for Writers and Performers." *See Page 14.*

Pop music stars will croon "My music is on cable tv" New Year's Day when MTV Networks turns on VH-1. *See Page 23.*

FORUM

Jerry Dyer writes to right those who think wrong about copywriting. *See Page 12.*

Allyn Thompson wonders why marketers make changes in their products as often as they do. *See Page 12.*

For those who work on both coasts, does the twain ever meet? Michele Willens writes of "Coasties." *See Page 12.*

INTERNATIONAL

Government regulations in Argentina prohibiting ads that associate physical exercise and cigaret smoking have forced R.J. Reynolds to modify its Camel cigaret tv advertising campaign. *See Page 15.*

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TEN EVENTS THAT MOVED THE MARKET IN '84

- Cubs
- Elections
- FCC rules/7-7-7
- Ghostbusters
- Globalization
- Jacksons
- NCAA decision
- Olympics
- VALS
- Vanessagate

From heroes of summer to a fallen queen

The past 12 months overflowed with newsworthy events. Here are 10 marketing-related events ADVERTISING AGE *feels were the most noteworthy.*

The 1984 Summer **Olympic Games** in Los Angeles shaped up as a triumph for American commercialism. Despite the withdrawal of the Soviet Union and other Eastern-bloc nations, the first-ever privately financed games not only paid for themselves, they made money. Sponsors and licensees—Coca Cola Co., Anheuser-Busch and Levi Strauss Co. among them—contributed 30% of the games' $500 million budget. The Los Angeles Olympic Organizing Committee ended up with a surplus most recently estimated at $215 million.

ABC-TV, which broadcast the games, also made lots of money. When the Soviets pulled out of the Los Angeles Olympics, tv executives feared they might have to make restitution to advertisers if

(Continued on Page 26)

TEN CATEGORIES THAT WILL MAKE NEWS IN '85

- Alcohol ads
- Appliances
- Cable tv
- Chicken products
- Compact discs
- Detergents
- Financial services
- Health services
- Soft drinks
- U.S. autos

Tales of '85: What to buy —and why

Many of the categories that will make marketing news in 1985 already created a stir in 1984. Here are 10 areas the editors of ADVERTISING AGE *think will be especially active next year.*

Detergents

This year's "Battle of the burgers" may give way to the "Battle of the soaps" in 1985.

After years of relative quiet, laundry detergents—especially liquids—are poised for their biggest sales push ever.

Procter & Gamble's $50 million national introduction of liquid Tide is expected to prompt ad spending retaliation from Colgate-Palmolive and Lever Bros.

In addition to P&G's liquid Tide, Colgate is preparing to introduce Dynamo II, reformulated and packaged in neon green containers, said an industry source. And Lever Bros. is preparing an estimated $50 million ad campaign for its Surf laundry detergent.

"There's been nothing like this [activity] since the innovations with lower phosphate levels several years ago," said Drexel Burn-

(Continued on Page 24)

Events

(Continued from Page 2)

ratings didn't live up to expectations. It didn't happen. As the U.S. teams continued to win—and win big—an estimated 180 million people tuned in to watch some of the network's 180 hours of coverage. During prime time, the games achieved a whopping 45 share of the viewing audience.

The success was particularly welcome by ABC since the ratings for its coverage of the Winter Olympics in February fell far short of expectations.

Tv coverage of the winter event in Sarajevo averaged an 18.2 rating, well below the 23.7 average posted for coverage of the 1980 winter games in Lake Placid.

ABC's February telecasts were hurt by the time difference (people knew the outcome before the delayed telecasts were aired), weather problems that prevented showing some popular events live on weekends and the poorer-than-expected showing of some U.S. participants. ABC-TV offered make-goods to winter games advertisers who complained of the viewer shortfall.

Commercials accompanying the games were uncommonly tasteful and well done. Nike, the Beaverton, Ore.-based sportswear company, turned Randy Newman's spunky "I Love L.A." video into a commercial for its apparel, placing Summer Olympic hopefuls in the paean to Los Angeles. Levi Strauss presented its 501 jeans in subtle, urbane and daring commercials that entertained as well as moved merchandise.

While some criticized the chauvinistic spirit of the Olympics coverage, the games did spark genuine patriotism within the U.S. population. Without Russian competition, U.S. teams pulled in 170 of the total 1,511 medals awarded—80 gold, 61 silver and 29 bronze.

While many of the Olympic athletes had great expectations that Olympic gold would be their ticket to endorsement heaven, only a few have hit it big so far. Mary Lou Retton, the diminutive gymnast who scored perfect 10's in competition, was among the first, signing a four-year promotional deal with haircare marketer Vidal Sassoon Inc., along with swimmer Steve Lundquist.

Others, such as runner Mary Decker, who seemed a sure bet for lots of promotional work going into the games, lost out. She and South African runner Zola Budd played footsie on the course, forcing Ms. Decker out of the race. Then, in a postrace press conference she displayed a lack of character that may have harmed her reputation permanently.

LAOOC chairman Peter Ueberroth received much of the credit for the games' success. He moved on to a bigger challenge, becoming commissioner of Major League Baseball.

The year's biggest advertising account—in impact, at least—had to be the one that gave this country "four more years." About $22 million worth of Tuesday Team-created **election** ads helped push President Reagan to a historic landslide victory in November.

Walter Mondale spent even more, an estimated $25 million, or about $5 for each person who lives in Minnesota and the District of Columbia, the only jurisdictions he carried.

Elections

More ads than ever

But advertising was just part of a more significant phenomenon—the "media events" that have emerged as the core of political campaigns, presidential or otherwise. In 1984, the media, through advertising and news coverage, reinforced their position as a premier participant in modern-day elections.

Although the networks scaled back on-air coverage of the Democratic and Republican national conventions this year, the quadrennial meetings still managed to rake in an estimated $30 million in ad revenues. This is not to mention the working journalists at the conventions, who outnumbered the delegates by 10 to 1 in Dallas.

The presidential debates, with one vice-presidential squareoff tucked between, also captured their fair share of attention—on tv, of course. The President's performance during the first match appeared just bad enough on the tube to make the race more interesting as the Nov. 6 election approached.

But in the end, a President who is possibly the most adept of media handlers in high-level politics won more than handily. It was a victory that, for most part, won the plaudits of those in business.

The confluence of politics, media and advertising invaded more than the presidential race in 1984. In fact, a list of campaign issues across the country appeared at times to be headed by the issue of dirty advertising.

The race for the U.S. Senate in Texas, for instance, ended up with the candidates asking voters to judge whose ads were dirtier. In North Carolina, the senatorial candidates spent in the neighborhood of $25 million and traded charges over each other's ads.

Perhaps foreseeing this state of affairs, the American Assn. of Advertising Agencies in the spring set up a program to issue citations to campaigns found to be unethical. The Four A's did not formally cite anyone this season, but it could probably rest assured that, if political trends continue, it will do so in elections to come.

Company-sponsored concert tours came of age this year, when Pepsi-Cola USA shelled out $10 million to link up with rock superstar **Michael Jackson** and his brothers in what may be their last group appearances. The Jacksons' Victory Tour, as the concert series was called, paid off in just five weeks, according to Pepsi. The

(Continued on Page 27)

Two-bit papers disappearing

By WILLIAM F. GLOEDE

The 25¢ newspaper may make the endangered species list in 1985, but it probably won't disappear, according to newspaper executives.

The consensus: The number of dailies selling for a quarter probably will fall precipitously during the next 12 months as prices move toward the 35¢ level. But some publishers are reluctant to raise prices, at a time when a 20-year downward trend in circulation is showing signs of reversing.

The American Newspaper Publishers Assn., Reston, Va., reported 1,306 newspapers cost 25¢ at the end of 1983, another 80 were 30¢ and 16 cost 35¢. The ANPA's 1984 survey won't be completed until late Februry, but it expects to find a shift away from 25¢ toward at least 30¢ and probably 35¢.

"If the economy holds, I think [papers] will go toward 35¢," said William Keating, senior vp, Gannett Co. and president of its newspaper division. "I find it difficult to believe that they're not all already moving toward 35¢—I think they're missing a lot of revenue."

Mr. Keating represents one side of an issue that is dividing newspaper executives pretty much along the lines of their markets. Robert Johnson, president-chief operating officer, Times Mirror Co.'s *Newsday*, represents the other side.

"I don't think you're going to see wholesale price increases across the country," said Mr. Johnson. "I think it really depends on where the [newspaper] markets are."

Mr. Keating's newspapers are usually the only papers serving a market. Mr. Johnson's newspaper, though entrenched in its primary marketing area of Long Island, is doing battle with the New York dailies for city sales.

Newspaper executives are debating the merits of raising prices at a time when circulation among morning newspapers has increased at least 1% a year for the past two years. Traditionally, a newspaper that raises its price expects a 4%-to-5% decline in circulation. It is believed that the paper regains the lost circulation over time.

Besides increased circulation, newspaper ad revenues in 1984 also have risen—by 15% over 1983 —according to preliminary estimates.

Next spring, though, newspapers are expecting a 6.5% increase in the price of newsprint, which accounts for roughly 29% of publishing costs at the large metros and about 10% at smaller dailies. A projected 8% rise in ad rates will offset the newsprint price increase in 1985, but publishers have heard advertisers complain about increasing ad rates.

Industry analysts and observers have predicted that newspapers, in order to remain competitive with other media, will have to begin shifting more of their costs to readers from ad revenues.

Among major metro newspapers, three of the four New York dailies —the *Times*, *News* and *Newsday*—do not plan to raise their 30¢ (daily) newsstand prices. This would leave the *New York Post* alone at the 35¢ level. The *Times* plans to raise the newsstand price of its Sunday paper to $1.25 from $1, effective Jan. 6. The paper's national editions will remain at 50¢ daily and $2.50 Sunday.

In Philadelphia, Knight-Ridder Newspapers' *Inquirer* and *Daily News* are "seriously considering" raising newstand prices from 25¢ to 35¢. Carleton Rosenburgh, vp-circulation for both papers, said he believes the higher newsstand price may increase home-delivered circulation, the audience advertisers desire most.

Gannett plans to increase the newstand price of 22 of its newspapers to 35¢ (AA, Dec. 17); it already has 22, plus *USA Today*, at 35¢.

The *Los Angeles Times* plans to remain at 25¢ through 1985, said Vance Stickell, exec vp-marketing.#

Landau

(Continued from Page 1)

ruptcy Act Sept. 14 (AA, Sept. 20). Mr. Landau said he used most of the $1 million advance to invest in the racehorses.

Mr. Landau, who did not need the approval of any other RLA official to secure the cash advance, said the racehorses were located in Kentucky. He did not say how many horses were owned by the partnership, nor did he identify the participants in the partnership.

Mr. Landau did not return phone calls last week.

During his testimony Mr. Landau also touched on why in 1983 he borrowed about $1.5 million from Dittler Bros., an Atlanta printing concern, and what he did with that money. Mr. Landau said he secured the loan from Dittler a year before the 1984 Summer Olympics, which RLA catered for ABC-TV Network. RLA needed the money, he said, to make deposits for a variety of essentials—including tents—for the ABC Olympics assignment.

When Mr. Landau was asked what he did with the money secured from Dittler Bros., he said it went into the general accounts of RLA and was separate from the $1 million cash advance. In order to acquire the loan from Dittler, Mr. Landau persuaded John Lazarus, then vp-sports marketing and sales at ABC, to sign a letter assigning payment of the RLA account directly to Dittler Bros.

Mr. Lazarus resigned his post at ABC last October following an internal investigation by ABC of the network's dealings with RLA (AA, Oct. 1). ABC said Mr. Lazarus resigned because he and ABC could not agree on an employment contract. Mr. Lazarus is now a principal in Dexel Corp., a sports and entertainment marketing company.

Dittler Bros. also has filed suit against ABC Inc. seeking repayment of its loan to RLA. ABC maintains it is not liable for the repayment, saying it paid the money it owed directly to RLA.

During the hearing Mr. Landau said he was looking for additional funds to support a reorganization of the company. He indicated that it would be difficult to reorganize if these funds were not acquired.

Since RLA filed the petition to reorganize, it has acquired one new account, Kukje, an importer/exporter. A spokesman for Kukje said RLA was acting as a consultant on a sports footwear product. The assignment is worth approximately $30,000.

Mr. Landau also testified that Albert Spevak, vp-general counsel, RLA, received a letter of resignation from Nathan Unger, senior vp-chief financial officer, RLA, in mid-December. Mr. Landau said he had not seen Mr. Unger's letter of resignation. Mr. Unger's attorney, Jeffrey Zivyak, did not return phone calls.#

SAMI

(Continued from Page 2)

a lot of snow early in the year.

Sales of convenient fireplace logs and bricks grew 30%, but on a relatively small volume base. That also was true for upholstery cleaners, where vinyl cleaners showed growth, and for soaps and bubble baths for children, a modest volume category in which a 13% gain in tonnage does not convert to a significant number of sales dollars.

Among oven cleaners, the S.O.S pads offered by Miles Laboratories, and Easy Off, marketed by American Home Products, continued to provide additional unit sales in this category.

Frozen

If one were to single out a section of the store with the best track record of growth in 1984, it would have to be frozen foods.

Each of the five categories with the highest growth rates has been aided by new-product launchings. Four out of the five frozen-food categories with high growth in 1984 did not even exist as a SAMI category as the year began. Spawned by the success of Stouffer, Campbell Soup and Conagra high-quality entrees and dinners, new-product activity was at a fever peak in these new universes.

Only frozen hors d'oeuvres was classified as a SAMI category as 1984 dawned. The growth in this category may be a reflection of a "good times" increase in home entertaining.

Refrigerated foods

Much of the growth among refrigerated foods comes from the expansion of beverages. The attention paid to Procter & Gamble's buildup of Citrus Hill orange juice appears to have focused attention on the potential of other juices and drinks, since three of the five top gainers were beverages.

A small part of the 17% gain for refrigerated yogurt is the result of a change in distribution method of Dannon from store delivery to warehousing in 14 SAMI markets, but most of the vitality is found among leading brands as well as new specialty items such as Kellogg's Whitney's.

The year saw a continuation of the long-term trend toward refrigerated salad dressings, although the current volume of $67 million pales in comparison with shelf-stable products, with 10 times the annual volume of refrigerated.

Health & beauty aids

During the first 9½ months of 1984, unit sales of all health & beauty aids tracked by SAMI combined advanced 2.5% compared with the corresponding 1983 reporting period. The focus of attention in this product department was among the hair-styling mousse products, which proliferated as the year progressed.

Eyecare products, particularly those used in conjunction with contact lenses, can be counted on to grow in food stores at a double-digit rate, and 1984 was no exception.

Unit sales rose 20%, and this was on top of an increase of 18%, pitting 1983 against 1982.

The increase in the sales rate of appetite suppressants may correlate with consumer interest in reduced-calorie, high-quality convenience foods, touched on earlier. Unit sales of sleeping aids grew 16% in 1984, and lipcare products enjoyed a bounce of 12%.#

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Monday, January 7, 1985

Advertising Age®

Crain's International Newspaper of Marketing
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Retail shops nibble at Detroit

GM shift cheers specialists

By JESSE SNYDER

DETROIT—Auto marketers, led by General Motors, may be calling in specialist retail agencies to pump more life into local efforts.

At stake is about $200 million spent by factories on dealer ad associations and dealer advertising.

The new agencies would supplement traditional image advertising by coordinating special sales and regional marketing, presenting further evidence that the old ways of selling cars are changing dramatically.

GM is at the forefront of this change from heavy reliance on big national ad dollars, but others are stepping up local marketing. GM's actions are a reflection of its "historic" realignment into big and small-car groups (AA, Dec. 19, '83).

"General Motors is actively considering outside agencies for special assignments or more narrowly targeted markets," disclosed Robert Stempel, vp and head of the Buick-Oldsmobile-Cadillac Group.

The additional GM agencies would typically be small and highly specialized and could be hired directly through car divisions or indirectly through existing agencies, Mr. Stempel said.

The impact on agencies will vary. Chevrolet's longtime agency, Campbell-Ewald, missed out on $10 million the car maker awarded this fall to Vic Olesen & Partners, Los Angeles, for a California campaign. As to incumbent dealer ad association agencies, the hiring of national retail agencies could hurt business, said Dave Murley, co-director of the Kelling-Murley retail automotive division of W.B. Doner & Co., Southfield, Mich.

"Some could continue as they are, but it could create substantial competition for other agencies," he said.

The first retail-oriented agency for an auto maker will come in 1985, and by the end of this decade virtually all auto marketers will use one to supplement conventional advertising, predicted Lee Galles, chairman of Galles Advertising and its subsidiary, Competitive Edge.

Mr. Galles said he wants his agency to be the leader in the shift, and he has opened a

(Continued on Page 62)

Lady's junk is Goldleaf booty

By LISA PHILLIPS

NEW YORK—The Statue of Liberty is for sale, albeit in bits and pieces.

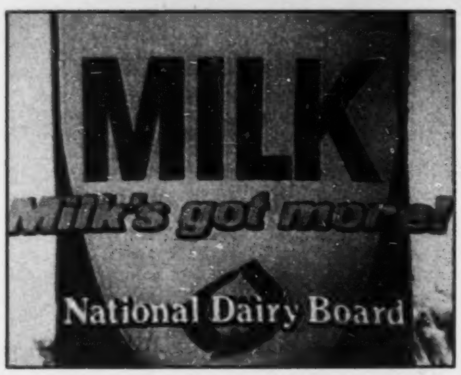
Goldleaf Corp., headquartered in another New York landmark, the Empire State Bldg., holds exclusive rights to market materials discarded during Miss Liberty's face-lift. The company, formed expressly for this purpose, is the brainchild of John Stocks, a real estate developer based in Tallahassee, Fla.

Last spring, Mr. Stocks discovered that no plans had been made to salvage materials—scraps of metal, rivets, stair treads and the like—cast off in the restoration project for the famous statue. He negotiated a contract with the National Parks Service and the Statue of Liberty/Ellis Island Foundation, headed by Chrysler Corp. chairman Lee Iacocca, to purchase what in most construction projects amounts to garbage. Now Mr. Stocks wants to sell it to corporations and the American public.

John Roarty, vp-marketing at Goldleaf, says the company at this point has a twofold strategy for marketing the scraps in "an attactive and dignified manner." Goldleaf will offer some of the scraps to corporations for use in promotional tie-ins and as giveaways. The Miss Liberty refuse will also be sold directly to consumers through department stores and mass merchandisers, Mr. Roarty said. He added that no firm orders have been made. Delivery of the items is scheduled for mid-March.

A few of the more marketable products may be made available through direct-response advertising, Mr. Roarty said. The size of the retail advertising budget will depend on how extensively the media covers the restoration and rededication events, and whether co-op advertising can be arranged. Corporations purchasing products

(Continued on Page 66)



Dairy board out to milk America's health kick

The National Dairy Promotion & Research Board's new ad series touts fluid milk as "America's favorite health kick." Three 30-second tv spots update the board's "Milk has more" campaign begun in September, 1983. The campaign started locally but was expanded nationally last year. The latest commercials show people of different ages and races in active situations, accompanied by an upbeat theme song. D'Arcy MacManus Masius, Chicago, handles the account. *(See story on Page 4.)*

Last Minute News

Suntory may draft new agency for beer

NEW YORK—Suntory International Corp. is reviewing agencies for its Suntory draft beer. Chiat/Day resigned it when it picked up Miller Brewing Co.'s Plank Road beer. Billings are estimated at less than $2 million.

FTC gives nod to Nestle plan to buy Carnation

WASHINGTON—The Federal Trade Commission last week gave the regulatory green light to Nestle SA's proposed $3 billion acquisition of Carnation Co. However in a dissent, commissioner Patricia Bailey noted the potential for anticompetitive forces in hot-cocoa products if the Vevey, Switzerland-based food conglomerate buys Los Angeles-based Carnation.

(Continued on Page 8)

Senior agency execs

NEWSPAPER

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'Get me a refund or give me a refund'

Chip off the old Block?

By GARY LEVIN

H&R Block's traditional list of 17 reasons "why you should let us prepare your income tax returns" boils down to only one big reason this year: Larger refunds from the government.

The 30-year-old Kansas City-based company will test a guaranteed highest-refund offer beginning today in selected markets. The offer promises a free tax return if Block doesn't deliver the largest IRS refund available.

The promotion will be offered at both company-owned and franchised locations in Chicago, Miami, Syracuse, N.Y., and in smaller Texas markets, said Harry Buckley, Block's director of marketing and new service development.

Separately, Block this year will experiment with ad schedules that exclude newspapers to test that medium's ad efficiency. Though Block's ratio of broadcast to newspaper spending already is 6-to-1, said Mr. Buckley, broadcast-only schedules will be used in Atlanta, Baltimore, Denver, Memphis, Philadelphia, Phoenix, Tucson and other markets to see how newspaper ads affect the seasonal service. Block devotes only about 10% of its broadcast budget to radio.

Block also will test Spanish-language broadcast spots in Miami, joining those previously aired in Chicago, Los Angeles and New York.

The new campaign—minus the by-now-familiar face of company president Henry Bloch—features testimonials from satisfied customers saying, "We couldn't have done it without you," in 30-second spot tv and radio ads.

The company's 1985 ad budget is $7 million, up from $6.5 million last year.

It spent $26.2 million for all businesses on advertising and market-

(Continued on Page 64)

Seven-Up food unit tries Nouvelle idea

By SCOTT HUME

Seven-Up Co. is taking a major step toward becoming a serious player in consumer-foods marketing.

The St. Louis-based soft-drink bottler's Foods Group is introducing to selected Northwest test markets a line of freeze-dried soups under the Nouvelle name.

The five-item line—beginning to appear now on retail shelves—includes lobster bisque, cream of asparagus, cream of broccoli, potato-leek and clam chowder.

Sold in single-serving, 1.2-oz. foil packs, the Nouvelle soups will be backed by heavy local advertising that includes tv, magazine and newspaper buys. Tv spots are to begin this week. Print ad copy proclaims "Soup so delicious you won't believe it came from a package."

Doyle Dane Bernbach, Los Angeles, which this summer was assigned several new products from Seven-Up's Foods Group (AA, Aug. 6), handles.

Seven-Up Co. officials declined comment on the test, and the initial ad budget is not known. However, when DDB was awarded the Foods Group account, annual billings were estimated at $4 million to $6 million.

The 7UP Foods logo, similar to the familiar soft-drink logo, appears on the soup packages. Also included is the toll-free Consumer Hot Line number the company includes on its soft-drink cans.

The soup test represents Seven-Up's most serious attempt to enter a retail food category since it began reorganizing its Foods Group. Last summer it began testing JuiceUp lemonade and lemon-limeade frozen concentrates in Erie, Pa., and Phoenix (AA, June 18). Earlier it tested cello-packed fresh lemons carrying the 7UP Foods logo. Those items are the products of Ventura Coastal, Ventura, Cal., a Seven-Up subsidiary that produces private-label processed citrus products. The Foods Group's other units are Chef Master, Irvine, Cal., which produces flavorings, and Freeze Dry Foods, Albany, Ore.

A patented dehydration process called Flash Fresh developed by the Freeze Dry unit (now rechristened the Flash Fresh division) persuaded Seven-Up to make freeze-dried soups its first major noncitrus-foods endeavor, sources say.

The $420 million dry-soup category is not considered a strong growth market. It is dominated by Thomas J. Lipton's Lipton brand, which has a 53% sales share. But if Seven-Up's Nouvelle brand can grab a reasonable share of that market, more freeze-dried products are expected to be tested later this year.#

Kidding around with Sunkist

Sunkist Growers aims at children in two new spots breaking this week. In one, an older boy, under the pretense of showing a younger tyke how to pitch, steals his orange and devours it. Foote, Cone & Belding, Los Angeles, handles. *See story on Page 62.*

Highlights

The new $50 million thrust for the National Dairy Promotion & Research Board's continuing "Milk has more" campaign courts fluid milk consumption among the 18-to-35-year-old set by taking a more upbeat approach. *See Page 4.*

ABC may be making one last-ditch attempt to shake up its football broadcasting team before its first Super Bowl telecast Jan. 20. ABC reportedly is considering teaming play-by-play man Frank Gifford with an active NFL player and coach for the game. *See Page 6.*

The truth can be nicer than fiction. The portrayal of advertising executives in books, movies and tv traditionally has been negative, but shows such as ABC-TV's "Who's the Boss" are presenting more favorable characters. *See Page 28.*

Radisson Hotel Corp. has taken the offensive with its consumer advertising campaign, jabbing the hotel industry with the theme line "Them versus us." *See Page 52.*

Marriott Corp. is banking on its new Lifecare Retirement centers, which will offer middle and high-income senior citizens apartments and healthcare facilities if they become ill. They also offer an investment to hedge against rising healthcare costs. *See Page 52.*

Shampoos and conditioners showed little growth in 1984, and many new brands were washouts despite hefty advertising and promotion budgets. But there apparently will be another wave of new entries in the category in '85. *See Page 56.*

Video Technology says it will make computer history this month when it unveils a personal computer that can run all available Apple Computer pc software. *See Page 56.*

CORPORATE CLOSEUP

In recent years, Stroh Brewery has weathered two mergers, facilitated national rollouts and developed a keen marketing aggressiveness, while fighting market trends that make it tough on brewers. *See Page 4.*

FORUM

Public relations consultant Robert Otterbourg explains why big-city agencies so often win out over local and regional ones. *See Page 16.*

Marketing director Craig Mitchell of Ad Age discloses, for the first time, "How to New Jersey." *See Page 16.*

INTERNATIONAL

Capital Service, an English-language radio service in Beijing, People's Republic of China, will accept advertising beginning this year. The year-old program is aired only two hours daily, but is set to increase to three hours. *See Page 36.*

If U.S. advertising executives want to study 15-second commercial "clutter," they should contact their counterparts in Japan, where more than 80% of all tv commercials are 15-second spots. *See Page 36.*

Canadian Tire Corp. executives in Toronto are delighted with Albert, the fictional hero of hockey-oriented tv spots that Southfield, Mich.-based W.B. Doner & Co. created for them. *See Page 38.*

VIDEOTECH

The once-promising idea for a made-for-tv movie using the crew of characters from tv spots for Lite beer from Miller has collapsed, and few seem willing to talk about it. *See Page 48.*

Despite a shaky start, St. Louis-based Anheuser-Busch is proceeding with its move into broadcast syndication of boxing events. *See Page 48.*

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ABP RED TAG ABC ANPA

Seniors sure cure for Puris

By STEWART ALTER

New York—Marty Puris faced a problem that could be devastating for an ad agency president.

Two of three top creative managers at Ammirati & Puris have just left to start their own agency, Angotti Thomas Hedge, leaving A&P to wrestle with account reassignments, promotions and hirings.

But the problem is not disruptive said Mr. Puris, because "the concept of this place is to have senior people, and it is easy to shift one team of senior people to another team's job."

"Senior" in this sense refers to a level of experience. A senior creative person is someone "who can do television advertising by himself," Mr. Puris explained. A medium-level creative person—the agency's minimum hiring level—is "someone with limited exposure in television."

A "seniors-only" policy is not a common one in the industry. But it probably helps explain why midsize agencies such as Ammirati & Puris can continue competing in a world increasingly dominated by

(Continued on Page 62)

Reruns redux: Oldies hit vcrs

By SUSAN SPILLMAN

New York—Videocassette recorder owners can start collecting cassettes of their favorite old tv series as a growing number of studios are opening their vaults for such shows as "Topper," "Mary Hartman, Mary Hartman" and "Death Valley Days."

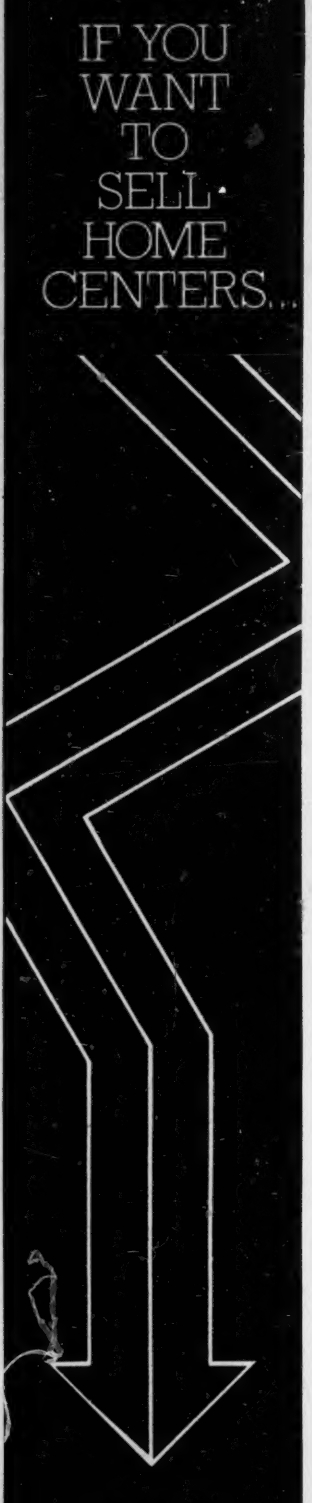
And the list is growing. In March, Paramount Home Video will release 10 episodes of the "Star Trek" series on cassette. The studio also is considering marketing cassettes later this year of the classic cop show "The Untouchables" and the short-lived ABC series "Working Stiffs," which starred the now more famous Michael Keaton and Jim Belushi. Meanwhile, Embassy Home Entertainment will bring out three more episodes of "Mary Hartman, Mary Hartman" in March and plans to release in 1986 two other Norman Lear cult series, "Fernwood 2-Night" and "All That Glitters."

Tv shows are "the newest emerging market for videocassettes," said Nick Santrizos, president, Thorn EMI, which last month released on cassette 14 episodes of "Upstairs, Downstairs." "Now that about 20% of all tv households own vcrs, it makes sense to sell such targeted programing."

Currently, fewer than 5% of all

(Continued on Page 64)

What's right, what's wrong and what's ahead for tv syndication? Thursday's Advertising Age Special Report on tv syndication takes a look at the workings of an industry coming into its own prime time.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Cigaret ads gains lead the pack

New York—Cigaret ad spending for October surged $4.4 million in the nation's major-market daily newspapers, says Media Records' Flash Report prepared for Advertising Age.

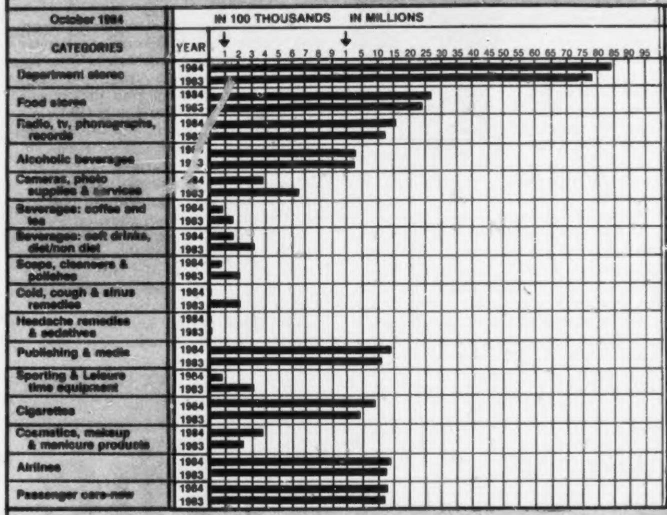
The cigaret category was the biggest percentage gainer among the categories surveyed. Its ad spending rose to $9.3 million, up 91.2% from October, 1983.

Department stores, newspapers' largest advertising category, increased ad spending 6.5%, to a total of $84.2 million.

Among other national categories boosting their ad spending, food stores were up 8.5% to $26.5 million; tv, phonographs and records, up 30.5% to nearly $15.5 million; publishing and media, up 24.1% to $14.4 million; airlines, up 13.7% to $14.2 million; new passenger cars, up 6.7% to $12.9 million; alcoholic beverages, up 14% to $3.7 million, and cosmetics, makeup and manicure products, up 61.3% to $374,120.

Categories that posted losses from October, 1983, levels were cameras, photo supplies and services, down 40.7% to $388,104; beverages-soft drinks-diet and non-diet, down 45.2% to $165,566; beverages-coffee and tea, down 45.6% to $87,985; sporting and leisure-time equipment, down 72.4% to $83,464; soaps, cleansers and polishes, down 59.9% to $82,219; headache remedies and sedatives, down 79.2%, to $4,741, and cold, cough and sinus remedies, down 99.8% to $460.#

FLASH REPORT: Newspaper advertising investment for October



Categories	1984	1983	Change Actual $ G or L	Change % G or L
Department stores	$84,219,998	$79,056,823	+5,163,175	+6.5
Food stores	26,502,890	24,423,264	+2,079,626	+8.5
Radio, tv, phonographs, records	15,491,478	11,870,992	+3,620,486	+30.5
Alcoholic beverages	3,656,356	3,207,611	+448,745	+14.0
Cameras, photo supplies & services	388,104	654,153	−226.049	−40.7
Beverages: coffee and tea	87,985	161,791	−73,806	−45.6
Beverages: soft drinks, diet/non diet	165,566	301,874	−136,308	−45.2
Soaps, cleansers & polishes	82,219	205,273	−123,054	−59.9
Cold, cough & sinus remedies	460	200,896	−200,436	−99.8
Headache remedies & sedatives	4,741	22,779	−18,038	−79.2
Publishing & media	14,431,769	11,631,665	+2,800,104	+24.1
Sporting & Leisure time equipment	83,464	302,660	−219,196	−72.4
Cigarettes	9,280,786	4,854,017	+4,426,769	+91.2
Cosmetics, makeup & manicure products	374,120	231,976	+142,144	+61.3
Airlines	14,193,702	12,478,262	+1,715,440	+13.7
Passenger cars-new	12,926,350	12,119,379	+806,971	+6.7

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 35 dailies and 24 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Computer software sales boom through bookstores

Larchmont, N.Y.—Software sales through bookstores have jumped 60% this year to an estimated $30 million and should double in 1985, according to a market study published by Communications Trends.

About 2,500 bookstores carry software, up from 300 in 1983. Highest sales per outlet occur not in chains such as Waldenbooks or B. Dalton Bookseller, but in large independent and college stores, says the report, "Software and Bookstores, 1984-85: The Market Develops."#

S&I group invests in print ads

By JANET MEYERS

Washington—The Foundation for Savings Institutions this year will be banking on print advertising to accomplish what tv ads could not.

Mike Stevenson, FSI president, said goodby to the electronic medium that for years has absorbed the bulk of the foundation's multimillion-dollar budget.

Next month, he takes his $4 million 1985 budget to Sunday newspaper magazine supplements, relying on research that says he'll reach 73% of his over-45 audience that way. Last year, almost all the foundation's $4 million budget went for tv.

"We're reaching four times as many people in *Parade* as are watching the Super Bowl," he said. "We feel our message will not be lost in a lot of clutter."

"The foundation has been totally overwhelmed in tv," said Jacquie Ottman, senior account exec at Backer & Spielvogel, New York, the foundation's agency since 1980.

Mr. Stevenson is making the media switch at the same time he's changing the direction of the foundation's advertising—from image enhancement, such as making consumers aware that their deposits are federally insured, to product promotion.

If s&ls can attract more consumer dollars into Individual Retirement Accounts before the Internal Revenue Service's April 15 cutoff this year, the ailing industry will realize a much-needed cash infusion. The ranks of savings institutions have dwindled from 5,500 in 1980 to 3,200 in 1984, and few operate in the black, he said.

Mr. Stevenson believes effecting a change in investor thinking requires an advertising medium that gives people the opportunity to think. "We want to get them in an environment that offers them the time to read and discuss."

After concentrating $1 million in the first three months of the year-long campaign on wresting IRA business from mutual funds—a major IRA competitor—the FSI campaign will shift gears and start plugging services traditionally offered by commercial banks.

Not only will ads in *Family Weekly, Parade* and independent magazines be cheaper, he said, but he will reach more of his audience—older, more financially secure men and women. He can also promote each of his foundation's 2,000 members by listing local savings institutions on each ad.

The foundation and its members together will spend up to $14 million on the first-quarter IRA campaign, including local ads, direct mail and posters. That campaign breaks Jan. 27 in 587 Sunday magazine supplements with the message "Why have a retirement plan that's speculative when you can have one that's guaranteed?"

The gray 7-by-10-in. ad—not quite a full page—depicts a montage of newspaper articles from *Barron's*, with headlines from commodity futures, government bonds, money-market funds and stock-market indexes.

Copy in a white box reads "If your IRA is in a mutual fund, you might actually end up with less than you put in," adding that mutual funds are based on stock-market performance, making them too risky.

This year's roller-coaster market should work in the foundation's favor. Many funds had poor showings, and Mr. Stevenson hopes the magazine ads will hit soon after disappointed mutual-fund investors receive their depressing annual statements—making them prime candidates to switch IRAs to savings groups.

After April 15, the foundation will spend $3 million more for Sunday magazine advertising to win over business from commercial banks. The ads will focus on savings institutions' services such as checking accounts and small loans.#

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Newspaper Ad Linage October 1984 vs. October 1983

AKRON, OH (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Beacon Journal (E)	1,854,431	351,914	1,712,185	351,099
Beacon Journal (S)	1,163,605	170,455	1,241,086	203,257
Grand Total	3,018,036	522,369	2,953,271	554,356

NOTE: Part run figures supplied by publisher to Media Records.

***ATLANTA, GA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Constitution (M)	3,657,209	649,995	3,023,945	594,948
Journal (E)	3,729,075	758,731	2,966,620	648,756
Journal & Constitution (S)	2,368,448	776,469	2,686,596	1,009,887
Journal & Constitution (Sat)	685,564	——	726,382	——
Grand Total	10,440,296	2,185,195	9,403,543	2,253,591

NOTE: Constitution Morning and Journal Evening published five days a week only.

Constitution Morning, Journal Evening, Journal & Constitution Saturday and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective April 30, 1984.

***BALTIMORE, MD** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News-American (S)	635,740	140,040	710,560	83,090
News-American (E)	953,541	106,832	951,321	170,004
Sun (M)	2,618,527	82,347	2,288,391	183,093
Sun (E)	2,188,092	64,890	2,075,940	181,858
Sun (S)	2,749,962	118,592	3,216,505	20,687
Grand Total	9,145,862	512,701	9,242,717	638,732

NOTE: Sun Morning and Sun Evening started publication of a combined Saturday edition effective March 24, 1984. The linage is shown only in the Sun Morning.

News-American Sunday and Evening changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width, and Sun Morning, Evening and Sunday changed from a nine column (2664 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984.

***BERGEN COUNTY, NJ** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Record (E)	3,194,045	501,117	2,760,803	537,333
Record (S)	2,364,078	363,067	3,022,027	618,087
Grand Total	5,558,123	864,184	5,782,830	1,155,420

NOTE: Record Evening published five days a week only.

Record Evening and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984.

***BOSTON, MA**	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald (M) (T-7)	883,381	——	783,693	——
Herald (S) (T-7)	392,894	413,008	620,936	131,616
Globe (M) (9)	3,161,899	195,162	2,796,942	191,258
Globe (S) (9)	3,371,911	246,596	3,960,055	335,188
Grand Total	7,820,085	854,766	8,161,626	658,062

NOTE: Globe changed from All Day publication to morning publication effective April 2, 1984.

Herald Morning and Sunday changed from a seven column (1400 lines per page) tabloid width, to a five column (980 lines per page) tabloid width effective July 1, 1984. Globe Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width effective July 2, 1984.

BOULDER, CO (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Camera (M)	2,139,046	——	2,123,422	——
Camera (S)	972,216	——	1,143,464	——
Grand Total	3,111,262	——	3,266,886	——

NOTE: Figures supplied by publisher to Media Records.

***BUFFALO, NY** (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (AD)	2,278,756	484,960	2,262,339	298,714
News (S)	896,776	461,680	1,188,887	373,832
Grand Total	3,175,532	946,640	3,451,226	672,546

NOTE: News All Day and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective May 1, 1984.

***CAMDEN, NJ** (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courier-Post (E)	1,941,115	257,448	1,779,103	148,949
Courier-Post (S)	772,536	45,000	1,007,736	37,008
Grand Total	2,713,651	302,448	2,786,839	185,957

NOTE: Courier-Post Evening and Sunday changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective May 1, 1984.

CHARLOTTE, NC (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (E)	1,389,450	18,320	1,123,966	——
Observer (M)	2,036,020	816,006	1,740,039	583,563
Observer (S)	1,154,606	758,176	1,263,044	567,806
Grand Total	4,580,076	1,592,502	4,127,049	1,151,366

NOTE: News Evening published five days a week only.

***CHICAGO, IL**	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (Ad) (6)	2,420,594	3,027,962	2,244,863	2,472,294
Tribune (S) (6)	2,127,259	1,133,142	2,296,844	1,133,056
Sun-Times (M) (T-7)	2,509,437	1,263,596	2,532,549	1,117,899
Sun-Times (S) (T-7)	894,168	616,170	1,046,870	724,353
Grand Total	7,951,458	6,040,870	8,121,126	5,447,602

NOTE: Sun Times Morning and Sunday changed from a six column (1200 lines per page) width tabloid to a five column (980 lines per page) width tabloid effective July 2, 1984.

***CINCINNATI, OH** (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Enquirer (M)	2,841,362	187,032	2,382,050	136,728
Enquirer (S)	1,803,460	99,324	2,063,935	103,140
Post (E)	1,263,523	439,656	1,064,279	116,328
Grand Total	5,908,345	726,012	5,510,264	356,196

NOTE: Enquirer Morning and Sunday and Post Evening changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***CLEVELAND, OH** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Plain Dealer (M)	2,960,853	436,558	3,118,002	474,239
Plain Dealer (S)	2,060,476	114,870	2,282,226	158,809
Grand Total	5,021,329	551,428	5,400,228	633,048

NOTE: Plain Dealer Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***DALLAS, TX** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (M)	6,576,789	391,698	5,914,487	311,422
News (S)	3,453,672	212,039	3,805,395	299,265
Times-Herald (AD)	5,681,863	462,515	5,141,005	184,466
Times-Herald (S)	2,577,119	176,265	3,021,174	586,322
Grand Total	18,289,443	1,242,517	17,882,061	1,381,475

NOTE: News Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width, and Times Herald All Day and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***DENVER, CO**	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Rocky Mt. News (M) (T-7)	5,091,616	45,005	5,637,960	1,184
Rocky Mt. News (S) (T-7)	1,538,569	21,944	1,782,419	2,748
Post (M) (9)	3,758,676	248,152	3,490,689	178,102
Post (S) (9)	2,243,919	42,348	2,907,817	10,176
Grand Total	13,232,780	357,449	13,818,885	192,210

NOTE: Rocky Mountain News Morning and Sunday changed from a seven column (1365 lines per page) width tabloid to a five column (980 lines per page) width tabloid, and Post Morning and Sunday changed from a nine column (2772 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984.

***DETROIT, MI** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Free Press (M)	2,277,881	636,177	2,058,977	909,437
Free Press (S)	785,505	327,140	971,412	439,142
News (AD)	3,076,524	790,969	2,517,970	586,030
News (S)	1,724,306	264,999	1,875,914	378,603
Grand Total	7,864,196	2,019,285	7,424,273	2,313,212

NOTE: Free Press Morning and Sunday changed from a nine column (2736 lines per page) width to a six column (1830 lines per page) width, and News All Day and Sunday changed from a nine column (2808 lines per page) width to a six column (1872 lines per page) width effective July 1, 1984.

***ERIE, PA** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (E)	1,400,257	12,352	1,175,897	——
Times-News (S)	968,552	215,476	1,268,957	99,064
Grand Total	2,368,809	227,828	2,444,854	99,064

NOTE: Times Evening and Times-News Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 1, 1984.

FORT LAUDERDALE, FL (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News & Sun Sentinel (S)	1,723,549	——	——	——
Sun Sentinel (M)	4,858,732	——	——	——
Grand Total	6,582,281	——	——	——

NOTE: 1983 figures not available.

***FORT WAYNE, IN** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Journal Gazette (M)	1,641,116	——	1,432,628	——
Journal Gazette (S)	1,058,587	——	1,189,177	——
News Sentinel (E)	1,934,606	——	1,712,281	——
Grand Total	4,634,309	——	4,334,086	——

NOTE: Journal Gazette Morning and Sunday and News Sentinel Evening changed from a nine column (2790 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984. Part run figures not available.

FORT WORTH, TX (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star-Telegram (M)	4,762,758	941,318	3,039,204	963,900
Star-Telegram (E)	4,030,530	941,318	2,346,764	601,538
Star-Telegram (S)	2,318,540	646,142	1,761,494	352,114
Grand Total	11,111,828	2,528,778	7,147,462	1,917,552

NOTE: Figures supplied by publisher to Media Records. Star-Telegram Morning, Evening and Sunday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective July 1, 1984.

GARY, IN (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post Tribune (E)	1,406,678	253,134	1,363,572	211,302
Post Tribune (S)	369,082	75,894	444,612	76,412
Grand Total	1,775,760	329,028	1,808,184	287,714

NOTE: Figures supplied by publisher to Media Records.

***GREENWICH/STAMFORD, CT** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Time (E)	1,623,199	——	1,523,978	——
Time (S)	782,469	——	1,002,993	——
Advocate (E)	2,125,637	15,504	2,018,617	27,172
Advocate (S)	855,083	——	1,055,464	——
Grand Total	5,386,388	15,504	5,601,052	27,172

NOTE: Time Evening and Sunday and Advocate Evening and Sunday changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) effective August 1, 1984.

***HARTFORD, CT** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courant (M)	3,154,491	512,304	2,831,454	425,840
Courant (S)	1,709,918	1,676,462	1,957,017	1,867,602
Grand Total	4,864,409	2,188,766	4,788,471	2,293,442

NOTE: Courant Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***HONOLULU, HI** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Advertiser (M)	2,483,727	——	2,548,968	——
Star-Bulletin (E)	2,420,646	——	2,399,899	——
Star-Bulletin & Advertiser (S)	1,372,897	——	1,781,334	——
Grand Total	6,277,270	——	6,730,201	——

NOTE: Advertiser Morning, Star-Bulletin Evening, and Star-Bulletin & Advertiser Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***HOUSTON, TX** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Chronicle (AD)	6,429,020	795,311	8,155,878	357,921
Chronicle (S)	2,711,377	435,332	3,280,509	476,420
Post (M)	4,096,567	735,531	6,106,084	312,523
Post (S)	1,536,296	232,504	2,056,798	463,304
Grand Total	14,773,260	2,198,678	19,599,269	1,610,168

NOTE: Chronicle All Day and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984, and Post Morning and Sunday changed from a nine column width (2655 lines per page) to a six column width (1764 lines per page) effective July 1, 1984.

***LONG BEACH, CA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Press Telegram (M)	2,173,992	45,531	1,801,278	56,656
Press Telegram (S)	853,488	3,120	928,907	9,288
Grand Total	3,027,480	48,651	2,730,185	65,944

NOTE: Press Telegram Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984. Part run figures supplied by publisher to Media Records.

LONG ISLAND, NY (T-6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Newsday (E)	3,424,934	901,517	3,136,514	784,295
Newsday (S)	1,817,568	1,080,988	2,194,814	1,482,295
Grand Total	5,242,502	1,982,505	5,331,328	2,266,590

***LOS ANGELES, CA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (M)	5,649,368	4,498,879	5,390,088	3,972,267
Times (S)	3,126,108	1,509,239	3,729,583	1,712,569
Herald-Examiner (M)	1,053,317	264,270	886,907	207,897
Herald-Examiner (S)	251,760	85,752	313,515	95,421
Grand Total	10,080,553	6,358,140	10,320,093	5,988,154

NOTE: Times Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective July 2, 1984, and Herald-Examiner Morning and Sunday changed from an eight column width (2240 lines per page) to a six column width (1680 lines per page) effective July 1, 1984.

***LOS ANGELES/SAN FERNANDO VALLEY, CA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (M)	3,202,688	636,474	3,063,956	515,639
News (S)	1,333,679	94,041	1,430,636	136,904
Grand Total	4,536,367	730,515	4,494,591	652,543

NOTE: News Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1764 lines per page) effective July 2, 1984.

LOS ANGELES/TORRANCE, CA (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Breeze (E)	2,332,806	——	1,956,556	——
Breeze (S)	844,648	——	959,770	——
Grand Total	3,177,454	——	2,916,326	——

NOTE: Figures supplied by publisher to Media Records.
Breeze Evening and Sunday changed from an eight column (2408 lines per page) width to a six column width (1806 lines per page) effective July 1, 1984.

LOUISVILLE, KY (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courier Journal (M)	1,940,414	——	1,633,576	——
Times (E)	2,077,236	——	1,665,440	——
Courier Journal (S)	1,666,742	——	2,029,062	——
Grand Total	5,684,392	——	5,328,078	——

NOTE: Figures supplied by publisher to Media Records.

MACON, GA (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Telegraph & News (M)	1,060,766	429,226	883,134	324,240
Telegraph & News (S)	600,180	217,812	724,010	236,866
Grand Total	1,660,946	647,038	1,607,144	561,106

NOTE: Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.
Telegraph & News Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984.

MIAMI, FL (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald (M)	2,772,440	——	2,676,683	——
Herald (S)	1,598,644	——	1,867,584	——
News (E)	1,142,157	——	1,241,429	——
Grand Total	5,513,241	——	5,785,696	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star & Tribune (AD & Sat)	2,364,235	320,118	2,045,596	214,648
Star & Tribune (S)	2,098,548	8,496	2,524,956	5,530
Grand Total	4,462,783	328,614	4,570,552	220,178

NOTE: 1983 figures supplied by publisher to Media Records. 1983 part run daily is TMC and Community linage only. 1983 part run Sunday is Country linage only.

***NASHVILLE, TN** (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Banner (E)	1,728,599	532,081	1,472,659	439,112
Tennessean (M)	1,699,715	528,190	1,440,444	439,072
Tennessean (S)	1,110,268	375,980	1,286,600	344,956
Grand Total	4,538,582	1,436,251	4,199,703	1,223,140

NOTE: Banner Evening and Tennessean Morning and Sunday changed from a six column (1800 lines per page) format to a six column (1806 lines per page) format effective July 1, 1984.

***NEW YORK, NY**	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (M) (9)	3,734,806	431,744	3,531,388	277,677
Times (S) (9)	3,913,863	2,005,306	4,585,729	2,572,830
News (M) (T-6)	1,276,068	2,170,371	1,351,590	1,829,291
News (S) (T-6)	581,523	1,276,787	674,998	1,980,424
Post (AD) (T-7)	1,224,248	——	1,203,798	——
Grand Total	10,730,508	5,884,208	11,347,503	6,660,222

NOTE: Times Morning and Sunday changed from a nine column width (2700 lines per page) to a six column width (1764 lines per page). News morning and Sunday changed from a six column width tabloid (1200 lines per page) to a six column width tabloid (1176 lines per page), and Post All Day changed from a seven column width tabloid (1400 lines per page) to a five column width tabloid (980 lines per page) effective July 2, 1984.

***NEWARK, NJ** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star Ledger (M)	4,679,389	133,388	3,952,085	155,781
Star Ledger (S)	3,335,933	369,036	3,724,223	511,512
Grand Total	8,015,322	502,424	7,676,308	667,293

NOTE: Star Ledger Morning and Sunday changed from a nine column (2835 lines per page) format to a six column (1788 lines per page) format effective July 1, 1984.

***OAKLAND, CA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (M)	2,038,329	1,068,514	1,666,019	182,751
Tribune (S)	794,838	426,844	1,111,548	341,664
Grand Total	2,833,167	1,495,358	2,777,567	524,415

NOTE: Tribune Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2, 1984.

***ORANGE COUNTY, CA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Register (AD)	5,590,460	1,232,970	5,039,063	872,051
Register (S)	2,163,854	104,538	2,430,320	72,316
Grand Total	7,754,314	1,337,508	7,469,383	944,367

NOTE: Register All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984.

***ORLANDO, FL** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Sentinel (AD)	3,594,154	505,790	3,192,391	281,048
Sentinel (S)	1,251,831	375,610	1,356,485	184,480
Grand Total	4,845,985	881,400	4,548,876	465,528

NOTE: Sentinel All Day and Sunday changed from an eight column width (2352 lines per page) to a six column width (1764 lines per page) effective July 1, 1984. Part run totals do not include County Sentinel and Sentinel Bonus linage.

***PHILADELPHIA, PA**	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Inquirer (M) (6)	2,909,641	867,795	2,513,850	751,584
Inquirer (S) (6)	2,053,965	643,419	2,335,179	737,735
News (E) (T-5)	1,404,415	147,540	1,253,554	11,200
Grand Total	6,368,021	1,658,754	6,102,583	1,500,519

NOTE: Inquirer Morning and Sunday changed from a six column (1860 lines per page) width to a six column (1872 lines per page) width effective January 1, 1984.

PHOENIX, AZ (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Arizona Republic (M)	3,595,536	226,604	3,360,826	163,212
Arizona Republic (S)	2,284,912	——	1,967,000	——
Gazette (E)	3,463,572	228,326	3,271,562	165,830
Grand Total	9,344,020	454,930	8,599,388	329,042

NOTE: Figures supplied by publisher to Media Records.

PORTLAND, OR (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Oregonian (AD&S)	4,593,288	——	4,151,168	——
Grand Total	4,593,288	——	4,151,168	——

NOTE: Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.

Oregonian All Day and Sunday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective July 1, 1984.

PROVIDENCE, RI (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Bulletin (E)	1,114,064	525,518	994,154	433,706
Journal (M)	1,277,556	345,772	1,178,562	254,562
Journal (S)	1,388,534	259,644	1,233,232	136,598
Grand Total	3,780,154	1,130,934	3,405,948	824,866

NOTE: Bulletin Evening and Journal Morning have a combined Saturday edition. The linage is shown only in the Journal Morning.

Bulletin Evening and Journal Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984. Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.

***ROCHESTER, NY** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Democrat & Chronicle (M)	2,057,808	138,098	1,757,102	273,813
Democrat & Chronicle (S)	1,245,623	272,452	1,475,045	307,348
Times Union (E)	1,818,123	206,744	1,510,826	291,612
Grand Total	5,121,554	617,294	4,742,973	872,773

NOTE: Democrat & Chronicle Morning and Sunday and Times Union Evening changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) format effective June 25, 1984.

Note: Times Union evening published five days a week only.

SACRAMENTO, CA (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Bee (M&S)	6,436,911	332,609	7,366,240	——
Grand Total	6,436,911	332,609	7,366,240	——

NOTE: 1983 figures supplied by publisher to Media Records.

Bee Morning and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1, 1964.

ST. LOUIS, MO (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post Dispatch (M)	2,521,840	731,619	1,615,316	232,911
Post Dispatch (S)	2,776,326	——	3,078,705	——
Grand Total	5,298,166	731,619	4,694,021	232,911

NOTE: Figures supplied by publisher to Media Records.

Post Dispatch changed from Evening publication to Morning publication effective February 27, 1984.

***ST. PAUL, MN** (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Pioneer Press (M)	1,583,960	——	1,322,356	——
Pioneer Press (S)	1,434,959	——	1,767,092	——
Dispatch (E)	1,526,207	——	1,269,756	——
Grand Total	4,545,126	——	4,359,204	——

NOTE: Pioneer Press Morning and Sunday and Dispatch Evening changed from a six column (1782 lines per page) format to a six column (1764 lines per page) format effective July 1, 1984.

Note: Pioneer Press Morning and Dispatch Evening have a combined Saturday edition. The linage is shown only in the Dispatch evening. Part run figures not available.

***SAN ANTONIO, TX** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Express-News (AD)	2,518,370	415,348	2,369,260	284,512
Express-News (S)	1,550,356	261,420	1,799,442	394,040
Express-News (Sat)	806,970	——	964,108	——
News (E)	——	——	2,163,300	247,040
Light (E)	2,358,197	571,021	2,166,127	353,657
Light (S)	1,397,454	407,563	1,729,457	387,515
Light (Sat)	714,219	——	799,238	——
Grand Total	9,347,566	1,655,352	11,990,932	1,666,764

NOTE: Express Morning, Express-News Sunday and Saturday, News Evening, and Light Evening, Sunday and Saturday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective June 1, 1984. Express Morning and News Evening combined to one edition, Express-News All Day effective September 10, 1984. The Express Morning linage is reported in the Express-News All Day listing.

Prior to September 10, 1984, Express Morning and News Evening published five days a week only. Light Evening published five days a week only.

***SAN DIEGO, CA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Union (M)	3,979,618	247,293	3,567,196	419,683
Union (S)	2,019,296	——	2,161,158	60,528
Tribune (E)	4,266,233	240,353	3,712,814	436,091
Grand Total	10,265,147	487,646	9,441,168	916,302

NOTE: Union Morning and Sunday and Tribune Evening changed from an eight column (2408 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984.

***SAN FRANCISCO, CA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Chronicle (M)	2,681,704	1,215,254	2,474,481	946,939
Examiner (E)	2,604,173	1,204,869	2,390,915	941,688
Examiner & Chronicle (S)	1,417,016	544,036	1,570,445	566,536
Grand Total	6,702,893	2,964,159	6,435,841	2,455,163

NOTE: Chronicle Morning, Examiner Evening and Examiner & Chronicle Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2, 1984.

***SAN JOSE, CA** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Mercury News (AD)	6,065,958	638,321	5,073,064	664,693
Mercury News (S)	2,419,747	6,964	2,836,011	——
Grand Total	8,485,705	645,285	7,909,075	664,693

NOTE: Mercury News All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1788 lines per page) effective July 1, 1984.

***SHREVEPORT, LA** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Journal (E)	1,625,491	93,832	1,509,556	173,776
Times (M)	2,098,042	251,356	1,974,315	234,040
Times (S)	1,157,495	69,516	1,452,267	92,240
Grand Total	4,881,028	414,704	4,936,138	500,056

NOTE: Journal Evening and Times Morning and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 30, 1984.

STATE COLLEGE, PA (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Centre Times (E)	1,579,284	91,504	978,264	56,476
Centre Times (S)	551,978	——	421,022	——
Grand Total	2,131,262	91,504	1,399,286	56,476

NOTE: Figures supplied by publisher to Media Records.

***SYRACUSE, NY** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald Journal (E)	1,998,005	474,846	1,821,069	196,950
Herald American (S)	1,043,471	343,742	1,296,709	310,674
Post-Standard (M)	1,679,413	438,215	1,528,409	292,429
Grand Total	4,720,889	1,256,803	4,646,187	800,053

NOTE: Herald Journal Evening, Herald American Sunday, and Post Standard Morning changed from a nine column (2727 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

TAMPA, FL (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (AD)	4,025,414	2,097,875	3,515,103	1,322,117
Tribune (S)	2,187,127	——	2,479,643	3,400
Grand Total	6,212,541	2,097,875	5,994,746	1,325,517

NOTE: Figures supplied by publisher to Media Records. Comics linage is not included.
Tribune All Day and Sunday changed from a nine column (2835 lines per page) width to a six column (1890 lines per page) width effective July 1, 1984.

TOLEDO, OH (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Blade (E)	1,542,156	——	1,378,818	——
Blade (S)	1,164,436	——	1,251,810	——
Grand Total	2,706,592	——	2,630,628	——

NOTE: Figures supplied by publisher to Media Records.
Blade Evening and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective April 2, 1984.

TORONTO, CANADA	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Sun (M) (T-6)	2,033,404	10,728	1,884,638	——
Sun (S) (T-6)	766,861	6,204	897,289	12,920
Globe & Mail (M) (9)	3,485,513	274,889	3,189,369	308,536
Grand Total	6,285,778	291,821	5,971,296	321,456

***WASHINGTON, DC** (9)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post (M)	6,007,627	642,160	5,774,386	757,466
Post (S)	2,805,840	417,607	3,182,788	614,382
Grand Total	8,813,467	1,059,767	8,957,174	1,371,848

NOTE: Post Morning and Sunday changed from a nine column (2781 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984.

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Alexandria Journal (M)	1,347,147	2,568	1,006,077	——
Prince George's Journal	1,205,369	2,568	967,167	——
Montgomery Journal (M)	1,241,940	——	1,000,384	——
Fairfax Journal (M)	1,389,422	11,784	1,048,664	——
Arlington Journal (M)	1,352,234	2,568	1,006,753	——

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only, and changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984.

WEST PALM BEACH, FL (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post (M)	3,217,508	344,386	2,796,556	351,386
Times (E)	2,886,534	47,152	2,298,912	15,736
Post (S)	1,754,452	164,780	2,082,612	199,962
Grand Total	7,858,494	556,318	7,178,080	567,084

NOTE: Figures supplied by publisher to Media Records.
Times evening published five days a week only.

***WESTCHESTER ROCKLAND, NY** (8)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Reporter Dispatch (E)	1,517,096	285,188	1,635,568	264,418
Reporter Dispatch (S)	1,130,394	179,570	1,392,736	403,815
Grand Total	2,647,490	464,758	3,028,304	668,233

NOTE: Reporter Dispatch Evening and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective June 25, 1984.

WICHITA, KS (6)	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Eagle-Beacon (M)	2,127,056	——	1,942,883	——
Eagle-Beacon (S)	1,106,317	——	1,283,840	——
Grand Total	3,233,373	——	3,226,723	——

NOTE: Part run figures not available.

NOTE: Figures in Parenthesis Denote Reported Newspaper Column Format. For example: (6)--Six Column Broadsheet. (T-7)—Seven Column Tabloid.

Source: Media Records

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CONVERSION METHODOLOGY

Due to the introduction of the SAU 6 column format, Media Records applies the following conversion methodology to report comparable figures (1984 month vs. 1983 data) for newspapers that changed column formats in 1984. These newspapers are indicated with an asterisk (*):

7 column tabloids which have adopted a 5 column tabloid format are converted back to the original 7 column formats.

8 column broadsheet/standards which have adopted a 6 column broadsheet/standard format are converted back to the original 8 column formats.

9 column broadsheet/standards which have adopted a 6 column broadsheet/standard format are converted back to the original 9 column formats.

6 column broadsheet/standards or tabloids which have a slight depth change in 1984 but did not change column format are converted back to original depth.

$1.25 a copy; $55 a year

Thursday, January 10, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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Tv Syndication

First run is looking better

See Page 13

Cheers

Simon and Simon

Hill Street Blues

AA
DC2001#CONGL1 FMJF N
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

NEWSPAPER

MTV's 'Mr. Excitement' rocks world of music hits

— Page 1

Global Gallery highlights ad campaigns

— Page 8

Television syndication: Succeeding by its rules

— Page 14

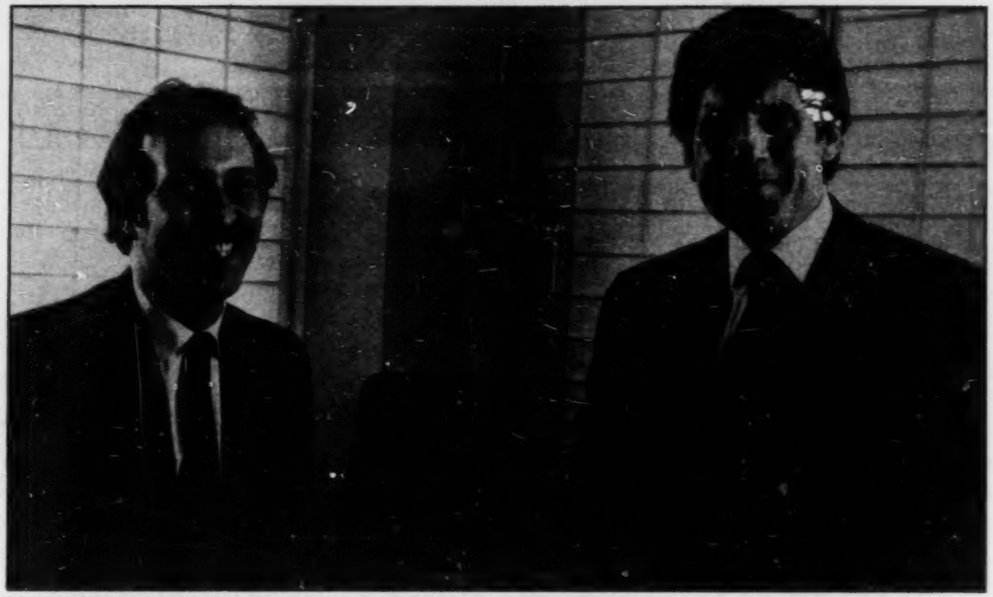
Brady on the summit: Beware those Russians!

— Page 44

Chelsea execs snap at opportunity

Two 'risk takers' abandon security of their corporate nests

By CRAIG REISS



The principals of Chelsea Communications, Michael Yudin (l.) and Jeff Lawenda, left the security of their high-level positions at Reeves Cable and USA Cable Network, respectively, to strike out on their own.

Everything should have been perfect for Jeff Lawenda.

He was on the deck of a cruise ship, extra-dry martini in hand, peering out at the Atlantic vastness through dark-colored glasses, letting the hot sun off the Bermuda coast fill in the pin-stripes of his tan.

Mr. Lawenda had become a master salesman and programer in the button-down corporate world of broadcasting. He was the sales and program chief at USA Cable Network, a growing $40 million enterprise. The three-piece suit, the Windsor knot and the starched shirt collar were his coat of arms.

Everything about him spoke of success, from his understated confidence to his hair that had not been mussed in 20 years. Corporate life had been good to him. It was all breaking his way.

And yet there was something terribly wrong, something totally missing from his life.

Without warning, he turned to his wife on the chaise lounge beside him and uttered, "Michael's right. I should do it. I'm going to quit."

"Michael" is Michael Yudin, who at the time was exec vp at Reeves Cable, the New York production company that has produced more hours of basic cable programing than any competitor.

It was Mr. Yudin who had first approached Mr. Lawenda with the crazy idea that the two of them should chuck their security and strike out on their own, even though the world showed no glaring hunger for another barter-syndication and program development company.

Like anyone else who had left the corporate nest seeking fortune in the business of dreams, Mr. Yudin was convinced he and Mr. Lawenda could simply do it better.

Their plan was an update on one of the oldest practices in tv. They would create programing for a particular advertiser. The client would pay part of the production cost and take some of the commercial time in the show or series. The two men would barter syndicate the programing to tv stations, networks and cable channels.

They had all the necessary underpinnings in place. Mr. Lawenda had cable network contacts. Mr. Yudin had a good production record and an agency background. Before joining Reeves, he had worked in media at Backer & Spielvogel and before that at McCann-Erickson.

They also had director Bob Giraldi and his business partner, Phil Suarez, as programing and financial partners. Mr. Giraldi's fame had grown since he directed the highly acclaimed "Beat It" music video for Michael Jackson. It left Mr. Giraldi with an image as a breakthrough idea man and state-of-the-art director.

With a few clients already in hand, Messrs. Lawenda and Yudin last spring hammered over the door the sign reading Chelsea Communications. They had become co-founders of the newest barter programing shop in New York.

Chelsea's first few deals were immediate spinoffs from their previous lives at USA and Reeves.

They sold to NBC a series of pre-World Series vignettes that Mr. Giraldi would produce for Hitachi Corp.

But perhaps the clearest example of using old contacts was their sale to USA Network of a series of one-minute children's briefs backed by Nabisco Brands via its Ohlmeyer Advertising.

Mr. Lawenda had been the program developer for USA, and one of Mr. Yudin's mentors, Phil Howort, was president of Ohlmeyer Advertising.

Chelsea's latest project kicks off Jan. 14 on Lifetime Cable Network. "Hot Properties," produced by Mr. Giraldi, is a live prime time pop culture show that, like several programs being offered in syndica-

(Continued on Page 52)

P&G hits record clip in coupons

CINCINNATI—Procter & Gamble has boosted by 50% the number of coupons it is mailing this year in its Special Olympics promotion. Its drop of 1.7 billion coupons through the Publisher's Clearinghouse sweepstakes makes the coupon promotion P&G's biggest.

Coupons for 30 brands, worth $10 in all, have been mailed to 56 million households nationally through the annual sweepstakes, P&G said.

For each coupon redeemed by Jan. 20, P&G will donate 10¢ to the Special Olympics. The company expects $1.2 million to be raised through the promotion, a spokeswoman said.

Trade ads and tv spots, themed "Send someone special to the Special Olympics," will promote the effort. W.B. Doner & Co., Southfield, Mich., handles trade ads. Tatham-Laird, & Kudner, Chicago, handles P&G's tv campaign.

The tv spots feature a "kid with the winning spirit," a mentally handicapped child who, while practicing his jogging, gives the thumbs-up sign to the different people he passes.

P&G also is sponsoring a trade mass merchandising tie-in, in which the store redeeming the most coupons will have an additional $1,000 donated in its name to the Special Olympics. The Special Olympics spots are running while Publisher's Clearinghouse, Port Washington, N.Y., is airing spots promoting its sweepstakes.#

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Uniden taps 2 N.Y. shops

By CLEVELAND HORTON

Uniden Corp. of America, a rising star in consumer telecommunications, has called on two New York agencies to help establish Uniden as a brand.

The subsidiary of Uniden Corp. of Japan split its account between Ally & Gargano and LCF&S, a division of Laurence, Charles & Free. The account was held by DYR, Los Angeles.

For the two winning agencies, the assignments come as Uniden, which markets an assortment of telephones and other communications products, doubles its ad budget to $14 million this year.

Ally will handle Uniden's telephone, cb, marine radio and mobile telephone accounts, while LCF&S will take on the company's satellite home earth stations.

In addition, the Huntington Beach, Cal.-based company said it is dropping all of its individual brand names and replacing them with the corporate moniker. Brands such as Extend-A-Phone and President will be replaced by the Uniden name immediately; the company's cb line, Bearcat, will carry the Uniden name in about four months. Bearcat advertising will continue to be handled by Grey Advertising, Chicago, during the transition. Later, it will be added to Ally's accounts.

Mark Bilfield, vp-director of advertising, indicated that DYR's unwillingness to accommodate Uniden's requests to adequately staff the growing account and transfer the account to New York led to his decision to "quietly" undertake the agency review. Also pitching the business was Saatchi & Saatchi Compton, New York.

Mr. Bilfield, who last April left DYR as vp-account supervisor on the Uniden business, said DYR top management's proposals were "unsatisfactory" and that their response time was "terrible."

Uniden, which survived the boom and bust periods of citizens band radios to dominate that field, is ranked second in the sales of both cordless and corded phones. With a market share of 12%, Uniden trails AT&T in the field, which claims a 24% market share.

Calling home earth stations a "booming industry," Mr. Bilfield indicated that the largest single portion of Uniden's $14 million advertising budget will be devoted to that business.

"The only thing that separates us from Sony and Panasonic is image," Mr. Bilfield said. He added that Jack Nicklaus will continue to act as company spokesman. The company's unwillingness to drop Mr. Nicklaus as spokesman led Chiat/Day to withdraw from the review.#

GM orbits new Saturn unit

By RALPH GRAY

WARREN, MICH.—General Motors Corp.'s creation of a new car division opens the sweepstakes for a big, new ad agency assignment.

Saturn Corp. becomes GM's sixth car division and the first since GM formed its Chevrolet unit in 1919.

The new division takes over the Saturn Project, a lower-price domestic compact that is the third leg of GM's small-car strategy. The GM-Toyota joint venture and the importing of small cars from Japanese subsidiaries are the other two legs.

The Saturn, unofficially due in 1987, will have its own ad agency, said GM chairman Roger Smith.

The agency could come from existing GM shops or outside but will be one that offers "the best value," Mr. Smith said.

The selection process probably will not start for a couple of months.

GM's agencies are Leo Burnett USA (Oldsmobile); Campbell-Ewald (Chevrolet); D'Arcy MacManus Masius (Pontiac and Cadillac), and McCann-Erickson (Buick).

Saturn Corp. is headed by Joseph Sanchez as president. He formerly was general manager of GM's Oldsmobile division.

The new unit will handle its own engineering, finance, manufacturing and marketing.

Although Saturn will handle its own development and marketing, it will report to the GM's small-car group.#

Living and succeeding by the rules of the game

By John Campbell Collins

It is somehow appropriate that the top-rated syndicated program is a game show. In fact, many practitioners often are thrown by the fast-changing rules of tv syndication and the obstacles strewn along the divergent paths to success. So here is Advertising Age's *guide to "The Ratings Game"! (Applause.) Check for it soon in your local listings.*

> **Program Directors, along with their allies the General Managers, can at any time be as much friend as foe to competing players.**

Location: Video arcade.

Scene: Everyone is crowded around the machine called "The Ratings Game."

Objective: Get your program on the air without getting zapped.

Obstacles: Many (as listed).

Gnarly Nielsens: A cosmic, intangible force (also known as The Eliminators) that soullessly zaps programs from the game using the ultimate weapon—numbers.

Program Directors (pds): Perhaps the most powerful players in the game. These pivotal characters, along with their allies the General Managers (gms), can at any time be as much friend as foe to competing players (it just depends on if they treat your program as a "go" or a "no"). Players need lots of pds as friends before getting a program on the air.

Penetration: This is a method used in scoring the condition of a program during the game. A perfect score is 99%.

For barter programs, this is a particularly significant hurdle because a score of less than 60% can be fatal. If, however, barter programs reach this percentage in penetration (of the national market), they usually will gain a very powerful ally known as the Sponsor. A go on the program is all but guaranteed with this combination.

The Conventions: These are battlegrounds where respectable scores must be achieved to gain the momentum necessary to catapult the program past obstacles. A bad convention or a careless pilot can get a program zapped faster than a speeding "Supertrain."

"Wheel of Fortune" has cleared 99% of the U.S. and is the No. 1 syndicated show in history.

Ammunition: As in any exciting videogame, players of the syndication ratings game need ammunition. Some of the game's previous big winners have used all or combinations of the following: Tenacity, bad taste, resilience, research, timing, star power, creative accounting, an unrelentless love of winning, entertainment and a cigar smoking won't-take-no-for-an-answer sales force.

Playing the game: One of the best ways to develop a strategy for playing the game is to identify the target. Fortunately, in this game the primary target, the pd, falls into a very narrow category and can be isolated easily for coordinates (needed when on the offensive).

One such strategy was divulged by a major game player and the reigning champion (both in clearance and ratings for a syndicated program—the No. 1 "Wheel of Fortune"). Michael King, president of the King World team, outlines the three-pronged plan used for successful game playing:

Research: Find out what elements are involved in a successful program launch by studying programs that have achieved on-the-air status. Analyze time periods against available original or syndicated programs.

In the case of "Wheel of Fortune," the company first researched which time slots would provide the best niche. It came up with access, the half-hour immediately before prime time. It then decided to develop a high-quality game show program, choosing "Wheel of Fortune," Mr. King says, "because it skewed younger and broader than other available programs."

Considering that "Wheel" has cleared 99% of the U.S. and is the No. 1 rated syndicated show in history, it could be said that King is an exemplary player.

Target: Right Time/Right Station: "Wheel" made its premiere in syndication against several returning access programs. King World chose to sell the program on a cash basis instead of bartering it because, Mr. King says, "We knew we couldn't get a 70% clearance the first year, and we didn't want to hurt the program by putting it in the wrong place—just to get a guaranteed percentage of clearance."

Playing the barter-against-guarantee game can be risky and compromising. Some players liken the experience to a cold shower: It serves the purpose but . . . . Syndicators often find it necessary to clear stations and time periods just to meet advertiser guarantees. But if a program ends up on a station or in a time period that is difficult to promote, it quickly will be zapped by the pd.

Promotion/Station Involvement: Many syndicators "partner" promotional strategies with their client stations and demand a participation in the form of a gross rating point guarantee. In this way, the station commits to run whatever promotional inventory necessary to deliver the grp numbers.

King World vp-promotion David Sams, offers his client stations an arsenal of promotional ammunition.

"Used to be, a syndicator would provide a station with a promo kit that included a slide, a bio of the executive producer and a coffee cup with the show logo on it," Mr. Sams says. But the sophistication of promotional materials and the cooperation between the syndicator and the station have come a long way since then.

Don Taffner, founder of D.L. Taffner Ltd., also says promotional ammunition is the key to syndicated market growth. "Part of the reason the syndication programs are so often behind in the ratings is because the national media pay more attention to the three major networks," he says. "Their major promotional efforts are able to create instant program awareness on a national level—immediately."

Mr. Taffner, who syndicates "Too Close For Comfort," "Three's Company" and "Benny Hill," says his game plan is goal oriented. "We clear stations and guarantee that we'll reach advertisers' required numbers," he says. "We give ourselves a deadline at which time we see where we're at with regards to per cent of clearance. If we're close enough, then we'll commit to production. If not, it [the program] gets scrapped."

"Programs can come from any of several places," says Don Till-

---

John Campbell Collins is a Los Angeles-based free lance writer and producer whose recent foray into the syndication game was zapped. He is looking to join a team for the '85 games.

And now a word from . . .

Match the major sponsor with the show or star.

1. Lipton Tea	☐	a. "The Ernie Ford Show"
2. Sylvania	☐	b. "The Children's Hour"
3. Plymouth	☐	c. "Disneyland"
4. Geritol	☐	d. "The Ed Sullivan Show"
5. Clearasil	☐	e. Arthur Godfrey
6. Kraft Foods	☐	f. "You'll Never Get Rich"
7. Texaco	☐	g. "American Bandstand"
8. Philip Morris	☐	h. Dinah Shore
9. Kellogg's Sugar Pops	☐	i. "Richard Diamond, Private Detective"
10. Ford	☐	j. "Beat the Clock"
11. Camel cigarets	☐	k. "Wild Bill Hickok"
12. Revlon	☐	l. Milton Berle
13. Listerine	☐	m. "Lassie"
14. Kodak	☐	n. "Death Valley Days"
15. Boraxo	☐	o. "I Love Lucy"
16. Campbell's soups	☐	p. "The Gale Storm Show"
17. Kent cigarets	☐	q. "Mr. and Mrs. North"
18. Chevrolet	☐	r. "Ted Mack's Original Amateur Hour"
19. Hazel Bishop	☐	s. "The Lawrence Welk Show"
20. American Dairy Assn.	☐	t. "This is Your Life"

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Answers on Page 31

man, program director of KTTV, a Metromedia station in Los Angeles. "I don't think there is any magic to where they come from. It could be from advertisers, from offnetwork, from syndicators, station groups, producers or combined efforts. The syndication business is opening up mainly because of the proliferation of new independent stations [read buyers] on the air."

One such source of programing comes from the production division of Procter & Gamble, the nation's largest advertiser. Jack Wishard, vp, outlines P&G's strategy as two-fold. "We get into programing in two ways, from the ground up as producers or packagers, or from a traditional buyer-sponsor perspective," he says. P&G is involved in several network projects, including full-sponsorship of the biblical epic five-part miniseries "A.D.," which will air on NBC March 31 through April 4.

One strategy on the upswing for syndication players is that of forming co-venture partnerships among integral players.

Things are not always what they seem to be in this often flashy syndication game. Some players don't think the once mandatory Assn. of Independent Television Stations and National Assn. of Television Program Executives conventions are as crucial to players as they used to be.

The conventions' thunder is being stolen as a result of the trend at tv stations (and especially station groups) of buying programs *before* the gatherings. Creating clearance momentum before INTV and NATPE is becoming a key strategy to winning an on-the-air game position.

When the syndication (and especially barter) games were played by much smaller teams, a "hands-off-until-the-upfront-buying-season-is-over" attitude was unofficially in effect between the barter sales organizations and the agency buyers and planners. But in 1982, when Television Program Enterprises, the syndication arm of TeleRep, and Paramount Television Domestic Distribution premiered "Entertainment Tonight" with 52 weeks sold and national clearance in place, those rules were zapped.

Former syndication program producer Jerry Frank, now with LBS Communications, points out another new twist to the old game. "At one time, you had to clear the o&os [stations owned and operated by the three major networks], but now, with so many independents, that is no longer the case," he says.

One strategy on the upswing for syndication players is that of forming co-venture partnerships among integral players such as station groups, studios, producers, syndicators and barter sales companies. Through these joint efforts, major market clearances, guaranteed ad commitments, production and distribution costs are shared and a "go" signal is all but guaranteed.

The result is generated pre-convention momentum and program exclusivity to station group players. Such superstar teams include Operation Prime Time, a consortium of tv stations that syndicate "Solid Gold" and first-run miniseries; Metromedia's New Program Group, and co-ventures such as LBS Communications and Columbia Television's Colex.

The 1983-84 syndication season saw a new wrinkle in strategy with the revival of both MGM/UA Television's "Fame" and D.L. Taffners' "Too Close For Comfort" in first-run syndication after the networks canceled these series. In both cases, LBS Communications provided production money in exchange for selling barter ad time.

Program players also can find their way to "go" by packaging specials, miniseries, seasonal programing and tv movies. Such is the case with Columbia Television's made-for-syndication tv movie "It Came Upon the Midnight Clear," Camelot Entertainment Sales' "Rose Bowl Preview," Blair Entertainment's "On the Road to the Super Bowl" and Young & Rubicam's "Christmas in America" sponsored by the U.S. Postal Service.

"It's easier to get an advertiser directly involved in a special because the dollar commitment [risk] is much less than it would be in a series, for example," says Joseph Schrier, vp-program services, Young & Rubicam. In the case of Y&R's seasonal Christmas program, the agency not only conceived and sold it to the client, but also cleared the programs in 58% of the U.S.

The program features celebrities who narrate the different ways the holidays are celebrated throughout the U.S. It is 100% bartered and opens with a three-second billboard followed by the 30-second opening and 30-second closing spot for the Postal Service. Featured are Tom Bosley, Ben Vereen, Vincent Price and others.

Another example of smart packaging is compatibility—marrying advertisers' product target demographics to appropriate dayparts and suitable programs.

"Advertisers recognize the increased viability of syndication because it provides the selling environment that they used to enjoy on network but has since eroded over the years," says Roger Lefkon, exec vp of LBS Communications, a Grey Advertising subsidiary. "Now they are getting those benefits back, including price protection. Syndication is not just a viable alternative to the major networks; in some cases it pulls better audience shares with more cost-effectiveness."

Program players also can find their way to "go" by packaging specials and miniseries.

Another compatibility strategy successfully used by LBS is its placement of the French-produced animation programs by DIC Entertainment. LBS cleared "Inspector Gadget" and "Heathcliff" in the 3 p.m.-to-5 p.m. time period, which gives advertisers a viable alternative to the Saturday morning children's show buys on the three national networks.

Yet another inventive strategy in time placement positioning is demonstrated in the newly offered "Headline Chasers" program from Merv Griffin Productions and King World. This informational, question-answer game show created by quiz program veteran Wink Martindale is positioned as a series that will provide a natural lead-in to local news.

All in all, winning and getting on the air should be reason enough to play the sometimes treacherous syndication game. Good luck this season, players.

From Lucy to Archie to J.R. . . .

These are the shows tv watchers made No. 1

Season**	Program	Network	Rating
1950-51	Texaco Star Theater	NBC	61.6
1951-52	Arthur Godfrey's Talent Scouts	CBS	53.8
1952-53	I Love Lucy	CBS	67.3
1953-54	I Love Lucy	CBS	58.8
1954-55	I Love Lucy	CBS	49.3
1955-56	The $64,000 Question	CBS	47.5
1956-57	I Love Lucy	CBS	43.7
1957-58	Gunsmoke	CBS	43.1
1958-59	Gunsmoke	CBS	39.6
1959-60	Gunsmoke	CBS	40.3
1960-61	Gunsmoke	CBS	37.3
1961-62	Wagon Train	NBC	32.1
1962-63	The Beverly Hillbillies	CBS	36.0
1963-64	The Beverly Hillbillies	CBS	39.1
1964-65	Bonanza	NBC	36.3
1965-66	Bonanza	NBC	31.8
1966-67	Bonanza	NBC	29.1
1967-68	The Andy Griffith Show	CBS	27.6
1968-69	Rowan & Martin's Laugh-In	NBC	31.8
1969-70	Rowan & Martin's Laugh-In	NBC	26.3
1970-71	Marcus Welby, M.D.	ABC	29.6
1971-72	All in the Family	CBS	34.0
1972-73	All in the Family	CBS	33.3
1973-74	All in the Family	CBS	31.2
1974-75	All in the Family	CBS	30.2
1975-76	All in the Family	CBS	30.1
1976-77	Happy Days	ABC	31.5
1977-78	Laverne & Shirley	ABC	31.6
1978-79	Laverne & Shirley	ABC	30.5
1979-80	60 Minutes	CBS	28.4
1980-81	Dallas	CBS	34.5
1981-82	Dallas*	CBS	24.6
1982-83	60 Minutes*	CBS	25.5
1983-84	Dallas*	CBS	25.7

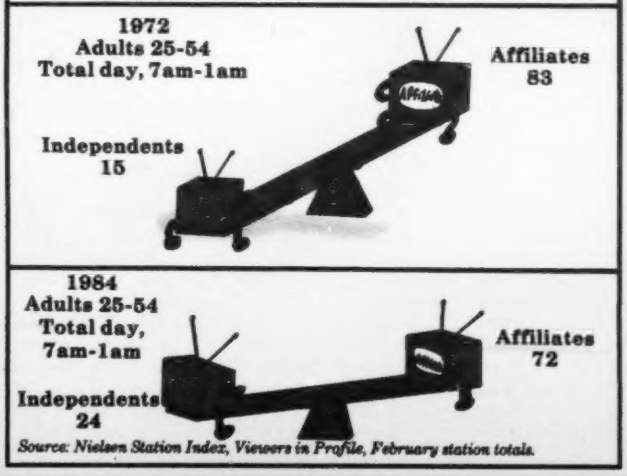
Source: Condensed by permission of Ballantine Books, a division of Random House Inc., from "The Complete Directory To Prime Time Network TV Shows," by Tim Brooks and Earle Marsh. Copyright ©1979, 1981 by Tim Brooks and Earle Marsh.

*Source: *Electronic Media*

**Seasons ran from October to April until 1972, when the season opening was changed to September.

Tv trends: Indies' shares on the rise

Since 1972, Independent audience shares have increased among all time slots (7am-1am) and all age demographics. On a total day, the independents have gained nine share points, or at least 60% of their current audience. Data provided by INTV.



Source: Nielsen Station Index, Viewers in Profile, February station totals.

$1.25 a copy; $55 a year

Monday, January 14, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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No '1985' Super Bowl for Apple

Will halftime stunt replace ad?

By CLEVELAND HORTON

Apple Computer has pulled the blockbuster commercial it planned to air during the Jan. 20 Super Bowl as a sequel to its highly acclaimed "1984" on last year's telecast.

The new, somewhat surrealistic commercial was produced in London, with a cost running into six figures. Although Apple had not purchased time during ABC-TV's coverage of the Super Bowl, it had intentions to do so until deciding otherwise last week.

The No. 2 personal computer marketer apparently decided its 1985 marketing goals would not be served by head-to-head comparisons with last year's spot.

The Cupertino, Cal.-based company will not abandon the Super Bowl, however. The National Football League licensed it to distribute seat cushions bearing the Apple name and logo to the 85,000 spectators. Sources predict an Apple halftime event in which spectators will hold up the cushions to spell out a message. Apple denied any such plans.

If Apple stages a halftime demonstration, it would fit with company philosophy on "event marketing" as well as place the company's name squarely in front of Super Bowl XIX's tv audience.

Discussions about airing the sequel to the '84 superspot took place at the highest executive levels within Apple.

As recently as Christmas, the computer company appeared to be leaning toward airing the new commercial.

Although the decision to broadcast the "1984" spot also came after a debate that lasted almost up to airtime, that argument was forgotten when the dramatic commercial attracted worldwide publicity for Apple and its new Macintosh computer. The spot depicted a woman eluding guards to smash a screen filled with the face of a Big Brother figure, reprising the theme of the novel "1984."

This time around, it was argued, an attempt to top "1984" could divert attention from the purpose of Apple's 1985 strategy. Media and industry analysts, it was believed, would discuss whether Apple had succeeded in creating another masterpiece, and the impression would be that Apple was interested only in a creative competition against itself.

In addition, Apple sources indicate the new commercial, again created by Chiat/Day, contains a theme that might offend prospects Apple wishes most to attract: Business executives. According to sources, the commercial shows blue-suited businessmen marching in lockstep, singing, *a la* Walt Disney's ditty from "Snow White,"

(Continued on Page 68)

Super Ad Bowl

Preview the Super Bowl ad lineup, including hockey great Bobby Orr for Cullinet Software (above), on Page 2.

Hardee's, B&B part ways

Special orders upset shops

By BRIAN MORAN
and SCOTT HUME

Another bout of creative turmoil has hit agencies serving national restaurant chains, with Hardee's Food Systems becoming the latest chain to shop its account—a $35 million chunk of business exiting Benton & Bowles, New York.

Hardee's dissatisfaction with B&B's copy strategy and lackluster consumer response to B&B's 1984 campaign for the hamburger chain triggered a "joint decision" to sever the 10-year relationship, according to a Hardee's executive.

Hardee's informed B&B of its decision during a monthly meeting with franchisees, attended by B&B, last week at the chain's Rocky Mount, N.C., headquarters.

"The relationship had grown somewhat stale," said Ron Wertheim, Hardee's exec vp-marketing. "Through the years they supported us very well, but we just couldn't agree on where to go from here strategically."

Benton & Bowles announced Jan. 11 that it had "mutually agreed" with Hardee's to terminate their relationship.

"We and the Hardee's people have been unable to come to agree-

(Continued on Page 66)

Advertiser salaries

Senior marketing posts, such as the vp-marketing title, showed the greatest salary increase last year, though general management posts above that showed bigger gains. Source: Judd-Falk Inc.

Title (experience)	1984 salary ($)	1983 salary ($)	1984 salary range ($)	1984 bonus (%)
Product managrr (2-5 yrs.)	46,892	46,892	30 - 66,000	10 - 30
Group product manager (5-8 yrs.)	61,420	55,800	40 - 90,000	10 - 30
VP-marketing (8-10 yrs.)	105,367	78,000	75-150,000	30 - 50
Exec vp (10 yrs. +)	150,000	115,000	125-180,000	50-100
Director/president	290,000	147,000	200-375,000	60-100

Agency salaries

All the major agency posts showed substantial salary increases in 1984. Source: Judd-Falk Inc.

Title (experience)	1984 salary ($)	1983 salary ($)	1984 salary range ($)	1984 bonus ($)
Account executive (2-4 yrs.)	32,807	28,000	25 - 40,000	4,000
VP-account supervisor (5-8 yrs.)	47,524	39,225	35 - 65,000	10,000
VP-mgmt supervisor (6-10 yrs.)	69,184	55,000	55 - 90,000	20,000
Senior vp-mgmt supervisor (10 yrs. +)	95,375	65,375	78-125,000	22,000
Exec vp (10 yrs. +)	165,000	125,000	160-175,000	40,000
President	300,000	200,000	250-400,000	75,000

New year leaves top execs basking in happy pay daze

By STEWART ALTER

New York—Senior advertising and marketing execs scored salary gains of 35% to 45%, or more, last year. That's double the hefty 15% increase over 1983 salary levels recorded last year by advertising and marketing execs as a whole.

In addition, advertiser salaries continue to outstrip agency salaries for comparable posts.

These conclusions come from figures compiled by Judd-Falk, a management consulting and executive recruitment company, as part of its annual advertising and marketing compensation study.

The average senior vp-management supervisor, for example, made $95,375 in 1984, a 45% boost over his '83 salary.

A vp-marketing made an average $105,367, up 35% from '83.

"Advertiser salaries still lead comparable advertising agency position salaries by a significant margin," a difference of 30% at senior levels and 60% at more junior levels, said Judd-Falk president Eugene Judd.

Salary increases seemed to be slim or nonexistent for some job titles, which reflects another trend, Mr. Judd added.

"A client may be looking for a marketing director and be willing to pay $75,000. When they learn that someone with that title typically earns $100,000, they'll agree to look instead for someone to call marketing director but without the same depth of experience," he said as an example.

Mr. Judd also observed, "Entry-level marketing positions are almost $35,000, due in great part to heavy on-campus recruiting at top-tier graduate schools by consulting firms, bank and investment companies and the major consumer package-goods corporations."

Last Minute News

B&D account tools over to McCann

Towson, Md.—Black & Decker Mfg. Co. is expected to announce today its appointment of McCann-Erickson Worldwide, New York, to handle advertising for all of B&D's worldwide markets, with the exception of North America, which will remain at BBDO, sources say.

Marschalk loses $5 million in Chattem business

New York—Chattem, Chattanooga, Tenn., and Marschalk Co. here have mutually agreed to part company due to potential account conflict in proprietary products. Chattem executives say billings are about $5 mil-

(Continued on Page 8)

Detroit embarks on

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DC2001 4CONGL I FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 2001 4

New spots spice up Bowl ad watching

An Advertising Age roundup

Super Bowl XIX is expected to attract the largest tv audience in football history, and that should take some of the cost pressure off the media mavens who agreed to give ABC-TV $1 million of their clients' money for a fleeting minute in the Jan. 20 game.

But for some of the creative types at the agencies representing the 27 advertisers in ABC's broadcast, the pressure won't subside until the Miami-San Francisco matchup is turned over Jan. 21 to an anticipated 120 million Monday-morning quarterbacks.

The Super Bowl coverage, including pregame and postgame shows, has become one of the preeminent showcases for advertising creativity. Several major marketers, including McDonald's, Sony, ITT, ComputerLand and Cullinet Software, will be breaking new campaigns. Others, primarily the traditional big sports advertisers, plan new executions of existing campaigns.

ComputerLand, the leading computer store franchisor, will shift the emphasis of its advertising away from the store to focus on the chain's sales staffs.

The move by the Hayward, Cal.-based company is seen as an attempt to combat its image as a low-price computer vendor offering little or no customer support. During the hectic Christmas season, many ComputerLand franchises slashed prices of popular computers to build volume.

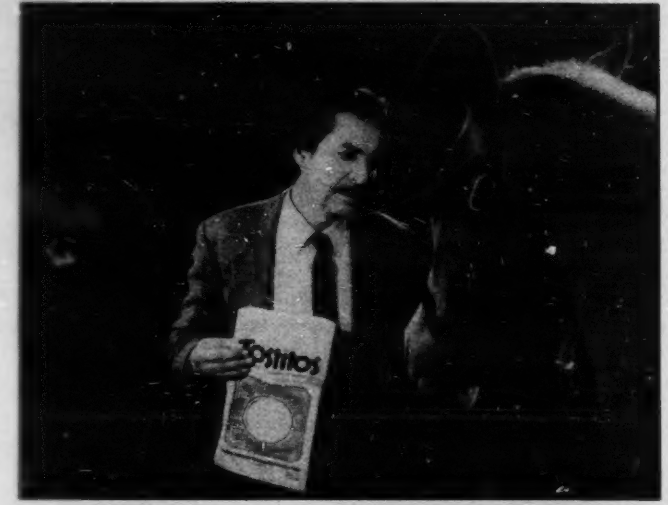
The new campaign features the first creative for ComputerLand from Foote, Cone & Belding, San Francisco, since it acquired the business late last year from J. Walter Thompson USA. A new tag, "ComputerLand—the one thing to know about computers," replaces "There's only one No. 1," introduced in August.

Fred Whelan, ComputerLand's director of advertising, admitted that the Super Bowl buy is expensive, adding that "if we weren't breaking a new campaign we wouldn't have made this buy."

Cullinet Software will break its first tv ad campaign on the Super Bowl in a spot featuring ex-hockey star Bobby Orr. Cullinet, Westwood, Mass., will highlight its roots as a marketer of software for large IBM mainframe computers in a pitch for the company's growing presence in the microcomputer software market.

Cullinet's tv spot, created by Rizzo, Simons, Cohn, Boston, is designed to alert corporate executives to

(Continued on Page 69)



Old clips, new chips

Frito-Lay, Dallas, has spliced Tostitos spokesman Fernando Escandon into scenes from "Mr. Ed" (top), "Dragnet" and "Leave It to Beaver." Tracy-Locke, agency for the tortilla chips, matched original clips from the old tv series with its yuppie-oriented message. The spots also include the laugh tracks of these favorite shows. *(See story on Page 65).*

Highlights

A survey by SRI Research Center found that most respondents who expressed an opinion believe beer and wine advertising should continue to be permitted on tv. *See Page 4.*

Albert Ferrarese, the former Benton & Bowles exec jailed for embezzling $3 million from the agency, has been released after serving six months of a one-year sentence. *See Page 6.*

Imported beer advertising on radio will increase substantially in major markets, according to a business forecast report from Jack Masla & Co., a radio rep company. *See Page 10.*

Campbell's soup pot is overflowing with new products as the company this week begins its celebration of National Soup Month. *See Page 26.*

Marketing on the road: Many of the 1985 model cars with Japanese or American names are using their looks and their ads to try to disguise themselves as European autos. *See Page 32.*

The fine art of writing humorous commercials isn't acquired overnight. Author Melvin Helitzer offers some pointers in his book "Comedy Techniques for Writers and Performers." *See Page 36.*

Austin, Tex., is hot as a match. The population has doubled in the last 12 years to 400,000, hundreds of newcomers are arriving each month and the fortunes of pastor Gerald Mann are pushing up as swiftly as the city's. In Reportage. *See Page 48.*

Robert Flore's proudest work, for Taylor California Cellars wines, helped prepare him for his new job as exec vp-director of creative services at Warwick Advertising, where he will work with Joseph E. Seagram & Sons. *See Page 54.*

Coldwell Banker Real Estate Group's new residential campaign is by all accounts an unusual real estate pitch. It uses the latest in special effects to convey that Coldwell Banker stands out from the pack of home-selling companies. *See Page 61.*

McCann-Erickson had been expected to name a new general manager for its New York office. Instead, the agency named two deputy managers for the office. *See Page 64.*

CORPORATE CLOSEUP

Teledyne Water Pik, the company that harnessed pulsating water to bring the world the Water Pik and the Shower Massage, is looking for at least three new products a year to regain its momentum. *See Page 4.*

FORUM

Robert S. Vollowitz discusses the marriage between product management and marketing. *See Page 14.*

M'waukee native Michael Muckian explains "How to Milwaukee." *See Page 14.*

INTERNATIONAL

In Japan, women dominate the consumer market, and their influence will grow as more and more enter the job market, according to two new studies. *See Page 40.*

South Africa is the scene of a battle for control of a new commercial tv station. The government-owned tv monopoly is planning to strengthen its hold over tv, but is opposed by several newspaper groups. *See Page 40.*

British lawyers and accountants are bombarding the media with controversial ads, prompting charges that these ads violate self-regulatory codes. This stems from the government's decision last fall to permit these two professional groups to advertise for the first time. *See Page 42.*

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ABP ABC

Coke: 'Hi' time for new shops

By NANCY GIGES

Two top Coca-Cola Co. marketing executives are talking to New York ad agencies in what is described as "getting acquainted" sessions.

Ira Herbert, exec vp-corporate marketing director, and Sergio Zyman, senior vp-marketing, Coca-Cola USA, the marketer's domestic soft-drink division, already have met with Doyle Dane Bernbach and Chiat/Day. They also have a meeting slated with Ogilvy & Mather and may seek to meet with a fourth agency.

Both Mr. Herbert and a corporate spokesman emphasized that the meetings are "not unusual" and have nothing to do with current agency assignments or relationships.

Atlanta-based Coca-Cola has a long-established relationship with the Interpublic Group of Cos. and does not shift agencies capriciously. Yet, for several months there have been reports that Coca-Cola is not entirely satisfied with its agency lineup.

Reports have circulated that some executives want more unconventional creative as well as a strong relationship with an agency outside Interpublic.

Interpublic shops Marschalk Co., McCann-Erickson and SSC&B handle the lion's share of Coca-Cola's business.

This round of meetings with other agencies is not seen as a review in the usual sense. Mr. Herbert said he "periodically though not regularly" picks three or four agencies and meets with them.

"The intent is to build a backlog of familiarity with what's out there," he explained. "It has nothing to do with any dissatisfaction with our current agencies. We are happy with them.

"But you never know when a project might come up. So we like to keep our fingers on the pulse of the agencies that would be available to us."

The meetings will not result in a specific assignment—either new-

(Continued on Page 66)

Thursday:

City and regional publications continue to sprout in the U.S., illuminating their strength as an ad medium and as integral elements of their communities. How they pursue national advertisers will be included in next Thursday's Special Report: City & Regional Magazines.

Women in Japan: A growing force

Studies cite role changes

By JACK BURTON

Tokyo—Japanese women dominate consumer markets here, and their influence will grow as more and more women enter the job market, according to two new studies.

This is the latest evidence that Asian markets, such as China *(see story below)* and Japan, are developing along U.S. lines.

In Japan, young unmarried women, who live with their parents, have disposable incomes that can amount to $750 to $1,000 a month, according to a survey by the Japan Newspaper Publishers and Editors Assn.

The survey also showed 28% of these young "office ladies," as they are known here, are able to afford fur coats, while about 50% say they own a dressing table, stereo and color tv.

Because Japanese husbands are accustomed to handing over their paychecks to their wives, women entirely control about 80% of all household budgets in Japan, the survey showed.

And the economic power of Japanese women is likely to grow as more housewives enter the job market either full or parttime, according to Mariko Fujiwara, editor of a new study called "Japanese Women in Turmoil," published by the Hakuhodo Institute of Life & Living.

The institute is a research group affiliated with Hakuhodo, Japan's second-largest ad agency. The study will be released this fall.

Ms. Fujiwara said that, until recently, most married women chose to stay at home and raise a family. But an emerging trend among housewives to divide their time between home and work reflects "their dissatisfaction over their conventional role," she said.

Going to work is "part of a search for a life style that will provide them with some sense of having better control over their lives," she said. "Japanese women are feeling restless and confused. They want more than material goods and are searching for outside experiences."

Because of the market clout of women, Dentsu recently established an affiliate called Dentsu Eye to concentrate on advertising and marketing to women.

The changing role of women also will have several major ramifications on the Japanese market, according to Ms. Fujiwara.

She said marketers are trying to develop services that will fulfill females' quest for experiences outside the home, including health and sports programs and more forms of entertainment.

The JNPEA survey found that 90% of female office workers participate in some type of sports.

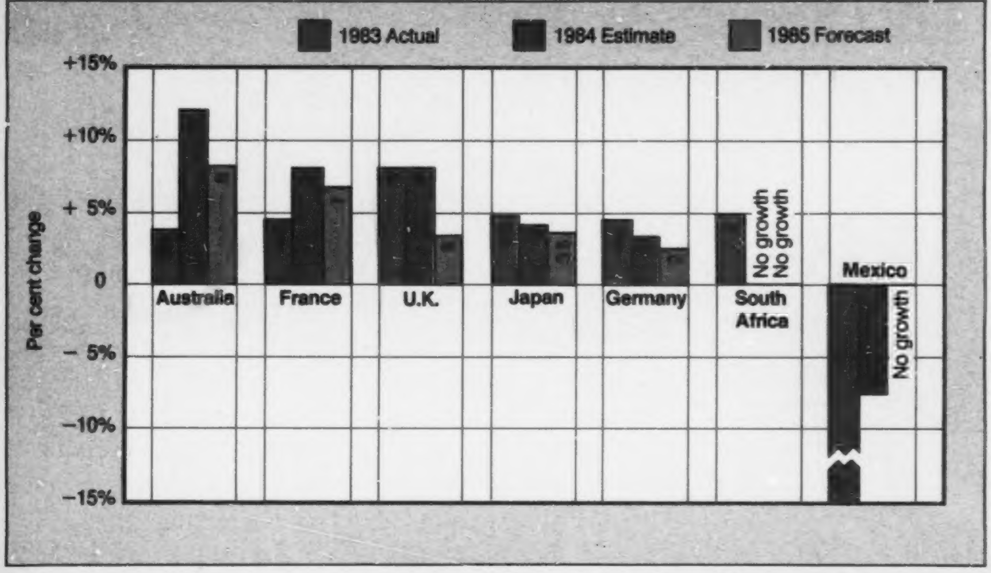
Also, Ms. Fujiwara projected an increase in the purchase of high-quality products ranging from sports equipment to home computers. Also high on the list are electronic devices, such as microwave ovens, that will permit women to spend more time outside the home.

Ms. Fujiwara also noted that women are becoming more selective about product quality as their sources of information expand through their increased outside activities. At the same time, they are more willing to buy "generic" products for everyday household use to keep the family budget in balance.

But she also said marketers should expect a lower rate of growth for other household items.

"The market is already reaching the saturation point, since most homes have such basic appliances as tv sets and refrigerators, and there is not space for much more in the typically small Japanese houses," she said. "Manufacturers of household goods are acknowledging that the days of 'hit products,' when the appearance of a new appliance swept the population, are over."#

Worldwide ad spending growth



Foreign growth matches U.S.

Ad spending hike predicted for '85

An Advertising Age roundup

The long-awaited upswing in international advertising expenditures—matching or surpassing growth in U.S. expenditures—is finally taking place.

That's the major conclusion of an Advertising Age survey of marketing, media and agency executives in eight countries and the U.S. The survey measured the growth of advertising expenditures in 1984 and projected growth for this year.

While these sources agree that growth in overseas ad spending in 1984—an average of 6.5% in major markets—cannot compare with the banner year in the U.S. (where advertising expenditures grew 15%), many predict the story will be different this year with international advertising expenditures surpassing the U.S.

Robert J. Coen, senior vp-director of forecasting at McCann-Erickson, reports overseas ad expenditures could reach 10% next year compared with 9.7% for the U.S. as overseas economic conditions improve and the U.S. economy weakens in the second half of 1985.

Because he converts overseas spending into dollars, the percent-

(Continued on Page 42)

Western products score hit in China

By SUE GIRDWOOD

Consumers in the People's Republic of China have become increasingly materialistic ever since the country adopted its "open door" policy in 1978, according to a recent survey.

In the survey, interviews were conducted with a representative sample of 800 adult residents of Guangzhou (Canton), population 3.1 million. It was conducted by Hong Kong-based Walmsley Ltd. for 10 international and multinational companies.

The survey studied ownership levels of household durables, including both b&w and color tv sets, refrigerators, washing machines and cassette recorders. It also examined tv and radio audience levels and readership characteristics.

The survey showed that consumer purchases in Guangzhou have increased significantly over the past two years, and that a sizable market for imported goods has been created, said Walmsley's managing director, Loretta Lee.

The research revealed that prior to 1978, when China began its open door policy, which encouraged investment by foreign companies and relaxed restrictions on tourism, ownership of consumer durables was restricted to sewing machines and electric fans.

But now almost every household owns a tv set, 83% own rice cookers, 73% own cassette recorders and 50% own refrigerators, according to the research. Also, almost 65,000 households will buy an imported brand of color tv set during the coming year, and at least 35,000 plan to buy a foreign-made refrigerator, the survey said.

Foreign brands enjoy leading positions in the coffee, infant formula, milk powder and full-cream powdered milk markets.

The survey also showed that of Guangzhou's estimated 600,000 smokers, 66% purchased an imported brand of cigaret during the previous six months and 25% smoke a foreign brand regularly.#

South Africans pushing for U.S.-style tv programing

By DES KILALEA

Johannesburg—A battle for control of a new commercial tv station is raging in South Africa, where pressure is building for more entertaining, U.S.-style programing.

The government-owned tv monopoly is planning to strengthen its hold over the nation's tv channels, but the move is opposed by several newspaper groups.

The tv monopoly, South Africa Broadcasting Corp., has proposed the creation of a new "entertainment" channel called TV Four. The new channel, if approved by the government, would be in addition to SABC's three other channels.

A group of newspaper publishers favors the idea of a new channel, but opposes letting SABC control it. Instead, publishers want to run the channel themselves.

Their reasoning is simple: SABC's three other channels accept advertising and have been eating away at the print media's advertising revenues. If SABC were allowed to have another channel, the newspaper group's ad revenues would suffer additional losses.

The government is investigating whether SABC should be allowed to operate the new channel or whether the channel should be independent.

The newspaper groups, which include SA Associated Newspapers and rival Argus Printing & Publishing, have put together a proposal to take complete control of the channel if it gets the green light, believing it to be their salvation from failing advertising revenues.

Advertisers also have welcomed the new tv channel. "Any new advertising medium is interesting to us, particularly if it is in tv, where demand is high," said a spokesman for Checkers, a leading supermarket chain.

The ad industry also is interested in seeing tv increase its share of the national ad market, said Dick Reed, media director at J. Walter Thompson Co. here.

He said that in the 12 months ended last October, tv held a 26% share of the total ad market and that a 29% share has been forecast for 1985.

If the forecast is true, the losers certainly will be the newspaper groups, whose share of the total ad market has fallen from more than 63% two years ago to between 58% and 60% now. That's why print executives are keen to grab the burgeoning tv ad revenue pie.

If newspaper groups are granted authority to run the new channel, it would mark the second recent attempt to break SABC's tv monopoly.

On Jan. 1, 1984, Bophuthatswana Broadcast TV, the first black-controlled tv station in South Africa, was launched in Bophuthatswana, a "nonrecognized nation" within the boundaries of South Africa.

The station initially was restricted by SABC to two residential black townships, but the station's signal began spilling over into nearby white areas and became surprisingly popular with white viewers because of the station's mix of mostly U.S. shows.

As a result, SABC blocked out the spillover and limited viewership to black regions, even though the move prompted a protest campaign from white viewers, who enjoyed such programs as "Streets of San Francisco" and "Ironside."#

Ads for British professionals stir furor

By SEAN MILMO

LONDON—British lawyers and accountants are bombarding the media with controversial ads, prompting charges that these ads violate self-regulatory codes.

The controversy stems from the British government's decision last fall to permit the two professional groups to advertise for the first time.

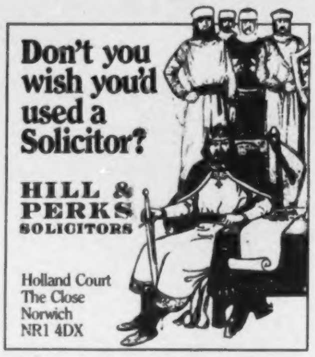
So far, the biggest response to the ads has come from lawyers and accountants themselves, who have attacked their colleagues for allegedly breaking rules drawn up by each group to replace the self-imposed advertising ban.

In the U.K., there are two kinds of attorneys. One is the barrister, who only practices in court and is not allowed to advertise. The others, who work outside the courtroom, are known as solicitors and are now allowed to place ads.

"The number of solicitors advertising has been higher than anticipated," said Brian Copper of the Law Society, the lawyers' professional association. "But we also have a lot of other solicitors claiming that the rules have been broken. We've had to warn some advertisers who seem to have gone a little over the top."

The society has forbidden tv spots, comparisons with other lawyers' services, any quotation of fees and has demanded that all ads be in good taste.

One of the more creative campaigns was for the law firm of Hill & Perks. Print ads asked, "Don't you wish you'd used a solicitor?" and showed cartoon drawings of historical figures such as King John being forced to sign the Magna Carta and Anne Boleyn about to be beheaded at the behest of King Henry VIII. Publicity Plus handled the campaign.



Don't you wish you'd used a Solicitor?

HILL & PERKS
SOLICITORS

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The Close
Norwich
NR1 4DX

An ad for a U.K. legal firm features a cartoon of King John.

But despite the spate of ads, lawyers admit it will take some time to learn the impact of their efforts.

"We haven't had people streaming through the door," said a partner at one law firm.

Meanwhile, accountants have advertised so much that sources say they expect the group to spend as much as $12.7 million annually on advertising, an amount equivalent to about 5% of the U.K.'s total advertising for financial services.

But, like lawyers, accountants are also criticized among their own ranks for breaking the rules, and the Institute of Chartered Accountants has had a flood of protests about allegedly unprofessional ads.

For example, Coopers & Lybrand, the nation's second-largest accounting firm, was criticized for breaking a regulation that restricts print ads to a quarter-page.

Through its agency, Leagas Delaney Partnership, C&L ran full-page ads which it claimed were exempt from the restriction because they were recruitment ads.

The quarter-page rule is to protect smaller accounting firms from being outgunned by larger, wealthier competitors, but has aroused a furor.

"We've taken care to ensure our ads keep to the quarter-page limit to the nearest millimeter," said Geoffrey Parker, advertising manager of accountant Touche Ross & Co. "But some of our competitors have taken no notice of the rule. I've seen ads covering two-thirds of a page. It's absurd to allow full-length tv commercials but only quarter-page ads."

The institute also barred advertising that makes "odious comparisons" or is "strident in tone."

Norman Barton, secretary of the institute's ethics committee, admitted, "Some of our members have gone close to the edge."#

World News Roundup

(Continued from Page 3)

for the first time on British tv in a six-month experiment beginning Jan. 23 with live coverage of a debate in the House of Lords.

PARIS—NCR France, the fifth-largest computer manufacturer here, is reviewing its $1.2 million account. Five agencies are pitching, including the current shop, Oscar. A decision is expected next month.

ON THE MOVE: Philip Sheldon, a former marketing consultant, to advertising director, Bass PLC, London, a new post. . **Jose Luis Zamorano** resigned as executive creative director, RSC&G Spain. **Carlos Villegas**, creative director, RSC&G Madrid, will replace him.

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Spending

(Continued from Page 40)

age in local currency terms would be much higher.

"The economy and consumer markets have been down so long, but now we are starting to see more competition, more investment and more marketing," Mr. Coen says about overseas spending.

Leading the upswing in 1984 was Australia, where spending soared 12% in local currency with inflation factored out. That figure is much higher than the earlier outlook of 4%.

"That's the result of a very good economic and political climate, like the U.S., which makes consumers want to spend," says Willi Schalk, president of BBDO International Group. It's the first time in several years Australia has seen significant real ad growth.

The financial sector has seen the greatest growth, about 17%, says Peter Long, federal director of the Australian Assn. of National Advertisers. Automobile marketers also have boosted spending considerably, some as much as 30%.

The outlook for ad spending in 1985 is 8%, somewhat lower than 1984 because of fears of a downturn in the U.S. economy, which some say could adversely affect the Australian economy.

France also had an outstanding year, with ad spending rising about 8% in real terms in 1984, double the increase in 1983. Lower inflation levels and increased advertising opportunities on tv and radio helped lead the upswing.

The biggest growth sector in 1984 was computers, up 33% over 1983, and health & beauty aids, up about 20%.

The outlook for ad spending in 1985 continues to be strong, up 7% or more.

The U.K. had a rosy year, too, with ad expenditures rising 8% in real terms. Ad spending in the last three years has gone up about 20%, a figure that astounds many people in the advertising industry.

"We have, in particular, been surprised by the amount of money that continues to go into tv," says Andrew Roberts, market services director of D'Arcy MacManus Masius. In the summer, the commercial tv network recorded revenue increases of up to 31%, he says.

A new commercial tv channel, Channel 4, and the growing acceptance of breakfast tv, helped beef up the spending here. But in autumn it dropped off, leaving some to speculate that business confidence was beginning to wilt.

Growth is expected to slow down significantly in 1985, maybe to 3%. "Corporate profitability is slowing down, which affects advertising expenditures," says Mike Waterson, research director at the Advertising Assn.

Ad spending in Germany is slightly better than was forecast this summer, when the industry turned pessimistic because of long metalworking and printing strikes. The German Advertising Federation says total advertising outlays reached $5 million in 1984, a 3% increase over 1983.

Japan is in the same boat as Germany, where steady growth has been the standard for five years. Ad spending is up about 4% in 1984, according to a Dentsu executive.

Despite the increase, two groups significantly cut back their spending in 1984.

The candy industry curtailed advertising after extortion attempts against Ezaki Glico and Morinaga. And personal loan companies, traditionally big ad spenders, were hit by a wave of bankruptcies, which caused their spending to drop 40%.

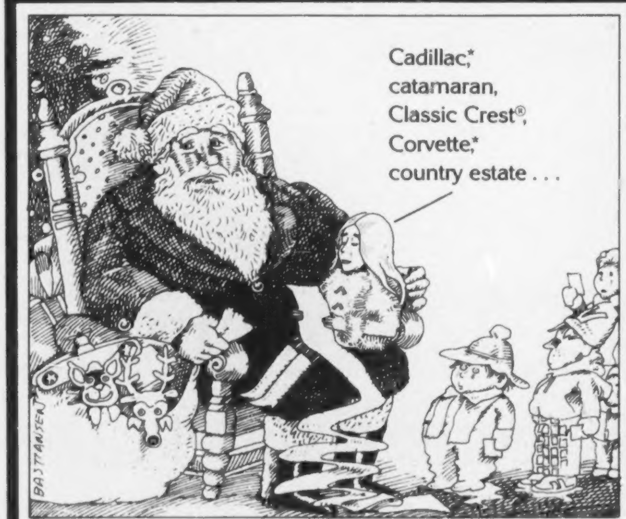
Ad spending in 1985 is expected to grow between 3% and 4%, according to the Japan Advertising Federation.

It looks like Mexico may get out of its negative ad spending cycle this year. Spending in 1984 is expected to be down only 8%, but this is a considerable improvement over its 40% drop in 1983. The outlook for 1985 is an inspiring zero growth. "It's a reflection on the improving economy," says Mr. Coen.

Advertisers in Brazil are hopeful that 1985 may develop into a positive year, pointing to the heavy ad spending increase in the last quarter of 1984 following the satisfactory outcome of the government's debt negotiations with the International Monetary Fund. However, for the whole of 1984, spending fell between 20% and 30%.

Ad spending in South Africa was flat in 1984, and some estimates put it as low as -4%. The country has been hard hit by media inflation, which is running at about 17%, and a new 10% ad tax. The outlook for 1985 again is zero growth, but this could turn out differently, some say, if new tv channels open up and lure advertisers into increasing their budgets.#

This report was compiled by Valerie Mackie in Chicago, with contributions from Letitia Baldwin, Mexico City; Jack Burton, Tokyo; Phil Hill, Paris; Sean Milmo, London; Mary McKinney, Sydney; Julia Michaels, Sao Paulo; Dagmar Mussey, Duesseldorf, and Des Kilalea, Johannesburg.



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Kimberly-Clark Neenah Paper Division

Ad pages in farm publications for 12 months, 1984-83

Fourth-quarter and year-to-date-figures for U.S. and Canadian publications reporting to Advertising Age

Canadian

	Pages Oct.-Dec. 1984	Oct.-Dec. 1983	Jan.-Dec. 1984	Jan.-Dec. 1983
Country Guide:				
Eastern Edition	120.3	115.8	500.8	503.9
National Edition	181.2	176.6	914.6	949.9
Western Edition	127.8	135.4	644.0	633.0
Le Bulletin des Agriculteurs	—	—	—	—
Total Group	**429.3**	**427.8**	**2,059.4**	**2,086.8**
% change	**+0.3%**		**−1.3%**	

Dairy & livestock

	Pages Oct.-Dec. 1984	Oct.-Dec. 1983	Jan.-Dec. 1984	Jan.-Dec. 1983
Beef Magazine A.	175.0	198.5	753.9	809.6
Beefweek	182.4	228.8	824.5	641.3
The Cattleman	320.5	341.8	1,292.7	1,318.5
Dairy	57.6	99.4	297.4	353.8
Dairy Herd Management	77.8	103.6	425.0	549.6
Drovers Journal (52X) A.	264.4	268.1	1,257.3	1,157.5
Farm Progress Hog Producer	16.8	20.9	82.5	107.5
Feedlot Management	66.5	108.3	274.0	377.9
Florida Cattleman	269.3	269.6	944.3	951.8
Hoards Dairyman (23X) A.	147.7	173.0	744.6	848.4
Hog Farm Management	91.3	132.1	323.6	443.5
National Hog Farmer	241.4	262.4	800.6	910.7
Pig American	59.8	64.3	229.8	259.5
Pork '84	97.0	91.1	316.2	263.7
Premier Hog Producer (6X) A.	20.9	21.6	61.1	71.2
Southern Beef Producer (8X)	33.9	41.2	157.0	136.2
Sunbelt Dairyman (6X)	13.8	16.8	62.3	67.1
Western Livestock Journal	Weekly:			
Central Edition	133.5	104.0	428.9	403.6
Western Edition	143.9	128.8	465.6	456.6
Western Livestock Reporter	118.4	140.0	494.7	586.7
Total Group	**2,531.9**	**2,814.3**	**10,236.0**	**10,714.7**
% change	**−10.0%**		**−4.5%**	

Fruit & vegetable

	Pages Oct.-Dec. 1984	Oct.-Dec. 1983	Jan.-Dec. 1984	Jan.-Dec. 1983
American Fruit Grower	83.3	105.4	487.0	483.2
American Vegetable Grower	110.4	150.4	490.3	510.5
Citrus & Vegetable	112.0	118.0	537.6	479.4
Total Group	**305.7**	**373.8**	**1,514.9**	**1,473.1**
% change	**−1.8%**		**+2.8%**	

General farm publications

	Pages Oct.-Dec. 1984	Oct.-Dec. 1983	Jan.-Dec. 1984	Jan.-Dec. 1983
American Agriculturist	67.4	88.8	340.9	385.0
California Farmer (21X) A.	130.7	159.3	629.7	763.7
Farm Futures A.	65.4	91.8	310.7	344.5
Farm Industry News (10X)	85.5	97.4	472.6	397.1
Farm Journal (14X)	153.6	161.0	772.0	727.2
Florida Grower & Rancher	54.8	47.1	206.7	187.3
Farmer-Stockman Unit:				
Oklahoma Farmer-Stockman	29.6	29.7	159.8	162.2
Texas Farmer-Stockman	31.7	28.8	146.4	149.1
Harvest Publishing Unit:				
Kansas Farmer (21X)	104.5	113.0	630.6	637.2
Michigan Farmer (21x)	139.6	146.4	630.0	674.5
Missouri Ruralist (21X)	146.1	132.7	707.9	719.9
Ohio Farmer (21X)	182.4	178.8	825.8	926.1
Pennsylvania Farmer (21X)	116.1	105.6	505.0	555.7
High Plains Journal:				
Eastern Kansas (52X)	507.6	515.1	2,257.3	2,311.0
Colorado	481.5	501.7	2,194.9	2,231.6
Nebraska	480.8	490.7	2,179.6	2,200.9
Oklahoma-Texas	504.4	520.4	2,266.3	2,307.6
Western Kansas	566.7	559.3	2,461.4	2,466.0
Irrigation Age (10X) A.	67.8	51.9	275.4	199.1
Kentucky Farmer	46.9	50.6	265.9	274.0
Lancaster Farming (52X)	1,266.3	1,273.9	5,357.7	5,204.8
Midwest Farm Paper Unit: (24X)				
The Farmer	189.5	202.6	1,110.8	1,182.5
Nebraska Farmer	242.8	263.8	1,405.1	1,403.6
Prairie Farmer A.	239.8	207.6	1,300.5	1,180.8
Indiana Edition	228.5	225.3	1,225.2	1,186.3
Wallaces Farmer (24X) A.	208.7	214.6	1,128.8	1,239.6
Wisconsin Agriculturist (24X)	138.6	165.5	855.5	889.5
Pecan South (6X)	37.8	37.3	80.2	80.1
Progressive Farmer A.	75.9	94.0	650.1	633.7
Specialized Agricultural Publications:				
Flue Cured Tobacco Farmer	17.3	24.0	119.2	168.5
Peanut Farmer (8X)	—	—	96.0	109.9
Successful Farming A.	164.2	194.3	714.0	748.4
Tennessee Farmer	24.6	26.7	142.6	165.1
Wyoming Farmer-Stockman	—	—	—	—
Western Unit Farm Magazines:				
Arizona Farmer-Ranchman	46.0	63.6	263.1	310.9
Colorado Rancher & Farmer	62.9	84.2	420.6	420.4
Western Farmer-Stockman Magazines: (24X)				
Idaho Farmer-Stockman	91.8	107.5	577.4	593.9
Montana Farmer-Stockman	157.4	195.8	852.1	899.3
Oregon Farmer-Stockman	74.1	96.1	430.4	479.8
Utah Farmer-Stockman	67.1	77.7	381.6	411.4
Washington Farmer-Stockman	80.0	93.3	465.6	492.5
Total Group	**7,376.4**	**7,717.9**	**35,815.4**	**36,402.7**
% change	**−4.4%**		**−1.6%**	

Poultry

	Pages Oct.-Dec. 1984	Oct.-Dec. 1983	Jan.-Dec. 1984	Jan.-Dec. 1983
Broiler Industry	154.5	151.3	540.9	587.3
Poultry Digest	45.6	55.5	186.9	221.1
Poultry Tribune	60.6	54.0	260.5	277.2
Poultry & Egg News	—	—	—	—
Poultry Times	—	—	—	—
Poultry & Egg Mktg.	—	—	—	—
Total Group	**260.7**	**260.8**	**988.3**	**1,085.6**
% change	**−0.1%**		**−8.9%**	

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions.

National Decisions unit moves

VIENNA, VA.—National Decisions Systems has relocated its East Coast office here from Wilton, Conn. The new address is 8618 Westwood Center Dr., 22180.

The demographic research and marketing information company is based in Encinitas, Cal.#

McCann's James names two to new deputy slots

By STEWART ALTER

McCann-Erickson was expected to name a new general manager for its New York office. Instead, it named two deputy managers.

Promoted to the deputy manager posts are senior vp-management reps John Dooner Jr., 36, and Michael Sennott, 43 (AA, Jan. 10).

In a related move, senior vp-management rep Ian Hooper, 43, has added responsibility, with McCann's March Direct Marketing subsidiary reporting to him.

The new dual leadership arrangement is not unusual at McCann/N.Y., which also has two creative directors, Ira Madris and Bruce Nelson. What is unusual is that neither Mr. Dooner nor Mr. Sennott has run an office before.

Robert James, president and ceo-designate, McCann-Erickson Worldwide, said the two deputy managers "will be more than directors of account service. We do look to them to provide leadership in the New York agency."

But at the same time, Mr. James has not fully relinquished the acting general manager role he took on when James Kuras left in August to join Needham Harper Worldwide as president of its New York office.

These are the first personnel moves Mr. James has made since becoming chief executive officer in March (AA, Dec. 20).

Some observers interpret Mr. James' caution as allowing him to establish leadership in the $280 million New York office while also leaving his options open. It is known that finding an operational head for the U.S. agency is one of Mr. James' top priorities.#

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THURSDAY

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News Summary

Things were not normal at this year's NATPE syndication convention, where advertisers in far greater numbers than ever before descended on the convention floor in San Francisco. In addition, almost all of the top 20 ad agencies were represented. *See Page 2.*

Aerostar will be the last domestic minivan to roll out, but Ford executives say the "yuppiemobile" is right on target for a faddish market. *See Page 3.*

Foote, Cone & Belding's much-heralded takeover last year of NCK Organization is running into rough spots in Europe. *See Page 3.*

Tv networks around the world have decided if you can't beat CBS' "Dallas," rip it off. In France, the U.K., Italy, Switzerland, Germany, Brazil and Peru, new "Dallas"-like programing has started or is in the works. *See Page 3.*

Montgomery Ward & Co.'s licensing of Radio City Music Hall Productions' Rockettes name may set the stage for other licensing ventures by both companies. *See Page 9.*

Procter & Gamble's Citrus Hill Select frozen and chilled orange juice isn't selling well in its West Coast test markets, buyers say. It has been available since fall in California, Idaho, Montana, Oregon and Washington. *See Page 32.*

DIRECT MARKETING

Executives from a group of telemarketing service bureaus plan to meet this month in Chicago to create a trade association to represent the telemarketing industry exclusively. *See Page 6.*

What is believed to be the longest-running relationship between a direct-marketing agency and its client ended last week. After 51 years at D R Group, Pitney Bowes has moved its account to the Direct Marketing Group. *See Page 6.*

SPECIAL REPORT

City and regional publications continue to sprout throughout America, illuminating the magazines' strength as an ad medium and their position as integral elements of their communities. Now they are working to convince advertisers they are a viable national buy. *See Page 11.*

Both the 49ers and Dolphins downplay Super Bowl XIX as a duel between Dan Marino (l.) and Joe Montana. . .but the public isn't biting.

Super Bowling for dollars

Marino, Montana throw for off-the-field gains

By ROBERT RAISSMAN

San Francisco—As Larry Muno, Joe Montana's agent, left a restaurant near Candlestick Park here following a postgame dinner celebrating the 49ers' win over Chicago—the victory that moved the team into the Super Bowl Jan. 20—a fairly outrageous thought passed through his mind.

Wouldn't it be nice, he thought, if Mr. Montana, the 49er quarterback, could reach the Super Bowl on a cyclical basis. The Super Bowl "really completes the cycle again," Mr. Muno explained. "It would be nice to get on this two or three-year cycle," he continued, half kidding, half serious. "You get the ultimate in exposure, and when you need another shot you're there again in another two years."

Even though the observation was made half in jest, it is probably one of the more honest statements being made here this week. Both camps are playing down the duel between Mr. Montana, 28, who is making his second Super Bowl appearance in four years, and Dan Marino, the 23-year-old quarterback of the Miami Dolphins who shattered a number of National Football League passing records this season.

But the media have put a spotlight on it and the public is biting. If Aunt Irma doesn't know who Messrs. Montana and Marino are, she will by the time ABC's pregame show—which just might last longer than the game itself—is over.

The two quarterbacks take it in stride. Mr.

(Continued on Page 9)

Showtime eyes Qube root

By SUSAN SPILLMAN

New York—Showtime/Movie Channel president Neil Austrian is negotiating to take over programing for Warner Amex Cable Communications' interactive Qube system. Such a move would pave the way for the first national pay-per-view movie service.

Neither Showtime nor Warner executives would comment, but sources confirmed that the plan could be completed soon. WACC is a joint owner of Showtime/Movie Channel with Warner Communications and Viacom Enterprises.

Qube currently is programed locally with videotapes and offers movies, along with other programing, on a pay-per-view basis to about 270,000 subscribers in seven cities. Subscribers can pay to see movies six months before their release to pay tv services such as Showtime or Home Box Office.

Showtime would transmit Qube programing via satellite, and once on the satellite, the programing could be transmitted to any cable systems using interactive technology, whether Qube's system or not, sources speculate.

In the last four years, individual movies, sports events and concerts have sporadically been distributed to cable subscribers on a pay-per-view basis. Results have been mixed.

But in recent months, industry executives have been rallying for a rebirth in the technology, heralding it as their best hedge against mounting competition from videocassettes.

The growth of pay-per-view has suffered primarily from the lack of adequate distribution of the special converters that consumers need to order the programing. Also, the existing converters have often failed to work satisfactorily.

Showtime could make the Qube programing more readily available to systems, but there is still a

(Continued on Page 34)

Presstime

JWT bids adieu to Christian Dior

New York—J. Walter Thompson USA has resigned the Christian Dior/New York account. Sources indicate one of two things may happen now: Either a review will be held or the North American Dior operation, anxious to continue working with photographer Richard Avedon, will take the account in-house.

Bank of Boston mulls agency interest

Boston—Bank of Boston, New England's largest bank, will decide next month whether to keep HBM/Creamer or move its $10 million account. Other agencies snapping at the business are Cabot

(Continued on Page 35)

Lo[illegible] of flash, not much

Ca[illegible]

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NEWSPAPER

Aaron Cohen (l.), Grey Advertising's top broadcast media expert and former vp-national sales at NBC, is caught working the floor during the NATPE International syndication convention with client Avrum Geller, media services director at Block Drug, and Robert Giacomino, vp-media at Grey (r.). *Photos by Peter Merl.*

The King Brothers were the royalty of this year's NATPE convention. Roger (l.) and Michael's King World is the distributor of "Wheel of Fortune," the highest-rated show in syndication.

NATPE: Lots of flash, little ad cash

By VERNE GAY

San Francisco—It's 6 p.m. and a moment of repose has settled over this city by the bay that for five days this week was transformed into the game-show capital of the world.

After a frantic day of sifting through an endless skein of shows at the National Assn. of Television Program Executives International syndication convention, BBDO media director Arnie Semsky finally has a minute to sit back and reflect on the status of the not-ready-for-network tv industry.

"You have to put the syndication marketplace in perspective," said Mr. Semsky, who directs more than $500 million in network tv billings from his perch at BBDO. "From an advertiser sales standpoint, this is only a $500 million marketplace. Network news is $800 million. Prime time is $2 billion. For all the hoopla, syndication isn't that big."

But for all his protestations, Mr. Semsky is here at the head of a contingent that includes about a dozen BBDO executives. He also is playing host to officials from about 15 of BBDO's clients.

The presence of Mr. Semsky and his agency people and clients is indicative of one of the themes at NATPE this year. Advertisers in far greater numbers than ever before have descended on the convention floor of Moscone Center. Almost all of the top 20 agencies have representatives here. Executives from Procter & Gamble, General Foods, Bristol-Myers, Block Drug, Richardson-Vicks, Anheuser-Busch, Stroh Brewing and Eastman Kodak have maintained a far more visible profile at NATPE than in prior years.

NATPE is primarily a convention for station managers and their program directors. The goal of the syndicators is to clear their shows on enough stations to attract national advertisers. Selling to advertisers comes later in the normal scheme of things.

But clearly, things are not normal. Barter syndication this year has come of age. First-run syndicated shows more and more are turning to advertisers for support before they approach the station groups. And advertisers are looking at barter as an upfront commitment, rather than an add-on buy after all the other tv money has been spent.

Still, NATPE remains a kind of hall of fame for slick, fast-paced salesmanship. The hype is frenetic, although this year the emphasis is more on the programing than on t-shirt giveaways. Besides the presence of almost every game-show host that has ever been on tv, NATPE features a broad cast of characters walking the convention floor. There are robots galore, women in the scantiest bikinis, lady wrestlers as warmups for tag-team bouts between midgets and the casts from many syndicated shows.

Keeping a perspective in this carnival setting is an overwhelming assignment. But it is the advertising community that casts perhaps the most cynical eye on the flying promises and ephemeral dreams presented here. It is the advertiser who must foot the bill for the hype and hoopla.

Few advertiser deals are made at NATPE. The convention is more a reconnaissance mission for the admen, although P&G's media chief Jim Van Cleave did sign on for Paramount's "Small Wonder," a first-run show about a robot girl. Seven-Up Co., via N W Ayer ABH, also signed on as a sponsor for

(Continued on Page 33)

Tribute offered to syndie's new King-pin

By BOB MARICH

San Francisco—It was befitting that Roger King, the burly chairman of King World, hosted the opening-night festivities at the National Assn. of Television Program Executives International syndication convention here this week.

Mr. King and his family-owned company, which recently went public, are on a roll. Theirs is the house that "Wheel of Fortune" built, a game show not unlike the hundreds of others that preceded it in tv's "off-peak" hours.

King World's sudden and outrageous success speaks volumes about the fickleness of tv fortunes. King World's kingpin position in the syndication arena also demonstrates that ratings remain far more important than a Hollywood mailing address.

Mr. King, who runs the Summit, N.J.-based company with his two brothers, King World president Michael King and the younger Richard, spent the convention capitalizing on its position as the distributor that finally took down the heavyweight champ of syndicated game shows, "Family Feud." The knockout punch was so severe that Viacom, "Family Feud's" manager, announced "Feud's" retirement, even though for year after year no challenger had been able to draw blood from, let alone knock down, the almighty "Feud."

The ABC network morning version of "Feud" will continue in production.

Now Mr. King owns the undisputed champion of tv syndication. "Wheel of Fortune's" success with viewers is remarkable. It averages close to a 17 rating nationally, a number many network prime time shows would kill to attain. "Wheel" also has beaten all comers, including "Feud," "Entertainment Tonight" and many of the highly rated and high-priced off-network sitcoms and series that come from the traditional program powerhouses, the Hollywood studios.

Mr. King ran his exhibition booth at Moscone Center here like it was his own game show. Station programing chiefs and advertisers swallowed their sophisticated pride and curried the favor of Mr. King and his minions.

Steve Cohen, general manager of CBS-owned WCAU-TV in Philadelphia, emerged from a King World screening booth where he had just seen rushes for a new game show called "Headline Chasers" and said, "I love it. I want it now."

"Headline Chasers," bought by WCAU-TV and ABC-owned stations in New York and Chicago, is expected to be among the few series pilots that will gather enough station interest to air in September.

Phil Howort (l.), president of Ohlmeyer Advertising, New York, discusses the rapid growth of barter syndication with Henry Siegel, chairman of LBS Communications at the NAPTE convention.

Mr. King turned immediately to other station programers in his booth and asked if they concurred with Mr. Cohen. One programer said he did not.

"Well, hell, that's why you're only a program director at a dinky little station," joked Mr. King with a broad grin. It is the kind of joke that is funny only when the comic holds title to the hottest show in syndication.

King World is not alone in the circle of new titans in syndication. The other contenders also have quite different styles, and it is this variance in approach that adds to the vagaries of syndication.

Henry Siegel is the hard-driving chairman of LBS Communications, the Grey Advertising subsidiary that spearheaded the rapid expansion of barter in syndication. Mr. Siegel holds an iron-clad grip on LBS and runs it in no-nonsense fashion. His smile never reaches the dimensions of most of the gladhanders who dominate NATPE. In

(Continued on Page 33)

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ABP

ABC

ANPA

Research, marketing shortchanged

By Sherry Siegel

The city and regional magazines have arrived! At least according to their proud publishers and ad directors.

However, once you look beyond the bluster, you're likely to find these same people wearing hair shirts, doing penance for being so slow to attract national advertising. While the bigger, more cosmopolitan city and regional magazines have enjoyed a number of recent breakthroughs—particularly on the national ad front—many media executives say research remains inadequate and marketing efforts still are unfocused.

As the magazines band together, positioning themselves as a national buy, their research, which for the most part reports that city and regional readers are upscale, well-educated professionals, is plagued by the wide disparity between the top magazines and those in smaller markets. There are city magazines, and then there are city magazines, critics of the group concept say.

"Another way to say that is that the magazines are different," says Jack Higgons, marketing director of New York-based City & Regional Magazine Assn.

"These magazines to the best of their abilities reflect the needs and life styles of their communities."

The lack of adequate, believable research continues to cast a shadow over the group's marketing intentions, even though the CRMA-commissioned studies by Don Bowdren Associates, Huntington, Conn., have gone a long way toward closing the information gap. Mr. Higgons anticipates that all 39 CRMA members, which are monitored by the Audit Bureau of Circulations, will participate in the 1985 study, up from the 24 magazines that participated in the last study in 1983.

Still, the vast majority of city and regional magazines are too small to be audited by Schaumburg, Ill.-based ABC. This leaves agencies and advertisers with publishers' sworn statements as their source of hard data. While local research sometimes is used to fill the gap between these statements and syndicated research, some publishers almost would rather it wasn't.

"*Wyoming Monthly* puts out a report, and it turns out that Cheyenne Junior College did the research," one city magazine publisher says. "The guy at Philip Morris says, 'Come on, give me a break.' And a little bit of that rubs off on me. When the dinky ones use their own research, that's what gets us in trouble."

One agency executive says less-than-perfect research should not be an automatic disqualifier, however. "If a client lives or dies by national research," says Chuck Cohen, vp-media director for New York-based Peter Rogers Associates, city and regionals will not be considered. "But conceptual media does have a place alongside quantitative media." Mr. Cohen recently has placed ads for Grey Flannel, La Prairie, Cannon Mills and Blackglama in city and regional books for the first time.

As the magazines band together, positioning themselves as a national buy, their research is plagued by the wide disparity between the top magazines and those in smaller markets.

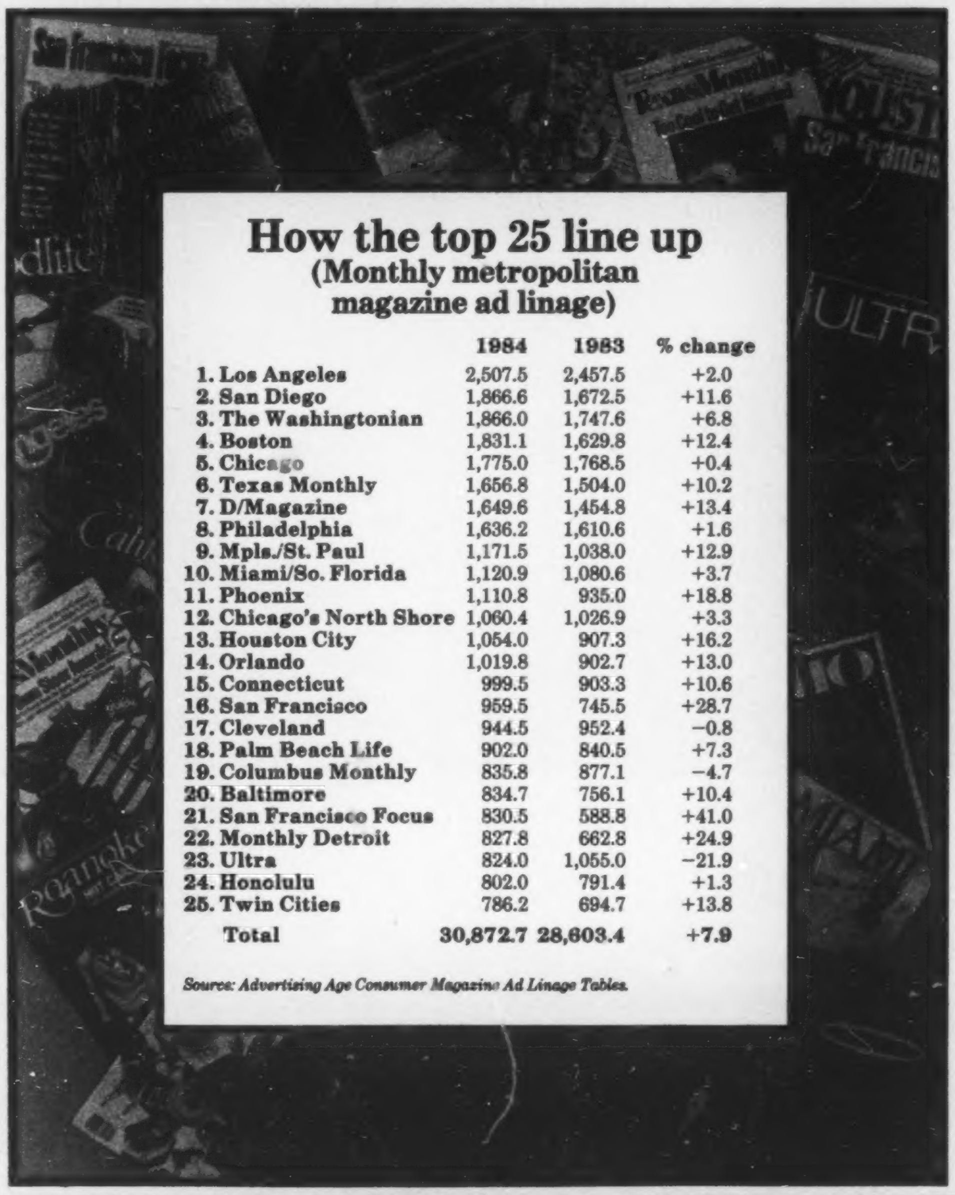
In addition to research woes, magazines that are not affiliated with networks or rep companies are criticized for their lack of promotional skills and helter-skelter marketing efforts. American International Group, New York, for example, is considering using city and regional magazines, says Robert McCourt, AIG's director-advertising and sales promotion. But he questions the uncoordinated approach taken by most magazines.

"The sales effort collectively or in small groups is sporadic. I'll get *Florida Trend* for a few months, then it will disappear," he says. "I don't know why I'm getting it, and then I never hear from space reps."

Similarly, when asked why First Boston doesn't use general-interest city and regional magazines, Joe Fashano, vp-corporate finance, who handles ad responsibilities, says: "Why don't they call?" While First Boston uses a number of local business books and occasionally a general-interest city and regional publication, Mr. Fashano says that for the most part, the life-style city and regional maga-

(Continued on Page 18)

Sherry Siegel is a New York-based, general assignment, free lance writer.



How the top 25 line up
(Monthly metropolitan magazine ad linage)

	1984	1983	% change
1. Los Angeles	2,507.5	2,457.5	+2.0
2. San Diego	1,866.6	1,672.5	+11.6
3. The Washingtonian	1,866.0	1,747.6	+6.8
4. Boston	1,831.1	1,629.8	+12.4
5. Chicago	1,775.0	1,768.5	+0.4
6. Texas Monthly	1,656.8	1,504.0	+10.2
7. D/Magazine	1,649.6	1,454.8	+13.4
8. Philadelphia	1,636.2	1,610.6	+1.6
9. Mpls./St. Paul	1,171.5	1,038.0	+12.9
10. Miami/So. Florida	1,120.9	1,080.6	+3.7
11. Phoenix	1,110.8	935.0	+18.8
12. Chicago's North Shore	1,060.4	1,026.9	+3.3
13. Houston City	1,054.0	907.3	+16.2
14. Orlando	1,019.8	902.7	+13.0
15. Connecticut	999.5	903.3	+10.6
16. San Francisco	959.5	745.5	+28.7
17. Cleveland	944.5	952.4	−0.8
18. Palm Beach Life	902.0	840.5	+7.3
19. Columbus Monthly	835.8	877.1	−4.7
20. Baltimore	834.7	756.1	+10.4
21. San Francisco Focus	830.5	588.8	+41.0
22. Monthly Detroit	827.8	662.8	+24.9
23. Ultra	824.0	1,055.0	−21.9
24. Honolulu	802.0	791.4	+1.3
25. Twin Cities	786.2	694.7	+13.8
Total	30,872.7	28,603.4	+7.9

Source: Advertising Age Consumer Magazine Ad Linage Tables.

THE
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AND
INFLUENTIAL
BUSINESS
LEADERS
IN THE
WASHINGTON, D.C.
AREA READ
REGARDIE'S
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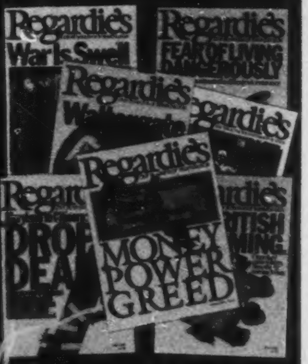

DEMOGRAPHICS
McGraw-Hill Research August 1984

Decision-Making Responsibilities

Accounting	35%
Advertising	44%
Banking	45%
Company Cars	37%
Computers	40%
Consulting	37%
Employee Benefits	42%
Furniture	44%
Insurance	42%
Investments	31%
Meetings	31%
Printing	39%
Real Estate	54%
Supplies	48%
Telecommunications	36%
Travel	42%

•
Average Personal Income
$110,370 per year
Average Personal Net Worth
$1.2 million
•
Average Value of
Investment Portfolio
$690,000
•
90% are in top
corporate ranks
•
52% are owners/partners
•
Guaranteed Circulation
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•

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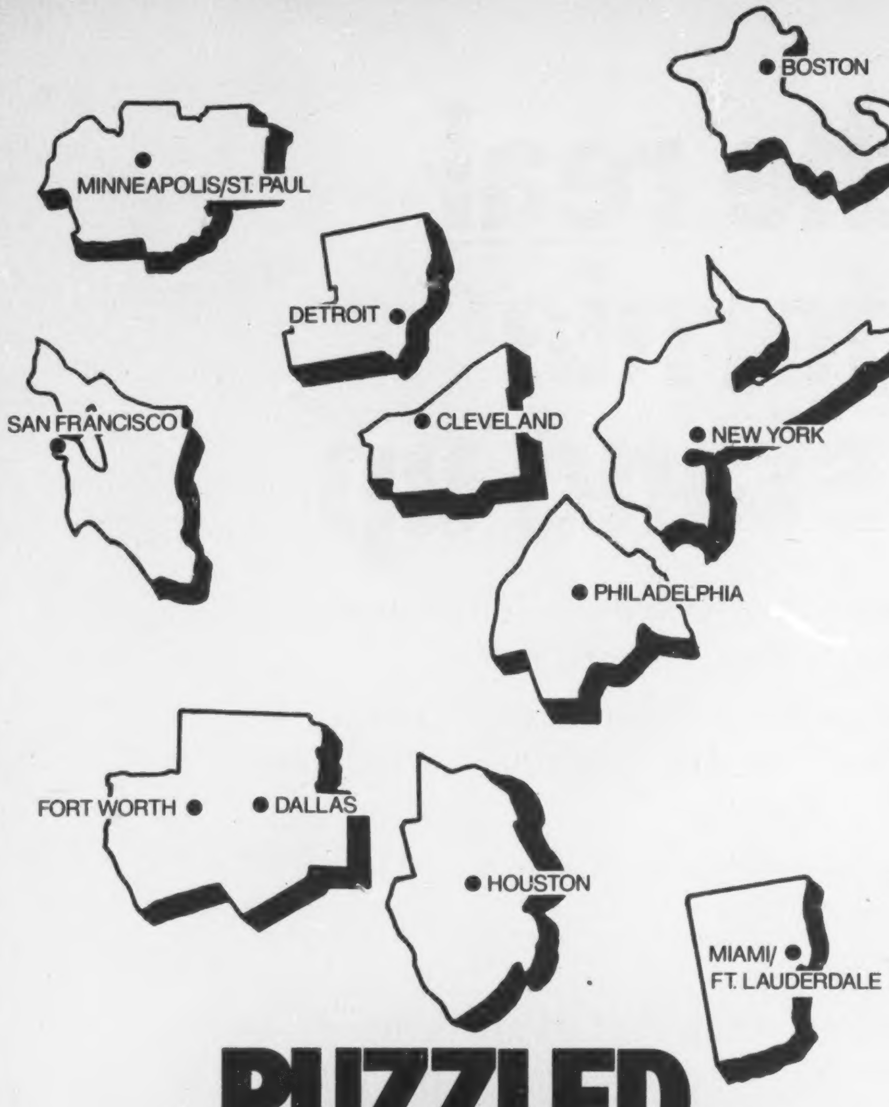

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MPLS/St. Paul Magazine • New Jersey Monthly • New Mexico Magazine •
Palm Springs Life • Philadelphia Magazine • Pittsburgh Magazine •
San Francisco Magazine • St. Louis Magazine

Research

(Continued from Page 16)

zines have not approached him. "I'm not aware of them, I don't get comp copies, I don't get media kits," he says.

Terry Murphy, publisher of Dallas-based *D*, admits some of the blame should be placed on his publishing brethren. Too often, he says, city and regional sales staffs take the Willie Sutton approach—go where the money is and go there often. "Neiman-Marcus is right here and they buy two ads an issue," Mr. Murphy says, "so let's go back to Neiman. But it's time to break new ground—we have to call on the wineries, the furniture companies, the computers."

Mr. Murphy says he and his fellow publishers are promoting themselves more aggressively, both individually and through the CRMA. He says that on a trip to the Hawaii Visitors Bureau, he wore two hats—one as *D's* publisher and another as a representative of city and regional magazines in general. Apparently he wore the second hat with more panache. "When the publisher of *Philadelphia* got the ad, he should have bought me a Mai Tai," Mr. Murphy says.

Perhaps the blame for these magazines' dearth of national advertising should be assigned not just to the magazines' lack of promotional savvy, but also to agencies and advertisers' shortsightedness. Bob Zach, media director for Chiat/Day, New York, long has been a believer in city and regional magazines, which he used in the early 1970s for Perrier and Heublein. If advertisers are missing out on the value of local and regional advertising, he says, it's the agencies' fault for not being more aggressive.

Editorial content occasionally is singled out as a problem. More than one magazine executive complains that big city media types don't realize the editorial that may cause them to sneer is read avidly in a midwestern town.

More media directors are getting this message. "These magazines aren't uniform, but I trust their editorial approach—it's germane to their region," says Leo Scullin, vp-director of print media for Young & Rubicam, New York. "Granted, they may not be as attractive as *New York* magazine, but they don't have to be."

As editorial matter is tailored to the area, so is advertising, including national advertising. "As big as we are, as well as we're doing, if you're making a call and the advertiser says, Los Angeles is not a market for us, you might as well pack up," says Nicki Campbell, director of advertising for *Los Angeles*.

Andrew Petkun, president of Allen Furniture in Needham Heights, Mass., says that despite

> **"These magazines aren't uniform, but I trust their editorial approach—it's germane to their region."**
>
> *—Leo Scullin*
> *Young & Rubicam*

Adding to ad mix

Major-market city and regional magazines are doing a much improved job of attracting national advertisers, according to most media executives. However, some notable gaps in the advertising mix persist.

Terry Murphy, publisher of *D*, Dallas, ticks off his magazine's promising attributes: Visually compelling, attractive demographics, plenty of local retail support in addition to national ads for fragrances, liquor, tobacco and expensive cars. But where, he asks, are the computer ads?

Every publisher has a wish list—oft-mentioned entries include wineries, stereos, furniture, corporate and personal finance ads—and the past year has seen city and regional books welcome new product categories to their pages.

A notable new entry is advertising for food—both gourmet and not-so-gourmet. General Foods, Kellogg, Land O'Lakes and Pepperidge Farm all started advertising in scattered city and regional publications. "Two years ago, you just wouldn't have thought that unsalted butter would come in," says Bill Barber, *Boston's* ad director.

Fashion advertising, mostly for local retailers, long has been a source of ad revenues for these books.

However, upscale national clothing marketers now are buying space without hooking into co-op arrangements with local stores. Notable among this group are Ralph Lauren and Blackglama.

According to media buyers, the economic upturn has led former supporters, most notably jewelers and travel companies, back into city and regional pages.

In addition, some financial and nonfinancial service companies are turning to city and regional publications for the first time as they expand their sales territories. Motorola Inc. has used them to promote cellular phones as cellular capability spreads geographically, says Leo Scullin, vp-director of print media, Young & Rubicam, New York. Similarly, the *New York Times* has advertised in city and a long advertising relationship and personal friendship with the people at *Boston*, he sees pros and cons about *Boston's* "editorial competence. Some things are very objective, other things are incredibly biased," he says. "But it's the only game in town. If we really want to do fine institutional advertising"—and Allen Furniture has won numerous industry awards for its advertising—"*Boston* magazine is where we do it."

Another problem city and regional books still face is getting the message out about their readership, which is skewed toward the monied crowd. "The biggest misconception about these books comes from our titles," says Bill Barber, *Boston's* ad director.

"They think we're read just in the Back Bay and Beacon Hill, but 83% of our circulation is in the suburbs," he says.

If that's not enough, the city and regional group faces increasing competition from similarly positioned ad vehicles. "Clients are more interested [in advertising locally], but there's more media available," Y&R's Mr. Scullin says.

Local business magazines are sprouting wildly, threatening to skim the cream of the city and regional's readership: Highly educated, affluent, professional males. And newspapers are overhauling their Sunday magazine sections, turning them into slick, glossy supplements.

But for some of the magazines, perhaps the most difficult battle is one of image—not necessarily theirs but their city's. Faith Gallo, publisher of *Pittsburgh*, says that although Pittsburgh's transformation into a service-based city has been well publicized, agencies and advertisers still consider Steel City a soot-covered, blue-collar town.

"They know U.S. Steel is here, they know Alcoa is here, they knew Gulf was here before the takeover," she says. "Yet when I tell them that Pittsburgh is the country's third largest corporate headquarters city, they're surprised. It doesn't sink in." She says some media planners have "never been west of Philadelphia and think Pittsburgh is a crummy place."

To them she points out that *Pittsburgh's* circulation has gone from 53,000 a year ago to nearly 60,000. January to June, 1984, ad revenues were up 11% over the similar period for 1983. The magazine is well accepted by local retailers, whose ranks include Gucci, Ralph Lauren and Saks Fifth Avenue, she says. "You really don't mind something if it's deserved, but it's so unfair. We merit more national advertising than we get," Ms. Gallo says.

"The biggest misconception about these books comes from our titles . . . . 83% of our circulation is in the suburbs."

—***Bill Barber***
Boston

City and regional magazines are working hard to sing their tune to the agencies and to make sure Ms. Gallo's plaint doesn't become their own melancholy theme song.

---

regional books as its circulation reach broadens, says Joel Kushins, senior vp-media director at New York-based Bozell & Jacobs.

Another indication that city and regional magazines are getting their messages out to advertisers and agencies is the debut of multiple-page ads and preprinted inserts.

The California City Group—*Los Angeles, San Diego* and *San Francisco Focus*—ran its first catalog section, about four pages, together with an insert card in September.

But most exciting to many city and regional promoters is the recent Walt Disney buy. This month, Walt Disney World Co. ran inserts in all 36 magazines in the City & Regional Magazine Assn. network.

According to Bernie Bullard, ad manager for Walt Disney World Co., the creation of the CRMA network was a major influence on Disney's decision. The company began investigating city and regional books about two years ago because the readership—white collar, upscale—"fit almost like a glove," he says. Before the network, it was too difficult to buy into each magazine individually, Mr. Bullard says.

The CRMA will work actively to entice some heavyweights, including International Business Machines and American Telephone & Telegraph, to advertise in the magazines, according to Jack Higgons, marketing director.

But the association is not the only organization winning praise for upgrading the advertising. The rep companies are "packaging these magazines for the first time," Y&R's Mr. Scullin says.

But Mr. Murphy's question—"Where are the computers?"—remains. David Yoder, media director for Chiat/Day, San Francisco, and a member of the Apple Computer team, says: "We provide a national umbrella and do things dealers can't do themselves, like go into the Super Bowl or '60 Minutes.' We can't be all things to all people."

And neither can the magazines. In the long run, these publications must come to terms with what they are: Magazines that independently serve a limited market. Depending on their goals and the advertiser's attitude, this characteristic either will continue to haunt or help their ad efforts. —*S.S.*

Boston
THAT MILLION DOLLAR LOOK
You Can Have It, Too
Manhattan,inc.
ROY COHN: ALL POWER, NO LUNCH
THE NEW SWIMMING CRAZE
DONALD TRUMP TAKES ON ATLANTIC CITY
Philadelphia
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BELLY-FILLING REPORTS ON:
Special Report
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(212) 697-2100

Philadelphia Magazine
1500 Walnut Street, Philadelphia, PA 19102
(215) 545-3500

$1.25 a copy; $55 a year

Monday, January 21, 1985

Advertising Age®

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CNN: Features in the future

Net to soften its hard-news image

By SUSAN SPILLMAN

In a major promotional shift, Cable News Network next month will begin repositioning itself as "'Good Morning, America' 24-hours a day."

Without changing its on-air rotation, CNN will attempt to repackage its public image from an around-the-clock, hard news service to a broad-appeal news, information and entertainment channel. The image revamp, which is being applauded by agency executives, is a response to a research study that revealed that CNN subscribers "didn't understand [the] service."

It is also viewed as the only option left to CNN's owner, Turner Broadcasting System, to widen CNN's viewer base and attract greater ad revenues.

It is the first repositioning of the cable news channel since its inception in June, 1980.

"In the past, our advertising has been directed to the person who just wants to sit down and watch hard news," said Ron Harris, TBS director of advertising. "But we're more than that. We're sports, weather, interviews and entertainment shows. We want to be known as 'Good Morning, America' 24 hours a day."

To that end, the network has already dumped its slogan "CNN: Anything else is old news." In late February, the CNN slogan will become: "Experience life on CNN." The new theme will provide the core for all on-air promotion, as well as cable tv, network radio and national print advertising. Cable and radio spots will break next month, with print support following in March.

The new campaign, being handled in-house, will emphasize CNN's variety in programing. Each advertisement will tout several shows, such as the interview program "Freeman Reports," the debate show "Cross Fire" and its new "Entertainment Tonight" clone "Show Biz Today." Clips from these shows will be interspersed with closeups of viewers giving their reactions to the segments. No budget was disclosed.

CNN execs "realize that they're at a new plateau of maturity," said Ron Kaatz, senior vp-U.S. director

(Continued on Page 82)

Third and two

Can Rozelle save tv deal?

By ROBERT RAISSMAN

PALO ALTO, CAL.—When Super Bowl XIX ended yesterday, Pete Rozelle knew football's most important game wasn't over. The National Football League commissioner for the past 25 years knew it was really third down and a long two to go.

The Super Bowl capped the third year of the NFL's five-year, $2.1 billion tv deal with the Big 3 tv networks—a deal that has not worked the way anyone expected.

The first year there was a players' strike that shortened the season. During the next two years, tv ratings were down. And, Mr. Rozelle says, if the ratings don't rebound in the next two seasons, the NFL cannot expect the networks to top or even match that $2 billion plateau.

"We have to tailor our thinking to what the situation [will be] after two more years of ratings," Mr. Rozelle said. "I don't expect to get 2½ times more in quantum escalations that we've had in the past, based on what's happening now."

The value that the tv nets will place on the next NFL contract will be based on their projections of what advertisers will pay to appear in the games and the number and types of advertisers that will be attracted to the premium-price programing vehicle.

The networks will bring to the table their sense of advertiser attitudes toward the intangibles that make pro football a unique marketing vehicle in tv sports. Among the most important of those intangibles are football's demographics, the impression that its audience is composed of multiple viewers

(Continued on Page 82)

ABC's Roone Arledge says the networks must fight moves to ban beer advertising. See Page 3.

Photo by Arnie Adler

Pete Rozelle says advertisers may "choke" on higher NFL tv ad costs some day. But not yet.

RJR puts on the Ritz; PM goes to Rio

By WILLIAM F. GLOEDE

The cigaret market is headed for further segmentation as the two giants of the industry roll new products in coming months: The first designer name brand pitched at upscale, fashion-conscious women and an Hispanic smoke.

R.J. Reynolds Tobacco Co., Winston-Salem, N.C., will introduce Ritz, a 100mm, low-tar regular and menthol smoke carrying the Yves St. Laurent logo, into four markets March 4. Ritz will be tested in two markets at regular, branded prices and in two others at premium prices.

Industry leader Philip Morris Inc., New York, is gearing up for a test of a new brand called Rio, a full-flavored menthol (16mg tar, 1.1mg nicotine), aimed at Hispanics.

PM would not comment on Rio. Sources could not pinpoint test markets, but the new smoke is expected to appear soon in what was described as "red hot packaging." Wells, Rich, Greene, New York, is the agency.

The Hispanic market already has been mined by Liggett & Myers Tobacco Co., Durham, N.C., with its L&M Superior and Dorado

(Continued on Page 78)

Last Minute News

Klompus is out at TCS/Metrosports

PITTSBURGH—TCS/Metrosports president Leonard Klompus has resigned. TCS/Metrosports, the largest syndicator of collegiate sports in the U.S., did not explain the move. Chairman Nelson Goldberg will add the title of president.

Marching orders ready for 1776 military smoke

VIENNA, VA.—Park Avenue Tobacco Co. is expected to announce today a new cigaret for distribution to smokers in the U.S. military. Called 1776, the new, 100mm full-flavor smoke will be available in regular and menthol styles. Park Avenue is a new company headed by James Dowd, former marketing director-generics and private label brands at Liggett & Myers Tobacco Co. Advertising plans could not be determined.

Tupperware takes lid off tv campaign

ORLANDO, FLA.—Tupperware International broke its first consumer ad campaign in recent years Jan. 20 on ABC's "Sunday Night Movie." The tv spot will run during two three-week flights in daytime and prime time, supported by color magazine spreads. Young & Rubicam, Chicago, is the Tupperware agency.

Fairbanks stars in Wool Bureau campaign

NEW YORK—The Wool Bureau, using spokesman Douglas Fairbanks Jr., will kick off a new radio campaign next month aimed at women. A second

(Continued on Page 8)

Big Mac is back

The rap sheet on McDonald's is being rewritten. The burger giant is proving it's still the force to be reckoned with in fast food. Corporate Closeup: Page 3.

NEWSPAPER

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DC2001$CONGL1 FMJF M
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SRI ACQUISITIONS
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WASHINGTON DC 20014

Half-billion $ capital investment

P&G pampers diaper brands

By NANCY GIGES

New York—Procter & Gamble demonstrated last week that it intends to wear its disposable-diaper crown regally.

The intensity of P&G's all-out effort to regain a stronger position in the $4.7 billion worldwide disposable-diaper category (AA, Dec. 24) was highlighted when the company held a rare press conference, its second here in less than a month, to proclaim a $500 million capital investment plan for those products.

Over the next two years, Cincinnati-based P&G will spend more than a half-billion dollars to retool its plants worldwide and will commit at least $100 million to advertising in the U.S. to tell the story of "new, improved" Pampers.

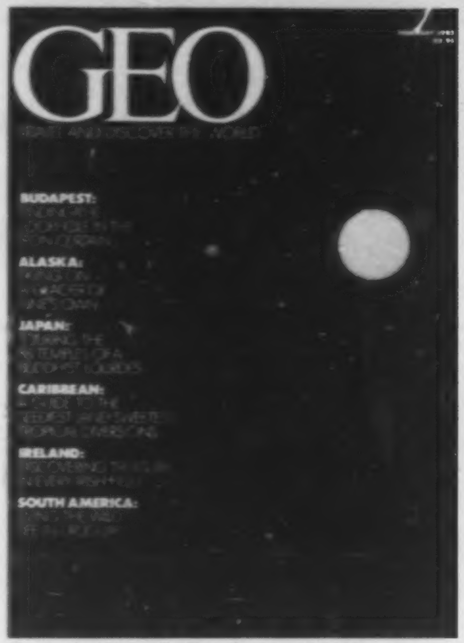
Benton & Bowles handles Pampers in the U.S. The domestic market for diapers totals $2.7 billion at retail.

P&G has concluded that success in the disposable-diaper market lies in the premium-price segment, which now includes Kimberly-Clark Corp.'s Huggies and P&G's Luvs.

The new Pampers being rolled out this week in Florida and South Georgia has been redesigned and upgraded to a premium-price product. It is similar, but not identical, to the diaper P&G is testing in Wichita, Kan.

Some of the features that P&G claims will make it the best product by far in the marketplace in-

(Continued on Page 78)



Geo's last hurrah: The 5-year-old slick, general-interest magazine folds with its February issue.

'Geo' goes off without a niche

By WILLIAM F. GLOEDE

The death of Knapp Communications' *Geo* brought forth expressions of sorrow from readers and advertisers alike, but industry analysts believe the decision to fold the book was inevitable (AA, Jan 17).

An expensive folding it was. Between Knapp and Gruner & Jahr, the company that launched *Geo* in the U.S., more than $70 million was spent trying to turn the magazine's balance sheet from red to black. It was, according to highly placed trade sources, one of the most expensive magazine failures in history.

"It never had a targeted audience that was definable, attractive and American," said J. Kendrick Noble, publishing analyst for Paine Webber in New York.

"It never really found its niche," said Paul Zuck-

(Continued on Page 80)

Highlights

Nike Inc., recovering from its first-ever quarterly net loss, is expected to prune its advertising and promotional budget by 10% this year. *See Page 6.*

Saatchi watchers are wondering whether the loss of Tim Bell, international chairman and one of the co-founders of Saatchi & Saatchi, will damage prospects for future agency growth. *See Page 10.*

Holly Farms Poultry Industries expects its new bite-size chicken nuggets to be so popular that imitators will flock to the segment within three months. Ads feature Dinah Shore. *See Page 28.*

Canned goods aren't exactly high-tech, but the Canned Food Information Council thinks its state-of-the-art campaign will rival the impact of Apple Computer's ads in making its product desirable. *See Page 28.*

Add Grey Advertising to the growing list of marketing-oriented, package goods ad agencies that have fallen to the lure of creativity. *See Page 32.*

Many ad agencies say their work for clients is all the advertising they need, but other agencies use house ads to promote their services. *See Page 36.*

All of life's changes can contribute to stress, and learning how to manage those changes and thereby control the stress can lead to a happier, healthier life. *See Page 38.*

While some feel that advertising populated with lithe, tanned and bikinied girls is the formula for successfully selling suncare products, Plough Inc. is abandoning warm bodies for animation in ads for its new Shade sunscreens. *See Page 56.*

Advo/Blair, the direct-mail marketing unit of John Blair Corp., is pressing the U.S. Postal Rate Commission to recommend sharply higher postal charges for daily newspaper "total market coverage" programs. *See Page 66.*

A decision by a former director of the Courier-Journal and Louisville Times Co. to sell her shares in that company and in two other family-owned companies may start a movement to wrest control of the businesses. *See Page 73.*

A British company that says it has captured 30% of the U.K. market for game software in less than a year will try to export its success to the U.S., using K mart stores as its port of entry. *See Page 76.*

CORPORATE CLOSEUP

McDonald's Corp. in the past year has come alive. It has been making important adjustments in its thinking and operations that augur significant long-term changes. *See Page 3.*

FORUM

Author William Meyers looks at the consumer culture of the future. *See Page 18.*

Daniel Hoover explains why political ads don't have to measure up to industry standards. *See Page 18.*

INTERNATIONAL

Batey Ads, a leading Singapore agency, is making a major push into the U.S. market with a little help from its friends at Della Femina, Travisano & Partners in Los Angeles. *See Page 46.*

The advertiser backlash against rising network tv costs in the U.S. can get rough, but nothing like what is happening in Hong Kong, where a handful of major advertisers is threatening to remove ads from one of the colony's two tv stations because of alleged "unprofessional conduct." *See Page 46.*

The Reader's Digest Assn.'s plans to snare more black readers in South Africa has been sidetracked by a severe recession and a three-year drought. After a subscription drive last year among affluent and educated blacks, many potential subscribers decided to forego the *Digest* offer and all marketing efforts were cut back. *See Page 48.*

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  1984, CONSUMER PUBLICATIONS 75
SEAGRAM'S AGENCIES 4

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ABP ABC ANPA

'Lemmings' spot hits sea of hype

By CLEVELAND HORTON

Apple Computer's 11th-hour turnabout decision to air its costly "Lemmings" commercial during the Super Bowl carried the blessings of the company's top managment, though it aired against their better judgment.

The sequence of events surrounding Apple's "go-no, go-go" debate appeared to many in the advertising community to be Madison Avenue's contribution to Super Bowl XIX's fabled media hype.

One tv commercials producer familiar with the Chiat/Day-created "Lemmings" work said there was "no way" Apple would skip putting the commercial on the Super Bowl. He added that some promotion-inspired misdirection about the spot's future role had to help Apple in its battle against giant IBM Corp., as well as Chiat/Day's creative cachet.

As the story goes, it seems that neither Apple chairman Steve Jobs nor president John Sculley wanted to run "Lemmings" during Super Bowl XIX. Both men felt that the commercial paled by comparison to "1984," the Apple spot that stunned many viewers of last year's game (AA, Jan. 14).

However, the two ultimately left the final decision to Mike Murray, marketing manager for Apple's Macintosh line, after hearing impassioned pleas from Chiat/Day. And it was Mr. Murray who de-

(Continued on Page 80)

Yes, they'd go this far in fare fight

American takes flier

By TOM BAYER

Dallas—American Airlines last week trumpeted slashed fares in ads asking "Whoever thought we'd go this far?" as competing carriers and their agencies scurried to go just as far.

American, the nation's No. 2 carrier, announced Jan. 17 it would offer "Ultimate Super Saver" fares next month on more than 2,400 routes. The highly restricted, mileage-based structure drops one-way fares to between $39 and $129, or about 70% below regular full-fare coach rates.

Competitors reacted quickly. Within hours of American's announcement, most other major carriers grudgingly agreed to match the special fares, which require 30-day advance purchase.

Staffers on the United Airlines account at Leo Burnett Co., Chicago, worked through the night after American's announcement, sources said.

As a result, Elk Grove Village, Ill.-based United placed its own ads Jan. 18 for what it called "Ultra-Saver fares."

"We really had to hustle," admitted a United spokesman, "but we knew that American was going to announce lower fares. Once we decided that we would match them, it was only a matter of seeing what their fares were and then going to work."

American's campaign, created by Bozell & Jacobs/Southwest, included heavy newspaper and radio buys in 92 cities, with spot tv in its

(Continued on Page 78)

Thursday:

Sunday newspapers are prospering, reporting more than six times the circulation growth of weekday papers in the past decade. The Sunday paper's role in the U.S. newspaper industry will be examined in Special Report: Newspapers in next Thursday's edition of Advertising Age.

Nike weighing ad, promo budget cuts

By RUTH STROUD

Nike Inc., recovering from its first-ever quarterly net loss, is expected to prune its advertising and promotional budget by 10% this year.

The Beaverton, Ore.-based athletic shoe and apparel company made marketing news last year with its first corporate campaign by Chiat/Day, Los Angeles. The campaign was noteworthy for its all-art, no copy approach.

It reported a $2.2 million net loss for the second quarter ending Nov. 30, however, although revenues increased 9% compared with the same period in 1983.

Nike blamed a 34% increase in sales and administrative costs (of which promotional/endorsement costs are said to be a large part), plus lowered margins on its athletic shoes, for the loss. Orders for domestic footwear due to arrive during the next six months were down 31% compared with the previous year, primarily because of an enormous backlog of shoes piling up on store shelves.

The surplus, which has reached as many as 22 million pairs of shoes in recent years, has been whittled down to what Philip Knight, chairman and president-ceo, calls a manageable level of 11 million-to-12 million pairs.

Chris Van Dyke, a Nike spokesman, said the company is "tossing around" 10% as an amount by which it may cut its promotional expenditures. The 13-year-old company reportedly spent more than $53 million for advertising, publicity, athletic sponsorships and payments to its stable of athletes in fiscal 1984. An estimated $16 million to $20 million was spent in advertising during calendar 1984, including the corporate—and widely publicized—Chiat/Day campaign.

The company has six and seven-figure contracts with many prominent athletes, including Chicago Bulls' rookie basketball player Michael Jordan, tennis pro John McEnroe and marathon runners Joan Benoit and Alberto Salazar.

Nike isn't expected to scuttle its 1985 advertising plans, but simply spend its promotional dollars differently, Mr. Van Dyke said. At least two promotions breaking this spring will center around two star athletes and new apparel and shoe lines carrying their names. Other apparel and/or shoe lines are available or in development.

Mr. Jordan will appear in ads for his Air Jordan apparel and basketball shoe lines (AA, Oct. 18); Mr. McEnroe will tout a line of tennis apparel.

A running line for women bearing Ms. Benoit's name also is in development.

Mr. Salazar's autograph has graced his "PR" (for "personal record") line of running wear since last fall, and he has appeared in print ads.

In both its promotions and its new-products ventures, the company clearly is seeking to broaden its image beyond its roots as a running-shoe company.

Capitalizing on the fitness boom, Nike plans to introduce its first aerobics shoe, the Air Conditioner, and its first bicycling shoe, the Velo, at the National Sporting Goods Assn. meeting in Dallas this month.

Most of Nike's current troubles can be traced to flattening of the running-shoe market, the major portion of the company's one-third share of the $2 billion U.S. athletic shoe market.

Sales of running shoes in the U.S., once the key growth factor in Nike's business, were down 28.7% for the quarter, while sales of its court shoes (basketball and tennis) were up 4.7%.

Sales in international and apparel, areas on which Nike has placed more emphasis since the running boom began to lose its luster, grew 42.2% and 51.6% respectively, still not enough to brighten the over-all profit picture for Nike.#

CORRECTIONS & CLARIFICATIONS

- The correct Consumer Magazine Ad Linage listing for *Town & Country* (AA, Dec. 24, P. 35) should have read: December, 1984: 195.6 ad pages; 1,893 pages for the year 1984, making '84 the 138-year-old publication's most successful ad page/revenue year. The correct 1983 ad page total for *T&C* is 1,814. The figures published in the AA chart were for the second half, rather than for the full year.
- Chesebrough-Pond's Rave conditioner is handled by Ogilvy & Mather (AA, Jan. 7, P. 56).
- Del Monte Corp.'s Sunkist Drinks unit's reformulated diet Sunkist orange soft drink will use 100% aspartame, not a saccharin-aspartame blend as reported (AA, Jan. 14, P. 8).
- The correct name of E. & J. Gallo Winery's new wine cooler is Bartles & Jaymes (AA, Jan. 14, P. 8).
- Advertising for Volkswagen's Jetta model was created by Doyle Dane Bernbach's Troy, Mich., office (AA, Jan. 14, P. 34).
- The Sugar Assn.'s proposed 60% ad budget increase is expected to be approved March 1. The group's new campaign will include network radio and national print buys and a test of tv, not network tv as reported (AA, Jan. 14, P. 8).#

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–Alex Stefanishin, President
Anders Advertising, New York City

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The Beta zoom lens can reduce and enlarge originals to a virtually limitless range of copy sizes. From almost 50% larger than the original to 50% smaller.

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"70% or so of our work is routine sizing. And that's where the 450Z's speed, convenience and cost savings beat the pants off a stat machine."

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BETA
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Guaranteed

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

January

— Art & antiques —

	Pages Jan. 1985	Pages Jan. 1984
American Artist	68.4	46.9
Antiques	218.2	207.3
Antique Monthly	—	—
Art in America	85.5	101.0
Southwest Art	69.5	75.3
Total Group	**441.6**	**430.5**
% change		+2.5%

— Auto/cycle/rec. vehicles —

	Jan. 1985	Jan. 1984
AutoWeek	101.0	78.2
Car & Driver	110.6	60.2
Car Collector & Car Classics	21.0	20.0
Car Craft	46.9	37.0
Cycle	32.3	23.9
Cycle Guide	21.2	23.3
Cycle World	39.1	26.2
Dune Buggies & Hot VWs	76.1	80.9
Family Motor Coaching	—	—
4 Wheel & Offroad	54.3	42.3
Four Wheeler	70.3	48.2
Hot Rod	31.8	30.6
Motorcyclist	16.8	14.8
Motor Trend	55.2	41.6
Motorhome Life	94.7	73.5
Pickup, Van & 4 WD	17.4	13.1
Road & Track	97.4	73.3
3 Wheeling	46.6	25.4
Trailer Life	107.8	106.2
Total Group	**1,040.5**	**818.7**
% change		+27.1%

— Boating & yachting —

	Jan. 1985	Jan. 1984
Boating	145.8	150.2
Chesapeake Bay	26.1	27.3
Cruising World	124.4	142.1
Lakeland Boating	—	—
Motor Boating & Sailing	215.1	171.3
Sail	—	—
Sea & Pacific Skipper	49.1	54.4
Small Boat Journal (6X)	—	—
Trailer Boats	29.5	26.3
Western Boatman (6X)	54.1	39.3
Yachting	216.4	203.5
Total Group	**714.7**	**814.4**
% change		−12.2%

— Canadian —

	Jan. 1985	Jan. 1984
L'Actualite	26.7	39.0
Chatelaine:		
English Edition A.	60.8	62.7
French Edition	43.5	55.2
City Woman (5X)	—	—
Equinox (6X)	19.8	29.8
Financial Post Magazine A.	30.0	23.9
Flare A.	37.4	55.2
Homemaker's Magazine	—	—
Madam Au Foyer	—	—
Macleans (52X) A.	62.7	78.4
Montreal Calendar	19.3	23.0
Montreal Ce Mois Ci	19.[illegible]	23.0
Reader's Digest:		
Canadian-English A.	60.8	62.7
Canadian-French A.	43.5	55.2
Toronto Life	61.1	50.1
Vancouver	—	—
Total Group	**485.5**	**558.2**
% change		−13.0%

— Civic/fraternal —

	Jan. 1985	Jan. 1984
American Legion	28.7	31.4
Elks Magazine (10X)	25.5	34.9
Kiwanis Magazine	13.6	13.3
Lion (10X)	6.7	6.0
Moose Magazine	—	—
Rotarian	13.6	17.1
V.F.W. (10X)	23.9	29.9
Total Group	**112.0**	**132.6**
% change		−15.5%

— Comics —

	Jan. 1985	Jan. 1984
Archie Comic Group (6X)	—	—
DC Comics	9.0	9.5
Total Group	**9.0**	**9.5**
% change		+0%

— General —

	Jan. 1985	Jan. 1984
American Health (10X)	42.3	54.0
American West (6X)	25.5	22.5
The Atlantic A.	36.7	29.5
Audubon Magazine (6X)	30.9	23.6
Bon Appetit A.	56.2	49.8
Changing Times	35.4	47.5
Connoisseur	42.1	29.4
Cuisine Magazine	—	—
Ebony	64.9	54.5
Fifty Plus	34.3	40.7
Food & Wine	34.5	33.2
Games	16.9	27.3
Geo	22.8	37.4
Gourmet	—	—
Home Entertainment (8X)	—	—
Harper's Magazine A.	27.2	28.4
Life	77.9	84.3
Modern Maturity (6X)	43.8	25.2
Money	95.4	81.1
Moneysworth (4X)	13.8	17.2
Mother Earth News (6X)	53.0	62.7
Mother Jones (10X)	12.3	16.7
National Geographic	14.8	17.3
Prevention	64.6	68.9
Psychology Today	26.7	22.2
Reader's Digest A.	56.4	62.1
Saturday Evening Post (9X)	—	—
Signature	39.1	41.5
Smithsonian	68.0	66.5
Success	30.2	36.6
Town & Country	86.9	65.6
Travel/Holiday	37.3	35.1
Travel & Leisure	60.0	62.3
Vanity Fair	28.2	25.3
Video	78.2	74.8
Video Review	63.4	61.6
Writers Digest	23.5	23.4
Yankee	71.4	101.0
Total Group	**1,514.6**	**1,503.9**
% change		+0.7%

— Home —

	Jan. 1985	Jan. 1984
Americana (6X)	40.3	34.5
Architectural Digest A.	75.6	73.6
Better Homes & Gardens	65.3	70.4
Colonial Homes (6X)	46.2	49.5
Country Journal	30.3	50.9
Country Living	56.7	49.6
Dallas/Ft. Worth Home & Garden	54.7	52.7
Family Food Garden (6X)	—	—
Family Handyman (10X) A.	61.6	61.6
Flower & Garden (6X)	—	—
Home	44.5	34.8
The Homeowner (10X)	32.5	24.5
Horticulture	—	—
House Beautiful	58.5	60.4
House & Garden	67.8	45.2
Houston Home/Garden	82.7	72.7
Metropolitan Home	38.3	47.5
New Shelter (9X)	51.7	55.1
1001 Home Ideas	—	—
Organic Gardening	69.7	91.8
Phoenix Home/Garden	63.5	56.0
San Diego Home/Garden	57.0	55.5
Southern Accents (6X)	73.5	49.0
Southern Living	80.0	78.7
Sunset Magazine A.	84.2	68.7
Texas Homes	94.2	94.2
Workbench (6X)	64.3	68.0
Total Group	**1,393.1**	**1,344.9**
% change		+3.6%

— In-flight & other passenger —

	Jan. 1985	Jan. 1984
Aboard Group (7) (4X)	—	—
Alaska Airlines	38.6	35.5
Alaskafest	—	—
American Way	86.5	91.7
Continental	46.3	48.5
East/West Network:		
Eastern Review	84.2	109.7
Northwest Orient	34.2	27.7
Ozark	34.3	43.0
PSA Magazine	66.0	78.2
Pan Am Clipper	55.0	40.2
Republic Scene	43.2	51.5
United	78.7	91.3
USAir	40.5	50.0
Western's World	44.3	50.7
Halsey Publications:		
Air Cal	39.3	38.0
Delta Sky	56.3	71.8
Frontier	26.3	39.7
Skylite	28.7	19.0
Hawaii	23.8	22.2
Pace (6X)	53.0	77.8
Southwest Airlines	53.3	74.3
Spirit of Aloha	23.7	20.9
Total Group	**956.2**	**1,081.7**
% change		−11.6%

— Men's —

	Jan. 1985	Jan. 1984
Esquire	43.7	44.9
Firehouse Magazine	43.2	41.5
Gentlemen's Quarterly A.	—	—
Penthouse A.	51.9	50.1
Playboy A.	94.0	93.2
Total Group	**232.8**	**229.7**
% change		+1.3%

— Metropolitan —

	Jan. 1985	Jan. 1984
Aloha (6X)	28.2	25.2
Atlanta	41.0	27.0
Baltimore	58.5	44.8
Boston	145.9	116.6
California	—	—
Charlotte (10X)	—	—
Chicago	100.2	123.0
Chicago's North Shore	81.2	72.6
Cincinnati	—	—
Cleveland	—	—
Coast (38X)	70.4	77.0
Columbus Monthly	75.6	50.7
Commonwealth	60.3	50.0
Connecticut	91.2	71.5
Country Magazine	28.8	23.3
D/Magazine, Dallas/Ft. Worth	116.3	87.7
Denver	18.5	14.3
Exclusively Yours, Wisconsin (15X)	—	—
Grand Rapids	36.0	35.3
Gulfshore Life (10X)	85.6	72.8
Honolulu	79.1	51.3
Houston City	72.0	58.0
Indianapolis	32.4	40.0
Kansas City	31.4	31.6
Los Angeles	143.5	150.0
Louisiana Life (6X)	71.3	63.2
Madison	80.0	61.0
Metropolitan Detroit	76.5	—
Miami Mensual	40.5	35.0
Miami/South Florida	99.6	97.4
Milwaukee	54.3	26.9
Minneapolis/St. Paul	112.0	56.8
Monthly Detroit	47.4	22.0
Nashville	—	—
New Jersey Monthly	54.8	42.5
New Mexico	58.5	41.0
Ohio	52.8	37.2
Oregon	—	—
Orlando	98.0	74.0
Palm Beach Life	118.1	108.1
Palm Springs Life	—	—
Philadelphia	102.0	82.8
Phoenix	117.2	93.3
Pittsburgh	48.8	43.3
St. Louis	53.0	41.0
San Diego	163.8	121.1
San Francisco	93.0	47.8
San Francisco Focus	74.7	35.5
Tampa Bay	—	—
Texas Monthly	91.7	81.3
Twin Cities	56.3	46.6
Ultra	53.4	61.8
The Virginian	58.0	40.0
Washington Dossier	—	—
The Washingtonian	147.0	109.0
Total Group	**3,418.8**	**2,691.3**
% change		+27.0%

— Movie/romance/radio/tv —

	Jan. 1985	Jan. 1984
Macfadden's Women's Group:		
Modern Romances	16.5	14.0
Secrets	16.5	14.0
True Confessions	16.5	14.0
True Experience	16.5	14.0
True Love	16.5	14.0
True Romance	16.5	14.0
Sterling Women's Group:		
Daytime TV	28.5	26.5
Modern Screen	—	—
Movie Mirror (6X)	—	20.5
Soap Opera Stars	—	19.5
TV Movie Screen	—	—
TV Picture Life	—	20.5
Teen Bag (6X)	7.4	—
Total Group	**134.9**	**171.0**
% change		−21.1%

— Music/entertainment —

	Jan. 1985	Jan. 1984
American Film (10X)	34.2	40.3
Circus Magazine	—	—
Dance Magazine	56.1	60.3
Musician	48.7	56.0
Playbill	43.6	47.2
Record	15.1	20.4
Stereo Review	47.2	42.3
Total Group	**244.9**	**266.5**
% change		−8.1%

— National Sun. magazines —

	Jan. 1985	Jan. 1984
Family Weekly A.	57.2	71.5
Parade	47.1	79.3
Total Group	**104.3**	**150.8**
% change		−30.8%

— Outdoor & sport —

	Jan. 1985	Jan. 1984
Alaska	42.5	34.8
The American Handgunner (6X)	33.0	35.0
American Hunter	15.2	14.7
American Rifleman	26.7	26.2
Backpacker (6X)	25.3	31.2
Bass Master (8X) A.	47.4	44.2
Bicycling (9X)	80.7	92.9
Field & Stream	54.3	52.7
Fins & Feathers A.	25.9	31.1
Fishing World (6X)	30.1	31.2
Florida Sportsman	89.8	75.1
Flying	39.9	32.2
Fur-Fish-Game	19.9	27.2
Golf Digest C.	107.6	44.0
Golf Magazine	137.5	137.7
Guns	21.0	21.0
Guns & Ammo	35.8	29.4
In-Fisherman (6X)	115.0	114.0
Muscle & Fitness	103.3	119.0
Outdoor Life	43.2	50.6
Outside Magazine	—	—
Petersen's Hunting	29.3	25.2
The Runner	27.0	37.8
Runner's World (13X)	—	—
Salt Water Sportsman	76.1	62.8
Shooting Times	—	—
Ski (8X) A.	75.5	95.1
Skiing (7X)	87.8	87.3
Skin Diver	73.5	71.9
Southern Outdoors (8X)	38.1	36.4
Sport	36.5	36.3
Sports Afield	61.0	62.6
Tennis	51.1	41.4
Western Outdoors (10X)	30.3	34.7
Total Group	**1,680.3**	**1,635.7**
% change		+2.7%

— Photography —

	Jan. 1985	Jan. 1984
American Photographer	45.7	38.3
Petersen's Photographic	23.9	29.7
Popular Photography	89.2	90.1
Total Group	**158.1**	**158.1**
% change		+0.4%

— Religious —

	Jan. 1985	Jan. 1984
BBI Jewish Monthly (10X)	16.2	18.2
Christian Herald	40.0	32.5
Christian Life	24.9	24.0
Christianity Today	43.3	40.2
Inside (4X)	—	—
Moody Monthly	50.7	43.3
Today's Christian Woman (6X)	—	—
Total Group	**175.1**	**158.2**
% change		+10.7%

— Science/electronic/-mechanic —

	Jan. 1985	Jan. 1984
Compute	68.2	112.1
Computers & Electronics	31.3	52.0
Creative Computing	106.5	158.7
Discover	30.7	28.2
Family Computing	62.5	63.0
InfoWorld	122.0	185.0
Mechanix Illustrated	59.2	51.3
Omni	46.4	55.3
Natural History	41.5	44.4
Personal Computing	154.4	176.2
Popular Mechanics	—	—
Popular Science	49.7	78.4
Science Digest	32.7	23.9
Science 84 (10X)	—	—
Scientific American	46.4	62.7
Spectrum	113.9	95.0
Total Group	**858.9**	**1,186.2**
% change		−27.6%

— Women/fashion/service —

	Jan. 1985	Jan. 1984
Bride's Magazine (6X) A.	519.9	517.1
Cosmopolitan A.	137.8	151.4
Essence	78.0	59.4
Family Circle A.	98.0	138.4
Glamour	97.6	96.6
Good Housekeeping A.	98.7	108.6
Handmade (6X)	—	—
Harper's Bazaar	84.1	76.2
Health	32.0	30.1
Ladies' Home Journal	75.1	93.1
Ladycom	28.4	29.5
Lady's Circle	4.1	8.2
Mademoiselle	56.9	72.2
McCall's	73.1	67.4
Modern Bride (6X)	488.5	413.8
Ms.	49.1	30.2
New Woman	33.7	35.9
Parents Magazine A.	66.9	53.5
Redbook	69.1	71.6
Self	56.2	59.3
Seventeen	55.0	65.8
Shape	51.0	52.0
Soap Opera Digest	23.2	23.3
'Teen Magazine	29.2	26.3
True Story A.	28.8	28.0
Vogue	141.0	119.6
Weight Watchers	19.7	25.4
Woman's Day A.	64.0	73.1
The Workbasket (10X)	38.3	42.7
Working Mother	60.4	54.1
Working Woman	73.5	64.4
Total Group	**2,731.3**	**2,687.2**
% change		+1.6%

— Youth —

	Jan. 1985	Jan. 1984
Boys' Life	16.3	16.1
Total Group	**16.3**	**16.1**
% change		+0%

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. 1985 figure includes 60-page special section. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

(Continued on Page 76)

(Continued from Page 75)

December

— Business —

	Current month		Year-to-date	
	1984	1983	1984	1983
Arizona Business Gazette	51.7	27.9	324.8	202.3
Atlanta Bus. Chronicle (52X)	—	—	—	—
Austin Business Journal	54.7	—	548.2	—
Barron's (52X)	176.2	170.0	2,113.1	2,445.8
Black Enterprise	—	—	—	—
Boston Business Journal	139.4	86.3	1,198.3	807.0
Business Atlanta	81.5	48.5	723.4	527.5
Business Week (52X) A.	432.8	421.7	4,976.9	4,643.9
California Business	78.9	69.5	1,089.2	891.1
Capital District Bus. Review	29.6	37.4	538.4	436.1
Corporate Report/-Kansas City	65.8	56.0	747.0	627.2
Corporate Report/-Minnesota	68.5	78.4	1,022.0	945.3
Crain's Chicago Bus. (52X)	120.5	111.8	1,631.2	1,520.2
Crain's Cleveland Bus.	62.0	52.8	813.7	627.3
Dallas/Ft. Worth Bus. (52X)	—	—	—	—
Dun's Business Month	56.0	77.0	817.0	792.0
Financial World (24X)	39.0	40.0	389.0	450.3
Florida Trend	64.3	62.5	1,009.6	889.5
Forbes (26X)	427.7	368.0	3,832.9	3,404.4
Fortune (26X) A.	305.7	328.0	3,487.4	3,249.9
Frequent Flyer	52.2	45.7	705.3	580.5
Futures	42.5	55.0	660.1	678.7
Hawaii Business	46.9	58.1	608.2	590.6
High Technology	37.2	33.8	410.2	352.2
Houston Bus. Journal (52X)	—	—	—	—
Inc. Magazine A.	158.6	168.1	1,500.2	1,344.8
Income Opportunities (10X)	50.5	54.7	515.3	505.0
Industry Week (26X) A.	73.6	85.7	1,337.1	1,248.1
Indianapolis Business Journal	89.9	93.7	1,352.6	1,049.7
Minnesota Business Journal	44.4	41.4	601.8	488.8
Nation's Business A.	25.4	15.9	335.0	313.0
New England Bus. (20X) B.	59.8	35.7	878.2	718.3
New Jersey Success	—	—	—	—
New Orleans Citibusiness	87.0	—	1,375.5	—
Pacific Business News (52X)	88.6	95.9	1,196.2	1,207.6
Philadelphia Bus. Journal	111.0	65.0	1,315.5	775.3
Pittsburgh Bus. Times (52X)	96.3	48.3	712.3	599.3
Savvy	57.7	49.8	536.3	510.6
St. Louis Business Journal	161.6	134.8	1,721.6	1,320.0
South Florida Bus. Journal	73.7	51.9	823.1	454.1
Texas Business	80.0	53.2	886.9	771.9
Venture	87.0	85.7	1,054.6	799.2
Total Group	**3,778.2**	**3,308.2**	**43,788.1**	**36,767.5**
% change		**+14.2%**		**+19.1%**

— Newspaper Sunday magazines* —

	Current month		Year-to-date	
	1984	1983	1984	1983
Arizona Republic	59.0	78.0	728.0	705.0
Boston Globe	198.4	182.1	2,475.9	2,284.0
Chicago Tribune	113.1	120.1	968.3	1,069.4
Cincinnati Enquirer	59.8	75.0	899.1	915.7
Cleveland Plain Dealer	57.0	54.0	708.0	983.0
Columbus Dispatch	45.0	40.7	599.6	557.2
Dallas Times Herald	—	—	—	—
Denver Post	—	—	—	—
Detroit News	69.8	87.8	1,102.6	1,204.7
L.A. Times Home Magazine	—	—	—	—
Louisville Courier-Journal	99.6	94.1	920.6	1,061.2
Miami Herald	57.1	51.2	621.2	633.3
New York News	—	—	—	—
New York Times Magazine	406.8	313.2	4,682.5	4,196.1
Philadelphia Inquirer	124.7	58.4	772.5	682.9
Toledo Blade Magazine	58.2	45.7	625.6	543.4
Washington Post	151.3	150.6	1,385.5	1,383.8
Total Group	**1,499.8**	**1,350.9**	**16,489.4**	**16,219.7**
% change		**+11.0%**		**+1.6%**

— Weeklies/bi-weeklies —

	Current month		Year-to-date	
	1984	1983	1984	1983
Army Times Military Group:				
Air Force Times (52X)	165.5	136.0	1,864.9	1,769.8
Army Times (52X)	160.0	134.3	1,790.1	1,738.3
Navy Times (52X)	169.9	143.5	1,991.3	1,948.9
The Times Magazine	3.2	7.8	172.3	164.2
The Blood-Horse (52X)	554.5	679.2	7,153.4	7,222.5
California Living	64.4	70.8	705.0	721.8
Capper's Weekly (26X)	12.2	14.4	298.0	304.4
Commonweal (22X)	1.8	6.1	79.6	79.7
Golf World (43X)	53.7	47.8	857.9	860.7
Grit (52X) A.	11.1	12.1	258.8	296.2
National Journal	24.3	10.0	327.3	293.0
National Review	17.1	33.2	318.8	387.1
New Republic (48X)	4.3	6.3	397.7	417.4
New York Magazine (50X)	37.5	39.7	559.5	566.3
New Yorker (52X)	380.4	328.5	3,529.3	3,631.2
Newsweek (52X) A.	260.1	275.2	3,011.0	2,946.1
People (52X)	447.3	363.8	4,060.5	3,444.2
Rolling Stone (25X)	131.7	141.8	1,085.6	1,172.8
Sporting News (52X)	37.2	37.7	577.9	659.4
Sports Illustrated (52X) A.	217.5	212.3	3,029.8	2,760.6
Time (52X) A.	263.8	215.6	2,823.4	2,698.6
Travelhost (52X)	—	—	—	—
TV Guide (52X) A.	303.8	302.2	3,799.3	3,643.5
Us Magazine (26X)	48.8	42.7	439.8	538.1
U.S. News & World Report (52X) A.	178.1	160.0	1,758.0	1,786.0
Total Group	**3,548.2**	**3,421.0**	**40,889.2**	**40,050.8**
% change		**+3.7%**		**+0.2%**

— Foreign —

	Current month		Year-to-date	
	1984	1983	1984	1983
Good Housekeeping Foreign Editions:				
Australia	29.4	47.6	394.1	438.4
Japan	86.5	79.3	384.9	737.1
Great Britain	167.3	155.4	1,635.1	1,484.4
Buenhogar:				
Central America	7.0	3.0	25.5	26.0
Chile	6.0	1.0	16.0	17.0
Colombia	65.3	27.5	437.5	486.8
Dominican Republic	14.0	7.80	75.0	147.7
Ecuador	24.0	14.0	166.5	145.5
Mexico	85.0	44.7	561.7	558.7
Peru	19.0	17.5	210.7	292.7
Puerto Rico	15.3	7.0	169.2	154.7
U.S.	19.2	8.0	167.0	134.5
Venezuela	62.3	21.5	379.8	274.2
Geomundo:				
Central America	11.0	7.0	81.3	64.0
Chile	9.5	4.0	75.8	58.0
Colombia	14.0	28.5	123.7	149.0
Ecuador	9.0	4.0	54.0	48.0
Mexico	14.0	9.0	111.3	86.5
Peru	5.5	7.5	81.3	64.0
Puerto Rico	4.5	4.0	36.8	49.0
U.S.	8.2	4.0	68.7	43.0
Venezuela	13.0	13.5	130.5	157.7
Hombre De Mundo:				
Central America	12.2	14.0	90.2	79.3
Chile	10.2	12.0	84.2	79.0
Colombia	19.3	30.0	136.0	159.5
Ecuador	11.2	15.0	64.2	81.0
Mexico	38.7	42.2	225.0	203.7
Peru	6.2	19.0	72.2	87.0
Puerto Rico	16.2	15.3	113.2	86.7
U.S.	12.8	5.0	87.8	45.0
Venezuela	32.2	23.0	237.7	176.8
Ideas Para Su Hogar:				
Central America	1.0	1.0	2.5	4.0
Chile	1.0	—	2.0	1.0
Colombia	41.7	36.0	266.3	353.5
Ecuador	10.0	11.0	62.5	56.5
Mexico	25.2	24.0	143.3	177.2
Peru	8.0	17.5	75.0	134.7
Puerto Rico	2.5	1.0	14.5	7.3
U.S.	9.0	4.5	91.5	60.3
Venezuela	37.3	21.0	252.8	169.3
Mecanica Popular:				
Argentina	6.2	8.3	64.0	88.7
Central America	20.2	20.2	162.5	162.0
Chile	10.8	9.5	82.3	80.7
Colombia	28.0	24.7	196.8	218.2
Mexico	22.3	13.3	174.5	120.0
Peru	25.5	43.0	196.2	268.2
Puerto Rico	21.2	18.5	176.2	183.2
U.S.	7.7	3.0	66.2	41.0
Venezuela	22.7	28.7	206.2	250.7
The Ring en Espanol:				
Colombia	—	—	4.0	—
Mexico	0.2	—	1.0	—
Puerto Rico	—	0.3	1.0	0.3
U.S.	5.0	4.7	55.8	43.2
Venezuela	2.0	1.0	18.0	8.0
Vanidades Continental:				
Central America	21.8	12.3	110.0	97.8
Chile	9.3	4.0	41.0	37.5
Colombia	117.5	106.3	870.5	846.0
Dominican Republic	35.7	37.5	130.5	240.5
Ecuador	36.2	34.2	243.7	181.2
Mexico	177.5	184.5	1,211.2	1,336.7
Peru	25.0	51.2	258.7	382.3
Puerto Rico	60.3	56.8	465.2	442.0
U.S.	44.0	58.2	531.3	565.2
Venezuela	85.3	55.0	669.0	538.5
Business Week Int'l.	176.9	169.1	1,733.9	1,867.4
Cosmopolitan Foreign Editions:				
Australia	106.9	101.4	826.4	843.8
Brazil	—	58.0	—	566.2
France	112.3	130.7	1,500.1	1,198.2
Germany	118.8	105.0	1,142.5	773.8
Great Britain	129.0	128.0	1,440.3	1,394.9
Greece	96.0	98.0	670.0	663.0
Holland	79.0	76.0	672.0	558.5
Italy	58.0	65.0	662.5	823.0
Japan	35.6	42.7	382.6	467.7
South Africa	93.0	—	934.5	—
Cosmopolitan en Espanol:				
Central America	8.3	3.3	26.3	29.7
Colombia	23.8	27.2	152.8	202.8
Ecuador	2.0	3.3	7.0	15.8
Mexico	122.2	100.3	684.5	764.8
Peru	7.0	11.3	39.5	91.8
Puerto Rico	51.3	44.5	347.0	274.8
U.S. (Spanish language)	23.8	23.2	242.0	229.3
Venezuela	49.3	18.8	265.8	175.8
International Management:				
Africa	15.3	17.3	147.3	191.8
Europe	63.5	47.7	518.7	514.5
Latin America	13.7	13.3	118.5	151.3
Middle East	20.5	32.0	204.3	288.5
Pacific	21.0	18.3	167.0	188.7
Johnston International:				
Alam Attijarat	45.5	77.5	683.5	748.3
Ejecutivo	17.3	25.5	70.0	99.5
Modern Africa	39.0	23.0	156.1	141.4
Modern Asia	26.5	59.6	387.2	450.8
Progreso (9X)	9.0	21.3	74.2	123.6
Reader's Digest:				
Arabic	12.0	—	122.0	130.5
Asian	303.0	227.5	2,371.0	2,735.8
Australian	5[illegible].5	69.3	865.8	871.3
Belgian-Flemish	88.[illegible]	110.5	1,008.0	1,056.0
Belgian-French	58.0	72.0	664.0	781.0
British	57.9	61.7	666.7	746.7
Chinese B.	206.0	174.0	1,355.2	1,397.8
Danish	20.8	28.8	372.1	403.0
Dutch	57.5	39.8	495.8	434.9
Finnish	22.0	51.0	484.0	772.0
French	24.2	42.8	537.4	669.0
German	61.5	87.9	811.3	911.5
Greek	6.0	18.0	95.0	29.5
Iberian	11.0	23.0	217.5	216.0
Indian-English	95.0	90.0	881.0	880.8
Indian-Hindi	10.0	7.0	83.0	51.5
Italian	58.5	40.0	429.5	561.5
Japanese	66.9	68.3	553.3	606.2
Korean	23.5	28.5	277.5	264.7
Latin American:				
Argentina	29.0	19.0	256.5	192.5
Brazil	5.0	9.0	40.5	102.5
Central American	11.0	20.0	118.5	149.5
Chile	15.0	13.5	130.0	181.5
Colombia	58.0	62.0	403.5	456.0
Ecuador	9.0	12.5	101.5	135.5
Mexico	78.0	86.0	641.6	605.2
Peru	12.0	15.0	118.5	134.5
Puerto Rico	5.0	11.0	64.5	88.5
U.P.B.	11.0	12.5	96.0	130.0
U.S. Spanish	13.5	18.0	139.0	176.0
Venezuela	14.5	17.5	139.0	176.5
New Zealand	86.5	78.0	1,055.6	1,049.8
Norwegian	27.0	53.3	387.7	501.4
Portugal	84.5	71.0	502.8	574.6
South African	82.5	71.8	1,183.8	1,207.8
Swedish	9.5	18.5	118.0	243.5
Swiss-French	34.3	35.2	322.5	364.2
Swiss-German	42.3	46.9	419.1	467.2
Time International:				
Time-Asia	104.4	108.5	1,109.8	1,243.1
Time-Atlantic	128.9	122.7	1,322.2	1,386.1
Time-Canada	177.4	147.0	2,248.3	1,924.5
Time-Latin America	63.1	57.4	604.8	613.4
Time-South Pacific	124.7	140.2	1,460.1	1,660.7
Visao (52X)	180.2	160.3	2,133.6	2,039.1
Vision/Latin America (26X) A.	36.1	36.9	373.6	380.9
Total Group	**6,016.8**	**5,807.6**	**55,468.2**	**57,267.0**
% change		**+3.6%**		**−3.1%**

U.K. software to drop U.S. price

By CLEVELAND HORTON

A British company that says it has captured 30% of the U.K. market for game software in less than a year will try to export its success to the U.S. The software publisher will use K mart stores as its port of entry.

London-based Mastertronic in late January will introduce 10 rock-bottom-price software games in the U.S. They will be sold in 60 Detroit-area stores owned by K mart Corp., Troy, Mich.

If the test succeeds, it might touch off a price war in the U.S.' estimated $1.5 billion home software market.

Mastertronic gained almost instant market share in the U.K. and more recently in Canada. Now it is establishing a joint venture with Bullock Industries, its Toronto-based partner for the Canadian market, to enter the U.S.

That joint venture, New York-based Mastertronic International, will position the games "as package goods and impulse items more than software" in cooperative print ads it hopes to start sometime in the first quarter of 1985, said Bullock president David Harding.

The company has no ad agency.

Mastertronic has sold 1.5 million units of software in the U.K. since the line was introduced last April, Mr. Harding said. In Canada, it has shipped about 150,000 units in four months. Mastertronic anticipates it will sell 2 million units in the U.S. this year.

The company believes its low-price strategy will satisfy an unfilled niche in the U.S. Most game programs here currently sell for $25 or more, but the Mastertronic disc-based titles—including "Chiller," "1985—The Day After" and "BMX Racer"—will sell for $9.99 each.

The software initially will be compatible only with Commodore International hardware but later will be expanded to other marketers' computers.

Perhaps the biggest task for Mastertronic will be establishing the quality of its programs. Closeout sales already have lowered the price of some game software, and consumers may interpret Mastertronic's low prices as a sign of financial trouble.#

Nintendo seeks U.S. videogame revival

REDMOND, WASH.—Nintendo Corp. of America, a subsidiary of the Japanese consumer electronics company, plans to introduce a home videogame console and 25 game cartridges to this country in June.

No prices have been set.

Interest in videogames faded almost as fast as it appeared earlier this decade.

The emergence of the low-price personal computer, which can act as a videogame player, brought growing console sales to an abrupt halt.

U.S. shipments of videogame consoles to dealers are declining, down from a 1982 high of 8.2 million units to 3 million in 1984 and 2 million projected for 1985.

In the U.S., Nintendo has concentrated on coin-operated videogames, where it lays claim to 50% of arcade-game sales.

The AVS model, equipped with an optional typewriter-like keyboard, resembles many lower-price personal computers. However, the company stresses that it is designed strictly for entertainment. No agency has been selected to handle the AVS introduction.#

January 24, 1985 / $1.25 a copy; $55 a year

THURSDAY

Advertising Age®

Crain's International Newspaper of Marketing

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News Summary

Last year's biggest post-Super Bowl topic, Apple Computer's Macintosh ad, was upstaged this yea. by a hot quarterback and a cool beer commercial. *See Page 2.*

Procter & Gamble Productions' top executive says the company will begin shifting its development efforts away from tv movies and into regular series, despite a full slate of network tv specials and mini-series. *See Page 3.*

When American Airlines last week upped the ante in the air-fare game by drastically lowering prices, United saw that bet and raised without even a blink. *See Page 3.*

Charles Blakemore, who left Benton & Bowles as its top creative executive late last summer, has opened his own ad agency with consultant James Killough. *See Page 3.*

Hallmark Cards this month premiered a 99-card Modern Woman line without any retail test-marketing, betting that women want to talk about topics such as aging, divorce and diet through greeting cards. *See Page 3.*

The face is familiar from the golden era of '50s tv. Now it's back on the tube, as Sid Caesar stars in commercials for Van de Kamp's Classic Entree line of Mexican and Chinese foods. *See Page 48.*

DIRECT MARKETING

Package-goods marketers soon will be presented with at least three alternative coupon distribution schemes, all based on in-store distribution and all designed to combat the clutter and exclusivity problems found in newspaper freestanding inserts and the rising cost of direct mail. *See Page 6.*

Direct Marketing Assn. last week organized a subgroup within the association that will deal exclusively with direct-marketing agency problems and concerns. *See Page 7.*

SPECIAL REPORT

Sunday newspapers are prospering, reporting more than six times the circulation growth of weekday papers in the past decade. The Sunday paper's role in the newspaper industry is examined in Newspapers Special Report. *See Page 13.*

Photo by Arnie Adler

Jess Korman, senior vp-creative at Benton & Bowles, New York, is an advocate of "image transfer"—putting the images of tv spots into radio ads—which is rekindling advertiser interest in an ignored medium. "One objective is to re-create exactly what you've got on tv," he says.

'Image transfer'

Radio ads making aural history

By VERNE GAY

It was 1969 when Henry Ford II was riding in his limousine and reached a conclusion that would influence Jess Korman's career for years to come.

Thirtyish and soft-spoken, Korman had just returned to the agency scene in New York after a writer's sojourn in Southern California. He had been milling jokes for an unlikely client roster that included David Susskind, Victor Borge and Alan King. Now he was back East writing tv spots at J. Walter Thompson when word came down that he would be heading up Mr. Ford's brainchild: The special radio account.

"Mr. Ford used to travel to work in his limousine every morning and decided Ford wasn't getting the kind of radio creative that Chevy was getting," says Korman. "So my job was to write better radio for Ford. Basically, we were producing for Henry riding in the back of his limo."

Mr. Ford soon was hearing comic skits featuring talking Pintos, and Korman never heard from Mr. Ford again.

The experience taught Korman something about the potential power of radio creative, a lesson that still is paying off for him at Benton & Bowles, New York, where he is senior vp-creative for clients

(Continued on Page 45)

'Lemmings' didn't take off

By STEWART ALTER
and CLEVELAND HORTON

To many agency creative executives, Apple Computer's much-touted "Lemmings" was a lemon.

The spot aired during the fourth quarter of Super Bowl XIX, after a buildup that included a raging debate among Apple execs on whether to use the spot at all and culminated with an innovative print campaign in Jan. 20 newspapers that warned viewers "If you go to the bathroom during the fourth quarter, you'll be sorry."

As a followup to last year's wildly successful "1984" commercial, "Lemmings" heralded the Cupertino, Cal.-based company's plunge into the office-computer market with Macintosh. Both spots were by Chiat/Day, Los Angeles.

Some of the agency world's top creative directors, all of whom were impressed by "1984," registered doubts about "Lemmings."

Said Michael Tesch, exec vp-associate creative director at Ally & Gargano, New York, "If '1984' was a breakthrough, this was kind of a breakdown."

"I don't think the new commercial lived up to the last one," said Charles Moss, vice-chairman-corporate creative director at Wells, Rich, Greene, New York.

Mr. Moss felt the commercial was "effective," since he wanted to learn more about Macintosh's Office line, but he observed a credibility problem. "The first commercial had a positive and uplifting ending and was far more philosophical about what Apple would do in 1984. This one had a down

(Continued on Page 49)

AA
DC2001•CONGL1 FMJP
CONGRESSIONAL INFO SERVICE
SHI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 2001•

NEWSPAPER

Carnation sweet on Bon Bons ice cream

By JULIE FRANZ

Los Angeles—Carnation Co. in March will introduce its Bon Bons brand Ice Cream Nuggets specialty ice-cream product to New England and midwestern markets, with an $18 million ad campaign, industry sources disclose.

Carnation, a recently acquired division of Nestle Co., White Plains, N.Y., would not comment on the budget figure. A Carnation spokesman did admit that the product will bow in selected states around March 1. Nationwide distribution is not in the cards, at least for this year.

Shaped like candy bon bons, the new freezer-case product is made from chocolate ice cream with vanilla coating or vanilla ice cream with chocolate coating.

It comes in two sizes—a 20-count tub priced at $1.98 and a 35-count tub priced about $2.98. Foote, Cone

(Continued on Page 50)

Presstime

McCann sizzles for Ponderosa

Dayton, O.—Ponderosa has awarded its $15 million-plus account to McCann-Erickson, New York, succeeding Avrett, Free & Ginsberg (AA, Nov. 26). Other finalists making presentations last week were HBM/Creamer and Kenyon & Eckhardt.

DDB expects earnings to post '84 gain

New York—Doyle Dane Bernbach International projects 1984 pretax and after-tax earnings will increase over 1983, reversing its downward earnings trend of the last two years. In a meeting with securities analysts, Robert Pfundstein, exec vp-chief financial and administrative officer, projected pretax earnings would jump 30% to $19.2 million and net income would rise 15% to $8.5 million.

'Life' to fire off special WWII edition

New York—*Life* will publish a special 13th issue marking the 40th anniversary of World War II's end. The Time Inc. magazine is seeking a single sponsor for the WWII issue, due May 6. If one isn't found, multiple advertisers can buy space at $37,600 for a b&w page and $49,770 for a color page, on a 1.5 million rate base.

(Continued on Page 51)

Serious on series

P&G turning away from tv specials

By BOB MARICH

Los Angeles—Despite a full slate of network tv specials and miniseries, Procter & Gamble Productions' top executive says the company will begin shifting its development efforts away from tv movies and into regular series.

Jack Wishard, vp in charge of P&G Productions, said the anticipated switch to series production has been prompted by the fact that multi-episode series are of much greater value as repeats in the syndication market versus tv movies.

Already, P&G produces two original half-hour series for Ted Turner's superstation WTBS: "Down to Earth," a family sitcom, and "The Catlins," a dramatic serial (AA, April 2).

"These shows [miniseries] are becoming increasingly expensive," Mr. Wishard said. "As the network share of audience goes down, it is conceivable that we could get to the point where nobody, networks or advertisers, can afford these kinds of shows."

Not that it will be an immediate changeover. P&G Productions has placed yet another beauty pageant special on network tv and has bought into a CBS miniseries with the hope that the production will become a perennial.

The "Miss Hollywood" pageant, a P&G production, has been placed on ABC-TV as a sponsored two-hour special. No air date has yet been set. "Miss Hollywood" joins five other network tv specials—including "Miss USA" and "Miss Universe"—as a P&G-sponsored vehicle and gives ABC its first pageant-type show.

Separately, tv's largest advertiser is providing partial funding for "Alice in Wonderland," a four-hour CBS-TV miniseries being produced at Columbia Pictures Television by Irwin Allen.

Cincinnati-based P&G is hoping that Mr. Allen's production of the Lewis Carroll fantasy becomes a network tv classic that will air repeatedly over the years, Mr. Wishard said. If so, it will be a P&G-sponsored vehicle in repeats on the network.

Mr. Wishard, a 28-year veteran of P&G, said P&G Productions' strategy is to become one of several partners in tv projects. Thus, it shares the cost and gets an ad sponsorship position and creative input when the program is being fashioned.#

Airlines' saver ads fly furiously

United strikes back

By SCOTT HUME

United Airlines had its chips ready. When American Airlines last week upped the ante in the air-fare game by drastically lowering prices (AA, Jan. 21), United saw and raised without even a blink.

American's first print ads announcing its new Ultimate Super Saver fares appeared Jan. 18, a day after they were unveiled. But they shared space in Chicago newspapers with ads from United for its equally low UltraSaver fares.

United then raised the pot by airing network tv spots for its new fares two days later during the Super Bowl pregame show.

Behind United's calm poker face was some fast and furious work by the airline and its agency of 20 years, Leo Burnett Co., Chicago.

In less than 24 hours, the team revamped United's tv, radio and print advertising to reflect the new fares.

Anticipating American's fare-cut announcement, United alerted Burnett late on Wednesday, Jan. 16, to be ready to move quickly.

"Thursday morning, every group involved in the United account was mobilized," recalled account director Jim Thompson. Also readying their troops were creative director Bud Watts, media supervisor Nick Luciano, broadcast supervisor Pat Donlon, broadcast producer Ken Gilberg and print production manager Lew Nowlan.

The green light flashed at 10 a.m. Jan. 17 when American made its announcement in Dallas.

"The first thing we did was huddle with the creative team to dis-

(Continued on Page 50)

Blakemore opens up shop

By STEWART ALTER

New York—Charles Blakemore, who left Benton & Bowles as its top creative executive late last summer (AA, Sept. 3), has opened his own ad agency.

Mr. Blakemore has formed Blakemore & Killough with temporary offices at 1180 Avenue of the Americas.

James Killough, the other principal, has been a consultant the last five years, primarily in the political arena.

Five years ago, he was director of the Republican National Marketing Group. He was previously an executive at Compton Advertising, where he and Mr. Blakemore worked together in the mid-1960's.

Mr. Blakemore went on from Compton to Leo Burnett Co., Chicago, where he rose to be one of three chairmen of the creative review committee. Major Burnett food accounts like Green Giant, Star Kist and Kellogg were his responsibilities.

In 1980, Mr. Blakemore moved to the top creative post at B&B, which made him one of the major agency creative officers directing Procter & Gamble's advertising.

Since the fall, Mr. Blakemore and Mr. Killough have done consulting work for Sanus Health Systems, a McDonnell Douglas Corp. healthcare subsidiary, which has introduced its healthcare plan into Dallas-Fort Worth and Houston. Sanus is their new agency's first client.

Mr. Blakemore left B&B, saying that he wanted more of a hands-on role in creating advertising, something he no longer had as the top worldwide creative executive at that agency. And that remains his philosophy with his new agency.

"We want to make sure we're very much involved in the work ourselves and have some fun," he said. "It's so much more fun to write advertising than administer it."#

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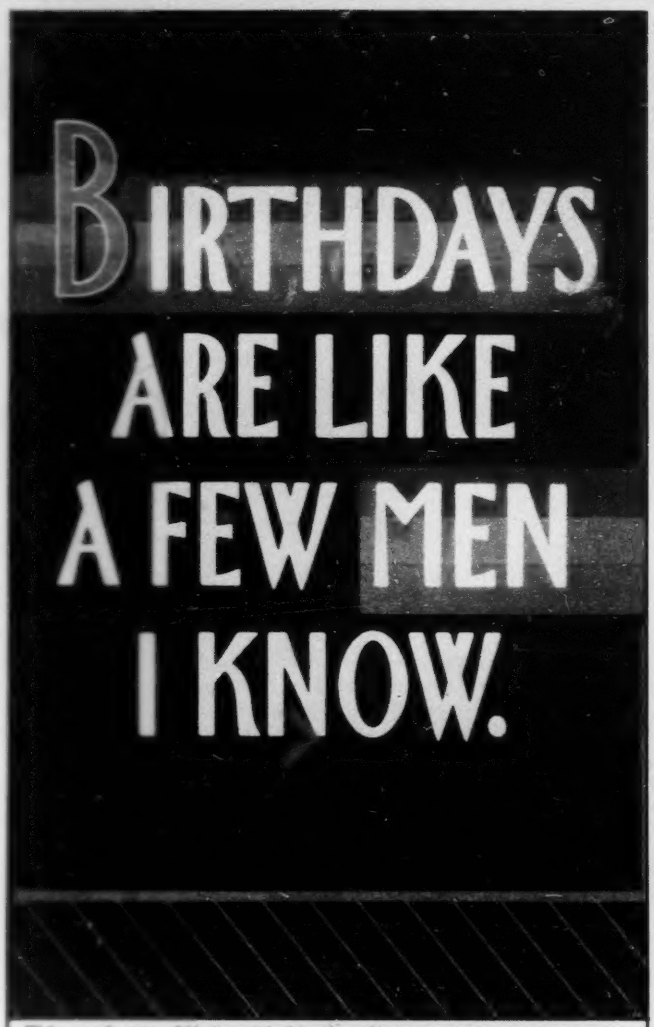
ABP

Agency Income response deadline

Deadline for submission of questionnaires for Advertising Age's 41st annual U.S. Agency Income issue was Jan. 24.

Questionnaires were sent to agencies last month.

If you have not received your questionnaire, contact Ellen Herring or Craig Endicott at the Chicago office of AA (312-649-5395). An extension will be made for agencies that have not received the questionnaire.#



This card, one of Hallmark's Modern Woman series, opens to say "Put a bag on 'em and they're all the same. Happy day!"

Hallmark asks women: Can we talk?

By LENORE SKENAZY

Aging. Birth. A divorce. A date. A diet.

Is this life on daytime tv? A list of *Cosmo's* cover stories? A choice of one-minute how-to guides?

No, these are the topics women want to talk about through greeting cards—or so Hallmark Cards is betting. Without any retail test-marketing, the Kansas City-based greeting card giant this month premiered a 99-card Modern Woman line.

Hallmark's no-fret go-ahead attests to its conviction that women in the 22-to-40-year-old bracket are ready for "a strong voice through such a card line," said Rachel Boulton, a Hallmark spokeswoman.

"Your pregnancy will be such a special time in your life," coos one card. "When else would perfect strangers pat you on the stomach and comment on your ankles?"

Continuing through the life cycle, another card features mom and dad dressed for success at the breakfast table with baby sitting between them. "Now you'll really have it all! A wonderful husband, a brilliant career and a brand new baby. . ." Open up the card, and the message continues, ". . .bags under your eyes, pacifiers in your briefcase, oatmeal on your blazer. . .Congratulations!"

Each of the cards costs 90¢. The designs vary from photographic to Sunday comics, sentimental to frankly bitter. "If you need a shoulder to cry on," soothes one, above the photo of a huge hanky, "I have two available, no waiting." Another card, eschewing pictures, decries, "Birthdays are like a few men I know. Put a bag on 'em and they're all the same. Happy day!"

Hallmark plans to add another 100 cards to the series. But Modern Woman will remain a separate line from other Hallmark cards.

And separate they should be. What man would send his son a card reading, "I like you. You don't do crafts"? What grandma would admit to grandpa, "You think you've got problems! My living bra just tried to commit suicide!"? What proud high school graduate wants to hear, " 'D-I-V-O-R-C-E.' Someday you'll be able to sing about it"?

No, this is girl talk. And if Hallmark is right, it'll spread.#

Looking at some Sunday statistics

By Kevin Brown

Sunday hasn't been a day of rest for the newspaper business for more than 100 years. Although some weekly newspapers were issued on Sunday in the late 1700s, the first U.S. daily to regularly print a Sunday edition was James Gordon Bennett's *New York Morning Herald* in 1841, according to "The Press and America," by Edwin Emery and Michael Emery (Prentice-Hall, 1984).

Kevin Brown is an ADVERTISING AGE *editorial assistant.*

In 1889, Joseph Pulitzer's *New York World* became the first newspaper to use color in its Sunday comics. Mr. Pulitzer is noted for establishing the Sunday newspaper as an entertaining, money-making medium. He most likely is responsible for publishing the forerunner of the 5-lb. Sunday package found on readers' doorsteps.

Sunday World, which had a circulation of more than 250,000 by 1887, included sports stories, humorous illustrations and features appealing to the female reader.

In the U.S. today, Sunday newspaper readers have their choice of 772 papers with a combined circulation of 56.7 million, according to *Editor & Publisher Yearbook.*

Twenty of those papers have a circulation of more than 500,000 and a combined circulation of 16.6 million.

Sunday readers in Texas have the most variety to choose from. The Lone Star State is home to 96 Sunday newspapers—more than any other state.

If your Sunday edition is not independently owned, chances are fairly good you're reading one of 57 Gannett Co. papers. Gannett owns more Sunday newspapers, with a combined circulation of 3.9 million, than any other company.

New York News is the Sunday circulation leader, with 1,721,441, according to Audit Bureau of Circulations. But the *New York Times*, which boasts a Sunday circulation of 1,553,720, has a far broader national readership.

Reading the Sunday paper is a popular activity among adults; 65.7% of them are readers, according to a 1983 Simmons Market Research Bureau study.

Sunday newspaper readers are thrifty, too. Of those who read a Sunday newspaper, 73.8% use cents-off coupons more than once a week.

Perhaps coupon clipping saved some readers enough money to buy personal computers, which 5.4% of Sunday paper readers own.

Sunday newspaper readers are not sitting around. To work off Sunday brunch, more than 12% of Sunday newspaper readers jog and more than 9% play tennis. Naturally a strong arm is required to lift the Sunday package—perhaps that's why 18.6% of Sunday newspaper readers bowl.

Another favorite activity of Sunday newspaper readers is attending movies, which 46% did during a three-month period.

In between all this activity, 21.5% of all Sunday newspaper readers are sipping imported wine, while 36.8% drink domestic wine. A larger percentage of Sunday newspaper readers (40.6%) drink domestic beer than drink imported beer (17.7%).

If they're not at home stretched out on the sofa, Sunday newspaper readers might be on vacation—40.7% took domestic trips last year. And with 38.3% reporting an annual household income in excess of $30,000, perhaps some traveled via foreign automobiles, which 12% bought new and 9% bought used.

And whether it's before breakfast, after church or during "60 Minutes," the voluminous Sunday newspaper—with its large circulation and ad linage to match—is being read all over.

Sunday readers in Texas have the most variety to choose from. The Lone Star state is home to 96 Sunday papers—more than any other state.

MIDLAND
SUNDAY DESERET NEWS
The Salt Lake Tribune
PARADE
TRAVEL
Lifestyle

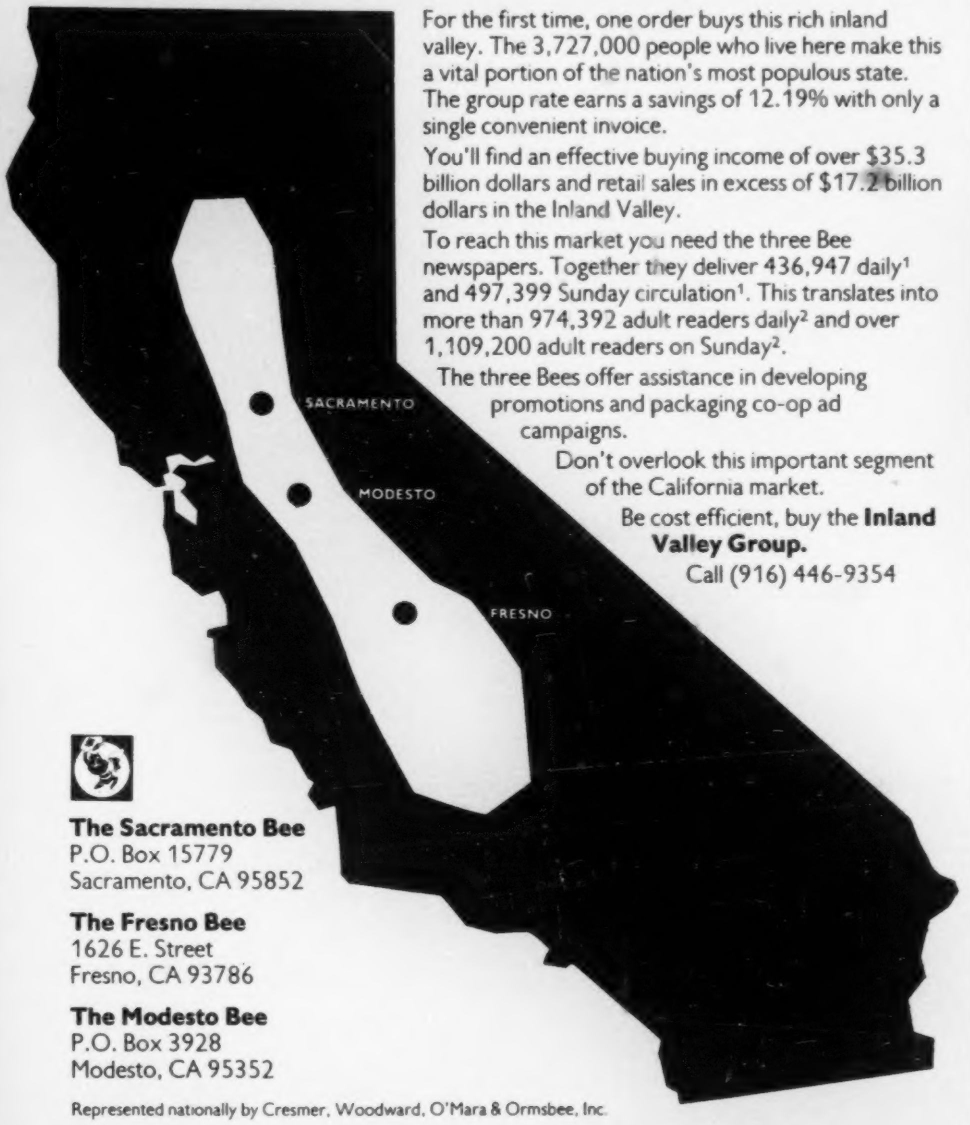
Top 25 Sunday papers by circulation

Rank	Newspaper	Circulation
1.	New York Daily News	1,721,441
2.	New York Times	1,553,720
3.	Los Angeles Times	1,298,487
4.	Chicago Tribune	1,137,667
5.	Washington Post	1,033,207
6.	Philadelphia Inquirer	1,000,427
7.	Detroit News	865,717
8.	Detroit Free Press	803,714
9.	Boston Globe	792,786
10.	San Francisco Chronicle & Examiner	699,256
11.	Chicago Sun-Times	688,793
12.	Newark Star-Ledger	650,243
13.	Long Island Newsday	602,476
14.	Pittsburgh Press	594,398
15.	Minneapolis Star & Tribune	590,985
16.	Atlanta Journal & Constitution	571,646
17.	Houston Chronicle	538,232
18.	Milwaukee Journal	529,636
19.	Miami Herald	509,721
20.	Cleveland Plain Dealer	497,774
21.	St. Louis Post-Dispatch	479,075
22.	Seattle Times/Post-Intelligencer	464,995
23.	Dallas Morning News	454,828
24.	Phoenix Republic	430,200
25.	Baltimore Sun	402,593

Source: Audit Bureau of Circulations, for six months ended Sept. 30, 1984

A Golden Opportunity

Now, Reach California's Prosperous Third Market, The Inland Valley, with The Bees' Inland Valley Group Buy!



For the first time, one order buys this rich inland valley. The 3,727,000 people who live here make this a vital portion of the nation's most populous state. The group rate earns a savings of 12.19% with only a single convenient invoice.

You'll find an effective buying income of over $35.3 billion dollars and retail sales in excess of $17.2 billion dollars in the Inland Valley.

To reach this market you need the three Bee newspapers. Together they deliver 436,947 daily[1] and 497,399 Sunday circulation[1]. This translates into more than 974,392 adult readers daily[2] and over 1,109,200 adult readers on Sunday[2].

The three Bees offer assistance in developing promotions and packaging co-op ad campaigns.

Don't overlook this important segment of the California market.

Be cost efficient, buy the **Inland Valley Group.**

Call (916) 446-9354

The Sacramento Bee
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Sacramento, CA 95852

The Fresno Bee
1626 E. Street
Fresno, CA 93786

The Modesto Bee
P.O. Box 3928
Modesto, CA 95352

Represented nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc.

Source: 1. ABC Publisher's Statement for 6 months ending March 21, 1984 for the three Bee's.
2. Readership calculated by Sacramento Bee Marketing based on combined total circulation and average reader-per-copy of 2.23.

Sunday magazines feel ad pinch

By William Gloede

The Sunday newspaper magazine business, 88 years old in 1984, probably would just as soon forget the year.

For *Parade* and *Family Weekly*, owned by Newhouse Newspapers and CBS Magazines, respectively, 1984 brought with it a double-digit decline in advertising pages. For most of the 52 locally edited Sunday magazines represented by Metropolitan Sunday Newspapers, 1984 was flat at best when compared with the banner year enjoyed by the newspaper business.

The newspaper industry is hampered by Sunday magazines' inability to share the wealth of advertising growth enjoyed by mail-delivered magazines.

"It's a question of how they fit into marketers' plans," Phil Guarascio, senior vp-director, media management, Benton & Bowles, New York, says of newspaper-delivered magazines. "The basic inhibitor is a very high out-of-pocket cost."

However, Sunday magazine executives say their products, when bought together, deliver an audience about the size of tv's Super Bowl audience—60 million households.

A page color ad scheduled in *Parade, Family Weekly* and the 52 independents costs about $500,000, minus discounts. A 10-page color schedule in *Parade* can cost between $1.7 million and $1.8 million.

With this price tag comes a sizable audience. Even advertising media people who are not predisposed to using Sunday magazines acknowledge that the only other place an agency can get that kind of reach is in tv.

"The numbers are staggering," says one agency media executive, who would not speak for attribution. "If you're looking for mass reach with newspapers, the Sunday magazines are out of sight in terms of mass coverage. There's no other print medium that offers that mass. But when you start talking about huge numbers, you're also talking about huge expenditures."

Magazine executives interviewed by ADVERTISING AGE agree that the high cost of advertising in the Sunday magazines does scare advertisers.

"The Sunday magazine field is looked upon as being huge, and we are huge," says Sterling Dimmitt, president of Metropolitan Sunday Newspapers. "I think that's one of our problems. People look at our size and they look at the numbers, and they say, 'Oh-oh.'

"This is, I think, the most difficult sell in the media field, though maybe radio would say that too," Mr. Dimmitt says.

In 1984, *Parade's* ad pages slipped about 15%, compared with 1983, according to Carlo Vittorini, the magazine's president-publisher. *Family Weekly's* pages were down 12.1%, says Patrick Linskey, its president-publisher. And, according to Mr. Dimmitt, magazines represented by Sunday Mag Net were up about 1%.

"We had a lousy first half" of 1984, Mr. Linskey says. *Parade* was off 21% and *Family Weekly* was off 23%.

However, the second half produced more positive results, partly because of a new spirit of cooperation among the individual players—once fierce competitors—in the Sunday magazine field.

This new spirit was evidenced by Mr. Vittorini, who says, "The broad reach coverage of non-television viewers is better done by *Parade, Family Weekly* and Sunday Mag Net than any other combination."

According to Mr. Linskey, "The Sunday magazines mix and match with tv like no other media. For the advertiser who has to keep the weight of his audience reach and frequency in the marketplace that he used to enjoy in 1980 [in the face of declining network ratings], there's only one way to do it, and that's with the combination of *Family Weekly, Parade* and Sunday [Mag Net]."

The Sunday free-standing coupon insert, which since 1975

(Continued on Page 30)

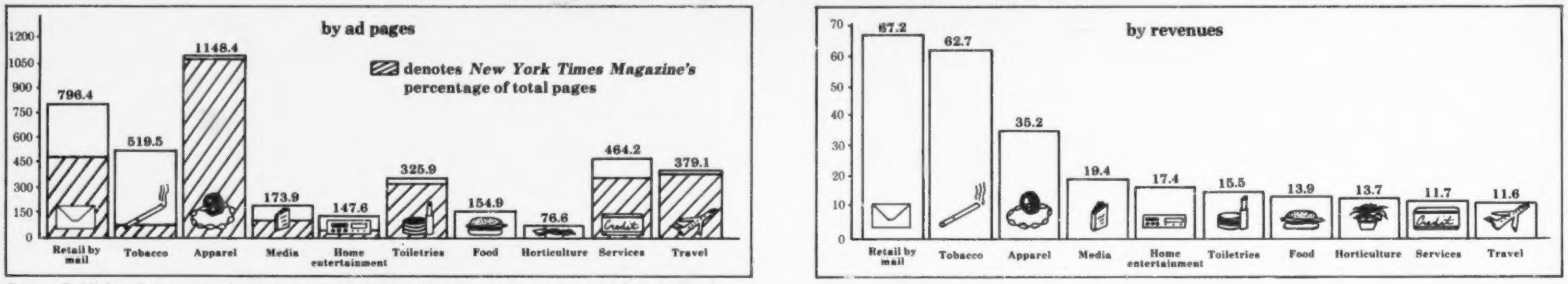
William Gloede, a New York-based ADVERTISING AGE *reporter, covers the newspaper industry.*

Circulation: Sunday magazines in the 1980's

	PARADE	The New York Times Magazine	
1983	23,168,789	12,675,921	1,498,873
1982	21,781,708	12,472,075	1,511,853
1981	21,644,119	12,448,750	1,430,358
1980	21,644,000	12,366,269	1,430,358

Source: Publishers Information Bureau

Leading ad categories in Sunday magazines



Source: Publishers Information Bureau, for Parade, Family Weekly *and* New York Times Magazine *only.*

No, we're not selling correspondence courses. Or matchbooks. We're selling advertising. And the "big money in advertising" we're talking about has to do with getting the most out of your advertising dollar. That means, in large part, choosing the right market and, of course, the right medium in that market.

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Harte-Hanks Direct Marketing/Southern California

Magazines

(Continued from Page 28)

has become the dominant medium for package goods advertisers' promotional efforts, has hurt Sunday magazines perhaps more than any other factor.

Mr. Vittorini sees some light on the horizon thanks to the recent Procter & Gamble decision to use Sunday magazines to introduce Always, a new line of sanitary napkins. Although P&G used the magazines to introduce the product, it shifted advertising to mail-delivered magazines as soon as the introduction was complete. The Sunday magazine executives are trying to counter the logic that says to use the magazines' mass for introduction, then move into other books for the sustaining effort.

One category the Sunday magazines are targeting is the automobile business.

"All of us feel that we're being underutilized by the automotive market," Mr. Vittorini says.

The Sunday magazines recently broke ground in another major field—retail. However, they must tread lightly, because the field represents the major advertising category of the newspapers that distribute the magazines.

On Dec. 9, J.C. Penney Co. ran its first ad in the Sunday Mag Net books, which have a circulation of 22 million, and *Parade*, with 16 million.

Sunday magazines also are tying national advertising more closely to local retailers. "Regionality is becoming more and more important as the years go by," Mr. Linskey says.

> **"All of us feel that we're being underutilized by the automotive market."**
>
> —*Carlo Vittorini*
> Parade

Mr. Vittorini concurs. "The Sunday magazines put the readership closer to the retail outlet. Your traditional magazine is spread across the population, wherever the mail goes."

To accommodate readers and advertisers, *Parade* is running its PLUS program, which gives the local newspaper several pages to use for locally oriented editorial and locally sold advertising, in the *Chicago Sun-Times*. The *Houston Chronicle* recently began running its Sunday magazine inside *Parade*.

Parade and *Family Weekly* this year will begin a major effort to get package goods marketers, once a mainstay of the Sunday magazines, back into the books. The SMART program, a fold-down, center spread coupon page, will use the synergy of display advertising and couponing to attract package goods' advertising and promotional dollars. Sunday Mag Net also will be running a coupon program tied into the SMART program, called SUPERSAVERS, but production constraints will not allow for a fold-down coupon page.

According to Mr. Vittorini, General Mills used to run 60 to 70 pages a year in *Parade*. "That has just disappeared," he says, because of the "fsi [free-standing insert] diversion from our field."

Two serious problems with Sunday magazines are their editorial content and advertising environment, according to the media executive, who would not speak for attribution. "The editorial environment is no great shakes," he said. And the advertising that the magazines do sell sometimes does not work well with a national advertiser's goal. "They've got to keep us away from the hemorrhoid sufferers, the ways to catch mice in your house. That doesn't go very well next to a fine food ad."

Mr. Vittorini disagrees. "I think all of us [magazine executives] have made a conscious effort to upgrade our editorial, for the reader as well as the advertiser." There has been a move toward advertising of more expensive, quality items in the direct reponse category, one of Sunday magazines' largest revenue sources.

"The traditional lower price item does not appear to be doing as well," Mr. Vittorini says. "You have a much higher price, higher quality item being offered."

All three of the magazine executives cite the *New York Times Magazine* as the standard of the industry. "They probably are the most unique magazine in the world," Mr. Vittorini says. The *New York Times Magazine* is one of the "four independents" that do their own selling, along with the Sunday magazines of the *Los Angeles Times, Newsday* and the *San Francisco Sunday Examiner and Chronicle*.

An increase in ad sales is in sight, according to Mr. Linskey.

Mr. Vittorini says, "All indications are that we'll have an up quarter in the first quarter of '85."

"In order to really grow, they're going to need more display advertising schedules," Mr. Guarascio says. And that isn't going to be easy.

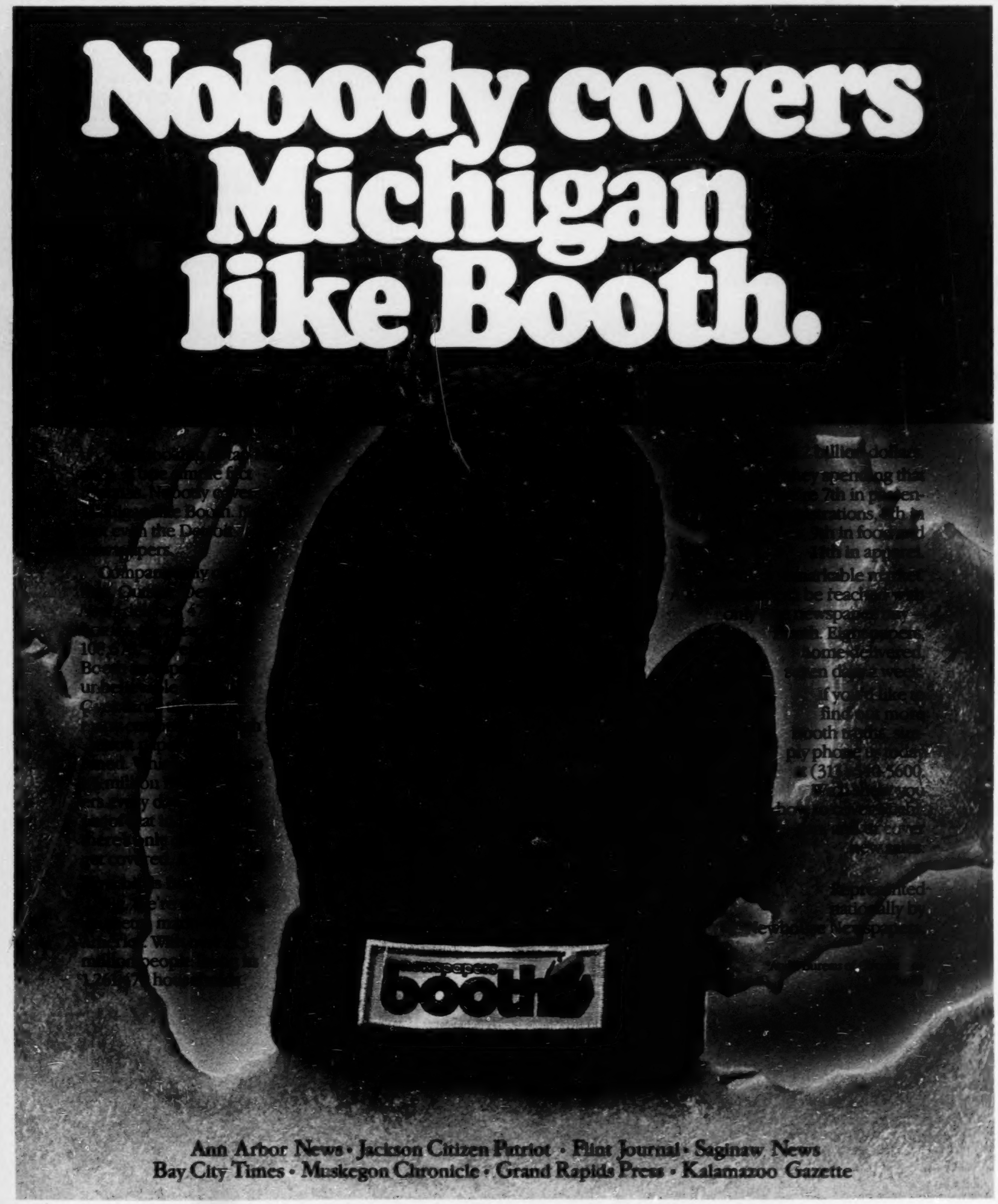
"They don't compete for most magazine dollars," he says. "They have almost been forced to compete with television for the advertising dollar, and print always has a tough time competing with network."

On the positive side, Mr. Guarascio believes "very firmly they have become more marketing oriented." And that gives them the opportunity to better sell their "strategic and tactical advantages.

"My prognosis would be that things are going to get better for them," he says.

Mr. Dimmitt says, "We're going to have to sell better. The Sunday magazine field is one of the best kept secrets in media."

The challenge, it would appear, is to give away that secret.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Monday, January 28, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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From our Creative Review Board

Favorite print ads of 1984

Page 3

CLINIQUE
The Travelers
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ROYAL CARIBBEAN
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WASHINGTON DC 20014

Public sides with admen: 'Lemmings' forgettable

— Page 1

Rolling along with a stone successful magazine

— Page 3

Quaker Oats looks again at overseas market plan

— Page 4

Awakening India market lures outside businesses

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NEWSPAPER

$1.25 a copy; $55 a year

Monday, January 28, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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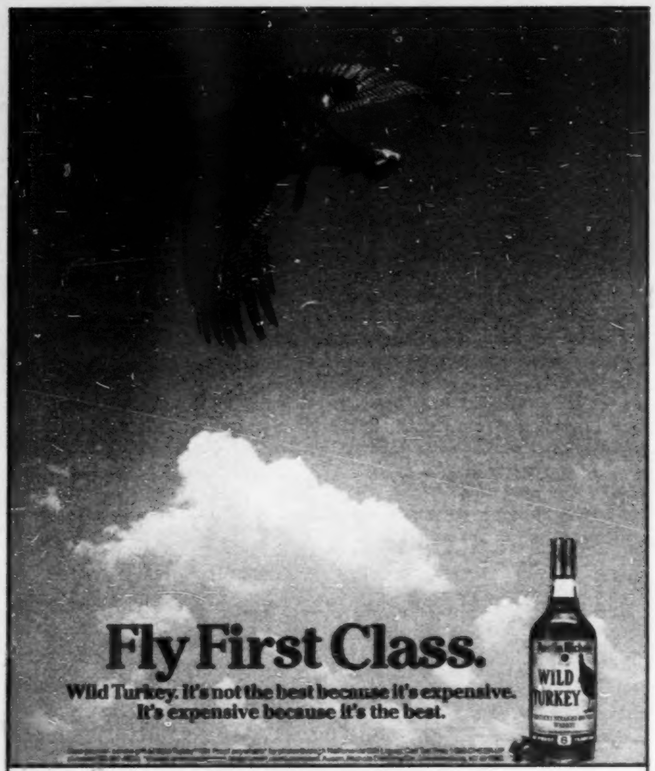

Fly First Class.
Wild Turkey. It's not the best because it's expensive. It's expensive because it's the best.
WILD TURKEY

Wild Turkey wings it

Grounded lo these many years in previous ads, the familiar symbol of Wild Turkey premium bourbon takes flight (first class, of course) in a new campaign from Austin, Nichols & Co., New York. Campaign by Nadler & Larimer breaks during February in 40 magazines, as well as newspapers and outdoor.

Seoul sings Sept. song for '88 games

By JAMES P. FORKAN

New York—A Summer Olympics in the fall?

That's what the Seoul Olympic Organizing Committee has planned for 1988. The reason is that during the traditional months of the quadrennial games, July and August, South Korea tends to be belted by monsoons, which could disrupt the competition.

With that in mind, Seoul has told the three major U.S. tv networks the tentative 1988 Olympics schedule will stretch from Sept. 17 through Oct. 2, network officials here said. The Oct. 2 closing ceremonies would fall on a Sunday night, as usual.

That unusual timing, however, raises still more problems for ABC, CBS and NBC, whose top brass already have been cool toward bidding for rights to televise the '88 games due to the committee's seeming unwillingness to slate events so they would air live on U.S. prime time tv.

One ABC official said, "It brings up questions about how the new fall ['88] prime time tv season may

(Continued on Page 100)

As Gillette goes bi. . .

Good News! for all

By GAY JERVEY

Gillette Co. will lend one of its better known razor names—Good News!—to a new line of unisex toiletries due this spring.

Sources say the Boston-based company is readying a Northwest regional test of the products. The line initially will include a regular and a concentrate shampoo, deodorant stick, antiperspirant, hair conditioner and shaving cream. A national rollout may come sometime next year.

Gillette declined comment on the line.

Although advertising has yet to be developed, Gillette and Young & Rubicam—the agency that worked on the relaunch of Right Guard deodorant/antiperspirant and Silkience haircare line—plan to stress the message that Good News! will deliver Gillette quality at an affordable price.

Ad and promotional spending will be at an annual rate of $30 million for the test, according to a source.

Scheduled to begin on the day Americans love most, April 15, the campaign will pound away on quality and value, themes consistently nurtured by the nine-year old Good News! name. Pricing strategy calls for the items to appeal to consumers who don't wish to pay

(Continued on Page 100)

Apple fails to register

Viewers flunk quiz on 'Lemmings'

By JOSEPH M. WINSKI

A lot of people *think* they saw an Apple Computer commercial during the Super Bowl—but few can remember just what they saw or what product was being advertised.

Those conclusions emerge from a special Advertising Age survey of public awareness of Apple's controversial "Lemmings" commercial, a single 60-second spot aired during the Super Bowl to introduce the Macintosh Office computer system.

The survey indicates that the commercial clearly failed to register with most viewers. It tends to confirm the opinion of agency creative executives who have expressed doubts about the commercial's impact, especially in comparison with last year's widely acclaimed "1984" spot (AA, Jan. 24).

In the survey, researchers at SRI Research Center, Lincoln, Neb., interviewed a national sample of 300 people 18 or older who said they had watched the Super Bowl's fourth quarter, during which the Apple commercial was shown.

Recall

300 viewers of the Super Bowl's fourth quarter were asked: Do you recall seeing a commercial for the Apple Computer company? *Source: SRI Research Center, Lincoln, Neb.*

Response	Mentions	Per cent
Yes	162	54
No	138	46

Only 31 respondents, or 10.3% of the total, described the commercial correctly.

About 60% of the sample were men and 40% women, the same male-female makeup as the viewing audience.

The sample survey was conducted by telephone Jan. 22 and 23. It has a margin or error of plus or minus 5.7 percentage points.

Of the 300 people interviewed, 162, or 54%, answered yes to the question: "Do you recall a commercial for the Apple Computer company?" But only 31 people—19% of those claiming to have seen an Apple commercial and 10% of all the respondents—were able to describe the commercial correctly.

Fifty-five per cent of those who said they had seen an Apple commercial said they couldn't describe it; the remaining 26% simply described it incorrectly. Robert Nielsen, SRI vp and analyst who directed the study, said interviewers were instructed to be "generous" in deciding which descriptions were accurate, and that those reported by SRI as incorrect "were clearly wrong."

Among the incorrect responses were those saying the commercial showed "an apple with a bite out of it," "a big computer" and "a guy who looks like Charlie Chaplin" (the character used in IBM personal computer commercials), Mr. Nielsen said.

The commercial showed business-suited men and women marching single-file off a cliff, whistling the Disney tune, "Hi-ho, hi-ho," in a funeral tempo.

Respondents performed even more poorly in identifying the

(Continued on Page 98)

Last Minute News

RKO Radio has ear for buyout offers

New York—RKO Radio Networks, still reeling from an advertiser billing scandal last year, is "listening" to various offers to sell the networks, an RKO spokesman says, though no sale is imminent. RKO Radio Networks has reached only 20% of its advertising sales goal for the first quarter, the spokesman said.

'U.S. News' publisher Dunn to leave post

New York—William Dunn is leaving his post as vp-publisher at *U.S. News & World Report*. Once his successor is chosen, which Mr. Dunn expects "in the next couple of months," he will become senior vp, U.S. News & World Report Inc. His agreement with new owner Mortimer Zuckerman calls for him to continue as senior vp through 1985; in September, he will add duties at the University of Massachusetts, teaching in the business and journalism schools.

Chiat tests jump to defense of 'Lemmings'

Cupertino, Cal.—Apple Computer's controversial "Lemmings" Super Bowl spot scored well in day-after recall tests commissioned by Apple agency Chiat/Day. Apple said of 127 respondents, screened by Chiat to exclude nonprofessionals and nonmanagers, 73% recalled the spot, 68% could articulate its main message, 80% could describe the action in detail, 79% believed it was targeted at business, 23% spontaneously mentioned the Macintosh Office, subject of the ad, and 59% expressed an interest in

(Continued on Page 8)

A word about 'Thursday'

Advertising Age's Thursday edition is ready to serve up new pages and timely features. Besides enhancing our readers' knowledge, it will add to the comprehensive qualities of this publication. Look for this exciting departure in business journalism with your Advertising Age *Thursday* issue of Jan. 31.

Passport to $20 million

Six agencies apply for Visa

By RUTH STROUD

Visa USA, after several management changes, is searching for a full-service international agency to handle its estimated $20 million U.S. account.

The U.S. arm of Visa International, San Francisco, the world's largest bank-card organization, is talking to six agencies headquartered in New York or Chicago to replace Visa Communications, its in-house agency for the past decade. Among those believed to be on the list are: Young & Rubicam; BBDO International; Dancer Fitzgerald Sample; Leo Burnett USA; Foote, Cone & Belding, and one other agency.

Visa's decision to seek an outside ad agency follows recent change in management and direction of the company. Charles Russell became president-ceo of Visa International and Visa USA, after D.W. Hock, who had held the post since Visa was founded in 1970, announced his retirement. In October, John Bennett, a former vp-marketing at Merrill Lynch, Pierce, Fenner & Smith and, before that, a product and marketing executive with Citibank and American Express Co., became the new director of marketing and product development.

The search for an outside agency is really Mr. Bennett's decision and that of top management, according to company spokesman Richard Rossi. "Because of deregulation, [they feel] there will be much tougher competition and that [Visa] needed the additional resources that a larger international agency could provide," Mr. Rossi explained. "We need a lot more capability than it would make sense for us to build into an in-house

(Continued on Page 100)

Photo by Arnie Adler

Annenberg honored by MPA

Walter Annenberg (c.), chairman of Triangle Publications, accepts the Magazine Publishers Assn.'s 1984 Henry Johnson Fisher Award in New York. With him are MPA chairman Jack Rehm of Meredith Corp. (l.) and William Gorog, president of the MPA. *(See story on Page 100.)*

Highlights

Ralston Purina Co.'s new Chicken of the Sea brand canned pink salmon may "change the way everybody's packing salmon," industry sources say. *See Page 6.*

Opponents of alcohol advertising have found their legislative angel—a Southern Baptist preacher turned congressman, who also owns an ad agency. *See Page 10.*

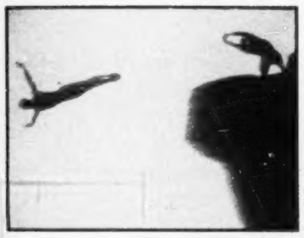
Pillsbury Co.'s Van de Kamp's Frozen Foods division began a heavy Lenten push this week for Van de Kamp's Light, a new line of adult-oriented, lightly breaded premium fish filets. *See Page 24.*

Alberto-Culver Co. plans to continue its rapid-fire pace of new-product introductions and continue to increase its advertising budget. *See Page 26.*

The frantic nature of headhunting in Manhattan is made even trickier by the subjective process of judging creative work. Some of those involved in this juggling process share their views on the problems and challenges the job poses. *See Page 42.*

The drug industry is not alone in trying to influence physicians' prescription practices. There is a movement afoot to counter the information supplied through drug ads. *See Page 50.*

Squeezing more mileage out of advertising budgets has become the Holy Grail of automobile marketers, and their lengthy quest has led them to the doorstep of the print community. *See Page 80*



A commercial produced for Ontario's Ministry of Tourism and Recreation swept the 14th annual U.S. Television & Radio Commercials Festival by winning the "best of festival" MOBIUS award and four other awards. *See Page 102.*

CORPORATE CLOSEUP

Quaker Oats Co. at one time looked at its international grocery products arm as a shining light, but now Quaker executives are revising their strategy and changing course. *See Page 4.*

FORUM

Buyers and sellers undervalue the creativity of radio commercials because they think the radio can't carry pictures, says William Stakelin, president-ceo of the Radio Advertising Bureau. *See Page 16.*

Dimitri Vassilaros, a Florida marketing executive, tells a waiting world "How to Tampa Bay." *See Page 16.*

INTERNATIONAL

The European Economic Community's new executive committee is expected to press for approval of a controversial "Green Paper" calling for relatively unregulated advertising on tv broadcasts across European borders. *See Page 60.*

The Brazilian ad market is in a state of flux following this month's presidential election. What happens in Brazil, biggest ad market in Latin America, also affects U.S. multinational agencies, which have invested heavily in their Brazilian operations. *See Page 60.*

Private, local tv which is expected to be introduced in France for the first time, could be a flop with advertisers if private, national networks are not also allowed. *See Page 64.*

COMING THURSDAY

SPECIAL REPORT

Making products stand out is the goal of wine and beer marketers trying to sell their goods in an increasingly competitive market. Tactics range from creating new categories, such as low-alcohol beer, to offering wine by the glass in restaurants.

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Software discs lure Woolworth

By BRIAN MORAN and PAT SLOAN

New York—A chain of computer software stores is believed to be one of three specialty retailing formats F.W. Woolworth Co. is expected to announce soon.

Reports of Woolworth's intent to further expand in specialty stores surfaced last week amid increased trading of its stock. The heavy trading revived speculation that a Canadian investment group or Rapid-American Corp. chairman Meshulam Riklis might be orchestrating a takeover.

At press time, Woolworth executives would not comment on the nature of the new stores. A spokesman, attributing the stock's activity only to a surge in the over-all market, indicated the company will reveal the identity of the stores within a week.

The new stores are part of Woolworth's previously announced strategic plan to internally develop or acquire new specialty stores. Woolworth first confirmed late last year that it was looking at three additional formats for 1985 (AA, Dec. 10). Woolworth previously had announced plans to test deep-discount drugstores with two outlets in metropolitan Philadelphia. The stores, scheduled to open early this year, will be called the Rx Place, a Woolworth spokesman said last week.

The specialty store offensive is considered key to Woolworth's plans for long-term growth. Woolworth management also has been trying to revive its variety store business, the oldest and largest segment of the retail company that began as a 5¢ & 10¢ store.

Woolworth's software stores re-

(Continued on Page 100)

New roles at rechristened parent

O&M name game

By STEWART ALTER

Kenneth Roman, Graham Phillips and Norman Berry were named to major new management roles at a reorganized, renamed Ogilvy & Mather. Jay Schulberg has been tapped for a key creative role.

The Ogilvy Group is the new name for the parent O&M company, previously called Ogilvy & Mather International. It had 1984 billings of $2.9 billion.

O&M International chairman-ceo William Phillips, 55, retains that title at the Ogilvy Group.

A key promotion involves Mr. Roman, 54, who moves to president of O&M Worldwide from the same title at O&M-U.S. William Phillips remains O&M Worldwide chairman.

Graham Phillips, 45, has been named chairman at O&M-U.S., while retaining responsibility as chief financial officer at the parent Ogilvy Group. He had been managing director of O&M, New York.

Mr. Berry, 53, was named president of O&M, New York, while retaining the post of O&M Worldwide creative director. Replacing Mr. Berry as creative director, O&M, New York, is Mr. Schulberg, 45, who has been senior vp-deputy creative head.

Michael Ball, 48, vice-chairman at O&M International becomes vice-chairman at Ogilvy Group and adds the new title of vice-chairman, O&M Worldwide, in charge of worldwide development.

James Benson continues as vice-chairman, O&M Worldwide.#

Ralston summons salmon

By JULIE FRANZ

St. Louis—Ralston Purina Co.'s new Chicken of the Sea brand canned pink salmon may "change the way everybody's packing salmon," industry sources say. The new product marks the first time salmon is packed skinless and boneless.

"Ralston is going big into seafood," one industry insider said. Ralston has been telling grocery store buyers the company wants to be known as "*the* canned seafood company, not just a dog food company," buyers report.

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It also has hinted it may add canned shrimp and canned crab to its Chicken of the Sea line, sources say.

Ralston refused to comment on its new pink salmon or rumored expansion plans.

The company's pink salmon began testing Jan. 1 in Buffalo, Houston, Kansas City, Miami and Pittsburgh. The product is backed by a $7 million campaign by TBWA, including $4.2 million for tv spots and print ads breaking March 1.

Ralston is applying its tuna fish-cleaning technology to its salmon product, seafood industry sources say.

It has a temporary patent on applying the cleaning process to salmon that should keep competitors at bay for at least 15 months, sources say.

Traditional methods of packing salmon with the skin and bones give a 68% to 70% yield from a salmon, those sources said. Chicken of the Sea's new packing method gives only a 40% to 45% yield from each fish, they said, adding four to six cents to the retail price of each packed ounce, they added.

The product comes in 6.5-oz. cans priced between $1.31 and $1.75.

It also comes in a 12.5-oz. can, but none of the buyers interviewed said they'll stock the larger size. Grocery shoppers are more likely to buy the smaller-size can because it resembles a can of tuna, they point out.

The product's physical likeness to canned tuna is the pink salmon product's biggest selling point, test market sources agree. "If you make it look like tuna, people will buy it," one said. Skinning and deboning the salmon adds to the convenience and eliminates much of the "fishy" odor of canned salmon, he added.

To introduce the product, Ralston is selling a 3.25-oz. trial size for between 41¢ and 59¢; it is available through February, market sources report.

The sample comes in a 144-can pink point-of-purchase display with 25¢-off coupons on the label. Free recipe books for consumers unfamiliar with salmon are part of the display.

On-pack coupons for 15¢ off the 6.5-oz. can and 30¢ off the 12.5-oz. can also run through February and again in September.

Tv spots, with 1,024 gross ratings points guaranteed during the test, will run through the first week of June.

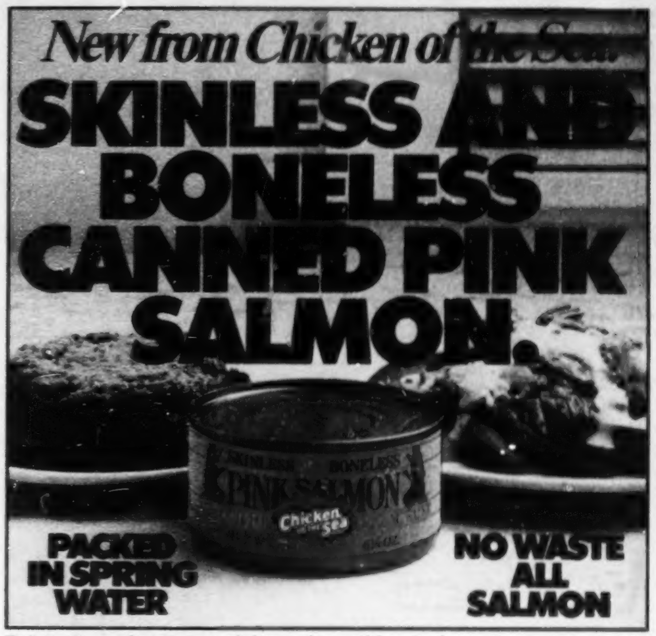
Print ads in women's magazines—themed "No waste. All salmon."—with 15¢-off coupons will run through June 30 and again in September.

Ralston plans two-for-the-price-of-one coupons the first week in March.

Also planned for that week are cents-off coupons with total distribution of all three to 657,000 households.

Another 587,000 coupons for 20¢ off any size or buy-one-get-one-free are set for the first week of May and the first week of September.

With magazine and freestanding insert distribution, Ralston is guaranteeing circulation of 300 million coupons, product literature asserts.#



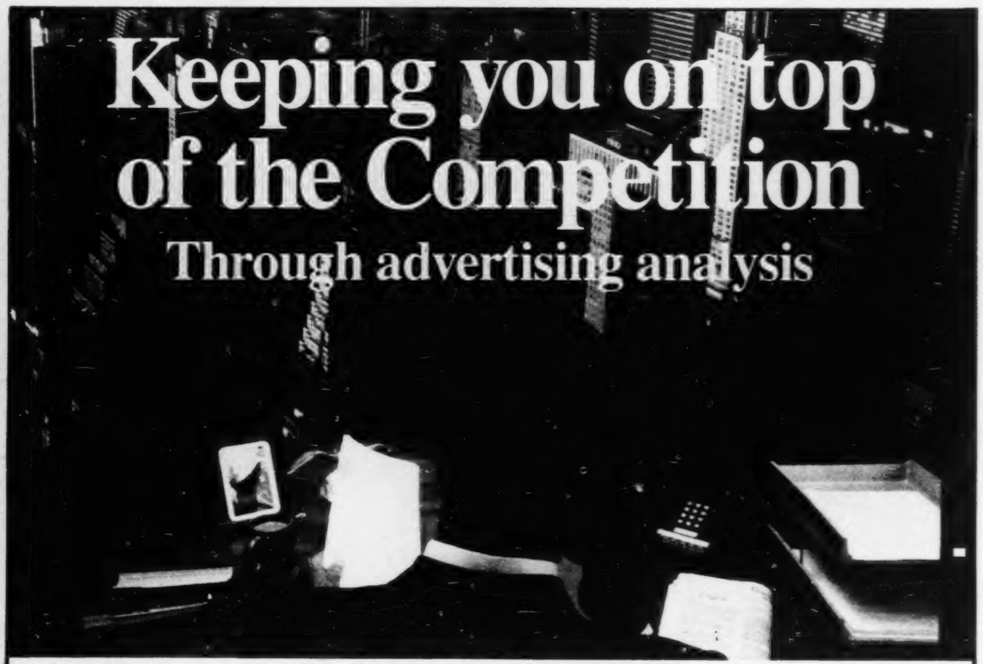
Point-of-purchase materials such as this stack card are included in Ralston's support for Chicken of the Sea brand canned pink salmon as part of a $7 million ad campaign by TBWA, St. Louis. The product marks a major Ralston commitment to the canned seafood business, industry sources say.

Alcohol ban bill killed

Atlanta—A bill to ban alcohol advertising in Georgia was overwhelmingly defeated, 118-46, last week in the state's general assembly, with most opponents arguing against it on constitutional grounds.

CORRECTIONS & CLARIFICATIONS

- Procter & Gamble did not agree to sponsor the Metromedia program "Small Wonder" as reported in a story on the National Assn. of Television Program Executives International syndication convention (AA, Jan. 17, P. 2).
- By transposing 1984 and 1983 ad page figures, a chart headed "How the top 25 line up [Monthly metropolitan magazine ad linage]" that appeared in the Special Report on City & Regional Magazines (AA, Jan. 17, P. 16) incorrectly positioned *Ultra* as No. 23 on the list. Since the Houston-based publication reports that it carried 1,055 ad pages in 1984, or 28% more than the 824 in 1983 (not the reverse), it finished 1984 virtually tied with *Houston City* in 13th place. (The latter reported 1,054 ad pages for 1984.)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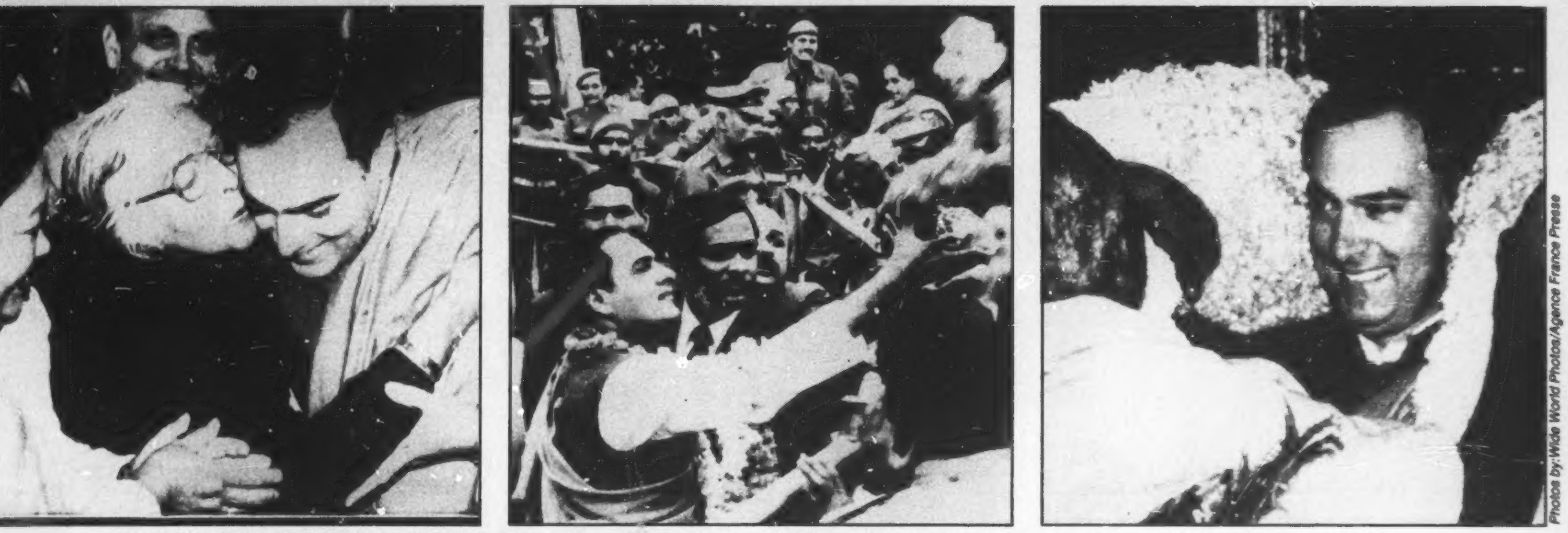

Photos by: Wide World Photos/Agence France Presse

New Indian Prime Minister Rajiv Gandhi, receiving the accolades of voters who elected him last month, has vowed to open India to foreign marketers.

INDIA

A sleeping giant finally opens door to the West

Editor's note: The prospect of a new "open door" policy in India is as exciting to many Western marketers as the opening up of China. The late Indian Prime Minister Indira Gandhi was in the midst of a program to emphasize free enterprise within India—and also to attract new, foreign competitors—when she was assassinated last year. Mrs. Gandhi's son, Rajiv Gandhi, elected India's prime minister last month, said he will continue lifting barriers to foreign marketers. But now he is preoccupied with the aftermath of 1,300 deaths in riots following the assassination of his mother, and of 2,000 additional deaths following the escape of poison gas from a Union Carbide pesticide plant in Bhopal. Before these tragedies occurred, some Western marketers and media targeted India for products and programing. They still do, and the reports that follow tell why.

By MICHAEL BALL

It was a year—1984—in which one political event shook India: The assassination of Indira Gandhi.

The strength of India's institutions, however, enabled a smooth transition of power. And that implies the shift toward pragmatic economic policies will gain momentum.

One result of the shift has been an increase in private enterprise and a substantial transfer of technology from abroad, especially from Japan. The potentially huge Indian market attracted the Japanese, despite import restrictions on goods and technology.

Another encouraging trend has been the gradual urbanization of rural India. New products and services are reaching the rural rich, who have been helped by growing literacy, an exposure to urban life styles and exposure gained through the spread of tv, video and the ever-present Indian films.

This has created an awareness and acceptance of technological innovation. As a result, there has been a reduction in the sociocultural gap between what one commentator has termed "the two Indias."

Along with this, there has been the gradual increase in disposable income, and a resultant improvement in living standards. India is now entering a consumer age, with consumers demanding more products and services. Simultaneously, they are demanding more value for their money.

Naturally, manufacturers are trying to meet these new needs. An enormous number of new products and services have been introduced into the Indian market, as have new brands in categories that were dormant until now. Some of the important ones are motorcycles, cooking ranges, food and beverages, expensive fashion fabrics, tvs, hi-fi/-video systems, office equipment—including computers and word processors—and state government tourism.

The future probably will see growth in four basic product areas: Electronics, convenience, health and self-fulfillment.

Obviously, the task of placing these products in front of at least 100 million consumers is one that 200 ad agencies accredited by the Indian media look forward to.

In this, Indian agencies are helped by the explosive growth of tv. It reaches 70% of the country. In a largely illiterate country, audiovisual media are effective in reaching consumers, and so there has been a shift in budgets to tv, which now offers color.

In addition, Indian tv allows advertisers to sponsor complete programs, an advertising technique new to India.

Advertisers also are proving more willing to increase expenditures. In 1984, estimated spending will be $461 million, up 14% from 1983, despite a disallowance of 20% on all advertising expenditures for computing corporate taxes. About 65% of all spending is channeled through the top 10 agencies.

Intensified activity in the marketplace has forced Indian agencies to achieve new levels of professionalism. This is exemplified by the Third National Readership Survey, which is the largest of its kind in the world, polling 55,000 respondents.

Finally, one phenomenon worth noting: The large number of foreign collaborations in Indian industry, including advertising. Only three agencies have foreign equity participation, but at least six others have associate relationships. These should prove catalysts to increasing the rigor in Indian advertising, and providing greater visibility worldwide.#

Mr. Ball is vice-chairman and director of Ogilvy & Mather International and was in India when Indira Gandhi was assassinated.

Agencies seek tie with U.S. shops

Goal is to snare global accounts

By VALERIE MACKIE

Leading Indian agencies in Bombay and New Delhi are bombarding U.S. multinational shops with proposals to affiliate.

"In the last three to six months, we have received letters from independent Indian agencies which are rushing to get an international agency affiliation," said Willi Schalk, president of BBDO International Group. "They believe they need international connections," Mr. Schalk said.

Jerry Roberts, chairman of DYR Inc., said, "We have received some letters, some of them very formal. . .They want our name and expertise." DYR is a 50-50 joint venture between Dentsu of Japan and Young & Rubicam.

Indian agencies want international affiliations to gain an edge with global clients thinking of entering India now that the country is opening up to foreign marketing.

Michael Ball, vice-chairman and director of Ogilvy & Mather International, predicted the "Indian end to multinational clients" will grow.

India's sixth-largest agency, Chaitra Advertising Private Ltd., is looking to link with a U.S. agency "to offer some of our export-oriented clients an opportunity to understand sophisticated marketing and research techniques for specific international market segments," said Walter Saldanha, Chaitra chairman.

Much of this optimism hinges on whether the new government of Rajiv Gandhi keeps its promise to continue Indira Gandhi's policy of opening up the nation's restrictive trade practices before she was assassinated last year.

The most restrictive law to date is one limiting foreign equity ownership to 40%, a rule that induced IBM and Coca-Cola to shut down their Indian operations in the mid-1970s and O&M and Lintas to reduce their holdings from 100%. All other multinational agency agreements in India are nonequity.

But not having an equity position has its advantages, too. J. Walter Thompson Co., the largest agency in India, has attracted a high percentage of public sector (government) advertising. Public sector advertisers, by law, can only hire Indian-owned agencies.

At this point, neither BBDO nor DYR has taken any of the local Indian agencies up on their offers to affiliate, preferring to see what happens in India.

"We have decided to look into India in 1985 and try and understand the market. We don't plan to rush," Mr. Schalk said. One BBDO client, Gillette, already announced it will market razor blades in India this year (AA, May 21).

"We're not going into India, although I wish we were," said DYR's Mr. Roberts.

"It's back burner in terms of business development, but front burner in terms of interest. If the government changed its restrictions today, tomorrow there would be 58 meetings in Manhattan," Mr. Roberts added.

"Most international marketing companies are wishful about India. They wish they [India] could do better because it is such a large market. But the reality is that you can spend a lot of money and get nothing out of it," Mr. Roberts said. "If you can't make an immediate profit, or if there is no client that wants you there, then why do it?"

Agencies without equity in India don't mind the status quo. Michael Thomas, international vp of McCann-Erickson, which is affiliated with India's Clarion Advertising, said, "The issue of whether to buy equity in India comes up every two or three years, but the arrangement is satisfactory now."

Saatchi & Saatchi Compton Worldwide was the only foreign agency to move into India in 1984 when it signed an affiliation agreement with Everest Advertising. "We didn't say 'Ah ha, India is about to step forth in advertising,' " said James Adler, international director of Saatchi & Saatchi.

"It's just that we were interested in setting up an office. It's not uncommon to work on an associate basis prior to taking an equity position—it depends in part on business development.

"There is no great deal of activity there. The economy is not exactly booming. There aren't many multinational clients in India. Our largest client, Procter & Gamble, isn't even there," he said.#

The saga of India's cola war

By KIM GORDON-BATES

New Delhi—For a foreigner to understand America, he must understand baseball, author Jacques Barzun once said. To know India, an American must understand soft drinks.

On the surface India is one of the world's most promising soft-drink markets. Its 730 million population is largely under 20.

Also, the country's per-capita soft-drink consumption is one of the world's lowest: Six bottles per year—compared with the U.S.' 420.

But both PepsiCo and Coca-Cola, the dominant global cola marketers, can merely look on and thirst over this huge market, which they avoid because of laws protecting indigenous industries.

Sources say these and other consumer marketers are asking themselves whether the time is ripe to try India again now that the government is loosening restrictions on foreign business involvement.

"We're always looking at markets we are not in," said a Pepsi spokesman.

If western consumer marketers decide to enter the Indian market, it will be one of the most remarkable turnarounds in the underdeveloped world, rivaling the opening up of China.

Observers are watching markets like soft drinks to see if India is serious about its "open door" policy.

Mainly confined to India's affluent urban zones, soft drinks over the past decade have been at the mercy of politics.

More than 10 years ago, the government sought to establish a protectionist cocoon to promote India's budding industry. This meant all foreign capital employed in India had to be diluted down to a 40% maximum. The upshot of this "Indianization" of foreign capital was the departure of at least two major U.S. concerns, Coca-Cola and IBM.

Before that, Coca-Cola arrived in India in 1950 and built a profitable business by weaning Indians away from their traditional fruit drinks, curds and sherbets.

Like the fizz of its modern drink—which is how Coke was promoted—first-year sales of fewer than 1 million bottles rose to 12 million by the early '70s.

In 1951, PepsiCo embarked on an attempt to compete in the Indian market, but sold its machinery and plant to Coca-Cola in 1957. "We couldn't make a go of it and chose to get out," said the spokesman.

The key to Coca-Cola's Indian operation, according to sources here, was a New Delhi-based bottling company, Pure Drinks Ltd., run by the Mohan Singh family, who were close friends of Indira Gandhi, the late Indian leader.

The company was run by Mohan Singh, his son, Charanjit, a former member of parliament for a South Delhi constituency, and their family of enterprising members of the Sikh religious group. They possessed an established bottling factory and a lot of grit.

But enterprise and grit were not enough to keep Pure Drinks' connection with Coca-Cola fizzing.

The break came when Coca-Cola refused to yield either equity or its secret formula to the Indian government. Just when the country was rocked by a political earthquake—in 1977, Mrs. Gandhi was surprisingly but convincingly defeated in an election—Coca-Cola pulled out, leaving the Singh family high and dry, deprived of both political and business support (see related story).

The Campa-Cola logo is reminiscent of Coca-Cola, which pulled out of India in the 1970s.

Within weeks, the new government—made up of Mrs. Gandhi's archenemies—was out "to ruin" him, said Charanjit Singh.

Before the end of the year, the government promoted the launching of a "political cola" under the name 77—a name that had been suggested in parliament to commemorate the "1977 victory." But 77, manufactured by Modern Foods and marketed by India's largest advertising agency, Hindustan Thompson, affiliated with J. Walter Thompson Co. in the U.S., quickly turned into a certified failure, according to sources.

One advertising executive who had been working with Hindustan Thompson at the time said, "77 was a rushed job, and the manufacturers made a mess of it. The mixture had either too much carbonated water or too little, and the taste formula was pretty rough."

Meanwhile, a Bombay-based entrepreneur, Ramesh Chauhan, was thinking ahead. He owned a bottling company, Parle's, which since 1949 had been India's pioneer in soft drinks with two "hit" beverages to its name—a lime-and-lemon drink, Limca, and an orange drink, Gold Spot. Suddenly, he introduced Thums Up, India's first noncola-nut cola.

Today, MIT-educated Mr. Chauhan claims he was "instrumental" in getting Coca-Cola out of India, although it is unclear how. But he helped usher in a market war between himself and Mr. Singh.

As the Indian summer season approached in 1978, Mr. Singh launched India's "only cola containing cola," Campa-Cola.

The battle continued through Mrs. Gandhi's return to power in 1980, along with a new member of parliament: Charanjit Singh. The tide had changed, and now it was Parle's turn to feel the brunt of political adversity.

Meanwhile, down in the streets, the cola battle had taken a new turn. According to Charanjit Singh, Pure Drinks' attempt to penetrate the Bombay market with Campa-Cola after being well established all over northern India "was completely sabotaged by Parle's, which had engineered a 10-month strike at our Bombay bottling plant."

Mr. Chauhan, on the other hand, claimed that "Pure Drink people go around Delhi smashing our empty bottles"—a vital tactic in India's soft-drink warfare, since the country is a returnable-bottle market.

But even amid the turmoil, an equilibrium was settling in. Pure Drinks had most of the north India market, Parle's had the Bombay area and the rest of the country was carved up between the two major competitors and a few independent bottlers.

This harmony was disrupted several years ago when a total newcomer—McDowells—jolted the market by introducing a noncola-nut drink called Thril.

Previously, Campa-Cola and Thums Up had adopted similar advertising campaigns, despite Campa-Cola's attempt to be the "only cola" cola.

The thrust of all the campaigns was on fast-living, disco-dancing and fun-loving kids.

But the arrival of Thril changed all that. Trying to differentiate itself from competitors, McDowells billed Thril as the drink for cricket players ("cricketers")—which is virtually India's national sport.

The campaign's theme line, via Lintas, is "Us, you and Thril."

Thums Up has stuck to its "Happy days are here" theme (borrowed from Coke's ads), via Everest Advertising (now a Saatchi & Saatchi affiliate).

Campa-Cola is striving to exploit the "togetherness" slant with young people "doing things" rather than performing in exotic sports.

The market turmoil is not over yet. Last year, the three soft-drink agencies launched a total of seven new brands between them, including diet colas and grape drinks.

Mr. Chauhan says, "All were lovely flops," including his own.

The good news is that soft drinks have spread to all classes in India, says one agency exec.

In some cases, "it has become a mark of status to offer a visitor a [soft] drink rather than the traditional cup of tea," he said.

Things go better with Campa-Cola

New Delhi—When Coca-Cola left India in the mid-1970s, rather than give up equity or its secret Coke formula as the government demanded, Charanjit Singh had big problems.

Coca-Cola's departure left Mr. Singh's company, Pure Drinks—Coke's bottler—in danger of going under. To save it, he launched a Coke-like soft drink, Campa-Cola, and now Pure Drinks is thriving.

The ubiquitous Campa-Cola signs—the logo is identical to the scripted Coca-Cola logo—have helped make the drink one of India's hottest.

C. Singh

Mr. Singh, 44, is a member of India's entrepreneurial Sikh religion. His plush office, above the factory floor in New Delhi, is decorated with photos of French President Francois Mitterrand and Britain's Prime Minister Margaret Thatcher.

But despite his fame, Mr. Singh is press-shy, and few ad agency execs will talk about him.

"He has political clout," one exec explained.

Mr. Singh said Coca-Cola's departure was "a tremendous challenge."

To make up for the loss, Mr. Singh and his chief chemical engineer, P.S.R.K. Prasad—"the father of Campa-Cola"—went to London in 1977. There, Mr. Prasad "cracked Coke's secret formula in less than three weeks," Mr. Singh claimed.

Mr. Singh admits that "there were some objections from Coca-Cola" about the similarity in logos, but within a few months Coke let this possible breach of copyright "go by," he says. Coca-Cola officials refused to comment.

Other complications arose, however, when Campa-Cola began reaching outside India, notably the U.K., Holland and Nigeria. "Our Nigerian plant is only four blocks away from Coca-Cola's, and we had to change our lettering," said Mr. Singh.

In the U.K., Mr. Singh expects to "win over 10% to 15% of domestic cola sales" using "ethnic pull" on Britain's huge Indian population.

Negotiations for Campa-Cola plants also are under way in Portugal, Belgium, Spain, Taiwan and Singapore. A natural extension of Campa-Cola's success, said Mr. Singh, "would be to take on Pepsi-Cola in the Soviet Union."

India's top agencies. . .

Name of agency	1984 billings ($ thousands)	Increase from 1983 (%)	Top clients	Foreign agency affiliation
Hindustan Thompson	26,440	10	Hindustan Lever; Air India	J. Walter Thompson Co.
Lintas India	19,119	9	Hindustan Lever; Reckitt & Colman	SSC&B:Lintas Worldwide
Clarion Advertising Service	15,555	14	Food Specialties (Nestle); Geoffrey Manners (American Home Pdts.)	McCann-Erickson
R.K. Swamy Advertising	11,850	15	Ashok Leyland; National Tobacco	Looking to affiliate
Ogilvy Benson & Mather	10,557	18	Johnson & Johnson; Philips	Ogilvy & Mather Intl.
Chaitra Advertising	9,862	10	Jay Engineering; State Bank of India	Looking to affiliate
Everest Advertising	7,970	11	Parle; Bombay Chemicals	Saatchi & Saatchi
Interads Advertising	7,769	10	Modi; Punjab Bank; Thermal Power; National Seeds	Vneshtorgreklama and [illegible] (Moscow), Agpol International (Warsaw)
Advertising and Sales Promotion	6,341	10	Bharat; Hindustan Motors	Ayer Barker Holding
Radiffusion Advertising	5,886	12	Cathay Pacific; [illegible]	Ted Bates and Leo Burnett

. . .and advertisers

Advertiser (products)	1984 ad budget ($ thousands)
Hindustan Lever (detergents)	3,950
Reliance Textiles	3,160
India Tobacco Co.	2,585
Philips (electronics)	2,086
Colgate-Palmolive (toiletries)	2,096
L&T (engineering)	1,875
Jay Engineering (food specialties)	1,580
Richardson Hindustan (toiletries)	1,422
Hindustan Cocoa (food)	1,343
Voltas (engineering)	1,280
Johnson & Johnson (detergents)	790

Source: Advertising Age

QUARTERLY EARNINGS

P&G strategy slices profits

CINCINNATI—Procter & Gamble posted strong consumer sales in its second quarter, but earnings continued to fall as the Cincinnati-based company pursued its previously announced high level of investment in new products. P&G also said its earnings were affected by "major product developments" in established brands, including the new generation of Pampers disposable diapers.

Bottom line: Worldwide net sales for P&G's second quarter, ended Dec. 31, rose 8% to $3.37 billion from $3.13 million a year ago. Net earnings, however, fell 36% to $137 million from $214 million.

For the first six months, sales increased 7% to $6.86 billion from $6.41 billion, while net earnings declined 26% to $360 million from $487 million.

Johnson Products Co. says "sluggish haircare product sales" contributed to lower earnings for its first quarter of 1985, ended Nov. 30. Sales totaled $10.08 million, down 0.9% from $10.18 million a year earlier.

Earnings were $85,000, down 49% from $169,000.

Although increasingly strong competition in the haircare category continues to affect retail sales, "Gentle-Treatment and Classy Curl did better this quarter than a year ago," said George E. Johnson, president.

In addition, sales of professional products, where the company has concentrated its efforts, also were higher.

Bristol-Myers Co., New York, reported strong performance across the board in 1984, producing record fourth-quarter and yearly sales and earnings. Domestic sales rose 9%, while international sales were up 2%.

Bottom Line: Worldwide, sales rose 6% for the quarter to $1.01 billion, and net earnings increased 13% to $117.7 million. For the year, sales rose 7% to $4.19 billion, and earnings were up 16% to $472.4 million.

A sluggish retail environment for health & beauty aids in the U.S. contributed to a decline in sales at **Richardson-Vicks**, Wilton, Conn. Sales of Vidal Sassoon Inc. and most of the company's other divisions were behind their strong performances in the second quarter of fiscal 1984, the company said. However, the personal care division made record gains.

The picture was brighter for earnings, which benefitted from onetime gains from the sale of the Pea-Beu insecticide business in Australia and Lavoris mouthwash in the U.S. Furthermore, marketing expenditures were down because of heavy spending for new-product introductions last year.

Bottom line: Sales in the second quarter, ended Dec. 31, were $321.5 million, down 4.2%. Earnings rose 9.6% to $14.6 million. For the six months, sales declined 5.2% to $662.6 million, while net income rose 10.5% to $48.2 million.

RCA Corp., New York, reported record 1984 sales and earnings, fueled chiefly by healthy gains in network tv and consumer electronics. National Broadcasting Co. alone saw its record profits jump 40% on a 13% sales increase, largely because NBC-TV climbed out of the network tv ratings cellar for the first time in almost a decade. RCA's electronics operations also posted record earnings, after excluding the special $175 million SelectaVision videodisc provision.

Bottom line: Revenues rose 13% to $10.1 billion for 1984 as net income soared 50% to $341 million. Net income in the fourth quarter rose 37% to $102.8 million on a sales increase of 13% to a record $2.8 billion.

Quaker Oats Co., Chicago, said its net income drop in second-quarter 1985 results reflect advertising and merchandising spending of $354.6 million for the first six months of the year, up 21%, or $62.7 million, from last year. The company plans to reduce its level of promotional spending in the next six months, resulting in "a good year for Quaker," the company said.

Bottom line: Second-quarter sales increased 5% to $899.2 million from $852.7 million in the same period a year ago. Second-quarter net income fell 10% to $31.3 million from $34.8 million.

Sales for the first six months rose 9% to $1.77 billion, from $1.61 billion last year. Net income for that period fell 9% to $57 million from $62.8 million last year.

Dart & Kraft, Glenview, Ill., said acquisitions of Celestial Seasonings Herb Teas, Lender's Bagels, Precor exercise equipment and a zinc-air battery business as well as a poor showing by its Tupperware division resulted in the company's mediocre 1984 results.

Bottom line: Fourth-quarter 1984 sales fell 3.1% to $2.5 billion from $2.6 billion in 1983. Fourth-quarter net income rose 6% to $125.5 million from $118.4 million in 1983.

Yearend sales increased 0.5% to $9.8 billion from $9.7 billion in 1983. Net income for 1984 increased 5% to $455.8 million from $435.1 million in 1983.

For the year, Tupperware operating profits fell 27% to $138.8 million and its sales declined 6% to $776.9 million. The decline is due to start-up costs for Tupperware's new Ultra 21 product line, the company said.

G.D. Searle & Co., Skokie, Ill., already a hot acquisition target, turned in double-digit sales and earnings increases for its fourth quarter. But the quarterly figures lagged behind the company's full-year results.

The full-year figures illustrate what a hot new product—in this case Searle's low-calorie sweetener aspartame—can mean to a company's balance sheet. Sales of NutraSweet and Equal, Searle's brands of aspartame, climbed 74% last year to $585 million, from $336 million in 1983. NutraSweet/consumer products division sales rose 60% to $680.5 million, from $424.8 million in 1983. The division's net income figures aren't available.

By comparison, pharmaceutical sales increased just 9% to $584.6 million, from $535.2 million in 1983.

Often-mentioned suitors for the NutraSweet/consumer products unit include Procter & Gamble and American Home Products, New York, and, for the pharmaceutical division, Pfizer, New York.

Bottom line: For the fourth-quarter, sales increased 18% to $334.3 million from $284.4 million in 1983. Net earnings rose 22% to $53.3 million from $43.7 million in 1983.

Sales last year increased 32% to $1.25 billion, from $946 million in 1983. Net earnings rose 36% to $161.6 million, from $151.2 million.

Kimberly-Clark Corp., Neenah, Wis., said higher unit sales of its Huggies disposable diapers spurred record fourth-quarter sales and income. Increased diaper and facial tissue sales, improved newsprint prices and mill operations and higher U.S. consumer product prices more than offset lower unit sales of feminine care products here and abroad, K-C said.

Bottom line: Fourth-quarter sales increased 10% to $918 million from $836 million. Net income was up 15% to $53 million from $45.8 million in the same period a year ago.

Full-year 1984 sales rose 10% to $3.6 billion, from $3.2 billion in 1983. Net income increased 19% to $225 million, from $189 million.

Ralston Purina Co. said its first-quarter 1985 results reflect increased earnings from its pet food division and Jack-in-the-Box restaurants, despite a poor showing by its agricultural products group. The St. Louis company's first-quarter figures also include its October acquisition of Continental Baking Co.

Bottom line: First-quarter (ending Dec. 31) sales increased 19% to $1.6 billion, from $1.3 billion for the same period a year ago. Net earnings rose 2.5% to $82.8 million, from $80.8 million last year.

Circulation: Sunday magazines in the 1980's

	[illegible]	[illegible]	The New York Times Magazine
1983	23,168,789	12,675,921	1,498,873
1982	21,781,708	12,472,075	1,511,853
1981	21,644,119	12,458,750	1,430,358
1980	21,644,000	12,366,269	1,430,358

Due to a production error, the logotypes of the *New York Times Magazine* and *Family Weekly* were reversed in a chart (AA, Jan. 24, P. 28). The correct circulation figures appear above.

For the Record

LICENSED MERCHANDISE SALES soared 50% to $40.1 billion in 1984, says the annual survey by "The Licensing Letter," Scottsdale, Ariz. It is the seventh straight year of "vigorous" sales growth, said the newsletter's publisher, Arnold Bolka.

DEPARTMENT OF HEALTH & HUMAN SERVICES Secretary Margaret Heckler is being prodded by an advisory panel to urge Congress to ban all cigaret advertising. The National Council on Drug Abuse, a dozen HHS-appointed doctors who offer guidance on major policy issues, has forwarded its anticigaret message to Ms. Heckler. But her office says she may be slow in responding. Separately, the U.S. Surgeon General's office believes it can show smokeless tobacco is harmful, a spokeswoman says. That opinion came last week after the Federal Trade Commission asked Surgeon General C. Everett Koop to conduct a review of existing scientific evidence on snuff, dip and other smokeless tobacco products.

THE DEPARTMENT OF JUSTICE, after more than two years of review, has concluded that many marketing agreements between companies and their wholesalers and distributors can be restrictive without being anticompetitive or illegal. In a set of guidelines released last week, the department said these vertical-restraint agreements would be considered legal unless they limited output or increased price while not displaying any redeeming pro-competitive attributes.

ADOLPH COORS CO., Golden, Colo., next month breaks radio and print advertising in Chicago for its Coors and Coors Light beers, which become available on draft in that market today. A tv effort will begin in April, when the brands become available in package-goods stores. Foote, Cone & Belding, Chicago, handles.

G. HEILEMAN BREWING CO., La Crosse, Wis., hopes to prop up its ailing Lone Star label with a new comparative tv campaign. In the spots, young Texans choose Lone Star over Coors, Anheuser-Busch's Budweiser and Lite beer from Miller. Lone Star sales dropped 13% in the last year, but Heileman believes the six 30-second commercials can restore the beer's popularity. The campaign, via W.B. Doner & Co., Baltimore, breaks Feb. 4 in 14 Texas markets. Separately, Heileman will close its Phoenix bottling plant in March. The company said the facility is too small to be economical, given the currently flat beer market.

FOUNDATION FOR SAVINGS INSTITUTIONS, New York, broke a $4 million print campaign Jan. 27 touting federally insured Individual Retirement Accounts and other savings & loan services. The ads, in newspaper-distributed Sunday magazines, include local listings of IRAs in each market. Backer & Spielvogel handles the effort, which will run through April 15, the peak IRA selling season.

CURTIS TROEGER has been elected president at Doremus & Co., New York. The former exec vp succeeds chief executive officer Steve Kahler, who becomes chairman. Franklin Schaffer retired as chairman at the end of 1984 but remains a consultant to the BBDO International subsidiary.

COCA-COLA CO., Atlanta, has been given permission to sell Coke in the Soviet Union, more than 10 years after rival PepsiCo entered the country. It will be available first to foreigners, then to Soviet citizens.

TAMBRANDS, Lake Success, N.Y., has signed a preliminary agreement to sell tampons and sanitary napkins in the People's Republic of China. Tampons will be sold under the Tampax name.

NATIONAL ASSN. OF BROADCASTERS' board is ordering a task force to study the idea of creating NAB's own nonprofit audience-measuring service. The task force's findings are expected to favor setting up such an in-house service. The move is a response to NAB's displeasure with radio audience surveys that it believes are inaccurate, overpriced and misleading to potential advertisers.

MINOLTA CORP., Ramsey, N.J., is introducing a new compact autofocus 35mm single-lens reflex camera, the Minolta Maxxum 7000. Print and tv advertising will feature the Minolta theme "Only from the mind of Minolta." William Esty Co., New York, handles Minolta products.

GLAMOUR reports record ad pages and revenues for the first quarter of fiscal 1985. Ad pages totaled 446 for the quarter, up 4% from the record level a year earlier. Revenues jumped 14% to $15.1 million.

ACCOUNT ACTIVITY: **Club Med**, New York, to **N W Ayer** for its estimated $9 million account, from Ammirati & Puris.

WORTH NOTING: **Midway Airlines**, Chicago, last week belatedly joined the budget-fare bandwagon (AA, Jan. 21, *et seq.*) with Express-Fares to Florida from Chicago, Detroit and Cincinnati. The unrestricted fares range from $79 to $89 one-way. . .**U.S. music stars** will record their own single, "We Are the World," this week in Los Angeles to raise funds for Ethiopian famine relief, a la British performers' Band-Aid with its "Do They Know It's Christmas?" (AA, Dec. 17). . .**Grey Advertising**, New York, has established an affiliate relationship with Istanbul-based Cenajans Reklamcilik. The Turkish agency, fourth-largest in the country, had 1984 billings of about $4.2 million. . .Grey Advertising's **LBS Communications** unit, New York, and Telepictures have dissolved TelLex Media International, their year-old international tv barter-syndication joint venture. . .**Robert Humphreys** has been named to the new post of chairman-ceo at Grey Advertising's western division, Los Angeles. Succeeding Mr. Humphreys as division president is **Miles Turpin**, formerly exec vp. . .**John Scott**, the recently departed president of Times Mirror Magazines, New York (AA, Jan. 24), has bought a majority interest in Madison Avenue Publishing Corp., New York, publisher of *Madison Avenue*, where he gets the new post of chairman-ceo. . .The media schedule for St. Louis-based **Ralston Purina Co.'s** introduction of Sunflakes NutraSweet-sweetened cereal (AA, Dec. 10) includes network tv spots totaling 1,000 gross ratings points, beginning in early March, and distribution of 400 million 35¢-off coupons through direct mail and newspaper inserts. Tatham-Laird & Kudner, Chicago, handles. . . **Yankee Publishing**, Dublin, N.H., has suspended publication of its every-other-monthly *Collectibles Illustrated* with the January / February issue. . .The **Financial Times** of London has signed a contract with Evergreen Printing & Publishing Co., Bellmawr, N.J., to print an international edition of the newspaper in the U.S. for distribution in the North American market.

Apple puts the bite on Eve

By BRIAN MORAN

Another upstart marketer of Apple-compatible personal computers may crumble under Apple Computer's relentless pursuit of imitators on trade infringement grounds.

Eve Computer Corp., East Rutherford, N.J., markets hardware compatible with the Apple II line, but it has been brought to a standstill by a court-ordered injunction barring the company from manufacturing or selling its Eve line.

Apple has charged Eve and its parent, Computer Technology, with copyright and patent infringement in the production of Eve's operating system and memory instructions. Apple's suit in a federal district court in Newark, N.J., seeks all profits related to the Eve, plus $50,000 in damages.

Cupertino, Cal.-based Apple has built a reputation for fierce determination in chasing companies it suspects have used illegal components and licenses to make "clone" machines. Such notoriety resembles that of Apple's mammoth rival, IBM Corp., Armonk, N.Y.

Last year, Apple won a $2.5 million settlement against Franklin Computer, Pennsauken, N.J. That helped force Franklin into bankruptcy (AA, Aug. 23, *et seq.*).

"Fighting Apple in court is going to be very tough for us," said CTI ceo Charles Rothstein, who denied the charges. CTI had sales of $7.4 million in the fiscal year ended last Nov. 15, compared with Apple's 1984 sales of $1.4 billion. "Apple can win most of these cases based on sheer power," he said. "We don't have $1 million to spend defending ourselves."

Apple does have enough money to keep on retainer Barrick Securities Group, a San Mateo, Cal., private security company. BSG undercover investigators, posing as distributors interested in handling Eve computers, first met with Eve officials at the Comdex computer trade show last November in Las Vegas.

The larger marketer also secured a court order forcing Eve to surrender more than 250 computers and its sales records to Apple. Last week, however, the federal judge ordered Apple to return 24 of the impounded machines so that embattled Eve engineers could work on a redesign.

Jeffrey Blatt, a Beverly Hills, Cal., attorney representing Apple, said because the allegedly illegal Eve computers were imported from Taiwan, U.S. Customs officials have indicated they may seize the impounded machines still held by Apple.

In an effort to have the injunction lifted, Mr. Rothstein said his company plans to make two "minor" technical alterations in the Eve and submit them for Apple's approval. But regardless of whether the injunction is lifted, Mr. Rothstein said he expects a protracted trial.

Through its eight-year history, Apple has fought aggressively against marketers of compatible systems in the U.S. and foreign markets. In addition to the Franklin settlement, Apple last year won a lengthy copyright case against Formula International, Hawthorne, Cal., and Formula's Pineapple computer.

Several other copyright lawsuits brought by Apple, against marketers in California, Louisiana and Massachusetts, have been settled out of court, Mr. Blatt said.

Eve's shutdown also casts a shadow on parent CTI's hopes of raising $3 million through a preferred stock offering. Mr. Rothstein said CTI will go ahead with the offering, the proceeds of which are being counted on to finance further development of the Eve line and expansion of Micro Merchants, the parent's computer retailing arm. Micro Merchants is also a defendant in the suit.

The Eve pc, which is made in Taiwan, hit the U.S. market last September. The line consists of two Apple compatibles—a desktop machine and a portable. They feature built-in printer and disc interfaces and a numeric keypad, enhancements that are "extras" on Apple's line.

Eve has marketed the machines through CTI's four Micro Merchants stores and through some 20 independent dealers nationwide, Mr. Rothstein said. Sales were limited to "several hundred" units last year, he said, but the company had high hopes for the portable model, which received favorable industry reviews.#

January 23, 1985.
The day we upset the Apple cart.
Introducing Apricot.
apricot

Taste of competition

Apricot Inc., Santa Clara, Cal., a division of the U.K.'s No. 1 personal computer marketer, is breaking a $7.5 million U.S. introductory ad campaign that takes comparative shots at Apple. Business press ads say Apricot will "upset the Apple cart."

Super Bowl ratings

The Super Bowl audiences went with the flow of the game, and advertisers who paid $1 million a minute to be near the close of the game ended up paying a much higher cost-per-thousand than second-quarter advertisers. While fourth quarter tuneout is common in blowouts, the Super Bowl tuneout was certainly more expensive than most. Some 110 million Americans watched the game, but only about 100 million had their sets on when the Apple Computer "Lemmings" spot ran. Source: *A.C. Nielsen Co.*

6:00-6:30: 44.6/64 (First quarter)

IBM PC Jr., Nostrilla 12-Hour, McDonald's, U.S. Army, Michelin, Sharp Electronics, Anheuser-Busch, Nissan, McDonald's, Johnson Controls, ABC ("MacGruder & Loud")

6:30-7:00: 48.7/67 (First quarter-second quarter)

Cullinet software, ITT, ABC Sports (bowling), Bud Light, Master Lock, ABC Sports ("Wide World of Sports"), Hyatt Hotels, American Home Products' Advil, Nissan trucks, Tandy Radio Shack, Minolta, National Dairy Board, ABC Sports ("Wide World of Sports")

7:00-7:30: 48.2/65 (Second quarter)

Tandy Software, Ford Tempo, Canned Food, Northwestern Mutual Life, ABC News (Peter Jennings), ComputerLand, LA Beer, Sharp microwave ovens, Soloflex, Ford Thunderbird, IBM computers, United Way, ABC ("MacGruder & Loud")

7:30-8:00: 47.4/63 (Second quarter-halftime)

Cullinet software, Stroh's, Exxon, Diet Coke, ABC Sports

8:00-8:30: 44.9/60 (Halftime)

U.S. Air Force, ABC ("Hardcastle & McCormick"), IBM computers, Nissan

8:30-9:00: 47.1/62 (Third quarter)

Cullinet software, Budweiser, Nissan trucks, Sharp copiers, Stroh's Old Milwaukee, Nissan, ABC Sports ("Wide World of Sports"), ComputerLand, McDonald's

9:00-9:30: 45.6/60 (Fourth quarter)

Ford, Minolta copiers, IBM, Bud Light, Ford trucks, U.S. Marine Corps, Northwestern Mutual Life, Apple Computer, Ford, ComputerLand

Apple still backs 'Lemmings'

By CLEVELAND HORTON

CUPERTINO, CAL.—Apple Computer is defending its decision to air the "Lemmings" commercial during Super Bowl XIX, claiming its vision of the future needs to be communicated almost at any cost.

At a press conference following Apple's annual meeting here last week, Apple president-ceo John Sculley said he would prefer to "run the risk of offending somebody rather than having them not hear of the vision, the alternative," when fielding a question regarding the potentially offensive nature of "Lemmings."

The vision referred to by Mr. Sculley is the Macintosh Office, a family of products built around the Macintosh computer. Crucial to this concept are two peripheral components—a network and a high-quality printer—both of which were introduced, as expected, at the meeting.

Apple first announced the Macintosh Office concept in the tag line of the controversial "Lemmings" spot. The commercial aired during the Super Bowl despite reservations held by top management, and it drew criticism from the advertising community.

"Lemmings" creator Chiat/Day, Los Angeles, last week turned over to Apple the results of a day-after survey designed to gauge the effectiveness of the spot.

Apple president Steven Jobs told shareholders the company was entering a two-year transition period, during which office computers will change from individual, isolated workstations to network-linked communications devices. By avoiding discussion of short-term goals, the company may ease some of the immediate pressure for Apple to gain a significant share of the business market for personal computers.

Mr. Jobs did say he believes Apple will sell 10,000 AppleTalk networks during the transition.

To avoid a head-to-head collision with IBM Corp., Apple proposed "detente" with the Armonk, N.Y., computer giant. Apple even announced its intention to market a device designed for its archrival's computer to allow it to communicate over the AppleTalk network. The move is seen as Apple's acknowledgment that it can't survive in the business market by ignoring Big Blue's standard.

Meanwhile, the company also made public that it is giving up on its Lisa line. The troubled Lisa has performed well below Apple's expectations since its introduction at Apple's 1983 annual meeting. Mr. Sculley blamed computer retailers for the Lisa line's failure, noting that dealers were not suggesting the Lisa when the limited capacities of the Mac were cited by customers. The Lisa 2/10, the most advanced model in the line, will be renamed the Macintosh XL (for extra large). The Lisa 2 and 2/5 will be phased out.

Compared with its meeting last year, this Apple session was subdued, particularly for a company that just completed its best fiscal quarter. For the first quarter of fiscal 1985, ended Dec. 28, Apple reported net income of $46.1 million on sales of $698.3 million. For the comparable period a year earlier, Apple saw net income of $5.8 million on sales of $316.2 million.

Despite the record sales and earnings for the company's first quarter, Mr. Sculley cautioned shareholders that "1985 is not going to be an easy year for the industry as a whole. . .the retail market is somewhat fragile." He expects Apple to introduce a number of new products in 1986, in preparation for the next boom period, which he predicts will occur in the following year.#

Lemmings

(Continued from Page 1)

product advertised: Nearly seven out of every 10 people—112, or 69%—who said they had seen an Apple commercial said they didn't know what product was being advertised.

Only nine, or 5.6%, identified the product advertised as the Macintosh Office line. Another 18, or 11%, said simply Macintosh (or Apple Macintosh). Thus, counting both categories of responses as correct, fewer than 17% of the respondents who said they had seen the spot knew what product was being advertised. Other answers—which were considered incorrect—included "Apple IIe" (seven mentions) or just "Apple" (six mentions).

In awareness among all Super Bowl advertisers—in which respondents named the first commercial to come to mind of all that were on during the game—Apple's spot, which the company touted in newspaper page ads on Super Bowl Sunday, finished third behind Budweiser (including Bud Light) and Ford.

Apple was followed in over-all awareness by IBM, McDonald's, the U.S. Marines and Nissan *(See chart)*.

As might be expected, the Apple commercial fared best among its middle-manager target group, as suggested by income level. Respondents earning $20,000 to $39,999 a year had the highest percentage of accurate descriptions of the commercial, while those earning $40,000 or more had the second-highest percentage of accurate descriptions.

Those two income groups also ranked highest in the percentage of correct identifications of the product being advertised.

The number of those who correctly described the spot was too small for any statistically valid conclusions to be drawn about their opinion of it. Of those 31 people, 16 said they liked it or liked it a lot, 14 said they disliked it or disliked it a lot and one was neutral.#

Super Bowl ad awareness

Asked of 300 Super Bowl viewers: Of all the commercials shown during the Super Bowl which first comes to mind? *Source: SRI Research Center, Lincoln, Neb.*

Advertiser	Mentions	Per cent of respondents
Budweiser/Bud Light	23	7.7
Ford	15	5.0
Apple Computer	10	3.3
IBM	8	2.7
McDonald's	7	2.3
U.S. Marines	6	2.0
Nissan	5	1.7
Diet Coke	2	0.7
Master Lock	2	0.7
Stroh's	2	0.7
U.S. Army	2	0.7
None*	**194**	**65.0**

***Couldn't recall a specific commercial.**

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Monday, February 4, 1985

Advertising Age

Crain's International Newspaper of Marketing

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®

Pizza stardom

Martin Mull (top) and the MacKenzie Brothers help Pizza Hut travel the celebrity route in a new campaign, the first from Chiat/Day, Los Angeles. *(See story on Page 70.)*

Colgate's drilling hits another nerve at P&G

By NANCY GIGES

New York—Colgate-Palmolive has its best shot in years to snatch the lead in the $1 billion dentifrice category from archrival Procter & Gamble.

Colgate toothpaste is within three share points of P&G's Crest, according to warehouse withdrawal figures for December.

Last summer, the gap between the two brands exceeded 10 points.

A Colgate comeback would mean the brand would return to the leadership position for the first time in almost 30 years. It had been in first place until Crest won the American Dental Assn. seal in 1955.

That enabled the P&G brand to skyrocket to the top spot, where it has remained.

For P&G, the toothpaste battle is another instance of the consumer-goods giant having to fight fires rather than prevent them. Just after putting forth its master plan to stop the leaks in its diaper business (AA, Jan. 21), the Cincinnati-based company now must turn its attention to the squeeze on its toothpaste operation.

While other brands have more or less held their market shares, P&G has failed so far to stop the steady erosion of Crest.

P&G was late to add a gel line extension, and more recently the company's rush to introduce a pump dispenser has been sidelined by production problems.

According to the December figures, Crest has fallen to a low of 31% market share, down five points from six months earlier.

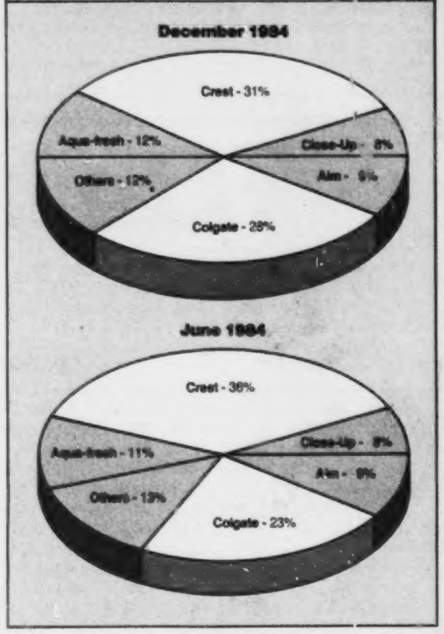
Most of Crest's lost share has gone to Colgate. For the December period, Colgate toothpaste held 28% of the market.

Figures not yet available from A.C. Nielsen Co., measuring product movement off retail shelves for the November-De-

(Continued on Page 70)

Toothpaste market shares

From June to December, Colgate-Palmolive whittled Procter & Gamble's 13-point lead in the dentifrice market down to three percentage points. Source: Advertising Age.



Miller, A-B take to the country with latest ads

By SCOTT HUME

"Miller Time" will be replaced with a country beat and a patriotic theme, but Anheuser-Busch already has a preemptive strike ready.

Miller Brewing this week will unveil for its distributors a new campaign for its struggling flagship brand, High Life, created by J. Walter Thompson USA, New York. According to sources, the new commercials are set to the song "American Made," a hit last year for country music quartet, the Oak Ridge Boys. JWT has modified the lyrics to give the campaign an "American brewed" theme with heavy emphasis on product quality. The Oak Ridge Boys themselves do not sing or appear in the spots, these sources say.

Miller executives declined comment on the report and it is not known when the new High Life spots will break, although some sources suggested it might be as early as Feb. 9.

Meanwhile, Anheuser-Busch, which lately has shown an uncanny ability to anticipate Miller's advertising strategies, has prepared its own batch of new patriotic commercials that could break before the new High Life creative hits the air. As a result, JWT's new tack for Miller may come across merely as "me-too" advertising.

A-B exec vp Michael Roarty last week said the nation's No. 1 brewer will expand its "corporate quality" campaign that he said "emphasizes the long-standing high quality of Anheuser-Busch's American-made beers."

The quality campaign consisted of a 90-second spot showcasing A-B's brand lineup (AA, Dec. 10) that was seen most recently during the Super Bowl pregame show Jan. 20. New tv executions of the quality message now will be added, Mr.

(Continued on Page 66)

Creative refocus at Burnett

By SCOTT HUME

The organizational changes announced last week at Leo Burnett Co., Chicago, resulted from what president-ceo John Kinsella called "a desire to 'young-up' the company" and give creatives a higher profile.

One change involved the 56-year-old Mr. Kinsella himself. He continues as president-ceo, but his former position as chairman has been assumed by Norman Muse. Mr. Muse, 50, has been vice-chairman and chief creative officer.

"Our corporate goal always has been to produce superior advertising, and we thought that one of the two top officers should be from the creative department," Mr. Kinsella said of the chairmanship shift.

"We also thought it important to get some of the younger execs more involved and prepare the company and them for the fu-

(Continued on Page 68)

Last Minute News

Scali plucks chicken chain's account

New York—Scali, McCabe, Sloves has won the $10 million account of Bojangles' of America, Charlotte, N.C. The chicken and biscuit fast-food chain, a subsidiary of Horn & Hardart, formerly had its account at McDonald & Little, Atlanta.

LC&F quenches desire for cosmetics business

New York—Del Laboratories has named Laurence, Charles & Free as agency for Quencher cosmetics. LC&F already handles Del's Sally Hansen nailcare products and Flame Glow cosmetics. Marschalk Co. previously handled the Quencher account, which spent $3 million in 1984.

Badillo grabs, farms out Puerto Rico advertising

San Juan, P.R.—Badillo/Compton has been named agency of record for Puerto Rico. The agency last year handled advertising to elect the U.S.

(Continued on Page 8)

NEWSPAPER

Radio scores big: It's

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Gannett Co. registers big coup in Des Moines

By GARY LEVIN

DES MOINES—The sale of the *Des Moines Register*, which began with antagonism in November, ended last week in agreement.

Advertiser and agency reaction to Gannett Co.'s acquisition of the *Register* and three other newspapers was decidely low key, but hopeful. Those contacted expressed little concern that a change of ownership will affect their business with the 240,000-circulation *Register*.

"People here were hopeful that if the paper was sold to an outside organization, it would be a group with enough stature to bring something better to the party," said William Fultz, exec vp of Creswell, Munsell, Fultz & Zirbel, a major Des Moines agency. "Gannett may offer the paper dimensions it didn't have before."

In acquiring the *Register*, Gannett is adding what its executives termed "a prestigious newspaper," whose daily circulation will make it the largest of the 87 local and metropolitan dailies the company owns. The transaction is expected to be completed in June.

At a press conference here Jan. 31, David Kruidenier, chairman of the Des Moines Register & Tribune Co., announced the sale of the *Register*, Jackson (Tenn.) *Sun* and weekly papers in Indepencence and Indianola, Ia., to Arlington, Va.-based Gannett for $200 million. The purchase price nearly doubled the initial offer made for the entire company Nov. 5 by Dow Jones & Co. and a group of Iowa investors, including Register & Tribune officers Michael Gartner and Gary Gerlach. Neither their positions nor the future post of Mr. Kruidenier have been determined.

The Register & Tribune board had rebuffed the original bid, touching off widespread speculation over the internal politics of the company and who would eventually get the winning offer.

Gannett was not mentioned in a list made public as companies to whom the Register & Tribune board would like to sell the paper. But as reported earlier, Gannett was among the major players in a bidding war that began after the Dow Jones bid (AA, Nov. 15).

Sources said the other bidders were Cox Enterprises, Atlanta; Hearst Corp., New York; Lee Enterprises, Davenport, Ia.; Morris Communications, Augusta, Ga.; Tribune Co., Chicago, and the Washington Post Co.

Besides unloading the *Register*, the company will sell WQAD-TV, an ABC affiliate in Moline, Ill., to the New York Times Co., for an undisclosed price. Published reports have set the figure at $24 million.

The sale of the company's remaining properties—KHON-TV, Honolulu; KAII-TV, Wailuku, Hawaii; and four radio stations in Portland, Ore., and Madison,

(Continued on Page 66)

Highlights

Goodyear Tire & Rubber Co. has devised an eight-market test to determine whether new, long-form "infomercials" are more effective than 30-second tv spots. *See Page 6.*

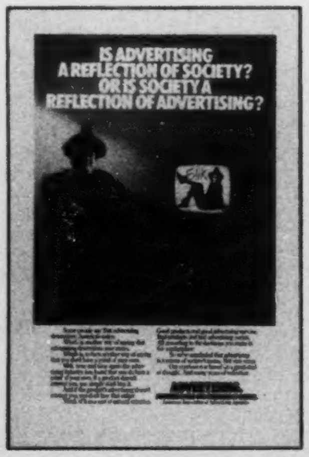
A billion dollars—that's how much ad revenue is at stake when a Senate subcommittee this week allots two hours of its time to analyzing whether beer and wine ads on radio and tv are leading America and its youth down the road to alcoholism. *See Page 10.*

When Leonard Klompus last month quit the presidency of the largest syndicator of collegiate sports, TCS/Metrosports, he also quit what many observers say is a deeply troubled industry. *See Page 24.*

Learning from mistakes is one of the keys to attaining success. That's the gospel according to Henry Rogers, author of "Rogers' Rules for Success." *See Page 32.*

Geo. A. Hormel & Co. has made a move to expand its presence in canned meats and stews by going national with a four-item line of canned Great Beginnings meat and gravy products. *See Page 64.*

The latest public service campaign from the American Assn. of Advertising Agencies, via Fallon McElligott Rice, Minneapolis, takes a lighter approach to the advertising industry's image. *See Page 65.*


IS ADVERTISING A REFLECTION OF SOCIETY? OR IS SOCIETY A REFLECTION OF ADVERTISING?

CORPORATE CLOSEUP

A.H. Belo Corp., it so happened, was in the right place at the right time with the right deal a year ago when it bought Corinthian Broadcast Group. And industry observers, caught off guard when Belo made its move, now are saying with a tone of assurance, "Watch out—Belo has only begun." *See Page 4.*

FORUM

Mary Joan Glynn, vp-marketing for Bloomingdale's, tells all about how tv's retail tale "Berrenger's" went wrong. *See Page 16.*

INTERNATIONAL

Thermal underwear, fur coats, plaster of paris (for casts) and soup sales are soaring in Europe as it shivers through its coldest, snowiest winter in decades. *See Page 38.*

For tv viewers all over the world, Paul Hogan, a bridge rigger-turned-comedian, is gradually replacing the koala bear and the kangaroo as the most familiar symbol of Australia. *See Page 38.*

Procter & Gamble has adopted a new "get tough" approach in Canada to combat old rumors linking the company to the Church of Satan. *See Page 38.*

VIDEOTECH

In a continuing struggle to sell more pay tv subscriptions, cable marketers are offering a package of several pay channels at heavily discounted monthly fees. *See Page 44.*

COMING THURSDAY

SPECIAL REPORT

Shakeout has devastated the ranks of personal computer hardware and software marketers. Now experts say it's the retailers' turn. Despite the gloomy predictions, however, optimism reigns among franchised chains and independent retailers alike.

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ABP RED TAG ABC ANPA

Clearing the fog

A few months ago, reports were circulating that Bruce Jenner was about to replace Stefanie Powers as spokesman for London Fog. Now the word is that Mr. Jenner will join, not replace, Ms. Powers in that role. If anyone had doubts that Ms. Powers wasn't out, all they had to do was walk up Park Avenue to the Lever Bros. building last week where she was shooting the spring, 1985, London Fog tv spots. She was off to Mohunk, N.Y., the next day for a second round of shooting with agency AC&R. *Photo by Arnie Adler.*

B&W 'Coins' niche; Players tries new filter

By WILLIAM F. GLOEDE

The "niche-ing" of the cigaret business is expected to intensify again this week. The industry's major players will begin breaking and testing new products designed to lodge themselves in small, but profitable, market mini-segments.

Brown & Williamson Tobacco Co., Louisville, Ky., is rolling national with the nation's first generic-price smoke made especially for sale in vending machines. The new smoke, called Coins, comes in 85mm regular and light styles.

It is being manufactured and distributed for B&W by a company called NVBG, Oakland Park, Fla.

Vending-machine makers see Coins as a potential answer to steadily declining sales.

The brand is "an economic breakthrough that will enable us to increase our profits," said Art Fein, president of the National Coin Machine Institute, Fort Lauderdale, Fla.

B&W believes Coins "provides an ideal solution to declining vending sales," added Ive Otte, director-

(Continued on Page 66)

Quaker gets bids for agency

AdCom for sale?

By VALERIE MACKIE

CHICAGO—The bidding to acquire AdCom, Quaker Oats Co.'s $43 million in-house agency, is heating up.

"We're not soliciting offers, but they are coming in," a Quaker spokesman said. Several agencies apparently are interested in buying the agency.

Agency sources here said they had heard AdCom had been in contact with Saatchi & Saatchi Compton Worldwide and that Quaker appeared to be interested in selling the operation.

Saatchi & Saatchi has been talking to several shops in the Chicago area, including Don Tennant Co. (AA, July 19), in a effort to open an office here.

The rumors that AdCom might be on the block first surfaced two months ago. At that time, Quaker executives indicated they were not interest in selling because the operation has been profitable. In 1983,

(Continued on Page 68)

CORPORATE CLOSEUP

Luck is the residue of A.H. Belo's design

By TOM BAYER

DALLAS—In retrospect, A.H. Belo Corp. executives may be feeling lucky.

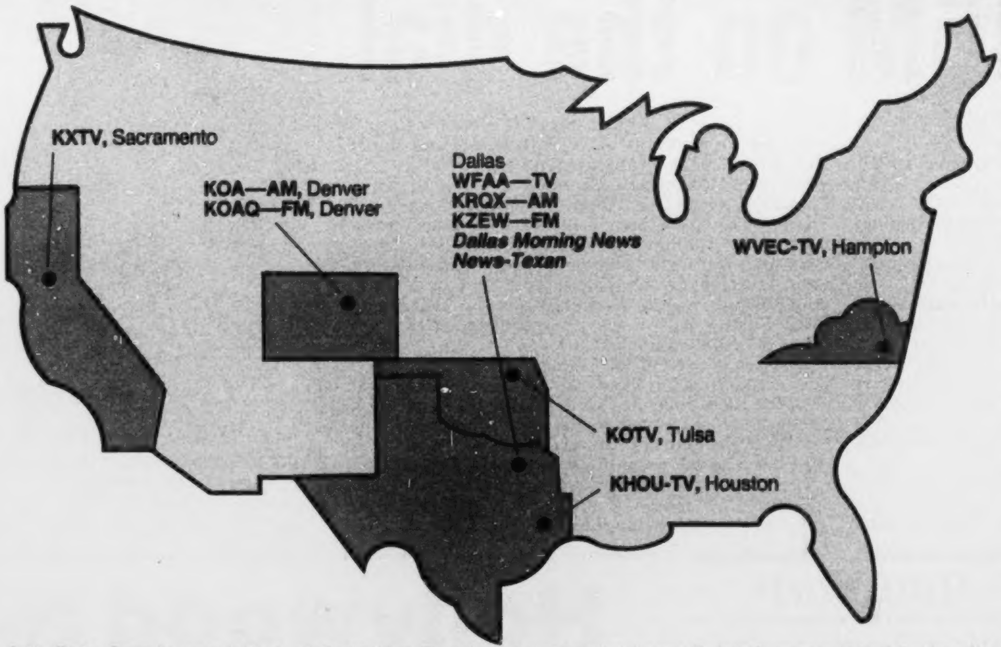
A year after their surprise acquisition of the Corinthian Broadcast Group, the company's managers are more convinced than ever that there's no way the same deal could be cut today. Changes in the media market since then would have prevented it.

Belo, it so happened, was in the right place at the right time with the right deal. And industry observers, caught off guard when Belo made its move, now are saying with a tone of assurance, "Watch out—Belo has only begun."

Founded in 1842, Belo came from relative national obscurity in 1983 to stun the media world with the $606 million purchase of the six tv stations in Dun & Bradstreet Corp.'s Corinthian group.

The acquisition, observers believe, signifies a growing aggressiveness by a company previously best known for publishing the *Dallas Morning News* and running WFAA-TV here. With a solid list of print and broadcast properties now in hand, Belo figures to have deeper regional and national impact in the sometimes lucrative media world. Its ranking as the nation's 41st-largest media company in 1983 (AA, June 28) is sure to rise with the tv stations in tow.

Company officials said the Corinthian acquisition probably is not the last major strike in its attempt to grow. The Federal Communications Commission's recent move to increase the limit on tv station ownership makes buyouts easier. Instead of seven each of tv and of am and fm radio stations, the FCC now conditionally allows individual companies to own 12 of each.



A.H. Belo Corp.'s acquisition of Corinthian Broadcast Group helped widen the company's geographical reach but keeps Belo's interests located primarily in the Sunbelt.

Belo continues to evaluate its opportunities against a set of criteria it developed in 1981 after going public: Target growth in the Southwest, West and mid-South; concentrate first in broadcast because of cash-flow generation, and focus on 20 markets growing at rates above the national average.

The Corinthian purchase demonstrates how serious Belo is in this wave of growth. Dun & Bradstreet had vowed to sell the properties separately, but it took Belo just nine days to negotiate for and win the whole group, including a prized Houston station.

Besides the 100-year-old *Morning News* and ABC-affiliate WFAA, Dallas' No. 1 tv station, Belo came into the deal with some suburban newspapers and a small group of broadcast properties.

The broadcast portfolio, after the acquisition and the necessary divestitures to comply with the old FCC ownership rule, comprises WFAA; KHOU-TV (CBS), Houston; KXTV (CBS), Sacramento-Stockton, Cal.; WVEC-TV (ABC), Hampton-Norfolk, Va., and KOTV (CBS), Tulsa.

Belo also owns radio stations KRQX (am) and KZEW (fm) in Dallas and KOA (am) and KOAQ (fm) in Denver.

The acquired stations were—and remain—a strong second or third in their markets, except for KXTV, which sometimes runs fourth in Sacramento.

Reflecting on the acquisition, president Robert Decherd said Belo had flirted with buyouts since the company, owned for many years by Dallas' Dealey family, went public in 1981.

He knows now, though, that deals Belo almost made would have been less than ideal because they would have precluded the Corinthian acquisition.

Barry Kaplan, a media analyst with Bear Stearns & Co., New York, called Belo his "favorite media company" and pegged it as "the Cap Cities of tomorrow." (Capital Cities Communications, New York, the 16th-largest media company, owns Kansas City's daily newspapers, Fairchild Publica-

(Continued on Page 56)

WHO "WHEATED" AMERICA'S APPETITE?

The same people who would like to put your upcoming success in headlines. The same techniques that developed the new strategy for The Wheat Industry Council, put Baking Soda in more than thirty million refrigerators, developed new Alka Mints for Alka Seltzer and new S.O.S Oven Pads . . . can work for you.

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ADWATCH

Consumers' advertising recall was all wet over the holidays

By SCOTT HUME

It's little wonder the holiday season was a disappointment for retailers: Consumers who were expected to be hungry for the latest in expensive appliances and apparel appear instead to have been merely thirsty.

That's right. Despite all the money poured into advertising for videocassette recorders, computers, automobiles, under-cabinet coffeemakers and the like, the advertising categories showing the most significant changes in December in ADVERTISING AGE's adWatch consumer awareness survey were soft drinks, beer and wine.

The most interesting developments were in the soft-drink category, where Coke and Pepsi have locked bottlecaps in a battle for supremacy all year. Pepsi's advertising awareness was riding high through the first half of the year on the strength of Michael Jackson and its "New generation" campaign. In May, for example, 39% of the respondents said Pepsi's ads came to mind first, while only 20% named Coke.

Coke has battled back, regaining the No. 1 spot once again in the November survey.

In December, Coke's tv advertising barrage nearly blitzed Pepsi out of the game.

That five-week network blitz, which kicked off Nov. 2, included a pool of 21 different spots for Coca-Cola's soft-drink line (AA, Nov. 1). Company officials said that, on average, a Coke product spot would run once every three hours.

That cost the bottler a bundle, but no matter—consumers noticed.

In December, 34.1% of the 1,253 adults surveyed named Coke when asked which soft-drink advertising first came to mind. That represented a 3.5 percentage-point increase compared with results from November, a month in which Coke's score had risen 4.4 points. Spokesman Bill Cosby's insistence that Coke is less sweet than Pepsi appears to have caught viewers' attention.

Pepsi, meanwhile, took it on the chin in December. It retained the No. 2 spot, of course, but its share of first mentions dropped 5.4 points to 24.7%, its lowest since January, 1984.

Holding on to the No. 3 slot was 7UP, with 6.1% of first mentions. That's the same share it held in November, despite December's return of longtime spokesman Geoffrey Holder in some holiday-themed tv spots.

The effects of Coca-Cola's tv blitz weren't confined solely to its flagship Coke brand. Taking the No. 4 spot (held in November by Dr Pepper) was Diet Coke, with a 3.4% share.

The No. 5 brand, making its best showing ever, was Coke's Tab, with 2.3% of first mentions. As part of its network blitz, Coca-Cola gave Tab a new campaign, themed "Tab's got sass," replacing "Let's taste new Tab."

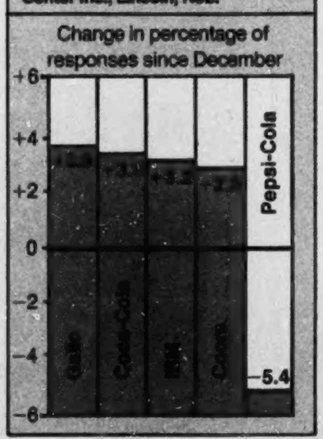
And the No. 6 brand in ad awareness? Coca-Cola's Sprite. Its 2.2% of first mentions may not sound like much, but it was a better score than Diet Pepsi could muster. Who says you can't buy awareness?

The big news in beer advertising awareness was the ascendance of Coors to second place behind tradi-

(Continued on Page 28)

December winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



MEDIAMOVES

'Free Press' plans expansion

Detroit—The *Free Press* will not fold despite stiff competition from the *News* and is considering expanding production facilities, according to Alvah H. Chapman Jr., chairman of Knight-Ridder Newspapers.

Both the *News* and *Free Press* are losing money despite circulation gains that make them, respectively, ninth and 10th largest in the U.S., analysts say.

'Maison & Jardin'

Conde Nast International, New York, will change its *Maison & Jardin International* to *Vogue Decoration—MJ International* with its first 1985 issue, due March 15. The worldwide quarterly continues under the supervision of *Maison & Jardin's* Paris staff.

Associated Press

Associated Press' AP Network News operation, Washington, plans a 10-part series of 60-second featurettes on Grammy Award nominees for its subscribing radio stations, starting Feb. 15. The winners will be announced live on CBS-TV Feb. 26.

Billboard

Billboard Publications' Billboard Information Network, New York, has introduced Territorial Rights Reports, a music industry database on the global copyrights for songs as they break on the weekly *Billboard* hit record charts. Billboard Information Network's subscribers in 30 territories (*e.g.*, Europe, Latin America, Asia) immediately will learn each song's copyright holder, contact person, address, phone number and telex number, territory by territory.

'WOOD'

Better Homes & Gardens WOOD has doubled its rate base to 300,000 just eight months after beginning regular six-times-a-year publication. A b&w page will cost $7,560 effective with the April issue; a color page will be $10,800.

'Better Homes & Gardens'

Better Homes & Gardens plans an advertorial section on computers for its June issue. The section is to be written by the editors of *PC Retailing*. The section will be distributed to 4.3 million high-income subscribers of *BH&G* in 33 metro areas. A b&w page costs $23,330; a color page is $29,650. Ad closing is March 1.

'Compute!'

Compute!, Greensboro, N.C., will bring out its first special issue April 9, called *Compute!'s Apple Applications*, for Apple personal computer users. Rate base is 150,000, with a b&w page $2,495 and a color page $3,695. Plans call for a second issue later in '85 and four in '86. Separately, *Compute!* is the latest major computer magazine to cut its rate base, reducing it 16.7%, to 350,000 from 420,000, effective Jan. 1.

Yankee Publishing

Yankee Publishing, Dublin, N.H., which publishes *Yankee* magazine, *New England Business* and the *Old Farmers' Almanac* has halted publication of the 2-year-old *Collectibles Illustrated* with the Jan.-Feb. issue and is expected to sell the 45,000-circulation, glossy bimonthly within the next 60 days. A company spokesman declined to say if *CI* had been losing money, although sources said a format change, necessary to lure more advertisers, was vital. Prospective buyers are said to include a group comprising the former editor, Charlie Jordan; his wife, Donna, who was assistant to the editor; Gene Ehlert, ex-ad director, and Kim Nilsen, who was associate editor. The proposed price tag for *CI* was not disclosed.

'Metropolian Home'

Meredith Corp.'s *Metropolitan Home* plans a "Summer style" theme issue in June, with storewide promotional tie-ins at Neiman-Marcus department stores in Chicago, Dallas, Los Angeles and San Francisco. Ad rates are $12,620 for a b&w page and $17,850 for a color page. Ad closing is March 20.#

Magazines boast big gains

New York—The final figures for 1984 magazine advertising performance (AA, Jan. 28) show that the rich got richer.

The major titles usually inhabiting the ranks of the top dozen in ad revenues and pages made it again. Many scored double-digit gains. Quite a few also set individual records in a year when the industry over-all broke records for revenues—$4.67 billion, up 16.5%—and ad pages—153,803, up 8.5%.

In fact, of the 137 magazines measured by Publishers Information Bureau, all but 15—a whopping 89%—reported higher ad revenues in 1984 than in '83.

Among the few suffering declines: *Discover*, *Penthouse*, *Playboy*, *Prevention*, *Us* and *Vanity Fair*.

Magazines that ran up the highest percentage gains in revenues (for a full year-to-year comparison): *American Health*, up 152.2%; *Connoisseur*, up 88%; *Harper's*, up 82.9%; *Country Living*, up 71.5%, and *Southern Accents*, up 69.9%.

In 1984, as in '83, the hottest categories for ad revenues, achieving the largest precentage gains, were business, up 23.7%, and fashion-service, up 22.2%. Some examples: *Glamour*, up 20.4%; *Harper's Bazaar*, up 30.1%; *Inc.*, up 39.1%, and *Venture*, up 54%.

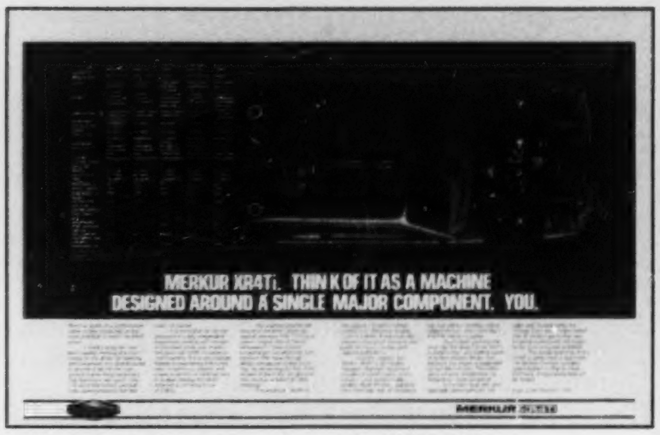
In revenues, perennial first-place finisher *Time* again was No. 1, at $335.6 million, up 12.1%. The rest of the top dozen follows, with their revenues, percentage gains and their '83 finishes:

2. *TV Guide*, $304.3 million, up 12.9% (2); 3. *Newsweek*, $247.1 million, up 13% (3); 4. *People*, $232.9 million, up 32.8% (5); 5. *Sports Illustrated*, $230.8 million, up 26.1% (4); 6. *Business Week*, $184.8 million, up 18.3% (6); 7. *Good Housekeeping*, $133.3 million, up 4.9% (7); 8. *Family Circle*, $130.7 million, up 10% (8); 9. *Better Homes & Gardens*, $126.1 million, up 15.7% (9); 10. *Reader's Digest*, $111.9 million, up 10.1% (11); 11. *Fortune*, $111.7 million, up 15.1% (12); 12. *Woman's Day*, $110.4 million, up 4.5% (10).

In ad pages, *Business Week*, usually first, was at the top again, with 4,972 pages, up 7.1%. The rest of the top 12 closely followed earlier estimates (AA, Dec. 31). Following are the titles, their pages, percentage gains and '83 finishes:

2. *People*, 4,063, up 17.9% (4); 3. *Forbes*, 3,834, up 12.7% (5); 4. *TV Guide*, 3,800, up 4.6% (2); 5. *The New Yorker*, 3,539, down 2.8% (3); 6. *Fortune*, 3,486, up 7.4% (6); 7. *Vogue*, 3,466, up 11.4% (7); 8. *Sports Illustrated*, 3,035, up 10% (10); 9. *Newsweek*, 3,003, up 2% (8); 10. *New York*, 2,943, up 0.8% (9); 11. *Time*, 2,817, up 4.2% (11); 12. *Los Angeles*, 2,528, up 3.2% (12).

In the Sunday newspaper category, which PIB ranks separately, *New York Times Magazine* had ad revenues of $111 million, up 21.8%, and 4,736 ad pages, up 11.7%. The two mass-distributed titles had a down year: *Parade*, $157.3 million (down 6.7%) and 640 pages (down 14%), and *Family Weekly*, $87.1 million (down 15.1%) and 693 pages (down 11.2%).#


MERKUR XR4Ti. THINK OF IT AS A MACHINE DESIGNED AROUND A SINGLE MAJOR COMPONENT. YOU.
MERKUR XR4Ti

Ford out to make its Merkur

Introductory advertising for the Ford of Europe-built Merkur XR4Ti sets out to establish the import's "serious" German road-car credentials. Young & Rubicam, Detroit, handles.

adWatch

(Continued from Page 4)

tional leader Budweiser. Coors' ads came to mind first for 10.5% of the respondents, a 2.8 percentage-point increase from November.

Anheuser-Busch's Budweiser stayed right where it had been in November, with an even 14% of first mentions. But because Bud is a truly national brand, its lead remains deceptive. In the South Central, North Central and West regions where both brands are available, Coors' and Budweiser's advertising are fractions of a percentage point apart (with Coors ahead in two of those three regions).

When Coors expands distribution to New England this spring, there should be a real horse race for awareness leadership.

Miller's Lite beer held third place in December with a 7.8% share, but its High Life brand dropped to the No. 5 spot with 6.3%. Stroh was No. 4 with 6.7%.

Gallo advertising's quality message got through in time for holiday parties. Awareness of the brand's advertising increased 3.9 points in December, giving Gallo a 12.8% share of first mentions.

That moved it once again into the No. 1 spot, ahead of Riunite. That brand's ad awareness also increased last month, but not as dramatically. It moved up from 10.2% to 11.3%. Paul Masson moved up to third place with 3.2%.

AdWatch is a joint project of Ad Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name the advertising in a variety of product categories that first comes to mind from all seen, heard or read in the previous 30 days.

In December, 1,253 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variations.

Among other noteworthy results from the December survey:

- Has Burger King exhausted the equity of its "broiling vs. frying" attack? Each time it has returned to that theme in the past, its ad-awareness share has increased, although a little less significantly each time.

Its latest creative executions for that point of difference (including one spot in which a group of young girls moan in mock revulsion upon learning that McDonald's "fries" its burgers) brought hardly a ripple of response. BK's share of first mentions in December in the **fast-food** category was 14.4%, a statistically insignificant increase of 1.2 percentage points and not enough to get it out of the No. 3 spot.

Wendy's advertising, in a lull before the January baked-potato campaign, also showed a small decline in awareness. With 16% of first mentions (compared to 18.7% in November), it remained No. 2. McDonald's, slowly rebuilding its once-formidable lead in awareness, garnered 40.9% of mentions.

- Burger King even failed to make the **top 10** in over-all unaided awareness for the first time in more than a year. When the survey sample was asked which advertising came to mind first, regardless of product category, from all they'd seen, heard or read, the top 10 were, in descending order, Coke, Wendy's, McDonald's, Miller/Lite, Ford, Budweiser/Bud Light, Pepsi, IBM, Chevrolet and Sears.
- In addition to making an infrequent appearance in the top 10, IBM's advertising registered a respectable gain in the **computer** category. Its awareness share rose 3.2 points to 16.9% in December. That still was less than half the share Apple's advertising received (35.8%).
- From the "Graying of America" file comes an observation from December results in the **cosmetics and fragrances** category. Advertising for Forever Krystle, featuring over-40 "Dynasty" star Linda Evans, proved more memorable than advertising for Cover Girl with beautiful-despite-her-youth Christie Brinkley. Neither brand made the top five spots in the category, however.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

New owner a match for 'World Tennis'

By STUART J. ELLIOTT

New York—CBS Magazines' *World Tennis* has a new lease on life, thanks to its sale to Family Media, its vp-publisher believes.

The long-rumored sale (AA, Jan. 10), which occurred Jan. 28, means the money-losing monthly now is in the hands of "a guy with a proven track record of helping magazines that need help," said Francis (Bud) Dealy Jr., who, along with the rest of *WT's* business and editorial staff, will stay.

The "guy" is Robert Riordan, president of Family Media, whom Mr. Dealy said is "noted as a great circulation person, and if there's a single problem this magazine has, it's circulation." Mr. Dealy said he was "thrilled" and "delighted" by the sale. While terms were not disclosed, sources said they were favorable for Family Media, so that any improvements the company can make would make the deal pay off.

World Tennis, which CBS had owned since 1972, is a distant second in circulation, as well as advertising revenues and pages, to rival *Tennis*. Among the many promotional, editorial and business plans of Peter Diamandis, president, CBS Magazines, to turn it around was a rate-base cut effective in June to 275,000 from 385,000, that would include virtual elimination of newsstand sales.

But sources say Family Media is likely to keep *WT* on newsstands, given its redesigned, more graphic covers, one of several changes recently made by new editor-in-chief Neil Amdur. As a result, they said, the rate base might not be reduced.

Why would Family Media, which owns five other titles, including *Ladies' Home Journal*, *Health* and *1,001 Home Ideas*, want such a problem-plagued magazine? "I really think we can do something with it," Mr. Riordan said through a spokesman. "We can have a real impact in the market."

Mr. Riordan noted *WT* is in "a completely new area of publishing" for Family Media. Thus, it offers the company access to new, lucrative markets such as imported autos, liquor, sportswear, sports equipment. And some Family Media executives have some sports experience; formerly at Newsweek Inc., their duties included work on *Inside Sports*.

The sale of *World Tennis* includes *Tennis USA*, the monthly newsletter of the U.S. Tennis Assn. Under an agreement, *WT* pays for the newsletter and, in exchange, *WT* is designated the USTA's membership magazine, sent to its 250,000 members.

WT's sale marked the second time in three months CBS Magazines threw in the towel on a troubled title, following the folding of *Cuisine*. Mr. Diamandis did not return calls to discuss the sale.#

Liquor sales still down

By JOHN C. MAXWELL JR.

Once again last year, the liquor industry was down about 1%. About the only items that were up were liqueurs and cordials, up 5.9%, tequila, up 7.4% and brandies, up 3.6%.

Canadian whiskies only rose slightly, 0.4%, but in light of a 4.6% drop in bourbons and a 4.7% drop in scotches, this was a good performance.

With the exception of Irish whiskies, which rose 13.8% year-to-year, brown goods are continuing to decline as specialty products and white liquors pick up the slack. Within the vodka and gin categories, imports were up, which carried the categories, accounting for the year-to-year increases in total gin and vodka. Consumption of domestic products actually fell.

As for rum, imports had a year-to-year increase although not strong enough to carry the entire area. One theory is that the increasing consumption of imported items may be status-related.

Of the best-performing brands, the order of the top five remained unchanged with the exception of Canadian Mist, which moved from fifth place to fourth in 1984, edging past Jim Beam. Bacardi maintained its No. 1 position with a slight sales increase, up 1.7% over 1983. Smirnoff and Seagram's 7 Crown retained their respective No. 2 and No. 3 positions, despite case-sales declines for both. Smirnoff fell 0.9%, while 7 Crown was down 3.6%

Windsor Supreme moved up two spots to take the No. 6 position from Jack Daniel's.

The largest growth of the top case sellers came from Christian Brothers brandy, up 13%. Other year-to-year double-digit increases were achieved by Popov vodka and Seagram's Crown Royal, up 12.9% and 10.2%, respectively.

In 1983 and 1984, sales figures were revised for Lord Calvert, which is now included in the 1 million-plus ranking. In addition, Baileys Irish Cream liqueur was added to the list as it hit the 1 million case mark in 1984.

The big worry in the industry this year is the $2 per gallon increase in the excise tax effective Oct. 1, to $12.50. The industry expects that this will cause a 3%-to-7% decline in sales. However, they anticipate stockpiling by consumers before the increase, and the liquor industry as a whole may not be down more than 3% to 4% in 1985.

Top-selling liquor brands

Brands selling more than one million cases. Source: John C. Maxwell Jr., Laidlaw Ansbacher, New York.

Rank				Nine-liter cases (000)		
'84	'83	Brand	Company	1984	1983	Change
1	1	Bacardi	Bacardi	8,469	8,327	+ 1.7%
2	2	Smirnoff	Heublein (RJR)	7,134	7,202	− 0.9%
3	3	7 Crown	Seagram	5,350	5,500	− 2.7%
4	5	Canadian Mist	Brown-Forman	4,220	3,912	+ 7.9%
5	4	Jim Beam	James Beam (AB)	4,038	3,940	+ 2.5%
6	8	Windsor Supreme	National	3,796	3,515	+ 8.0%
7	6	Jack Daniel's	Brown-Forman	3,755	3,754	—
8	7	V.O.	Seagram	3,600	3,550	+ 1.4%
9	11	Popov	Heublein (RJR)	3,573	3,164	+12.9%
10	10	Seagram's Gin	Seagram	3,250	3,200	+ 1.6%
11	9	Canadian Club	Walker (HWR)	3,235	3,371	− 4.0%
12	13	Gordon's Gin	Gordon/Renfield	2,585	2,585	—
13	12	Gilbey's Gin	National	2,473	2,598	− 4.8%
14	15	J&B Rare	Paddington (GM)	2,350	2,271	+ 3.5%
15	16	Dewar's	Schenley (RA)	2,300	2,230	+ 3.1%
16	14	Kamchatka	National	2,282	2,350	− 2.9%
17	17	Gordon's Vodka	Gordon/Renfield	2,125	2,100	+ 1.2%
18	18	Black Velvet	Heublein (RJR)	2,027	2,000	+ 1.4%
19	20	Early Times	Brown-Forman	1,880	1,869	+ 0.6%
20	21	Beefeater	Kobrand	1,875	1,856	+ 1.0%
21	19	Gilbey's Vodka	National	1,853	1,889	− 1.9%
22	23	Christian Brothers	Fromm & Sichel	1,830	1,620	+13.0%
23	22	Kahlua	Walker (HWR)	1,700	1,630	+ 4.3%
24	24	Ancient Age	Ancient Age	1,690	1,607	+ 5.2%
25	26	Johnnie Walker Red	Somerset (D)	1,490	1,490	—
26	25	Cutty Sark	Buckingham (WB)	1,458	1,562	− 6.7%
27	31	Crown Royal	Seagram	1,350	1,225	+10.2%
28	28	Kessler	Calvert (S)	1,310	1,380	− 5.1%
29	27	Ten High	Walker (HWR)	1,300	1,479	−12.1%
30	33	Southern Comfort	Brown-Forman	1,218	1,198	+ 1.7%
31	32	Old Grand-Dad	National	1,215	1,213	+ 0.2%
32	29	Old Crow	National	1,202	1,340	−10.3%
33	30	Calvert Extra	Calvert (S)	1,200	1,260	− 4.8%
33	34	Tanqueray	Somerset (D)	1,200	1,188	+ 1.0%
33	35	Lord Calvert	Seagram	1,200	1,150	+ 4.3%
36	36	Wolfschmidt	Seagram	1,100	1,140	− 3.5%
37	37	Jose Cuervo	Heublein (RJR)	1,040	1,005	+ 3.5%
38	—	Baileys Irish Cream	Paddington (GM)	1,000	950	+ 5.3%

Key to parent corporations: (AB) - American Brands, (D) - Distillers Co., (G) - Glenmore, (GM) - Grand Metropolitan, (HWR) - Hiram Walker Resources, (RA) - Rapid-American, (RJR) - R.J.Reynolds, (S) - Seagram and (WB) - Whitbred.

The industry also is worried that there will be another excise tax implemented in 1986, possibly another $2 per gallon. This would exacerbate the industry problems, unless there were accompanying excise tax increases on wine and beer.

To balance that off, however, the industry is hoping to be allowed to lower proof gallonage. As of now, 80 proof is the lowest that can be sold. There is some thought that the minimum might be reduced to 50 proof.

Because a tax is based on proof gallonage, this would allow the products to be sold at a lower price.

There also are those in the industry who want to dispose of the proof designation altogether and replace it with percentage of alcohol. They believe this would allow better comparisons to be made with, for instance, wine, which measures absolute alcohol content versus proof.

Further compounding industry problems are pressures from some sectors to eliminate alcoholic beverage advertising altogether.#

Mr. Maxwell is with Laidlaw Ansbacher, New York.

Chrysler eyes parts market

By JESSE SNYDER

WARREN, MICH.—Chrysler Corp. wants to peddle its high-technology components on the open market.

The No. 3 auto maker reorganized its component manufacturing operation and charged Lee Runk, new vp-component business operations, with boosting sales outside the corporation.

"I think we'll be able to increase outside sales by 15% annually as far ahead as we can see," said Mr. Runk.

"Our efforts to get lean and competitive on cars means we make some darn good, darn inexpensive products that are very salable in the open market."

Mr. Runk's components group will map out an outside marketing strategy during the next three months and determine advertising needs.

Mr. Runk said he will continue to use Ross Roy Inc., Detroit, Chrysler's merchandising agency, on specialized trade publication advertising for now.

He also ruled out a divisional image campaign as "an unnecessary ego trip."

Chrysler sells $400 million in components other than engines and transmissions to outside buyers.

Outside sales are 15% to 18% of Mr. Runk's gross, and he wants to increase that to about 25%, even as the value of internal parts supplying grows.

"We have a bias toward keeping high-technology and the high-growth, high-potential business inhouse," he said.

Growth in outside sales will be balanced against increased "outsourcing," or buying from foreign or noncompany suppliers of less advanced or labor-intensive components.

That matches similar moves at General Motors' supplier divisions such as Delco Electronics (AA, Oct. 20, '83).

"We are putting our energies in the strongest growth elements," Mr. Runk said.

Those include electronic radios; electronic transmission, engine and air-conditioning controls for autos, boats and aircraft; powered metal parts, and other diversified products.

For example, a Chrysler-developed leather-look vinyl called Ultrahide is being marketed to boat manufacturers, and Chrysler also is offering seat design services for smaller companies.

The existing 65-person sales and marketing staff will remain intact but is planned to be consolidated into three divisions—machining, electronics and diversified, Mr. Runk said.#

Brady's Bunch

Fascinating juxtaposition on "60 Minutes" the other night with the feature on **Leona Helmsley's** grandiose life style following a harrowing report on African famine. I suspect Don Hewitt was making a point.

The Great One is in town. Cocktails Wednesday (Feb. 6) at "21" hosted by **Jackie Gleason**, Viacom and Showtime Entertainment. Jack will be previewing some soon-to-be-released episodes of "The Honeymooners" that haven't been aired for nearly 30 years. Welcome back, Ralpheee!

Someone sent me a "Friend of **Dennis Stein**" t-shirt.

Another reason why I believe in America: President Reagan's admission to *People* that he always wanted to be **Errol Flynn**.

Gary Hart dined at Elaine's with Peter Straus of WMCA radio in New York. Peter the waiter (not Peter the Straus) told Hart, "See you in '88." Responded Gary, "You'll see me before that."

Big improvement in those new **Merlin Olsen** spots for flowers. The first batch last year made Merlin a wimp, not the Merlin the NFL remembers. The new ads have wit and the "real" Olsen.

When **James Beard** moved on to that gourmet table in the sky the other day, I remembered that last year in an interview I asked him about his own notion of a perfect "last meal." I forget everything it included but I remember one dish: "Bacon and eggs." Gracious, talented, touchable man.

Ross

Hart

Flutie

I like the **Doug Flutie** deal. He gets the $7 million, can spend the next five years learning to throw in the pros, then can walk legally to the real league and, presumably, another big contract.

That'll show 'em. OPEC pulled the press credentials of *Wall Street Journal* ace oil reporter Youssef M. Ibrahim three days after his front-pager about a Geneva OPEC summit and the thousand-dollar-a-night "escorts" shuttling in and out of their suites. If they ever run out of blondes, OPEC's in real trouble.

I have been to maybe 10,000 rubber chicken dinners in the grand ballroom of the Waldorf-Astoria but never before have I heard someone not in the employ of the Hearst Corp. praise William Randolph Hearst out loud. **Walter Annenberg** did it the other night at the Magazine Publishers Assn. dinner. An unexpected grace note, nicely done, in the form of an anecdote about the time the 12-year-old Annenberg was taken up to the old monster's home and fell under what they tell me was his considerable charm.

Newsweek got a good one when they grabbed **Morton Kondracke** to head their Washington bureau. Kondracke's *New Republic* work and his *Wall Street Journal* and United Features syndicated stuff are all first rate.

Bill Beutel of WABC-TV in New York and **Mariel Hemingway** (of Ketchum, Idaho, and Hollywood) co-host next Monday night's (Feb. 11) Humane Society fund-raiser at the Hard Rock Cafe in Manhattan. Mariel's married to the manager. In Ketchum, Idaho, all the cafes are hard rock.

John Naitove of Yarbrough & Co. in New York tells me the beauty in the new Brut commercial is his wife of five months, **Andrea Ross**, who's represented by the Wilhelmina Model Agency.

Mary Hart of "Entertainment Tonight" will play herself in "Hollywood Wives" over ABC this month. But while most of the sex bombs starring in the flick will be working in designer clothes, Mary got her black velvet dress "off the rack" at the Lillie Rubin shop in Sherman Oaks and doesn't have the foggiest who designed it. That's what the Lillie Rubin folks tell me. I'm sure you're waiting with bated breath for other news of "Hollywood Wives" but for the moment, that's all I have.

The Four Seasons restaurant in Manhattan understands the priorities. The other day at lunch **Calvin Klein** had one of the posh banquettes while *Time's* "man of the year," baseball commissioner Peter Ueberroth, made do with a small table by the stairway.

Marc L. Barz of Ace-Parker in Chicago is another who knows that "polish" changes its pronunciation when capitalized.

Joe Hanley jumped from the Los Angeles Times Syndicate after nine years for a big international job for the Murdoch organization's own syndicate.

Dick Pyatt, who used to run the news operation for New York's municipal station WNYC, has a new book out: "The People's Medical Answer Book."

Would it be unsporting to call the Senate judiciary committee a "Meese trap"?

By James Brady

Read James Brady's essays in ADVERTISING AGE *Thursday.*

Newspaper Ad Linage

November 1984 vs. November 1983

AKRON, OH (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Beacon Journal (E)	1.935.871	231.373	1.935.425	330.752
Beacon Journal (S)	1.264.084	165.522	1.226.910	188.398
Grand Total	3.199.955	396.895	3.162.335	519.150

NOTE: Part run figures supplied by publisher to Media Records.

***ATLANTA, GA** (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Constitution (M)	3.701.888	946.822	3.003.877	644.432
Journal (E)	4.111.902	994.458	3.635.459	979.104
Journal & Constitution (S)	2.400.793	996.510	2.148.736	908.400
Journal & Constitution (Sat)	670.985	——	596.255	——
Grand Total	10.885.568	2.937.790	9.384.327	2.531.936

NOTE: Constitution Morning and Journal Evening published five days a week only.

Constitution Morning, Journal Evening, Journal & Constitution Saturday and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective April 30, 1984.

***BALTIMORE, MD** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News-American (S)	762.295	119.356	669.202	77.784
News-American (E)	1.074.678	126.784	1.249.911	149.544
Sun (M)	3.035.755	247.525	2.840.985	167.166
Sun (E)	2.017.133	144.567	2.480.770	166.536
Sun (S)	2.445.721	495.184	2.869.567	39.767
Grand Total	9.335.582	1.133.416	10.110.435	600.797

NOTE: Sun Morning and Sun Evening started publication of a combined Saturday edition effective March 24, 1984. The linage is shown only in the Sun Morning.

News-American Sunday and Evening changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width, and Sun Morning, Evening and Sunday changed from a nine column (2664 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984.

***BERGEN COUNTY, NJ** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Record (E)	3.610.042	671.416	3.497.946	684.658
Record (S)	2.682.603	500.228	2.595.462	597.208
Grand Total	6.292.645	1.171.644	6.093.408	1.281.866

NOTE: Record Evening published five days a week only.

Record Evening and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984.

***BOSTON, MA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald (M) (T-7)	1.009.415	——	951.295	——
Herald (S) (T-7)	408.952	393.784	489.779	145.224
Globe (M) (9)	3.379.613	234.552	3.141.147	217.514
Globe (S) (9)	3.372.448	431.240	3.201.965	444.096
Grand Total	8.170.428	1.059.576	7.784.186	806.834

NOTE: Globe changed from All Day publication to morning publication effective April 2, 1984.

Herald Morning and Sunday changed from a seven column (1400 lines per page) tabloid width, to a five column (980 lines per page) tabloid width effective July 1, 1984. Globe Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width effective July 2, 1984.

BOULDER, CO (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Camera (M)	2.216.410	——	2.520.252	——
Camera (S)	988.064	——	968.940	——
Grand Total	3.204.474	——	3.489.192	——

NOTE: Figures supplied by publisher to Media Records.

***BUFFALO, NY** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (AD)	2.565.508	389.752	2.630.691	339.004
News (S)	829.614	546.188	1.019.822	327.952
Grand Total	3.395.122	935.940	3.650.513	666.956

NOTE: News All Day and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective May 1, 1984.

***CAMDEN, NJ** (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courier-Post (E)	2.056.306	393.844	1.969.407	236.987
Courier-Post (S)	772.459	154.336	821.803	73.408
Grand Total	2.828.765	548.180	2.791.210	310.395

NOTE: Courier-Post Evening and Sunday changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective May 1, 1984.

CHARLOTTE, NC (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (E)	1.455.747	14.784	1.390.311	24.752
Observer (M)	2.198.193	772.246	1.978.743	774.167
Observer (S)	1.124.011	787.187	1.072.067	585.784
Grand Total	4.777.951	1.574.217	4.441.121	1.384.703

NOTE: News Evening published five days a week only.

***CHICAGO, IL**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (AD) (6)	2.756.640	3.264.740	2.622.170	2.775.572
Tribune (S) (6)	2.151.041	1.109.607	1.999.831	941.592
Sun-Times (M) (T-7)	2.593.226	1.267.099	2.613.634	1.180.923
Sun-Times (S) (T-7)	983.331	595.247	1.052.949	732.791
Grand Total	8.484.238	6.236.693	8.288.584	5.630.878

NOTE: Sun-Times Morning and Sunday changed from a six column (1200 lines per page) width tabloid to a five column (980 lines per page) width tabloid effective July 2, 1984.

***CINCINNATI, OH** (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Enquirer (M)	3.206.436	199.124	2.888.104	175.296
Enquirer (S)	1.967.273	147.238	1.898.990	125.680
Post (E)	1.440.324	545.410	1.221.402	137.752
Grand Total	6.614.033	891.772	6.008.496	438.728

NOTE: Enquirer Morning and Sunday and Post Evening changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***CLEVELAND, OH** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Plain Dealer (M)	3.406.887	465.535	3.497.681	529.278
Plain Dealer (S)	2.120.979	169.029	1.894.267	149.666
Grand Total	5.527.866	634.564	5.391.948	678.944

NOTE: Plain Dealer Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***DALLAS, TX** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (M)	7.145.159	395.502	6.696.485	358.625
News (S)	3.323.136	208.490	3.117.501	255.817
Times Herald (AD)	6.061.874	551.636	5.942.268	299.181
Times Herald (S)	2.476.632	201.757	2.407.064	552.004
Grand Total	19.006.801	1.357.385	18.163.318	1.465.627

NOTE: News Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width, and Times Herald All Day and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***DENVER, CO**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Rocky Mt. News (M) (T-7)	6.257.318	11.452	6.048.128	14.760
Rocky Mt. News (S) (T-7)	1.716.984	51.000	1.573.300	5.288
Post (M) (9)	4.216.242	248.311	3.935.532	280.055
Post (S) (9)	2.337.680	49.076	2.464.293	31.280
Grand Total	14.528.224	359.839	14.021.253	331.383

NOTE: Rocky Mountain News Morning and Sunday changed from a seven column (1365 lines per page) width tabloid to a five column (980 lines per page) width tabloid, and Post Morning and Sunday changed from a nine column (2772 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984.

***DETROIT, MI** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Free Press (M)	2.286.563	974.966	2.143.921	997.661
Free Press (S)	834.373	427.087	855.433	382.049
News (AD)	3.374.324	933.937	2.829.247	661.030
News (S)	1.820.630	400.199	1.588.657	343.619
Grand Total	8.315.890	2.736.189	7.417.258	2.384.359

NOTE: Free Press Morning and Sunday changed from a nine column (2736 lines per page) width to a six column (1830 lines per page) width, and News All Day and Sunday changed from a nine column (2808 lines per page) width to a six column (1872 lines per page) width effective July 1, 1984.

***ERIE, PA** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (E)	1.564.839	33.240	1.642.359	8.928
Times-News (S)	1.079.812	178.688	1.038.722	——
Grand Total	2.644.651	211.928	2.681.081	8.928

NOTE: Times Evening and Times-News Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 1, 1984.

FORT LAUDERDALE, FL (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News & Sun-Sentinel (S)	1.841.390	——	——	——
Sun-Sentinel (M)	5.212.859	——	——	——
Grand Total	7.054.249	——	——	——

NOTE: 1983 figures not available.

***FORT WAYNE, IN** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Journal-Gazette (M)	1.656.902	——	1.588.607	——
Journal-Gazette (S)	1.024.134	——	950.857	——
News-Sentinel (E)	2.009.304	——	1.947.639	——
Grand Total	4.690.340	——	4.487.103	——

NOTE: Journal-Gazette Morning and Sunday and News-Sentinel Evening changed from a nine column (2790 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984. Part run figures not available.

FORT WORTH, TX (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star-Telegram (M)	5.579.280	1.123.696	3.323.516	1.138.774
Star-Telegram (E)	3.812.732	1.014.496	2.424.156	738.528
Star-Telegram (S)	2.495.024	842.562	1.538.656	417.004
Grand Total	11.887.036	2.980.754	7.286.328	2.294.306

NOTE: Figures supplied by publisher to Media Records. Star-Telegram Morning, Evening and Sunday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective July 1, 1984.

GARY, IN (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post-Tribune (E)	977.466	221.466	938.938	170.968
Post-Tribune (S)	387.912	81.858	356.048	73.458
Grand Total	1.365.378	303.324	1.294.986	244.426

NOTE: Figures supplied by publisher to Media Records.

***GREENWICH-STAMFORD, CT** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Time (E)	1.729.070	——	1.742.202	4.992
Time (S)	976.081	——	873.222	——
Advocate (E)	2.287.938	29.796	2.342.039	16.872
Advocate (S)	1.017.075	——	957.500	——
Grand Total	6.010.164	29.796	5.914.963	21.864

NOTE: Time Evening and Sunday and Advocate Evening and Sunday changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) effective August 1, 1984.

***HARTFORD, CT** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courant (M)	3.481.614	759.126	3.151.225	617.758
Courant (S)	1.674.088	1.921.085	1.575.459	1.503.063
Grand Total	5.155.702	2.680.211	4.726.684	2.120.821

NOTE: Courant Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***HONOLULU, HI** (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Advertiser (M)	2.856.117	——	2.861.668	——
Star-Bulletin (E)	2.741.014	——	2.869.396	——
Star-Bulletin & Advertiser (S)	1.526.971	——	1.445.501	——
Grand Total	7.124.102	——	7.176.565	——

NOTE: Advertiser Morning, Star-Bulletin Evening, and Star-Bulletin & Advertiser Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

***HOUSTON, TX** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Chronicle (AD)	6.524.805	735.497	7.750.505	692.235
Chronicle (S)	2.634.322	720.192	2.622.645	432.814
Post (M)	4.342.932	690.025	6.192.639	431.972
Post (S)	1.478.353	530.468	1.698.801	437.412
Grand Total	14.980.412	2.676.182	18.264.590	1.994.433

NOTE: Chronicle All Day and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984, and Post Morning and Sunday changed from a nine column width (2655 lines per page) to a six column width (1764 lines per page) effective July 1, 1984.

***LONG BEACH, CA** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Press-Telegram (M)	2.274.001	55.928	2.070.341	75.224
Press-Telegram (S)	925.748	3.640	876.329	12.384
Grand Total	3.199.749	59.568	2.946.670	87.608

NOTE: Press-Telegram Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984. Part run figures supplied by publisher to Media Records.

LONG ISLAND, NY (T-6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Newsday (E)	3.668.621	1.243.051	3.439.752	1.203.524
Newsday (S)	1.824.545	1.552.546	1.785.527	1.308.546
Grand Total	5.493.166	2.795.597	5.225.279	2.512.070

***LOS ANGELES, CA** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (M)	6.330.026	5.501.398	6.238.263	4.424.134
Times (S)	3.107.981	1.631.252	3.040.336	1.592.316
Herald-Examiner (M)	1.153.819	281.924	1.040.930	262.847
Herald-Examiner (S)	236.677	108.031	298.032	76.333
Grand Total	10.828.503	7.522.605	10.617.561	6.355.630

NOTE: Times Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective July 2, 1984, and Herald-Examiner Morning and Sunday changed from an eight column width (2240 lines per page) to a six column width (1680 lines per page) effective July 1, 1984.

***LOS ANGELES SAN FERNANDO VALLEY, CA** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (M)	3.769.139	591.687	3.349.603	780.346
News (S)	1.139.578	333.391	1.329.466	103.936
Grand Total	4.908.717	925.078	4.679.069	884.282

NOTE: News Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1764 lines per page) effective July 2, 1984.

LOS ANGELES TORRANCE, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Breeze (E)	2.614.990	——	2.291.730	——
Breeze (S)	840.294	——	860.258	——
Grand Total	3.455.284	——	3.151.988	——

NOTE: Figures supplied by publisher to Media Records.
Breeze Evening and Sunday changed from an eight column (2408 lines per page) width to a six column width (1806 lines per page) effective July 1, 1984.

LOUISVILLE, KY (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courier-Journal (M)	2.431.800	320.362	1.905.890	335.384
Times (E)	1.919.190	432.348	1.826.888	619.528
Courier-Journal (S)	1.806.784	6.566	1.764.924	6.048
Grand Total	6.157.774	759.276	5.497.702	960.960

NOTE: Figures supplied by publisher to Media Records.

MACON, GA (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Telegraph & News (M)	1.262.282	541.030	1.107.512	406.462
Telegraph & News (S)	667.646	252.980	544.712	228.886
Grand Total	1.929.928	794.010	1.652.224	635.348

NOTE: Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.
Telegraph & News Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984.

MIAMI, FL (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald (M)	3.352.529	——	3.148.562	——
Herald (S)	1.690.833	——	1.555.244	——
News (E)	1.264.827	——	1.327.887	——
Grand Total	6.308.189	——	6.031.693	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star & Tribune (AD & Sat)	2.516.482	410.714	2.511.642	413.420
Star & Tribune (S)	2.141.373	39.600	2.034.816	4.998
Grand Total	4.657.855	450.314	4.546.458	418.418

NOTE: 1983 figures supplied by publisher to Media Records. 1983 part run daily is TMC and Community linage only. 1983 part run Sunday is Country linage only.

***NASHVILLE, TN** (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Banner (E)	1.898.648	521.280	1.697.715	613.738
Tennessean (M)	1.958.315	524.067	1.673.349	613.738
Tennessean (S)	1.116.814	499.960	1.019.851	432.204
Grand Total	4.973.777	1.545.307	4.390.915	1.659.680

NOTE: Banner Evening and Tennessean Morning and Sunday changed from a six column (1800 lines per page) format to a six column (1806 lines per page) format effective July 1, 1984.

***NEW YORK, NY**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (M) (9)	3.845.052	310.037	3.810.912	395.104
Times (S) (9)	4.058.748	2.255.680	3.805.841	2.418.133
News (M) (T-6)	1.471.767	2.494.857	1.544.747	1.934.566
News (S) (T-6)	634.306	1.691.988	587.144	1.698.512
Post (AD) (T-7)	1.271.463	14.101	1.312.266	——
Grand Total	11.281.336	6.766.663	11.060.910	6.446.315

NOTE: Times Morning and Sunday changed from a nine column width (2700 lines per page) to a six column width (1764 lines per page). News morning and Sunday changed from a six column width tabloid (1200 lines per page) to a six column width tabloid (1176 lines per page), and Post All Day changed from a seven column width tabloid (1400 lines per page) to a five column width tabloid (980 lines per page) effective July 2, 1984.

***NEWARK, NJ** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star-Ledger (M)	5.141.057	147.999	4.636.138	175.051
Star-Ledger (S)	3.407.700	602.542	3.093.435	451.828
Grand Total	8.548.757	750.541	7.729.573	626.879

NOTE: Star-Ledger Morning and Sunday changed from a nine column (2825 lines per page) format to a six column (1788 lines per page) format effective July 1, 1984.

***OAKLAND, CA** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (M)	1.998.320	931.175	1.991.886	322.311
Tribune (S)	910.554	427.552	906.235	374.000
Grand Total	2.908.874	1.358.727	2.898.121	696.311

NOTE: Tribune Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2, 1984.

***ORANGE COUNTY, CA** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Register (AD)	6.167.735	1.312.665	5.582.010	1.250.632
Register (S)	2.099.847	130.492	2.135.728	112.224
Grand Total	8.267.582	1.443.157	7.717.738	1.362.856

NOTE: Register All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1, 1984.

***ORLANDO, FL** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Sentinel (AD)	3.996.209	718.846	3.620.339	415.638
Sentinel (S)	1.253.654	416.036	1.379.062	188.044
Grand Total	5.249.863	1.134.882	4.999.401	603.682

NOTE: Sentinel All Day and Sunday changed from an eight column width (2352 lines per page) to a six column width (1764 lines per page) effective July 1, 1984. Part run totals do not include County Sentinel and Sentinel Bonus linage.

***PHILADELPHIA, PA**

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Inquirer (M) (6)	3.331.089	1.012.307	3.026.722	727.217
Inquirer (S) (6)	2.209.221	890.857	1.966.342	743.447
News (E) (T-5)	1.552.214	132.032	1.405.185	23.680
Grand Total	7.092.524	2.035.196	6.398.249	1.494.344

NOTE: Inquirer Morning and Sunday changed from a six column (1860 lines per page) width to a six column (1872 lines per page) width effective January 1, 1984.

PHOENIX, AZ (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Arizona Republic (M)	3.733.058	251.986	3.514.126	128.800
Arizona Republic (S)	2.456.244	——	2.047.080	——
Gazette (E)	3.626.252	254.506	3.412.962	130.886
Grand Total	9.815.554	506.492	8.974.168	259.686

NOTE: Figures supplied by publisher to Media Records.

PORTLAND, OR (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Oregonian (AD&S)	5.131.126	——	4.623.178	——
Grand Total	5.131.126	——	4.623.178	——

NOTE: Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.

Oregonian All Day and Sunday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective July 1, 1984.

PROVIDENCE, RI (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Bulletin (E)	1.190.336	643.678	1.090.614	456.638
Journal (M)	1.565.718	418.572	1.287.888	456.638
Journal (S)	1.695.946	400.526	1.291.388	122.570
Grand Total	4.452.000	1.462.776	3.669.890	1.035.846

NOTE: Bulletin Evening and Journal Morning have a combined Saturday edition. The linage is shown only in the Journal Morning.

Bulletin Evening and Journal Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984. Figures supplied by publisher to Media Records. 1983 figures are converted to a six column format as supplied by publisher.

***ROCHESTER, NY** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Democrat & Chronicle (M)	2.319.090	261.247	2.227.904	264.883
Democrat & Chronicle (S)	1.293.246	260.157	1.279.980	218.384
Times-Union (E)	1.581.586	174.687	1.575.529	232.351
Grand Total	5.193.922	696.091	5.083.413	715.618

NOTE: Democrat & Chronicle Morning and Sunday and Times-Union Evening changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) format effective June 25, 1984.

Note: Times-Union evening published five days a week only.

SACRAMENTO, CA (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Bee (M&S)	7.125.111	464.871	7.835.534	——
Grand Total	7.125.111	464.871	7.835.534	——

NOTE: 1983 figures supplied by publisher to Media Records.

Bee Morning and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1, 1984.

ST. LOUIS, MO (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post-Dispatch (M)	2.981.630	814.800	2.057.361	258.027
Post-Dispatch (S)	3.031.266	——	2.495.303	——
Grand Total	6.012.896	814.800	4.552.664	258.027

NOTE: Figures supplied by publisher to Media Records.

Post-Dispatch changed from Evening publication to Morning publication effective February 27, 1984.

***ST. PAUL, MN** (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Pioneer Press (M)	1.450.269	——	1.316.002	——
Pioneer Press (S)	1.520.243	——	1.434.691	——
Dispatch (E)	1.573.532	——	1.699.865	——
Grand Total	4.544.044	——	4.450.558	——

NOTE: Pioneer Press Morning and Sunday and Dispatch Evening changed from a six column (1782 lines per page) format to a six column (1764 lines per page) format effective July 1, 1984.

Note: Pioneer Press Morning and Dispatch Evening have a combined Saturday edition. The linage is shown only in the Dispatch evening. Part run figures not available.

***SAN ANTONIO, TX** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Express-News (AD)	3.039.672	585.428	2.950.818	642.012
Express-News (S)	1.536.833	403.980	1.453.849	452.900
Express-News (Sat)	781.886	——	771.410	——
News (E)	——	——	2.379.826	332.524
Light (E)	2.762.497	766.849	2.786.519	573.083
Light (S)	1.525.324	506.380	1.400.008	478.908
Light (Sat)	639.133	——	680.924	——
Grand Total	10.285.345	2.262.637	12.423.354	2.479.427

NOTE: Express Morning, Express-News Sunday and Saturday, News Evening and Light Evening, Sunday and Saturday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective June 1, 1984. Express Morning and News Evening combined to one edition, Express-News All Day effective September 10, 1984. The Express Morning linage is reported in the Express-News All Day listing.

Prior to September 10, 1984, Express Morning and News Evening published five days a week only. Light Evening published five days a week only.

***SAN DIEGO, CA** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Union (M)	4.729.241	285.406	4.317.983	298.525
Union (S)	2.114.746	——	1.948.844	48.888
Tribune (E)	4.801.785	293.276	4.658.128	317.854
Grand Total	11.645.772	578.682	10.924.955	665.267

NOTE: Union Morning and Sunday and Tribune Evening changed from an eight column (2408 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984.

***SAN FRANCISCO, CA** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Chronicle (M)	2.770.706	1.329.631	2.690.827	1.226.147
Examiner (E)	2.693.923	1.320.306	2.619.230	1.224.214
Examiner & Chronicle (S)	1.414.741	777.436	1.291.502	674.112
Grand Total	6.879.370	3.427.373	6.601.559	3.124.473

NOTE: Chronicle Morning, Examiner Evening and Examiner & Chronicle Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2, 1984.

***SAN JOSE, CA** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Mercury News (AD)	6.040.064	540.115	5.554.679	915.528
Mercury News (S)	2.696.839	12.128	2.485.108	47.820
Grand Total	8.736.903	552.243	8.039.787	963.348

NOTE: Mercury News All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1788 lines per page) effective July 1, 1984.

***SHREVEPORT, LA** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Journal (E)	1.804.349	170.680	1.732.285	167.768
Times (M)	2.406.183	345.812	2.293.310	173.008
Times (S)	1.296.406	196.932	1.205.244	147.696
Grand Total	5.506.938	713.424	5.230.839	488.472

NOTE: Journal Evening and Times Morning and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 30, 1984.

STATE COLLEGE, PA (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Centre Times (E)	1.394.372	121.002	1.317.232	24.710
Centre Times (S)	495.138	——	372.778	——
Grand Total	1.889.510	121.002	1.690.010	24.710

NOTE: Figures supplied by publisher to Media Records.

***SYRACUSE, NY** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald-Journal (E)	2.228.198	530.382	2.243.569	416.344
Herald American (S)	1.063.579	393.512	1.018.659	336.770
Post-Standard (M)	1.903.109	555.833	1.722.093	439.466
Grand Total	5.194.886	1.479.727	4.984.321	1.192.580

NOTE: Herald-Journal Evening, Herald American Sunday, and Post-Standard Morning changed from a nine column (2727 lines per page) width to a six column (1806 lines per page) width effective July 1, 1984.

TAMPA, FL (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (AD)	5.002.599	2.425.177	4.229.176	1.757.451
Tribune (S)	2.419.703	——	2.244.581	6.800
Grand Total	7.422.302	2.425.177	6.473.757	1.764.251

NOTE: Figures supplied by publisher to Media Records. Comics linage is not included.

Tribune All Day and Sunday changed from a nine column (2835 lines per page) width to a six column (1890 lines per page) width effective July 1, 1984.

TOLEDO, OH (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Blade (E)	1.755.880	——	1.742.818	——
Blade (S)	1.347.486	——	1.168.090	——
Grand Total	3.103.366	——	2.910.908	——

NOTE: Figures supplied by publisher to Media Records.

Blade Evening and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective April 2, 1984.

TORONTO, CANADA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Sun (M) (T-6)	2.186.665	35.208	2.089.857	——
Sun (S) (T-6)	799.525	62.032	674.137	117.016
Globe & Mail (M) (9)	3.354.898	269.608	3.126.571	413.557
Grand Total	6.341.088	366.848	5.890.565	530.573

***WASHINGTON, DC** (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post (M)	6.252.874	741.310	5.829.343	1.107.165
Post (S)	2.942.220	448.701	2.601.942	697.487
Grand Total	9.195.094	1.190.011	8.431.285	1.804.652

NOTE: Post Morning and Sunday changed from a nine column (2781 lines per page) width to a six column (1848 lines per page) width effective July 1, 1984.

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Alexandria Journal (M)	1.424.344	4.768	1.078.059	12.320
Prince George's Journal (M)	1.229.551	4.768	1.076.490	12.320
Montgomery Journal (M)	1.285.636	——	1.046.446	19.232
Fairfax Journal (M)	1.440.290	9.304	1.137.365	12.320
Arlington Journal (M)	1.422.108	4.768	1.089.068	12.320
Grand Total	6.801.929	23.608	5.427.428	68.512

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only and changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 2, 1984.

WEST PALM BEACH, FL (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post (M)	3.786.076	546.812	3.442.390	418.180
Times (E)	2.757.874	47.376	2.526.986	7.406
Post (S)	1.967.882	231.714	1.813.994	148.120
Grand Total	8.511.832	825.902	7.783.370	573.706

NOTE: Figures supplied by publisher to Media Records.
Times evening published five days a week only.

***WESTCHESTER ROCKLAND, NY** (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Reporter Dispatch (E)	1.704.991	272.592	1.904.908	315.712
Reporter Dispatch (S)	1.237.348	311.376	1.285.574	273.412
Grand Total	2.942.339	583.968	3.190.482	589.124

NOTE: Reporter Dispatch Evening and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective June 25, 1984.

WICHITA, KS (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Eagle-Beacon (M)	2.308.415	——	2.235.046	——
Eagle-Beacon (S)	1.203.851	——	1.165.657	——
Grand Total	3.512.266	——	3.400.703	——

NOTE: Part run figures not available.

NOTE: Figures in Parenthesis Denote Reported Newspaper Column Format. For example: (6)—Six Column Broadsheet. (T-7)—Seven Column Tabloid.

Source: Media Records

Linage figures have been provided by Media Records for the exclusive publication of Advertising Age. They may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Report Service, total advertising linage shown were provided by the newspaper to Media Records and included in this compilation.

CONVERSION METHODOLOGY

Due to the introduction of the SAU 6 column format, Media Records applies the following conversion methodology to report comparable figures (1984 month vs. 1983 data) for newspapers that changed column formats in 1984. These newspapers are indicated with an asterisk (*).

7 column tabloids which have adopted a 5 column tabloid format are converted back to the original 7 column formats.

8 column broadsheet standards which have adopted a 6 column broadsheet standard format are converted back to the original 8 column formats.

9 column broadsheet standards which have adopted a 6 column broadsheet standard format are converted back to the original 9 column formats.

6 column broadsheet standards or tabloids which have a slight depth change in 1984 but did not change column format are converted back to original depth.

'Wives' set to sweep

By JAMES P. FORKAN

NEW YORK—The first half of the February sweeps shapes up as a battle of the Hollywood stars, but "Hollywood Wives" undoubtedly will emerge as the victor of the February ratings war.

Arbitron began monitoring the sweeps Jan. 30, with A.C. Nielsen Co. starting its reporting a day later. Arbitron closes the book on the ratings period Feb. 26, a night before Nielsen's report concludes.

Among the stars the networks are depending on for above-average ratings: Alan Alda ("The Four Seasons," CBS, Jan. 30); Paul Newman ("The Verdict," NBC, Feb. 3); Clint Eastwood ("Firefox," ABC, Feb. 3); Lee Marvin ("The Next Mission," a sequel to "The Dirty Dozen," NBC, Feb. 4); Ellen Burstyn ("Surviving," ABC, Feb. 10); James Earl Jones ("Atlanta Child Murders," CBS, Feb. 10 and 12); Robin Williams ("The World According to Garp," CBS, Feb. 13); Penny Marshall ("Challenge of a Lifetime," ABC, Feb. 14), and Telly Savalas ("Kojak: The Belarus Secret," CBS, Feb. 16).

But "Hollywood Wives" Feb. 17 to 19 is the programing the advertising business is talking about. The ABC three-part miniseries, based on the Jackie Collins best seller, has an all-star cast headed by Stefanie Powers, Angie Dickinson and Suzanne Somers.

"Hollywood Wives" is "gonna be big, it's gonna do very, very well," said Paul Schulman, president of Gardner Advertising's Paul Schulman Co. network tv buying subsidiary. He is projecting Nielsen shares in the upper 30's. At SSC&B, Jack Otter, senior vp-network programing, agreed, adding he is "even more bullish" than most: "It could easily get a 40 share." Said Phil Burrell, Dancer Fitzgerald Sample's vp-network programing: "I guess I'd have to join the chorus" expecting big numbers from that "exploitative" miniseries.

Most if not all industry observers will be stunned if "Wives" does not prove to be the sweeps' biggest draw. Earlier this season, CBS advanced "Atlanta Child Murders" by about a week while NBC delayed its Procter & Gamble-sponsored "A.D." miniseries into March-April, both to avoid the glitzy ABC miniseries.

Despite all the stunting and counterprograming, Mr. Schulman said, "Over-all, I see no change in status" for the Big 3, with CBS still leading NBC and ABC in the seasonlong ratings fray. Moreover, as Mr. Otter added, the sweeps are far more important to the networks' affiliates (for setting new local ad rates) than to agencies and their clients. Because marketers have year-round needs and goals, "Most advertisers think of the long haul," said Mr. Otter.

CBS' biggie should be "Atlanta"; shares of the two installments are expected to average in the mid-30's. Other nonseries hits, with shares in the 30's, are projected to include ABC's "Consenting Adult" tonight and "Surviving," though the latter will be hurt by "Atlanta," plus CBS' Grammy Awards Feb. 26.

Theatricals, used sparingly as sweeps ammunition in this pay tv era, will not score "special numbers," one adman said, while made-for-tv movies and miniseries again will dominate. "Firefox," a "Rocky" repeat and "Garp" will be among the features with so-so ratings, several sources agreed.

Of the tv movies, NBC's "Poison Ivy" comedy will be "in big trouble" on Feb. 10 versus ABC's "Surviving" and CBS' "Atlanta." CBS' "Kojak: The Belarus Secret," meanwhile, should improve that network's Saturday showing.

Most of the sweeps weeks will wind up with a competitive Sunday. Feb. 10, which will climax the 1984-85 season's 20th week (and the "second season's" fifth week), will see "Surviving" competing with the opener of "Atlanta Child Murders." A week later, "Hollywood Wives" starts opposite NBC's "Hitler's SS." And on Feb. 24, NBC will pit Bob Hope and part one of its "Evergreen" miniseries against ABC's "Star Trek II."

Among regular series, ABC's "Dynasty" and CBS' "Dallas" will continue their battle for the season-to-date series crown. The Feb. 6 "Dynasty" could go through the roof. Why? President Reagan's State of the Union speech will bump several series, and the soap's competition will be the Democrats' response on CBS and NBC.#

Pizza Hut leaves hometown

By JENNIFER PENDLETON

Pizza Hut is dropping its "Hometown" for Hollywood in its first campaign from Chiat/Day, Los Angeles.

The PepsiCo division will anoint seven celebrity presenters as "Pizza Hut People" in new tv commercials intended to project a confident, quality image for the U.S.' largest pizza chain (AA, Jan. 28).

The campaign is a departure from the country theme of its long-running "Hometown" ads created by Chiat/Day's predecessor, Foote, Cone & Belding, Chicago. In the $30 million campaign, celebrities Martin Mull, Susan Anton, Rita Moreno, Herbie Hancock, Hoyt Axton and SCTV's MacKenzie Brothers will speak on different aspects of pizza consumption.

According to Chiat/Day exec vp-creative director Lee Clow, the campaign is a new approach to testimonials. Pizza Hut opted for "approachable, honest, friendly and believable presenters. . .so that people could identify what they're saying and have fun along with them." The agency gave them general guidelines on what to discuss in the ads, but most of the comments were extemporaneous.

"Let me tell you a little something about pizza etiquette," comedian Martin Mull will say, as he points to the areas on a pizza slice that are acceptable first bites. Then he asks, "but is it okay to take it from the other end—crust-first?" "No," he says. "I'm sorry, you have to start with the point." As it ends, the presenter's name flashes on the screen, followed by the name of his favorite Pizza Hut pizza.

The MacKenzie Brothers of SCTV fame spar over pizza. "You know what you got to get yourself?" says one brother to another. "A new attitude to eating." After informing him that he eats like a bird, followed by a few barbs, the larger brother steals the pizza away from his smaller rival.

One spot features actress Rita Moreno. "If I'm feeling mellow, I just want cheese and tomatoes. If I'm feeling attractive. I say put on some pepperoni, and if I'm feeling wild and crazy, I just say throw it on," she says suggestively. "My, my, my, my, my."

Pizza Hut senior vp-marketing Walter (Bud) Gates and vp-advertising/sales promotion David Ropes describe these spots as the first in what likely will become a long-running campaign. The company executives spoke of adding other Pizza Hut People as the year progresses. They also spoke of running similarly themed ads with local celebrities on a local level.

Pizza Hut's selection of Chiat/Day as its agency has been surrounded by controversy. After the agency defected from the review of its competitor, Godfather's Pizza, to pitch the larger Pizza Hut account, Godfather's sued Chiat/Day. Its purpose was to stop the agency from revealing proprietary information—in effect, stopping them from working on the business (AA, July 16, *et seq.*).

Arguing that Chiat/Day possessed trade secrets that could be used against them, Godfather's secured an injunction against the agency, restricting certain staffers from working on the account. That injunction was in place until November. The case is pending.

Pizza Hut is the U.S.' largest competitor in the $9 billion pizza-restaurant category with a 20% market share.#

Colgate

(Continued from Page 1)

cember period, also are expected to show a dramatic drop.

Colgate's roll goes back to the gains it made with the addition of a gel to the dentifrice line. Colgate rushed to beat P&G to the market, a move that paid off. A second coup came when Colgate introduced both its regular and gel versions in pump dispensers.

P&G, which had hoped to have good regional, if not national, distribution of its Crest pump by now, still is having manufacturing problems with it. Although the exact problems with the pump, designed by the West German-based Henkel, could not be pinpointed, it appears P&G is having trouble developing filling equipment. The design was sold by Henkel to Continental Can Co., which was refused trade secrets for filling the pumps.

A buyer in Portland, Me., said he hasn't had any word from P&G. The product was put into test there in the fall. But once initial shipments sold out, stores found they couldn't get any more stock. P&G stopped advertising when it couldn't supply product.

Some say it may take 18 months to produce the proper equipment for filling this kind of pump.

P&G prefers to term the difficulties as "not being able to meet consumer demand" without specifying that the problems relate to manufacturing and distribution. A spokeswoman said, "We are working on it as quickly as possible."

Despite all the activity, other brands appear to be maintaining status quo. The third-biggest seller, Beecham's Aqua-fresh, holds 12%, followed by Lever's Aim, at about 9% and Lever's Close-Up at about 8%. None of the other brands exceed a 4% share. Minnetonka's Check-up, which pioneered the pump in this country, has a 1%-to-2% market share.#

1960s relived at 'One Club'

By STEWART ALTER

What was it about the 1960s that has made it so beloved to ad agency creative people?

It can't be that the work was so much better, because not everyone agrees that it really was.

But inarguably, the '60s had a mystique. It was a time of camaraderie, of heroes, of a much smaller industry enthralled with the excitement of doing something new—namely, tv advertising.

That, anyway, was about all one could ascertain from a fairly inconclusive panel discussion involving six top creative executives. They were collected in New York last week by The One Club for Art & Copy, a craft guild of copywriters and art directors, to discuss "Creativity: How great were the '60s? How bad are the '80s?"

There didn't seem to be any definitive answer to the question of why things were better then or if clients and their advertising were really better. Jay Chiat didn't seem to agree with the premise at all. The chairman of Chiat/Day, New York, refused to join in the lament that things are so bad today. His defense of the '80s won the applause of many of the young people in the audience.

But what seemed undebatable was that the atmosphere in the '60s was somehow different and more charged. "There was a camaradie that was incredible," said Jim Durfee, creative director of Durfee & Solow, New York, who felt the newness of tv made for a freer creative environment. "We weren't trying to top anything. We were doing something new."

And with the camaraderie came the pursuit of excellence and competition. "Who's the best young copywriter around?" was a question most often asked back then, according to Jerry Della Femina, chairman of Della Femina, Travisano & Partners, New York. He wondered if it was still asked today. "We spent a lot of time talking about advertising and it was fun. If people stay late now, they're not talking about advertising. I think it's just a job."

That was supported by Len Sirowitz, co-chairman of Rosenfeld, Sirowitz & Lawson, New York. "We were hungry and killed ourselves to do good work," said Mr. Sirowitz, part of the Doyle Dane Bernbach pantheon in the 1960s. "I don't think people today are as hungry as we were then."

But Mr. Chiat, one of the '80s panelists, didn't agree. "We don't have any patience for anybody who's not passionate. I just think you're either tired or not, and if you look at the advertising you can tell." Mr. Chiat, at another point, also felt that "the amount of advertising that's really brilliant today is about the same as in the '60s."

The other two '80s panelists, Tom Messner, senior vp-creative group head at Ally & Gargano, New York, and Tony Angotti, co-founder of Angotti, Thomas, Hedge, New York, joined in attesting to the '60s mystique, especially at DDB.

"There was a reverence," said Mr. Angotti, who worked at DDB. He spoke of the joy of winning Mr. Sirowitz' approval or the awe of entering Helmut Krone's office. Mr. Messner similarly observed that people at DDB in the '60s regarded their advertising as works of art. "It was an aesthetic. Marvin Honig and Evan Stark thought of their work like plays."

The questions of whether the work was any different and, if so, why, were harder to answer, even after two long reels of spots were shown, one from the '60s and one from the '80s.

Apart from the fact that 60-second spots were the norm then, the major difference seemed to be in production values. "In the '60s you saw the work of a copywriter and an art director," said Mr. Della Femina. "Nobody knew the names of any of the directors in the '60s. Today we see the work of the copywriter, art director, producer, assistant producer, director, camerman—a cast of thousands," he said.

But regardless of the differences in products advertised, techniques and commercial length, were those '60s spots effective? asked one questioner from the back.

"We're all still working," was how the panel answered that one.#

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FEB

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1985

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February 7, 1985

Advertising Age

Crain's International Newspaper of Marketing

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Thursday

Bringing new Clow-t to ads

CHIAT'S UNLIKELY CREATIVE

BY JENNIFER PENDLETON

Exceptional creative ability can show up in unlikely places. And Lee Clow is one such place.

The exec vp-creative director at Chiat/Day is the force behind some of the most remarkable U.S. ad campaigns of recent years, but his special talent is hard to pin down. Although the 41-year-old Southern California native looks the part—he maintains a style of dressing that some describe as "1960s surfer" and wears his hair and beard in a manner reminiscent of that turbulent time—he doesn't seem to possess many of the personal qualities usually associated with great creative prowess.

"If you met Lee Clow on the street you would never guess he's the creative force behind those campaigns," says Nike Inc. creative director Peter Moore, who has worked with Chiat/Day for more than two years. "But he's got *tremendous* abilities."

Mr. Clow's colleagues, when

(Continued on Page 5)

Lee Clow on the set during production of one of Chiat/Day's new Pizza Hut tv spots featuring actor and comedian Martin Mull.

'Go[illegible] people tha[illegible] to the con[illegible] w

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In the news

Home is where the outlet is

PBS' "New Tech Times" wants viewers to explain, in 100 words or less, why they'd like to adopt Hubot—a $3,500, computerized, tv-equipped, California-built robot. The stunt is designed to promote the "high-tech" tv show's second season. *See Page 4.*

Horse magazines bunch up

Three rival magazines, *Equus, Horseman* and *Western Horseman*, are joining forces to put together an advertorial section in their May issues. *See Page 4.*

JFY eyes mass conversions

Executives at a Melville, N.Y., company think that, if enough people answer their consumer surveys, they can sell mass marketers on direct response. *See Page 6.*

EMMA broadens horizons

Electronic Media Marketing Assn., which promotes direct-response marketing via electronic media, is opening up its doors to telemarketing service bureaus. *See Page 7.*

Yuppies are sweet targets

Mass-produced candy may become fashionable as well as fattening if sweets marketers can catch on with today's most coveted consumer—the yuppie. *See Page 45.*

Admiral not an ad-mirer

Celebrated Admiral Hyman Rickover took some shots at the business world in general, and the advertising world in particular, during a recent New York speech titled "Thoughts on man's purpose in life." *See Page 50.*

Special Report

Shakeout has devastated the ranks of personal computer hardware and software marketers. Now, experts say, it's the retailers' turn. Despite the gloomy predictions, however, optimism reigns among franchised computer chains and independent retailers alike. See Personal Computer Marketing Special Report starting on Page 13.

Presstime

AdCom suitors line up

Chicago—The most likely suitors for AdCom, Quaker Oats Co.'s in-house agency (AA, Feb. 4), are BBDO International, Bozell & Jacobs and an investor group led by AdCom president-creative director Gary Bayer, inside sources say. AdCom could command a purchase price of $5 million to $10 million, sources predict.

Bomb threat a dud at JWT

San Francisco—J. Walter Thompson USA's Embarcadero Center offices here emptied Feb. 5 after a bomb threat was phoned in. A search by security turned up nothing, and employes returned after a couple of hours.

'Savvy' staff move

New York—*Savvy's* business and editorial staffs have been invited to stay on by new owner Family Media. And at *World Tennis*, Family Media's other new acquisition (AA, Jan. 10, *et seq.*), Shepherd Brandfon becomes president of a new subsidiary, World Tennis Inc., while continuing as publisher, *1,001 Home Ideas.*

Another lap for Olympics

Stamford, Conn.—ESPN is planning to repackage ABC-TV's 180 hours of 1984 Summer Olympics coverage to run for two weeks in July.

Kenner hugs new dolls

New York—Kenner Products, Cincinnati, will preview its new Hugga Bunch doll line at a pre-Toy Fair press conference here today. Like Kenner's 1984 Rose Petal Place line and Mattel's Rainbow Brite, Hugga Bunch was licensed by Hallmark Properties, Kansas City, Mo.

Howort bolts Ohlmeyer

New York—Philip Howort has resigned as president at Ohlmeyer Advertising, New York, and exec vp at parent Ohlmeyer Communications Cos., a joint venture with Nabisco Brands.

Schick in All-Star insert

Morris Plains, N.J.—Warner-Lambert Co.'s Schick division will run a six-page insert in *USA Today* Feb.8 in conjunction with the National Basketball Assn.'s All-Star weekend. The insert is designed as a fan's guide to the All-Star activities and as a program for the 35th annual game. J. Walter Thompson USA is Schick's agency.

Nielsen eyes syndie shows

Northbrook, Ill.—A.C. Nielsen Co. has formed a new unit to measure syndicated tv shows. The unit, called Nielsen Syndication Service, will combine several services offered by Nielsen.

Cummings exits Saatchi

New York—Josephine Cummings has resigned as senior vp-group creative director at Saatchi & Saatchi Compton Worldwide to join Ted Bates Advertising as senior vp-exec creative director. Ms. Cummings arrived at Saatchi only six months ago as one of the agency's key hirings in efforts to give greater emphasis to creativity. Separately,

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ABP RED TAG ABC ANPA

Trainer cries 'fowl' on IBM software ad

By BRIAN MORAN

They say it's not nice to fool with Mother Nature, but don't try telling that to IBM.

When it comes to Big Blue's insatiable demand for perfection, God's creatures great and small sometimes just don't measure up. But not to worry—the almighty muscle of machines is always at the ready.

Take Moe DiSesso's unlucky ducks.

Mr. DiSesso, a Hollywood animal trainer with a long list of tv commercial and film credits, was hired recently to drill a team of ducks for a spot promoting IBM's personal computer software line. Mr. DiSesso called a slaughterhouse in Los Angeles' Chinatown and placed an order for 40 ducks.

"They were just getting ready for lunch down there," Mr. DiSesso recalled.

"I said, 'Wait—don't kill 'em, I'll be right over!' It was a happy day for those ducks."

IBM's storyboard for the commercial, via Lord, Geller, Federico, Einstein, New York, called for a group of unruly ducks to fall into a neat row after running through a series of five doors marked with the titles of software programs.

"The producer said it was going to be a real tough one, but I knew I could do it. I do all the tough ones," said Mr. DiSesso, who trained Sandy the dog in the film version of "Annie" and shared a Chicago Film Festival award for Star-Kist Foods' spots for Meaty Bone, which feature "talking" pooches.

Mr. DiSesso put his feathered minions through a four-week boot camp on the three-acre farm he owns in Newhall, Cal. Using a long candy-striped pole, he split up groups of ducks and moved them back and forth and from side to side. When shooting day at Hollywood's Raleigh Studios finally arrived, the ducks were ready.

Mr. DiSesso and 15 assistants, equipped with poles and headsets, positioned themselves just out of camera range about 20 feet away from the swarming ducks. A director from Los Angeles' HISK Productions called for action, and the great IBM duck walk was on.

There was anxiety on the set. None of the IBM and agency reps knew for certain that the ducks could perform on cue. Only Mr. DiSesso knew that getting ducks to walk in a choreographed row was a day at the beach compared with the time he taught a Tidy Cat kitten to play the banjo like Elvis Presley.

"All the setups of the ducks moving in and out of the doors were done in one take," Mr. DiSesso said. "They [the producer and Lord, Geller's representatives] were tickled to death—it went like clockwork."

But after viewing the rushes, Big Blue's team decided that the final scene in the 30-second commercial of IBM's cane-toting Little Tramp shepherding an impeccable row of six ducks out the final "software door" didn't convey enough clout. Mr. DiSesso was asked if he could get *16* ducks to walk the line.

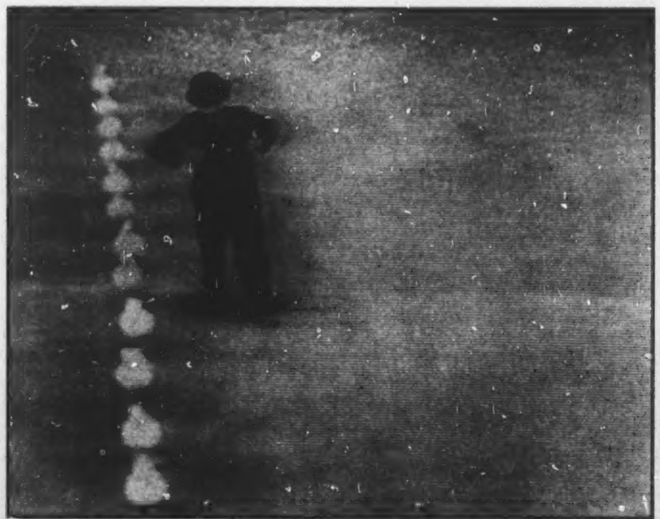
"I couldn't believe it," Mr. DiSesso recalled. "What they asked for was absolutely impossible. It was a lot of work to get six or eight [ducks] to be patient. Maybe I could have done 10, but 16—no way."

What man (or ducks) can't do, a machine usually can. IBM recut the final scene of the spot with 16 docile, obedient mechanical ducks.

"How could they do this to me? They ruined a good commercial," Mr. DiSesso lamented. "That last long line of ducks is too perfect. My friends in Florida and New York called to say how great it looked—until the phony part. I was very disappointed."

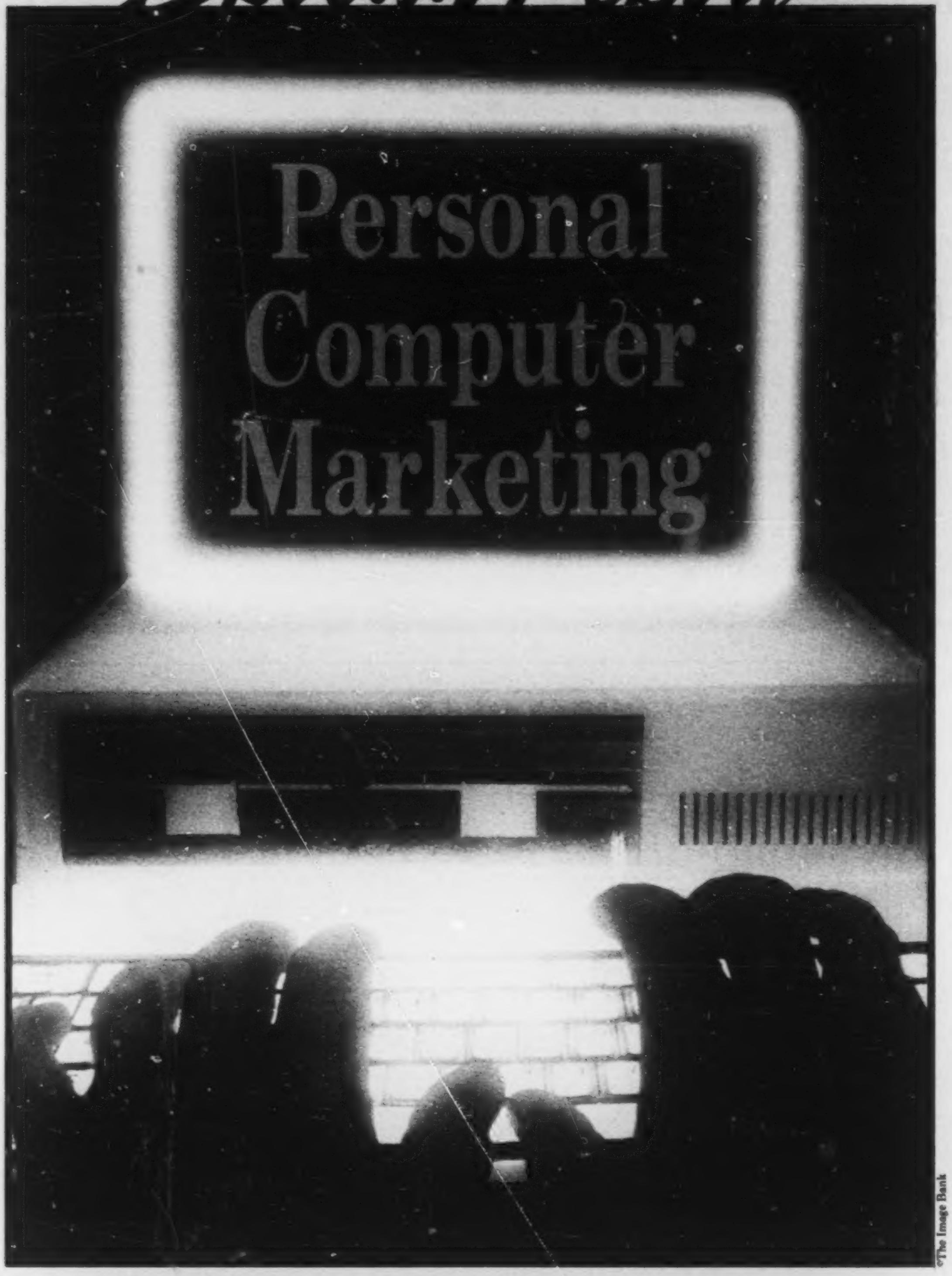
A spokesman for IBM's Entry Systems Division, Boca Raton, Fla., would not comment on the spot. A Lord, Geller account exec also ducked the issue, on orders from the client.

Mr. DiSesso said he and his assistants couldn't bring themselves to partake in the peking duck dinner served to the studio crew after work on the shoot finished. He collected his 40 ducks and went back to his farm, where they are now "eating up everything I made on that commercial."#



Moe DiSesso, animal trainer for IBM's software spot, got six ducks to run in a row. But Big Blue wanted a more impressive line and subbed 16 mechanical quackers in the final cut (above).

Special Report



©The Image Bank

Retailers key in on niches

By Betsy Gilbert

Change is in the air surrounding the personal computer industry.

No one's sitting on Easy Street anymore—not the hardware manufacturers, not the software publishers and certainly not the retailers. Competition has grown fierce within this $12.2 billion retail industry—in terms of combined hardware and software sales for 1984—and those without a clear-cut plan for growth and innovation might as well start thinking about an early retirement.

The computer business rapidly is evolving into a consumer industry. Five years ago, it was hard to find a personal computer in the home or office. Today, according to Future Computing, a Dallas-based information services company focusing on the personal computer industry, 11.9 million homes boast a personal computer; 7.1 million have been installed in offices around the U.S. Consumers have discovered that owning a computer can be smart—for personal as well as professional productivity—and the more they discover, the more they want from their systems.

Increased consumer demand and fast growth have glutted the market with hardware and software, and it has redefined the distribution channels for this equipment.

In the beginning, large chains, such as the 562-unit Hayward, Cal.-based ComputerLand, got the walk-in business, while manufacturers' representatives took care of the bigger accounts. Then independent retailers moved into the market to grab a piece of the ever-increasing action. Today, mass merchandisers such as K mart Corp., Sears, Roebuck & Co. and many other major department store chains have jumped into the fray as well, realizing that putting computers on the shelf next to stereos and videocassette recorders can be lucrative.

(Continued on Page 14)

Betsy Gilbert, a Silicon Valley-based frequent contributor to Special Report, covered computer-user groups in last March's Personal Computer Marketing Special Report.

Independents to specialize in survival

"The rumors of my death are greatly exaggerated." The words are Mark Twain's, but they might have been spoken by any one of the hundreds of independent computer retailers throughout the U.S.

Research from Future Computing, a Dallas-based information services company, identifies 4,337 computer specialty stores in the U.S.; 43.8% of those, or slightly less than 2,000, are independently owned.

For about the past year, the personal computer industry has been abuzz with talk that independents are not long for this world, but insiders say the rumors aren't true. While a good number of independents have closed their doors, experts attribute their failures to bad business operations, not to a trend within the retail channel.

"Everybody is always talking about specialty retailers drying up and blowing away, about how the chains are going to do them in or the vendors are going to take their business away," *PC Retailing* editor Michael Alexander says. "It's just talk.

"I heard the same rumors about appliances, then about consumer electronics and look at those two industries—the dealers are still growing strong. Specialty retailing hasn't changed since the day the first guy opened up a shop and put a shingle outside. The products have changed, but the fundamentals of retailing haven't."

Echoing this optimism, Future Computing predicts independents will maintain a decreased but still formidable 30% to 40% of the market as specialty retailers grow in number to 7,200 by 1989.

However, Mr. Alexander says that although the future holds potential for independents, they no longer can sit back and expect to enjoy healthy sales simply by stocking product. To compete with the large chains and the vendors, which increasingly are going after customers previously the exclusive territory of dealers, they're going to have to place greater emphasis on service and support.

> **"There's plenty of room for everybody, but the independent has got to be sharper than he's been in the past."**
>
> *—Carroll Greathouse*
> *National Assn. of Computer Stores*

"The advantage the independents have over everyone else is the personal touch they're able to offer," Mr. Alexander says. "People will always like going into a store and getting that personal attention, knowing that when they want to add to their system or something goes wrong, their dealer will be there."

Carroll Greathouse, exec vp of the National Assn. of Computer Stores, headquartered in Stamford, Conn., agrees. While he has witnessed the downfall of a number of independents in the past year, he says he doesn't believe these failures represent the shape of things to come.

"Look at the growth curve of any major industry," he says. "You eventually reach a point where the strong start to get stronger and the weak ones pass by the wayside. That's just basic economics, and that's where we are today, but it doesn't mean that independent retailers are dying out.

"There's plenty of room for everybody, but the independent has got to be sharper than he's been in the past."

That means enhanced service and support, something the chains, by their very size, aren't able to offer. If the independents are willing to offer service above and beyond what the big companies do, business will remain healthy.

Success in the computer retailing business isn't much different from any other field. The smart independent is going to find a special niche, become better than anyone else in it, offer customers the kind of support they can't get from the big companies and keep on top of market trends.

You don't need a computer to come up with a successful formula. You just need a good business head. *—B.G.*

Niches

(Continued from Page 13)

The retail business has become crowded, and those hoping to survive are looking for niches.

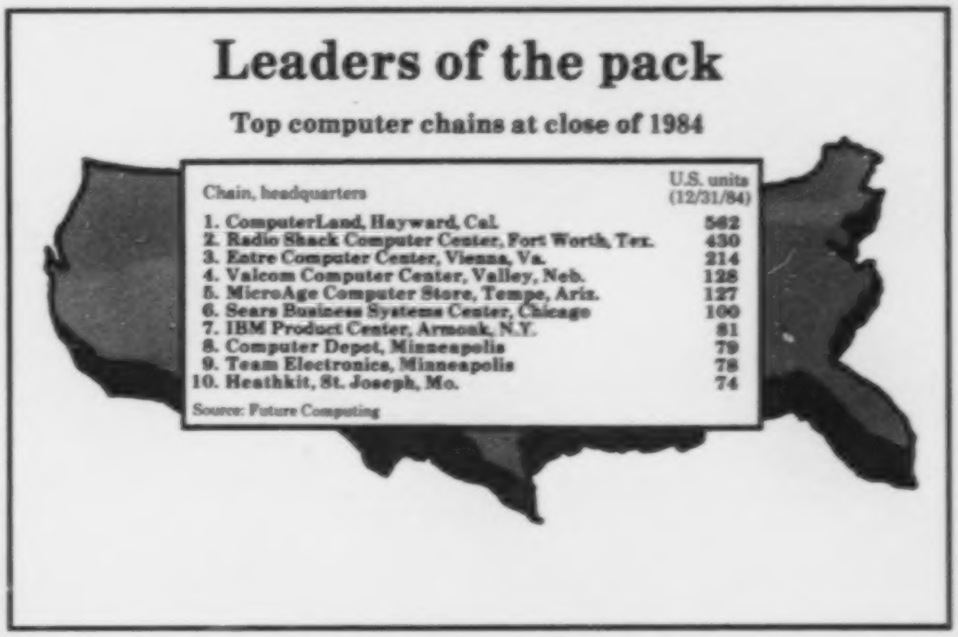
"You hear all kinds of gloom and doom stories about how specialty computer retailers are going to die out now that the mass merchandisers have gotten into the act," says John Dinsmore, director of the Assn. of Better Computer Dealers, "but that's just not the case. The market has gotten crowded, but different outlets address different markets.

"That's the way it's really always been; it's just that now, the definitions are a lot more pronounced."

The Lexington, Ky.-based ABCD, which was formed in 1982 and has about 60 dealer members, addresses those definitions as well as other issues faced by both independents and chains. The members meet three times a year, along with representatives of the major hardware and software companies, to discuss methods of improving the existing retail channels.

Leaders of the pack

Top computer chains at close of 1984



Chain, headquarters	U.S. units (12/31/84)
1. ComputerLand, Hayward, Cal.	562
2. Radio Shack Computer Center, Fort Worth, Tex.	430
3. Entre Computer Center, Vienna, Va.	214
4. Valcom Computer Center, Valley, Neb.	128
5. MicroAge Computer Store, Tempe, Ariz.	127
6. Sears Business Systems Center, Chicago	100
7. IBM Product Center, Armonk, N.Y.	81
8. Computer Depot, Minneapolis	79
9. Team Electronics, Minneapolis	78
10. Heathkit, St. Joseph, Mo.	74

Source: Future Computing

"Our members are focused very squarely on the business and professional user and to some extent, the institutional/educational market," says Mr. Dinsmore. "That, I think, is fairly universal. The mass merchandisers go after the home and hobbyist market, which is substantial, but which ABCD members have no interest in pursuing. The lines are clearly drawn, and there's very little, if any, overlap."

That is in part because, Mr. Dinsmore says, mass merchandisers are not able to offer customers service and support, which the serious computer user needs. People who buy computers at a K mart or Sears, he says, expect to take the computer home, plug it in and have it run games or low-end, simple software—nothing more. The business user and the serious home user need more in the way of software, add-on peripherals and ongoing service.

"Department stores and the other mass merchandisers are selling boxes, period, and the serious customer is always going to need and want service and support," Mr. Dinsmore says. "That's what the specialty retailers have to offer, and that's why they will continue to do well.

"By the end of this decade, computer products will be so easy to use and people will be so computer literate that you will see a decline in the number of specialty outlets and an increase in sales among the consumer stores, but it's going to be an evolutionary thing."

Statistics compiled by Future Computing would seem to back up Mr. Dinsmore's predictions. The company's research indicates that while sales by mass merchandisers will increase from about $1.5 billion in 1984 to more than $4 billion in 1989, those from specialty stores also will rise, by about the same rate, to nearly $1 billion in 1989.

Those hardware figures are comparable to software sales. Future Computing estimates mass merchandisers' software sales will increase 300%, to more than $2 billion in 1989, while specialty stores will see figures double to about $750 million in 1989.

"Those figures are a little misleading," says Michael Alexander, editor of *PC Retailing*, a magazine aimed at those who sell computers, "because they're taking in all types of computers, from the Atari machines to Apples and IBM PCs.

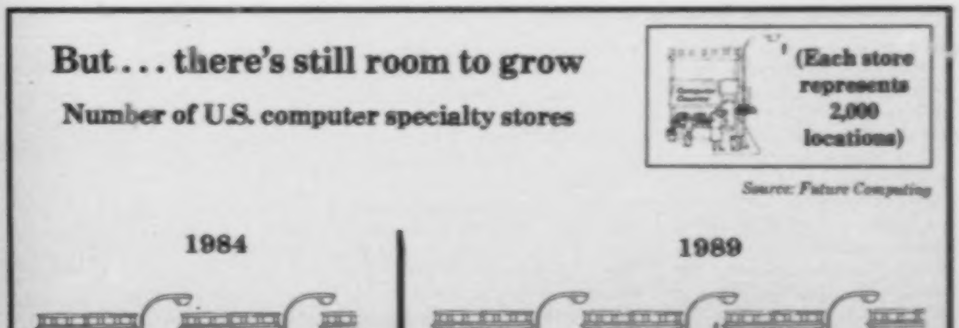
"Of course, the department stores are going to sell a lot more machines in the years to come, but what they're moving are low-end products. Because the specialty stores lean toward medium to high-end products, they aren't going to be affected by what the mass merchandisers are doing."

The change, Mr. Alexander says, will not take the form of independent and chain retailers falling victim to sales dominance by the mass merchandisers. The real change will be increased specialization by retailers. Not only will they offer increased service and support, but they also will pick specific market niches and direct all their efforts into dominating those areas.

"It all boils down to profit margin," he says. "The mass merchandisers just offer a box and they operate on high volume, low markup. The specialty

But . . . there's still room to grow

Number of U.S. computer specialty stores



Source: Future Computing

Big companies' confidence unshaken

Although some admit to plans for keeping ahead of the pack, the nation's largest specialty chains seem undaunted by talk of an imminent shakeout among computer retailers.

"The competition is definitely heating up, with more and more retailers entering the business," says Diane Douglas, spokeswoman for Hayward, Cal.-based ComputerLand, "but we're not overly concerned about it. It's the independents who should be concerned, because as competition increases, survival is difficult without the identity or support of a large organization network."

Ms. Douglas agrees with the consensus that the entry of mass merchandisers into the computer market won't have any long-term effects on either the chains or the independents, because the targeted customers are so different.

"There's an audience for boxes sold off the shelf, but that's not our audience," she says. "Our positioning is value-added sales, which involves service, training and knowledgeable salespeople and staff at the retail level.

"We're going after the business professional, who wants and needs that whole package," she says.

ComputerLand, which at year's end operated 562 stores in the U.S., offers advantages the small independent doesn't enjoy. Central purchasing—offering franchisees lower prices—marketing programs and extensive training are available. Given the reduced margins most retailers are experiencing today because of aggressive competition, those aren't advantages to be taken lightly.

"I'm not saying that all independents are doomed," Ms. Douglas says. "But the ones that are going to make it are going to have to be real smart about how they approach the market."

Suzie Crocker, spokeswoman for the 55-unit, San Jose, Cal.-based Businessland, says that means narrowing the scope to vertical, or specialty, markets.

> **" . . . we're able to attract and keep the best people. That's a big advantage when the competition for customers is so keen."**
>
> ***Suzie Crocker***
> ***Businessland***

"There's been the assumption that independents can come in and take over the chains' high-end business market, but that is simply not correct," Ms. Crocker says.

"Independents can't afford to keep the kind of staff that's needed to support these customers, and they are unable to service the big businesses that have locations throughout the country. So what they have to do is find a healthy market niche and put all their efforts into it."

Businessland, unlike ComputerLand, is a company-owned chain, rather than a franchise organization. The company believes this arrangement offers advantages over both independent and franchised setups.

"An organization like ours has consistent policies, products and staff throughout the country," she says. "The others can't say that. This company is like any major corporation. People have career paths here, so we're able to attract and keep the best people. That's a big advantage when the competition for customers is so keen."

Businessland isn't sitting back and taking it easy, however. Ms. Crocker says the company is practicing what it preaches: Start moving toward the specialty market niches.

"Some of the independents have been extremely good at hitting those markets, and we can be even better," she says. "Actually, we've always been in the specialty niches, like networking, and it's our policy to continue moving up to higher end products.

"Businessland isn't worried about anyone coming in and taking business away. We've got the people, we've got the ability to service and support and we're able to offer customers what they need.

"Not many other retailers are able to say that." —*B.G.*

Soft sell

(Percentage of software sales by store)

Type of store	1984	1989
Consumer electronics	18%	13%
Department & discount	19	22
Computer specialty	20	11
Software	8	19
Mail order	13	8
Other mass merchandise	18	20
Other	4	7

Source: Future Computing

retailers have a big overhead and they have to have a bigger profit margin.

"So what you'll see among the different stores is maybe one emphasizing vertical software, another specializing in more technical machines, like multi-user, multi-tasking computers. Depending on what the customer needs, he'll go to a specific store or chain to get it. There won't be nearly the generalization among retailers that you see today."

Because customers will be coming to the specialty retailers for functional products, Mr. Alexander says those stores wishing to remain successful will have to become more sophisticated, more technical and more consultative in their sales techniques. If that happens, he says a status quo will be maintained throughout the retail channels, and everyone will enjoy profitable business.

A representative from one of the leading personal computer companies elaborated even further on the specialization theory. Srini Nageshwar, retail marketing manager of Palo Alto, Cal.-based Hewlett-Packard Co.'s Personal Computer Group, says he believes that in the next 12 to 18 months, the retail channel will shake out into two distinct directions.

"When you look at the retail channel as it stands, you don't see a lot of differentiation," he says, "but you are going to see it in the near future."

He says he believes that as the channel evolves, two categories will emerge. ("I put the mass merchandisers in another category entirely, because I don't feel that they are ever going to present any real threat to specialty retailers," Mr. Nageshwar says.)

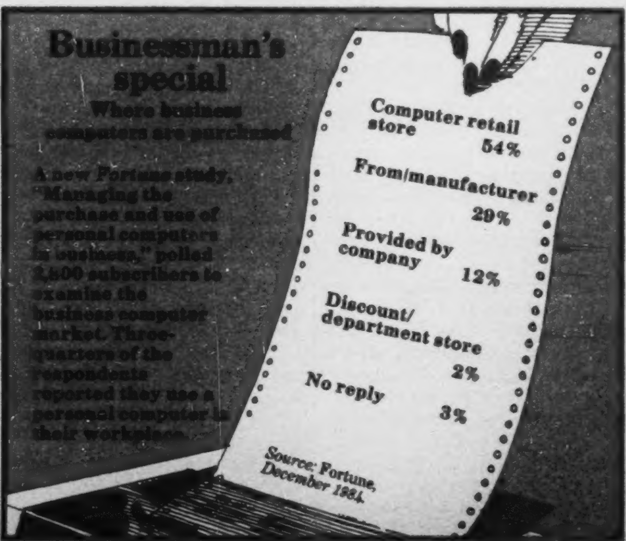
The first category will be the dealers that concentrate on having impressive showrooms and depend on store traffic walking in and asking for product. These stores will attract the price-conscious buyer, because they will compete heavily on the basis of a good value for the dollar. Service won't be a big issue because these dealers will be picking up spillover from *Fortune* 1000 accounts, which typically have internal support systems.

The second category Mr. Nageshwar refers to as "high support dealers," emphasizing support rather than price in their sales efforts. They won't rely on walk-in sales, but they will look to outside sales forces to attract the small to medium-size business computer user (a rapidly growing market), who needs a good computer, but doesn't have the resources to support the system. The dealer that can offer that support is going to get the business, Mr. Nageshwar says.

"We have no doubt that this is going to be the scenario in the next year or so, and have developed a new dealer program based on our belief," he says.

"All the easy computer sales have already been made and there's so much product floating around now, that dealers are going to have to become specialized in order to stay in business.

"The industry is evolving and the retail channel is going to have to evolve right along with it." ■

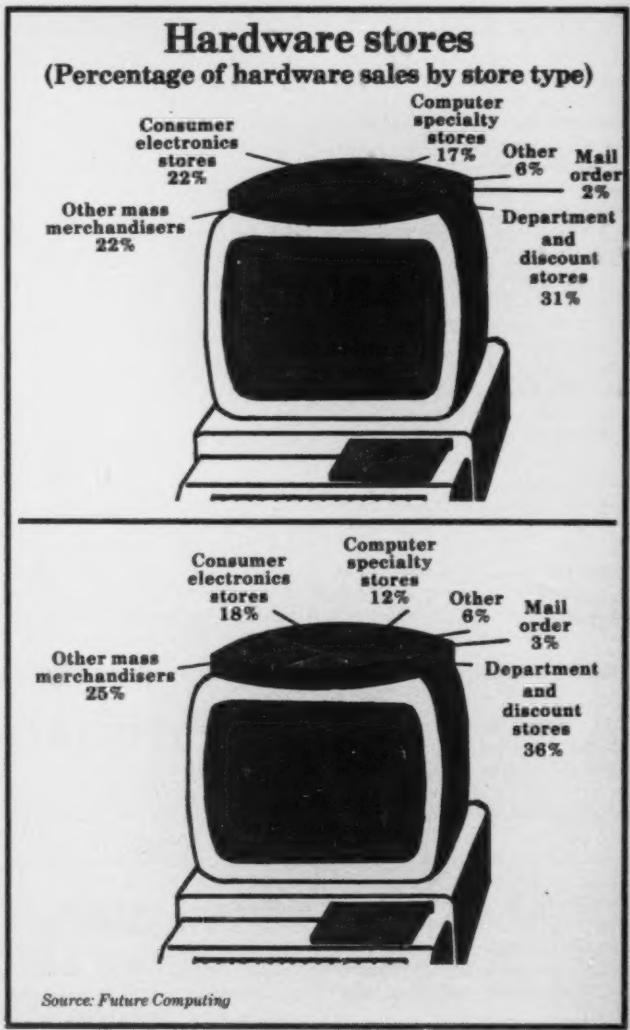


Businessman's special

Where business computers are purchased

A new *Fortune* study, "Managing the purchase and use of personal computers in business," polled 2,500 subscribers to examine the business computer market. Three-quarters of the respondents reported they use a personal computer in their workplace.

Source: Fortune, December 1984.



Hardware stores

(Percentage of hardware sales by store type)

Source: Future Computing

FEB

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1985

C2710-1

$1.25 a copy; $55 a year

Monday, February 11, 1985

Advertising Age

Crain's International Newspaper of Marketing

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K mart says, 'Come on down'

Ads will reassure bargain-hunters

By JESSE SNYDER

Troy, Mich.—The marketing pendulum at K mart stores is swinging from upscale back to value.

The swing won't reach as far back as the "blue-light special" imagery, but K mart Corp. will reemphasize low prices to reassure traditional customers.

The architect of the switch is Norman Milley, new president of K mart stores group, who is credited with instigating the retailer's move upscale.

Marketing effects include:

- More print and less tv advertising until 1987.
- Flat ad spending in '85, coming in at $590 million.
- Revival of "The savings place" theme line and downplaying of the Olympic-year "We've got it good."
- The temporary loss in billings by Ross Roy Inc., Detroit, which handles tv, radio and some magazine advertising. Those billings, however, are expected to grow in the long term.

This is "the year of the customer," said Mr. Milley. Informal research showed 70% of K mart customers favored the upgraded stores, but 30% didn't.

So K mart will reemphasize low prices and value in advertising, Mr. Milley said. He liked the image gains from the $20 million Olympics tv campaign done by Ross Roy, but acknowledged that only about one-third of K mart's 2,100 stores had been renovated by the summer games. Mr. Milley said there is more tv in K mart's future, but not until after the refurbishing program is completed by the end of 1986.

The shift to an upgraded product mix, including more brand names, will continue apace, but the stores will work to make the lower-price items more visible to shoppers, Mr. Milley said.

For now, K mart is launching a second weekly rotogravure section in major markets, affecting 1,100 stores. Print, mostly in newspaper run-of-press and inserts, will get 91% of K mart media spending this year. But Mr. Milley said changing consumer reading habits eventually will force K mart to reevaluate that weight.

Tv will get a boost when the budget permits, especially when K mart is fine-tuning its image or trying to attract new customers, Mr. Milley said. K mart also is interested in more magazine advertising, but Mr. Milley ranked that a lower priority than tv. K mart uses specialty magazines to supplement sporting goods, apparel and houseware lines.

K mart exceeded its announced goal of $20 billion in sales with a strong fourth quarter. Mr. Milley projects $25 billion in sales by 1988, not including specialty retailing, which by the end of the decade is expected to account for 20% of total K mart sales.

The company, however, said its earnings for the fourth quarter, ended Jan. 31, were below expectations. Chairman Bernard M. Fauber said "massive clearance sales" in the whole retailing industry, brought about by overstock situations, were to blame. "Our

(Continued on Page 84)

MADE THE AMERICAN WAY.

Miller's way

The first Miller High Life tv campaign from J. Walter Thompson USA shows people in a wide variety of urban and rural scenes to highlight its "Made the American way" theme. The new spots broke Feb. 10. *(See story on Page 84).*

Last Minute News

Pioneer reviewing after split with Chiat/Day

Long Beach, Cal.—Pioneer Electronics is reviewing agencies following its split with its agency of 10 years, Chiat/Day, Los Angeles. Annual ad budget is estimated to be around $9 million.

Aamco shifts creative to Cunningham & Walsh

Bala-Cynwyd, Pa.—Aamco Transmissions, the auto transmission repair chain, has assigned Cunningham & Walsh, New York, creative work for its $11 million account. It previously was at Calet, Hirsch & Spector.

Tomy sinks big ad bucks into pricy robots

New York—Tomy Corp. and Keye/Donna/Pearlstein at the Toy Fair here *(see related items on Pages 8 and 88)* are promoting, among other things, a $5 million print and tv campaign for its upscale-appeal Omni 2000 and Omnibot programable robots and the child-oriented Chatbot.

Johnson moves Maxishields account to SSC&B

Milltown, N.J.—Johnson & Johnson's Personal Products Co. subsidiary will move Sure & Natural Maxishields to SSC&B from Cadwell Davis Partners. Almost $17 million was spent advertising the brand in 1983 and $7 million in the first half of 1984, says Leading National Advertisers.

B&B bags four Jeffrey Martin products

Union, N.J.—Jeffrey Martin Inc. has named Benton & Bowles, New York, as agency for its Ayds appetite suppressant, Compoz sleep aid and Porcelana skin-bleaching agent. B&B also will get a new, as-yet undisclosed cosmetics product. Spending will top $8 million. There is no previ-

(Continued on Page 8)

Alcohol hearings

WRG grinds Hills Bros., juices P&G

By JENNIFER PENDLETON

Wells, Rich, Greene has resigned an $8 million account, Nestle's Hills Bros. coffee, reportedly to handle a new juice product that would fall under Procter & Gamble's beverage division.

Sources said the new P&G product, to be handled by WRG/New York, will be introduced later this year.

WRG/Worldwide chairman Kenneth Olshan remained noncommital on the P&G assignment, saying only that Hills Bros. had been resigned due to a "potential, but not immediate, conflict" involving another client. A P&G spokesman said WRG "currently has no P&G beverage assignment."

The decision to abandon the Hills Bros. business, a major account at WRG/West, Los Angeles, for the last five years, was apparently made to meet P&G's tough account-conflict rules and the quiet realignment of P&G's beverage operations.

The P&G spokesman said that

(Continued on Page 89)

Vcr zapping bug bites Aussies

By GEOFFREY L. MARTIN

Sydney—The "zapping" problem is reaching epidemic proportions in Australia, according to a $100,000 study by Unilever and Lintas.

Zapping occurs when videocassette recorder owners fast-forward through ads, or eliminate them altogether, to get to prerecorded programing. Australia is emerging as a key country for study because vcr ownership is so highly saturated here—32% of households own vcrs, compared with almost 20% in the U.S. The figure is expected to increase to 40% in Australia by the end of the year, sources predict.

The Unilever/Lintas research found that viewing of "live" tv in Australia has fallen to 71% (from 100%) with increased vcr ownership. It also found vcr use is increasing monthly, particularly among older people, children, women, city residents and among vcr owners of more than six months.

The study said vcr use is high during nonrating periods, when, like the U.S. summer, first-run tv programing is scarce.

But the big concern in the advertising industry is zapping, and the report found that at least 25% of all vcr owners either fast-forward through commercials or edit them out of recorded programs.

Geoffrey Cousins, chairman of George Patterson Pty., the biggest agency in Australia and 80% owned by Ted Bates Worldwide, said the study shows that "advertisers will just have to learn to use the medium [tv] differently."

However, two studies last year contradict the Unilever/Lintas results. A McNair Anderson study last year found vcrs had little impact on live tv viewing, and a Roy Morgan Research Center study found that vcr use in Australia actually is dropping.

Also, some have objected to the study's finding that live tv viewing dropped 29%. They point out that this drop is true only on the days when vcr owners are recording programing. All vcr owners on all days show a live tv viewing drop of 11%, they say.#

NEWSPAPER

BEST AVAILABLE COPY

Dingell dangles clout over alcohol hearings

By STEVEN W. COLFORD

WASHINGTON—Looming over last week's Senate hearings on alcohol advertising was the unseen presence of Rep. John Dingell, chairman of the House energy and commerce committee and generally regarded as the man on the Hill whose views can make or break an issue.

When Sen. Paula Hawkins (R., Fla.) convened the hearings before her alcoholism and drug abuse subcommittee, she attested to her impartiality on the issue, then characterized the consumer crusade against beer and wine ads on tv and radio as a "runaway freight train." Nearly five hours later, she closed the one-day session by denouncing the "subliminal" effects of alcohol ads on the public, especially youngsters who, she maintains, start down the road to perdition with a beer in hand, then graduate to hard liquor and, finally, drugs.

The issue of alcohol advertising has provoked controversy worldwide. Story on Page 70.

Industry forces were generally satisfied with the opportunity to present their views—that no one has come close to proving a cause/effect relationship between beer and wine ads and alcohol abuse; that advertising dollars are devoted to expanding market share, not consumption; that the First Amendment protects advertising. But they nevertheless muttered aloud that the Mormon senator from Florida failed to grasp their arguments.

Even after James Miller III, chairman of the Federal Trade Commission, disavowed any intention of immersing his agency in the dispute and suggested that an ad ban could prove counterproductive, the advertising interests grew restive.

But there was still the powerful Rep. Dingell to contend with. As commerce committee chairman, the Michigan Democrat sits in the driver's seat as far as determining whether House legislation will get an appropriate committee airing or be consigned to withering on the statutory vine.

And in the Senate, Sen. John Danforth (R., Mo.), whose hometown of St. Louis is also home to Anheuser-Busch, chairs the commerce committee.

Before the Senate hearings, Rep. Dingell told ADVER-

(Continued on Page 84)

Highlights

Seiko Time Corp. recently divided its three lines into three separate marketing categories. In the wake of this split, the company will hike its 1985 ad budget to $30 million-plus, 20% above the 1984 budget. *See Page 4.*

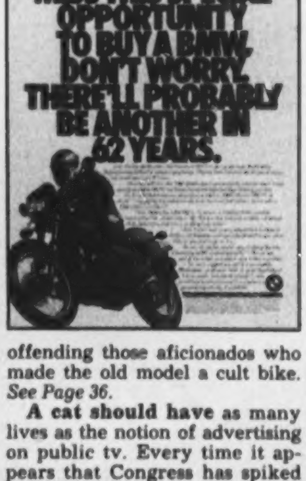
The U.K.'s United Newspapers is on the prowl for U.S. acquisitions. *See Page 6.*

New Saturn Corp. president William Hoglund has an accountant's penchant for precision, an itch to plan ahead. *See Page 6.*

The battle for advertisers' coupon-promotion budgets is sure to heat up as General Marketing Corp. joins the "big four" producers of freestanding coupon inserts to Sunday newspapers. *See Page 10.*

It looks like "flash"—this time "Hollywood Wives"—again will trash most of its prime time competition. But that isn't likely to keep ABC out front or solve its series-related problems, industry observers say. *See Page 12.*

BMW of North America is trying to appeal to younger, more affluent buyers with a new line of upscale motorcycles, while not offending those aficionados who made the old model a cult bike. *See Page 36.*


IF YOU MISS THIS SPECIAL OPPORTUNITY TO BUY A BMW, DON'T WORRY. THERE'LL PROBABLY BE ANOTHER IN 62 YEARS.

A cat should have as many lives as the notion of advertising on public tv. Every time it appears that Congress has spiked the idea, something comes along to revive the concept. This time, it's President Reagan's federal budget. *See Page 66.*

International studies attempting to link beer and wine ads on radio and tv to alcohol abuse are finding the relationship is slim to none. *See Page 70.*

CORPORATE CLOSEUP

Despite serving only a small region, Giant Food is the nation's 10th-largest food chain by volume and commands a whopping 41% share of the Washington market, at the expense of industry leader Safeway Stores. *See Page 4.*

FORUM

Stuart Cohen, writer and photographer, laments the selling of "excellence." *See Page 18.*

How does tv critic Marvin Kitman explain the proliferation of shorter and shorter tv commercials? Easy—coke's it. *See Page 18.*

INTERNATIONAL

Brazil's leading private airline, Varig, traditionally has avoided the global-marketing bandwagon, but that's now changing. *See Page 48.*

Defying the skeptics, DYR, a hybrid of the world's two largest shops, Dentsu and Young & Rubicam, is emerging as the only new successful international combination of a Japanese and U.S. agency. *See Page 48.*

A 52-year tradition ended when Tour de France officials announced that Coca-Cola would replace Perrier water as the official drink for the summer bicycle race. *See Page 48.*

VIDEOTECH

The beleaguered cable tv industry achieved a dubious landmark when the first cable operator serving a major metropolitan area, CommuniCom, filed for bankruptcy. *See Page 62.*

COMING THURSDAY

SPECIAL REPORT

Companies serving the newborn and infant market are all smiles as they greet the rising number of births to the maturing baby-boom generation. Marketers find these first-time parents are eager to spend their money on quality products for their little ones.

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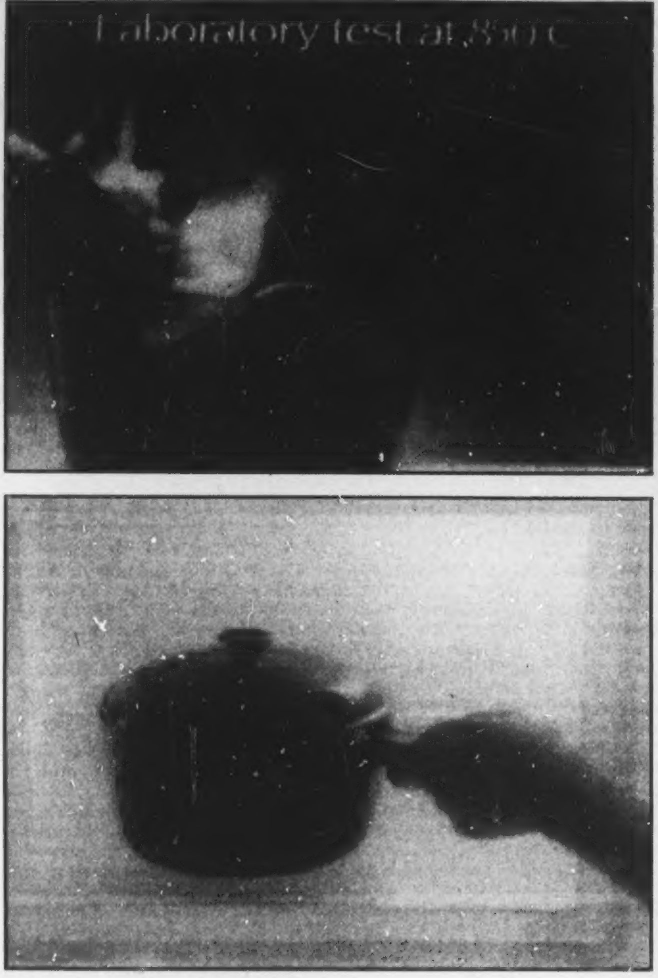

Some like it hot

High-speed footage of a laboratory test shows a metal saucepan placed inside a Visions glass saucepan melting down when the temperature approaches 850 degrees. In this tv spot for the Corning Glass Works cookware, an announcer notes Visions "withstands heat that turns ordinary saucepans into sauce." The commercial, originally created by Gough Willoughby for airing in Australia, is scheduled to break in the U.S. in the middle of March. Benton & Bowles, New York, adapted the commercial for this country.

Valentine's day comes early

Advo loses heart

By PAUL L. EDWARDS

NEW YORK—Jack Valentine last week unexpectedly resigned as ceo of the Advo System/John Blair Marketing division of John Blair & Co.

Mr. Valentine's departure, for personal reasons, comes less than a year after he and a partner sold Advo System, Hartford, Conn., to John Blair for $40 million and an unspecified percentage of future profits. When Mr. Valentine and his partner purchased Advo in 1976, the company was losing $1 million a year. Last year it had revenues exceeding $400 million.

In October, half a year after Blair bought the company, Mr. Valentine was promoted to ceo from Advo president when the $414 million diversified marketing company underwent a reorganization that resulted in some 40 persons being let go.

Replacing Mr. Valentine at Advo

(Continued on Page 89)

McNamara skips to McCann

Agency McMove

By STEWART ALTER

NEW YORK—John (Jay) McNamara, president of Young & Rubicam USA, will move in March to McCann-Erickson Worldwide as its top U.S. agency officer.

The 22-year veteran of Y&R rose to president in November, 1982. He now will become vice-chairman at parent McCann-Erickson Worldwide and chairman of McCann-Erickson USA. The latter is a new post. All nine U.S. agency offices will report to him.

Mr. McNamara, 50, will join McCann at the same time Robert James becomes ceo (AA, Dec. 20) at the parent. Mr. James, currently president, has had many of the U.S. and international agencies reporting directly to him.

In explaining his selection, Mr. James cited Mr. McNamara's "super track record" in agency

(Continued on Page 89)

Targets Nielsen service

SAMI unveils a drug report

By JACK HONOMICHL

NEW YORK—Selling Areas-Marketing Inc., the third-largest U.S. market-research company, is launching a new-product-movement measurement service against its archrival, A.C. Nielsen Co. The target: Nielsen's syndicated Drug Index service, estimated to account for about $25 million of Nielsen's U.S. revenues.

SAMI's new drugstore tracking service will report movement on 420 product categories, including over-the-counter drugs and health & beauty aids, through chain and independent drugstores. The service will be on-line by April in Chicago, Los Angeles, New York and San Francisco. Ten areas will be on-line by yearend and 18 by June, 1986, according to SAMI.

SAMI uses warehouse withdrawal figures to gather its data; Nielsen uses the conventional invoice audit system.

"This is just one of the first steps in a program to expand SAMI information services," said Carlyle Daniel, president of SAMI. He added that further new ventures will be announced later this year. The main service of SAMI, a subsidiary of Time Inc. since it was founded in 1966, is a local-market and national projected data series on grocery-products movement from food-operator warehouses to retail grocery stores in 54 markets that account for more than 86% of national food-store sales.

This service competes head-on with the Nielsen Food Index service in the U.S., and, according to Mr. Daniel, this portion of its business in 1984 continued 18 consecutive years of growth.

Nielsen's Drug Index, which was founded in 1933, was that company's first nationally syndicated service, predating the Food Index by about seven months. It has had no major U.S. competitor.

According to Mr. Daniel, the new SAMI service will provide clients with report formats and servicing akin to what has been offered on food products; local-market geographical definitions will be the same as those now used for SAMI grocery-product reports.#

Crain names Morrow

W. Morrow

DETROIT—William A. Morrow has been appointed senior vp-operations of Crain Communications Inc., effective April 1.

Mr. Morrow, managing tax partner of the Detroit region offices of Touche Ross & Co., will be responsible for all financial, legal and administrative operations of Crain and its subsidiaries.

Crain publishes ADVERTISING AGE and other business and consumer publications.

"We are delighted to have someone with Bill's experience and knowledge joining our company to assist us in the continued growth of our publishing base," said Rance Crain, president, and Keith Crain, vice-chairman, in a joint statement.

Mr. Morrow, a member of the bar and a certified public accountant, will be based in Detroit.#

Uncover your highlights. Discover your glow. Halsa.

Halsa: How Swede it is

Five European-looking beauties are helping S.C. Johnson & Son, Racine, Wis., introduce its new line of Halsa Swedish Botanical shampoos and conditioner (AA, Nov. 12). The $13 million national print and tv campaign kicks off at the end of this week via J. Walter Thompson USA, Chicago.

World News Roundup

TORONTO—Labatt Brewing Co. has pulled its estimated $30 million account out of J. Walter Thompson Canada because of a conflict with Miller Brewing Co., which JWT USA won last year (AA, Nov. 15). Young & Rubicam and Scali, McCabe, Sloves are pitching for Labatt's major brand, Blue, which bills $20 million. Scali assumes all media buying, and McCann-Erickson picks up three Blue line extensions.

LONDON—Mars Confectionary has shifted two brands from D'Arcy MacManus Masius to its other U.K. agencies. Ted Bates Holdings picks up Marathon ($3 million), and Allen, Brady & Marsh gets Topic ($2 million). DMM still has Mars bars and other Mars accounts.

SCHWALBACH, WEST GERMANY—Procter & Gamble, through its Bittmeyer subsidiary, is kicking off its first campaign for Valensina orange juice, via Saatchi & Saatchi Compton Worldwide. The theme is "Choosy mothers choose Valensina."

LONDON—Anheuser-Busch, which already markets Budweiser in the U.K., will launch Michelob here this year through local brewer Watney, Mann & Truman. Marsteller Little & Strodl will handle. Budget has not been released.

BUENOS AIRES—Hiram Walker SA has moved its liqueur account to Ruben Maril, a new shop founded by Mr. Maril, from

(Continued on Page 50)

Argo aims video idea at AT&T

By BRIAN MORAN

NEW ROCHELLE, N.Y.—Argo Communications, one of the newest telephone companies to challenge AT&T in the long-distance market, this week will expand its assault to another potential AT&T stronghold—teleconferencing.

Argo, a partnership of five U.S. and French telecommunications companies, will introduce a service that permits color video conferences to be held over ordinary telephone lines at prices about double those charged for regular tele-

(Continued on Page 83)

Ad pressure mounts for European tv

Private, cable players put heat on

By LAUREL WENTZ

LONDON—Folks like Clara Peller, Mr. Whipple, Josephine the plumber and Madge the manicurist are strangers to most European tv viewers, but all that may be changing.

The reason: European state-owned tv networks, which have prohibited commercials for years, are now being pressured to open up new airtime to advertisers. In some cases, this means accepting ads for the first time.

The pressure is coming mostly from growing competition– either new, private tv channels or satellite-beamed cable channels that soon will blanket Europe.

The outcome is good news for advertisers, particularly U.S.-based global ones, that have complained the loudest and longest about the lack of commercial tv time.

Within the last year, broadcasters in some European countries have started taking advertising for the first time; in other countries, they have decided to increase the amount of commercial time available to advertisers.

Even the U.K.'s British Broadcasting Corp., traditionally disdainful of advertising, has been shaken by Prime Minister Margaret Thatcher's recent hints that she would be glad to see the BBC support itself with advertising.

On the Continent, the French government may increase advertisers' options by allowing some tv stations to operate privately, a big step for an industry traditionally run by the government. Belgium is moving toward allowing brand-name marketers to advertise on tv for the first time, and Norway, with no previous tv advertising, will plug specially produced spots into a weekly program for two months this year.

"I forecast within five years every country in Europe will take advertising," said David Wood, a London-based Ogilvy & Mather media executive.

Options now are limited for both viewers and advertisers. Of 16 western European nations, 10 have only one or two land-based tv channels—and they often are dull. Advertisers in some countries have to book tv time as much as a year in advance—if they can get it at all. Nine countries allow fewer than 60 minutes of advertising per day (compared with an average of 540 minutes in the U.S.).

In the U.K., the BBC is pleading for a 40% increase, to $84.50, in the revenue-producing annual color tv license fee charged to set owners. At the same time the ad industry and some politicians are calling for ads to be introduced on some of the BBC's two national tv channels and four radio networks.

D'Arcy MacManus Masius recently concluded in a study that

(Continued on Page 64)

Europe tv ad time

Country	Total channels	Channels with ads	Ave. adv. per channel*	Total adv. minutes*
Austria	2	1	20 min.	20 min.
Belgium	5	1	68 min.	68 min.
Denmark	1	—	—	—
Finland	2	2	12 min.	25 min.
France	3	3	18 min.	54 min.
Germany	3	2	20 min.	40 min.
Greece	2	2	55 min.	110 min.
Ireland	2	2	42 min.	83 min.
Italy	7	7	80 min.	640 min.
Netherlands	2	2	15 min.	30 min.
Norway	1	—	—	—
Portugal	2	2	68 min.	135 min.
Spain	2	2	50 min.	100 min.
Sweden	2	—	—	—
Switzerland	3	3	20 min.	60 min.
United Kingdom	4	2	70 min.	140 min.
Europe average	3	2	34 min.	94 min.
United States	3	3	180 min.	540 min.

*Per day

ACCOUNT CHANGES

Warwick adds Sterling shop

NEW YORK—Warwick Advertising, which has handled $7 million to $8 million in Sterling Drug billings, has added another $12 million to $14 million as a result of acquiring Thompson-Koch Co., Sterling's in-house ad agency.

Besides adding about a dozen employes, Warwick will add Midol, d-Con and Campho-Phenique to its roster of products. Terms of the acquisition were not disclosed.

Other accounts moving:

Fremarques Ltd., Westport, Conn., to **David C. Burleigh Associates**, New York, for new-product introductions including Duquesne rum and Saxon Apple Schnappes. No previous agency.

Piedmont Industries, New York-based apparel marketer, to **Rockmore, Mosallem, Bloch & deLeo**, a new agency formed by four former senior vps from AC&R Advertising: Patricia Rockmore, Mitch Mosallem, Bruce Bloch and Micheal deLeo. No previous agency.

Esselte Pendaflex Corp., U.S. division of Esselte AB, New York, international marketer of Pendaflex hanging file folders, Oxford filing supplies and Dymo Labeling Systems, to **Penchina, Selkowitz** for all consumer and trade advertising, from J. Walter Thompson USA. Annual budget exceeds $1 million.

Mica Corp., Culver City, Cal., producer of copper-clad glass laminates for use in printed computer and electronic circuit boards, to **Darryl Lloyd Inc.**, North Hollywood, from Robert A. White Advertising, Pasadena. Budget estimated at $250,000.

Trenomed, Irvine, Cal., marketer of cable assembly systems, to **R.L. Couch & Co.** from Marketing Directions.

Impell's Computer Systems Corp., San Francisco, marketer of computer-aided design and engineering systems for the electric utility industry, to **Livingston/Sirutis/Advertising**, Belmont, the first agency.

General Parametrics, Berkeley, Cal., manufacturer of VideoShow business presentation graphics system, to **Van Bronkhorst Group**, Mountain View, from Gardner Communications. Also to Van Bronkhorst: **S-MOS Systems**, San Jose, manufacturer of CMOS semi-conductors, from Imahara & Keep.

Wonder Corp., Norwalk, Conn., marketer of flashlights, lanterns, camping and energy equipment, to **Meiger Nordlinger Inc.**, New York, from in-house.

New York state department of agriculture and markets to **Henderson Friedlich Graf & Doyle** and **Arthur D. Little Inc.** to jointly handle a new $225,000 marketing study for its foods and wines.

QuinnEssentials, New York marketer of computer software, to **Franznick & Cusatis**, New York, for its $1 million advertising and public relations account. No previous agency.

Philips Business Systems, Woodbury, N.Y., marketer of dictation and transcription systems, to **Greenstone & Rabasca Advertising**, Melville, for advertising and public relations from Geer, DuBois, New York.

Applied Computer Products Corp., Huntingdon Valley, Pa., marketer of IBM-compatible software and peripherals, to **Thomas J. Paul Inc.**, Jenkintown, for advertising and to **Rosen-Coren Agency**, Jenkintown, for public relations. No previous agencies.

Whitesmiths Ltd., Concord, Mass., marketer of computer systems software, to **G/R Public Relations**, Watertown, from Industrial Marketing Associates. Budget about $50,000.

Dayton Newspapers, Dayton, O. to **Willis Case Harwood Advertising** from Needham Harper Worldwide.

Spring Valley Bank & Trust Co., Jasper, Ind., to **Englehart, Johnson & Associates**, Indianapolis, its first agency.

Federal Express, Memphis, to **Telephone Marketing Programs**, New York, first agency for Yellow Pages advertising for two units, ZapMail and the international division.

Willow Chase Fashion Center, Houston, Western Development Corp.'s first Texas project, to **Vollmer Public Relations**, first agency.

Corn Popper, Dallas, franchisor of gourmet popcorn stores, to **Howard, Merrell & Partners**, its first agency.#

Europe

(Continued from Page 3)

selling just 15 seconds of advertising per hour on the BBC would bring in $75 million a year and enable the annual tv license fee to be frozen at the current $60.

The "Beeb" is against the idea, fearing that the pursuit of advertisers would lead to a sordid ratings war with ITV, a commercial network, and an invasion of tacky American and American-like soap operas, mindless sitcoms and inane game shows—even though the BBC already runs "Dallas" and "Dynasty," for example.

Most media watchers think the broadcasting corporation will stay ad-free until the new three-year tv license period, beginning in April, ends.

Belgium's two French-language tv channels began accepting service and generic ads in 1984, and a law allowing brand advertising is expected to pass later this year.

"Now you can say something like 'Drink more coffee' as opposed to 'Drink more Maxwell House coffee,'" said a London-based agency media director. "That's not really what we want."

Tightly controlled France and Germany, after years of doling out a few commercial minutes per state-owned channel, could be heading for an explosion of advertising minutes with the advent of private tv.

French President Francois Mitterrand has indicated that privately owned tv may be allowed regionally in France for the first time, providing an alternative to three unexciting state-owned tv networks.

The sporadic appearance of pirate tv signals may be adding impetus for private tv. Popular pirate station Canal 5 was quickly shut down but hopes for permission to become a legal, private channel.

"We think Mr. Mitterrand will probably agree to private local tv stations by the end of 1985," said Didier Colas, Ogilvy & Mather's Paris-based media director.

Mr. Colas said private tv probably will follow the pattern of commercial radio, in which private, regional ad-supported radio stations were allowed to set up two years ago.

Germany's plans for ad-supported private tv are confusing. In January a group of German publishers launched SAT 1, a cable tv channel that was allowed to fill an unprecedented 20% of airtime with ads and even run them after the traditional 8 p.m. cutoff time. The catch is that only 1% of German households—about 250,000 homes—can pick up the cable station.

Another private tv station, RTL-Plus, reaches only 4% of West German homes. All others need a $500 home satellite dish to pick up the RTL-Plus signal.

At this point, no one is sure which will grow faster: The cabling of Germany or sale of satellite dishes.

In Italy, private tv has already run amok and trampled the three government channels RAI 1, 2 and 3. When the state broadcasting monopoly ended in 1976, some 500 private tv stations mushroomed and RAI's ratings collapsed.

Now, private networks stuff as much as 20% of their most popular programs with commercials. Entrepreneur Silvio Berlusconi, who owns the main private networks, rakes in the lion's share of Italy's $700 million annual tv revenues.

A dazed post-monopoly RAI finally is fighting back. For the first time, RAI, which used to sell only 2.5% to 3% of its airtime to advertisers, is hitting its ceiling of 5% commercial time per hour of programing, said Mario Bianchi, Lombardia regional director for SIPRA, RAI's space concessionaires.

Last year, RAI relaxed rules, for the first time allowing spots to run for automobiles (previously banned as unwanted competition for domestic auto maker Fiat) and luxury goods from pet foods to furs.

"Before, RAI waited for the advertisers to call on it," Mr. Bianchi said. "Now, SIPRA goes to the clients. It's the first time ever."

It is hard to imagine having less to watch on tv than in Scandinavia, where Norway and Denmark have a single channel each (Sweden has two). Europe's last holdouts against commercial tv, the Scandinavian countries have grimly resisted pro-advertising lobbies. But their governments are beginning to realize that with the spread of satellite-carried cable programing, Scandinavians will see ads whether their governments like it or not.

In that spirit, Norwegian state tv channel NRK has invited international ad agencies to produce commercials to run in a Saturday night entertainment program airing for eight weeks in the first quarter of 1985. However, the spots must be for noncommercial or generic products.

Despite the trend toward more opportunities for advertisers on European tv, demand continues to outstrip supply.

Swiss agency A.G. Fuer Werbefernsehen, which handles all advertising for Switzerland's state-owned French, German and Italian-language networks, estimates its $55.6 million annual revenues could be increased by at least one-third if more spots were available for sale.

Even outside Europe, the movement to open up more commercial tv is taking place.

The Israeli government is discussing ground rules for commercializing its state-run, one-station network, which was modeled after the BBC.

The government already has said it will eliminate the 3% subsidy of the broadcasting authority, and last year it opened the door to program sponsorship. Industry sources predict full-fledged commercial programing is inevitable as pressure mounts from advertisers and the economic situation in Israel continues to worsen.#

Contributing to this story were Dagmar Mussey, Duesseldorf; Gary Yerkey, Brussels; John Parry, Geneva; Marina Specht, Barcelona, and Robert Rosenberg, Jerusalem.

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Libby's salmon ads have national scale

By JULIE FRANZ

CHICAGO—Libby, McNeill & Libby will break its first national campaign for canned salmon products in March and April issues of women's magazines.

This is a decided departure for Libby. Since its three canned salmon products first appeared on store shelves 75 years ago, the marketer has relied mostly on regional newspaper and store ads.

Libby is the leader in the canned-salmon segment, with a 15% share nationwide, analysts say. Bumble Bee Seafoods, San Diego, runs a close second. Regional and local marketers account for almost half the business.

The new ad effort should build national awareness of Libby's canned salmon, a company spokeswoman said.

Libby's canned salmon is packed with skin and bones, unlike the new Chicken of the Sea brand salmon that Ralston Purina Co. is testing now (AA, Jan. 28).

Libby's ad campaign isn't a reaction to Ralston's new deboned, skinned salmon in a can, the Libby spokeswoman said.

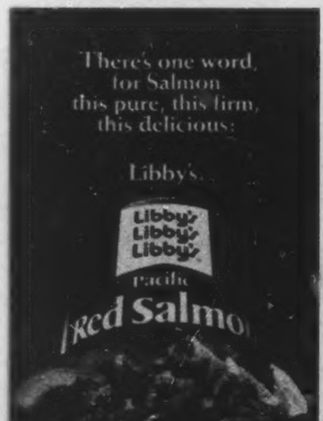
Rather, campaign plans were set before Ralston began testing its new product. The Bloom Agency, Dallas, handles Libby's canned salmon. Ads will coincide with Lent, when salmon sales tend to be highest.

Themed "There is one word for salmon this pure, this firm, this delicious: Libby's," many of the ads will include 20¢-off coupons. They will run in *Family Circle*, *Good Housekeeping*, *Health*, *Ladies' Home Journal*, *McCall's*, *Sunset* and *Working Mother*.

Libby's salmon comes in red, pink and keta varieties. Red is the highest grade and keta the lowest.

It is packaged in 15½-oz. cans and retails for $2 to $3 a can, depending upon the grade. The product also is sold in 7¾-oz. cans retailing for $1.30 to $2.

Libby's campaign also includes point-of-purchase materials.#


There's one word for Salmon this pure, this firm, this delicious:
Libby's.
Libby's Libby's Libby's
pacific
Red Salmon
20¢ Off on any can of Libby's Salmon

Libby's ads for its canned salmon products are timed to coincide with the Lenten season.

Beer ads: Hooray for the red, white & brew

By SCOTT HUME

Miller Brewing believes the new "Made the American way" product-quality campaign for its High Life brand is the best approach to reversing that beer's sales slump.

It is such a good approach, in fact, that both archrival Anheuser-Busch and up-and-comer Adolph Coors will be battling back with similar approaches to help their sales. Coors this year also will be taking its message to network tv.

The High Life campaign J. Walter Thompson USA, New York, has crafted for Miller broke on network tv Feb. 10. Set to the beat of the Oak Ridge Boys' hit "American Made" (AA, Feb. 4), it continues the trend in beer advertising toward celebrating American virtues along with beer quality.

Milwaukee-based Miller also has altered its label to include an American eagle, as the original Miller label did in 1855.

Radio, outdoor and magazine advertising support.

Miller's campaign will compete with the expanded "corporate quality" advertising D'Arcy MacManus Masius, St. Louis, has prepared for St. Louis-based Anheuser-Busch (AA, Feb. 4) and what executives at Golden, Colo.-based Adolph Coors call the new "distinctiveness advertising" from Foote, Cone & Belding, Chicago, for its Coors brand (AA, Jan. 31).

"The idea that beer is an emotional reward for a hard day's work was the basic theme of beer advertising for years. And it worked, as the longevity of 'For all you do, this Bud's for you' and 'Welcome to Miller time' attest," said Jerry Steinman, publisher of *Beer Marketer's Insights*. "Now the theme is becoming 'quality,' perhaps because the old message was wearing out or because the business is changing."

The change that is most significantly dictating the shift in beer advertising, analysts and beer executives said, is not the rising tide of anti-alcohol sentiment, although brewers take the threat of a tv advertising ban seriously. The more immediate threat is the lack of gusto in beer sales.

Major breweries' 1984 results

Anheuser-Busch, the only major brewer to report increased beer shipments for 1984, has increased its share of the market to an estimated 36%. Miller Brewing posted no growth despite introducing new brands. Figures are barrels shipped in millions. ***Source: Brewers' figures.***

Brewer	1982	1983	1984
Anheuser-Busch	59.1	60.5	64.0
Miller Brewing	39.3	37.5	37.5
Stroh Brewery	22.9	24.3	23.9
G. Heileman Brewing	14.5	17.5	16.8
Adolph Coors	11.9	13.7	11.6

While estimates of total 1984 beer barrelage vary, industry analysts agree that total 1984 shipments fell below 1983 levels (itself a no-growth year). Among the major brewers, only Anheuser-Busch reported an increase (5.8%) in barrelage. Miller reported a flat year, with improvements for its Lite, Meister Brau and Milwaukee's Best brands offsetting the continued decline of High Life.

All other major brewers (including Coors, whose production dipped 4%) registered decreases.

A-B, which now commands perhaps 36% of the market, is secure enough to use its quality campaign as an adjunct to continuing product campaigns for individual brands.

New 60-second versions of the 90-second spot A-B has run occasionally since November have been added to its commercial pool. Their appeal to patriotism is sounded in the refrain "Made in America, that means a lot to me. I believe in America and American quality." Print versions soon will appear in news, sports and lifestyle magazines.

"The brewing industry is in a period of change," said A-B vp Tom Sharbaugh. "There's going to be some shaking out of players, and there are the problems of excess capacity and [low-cost-] price beer.

"As our competitors get more and more into price beer, we felt we needed to have another weapon rather than be forced to 'duke it out' in the price arena. That weapon is the message that our beers are a cut above the rest."

Adolph Coors Co. disagrees. The "Coors is the one" campaign for its premium brand that broke last week makes a similar superiority claim while taking the product-quality message to new lengths.

In each of six spots, actor Mark Harmon calmly examines a different reason Coors claims to be different from other beers. These include Coors' refusal to pasteurize its beer, its "cold aging" process and its reliance on a single brewery to produce all its beer. "Coors thinks like a brewer, not a corporation," he says in one spot.

"This campaign represents more a fine-tuning than a change of strategy," said Coors vp-marketing Rob Klugman. "The 'Best of the Rockies' theme we had been using was good, middle-of-the-road beer advertising, but we didn't think consumers were taking the points about quality we've been making seriously enough."

Coors told its distributors at meetings that ended last week that its move into New England (making it available in 44 states) will make it a national brand, finally ready for national advertising.

The "Coors is the one" campaign (and the continuing "Turn it loose with the Silver Bullet" campaign for Coors Light) will begin airing on prime time network tv during the second quarter.

But Mr. Klugman admitted the networks' exclusivity arrangements continue to stymie Coors' efforts to buy time during network sports programing.

"We've had low-key discussions with the networks about the exclusivity deals for years and told them those arrangements are improper and probably illegal," he said. "Their reaction has been 'Gee, we hear you, but we can't help you there. But how about eight minutes during the "Triathlon of the Network Stars"?' In sum, they haven't been terribly helpful."

Coors also told its distributors that it will begin test-marketing a new brand, called Coors Extra Gold, during the second half of the year. It is expected to be a heavier-tasting premium beer, replacing the Coors Golden Lager brand, which failed in test last year (AA, Oct. 25). It is unlikely that Extra Gold will be a low alcohol brand.

"We've done our homework on that category and we still believe there is low consumer demand for it. Frankly, we're surprised how other brewers have approached it both in the marketplace and in the courtroom," Mr. Klugman said.

A-B, whose LA brand pretty much owns the low-alcohol category now, isn't ruling out further additions to its product line. Observers speculate the No. 1 brewer may test a nonalcoholic beer and add an import to its stable.

"There's going to be new-product availability for us," Mr. Sharbaugh agreed, without offering specifics. "And that is another reason for the 'quality' campaign. It serves as an umbrella under which all our beers can be tucked."

The aggressive new campaigns from Miller, A-B and Coors threaten to turn the beer market into a three-company race. The two other major brewers, La Crosse, Wis.-based G. Heileman Brewing and Detroit-based Stroh Brewery, are tangled in the struggle for Milwaukee-Pabst.

Last week, Pabst's board said it would not oppose a renewed $10-a-share bid from California financier Paul Kalmanovitz' S&P Co. That bid came after Stroh and Philadelphia-based C. Schmidt & Sons successfully sued to halt Heileman's attempt to take over Pabst.

Adding another lawsuit to a situation that hardly needs another, S&P last week filed suit against Stroh in a San Francisco federal court, charging it with predatory pricing of its low-end beers and with interfering with S&P's attempts to purchase Pabst.#

Dingell

(Continued from Page 2)

TISING AGE he has seen no evidence to support cries for either legislative or regulatory intervention into alcohol advertising.

He shoved the burden of proof that government intervention is needed onto the Center for Science in the Public Interest and other advocates of an alcohol-ad ban.

"They have to prove that alcohol advertising is bad, not the other way around," said Rep. Dingell, whose constituency, until a 1980 redistricting, included Detroit, home of Stroh Brewery Co.

The House commerce committee's telecommunications subcommittee, chaired by Rep. Timothy Wirth (D., Colo.), is expected to hold its own alcohol advertising hearings, perhaps jointly with the commerce, transportation and tourism subcommittee chaired by Rep. James Florio (D., N.J.).

FTC chairman Miller acknowledged that some beer ads and promotions "come close to the edge," especially college-campus events. But he said most alcohol advertising on tv and radio "seems well within bounds unless the argument is whether alcohol should even be allowed."

Sens. Strom Thurmond (R., S.C.) and Thomas Eagleton (D., Mo.) launched into varying lines of questioning. Sen. Thurmond, with a history of seeking to legislate health warnings on alcohol labels, announced, "I'll certainly favor anything to reduce the consumption of alcohol by young and old."

Sen. Eagleton, without prompting by aides, pursued several avenues, bringing out the argument that market share is a be-all for alcohol advertising, and wondering where he might find "evidence" of a causal relationship between alcohol ads and abuse.

But he also jumped on the industry for its college promotions. "Breweries are spending $15 million-to-$20 million a year on these," he said. He asked if the FTC's jurisdiction extended to them.

Mr. Miller said the commission's inability to apply its unfairness authority for advertising rule-making cast doubt on whether it might be invoked for nonadvertising marketing efforts.

Besides calling on the industry to "clean up its act" for ads that might appeal to youths, Mr. Miller provoked advertising industry interest in his call for an interagency government committee "to aid in combating alcohol abuse through more effective use of resources."

Sen. Hawkins repeatedly quizzed witnesses about the use of ex-athletes, rock stars and celebrities in beer and wine ads, and referred to the Wine Institute's voluntary code prohibiting the use of athletes in ads.

Howard Bell, president of the American Advertising Federation, said he expects tightening of voluntary industry codes and regulatory changes on the use of celebrities in alcohol advertising.

The Bureau of Alcohol, Tobacco & Firearms is nearing completion of a proposal to broaden its regulatory restriction against using athletes in alcohol ads to include celebrities.

During the testimony of Eddie Fritts, president of the National Assn. of Broadcasters, Sen. Hawkins blasted daytime tv. "I've never seen more garbage than what's on tv from 9 a.m. to 7 p.m. There's an abortion every hour, a divorce every half-hour and a glass in everyone's hand."

Mr. Fritts, after a brief defense of daytime programing, noted that the removal of beer and wine sponsors from tv could consign many sporting events to cable or pay-per-view tv—an argument supported by others.

Although the subcommittee balanced the pro and con panels with equal numbers of witnesses, the advertising industry panel spent more than three hours testifying and responding to legislative queries. The anti-advertising panel breezed through its presentations in little more than an hour, with the CSPI, National PTA and National Council on Alcholism repeating their attacks on the targeting of youth by alcohol ads.

Sen. Hawkins leveled only a handful of questions in their direction, but spent several minutes conversing with Charles Atkins, author of a Michigan State University study on the effects of alcohol advertising.

Mr. Atkins, whose study is always cited by alcohol advertising foes, said the effects of media advertising were "minor" but made the audience, young and old, "more receptive" to drinking.#

Doctrine foes unfazed

By JANET MEYERS

WASHINGTON—Federal Communications Commission chairman Mark Fowler doesn't seem to care that he may be wasting time trying to repeal the Fairness Doctrine.

Asked last week how he will break through solid congressional opposition, spearheaded by Rep. John Dingell (D., Mich.), chairman of the energy and commerce committee, Mr. Fowler shrugged his shoulders and said he can't predict the future.

During the first day of testimony on whether the 1959 doctrine should be repealed, Mr. Fowler acknowledged that Rep. Dingell represents a formidable obstacle.

Earlier in the week, Rep. Dingell flatly warned he will block any FCC attempts to do away with the doctrine, which requires tv and radio stations to air both sides of controversial issues.

Rep. Dingell and others argue the commission lacks authority to repeal the doctrine and that only Congress can change it.

Still, Mr. Fowler, with the apparent support of three other commissioners, is moving ahead. He expects the agency to make its decision this summer, if, as is expected, commission attorneys decide the law is separable from the FCC code.

Witnesses at the FCC's two-day hearings—mostly network attorneys, journalists and special-interest groups—testified as to whether the doctrine is more of a hindrance to broadcasters than a protection for viewers.

"We carry some loads that the printed press doesn't have to bear," said Eric Sevareid, the veteran CBS newsman, who supports the doctrine's repeal. Echoing Mr. Sevareid's comments, Bob Johnson, president of *Newsday* and vice-chairman of the American Newspaper Publishers Assn.'s telecommunications committee, said news-industry competition is enough to guarantee fair treatment of issues.#

K mart

(Continued from Page 1)

own aggressive inventory reduction and promotional programs resulted in much heavier markdowns than expected," he added.

The inventory reduction included deep discounting for some low-price merchandise that was being discontinued as part of the upgrading process.

K mart's reorganization was partly to groom key executives for the next generation of top management, starting about 1987. Mr. Milley, in the newly created post of president of K mart stores group, is considered most likely to be K mart's next chairman.

He discounted reports K mart was taking broadcast advertising in-house and said Ross Roy is growing in importance.

He noted that the award of K mart's Jaclyn Smith apparel line would add several million dollars in billings to Ross Roy and take up some of the slack caused by the end of the Olympics special advertising. He said Ross Roy's K mart billings for '85 would be about the same as 1984, minus the $20 million in Olympics advertising.#

FEB

14

1985

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February 14, 1985

Advertising Age

Thursday

Love letters from clients

AA Thursday asks shops to recall their memorable "Valentines"—See Page 41

AA
DC20014CONGL1 FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

In the news

Brittle's brooding mood

Druidesque beings with six fingers; snakes with wings; two moons, and a cat with an owl's face. What *are* those mysterious faces saying beneath their capes and hoods? It's not the second coming of Hieronymus Bosch—it's an ad for a new whisky liqueur called Brittle, from Ireland. *See Page 3.*

Coupons meet computers

Coupons a la Carte, developer of an electronic, in-store coupon-distribution system, is planning next month to begin installation of its system in supermarket chains in northern and central New Jersey, the first time such distribution will hit the New York market. *See Page 6.*

It's Showtime for cablers

Showtime/Movie Channel, using a two-pronged direct-marketing campaign, is bolstering its support of cable operators that carry the network with telemarketing service and tv ads. *See Page 7.*

Wooden you know, Charlie

Martin Marietta executives have coaxed from retirement one of those old, popular performers who has been silent for a long time. Wisecracking Charlie McCarthy has hardly been heard from since his creator, Edgar Bergen, died in 1978, but he's now making a comeback, in tv commercials. *See Page 42.*

Fake fudge finds a friend

It's a front page story for the '80s: A syndicated columnist discovers Canfield's Diet Chocolate Fudge soda, and suddenly the Chicago bottler finds it can't keep up with the national demand. *See Page 43.*

Special Report

Companies serving the newborn and infant market are all smiles as they greet the rising number of births taking place among the maturing baby-boom generation. These first-time parents are eager to spend their money on quality products for their little ones. *See Youth Marketing Special Report, starting on Page 15.*

Presstime

Needham D.C. chief quits

Washington—Jim Williams, exec vp-general manager at Needham Harper Worldwide's $26 million office here, abruptly announced his resignation this week. Mr. Williams' departure after seven years as Needham chief here continues a top level shakeup at that office. Daniel Pollick, senior vp-director of client services and No. 2 man in the office, was forced out days earlier, agency sources said. Since September, the office has reported to Jim Kuras, who joined Needham as New York office president last summer (AA, Aug. 27). Mr. Kuras has assigned Joe Landy, exec vp-director of client services in the New York office, to serve as acting Washington office chief.

PM matches record share

New York—Philip Morris USA in 1984 captured 35.3% of the U.S. cigaret market, the first time any company has achieved a 35% market share since American Tobacco Co. did so in 1946, says industry analyst John C. Maxwell Jr. PM had 34.4% of the market in 1983. Its sales increased 6.3% in '84. Sales at Liggett & Myers, Durham, N.C., were up 18.9%; sales at R.J. Reynolds Tobacco Co., Winston-Salem, N.C., rose 1.2%.

Anheuser defends ads

St. Louis—Anheuser-Busch exec vp Michael Roarty, speaking Feb. 12 to the adclub here, defended advertising as providing information that created acceptance for low-alcohol products, such as its LA brand. "We structured that brand to appeal to current beer drinkers, not, as [Center for Science in the Public Interest head] Michael Jacobson would have it, to entice nondrinkers to our consumer base," Mr. Roarty said.

BBDO profits spurt 25%

New York—BBDO International reports 1984 revenues of $305.3 million, up 16% from '83, and net income of $22.6 million, up 25%. In the fourth quarter, revenues rose 5% to $82.2 million, and net income increased 9% to $7.5 million.

Questron for Geer, DuBois

New York—Random House has named Geer, DuBois to handle Questron, a series of "electronic books" for children unveiled this week at the Toy Fair here. A $4 million network tv and print campaign will break in August. Sussman & Sugar continues to handle Random's book account.

AT&T ads in 'Space'

Parsippany, N.J.—AT&T Consumer Products, which assigned its consolidated $55 million ad account to N W Ayer, New York, will break its first new commercials during CBS-TV's "Space" miniseries in mid-April.

CBS Magazines staff shifts

New York—CBS Magazines, in a round of realignments following its acquisition of 12 Ziff-Davis Publishing Co. consumer magazines (AA, Feb. 11), has named Paul Chook to exec vp-operations, from exec vp, Z-D consumer magazine division; Al Traina to exec vp-magazines from president, Z-D consumer magazine division; Paul Spillane to senior vp from vp-circulation, CBS

(Continued on Page 43)

Brittle breaks new ground in liquor ads

By GAY JERVEY

It's April, and perhaps you're flipping through *Newsweek*. You stop, do a double take and stare in disbelief.

For the more you look, the more you see: Druidesque beings with six fingers; snakes with wings; two moons, and a cat with an owl's face. Is the sky threatening or merely dark? And what *are* those mysterious faces saying beneath their capes and hoods?

No, it's not the second coming of Hieronymus Bosch, and, no, you're not seeing things. Instead this is an ad for spirits. . .the liquid kind. The new whisky liqueur is called Brittle, an 80-proof import from Ireland that's being marketed by the William V. Elliott Co., New Britain, Conn.

"Believe me, I've seen a lot of new products go by, and this is going to be the next generation of whisky taste," said an excited Bill Elliott, who founded his wine and spirits marketing company in 1979 with little more than a few hot ideas, pallid funding and a long history in the spirits business, including several years as a top marketing executive at Heublein. (His contributions there included Boggs cranberry liqueur, Yukon Jack whisky liqueur and Malcolm Hereford's Cows, a product that caught on in a big but brief way in the mid-1970s).

The way Mr. Elliott tells it, his newest baby—which he himself dubbed Brittle, for its clean, cool sound—is reminiscent of an Irish concoction he fell for years ago while visiting there. Next month, Brittle will begin shipments to New Jersey, Connecticut, Rhode Island, California and Massachusetts, with consumer advertising slated to start April 1, running in *Connecticut, National Lampoon, New Jersey Monthly, Newsweek, Omni, Penthouse* and *People*.

If the ad visuals are intricate, copy is short—but equally cryptic, saying only "When the moons slept and the sun took a nap. Brittle was born." William James Advertising, an in-house shop of the Elliott company that also does work for outside clients, is the agency for Brittle.

"I really don't think you get initial trial from liquor ads, but hopefully this one will be eye-catching enough to do it," Mr. Elliott said. "We wanted to do something totally unique, something that would appeal to all age groups, because we think Brittle's potential is unlimited in terms of target audience. We wanted to star the product in the most unusual surroundings and background. And the ad had to have a discovery visual, one that every consumer can read something different into."

No doubt about that. And to achieve such an elusive goal, Mr. Elliott commissioned Braldt Bralds, an illustrator whose recent work included the *Time* cover of Admiral Hyman Rickover.

The Dutch-born Mr. Bralds, 34, has been on the New York scene for four years. His work has appeared on the covers of *Science Digest*, and he has handled ad work for a range of companies, including Atlantic records, Random House, People Express and Levi Strauss.

The Bralds style, according to the New York-based Society of Illustrators, is known for its enormous

(Continued on Page 43)

"I really don't think you get initial trial from liquor ads, but hopefully this one will be eye-catching enough to do it," says William Elliott, the man behind the new Brittle whisky liqueur.

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Baby food becomes more than a matter of taste

By Cara S. Trager

In interviews and focus groups, tots may clap their hands and lick their lips with glee, but if the strained peas or bite-size apples don't appeal to their mothers, those products will sit on the shelf.

In the baby world of Gerber, Beech-Nut and Heinz, the consumer to woo and win is mom. "If the food doesn't look good or taste good to mom, she probably won't buy it for baby," says a spokeswoman for Pittsburgh-based H.J. Heinz Co.

And today's mother is more demanding than ever about what food she buys and serves. "Food is an important factor because what her baby eats is one of the few things a working mother can control while she is away," says Salina Guber, president, Children's Market, New York, a research company. With more education and more money, but less time to spend with her child, today's mother emphasizes quality, nutritional value and convenience.

Consequently, baby food companies constantly are reevaluating the appearance, ingredients and position of their products. In direct response to mothers' complaints and resistance, baby food companies virtually have overhauled their product lines to remove or reduce salt and sugar content. As a result, the do-it-yourself baby food craze seems to have subsided.

"We don't hear about it as much," says Jerry Ward, director-market planning, Gerber Products Co., Fremont, Mich. Do-it-yourselfers had their heyday during the mid-'70s, he says, and even then they accounted for only 5% to 10% of the market.

Today's working mothers respond to convenience and nutritional factors most, Mr. Ward says. "If she makes it herself, she isn't sure of the freshness of the ingredients and she can't determine the amount of nutrients lost in overcooking."

Recognizing that the market is at a high point and consumer life styles are favorable to usage, baby food companies are hoping to position their products for toddlers as well as infants.

Lines such as Gerber's toddler-oriented meat sticks entree are designed to expand both the consumption of and rationale for baby food, Mr. Ward says, not to mention sales. Packaging, portion sizes, textures and advertising all have been adjusted in an attempt to lengthen the time when a child consumes the baby food products.

Such a strategy involves reaching mothers at the child's earliest stages of eating solid food and positioning their products as a supplementary food source until the child is at least 2 years old. Baby food companies divide their market into sequential eating patterns: The 4 to 6-month-old, ready-to-eat strained foods; the teething baby, requiring larger portions, and the toddler, preferring chunky textures and some seasonings.

To help mothers identify the proper category as well as to facilitate product selection at point-of-purchase, companies color-code their offerings. In Gerber's case, a blue label means Strained foods for infants; a red label identifies Textured for juniors, and brown label indicates Chunky for toddlers.

To support this concept, Gerber—which controls 68.7% of the baby food market compared with Beech-Nut's 17.3% and Heinz' 14.0%, according to industry estimates—runs an ad featuring three young children in various stages of development and showing the appropriate label for each. "To make sure baby gets the right food at the right age, look for the label," the ad advises.

Gerber's Chunky category, a relatively new line, replaced its Toddler Meals. Chunky offerings represent more of a bridge from baby food to table food than did its predecessor. The reformulated line features smaller pieces and less texture and is regarded as more appropriate for children from 10 months to 3 years old, Mr. Ward says.

Because all mothers are concerned with the nutritional factor, he says, the appeal of Gerber's products is not limited to the upscale, working parent. Motherhood is a great neutralizer, Mr. Ward says, and most parents—regardless of education or income level—want the best for their children.

While officials at Beech-Nut Nutrition Corp., Fort Washington, Pa., may agree with that assessment, they say Beech-Nut's recently revamped line appeals to the upscale, working parent.

The new line, called Beech-Nut Stages, is a four-part program created to match a baby's developing taste, texture and nutritional needs. Introduced last March, the line is divided into four developmental stages —1, 2, 3 and Table Time. It features foods appropriate for the youngest eaters—"which is up to a mother and doctor to decide"—through 2 years old, says Steve Most, vp-marketing.

Stage 1 is a variety of single-ingredient foods, designed to enable the mother to monitor her child's reaction to new tastes and foods. In targeting the quality-conscious mother, Beech-Nut features well-known brands and types of fruits and vegetables, such as Chiquita bananas, Bartlett pears, golden delicious apples, tendersweet peas and yellow cling peaches.

Stage 2 offers flavor combinations from the Stage 1 single-ingredient foods. Stage 3, which includes minibites of fruits, vegetables and meats, expands a baby's taste horizons to include a mixture of foods.

Using well-known produce adds to the cost of Beech-Nut's baby food, which traditionally has retailed for about the same price as Gerber's. But Mr. Most says he is unconcerned because "if we can make baby food good, what does price mean? Mothers think they pay between $1,500 and $2,000 [a year], but that includes not only baby food but Pampers and Desitin. For baby food alone, a mother spends a total of $150." The quality ingredients add only $5 each year to the food bill, he says.

Mr. Most says he doesn't expect retailers will increase the price of Beech-Nut fare. "It's their way of getting mothers into the store, where they buy diapers, Desitin—and that's where stores make their money."

While the retailer is building store traffic, Beech-Nut is extending its stay on the highchair with Table Time, its fourth stage intended for the tot who eats table food. The line is positioned as a convenient alternative when the family fare includes such nontot dinners as chili and pizza or as an easy dish to leave for the baby sitter to serve.

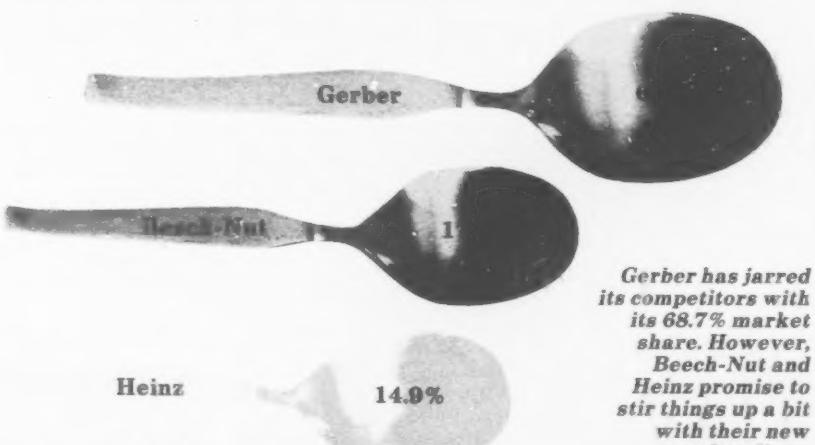
"I am not going to change the behavior of the world," Mr. Most says. "But what I can do is to help people in the way they already live. With Table Time, they don't have to feel guilty about serving faster-paced food." Rather than turn to canned, ready-to-eat foods, which often include preservatives, salt and monosodium glutamate, mothers can serve one of Table Time's soup, stew or pasta dishes. "It's fun food that's not junk food," he says.

Table Time addresses the demands of parents who want to serve their child nutritional foods designed for developing digestions and palates, and yet still enjoy esoteric and ethnic meals—"wine and caviar, Chi-

(Continued on Page 18)

Cara S. Trager, a frequent contributor to Special Report, is the mother of Eric, 20 months.

Baby food market helpings



Gerber has jarred its competitors with its 68.7% market share. However, Beech-Nut and Heinz promise to stir things up a bit with their new product lines.

Source: Selling Areas Marketing Inc.

Gerber dishes out more products

Gerber may be synonymous with baby food, but there's more to it than jars of Strained, Junior and Chunky varieties. Fremont, Mich.-based Gerber Products Co., the undisputed heavyweight in marketing food products for lightweights, is making a determined effort to put its proverbial finger in every baby product jar—not just those containing baby food.

Under the Gerber label alone, the company markets a range of baby items, including feeding and breast-feeding products, toys, apparel and accessories.

During the past few years, the company also has acquired a number of nonfood baby product-oriented companies. Its holdings, all of which operate as separate profit centers, include:

- Reliance Products, marketers of Nuk brand orthodontic bottle nipples and pacifiers;
- Century Products, car seats, walkers, high chairs;
- Bilt-Rite Juvenile Products, playpens, carriages, furniture;
- Okla Homer Smith Furniture Mfg. Co.;
- Walter Moyer, baby wear;
- Wooltex International, soft sculptures;
- Palo Alto Educational System, daycare centers;
- Bates Nitewear Co.;
- Hankscraft, vaporizers, humidifiers;
- Nursery Originals, lamps, mobiles, toys.

Beyond providing babies with the essentials and luxuries of childhood, Gerber is intent on addressing the interests of the newest crop of parents—those young urban professionals. To appeal to the upscale parent, in 1983 the company acquired two higher end apparel companies, Buster Brown, Chattanooga, Tenn., and Weather Tamer, Columbia, Tenn.

Weather Tamer, marketer of outerwear for children from the crawling to the driver's education set, and Buster Brown, marketer of fashion playwear, represent "well-thought-out departures" for Gerber, according to Steven Poole, a company spokesman. Both distribute their products through fashion, department and specialty stores, while the majority of Gerber's goods are marketed mainly through supermarkets and general merchandise stores.

"Our marketing and research people tell us that over 40% of current births are first-time births within the family and that parents and grandparents spend 10 times more on first-born infants than on subsequent children," Mr. Poole says. "Young professionals can and do spend more on their children than their parents did."

Another way Gerber attempts to reach these well-heeled, high-spending parents is through Gerber Children's Centers. According to Mr. Poole, this "definitely high-end" subsidiary numbers 89 daycare centers—including 29 units of the recently acquired Palo Alto Educational System—in 10 states.

As a result of Gerber's holdings, food products accounted for 53.5% of $805 million in total sales for fiscal '84, which ended March 31, 1984. But, according to Mary Vandeventer, security analyst with Widman, Blee & Co., Narbeth, Pa., Gerber would be wise to further emphasize nonfood, less-age-restricted products.

"Food is a slow growth area for Gerber, because it already has so much of the market," Ms. Vandeventer says. "When the [growth in] births ends and Gerber can no longer rely upon increasing food volume, it will have other areas to rely upon."

Mr. Poole states Gerber's rationale for acquiring companies that cater to the children's market very simply: "It's what we know best." —C.S.T.

Cashing in on children's smiles

Special Report: Critique

By Carol Moog

About the second month of a baby's life, when seemingly endless feedings, diaperings and pacings have cranked the new parents' frazzle level to an electric high and pushed them to consider trading her in at the local pet shop, the baby smiles. It isn't just one of those random smiles that occasionally tag along with a sneeze or a burp—she smiled *back* at her parents.

ULTRA SENSE
The look and feeling of luxury.

The little girl is selling more than luxurious Ultra Sense pantyhose.

Ingenious design. There's a powerful psychological function in that wonderful, irresistible smile. It's nature's lock on survival. And it works because it's part of our psycho-biological makeup to be suckers for kids.

So it's no accident that children in advertising are notoriously superb attention-grabbers. That's one of their biggest job assignments in life, and it's our job to respond.

But there is a tricky part. Just because children have the power to evoke such profound emotions, advertising has to be very clear on exactly *how* it uses children to target particular markets.

Simply put, children are used in advertising as:

- Borrowed interest;
- A shill;
- An emotional bridge,
- An identifying mirror.

The rather complex psychological processes involved in each of these approaches are best illustrated by analyzing some examples.

Traditionally, agencies incorporate images of children in ads in the hope of profiting from their borrowed interest. When used with warmth, sensitivity and *focus*, this strategy is honestly effective.

Sticking a picture of an adorable child into an ad practically ensures that a wide range of humans at least will look at it. However, unless the interest is not only borrowed, but also integrated with the verbal and visual components of the product message, the attention gained will be squandered.

Della Femina, Travisano & Partners' print ad for First Boston Corp. and Wells, Rich, Greene's campaign for Pan American World Airways, New York, unabashedly capitalize on the magnetism of babies. Beaming forth from the competitive clutter of rational news and product benefits, the psychological dynamism of these cheery images stops readers in their intellectual tracks.

Both ads attempt to anchor the interest they borrow by conceptualizing their products as babies.

American Express avoids projecting a "super woman" image.

First Boston is symbolized as "The $40 billion baby that the world hasn't adopted yet," and Pan Am sees its new Clipper Class as a "$1 million" baby. Everybody—client, agency, consumer—feels very good about such creative, heartwarming images of interest rate swaps and business flights. The advertisers both come off looking very humanistic. So far so good.

From a psychological viewpoint, however, a couple of caveats should be considered before using the attention-grabbing approach. First, when moving from a high voltage emotional image to rational copy points, don't overload the intellectual circuits. People's cognitive fuses get blown when they're immersed in powerful imagery, and many can't regain their logical, number-crunching capabilities quickly enough to process a heavy surge of dense, digital information.

In attempting to make an abrupt shift from imagery to reasoning, it is likely that First Boston's detailing of its accomplishments in engineering interest rate swaps misses the consumer's consciousness.

Second, when using children for borrowed interest value in adult product and service ads, it's important to objectively assess the appropriateness of a child's presence or portrayal. For example, in the Pan Am piece, the agency wanted the photogenic baby's diminutive size to highlight the 747's spaciousness—a strategy that works beautifully when she's waving happily from an airplane seat.

But the use of this same cherub could trigger disturbing associations when she appears *inside* the overhead bin. Parents of small children, whether or not they are the intended targets, do make up a significant part of the consumer market. This market is sensitive to the dangers of suffocation posed by enclosures such as freezers, which bear an uncomfortable similarity to the overhead bin. Not to mention the fear of falling.

The point is, an airplane luggage bin is not a safe place for a baby to play. Spaciousness could have been demonstrated—without the risk of raising unpleasant specters—if the bin had been filled with toys, for example, and the baby was shown peeking at its contents from the outside.

A child used as a shill for a product, particularly one designed for adults, taps very different psychological processes than those derived from borrowed interest. One of the ironic liabilities of the shill role, when a child actively is engaged in selling a product, is that the advertising gambles with losing one of the child's most salient "selling" points—her childishness.

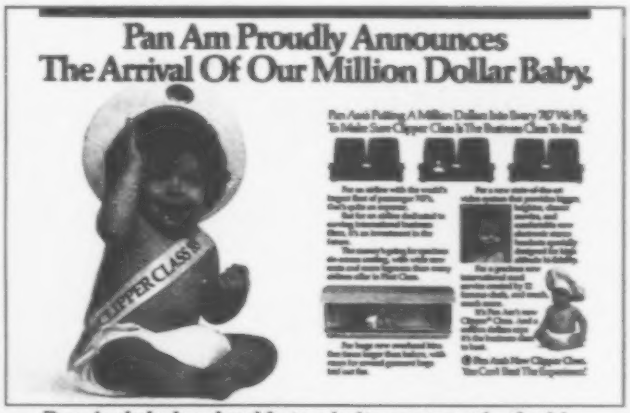
AT 1 A.M., YOU'D BETTER HAVE A NASAL DECONGESTANT THAT'S VERY FAST AND VERY EFFECTIVE.

Neo-Synephrine plays on a range of emotions by using a sick child.

Too often, child-as-huckster comes off as a contrived phony,

(Continued on Page 20)

Carol Moog, practicing psychologist and president, Creative Focus, Bala Cynwyd, Pa., advises companies of the psychological impact of their ads, teaches at the Charles Morris Price School of Advertising and Journalism, Philadelphia, and is mother of Julie, 11.


Pan Am Proudly Announces The Arrival Of Our Million Dollar Baby.
CLIPPER CLASS

Pan Am's baby should stay in its seat, not in the bin.

Purina Cat Chow plays off kids and kittens.

Taste

(Continued from Page 17)

nese cooking," Mr. Most says. To attract this culinary subculture, Beech-Nut advertises Stages as "The New Generation of Baby Food."

The company is spending more than $10 million this year in print and daytime and prime-time tv because "the traditional role of mother has been broadened," he says. "A lot of women are working or doing volunteer work—they're not standing in front of the tv ironing."

As a result of its tv buying strategy, Mr. Most says Beech-Nut is advertising more to non-users than users. Only 3% of the audience it reaches has babies, he says, but because 75% will have a child some day, "we're not wasting our money. It's a cumulative effect." This strategy also pulls in what Beech-Nut calls "The Influencers"—new parents' mothers and mothers-in-law.

Heinz also wants to tell both moms and moms' moms that baby food is different. The company, which markets a regional brand of jarred baby food, is going national—reportedly in March after tests in the South, Southeast and West—with a line of Heinz instant baby food.

The line consists of 23 varieties of dried foods, packaged in foil-lined, resealable canisters. While it also touts nutrition and convenience, Beech-Nut officials say the waste factor will set it apart in the market.

"Mothers use as much as they need--making the food as thick or thin as they want by just adding water," says Beth Adams, a Heinz spokeswoman. "There's no heating or refrigerating needed. Once opened, the contents can stay [fresh] for up to two weeks." Jarred food must be discarded two to three days after it is opened, she says.

Although the instant food, at 59 cents a canister, costs more than twice as much as Heinz' jarred variety, the instant version supplies two to four servings. The company's jarred baby food provides one to three servings. "But very often a baby doesn't eat the full amount at a time," says Idamarie Laquatra, a Heinz nutritionist. She says company tests show that when the instant food is mixed to the consistency of the jarred food "the instant wouldn't fit into the jar."

Heinz is spending an estimated $25 million in 1985, advertising the instant line in baby magazines, medical and professional journals, on prime-time and daytime tv and SIN Television Network. Heinz' jarred baby food is virtually unadvertised these days "because we are either second or third, and Gerber has the preponderant share of the market," Ms. Adams says. "That's Gerber's business, and it's not No. 1 in ours," reiterating the company's desire to carve a niche as the provider of instant baby food.

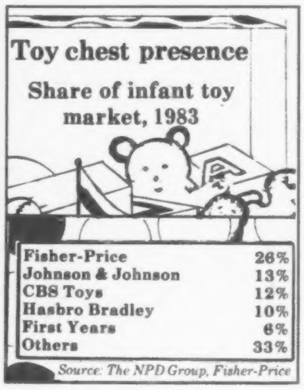
Whether babies will go for instant remains unanswered in many markets. But that may not matter. "We believe strongly that Heinz instant baby food is for today's new breed of parents," Ms. Adams says.

Indeed, baby may be the ultimate consumer, but he's far from the ultimate judge. At a time when mothers are climbing the corporate ladder, the buzzwords in the baby food game are quality, convenience and nutrition. There's more to winning mom than offering tasty textured, strained and bite-size apples, and baby food companies know it.

Parents don't just want to have fun toys

By Cara S. Trager

Toys are no longer simple playthings to brighten Bridget's day or fill Freddie's free moments. Rather, they have emerged as an important child development tool and as a means of easing working parents' guilt.


Toy chest presence

Share of infant toy market, 1983

Fisher-Price	26%
Johnson & Johnson	13%
CBS Toys	12%
Hasbro Bradley	10%
First Years	6%
Others	33%

Source: The NPD Group, Fisher-Price

Faced with less time to spend with their preschoolers but more money to spend on them, working parents are demanding toys that, in their absence, develop, educate and teach rather than merely entertain.

"There's a great push to build the better baby," says Helen Boehm, a New York-based psychologist and toy industry consultant. "Because many parents today aren't home, they're looking for toys that are more stimulating and will help stimulate the baby sitter who would ordinarily just put on the tv."

Parents often believe the right toy can give Henry a head start. This concern comes at a time when many school systems are on the fence for failing to teach Johnny to read. "A large percentage of parents aren't happy with the school system and feel they have to do more with their children, and they start at quite an early age," says Doug Thompson, president, Toy Manufacturers Assn., New York.

As a result, the buzzwords of child development—word recognition, hand-eye coordination, verbal skills, creative play—have been appearing as copy on toy packages and in accompanying booklets. "Such terminology is not foreign to a parent today," says Allan Blum, director-marketing, preschool products, Child Guidance, Secaucus, N.J. "Mothers like to be assured that their child will get something out of the toy."

To that end, Skillman, N.J.-based Johnson & Johnson Baby Products Co., which has 13% of the infant toy market, according to industry estimates, includes with its infant and preschool toys a booklet containing the product's educational and developmental value. For example, one toy, a large open-ended plastic ball with three smaller balls that fit inside, is supplemented by a 20-page booklet.

"Ten years ago, a toy company would never have paid a psychologist to write a 'dear parent' letter," says Ms. Boehm, who wrote parental instruction guides for Selchow & Righter Co., Bay Shore, N.Y. "But educational credibility has to be part of a product."

As parents' education has increased, so has the likelihood they will be fussy about toy purchases, Mr. Thompson says. Therefore, ads also emphasize toys' educational value. "From an advertising standpoint, we try to center on the toy—its features and play value as well as child development," says Mr. Blum of Child Guidance, which along with Wonder, another division of CBS Toys, accounts for 12% of the market.

Fisher-Price invents the Play Quilt.

Fisher-Price, a toy seller for 53 years, has added other products.

Educational features *always* have been incorporated into the company's toys, he says, but only recently has Child Guidance begun to tout them. "We felt they were obvious, but since others were beating their breast about them, we had to also. We are very cognizant of the baby boomers, their affluence and demographic position, and that a growing number of mothers want . . . superbabies," Mr. Blum says. "We're just changing our advertising to remind parents that it's there with Child Guidance."

But while parents are shopping for toys that will help them cultivate a superbaby, some marketers say mothers and fathers shouldn't lose sight of the fun factor. "We are not trying to make superbabies," says Al Carosi, vp-marketing services, Hasbro Bradley, Pawtucket, R.I., whose recently acquired, preschool-oriented Playskool products total 10% of the market. The value of these products, he says, is as much for entertainment as education. "Some toys are toys, and they can't do much more than let the child enjoy him or herself."

Nevertheless, Hasbro Bradley offers a wide range of products that could answer parents' educational requirements as well as children's criteria for fun. These toys also provide working parents with a vehicle to maximize "quality time," those after-work hours that corporate moms and dads spend with their children. Hasbro Bradley's Listen and Look books, for example, are designed for parents to read to

"Russell Davis, age 2½, likes knocking them down as much as stacking them up."
PLAYSKOOL

"Good Morning America's" Joan Lunden promotes Hasbro Bradley products.

Plaything parties a great discovery

Tupperware parties can't compare with a weekly event in my neighborhood—toy parties. These klatches don't come together for any old toys, but for upscale, sophisticated, European playthings, designed with the upscale, sophisticated, transcontinental parent in mind.

When I was invited to a friend's home for my first Discovery Toy party, I jumped at the chance. I was desperate to avoid the messy aisles, long lines and the usual wait-for-a-price-on-the-unmarked-box delay.

Discovery proved more than convenient. It was intellectual, taking parenting and play to new heights. My friend, in a matter of seconds, assumed the position of "educational consultant," explaining the whys and hows of each colorful toy and handsome book.

Visions of the local toy store faded into the distance, as I sat with 10 other mothers, sipping decaffeinated coffee, munching delicate pastries and learning the buzzwords of child development—verbal skills, hand-eye coordination, word recognition. Rattles were not just fun; their sounds and textures were keyed to developing the child during the crucial "sensory and motor" period.

We were encouraged to ask questions, to touch the toys, to play with them. Many of them were from Europe, designed to grow with the child. They ranged from unusual rattles to puzzles within puzzles to colorful building sets. The best selling toy, the Stack & Pop, costs $12.98, and the average cost of a Discovery toy is $8.50.

At the end of the two-hour party, all 10 of us wrote checks. The sell was soft but the message strong: Toys are critical to a child's development.

The marketing strategy of Discovery Toys, headquartered in Pleasant Hill, Cal., is well-positioned to reach today's new parents, who have more money to spend on their children but less time to spend with them. The company, which shuns the retail shelves, uses direct selling, with home demonstrations accounting for a large percentage of its estimated $33 million 1984 sales.

"The home demonstration route helps the parent to cut down on the time spent seeking out the toy specialty stores," says Marcia Levine, senior manager-Northeast. Ms. Levine, a mother and former teacher, is a fairly typical Discovery consultant, looking to remain active in the business world after having children.

The company was founded seven years ago by Lane Nemeth, a mother and former preschool administrator who wanted to give parents a chance to buy toys that previously had been available only to schools. She fine-tuned the Discovery concept in her garage.

Today, Discovery has educational consultants in all 50 states, Puerto Rico, Guam, the Virgin Islands and the U.K. Consultants operate independently, buying and selling sample inventory and receiving additional commissions for each new salesperson they discover.

Many of the Discovery toys require parental participation, Ms. Levine says. This parental involvement plays into the working parent notion of "quality time," which holds that what counts is not the number of hours spent with a child, but the quality of those hours.

"If we can get people to turn off their tv sets and get together for 30 minutes to play a game that's fun and educational—it's not a textbook—it's a way of getting the family back together," Ms. Levine says. "The biggest toy is the parent—it's the time spent and the interest."

And so, when I came home with my 20-month-old son's bag of goodies and together we placed the colorful plastic pegs into the pegboard, I couldn't help think that 25 years from now, I could boast about my son, the nuclear physicist. —*C.S.T.*

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their children, although tots also can follow along solo with a taped recording.

Additionally, in a joint venture with Walt Disney Productions, this year the toy company will introduce Wuzzles, a collection of plush animals, each with its own personality and accompanied by a book parents can read to children. "Wuzzles is a conscious effort to make more than six stuffed animals," Mr. Carosi says. They stimulate a fun, yet instructional, experience in which both parent and child can participate, he says.

Hasbro Bradley also is offering preschoolers toys that feature licensed characters. While such licensing has played a crucial role in the over-all toy industry, it's not as significant a factor in the preschool arena. But it doesn't hurt to start young, marketers say. "Licensed products have a lot of recognition, and to that degree, they are important, because maybe the child will play with the [toy] longer," Mr. Carosi says.

Others regard preschool product licensing as an extension of the designer-name phenomenon, which has its greatest followers among the young, urban topsider society. "A parent may think a familiar name means a quality product and will buy it to keep the kid happy, because they feel guilty about not spending time with him or her," says Steve Smith, editor-in-chief, *Toy & Hobby World.*

Because today's toys promise not only to produce ingenious offspring, but also to ease parental guilt, the amount of money spent on toys is substantial. "Parents who aren't home feel less guilty if they buy a super toy," Ms. Boehm says. In 1983, parents spent an average of $165 a year on toys for a first-born child 3 years old and younger, according to the NPD Group, a research consulting company, Port Washington, N.Y.

With the advent of electronic and video toys, which appeal to the yuppie parent's quest for the best state-of-the-art products, prices have changed radically, according to Mr. Smith. "Consumers are used to paying $100 for a video-game system and another $30 for a hot game cartridge, so when a toy costs $25 or $30, they might blink an eye, but they'll pay it."

Under the Spinnaker label, for example, Fisher-Price markets preschool educational software—retailing for about $25—for 3 to 6-year-olds. "As preschoolers get older, parents are concerned about getting the right tools. They want to give their children no less than what their . . . friends have to practice preschool skills," says Sandy Danon, vp-marketing, East Aurora, N.Y.-based Fisher-Price, the No. 1 infant toy marketer with a 26% share.

In nonelectronic products, price is more of a factor, marketers say, especially for infant toys, which lose their appeal once skills are acquired and challenges are met. As a consequence, Ms. Danon says, toys that cost less than $10 sell best. If a toy has a longer life and the potential to grow with the child's skills, she says, parents will go beyond single-digit prices.

For example, Fisher-Price's Discovery Cottage, which retails for about $15, is designed for a child 9 months *and* older. The cottage grows with the child, Ms. Danon says. "The young child will find elements in it to finger and shake," she says. "As the child becomes more aware of controlling his environment, he will begin to open its doors, lift the roof up and put the figures into the cottage."

The toy also provides an interesting twist on the quality time theme, encouraging not only time together with tots but also time apart. "Whether mom is home or works, she still wants time to herself. Hence, the more money that's put into a product, the more extended play value there is, because you get what you pay for—a toy that entertains, lets a child play by himself and provides more interactive play," Ms. Danon says.

As part of their sophistication, parents are looking at things from points of view other than their own—namely, their children's. Realizing this, Fisher-Price, for example, markets a crib mobile that is "designed from a baby's point of view," Ms. Danon says, with animals positioned face-down, staring at baby. "It's not overly attractive," she says, "but it makes a lot of sense. The other mobiles may look gorgeous, but this new mobile develops tracking."

Meanwhile, Fisher-Price, which has increased its ad budget about 40%, is looking "for ways to communicate what its products do." Today's mothers are too savvy to be influenced by advertising, Ms. Danon says.

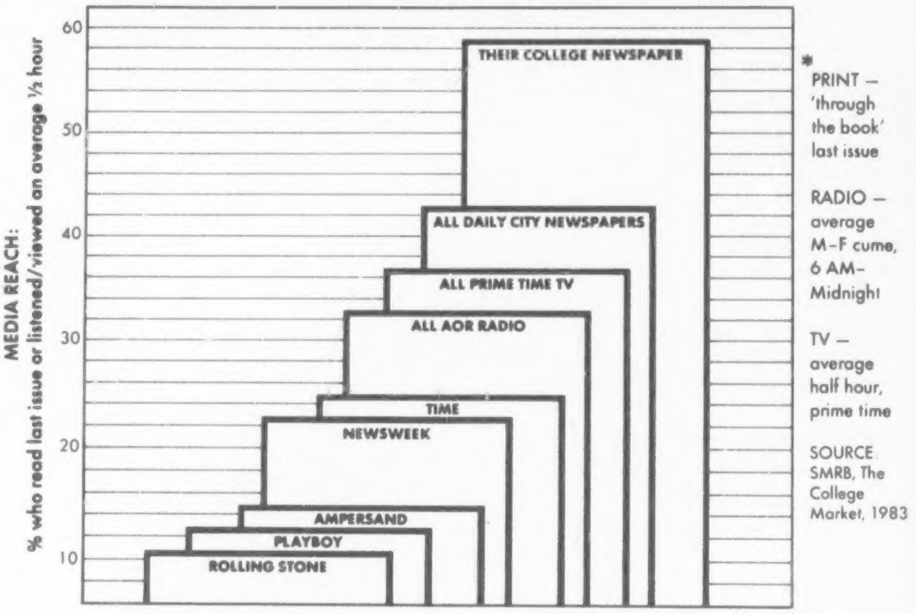
Fisher-Price believes its 53-year-old heritage is its best selling tool. The company recently banked on that history when it entered other juvenile product segments. Along with toys, it markets such products as changing tables and highchairs and children's clothing, although it has had difficulty in the latter segment. Its highchair is No. 1 in the industry, Ms. Danon says, revealing "how strong the Fisher-Price name is."

Hasbro Bradley also is pushing company credibility, sponsoring "Mother's Minutes," 60-second infomercials featuring "Good Morning America" cohost Joan Lunden. Mr. Carosi says such spots, produced by Michael Krauss Productions, are designed with the baby boom parent in mind. "These baby boomers are more cosmopolitan [and] travel more. Their own parents aren't readily accessible anymore for them to ask questions. Our commercials are a way to get information to them."

So, at a time when upscale parents are traversing the globe, pursuing their career goals, toy manufacturers are going beyond their role as marketers of playthings, assuming a position as child development expert. So the next time Tommy is giving you trouble or struggling with his ABCs, send him to the new family counselor, Dr. Fisher-Price or Dr. Hasbro Bradley.

College Media 101.

COLLEGE STUDENTS' USAGE OF MAJOR MEDIA: PRINT, RADIO, TV *



* PRINT — 'through the book' last issue

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SOURCE SMRB, The College Market, 1983

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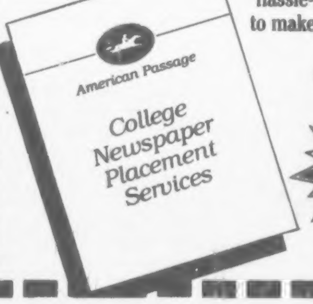

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Diaper services unwrapping market potential

By Laurie Freeman

It's the middle of the night and Baby Jane is wailing. Dad stumbles to the nursery, turns on the light and discovers, to his horror, that there are no diapers.

"If a family has a diaper service, chances are they would never run out of diapers. And if they need more, they just call and request them," says Mary Hilton, owner of Grand Rapids, Mich.-based Cottontails, which also has facilities in Kalamazoo, Mich., and the Chicago area.

Laurie Freeman, a reporter in the Chicago bureau of AD AGE who covers the paper goods industry, often discusses the underpinnings of the diaper business.

Yes, diaper service companies, such as Baby's Perfect Dy Dee Wash, Tidee Didee and Cottontails, once thought to have disappeared after the introduction of disposable diapers in the 1960s, are back in force after undergoing nearly two decades of decline and consolidation. The diaper services of the 1980s aggressively are seeking customers and sweetening the pail by providing more than a weekly delivery of fresh diapers.

Although diaper service owners concede they'll never win back the top spot from disposable diapers, which garner more than two-thirds of the nation's diaper sales, they believe they can expand their market share.

"Most households maintain an inventory of cloth diapers, whether they have purchased them or they use a diaper service. Many families now use cloth and disposables interchangeably," says Arthur V. Boyce Jr., director-marketing, Kendall Co., Boston, marketers of the Curity line of baby products. About 98% of all households using diapers use disposables, while 80% use cloth and disposables and only 2% use only cloth, he says.

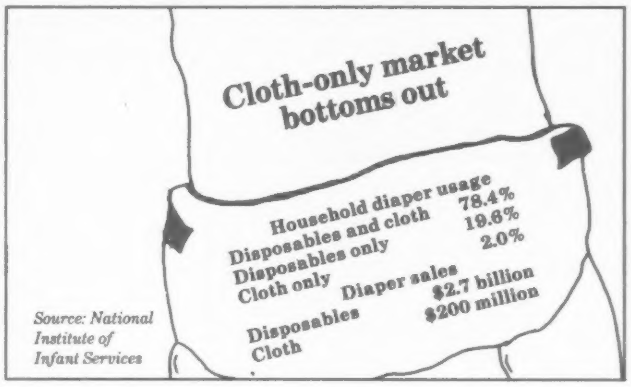
According to Philadelphia-based National Institute of Infant Services, diaper services' market penetration is 12% to 20%, about equal to their market share before disposables were introduced. The NIIS estimates cloth diaper sales reach $200 million annually.

While one-time sales of cloth diapers have jumped, diaper services have kept pace. The number of diaper service customers has increased at an annual rate of 11%, despite a decrease in the national birth rate in the 1970s.

The recent upswing in cloth diaper sales and services is attributed in part to the baby boomlet. However, Mr. Boyce says, today's family simply prefers to have more diapers on hand. "Instead of purchasing an average of three dozen diapers per household, it's more like 3.2 dozen," he says.

Jack Mogavero, president of Sketchley Diaper Service Co., Piscataway, N.J., which operates Baby's Perfect Dy Dee Wash and 20 other diaper services, views parents who use cloth diapers and diaper services as part of a return to "naturals."

Cloth diapers are resurging "because they're made of natural cotton," he says. "With the increase in natural childbirth, breast-feeding . . . parents want the best for their child and that includes cotton diapers. There's no substitute for cotton against a baby's skin."



Source: National Institute of Infant Services

Even federal regulatory agencies, such as the Consumer Product Safety Commission, agree that cloth diapers may be better for covering babies' bottoms. A November, 1982, commission "Special Report on Infant Products" says serious incidents have resulted from the "ingestion of the plastic covering on synthetic diapers, and increased incidents of baby skin rashes occurring on babies wearing artificial diapers is also significant."

"At least 20% of our new customers come to us when their babies are 13 weeks or older," Mr. Mogovero says. "Quite simply, they've started with disposable diapers and had diaper rash problems. It's a big issue."

However, definitive research on which type is better has not been performed, says Marge Guthneck, head nurse of the pediatrics ward at the University of Wisconsin Hospitals, Madison.

"It depends on how parents use disposable diapers and how frequently they change the baby," she says. "The only bad thing about disposables is most parents can't feel the wetness through the plastic covering, so the baby may not be changed as frequently. But I've seen cases of diaper rash with cloth diapers too, because some babies are more sensitive to soaps, fabric softeners and bleach." In most hospital nurseries around the U.S., newborn babes are swaddled in disposables, Ms. Guthneck says.

Mr. Mogavero says he doesn't buy the argument that disposables don't cause diaper rash. "There are more instances of diaper rash due to the plastic covering of disposables, because the plastic heats the skin 5 to 10 degrees warmer. It cultures an environment for bacteria to form."

Because the word "service" appears in most of their names, the companies in the reusable diaper business take extra steps to satisfy new parents. To combat diaper rash, Sketchley impregnates cloth diapers with bacteria to inhibit the growth of undesirable elements. The diapers are put through a 90-minute washing cycle, with water temperatures as high as 180 degrees. "We put the diapers through seven rinses, then

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Disposables try to stop leakage

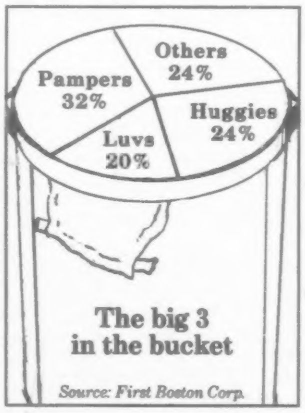
Babies are to diapers what fish are to water. They both live, eat and sleep in their respective environments.

There's no denying that babies go through lots of diapers. Because disposable diapers equal annual U.S. sales of $2.7 billion, the two big players in the disposable diaper market—Procter & Gamble and Kimberly-Clark—constantly are jockeying for position.

Unlike advertising for cloth diapers or diaper services, the disposable diaper advertising onslaught is unrelenting. It would be difficult for a new parent to ignore the estimated $40 million Cincinnati-based P&G spends advertising its Luvs and Pampers or the $19 million K-C puts into Huggies.

Not only do the two marketing giants try to top one another in advertising, but they also never stop racing to come up with a more comfortable, more absorbent disposable. Now, P&G is testing a "superabsorbent" Pampers in Wichita, Kan., as a means of countering K-C's Huggies marketing clout (AA, Dec. 24).

The trend is clearly toward premium disposable diapers, such as Huggies and Luvs, and away from lower-priced brands, such as Pampers. In fact, in addition to the Wichita diaper, P&G has redesigned and upgraded Pampers into another premium-price product currently being tested in Florida and South Georgia. To minimize Pampers' potential plundering of Luvs' market share, P&G will promote Pampers' dryness and Luvs' comfort (AA, Jan. 21).



The big 3 in the bucket

Source: First Boston Corp.

The shift to premium brands has caused problems for both P&G and K-C, as they struggle to retool factories and produce enough premium diapers to meet the demand. Both companies now say they're back up to full production capacity.

P&G still leads the over-all disposable diaper category with a 52% share—Pampers has 32% and Luvs 20%, according to First Boston Corp. And while 52% sounds pretty respectable, P&G once dominated the market with a 75% share.

Neenah, Wis.-based K-C's Huggies now command a solid 25% share of the market, up two share points from 1983, according to Hercules Segalas, a household goods analyst and P&G tracker with Drexel Burnham Lambert, New York. Private-label and generic disposable diaper brands hold the rest of the market, with a 23% share.

Perhaps the best known private-label diaper brand is the Cabbage Patch Kids disposable, which puts the ubiquitous bumpkins on the buns of tiny tots everywhere.

Gregory Sullivan, vp-merchandising, Riegel Textile Corp., Aiken, S.C., doesn't have a huge ad budget backing the designer diapers—$1 million for the company's first consumer ad cam-they're dipped into antiseptics and softeners," Mr. Mogavero says.

Cottontails' Ms. Hilton says her service adjusts the pH balance of the laundry ingredients in the washing cycle to accommodate babies with sensitive skin. "We make adjustments: For instance, if the baby is allergic to fabric softener, we leave it out of the diapers," she says.

Many parents cite the convenience of having a diaper service as the biggest advantage over disposables. "Diaper services play up the convenience factor, that [cloth diapers] are as easy to use as disposables and there are always enough on hand," Curity's Mr. Boyce says.

"Cloth diapers are a basic baby layette item, and at least 40% of cloth diapers are bought as gifts for the new mother."

Diaper services typically start a new customer with 90 diapers a week, at a cost ranging from $9 to $10.25 a week. Cottontails charges 40¢ for every 10 diapers over the 90 diaper minimum, making it an attractive option for a family with a new baby and a toddler in diapers.

"The cost is comparable with disposable diapers, and in fact it costs 50% less than disposables in the long run, because with a newborn, you don't need as many diapers," Mr. Mogavero says. Although disposables for the bassinet set may cost less, as children progress from sitting to crawling to toddling, both the size and price of disposables increase, while the services provide larger sizes at no extra cost.

However, diaper service operators are the first to admit disposables have a place in today's household, especially when the family travels or if the children go to daycare centers. Now, deliveries of both cloth and disposable diapers are the most popular diaper service plan.

At least one diaper service offers parents more than diapers. Mr. Mogavero is taking the "convenience" factor one step further, expanding Sketchley's service to include children's clothing. "We're offering clothing from shirts to training pants, the items which statistics say are the 10 most popular items for new moms." Unlike diapers, clothing is a one-time purchase.

Besides offering families "new and improved" cloth diapers, Cottontails features new "breathable plastic diaper covers with Velcro closings, giving the diaper a snugger fit around the baby," Ms. Hilton says. Cottontails is the only company offering pinless diaper covers.

The next logical step for most cloth diaper manufacturers seems to be producing the "ultimate pinless diaper," namely a cloth diaper with Velcro closures. Although putting Velcro on diapers is an expensive proposition, according to trade sources, a number of companies are experimenting with such diapers.

Along with product refinements, the diaper services have had to change their marketing strategies to reach women who are not only working outside their homes, but also are delaying their maternity leaves until the last possible minute. "We're using more tv and radio advertising now and have stepped up our evening and Saturday telephone call solicitations," Mr. Mogavero says.

Currently, Sketchley runs three types of ads: One plays up the diaper rash issue; another talks about the convenience of diaper service for both baby and mother, and the third features two babies, one wearing disposable diapers and the other in cloth. "The one in plastic says 'I have diaper rash,' and the other baby asks, 'What's a rash?'" Mr. Mogavero says. MacNamara, Clapp & Kline, New York, has the Sketchley account.

Cottontails handles its advertising in-house, using mainly direct mailings to expectant couples and scattered newspaper and radio ads. However, Ms. Hilton says, at least 80% of her customers are word-of-mouth referrals.

Curity concentrates on the one-time sales of cloth diapers and places ads heavily on tv and in consumer magazines. The current campaign, prepared by HBM/Creamer, Boston, positions the diaper as the "one babies would ask for if they could talk."

Although the cloth diaper and diaper service marketers readily admit they cannot match Procter & Gamble's estimated $40 million ad budget for Luvs and Pampers or Kimberly-Clark's $19 million for Huggies, they say the market's big enough for both types of diapers. Says Mr. Boyce: "The years of rapid contraction are over. We're all in the business for the long term."

---

paign via Richard & Edward's, New York. But he is convinced Cabbage Patch diapers will catch on in the Sunbelt, where babies are more likely to run around with nothing on except their diapers.

He does not say that babies will wear Cabbage Patch diapers or nothing at all, however. "Cabbage Patch diapers can be used as an alternative to plain, premium diapers," Mr. Sullivan says. "I don't expect every diaper change will be with a printed diaper."

Premium diapers are *the* hot item. "As a category, premiums continue to show the strongest growth. However, [share] gains aren't going to be as spectacular as in the 1970s," says Dick Auchter, Kimberly-Clark product manager-infant care products. The reason behind this is the softening of the baby boomlet.

"The number of babies born hasn't changed all that much from a few years ago, but the percentage of diaper changes per baby has increased," he says.

So until they can figure out a fool-proof way to make babies soil them faster, diaper marketers are going to continue upgrading babies' underwear and charging parents more per change at the same time. —*L.F.*

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For-profit centers open doors to daycare

By Margaret LeRoux

Less than a decade ago, most working parents experienced guilt when leaving their children in a daycare center. Daycare was seen as being custodial at best, with images of lethargic children clustered around a tv set or compounds of crying kids in cribs haunting many mothers' working hours. For many, yesterday's fears are still very real.

But educational programing for pint-size students and savvy marketing, positioning daycare as a positive social and learning experience, is winning customers despite frightening headlines concerning child abuse. "Daycare had a negative image for such a long time," says Kathy Quinn, vp-advertising and marketing for Fox Daycare, Chicago. "Now the business is really taking off."

Vivian Cadden, editor of *Working Mother*, says, "Look in the Yellow Pages under 'daycare' in any major city in the U.S. and you'll find page upon page of ads. Ten years ago you'd have found maybe a single page." Even Fremont, Mich.-based Gerber Products Co. is getting into childcare, having acquired Palo Alto Educational System, the seventh largest U.S. daycare chain.

Although the growing number of working parents has caused the industry to boom, the for-profit daycare center chains barely have scratched the market's potential. The U.S. Census Bureau indicates that 40.2% of working parents send their children to a friend's or family member's home, 30.6% arrange to have a care-giver come to their home, 14.8% use a daycare center, 9.1% bring their children to a job-based center and 5.3% make other arrangements.

"Our market represents only about 15% of the total number of kids whose parents are working," says Rob Hartley, vp-marketing for Montgomery, Ala.-based Kinder-Care Learning Centers, the largest for-profit daycare chain. Despite the limited market penetration, sophisticated, center-based baby sitting is good business. Kinder-Care increased its revenues 180% during the past five years, from $57 million in 1980 to $160 million at the end of fiscal 1984.

La Petite Academy, headquartered in Kansas City, Mo., and a far second to Kinder-Care, experienced 25% annual revenue increases for the past three years. Revenues for the third quarter of 1984, $16.7 million, are up 35% over the similar period in 1983.

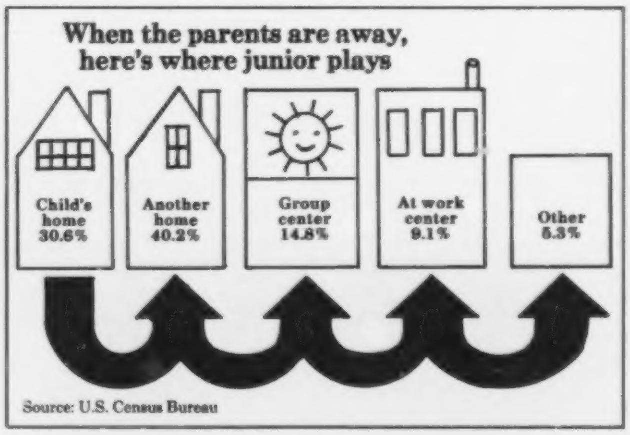
A *Working Mother* survey found the average weekly cost for daycare in the U.S. to be $53. Twelve per cent of the 2,000 survey respondents say they pay between $61 and $80 weekly.

The women's responses about daycare costs are very interesting, Ms. Cadden says. "They clearly see it as their expense, not a family expense. Some of the women wrote, 'Daycare eats up a big chunk of my salary.' Few of them look on it as their husband's expense too."

Daycare chains are targeting two-income, upwardly mobile parents who harbor similar ambitions for their children. These parents can afford to demand more than baby sitting, and most daycare centers meet those demands.

"I could open a daycare center called 'Yuppie Daycare,' charge top dollar and fill it within days," says Stephanie Fanjul, a daycare consultant in Research Triangle Park, N.C. Working with corporate clients to find daycare for their employes' children, Ms. Fanjul says she continually is surprised at the demand for daycare. Ms. Cadden agrees, saying, "It's frightening how fast new centers fill up."

When the parents are away, here's where junior plays



Source: U.S. Census Bureau

To attract the offspring of yuppie parents, daycare chains are using ads and direct mail to market "learning experiences" in a safe environment. With brightly colored graphics, brochures portray smiling children playing games that teach prereading and premath skills, which their parents hope will give their offspring a competitive edge in school.

Kinder-Care advertises its "learning ladder," designed to "meet your child's needs from 6 weeks to 12 years." Mr. Hartley says, "Children in our centers scored much higher than the national average in reading readiness tests."

To answer convenience and safety concerns, Kinder-Care targets parents who live within a three-mile radius of its new centers with direct mail. The campaign, designed by Ogilvy & Mather-Atlanta, promotes the chain's activities that "make learning fun" and invites parents to visit Kinder-Care and enter a sweepstakes offering a $40,000 college scholarship grand prize. In some markets, children can attend Kinder-Care for a week free. The campaign increased the chain's revenues $300,000 a week, according to Mr. Hartley.

"We did a lot of research into what kind of message about daycare appealed to working parents," he says, "and concluded it was important to show that daycare was the closest thing to a mother's love. We looked at terms like 'safe,' 'secure' and different ways of saying 'mother's love.'"

Kinder-Care ads are placed in newspapers in communities where new centers are opening and nationally in publications such as *Working Mother*. The ads say children are "encouraged to learn at their own speed, without pressure." However, each center follows an identical educational program. On any given day, the same activities are occurring at each of the more than 900 Kinder-Care centers.

La Petite Academy markets a "learning for living" program based on the Montessori method, according to Robert Rodriguez, vp-operations. Besides Montessori-style toys, La Petite's centers feature large, open classrooms with separate areas that cover life and learning situations. Some of these include the practical life—a child-sized play kitchen—language arts, mathematical and sensorial awareness. Computers also are standard equipment at La Petite centers.

Some early childhood education experts object to Kinder-Care's and La Petite's mass market approach. "Each individual kid deserves a program suited for him or her," says Ms. Fanjul, a former daycare center director and private elementary school founder.

"Mass-marketed programs can't consider the range of development you'll find in a room full of 3 and 4-year-olds," she says. "The kids will be bored if they're beyond the program and angry and frustrated if the program is beyond them."

While not contesting their success, Ms. Fanjul says, chains such as Kinder-Care are "marketing human services like they are hamburgers."

Kinder-Care's Mr. Hartley considers the comparison with fast-food chains to be "a compliment. We're consistent and clean. Parents who move or are transferred to another city know they'll be getting the same program for their kids at Kinder-Care centers."

(Continued on Page 32)

Margaret LeRoux, a frequent contributor to Special Report and author of a number of articles on daycare, is the mother of Mark, 4, and Emily, 5 months.

Selecting a school

The following observations are the result of Margaret LeRoux's visits to three nursery schools and two daycare centers in Chapel Hill, N.C. Some were locally owned and operated nonprofit centers; others were part of national daycare chains.

Buying daycare is like buying a house. There are important considerations such as location and price, but when it comes to making a choice, a lot of subjective factors come into play.

Like buying a house, selecting daycare is one of the most stressful experiences a parent can have. Once your search begins, you quickly learn that enough good daycare simply is not available.

I remember getting up at dawn to stand in line for places on a waiting list at one of the better nursery schools in our town. Classes for this school were filled nine months before the sessions started. Another school in town used to put prospective students on a waiting list before they were born, but discontinued the practice when the list of petitioning fetuses became too long.

Visiting daycare centers and nursery schools is also like inspecting houses. Some you love or hate on sight; in others you discover things that gratify or horrify you.

In one nursery school I saw a 4-year-old girl sitting on a chair in the hall outside her classroom. She was being punished for 25 minutes for biting another child, the director told me.

None of the other schools or centers I visited interpreted this "time out" method of discipline so strictly. Instead, I frequently saw teachers quietly but firmly redirect children to different activities when arguments occurred. I saw hugs given freely by teachers, and I saw children who seemed genuinely happy in their surroundings.

In another daycare center, the children seemed to be doing their best to dispel the center's advertising of its thoughtful, orderly activities. Some of them were using the Montessori-style blocks as make-believe guns, "shooting" their playmates.

At still another center, I was dismayed to see the baby room arrayed in rows of cribs, with only two staff members caring for 12 infants. I wondered about the cuddling and stimulation touted in the center's ads. From what I saw, when a baby cried, the primary attention it received from a care-giver was to have a pacifier put in its mouth.

That's when I decided that how well a daycare center is regulated by the state is more important than its advertising. In North Carolina, a center needs only one adult care-giver for every 12 children between the

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Hospitals deliver options in birthing care

By Lori Kesler

Every year thousands of female teachers plan their babies' births to coincide with their summer vacations. Every year more women executives install nurseries in their offices—or computers in their homes—so they can work and nurture at the same time.

Women are coping—some rather unconventionally—with their transition from spouse and worker to the new role of spouse, worker and *mother*. For example, a pregnant city editor timed her labor contractions from her newsroom desk and dashed to the hospital right after the five-star deadline.

These are the new mothers of the 1980s. At least some of them.

Not every expectant mother these days claims to be a puppie—pregnant urban professional. Many, in fact, are not high-powered career trackers. But make no mistake about it, today's new mother is a different breed from her female forebears.

In addition to generally being older and more affluent and tending to work outside of the home, today's pregnant woman is accustomed to taking charge of her affairs. Because many have waited to have children and meticulously planned their pregnancies, they know exactly what they want in obstetrical and hospital labor and delivery services.

"She's really almost militant about wanting to control the birthing experience," says Daniel Beckham, president of Health Market, an Arlington Heights, Ill.-based medical marketing consultancy. "There's a much greater reluctance to let the physician direct the show."

More than a decade ago, pregnant women—newly conscious of their rights as healthcare consumers—began demanding that hospitals and doctors treat them and their babies as participating members of the labor-and-delivery team. The wing-tipped and green-smocked members of that team initially regarded this idea with more than a little skepticism, but many have become believers.

Along the way, hospital administrators discovered that birth-and-baby services comprise one segment of their business that is bought by an enthusiastic market. Pregnant mothers may be the only patients who look forward to their trips to the hospital.

Then, too, a hospital's obstetrics unit can serve as a "window to the community," Mr. Beckham says. "A link forged with a family at the time of a baby's birth can last a lifetime."

Now, with many hospitals struggling to keep their beds full and revenues rolling, the business of attracting new patients has taken on a special urgency. Most cities have far too many hospital beds; one report predicts 1,000 of the nation's 7,000 hospitals will close their doors before 1990.

The delivery market—unlike most medical specialties—tends to be consumer-driven, playing by the traditional rules of supply and demand. Hospital officials admit they are not accustomed to dealing with fast-changing trends and fickle consumer tastes. Nevertheless, most are scrambling to learn the new rules because they know those who fail to play the game eventually will lose.

"The birth business has gotten very competitive," Mr. Beckham says. "Women often choose a hospital and then arrange to go to one of the doctors on staff," rather than research the doctor first and the hospital later.

"Some shop around for a hospital even before they become pregnant," says Carol Seibold, an account supervisor at Wexler & Shalek, Los Angeles, which handles advertising for National Medical Enterprises, a Los Angeles-based hospital corporation.

According to research studies,

Save on delivery charges.
St. Helena

Price has been an important part of obstetrics advertising.

Lori Kesler, an Ad Age correspondent and frequent contributor to Special Report, has tested her hospital's labor and delivery services first-hand on two occasions.

Competition pushes privacy, personal service

St. Joseph's Hospital, a 132-year-old Catholic hospital, has been in the birth business in St. Paul, Minn., almost long enough to deliver the state's first citizen. But when its market share dropped dramatically in the past decade, hospital administrators found age does not mean much in today's baby-bearing market.

Partly because of competition from health maintenance organizations and partly because the hospital simply hadn't kept up with the times, administrators decided this old hospital had to learn some new tricks. "It became clear we'd have to make some basic product line changes," says Jim Thalhuber, assistant vp-marketing.

Responding to research that indicated new mothers preferred privacy, hospital administrators decided to put every maternity patient in a private room at no extra charge. Those rooms were spruced up with some homey touches—a rocking chair here, a hanging plant there.

"We couldn't afford a major renovation," Mr. Thalhuber says. "But we could do minor things to make the rooms aesthetically more pleasing."

The hospital also instituted a "personal nurse" system designed to initiate early contact between its personnel and pregnant women. It announced that any woman planning to deliver her baby at St. Joseph's could call the hospital and be assigned a personal nurse who would counsel the woman from early pregnancy through delivery.

Finally, the hospital created a birth options list that detailed some of the amenities available. The list included such standard options as a birthing room and a short-stay program, costing just $700 instead of the typical three-day stay cost of $1,129. The list also included other personalized services:

- Nurses will take photos or movies of the baby's birth;
- Lights can be dimmed or music played during labor;
- Husband or support person can stay overnight;
- Children or other family members can be present at birth.

The program was advertised on radio and in newspapers and magazines. A free baby book was offered to anyone who called the hospital's maternity center.

Mr. Thalhuber says the three-month, $24,000 ad campaign—designed by Arlington Heights, Ill.-based Health Market—generated 500 calls within its first six weeks, and the hospital's obstetrical patient count increased for the first time in five years.

The campaign yielded other, less statistical benefits as well. "The physicians are happy," he says. "We got lots of good media exposure. And the obstetrics staff has gotten involved in some good customer relations." —*L.K.*

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Daycare

(Continued from Page 30)

If Kinder-Care is a McDonald's, then the third largest chain, Evergreen, Colo.-based Children's World, probably would consider itself a delicatessen. "Our philosophy is to provide teachers with an array of support material and give them a lot of room to design their own program," says Robert Benson, president. "We decided 15 years ago to provide high quality, developmental programs before parents were asking for them."

Because these programs push up Children's World's costs, the chain targets a more affluent parent. "Our prices have always been 4% to 5% higher than our competitors, but we've also had a utilization rate that's 5% to 20% higher," he says.

Because Children's World allows its teachers and directors more freedom in designing programs and, Mr. Benson says, offers higher pay and better benefits, "we suspect we have a lower turnover rate than our competitors." Early childhood experts say consistency is the key to bringing up well-adjusted children. If they are going to live up to their billing as *for-profit* companies, many chains can't afford to invest heavily in staff salaries, which typically start at the minimum wage.

In addition, many centers must pack their houses to be cost effective. The pressures of caring for lots of tots all day for low pay often result in high care-giver turnover.

"Turnover is a real problem," Ms. Quinn at Fox Daycare says. One of the causes "is that early childhood education programs taught in colleges don't accurately reflect the childcare business," she says. "Students get into these programs because they think how cute little kids are, but cuteness is not what this business is about. It's very demanding work."

For parents, the most crucial problem with daycare is the threat of child abuse. Publicity over horrifying incidents of abuse have led parents to question their children's safety at even the most expensive and exclusive centers.

Daycare chains have tried to reassure their customers; Mr. Benson says within 10 days after a case of abuse in a California daycare center was publicized, he had mailed a letter to the parents of all the children in his centers. "The letter told them how I felt and what they should be aware of in considering the issue of abuse.

"We're all appalled, of course," he says. "Yet we have a sense of being unfairly singled out. Some of the legislative remedies that have been proposed focus on the daycare industry alone."

To stem a witchhunting mentality in light of child abuse cases, most daycare chains are intensifying hiring requirements. "We have a two-step interview process that includes interviews by both the center's director and one of our regional directors," La Petite's Mr. Rodriguez says. Most chains also thoroughly check all references.

"It would be fine if we had six

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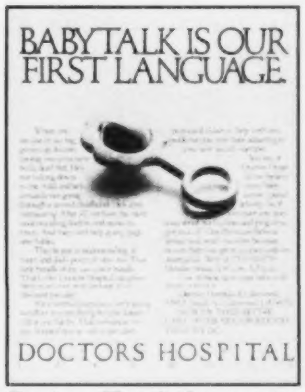
patients pick the hospital about 30% of the time and the doctor makes the primary decision the rest of the time. But that's changing. "Evidence suggests that by 1990, 60% of the patients will be making their own hospital choices," says Dennis Bolin, director-marketing for Hinsdale, Ill.-based Adventist Health System/North.

Hospitals are facing the fact that providing sound medical care is no longer enough, because today's parents view their baby's birth as something more than a medical procedure. "The modern couple is buying an experience," Mr. Beckham says. "Birth is seen as a natural event, and the more a hospital does to accommodate that approach, the better it's going to do."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Doctors Hospital promotes its flat fee for a normal delivery.

Education has become an almost universal preparental perk. Most hospitals now offer classes on pregnancy, childbirth and child development for mothers and fathers, brothers and sisters, even grandparents. North Fulton Medical Center in Roswell, Ga., takes its preemptive measures to the limit, providing a course for people who aren't pregnant but are thinking about having a baby.

Hospitals also are taking steps to provide a full range of birthing options. Perhaps the most important innovation is the advent of the bedroom-like birthing room. Also called an alternative birthing center, this development allows an expectant mother to remain in one room throughout her stay rather than be shuffled through labor, delivery and recovery rooms.

Deborah McFarlane, assistant vp-marketing communications, National Medical Enterprises, says she frequently tours her company's 51 hospitals and finds "the alternative birthing centers are always in use. Our newer hospitals frequently put in two or three of them."

Babies born in birthing rooms usually are sent home with their mothers within 24 hours, reducing the bill. This is significant because both hospitals and consumers are talking a lot about cutting costs. The National Assn. of Birthing Centers reports that in 1982, a "normal" delivery in a free-standing birthing center cost $801. In 1983, the national average for the cost of a "normal" hospital birth, typically including a three-day stay, cost $1,713, Mr. Beckham says. A Caesarean section easily can double that figure because of increased surgical costs and a longer hospital stay.

Figures like these are causing employers and insurance companies to shift more of the financial burden back to consumers, who in turn are shopping for cost-efficient care. "Price is becoming an important aspect of obstetrics advertising," Wexler & Shalek's Ms. Seibold says. "People used to want the best at any cost. Now they want reasonable care at a reasonable cost."

She says several National Medical Enterprises' hospitals now advertise discount packages, which generally offer a flat fee for standard delivery and two or three-day stays. "They don't put dollar figures in the ads, but they mention that they have package rates," she says. For example, National Medical Enterprises' Doctors Hospital in Lakewood, Cal., says for a normal pregnancy, "We throw in everything but the diapers. All at one flat fee."

National Medical Enterprises' Ms. McFarlane says every hospital's ad strategy has to be tailored to community conditions. In an area where people pay hospital expenses out of their own pockets, discounting works, she says. But in upper-middle-class markets, "pricing seems to have no affect. It's the reputation and the frills people are interested in."

Ms. McFarlane says good hospital advertising targets physicians as well as patients because "ultimately the doctors are the key players." She says most doctors like to see hospitals market their services aggressively. "It's a confidence-builder," she says, and physicians also benefit from referrals generated by hospital ads.

Most healthcare marketing experts expect hospitals to continue to move toward more retail-style marketing, but some in the industry are bucking that

(Continued on Page 34)

Pioneering pregnancy package

How do you get an expectant mother's attention? Offer her free maid service.

On Jan. 4, Glendale Heights, Ill., Community Hospital did just that when it began test marketing and advertising a maternity package that officials say eventually could be adopted by other members of the Adventist Health System, which operates 75 hospitals around the country.

The Glendale Heights program puts several maternity services into a flat-fee package. Program options and features include a birthing room delivery or traditional delivery; a 24-hour or 48-hour recovery stay; childbirth classes; a home visit from a registered nurse, and two eight-hour visits from a care assistant who does light housekeeping, simple meal preparation, baby care and household chores.

Dennis Bolin, director-marketing for Adventist Health System/North in Hinsdale, Ill., says the company's marketing research disclosed most expectant parents wanted more education, more outpatient options and lower-cost programs. "As people become better educated, they view pregnancy less as an illness and more as a natural aspect of life," he says. "As a result, they want to spend less time in the hospital."

Consumers have become more cost conscious as changes in insurance coverage have left them holding a bigger chunk of the bill, Mr. Bolin says. The Glendale Heights package costs about the same as a three or four-day stay in the hospital, he says, "but it has more of the options people have asked for." Last year, the hospital discussed money in fairly straightforward terms with an ad that pictured a new baby and a headline announcing, "Outstanding reproductions at discount prices."

We also help with labor after baby's born.
Adventist Health System
GLENDALE HEIGHTS COMMUNITY HOSPITAL

Glendale Heights Community Hospital is offering free maid service.

Mr. Bolin says several Adventist Health System hospitals have tried the direct price-oriented approach with mixed results.

"It does address the needs of consumers. They are concerned with costs," he says.

But hinging a campaign on discounting can be dangerous because many first-time parents are overwhelmed by labor and delivery costs—even at a discount. He says Glendale Heights' new home care delivery plan is a "much stronger package" because it offers a broader range of benefits. —*L.K.*

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magic questions that would reveal child abusers, but it's not that simple," Mr. Benson says.

To calm parents' concerns, most daycare chains are emphasizing an open-door policy, allowing parents to visit anytime their child is in the center. Some chains also are educating children and parents about abuse. La Petite Academy has a videotape, "Strong Kids, Safe Kids," starring Henry Winkler, while Kinder-Care is producing a film on child abuse and molesting.

The best way to reassure parents is to get them to interact with the staff, Mr. Benson says. "We encourage parents to get involved with things that are going on at the center."

Parents should be very demanding consumers of daycare, he says. "It should be a very considered decision, not influenced by flashy advertising." After all, Mr. Benson says, "Parents are entrusting their most precious possessions to the staff at a daycare center."

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1985: 3½ million January; 4 million August
1986: 4½ million January; 5 million August

Parents of Kids 5-12
Elementary School
1985: 3 million September
1986: 5 million February & September

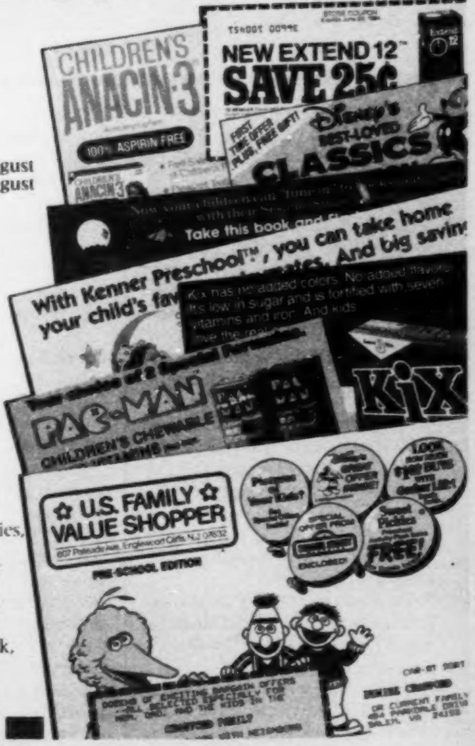
Leisure Years
Seniors 50-65
1985: 3¼ million April & September
1986: 7½ million April & September

30,000,000 Take-Ones

College Campuses
(Reaching 12 million students)

Tourists & Business Travelers
(Reaching 18 million affluent travelers)

Join us. You'll be in good Fortune 500 company.
Johnson and Johnson, Lederle Laboratories, Gerber Products, American Safety Razor, Campbell Soup, Nabisco Brands, General Mills, Carnation, International Playtex, Whitehall Laboratories, American Home Foods, Glenbrook Laboratories, Borden, CB Fleet, Dannon, Combe, Lehn and Fink, Warner Lambert, Becton Dickinson, Scott Paper


CHILDREN'S ANACIN-3
100% ASPIRIN FREE
NEW EXTEND 12
SAVE 25¢
Disney's BEST-LOVED CLASSICS
Take this book and
With Kenner Preschool™, you can take home your child's fav... And big savin
KiX
PAC-MAN
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U.S. FAMILY VALUE SHOPPER
PRE-SCHOOL EDITION
FREE!

Selling parents on financing an education

Special Report: Commentary

By Marilyn Adler

When the baby is a newborn, a constant source of wonder and pride, anything seems possible—a future president, a Nobel Prize-winning astrophysicist, a superstar professional athlete. Yes, even parents of baby boys have similar dreams.

Putting money aside for their child's education is a thought that occurs to most new parents at least once. But it's all too easily lost in the more immediate demands of child-rearing and the shuffle of competing consumer priorities. This thought typically won't resurface until college catalogs are filling the family mailbox. But financial service companies are working hard—and probably must work harder—to provide parents with the reasons and products to meet future needs.

What will college education cost in the year 2003—the numbers that will be emblazoned on the letter sweaters of this year's bumper crop of babies? The experts generally are reluctant to hypothesize, perhaps because current costs already are so high.

A year at a four-year state college in 1984-1985 averages $4,881, including tuition and fees, books and supplies, modest personal expenses, transportation, and dormitory room and board, according to Kathleen Brouder, author of the "College Cost Book 1984-85." To send junior to a four-year private college or university will cost $9,022 on the average. Ms. Brouder declines to speculate on college costs in the year 2003, saying there are "too many imponderables to do a linear projection with any confidence."

However, some banks and life insurance companies estimate college costs will increase 7% annually through the foreseeable future. Applying that rate to the College Board's current average costs yields a stunning set of estimated expenses for the year 2003—about $15,400 and $28,500 a year at public and private four-year colleges, respectively. If their children make it through school in four years, parents can expect to pay a total of about $61,600 to $114,000.

New parents can take some comfort in the fact that their incomes probably will increase as well. But unless salaries rise at a considerably higher rate than that of college cost increases, they may still have some trouble meeting that first-semester tuition bill.

"Most parents can't afford to finance today's costs out of current income alone," Ms. Brouder says. "They necessarily draw on savings, pay on installment or borrow money, and expect their children to borrow and to work summers and parttime."

Even that scrimping and saving often is not enough. The College Board estimates that about half of the students currently enrolled in postsecondary education or training are receiving some form of public or private financial assistance. But counting on this as a source of revenue is dangerous because federal student assistance money has leveled off in recent years, and the over-all amount of available aid has declined relative to rising college costs.

Ms. Brouder tells parents of young children to assume that they will have to shoulder the lion's share of the responsibility. "If I were the parent of a newborn," she says, "I'd count on college costing more than I ever dreamed possible, I'd *hope* that some kind of outside help would be available to me when the time comes, but I'd *act* as though it were all going to depend on me."

Because new parents are acknowledging the truth of Ms. Brouder's statement, the demand for financial planning programs to meet educational needs has grown. While helping new parents plan for their offspring's college education may be an emerging industry, birthing it has not proved simple.

Despite increased demand, innovative marketing will be required to convince families they may need help and can afford help.

The field is relatively new, and the players in it have not arrived at a consensus on which financial plans and instruments are most appropriate for which types of families. Despite increased demand, innovative marketing will be required to convince many families they may need help and they can afford the help.

Some of the more popular financial instruments in use today combine college planning with tax planning, enabling parents to accumulate cash for education while reducing their tax burden:

- Most banks, brokerages and mutual funds offer custodial accounts in accordance with the Uniform Gifts to Minors Act. The simplicity of the approach—setting money aside until the child reaches maturity—may make some parents uneasy, fearing that the child may use the funds for something other than educational endeavors.
- Clifford Trusts are a mechanism for transferring funds from parent to child for a minimum of 10 years and one day. The interest income the trust generates can be used for college expenses while the principal eventually reverts back to the parent.
- Zero coupon or deep discount bonds are another approach, but they carry an element of risk. Because the rate of return is fixed for a long period, skyrocketing interest rates could make parents wish they hadn't tied their money into a maturing bond.

However, financial marketers have yet to develop a widely available commercial alternative for the mass market. A few financial institutions have experimented with comprehensive college planning that combines specialized financial programs with counseling on various aspects of college preparation, planning, admissions and financial aid. Others have them in the works, and new instruments and services are being explored.

The marketing of such new programs will be as critical as their scope and content. New parents are knee-deep in diaper changes and midnight feedings, aghast at the cost of doll-sized sleepers and t-shirts, concerned about the adequacy of current insurance coverage and worried about the prospect of buying a first or bigger house. Expecting them to concentrate on an expense that is 18 years down the road is expecting a lot—particularly when many are still paying off their own student loans.

Parents of newborns are more concerned about the adequacy of the local elementary and secondary schools.

If they live in an area where public schools are deteriorating, their more immediate priority can be paying private elementary school tuition. Toss in expenses for orthodonture, gymnastic lessons, Cabbage Patch Kids, the ubiquitous personal computer, and the college expenses recede further. Marketing efforts must overcome parents' tendency to "worry about it later" and persuade them they should act now.

Reaching out to parents in settings where they already are disposed to thinking about their children's education may provide one part of the answer. Meetings of school groups, parent-teacher associations or any organization that draws its membership from parents with children in the target age range provide natural settings.

Companies that offer public service information and materials, speaker panels and audiovisual presentations—providing information first, gently advertising products and services second—are likely to find receptive audiences.

Marketing efforts must educate parents on not just the importance and value of planning for their children's education, but also on financial terms and concepts that may be as new to them as their role as parents. Hitting parents, who are concerned more immediately about getting Heather to eat vegetables, with a blather of fiscal babble about bonds and IRS restrictions only will scare them.

Marketing college financial planning services should not only educate but also stimulate parents to assume the responsibility for meeting their children's eventual educational costs. Parents want to "do right" by their children—ask any parent—but they need to be coached. ■

Marilyn Adler is president of New York-based Creative Targets, which specializes in marketing strategies aimed at youths from cradle to mortar board, and mother of 11-year-old Eric.

Hospitals

(Continued from Page 33)

trend. "We're not into retailing admissions," says Ian Latham, senior vp-creative director of Ogilvy & Mather, Atlanta, which handles advertising for the East and Southeast regions of American Medical International, a Beverly Hills, Cal.-based hospital chain.

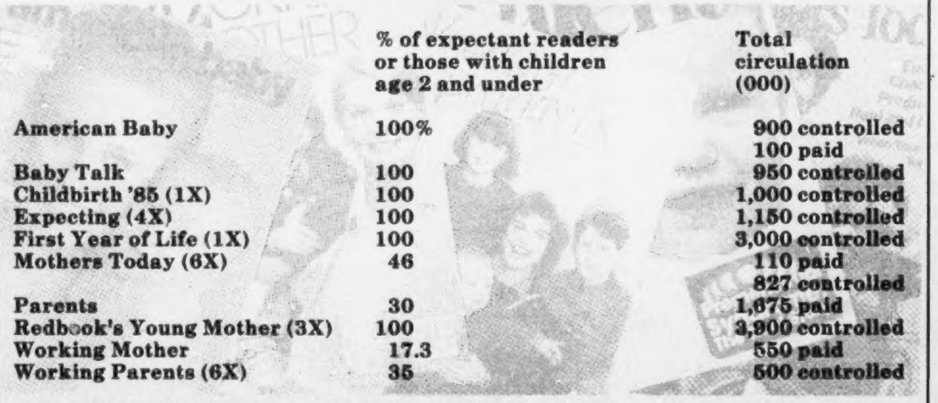
"There's pressure on hospitals and their agencies to 'turn a trick' with advertising, to produce immediate results," he says. But, Mr. Latham says, hospital advertising should be viewed as an investment in a facility's image.

To that end, Ogilvy & Mather creates service-oriented hospital ads. "The ads are part of a wellness program designed to build a relationship with the community," Mr. Latham says. "We don't measure their success by how many enrollments they generate. They're designed to influence how people perceive the hospital."

For example, one ad for North Fulton Medical Center, headlined, "Working while you're pregnant," talks about coping with morning sickness, eating right, exercising and avoiding stress. It mentions the hospital only briefly. Another ad offers tips for baby sitters and a third illustrates some of the equipment needed for a baby's room. "We present information of a topical nature because we feel the hospital should be seen as an authority," Mr. Latham says.

However, as women become more well-versed in labor and delivery services and more opinionated on what they want those services to be, hospital administrators may find themselves asking prospective patients as many questions as their doctors are answering. ■

Media for bringing up baby



	% of expectant readers or those with children age 2 and under	Total circulation (000)
American Baby	100%	900 controlled 100 paid
Baby Talk	100	950 controlled
Childbirth '85 (1X)	100	1,000 controlled
Expecting (4X)	100	1,150 controlled
First Year of Life (1X)	100	3,000 controlled
Mothers Today (6X)	46	110 paid 827 controlled
Parents	30	1,675 paid
Redbook's Young Mother (3X)	100	3,900 controlled
Working Mother	17.3	550 paid
Working Parents (6X)	35	500 controlled

Percentage of readership and circulation figures supplied by each magazine. Magazines are monthly unless otherwise indicated.

The following magazines describe themselves as covering childcare, family issues or child rearing as part of their editorial content in the Standard Rate & Data Service listing of consumer magazines or the *Folio* 400: *Better Homes & Gardens, Family Circle, Family Journal, Family Learning, Good Housekeeping, Health, the Homemaker, Ladies' Home Journal, Lady's Circle, McCall's, Ms., Redbook, Self, True Story, Woman* and *Woman's Day.*

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Advertising Age®

Crain's International Newspaper of Marketing

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Coke Cherry bombs Pepsi

Preemptive strike at celebrity spots

By NANCY GIGES

Coca-Cola USA, intent on upstaging archrival Pepsi-Cola USA's annual bottler meeting Feb. 23 and 24, is expected to pull a new product out of its arsenal—Cherry Coke.

Coca-Cola reportedly will introduce Cherry Coke at a Feb. 19 press conference. The company's decision to go with Cherry Coke was made quite recently and is seen as a move to take some interest away from some major announcements Pepsi will make at its bottlers meeting. Cherry Coke is rolling out despite never being tested in take-home packages. Coca-Cola last year used its fountain network to test that flavor, as well as Chocolate and Lemon Coke.

Coca-Cola, Atlanta, is positioning Cherry Coke as a new product, not a line extension to its flagship brand. As such, Coca-Cola felt no compulsion to assign the brand to the Coke agency, McCann-Erickson. The assignment went instead to SSC&B, agency for Diet Coke and Tab and the apparent hot shop on Coca-Cola's roster.

Although cherry is a dominant flavor in Dr Pepper and Coke's answer to that brand, Mr. PiBB, those two soft drinks are not cola-based, as is the new Cherry Coke.

At the Coca-Cola press conference, the company also is expected to show new spots for Coke, Tab and Diet Coke, using current ad themes.

New music for flagship Coke will be sung by name artists, who are not expected to be identified, such as jazz singer Phoebe Snow.

Meanwhile, Purchase, N.Y.-based Pepsi is relying heavily on big names to revive Diet Pepsi, which has lost business to Diet Coke.

The campaign kicks off with a spot featuring Super Bowl quarterbacks Joe Montana and Dan Marino. Pepsi also is signing up a string of so-called "leaders in their fields" to appear in a new Diet Pepsi campaign, which will be shown to bottlers along with new campaigns for other Pepsi brands in Los Angeles next weekend. So far, the company reportedly has signed Democratic vice-presidential candidate Geraldine Ferraro, Chrysler Corp. chairman

G. Ferraro

(Continued on Page 78)

ROSENE
HOURS
SENE

Sunny side of Lee

The highly visible Lee Iacocca, who shows up in those hard-hitting commercials for Chrysler, appears this time in offbeat corporate-image spots designed for airing in California. In the meantime, the Chrysler chairman says he believes auto rebates, all the rage several years ago, are ready to make a comeback. *Stories on Page 3 and 80.*

Block's bulk net buy turns day into night

By VERNE GAY

New York—Block Drug is midway through an experimental one-year deal with CBS-TV that could substantially alter the way Block and other medium-size network tv advertisers use that medium in the future.

The architects of the Block buy simply refer to it as the "CBS multi-daypart" deal, but the nature of it is more dramatic. In exchange for lower cost-per-thousand rates, Block lets CBS move $5 million to $10 million of its $40 million national broadcast weight from one daypart to another without advance notice. CBS thus can tighten soft shows or time periods.

The arrangement gives Block more prime time and newscast exposure for its brands. Block, like other advertisers with small budgets by network standards, has found the cost of prime time network tv increasingly prohibitive. Some have turned to syndication to capture the prime time viewer; others are using split 30-second commercials for two products as cost-cutting measures. This deal, however, helps circumvent both alternatives.

"The CBS deal has allowed us to do more prime time than in previous years," said Avrum Geller, director of marketing services for the Jersey City, N.J.-based company. He added that both parties are so happy with the way it has worked that they hope to repeat it in the 1985-86 season.

The company reportedly achieved cpm levels equal to or below those set six months ago when the upfront buy was made.

All the company's brands are involved in the experiment. Block markets Polident, Poligrip denture adhesive, Promise toothpaste and Tegrin medicated shampoo, among other brands.

Mr. Geller and Grey Advertising, Block's agency, claim this is the first time a standing multi-daypart

(Continued on Page 78)

Xerox does not compute

By BRIAN MORAN

Xerox Corp., which brought the first personal computer to the business world in the early 1980s, has quietly dropped out of the mammoth market it helped create.

Xerox's exit, brought on by the company's failure to cash in on crucial lead time, effectively leaves only two major long-term players in the $4 billion pc battle—IBM Corp. and Apple Computer.

Stamford, Conn.-based Xerox had been counted on to take a decisive role in shaping the pc business, but a conservative marketing approach ultimately stalled the

(Continued on Page 80)

Last Minute News

Burnett drops $35 million in Nestle business

Chicago—Leo Burnett USA has resigned its estimated $35 million worth of business from Nestle Enterprises, White Plains, N.Y. Burnett chairman Hall Adams cited "irreconcilable philosophical business differences" for dropping the Taster's Choice and Nestle Morsels assignments. No successor has been named yet, but Nestle's agency stable also includes Jordan, Case & McGrath; McCann-Erickson, and J. Walter Thompson USA.

Ritz Hotel sues RJR in trademark dispute

New York—Ritz Hotel Ltd., a U.K. corporation and owner of the Ritz Hotel, Paris, has filed suit in federal district court here accusing R.J. Reynolds Tobacco Co., Winston-Salem, N.C., of trademark infringement. The suit centers on RJR's planned test-marketing of Ritz cigarets bearing the initials of French designer Yves St. Laurent (AA, Jan. 21). An action also has been filed against Mr. Laurent personally in Paris. Ritz Hotel Ltd. said it began marketing a new cigaret called Ritz Paris in specialty shops here on Feb. 1.

Travelers account may be on move

Hartford, Conn.—Travelers Corp. is entertaining bids for its $14 million account. The review includes incumbent Ally & Gargano and four other New York agencies. A decision is expected by late April.

BDA/BBDO collars Kuppenheimer account

Atlanta—Kuppenheimer Mfg. Co., with 127 men's clothing outlets in 33 states, last week moved its $11 million account to BDA/BBDO after only eight months with J. Walter Thompson USA. Kuppenheimer, a division

(Continued on Page 8)

NEWSPAPER

ABC palms off 'Lace' du

AA
DC20014CONGL1 FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Eustace moving to a Newhouse?

By STUART J. ELLIOTT

The familiar face of *The New Yorker's* Eustace Tilley could end up in the stable of magazines owned by S.I. Newhouse (l.), a move that many in the industry would applaud.

NEW YORK—*The New Yorker* the target of a takeover bid? Yes, *The New Yorker*.

The famed literary magazine with the affirmative ad slogan is getting ready to celebrate its 60th anniversary next week with another guest at the party: S.I. Newhouse Jr. Through his Advance Publications holding company, Mr. Newhouse has made an unsolicited bid to acquire, for $180 a share, the 82.9% of the stock of The New Yorker Magazine Inc. he does not already own (AA, Feb. 14). Purchase price: About $124.5 million, atop the $25.6 million spent for the initial 17.1% of the company's stock he bought earlier (AA, Nov. 19). At that time, Mr. Newhouse said he had no plans to seek control of the company. Why he changed his mind remains a mystery; as is his wont, he was not available for comment.

The attention of the media and advertising communities is riveted on what happens next, for the cachet and reputation of *The New Yorker* give the company's flagship an impact far greater than it would otherwise merit for its size. The company's board, which received Mr. Newhouse's bid in a "Dear sirs" letter dated Feb. 11, said the next day it would "consider all aspects" of it, with the assistance of its investment banker, First Boston Corp., and its legal counsel.

Mr. Newhouse's letter, which began, "We are pleased to submit for your consideration. . .," seeks a reply by March 31. And The New Yorker has scheduled its annual company meeting for March 26.

"It would seem to me," said Joyce Richter, pr manager, The New Yorker, "that it would be a logical thing for the meeting to respond to [Mr. Newhouse's offer]," though there has been no date set for a response. The New Yorker's chairman, Peter Fleischmann, and president, J. Kennard Bosee, have no comment beyond the board's Feb. 12 statement, she added.

While Mr. Newhouse might be an uninvited guest, many magazine industry figures do not consider him an unwelcome one. For the most part, they believe his cash merger offer has a better than 50-50 chance of being accepted. Not only is it likely, they say, but it is appropriate: "This is a marriage that should happen," as Peter Diamandis, president, CBS Magazines, put it.

Were that the case, Mr. Newhouse would add the idiosyncratic upscale weekly as well as the company's other holdings (*e.g.*, interests in *The Cook's Magazine* and *Horticulture*) to a collection of magazines—Conde Nast Publications, nine monthlies ranging from *Bride's* to *Vogue*—that is, to a large degree, the envy of his peers.

To own the magazine that each year still runs a portrait of its mascot, a dandy named Eustace Tilley, on the cover of its anniversary issue (he is slated to appear on the 60th anniversary issue dated Feb. 25)—a magazine that is known as much for its cartoons by James Thurber and Peter Arno as for its stories by E.B. White and J.D. Salinger, a magazine that eschews gatefold covers, scent strips and "advertorial" sections—that could well be the jewel in the crown.

"Si has put together, over a period of years,

(Continued on Page 82)

Highlights

Like a day-old glass of beer, the crusade to ban alcohol advertising seems to have gone flat. *See Page 4.*

When N W Ayer won the AT&T Consumer Products account Feb. 11, the agency won more than a $55 million account —it won an important vote of confidence. *See Page 6.*

The Toy Manufacturers of America is banking on another big sales year in 1985, though well below last year's "extraordinary" levels. *See Page 10.*

The Benevolent Dictators: Carl Nichols, board chairman of the Cunningham & Walsh Group, has been through thick and thin with the agency, where he made a fast rise to the top. *See Page 32.*

Soviet tv viewers might welcome commercial interruptions to the almost unending stream of government propaganda delivered over the airwaves. *See Page 34.*

PEARLE
vision center
NOBODY CARES FOR EYES MORE THAN PEARLE

Pearle Health Services has put an extra dose of schmaltz into its 1985 Pearle Vision Centers tv campaign, hoping to snag more customers by shifting marketing focus. *See Page 64.*

American Motors Corp. is yearning to set itself free from the idea that it's a one-car company with a no-name brand. *See Page 67.*

CORPORATE CLOSEUP

Bob Maynard, a high school dropout from the Bedford-Stuyvesant section of Brooklyn, appears to be succeeding with the *Oakland Tribune* where a rich and powerful family and a pair of mega-communications conglomerates could not. *See Page 4.*

FORUM

New Jersey Gov. Thomas Kean discusses improving his state's image by using the airwaves. *See Page 16.*

Writer Curt Schleier wraps up the marketing advantages of a current trend. *See Page 16.*

INTERNATIONAL

The South African Tourist Board has found that the country's apartheid policy is blocking the broadcast of the SATB's first tv commercial in the U.S. *See Page 46.*

Blendax Werke, Germany's leading toothpaste marketer, has launched a new smokers' toothpaste in Austria in packaging identical to that of a leading cigaret there. *See Page 48.*

Why did J. Walter Thompson Co. resign Canada's frothiest beer account, Labatt Breweries' No. 1 Blue brand, just when it appeared that the brewer was going to overlook an apparent client conflict and keep the $15 million-to-$20 million account at JWT? *See Page 50.*

VIDEOTECH

NBC-TV Network is circulating an anti-barter presentation among major advertising agencies that not only belittles the impact of barter on network tv, but also disputes its size. *See Page 61.*

The proliferation of videocassette recorders is not hurting pay tv, according to a Showtime/-Movie Channel survey measuring the relationship between the two. *See Page 61.*

COMING THURSDAY

SPECIAL REPORT

The skincare segment of the cosmetics industry hasn't run out of new ways to provide hope in a jar. New developments are coming in this highly competitive marketplace.

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Quotation from Chairman Lee: 'Rebate rerun'

By RALPH GRAY

HIGHLAND PARK, MICH.—Auto rebates are coming back, Chrysler chairman Lee Iacocca predicted last week.

A combination of slack demand and overcapacity in small cars will trigger a marketing donnybrook between Ford Motor Co., General Motors and Chrysler, he said.

The rebates will come whether or not voluntary import restraints come off March 31, Mr. Iacocca told a press conference.

"There is enough softening in some parts of the market, especially the low end, as long as gas is cheap," he said. "We don't want to shut down those small-car plants, so we build them and put on incentives.

"We didn't build these cars for $1-a-gallon gas. We built them for $2-a-gallon gas," Mr. Iacocca noted.

Chrysler shied away from direct consumer rebates with a $500 offer to owners of 1979-84 models if they buy a U.S.-made Chrysler product by June 6. Mr. Iacocca said a regular rebate goes not just to the 4.5 million Chrysler buyers but "the world at large." The limited rebate gets direct-mail coverage only.

Chrysler did package other incentives into a "Thank you, America" campaign breaking this

(Continued on Page 80)

Burnett, Needham gangs duel locals

McShootout at the U.K. corral

By VALERIE MACKIE

Leo Burnett Co. and Needham Harper Worldwide again are bumping heads for a chunk of the lucrative McDonald's Corp. account.

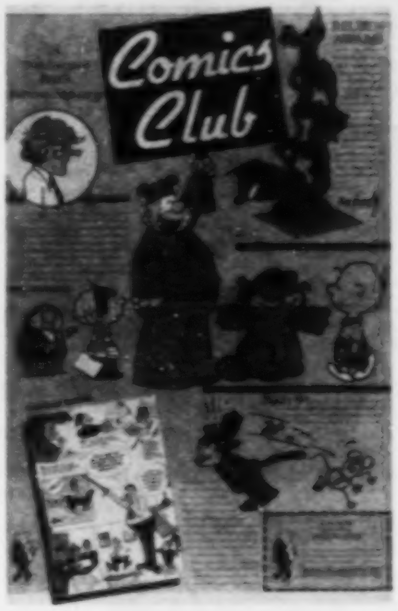
This time it involves the $6.6 million U.K. business, which became available last week when McDonald's terminated D'Arcy MacManus Masius.

Both Burnett and Needham, avid competitors for McDonald's business since Burnett took the $200 million-plus U.S. account from Needham in 1981, are pitching for the U.K. account along with one or two local agencies. D'Arcy will continue handling the business until June 1.

A spokesman for McDonald's in the U.K. said the company had been considering an agency change for several months.

"Our rapid and successful growth in the U.K. has necessitated some rethinking on our marketing needs of the future," the spokesman said. "We believe a change in agencies at this time will

(Continued on Page 80)



The Metro Sunday Comics Network is hoping that a revamped package of funnies pages (right), the result of an industrywide project called 21st Century Comics, will hold special interest for teens and children. "We felt we were losing the kids," said Thomas Craddock, Metro sales director. "If you lose kids, you lose tomorrow's readers."

Making a fuss over funnies

By WILLIAM F. GLOEDE

NEW YORK—Garfield's going modular, Marmaduke's on the remake and Mary Worth's in for a face-lift.

It's all part of a push by comics syndicates, Sunday-comics sales organizations and newspaper companies to breathe new life into a moribund ad medium—the Sunday funnies.

A three-year industrywide project called 21st Century Comics, designed to make Sunday comics more meaningful to tomorrow's yuppies, was unveiled last week at the offices of the Metro Sunday Comics Network here. The project aims to increase readership of the Sunday funnies among adults, teens and children, with a special emphasis on the latter.

"We felt we were losing the kids," said Thomas Craddock, sales director for Metro. "If you lose kids, you lose tomorrow's readers."

In a pair of research studies conducted during the project, the ad hoc group of syndicate, newspaper, advertising agency, printing and sales representative executives found that most people are introduced to reading through comics and cereal boxes. The plan is to persuade daily newspaper publishers to put some art direction into their Sunday comics packages, adding special features, humor, "supergraphics" and a better measure of organization.

That's no small task, but according to Mr. Craddock, participation in the project by executives from Knight-Ridder Newspapers, Gannett Co., Times Mirror Newspapers and the Tribune Co., and finan-

(Continued on Page 79)

ABC-TV 'Laces' up for ratings crusade

By BOB MARICH

In the network tv ratings race, nothing is sacred any more—not even Holy Week.

ABC-TV, pulling out the stops in its drive to catch NBC and avoid finishing last in the network ratings race, will air "Lace II," a steamy four-hour miniseries, starting Palm Sunday, March 31. NBC-TV had staked out the same date to premiere "A.D.," a 12-hour biblical miniseries sponsored by Procter & Gamble (AA, Dec. 10).

The ABC move, which had been rumored (AA, Feb. 4), immediately raised eyebrows because that date is the start of Holy Week, which runs until April 7, Easter Sunday.

ABC apparently is willing to risk criticism for scheduling exploitive programing during an important religious period in order to close the ratings gap with NBC. At the start of the season, ABC unexpectedly slipped into third place in prime time and has been playing catch up to NBC, which passed it, ever since.

The miniseries showdown is rife with implications, especially for Madison Avenue. It will mark only the third time in network tv history that miniseries will square off opposite miniseries. In the two previous instances (both in the May, 1984, sweeps), ratings of the miniseries involved were low because they tended to cancel each other out.

"There is a real danger that if the networks continue to snipe at each other they're going to dissuade advertisers from committing to large sponsorships in the miniseries area," cautioned Duane Kell, senior vp-director broadcast media, Campbell-Ewald, Detroit.

Miniseries command anywhere from $180,000 to $240,000 per 30-second commercial, compared with $180,000 for a 30 in a top-rated regular series.

"We might as well put our money in something else" that's a safer bet, said Leon Luxenberg, senior vp-director media relations, J. Walter Thompson USA, Chicago. "This is a disservice to advertisers and viewers."

On March 31, "A.D." will air from 8 p.m. to 11 p.m. (ET); "Lace" is scheduled 9 p.m. to 11 p.m. The next night, the same miniseries go head-to-head again from 9 p.m. to 11 p.m. "A.D." continues with two more two-hour episodes and then ends a five-consecutive-night run April 4 with a three-hour finale. The dates have not been officially announced but have been confirmed by NBC executives.

NBC originally wanted to schedule "A.D." during the February sweeps, but withdrew for fear that

(Continued on Page 78)

P&G tries new mix with Tide

By LAURIE FREEMAN

Procter & Gamble, amidst its ballyhooed introduction of liquid Tide, is fine-tuning its flagship Tide powder detergent—but with what could be a risky twist.

The Cincinnati-based P&G is testing a reformulated Tide powder, said to contain 12 active ingredients, in Omaha, Neb. It also is marketed as having twice the amount of enzymes and cleaning agents as in other detergents.

The twist comes in the detergent's pricing strategy. P&G has

(Continued on Page 78)

World News Roundup

DUESSELDORF—Citroen, the giant French automobile company, moved its $5 million account to RSC&G Butter Rang from Grey Advertising. RSC&G handles Citroen in France, Holland and other countries.

TAIPEI—Colgate-Palmolive Co. won government approval last week to enter Taiwan to manufacture household goods and beauty aids with a local partner. The local partner has not been revealed.

SYDNEY—China Central Television has bought 92 hours of programing for $100,000 from Amicus Television here, an Asian programing distributor owned by Lorimar Productions. Unlike the network's earlier deal with CBS/Broadcast Group Worldwide, the programing comes without advertising.

SAO PAULO—Interpublic Group of Cos. is merging two of its subsidiary agencies here by having Lintas:SSC&B Brasil buy out Proeme Campbell-Ewald for an undisclosed sum. Both agencies saw their billings drop last year, but combined billings for 1985 are expected to reach $27 million. Interpublic says the merger will not be made worldwide.

LONDON—Rupert Murdoch is about to launch a British version of *Elle*, the weekly French fashion magazine, in a joint venture with *Elle* publisher Hachette. Last year the joint venture brought *Elle* to the U.S.

MADRID—Spain's leading newspaper, *El Pais*, has acquired a 25% stake in the country's largest radio network, SER, for an un-

(Continued on Page 46)

Money-losing accounts dog ad agencies

By STEWART ALTER

Unprofitable accounts seem to be a way of life for small and medium-size ad agencies.

Almost half the accounts, representing more than 25% of the billings, of a sample of 102 small and medium-size agencies were unprofitable last year, says a Los Angeles company that provides computerized cost-accounting services to ad agencies.

And that's been the way the agency business has been for at least the last decade, adds BCS/Profit Index Systems. The 18-year-old company also authors the American Assn. of Advertising Agencies' "Cost Accounting Manual."

Looking at its own client list of 102 agencies, representing $1.4 billion in total billings, BCS/PIS found that 44% of the accounts last year fell into the money-losing category. Those 1,921 accounts represented 26.3% of those shops' billings.

The size of the accounts ranged from $7 million to $240 million.

"Those loss accounts generated 25% of total gross income but accounted for 40% of total operating costs, and 46% of total direct hours," said BCS/PIS vp H.E. McDonald.

The loss accounts brought in an average gross income of $25 an hour for those agencies. That rate is "about what an apprentice plumber or a very mediocre cocktail lounge piano player gets these days—it's a hell of a business bargain to these advertisers," Mr. McDonald said.

Profitable accounts, which made up 75% of the business, generated an average gross income of $61 an hour. Both the profitable and unprofitable accounts required about the same amount of service, valued at about $40 per hour.

That indicates agencies were not putting less expensive talent on loss accounts, Mr. McDonald said.

This pattern has not changed much in recent years *(see accompanying chart)*.

Industry reaction was mixed concerning whether that 44% figure for loss accounts was surpris-

(Continued on Page 74)

Profitable vs. unprofitable accounts

The high level of unprofitable accounts at advertising agencies has remained relatively constant since 1976. *Source: BCS/Profit Index Systems, Inc.*

	1983-84 (102 agencies)		1981-82 (92 agencies)		1976-77 (51 agencies)	
Category	Profitable Accounts	Loss Accounts	Profitable Accounts	Loss Accounts	Profitable Accounts	Loss Accounts
Gross income ($)	156,724,305	55,927,399	71,502,000	26,954,000	40,956,000	15,866,000
Per cent of total gross income (%)	73.7	26.3	72.6	27.4	72.1	27.9
Operating profit (loss) ($)	53,705,313	(31,476,485)	27,291,000	(14,825,000)	13,095,000	(7,182,000)
Total accounts	2,463	1,921	1,043	853	956	773
Per cent of total accounts (%)	56.2	43.8	54.9	45.1	55.3	44.7
Total direct hours	2,587,254	2,231,352	1,309,000	1,122,000	1,228,000	1,013,000
Per cent of total direct hours (%)	53.5	46.5	53.8	46.2	54.8	45.2
Gross income per hour ($)	61.05	25.06	54.62	24.02	33.35	15.65
Total cost per hour ($)	40.12	39.17	33.77	37.23	22.69	22.74

Ayer gets confidence boost from AT&T

Shootout victory is worth $55M

By STEWART ALTER

New York—When N W Ayer won the AT&T Consumer Products account Feb. 11, the agency won more than a $55 million account.

Ayer won an important vote of confidence, one that Louis Hagopian, chairman-ceo of Ayer, called a "sweet victory."

For with the divestiture of AT&T, agencies such as Ogilvy & Mather Worldwide, McCann-Erickson Worldwide and Young & Rubicam have taken away portions of the AT&T business at Ayer, which has been the main AT&T agency since 1908.

To many, the perception had been that the new, competitive environment was eroding the AT&T-Ayer relationship, even though Ayer still handled such large and growing portions of the business as corporate and domestic long distance.

"We had four creative teams working on this. This was very serious for us. We know this business and we wanted to demonstrate that we know this business," Mr. Hagopian said.

Each of the agencies presented for 2½ hours—Foote, Cone & Belding on the morning of Feb. 7, D'Arcy MacManus Masius that afternoon, and Ayer on the morning of the next day—to a group of 13 AT&T executives at AT&T Information Systems headquarters in Parsippany, N.J.

Each agency handled a portion of the residential consumer-products account and was shooting for the whole consolidated package (AA, Dec. 31).

"All three groups presented full campaigns," said Lee Blitch, AT&T advertising manager for consumer products. He said that only rough storyboards were presented. However, the campaign will be ready to go in mid-April when it will debut on the CBS-TV miniseries "Space." AT&T also will break a new corporate ad campaign at that time (AA, Feb. 4).

Mr. Blitch would not specify what the theme would be other than to say it would focus on the "high quality" of AT&T products. He did indicate, however, that there would be a "common look" to the three products lines for the first time.

"We have been searching for a common look since divestiture," he said.

In fact, AT&T has been working on a new common theme line for all of its companies.

"It's safe to say we're 90% of the way there," said David Shaver, AT&T corporate advertising manager. "We're not ready to discuss what the line is, or how widespread its use will be."

Mr. Shaver said DMM will retain the agency of record media-buying assignment it picked up a few months ago as part of a realignment of media-buying assignments (AA, Dec. 10).

But for DMM, which had handled the biggest portion of the consumer-products account (residential phone leasing), that seems like cold comfort. The loss of the AT&T business is a setback to that agency's plan to build its office here. Billings had been at the $115 million-to-$120 million range, and now will drop below the $100 million mark.#

Direct Marketing moves

Beginning with the issue of Monday, Feb. 25, the Direct Marketing news section will shift to the Monday issues from Advertising Age *Thursday*.#

CORRECTIONS & CLARIFICATIONS

- The correct newspaper linage for the *Boulder* (Colo.) *Daily Camera* is 2,406,212.0, 1984; 2,107,809.3, 1983 (AA, Feb. 4, P. 52).
- Northstar Advertising is not the agency of record for Warteck nonalcoholic beer (AA, Jan. 31, P. 28). The account is unassigned. Also, the product has been brewed only since 1975.
- Waylon Co., St. Louis, is handling the "Head for the mountains" telemarketing promotion for Anheuser-Busch (AA, Feb. 4, P. 8).
- The Washington Post Co. netted $6 million from selling part of its stake in four SportsChannel ventures to CBS Inc. and Rainbow Program Enterprises, not $25 million as reported (AA, Feb. 4, P. 46). The sale price was $25 million.
- Yardley of London is a unit of Beecham Cosmetics, Chicago, not Beecham Products Co., Pittsburgh (AA, Feb. 4, P. 55).

  Both are divisions of Beecham PLC, London.
- Among the magazines in which a Jag Beverly Hills ad appeared was *Harper's Bazaar*, not *Harper's* (Global Gallery, AA, Feb. 7, P. 11).
- An On the Move item (AA, Feb. 11, P. 50) erroneously lists Bill Lau, DYR, Hong Kong, as general manager. His title will be deputy managing director. The replacement for John Price is to be named at the end of this month.
- Adolph Coors Co., Golden, Colo., shipped 13.2 million bbls. in 1984, a 4% decrease from the 13.7 million bbls. shipped in 1983. Previously, the 1984 total was incorrectly reported (AA, Feb. 11, P. 84).

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Old name, new partner add up to new Nova

By JESSE SNYDER

CHICAGO—The best Japanese car for midwesterners is one built in the U.S., according to Chevrolet marketers.

So the GM-Toyota joint-venture car will make its debut June 13 in 25 midwestern states as the Chevrolet Nova. It was displayed at the Chicago Auto Show last week to test the waters in a key market.

The revival of the old Chevy compact nameplate and the central U.S. introduction are part of a long-range Chevrolet drive to capture 20% of the total U.S. new car market. And being U.S.-built carries more weight in the Midwest, where the domestic auto industry is concentrated, according to Chevrolet executives.

"Unless we can sell a million small cars [Cavalier and smaller], we aren't going to make that 20%," said Robert Burger, Chevy general manager.

With Chevy's Japanese-built Spectrum and Sprint confined to coastal markets because of small import quotas, Chevrolet will launch Nova in the middle of this year with a planned 40,000 units. National distribution will come in 1986, when production hits 125,000, in a slow buildup to full 240,000 annual capacity.

Nova will be priced between $6,300 and $7,000, pitting it against well equipped Japanese imports. Sprint is the price leader at around $5,000, while Spectrum, at slightly more than $6,000, is aimed at the Chevette segment. The venerable Chevette will hang around a year or more because Chevrolet needs the small-car volume.

Nova ads for an early June break in major central markets still are being formulated by Campbell-Ewald, Warren, Mich.

They will probably key on the Japanese design of the car and the U.S. worker-Japanese management setup at New United Motors Mfg., said Thomas Staudt, Chevy general marketing manager.

Public perception of the joint venture has mellowed from an initial feeling that GM was admitting it couldn't compete with the Japanese, he said.

Nova will be differentiated from the Toyota Corolla design on which it is based by content, he said. But Nova will not get a heavy promotional budget, Mr. Staudt added.

As the market volume leader, Chevy must concentrate advertising on its "core products," like Cavalier and Celebrity, for volume and on hotly contested markets like small trucks, he said.

That leaves Nova with no more than "a fair share" even for introduction.

Mr. Burger not only has to worry about foreign small-car competition, but the new General Motors Saturn Corp. small car. Saturn is "almost as much of a competitor as if Ford had launched a new car," he said.

Ford division was showing off a new "concept" minicar called the Urby, for urban commuter car. It's three inches higher and two inches shorter than the subcompact Escort. There are no immediate plans for production.

Ford is planning an on-demand four-wheel-drive option for its Tempo-Topaz compacts. It will come in model year 1986 or 1987.

Pontiac also is looking at 4wd for its Sunbird J-cars. In addition, Pontiac will decide soon whether to go ahead with a minivan based on a car platform.#

Agencies

(Continued from Page 3)

ingly high.

"That's not a surprising figure for a small or medium-size agency. That probably would have been us four years ago," said Arthur Root III, president at Root & Associates, a $10 million shop in Baton Rouge, La.

Mr. Root's agency has begun doing profit analysis on an account basis and negotiating fees with clients.

"I was surprised when I first saw that figure because that is not our experience," said Daniel Gaby, president at Keyes Martin, a $39 million agency in Springfield, N.J.

Robert Schneider also was surprised. "If that's true, how do they stay in business?" asked the president of Schneider Parker Jakuc, a Boston-based shop with $30 million in billings.

Mr. Schneider's agency has developed its own proprietary software for cost accounting. Nonetheless, he noted, "I never feel as if I've mastered profitability. At any time, an account can turn unprofitable either because it's overstaffed or the wrong people are on it or it has for one reason or another cut back in billings and the agency has not responded."

Mr. Gaby, like all the agency principals interviewed, found clients generally receptive to negotiating a fee when their accounts start turning unprofitable.

"If we make a businesslike case for the need, more often than not they are sympathetic," he said.

Mr. Gaby also observed that the situation was far from "cut and dried." An existing account, for example, may turn unprofitable in the middle of the year, at which point the budget is fixed and there is little the client can do to rectify the situation until the next year.

The problem is not limited to small shops, said John Connors, president at Hill, Holliday, Connors, Cosmopulos, Boston.

"It has nothing to do with the size of the account or the agency," said Mr. Connors, whose shop has just topped the $200 million mark in billings. "Essentially, this is a business managed by account service people and creative people and not financial types. Secondly, people don't spend enough money (cost-accounting) in this business."

The unusual compensation system at Mr. Connors' agency reportedly has made it one of the more profitable shops in the industry. HHCC, realizing it could not make much money on 15% commission as a small agency, 14 years ago began charging clients on an hourly basis linked to employe salaries. About 60% of its clients now compensate it on that basis.

"We can never make a killing from sudden client billings growth, but we can always have reasonable profit," said Mr. Connors, whose agency's good profit margins have allowed it to invest for growth both with overseas offices and top talent.#

The Newspaper of Record in Japan–Asahi Shimbun

When Somebody Wants to Say Something, His Reference Is the Asahi Shimbun. The Figures Below Speak for Themselves.

The majority of opinion leaders are Asahi Shimbun readers. To determine which of the daily newspapers was the main source of daily information for Japan's opinion leaders, a research organization conducted a survey in 1983 of members of the Diet, government officials, and the academic community. The results revealed how far ahead of its rivals the opinion leaders placed the Asahi Shimbun.

Percentage

	ASAHI	Mainichi	Yomiuri	Nihon Keizai
Diet Members (Sample: 492)	**84.1**	60.2	69.5	59.1
Government officials (Sample: 173)	**82.1**	27.2	26.0	42.8
Professors of colleges and universities in the Tokyo metropolitan area (Sample: 1,490)	**80.3**	28.9	24.4	20.3

Note: Multiple answers are indicated above. (Source: The Marketing Research Associates, June, 1983)

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Tokyo 104, Japan
Represented in the United States of America by Powers International, Inc., 551 Fifth Avenue, New York, N.Y. 10176. Tel.: (212) 867-9580
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ASAHI EVENING NEWS
Asahi Shimbun's Sister Newspaper in the English Language

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

February

Art & antiques

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Artist	66.3	66.9	134.7	113.8
Antiques	103.3	112.4	321.5	319.7
Antique Monthly	25.4	27.5	25.4	27.5
Art in America (11X)	90.6	142.9	176.1	243.9
Southwest Art	74.3	74.0	143.8	149.3
Total Group	**359.9**	**423.7**	**801.5**	**854.2**
% change		**-15.1%**		**-6.2%**

Auto/cycle/rec. vehicles

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Car & Driver	82.4	62.3	193.0	122.5
Car Collector & Car Classics	22.0	21.1	43.0	41.1
Car Craft	50.7	48.2	97.6	85.2
Cycle	35.4	44.3	67.7	68.2
Cycle Guide (11X)	33.1	35.0	54.3	58.4
Cycle World	34.2	46.8	73.3	73.0
Dune Buggies & Hot VWs	79.7	76.6	155.8	157.5
Family Motor Coaching	135.1	129.3	311.8	283.6
4 Wheel & Off-Road	65.2	54.4	119.4	96.7
Four Wheeler	81.1	65.1	151.4	113.3
Hot Rod	49.1	37.7	80.9	68.3
Motorcyclist	24.4	31.7	41.3	46.5
Motor Trend	63.5	46.0	118.7	87.6
Motorhome Life	81.9	79.8	176.6	153.3
Pick-Ups & Minitrucks	31.1	25.0	48.4	38.1
Road & Track	87.7	72.0	188.4	145.3
3 Wheeling	49.0	20.5	95.6	45.9
Trailer Life	111.8	109.9	219.6	216.1
Total Group	**1,117.4**	**1,005.7**	**2,236.8**	**1,900.6**
% change		**+11.1%**		**+17.7%**

Boating & yachting

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Boating	163.2	141.3	309.0	291.5
Chesapeake Bay	30.0	29.1	56.1	56.4
Cruising World	123.9	119.5	248.3	261.6
Lakeland Boating	65.6	55.2	126.2	101.7
Motor Boating & Sailing	233.7	216.8	448.7	388.1
Sail	157.9	144.9	276.5	269.5
Sea	55.9	58.3	105.0	112.7
Small Boat Journal (6X)	42.0	42.6	42.0	42.6
Trailer Boats	36.0	34.3	65.5	60.6
Western Boatman (6X)	—	—	54.1	39.3
Yachting	173.1	166.1	389.5	370.6
Total Group	**1,081.3**	**1,008.1**	**2,120.9**	**1,994.6**
% change		**+7.3%**		**+6.3%**

Canadian

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
L'Actualite	37.3	42.5	64.0	81.5
Chatelaine:				
English Edition A.	92.1	90.6	152.9	153.3
French Edition	81.0	75.2	124.5	130.4
Equinox (6X)	—	—	19.8	29.8
Financial Post Magazine A.	26.8	41.4	56.8	65.3
Flare A.	50.5	—	87.9	55.2
Homemaker's Magazine (10X)	65.0	86.9	65.0	86.9
Madam Au Foyer (10X)	56.5	71.5	56.5	71.5
Macleans (52X) A.	102.7	104.6	178.0	182.9
Montreal Calendar	16.5	19.0	35.8	42.0
Montreal Ce Mois Ci	16.0	24.0	35.8	47.0
Reader's Digest:				
Canadian-English A.	64.3	66.1	121.1	123.3
Canadian-French A.	53.0	58.1	94.0	107.6
Toronto Life	52.5	61.2	107.4	111.9
Vancouver	44.7	49.3	44.7	49.3
Total Group	**758.9**	**790.4**	**1,244.2**	**1,337.9**
% change		**-4.0%**		**-7.0%**

Civic/fraternal

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Legion	36.3	33.7	65.0	65.1
Elks Magazine (10X)	25.8	28.1	51.3	63.0
Kiwanis Magazine	14.5	13.5	28.1	26.8
Lion (10X)	4.8	11.6	11.5	17.6
Moose Magazine	24.0	24.0	24.0	24.0
Rotarian	13.5	18.9	27.1	36.0
V.F.W. (11X)	29.0	34.0	52.9	63.9
Total Group	**147.9**	**163.8**	**259.9**	**296.4**
% change		**-9.7%**		**-12.3%**

Comics

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Archie Comic Group (6X)	10.0	10.0	10.0	10.0
DC Comics	6.5	9.0	15.5	18.0
Marvel Comics Group	9.5	10.0	18.5	20.0
Total Group	**26.0**	**29.0**	**44.0**	**48.0**
% change		**-10.3%**		**-8.3%**

General

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Health (10X)	—	—	42.3	54.0
American West (6X)	—	—	25.5	22.5
The Atlantic A.	36.6	30.4	73.3	59.9
Audubon Magazine (6X)	—	—	30.9	23.6
Bon Appetit A.	90.2	81.9	146.4	131.7
Changing Times	33.4	40.8	68.8	88.3
Connoisseur	37.7	34.4	79.8	63.8
Ebony	93.3	81.6	157.2	136.1
Fifty Plus	35.2	37.8	69.5	52.7
Food & Wine	40.7	34.5	75.2	67.7
Games	18.9	17.7	35.8	45.0
Geo	26.4	33.2	49.2	70.6
Gourmet	82.2	71.5	152.9	112.4
Harper's Magazine A.	23.6	17.4	50.8	45.8
Home Entertainment (8X)	38.3	34.0	38.3	34.0
Life	38.5	27.9	116.3	112.3
Modern Maturity (6X)	—	—	43.8	25.2
Money	109.3	112.6	204.7	193.7
Mother Earth News (6X)	—	—	53.0	62.7
Mother Jones (10X)	16.7	18.2	29.0	34.9
National Geographic	22.5	13.4	37.3	30.7
Prevention	66.8	79.3	131.4	148.2
Psychology Today	27.7	20.7	54.5	43.0
Reader's Digest A.	65.1	91.7	121.5	153.7
Signature	59.2	54.7	98.3	96.2
Smithsonian	87.6	90.4	154.6	156.9
Success	22.9	33.1	53.0	66.7
Town & Country	115.1	131.1	202.0	196.8
Travel/Holiday	46.0	52.0	83.3	87.1
Travel & Leisure	125.9	109.3	185.6	171.5
Vanity Fair	27.3	22.0	55.5	47.3
Video	78.0	65.2	156.2	140.0
Video Review	51.7	56.7	115.1	118.3
Writers Digest	21.2	25.4	44.7	48.8
Yankee	70.3	80.9	141.7	181.9
Total Group	**1,608.3**	**1,599.8**	**3,177.4**	**3,124.0**
% change		**+0.5%**		**+1.7%**

Home

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Americana (6X)	—	—	40.3	34.5
Architectural Digest A.	107.8	93.6	183.5	167.2
Better Homes & Gardens	104.7	96.0	169.9	169.6
Colonial Homes (6X)	—	—	46.2	49.5
Country Journal	34.7	47.3	67.0	98.2
Country Living	63.1	58.4	119.8	108.0
Dallas/Ft. Worth				
Home & Garden	55.7	52.7	110.4	105.3
Family Handyman (10X) A.	57.0	63.6	118.6	125.3
Flower & Garden (6X)	47.3	60.4	47.3	60.4
Home	54.8	43.3	98.5	78.2
The Homeowner (10X)	—	—	32.5	24.5
Horticulture	28.0	21.8	69.0	41.8
House Beautiful	58.4	69.0	116.8	129.5
House & Garden	81.0	73.2	148.9	118.4
Houston Home/Garden	83.3	80.2	165.0	152.9
Metropolitan Home	80.4	57.2	118.7	104.7
New Shelter (9X)	74.3	46.6	126.0	101.7
1001 Home Ideas	33.9	25.8	33.9	25.8
Organic Gardening	70.5	91.6	140.2	183.4
Phoenix Home/Garden	67.5	58.8	130.0	114.8
San Diego Home/Garden	63.7	63.2	120.7	118.7
Southern Accents (6X)	—	—	73.5	49.0
Southern Living	110.1	116.6	190.1	195.3
Sunset Magazine A.	124.4	131.1	208.6	199.8
Texas Homes	59.3	58.1	153.5	152.3
Workbench (6X)	—	—	64.3	68.0
Total Group	**1,459.9**	**1,408.5**	**2,893.2**	**2,776.8**
% change		**+3.7%**		**+4.2%**

In-flight & other passenger

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Alaska Airlines	45.3	43.6	83.9	79.1
American Way	108.7	110.1	195.2	201.8
East/West Network:				
Eastern Review	106.5	122.7	190.7	232.4
Northwest Orient	35.2	36.3	69.3	64.0
Ozark	30.2	45.2	64.5	8.2
PSA Magazine	68.3	87.0	134.3	165.2
Pan Am Clipper	48.7	55.5	103.7	95.7
Republic Scene	36.0	57.2	79.2	108.7
United	75.7	102.8	154.4	194.1
Southwest	—	87.9	—	162.2
USAir	39.7	61.5	80.2	111.5
Western's World	46.7	67.2	91.0	117.9
Halsey Publications:				
Air Cal	54.5	48.3	93.8	86.3
Delta Sky	71.5	75.3	127.8	147.1
Frontier	27.2	29.4	53.5	69.1
Skylite	18.3	20.0	47.0	39.0
Hawaii	23.8	22.2	47.5	44.4
Pace (6X)	29.8	77.8	82.2	77.8
Spirit of Aloha	23.7	20.9	47.3	41.8
Total Group	**889.8**	**1,170.9**	**1,746.1**	**2,046.3**
% change		**-24.0%**		**-14.7%**

Men's

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Esquire A.	57.8	53.2	101.5	98.0
Firehouse Magazine	32.0	26.0	77.3	67.6
Gentlemen's Quarterly A.	107.8	117.3	166.3	182.7
Penthouse A.	30.5	43.4	82.4	93.5
Playboy A.	51.5	39.4	145.4	132.6
Total Group	**279.6**	**279.4**	**573.0**	**574.5**
% change		**+0.1%**		**-0.3%**

Metropolitan

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Aloha (6X)	—	—	28.2	25.2
Atlanta	35.6	61.3	86.2	88.7
Baltimore	82.2	55.4	140.7	100.2
Boston	141.2	112.8	288.0	229.5
California	67.9	50.2	123.7	83.8
Charlotte (10X)	—	—	25.0	16.0
Chicago	101.6	93.4	201.8	216.4
Chicago's North Shore	68.4	77.4	149.5	149.9
Cincinnati	55.7	40.7	112.1	87.7
Cleveland	100.4	86.0	174.6	135.9
Coast (38X)	80.6	76.6	151.0	153.6
Columbus Monthly	47.4	48.0	123.0	98.7
Commonwealth	24.1	25.5	84.4	75.5
Connecticut	70.5	75.4	159.6	146.9
Country Magazine	37.5	29.7	66.3	53.0
D/Magazine, Dallas/Ft. Worth	98.4	98.7	214.4	186.4
Denver	34.7	22.0	53.2	36.3
Exclusively Yours,				
Wisconsin (15X)	42.0	54.3	81.9	108.3
Grand Rapids	33.3	34.7	69.3	70.0
Gulfshore Life (10X)	89.6	104.0	149.6	202.0
Honolulu	44.1	56.8	123.2	108.1
Houston City	48.6	74.2	120.6	127.8
Indianapolis	29.3	46.0	61.7	132.0
Kansas City	35.1	40.1	66.5	71.7
Los Angeles	141.5	167.0	285.0	317.0
Louisiana Life (6X)	—	—	70.3	59.4
Madison	44.0	42.0	124.0	103.0
Metropolitan Detroit	51.0	—	127.5	—
Miami Mensual	46.0	41.5	86.5	76.5
Miami/South Florida	85.5	82.6	185.0	174.0
Milwaukee	64.9	31.0	119.2	57.9
Minneapolis/St. Paul	83.4	84.4	195.4	141.2
Monthly Detroit	32.8	39.9	80.7	61.8
New Jersey Monthly	56.0	52.6	110.8	95.1
New Mexico	35.3	34.0	93.8	75.0
Ohio	52.5	39.1	105.3	76.3
Oregon	30.3	—	48.5	30.6
Orlando	90.3	81.0	188.3	155.0
Palm Beach Life	122.3	119.6	240.4	227.7
Palm Springs Life	154.5	146.8	331.0	318.2
Philadelphia	128.2	130.4	230.2	213.2
Phoenix	118.9	81.0	236.1	174.3
Pittsburgh	49.2	61.7	97.9	104.9
St. Louis	55.5	55.0	108.5	96.0
San Diego	124.8	102.7	288.6	223.8
San Francisco	73.7	58.4	171.2	106.2
San Francisco Focus	70.7	41.2	145.4	76.7
Texas Monthly	86.0	95.8	177.7	177.0
Twin Cities	38.6	46.7	94.9	93.3
Ultra	61.8	72.9	115.3	134.6
The Virginian	—	—	58.0	40.0
Washington Dossier	47.0	45.0	108.8	83.8
The Washingtonian	145.0	137.0	292.0	246.0
Total Group	**3,457.9**	**3,252.5**	**7,370.8**	**6,442.1**
% change		**+6.3%**		**+14.4%**

Movie/romance/radio/tv

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Macfadden's Women's Group:				
Modern Romances	20.5	35.0	37.1	49.0
Secrets	20.5	35.0	37.1	49.0
True Confessions	20.5	35.0	37.1	49.0
True Experience	20.5	35.0	37.1	49.0
True Love	20.5	35.0	37.1	49.0
True Romance	20.5	35.0	37.1	49.0
Sterling Women's Group:				
Daytime TV	28.5	27.5	57.0	54.0
Modern Screen	12.0	20.5	12.0	20.5
Movie Mirror (6X)	20.5	20.5	20.5	41.0
Soap Opera Stars	17.5	20.5	17.5	40.0
TV Movie Screen (6X)	6.0	—	6.0	—
TV Picture Life (6X)	6.0	20.5	6.0	41.0
Teen Bag (6X)	—	—	7.4	—
Total Group	**213.5**	**319.5**	**349.0**	**490.5**
% change		**-33.2%**		**-28.8%**

Music/entertainment

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Film (10X)	—	—	34.2	40.3
Audio	68.4	59.3	173.9	121.9
Circus Magazine	47.3	30.8	92.3	66.3
Dance Magazine	62.9	70.0	120.0	130.3
Musician	64.5	66.7	113.2	122.7
Playbill	48.8	45.2	92.4	92.4
Record	18.6	16.8	33.7	37.2
Stereo Review	34.9	40.2	82.1	82.5
Total Group	**345.4**	**329.0**	**741.8**	**693.6**
% change		**+5.0%**		**+6.9%**

National Sunday magazines

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Family Weekly A.	47.2	48.4	104.4	119.9
Parade	45.8	76.5	92.9	155.8
Total Group	**93.0**	**124.9**	**197.3**	**275.7**
% change		**-25.5%**		**-28.4%**

Outdoor & sport

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Alaska	53.6	37.4	95.5	72.2
The American Handgunner (6X)	—	—	33.0	35.0
American Hunter	19.9	16.1	35.1	30.8
American Rifleman	24.3	24.9	51.0	51.1
Backpacker (6X)	—	—	25.3	31.2
Bass Master (8X) A.	80.1	52.9	127.5	97.1
Bicycling (9X)	—	—	80.7	92.9
Field & Stream	90.8	83.4	145.1	136.1
Fins & Feathers A.	57.3	62.1	85.0	93.2
Fishing World (6X)	—	—	30.1	31.2
Florida Sportsman	152.5	97.3	242.3	172.4
Flying	38.7	37.3	78.6	69.5
Fur-Fish-Game	33.0	23.5	52.9	50.7
Golf Digest	129.7	105.2	237.2	149.1
Golf Magazine	117.0	131.7	254.5	269.4
Guns	22.0	23.0	43.0	44.0
Guns & Ammo	39.5	41.9	75.3	71.3
In-Fisherman (6X)	—	—	115.0	114.0
Muscle & Fitness	111.0	102.0	214.3	221.0
Outdoor Life	90.0	89.4	133.2	140.0
Outside Magazine	29.6	—	59.0	32.3
Petersen's Hunting	32.9	29.8	62.1	55.0
The Runner	26.5	35.4	53.5	73.2
Runner's World (13X)	31.3	35.3	63.3	89.7
Salt Water Sportsman	90.9	82.9	167.0	145.7
Shooting Times	33.5	44.0	61.4	75.3

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Includes inserts. D. Broadsheet publication. E. Three issues, 1985; four issues, 1984. F. Four issues, 1985; five issues, 1984. G. Two issues, 1985; three issues, 1984. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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February

	Current month		Year-to-date	
	1985	1984	1985	1984
Ski (8X) A.	60.4	65.0	135.9	160.1
Skiing (7X)	70.3	73.8	158.1	161.1
Skin Diver	87.0	88.0	160.5	159.9
Southern Outdoors (8X)	—	—	38.1	36.4
Sport	37.3	48.8	73.8	85.2
Sports Afield	101.4	83.9	162.4	151.5
Tennis	55.8	61.5	106.9	102.9
Western Outdoors (10X)	43.1	47.4	73.4	82.1
Total Group	**1,759.4**	**1,629.0**	**3,530.0**	**3,382.6**
% change		**+8.0%**		**+4.4%**

— Photography —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Photographer	27.2	33.3	72.9	71.6
Petersen's Photographic	25.7	31.0	49.6	60.7
Popular Photography	82.7	94.6	171.9	184.7
Total Group	**135.6**	**158.9**	**294.4**	**317.0**
% change		**−14.7%**		**−7.1%**

— Religious —

	Current month		Year-to-date	
	1985	1984	1985	1984
BBI Jewish Monthly (10X)	26.8	22.0	43.0	40.2
Christian Herald	36.0	34.5	69.3	66.7
Christian Life	21.3	27.2	46.2	51.2
Christianity Today	91.0	74.8	138.2	115.0
Inside (4X)	—	—	—	—
Moody Monthly	52.8	53.8	103.5	97.2
Today's Christian Woman (6X)	—	—	39.7	24.2
Total Group	**227.9**	**212.3**	**439.9**	**394.5**
% change		**+7.3%**		**+11.5%**

— Science/electronic/mechanic —

	Current month		Year-to-date	
	1985	1984	1985	1984
Compute	54.5	92.7	122.7	204.8
Computers & Electronics	44.3	49.4	75.6	101.4
Creative Computing	84.8	132.5	191.3	291.2
Discover	37.4	49.6	68.1	77.8
Family Computing	49.3	55.0	111.8	118.0
Info World	160.0	226.0	282.0	411.0
Mechanix Illustrated	58.8	62.4	118.0	113.7
Omni	54.9	50.4	101.4	105.8
Natural History	42.1	47.8	83.6	92.2
Personal Computing	133.8	174.9	288.2	351.1
Popular Mechanics	86.7	90.2	169.0	169.9
Popular Science	67.9	74.5	117.6	152.9
Science Digest	28.6	28.7	61.3	52.6
Science 85 (10X)	—	—	36.9	40.8
Scientific American	40.0	51.7	86.4	114.5
Spectrum	93.5	73.5	207.4	168.2
Total Group	**1,036.6**	**1,259.3**	**2,121.3**	**2,565.9**
% change		**−17.7%**		**−17.3%**

— Women/fashion/service —

	Current month		Year-to-date	
	1985	1984	1985	1984
Bride's Magazine (6X) A.	—	—	519.9	517.1
Cosmopolitan A.	166.9	183.5	304.7	334.9
Essence	64.9	85.8	142.9	145.2
Family Circle A.	189.5	105.0	287.4	343.4
Glamour	131.5	133.5	229.1	230.1
Good Housekeeping A.	98.7	108.6	98.7	108.6
Harper's Bazaar	127.6	131.4	211.7	207.5
Health	41.0	36.9	73.0	66.9
Ladies' Home Journal	111.8	96.6	186.8	189.8
Ladycom (10X)	46.0	51.0	72.5	80.5
Lady's Circle	—	—	—	—
Mademoiselle	112.0	133.2	168.8	205.3
McCall's	95.3	93.2	168.4	160.7
Modern Bride (6X)	—	—	488.5	413.8
Ms.	36.3	45.1	85.4	75.2
New Woman	49.0	46.3	82.6	82.2
Parents Magazine A.	91.3	72.4	158.1	125.9
Playgirl	28.0	35.0	51.0	60.0
Redbook	101.6	85.3	170.7	157.0
Self	82.7	78.8	138.9	138.1
Seventeen	97.8	74.7	152.8	140.5
Shape	65.5	51.0	116.5	103.0
Soap Opera Digest	25.0	25.6	48.2	48.9
'Teen Magazine	34.8	39.3	64.0	65.7
True Story A.	56.2	72.0	85.0	100.0
Vogue	262.9	263.6	404.0	383.3
W Magazine	154.9	139.2	222.2	224.4
Weight Watchers	28.7	36.0	48.3	61.4
Woman's Day A.	102.8	94.3	166.8	167.4
The Workbasket (10X)	51.1	46.1	89.4	88.8
Working Mother	73.1	67.9	133.5	122.0
Working Woman	84.1	82.2	157.6	146.6
Total Group	**2,611.0**	**2,508.5**	**5,327.4**	**5,294.2**
% change		**+4.1%**		**+0.8%**

— Youth —

	Current month		Year-to-date	
	1985	1984	1985	1984
Boys' Life	22.3	22.6	38.8	38.7
Campus Life	38.5	38.1	107.1	91.1
Total Group	**60.8**	**60.7**	**145.9**	**129.8**
% change		**+0.2%**		**+12.4%**

January

— Business —

	Pages	
	Jan 1985	Jan 1984
Arizona Business Gazette (52X) D.	27.6	15.9
Atlanta Bus. Chronicle (52X)	42.2	30.6
Austin Business Journal (52X)	41.5	—
Barron's (52X) F.	168.1	200.1
Black Enterprise	41.6	28.0
Boston Business Journal	111.0	86.4
Business Atlanta	47.0	53.0
Business Week (52X) A.	242.0	252.6
California Business	70.3	67.9
Capital District Bus. Review	44.4	45.9
Corporate Report/Kansas City	58.7	85.4
Corporate Report/Minnesota	74.9	79.5
Crain's Chicago Bus. (52X)	117.3	114.4
Crain's Cleveland Bus.	61.8	54.6
Dallas/Ft. Worth Bus. (52X)	41.2	35.7
Dun's Business Month	40.3	60.6
Financial World (24X)	22.8	30.8
Florida Trend (13X)	102.6	91.7
Forbes (28X) G.	202.7	261.6
Fortune (26X) A.	147.3	176.0
Frequent Flyer	45.5	32.4
Futures	49.5	51.0
Hawaii Business	40.9	36.8
High Technology	33.2	18.5
Houston Bus. Journal (52X)	101.8	127.6
Inc. Magazine A.	67.2	100.3
Income Opportunities (10X)	515.3	505.0
Industry Week (26X) A.	64.9	77.9
Indianapolis Business Journal C.	102.4	105.1
Milwaukee Business Journal	81.3	52.6
Minnesota Business Journal	43.3	43.2
Nation's Business A.	48.3	40.0
New England Business (20X) B.	47.0	41.7
New Orleans Citibusiness	81.4	70.4
Pacific Business News (52X)	79.1	86.6
Philadelphia Bus. Journal	84.4	79.0
Pittsburgh Bus. Times (52X) C.	73.3	52.0
Savvy	33.5	34.2
St. Louis Business Journal C.	98.2	130.1
South Florida Business Journal	79.3	49.2
Texas Business	51.8	58.5
Sylvia Porter's Personal Finance Magazine	35.0	29.0
Venture	46.5	57.3
Total Group	**3,608.4**	**3,621.1**
% change		**−0.4%**

— Newspaper Sunday magazines[a] —

	Pages	
	Jan 1985	Jan 1984
Arizona Republic	40.4	60.9
Boston Globe	166.0	147.0
California Living	21.4	40.2
Chicago Tribune	56.5	58.1
Cincinnati Enquirer	37.3	62.5
Cleveland Plain Dealer	26.3	30.5
Columbus Dispatch	20.4	28.7
Denver Post	104.0	100.0
Detroit News	53.0	66.0
L.A. Times Home Magazine	58.5	89.4
Louisville Courier-Journal	56.5	51.8
Miami Herald	34.5	42.7
New York News	—	—
New York Times Magazine	196.2	204.4
Philadelphia Inquirer	33.5	54.3
Toledo Blade Magazine	22.8	35.6
Washington Post	55.4	71.7
Total Group	**982.7**	**1,143.8**
% change		**−14.1%**

— Weeklies/bi-weeklies —

	Pages	
	Jan. 1985	Jan. 1984
The Advocate (25X)	70.1	118.9
Army Times Military Group:		
Air Force Times (52X)	130.3	125.0
Army Times (52X)	125.4	121.4
Navy Times (52X)	139.0	137.6
The Times Magazine	3.9	6.8
The Blood-Horse (52X)	518.6	671.6
Capper's Weekly (26X)	41.0	38.9
Commonweal (22X)	9.5	7.9
Golf World (43X)	82.2	66.5
Grit (52X) A.	28.7	36.9
National Journal	44.0	26.0
National Review	13.8	19.0
New Republic (48X)	15.0	24.3
New York Magazine (50X)	152.0	145.0
New Yorker (52X)	163.7	204.5
Newsweek (52X) A.	147.4	205.5
People (52X)	201.7	184.6
Rolling Stone (25X)	54.8	67.7
Sporting News (52X)	25.4	35.9
Sports Illustrated (52X) A.	172.7	154.5
Time (52X) A.	169.2	177.1
Travelhost (52X) C.	261.6	259.5
TV Guide (52X) A.	328.1	326.6
Us Magazine (26X)	38.5	48.5
U.S. News & World Report (52X) A., E.	88.9	96.9
Total Group	**5,379.9**	**5,642.6**
% change		**−4.7%**

— Foreign —

	Pages	
	Jan. 1985	Jan. 1984
Good Housekeeping Foreign Editions:		
Australia	16.0	38.7
Japan	81.4	76.2
Great Britain	67.3	45.8
Geomundo:		
Central America	2.0	1.3
Chile	2.0	1.3
Colombia	4.0	1.0
Ecuador	—	1.0
Mexico	9.5	0.3
Peru	7.0	1.3
Puerto Rico	8.5	2.3
Venezuela	18.0	10.3
Hombre De Mundo:		
Central America	3.0	5.0
Chile	2.0	4.0
Colombia	2.0	4.0
Ecuador	3.0	4.0
Mexico	4.0	4.0
Peru	2.0	4.0
Puerto Rico	1.0	3.0
Venezuela	9.0	9.0
Ideas Para Su Hogar:		
Central America	—	—
Chile	—	—
Colombia	5.0	3.0
Ecuador	2.0	2.0
Mexico	5.5	1.3
Peru	—	4.5
Puerto Rico	—	—
Venezuela	6.0	8.5
Mecanica Popular:		
Argentina	2.5	5.8
Central America	7.3	9.7
Chile	3.8	3.5
Colombia	9.7	9.2
Mexico	7.8	7.3
Peru	9.3	9.7
Puerto Rico	10.2	10.7
Venezuela	10.7	10.7
The Ring en Espanol:		
Mexico	1.0	—
Puerto Rico	—	—
U.S.	3.0	1.3
Vanidades Continental:		
Central America	2.8	1.3
Chile	3.3	—
Colombia	17.7	21.0
Ecuador	9.7	3.7
Mexico	26.2	24.7
Peru	7.7	9.7
Puerto Rico	16.3	11.5
U.S.	28.7	30.5
Venezuela	24.7	16.7
Business Week Int'l.	78.3	66.4
Cosmopolitan Foreign Editions:		
Australia	44.0	47.1
Brazil	36.3	30.0
France	—	68.3
Germany	45.2	30.0
Great Britain	66.0	69.0
Greece	35.0	38.0
Holland	17.8	9.0
Italy	13.0	15.7
Japan	23.0	27.7
Cosmopolitan en Espanol:		
Central America	0.7	—
Colombia	2.7	—
Ecuador	—	—
Mexico	17.2	14.8
Peru	—	—
Puerto Rico	6.7	6.2
U.S. (Spanish language)	16.5	11.7
Venezuela	9.7	6.5
International Communications:		
African Business	15.3	13.3
New African	19.3	15.0
The Middle East	8.4	18.3
International Management:		
Africa	7.0	6.8
Europe	26.5	18.0
Latin America	7.0	3.0
Middle East	13.7	15.5
Pacific	6.0	5.7
Johnston International:		
Alam Attijarat	50.2	43.7
Ejecutivo (6X)	—	—
Modern Africa (6X)	—	—
Modern Asia (11X)	—	—
Newsweek International A.:		
Atlantic	49.7	50.1
Latin America	11.9	24.0
Pacific	40.1	45.9
Reader's Digest:		
Arabic	9.0	8.0
Asian	206.5	155.5
Australian	40.3	59.0
Belgian-Flemish	21.5	25.0
Belgian-French	25.0	20.5
British	43.8	44.6
Chinese B.	125.0	94.5
Danish	23.5	24.3
Dutch	42.5	27.0
Finnish	13.0	37.0
French	42.0	33.3
German	60.1	57.2
Greek	8.0	5.0
Iberian	5.0	5.0
Indian-English	79.5	67.0
Indian-Hindi	10.5	4.0
Italian	20.0	19.5
Japanese	48.3	23.9
Korean	25.0	24.5
Latin American:		
Argentina	16.5	15.5
Brazil	2.5	2.0
Central American	8.0	5.0
Chile	5.5	12.5
Colombia	15.0	24.0
Ecuador	8.0	6.0
Mexico	13.6	20.4
Peru	10.0	7.0
Puerto Rico	4.0	3.0
U.P.B.	6.0	2.0
U.S. Spanish	3.5	9.5
Venezuela	6.5	3.5
New Zealand	34.5	40.5
Norwegian	8.0	14.8
Portugal	14.0	15.0
South African	40.5	46.0
Swedish	8.0	27.0
Swiss-French	11.7	22.0
Swiss-German	28.8	27.6
Time International:		
Time-Asia	42.7	52.5
Time-Atlantic	41.3	38.4
Time-Canada	91.8	106.2
Time-Latin America	23.3	20.6
Time-South Pacific	79.2	54.1
Visao (52X)	100.2	116.0
Vision/Latin America (26X) A.	12.2	10.8
Total Group	**2,613.6**	**2,558.4**
% change		**+2.2%**

New items, conflicts send Pioneer on shop search

LONG BEACH, CAL.—Pioneer Electronics here is looking for a new agency as it introduces new-product lines and bolsters its car-stereo line.

The car and home audio equipment marketer is splitting with Chiat/Day, Los Angeles, its agency of 10 years (AA, Feb. 11). Sharyl Juhlin, Pioneer vp-marketing communications, who is supervising the agency search, said the change was prompted by account conflicts.

Chiat/Day handles home audio/video for Mitsubishi Electric, an estimated $3 million account (although Mitsubishi car stereo is assigned to Stiller Advertising, Costa Mesa, Cal.).

Ms. Juhlin said Pioneer expects to name a single agency to take over its $9 million account in March. She said Pioneer is talking to several agencies but would not identify them. However, other sources say Dailey & Associates; Foote, Cone & Belding, Keye/Donna/Pearlstein and Needham Harper Worldwide are among them. All are in Los Angeles.

Pioneer introduced a car security system in January, the first of several new-product lines that are in the works. Ms. Juhlin would not disclose the other new products.

The car-stereo market, in which Pioneer claims to be the top-selling brand, is facing tough times.

Car makers have stepped up sales of stereos as factory-original equipment. This has cut into sales of car stereos as accessories in the aftermarket, where Pioneer competes. The company also markets home audio equipment.#

Loden opens consultancy

NEW YORK—John Loden, a former senior vp at Ally & Gargano and marketing director at Bristol-Myers Products, has opened Loden Associates, a marketing consultancy at 1230 Park Ave., 10128.

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Monday, February 25, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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Time, Gannett buys win praise

Time heads south for winner

By STUART J. ELLIOTT

NEW YORK—Time Inc.'s move across the Mason-Dixon line to acquire Southern Progress Corp. is being described as a logical, natural step as the communications giant rediscovers its roots in magazine and book publishing.

"It sounds like they bought a fine property," said John Reidy, vp-media analyst at Drexel Burnham Lambert here, "very complementary with the properties they have. It's a fine deal for both sides."

Time Inc. surprised the media and marketing communities Feb. 21 when it disclosed the cash transaction—$395 million plus $85 million in other considerations—to acquire the Birmingham, Ala.-based Southern Progress.

Time Inc. has had "a lot of cash sitting around for a while," said Mr. Reidy. "This looks like a good place to put it."

The company, 99 years old this month, bills itself as the nation's largest regional magazine and book publisher. Among the properties of the company, which was ranked as 81st-largest in ADVERTISING AGE's annual 100 top media companies listing last June: *Creative Ideas for Living*, a national monthly with a circulation of 732,127 for the six months ending last Dec. 31; *Progressive Farmer*, a regional monthly, circulation 573,402; *Southern Living*, the company's preeminent holding, another regional monthly with a circulation of 2,253,569, and the Oxmoor House book division.

The Time-Southern Progress deal is the

(Continued on Page 62)

CBS sells off 'Family Weekly'

By WILLIAM F. GLOEDE

NEW YORK—Gannett Co.'s agreement to purchase *Family Weekly* from CBS Magazines has set off speculation as to what the new owner plans for the ailing Sunday magazine.

Industry insiders believe that, under the agreement reached Feb. 21, Roslyn, Va.-based Gannett will pay between $35 million and $50 million for *Family Weekly*, which last year earned an estimated $6 million before taxes. These insiders say CBS had asked $60 million for the weekly.

What Gannett will get—just a month after it agreed to pay $200 million for the *Des Moines Register* and other newspaper properties of Des Moines Register & Tribune Co.—is an admittedly ailing publication that CBS has been unable to turn around since its purchase in 1980, but it is a property that holds promise for a company like Gannett.

"It's kind of interesting," said John Morton, publishing analyst for Lynch, Jones & Ryan, Washington. "One wonders what's up Gannett's sleeve."

In 1984, according to Publishers Information Bureau, *Family Weekly's* ad pages fell 11.2%, to 693 from 780, as ad revenues fell 10.4%, to $87.1 million from $97.2 million. So far this year, through the Feb. 17 issue, ad pages are estimated to be down 0.2%.

Gannett has already established new networks of national advertising combinations, including its flagship *USA Today*, its 85 daily newspapers, 16 radio and six tv stations, outdoor advertising boards and the newly an-

(Continued on Page 82)

Godfather 'nice guy' in new ads

By CLEVELAND HORTON

Godfather's Pizza, the 900-outlet restaurant chain that sued an agency to guard its marketing plans, will stress the high quality and generous portions of its toppings in a new tv campaign due in early April.

It also features a sweetened image of its Godfather character.

The campaign represents the first creative from Dailey & Associates, Los Angeles, which won the $5 million creative account last June. The account took on greater importance, however, when Godfather's subsequently sued Chiat/Day for dropping out of the review to pitch Pizza Hut (AA,

(Continued on Page 80)

Last Minute News

Ferraro takes women's theme in Diet Pepsi spot

PURCHASE, N.Y.—Pepsi-Cola USA's new Diet Pepsi tv spot featuring Geraldine Ferraro (AA, Feb. 18) will show the 1984 Democratic vice-presidential candidate with her daughters, Donna and Laura Zaccaro. The spot's theme deals with women's opportunities and that "You can be anything you want to be today. . .be it a mother, a vice-presidential candidate," said a spokesman for Ms. Ferraro. The spokesman said PepsiCo told Ms. Ferraro she could "say anything she wanted to, within reason," and that she decided to use her daughters in the spot. BBDO handles Diet Pepsi. *(See Page 3 for other stories on Pepsi creative.)*

Coca-Cola may snap at Gatorade market

ATLANTA—Coca-Cola Co. is considering an entry in the high-energy isotonic soft-drink category now dominated by Stokley-Van Camp's Gatorade, industry sources believe. To date, Indianapolis-based Stokley-Van Camp has not built a strong market for Gatorade outside the Southeast and Southwest, but to build sales in the $1 billion single-strength juice-drink category Stokley parent Quaker Oats Co. plans to boost marketing support as much as 50% this year. Coca-Cola, PepsiCo and other soft-drink marketers have been eager to capitalize on increasing consumer preference for more nutritious fruit drinks and isotonics. Coca-Cola earlier tested an isotonic drink, Puma, that never was rolled out.

Bozell cashes in on Dillard account

LITTLE ROCK, ARK.—Dillard Department Stores has named Bozell & Jacobs/Southwest, Dallas, to handle its $10 million-to-$12 million broadcast account. Faulkner & Associates previously handled.

(Continued on Page 8)

Do celebrities, alcohol mix?

By STEVEN W. COLFORD

WASHINGTON—Lite beer without Marv or Rodney? Budweiser but no Leon Redbone? Paul Masson sans Citizen Kane?

Those could be only a few of the personnel losses that beer and wine advertising would suffer if a soon-to-be-released Treasury Department trial balloon on celebrities in tv and radio ads rises to its ultimate height.

See editorial on Page 18.

In posing the question of whether to extend its existing ban on active athletes to include ex-jocks as well as stars from stage, screen and music, the department's Bureau of Alcohol, Tobacco & Firearms will formulate its answer from the comments, studies, surveys and supporting data of the advertising and alcohol industries, as well as their critics.

The bureau already is girding for an onslaught of responses to its proposal, now expected by mid-March, according to agency sources who blame the latest delay on more pressing matters at the Treasury Department—the federal deficit and tax-law revision, to name a couple—as well as the need to brief newly arrived Secretary James Baker III.

The proposal also underwent some "minor" rewriting at the hands of John Walker, assistant secretary for enforcement and operations, and deputy general coun-

(Continued on Page 82)

Beatles help Mercury

Beatles music and scenes reminiscent of Beatles movies are featured in new tv spots for Lincoln-Mercury commercials that bow on the Grammy Awards telecast on CBS Tuesday night. *(See story on Page 80.)*

NEWSPAPER

AA
DC20014CONGL1 FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Like a good neighbor, State Farm is there.

State Farm's game plan

State Farm Insurance Cos., Bloomington, Ill., will try to win over sports fans—the mostly male target audience it covets—with a new set of print ads breaking next month in *Sports Illustrated.* Needham Harper Worldwide, Chicago, handles.

Fractious Mars turns from fractured DMM

By GAY JERVEY and SCOTT HUME

The shuffling of domestic agency assignments last week by M&M/Mars forebodes a new wave of agency infighting and scrambling for Mars business overseas.

Mars is already moving quickly into new foreign markets and has started quietly reassigning some brands in Europe.

The major shifts in the agency lineup at Hackettstown, N.J.-based M&M/Mars (AA, Feb. 21) are most critical to D'Arcy MacManus Masius Worldwide. Last week, DMM lost some $15 million in Mars U.S. billings to Leo Burnett USA, Chicago, and Ted Bates Advertising/New York.

In addition, DMM's London office recently lost the $5 million Mars' Marathon and Topic brand candy bars in the U.K. to Ted Bates Holdings and Allen, Brady & Marsh, respectively.

Some sources said the London reassignments were as critical to DMM as the domestic losses because London is considered critical to both Mars and the DMM worldwide operation (AA, Feb. 11). D'Arcy still handles most Mars advertising in the U.K. Its U.K. account and the international Mars business D'Arcy coordinates from London reportedly are worth as much as $60 million.

The problem is worsened by reports that other non-Mars accounts at DMM/London are also under review.

In addition to losing the Mars business last week, DMM in New York has lost about $30 million in AT&T consumer products business to N W Ayer (AA, Feb.

(Continued on Page 80)

Highlights

Top executives from major U.S. food and beverage marketers are expressing renewed commitment to their primary businesses as they plan hefty increases in 1985 ad spending. *See Page 6.*

To some in the magazine industry, Family Media seems like a salvage operator—but that's not how the company's top executive, Robert Riordan, looks at it. *See Page 10.*

Hills Bros. Coffee, hoping to recapture the glory days of its recently acquired Chase & Sanborn line, has repackaged and relaunched the brand, with ads breaking this month. *See Page 12.*

Tomsun Foods, a leading producer of branded tofu, will expand its marketing efforts with the help of two well-known names from low-calorie and health-food marketing in the 1970s. *See Page 12.*

Second and third-class mailers are more accustomed to assailing each other's postal rates as too low while battling for the affections of advertisers. But now they seem to be finding a common ground—opposition to the proposed fiscal 1986 federal budget. *See Page 14.*

INTRODUCING EVERYTHING A STATION WAGON WAS NEVER INTENDED TO BE.
The 700 Series Wagon by Volvo.

A high-class automotive marketing battle is being plotted to pit Old World cars, such as Volvo, against each other in the New World, as they all scrap for the attention of yuppie buyers. *See Page 42.*

CORPORATE CLOSEUP

The rejuvenation of Alberto-Culver Co. comes as it jumps into new-product categories—most notably the estimated $100 million women's mousse category. *See Page 4.*

FORUM

Political columnist David Broder looks back at how the media handled coverage of the '84 presidential campaign. *See Page 20.*

DIRECT MARKETING

Group W Cable will be delivering a strange message directly to its 2 million subscribers starting this month: "Let us help you hook up your vcr." *See Page 36.*

It is now illegal for private companies or individuals to deliver mail to Western Australia households that display a sign saying "Australia post article only." Households that put up the sign may be sent items only through the national postal system, and circular distributors are objecting. *See Page 39.*

INTERNATIONAL

Japanese life styles and social values are changing, and western advertisers will adapt their marketing strategies to fit the times, according to Dentsu, the world's largest advertising agency. *See Page 46.*

The Spanish government is drafting legislation to ban "misleading, unfair or irrational advertising" and ads that it deems to be either sexist or harmful to children. The bill will be presented to the Spanish cabinet in April and could be passed by Congress before the end of the year. *See Page 46.*

The Royal Canadian Mounted Police is probing the federal government's media-buying contract after allegations of political kickbacks. Media Canada Inc. won the contract, estimated to be worth $1 million to $2 million from Canadian Media Corp. *See Page 48.*

VIDEOTECH

Marvel Comics Group has been named by the Reagan administration's Young Astronaut Council to produce a tv cartoon series and comics books tied to that project, as well as to handle potential merchandising tie-ins. *See Page 54.*

Viewtron, Knight-Ridder Newspapers' struggling electronic home information service, in March will cut its monthly subscription rate by $15 to $24.95. *See Page 58.*

COMING THURSDAY

SPECIAL REPORT

Expensive, risky and time-consuming, conventional test-marketing is more challenging than ever. To cope, test-marketing consultants are broadening their range of research tools and preparing to meet the needs of service-sector industries.

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$1.25 a copy, $55 a year, $100 two years. Add $143 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, vp-circulation; ROGER DI GREGORIO, fulfillment director; HEIDI SCHULTZ, senior circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to circulation department, Advertising Age, 740 Rush St., Chicago, Ill. 60611 (312) 649-5200.

ABP RED TAG ABC ANPA

ABC moves 'Lace II' to May

Countermoves batter 'Wives'

By JAMES P. FORKAN

New York—First, ABC's miniseries "Hollywood Wives" turned in disappointing Nielsens. Then ABC, which had scheduled "Lace II" for Palm Sunday, switched that miniseries to the May sweeps.

Agency media experts say "Hollywood Wives" was hurt by counterprograming moves by NBC and Showtime. As for postponing "Lace II," most sources said it was a sign ABC has thrown in the ratings towel. Scheduling the steamy sequel in March wouldn't help ABC close the gap with second-place NBC, they said, and so the network decided it would do more good for affiliates in May.

"I was surprised 'Hollywood Wives' didn't do better," said Jack Otter, SSC&B's senior vp-network programing. "It was as promised—trashy, but wonderful trash," he said, laughing. His agency had projected a 32 share, although he himself had anticipated much higher. The three-part "Wives," beating all its competition, actually delivered a 22.7 A.C. Nielsen Co. rating and 35 share (ABC officials maintained that "Wives" performed about as well as anticipated).

The Aaron Spelling-produced sex-and-murder potboiler, which went from a 33-share premiere to a 32 share for part two before climaxing with a hefty 39 share, was "hardly a disaster," said Phil Burrell, vp-network programing, Dancer Fitzgerald Sample. "The advertisers came out all right, though the network had hoped to put a greater dent into NBC's lead." ABC execs lately had been banking on advancing on the strength of such first-quarter events as "Wives."

Pointing to the Nielsens for Feb. 17, Mr. Burrell said, "You could see 'Hitler's SS' [on NBC] got a one-hour headstart that hurt 'Wives.' The second night the [NBC] Disney special did very well and established a beachhead that took a lot of available viewers away."

"Certainly the bridging NBC did had to hurt 'Wives' somewhat," Mr. Otter said, "with 'Hitler's SS' and 'Disneyland's 30th Anniver-

(Continued on Page 84)

Apple II returns to its core in ads

By CLEVELAND HORTON

Apple Computer, which is betting its future on the success of its Macintosh, is giving increased ad support to its older, but surprisingly healthy, Apple II line.

The No. 2 personal computer marketer this week starts airing two new tv spots for the Apple IIe, stressing the pc's educational value. The commercials effect a warm tone to promote Apple as a friendly computer company, the Cupertino, Cal.-based marketer says.

Industry observers have accused Apple of ignoring its older machines, despite their hefty contributions to the company's record-breaking sales gains. Even Apple co-founder Stephen Wozniak, who recently resigned from the company (AA, Feb. 11), reportedly based his decision to depart on the

(Continued on Page 80)

A Warm, friendly atmosphere pervades new ads for the Apple IIe, including this spot featuring a teacher in the classroom.

CORPORATE CLOSEUP

Alberto's one-man show wins rave reviews

By LAURIE FREEMAN

MELROSE PARK, ILL.—When Alberto-Culver Co. pops up in Wall Street conversations these days, comparisons to Helene Curtis Industries, another Chicago-area toiletries company, are inevitable.

But while some analysts believe Helene Curtis' shining future in health & beauty aids marketing has dimmed somewhat, they say Alberto has a rosy outlook.

The rejuvenation of the company, based in this western Chicago suburb, comes as it jumps into new-product categories—most notably the estimated $100 million women's mousse category (AA, Dec. 12, '83). Since its introduction, Alberto's mousse has grown to rank No. 2 behind leader L'Oreal, and retailers report "vigorous" repeat sales of VO5 mousse.

More recently, Alberto has tried another bold foray, this time into the $150 million men's haircare category, with its introduction of VO5 Mousse For Men (AA, Oct. 22).

Yet, while Alberto remains best known for its VO5 toiletries, tenaciously holding onto small product shares in the estimated $14.8 billion health & beauty aids retail market, the company continues to diversify, notably into household products and leather goods. The results of moving into these territories have been mixed: Sales of Mrs. Dash salt-free seasonings are growing, for instance, while sales of leather boots and designer handbags are sluggish.

Regardless of results, however, Alberto's commitment to diversification is steadfast. Haircare products, which accounted for 53% of sales in 1975, dropped to 38% in 1984. At the same time, household products continue to rise, currently accounting for slightly less than 10% of Alberto's gross sales.

The company's seeming reemergence stems in large part from the unrelenting drive of Leonard Lavin, 65, chairman and president, and the man, most would agree, who runs the company as an extension of his personality. If anyone fits the spirit of the word "entrepreneur," Mr. Lavin does.

Mr. Lavin bought the company in 1955 at a time when VO5 (Five Vital Oils) conditioning hairdressing was its main product. He admits he was looking to test his business wings after graduating from the University of Washington as a journalism major. Alberto-Culver, a small $300,000 California beauty supply company at the time, fit the bill.

From that one product, VO5, he built the company into a $348 million corporation, which he says wouldn't have happened without his strong belief in "good ideas."

"It takes an idea that's worthwhile and an idea that the public will respond to," he says. "You need a product that will fulfill that idea. Then you need a knowledge of advertising, marketing and promotion that will help that idea succeed."

Although the company's product list—not to mention its internal workings—has grown substantially from its humble beginnings, Mr. Lavin runs what still is considered a one-man show.

"I don't think of myself in any particular category," he says, leaning across his desk to better emphasize his point. "I like doing this type of business, I enjoy working with bright young people and I get a kick out of building and growing."

Yet the force of Mr. Lavin's leadership and personality concerns some industry insiders, who privately question what will happen when he retires. Would Alberto-Culver suffer should his guidance no longer be there?

Partly to allay those concerns, Mr. Lavin in recent years has brought more managers into his inner circle by forming an advisory committee of five top vps.

WOULD A BEAR USE MOUSSE?
GROOMING GEAR FOR REAL GUYS. CONSORT.

Chicago Bear Gary Fencik struts his "style" off the field in new print ads for Alberto-Culver's Consort Styling Mousse for men. Bozell & Jacobs, Chicago, handles.

Still, control of Alberto rests firmly with Mr. Lavin, who owns more than 40% of the company's stock. Other top posts also remain in the family. His wife, Bernice, is a vp, secretary and treasurer of the company. His daughter, Carol Bernick, is vp-new business development, and her husband, Howard, is a group vp, most recently in charge of turning around Alberto's ailing John A. Frye Shoe Co. and Phillippe handbag divisions.

It is these last two divisions that continue to be a thorn in Alberto's side when quarterly earnings are totaled. Frye's problems stem from an overabundant supply of women's cowboy boots during the early 1980s, which left the company out in the cold when the prairie look faded. Alberto is determined to turn the division around by introducing new colors, shapes and styles in its future collections.

Changing consumer tastes forced the Phillippe division to return to its forte—traditional, multicompartment leather handbags—thereby writing off its attempt with metallic leather purses, a supposed fad several years ago that never really picked up steam.

Industry observers are quick to say the two divisions are "losers" and the company should dump them and concentrate more on its core business—toiletries.

Yet, despite the well publicized problems with Frye and Phillippe, Alberto's bottom line is healthy. In fiscal 1984, ending Sept. 30, the company reported an 11% sales increase from the previous year to $348.6 million. Earnings rose 16% to $4.5 million.

The increased spending on new-product development hasn't had much effect on Alberto's earnings. A number of industry observers say the company is on sound financial ground.

Indeed, company executives share that optimism and recently declared a three-for-two stock split at Alberto's annual meeting (AA, Jan. 28) to generate more revenue for future growth and acquisitions.

Whatever the case, Alberto's toiletries and household/grocery divisions indeed have been busy. In 1984, it introduced 13 new products, helping to increase fiscal 1985 first-quarter sales by 11% from the same period last year, to $90.5 million. Earnings for the period, which ended Dec. 31, jumped 21% to $1.1 million.

The rapid-fire product pace actually began

(Continued on Page 70)

Now there's a lightning stathouse and typehouse in the heart of Broadway

Stathouse
Photostats: Matte and Glossy
Direct Positives 8½x11 to 18x24
Photographic Black on Acetate (Film Positive)
Copy Line Neg. and Contact Prints
Color Transfer Type
Screen Veloxes 55 to 120 Screen
Line and Screen Combination
Dropout and Silhouette
Special Effect Line Treatments
All Sizes 8x10 to 20x24

Typehouse
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ADWATCH

Cola, wine makers race to bottleneck

By SCOTT HUME

The new year has begun with a dead heat in cold drinks.

Coca-Cola and Pepsi-Cola are massing their advertising arsenals for a major go at each other's market share (AA, Feb. 18), and the results from this round of the Cola Wars should be especially interesting.

That's because both Coca-Cola Co. and Pepsi-Cola Co. began the year with nearly identical shares of consumer awareness for their cola advertising.

For ADVERTISING AGE's adWatch poll last month, 1,250 adults were asked to name the soft-drink advertising that first came to mind from all they had seen, heard or read in the previous 30 days. The results: 339 named Coke and 338 Pepsi.

It doesn't get much closer than that.

Except in the wine category.

Gallo and Riunite have been waging a battle for top-of-mind ad recall every bit as fierce as that between the cola giants.

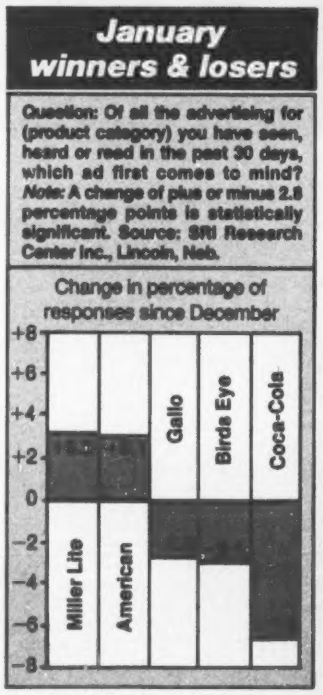
E. & J. Gallo Winery and Villa Banfi USA also have started 1985 dead even. Asked to name the first wine advertising that came to mind, 125 of the respondents named Gallo and 125 Riunite.

Coca-Cola's 27.1% share of first mentions in the January survey represents a decline of seven percentage points from December's poll.

That decline indicates how closely advertising awareness mirrors advertising weight: Coke's December share increase of 3.5 points followed its five-week tv advertising blitz that began in November (AA, Nov. 1).

Although Coca-Cola obviously continued to be a major advertiser after that period, the weight de-

(Continued on Page 68)



Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.

Food giants dish up new marketing moves

Pasta, snacks trigger more spending

By NANCY GIGES

St. Petersburg, Fla.—Top executives from major U.S. food and beverage marketers are expressing renewed commitment to their primary businesses as they plan hefty increases in 1985 ad spending.

Key officials from 13 of the top 100 advertisers made presentations here last week on the state of their businesses to the Consumer Analysts Group of New York.

Increases in marketing expenditures this year may exceed 20% for many of the companies. With few exceptions, the companies expressed continuing interest in growth through acquisition, a trend that led to a number of marriages last year.

New-product plans include:

- Dart & Kraft, Northbrook, Ill.: Geographical expansion of Lender's bagels and Celestial Seasonings teas, the testing of a superpremium ice cream and the introduction of Tupperware Ultra 21 plastic ovenware products.
- CPC's Best Foods division, Englewood Cliffs, N.J.: Completion of national rollout of Thomas' English muffins and possible testing of products emerging from the merger of Mueller pasta and Knorr sauce technologies.
- R.J. Reynolds Industries, Winston-Salem, N.C.: Possible rollout from test of Del Monte frozen dinners, Island Blends beverages and Lite Hawaiian Punch.
- General Foods Corp., White Plains, N.Y.: Geographical expansion of Ronzoni pasta and Entenmann's baked goods, national rollout of Jell-O Fruit & Cream frozen dessert and testing of a new line of frozen desserts.
- Hershey Foods Corp., Hershey, Pa.: The testing of two new confectionery items this year and the move out of the Northeast and Midwest into its first Sunbelt market—Orlando—with its Friendly Ice Cream restaurant.
- Ralston Purina Co., St. Louis: The introduction of three new pet foods—Field Master, Lucky Dog and Puppy Chow Chewy Morsels.
- General Mills, Minneapolis: The rollout of Bran Muffin Crisp cereal, Nature Valley Dandy chocolate-covered granola bars and S'Mores Crunch cereal and the testing of Fiber One cereal.
- Quaker Oats Co., Chicago: Rollout of improved Celeste pizza crust and the introduction of Aunt Jemima Light butter-flavored syrup.

Most of the food and beverage companies have plans to increase marketing and ad spending at least 15% this year, with companies such as Quaker, Reynolds and Pillsbury Co., Minneapolis, mentioning hikes of more than 20%.

Reynolds chairman J. Tylee Wilson said its Kentucky Fried Chicken unit is countering successfully the challenges of chicken products by nonchicken fast-food chains and others.

Kentucky Nuggets, an answer to McDonald's Chicken McNuggets, is favored two-to-one in blind taste tests, Mr. Wilson contended, adding that in the first full month for which data are available, Nuggets produced a 7% incremental sales gain. They also are generating more lunch business.

RJR has spent the last five years since Del Monte was acquired getting that company in shape and ready to make moves that capture attention, Mr. Wilson said. Now set up with a marketing orientation and strengthened by fill-in acquisitions, such as Canada Dry, Heublein Foods, Morton frozen foods and Sunkist, the programs are beginning to bear fruit, he said.

RJR's commitment to Del Monte is reflected in a higher marketing budget, which was $396 million in 1984, a 41% increase compared with '82. It is expected to reach $530 million by 1987.

Despite lower earnings than expected for its 1985 fiscal year, which ends in six weeks, General Foods' businesses are sound, said chairman James Ferguson.

Although powdered beverages began the year strongly, poor weather and so many new entries containing NutraSweet slowed GF's growth. He said Crystal Light still is considered a success with sales of $150 million, and Country Time lemonade has turned around with volume up 60%.

Kool-Aid Koolers, aseptically packaged drinks now in test, are being considered for expansion.

Another strong area has been frozen novelties, with sales of about $140 million. Those sales are expected to double in the next few years. GF plans to roll out Fruit & Cream later this year and test a new line of frozen desserts.

Geographical expansion is planned for both Ronzoni pasta and Entenmann's baked goods as well as Less low-calorie bread.

Mr. Ferguson said fiscal 1986

(Continued on Page 83)

CORRECTIONS & CLARIFICATIONS

- William Lower, new executive creative director at McCann-Erickson, Los Angeles, was previously a senior vp-creative director at J. Walter Thompson USA, New York, not McCann, New York, as reported (AA, Feb. 4, P. 8).
- Frank Barth Inc., New York, said the "Adopt-A-Robot" ad campaign (AA, Feb. 7, P. 4) was done for client Electronic Industries Assn./Consumer Electronics Group, Washington, rather than for "The New Tech Times" tv series, which EIA co-underwrites.
- The percentage of readers who are expectant or have children aged 2 and under for *Mothers Today* is 100% (AA, Feb. 14, P. 34). The 46% listed in the table refers to readers with first-time births.
- The correct year-to-date linage for *1,001 Home Ideas* is 128.7 pages, 1985; 123.2 pages, 1984 (AA, Feb. 18, P. 75).

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adWatch

(Continued from Page 4)

creased. So, too, did its awareness level.

Now Coca-Cola is launching Cherry Coke and new advertising featuring Bill Cosby, Aretha Franklin, Martin Mull and others. Pepsi will fire back with a horde of famous names that includes Geraldine Ferraro, Lee Iacocca, Joe Montana and Lionel Ritchie.

This is either soft-drink advertising or a Who's Who of universally liked celebrities. Whichever, its effects on consumer advertising awareness in the soft-drink business bear watching.

While the cola boys slug it out, Seven-Up Co.'s 7UP, itself expected to break major new advertising in March, maintained its traditional role as a bridesmaid but never a bride. Its 6.2% share was good enough to keep it No. 3, but Diet Coke is breathing down the neck of 7UP's bottle with 4.2% (its best showing yet).

Diet Pepsi isn't far behind. Its advertising captured 3.7% of first mentions in January.

Runners-up in wine recall last month were Paul Masson (3.8%) and Taylor California Cellars (2.7%), which have had to content themselves with a back-and-forth competition for the No. 3 spot.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name the advertising in a variety of product categories that first comes to mind from among all seen, heard or read in the previous 30 days.

In January, 1,250 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points between monthly polls is considered to be statistically significant and attributable to more than variations in the sample.

Among other noteworthy results from January's survey:

- On the eve of breaking its long-awaited new campaign for its High Life brand, Miller Brewing Co. took the No. 1 spot among the **top 10** over-all in awareness. Judging from results in the beer category, Lite beer from Miller accounted for most of that awareness. The January, 1984, adWatch survey was the last time Miller claimed the most memorable advertising.

Other members of last month's top 10 were, in descending order, Wendy's, McDonald's, Coca-Cola, Anheuser-Busch's Budweiser/Bud Light, Pepsi, Burger King, Ford, Chrysler and Toyota.

- Miller Lite also was the newsmaker in the **beer** category, though when respondents were asked to name the first beer advertising that came to mind, Lite finished second (11% of mentions) to Budweiser (13.8%).

Lite advertising's recall represents a 3.2-percentage point increase from December and its best adWatch showing ever.

The January survey was conducted before the Super Bowl, during which Miller aired a Lite spot that departed from its 10-year-old "Lite All-Stars" creative format. A Miller spokesman explained the new "Cavalry and Indians" spot as a purposeful change designed "to make sure everyone's still watching." Judging from last month's recall score, Bob Uecker, John Madden and the rest of the gang still are going strong.

Adolph Coors Co.'s Coors, which had vaulted into the No. 2 spot in December, lost much of that ground in January. Its 8.3% share was only good enough for fourth place, behind No. 3 Miller High Life (9.8%).

- Riding high with its "Something special in the air" theme, introduced last month, American Airlines' advertising awareness rose 3.1 points to 14.5% in January. That propelled it to the No. 1 spot in the **airlines** category, displacing United, whose advertising came to mind first for 13.8% of last month's sample.

The January survey was conducted before American, United and others locked ad horns over new restricted discount fares.

Eastern held the No. 3 spot with 10.9%; Trans World Airlines ranked fourth with 7.8%.

- There was some uncharacteristic movement last month in the usually calm **frozen foods** category as the share for General Foods Corp.'s Birds Eye decreased 3.1 points to 10.2%. But its major competitors, Campbell Soup Co.'s Swanson and Pillsbury Co.'s Green Giant, didn't benefit; both also saw slight declines in shares of first mentions. Swanson remained No. 2 with 5.4%; Green Giant's 4.2% kept it No. 3.
- Worth noting is the rapid rise in Sears, Roebuck & Co.'s ad awareness in the **home electronics** category. The nation's largest retailer has given heavy emphasis recently to promoting its array of tvs, stereo systems and tape players, clearly with some effect.

Sears' electronics ads came to mind first for 3.5% of the January sample, placing it second behind General Electric Co.'s commanding 10.1%. Sony trailed with 3.3%; RCA and Whirlpool each garnered 2.3% of mentions.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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'Tinkerer'

(Continued from Page 10)

into place. When they don't, you try to fix them. When they do, it can be enormously rewarding."

Mr. Riordan quickly amended that thought: "That sounds goody-two shoes. There can be disappointments, and you live with your disappointments." Among his, he numbers an idea for regional franchises for *1,001 Home Ideas* (which, with *Health*, comprises Family Media's original nucleus of publications) and the company losing out to Mortimer Zuckerman in the bidding last year for U.S. News & World Report Inc.

"I love the newsweekly field," said Mr. Riordan, "and it's difficult to think we were that close to having one of the great names in American publishing and lost it. . .Memory—'What's too painful to remember, we simply choose to forget.' Barbra Streisand and I go offstage with a buck and wing on that." The latter remark was punctuated with an infectious laugh.

Does Mr. Riordan frown at the idea Family Media is not one of the better-known names in the publishing field? "Even though the company is 15 years old, the latter-day Family Media, dating to the acquisition of *Ladies' Home Journal*, is not quite three years old. Give us time, give us time. We're in no rush to publicize ourselves. I think our purpose is to publish, as opposed to publicize."

Not that Mr. Riordan has anything against parties and publishers' letters, "it's just that we're not trying to grab headlines all the time. It's just that we'd rather grab profits." Again, the infectious laugh.

Speaking of profits and where they go, Mr. Riordan, it could be said, is Mr. Family Media, owning, as he put it, "a little short of" 85% of the privately held company, with the remainder owned by the estate of Mr. Geffen and some of his former associates. Even so, he lavishly praises the company's staff as "simply wonderful people," and downplays his own role: "Woody Allen said, 'Ninety-five per cent of success is showing up every day.' I think he said that—if he didn't, I did."

What next for Family Media? While the two recent acquisitions mean the company will be "a little quiescent for a shortish while" in that arena, Mr. Riordan said, there are plans for new advertising combination buys (*e.g.*, possibly *Health*, *Savvy* and *World Tennis*, or *LHJ*, *Health* and *Savvy*); a test of a mail-order book operation, under the name Family Media Communications; the start of the company's own subscription fulfillment center, in Palm Coast, Fla., and financing, with George Banta Co., Menasha, Wis., and the start-up of Digital Prepress Center, Yonkers, N.Y., which operates an electronic prepress center for printing magazines and catalogs.

"I'm really less concerned with what I'm known as than with what I'm doing," said Mr. Riordan.#

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Buyout spurs unit's growth

By JACK HONOMICHL

CHICAGO—Information Resources Inc., the fastest-growing U.S. marketing and advertising research company, is on the verge of another major surge of growth—the acquisition of Management Decision Systems, Waltham, Mass. (AA, Feb. 21). Combined, the two companies had revenues of $60.8 million in 1984.

The proposed deal, sealed with a letter of intent signed on Feb. 15, calls for an exchange of stock that would result in a purchase price of about $30 million. MDS '84 revenues were $25 million.

IRI, which had an extraordinarily successful placement of public stock in '83, was founded in '77 and has enjoyed impressive growth ever since. Its revenues last year were $35.8 million.

The main IRI service is BehaviorScan, a network of controlled test markets used for new-product test-marketing and advertising-effectiveness tests.

MDS was founded in 1967 by John Little and Glen Urban, two professors at the Massachusetts Institute of Technology, and Len Lodish, a professor at the University of Pennsylvania's Wharton School. They, plus a group of key employes, own stock in what is now a closely held, private corporation.

Their company is involved in two main activities. One is the marketing of information services (about 70% of total business), including forecasting, modeling and related analytical software services. MDS' other main area of activity is through its consumer research division (about 30% of its business), the main services of which are Assessor, a simulated new-product test-marketing service, and Defender, a model and market-measurement system for determining best response to a competitor's new product.

MDS will continue under current management in Waltham as a wholly owned subsidiary of IRI. John (Jay) Wurts, 37, continues as president.#

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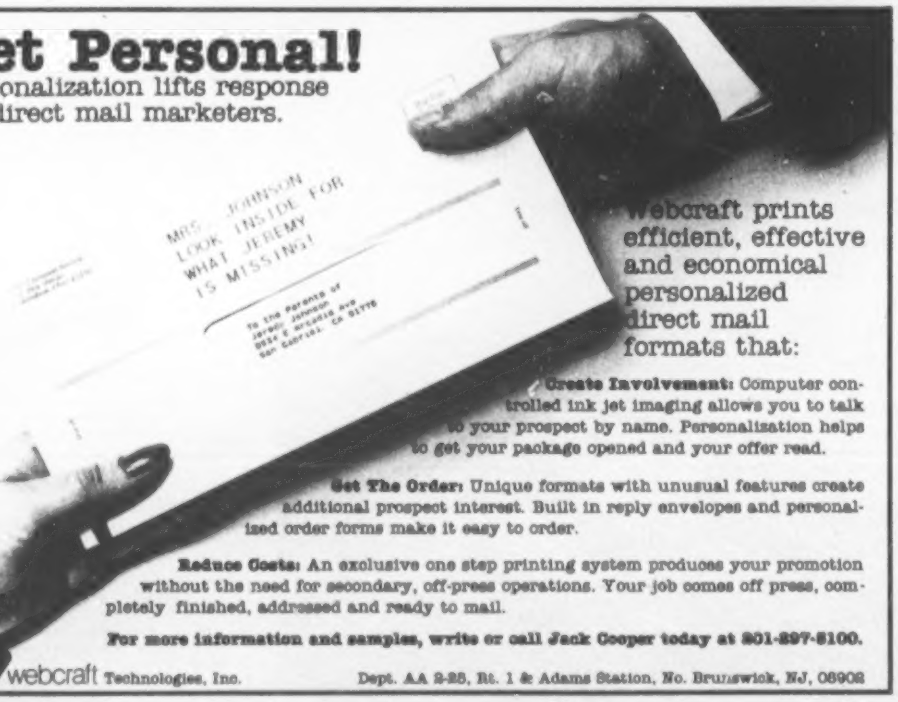

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Cooper branches out

GLASTONBURY, CONN.—Cooper Advertising here has established a marketing-research division, CAM Research, to provide computer-aided and automated research and survey capabilities to new and existing clients.

Evinrude revs up new pitch

By LAURIE FREEMAN

Evinrude Outboard Motors is gearing up for the 1985 sport fishing season with its first national tv campaign in five years.

The Milwaukee-based division of Outboard Marine Corp. and its agency, Freckmann, Pedderson & Prom, have produced four 30-second tv spots.

Each of the commercials is targeted to one specific group of boaters. All four tie in with Evinrude's supplemental consumer magazine ads.

The estimated $2 million campaign, themed "Evinrude performance," breaks March 10 during the Nashville Network's "Country Sportsman." The spots will air only on that cable channel "because the network has a heavy audience concentration in the north central and southern markets Evinrude wants to reach," said Ron Pedderson, exec vp at the agency.

Evinrude's campaign goal is to lure boaters in three different sport fishing segments: Bass boaters; family-oriented, weekend anglers, and "big water," or offshore, fishing enthusiasts.

The bass boaters are considered the "single most important market" because these sportsmen are looking for performance-oriented motors, Mr. Pedderson said. Bass fishers buy the lion's share of the high-powered, V-6 outboard motors sold each season.

The "Bass boat" spot focuses on a specific Evinrude product, the XP-150 motor. The commercial uses rear views of the motor to demonstrate its high-speed performance.

"Inland fishing" is a family-oriented spot. It shows three generations of a family out for a day of relaxed fishing. Generally, boaters in this category buy 35-horsepower engines to drive the family rowboat.

"They're looking for an engine that is economical and will keep running without trouble," Mr. Pedderson said.

For the "Off-shore" spot, Evinrude engine reliability is stressed, because anglers in the coastal, salt-water markets "look for engines that will hold up in corrosive ocean waters," Mr. Pedderson said.

The fourth commercial is a general retail spot for in-store dealer promotions. "It's a shouter, designed solely to get people into Evinrude stores," he explained.

Competition in the outboard motor category is stiff between Evinrude and Mercury Marine, Fond du Lac, Wis., a unit of Brunswick Corp.

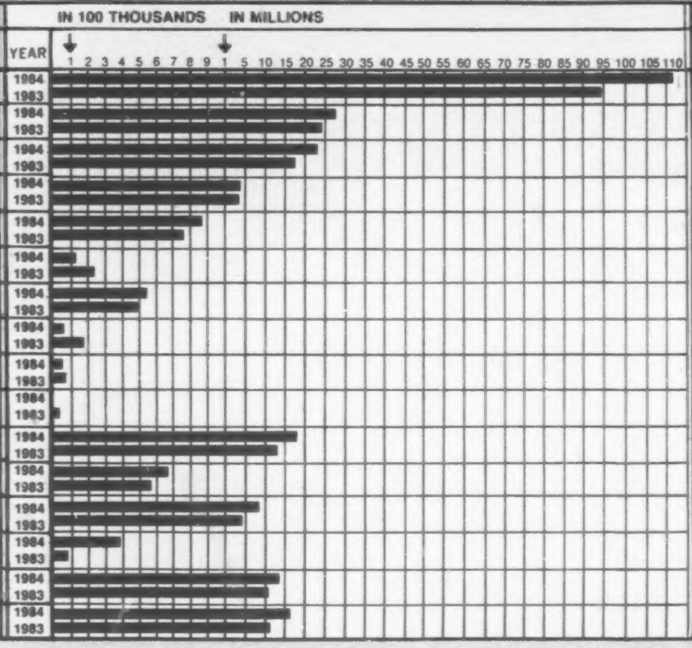
A suit is still pending in federal court on Outboard Marine's refusal to allow boats equipped with Mercury engines to compete in the Formula 1-Outboard Racing Circuit (AA, Aug. 27).

Brunswick remains the biggest spender in the segment, putting about $4 million into advertising its Mercury and Mariner motors last year. Mercury Marine has three agencies: Carmichael Lynch Advertising, Minneapolis; Gardner Advertising, St. Louis, and Martin Williams Advertising, Minneapolis.#

In-Person at new office

St. Davids, Pa.—In-Person Communications has moved its offices to 500 Midland Circle, Suite 111, 19087.#

FLASH REPORT: Newspaper advertising investment for November

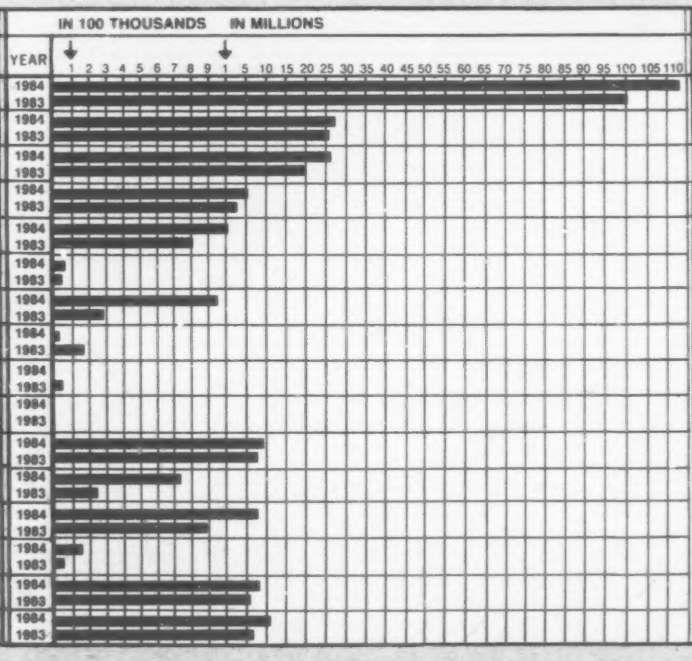


November 1984 CATEGORIES	DOLLARS 1984	DOLLARS 1983	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Department stores	$111,774,687	$94,158,561	+17,616,126	+18.7
Food stores	27,138,265	24,931,229	+2,207,036	+8.9
Radio, tv, phonographs, records	23,434,726	17,220,095	+6,214,631	+36.1
Alcoholic beverages	4,168,002	4,126,567	+41,435	+1.0
Cameras, photo supplies & services	863,268	753,632	+109,636	+14.5
Beverages: coffee and tea	120,874	234,529	−113,655	−48.5
Beverages: soft drinks, diet/non diet	524,360	486,180	+38,180	+7.9
Soaps, cleansers & polishes	49,026	175,677	−126,651	−72.1
Cold, cough & sinus remedies	47,975	73,269	−25,294	−34.5
Headache remedies & sedatives	0	275	−275	−100.0
Publishing & media	17,861,836	13,579,727	+4,282,109	+31.5
Sporting & Leisure time equipment	683,441	582,691	+100,750	+17.3
Cigarettes	7,951,341	4,658,292	+3,293,049	+70.7
Cosmetics, makeup & manicure products	291,136	80,298	+210,838	+262.6
Airlines	12,934,556	11,773,219	+1,161,337	+9.9
Passenger cars-new	15,313,621	10,225,726	+5,087,895	+49.8

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 35 dailies and 24 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

FLASH REPORT: Newspaper advertising investment for December



December 1984 CATEGORIES	DOLLARS 1984	DOLLARS 1983	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Department stores	$117,385,742	$100,056,706	+17,329,036	+17.3
Food stores	27,943,308	25,258,103	+2,685,205	+10.6
Radio, tv, phonographs, records	25,659,844	22,491,587	+3,168,257	+14.1
Alcoholic beverages	5,427,573	4,483,501	+944,072	+21.1
Cameras, photo supplies & services	1,394,498	829,043	+565,455	+68.2
Beverages: coffee and tea	78,824	55,116	+23,708	+43.0
Beverages: soft drinks, diet/non diet	965,081	517,575	+447,506	+86.5
Soaps, cleansers & polishes	24,709	183,715	−159,006	−86.6
Cold, cough & sinus remedies	0	45,394	−45,394	−100.0
Headache remedies & sedatives	0	0	0	0
Publishing & media	9,950,263	7,691,378	+2,258,885	+29.4
Sporting & Leisure time equipment	746,080	251,881	+494,199	+196.2
Cigarettes	7,114,283	4,870,176	+2,244,107	+46.1
Cosmetics, makeup & manicure products	153,131	67,262	+85,869	+127.7
Airlines	7,909,062	6,327,993	+1,581,069	+25.0
Passenger cars-new	11,160,538	7,846,147	+3,314,391	+42.2

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 35 dailies and 24 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Ad-dollar levels build yearend gains

New York—Advertisers' 1984 spending in daily newspapers ended with increases over comparable '83 levels in most major categories, says the Flash Report.

The report on newspaper advertising investments in major market dailies is prepared for Advertising Age by Media Records.

For the holiday shopping season, department stores, the largest users of newspaper ad space, hiked investments 18.7% to $111.8 million in November and 17.3% to $117.4 million in December.

Food stores increased spending 8.9% to $27.1 million in November and 10.6% to $27.9 million in December. The radio-tv-phonographs-record category increased spending 36.1% to $23.4 million in November and 14.1% to $25.7 million in December.

Advertising for new passenger cars increased 49.8% to $15.3 million in November and 42.2% to $11.2 million in December.

Cigaret companies continued to increase spending in newspapers above '83 levels, with November up 70.7% to $7.9 million and December rising 46.1% to $7.1 million.

Airlines hiked spending 9.9% to $12.9 million in November and 25% to $7.9 million in December.

Other categories registering gains included: Publishing and media advertising, up 31.5% to $17.9 million in November and 29.4% to $9.95 million in December; soft drinks-diet and nondiet, up 7.9% to $524,360 in November and 86.5% to $965,081 in December; sporting and leisure time equipment, up 17.3% to $683,441 in November and 196.2% to $746,080 in December, and cosmetics, makeup and manicure products, up 262.6% to $291,136 in November and 127.7% to $153,131 in December.

The coffee and tea category showed a 48.5% decline in November to $120,874 and a 43% increase to $78,824 in December.

Categories registering declines in both months included: Soaps, cleansers and polishes, down 72.1% to $49,026 in November and 86.6% to $24,709 in December, and cold, cough and sinus remedies, down 34.5% to $47,975 in November and down 100% in December.

Headache remedies and sedatives category showed no activity.#

Crain's International Newspaper of Marketing

February 28, 1985

$1.25 a copy. $55 a year

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Advertising Age

thursday

INSIDE:

- Brady's farewell to his father
- Special Report: Test Marketing —exploring new services

NEW YORK'S ROCK FASHION PRINCE

Fashion flash meets funky punk in Steven Lewis, showman for the new wave in design

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In the news

Pumping Air Jordan ads

Nike's new Air Jordan basketball shoes and apparel have raised a few hackles in the National Basketball Assn. But Nike plans to use the clamor to its advantage in advertising. *See Page 4.*

A vote for McKinleyana

Prevention publisher Marshall Ackerman is always on the lookout for McKinleyana. That's McKinleyana, as in William McKinley, who was president at the turn of the century. Mr. Ackerman has what could be the country's largest collection of McKinley artifacts. *See Page 7.*

Rocking fashion world

The cutting edge of fashion slices across the floor at Manhattan's Danceteria, as Steven Lewis (l.) creates fashion extravaganzas on bare-bones budgets. *See Page 41.*

NEW YORK'S
ROCK FASHION
PRINCE

Stereotype

"Yes, suh—everybody's on the go again," says the grinning porter as he carries a white man's bags in an ad for the NHM Hotels. This ad is one of many ethnic stereotypes to be examined at a May 5 conference. *See Page 42.*

A comet's marketing tale

Halley's Comet, that ethereal phenomenon that returns every 76 years, this year will be put to a more earthly task—selling products. *See Page 43.*

Special Report

Costly and time-consuming, conventional test-marketing is more challenging than ever. Companies chance exposing new products to competitors as they fight for shelf space. Test-marketing consultants are broadening their range of research tools and preparing to meet needs of service industries. *Test-Marketing Special Report, starting on Page 15.*

Presstime

Y&R parcels out power

New York—Young & Rubicam USA, which had been expected to name a new president to succeed John McNamara (AA, Feb. 11), has instead expanded the responsibilities of the heads of the $1.6 billion Y&R division's three components. John McGarry Jr. becomes president, a new post at Y&R/New York, a $700 million agency, from exec vp-general manager. Roby Harrington, exec vp in charge of Y&R/Chicago, Detroit and San Francisco, adds the new title of chairman of the National Group of Agencies. Arthur Klein, president of Y&R's Direct Marketing Group, now will have Sudler & Hennessey also report to him.

Writers vote on pact...

Hollywood—The 8,700-member Writers Guild of America is scheduled to vote March 1 on whether to strike or accept a new three-year contract covering theatrical films and entertainment tv shows. The current contract expires today. Home video residuals are a sticking point in negotiations so far. WGA struck for three weeks after its contract expired in 1981.

...While actors OK strike

New York—Members of Screen Actors Guild and American Federation of Tv & Radio Artists have authorized their negotiating team to call a strike if necessary "to achieve a fair contract" for people who appear in radio and tv commercials. Talks with sponsors' representatives continue on a day-to-day basis. Talent seeks raises for spot and network runs, while the ad industry has asked for a rollback and concessions on 15-second spots. The old pact expired Feb. 6.

De Lorean fund razing

Los Angeles—John De Lorean's effort to raise money through newspaper ads to pay for his successful defense of drug trafficking charges (AA, Nov. 12) apparently is being discontinued because of poor response. A page ad in the *Los Angeles Herald Examiner* brought only a few thousand dollars in contributions. Cozad/Benskin & Associates, Encino, Cal., placed the ad.

McEnroe gets reflective

Beaverton, Ore.—Nike will demonstrate the rarely seen human qualities of tennis star John McEnroe in a new tv spot breaking in May for its McEnroe-designed tennis apparel line (AA, Jan. 21). The testy tennis pro is shown dressing as he ruminates over an impending match. Chiat/Day, Los Angeles, handles.

Honda thins Accura field

Gardena, Cal.—American Honda Motor Co. has named three finalists for its Accura line of upscale cars to be introduced in 1986. The finalists for the $10 million account are Backer & Spielvogel; Bloom Agency, and Ketchum Advertising. All have promised to open a Los Angeles office if selected. Needham Harper Worldwide continues to handle Honda's existing line.

Mennen campaign for Real

Morristown, N.J.—Mennen Co. will introduce Real antiperspirant nationally in March with an

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Page 1 photo by Arnie Adler

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Celebrity lines tough to draw

By STEVEN W. COLFORD

Washington—In Bud Light's pool of introductory commercials, a hockey goalie, badly beaten by a sneering opponent early on, recovers sufficiently later in the game to make the big save that defeats the enemy and turns his glum coach's snarl into an approving nod.

Nice commercial by Budweiser, nice save by the goalie, but small-time compared to the save that the beer industry—and wineries, to a lesser extent—will have to make if they want to keep the right to use names or faces in their spots.

See, the goalie in the Bud Light ad is Ron Graham, not exactly a household name but, in real life, a former National Hockey league goaltender of some renown, surviving several seasons with the Los Angeles Kings and Boston Bruins, among others.

And Mr. Graham is the kind of actor/athlete who could confound the Treasury Department's attempt to redefine the kind of celebrity who might be barred from appearing in alcohol ads (AA, Feb. 25).

Simply asked, is Mr. Graham an actor entitled to earn a living emoting on the screen, or is he merely an ex-jock draining the last few dollars from his history and reflexes before they both desert him for good?

If the former, then all is well, but if federal regulations now under review interpreted Mr. Graham as being a former athlete, his career acting in beer spots might be over (as is the "Bring out your best" campaign, having been replaced by commercials themed "Give me a light—Bud Light").

Another current example of the Gordian Knot that the Bureau of Alcohol, Tobacco & Firearms may be trying to unravel is the newly broken Coors campaign that mixes imagery of snow-topped, wind-dusted mountains with a handsome spokesman, Mark Harmon, better known as Dr. Robert Caldwell of NBC-TV's "St. Elsewhere."

But, in a previous life, Mr. Harmon, the son of former University of Michigan All-American halfback Tommy (Ol' 98) Harmon, was an athlete of some notoriety, having quarterbacked UCLA teams of the early 1970s to modest accomplishments.

Certainly, Mr. Harmon is an actor, but if deemed by federal regulators to be an ex-athlete, he could join Mr. Graham on the sidelines of beer commercials.

It all depends on how widely the BATF attempts to broaden its current prohibition on ex-athletes performing in alcohol ads.

If the agency decides not to ban all celebrities, only certain categories such as active and former athletes, rock music stars and others with a particular appeal to youngsters, then the federal agency will have to determine where to draw a line of demarcation.

If, in the case of athletes, it tries to draw that line between amateurs and professionals, then a Mark Harmon, a Bruce Jenner or a—perish the thought—Mary Lou Retton would be free to hawk suds or chablis while a relatively anonymous, former pro—Mr. Graham, for example—would be disqualified.

The chain of permutations and combinations seemingly never ends: What about Frank Gifford, who retired way back when as a New York football Giant but whose face has gained household familiarity thanks to ABC's "Monday Night Football" and—you guessed it—Dry Sack sherry ("Try it on the rocks, too")?#

Dry-sacked?

Would athlete-turned-sportscaster Frank Gifford face banishment to the ad sidelines if the government decided to ban ex-athletes and celebrities from appearing in ads for alcoholic beverages?

Miller adds suit to Landau woes

By ROBERT RAISSMAN

Miller Brewing Co. has filed a $19 million federal suit alleging that Robert Landau, president of the bankrupt Robert Landau Associates, fraudulently diverted the brewer's payments for promotional work to cocaine, racehorses, apartments and cars.

The suit filed last week in Milwaukee also named as co-defendants Charles Lockwood, exec vp, RLA; the New York-based accountancy Eisner & Lubin, and Gerald Marsden, a member of that company's executive committee.

Miller alleges that New York-based RLA engaged in a pattern of fraud that led Miller to advance RLA the $2 million (AA, Oct. 11).

Miller charges that all the defendants in the suit led Miller executives to believe that RLA was on solid financial ground when the sports marketing/sales promotion agency was on the verge of bankruptcy.

The suit alleges that Mr. Landau bought cocaine, homes and horses with the money, and hired his uncle and paid him $100,000 a year to act as a psychiatric consultant to RLA employes. Landau and E&L officials could not be reached for comment on the Miller suit.

RLA filed for reorganization last September (AA, Sept. 20).#

Battle for shelf space

By Laurie Freeman

On the obstacle course of test marketing, marketers face a hurdle potentially larger and more expensive than protecting test products from the competition's prying eyes: Persuading retail buyers to place those products onto supermarket shelves.

For retailers, the cost of handling new products has increased sharply as more new products are introduced into limited supermarket space. Each day, as many as seven new products are introduced across the U.S., according to Dancer Fitzgerald Sample's "New Product News"; that compares with only three a day in 1980.

Caught between this deluge of new products and rising handling costs, retailers and wholesalers are reevaluating buying policies and reviewing purchase orders of new and familiar products.

One result of the scrutiny: In return for placing new products on shelves, buyers are demanding slotting allowances from marketers.

Slotting allowances cover cash discounts and free case goods as well as placement allowances. Placement allowances usually cover the cost of entering new product information into a store's computer and placing the product in the warehouse and on store shelves.

Although such placement practices have existed for years, buyers recently have become more vocal.

The push for better incentives was inspired, in part, by Cincinnati-based Kroger Co., the nation's second largest publicly held grocery chain with 1983 food sales of nearly $14 million in its 1,500 stores. Last year, Kroger became the first chain to state officially that it would ask marketers for a slotting allowance on new products—but only in one market.

The experimental policy is in effect only in the chain's 103 Houston stores. There Kroger is charging marketers an upfront "admission price" of $15.75 per new product per store.

Kroger plays down its position. "Most manufacturers recognize that [our] costs have gone up, and they're including that additional cost in their promotional allowances," says Audrey McCafferty, public information manager for Kroger.

While Kroger apparently has not asked major marketers, such as General Mills, Pillsbury and Procter & Gamble, to increase their promotional allowances, one buyer says brokers and smaller marketers are paying higher placement allowances. Kroger officials have no comment on whether they plan to expand the formal slotting allowance policy beyond the Houston market.

Other grocery chains have not yet stated slotting allowance policies as publicly or as bluntly as has Kroger. One buyer says many grocers, especially large wholesalers, have demanded new product incentives for years, but never put the policies on paper.

But with widespread agreement that the retail grocery industry must band together to protect its turf—and its traditionally small profit margins—the big chains are considering formalizing their unspoken policies.

"We won't allow the manufacturers to take advantage of us. We make sure they have provided extra [money] to cover the cost of handling new products," says Michael Rourke, vp-marketing for the Great Atlantic & Pacific Tea Co.'s A&P food stores, Montvale, N.J. A&P, with 1983 sales of $4.3 million in its nearly 1,000 U.S. stores, is the nation's sixth largest public grocery chain.

"New products are costly—we have to find room on the store shelves and in the warehouses," he says. "Other products have to be discontinued to make room for new items, and it costs us a lot of money to handle them."

According to a northeastern broker, marketers already have become more sensitive to retailers' rising costs. "If there aren't enough allowance dollars to go along with the test market of new products, it's difficult to do a new product introduction correctly. Manufacturers are recognizing that," he says.

"By and large, manufacturers are—and should be—providing supermarkets with sufficient incentives to stock good products," says Gerson Barnett, senior vp-grocery operations, Giant Food, Landover, Md.

Although Giant has no formal policy on slotting allowances, Mr. Barnett says such fees are an integral part of the business.

"When a manufacturer wants to introduce a new product, it comes in with allowances," he says.

A Topeka, Kan.-based paper-products buyer says, "If a company wants to just put a product on the grocery shelf, we want no part of that. But if the company comes in with the proper backing, like coupon promotions and tv [commercials], then we're interested."

While retailers say they negotiate for higher placement fees, most admit they wouldn't refuse to take a new item, even if the company doesn't provide an allowance. No store wants to be without the latest new item and no one wants to drive customers away by not carrying the desired product.

At the same time, retailers aren't afraid that requests for stricter slotting allowances will deter future in-market test marketing. They say marketers always will need test market information.

"The final test of a product comes when that product is placed on supermarket shelves. There's no way to get around that," A&P's Mr. Rourke says.

If a product has not been test marketed, some grocery chains will go so far as to claim they don't have room for it.

"The cost of yanking a product after a national rollout is too high for both us and the manufacturer. A company really needs a real world handle on it before distributing a new item nationally," says Dick Fredericksen, vp-head grocery buyer, Lucky Stores, Dublin, Cal. His 600-store chain, with 1983 sales of $5.5 million, is identifying new-item placement costs, but does not now ask for placement allowances.

Recently, however, some buyers have questioned the accuracy of both out-of-market and in-market testing. They say the simulated test market is not the best vehicle to test a new product properly.

One midwestern wholesaler criticizes in-market tests. "Manufacturers don't get an accurate reading on their test products because they baby sit the items to make sure they sell."

"When I'm reviewing test market data, it bothers me that I don't know how the test was conducted," says a Topeka, Kan.-based buyer. "[The product] could have received heavy couponing, or buy-one-get-one free sales, which is very misleading."

Despite all their concerns, most supermarket chains still welcome new products with open arms. "From our standpoint, when a company tests a new product, they make it sell," says a Kansas City, Mo.-based buyer for a major national chain. "They come in with good allowances, both advertising and promotion and they force the product down consumers' throats."

And although, according to industry sources, the debate over test marketing and slotting allowances shows no signs of abating, on one point both retailers and marketers agree: New products are the lifeblood of the industry.

Laurie Freeman is a package and consumer goods reporter in the Chicago bureau of ADVERTISING AGE.

Exploring new services

(Continued from Page 15)

since 1981, and Merit paper towels, in test since 1982.

White Plains, N.Y.-based General Foods' manager of corporate communications Ken Defren says it would be simplistic to characterize sell-in as going out of style.

"At General Foods, we simply have too great a variety of products to make such a generalization," Mr. Defren says.

"On one hand, there are a lot of products going directly national and forgoing test marketing entirely. But there are other cases in which test markets are lengthened for one reason or another. Each product requires individual treatment."

Nonetheless, there's no question that alternative test market techniques, particularly scanner-based systems, have created a fundamental shift in the package goods industry's approach to test marketing.

IRI has grown steadily during the past five years and counts virtually all the major package goods marketers among its clients. A.C. Nielsen Co. is preparing to launch its new Testsight service in April. And Burke Marketing Services, in conjunction with Arbitron Ratings Co., New York, recently announced a new system called ScanAmerica.

A key reason for the popularity of these electronic systems is their ability to measure a product's performance under alternative marketing plans instead of, in the words of IRI's Mr. Fulgoni, "having to come up with the optimum program up front."

"By the same token," Mr. Fulgoni says, "you should not use these systems blindly."

The now classic dilemma is the question of how accurately companies can gauge retailers' acceptance of new products and, thus, their distribution potential, without the sell-in.

"A company must be realistic about its distribution potential," Mr. Fulgoni says. "For example, if you're General Mills and you're testing a cake mix, you have a good feel for the level of distribution your sales force is going to get.

"But if you're going into a product category you're not sure of, in those situations, we would also recommend that you get some experience with your own sales force."

Spokesmen for several large package goods companies agree.

"I think sell-in continues to be valuable in cases where one of the major marketing problems is going to be gaining sales acceptance," says Jan Tritsch, director-technical resources for Pillsbury Co., Minneapolis. She says this sales acceptance problem includes quality of distribution (for example, how many sizes or flavors a retailer is willing to stock) as well as quantity.

Dan Ailloni-Charas, president of Stratmar Systems, a New York marketing services company, says trade acceptance is critical to most new product introductions. "To test without relevance to the trade is foolish," he says.

Larry Stanek, vp and director-marketing information for Kraft, Glenview, Ill., says there's plenty of room for both sell-in and electronic minimarkets. According to Mr. Stanek, selectivity is the key to the proper choice.

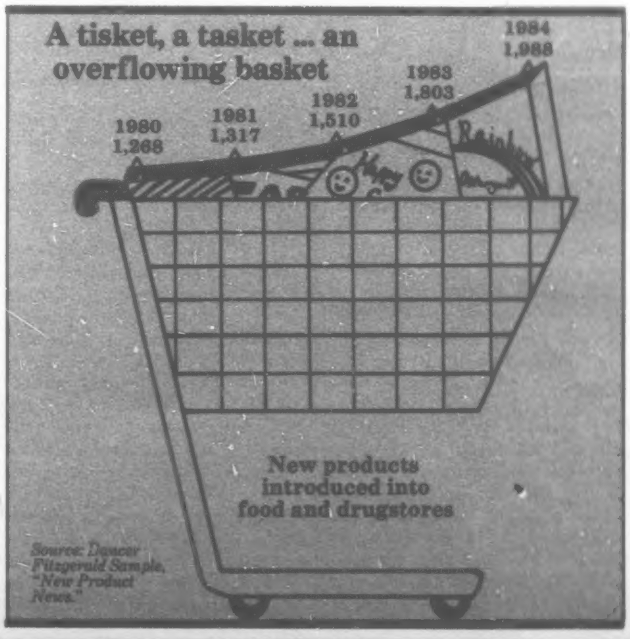
"We use sell-in as well as controlled testing," Mr. Stanek says. "Sometimes we do both at the same time. We may be doing a controlled test to test advertising weight and copy or pricing variables and a sell-in to determine distribution build.

"We see one as complementing the other, which enables us to respond to opportunities as quickly as possible and preempt competitive response as much as possible."

Pillsbury's Ms. Tritsch, who says her company also uses a number of proprietary test market techniques, concurs.

"The general point to be made is, there are tradeoffs, advantages and disadvantages, to both scanners and sell-in test markets," she says. "One is not 'better' than the other. It depends on what you're trying to accomplish."

With its April launch of Test-



Source: Dancer Fitzgerald Sample, "New Product News."

C2710-1

$1.25 a copy; $55 a year

Monday, March 4, 1985

Advertising Age®

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Ted mulls ultimate buy—CBS

New York—Is Ted Turner serious?

That question drew cheers and sneers from Wall Street to the farthest reaches of the entertainment industry after word leaked out last week that the cable entrepreneur was intent on making a run at a hostile takeover of CBS Inc.

If Mr. Turner and his Atlanta-based Turner Broadcasting System can pull it off, it would be by far the largest media company takeover ever. CBS is valued by analysts at $4 billion or more.

While the analysts agree that Mr. Turner would need far less than $4 billion to execute the takeover, there is clearly no quick consensus on just how much the takeover bid would cost.

A Turner takeover, however, would have dramatic impact on CBS management structure and the nature of programing at CBS-TV Network. It would also give Mr. Turner an unparalleled concentration of power over ad dollars going into various forms of tv.

In a terse, prepared statement last Friday, Mr. Turner stopped short of confirming or denying a run at CBS.

He acknowledged that his Washington attorney for Federal Communications Commission matters "made general inquiries at the FCC concerning broadcast license transfer procedures. These were of a general nature and not related to a particular broadcast group."

On the face of it, Mr. Turner, through his WTBS superstation and Cable News Network operations, would take in more than half of all basic cable ad spending, while through CBS-TV Network he would control more than one-third of network tv ad revenues.

That fact alone has led some experts to predict that, presuming Mr. Turner's bid is sincere, the takeover process could become long and tedious. Even after the FCC decides whether the combination of Mr. Turner's tv station and the CBS-owned stations violates federal regulations, the Justice Department is expected to investigate antitrust aspects of the concentration of media might through a combination of the two corporations.

Observers were generally split over whether Mr. Turner believed he has a realistic chance to execute a hostile takeover, or if he was simply orchestrating another of his famous publicity stunts.

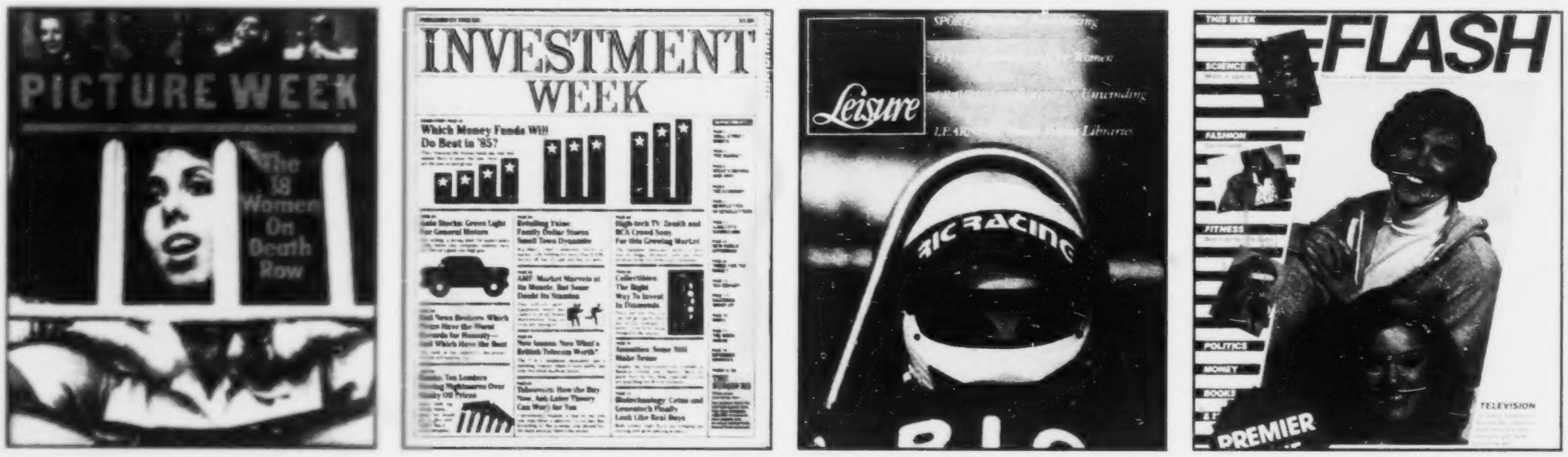
What has emerged, however, is an analysis that Mr. Turner is not following an either/or process. This is not just a publicity stunt, although there will be considerable publicity, observers believe. And, while it is uncertain whether Mr. Turner has the capacity to execute the takeover, there will certainly be considerable—and most likely favorable—publicity.

For years, Mr. Turner has said his primary goal was someday to own one of the Big 3 tv networks. Two years ago, Mr. Turner approached CBS about merging the two companies, but according to CBS, they turned him down.

The decision to make his move now and to take aim at CBS is influenced in no small way by the current moves by Sen. Jesse Helms (R., N.C.) and his Fairness in Media organization to acquire enough CBS stock to force a change in the ideological slant of CBS News.

While Mr. Turner and FIM have denied any connection, they are clearly complimentary to each other. Mr. Turner's persistent criti-

(Continued on Page 102)


PICTURE WEEK
The 18 Women On Death Row
INVESTMENT WEEK
Which Money Funds Will Do Best in '85?
Leisure
FLASH
PREMIER

Time testing four These are the four new publications Time Inc. is testing with direct-mail pieces. It's likely one of the four will make it into a major testing effort later this year, says a Time executive. *(See story on Page 3.)*

Last Minute News

Fleizach joins Drazen at HCM

New York—Frank Fleizach has moved to HCM/New York as senior vp-creative director. That new post will be the top creative spot under exec vp Michael Drazen. Mr. Fleizach previously was vp-associate creative director at Scali, McCabe, Sloves, a shop where both Mr. Drazen and HCM ceo Robert Schmetterer last worked.

Mingo-Jones wins at gin

New York—Joseph E. Seagram & Sons has reassigned its estimated $4 million Seagram's gin account to Mingo-Jones Advertising from Warwick Advertising. Warwick has been awarded the estimated $2 million Leroux cordials account, formerly at William Esty Co. The shifts follow sweeping marketing reorganization at Seagram (AA, Jan. 21).

Tobacco marketers grind out 25-packs

New York—American Tobacco Co. will move Pall Mall Red cigarets in 25-unit packages into test in Providence, R.I., within the next few weeks. The nonfiltered smokes will be sold at the same per-unit price as the

(Continued on Page 8)

NEWSPAPER

Tv ponders Seagram's

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Miller legal papers take high life of RLA to task

By ROBERT RAISSMAN

Miller Brewing Co.'s $19 million lawsuit against bankrupt Robert Landau Associates (AA, Feb. 28) relates a tale of high-living excesses, replete with charges that Miller's money was misspent as the sports-related sales promotion company's founder pursued cocaine, racehorses, luxury homes and autos, often from posh hotel suites.

The disclosures come in a remarkable court document that tells, from Miller's viewpoint, how Miller execs were denied access to audited Landau financial statements last May after they sought reassurances about Landau's net worth.

The court records state that instead of showing Miller the books, Robert Landau and Charles Lockwood, RLA president and exec vp, respectively, asked their accountants to write Miller and (1.) reassure them that RLA was in solid financial shape, capable of servicing Miller, its account since 1981, and (2.) convince Miller that RLA should receive a substantial advance. The advance was to cover third-party vendors who were working on Miller promotions as well as other Miller-related expenses.

The letter, from the accounting firm of Eisner & Lubin, was followed by calls to Miller execs by Messrs. Landau and Lockwood and Eisner & Lubin partners, including Gerald Marsden, a member of the firm's executive committee. In these calls, they sought to reassure Miller executives further about RLA's financial strength.

With these reassurances in mind, Miller contends, it sent a check for $1.3 million on June 1, 1984, to RLA and subsequently continued to make prepayments, eventually totaling $2 million, to RLA. The funds were to be used to administer the Miller programs.

Why Miller executives became suspicious about RLA's handling of this money is detailed in the Milwaukee-based brewer's lawsuit. The suit names Mr. Landau, Mr. Lockwood, Mr. Marsden and Eisner & Lubin as defendants. Mr. Landau and Mr. Marsden did not return calls from Advertising Age, and Mr. Lockwood could not be reached for comment.

Landau has 30 days to respond to the suit, which was filed Feb. 21.

The suit charges misappropriation of payments Miller made to RLA to administer the brewer's pro-

(Continued on Page 102)

Pepsi finds Ferraro fuss festers

THE one-calorie CHOICE OF
A NEW GENERATION™
“CELEB[illegible]GERALDINE FERRARO”
diet pepsi

It's Sunday morning and the first woman candidate for Vice President of the United States is relaxing with her daughters. Their interchange over a shared newspaper reveals a close family, warm relationships and the easy wit that characterized Ferraro's valiant campaign. The integrity and character of this amazing woman are expressed in her choices. And making an intelligent choice is what Diet Pepsi is all about. Diet Pepsi. The one-calorie choice of a new generation.

Geraldine Ferraro appears in this Pepsi spot but doesn't make an outright product endorsement.

By NANCY GIGES

Pepsi-Cola USA attempted to blunt some of the stinging criticism of the appearance of Geraldine Ferraro in a Diet Pepsi spot (AA, Feb. 18, *et seq.*) by previewing the commercial and by explaining that the first female vice-presidential candidate was never asked to endorse the product.

The company advanced a press conference, planned for this week, when it learned the three tv networks were planning stories on Ms. Ferraro's decision to appear in the spot with her daughters, Laura and Donna Zaccaro.

“We never asked her to hold a can of Pepsi,” said Roger Enrico, president, Pepsi-Cola USA, responding to whether she refused to make an endorsement. “I would presume she would have been more uncomfortable with a blatant product endorsement.”

At the press conference in New York Feb. 28, Pepsi also showed new spots for Mountain Dew and Pepsi Free breaking within the next week, as well as spots for flagship brand Pepsi that began airing last week. BBDO, New York, is the agency for Pepsi, Diet Pepsi, Mountain Dew and Pepsi Free.

The Diet Pepsi series, breaking today, features the two Super Bowl quarterbacks, Joe Montana and Dan Marino, in a friendly verbal exchange that takes place in front of a Diet Pepsi vending machine. Another spot shows singer/actress Diahann Carroll, now in ABC's “Dynasty,” discussing how she makes the important decisions affecting her career.

Mr. Enrico said he would like to have a pool of at least a dozen spots featuring “the most interesting people we can get,” but he would be satisfied with half a dozen. He still is hoping to work out deals with Lee Iacocca, the Chrysler Corp. chairman whose autobiog-

(Continued on Page 104)

Hot sounds set tone for summer

By FRED DANZIG

New York—Hard on the heels of Super Bowl XIX there is Pepsi II. In Pepsi I, a year ago, remember, it was Michael Jackson's supercommercials for Pepsi-Cola that broke the mold, as Pepsi reached out to a whole new generation (kids) with breakthrough, extravagantly produced commercials.

True, as some critics pointed out, Michael didn't linger long on the screen. And true, with all the money they paid him, he still didn't even lift a bottle or can to his lips. But did it really matter? Look at what Pepsi accomplished in the marketplace last year with its Michaelink and you know the message went out loud and clear.

Enter Pepsi II: Lionel Richie for Pepsi. The new campaign's world debut on the glittering CBS Grammy awards special last Tuesday had to be turned into a media event because, well, because the Jacksons set a precedent last year. And now we're all hooked, all watching, all excited, all spouting opinions. Pepsi must love every second of it.

There are three elements in the Lionel Richie music video, “Style,” “Heart” and “Beat.” We see the mellow-voiced balladeer cozy up to a little girl, visit Grandma and strut through a swarming army of his fans. Yes, the Little Girl spot immediately recalls Coca-Cola's Mean Joe Greene & the Little Kid spot of a few years ago. And yes, the Grandma spot could work just as well for Hallmark or AT&T Long Distance. And, of course, in that performance spot, there are just too many people milling around on that small screen to

(Continued on Page 104)

Highlights

AT&T is producing a new flight of hard-hitting, product-specific tv commercials for its fledgling PC 6300 computer, as the company girds for a crucial spring battle against IBM and Apple Computer in the office market. *See Page 10.*

Young & Rubicam during the past two years has been quietly rotating ad agency, pr and direct-marketing executives through a “swapping program,” building a base for a multidisciplined, multinational network. *See Page 14.*

Subaru of America may be eyeing upscale urban buyers, but new spot tv commercials for the import haven't forgotten the company's rural roots. *See Page 32.*

Wine Growers of California has opted for research and public relations programs rather than generic advertising, apparently in reaction to the growing anti-alcohol sentiment sweeping the country. *See Page 34.*

The public's eagerness to believe the worst about advertising practitioners is the reason for the seemingly widespread belief in the use of subliminal advertising. University professors are not promoting this perception, according to Jack Haberstroh. *See Page 52.*

Audit Bureau of Circulations' latest figures show the slowing growth of single-copy sales has affected many major magazines recently. *See Page 66.*

Revlon Inc. will try to jazz up Chaz men's fragrance this year with a new look, new pricing and an advertising and promotional budget estimated at $3 million. *See Page 94.*

CORPORATE CLOSEUP

Thomas Ryder, president-publisher of American Express Publishing Corp. since last July, is moving on a wide field of fronts to make changes in his two monthlies, *Travel & Leisure* and *Food & Wine*. *See Page 4.*

INTERNATIONAL

Beatles fans around the world soon will be hearing their favorite songs in a new context—tv commercials. Ad campaigns, featuring the group's music, are breaking this month in the U.S., U.K. and Spain. *See Page 56.*

International Business Machines, already a powerhouse in Europe, predicts it will double its sales of personal computers and software this year despite moves by a number of competitors to thwart the company's growth. *See Page 56.*

Japanese cable tv operators may have a more difficult time than they expected persuading viewers to plug into their services. A recent survey in a Tokyo suburb found that most of those polled felt the service was too expensive. *See Page 58.*

VIDEOTECH

ABC executives, as they begin planning next fall's prime time schedule, may be considering scheduling “Dynasty” for two nights each week. *See Page 49.*

Ted Turner's agreement with the Soviets to pick up newscasts from Eastern Europe via satellite is awaiting approval by the FCC. *See Page 49.*

COMING THURSDAY

SPECIAL REPORT

Action! That's always been the promise of direct marketing, and that promise is coming true as direct-response marketing earns the respect of the general advertising community. Direct and general ad agencies are combining their skills for marketing strategies and campaigns that take the best from both worlds.

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Seagram plan tests taboos

By GAY JERVEY

New York—Joseph E. Seagram & Sons, knocking on tv network doors last week with a bold comparative tv ad plan, is stirring up intense reaction from the nation's capital to the headquarters of its beer and wine competition.

Seagram is asking the networks to bend, if not abandon, their taboo on distilled spirits advertising just when the anti-alcohol advertising movement has Washington under siege.

Seagram's plan for “equivalency” messages on tv, backed by a reported $10 million ad budget through Warwick Advertising here, would tell the public that 1.25 ozs. of whisky contain no more alcohol than a can of beer or a 5 oz. glass of wine.

Network sources agree that the tone of the campaign will be critical in determining its acceptance. “If it's very, very clear that they [Seagram] are not saying it's okay to drink whisky, but more a message of awareness of how much you can drink, whether or not you're drinking beer, wine or

(Continued on Page 100)

Beer, wine ad debate divides the National PTA. See Page 100.

Fresh burst of new products

Cosmetics blush

By PAT SLOAN

Boca Raton, Fla.—The pace of new-product introductions is expected to quicken in the cosmetics and toiletries industry this year.

New-product debuts were off an estimated 15% last year, but such major marketers as L'Oreal, Avon and Prince Matchabelli are more bullish in 1985.

L'Oreal has new hair-coloring concoctions on the way; Avon is calling up a $25 million ad campaign, and Prince Matchabelli is expanding beyond fragrances into the skin and suncare categories.

Despite such upbeat revelations at the annual Cosmetic, Toiletry & Fragrance Assn. meeting here, there were expressions of increasing concern about flat sales, intensified competition and the negative effect of the dollar's strength on the import/export flow.

In hair coloring, a 2% decrease in category sales during 1984 reportedly has steered Clairol away from new-product introductions, at least for the first half of 1985. But Cosmair's L'Oreal division, with a 1% gain in hair-coloring share, will introduce this month Performing Preference, a conditioning hair coloring, and Advantage, a semi-permanent hair coloring targeted against Clairol's Nice 'N Easy, Cosmair president Jean Levy confirmed.

Performing Preference will be backed with tv and print ads created by McCann-Erickson, New York, which also is handling a new

(Continued on Page 100)

There's Pralines 'N Cream on B-R's suit

By RUTH STROUD

GLENDALE, CAL.—Baskin-Robbins Ice Cream has taken on Pillsbury Co.'s Haagen-Dazs in what promises to be the first sally in their escalating ice cream war.

The 3,000-store ice cream retailer is suing Minneapolis-based Pillsbury in a federal court in Dallas, claiming that the food giant's subsidiary infringed on B-R's popular trademark product, Pralines 'N Cream, by naming a flavor Pralines & Cream.

The two had been haggling over the issue for four months before the suit was filed late last month. The legal action came "as a total surprise," said Johnny Thompson, director of public relations at Pillsbury.

"We feel [the name is] generic," he said. "How better do you describe something that has pralines in it if it's ice cream?"

Besides, he continued, there are other ice cream companies, such as Schrafft's Ice Cream Co., Pelham, N.Y., that have a Pralines 'n Cream flavor.

It's a mystery why B-R is picking on Pillsbury, Mr. Thompson said, "except that when you're the tall man in the silk hat, the boys with the snowballs can't resist trying to knock [the hat] off."

Baskin-Robbins president-ceo Ronald Marley called the suit "anything but frivolous." On a nationwide tour to promote the company's move toward a more sophisticated image and audience (AA, Feb. 11), he said his company has had discussions with other ice cream concerns "at least 200 times" in the past regarding unauthorized use of the pralines name "and never had to go to court.

"We thought they would change their name, too. Everyone else has," Mr. Marley said, adding that B-R's lawyers are currently negotiating with Schrafft's about changing the name of the latter's praline flavor.

The Baskin-Robbins ceo called Pillsbury's contention that it believes the flavor was generic "silly. . .[when] it's a matter of record that the federal government issued us a patent on it."

The suit is far more than a quest for publicity, Mr. Marley maintained. It's really a matter of economics. Pralines 'N Cream, invented by company co-founder Irv Robbins 15 years ago, is Baskin-Robbins' best-selling flavor, even surpassing vanilla. The company sells about 5 million gallons annually, representing more than 10% of its $470 million in revenues.

Haagen-Dazs' Pralines & Cream flavor "is substantially different" from B-R's Pralines 'N Cream, Mr. Marley claimed, saying, "We think it's a rather bad product. We don't want our name on it."#

AA adds Skenazy

NEW YORK—Lenore Skenazy has joined the ADVERTISING AGE staff here as a reporter. She will cover popular culture and trends for AD AGE *Thursday* and its "Currents" section.

L. Skenazy

A 1981 graduate of Yale, where she was an American Studies major, Ms. Skenazy served for a year as a reporter at WNYC, New York's National Public Radio station. After receiving her Master's of Journalism degree (Columbia, '83), she traveled as a free-lance writer to Turkey, in search of her "roots," and to Israel, where she worked in the press office at the Hebrew University of Jerusalem.

Ms. Skenazy returned to the U.S. last fall to resume the free-lance writing that led to her being invited to join the AA staff as a full-time reporter. She is a native of Wilmette, Ill.#

CORRECTIONS & CLARIFICATIONS

- The Free-Lance Network, Buffalo, services ad agencies and some companies that have ad agencies (AA, Jan. 31, P. 40).
- A chart in the Personal Computer Marketing Special Report (AA, Feb. 7, P. 15) implies that Future Computing has estimated total computer hardware sales at $2.8 billion in 1984 and $6.8 billion in 1989. However, these figures and the retail market shares presented in the chart "Hardware stores" refer only to *home* personal computer hardware. Future Computing estimates the entire 1989 computer hardware market will be more than $31 billion.
- Procter & Gamble, Cincinnati, is not helping to fund spots for the National Institute of Justice (AA, Feb. 11, P. 8). The spots, prepared by Tatham-Laird & Kudner, Chicago, will break this spring.
- Although Bill Carpenter is executive producer of "The National Alcoholism Test," a tv special syndicated by On The Air (AA, Feb. 18, P. 36), Bob Naud was the line producer/director and writer. Mr. Naud is president of Bob Naud/QED Productions, New York.#

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WESTERN INTERNATIONAL MEDIA

Magazines react to single-copy sales slump

By STUART J. ELLIOTT

NEW YORK—The slowing of growth in single-copy sales that has affected many major magazines recently is evident in the latest figures from the Audit Bureau of Circulations.

The per-issue averages for the six months ending Dec. 31 show declines almost across the board (AA, Feb. 25). For instance, of the top 10 consumer magazines by circulation, just two enjoyed single-copy gains: *Ladies' Home Journal* and *National Geographic*, the latter only recently shifting from a subscription-only sales stance. Seven others registered declines, ranging from 0.1% (*Better Homes & Gardens*) to 12.8% (*Reader's Digest*); one, *Modern Maturity*, is available only by subscription.

The softness in single-copy sales has been attributed to publishers' continuing rounds of cover-price increases, the unevenness of the national economic recovery after the recession and a growing attitude among many magazine buyers that a single issue must be really special in order to prompt them to buy. Case in point: *Penthouse*, which has suffered single-copy sales losses for some time, had a 7.9% increase in the six months—during which time there were two issues featuring nude photographs of Vanessa Williams.

To counteract the single-copy sales slowdown, some magazines are moving to emphasize their subscription operations.

Cosmopolitan increased subscription sales in the six months by 22.1%, as single-copy sales fell 9.4%. *People's* subscription sales growth was almost six times its single-copy sales growth (4.5% vs. 0.8%). And *Family Circle* and *Woman's Day*, which in past years were sold almost entirely by single copy, increased their subscription sales during the period by 73% and 26.8%, respectively.

Turning to the total circulation picture, only three of the top 10 magazines reported higher figures: *TV Guide*, up 0.3%; *Modern Maturity*, up 15.4%, and *Better Homes & Gardens*, up 0.2%. By comparison, in the six months ending Dec. 31, 1983, seven of the top 10 showed gains. The seven decliners this time: *Reader's Digest*, down 0.4%; *National Geographic*, down 2.2%; *Family Circle*, down 3.8%; *Woman's Day*, down 7.2%; *McCall's*, down 0.7%; *Good Housekeeping*, down 3.9%, and *Ladies' Home Journal*, down 3.7%. (ABC data do not include as magazines the large Sunday newspaper supplements, *Family Weekly* and *Parade*.)

Of the Seven Sisters women's service books, just one in the top 10, *Better Homes & Gardens*, gained total circulation. The other five there—*Family Circle, Good Housekeeping, Ladies' Home Journal, McCall's* and *Woman's Day*—lost circulation, as did the seventh title in the category, *Redbook*, which was down 0.2%.

Computer magazines, which once routinely registered double-digit percentage gains in circulation, are now reflecting the shakeout in their ranks. Some are actually losing circulation—*e.g.*, *Byte*, down 2.8%; *InCider*, down 4.3%; *Popular Computing*, down 6%—while others are gaining circulation at slower rates—*e.g.*, *Personal Computing*, up 17%, vs. the 106% it gained in the six months ending Dec. 31, 1983; *Infoworld*, up 38.7%, vs. 56.2%, and *Compute!*, up 14%, vs. 247.1%. Some, however, are bucking both trends and are growing strongly: *Family Computing*, up 87.5%, and *Compute!'s Gazette*, up 133.1%.

Speaking of bucking trends, the two largest magazines in the men's sophisticates category, *Playboy* and *Penthouse*, gained circulation during the six months, a reversal from several consecutive periods of losses. *Playboy* was up 0.2% and *Penthouse* was up 7.7%. But most others in the category continued to fall.

Among the newsweeklies, two lost circulation—*Newsweek*, down 0.9%, and *U.S. News & World Report*, down 2.4%—while the third, *Time*, grew by 0.1%.

The business magazines category showed additional strength, as almost every title gained circulation, from *Business Week's* 0.7% to *Inc.'s* 22.4%.

Among magazines in all categories with large percentage gains: *Sylvia Porter's Personal Finance*, up 198.8%; *Inside Sports*, up 71.6%, and *American Health* and *Connoisseur*, each up 40.1%. Among those with large percentage declines: *Teen Beat*, down 38%, and *Gambling Times*, down 31.8%.#

Largest magazines by circulation

For the first time in some years, there was a change in ranking among the top 10 consumer magazines, as *Modern Maturity* moved ahead of *National Geographic* to take the No. 3 spot. Three of the 10 gained circulation, vs. year-ago, when seven of 10 increased their circulations. Figures are per-issue averages for the six months ending Dec. 31 of each year. *Source: Audit Bureau of Circulations.*

Rank '84	Rank '83	Name	12/31/84	12/31/83	Per cent change
1	1	*Reader's Digest*	17,866,798	17,937,045	−0.4
2	2	*TV Guide*	17,115,233	17,066,126	+0.3
3	4	*Modern Maturity*	10,770,688	9,334,710	+15.4
4	3	*National Geographic*	10,392,548	10,626,224	−2.2
5	5	*Better Homes & Gardens*	8,058,839	8,041,951	+0.2
6	6	*Family Circle*	6,920,333	7,193,079	−3.8
7	7	*Woman's Day*	6,517,684	7,025,290	−7.2
8	8	*McCall's*	6,311,011	6,358,293	−0.7
9	9	*Good Housekeeping*	5,184,559	5,393,087	−3.9
10	10	*Ladies' Home Journal*	5,058,538	5,252,444	−3.7

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Waldenbooks throws the book at discounters

By BRIAN MORAN

After years of leaving the responsibility for big-budget book advertising largely to publishers, Waldenbooks will shoulder more of the load in 1985 with its first-ever tv campaign.

Although Waldenbooks, a unit of K mart Corp., has by far the most outlets of any U.S. retail book chain (900 as of last week), mounting competition from discounters, including New York-based Barnes & Noble and Crown Books, Largo, Md., prompted the chain to ask new agency Grey Advertising to develop an awareness-building tv effort.

As part of the new marketing push, Waldenbooks is also negotiating tie-in promotions with Holiday Inns, Revlon and Eastman Kodak. The programs would likely include in-store sweepstakes and other giveaways.

Stamford, Conn.-based Waldenbooks plans to boost its ad budget to about $5 million this year, up from slightly more than $3 million last year. Waldenbooks moved its account to Grey York last fall from Ted Colangelo Associates (AA, Sept. 27).

A pool of 30-second tv spots will break in April in seven markets on morning, late-news and fringe programs, including "The Tonight Show." Follow-up spots also are planned for the busy back-to-school and Christmas retailing periods.

A supporting print campaign, breaking in March issues of magazines including *American Health*, *Harper's* and *Psychology Today*, also carries the chain's new slogan, "America finds it at Waldenbooks." The print schedule will later expand to regional books, including *Atlanta* and *Texas Monthly*. Waldenbooks will also run its in-store "Booknotes" tabloid as an insert in *USA Today* about 10 times during the year.

The print and broadcast efforts will focus on best-selling books, store promotions and nonbook offerings, such as audio and videocassettes and computer software. The first wave of print ads promotes several series of exercise and educational audio tapes.

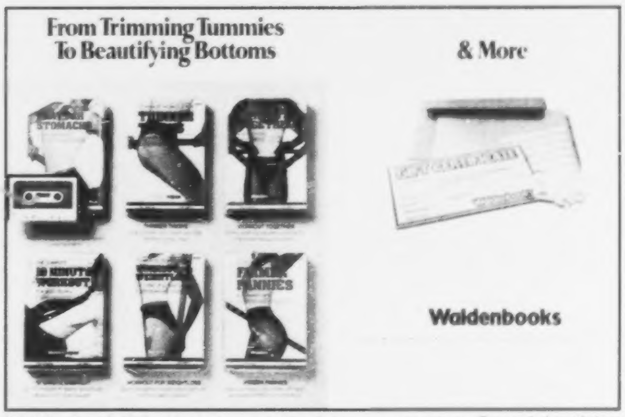
Publishers will still contribute to ad campaigns for specific product lines, but Waldenbooks execs said the chain's share of ad spending will increase this year.

Waldenbooks is depending on the cross-promotion efforts with other marketers to ease the current off-price frenzy in book retailing that is paring operating margins.

"We can't just discount and still make money," said Howard Jones, Waldenbooks' senior marketing manager. "We have to offer customers other benefits, other values besides low prices."

A tie-in with Commodore International last year brought some 2,500 children into Waldenbooks stores in 10 markets to take reading comprehension tests on a computer. In addition to bringing in customers, that promotion generated extensive local media coverage for the chain.

Value-added promotions aside, Waldenbooks is certainly not sitting out the off-price wars. The chain recently closed five of its stores in the New York metro area and reopened them as Reader's Market, offering discounts of from 10% to 35%. The company has plans to open 25 to 30 more off-price outlets this year and eventually spin off the Reader's Market operation into a national chain.



Waldenbooks' first print campaign from new agency Grey Advertising New York, supports a series of fitness and educational audiocassette tapes. New tag line is "America finds it at Waldenbooks." The $5 million campaign breaks in March issues of major consumer publications.

Waldenbooks is a latecomer to the off-price marketing. B. Dalton Bookseller, the Minneapolis-based Dayton Hudson unit that is Waldenbooks' chief competitor in mainstream book retailing with 733 stores, began testing discount stores more than three years ago. However, B. Dalton has been reluctant to commit itself to expansion; its Pickwick Discount Books operation has only 22 outlets open.

Waldenbooks would have joined the discounting fray long ago had it not been for the reluctance of its former parent, Carter Hawley Hale Stores, which preferred to nurture a full-service, upscale image.

But Waldenbooks' acquisition by Troy, Mich.-based K mart last summer for $295 million brought the chain into the fold of a champion discounter.

K mart immediately gave Waldenbooks the go-ahead for Reader's Market and installed Patrick Padden, an exec vp, at Waldenbooks to coordinate the venture.

Operating at reduced margins, Readers Market outlets must attract more shoppers and sell more books to each buyer than a full-price Waldenbooks outlet. So far, however, Waldenbooks has provided negligible ad support for the stores, and some store managers have complained. Outlets sometimes have been unable to meet monthly sales targets, which are double the sales figures set in 1984 when the locations were Waldenbooks outlets.

"We did some preopening and opening advertising for Reader's Market, but we really haven't done much yet," Mr. Jones said. "We're waiting to figure out where we are going to open up more stores."

Discounted books make up about 30% of the industry's $2 billion market for trade books and mass-market paperbacks. Crown Books is the country's largest discounter, with more than 180 stores.#

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Newspaper Ad Linage

December 1984 vs. December 1983

AKRON, OH (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Beacon Journal (E)	1 717 045	——	1 690 776	——
Beacon Journal (S)	1 332 673	——	1 166 354	——
Grand Total	3 049 718	——	2 857 130	——

NOTE Part run figures not available

*ATLANTA, GA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Constitution (M)	3 357 234	684 224	3 174 920	876 428
Journal (E)	3 578 273	764 795	3 151 008	735 340
Journal & Constitution (S)	2 377 559	1 206 102	2 004 082	1 103 674
Journal & Constitution (Sat)	780 242	——	630 356	——
Grand Total	10 093 308	2 655 121	8 960 366	2 715 442

NOTE Constitution Morning and Journal Evening published five days a week only

Constitution Morning Journal Evening Journal & Constitution Saturday and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective April 30 1984

*BALTIMORE, MD (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News-American (S)	712 517	96 496	638 682	56 432
News American (E)	918 051	127 004	1 023 431	161 784
Sun (M)	2 494 772	285 107	2 358 447	148 410
Sun (E)	1 930 230	256 839	1 936 635	148 568
Sun (S)	2 644 850	578 678	2 644 444	37 860
Grand Total	8 700 420	1 344 124	8 601 639	493 054

NOTE Sun Morning and Sun Evening started publication of a combined Saturday edition effective March 24 1984 The linage is shown only in the Sun Morning

News-American Sunday and Evening changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width and Sun Morning Evening and Sunday changed from a nine column (2664 lines per page) width to a six column (1764 lines per page) width effective July 1 1984

*BERGEN COUNTY, NJ (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Record (E)	3 060 057	456 806	2 792 093	571 523
Record (S)	2 636 880	555 326	2 213 618	503 280
Grand Total	5 696 937	1 012 132	5 005 711	1 074 803

NOTE Record Evening published five days a week only

Record Evening and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1 1984

*BOSTON, MA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald (M) (T-7)	860 278	——	797 789	——
Herald (S) (T-7)	381 728	403 004	468 790	119 240
Globe (M) (9)	3 253 424	182 790	3 085 856	214 150
Globe (S) (9)	3 227 025	359 960	2 658 341	261 976
Grand Total	7 722 455	945 754	7 010 776	595 366

NOTE Globe changed from All Day publication to morning publication effective April 2 1984

Herald Morning and Sunday changed from a seven column (1400 lines per page) tabloid width to a five column (980 lines per page) tabloid width effective July 1 1984 Globe Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width effective July 2 1984

BOULDER, CO (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Camera (M)	2 763 954	——	2 225 803	——
Camera (S)	1 584 116	——	1 226 697	——
Grand Total	4 348 070	——	3 452 500	——

NOTE Figures supplied by publisher to Media Records

*BUFFALO, NY (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (AD)	2 220 324	455 612	2 269 420	285 620
News (S)	991 543	523 228	867 533	385 384
Grand Total	3 211 867	978 840	3 136 953	671 004

NOTE News All Day and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective May 1 1984

*CAMDEN, NJ (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courier-Post (E)	1 807 812	345 917	1 705 216	183 300
Courier-Post (S)	959 924	170 300	779 608	18 760
Grand Total	2 767 736	516 217	2 484 824	202 060

NOTE Courier-Post Evening and Sunday changed from a six column (1860 lines per page) width to a six column (1806 lines per page) width effective May 1 1984

CHARLOTTE, NC (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (E)	1 237 843	7 442	1 308 483	55 568
Observer (M)	2 069 302	661 514	2 013 096	569 431
Observer (S)	1 226 619	862 859	952 107	615 494
Grand Total	4 533 464	1 531 813	4 274 686	1 240 493

NOTE News Evening published five days a week only

*CHICAGO, IL

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (AD) (6)	2 456 992	2 381 318	2 610 993	1 968 813
Tribune (S) (6)	2 128 626	866 898	1 827 094	651 387
Sun-Times (M) (T-7)	2 233 620	943 864	2 532 427	862 872
Sun-Times (S) (T-7)	1 140 248	519 851	1 165 742	569 986
Grand Total	7 959 486	4 711 931	8 136 256	2 996 658

NOTE Sun-Times Morning and Sunday changed from a six column (1260 lines per page) width tabloid to a five column (980 lines per page) width tabloid effective July 2 1984

*CINCINNATI, OH (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Enquirer (M)	2 899 065	196 736	2 674 866	186 072
Enquirer (S)	2 020 118	261 264	1 965 319	100 720
Post (E)	1 368 694	642 636	1 232 178	167 104
Grand Total	6 287 877	1 100 636	5 872 363	453 896

NOTE Enquirer Morning and Sunday and Post Evening changed from a six column (1800 lines per page) width to a six column (1806 lines per page) width effective July 1 1984

*CLEVELAND, OH (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Plain Dealer (M)	3 010 615	368 795	3 145 118	470 880
Plain Dealer (S)	2 040 900	92 216	1 755 582	168 427
Grand Total	5 051 515	461 011	4 900 700	639 307

NOTE Plain Dealer Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1 1984

*DALLAS, TX (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (M)	7 016 812	295 244	6 626 905	353 424
News (S)	3 496 747	208 157	3 050 522	266 647
Times Herald (AD)	6 004 889	433 537	5 569 104	260 742
Times Herald (S)	2 758 080	206 550	2 550 485	352 919
Grand Total	19 276 528	1 143 488	17 797 016	1 233 732

NOTE News Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1764 lines per page) width and Times Herald All Day and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1 1984

*DENVER, CO

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Rocky Mt. News (M) (T-7)	5 815 721	12 066	5 578 485	40 840
Rocky Mt. News (S) (T-7)	1 912 050	44 176	1 747 350	4 392
Post (M) (9)	3 937 347	163 045	3 593 314	163 183
Post (S) (9)	2 432 353	54 744	2 437 580	46 560
Grand Total	14 097 471	274 031	13 356 729	254 975

NOTE Rocky Mountain News Morning and Sunday changed from a seven column (1365 lines per page) width tabloid to a five column (980 lines per page) width tabloid and Post Morning and Sunday changed from a nine column (2772 lines per page) width to a six column (1848 lines per page) width effective July 1 1984

*DETROIT, MI (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Free Press (M)	2 144 421	687 362	2 072 688	895 079
Free Press (S)	950 576	424 768	855 044	423 565
News (AD)	3 152 204	829 987	2 470 308	678 768
News (S)	1 764 391	386 620	1 550 648	405 134
Grand Total	8 011 592	2 328 737	6 948 688	2 402 546

NOTE Free Press Morning and Sunday changed from a nine column (2736 lines per page) width to a six column (1830 lines per page) width and News All Day and Sunday changed from a nine column (2808 lines per page) width to a six column (1872 lines per page) width effective July 1 1984

*ERIE, PA (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (E)	1 324 369	22 288	1 350 886	8 640
Times-News (S)	1 178 664	300 896	1 017 354	57 120
Grand Total	2 503 033	323 184	2 368 240	65 760

NOTE Times Evening and Times-News Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 1 1984

FORT LAUDERDALE, FL (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News & Sun Sentinel (S)	2 070 359	——	——	——
Sun Sentinel (M)	5 036 374	——	——	——
Grand Total	7 106 733	——	——	——

NOTE 1983 figures not available

*FORT WAYNE, IN (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Journal Gazette (M)	1 607 527	——	1 546 613	——
Journal Gazette (S)	1 218 149	——	1 181 230	——
News Sentinel (E)	1 867 469	——	1 851 618	——
Grand Total	4 693 145	——	4 579 461	——

NOTE Journal Gazette Morning and Sunday and News Sentinel Evening changed from a nine column (2790 lines per page) width to a six column (1848 lines per page) width effective July 1 1984 Part run figures not available

FORT WORTH, TX (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star-Telegram (M)	5 323 388	769 832	3 148 066	854 798
Star-Telegram (E)	3 750 474	766 192	2 471 938	762 544
Star-Telegram (S)	2 516 710	779 142	1 737 470	385 364
Grand Total	11 590 572	2 315 166	7 357 476	2 002 706

NOTE Figures supplied by publisher to Media Records Star-Telegram Morning Evening and Sunday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective July 1 1984

GARY, IN (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post Tribune (E)	981 540	189 182	1 014 440	153 132
Post Tribune (S)	361 788	92 428	344 400	86 394
Grand Total	1 343 328	281 610	1 358 840	239 526

NOTE Figures supplied by publisher to Media Records

*GREENWICH STAMFORD, CT (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Time (E)	1 517 306	——	1 484 602	——
Time (S)	938 745	——	808 013	——
Advocate (E)	2 047 019	21 612	1 969 699	——
Advocate (S)	983 786	——	892 341	——
Grand Total	5 486 856	21 612	5 154 655	——

NOTE Time Evening and Sunday and Advocate Evening and Sunday changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) effective August 1 1984

*HARTFORD, CT (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courant (M)	3 018 002	620 420	2 922 300	544 751
Courant (S)	1 672 540	1 802 362	1 400 363	1 261 989
Grand Total	4 690 542	2 422 782	4 322 663	1 806 740

NOTE Courant Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1 1984

*HONOLULU, HI (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Advertiser (M)	3 020 334	——	3 028 033	——
Star Bulletin (E)	2 896 501	——	2 818 230	——
Star Bulletin & Advertiser (S)	1 676 007	——	1 733 003	——
Grand Total	7 592 842	——	7 579 266	——

NOTE Advertiser Morning Star Bulletin Evening and Star Bulletin & Advertiser Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 1 1984

*HOUSTON, TX (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Chronicle (AD)	6 414 001	662 170	7 210 977	519 956
Chronicle (S)	3 004 284	555 554	2 532 935	474 789
Post (M)	4 370 121	724 136	5 212 773	286 925
Post (S)	1 749 267	589 598	1 604 481	555 662
Grand Total	15 537 673	2 531 458	16 561 166	1 837 330

NOTE Chronicle All Day and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 2 1984 and Post Morning and Sunday changed from a nine column width (2655 lines per page) to a six column width (1764 lines per page) effective July 1 1984

*LONG BEACH, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Press-Telegram (M)	2 092 382	——	1 918 426	——
Press-Telegram (S)	1 060 668	——	1 025 832	——
Grand Total	3 153 050	——	2 944 258	——

NOTE Press-Telegram Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1 1984 Part run figures not available

LONG ISLAND, NY (T-6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Newsday (E)	3 012 127	949 636	2 994 109	1 027 774
Newsday (S)	1 734 732	1 620 691	1 536 341	1 272 739
Grand Total	4 746 859	2 570 327	4 530 450	2 300 513

*LOS ANGELES, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (M)	6 449 683	4 330 403	6 501 893	3 527 545
Times (S)	3 290 142	1 563 099	2 760 298	1 549 692
Herald Examiner (M)	1 006 352	353 357	985 252	279 546
Herald Examiner (S)	238 481	128 466	262 706	95 306
Grand Total	10 985 658	6 374 325	10 510 149	5 452 089

NOTE Times Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective July 2 1984 and Herald Examiner Morning and Sunday changed from an eight column width (2240 lines per page) to a six column width (1680 lines per page) effective July 1 1984

*LOS ANGELES SAN FERNANDO VALLEY, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
News (M)	3 529 597	727 251	3 315 873	603 781
News (S)	1 281 369	429 239	1 434 894	78 776
Grand Total	4 810 966	1 156 490	4 750 767	682 557

NOTE News Morning and Sunday changed from an eight column width (2400 lines per page) to a six column width (1764 lines per page) effective July 2 1984

LOS ANGELES TORRANCE, CA (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Breeze (E)	2 545 466	——	2 097 158	——
Breeze (S)	996 198	——	975 856	——
Grand Total	3 541 664	——	3 073 014	——

NOTE Figures supplied by publisher to Media Records
Breeze Evening and Sunday changed from an eight column (2408 lines per page) width to a six column width (1806 lines per page) effective July 1 1984

LOUISVILLE, KY (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Courier Journal (M)	2 006 368	204 512	1 825 838	364 056
Times (E)	1 892 660	428 344	1 634 570	537 096
Courier Journal (S)	2 062 298	10 570	1 836 422	5 502
Grand Total	5 961 326	643 426	5 296 830	906 654

NOTE Figures supplied by publisher to Media Records

MACON, GA (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Telegraph & News (M)	1 118 264	410 648	968 786	322 182
Telegraph & News (S)	866 992	236 530	670 740	238 868
Grand Total	1 985 256	647 178	1 639 526	561 050

NOTE Figures supplied by publisher to Media Records 1983 figures are converted to a six column format as supplied by publisher
Telegraph & News Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1 1984

MIAMI, FL (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald (M)	3 174 290	——	3 084 343	——
Herald (S)	1 822 498	——	1 645 139	——
News (E)	1 107 149	——	1 236 801	——
Grand Total	6 103 937	——	5 966 283	——

NOTE Part run figures not available

MINNEAPOLIS, MN (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star & Tribune (AD & Sat)	2 399 471	325 026	2 253 300	299 432
Star & Tribune (S)	2 225 676	44 072	2 006 032	5 012
Grand Total	4 625 147	369 098	4 259 332	304 444

NOTE 1983 figures supplied by publisher to Media Records 1983 part run daily is TMC and Community linage only 1983 part run Sunday is Country linage only

*NASHVILLE, TN (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Banner (E)	1 693 315	573 540	1 657 223	389 208
Tennessean (M)	1 717 821	573 790	1 728 117	378 224
Tennessean (S)	1 288 918	479 848	1 093 269	438 588
Grand Total	4 700 054	1 627 178	4 478 609	1 206 020

NOTE Banner Evening and Tennessean Morning and Sunday changed from a six column (1800 lines per page) format to a six column (1806 lines per page) format effective July 1 1984

*NEW YORK, NY

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Times (M) (9)	3 579 337	329 058	3 510 969	327 349
Times (S) (9)	3 563 572	1 949 547	3 164 251	1 874 187
News (M) (T-6)	1 209 946	2 288 464	1 460 141	1 874 655
News (S) (T-6)	601 158	1 689 402	579 522	1 596 348
Post (AD) (T-7)	1 186 772	18 218	1 147 677	——
Grand Total	10 140 785	6 274 689	9 862 560	5 672 539

NOTE Times Morning and Sunday changed from a nine column width (2700 lines per page) to a six column width (1764 lines per page) News morning and Sunday changed from a six column width tabloid (1200 lines per page) to a six column width tabloid (1176 lines per page) and Post All Day changed from a seven column width tabloid (1400 lines per page) to a five column width tabloid (980 lines per page) effective July 2 1984

*NEWARK, NJ (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Star Ledger (M)	4 265 919	133 355	3 978 166	172 168
Star Ledger (S)	3 164 441	683 972	2 563 593	520 860
Grand Total	7 430 360	817 327	6 541 759	693 028

NOTE Star Ledger Morning and Sunday changed from a nine column (2835 lines per page) format to a six column (1788 lines per page) format effective July 1 1984

*OAKLAND, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (M)	1 794 500	794 571	1 668 999	265 977
Tribune (S)	859 291	382 704	939 885	501 992
Grand Total	2 653 791	1 177 275	2 608 884	767 969

NOTE Tribune Morning and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2 1984

*ORANGE COUNTY, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Register (AD)	5 730 411	1 126 207	5 312 453	875 972
Register (S)	2 276 593	124 536	2 135 029	37 440
Grand Total	8 007 004	1 250 743	7 447 482	913 412

NOTE Register All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 1 1984

*ORLANDO, FL (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Sentinel (AD)	3 590 078	653 760	3 565 221	251 384
Sentinel (S)	1 505 075	327 476	1 341 918	272 692
Grand Total	5 095 153	981 236	4 907 139	524 076

NOTE Sentinel All Day and Sunday changed from an eight column width (2352 lines per page) to a six column width (1764 lines per page) effective July 1 1984 Part run totals do not include County Sentinel and Sentinel Bonus linage

*PHILADELPHIA, PA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Inquirer (M) (6)	2 795 908	771 833	2 547 638	762 731
Inquirer (S) (6)	2 152 410	677 646	1 817 662	464 689
News (E) (T-5)	1 247 413	188 024	1 241 213	43 936
Grand Total	6 195 731	1 637 503	5 606 513	1 271 356

NOTE Inquirer Morning and Sunday changed from a six column (1860 lines per page) width to a six column (1877 lines per page) width effective January 1 1984

PHOENIX, AZ (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Arizona Republic (M)	6 094 060	476 505	4 798 430	275 478
Arizona Republic (S)	3 374 126	——	2 864 120	——
Gazette (E)	5 892 502	481 489	4 645 928	278 250
Grand Total	15 360 688	957 994	12 308 478	553 728

NOTE Figures supplied by publisher to Media Records

PORTLAND, OR (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Oregonian (AD&S)	4 474 508	——	4 744 452	——
Grand Total	4 474 508	——	4 744 452	——

NOTE Figures supplied by publisher to Media Records 1983 figures are converted to a six column format as supplied by publisher

Oregonian All Day and Sunday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective July 1 1984

PROVIDENCE, RI (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Bulletin (E)	1 708 882	815 598	1 434 524	826 616
Journal (M)	1 825 124	494 466	1 846 598	505 022
Journal (S)	1 621 816	414 834	1 626 716	384 398
Grand Total	5 155 822	1 724 898	4 907 838	1 716 036

NOTE Bulletin Evening and Journal Morning have a combined Saturday edition The linage is shown only in the Journal Morning

Bulletin Evening and Journal Morning and Sunday changed from a nine column (2700 lines per page) width to a six column (1806 lines per page) width effective July 1 1984 Figures supplied by publisher to Media Records 1983 figures are converted to a six column format as supplied by publisher

*ROCHESTER, NY (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Democrat & Chronicle (M)	1 907 097	297 773	1 848 859	275 775
Democrat & Chronicle (S)	1 368 521	318 890	1 213 466	226 540
Times Union (E)	1 448 813	284 417	1 513 439	271 688
Grand Total	4 724 431	901 080	4 575 764	774 003

NOTE Democrat & Chronicle Morning and Sunday and Times Union Evening changed from a nine column width (2700 lines per page) to a six column width (1806 lines per page) format effective June 25 1984

Note Times Union evening published five days a week only

SACRAMENTO, CA (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Bee (M&S)	6 761 796	454 946	7 851 256	——
Grand Total	6 761 796	454 946	7 851 256	——

NOTE 1983 figures supplied by publisher to Media Records

Bee Morning and Sunday changed from a nine column (2646 lines per page) width to a six column (1764 lines per page) width effective July 1 1984

ST. LOUIS, MO (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post Dispatch (M)	2 667 720	783 867	2 010 684	287 574
Post Dispatch (S)	3 256 689	——	2 670 873	——
Grand Total	5 924 409	783 867	4 681 557	287 574

NOTE Figures supplied by publisher to Media Records

Post Dispatch changed from Evening publication to Morning publication effective February 27 1984

*ST. PAUL, MN (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Pioneer Press (M)	1 403 568	——	1 223 330	——
Pioneer Press (S)	1 583 886	——	1 495 948	——
Dispatch (E)	1 434 172	——	1 365 867	——
Grand Total	4 421 626	——	4 085 145	——

NOTE Pioneer Press Morning and Sunday and Dispatch Evening changed from a six column (1782 lines per page) format to a six column (1764 lines per page) format effective July 1 1984

Note Pioneer Press Morning and Dispatch Evening have a combined Saturday edition The linage is shown only in the Dispatch evening Part run figures not available

*SAN ANTONIO, TX (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Express-News (AD)	2 851 075	385 056	3 009 060	264 224
Express-News (S)	1 871 642	545 412	1 447 035	603 508
Express-News (Sat)	942 910	——	882 278	——
News (E)	——	——	2 480 821	162 640
Light (E)	2 608 635	630 454	3 026 413	285 490
Light (S)	1 820 455	398 175	1 366 238	671 836
Light (Sat)	890 454	——	781 732	560
Grand Total	10 985 171	1 959 097	12 993 577	1 988 258

NOTE Express Morning Express-News Sunday and Saturday News Evening and Light Evening Sunday and Saturday changed from a nine column width (2709 lines per page) to a six column width (1806 lines per page) effective June 1 1984 Express Morning and News Evening combined to one edition Express-News All Day effective September 10 1984 The Express Morning linage is reported in the Express-News All Day listing

Prior to September 10 1984 Express Morning and News Evening published five days a week only Light Evening published five days a week only

*SAN DIEGO, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Union (M)	4 588 812	268 290	4 255 446	443 853
Union (S)	2 269 083	——	1 949 607	——
Tribune (E)	4 561 491	261 891	4 309 365	443 359
Grand Total	11 419 386	530 181	10 514 418	887 212

NOTE Union Morning and Sunday and Tribune Evening changed from an eight column (2408 lines per page) width to a six column (1806 lines per page) width effective July 2 1984

*SAN FRANCISCO, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Chronicle (M)	2 666 969	1 136 565	2 660 305	954 612
Examiner (E)	2 590 428	1 126 262	2 594 023	911 855
Examiner & Chronicle (S)	1 361 315	884 476	1 178 793	890 096
Grand Total	6 618 712	3 147 303	6 433 121	2 756 563

NOTE Chronicle Morning Examiner Evening and Examiner & Chronicle Sunday changed from an eight column width (2408 lines per page) to a six column width (1806 lines per page) effective July 2 1984

*SAN JOSE, CA (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Mercury News (AD)	5 617 839	594 225	4 934 612	676 894
Mercury News (S)	2 720 968	17 832	2 532 629	38 120
Grand Total	8 338 807	612 057	7 467 241	715 014

NOTE Mercury News All Day and Sunday changed from an eight column width (2408 lines per page) to a six column width (1788 lines per page) effective July 1 1984

*SHREVEPORT, LA (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Journal (E)	1 785 380	108 222	1 622 571	97 448
Times (M)	2 505 802	259 260	2 259 429	167 976
Times (S)	1 454 380	202 736	1 327 593	139 736
Grand Total	5 745 562	570 218	5 209 593	405 160

NOTE Journal Evening and Times Morning and Sunday changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective April 30 1984

STATE COLLEGE, PA (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Centre Times (E)	1 262 408	14 448	997 668	14 126
Centre Times (S)	476 448	——	481 180	——
Grand Total	1 738 856	14 448	1 478 848	14 126

NOTE Figures supplied by publisher to Media Records

*SYRACUSE, NY (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Herald Journal (E)	1 926 420	607 062	1 820 442	396 395
Herald American (S)	1 088 906	382 986	1 025 246	290 079
Post Standard (M)	1 570 639	646 917	1 427 935	502 000
Grand Total	4 585 965	1 636 965	4 273 623	1 188 474

NOTE Herald Journal Evening Herald American Sunday and Post Standard Morning changed from a nine column (2727 lines per page) width to a six column (1806 lines per page) width effective July 1 1984

TAMPA, FL (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Tribune (AD)	4 671 740	2 118 994	4 440 155	1 353 320
Tribune (S)	2 640 606	——	2 467 251	——
Grand Total	7 312 346	2 118 994	6 907 406	1 353 320

NOTE Figures supplied by publisher to Media Records Comics linage is not included

Tribune All Day and Sunday changed from a nine column (2835 lines per page) width to a six column (1890 lines per page) width effective July 1 1984

TOLEDO, OH (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Blade (E)	1 606 948	——	1 601 474	——
Blade (S)	1 430 002	——	1 200 654	——
Grand Total	3 036 950	——	2 802 128	——

NOTE Figures supplied by publisher to Media Records
Blade Evening and Sunday changed from a nine column width (2772 lines per page) to a six column width (1848 lines per page) effective April 2 1984

TORONTO, CANADA

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Sun (M) (T-6)	2 088 700	79 568	2 118 337	——
Sun (S) (T-6)	808 140	39 680	673 620	54 672
Globe & Mail (M) (9)	2 778 253	239 065	2 654 034	313 067
Grand Total	5 675 093	358 313	5 445 991	367 739

*WASHINGTON, DC (9)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post (M)	5 439 788	810 268	5 415 815	697 924
Post (S)	2 851 493	561 542	2 364 708	588 657
Grand Total	8 291 281	1 371 810	7 780 523	1 286 581

NOTE Post Morning and Sunday changed from a nine column (2781 lines per page) width to a six column (1848 lines per page) width effective July 1 1984

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Alexandria Journal (M)	1 060 813	7 136	941 335	——
Prince George's Journal (M)	944 561	15 800	865 779	3 600
Montgomery Journal (M)	976 157	15 800	873 906	3 600
Fairfax Journal (M)	1 114 199	7 136	950 449	——
Arlington Journal (M)	1 067 863	7 136	937 860	——

NOTE Alexandria Journal Morning Prince George's Journal Morning Montgomery Journal Morning Fairfax Journal Morning and Arlington Journal Morning published five days a week only and changed from a nine column (2709 lines per page) width to a six column (1806 lines per page) width effective July 2 1984

WEST PALM BEACH, FL (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Post (M)	3 621 954	457 786	3 291 820	453 782
Times (E)	2 861 572	35 210	2 609 628	12 502
Post (S)	2 237 704	247 478	2 088 366	146 762
Grand Total	8 721 230	740 474	7 989 814	613 046

NOTE Figures supplied by publisher to Media Records
Times evening published five days a week only

*WESTCHESTER ROCKLAND, NY (8)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Reporter Dispatch (E)	1 590 873	239 383	1 750 200	181 634
Reporter Dispatch (S)	1 037 358	490 856	1 244 270	257 032
Grand Total	2 628 231	730 239	2 994 470	438 666

NOTE Reporter Dispatch Evening and Sunday changed from an eight column width (2400 lines per page) to a six column width (1806 lines per page) effective June 25 1984

WICHITA, KS (6)

	1984 Full Run	1984 Part Run	1983 Full Run	1983 Part Run
Eagle-Beacon (M)	2 223 548	——	1 959 824	——
Eagle-Beacon (S)	1 380 731	——	1 328 426	——
Grand Total	3 604 279	——	3 288 250	——

NOTE Part run figures not available

NOTE Figures in Parenthesis Denote Reported Newspaper Column Format For example (6)—Six Column Broadsheet (T-7)—Seven Column Tabloid

Source: Media Records

Linage figures have been provided by Media Records for the exclusive publication of Advertising Age They may not be reprinted or published in any form without explicit permission from Media Records All newspapers represented are subscribers to Media Records For those newspapers that subscribe to Media Records National Advertising Report Service total advertising linage shown were provided by the newspaper to Media Records and included in this compilation

CONVERSION METHODOLOGY

Due to the introduction of the SAU 6 column format Media Records applies the following conversion methodology to report comparable figures (1984 month vs 1983 data) for newspapers that changed column formats in 1984 These newspapers are indicated with an asterisk (*)

7 column tabloids which have adopted a 5 column tabloid format are converted back to the original 7 column formats

8 column broadsheet standards which have adopted a 6 column broadsheet standard format are converted back to the original 8 column formats

9 column broadsheet standards which have adopted a 6 column broadsheet standard format are converted back to the original 9 column formats

6 column broadsheet standards or tabloids which have a slight depth change in 1984 but did not change column format are converted back to original depth

C2710-1

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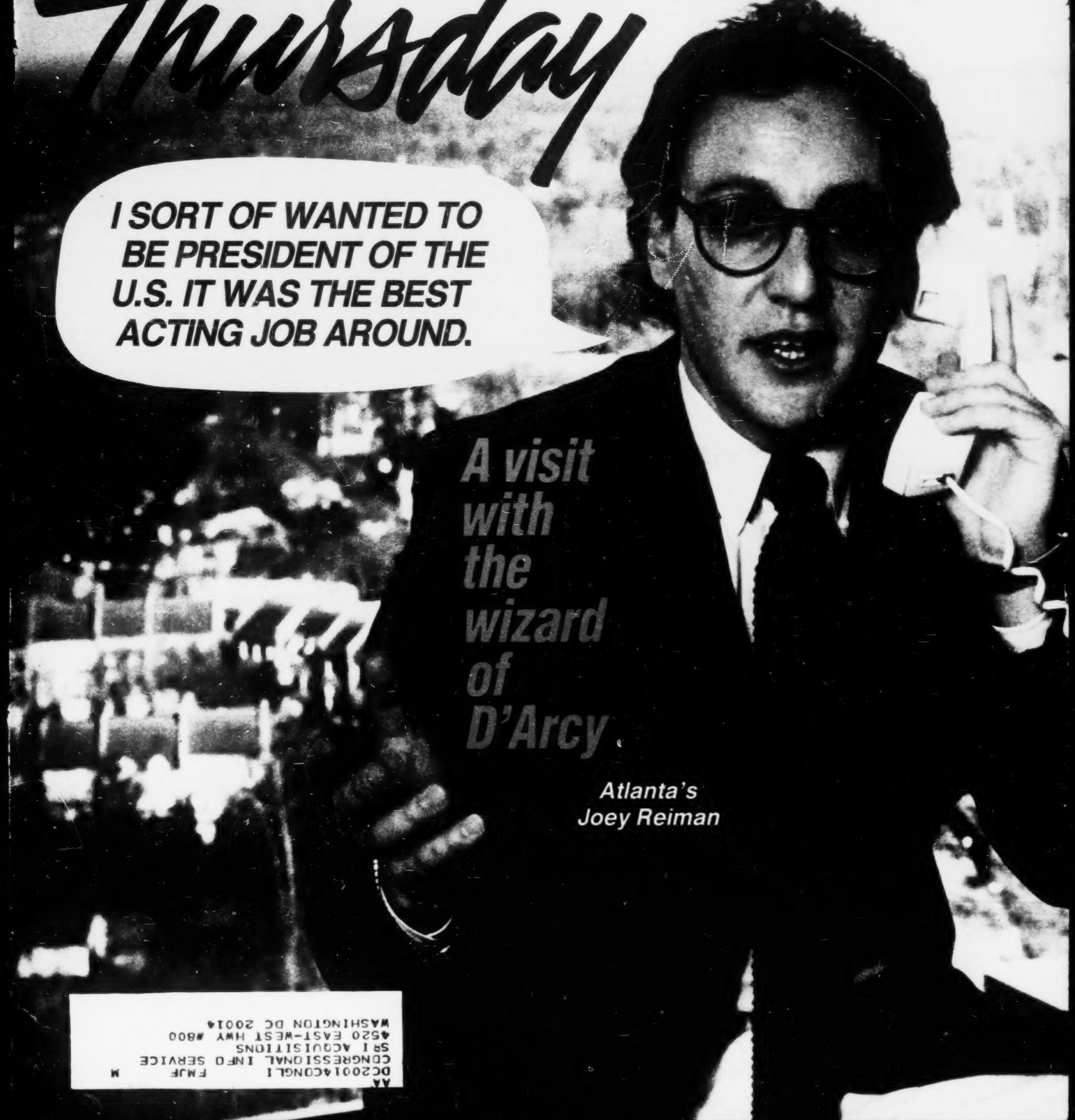
March 7, 1985

Advertising Age®

Thursday


I SORT OF WANTED TO BE PRESIDENT OF THE U.S. IT WAS THE BEST ACTING JOB AROUND.

A visit with the wizard of D'Arcy

Atlanta's Joey Reiman

AA
DC20014CONGL1 FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

In the news

Scali stacks up for Volvo

Volvo, the production crew from Scali, McCabe, Sloves and a Swedish crane operator called it a day at seven—seven Volvo station wagons stacked one on top of another. The scene appears in Volvo's current tv spots. *See Page 4.*

D'Arcy's Atlanta wizard

Advertising Age
Thursday
I SORT OF WANTED TO BE PRESIDENT OF THE U.S. IT WAS THE BEST ACTING JOB AROUND.
A visit with the wizard of D'Arcy

Cover photo: Arnold Adler

In what Joey Reiman calls the "fairy tale business" of advertising, he became the "wizard" at D'Arcy's Atlanta outpost. One observer calls the shop's 31-year-old executive creative director "brilliant. D'Arcy's won eight accounts in the past year, thanks to him." *See Page 5.*

Party time

Uncle Milty was there. So was Hef. The occasion was a *Time* party in Beverly Hills honoring Hollywood luminaries who have appeared on the magazine's cover. *See Page 8.*

Container Corp. great idea

Container Corp. of America has donated its "Great Ideas of Western Man" collection of original art to the Smithsonian. *See Page 9.*

Wary of 15s

"The 15-second ad is advertising without foreplay," jokes Marschalk's Marshall Karp, who has learned the confines of the 15. *See Page 63.*

Special Report

Action! That's always been the promise of direct marketing, and now that promise is coming true as direct-response marketing continues to mature. Direct and general agencies are combining their skills for marketing strategies and campaigns that take the best from both worlds. *Direct Marketing Special Report begins on Page 13.*

Presstime

JWT gets Nestle Morsels

White Plains, N.Y.—Nestle Co. has assigned its estimated $16 million Morsels candy business to J. Walter Thompson USA, New York. The account was at Leo Burnett USA, Chicago, which resigned both it and the Taster's Choice coffee account, together worth $40 million, when it won substantial M&M/Mars business.

Seven-Up revives 'Uncola'

St. Louis—Seven-Up Co. revived its "Uncola" positioning March 6 in a new radio and tv campaign themed "The Un's the one." N W Ayer, New York, handles.

'We Are World' released

Los Angeles—Columbia Records today will release the single "We Are the World" by the all-star group USA for Africa. The bulk of net proceeds will go toward African famine relief, but Columbia, which also distributed "Do They Know It's Christmas?" by U.K. group Band Aid, said 10% will go to the U.S. hungry and homeless.

Strike may jar tv season

Hollywood—A strike by tv and movie writers, which began March 5, will delay the start of the new season next fall if it isn't settled by late April, sources say here. For the tv networks, the walkout is expected to cut short some new limited series airing this spring and summer, as well as force some daytime serials into reruns. However, a spokesman for Procter & Gamble said tv's largest advertiser plans to keep its serials in production. Meanwhile, actors in tv commercials won a "moderate increase" in fees in a tentative pact reached this week with ad industry negotiators. The new pact must still be ratified by the boards of the Screen Actors Guild and the American Federation of Television & Radio Artists.

Post Co. eyes New Yorker

New York—Washington Post Co. is said to be considering the possibility of bidding for The New Yorker Magazine Inc., which is examining a takeover bid from S.I. Newhouse Jr.'s Advance Publications (AA, Feb. 14, *et seq.*).

K mart to tag Smith again

Troy, Mich.—K mart Corp. is planning to widen its use of actress Jaclyn Smith as an advertising pitchwoman. Ms. Smith now promotes only a fall line of women's sportswear. But K mart is planning Jaclyn Smith lines of spring swimwear and fall lingerie for 1986 and is considering maternity, children's and outerwear lines later. Ross Roy Inc., Detroit, handles the sportswear line.

Ad ban sinks in Hawaii

Washington—Alcohol advertising opponents have suffered another grass-roots setback with state senators in Honolulu killing a bill that would have outlawed all liquor advertising via newspapers, outdoor boards, radio and tv. The Hawaii bill withered in committee under heat from the state's publishers, broadcasters, advertisers and ad agencies. Similar legislative thrusts already have failed in Georgia and Montana, but the American Advertising Federation reports alcohol

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Robots: Toys for yuppies?

By JAMES P. FORKAN

Tomy Corp., one of several toy marketers scoring last year with transformable robot figures, now is ready to tackle the robotic market's high end with a line of electronic robots.

The Carson, Cal.-based Tomy has allocated $5 million to advertise the Omni 2000, the Omnibot and the Chatbot on tv and in print. The campaign, in a lighthearted vein, starts later this year, via Keye/Donna/Pearlstein, Los Angeles (AA, Feb. 11). The efforts will be mainly tv, but each will be supplemented by a heavy print followup campaign.

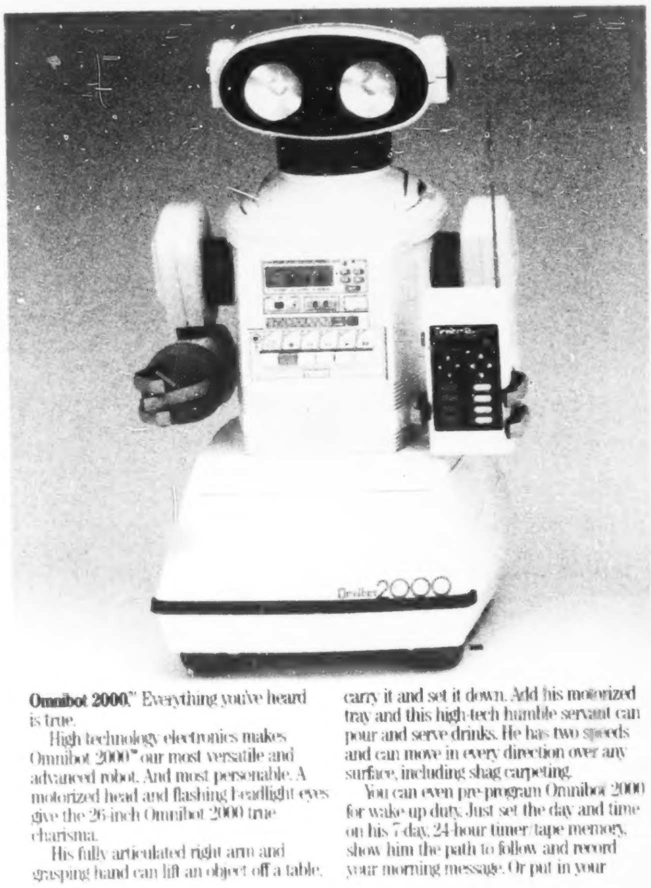
According to the agency's Paul Doupe, vp-management supervisor, and Debra Niemann, vp-account supervisor, the tv support for Omnibot will break this spring, followed in the fall by Omni 2000 and Chatbot advertising. The Omnibot and Omni 2000, as suggested by their retail price range ($200 to $250 for the former, $500 for the latter), are electronic playthings for young, upscale professionals, while the Chatbot will be directed at children. All three products will be referred to at the close of the commercials as a "State-of-the-fun robot," making that, in effect, the campaign theme.

The agency execs said they had the most fun with the Omni 2000 and Omnibot spots while the Chatbot commercial, entitled "Clubhouse," was, in their view, least creative, given what they called its "kid network legal" content.

The Omnibot spot, entitled "Urban," is subdivided into three vignettes, in which the 18-in. remote-control robots are shown wearing hats and other accessories to give them different personalities. One segment shows a group of the robots on a New York City subway station—even including a "bag lady"—while another vignette shows one Omnibot serving others drinks at poolside, as one Hollywood type tells another "Have your agent call my agent."

The idea was to turn the robots into personalities and emphasize their entertainment value, rather than simply have copy say "This is a robot, this is what it does," said Ms. Niemann. The robots are "essentially high-tech home entertainment products," more than "functional" products, Mr. Doupe added. The Omni 2000 especially is aimed at relatively upscale males in the 25-to-49 age bracket, as "one of those products for the person who has everything," said

(Continued on Page 63)



Omnibot 2000." Everything you've heard is true.

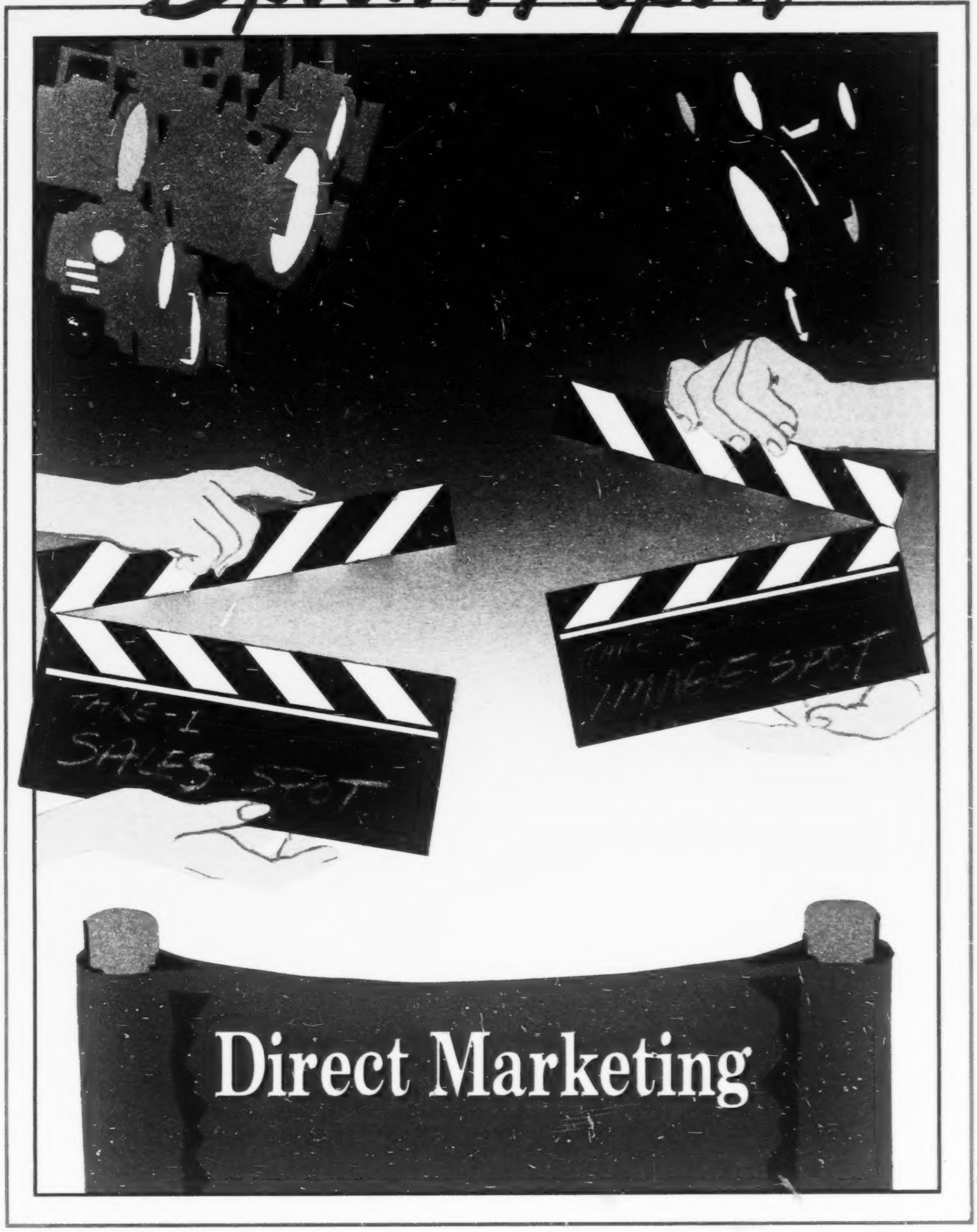
High technology electronics makes Omnibot 2000" our most versatile and advanced robot. And most personable. A motorized head and flashing headlight eyes give the 26-inch Omnibot 2000 true charisma.

His fully articulated right arm and grasping hand can lift an object off a table, carry it and set it down. Add his motorized tray and this high-tech humble servant can pour and serve drinks. He has two speeds and can move in every direction over any surface, including shag carpeting.

You can even pre-program Omnibot 2000 for wake up duty. Just set the day and time on his 7-day, 24-hour timer/tape memory, show him the path to follow and record your morning message. Or put in your

Part of the "state-of-the-fun" robot line from Tomy Corp. is the Omni 2000, a $500 product that should be a hit at yuppie parties, given its ability to play audio-cassettes as well as pour and serve drinks.

Special Report



Jeffrey Toth

Taking the best of both scenes

By Len Strazewski

Action!
That's been the promise of direct marketing since it started to develop in a big way during the media-minded 1970s.

Though direct marketing was seen by many as a competitor to traditional retail product distribution and the name and image advertising used by manufacturers and retailers, direct marketing continued to grow, taking advantage of innovations in mail testing, telemarketing and computerized databases.

In the integrative 1980s, direct marketing is making great strides toward equality with traditional ad techniques and the companies that use them. Generating more than $12 billion in annual product sales and continuing payments for services, according to a study conducted by Simmons Market Research Bureau for the Direct Marketing Assn., direct marketing is now about one-third the size of the U.S. retail distribution system.

As a result, direct marketing has earned respect, and more product marketers are adding a direct response element to tv and print advertising, seeking the satisfactions of immediate sales and market development.

More retailers are starting catalog sales operations, noting the synergy between direct sales and store traffic.

And more direct marketers are realizing that "action" involves more than moving a few record albums and steak knives; it includes long-term promotion of product names and quality images with state-of-the-art creative efforts.

The philosophy is called "integrative marketing," and the campaigns are not only spots and ads, but also all-purpose programs designed to reach consumers on all levels.

"It's absolutely true—on several levels," says Richard Colligan, chairman of the direct marketing agency Stone & Adler, Chicago. "One of the motivations is measurement. Major marketers are obviously interested in better measuring the markets they address.

"There's more pressure on both general and direct marketing agencies to use ad budget dollars more effectively, and to do that, you need better research. And direct marketing techniques are well-known for the information response they provide."

By adding a direct mail or direct response feature, marketers learn more about the demographics of their buyers and are better able to identify smaller segments, more specific appeals of products and more areas of product support, he says.

Many marketers also are interested in generating additional cash flow from their use of media, and a direct response feature, such as an 800 phone number for direct ordering, produces immediate sales.

Some agencies also tout a new rule of thumb for marketing budgets, an 80%-20% split between traditional campaigns and direct mail or direct response campaigns. But Mr. Colligan says there are as many exceptions as there are examples. As the two disciplines integrate, the direct marketing portion of the budget may shrink as the general agencies adopt more direct features in their ads, he says.

Stone & Adler, for example, shares several clients with its parent, Young & Rubicam USA, and maintains little distinction, he says. Both the direct marketers and the general agency staff attend all meetings, and one person from the family of com-

(Continued on Page 16)

Len Strazewski is the AD AGE associate editor who coordinated this Special Report.

Companies find marketing answer in telephone

By Richard Edel

Once associated with fast-talking, high-pressure sales pitches and products of dubious quality, telemarketing is finding new respect as an indispensable part of the corporate marketing mix.

But the transition from back room to board room has not been an easy one for telephone marketing agencies, or for some of their blue chip clients. Telemarketing still struggles with an image problem even as it evolves into a powerful marketing force in the 1980s.

> **"They . . . know that telemarketing has become an integral part of the advertising mix."**
>
> *—Dwaine L. Canova Telephone Marketing Services*

"It has only been the last three or four years that I could admit to my children what I really do for a living," says Dwaine L. Canova, president of Telephone Marketing Services, Hayward, Cal. "Most people still tend to associate telemarketing with the [tv offers for] steak knives and vegetable slicers. We have lived under a cloud for a long time."

That cloud is lifting as large and small companies are finding creative uses for telemarketing in sales, solicitation, product promotion and customer service. But the mechanics of telemarketing still remain a bit hazy to some, Mr. Canova and other agency heads say.

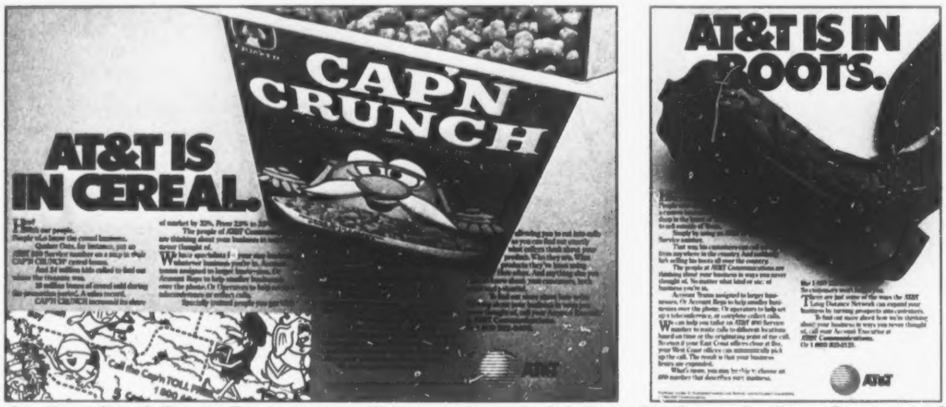
For example, most people think of telemarketing exclusively as outbound telemarketing, which means that a company hires an agency, such as Mr. Canova's, to place calls to regular and prospective customers. This technique most commonly is used to supplement personal selling, generate and qualify sales leads, provide customer service and improve market penetration. Outbound telemarketing was a vital fundraising force in last year's political campaigns.

Inbound telemarketing means a company hires an agency—perhaps the same agency—to answer calls from customers dialing American Telephone & Telegraph 800 service numbers.

This technique most commonly is orchestrated into the corporate advertising mix by selective placement of toll-free numbers in tv, print, outdoor and direct mail.

The use of inbound and outbound telemarketing creates a marketing synergy capable of increasing consumer response rates between 2% and 20%, according to estimates by AT&T and direct marketing agencies.

Whether the corporation is promoting a product or a service, more marketers are turning to the telephone to contain costs, expand market base and increase profits. This is true of both business and consumer advertising, agency spokesmen say.



Quaker Oats' Cap'n Crunch cereal promotion used inbound telemarketing, the type of technique touted by American Telephone & Telegraph in its "AT&T is in . . . " ads.

A few spectacular telemarketing success stories are helping to convince even the most hard-boiled agency and corporate executives that it is a media to be reckoned with. For example, Quaker Oats sponsored a landmark promotion in 1981 for its Cap'n Crunch cereal that involved clever use of inbound telemarketing.

The company offered 5,000 Huffy bicycles as prizes in a sweepstakes to find the correct location of the pirate character, Jean La Foote, on special treasure maps included in each cereal box. Children were encouraged to call the company using a special 800 service number to find out if they had won.

Originally projecting 10 million calls, Quaker Oats received 24 million by the end of the four-month promotion. At peak periods, about 1 million call attempts were being made each day. Sales of the cereal increased 62%. Market share increased 33% and residual share increased 15%.

"One of the reasons it was successful was that it used the telephone," says Peter Consolazio, director-promotions, Quaker Oats, Chicago. "It is my judgment that the telephone was the key element in the promotion."

The Quaker Oats promotion and others that followed helped change the thinking of many account execs concerning inbound telemarketing.

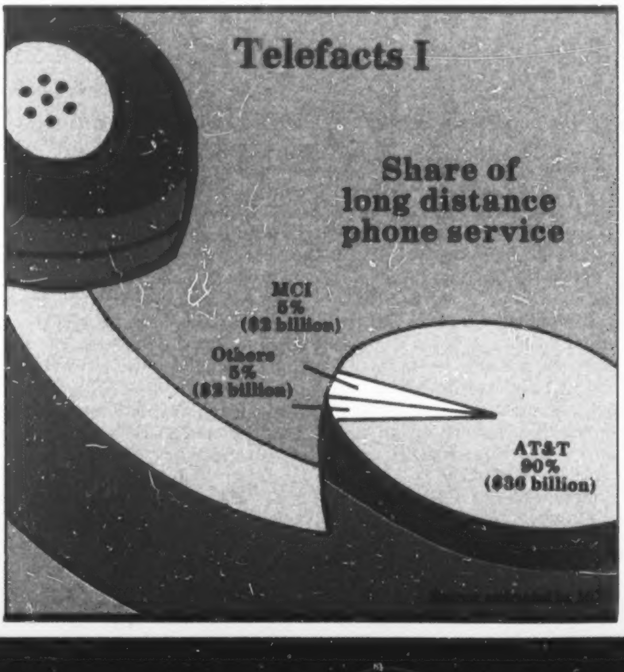
"Ten years ago, if we would have gone to an advertising agency to pitch our services, they wouldn't even have let us take our coats off," Mr. Canova says. "Now they are inviting us in to give presentations because they know that telemarketing has become an integral part of the advertising mix."

But this change of heart has as much to do with a new feel in the creative approach to advertising that uses the telephone as its direct response medium as it does with the inherent strengths of inbound telemarketing, says Ron Bliwas, president of A. Eicoff & Co., Chicago, a division of Ogilvy & Mather.

The Eicoff agency is the largest tv direct response agency in the U.S., handling accounts for *Playboy*; National Liberty Insurance; Sears, Roebuck & Co.; American Express, and Owens-Corning Fiberglas Corp., among others.

"I personally give a speech a month talking about the evolution of direct response advertising," Mr. Bliwas says. The biggest departure for corporate advertisers today from those unforgettable, hard-selling commercials of the "slicer and dicer" era is the creative component, he says.

Creative techniques, especially with tv advertising, have grown to fit the expanding array of products and services being offered, Mr. Bliwas says. No longer does the camera focus on a pair of hands performing won-



Richard Edel has written previously for Direct Marketing Special Reports.

AT&T dials its own service

When it comes to using telemarketing to sell telemarketing services, American Telephone & Telegraph sets its own best example.

"We eat our own dog food, as the saying goes," says Pete de Tagyos, district manager for applications marketing at AT&T. "Not only have we been working on telemarketing since the 1940s, but we have internalized this technique in our own marketing efforts."

AT&T uses its own 800-Services (inbound telemarketing) and telephone answering centers as the direct response medium for a tv ad schedule that is estimated by a competitor to cost $500 million.

AT&T also uses extensive print and other media in addition to AT&T WATS (outbound telemarketing) to generate leads, cross-sell services and consult with clients. Outbound telemarketing is conducted by the AT&T Communications National Sales Center in Kansas City, Mo.

"A tremendous amount of our effort is concerned with consulting with our clients," says Dick Wagner, AT&T's telemarketing staff manager. "We take them from soup to nuts on setting up inbound and outbound telemarketing."

A measure of AT&T's success is the growing number of companies using telemarketing services and the number of calls being made. For example, interstate calls on AT&T 800 Service tripled from $911 million in 1978 to $2.8 billion in 1984.

AT&T is getting a lot of mileage in its tv advertising with testimonials from companies using telemarketing services, says Jane Kleban, AT&T's district manager for business advertising.

AT&T stresses the theme "AT&T is in . . . ." Examples include "AT&T is in cereal," which talks about the success of an inbound telemarketing campaign by Quaker Oats, and "AT&T is in boots," which shows how a boot maker uses telemarketing services.

"Another tv spot titled 'AT&T is in sales' talks about the high cost of making a sales call and concludes that the salespeople have a better chance if they qualify the buyer over the telephone using AT&T WATS and 800 Service," Ms. Kleban says.

"One primary goal was to show telemarketing applications in our advertising. The idea was to tell businesses how other businesses were using our services," she says.

Another ad goal after divestiture was to let consumers know AT&T provides long-distance phone service. This became a high priority when competition was introduced in the marketplace, she says.

But you can bet AT&T is not likely to feature one of its users, long distance telephone service competitor MCI Telecommunications. MCI has used AT&T 800 Service combined with extensive tv advertising since 1980 to promote its alternative long distance service as costing less than AT&T.

"Our life is direct marketing," says Gary Tobin, director-communications at MCI. "When your major competition has 90% of the market, what else can you do?"

Mr. Tobin attibutes MCI's growth—from $140 million in 1980 to $2 billion in 1984—to the success of its direct response advertising.

"We saw something that could help us and exploited it from the very beginning," he says. "To find that other marketers are just discovering how successful direct marketing can be kind of makes us shake our heads."

MCI is a little irritated about paying AT&T for the privilege of using its telemarketing services. One day, MCI hopes to gain equal access to phone company facilities and technology. But that is a matter now before the courts. *—R.E.*

ders with kitchen utensils while a standup announcer tells when to dial the phone for "this amazing offer."

New creative approaches focus on quality and might include humor, slice of life, testimonial or original music and graphics.

Whatever the technique, the message must be strong enough to motivate somebody to make a phone call! without jarring the consumers' sensibilities or destroying the image cultivated by a corporate ad campaign, Mr. Bliwas says.

For example, the Eicoff agency recently created a tv spot promoting Sears credit cards that shows a typical family in a slice of life.

After moving to another city, the family discovers that its new home needs a lot of unexpected essentials, which would be tough to buy without locally established credit. Luckily, the family has a Sears credit card, which is usable nationwide. The commercial reminisces about how the family has used the card to buy a snow tire when it was stranded in another state, and it ends with a walk through the departments of a Sears store to show the variety of merchandise.

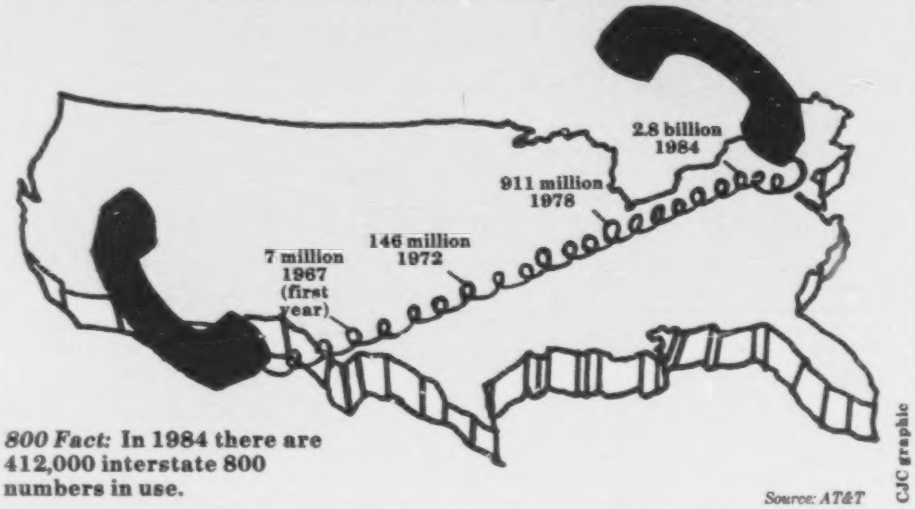
A trailer film clip tells how to order a Sears card over the phone.

"The message still comes across, but in a more creative way," Mr. Bliwas says. "We would never say, 'You have to order a Sears credit card by 3 p.m. today!' Although we might generate more leads that way, it would not fit the over-all image of Sears, which is spending millions to create image and awareness advertising.

"We're very conscious of the over-all image that the client is trying to establish with the general advertising. We try to make the tone and manner of the [direct response] commercials very similar to those of the general agency," Mr. Bliwas says.

The look and feel of a direct response commercial may be so close to that of the general agency work that corporate executives might not be able to tell the difference, he says. "When [prospective clients] see the kind of stuff we're doing, they say, 'Oh! I didn't know that was a direct response ad.' You break down that barrier they may have [to inbound telemarketing] just like that. All of a sudden, they start to see it as available medium."

Growth of interstate calls using AT&T 800 service



800 Fact: **In 1984 there are 412,000 interstate 800 numbers in use.**

Source: AT&T

CJC graphic

For some companies, inbound telemarketing has moved from viable to vital as the response medium for tv offers, says E. Daniel Capell, publisher of "Capell's Circulation Report," Ridgewood, N.J. For example, with tv offers for magazine subscription renewals, marketers of broad-based products, such as Time Inc., are finding that an 800 service number is essential.

"You simply cannot make tv [subscription offers] work without the telephone as the response device. People will not mail in their orders," Mr. Capell says. Time gets most of its new subscriptions and renewals through its direct mail subsidiaries, Publishers Clearing House and American Family Publishers, but inbound telemarketing probably has moved up to third place in importance, Mr. Capell says.

"That's pretty good, considering that 10 years ago telemarketing didn't exist," he says.

In the liquor industry, telemarketing has been used successfully to boost sales during several product introductions. For example, Detroit-based Hiram Walker listed the 1-800-Spirits, toll-free number in print and outdoor ads during its introduction last September of Haagen-Dazs Creme liqueur.

The use of telemarketing sold 30,000 gift-box bottles through the fourth quarter, says Sandy Weisenauer, group manager-cordials at the distiller. "Even though it was a new product, it outsold many major brands," she says.

Why telemarketing can be so effective in strategic advertising is a matter of little debate in the industry. Telemarketing is interactive, immediate and cost effective, says Pete de Tagyos, district manager of applications marketing at AT&T. But above all, it opens a personal line of communication with the customer.

Mr. de Tagyos says he believes the human interaction gives telemarketing a competitive edge over direct mail or mass media campaigns that make no provision for a response medium.

Perhaps this helps to explain the long-term success of companies such as General Electric, which has made huge investments over 40 years in the personnel and technology to support inbound and outbound telemarketing for sales and support of its products, he says.

The GE Answer Center, based in Louisville, Ky., employs about 200 telephone communicators and is featured prominently in GE advertising.

"This hand-holding that goes with the purchase of a product is a natural extension of GE's marketing strategy and its view of the consumer," Mr. de Tagyos says. "They're telling the consumer that we really want your business and we're going to work for it."

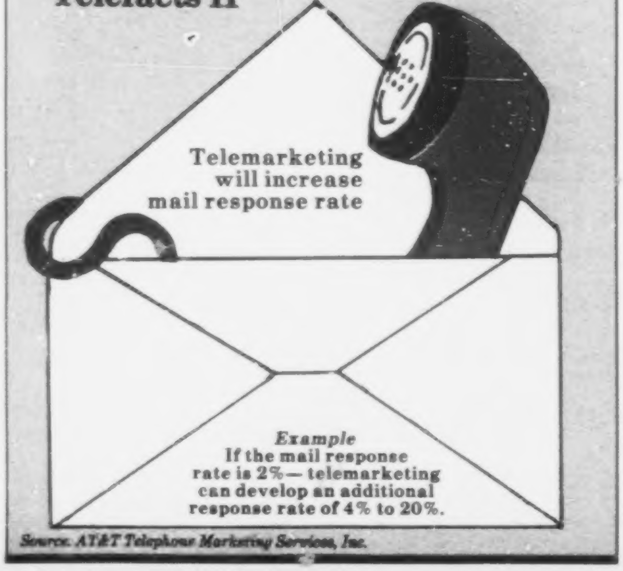
For a demonstration of the effectiveness of telemarketing in building brand and product loyalty, consider its spread into tv news and entertainment shows, Mr. de Tagyos says. ABC's "Nightline" and the syndicated "American Bandstand," for example, have both used this technique with AT&T's DIAL-IT 900 Service, as have a number of local tv stations, he says.

"If you think about the voting aspects of these shows from a marketing standpoint, consumers have a chance to participate, or to become involved in the end product, and their loyalty to that show is enhanced," Mr. de Tagyos says. "This participation is a great contrast to the dehumanizing approach of mass media, and it turns people on.

"It may seem like a dichotomy, but telemarketing is the only medium that is capable of personalizing the appeal of mass marketing," he says. "There is no replacement for talking with somebody in a personal, human way. A lot of companies feel that this is worth its weight in gold.

"We think that the rise of telemarketing is going to have a profound impact on the business of mass marketing and mass promotion."

Telefacts II



Example
If the mail response rate is 2%— telemarketing can develop an additional response rate of 4% to 20%.

Source: AT&T Telephone Marketing Services, Inc.

Personal touch finds new fans

Telemarketing sometimes is described as a "high-tech/high-touch" advertising medium because it relies on sophisticated technology for a very human purpose: Making person-to-person contacts.

This tool is making inroads into areas such as banking and real estate, that traditionally are not known for direct response advertising, but nonetheless require a lot of personal selling.

For instance, when Royal Palm Ranch Developers, a development of 134 townhouses near Chino, Cal., began its marketing effort last fall, it got very little response from newspaper display ads, a company spokesman says. So the developers hired Response Technologies, Redondo Beach, Cal., a direct response agency, to come up with a strategy that worked.

"Advertising in the real estate sections of the local newspapers was completely unsuccessful because Royal Palm was competing with 50 or 60 other companies trying to market subdivisions," says Lance Douglas, owner of Response Technologies.

Mr. Douglas' solution was to create a 60-second tv spot showing the property and its amenities. The commercial included an 800 number viewers could call for a free map to the site and a brochure.

"When the tv commercial aired, we went from zero inquiries to about 500 per week," Mr. Douglas says. A market test for December generated 1,200 leads. "This shows the power of direct response advertising, if it's done correctly," he says.

Banking is another industry that relies on establishing a personal relationship with the customer, says Bruce McBrearty, president of CMG Telemarketing, Alexandria, Va.

That's the reason Maryland National Bank selected CMG for an outbound telemarketing campaign last year aimed at drawing customers for a new, high-interest savings account with a checking option.

The Baltimore-based bank already had conducted an extensive direct mail campaign in high-income areas identified by census tract, and it was interested in using the telephone to contact prospects who didn't respond.

"We realized that it wouldn't be easy to sell noncustomers on a new banking relationship," Mr. McBrearty says. So CMG brainstormed for all possible objections a potential customer might have to changing banks. A script then was prepared, which dealt with the main objections, and CMG's telephone communicators were briefed about the bank, the savings account and its best selling points.

The telephone campaign resulted in a 15% positive response from the people contacted. The cost per completed call was $2.77, which Mr. McBreaty says is very low for a new program.

Despite a growing number of successful direct response campaigns in industries such as banking and real estate, corporations only now are beginning to take notice, Mr. McBrearty says.

"Many people still see telemarketing as an answering service, as opposed to a marketing vehicle that can qualify sales, generate sales leads, cross-sell products, improve customer relations and be used as an effective sales tool," he says.

It is for these reasons that the big insurance companies have "jumped into telemarketing with both feet," Mr. McBrearty says. Companies such as National Liberty Insurance Co. and Colonial Penn Insurance Co., among others, are extensive users.

Telemarketing companies and ad agencies are beginning to say, "Yes, telemarketing works, but how can we do it better," he says. "We're still only at the awareness stage of what telemarketing can do." —*R.E.*

Scenes

(Continued from Page 13)

panies oversees the project.

"We need to work in concert. Direct marketing is also benefiting from the relationship. There is more sharing of creative people, more sharing of such things as graphics and greater awareness of the use of media," Mr. Colligan says.

Many of the newer integrative marketing approaches are the results of the continuing alignment of general agencies and direct marketers.

Most of the major general agencies now have some internal or subsidiary direct marketing capability—or are working to acquire some.

For example, Kenyon & Eckhardt of New York in January acquired Cinamon Associates, Brookline, Mass., a privately held direct response agency.

"It's amazing how comfortable the marriage is, both from an organizational standpoint and from a disciplinary perspective," says Tom Mahoney, senior vp-general manager of the K&E Boston office. "We are working with one strategy and one collective effort, and that seems to be the wave of the present and future.

ERDM developed a direct response campaign for Christie's.

"In the 1960s, clients were buying pieces of their marketing. Now they want one-stop shopping," he says.

A. Harvey Cinamon, president of K&E/Cinamon Associates, agrees. "Without a direct response capability, many general agencies will find their clients going elsewhere," he says.

Mr. Cinamon is visiting K&E offices around the country, lecturing on integrating general and direct agency work.

"Most often, we are seeing the basic strategy being developed by the general agency and then the direct marketing arm takes off from there. This gives continuity and economy."

One independent direct marketing agency, Ernan Roman Direct Marketing, New York, has made the development of a broad base of skills a company priority, president Ernan Roman says.

The agency specializes in integrative marketing, he says, and has developed a "guild" approach to finding key resources. ERDM maintains a working relationship with independent marketing personnel in the major creative and media specialties.

Though "guild" looks a lot like what marketers used to call "free lance," Mr. Roman says it differs greatly. "I deal only with principals, not greenhorns in the business. I'm dealing with some of the best available talent."

Regardless of what it is called, the technique is probably the wave of the future for small, independent agencies, which will have a continuing need for an expanding roster of disciplines in both the general creative and direct areas.

ERDM has applied the guild concept in developing direct response campaigns for such clients as Christie's, the London-based auctioneer, Citibank and others.

The Christie's campaign, for example, required that the client maintain an ongoing client base and promote its affluent image.

The result was the Christie's Society, a club of affluent art lovers who receive regular publications on Christie auctions.

"The creative end needed a variety of talent, including the best direct mail copywriters, experts in packaging and price testing, and the best in general agency art direction," Mr. Roman says.

"If there is one thing direct marketers have learned from the general agency business, it's that direct mail must be as artistic as more general work. Our Christie's publications had to be beautiful to make it."

Stan Rapp, chairman of Rapp & Collins, New York, Doyle Dane Bernbach's direct response company, also notes the growing synergy between direct and general agencies.

It was inevitable, he said in a speech late last year.

Introducing a new pilot study on the state of direct marketing conducted by Simmons Market Research Bureau, Mr. Rapp remarked on the expanding presence of direct marketing and its continuing use by all types of marketers.

"We are at the beginning of an era in which newly emerging industries will turn to direct marketing as naturally as mass marketers once turned to retail distribution. The question is no longer whether a company will use direct marketing, but how it will be used," he said.

Since his speech last year, the development of direct marketing in new areas has continued, he says.

"What I have seen happening is an acceleration of the trend toward developing a customer data base in whole new segments of the market. Liquor advertising, for example, has sprouted 800 numbers offering direct sales, so now the ads provide not only product awareness, but also sales and an accumulation of buyer data that can be used for other direct marketing purposes."

The perfume industry has also aggressively taken to direct sales, he adds. "A few months ago, a perfume sample and direct sales offer in a magazine ad was new. Now it's standard."

The Simmons study agrees with his observations.

Product sales alone, the most visible segment of the direct marketplace, generated about $5.2 billion in 1984 and nearly 48% of surveyed households placed direct response orders during July for a total of about 137 million orders. The average number of orders placed was 1.6 a household.

Apparel orders led the way with about 18% of the total during the survey month, followed by charitable contributions with 12% of the total, magazine subscriptions with 7% and several categories of home accessories with 4%.

Direct mail letters and catalogs generated nearly half of the orders, about 24% for each vehicle, respectively, followed by telephones and circulars with 7% each and magazine ads with 6% each.

Continuing payments for a variety of services including banking and insurance, communications, subscription renewals and newspaper delivery and clubs generated more than $6.5 billion in sales in 1984.

About 43% of surveyed households made some kind of continuing payment during the survey month for an average payment of 1.6 a household.

Direct marketing miscues

What is disliked most about direct marketing

Dislike something	**83%**
Deception	**41%**
Lack of information	**32%**
Service	**20%**
Inconvenience	**16%**
Expense (shipping)	**7%**
Miscellaneous	**8%**
Disliked nothing	**1%**
Don't know/no answer	**16%**

Source: "Simmons Direct Marketing Study," Simmons Market Research Bureau

Telemarketing responses

Reactions to advertising phone calls

How usually handled	
Hang up on all	**7%**
Listen to some	**42%**
Listen to all	**51%**

Amount household would like	
More	**2%**
Less	**74%**
Getting right amount	**24%**

Source: "Simmons Direct Marketing Study," Simmons Market Research Bureau

Direct mail reactions

How usually handled	
Immediately throw away	**3%**
Open some	**30%**
Open all	**67%**

Amount household would like	
More	**5%**
Less	**42%**
Getting right amount	**53%**

Source: "Simmons Direct Marketing Study," Simmons Market Research Bureau

Financial, banking and insurance services led the category with 39% of the total, followed by publication subscriptions with 20%, and book and auto clubs with 16%. Cable tv fees accounted for about 9% and continuing contributions accounted for 4% of the total.

The survey also noted a surprising acceptance for direct mail and telephone. More than two-thirds of the households surveyed said they open all advertising mail and only 3% said they throw solicitations away without opening them. About 53% said they get "about the right amount" of advertising mail and 5% would like more. However, 42% said they wanted to see less direct mail.

More than half of the households surveyed reported that they listen to all inbound telemarketing calls; 42% said they listen to some of the calls, and only 7% said they hang up on all sales calls.

Telephone calls, however, were not popular. About 74% said they would like to receive fewer calls and only 24% said they were getting about the right amount.

Despite some positive results, respondents indicated direct marketing still has a way to go in the eye of the consumer.

About 50% of the households surveyed said they were very or extremely satisfied with the results of direct marketing and about 34% said they were somewhat satisfied.

But about two-thirds of the respondents said they were extremely or very satisfied with the results of retail shopping trips, and 29% said they were somewhat satisfied with the retail experience.

About 83% of the households disliked something about direct marketing, with 41% noting some perceived deception, including poorer quality than expected, misleading ads and substitutions.

Among the leading complaints, about 32% commented on a lack of product information, especially the inability to see products before purchase and the difficulty determining proper sizes of apparel.

About 20% complained of slow service.

Despite these negatives, Mr. Rapp, whose agency sponsored the study for the DMA, noted in his introduction that the real news of the study is the growing parity between direct marketing and other marketing and distribution techniques.

"For every dollar spent by the consumer in department stores, apparel stores, drugstores, hardware stores and every other type of store you can think of, the consumer spent 37.5 cents at home ordering goods and services by mail or phone or making payments for continuity services. That's more than anyone would have guessed."

The percentage has probably grown since last year, Mr. Rapp now says.

"Since the study was released, we have had many new industries enter direct marketing, including liquor and perfume. Our segment must be growing." ■

C2710-1

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Monday, March 11, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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Why RJR shuffled agency deck

Global view pervades $130 million revamp

By WILLIAM F. GLOEDE

R.J. Reynolds Industries' decision to move an estimated $130 million in advertising agency assignments last week is seen as a double-edged attempt to shift into global overdrive while bolstering sagging brand performance in the U.S. A smattering of agency politics also entered the picture.

E.A. Horrigan, president-chief operating officer of the Winston-Salem, N.C.-based company, attributed the moves to RJR's desire to "strengthen its consumer products businesses on both a domestic and global basis. . .in order to increase our ability to meet the long-range requirements of the individual products involved and the entire corporation."

RJR's account shifts, involving R.J. Reynolds Tobacco Co.'s Winston and Sterling cigarets, Del Monte Corp.'s Hawaiian Punch and eight brands in the Heublein spirits stable, gave McCann-Erickson, New York; Young & Rubicam, New York; Dentsu-Young & Rubicam, Los Angeles; Leber Katz Partners, New York, and Tatham-Laird & Kudner, Chicago, something to crow about.

Conversely, William Esty Co., New York, and its parent Ted Bates Worldwide, New York, alongside Mickelberry's Laurence, Charles & Free, New York, and BBDO/West, San Francisco, were left licking their wounds and wondering what went wrong.

McCann, already a major RJR

(Continued on Page 92)

Winners and losers in RJR's shakeup

Here's how agencies fared in RJR's account megashift, with gainers outnumbering losers five to four in the high stakes race for an estimated $130 million in RJR business. Source: *Advertising Age*.

Unit	Winner	Loser
R.J. Reynolds Tobacco Co.		
Winston	McCann-Erickson, New York	Wm. Esty Co., New York
Sterling	Tatham-Laird & Kudner, Chicago	Ted Bates, New York
Del Monte		
Hawaiian Punch	DYR, Los Angeles	BBDO/West, S.F.
Heublein		
Lancers wines	Young & Rubicam, New York	Laurence, Charles & Free, New York
Valbon wines	Young & Rubicam, New York	Laurence, Charles & Free, New York
Jose Cuervo premium tequila	Young & Rubicam, New York	Laurence, Charles & Free, New York
Jose Cuervo 1800 Premium Tequila	Young & Rubicam, New York	Laurence, Charles & Free, New York
Black Velvet	McCann-Erickson, New York	Laurence, Charles & Free, New York
Irish Mist	McCann-Erickson, New York	Laurence, Charles & Free, New York
Club cocktails	Leber Katz Partners, New York	Laurence, Charles & Free, New York
Arrow cordials	Leber Katz Partners, New York	McCann-Erickson, New York

AHP's $100 mil looking for network

By VERNE GAY

NEW YORK—American Home Products Corp., network tv's fifth-largest advertiser, is expected to decide by April 1 whether to make a massive two-year multidaypart buy on either NBC-TV or ABC-TV. At stake is as much as $100 million.

It is unclear whether CBS-TV will bid for the AHP business. Network executives would not comment on CBS' plans. However, previously CBS has made only one multiyear deal, that being a two-year sports buy for Miller Brewing. Multiyear deals can lock up huge amounts of inventory, and CBS, as the top-rated network, is the most likely to get higher prices in the short-term market.

While details on the AHP negotiations remain sketchy, sources said the deal will be similar to an existing arrangement between AHP and NBC. AHP has made three similar deals with NBC in the past, the most recent in 1982 when NBC was a distant third in the Nielsen battles. That deal, which expires in early 1986, was for three years and $250 million. Sources said ABC and NBC this year have proposed two-year deals for slightly less money.

Sources said AHP will demand inventory in all dayparts, with the major portion going to prime time. The target demographic will remain women 18 to 49, with a guaranteed cost-per-thousand rate.

John Conti, president of John F. Murray Advertising, AHP's house agency, declined to comment on the negotiations.

Top sales executives from ABC and NBC would not disclose details about their bids.

"ABC has been asked to submit for a two-year deal," said Jake Keever, vp in charge of sales, ABC. Mr. Keever added that network sales research still was ironing out the details of its bid.

Bob Blackmore, senior vp-sales at NBC, expressed confidence that his network would notch a fourth multiyear deal with AHP.

"What you have here is an ongoing relationship of many years. I would look to continue it in some way," he said.

If the deal comes in at $100 million for two years, it could represent almost 30% of AHP's total network tv spending. According to Broadcast Advertiser Reports, AHP last year spent $179.1 million in network tv, including $86.6 million in prime time and $63.9

(Continued on Page 93)

Ron Travisano to hit the road

By JOHN J. O'CONNOR

NEW YORK—While his name will stay on the door "forever," Ron Travisano is leaving Della Femina, Travisano & Partners to devote all his energies to directing tv commercials.

The 46-year-old agency vice-chairman and co-director of creative services and his longtime partner Jerry Della Femina spelled out the terms of the buyout in a telephone call last week.

In selling his 32% interest in the agency, which is projecting 1985 billings of $250 million and has more than 40 clients, Mr. Travisano, in Mr. Della Femina's words, "never will have to work for the rest of his life, but I'll have to, for the next 200 years."

Although Mr. Della Femina, 48,

(Continued on Page 90)

'New Yorker' takes 'New' turn

By STUART ELLIOTT

NEW YORK—Can Eustace Tilley find happiness in the New-house of brides, glamourous mademoiselles and fair gentlemen?

That is the $168 million question following the unanimous decision March 8 by the board of directors of The New Yorker Magazine Inc. to approve the merger proposed by S.I. Newhouse Jr.'s Advance Publications (AA, Feb. 14, *et seq.*).

Many in the advertising and media communities here expected the company to accept Mr. Newhouse's bid, which he raised to $200 a share ($142 million) from $180 a share ($124.5 million). They reason the publishing magnate would not have spent $25.6 million last November to purchase 17% of the company's stock unless he were sure of success.

The $168 million acquisition, dependent on approval of The New Yorker's shareholders, brings the company into a media empire among the nation's richest, including Random House, 29 newspapers,

(Continued on Page 8)

Last Minute News

Begins on Page 8.

Kostyra on spot for JWT

By STEWART ALTER

J. Walter Thompson USA, the ad agency world's largest buyer of spot tv time, will name Richard Kostyra as head of a reorganized spot operation designed to be more responsive to client needs.

Mr. Kostyra, who remains senior vp-media director at JWT, New York, actually takes the top spot for a second time, having headed the unit on a temporary basis in 1982 following the dismissal of Marie Luisi.

John Byron Hackett, the senior vp being succeeded by Mr. Kostyra, is a lawyer who was general manager of JWT's entertainment

(Continued on Page 90)

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FDA hints approval of food health claims

By STEVEN W. COLFORD

WASHINGTON—A senior Food & Drug Administration official in a speech last week disclosed 10 preliminary guidelines the FDA is considering to control the use of medical and health claims in food marketing.

Though not entirely pleasing to food industry executives, who have been closely watching FDA's position, the tentative policy laid out by Joseph Hile, FDA's associate commissioner for regulatory affairs, suggests the government agency is ready to adopt a new, more permissive stance.

The speech was the first attempt at revamping policy since the FDA was confronted last fall with Kellogg Co. ads and packaging that promoted Kellogg All-Bran cereal as being helpful in avoiding some forms of cancer (AA, Oct. 22, *et seq.*). Previously, the FDA regarded foods making such claims as "drugs" and subjected the claims to the same stiff substantiation requirements as prescription medicines.

A unified response

The FDA action shows its thinking points in the same general direction as that of the Federal Trade Commission, where high-ranking staffers have publicly proclaimed the Kellogg campaign an important and laudable advancement in nutrition-based advertising.

This semblance of a unified governmental response to health-linked food ad claims follows repeated signals that FDA commissioner Frank Young preferred a tougher stance.

Even after two prominent FTC officials publicly praised the Kellogg campaign, Dr. Young was floating trial balloons for an industrywide moratorium on food advertising that made such health claims. He wanted to have the moratorium until the agency could more fully explore the issue.

Of the 10 specific guidelines Mr. Hile laid out, two proved the most controversial to industry representatives: Requesting that marketers contemplating the use of health messages consult with the FDA before implementing such campaigns and requiring a consensus of scientific substantiation for any medical claims.

FDA's pre-review guideline, though not mandatory, is considered highly advisable for food marketers, FDA officials say.

Timetable to speed up?

Some industry representatives wondered whether the agency would formalize the guidelines. The FDA spokesmen said the guidelines will be subject to public comment, though perhaps not for six months.

The timetable might be accelerated, an FDA official said, but only if Department of Health & Human Services Secretary Margaret Heckler deems it a priority issue or if other food marketers, thinking the agency has given them a green light, quickly begin using health claims for their products.

The guidelines must pass the muster of the Public Health Service, HHS and the Office of Management & Budget before being subject to public comment.

Other specific guidelines from Mr. Hile's speech

(Continued on Page 93)

Croissan'wich beat the stuffin' out of Egg McMuffin!

BURGER KING

Breakfast battle

Burger King pitches its Egg Croissan'wich breakfast item in a new series of tv commercials that include this group of angelic kids, who tell McDonald's its Egg McMuffin lost in a national taste test. *(See story on Page 88.)*

Highlights

McDonald's, that epitome of middle-class life styles, has purchased membership in one of America's most exclusive clubs: Those advertisers who spent more than a quarter-billion dollars in a year on tv advertising. *See Page 6.*

The "Un's the one" campaign that Seven-Up Co. launched last week marks a return to its "Uncola" positioning, which has been dormant for the last 10 years. *See Page 10.*

Blitz-Weinhard Brewing Co., a subsidiary of G. Heileman Brewing Co., is aiming at the premium beer segment with a new light ale billed as "ale that ale-haters love." *See Page 12.*

The 10 best promotions of 1984 include sweepstakes, special events and sampling techniques that showed a return to basics. *See Page 42.*

CORPORATE CLOSEUP

The lack of a high-profile image has not stopped 83-year-old Meredith Corp. from reaping above-average profits for its publications, which include the likes of *Better Homes & Gardens*. *See Page 4.*

FORUM

Writer Peter Friedman reveals his role in Procter & Gamble's great Crest experiment. *See Page 22.*

Zurich adman David Marsden discusses what's right—and wrong—with some global marketing strategies. *See Page 22.*

INTERNATIONAL

The strength of the U.S. dollar is playing havoc with advertising rates for international publications on both sides of the Atlantic. *See Page 50.*

U.S. multinational advertising agencies are beginning to take a higher profile in Spain, the eighth-largest market in Europe. *See Page 50.*

The traditional English pub, which has served tepid beer to reveling British male chauvinists for nearly 2,000 years, is in danger. U.K. beer sales have shown only a slight increase since 1979 and major breweries want to expand the market by turning their backs on the pubs. *See Page 50.*

VIDEOTECH

The May fray has become the focus of the Big 3 tv networks' most intensive efforts, now that the outcome of the 1984-85 season is decided. *See Page 60.*

CBS Entertainment's crop of 19 pilots for series for next season includes a sitcom produced by Procter & Gamble, tv's largest advertiser. *See Page 60.*

COMING THURSDAY

SPECIAL REPORT

Changes in women's life styles mean more men are shopping for themselves and their households. As a result, marketers are beginning to change their tactics to reach men in the kitchen, nursery, grocery store and laundry room.

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'Picture Week' gets Time focus

By STUART J. ELLIOTT

NEW YORK—Time Inc.'s magazine development group has chosen one of four potential titles, *Picture Week*, as the project on which to focus its current efforts.

"Much of the group's energies will be concentrated on *Picture Week* for a while," Henry Grunwald, Time Inc. editor-in-chief disclosed in a memo to the company's staff.

In addition to *Picture Week*, a photojournalism weekly, the development group has been testing, via direct mail, three other magazines (AA, Feb. 25, *et seq.*): *Flash*, a women's news and feature weekly; *Investment Week*, an investors' weekly, and *Leisure*, a monthly devoted to free-time pursuits.

The other three will be "moved along," said Bruce Barnet, publisher-magazine development group, with "other possibilities" considered.

"We are still keeping an open mind about those. *Leisure*, we al-

(Continued on Page 93)

Vote today on settlement proposal

Writers work it out

By VERNE GAY
and BOB MARICH

LOS ANGELES—After an all-night session between producers and the Writers Guild of America March 7, a tentative settlement was reached that could end the controversial writers' strike as early as this evening.

The Guild's 9,200 members will be asked to vote on the new terms tonight and production on affected shows could resume as early as March 12. The terms of the proposed settlement were not disclosed.

News of the pact was cheered by members of the tv and advertising community. ABC-TV was "pleased" about the tentative settlement. A spokesman for the network said none of its prime time series had been affected by the short-lived strike.

NBC, the network with the most to lose from the strike's continuation, was "delighted." "Sarah," "The David Letterman Show," "Saturday Night Live" and "The Cosby Show" felt immediate im-

(Continued on Page 93)

Big Mac serves up big tv ad bill for '84

By SCOTT HUME

McDonald's, that epitome of middle-class life styles, has purchased membership in one of America's most exclusive clubs: The Quarter-Billion-Dollar Club.

Yearend figures from Television Bureau of Advertising show that Oak Brook, Ill.-based McDonald's Corp. spent $253.9 million on tv advertising in 1984. The bulk of that spending, $162.5 million, went to network tv, with the remaining $91.5 million allocated to spot tv buys.

Figures for all business segments have not yet been tallied by New York-based TvB, so it's unclear exactly where Big Mac ranks among all tv advertisers—other than to hazard the wild guess that Procter & Gamble surpassed it. But it's certain that last year McDonald's moved into the top five and possible that it made No. 2.

In 1983, Cincinnati's P&G led all tv spenders (network and spot combined) with expenditures of $596 million. The second-place finisher was General Motors, which spent $226 million. GM also may have joined the Quarter-Billion Club last year, giving Ronald McDonald a run for the No. 2 ranking.

McDonald's total tv spending increase of 37%, compared with the $185 million it spent in 1983, came totally from increased network spending, which doubled to $162.5 million from $80.9 million.

Big Mac's network spending peaked during the third quarter, which included its major sponsorship of ABC's Summer Olympics broadcasts. Sources put its network spending during that quarter at between $50 million and $60 million (AA, Dec. 10). Network spending was $25.4 million in the first quarter, $40.2 million in the fourth quarter and an estimated $40 million in the second quarter.

While doubling network spending, McDonald's spot tv expenditures dropped to $91.5 million from $105 million in 1983. But the overall increase in tv spending is attributable to increased contributions from operators rather than a redeployment of funds. In 1983, McDonald's spent 2.6% of total domestic restaurant sales on tv advertising. Last year that figure rose to more than 3%.

Try as they might, McDonald's competitors are having a hard time closing the tv spending gap. Both Burger King, which increased total tv spending 57%, and Wendy's, which upped its expenditures 48%, made greater percentage increases than did Big Mac, but both remain enormously outspent.

The best Miami-based Burger King can say about the burgeoning burger budget battle is that for the first time it spent more than half (51%) what Big Mac did (up from a budget that was 44% of McDonald's in 1983). Dublin, O.-based Wendy's total tv bill still isn't one-third of McDonald's, although its 29% for 1984 closed the gap somewhat from 1983's 27%.

Another fast-growing tv spender among fast-food chains is PepsiCo's Taco Bell, which increased spending 53% to $28.5 million from $18.6 million in 1983 (which represented a 62% increase compared with the $11.5 million spent in 1982). Tracy-Locke, Dallas, handles Irvine, Cal.-based Taco Bell.

Hardee's Food Systems, Rocky Mount, N.C., also is rapidly increasing its tv ad presence. Last year's $25.5 million bill represented a hefty 45% increase compared with 1983's $17.6 million.

Much of that increase came from Hardee's initial foray last year into network tv, where it spent $7 million. Unfortunately, the "It's all here" campaign it took to the network didn't provide the sales returns it expected from the increased expenditures. The result was an end to its 10-year relationship with Benton & Bowles, New York (AA, Jan. 14).

Hardee's this week will hear final presentations from N W Ayer, Ted Bates Inc., William Esty Co. and Ogilvy & Mather, all New York.

Leo Burnett USA, Chicago, handles McDonald's. J. Walter Thompson USA, New York, handles Burger King. Dancer Fitzgerald Sample, New York, is Wendy's agency.

The restaurant category continues to be dominated by the top five chains—McDonald's, Burger King, Wendy's, Kentucky Fried Chicken (handled by Young & Rubicam, New York) and Pizza Hut (handled by Chiat/Day, Los Angeles)—which together account for better than 60% of its total tv advertising dollars.

McDonald's Corp. alone accounts for 27% of the industry's total tv spending.

That strength at the top recently led one second-tier restaurant chain exec to remark, "We gave up the idea of playing ball with the big boys years ago."#

Fast-food chains' tv spending

McDonald's tv advertising isn't just for Saturday mornings anymore. By more than doubling its network tv spending last year to $162.5 million while also spending $91.5 million on spot tv, McDonald's may have become only the second advertiser to spend more than a quarter of a billion dollars on tv in one year. ***Source: Television Bureau of Advertising from Broadcast Advertiser Reports data.***

	1983 ($ thousands)			1984 ($ thousands)			Per cent change
Rank/Chain	Network	Local	Total	Network	Local	Total	'83-'84
1. McDonald's	80,930.9	105,024.4	185,956.4	162,462.3	91,463.2	253,925.5	+37
2. Burger King	35,642.1	46,823.4	82,465.5	51,315.6	78,119.4	129,435.0	+57
3. Wendy's	18,683.4	31,029.9	49,713.3	34,687.9	38,817.9	73,505.8	+48
4. Kentucky Fried Chicken	30,576.7	19,250.8	49,827.5	39.158.9	23,680.2	62,839.1	+26
5. Pizza Hut	17,006.8	30,152.3	47,159.1	18,207.3	39,980.1	58,187.4	+23
6. Red Lobster Inns	7.674.0	21,086.5	28,760.5	13,592.1	16,154.5	29,746.6	+ 3
7. Taco Bell	—	18,559.8	18,559.8	—	28,473.6	28,473.6	+53
8. Hardee's	—	17,582.5	17,582.5	6,990.5	18,493.1	25,483.6	+45
9. Long John Silver's	—	17,644.4	17,644.4	—	19,643.2	19,643.2	+11
10. Denny's	12,165.8	4,466.9	16,632.7	15,267.0	3,618.7	18,885.7	+14
11. Jack in the Box	204.1	14,838.0	15,042.1	—	13,273.5	13,273.5	−12
12. Arby's	6,270.4	7,652.1	13,922.5	4,423.7	8,138.4	12,562.1	−10
13. Sizzler	—	8,846.2	8,846.2	—	11,159.9	11,159.9	+26
14. Dairy Queen	—	10,625.7	10,625.7	—	10,994.6	10,994.6	+ 3
15. Godfather's Pizza	—	8,103.1	8,103.1	—	9,077.3	9,077.3	+12
Top 15 Total	209,150.0	362,686.0	570,836.0	346,105.0	411,088.0	757,193.0	+33
Category Total	213,388.5	498,133.1	711,521.6	352,156.1	577,598.6	929,754.7	+31

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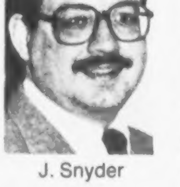
Snyder takes AA wheel

DETROIT—Jesse Snyder has been named chief of the ADVERTISING AGE news bureau here as of March 15.

Mr. Snyder has been a reporter in the AA bureau since August, 1983. He succeeds Ralph Gray, a veteran automotive industry news reporter, whose work will continue to appear in AA and other business periodicals and newspapers in his new role of freelance writer.



J. Snyder

Before joining AA, Mr. Snyder served for 13 years at the *Daily Tribune*, Royal Oak, Mich. He was the newspaper's business editor for the last three of those years.

In 1978, Mr. Snyder was a grand winner in the AAA Steering Wheel competition for his reporting on a fatal school bus accident. He also was a co-winner in 1978 in the Michigan Associated Press news story competition. He has a journalism degree from Michigan State University, East Lansing.#

CORRECTIONS & CLARIFICATIONS

- A color page ad in *Peak* costs $1,670 and the back cover sells for $2,670 (AA, Feb. 11, P. 48). Also, b&w ads are available to advertisers.
- The agency name given in the caption for the Corning Glass Works cookware (AA, Feb. 11, P. 2) should read Saatchi & Saatchi Gough Waterhouse.
- Henry Schafer is now vp-primary and social research, ABC Marketing & Research Services (AA, Feb. 18, P. 52).
- An Agency People item on Philip Herr's promotion to senior vp at Marschalk Co., New York (AA, Feb. 18, P. 41), should have referred to him as the agency's research director.
- Needham Harper Worldwide also handles co-op accounts for McDonald's Corp. in Phoenix, San Diego, Tucson and Las Vegas (AA, Feb. 18, P. 2).
- Stuart Young is ceo of Video Placement International and Conceptual Media Enterprises, New York; (212) 696-9207. Entertel is the parent company (AA, Feb. 28, P. 6).
- The ABC-TV affiliate in Sioux Falls, S.D., should have been identified as KSFY (AA, Feb. 28, P. 18).

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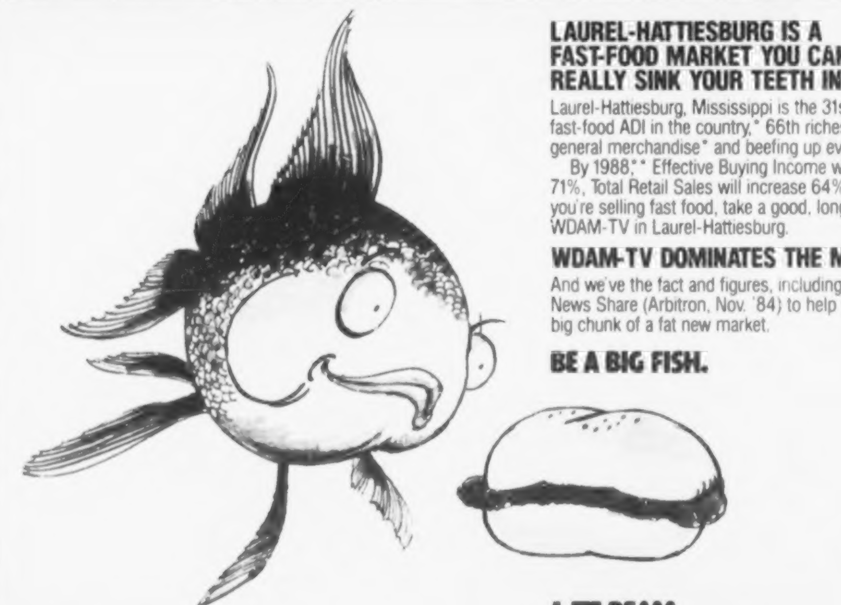

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Public Relations Beat / BY JACK BERNSTEIN

Role of pr in proxy fights, tender offers

Public relations can play an important and even critical role in a hostile corporate takeover situation, but is almost always subordinate in influence to the lawyers and investment bankers. Richard Cheney, vice-chairman of Hill & Knowlton and pr's leading participant in proxy fights and tenders, acknowledges that lawyers and bankers share the major clout in such contests. Next in importance are pr counsel and proxy solicitors, not necessarily in that order.

The number of pr players in the takeover game is quite limited. Mr. Cheney has dominated the scene for more than 20 years, but Gershon Kekst and the company bearing his name have come on so strongly in recent years that the chances are good the two would be on opposite sides in any major battle.

Closing in on the leaders is Jonathan Rinehart of Adams & Rinehart, New York, who has participated in several important conflicts. Other companies are involved more sporadically.

The behemoth of the pr business has been quiescent in the hostile takeover area. That may be changing. CBS Inc., anticipating hostile action, has put together a takeover defense team. The pr component: Burson-Marsteller.

In a proxy fight, the lawyer calls the shots. In a tender, where price is the paramount consideration, the investment banker is, in Mr. Cheney's words, "the lead horse." "Stockholders," he maintains, "would tender to Ho Chi Minh if the price was right."

Pr is very important in a proxy fight, says Morris Kramer, partner of Skadden Arps Slate Meagher & Flom, generally conceded to be the nation's premier takeover law firm. Mr. Kramer, who has been legal counsel in more than 50 takeover battles, sees a proxy fight as akin to a political campaign: "You can't buy someone's vote because it's against the law, so you have to persuade shareholders to gain their proxies. To do that, effective communication is vital and that's where pr comes in."

Nonetheless, it is a constant struggle to win respect for pr's contribution, says Mr. Cheney. Respect is earned by understanding the business. By asking the right questions and offering sound advice. And by talking the players' language.

That means being conversant with such terms as bearhug, crown jewels, poison pill, scorched earth, shark repellent, lockup and arbs. More recent additions are greenmail and camomail (camouflaged greenmail which some burned arbs, or arbitrageurs, call black-and-blue mail).

Those wishing to obtain a glossary of such terms, as well as relevant takeover rules and regulations, are invited to drop a line to Jonathan Rinehart, who will forward a copy without obligation.

"A proxy fight is basically a process of character assassination," says Grant C. Gentry, chairman-ceo of Pantry Pride Inc., who beat off a group of dissident shareholders in a bitter contest. "That is true, too much so," agrees Mr. Rinehart. "Passions run high, and that's where it's constructive that the Securities & Exchange Commission is on hand to clear communications to shareholders," he adds.

Okay, but if a tender offer is decided almost totally on the basis of economics, what chores are there for pr? Mr. Cheney ticks them off: First, there's the basic stuff like preparation and dissemination of scores of news releases. Innumerable phone calls have to be dealt with. Decisions must be made as to whether something should be said and, if so, what, when and by whom. Myriad other communications details must be attended to relating to charges and countercharges, litigation developments, court decisions, etc.

Things can get a bit ticklish, though, when a pr takeover specialist is superimposed into the corporate communications scheme. That decision is generally made by top management at the behest of the lawyers and/or bankers and can shake the internal staff up.

Mr. Cheney maintains that while the potential for friction exists, more often than not things work out smoothly. "We regard internal pr people as a valuable resource. They know the company intimately and can provide useful information quickly. For the most part, they recognize that we come in with a certain degree of experience and expertise in a highly specialized, high-pressure area."

Pr players in the takeover game assert that they have something significant to contribute. Public relations, they claim, can foster a climate conducive to the achievement of their client's objective. Bad press can create doubt in the minds of the decision-makers and turn an orderly retreat into a rout. Deft media handling can advance the cause with the institutions and general public and, in the opinion of some, even influence judicial decisions.

Monte Gordon, vp-director of research at the Dreyfus Corp., which manages assets in excess of $25 billion, says that while institutions are no less profit oriented than other investors, "there is no question that their attitude toward a vote or tender can be affected by what they see, hear and read."

From a media point of view, Mr. Rinehart observes that the *Wall Street Journal* and the *New York Times* are the most effective in influencing the investment community. If there is a Washington angle, then the *Washington Post* becomes important. Local, regional and trade media also are useful in reaching shareholders. In the Carter Hawley Hale resistance of a raid by another retailer, the *Los Angeles Times* and *Women's Wear Daily* were important communications conduits.

Mr. Cheney is a strong advocate

(Continued on Page 39)

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Ratings give 'Voltron' big licensing charge

By JAMES P. FORKAN

"Voltron" is showing its muscle in the licensing field, after becoming one of the most popular children's tv series in 1984-85 syndication.

The animated Monday-through-Friday strip focuses on the outer-space adventures of a group of youngsters who control Voltron, a robotic "defender of the universe." The robot is formed when five smaller lion-shaped robots come together.

A handful of major "Voltron" licensees will support the property with more than $10 million in advertising this year, said Edward (Ted) Koplar, president of Koplar Communications, St. Louis, and its New York-based World Events Productions syndication-production subsidiary. The broadcaster itself also has plans to bolster young fans' interest in its series, now on 76 stations.

As World Events has been boasting in recent ads in tv trade publications, Arbitron's November sweeps report on syndicated shows has "Voltron" ranked as the No. 1 new-for-fall animated strip series among children aged 2 to 11. It averaged a 3.5 rating and 12 share, which, as World Events vp Thomas Battista noted, was topped only by Group W Productions' one-year-old "He-Man & the Masters of the Universe" (3.9 rating and 13 share).

That kind of ratings prowess in the Monday-through-Friday after-school daypart, and in daily and weekend morning time slots where many stations are repeating the show, is helping the property's licensing appeal.

Besides New York-based Matchbox Toys (USA), the first licensee signed last fall, Mr. Koplar said his company has added LJN Toys, New York, for various robot figures and vehicles, including electronic robots capable of six functions; Panosh Place, New York, for smaller action figures and play sets, and Impulse Ltd., St. Louis, for children's calculators, cameras, flashlights and wristwatches.

Should another pending toy company sign on, he said, that would add another $5 million or so to "Voltron's" support.

Moreover, Merchandising Corp. of America, Universal City, Cal., is handling the licensing of products in nearly 50 other categories, primarily outside the toy field, said Hulas Kanodia, Koplar's chief financial officer.

The retail prices for all these "Voltron" toy products range from $2 to nearly $100, the latter for a large-size Matchbox robot toy, Mr. Kanodia said.

The majority of the other products will hit retail shelves in July, though some will be available in April, the executives said.

"Our main business is tv," Mr. Koplar said, citing World Events and his company's ownership of two tv outlets, in St. Louis and Sacramento, Cal.

"This is all new to us," he admitted, as he discussed the company's first licensing successes. "I feel like I'm going through the jungle with a machete. If someone had asked us a year ago, we never would've anticipated this."

Not surprisingly, Mr. Koplar already has given the go-ahead for another season of 21 new episodes, starting in September. Toei Co., a Japanese company, will produce five new episodes a week. The total production and postproduction costs will be about $250,000 per episode, he estimated.

Mr. Koplar said he is not concerned that interest in robot tv series and toys might wane by next year, given the clutter of 1985-86 robot specials, miniseries and series (including Marvel Productions' "Transformers" and Hanna-Barbera's "GoBots" as daily series as of September).

"Voltron" is more than a robot show, he maintained, because the robots are "extensions of the child characters who control them."

Still, Mr. Koplar has various concepts in development aimed at maintaining youngsters' interest in the property, which now has more than 3 million viewers a week.

Although World Events is working on other series prospects, he said, "We're really concentrating on maximizing 'Voltron's' potential, to make it the most profitable show a station can have."

Much of the money from its cash sales are being channeled into promotional spots, ad slicks and press releases that stations can use during sweeps periods, he said, as well as into the new season's $5 million-plus production budget.

World Events is handling these promotional efforts in-house.

"We want to keep the momentum going," Mr. Kanodia said. Ideas under consideration include a 90-minute "Voltron" tv cartoon special for fall prime time on carrier stations and a feature-length "Voltron" movie for theatrical release, Mr. Koplar disclosed.

Another idea, newly approved, is a live-action touring road show, due for a June start, to tie in with the series' local tv stations as it visits shopping centers in various major markets.

Sony Corp. of America, Park Ridge, N.J., this spring will promote both the series and Sony Video Software Operations' April home video release of six 90-minute "Voltron" episodes, Mr. Koplar said.

Priced at $49.95, each title is expected to sell nearly 25,000 units, Sony sources said.

Sony, which is considering a "Win a 'Voltron' video party" concept, also plans to play the stereo "Voltron" videocassettes in stores, in effect as a point-of-purchase tool for its stereo tv sets.

Confident that "Voltron" has a long life, Mr. Koplar pointed out that this cartoon series is the first to be produced in Dolby stereo. Although distributed via Robert Wold Co., Los Angeles, in stereo, relatively few outlets can use it in that form, he said.

However, during the stations' four-year contract span, stereo tv will become more important, he predicted—in "three years or so," to be more specific. Koplar's own KPLR-TV, St. Louis, is a stereo carrier.

The producers have taken great pains to have superior sound quality in the show, though sounds like the swishing of the villain's cape will not be clear until aired in stereo, the broadcasters said.#

Robot toys expected to march on in 1985

New York—Robot toys, led by those that can be changed into vehicles or dinosaurs, appear to be headed for another strong sales year.

Industry sources seemed to believe that Transformers (from Hasbro Bradley, Pawtucket, R.I.), GoBots (from Tonka Toys, Spring Park, Minn.) and Starriors (from Tomy Corp., Carson, Cal.) in particular will repeat their 1984 success stories. They will be aided by tie-in tv cartoon programing support in syndication and well in excess of $25 million in ad support by those companies and various licensees.

However, there are some industry executives, including some with products in the robot figures sector, who think the craze could begin tapering off by the end of 1985, largely because the robot category this year will become more crowded with me-too products and the concept will lose its novelty for the small-fry.

Still, new products unveiled at the February Toy Fair in New York included transformable Transformers electric train and auto racing sets from Tyco Industries, Moorestown, N.J.; Techmate, a strategy game with robot-like playing pieces, from Schaper Toys, Minneapolis, and Chargertron, which can turn into robots and vehicles, from Buddy L Corp. here.

As for large-size robots, Tomy is aiming mainly at young adults with Omni 2000 and Omnibot. San Francisco-based Lewis Galoob Toys' Bron, whose hydraulic pressure enables it to lift objects up to 25 pounds, and CBS Toys' Maxx Steele, on which consumers can play electronic games, are directed more to youngsters.

One company that obviously anticipates ongoing children's interest in robot characters is Telepictures Corp., which already is selling "Silverhawks" as a daily cartoon series for fall, 1986, syndication.#—*J.P.F.*

PR agencies' 1984 earnings

All of the top 20 pr companies posted fee income gains in 1984, some as much as 50%. *Source: 1985 edition of O'Dwyer's Directory of PR Firms.*

Rank	Agency	Net fee income	Increase (%)
1	Burson-Marsteller	84,258,000	32.4
2	Hill & Knowlton	69,400,000	14.0
3	Carl Byoir & Associates	30,950,469	30.0
4	Ruder Finn & Rotman	19,240,000	9.0
5	Ogilvy & Mather PR	16,300,000	25.2
6	Daniel J. Edelman Inc.	14,240,194	39.1
7	Manning, Selvage & Lee	13,428,000	25.6
8	Fleishman-Hillard	11,100,000	40.3
9	Booke Communications	10,923,670	23.7
10	Ketchum PR	10,800,000	28.4
11	Doremus & Co.	10,548,000	9.0
12	The Rowland Co.	10,362,000	23.0
13	Rogers & Cowan	9,924,146	24.5
14	Gray & Co.	9,000,000+	28.6
15	Regis McKenna	7,865,000	51.7
16	Creamer Dickson Basford	7,811,387	51.5
17	Robert Marston & Associates	7,013,000	16.4
18	Bozell & Jacobs PR	5,000,000	19.0
19	Financial Relations Board	4,460,770	27.9
20	Baron/Canning & Co.	4,150,000	7.7

Bernstein

(Continued from Page 36)

of using advertising in a selective manner. He feels that letters and phone calls are more effective, particularly when time is pressing, but believes that a powerful ad can be persuasive and can sometimes color the news coverage. "We don't recommend advertising, however, unless we've got a real blockbuster message," he says.

Public relations played a particularly interesting part in the defense of Houghton Mifflin Co., the Boston-based publishing company, against a raid by conglomerate Western Pacific Industries. As Mr. Cheney relates it, the time-honored ploy of attacking the attacker on the basis of poor management wouldn't work because, in fact, Western Pacific was well run. But when he learned from the publisher's ceo that the authors didn't want the company to be taken over by a conglomerate, Mr. Cheney suggested that be communicated to Western Pacific's ceo and other members of the board.

Copies of authors' letters expressing their concern were provided to the *Boston Globe*, resulting in a story that included interviews with some of the authors. The *Globe* story found its way to Herbert Mitgang of the *New York Times*, who happened to be one of the leaders of the Authors' League fighting the takeover of publishers by conglomerates.

Mr. Mitgang asked the Western Pacific ceo about the authors' stand. He said: "That's got all the spontaneity of a demonstration in Red Square." The *Times* reporter then confronted the ceo of Houghton Mifflin with his adversary's quote. His retort was: "Does he think I can orchestrate Arthur Schlesinger and John Kenneth Galbraith?" Both were Houghton Mifflin authors.

The denouement of this sizzling saga? Well, the *Times* story ran using both statements and, according to Mr. Cheney, it was devastating. At his suggestion it was sent to the publishing company's authors, which inspired them to express their indignation to the Western Pacific ceo, making it clear they would never write for him. He got the message; the offer was dropped.

Perhaps Mr. Cheney took inspiration from an earlier contest which gained notoriety as the "Jewish dentists" defense. In brief, a subsidiary of Cable Fund Corp. made an uninvited pass at Sterndent Corp. which, among other things, supplied tools and gold to dentists.

As Mr. Kramer puts it, "Marry a fact with a little fiction and come up with a defense."

When it was learned that a Kuwaiti group was one of the attacker's sources of financing, a defense was fashioned that went something like this: Everyone knows dentists are Jewish; Jews won't deal with Arabs; ergo, if Sterndent is acquired by Cable Funding, you can say goodby to a healthy chunk of the business.

Mr. Kramer says this scared the Kuwaitis into withdrawing because the last thing they wanted was an international imbroglio. "It worked then," he says, "but it would have zero chance today. Aggressors are more aggressive, and that includes foreigners."

Asked if he foresees hostile acquisition activity in the ad agency field, Mr. Cheney said: "Essentially, the ad agency is a people business. The challenge is not just to get the stock but the allegiance of the people. That, combined with the problem of client conflicts, would make such a move unlikely."#

D.C. pr shops in 'star wars'

WASHINGTON—The battle for political heavyweights among local communications shops has turned into a game of musical chairs, with Gray & Co.'s losses turning into Burson-Marsteller's gains.

Gray, which triggered the "star wars" battles by bringing aboard such politicos as Alejandro Orfila, former secretary-general of the Organization of American States, and, more recently, William Bolger, former postmaster general, just lost John Lengel, former vp for pr, to Burson-Marsteller. There he'll report to a boss who's equally new: Sheila Tate, Nancy Reagan's former press secretary.

(Mr. Orfila resigned last week to work with Gray chief Robert K. Gray on another business project.)

Another Gray vp loss is Patrick Pellerin, who opened a pr shop with partners Howard Bomstein and Michael Gura, the owners of the Bomstein/Gura Agency.

Gray plans to replace its lost personnel, but the agency hasn't gained any heavy hitters in recent months, and most of the replacements are expected to be of lesser renown.

Last week, Gray promoted longtime vp Elizabeth Weltner to senior vp in charge of its new Washington Market/Special Projects Group.

And Burson is priming itself to snare some of Gray's lobbying thunder. Jon Jessar, Burson's general manager and former chief of Gray's pr division, recently hired Pat Griffin, former secretary to the Senate minority leader, to head his lobbying division.#

Beer ad ban won't hurt nets

By VERNE GAY

New York—The proposed ban on tv beer advertising is still alive in Washington, but a research report by a Wall Street brokerage house here suggests that its effect would not be severely disabling to the tv networks.

L.F. Rothschild, Unterberg, Towbin noted in its recent report that beer and wine advertising accounted for less than 18% of total network sports revenues in 1983. The major beer advertisers, Philip Morris' Miller Brewing and Anheuser-Busch, accounted for roughly 13% of the total.

While not discounting the importance of beer advertising to the networks, the report showed that the networks cull sports advertising revenues from a broad variety of sources.

For example, the automotive ad category outweighed beer and wine advertising as a revenue source for the networks' sports divisions in 1983. General Motors alone generated more than 10% of all networks' sports advertising revenue.

In total, automotive advertising contributed to more than 21% of network sports revenues.

Other major nonbeer sports advertisers include Sears, Roebuck & Co., IBM Corp., the armed forces and AT&T.

The report illustrates that an imposed ban would severely crimp the marketing efforts of the beer advertisers, however.

Adolph Coors Co., Van Munching & Co., A-B, Miller Brewing and Stroh Brewing each placed more than 70% of its total network ad budgets on network sports in 1983.

Some sources within the ad agency community, meanwhile, expressed other concerns. During a break at an Assn. of National Advertisers' tv workshop, a number of agency executives said that such a ban could have a major impact on the selling of tv sports. "It'd be a buyers' market," if the networks were left without beer sponsors in sports, said one veteran agency buyer, who does not represent a beer or wine account.

Speaking from the podium at the ANA gathering, Sam Thurm, Washington-based senior vp, labeled the proposed ban of beer and wine broadcast advertising "undoubtedly the hottest advertising issue" of 1985.

Alan Gottesman, an analyst with L.F. Rothschild, assembled the figures in two tables *(see chart above)*. The first table shows the percentage of the advertiser's total budget that goes to sports on network tv. The second table represents the percentage of ad revenue the networks receive from each advertiser.#

Sports ads

Sports' share of advertiser's total network expenditure.

Coors	99.0%%
(Armed Forces)	87.8%
Van Munching & Co	82.4%
Anheuser-Busch	75.9%
Philip-Morris	74.1%
Stroh	72.8%
Goodyear	69.8%
GM	69.5%
Tandy	66.1%
G. Heileman Brewing	65.4%
Nissan	64.0%
Honda	63.9%
IBM	63.8%
VW	59.5%
Xerox	58.6%
Toyota Motor	56.9%
Brown Forman	46.9%
Pabst Brewing	44.8%
Chrysler	38.1%
E&J Gallo	28.3%
Gillette	25.9%
Sears	25.7%
Ford	25.7%
AT&T	18.5%
R.J. Reynolds	15.9%
Joseph E. Seagram	2.9%

Advertiser share of network sports revenues

General Motors	10.2%
Philip Morris	6.9%
Anheuser-Busch	6.4%
Ford	3.2%
Sears	2.7%
IBM	2.4%
Chrysler	2.3%
(Armed Forces)	2.1%
Stroh	2.0%
AT&T	2.0%
Honda	1.9%
Nissan	1.6%
Gillette	1.4%
Tandy	1.3%
Goodyear	1.2%
Toyota Motor	1.1%
Xerox	1.0%
VW	1.0%
R.J. Reynolds	0.8%
Coors	0.7%
E&J Gallo	0.6%
Pabst	0.5%
G.Heileman	0.2%
Van Munching	0.2%
Brown Forman	0.1%
Seagram	0.0%

Health companies get help

Chicago—Sieber & McIntyre and Performance Technologies here have formed a joint field sales unit called Sieber & McIntyre/PTI.

The unit will help healthcare companies with customized training programs. Telephone is (312) 266-9200 or 670-2121.#

Incontinence market heats up

By LAURIE FREEMAN

TRANQUILITY
Undetectable brief
TRANQUILITY
PERRY

Tv spots for Devilbiss Healthcare Worldwide's Tranquility products are aimed at "the active incontinent." Barnum Communications, New York, is the agency for Tranquility.

Devilbiss Healthcare Worldwide will break its first network tv campaign in May for Tranquility incontinence pads and briefs. Devilbiss' action could add a third major competitor to what has been a virtually exclusive battle between Procter & Gamble, Cincinnati, and Kimberly-Clark Corp., Neenah, Wis.

The flushable pad system, developed by Principle Business Enterprises, Dunbridge, O., and marketed by Devilbiss, Somerset, Pa., has been available in home healthcare stores and some pharmaceutical home healthcare sections since last spring.

The network tv launch coincides with the company's move to make Tranquility available in all drug outlets.

Themed "Maximum security with minimal bulk," the spots already have been airing in limited areas, such as Chicago and Fort Myers, Fla. Barnum Communications, New York, is Tranquility's agency.

Tranquility products, like Kimberly-Clark's Depend undergarments, are aimed at "the active incontinent," a Devilbiss spokeswoman said.

"Of the estimated 8 million incontinent people [in the U.S.], only 700,000 [9%] are considered bedridden incontinent. The rest are ambulatory," said Francis Bouda, a patent attorney-consultant specializing in paper products.

"For the ambulatory market, there's a need for easy-to-use, nonbulky, superabsorbent products, and Tranquility may take [P&G and K-C] by surprise," he added.

However, K-C marketing executives don't view Tranquility as a competitor against their Depend shield and pads.

"[Tranquility] doesn't have meaningful consumer value. . .its flushability is a gimmick. As a practical matter, you'd have to handle it after use and it remains to be seen whether consumers want to do that," a K-C spokesman said. Neither Depend nor P&G's Attends is marketed as a flushable product.

Retail sales of incontinence products totaled $250 million in 1984, Mr. Bouda said.

Industry analysts say the market will eventually grow to $6 billion, surpassing the baby diaper category.

P&G owns 52% of that market, "primarily because it markets Attends to the bedridden incontinent," Mr. Bouda said. Attends is sold to hospitals and nursing homes and through durable medical equipment supply stores.

Attends pads also are available by mail order through Sears, Roebuck & Co. and Montgomery Ward & Co.

K-C has an 8% share of the market, "a smaller percentage because the company is going after the active, at-home, ambulatory market [which is harder to reach than the bedridden market] and is selling Depend pads and shields through drugstores. However, K-C may come out on top because the market for active incontinents is far greater than the bedridden," Mr. Bouda said.

Network tv spots for Depend position the brand as the one for "comfortable, discreet protection. . .gives you effective protection from wetness because of a fluid-locking material that absorbs fast."

A similar spot for Depend shields notes that the shields offer security from minor bladder control problems. Campbell-Mithun, Minneapolis, is the Depend agency.

To capture its share of the ambulatory market, P&G is now marketing Trimfit Attends, a product Mr. Bouda said is "like a diaper but not as bulky.

Trimfit Attends is marketed through nursing homes, a P&G spokesman said. This smaller version of Attends includes a "wetness indicator," a thin, litmus strip that turns blue when the diaper is wet.

Benton & Bowles, New York, handle advertising for both P&G Attends products.#

Wendy's benches ballpark spot

By SCOTT HUME

A funny thing happened on the way to the ballpark.

"Ballpark" was the title of what was to have been one of two new spots comprising Wendy's latest campaign (AA, Feb. 25). The commercial centered on a fast-food customer who asks when his hamburger was prepared. In reply the counterman asks, "Ballpark figure?"

But director Joe Sedelmaier woke up one night before production began with second thoughts. He called Cliff Freeman, copywriter for Wendy's national agency Dancer Fitzgerald Sample, New York, and the two decided there was an even better idea for a commercial: "Wine cellar."

"The agreement I have with Wendy's now is that I get involved with scripts right from the beginning, which saves making changes on the set," said Mr. Sedelmaier, who has directed a half-dozen commercials for the fast-food chain, including the immortal "Where's the beef?"

"And the way Cliff and I work, we toss around a lot of ideas before the script goes to the client. I thought 'Ballpark' was funny, but the more I thought about it, I realized it didn't relate to the problem the spot is supposed to address, which is Wendy's fresh preparation."

As a result, the "Ballpark" script was sent back to the minors and Messrs. Sedelmaier and Freeman created "Wine cellar." It goes on the proposition that aging might be acceptable for fine wines and cheeses, but hamburgers are best when they're served fresh from the grill.

Wendy's is comfortable giving Mr. Sedelmaier a free hand, but it was keeping a somewhat nervous eye on the clock during the past two weeks while production of "Wine cellar" and its companion spot, "12 o'clock," was completed. Both are planned to air on the networks beginning this week.

So, too, is a commercial titled "The will," which also completed filming only last week. That spot is the first tv work for Wendy's from Lockhart & Pettus, New York, hired last fall as the chain's agency for the black market.

The spot focuses on a family gathered for the reading of a wealthy relative's will. Family members who "couldn't tell a good hamburger if it looked them in the eye" are left only some stern advice on their taste in fast-food chains, while the nephew who introduced the deceased to Wendy's inherits the whole estate.

Wendy's hopes to work "The will" into the network rotation if time constraints allow. Spot buys on programing with high black viewership are definite.#

Allbaugh opens company

Westport, Conn.—J. William (Bill) Allbaugh is opening an advertising sales rep company here called Allbaugh, Decker, Freas.

Mr. Allbaugh left Sept. 1 as advertising director at *Newsweek* (AA, June 25, *et seq.*).

The other two partners in the new company are John Decker, president, Decker Decker & Freas, and Lenwood Freas, exec vp at DDF. Allbaugh, Decker, Freas is located at Four Nutcracker Ln., 06880.#

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DDB a winner in up-&-down 4th quarter

By STEWART ALTER

Doyle Dane Bernbach International, New York, the last of the public ad agencies to release its 1984 figures, had what was probably the best news to report relative to its own past performances.

In a fourth quarter of extremes, exhilarating some shops and upsetting others, DDB had reason to be thrilled.

Through a variety of much-publicized cost-cutting measures (AA, Jan. 28), DDB managed to boost '84 net income, excluding consideration of an extraordinary gain in 1983, by 51% in the quarter and 36% for the year *(see accompanying chart)*. In the previous two years, DDB earnings had declined.

Mickelberry Corp. was probably most thrown for a loop, owing to the loss of the Brown & Williamson Tobacco Corp. business in Cunningham & Walsh's Chicago office and the costs associated with restructuring that office. It posted a loss of $518,000 in the fourth quarter, bringing 1984 net income to $1.3 million from $2.6 million a year earlier (AA, March 4).

Alan Gottesman of L.F. Rothschild, Unterberg, Towbin judged the year financially as being "okay. It didn't knock my socks off, but it wasn't bad."

Some agencies did turn in strong, if anticipated, results. Ogilvy & Mather reported a net income gain of 45.2%, double its 22.5% increase in revenues.

That thrust O&M ahead of JWT Group in the earnings category. The two had similar net incomes in '83, but O&M's earnings of $25.8 million in '84 were considerably higher than JWT's $20.5 million (AA, Feb. 25).

JWT said net income declined in the fourth quarter, owing to "a higher level of business development spending, higher compensation costs and the impact of the strong dollar on its international operations."

But JWT and Interpublic Group of Cos. were added to the recommended list by Charles Crane, an analyst at Oppenheimer & Co.

On JWT, he said, "Following an anticipated decline in first-quarter earnings [at JWT], per-share comparisons should improve smartly for the balance of the year. Earnings are expected to increase some 20% in 1985 over 1984."

Interpublic got on the recommended list for its $100 million in new-business wins in January. And that was before the RJR Industries realignment *(see story on Page 1)*, a bonanza for McCann-Erickson Worldwide.

Mr. Crane added, "The uncertain economic forecast which formed the basis of our modestly bearish yearend outlook for the agency stocks has been replaced by the consensus view that the current recovery will last at least until 1986."#

Agency financial results

While 1984 was a healthy year for revenue growth for most agencies, the rate of net income increase was even higher for such agencies as DDB, Interpublic and O&M. NA means not applicable. Source: *Advertising Age*.

	Income ($000)			Revenues ($000)		
Agency	1983	1984	(%)	1983	1984	(%)
Fourth quarter						
Ally[1]	873	885	+ 1	50,709	47,788	− 6
BBDO	6,872	7,486	+ 9	78,561	82,173	+ 5
DDB[2]	2,606	3,947	+51	60,754	61,456	+ 1
FCB[3]	(791)	5,613	NA	61,526	71,137	+16
Grey	2,653	3,037	+14	47,660	58,421	+23
Interpublic	9,679	10,045	+ 4	178,161	183,509	+3
Mickelberry	1,227	(518)	NA	26,901	34,550	+28
O&M	8,994	11,729	+30	108,940	131,231	+20
JWT	6,543	5,783	−12	128,572	139,574	+ 9
Full year						
Ally[1]	2,240	851	− 62	20,444	21,406	+ 5
BBDO	18,055	22,644	+ 25	263,999	305,269	+ 16
DDB[2]	6,360	8,678	+ 36	198,518	213,199	+ 7
FCB[3]	7,078	16,807	+138	225,483	267,546	+ 19
Grey	2,653	3,037	+ 14	47,660	58,421	+ 23
Interpublic	25,380	32,794	+ 30	603,044	644,393	+ 7
Mickelberry	2,601	1,271	− 51	91,245	124,240	+ 36
O&M	17,800	25,838	+ 45	358,395	439,178	+ 22
JWT	17,579	20,478	+ 16	450,463	508,165	+ 13

[1] *Ally & Gargano's fiscal year runs July 1-June 30 so quarterly figures are A&G's second quarter and 12-month figures are for year ended June 30, 1984.*

[2] *Doyle Dane Bernbach's actual 1983 net income both in the quarter and for the year was actually $1,009,000 higher because of an extraordinary item—redemption of funds from a terminated pension plan.*

[3] *Foote, Cone & Belding's figures are restated from what was actually reported in 1983 to reflect the merger with The NCK Organization, which took effect Jan. 1, 1984.*

Saatchi hooks Rowland shop

By STEWART ALTER

The Rowland Co. is expected to begin expanding first on the West Coast and then nationally and internationally following its agreement last week to be acquired by Saatchi & Saatchi Co., London. Much of the expansion is likely to come through acquisitions.

It was the need to expand to keep up with the other major ad agency-owned public relations agencies that became the primary motivation for Herbert Rowland to sell his New York company.

"We're among the top 10 firms, but increasingly we find that to be competitive to attract business that is multinational, we need to be able to provide greater resources," Mr. Rowland said. He is tied into a five-year contract to remain the agency's president.

Rowland Co., one of the nation's top 10 pr agencies with 1984 fee income of $10.4 million and pretax profits of $2.2 million, has agreed to be acquired by Saatchi for an initial cash payment of $10 million plus future payments based on an after-tax income formula.

"It's become increasingly clear that with our business developing on the West Coast that we need a presence there," said Mr. Rowland, whose agency handles many major national clients, all from New York.

Among Rowland's top clients are Chesebrough-Pond's, Citibank, E.I. du Pont de Nemours & Co., Eastman Chemical and Procter & Gamble. All are clients of various Saatchi agencies.

What appealed to Mr. Rowland most about selling to Saatchi was its hands-off attitude toward subsidiary management. "The important thing to me was I never wanted to be owned by a single advertising agency."

Although Saatchi generally doesn't get involved much in the daily management of its companies, it recently has begun focusing more on spreading business through its network. In the two months since it acquired the Hay Group consultancy, it reportedly has had the opportunity to spread four clients either from an ad agency to Philadelphia-based Hay or vice versa.

The identities of those clients could not be learned. Some advertising clients, such as Pirelli Tires, which Saatchi handles overseas, also have become U.S. agency clients. Pirelli recently moved to Cochrane Chase, Livingston & Co., Irvine, Cal., from in-house.

With its entry into the pr business, Saatchi has what may be an even greater opportunity for spreading business because pr agencies often benefit from ad agency referrals.

In fact, some of the last remaining independent pr companies see each pr agency acquisition as a boon for them. "The fewer of us there are, the more referrals we're going to get," said Robert Marston, president of Robert Marston & Associates and a former admiring employe of Mr. Rowland.#

Rance Crain, Crain Communications president (r.), and Mark Pattis, vp-general manager of National Textbook.

Crain Books

(Continued from Page 3)

sales promotion and communications.

Rance Crain, president of Crain Communications, said: "We have long recognized the need to expand the activities of Crain Books. National Textbook Co. has the people and the resources to serve the growing communications business."

Mark Pattis, vp-general manager of National Textbook, commented: "Crain Books is an excellent complement to our current publishing activities. The knowledge that exists within our two companies will enable us to publish a number of exciting books to serve the constantly changing fields of advertising, marketing and communications."

Crain publishes ADVERTISING AGE and other business and consumer publications.#

Travisano

(Continued from Page 1)

now has 64% control of the shop, founded in 1966 with only a few clients—a hairpiece company and two small hotels, there will be a reorganization of stock ownership involving other partners in the near future.

Mr. Travisano, who will remain a consultant to the agency for five years, will be joined in his new venture by his cousin, Frank DiGiacomo, a former Della Femina executive who now heads a small agency under his own name. Mr. Travisano said he soon will begin hunting for office space here.

"I've been wanting to do this for two years," explained Mr. Travisano, who has been directing commercials for a number of the agency's clients, including American Isuzu Motors, for which he will continue to work, and WDIV-TV, Detroit. He also directed two spots for President Reagan's reelection campaign as a member of the ad hoc agency that called itself the Tuesday Team.

Although the two partners peppered the phone interview with quips and laughter, there was an underlying tone of sadness as they spoke.

Questions about their early days seemed to bring forth the most wrenching memories for the two men. Recalling the past, Mr. Travisano remarked, "We've been together since 1965 [when they worked at Ted Bates & Co.]. Those were the days Jerry had hair and I had black hair." As for their proudest accomplishment, Mr. Travisano remarked, "It's been the 17 years of incredible creativity. We have provided arenas [New York and Los Angeles offices] for people to do incredible work. Having been at [the former] Delehanty, Kurnit & Geller and then Bates, we went out and built an agency that *we* would like to work for."

Mr. Della Femina said he will assume Mr. Travisano's duties until a successor is named. In Los Angeles, James Weller is the agency's other co-director of creative services-U.S.

In response to a question, Mr. Della Femina said he plans to be in the agency business "forever."

James Travis, vice-chairman and chief operating officer, was known to be notifying Della Femina clients of Mr. Travisano's departure late last week.#

Kostyra

(Continued from Page 1)

division from 1980 to 1983. He will get a corporate assignment in the "business development" area, the agency said.

The spot operation, which buys $360 million worth of time, no longer will report directly to Robert Buchanan, the exec vp-U.S. media director. Instead, Mr. Kostyra will report to John Peters, JWT USA president, and Stephen Bowen Jr., exec vp-general manager, JWT, New York.

Effective April 1, the spot operation will be reorganized into two groups, with the intent to tie it more to account-planning needs.

"More clients are becoming increasingly sophisticated in the way they want to do regional marketing," said Mr. Bowen. This has led the agency to conclude that spot buying "needed to be more closely woven into the fabric of offices by having a mechanism to relate it more to people who run the accounts," he said.

In some cases, there have been clashes between the account and spot-buying operations.

Some clients "want tonnage," said Mr. Bowen, while others have different needs. "We have to have a unit responsive to these kinds of things. Both in terms of individuals and structure, we have significantly strengthened the capability of our spot unit."

In light of that last remark, upon which Mr. Bowen would not elaborate, the move also appears to indicate that JWT believes it has put the controversy around Ms. Luisi behind it and can return direction of the department to a media professional.

Ms. Luisi had headed JWT's spot buying and tv program syndication units prior to a discovery that syndication revenue had been overstated significantly through computer-system entries. Because of the discovery of these irregularities, JWT had to restate its earnings to reflect a loss of more than $30 million. Ms. Luisi was dismissed March 31, 1982, and since has filed a libel suit against JWT. A decision on whether it will go to trial or be dismissed is pending in the New York state supreme court.

The Luisi episode has had a lingering effect in that it has made JWT still feel inordinately vulnerable to rumors. One, from an anonymous caller to various publications more than a month ago, claimed there was a West Coast billings scandal at JWT affecting Burger King, the agency's largest spot client. BK chairman Jeffrey Campbell immediately responded (AA, Jan. 21) that he had been informed by JWT of what was happening and that it involved a program-rating procedure.

The anonymous caller then called again to say Mr. Hackett would be replaced as head of the spot-buying operation as a result of the discovery of a billings irregularity involving several clients. A JWT spokesman at the time denied any personnel change was under way; apparently no decision was made until recently.

While the caller in both cases has pointed, somewhat accurately, to actual developments at the agency, there appears to be no evidence that the changes in either the program-rating procedure or spot-operation personnel have to do with anything that could be called irregularities.#

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Monday, March 18, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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ABC-TV turns down a spot of Seagram's

By GAY JERVEY

Joseph E. Seagram & Sons' bid to get on tv with a comparative campaign equating the alcohol content of whisky, wine and beer was dealt a major blow last week when ABC-TV rejected the distiller's proposed campaign.

According to an ABC spokesman, Seagram's plan is contrary to the network's policy prohibiting advertising for hard liquor on its airwaves.

Seagram now is awaiting word from NBC-TV, which was still reviewing Seagram's "equivalency" tv spots late last week. An NBC spokeswoman said a decision was expected soon.

CBS, which was not included in Seagram's original conversations with the networks, will get its chance to scrutinize the campaign this week, according to Walter Haimann, Seagram's senior vp in charge of external affairs.

At the same time, Michael Jacobson, executive director of the Washington-based Center for Science in the Public Interest, has been talking to network standards and practices executives, urging them to refuse the Seagram effort.

In addition, Mr. Jacobson sent letters to all three networks and the Turner Broadcasting System that, among other things, described the ads as a "real disservice to the public" and "an inducement to drink hard liquor."

According to Mr. Jacobson, the networks told him that they would move very cautiously. "They realize the significance of the issue and don't want to jump," he said.

"They also seemed to think that ultimately Seagram would run the messages under the signer of a group like MADD [Mothers Against Drunk Driving] or SADD [Students Against Driving Drunk]," Mr. Jacobson continued. "But that makes no difference. It's still an ad for liquor."

Mr. Jacobson, a leader in the movement to ban beer and wine advertisers from tv, termed the actual spon-

(Continued on Page 94)

The new USA Band, backed by Anheuser-Busch, rocks the crowd at New York's Limelight club. *(Staff photo by Arnie Adler.)*

A USA Band in hand is worth plenty to Busch

By GAY JERVEY

The only beer served that night was Budweiser, at least between 7 p.m. and 10 p.m. Other than that, there was little evidence that the debut of a new rock 'n' roll group called USA Band was signed, sealed and delivered by Anheuser-Busch.

Rarely do unknowns such as USA have their first gig at the Limelight, one of Manhattan's current hot spots that sports lines as late as 3 a.m. and normally features taped, not live, music. But this time, St. Louis-based A-B quietly is putting its name, and more importantly, its pocketbook behind a "baby band" that—and here's the rub—has been custom-made for A-B.

So on the big night, one or two gray-flanneled A-B executives milled in the crowd, snapping and swaying a bit self-consciously. But, by and large, the 2,000-strong crowd skewed far more toward an anything-goes look than a corporate one. Mohawk cuts and pink hair mixed with record executives and sashaying models.

Why all the secrecy? Quite simply, as a USA spokesman said, A-B is in the business of beer, not bands; it does not wish to be deluged by young musical hopefuls—so much so that Budweiser declined to comment on its involvement with USA.

Sponsoring undiscovered musical talent is a growing, but not altogether new trend among corporations needing to tap the youth market. A-B's brewing rival, Milwaukee-based Miller Brewing, has adopted music as its linchpin strategy to reach this group, according to Gary Reynolds, president of Gary M. Reynolds & Associates, a Milwaukee-based group that handles all the entertainment/music promotions for Miller.

In addition to the well known Miller High Life concert series,

(Continued on Page 96)

Another exec out in Coca-Cola tiff

More fizz at McCann

By VERNE GAY

New York—A top-level executive at McCann-Erickson was ousted last week following conflicts with the media management of the agency's largest account, Coca-Cola Co.

Dan Riordan, senior vp-director of national broadcast, a veteran network negotiator who formerly supervised Ford Motor Co.'s network business at J. Walter Thompson USA in Detroit, was dismissed last week after holding the McCann position for just six months.

Mr. Riordan is the second top media executive to be ousted from the position in less than a year. Rick Busciglio, now an account exec with the Christian Broadcasting Network, also reportedly left the department under similar circumstances.

Commenting from his home, Mr. Riordan said, "I'm extremely disappointed and surprised at the turn of events. My long record and experience in the business speaks for itself." Mr. Riordan would not elaborate on the reasons for his departure or his next move.

Mr. Riordan will be replaced by John Otter, senior vp-director of network programing for SSC&B, which, like McCann, is a Coca-Cola Co. agency and a member of the Interpublic Group of Cos. No successor to Mr. Otter was named.

Mr. Riordan's immediate superior, Gordon Link, exec vp-director of media services, also would not go into details about the situation. He said, however, that the succession was "healthy" for McCann's network buying group and denied that the group, which has experienced turnover in recent months, was in turmoil. "The de-

(Continued on Page 99)

Stroh in search for new items

By JESSE SNYDER

Detroit—Stroh Brewery Co. is setting up a marketing "hothouse" for new products, with veteran exec John Bissell in charge of creating major new money-makers.

White Mountain Cooler is the first new product (AA, March 11) under Mr. Bissell, now senior vp-special products, but an imported superpremium beer and rebirths of Primo and Erlanger brands are likely soon.

"The special-products division is

(Continued on Page 96)

Last Minute News

Ogilvy & Mather wins $35 million Hardee's pitch

Rocky Mount, N.C.—Hardee's Food Systems has moved its $35 million national ad account to Ogilvy & Mather, New York, following a review that also included N W Ayer, Ted Bates Advertising/New York and William Esty Co. "In the final analysis, we saw three or four excellent campaigns, but only one long-term positioning," said Ronald Wertheim, exec vp-marketing, explaining why O&M was named to succeed Benton & Bowles (AA, Jan. 14). A new campaign for the 2,315 store fast-food chain will be launched this summer.

Cunningham & Walsh to leave Dallas behind

New York—Cunningham & Walsh's Dallas office, not yet three years old, will be closed May 1, forcing the *Dallas Morning News* and Lennox Industries into agency searches. C&W said it intends to concentrate on its larger offices. Both C&W orphan accounts expect to name new Dallas-based agencies.

General Foods freshens Maxwell House cans

White Plains, N.Y.—General Foods is introducing Maxwell House ground roast with a "fresh lock packet"—a new concept that the company says allows for a fresher brew due to a packaging device within the can—into a spring Dallas test market. Ogilvy & Mather, New York, is the

(Continued on Page 8)

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Creative showcase?

HCM bubbles over Orangina

By STEWART M. ALTER

Havas Conseil Marsteller, which needs to make some creative waves in New York and London as part of its growth strategy, will get a good opportunity with new commercials in that most visible of categories—soft drinks.

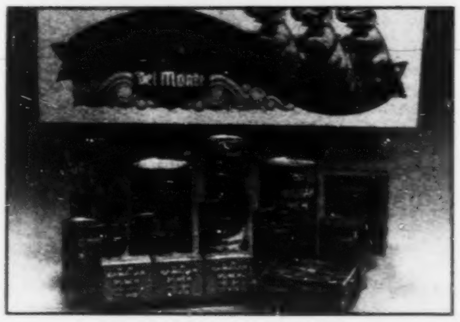
It has been assigned advertising for Orangina, a carbonated citrus beverage that has more than a 20% share of the soft-drink market in France, but previously was introduced unsuccessfully into the U.S. under another name. HCM also handles the brand in the U.K.

"We see New York, Paris and London as important markets for developing agency creative reputations," said Robert Schmetterer, president-ceo worldwide of the $500 million agency formed this year as the result of a joint venture between Marsteller and the French-based Havas Conseil.

Since HCM is betting there's a niche in the multinational agency world it can fill by being a creative powerhouse in each of its U.S. and European offices, winning that reputation in those three prominent markets is a cornerstone of its strategy.

HCM/Paris, the largest European office, already is strong creatively, while HCM/London, which is small, won't get a new creative director until midyear. But HCM/New York, a $75 million agency and second in size in the

(Continued on Page 96)



Food and circuses

Clowning around in the supermarket is featured in new Del Monte spots for its "Big top bonanza" promotion, which includes a $4 refund for 50 UPC symbols from product labels. The company will sponsor a Ringling Bros. and Barnum & Bailey Circus tv special on CBS-TV April 15. Agency is McCann-Erickson, San Francisco.

Highlights

General Mills and Kellogg Co. are facing off over bran cereal, with the first battle being waged in upstate New York markets. *See Page 4.*

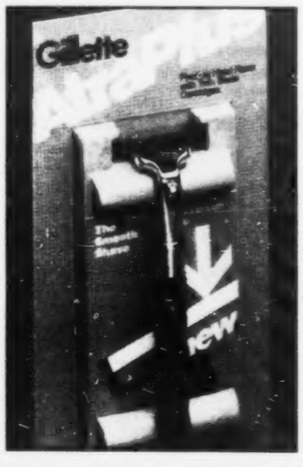
Just as the overextended consumer who's made liberal use of credit cards, John Blair & Co. now finds itself paying for its purchasing habits in stock-price fluctuations and executive shakeups. *See Page 6.*

Food advertisers may have gotten a cautious green light from the Food & Drug Administration to use medical claims in promotions, but the industry hasn't exactly lurched into overdrive to take advantage of the agency's new attitude. *See Page 12.*

Acorn Computer, the top player in the U.K.'s educational computer market but a failure so far in the U.S., is hoping a new link with powerful AT&T will help it penetrate schools here. *See Page 28.*

Paul Harper Jr., chairman emeritus of Needham Harper Worldwide, stresses quality people as the key to success in the advertising business. *See Page 40.*

Gillette Co. will add a new dimension to the daily shave this summer when it introduces Atra Plus, a shaving system with a lubricating strip that's designed to give its customers a smooth and soft, rather than just close, shave. *See Page 53.*



CATEGORY REVIEW

The end of import restrictions on Japanese cars March 31 will bring increased ad spending in the U.S. automotive market, but the new burst won't come immediately. *See Page 4.*

FORUM

DDB vp Ned Brown looks ahead to advertising's role in upcoming political campaigns. *See Page 18.*

Michael Shay writes on "How to Denver." *See Page 18.*

INTERNATIONAL

An Australian gold rush is on as Citicorp, BankAmerica Corp., Chase Manhattan Bank, J.P. Morgan & Co. and Bankers Trust Co. all are setting up shop Down Under. The banks are taking advantage of the Australian government's decision last month to grant licenses to 16 foreign banks, including five U.S. ones. *See Page 58.*

Federal Express Co. and DHL International are expanding in Europe as the battle heats up for shares of the international courier market—expected to reach $5 billion by 1989. *See Page 58.*

Southland Corp.'s 7-Eleven chain in Hong Kong, after four years of dominating the convenience-store market, is getting ready for some stiff competition. The newcomer is Circle K Corp., which is trying to gradually muscle its way into a market now dominated by 7-Eleven, which has 97 outlets. *See Page 60.*

DIRECT MARKETING

Last year was a strong one for direct-marketing agencies, according to the annual survey of billings released by the Direct Marketing Assn.'s research department. *See Page 76.*

The key to profits in direct marketing is repeat business, but little thought is given to retaining customers until the introductory advertising is well under way, according to one agency executive. *See Page 76.*

COMING THURSDAY

SPECIAL REPORT

Sixty-two per cent of U.S. Hispanics live in the top 10 Hispanic markets. Understanding these people provides the key to grasping the whole Hispanic market.

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Israel touches off fresh tomato tempest in U.S.

By LENORE SKENAZY

New York—This food fight is dirty. Florida tomato growers are accusing Israeli tomato exporters of "dredging up illusions [sic] of the Holocaust" in their ads.

Agrexco, the government and kibbutz-owned Israeli company exporting Carmel brand tomatoes and other produce, ran ads in the *New York Times*, plus 30 and 10-second spots on local tv, to promote its premium tomato. "Move over, you thick-skin, mealy mouth, paleface imposter. There's a new tomato in town," challenges the copy.

The ad goes on to describe how American "Agribusinessmen force-feed their tomatoes to get a quick yield. They wean them too early, pluck them from the vines still green and gas them to turn 'em pink. Then they cram them into semi-trailers and turn them out into the street. Tsk. Tsk. No way to turn out a nice tomato."

The Florida Tomato Exchange, a 30-member organization representing most of the South and Central Florida tomato farmers, urged the *Times* to stop running the ad. In a Feb. 11 letter penned by the Exchange's pr man, David Gustafson of Communication Resources, Waukesha, Wis., it noted that from mid-October to mid-June more than 90% of the tomatoes found in New York markets are shipped from Florida. "So these obviously must be the [ones] that Agrexco tells to move over."

When the *Times* refused to reject the ad, Mr. Gustafson issued a press release headlined "Israel declares war on U.S. tomato industry."

The release said: "Dredging up illusions of the Holocaust, the Jewish ads denounce American tomatoes for being 'gassed' and 'crammed into semis' for shipment. They accuse Americans of 'force-feeding tomatoes' and 'weaning them' too early from the vine." Wayne Hawkins, exec vp of the Florida Tomato Exchange, was quoted as saying, "Resorting to slurs, intentional distortions and outright lies about tomato production in the United States is an affront; it's counterproductive. I

(Continued on Page 94)

Ally in global linkup

Shopping around

By CLAIRE WILSON

Paris—Advertising agencies in 35 countries—including the U.S., represented by Ally & Gargano in New York—will announce March 19 that they have formed an unusual new international network whose members have total gross income in excess of $90 million.

The network, called Grandfield Rork Collins International Holding Co., or GRCI, has as founding members Homsy Delafosse et Associes, Paris; Edem, Athens; Associati Globe, Milan, and Schofield Sherbon Baker, Sydney, as well as London-based Grandfield and Ally.

Federal Express, an Ally & Gargano account, is the network's first international client. The campaign for Federal Express will break in Europe in May *(see related story on Page 58).*

Nigel Grandfield, chairman of GRC, also is GRCI's chairman. How the agency will organize itself to service clients across borders

(Continued on Page 94)

Blair slows buys to fine-tune management

By WILLIAM F. GLOEDE

New York—Just as the overextended consumer who's made liberal use of credit cards, John Blair & Co now is paying the price of its purchasing habits.

During the past 12 months, Blair's stock price has swung wildly from a high of $40 to a low of $14 on the New York Stock Exchange. Its 1984 pretax earnings were less than half of 1983's $35.2 million, despite the doubling of revenues from $414.3 million in 1983 to $842.4 million last year. And two of its units, John Blair Marketing and Advo/Blair, underwent extensive changes in management and staff late last year and early in 1985 (AA, Oct. 29, *et seq.*).

To complicate matters further, Blair's stock recently has moved rapidly from 14⅛ to 22⅜, setting off wild rumors on Wall Street that several communications companies and even an insurance company wanted to buy Blair.

Jack W. Fritz, Blair's president-ceo, has an explanation for Blair's perceived malaise. The company, in the past two years, has sunk about $100 million into media acquisitions, with its most recent buy being the Hartford, Conn.-based Advo System. When Blair bought Advo in early 1984, it embarked on a rapid expansion program that proved extremely costly. At the same time, the bottom fell out at another of Blair's units—John Blair Marketing—due to changes in the marketplace. The result was the poor 1984 earnings performance, and the sharp drop in the price of Blair stock.

In an Advertising Age interview with three Blair executives in the company's offices here, Mr. Fritz said, "When we were at 45, about a year-and-a-half ago, that was probably too high, a little euphoric. Certainly, the price dropping down to 14 was ridiculous."

Ridiculous, maybe. But it did attract investors, including the Allstate Insurance Co.'s Equity Fund, which, already an investor, acquired more Blair stock, putting it over a 5% ownership position and making necessary a filing with the Securities & Exchange Commission. Wall Street analysts began speculating that Allstate (some called it Sears, Allstate's parent) was seeking to buy Blair.

A depressed-market bargain

Mr. Fritz scoffs at that notion, saying he believes Allstate as an institutional investor saw a bargain in Blair's depressed-market price and increased its holdings.

"Every time our stock starts to go up a little bit, the rumors hit the street that somebody is going to buy us," he said. "We're fairly thin out there, so if anybody wants to come in and buy a little bit, the stock will jump up a point and a half or two points in a very short period of time."

Mr. Fritz believes Blair is less like an overextended consumer than a consumer who bought a Picasso at a bargain-basement price. In 1984, Blair bought itself what Mr. Fritz calls a $40 million "machine"—Advo—that he expects will dispense cash for acquiring radio and tv stations.

Advo/Blair is the nation's largest third-class mailer. During the past three years, its revenues have more than tripled from a little more than $100 million in 1982 to $320 million last year. But that explosive growth came at a price. The rapid expansion, the result of what Mr. Fritz called the "grandiose" vision of Advo's former owners, had the company starting Marriage Mail programs to a substantial number of markets where profits were marginal at best.

"We extended ourselves pretty rapidly in 1984," said Mr. Fritz.

Last fall, Blair began cutting the number of markets served by the Advo/Blair unit from 215 to 160 and consolidating operations in several other markets.

"Now, we're managing for profit," he said. Advo has no expansion plans for the near term.

Added Hugh Beath, who joined Blair as exec vp-operations from president of R.J. Reynolds Industries' Del Monte specialty grocery products division late last year, "We should be able to grow that business dramatically without one new household reached." (Advo now reaches 42 million households nationwide.)

Turmoil hits fsis

Last year Blair saw 1983's $15.8 million operating profit turn into a 1984 operating loss in its John Blair Marketing unit, which prints, sells and distributes manufacturers' cents-off coupons in freestanding inserts (fsis) to Sunday newspapers. Total operating profit for John Blair & Co. in 1983 was $47 million. The 1984 operating profit in Blair's marketing services division was slightly more than $6 million, reflecting almost exclusively the blending of Advo's profits into the marketing services group.

Turmoil hit the fsi business last year, said Steven Kampf, an Advo veteran who became president of the marketing unit last year.

"The price-value relationship in the fsi business has eroded substantially," said Mr. Kampf. The concept of category exclusivity for advertisers' products virtually has disappeared as the four major producers of fsis increased the number of coupon dates offered to the extent that as many as four inserts would show up in the same Sunday newspaper. A price war among the fsi producers further exacerbated the profit picture, said Mr. Kampf.

John Blair Marketing has cut the number of fsi dates planned for 1985 to 21, six less than it produced in 1984. At the same time, it has increased the number of its exclusive Network Mail (a shared-mail program that uses a coupon insert as a wrapper for several advertising inserts) from 12 to 20.

Blair's broadcasting businesses are "moving ahead very nicely," said Mr. Fritz, although time sales at the company's San Juan, P.R., and Oklahoma City tv stations have been somewhat soft during the first quarter of 1985, with all business off in San Juan and national sales off in Oklahoma City.

Business is booming

Business is booming at two other John Blair units, its Blair Television advertising representative company and its Blair Entertainment division. The company's eight radio stations also are doing well, Mr. Fritz said.

Its two radio representative companies are profitable, but they don't contribute heavily to the bottom line. "I don't think you make a lot of money in the radio rep business," said Mr. Fritz. But the company has a long history in the rep business, with several major long-term clients and its own radio stations. "It's a business that is profitable," he said, "but you're not going to get rich that way."

Through the rest of 1985, Blair will continue its inward focus, oiling and greasing the Advo cash machine and building up the corporate coffers. Mr. Fritz does not expect any major acquisitions this year. But he clearly does want to buy more radio and tv stations, now that the Federal Communications Commission has increased the number of tv and am and fm radio stations that one company can own from seven to 12 of each.

"I would think that it's probably going to take place in 1986," he said, "not in 1985. We've got a few other things we have to clear up before we get back into an acquisition mode."#

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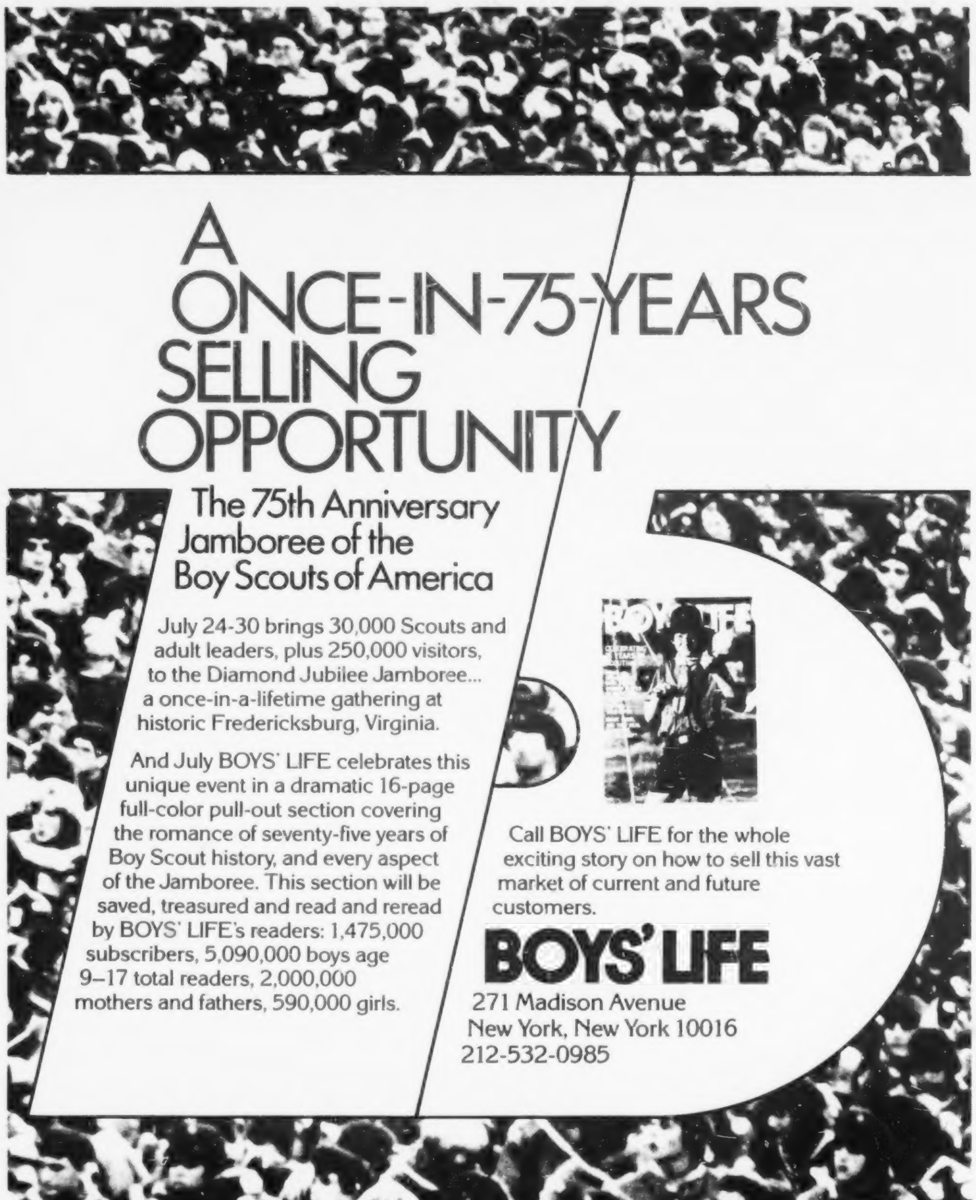

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CORRECTIONS & CLARIFICATIONS

• The rate card for Marketing Evaluations Inc., Port Washington, N.Y., calls for $50,000 per year per tv network for its full TvQ Program ratings service and $12,500 annually for each network for its Performer Q service, not $690,000 annually per network as reported in an article headlined "Audience reaction steers tv program pilots" (AA, Feb. 28, P. 27). Steven Levitt, MEI president, also points out that ABC is not a subscriber to the Performer Q ratings. He also notes that the Screen Actors' Guild did not, as reported, file a lawsuit against him. What actually happened, he said, was that a bill that would have outlawed Performer Q and other entertainer surveys was defeated in the California state legislature and ultimately was withdrawn. Thus, the action did not constitute a lawsuit specifically directed against him.

• The magazine among those with the largest percentage declines in circulation for the six months ending Dec. 31 (AA, March 4, P. 66) should have been identified as *Tiger Beat*.

• Grey Advertising's full-year 1984 net and gross income were incorrectly reported in a chart on public ad agency financial results (AA, March 11, Page 90). Net income for the year was $10.2 million, up 27.3% from $8 million in 1983, while gross income was up 26%, to $204.1 million from $162 million.

• The Ad Whirl column (AA, March 14) incorrectly reported that the Marschalk Co. had refused to work with top-model Christie Brinkley because of a quarrel she had with another model while shooting an ad for the agency. Marschalk says it has never worked with Ms. Brinkley. Ms. Brinkley has called the report "completely false."

• Zwiren & Wagner, Chicago, is the agency for Beecham Cosmetics' Diane Von Furstenberg "In the Pink" skin fitness kit and Vitabath bathing gel (AA, March 11, P. 82) #

Hale opens pr agency

New York—Alan Hale Public Relations, a new public relations agency specializing in entertainment clients, is opening offices here at 1501 Broadway, 10036.

Mr. Hale was formerly in the position of account exec at March Five Inc.#

Direct-marketing agencies register strong '84 gains

New York—Last year was a strong year for direct-marketing agencies, according to the annual survey of billings released by the Direct Marketing Assn.'s research department. Only one agency posted a decline for the year; virtually all others that reported showed sizable increases.

However, there are some new faces showing up among the 10 leading direct-marketing agencies as reported by DMA, largely the result of a change in the way the statistics are compiled.

This year for the first time, DMA is publishing two lists, one for agencies that provide only the usual agency fare and a separate, smaller, listing of those specialized agencies that also combine in their billings the revenue derived from related businesses such as lettershops, database or printing.

In the past, DMA has not separated the two groups, much to the consternation of agencies that did not report or did not have related income. The change, according to a spokeswoman at DMA, was made by the association's research department and a committee of agency representatives. "They didn't want to compare apples and oranges any longer," she said.

Of the 10 leading agencies listed a year ago, two have been moved off the general list and now appear on the smaller list of specialty agencies. The Direct Marketing Group, which last year had been considered the third-largest agency, now heads up the list of specialized agencies. And the Direct Marketing Agency, purchased last year by Cunningham & Walsh, moved from the No. 8 spot last year to No. 4 on the specialized list.

Those moves, plus the acquisition of Smith-Hemmings-Gosden by Foote, Cone & Belding, also on the smaller list, made room for three new agencies in the Top 10—Soskin/Thompson, MARCOA Direct and Direct Inc. (formerly Benton & Bowles Direct). They're Nos. 8, 9 and 10, respectively.

Another change among the leading agencies was Grey Direct, moving from No. 9 to No. 5 on the strength of a 43.4% increase in revenue, the largest increase reported by the leading agencies. AyerDirect moved the other way, dropping to No. 14 with a 10.3% decline in billings.#

Specialty DM Agencies[1]

This list represents only those agencies that responded to a request made in 1985, for their full-year U.S. 1983 and 1984 billings. All figures were supplied by the individual agencies, which were asked to include space and broadcast billings, billings for materials and services provided by organizations outside the agency, capitalized agency fees, and revenues derived from other direct mail activities. *Source: DMA Research Department.*

Rank/Agency	Billings ($ millions) 1984	1983	Per cent Change
1. The Direct Marketing Group	82.1	65.7	25.0
2. Krupp/Taylor	58.3	44.2	31.9
3. Allied Graphic Arts	52.2	48.0	8.8
4. Direct Marketing Agency	50.1	40.0	25.3
5. FCB Direct[2]	48.7	41.8	16.5
6. Epsilon	33.9	25.0	35.6
7. Hub Mail Advertising	28.0	21.5	30.2
8. Computer Marketing Services (CMS)	21.6	17.4	24.1
9. Direct Mail Corp. of America	20.0	17.5	14.3
10. Marketing Communications	13.2	9.8	34.5
11. Manus Direct Response Marketing	8.4	3.7	127.0
12. Karl Rove & Co.	7.8	3.5	122.9
13. WOL Direct	7.6	6.0	26.7
14. Frank/James Direct Marketing Co.	6.7	3.7	81.1

[1] Refers to agencies that also derive revenues from related businesses such as lettershops, database or printing operations.
[2] Includes Smith-Hemmings-Gosden.

General DM Agencies

This list represents only those agencies that responded to a DMA request, made in 1985, for their full-year 1983 and 1984 U.S. billings. All figures were supplied by the individual agencies, which were asked to include space and broadcast billings, billings for materials and services provided by organizations outside the agency, and capitalized agency fees. *Source: DMA Research Department.*

Rank/Agency	Billings ($ millions) 1984	1983	Per cent Change
1. Wunderman, Ricotta & Kline	159.0	124.2	28.0
2. Ogilvy & Mather Direct Response	133.0	95.0	40.0
3. Stone & Adler	72.7	55.8	30.2
4. Rapp & Collins	58.6	50.2	16.7
5. Grey Direct	56.8	39.6	43.4
6. Kobs & Brady Advertising	52.0	44.3	17.4
7. Chapman Direct Marketing	45.9	41.5	10.6
8. Soskin/Thompson	41.9	36.6	14.5
9. MARCOA Direct	35.1	24.6	42.7
10. Direct Inc.[1]	32.0	18.8	70.2
11. Barry Blau & Partners	30.8	21.4	43.9
12. BBDO Direct	30.7	24.4	25.8
13. DR Group	29.3	25.5	14.9
14. AyerDirect	26.0	29.0	—10.3
15. McCaffrey & McCall Direct Mktg.	25.0	12.0	108.3
16. The Frank Vos Company	24.5	21.8	12.4
17. Fairfax Advertising	23.0	19.0	21.1
18. Scali, McCabe, Sloves Direct	20.7	14.0	47.9
19. Bozell & Jacobs Direct	20.1	14.7	36.7
20. March Direct Marketing	20.0	18.0	11.1
21. Brown Direct	15.3	6.7	128.4
22. TLK Direct	13.6	11.5	18.3
23. DFS Direct	11.9	3.7	221.6
24. Bloom & Gelb	9.1	8.0	13.8
25. Nelson*Panullo*Jutkins Direct Mktg.	8.6	5.2	65.4
26. Buchanan/Vinson/Rosenfield Direct	8.5	4.0	112.0
27. Taurus Marketing	8.0	5.0	60.0
28. Leber Katz Partners Direct Mktg.	8.0	—	—
29. MacDantz Direct	7.3	1.6	356.3
30. Cramer-Krasselt Direct	6.6	5.4	22.2
31. J.W. Prendergast & Associates	5.2	3.8	36.8
32. Muldoon Direct	5.2	3.2	62.5
33. Marschalk Direct Marketing	4.5	0.8	462.5
34. Parsons & Kern Advertising	3.3	—	—
35. Wakeman & deForrest	2.9	1.3	123.1
36. Gerald Patlis Advertising	2.8	2.7	3.7
37. Woollard Advertising	2.6	1.5	73.3
38. D'Arcy Direct	2.6	—	—
39. Communique	2.6	—	—
40. Jacobs & Clevenger	2.0	1.2	66.7
41. Henderson Direct	1.2	0.6	100.0
42. Cargill, Wilson & Acree	1.0	—	—

[1] Formerly B&B Direct

Repeat customers mean $$: Exec

New York—The key to profits in direct marketing is repeat business, but, unfortunately, little thought is given to retaining customers until the introductory advertising is well under way, according to Terry Reiner, exec vp, Zimmermann & Reiner Direct.

Addressing a recent meeting of the Direct Marketing Club of New York, Ms. Reiner outlined the essential elements of a campaign built around "retention marketing."

"The first principle," she said, "is providing a strong and unique position or reason for your product or service. . .developing realistic expectations on which you can deliver. . .and developing and establishing frequency tactics before the introduction."

Techniques available to direct marketers, she said, include bounce-back materials included with orders, follow-up telephone calls and post-purchase catalogs.

She cautioned against techniques that work against future orders. "I think there is nothing more bizarre than the system which health clubs or gyms have of forcing members to stop being customers by limiting the period of their memberships and making them renew once a year if they want to continue. Why not go with human nature, like an insurance company or a book club, and force a customer to *cancel* if they don't want to continue. What's wrong with a lifetime membership to the East Side Tennis Club?"

Once a business is launched, she said, the company then must work to hold on to its customers. Reasons they might leave include unrealistic expectations not satisfied, a bad experience with the product or service, inertia or apathy, or more competitive alternatives.

Methods that have been successfully employed to counteract these problems, she noted, include communications—personally addressed if possible—that involve the customer in the business. Surveys and brochures often are used, she said. And research, she added, not only helps to keep customers motivated, it can reveal facts about your customers than can help with future sales.

As the customer relationship grows, it becomes especially important to track and monitor its progress, she said. Careful monitoring can reveal whether or not you're keeping long-term customers satisfied.

And one way to do that, she said is to recognize and reward customers for long-term patronage. "You must give your long-term customers the impression that they are members of an exclusive group who, because of their loyalty, are entitled to unadvertised specials not available anywhere else." In so doing, she said, "You force them to maintain a high level of interest in your relationship."#

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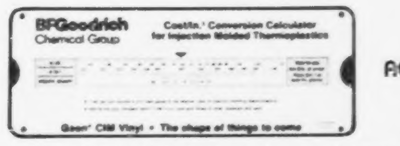
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New shop helping its clients bail out

Minneapolis—S.E. Nelson, a new full-service general and direct advertising agency, is using a direct-mail and telemarketing campaign to develop business.

The agency, which opened its doors in mid-February, developed a self-mailing brochure that it is sending to 400 targeted potential customers.

"We're positioning ourselves as an agency that you call when you're really up against it," said founder and president Lance Nelson. "We're going after four types of companies—high-tech, health-care, financial services and companies where new products are an important element of growth, like package goods."

To that end, the brochure teases, "You've just been tossed out of an airplane with no parachute. What do you do?"

The answer: "Pull the cord [the one attached to your phone] to head for a softer landing."

The mailings were directed to companies in the Twin Cities, Chicago and St. Louis.

The brochures will be followed by a second mailing that contains a reprint of a *Minneapolis Star & Tribune* article that reported on the new agency. A third mailing will consist of a personal letter from Mr. Nelson, to be followed by a call, meeting and lunch.

"My experience is that, so far, the brochures haven't prompted very many phone calls. But when I call, there is instant recognition of who we are and that they received the mailing," he said.

S.E. Nelson already has two clients, neither of which were won via the campaign. Both are located in the Twin Cities.

Before founding his agency, Mr. Nelson was exec vp at Associates & Larranaga, an advertising agency here. Earlier, he served as director of new products at Land O' Lakes and as an account supervisor at what then was known as Needham, Harper & Steers, Chicago, where he worked on the Anheuser-Busch and McDonald's accounts.

S.E. Nelson is located at 112 N. Third St., 55401.#

Senior editor Paul L. Edwards, New York, is the editorial director of the Advertising Age *Direct Marketing section.*

Tv spot testing flat for '84

New York—There were 8,037 incidences of tv commercial testing in 1984, a slight dip from 8,066 tests in 1983, market researcher Jack Honomichl reported at the 31st annual conference of the Advertising Research Foundation here last week.

Mr. Honomichl said the 1984 figure was down a scant 0.4% from 1983. The figures he presented were compiled from confidential data supplied by 11 research organizations and two major advertisers, General Foods and General Mills.

The research companies included ASI Marketing Research, Bruzzone Research Co., Burke Marketing Research, Gallup & Robinson, Mapes & Ross, M/A/R/C, McCollum/Spielman Research, Sherman Group, Video Storyboard Tests, Vopan Marketing Research and Westgate Research.

Mr. Honomichl also unveiled the ARF's new magazine research expenditures index, which he helped develop in cooperation with the ARF and the Magazine Publishers Assn.

There are 26 publications participating in the index. Of the $7.1 million invested by those magazines last year, 46% of the total was invested in syndicated audience measurement studies; 15% for custom ad hoc studies; 12% for editorial development and evaluation, and 27% for "all other."

The magazines covered by the index include *Better Homes & Gardens, Bride's, Business Week, Family Circle, Field & Stream, Forbes, Gentlemen's Quarterly, Glamour, Golf, Golf Digest, Gourmet, House & Garden, Inc., New York, Parents, Playboy, Popular Science, Reader's Digest, Seventeen, Smithsonian, Southern Living, The New Yorker, Tennis, U.S. News & World Report, Vanity Fair* and *Vogue*.#

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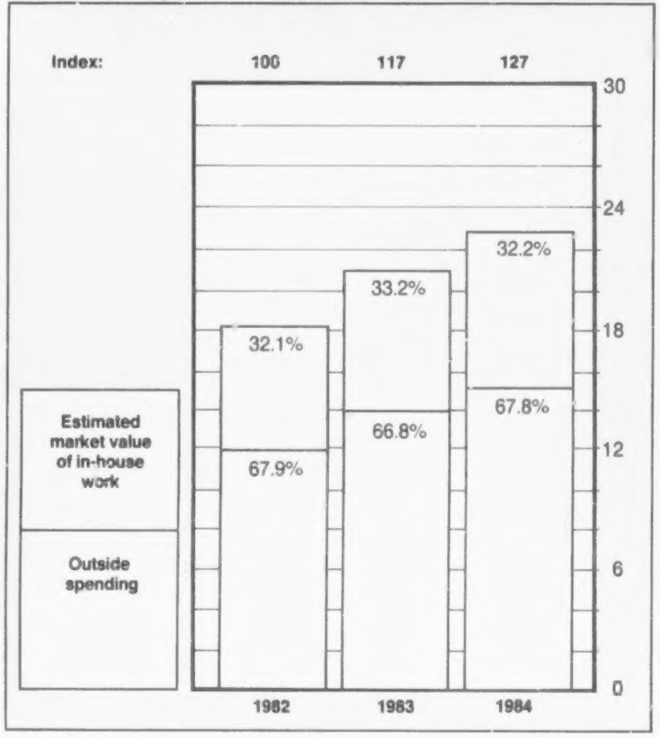
Index of metro newspaper research spending



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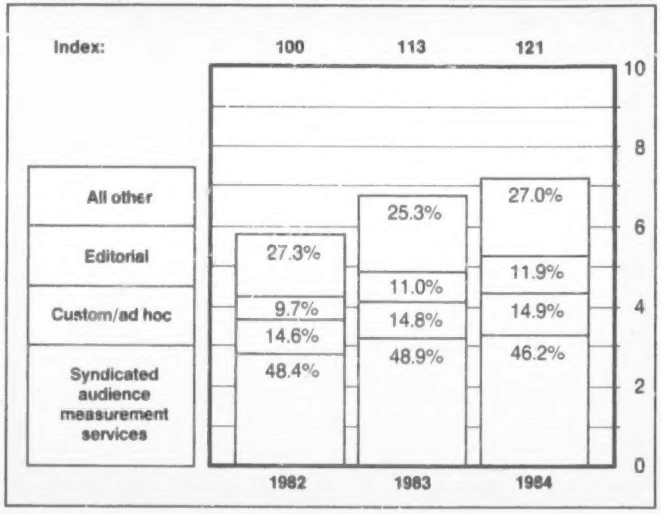

Study warns of harm from 15-second spots

New York—The first results from the J. Walter Thompson/-ABC-TV study on split-30s indicate that a proliferation of 15-second ads could seriously damage both network tv and advertising.

Many viewers are unable to distinguish the length of different ads within a pod, the four-month long study revealed.

However, "viewers believe they see more advertising [and] become more negative to it," Edith Gilson, senior vp-research, JWT, said last week at the Advertising Research Foundation's 31st annual conference.

ABC's vp in charge of marketing and research services, Marvin Mord, also noted the threat to the networks: "While it may be true that advertisers will be the first to receive negative messages from viewers disturbed by clutter, television as well will eventually feel the negative impact." Mr. Mord added, "A reduction in the quality of advertising and a decrease in our viewing audience will both put at risk a loss of advertising revenues."

In their study the partners used five 30-second and eight 15-second ads in several different pod configurations. Each pod had different combinations of 15s and 30s. For example, one pod had only three 30s; a two-minute pod had eight 15s. The pods were embedded in two unaired sitcoms, both supplied by ABC, and shown to 5,600 respondents.

While the study showed that viewers reacted negatively to the clutter, it revealed that the effectiveness of a 30-second unit was not hurt by 15-second adjacencies.

This point is key because many advertisers fear that a flood of shorter units could hurt 30s and 60s. The study found that longer units, in fact, prospered in a sea of 15s.

"We determined that increasing the number of 15-second commercials in a pod enhances the effectiveness of the 30s in [the] pod," Ms. Gilson said.#

GLEN-WARREN BROADCAST SALES

William H. Cox

Richard L. Hetherington

Mr. E. J. Delaney, Chairman of the Board of Glen-Warren Broadcast Sales, a division of Baton Broadcasting Incorporated, is pleased to announce the appointment of Mr. William H. Cox as President of the company.

Mr. Delaney also announced the appointment of Mr. Richard L. Hetherington as a Vice President of the company.

Both these gentlemen have extensive experience in the broadcast industry and they are located at 2 Bloor Street West in Toronto.

Glen-Warren Broadcast Sales represents a number of Canadian and American broadcast properties, and Mr. Cox's new duties shall encompass the enlargement of that aspect of that business.

Humphrey to head IMI

Fairfield, N.J.—Jack Humphrey has become president of the newly formed Institute of Medical Information.

Mr. Humphrey formerly was a vp at the Health Education Technologies division of BBDO Health & Medical Communications, New York.

IMI is a division of Daniel Glassman Advertising and specializes in medical education programs, seminars, teleconferencing and publications.

The new unit also assists pharmaceutical companies in developing education programs for domestic and international clients and markets.

Its offices are at 116 Fairfield Rd., 07006-2475.#

Food

(Continued from Page 12)

template.

But if food companies and trade groups are wary of plunging headlong into the medical-claim quagmire, they may be tempted in the near future to hang their promotions onto some major education programs planned by the National Institutes of Health for cholesterol and coronary care.

The National Heart, Lung and Blood Institute expects to launch a major cholesterol education campaign in the coming months, emphasizing the link between reduced cholesterol and lower coronary risk.

Dr. Ron Goor, program coordinator, reports several "feelers" from food marketers, but still no agreements. Dr. Goor indicated that some trade groups—including the beef and pork industries—might not be anxious to see a nationwide educational program that, in effect, would warn consumers against eating too much beef, pork or other high-cholesterol foods.

One company that has expressed interest has been Quaker Oats Co., Chicago, according to Dr. F.E. Scarborough, director of FDA's regulatory affairs staff. The company is awaiting results from a Northwestern University study on the beneficial effects of oats on cholesterol levels before deciding whether to incorporate such information into its promotions.

Also, Dr. Scarborough said, the fish industry has approached the institute about involving itself in the low-cholesterol campaign.

Mark White, associate director of the heart, lung and blood institute, expects "quite a number of collaborative efforts" between food marketers and the institute's cholesterol education program.

"We've heard from a number of food companies and trade groups," he said. "The industry sees this thing developing. . .and knows that they could be a big force in it."#

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Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

March

Art & antiques

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Artist	70.0	69.0	204.7	182.8
Antiques	145.5	136.3	467.0	456.0
Antique Monthly	28.1	831.0	82.0	95.0
Art in America (11X)	117.5	128.0	294.3	371.9
Southwest Art	85.2	78.8	229.0	228.2
Total Group	**446.3**	**443.1**	**1,277.0**	**1,333.9**
% change		**+0.7%**		**-4.3%**

Auto/cycle/rec. vehicles

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
AutoWeek (52X)	130.3	102.9	324.9	304.9
Car & Driver	101.3	89.6	294.3	212.1
Car Collector & Car Classics	16.1	20.8	59.1	61.9
Car Craft	75.3	60.3	172.8	145.6
Cycle	64.1	75.1	131.8	143.3
Cycle Guide (11X)	46.1	54.9	100.4	113.3
Cycle World	79.8	78.0	153.1	151.0
Dune Buggies & Hot VWs	84.2	72.6	240.0	230.1
Family Motor Coaching	169.5	166.3	481.3	449.9
4 Wheel & Off-Road	65.2	66.0	185.6	162.7
Four Wheeler	80.9	65.2	232.3	178.5
Hot Rod	63.2	51.3	144.1	119.6
Motorcyclist	44.9	51.5	86.2	98.0
Motor Trend	81.7	56.6	200.3	144.2
Motorhome Life	101.0	95.3	277.6	248.6
Pick-Ups & Minitrucks	31.2	32.3	79.6	70.4
Road & Track	115.7	106.9	288.3	252.2
3 Wheeling	49.2	29.4	144.8	75.3
Trailer Life	132.4	136.3	352.0	352.4
Total Group	**1,532.1**	**1,411.3**	**3,948.5**	**3,514.0**
% change		**+8.6%**		**+12.4%**

Boating & yachting

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Boating	163.0	184.2	472.0	475.7
Chesapeake Bay	28.0	26.0	84.1	82.4
Cruising World	146.3	148.4	394.5	410.0
Lakeland Boating (10X)	75.5	62.6	201.7	164.3
Motor Boating & Sailing	161.3	170.1	610.0	558.2
Sail	161.2	168.6	438.2	438.1
Sea & Skipper	54.2	62.8	159.2	175.5
Small Boat Journal (6X)	—	—	42.0	42.6
Trailer Boats (11X)	46.2	52.0	111.7	112.6
Western Boatman (6X)	49.5	20.3	103.6	59.6
Yachting	176.9	197.2	566.4	567.8
Total Group	**1,062.1**	**1,092.2**	**3,183.4**	**3,086.8**
% change		**-2.8%**		**+3.1%**

Canadian

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
L'Actualite	56.8	68.0	121.3	149.5
Chatelaine				
English Edition A	123.1	107.9	276.0	261.2
French Edition	95.2	90.2	219.7	220.6
City Woman (5X)	38.8	54.8	38.8	54.8
Equinox (6X)	29.0	50.5	48.9	80.3
Financial Post A	31.0	36.3	87.6	101.6
Flare A	81.7	57.6	169.6	112.8
Homemaker's (10X)	51.8	89.1	116.8	176.0
Madam Au Foyer (10X)	43.8	84.5	100.3	156.0
Macleans (52X) A	130.0	110.1	332.7	293.0
Montreal Calendar	44.0	32.0	79.8	74.0
Montreal Ce Mois Ci	50.5	41.0	86.3	88.0
Reader's Digest				
Canadian-English A	75.3	66.1	132.1	123.3
Canadian-French A	51.5	58.1	92.5	107.6
Vancouver	87.6	81.5	185.3	179.5
Total Group	**990.1**	**1,027.7**	**2,087.9**	**2,178.3**
% change		**-3.7%**		**4.2%**

Civic/fraternal

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Legion	30.5	29.7	95.5	94.8
Elks (10X)	18.4	20.0	69.7	83.0
Kiwanis (10X)	16.6	11.7	44.7	38.3
Lion (10X)	4.7	7.5	16.2	25.1
Moose	22.0	24.0	46.0	48.0
Rotarian	11.6	11.4	38.7	47.4
V.F.W. (11X)	28.5	31.5	81.4	95.4
Total Group	**132.3**	**135.8**	**392.2**	**432.0**
% change		**-2.6%**		**-9.2%**

Comics

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
DC Comics	6.0	8.0	21.5	26.0
Marvel Comics Group	9.0	9.0	27.5	29.0
Total Group	**15.0**	**17.0**	**49.0**	**55.0**
% change		**-11.8%**		**-10.9**

General

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Health (10X)	66.9	56.8	109.1	110.8
American West (6X)	52.2	26.3	77.7	48.8
The Atlantic A	57.6	52.0	120.8	111.9
Audubon Magazine (6X)	30.4	30.4	61.3	54.0
Bon Appetit A	85.0	75.1	231.4	206.9
Changing Times	40.3	53.8	109.2	142.1
Connoisseur	59.8	57.6	139.6	121.4
Ebony	87.2	86.4	244.4	222.5
Fifty Plus	30.0	36.5	99.5	115.0
Food & Wine	37.9	34.9	113.8	102.6
Games	13.1	23.2	48.9	66.2
Gourmet	98.7	82.3	251.5	194.4
Home Entertainment (8X)	—	—	38.3	34.0
Harper's Magazine A	27.2	28.6	77.2	74.4
Life	50.6	40.0	166.9	152.2
Modern Maturity (6X)	50.1	40.6	93.9	65.8
Money	132.6	124.2	337.3	317.7
Moneysworth (4X)	11.0	9.8	24.8	27.0
Mother Earth News (6X)	41.5	51.0	94.5	113.8
Mother Jones (10X)	16.7	18.2	29.0	34.9
National Geographic	20.6	27.1	57.9	57.8
Prevention	55.4	65.0	186.8	213.2
Psychology Today	29.0	26.9	83.5	69.9
Reader's Digest A	93.7	83.7	215.2	237.5
Saturday Evening Post (9X)	33.0	39.2	62.9	87.6
Signature	56.4	74.0	154.7	170.2
Smithsonian	106.3	100.9	261.9	257.8
Success	32.5	32.2	85.5	104.1
Sylvia Porter's Personal Finance (6X)	44.5	30.5	79.5	35.0
Town & Country	137.3	156.8	339.3	353.5
Travel	65.1	73.5	148.4	160.6
Travel & Leisure	126.1	131.5	311.8	303.1
Vanity Fair	36.7	24.7	92.2	72.0
Video	81.7	56.8	237.8	196.8
Writers Digest	20.4	34.8	65.1	83.6
Yankee	61.8	79.0	203.5	260.9
Total Group	**1,989.3**	**1,964.3**	**5,065.1**	**4,982.0**
% change		**+1.3%**		**+1.7%**

Home

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Americana (6X)	47.5	46.5	87.8	81.0
Architectural Digest A	144.3	138.5	327.7	305.7
Better Homes & Gardens	136.2	111.4	306.1	277.9
Colonial Homes (6X)	62.0	72.8	108.2	130.8
Country Journal	34.7	39.2	101.9	121.6
Country Living	63.1	59.1	182.8	167.1
Dallas/Ft. Worth Home & Garden	58.6	69.1	167.0	174.4
Family Handyman (10X) A	64.4	83.2	182.9	208.5
Flower & Garden (6X)	—	—	47.3	60.4
Home	48.7	60.8	147.2	139.0
The Homeowner (10X)	31.2	27.7	63.7	52.2
Horticulture	39.0	26.0	113.0	83.0
House Beautiful	82.8	93.6	199.6	223.0
House & Garden	110.7	81.7	261.5	200.1
Houston Home/Garden	72.8	93.1	237.8	246.0
Metropolitan Home	52.6	54.3	171.3	159.0
New Shelter (9X)	48.3	50.8	174.3	152.5
1001 Home Ideas	44.3	44.3	122.2	103.9
Organic Gardening	59.1	77.0	199.3	260.4
Phoenix Home/Garden	70.2	61.0	200.1	175.8
San Diego Home/Garden	62.0	53.5	182.7	172.2
Southern Accents (6X)	91.6	81.8	165.1	130.8
Southern Living	145.8	141.7	335.8	337.0
Sunset Magazine A	151.7	145.3	360.3	345.1
Texas Homes	71.3	72.0	224.8	224.3
Workbench (6X)	59.0	69.4	123.3	130.8
Total Group	**1,851.9**	**1,853.8**	**4,793.7**	**4,662.5**
% change		**-0.1%**		**+2.8%**

In-flight & other passenger

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Alaska Airlines	41.9	43.8	126.1	122.9
American Way (26X)	127.1	95.2	323.3	297.0
East/West Network				
Eastern Review	99.5	121.3	312.0	353.7
Northwest Orient	37.5	24.7	106.8	88.7
Ozark	38.0	36.7	102.5	124.9
PSA Magazine	80.8	91.2	215.1	256.4
Pan Am Clipper	57.5	68.0	161.2	163.7
Republic Scene	43.7	56.2	122.9	164.9
Spirit	94.5	89.9	256.7	252.2
United	93.7	123.2	248.1	317.2
USAir	59.5	64.2	136.1	175.7
Western's World	51.5	55.8	142.5	173.7
Halsey Publications				
Air Cal	43.3	48.3	137.1	134.6
Delta Sky	76.3	81.2	204.1	228.3
Frontier	23.2	31.6	76.7	100.7
Skylite	21.5	18.0	68.5	57.0
Hawaii (6X)	26.0	21.0	73.5	65.4
Pace	68.2	88.3	151.0	166.1
Spirit of Aloha (6X)	25.7	20.5	73.0	62.3
Total Group	**1,109.4**	**1,179.1**	**3,037.2**	**3,305.4**
% change		**-5.9%**		**-8.1%**

Men's

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Esquire A	57.8	53.2	101.5	98.0
Firehouse Magazine (13X)	44.2	50.0	119.6	117.6
Gentlemen's Quarterly A	214.8	188.0	381.1	370.8
Penthouse A	28.6	40.1	110.0	133.6
Playboy A	55.0	58.8	200.4	191.4
Total Group	**400.4**	**390.1**	**912.6**	**911.4**
% change		**+2.6%**		**+0.1%**

Metropolitan

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Aloha (6X)	38.6	26.5	66.8	51.7
Atlanta	49.8	59.8	135.9	148.4
Baltimore	70.0	56.8	210.7	157.0
Boston	129.0	127.3	416.1	356.7
California	68.9	68.7	192.6	152.5
Charlotte (10X)	21.0	20.0	46.0	36.0
Chicago	116.5	121.2	318.3	337.6
Chicago's North Shore	74.1	80.7	223.6	230.6
Cincinnati	53.9	41.2	166.0	128.9
Cleveland	61.3	61.8	235.9	197.7
Coast (38X)	344.5	300.0	502.0	453.6
Columbus Monthly	53.4	64.4	176.4	163.1
Commonwealth	37.5	39.0	121.9	114.5
Connecticut	86.5	68.4	246.1	215.5
Country Magazine	51.0	40.0	117.3	93.0
D/Magazine, Dallas/Ft. Worth	107.0	108.1	321.4	294.5
Denver	25.2	26.3	78.3	62.5
Exclusively Yours, Wisconsin (15X)	46.8	47.6	128.7	155.8
Grand Rapids	68.0	75.3	137.3	145.3
Gulfshore Life (10X)	76.3	103.4	225.9	305.4
Honolulu	52.1	53.3	175.3	161.4
Houston City	78.3	74.2	198.9	201.9
Indianapolis	37.3	51.4	99.0	183.4
Kansas City	25.3	26.4	91.8	98.1
Los Angeles	172.0	183.0	457.0	500.0
Louisiana Life (6X)	61.9	65.0	132.2	124.4
Madison	65.0	48.0	189.0	188.0
Metropolitan Detroit	60.6	107.3	183.3	—
Miami Mensual	41.3	38.5	127.8	115.0
Miami/South Florida	66.5	71.2	251.6	251.4
Milwaukee	65.6	41.7	182.9	98.9
Minneapolis/St. Paul	106.0	86.6	301.4	228.0
Monthly Detroit	48.2	35.5	128.9	97.3
Nashville	40.0	29.0	95.0	81.0
New Jersey Monthly	51.5	50.6	162.3	145.7
New Mexico	16.8	24.2	110.6	99.2
Ohio	76.0	65.8	181.3	142.1
Oregon	32.0	33.9	80.4	64.6
Orlando	95.5	71.3	283.8	226.3
Palm Beach Life	112.5	108.9	325.9	336.6
Palm Springs Life	134.9	135.2	465.9	453.4
Philadelphia	142.3	107.7	372.5	323.4
Phoenix	90.7	89.9	326.7	264.2
Pittsburgh	43.8	56.5	141.5	161.4
St. Louis	52.0	64.5	160.5	160.5
San Diego	160.0	144.7	448.6	368.5
San Francisco	73.3	66.5	244.5	172.6
San Francisco Focus	81.3	52.8	226.7	129.5
Texas Monthly	110.2	130.8	287.8	307.9
Twin Cities	45.3	69.9	140.2	163.2
Ultra	78.3	71.0	193.5	205.6
Washington Dossier (11X)	44.2	47.4	152.9	131.6
The Washingtonian	156.0	144.0	448.0	390.0
The Virginian (6X)	62.0	41.0	120.0	81.0
Total Group	**4,158.0**	**4,024.4**	**11,554.9**	**10,456.4**
% change		**+3.3%**		**+10.5%**

Movie/romance/radio/tv

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Macfadden's Women's Group				
Modern Romances	16.0	26.3	53.0	75.3
Secrets	16.0	26.3	53.0	75.3
True Confessions	16.0	26.3	53.0	75.3
True Experience	16.0	26.3	53.0	75.3
True Love	16.0	26.3	53.0	75.3
True Romance	16.0	26.3	53.0	75.3
Sterling Women's Group				
Daytime TV	28.5	27.5	85.5	81.5
Modern Screen	—	—	12.0	20.5
Movie Mirror (6X)	—	—	20.5	41.0
Soap Opera Stars	—	—	17.5	40.0
TV Movie Screen (6X)	—	—	6.0	—
TV Picture Life (6X)	—	—	6.0	41.0
Teen Bag (6X)	6.6	6.5	14.0	6.5
Total Group	**131.1**	**191.8**	**479.5**	**682.3**
% change		**-31.6%**		**29.7%**

Music/entertainment

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Film (10X)	23.2	30.0	54.3	63.8
Audio	64.0	52.6	237.9	168.8
Circus Magazine	42.0	33.5	134.3	99.8
Dance Magazine	57.6	63.4	177.6	193.7
Musician	55.2	62.5	168.4	185.2
Playbill	49.1	53.7	141.5	146.1
Record	29.6	20.0	63.3	57.2
Stereo Review	31.3	41.7	113.4	124.2
Video Review	60.2	49.3	171.7	165.9
Total Group	**412.2**	**406.7**	**1,262.4**	**1,204.7**
% change		**+1.4%**		**+4.8%**

National Sunday magazines

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Family Weekly (52X) A	55.5	55.1	159.9	175.0
Parade (52X)	69.6	53.1	162.4	176.2
Total Group	**125.1**	**108.2**	**322.3**	**351.2**
% change		**+15.6%**		**-8.2%**

Outdoor & sport

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Alaska	41.0	48.6	136.5	120.8
The American Handgunner (6X)	35.0	35.0	68.0	70.0
American Hunter	15.8	19.1	50.9	49.9
American Rifleman	21.1	25.3	72.1	76.3
Backpacker (6X)	35.7	43.0	61.0	74.2
Bass Master (9X) A	106.1	91.8	233.6	188.9
Bicycling (9X)	110.1	116.4	190.8	209.3
Field & Stream	116.2	111.2	261.3	247.3
Fins & Feathers A	59.6	73.4	144.6	116.6
Fishing World	84.2	85.0	114.2	116.3
Florida Sportsman	132.6	129.4	374.9	301.8
Flying	42.2	44.4	120.8	113.9
Fur-Fish-Game	18.1	20.1	71.0	70.9
Golf Digest	76.6	133.7	313.8	282.8
Golf Magazine	63.6	75.0	318.1	344.4
Guns	17.0	20.0	60.0	64.0
Guns & Ammo.	41.7	41.8	116.9	113.2
In-Fisherman (6X)	74.5	69.0	189.5	183.0
Muscle & Fitness	112.0	98.6	326.3	319.6
Outdoor Life	105.4	118.7	238.6	258.7
Outside Magazine	55.6	51.3	113.7	83.6
Petersen's Hunting	32.8	34.1	94.9	89.1
The Runner	31.5	39.4	85.0	112.6

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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(Continued from Page 91)

March

	Current month		Year-to-date	
	1985	1984	1985	1984
Runner's World (13X)	31.0	43.0	94.4	133.0
Salt Water Sportsman	111.5	104.3	278.5	250.0
Shooting Times	30.6	40.8	91.9	116.1
Ski (8X) A	50.2	56.9	186.1	217.0
Skiing (7X)	45.2	54.2	203.3	215.3
Skin Diver	70.6	78.2	231.0	238.1
Southern Outdoors (8X)	49.4	58.5	87.5	94.9
Sport	43.5	41.3	117.3	126.5
Sports Afield	94.7	105.0	257.1	256.5
Tennis	78.2	76.9	185.0	179.8
Western Outdoors (10X)	61.2	56.7	134.6	138.8
Total Group	**2,094.5**	**2,240.1**	**5,623.2**	**5,623.2**
% change		**-6.5%**		**0.0%**

Photography

	Current month		Year-to-date	
	1985	1984	1985	1984
American Photographer	45.0	40.8	117.9	112.4
Petersen's Photographic	27.2	28.4	76.8	89.0
Popular Photography	94.1	94.2	266.0	278.9
Total Group	**166.3**	**163.4**	**460.7**	**480.3**
% change		**+1.8%**		**-4.1%**

Religious

	Current month		Year-to-date	
	1985	1984	1985	1984
BBI Jewish Monthly (10X)	22.5	24.5	65.5	64.7
Christian Herald (11X)	31.6	34.5	100.9	101.2
Christian Life	28.2	32.6	74.4	83.8
Christianity Today (18X)	65.8	76.5	204.0	191.5
Inside (4X)	—	—	—	—
Moody Monthly (11X)	61.0	61.7	164.5	158.9
Today's Christian Woman (6X)	50.0	41.6	89.7	65.8
Total Group	**259.1**	**271.4**	**699.0**	**665.9**
% change		**-4.5%**		**+5.0%**

Science/electronic/mechanic

	Current month		Year-to-date	
	1985	1984	1985	1984
Compute	52.8	91.6	175.5	296.4
Computers & Electronics	36.0	40.0	111.6	141.4
Creative Computing	74.6	132.4	265.3	423.6
Discover	34.0	44.2	102.1	122.0
Family Computing	44.4	48.6	156.2	166.6
Home Mechanix	87.4	84.2	205.4	197.8
Info World (52X)	152.0	208.0	434.0	611.0
Omni	59.6	57.3	161.0	163.1
Natural History	37.4	47.1	121.0	139.3
Personal Computing	153.1	164.0	441.3	515.1
Popular Mechanics	98.8	101.1	267.3	271.0
Popular Science	60.0	94.9	177.6	247.8
Science Digest	27.1	22.9	88.4	75.5
Science 85 (10X)	36.9	50.5	73.8	91.3
Scientific American	45.0	64.5	131.4	179.0
Spectrum	122.0	108.7	329.3	277.0
Total Group	**1,121.1**	**1,360.0**	**3,241.2**	**3,917.9**
% change		**-17.6%**		**-17.3%**

Women/fashion/service

	Current month		Year-to-date	
	1985	1984	1985	1984
Bride's Magazine (6X) A	221.4	220.4	740.3	737.6
Cosmopolitan A	208.5	201.3	513.1	536.1
Essence	84.3	78.0	227.2	223.2
Family Circle (24X) A	112.2	163.9	399.6	407.3
Glamour	221.4	199.4	450.5	429.5
Good Housekeeping A	192.2	137.1	434.3	405.1
Harper's Bazaar	213.2	206.8	424.9	414.3
Health	40.5	33.2	113.5	100.1
Ladies' Home Journal	117.5	109.6	304.3	299.4
Ladycom (10X)	37.2	33.0	109.7	113.5
Lady's Circle	8.4	5.7	12.5	22.0
Mademoiselle	137.6	135.6	306.4	340.9
McCall's	94.7	88.8	263.2	249.5
Modern Bride (6X)	216.4	210.9	704.9	624.7
Ms.	51.3	54.6	136.7	129.9
New Woman	67.6	57.0	150.2	139.2
Parents Magazine A	96.1	71.6	254.2	197.5
Playgirl	42.0	40.2	129.8	122.3
Redbook	101.5	92.4	272.2	249.4
Self	128.9	102.1	267.8	240.2
Seventeen	174.3	182.2	327.1	322.7
Shape	64.0	51.0	180.5	154.0
Soap Opera Digest (26X)	26.4	29.2	74.6	78.0
'Teen Magazine	51.1	50.0	116.1	115.7
True Story A	45.2	56.7	130.3	225.8
Vogue	416.5	362.3	820.4	745.5
W Magazine	169.2	153.0	391.4	377.4
Weight Watchers	—	—	—	—
Woman's Day (16X) A	100.7	110.1	267.2	277.7
The Workbasket (10X)	42.2	38.1	131.6	123.0
Working Mother	75.2	70.4	208.7	192.3
Working Woman	122.0	102.4	279.6	249.0
Total Group	**3,679.7**	**3,447.0**	**9,142.6**	**8,843.6**
% change		**+6.8%**		**+3.4%**

Youth

	Current month		Year-to-date	
	1985	1984	1985	1984
Boys' Life	18.9	16.3	57.7	55.0
Campus Life (10X)	68.7	65.3	175.7	156.4
Total Group	**87.6**	**81.6**	**233.4**	**211.4**
% change		**+7.4%**		**+10.4%**

February

Business

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Business Gazette (52X) D	23.7	24.8	51.3	40.6
Atlanta Bus. Chronicle (6X)	42.5	46.4	84.7	77.0
Austin Business Journal (52X)	64.9	—	106.4	—
Barron's (52X)	177.3	179.2	345.4	379.3
Black Enterprise	100.0	74.7	141.6	102.7
Boston Business Journal (52X)	125.6	71.4	236.6	157.8
Business Atlanta	43.5	32.3	92.0	86.5
Business Week (52X) A	306.1	334.7	549.1	587.3
California Business	45.5	61.0	115.3	128.9
Capital District Bus. Review (25X)	40.8	38.1	85.2	84.0
Corporate Report/Kansas City	39.4	47.7	98.1	133.1
Corporate Report/Minnesota	78.5	67.0	153.4	146.5
Crain's Chicago Bus. (52X)	139.3	130.3	256.7	244.7
Crain's Cleveland Bus. (52X)	70.3	58.1	132.1	112.6
Dallas/Ft. Worth Bus. (52X)	53.0	28.5	94.2	64.2
Dun's Business Month	60.0	60.7	151.0	183.0
Financial World (24X)	38.8	22.0	61.6	52.8
Florida Trend (13X)	74.6	70.8	177.1	162.5
Forbes (26X)	224.5	224.5	427.2	486.1
Fortune (26X) A	187.5	186.2	334.7	362.2
Frequent Flyer	49.2	52.0	93.9	86.9
Futures (13X)	48.1	54.0	97.6	105.0
Hawaii Business	36.4	43.0	77.3	79.8
High Technology	29.8	32.0	63.0	50.7
Houston Bus. Journal (52X)	186.3	135.9	290.1	274.6
Inc. Magazine A	84.7	96.9	151.0	197.2
Income Opportunities	69.1	66.5	584.4	571.5
Industry Week (25X) A	43.3	103.5	108.2	181.4
Indianapolis Business Journal (52X)	129.0	105.5	231.4	210.6
Milwaukee Business Journal (52X)	112.9	75.2	194.2	127.8
Minnesota Business Journal	53.7	46.4	97.0	89.6
Nation's Business A	21.7	18.3	70.0	58.3
New England Bus. (20X) B	84.1	60.5	131.1	102.2
New Orleans Citibusiness	125.0	107.8	206.4	223.4
Pacific Business News (52X)	103.6	98.6	182.7	185.2
Philadelphia Bus. Journal (52X)	82.4	78.0	166.8	157.0
Pittsburgh Bus. Times (52X)	60.1	43.6	112.1	95.6
Savvy	30.7	39.0	64.2	83.2
St. Louis Business Journal (52X)	123.6	123.3	221.8	253.4
South Florida Business Journal	68.9	36.9	148.2	86.1
Texas Business	59.5	51.3	111.3	109.8
Venture	54.8	53.6	101.3	110.9
Total Group	**3,592.7**	**3,280.2**	**7,197.2**	**7,032.0**
% change		**+9.5%**		**+2.3%**

Newspaper Sunday magazines*

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Republic	51.8	55.2	92.2	116.1
Boston Globe	159.0	164.6	325.0	311.6
California Living	27.4	51.6	48.8	90.7
Chicago Tribune	58.2	47.5	104.7	105.6
Cincinnati Enquirer	51.2	62.0	87.6	124.5
Cleveland Plain Dealer	35.1	30.5	61.4	75.9
Columbus Dispatch	34.2	42.1	54.6	70.8
Denver Post	32.6	64.5	136.6	164.5
Detroit News	64.0	86.0	117.0	152.0
L.A. Times Home Magazine	54.8	81.6	100.8	156.0
Louisville Courier-Journal	44.3	59.0	100.8	110.8
Miami Herald	41.0	52.0	75.5	94.7
New York News	56.4	91.8	71.4	115.7
New York Times Magazine	236.9	247.6	433.1	452.0
Philadelphia Inquirer	43.6	51.2	77.1	106.3
Toledo Blade Magazine	32.1	29.0	54.9	64.6
Washington Post	85.2	89.9	140.6	161.6
Total Group	**1,107.8**	**1,306.1**	**2,092.1**	**2,474.4**
% change		**-15.2%**		**-15.5%**

Weeklies/bi-weeklies

	Current month		Year-to-date	
	1985	1984	1985	1984
The Advocate (26X)	76.5	73.2	146.6	164.9
Army Times Military Group				
Air Force Times (52X)	137.3	135.7	267.6	260.7
Army Times (52X)	133.4	129.3	258.8	250.7
Navy Times (52X)	151.8	152.4	290.4	290.0
The Times Magazine	13.0	15.2	16.9	22.0
The Blood-Horse (52X)	449.8	541.9	968.4	1,213.5
Capper's Weekly (26X)	25.0	34.9	66.0	73.8
Commonweal (22X)	5.3	8.2	14.8	16.1
Grit (52X) A	19.5	26.4	48.1	63.3
National Journal (50X)	31.0	20.3	75.0	46.3
National Review (25X)	19.0	29.5	32.8	48.5
New Republic (48X)	24.2	28.9	39.0	53.4
New York Magazine (50X)	185.9	170.1	337.9	315.1
New Yorker (52X)	210.1	262.5	373.8	467.0
Newsweek (52X) A	201.2	174.7	348.6	380.3
People (52X)	234.8	206.7	436.4	391.3
Rolling Stone (25X)	75.7	88.0	130.5	155.8
Sporting News (52X)	28.8	43.4	54.3	79.4
Sports Illustrated (52X) A	214.7	249.8	387.3	404.3
Time (52X) A	222.2	194.6	391.4	371.7
Travelhost (52X) C	2,841.0	2,720.0	5,457.0	5,315.0
TV Guide (52X) A	382.4	358.1	710.5	684.6
Us Magazine (26X)	22.5	28.0	51.2	76.5
U.S. News & World Report (52X) A	135.9	109.6	224.8	206.5
Total Group	**5,841.0**	**5,801.4**	**11,128.1**	**11,350.7**
% change		**+0.7%**		**-2.0%**

Foreign

	Current month		Year-to-date	
	1985	1984	1985	1984
Good Housekeeping Foreign Editions				
Australia	15.7	26.0	31.7	64.7
Japan	56.8	46.7	138.2	122.8
Great Britain	116.1	82.3	183.3	119.5
Geomundo:				
Central America	7.0	4.5	9.0	5.8
Chile	5.0	3.5	7.0	4.8
Colombia	8.5	9.0	12.5	10.0
Ecuador	5.0	3.0	5.0	4.0
Mexico	2.0	4.5	11.5	4.8
Peru	4.0	3.5	11.0	4.8
Puerto Rico	1.0	1.5	9.5	7.8
Venezuela	3.0	3.5	21.0	13.8
Hombre De Mundo:				
Central America	6.0	3.0	9.0	8.0
Chile	4.0	4.0	6.0	4.0
Colombia	7.0	5.0	9.0	9.0
Ecuador	5.0	3.0	8.0	7.0
Mexico	8.0	5.0	12.0	9.0
Peru	3.0	3.0	5.0	7.0
Puerto Rico	3.0	3.0	4.0	6.0
Venezuela	13.0	11.0	22.0	20.0
Ideas Para Su Hogar:				
Central America	—	—	—	—
Chile	—	—	—	—
Colombia	8.0	12.0	13.0	15.0
Ecuador	4.0	6.0	6.0	8.0
Mexico	3.2	5.0	8.7	6.3
Peru	2.0	3.0	2.0	7.5
Puerto Rico	1.0	0.5	8.7	6.3
Venezuela	12.0	5.5	18.0	14.0
Mecanica Popular:				
Argentina	3.8	4.8	6.3	10.7
Central America	14.8	11.8	22.2	21.5
Chile	4.8	4.5	8.7	8.0
Colombia	12.3	10.5	23.2	19.7
Mexico	12.5	9.2	20.3	16.5
Peru	16.3	13.7	25.7	23.3
Puerto Rico	13.8	12.5	24.0	23.2
Venezuela	12.2	13.3	22.8	24.0
The Ring en Espanol:				
Mexico	—	—	1.0	—
Puerto Rico	—	—	—	—
U.S.	9.0	2.0	12.0	3.3
Venezuela	—	1.0	1.0	1.0
Vanidades Continental:				
Central America	8.5	5.3	11.3	6.7
Chile	2.3	—	5.7	—
Colombia	37.0	30.8	54.7	51.8
Dominican Republic	—	—	—	—
Ecuador	15.7	15.3	25.3	19.7
Mexico	35.3	43.3	61.5	68.0
Peru	9.7	6.7	17.3	16.3
Puerto Rico	40.5	26.2	56.8	37.7
U.S.	34.7	36.3	63.3	66.8
Venezuela	45.3	26.3	60.0	43.0
Business Week Int'l. (52X)	84.3	90.2	162.6	156.6
Cosmopolitan Foreign Editions:				
Australia	31.0	32.3	75.0	79.4
Brazil	38.3	24.0	73.6	54.0
France	59.6	106.7	111.6	175.0
Germany	57.9	62.4	183.1	92.4
Great Britain	62.0	64.0	128.0	134.3
Greece	32.0	28.0	73.0	66.0
Holland	58.8	26.0	76.6	35.0
Italy	31.0	28.0	44.0	43.7
Japan	28.0	26.7	51.0	122.7
South Africa	73.0	—	115.0	—
Cosmopolitan en Espanol:				
Central America	1.3	—	2.0	—
Colombia	5.3	3.2	8.0	3.2
Ecuador	—	—	—	—
Mexico	16.0	22.2	33.2	37.0
Peru	2.0	—	2.0	—
Puerto Rico	25.3	16.2	32.0	22.3
U.S. (Spanish language)	22.2	21.8	38.7	33.5
Venezuela	15.8	8.5	25.5	15.0
International Communications:				
African Business	16.7	20.2	31.9	33.5
New African	16.0	18.0	35.3	37.7
The Middle East	11.7	18.6	20.0	37.0
International Management:				
Africa	7.2	12.0	14.2	18.8
Europe	43.2	26.8	69.7	44.8
Latin America	6.0	11.3	13.0	14.3
Middle East	30.3	14.7	44.0	30.2
Pacific	15.7	11.7	21.7	17.3
Johnston International:				
Alam Attijarat	39.8	49.7	90.0	90.3
Ejecutivo (6X)	8.7	4.2	8.7	4.2
Modern Africa (6X)	12.3	12.7	12.3	12.7
Modern Asia (11X)	29.5	20.0	29.5	20.0
Newsweek International A				
Atlantic (52X)	58.5	60.2	108.2	110.4
Latin America (52X)	15.8	15.3	27.7	39.3
Pacific (52X)	43.5	46.7	83.6	101.6
Reader's Digest:				
Arabic	13.0	8.0	22.0	16.0
Asian	153.0	87.5	359.5	243.0
Australian	48.5	72.8	88.8	131.8
Belgian-Flemish	59.5	47.5	81.0	72.5
Belgian-French	41.0	41.0	66.0	61.5
British	38.0	45.2	81.8	89.8
Chinese B	132.5	110.0	257.5	204.5
Danish	28.5	30.3	51.8	54.6
Dutch	22.5	25.5	65.0	52.5
Finnish	24.8	36.0	37.8	73.0
French	39.7	35.7	81.7	69.0
German	57.8	65.3	117.9	122.5
Iberian	14.0	13.0	19.0	18.0
Indian-English	122.0	70.0	201.5	137.0
Indian-Hindi	10.5	3.0	21.0	7.0
Italian	31.5	37.0	52.5	56.5
Japanese	43.5	40.0	91.8	63.9
Korean	21.5	20.5	46.5	45.0
Latin American:				
Argentina	21.5	17.0	38.0	32.5
Brazil	3.0	2.0	5.5	4.0
Central American	7.0	10.0	15.0	15.0
Chile	16.5	15.0	22.0	27.5
Colombia	20.0	23.0	35.0	47.0
Ecuador	6.0	10.0	14.0	16.0
Mexico	23.4	35.0	37.0	55.4
Peru	8.0	10.0	18.0	17.0
Puerto Rico	4.0	5.0	8.0	8.0
U.P.B.	7.0	8.0	13.0	10.0
U.S. Spanish	10.5	4.5	14.0	14.0
Venezuela	8.0	10.0	14.5	13.0
New Zealand	48.0	80.0	82.5	120.5
Norwegian	14.5	38.8	22.5	53.6
Portugal	19.0	24.6	33.0	39.0
South African	107.5	96.3	148.0	142.3
Swedish	13.5	13.0	21.5	40.0
Swiss-French	13.9	15.3	25.6	37.3
Swiss-German	21.3	22.6	50.1	50.2
Time International:				
Time-Asia	47.2	59.6	90.5	112.2
Time-Atlantic	59.9	75.6	106.3	114.4
Time-Canada	150.0	159.0	241.8	264.7
Time-Latin America	28.7	30.7	52.2	51.3
Time-South Pacific	71.8	84.6	157.7	139.4
Visao (52X)	97.0	109.5	197.2	225.5
Vision/Latin America (26X) A	18.1	17.3	30.3	28.1
Progresso (9X)	15.3	6.5	15.3	6.5
Total Group	**3,392.9**	**3,203.4**	**6,190.5**	**5,851.8**
% change		**+5.9%**		**+5.8%**

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March 21, 1985

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Advertising Age

Thursday

INSIDE:

- Brady on Iacocca vs. Japan
- Marketing to Hispanics —the top 10 markets

Prime time for Beverly Hills priest

'My challenge is to create shows that will pull a mass audience,' says Father Bud Kieser, producer of 'The Fourth Wise Man.'

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In the news

GE turns on a new sound

General Electric's new advertising for its line of youth-oriented audio products fights the marketer's stodgy image. "These kids simply didn't want to buy a radio from someone who makes refrigerators and light bulbs," said Richard Costello, GE's manager-marketing communications for consumer electronics. *See Page 4.*

Advertising Age
Prime time for Beverly Hills priest

Cover photo: Susan Bowser

The gospel according to Bud

To Father Ellwood Kieser—"my friends call me Bud"—the road into Hollywood studios was a natural outgrowth from the path a group of ad agency people steered him toward 25 years ago in Los Angeles when Father Kieser began looking for a mass medium and found it in tv. From that initial effort, which he jokingly refers to today as 28 minutes of "God-talk and platitudes" with a magnetic chalkboard, the 55-year-old Paulist priest has landed in prime time. *See Page 5.*

The taxman may cometh

A California congressman is dusting off legislation that would bar alcoholic-beverage marketers from deducting ad costs as a business expense. "This is our way of saying that alcohol is a dangerous substance, but it's not as harmful as other legislation, such as a ban," said an aide to Rep. George Brown. *See Page 50.*

Special Report

Marketing to Hispanics

Sixty-two per cent of U.S. Hispanics live in the top 10 Hispanic markets. Understanding these people is the key to grasping the whole Hispanic market, and Special Report provides a starting point for analyzing those 10 cities and their residents. *Beginning on Page 13.*

Presstime

Luisi wins libel round

New York—Marie Luisi has won the right to sue J. Walter Thompson USA and JWT Group chairman Don Johnston for libel. Ms. Luisi, formerly head of JWT's spot tv and syndication unit, was fired following a $30 million time banking scandal in 1982 (AA, Feb. 8, '82, *et seq.*). Statements contained in a March 30, 1982, press release distributed by JWT showed sufficient cause to be tried for libel, said New York state supreme court Judge David Saxe. The judge waived the requirement that Ms. Luisi demonstrate "special damages" from the press release, a requirement in most libel cases. The case now goes to the discovery procedure. Libel charges were dismissed against JWT officials Robert Buchanan, Herbert Eames Jr., Victor Gutierrez and Burt Manning.

Tyco shops for new agency

Morristown, N.J.—Tyco Industries is opening its $6 million account for review. The $70 million toy marketer has fired Scott Lancaster Mills Atha, Los Angeles, after a 10-year relationship. The agency was let go because Tyco has "expanded beyond its traditional business and requires an agency to handle its new growth," said Tyco vp-advertising Robert Lurie. Agency ceo Steve Scott attributed the breakup to "sharp differences" about creative strategy.

A-B Cobra ready to strike

St. Louis—Anheuser-Busch next week will spring into major markets with King Cobra premium malt liquor. It has been testing the brand for the last year. A-B settled on the King Cobra name after testing both it and the Jaguar name. J.P. Martin Associates, New York, handles.

AdCom bid stalling?

Chicago—Quaker Oats Co. may be starting to lose faith in AdCom president Gary Bayer's ability to finance his planned purchase of Quaker's in-house agency, a company insider said. The snag is over whether Quaker will guarantee Mr. Bayer and his investor group minimum billings from Quaker products or lower its asking price. Sources at New York agencies Backer & Spielvogel and BBDO say Quaker hasn't notified them that they're out of the race.

Guild writes off strike

Hollywood—Members of the Writers Guild of America have voted by more than a 2-to-1 margin to end their two-week strike. The action had hit NBC-TV the hardest of the Big 3 commercial networks, forcing some shows into reruns as production schedules jerked to a halt (AA, March 11, *et seq.*).

Chiat grabs Kelly Award

New York—Chiat/Day, Los Angeles, won the 1984 Stephen E. Kelly Award from the Magazine Publishers Assn. March 19 for its Nike Apparel print ads. The fourth annual presentation of the award, for the year's best magazine advertising, was accompanied by a check for $25,000, to be shared by Lee Clow, Chiat creative director; Jeff Gorman, copywriter, and Gary Johns, art director. Chiat's Los Angeles and San Francisco offices had three of the 10 finalists.

(Continued on Page 51)

Cap Cities buy signals future for networks

By Craig Reiss

Cable tv was expected to do it, but that medium could only bruise network tv. It hasn't yet drawn blood.

Syndication was supposed to do it, yet advertisers still await the emergence of a legitimate fourth network—and network tv continues to report record financial results.

But with two short weekends of negotiations and a check for $3.5 billion, Capital Cities Communications has accomplished what all previous efforts had fallen short of doing: The Cap Cities buyout of ABC Inc. serves notice that network tv no longer can remain an untouchable corporate institution in America.

Start of new chapter

Cap Cities' bold move represents the start of a new chapter in U.S. tv history.

It is the prolog. The face of tv ownership, management and direction can be expected to change beyond ABC. An industry that for years resisted the notion that the rules of the tv game were being rewritten now finds its management independence for sale. Forces far removed from prime time ratings and segmentation of audience have brought forth this change. Cap Cities' motives for the merger were explained more in terms of undervalued stock prices than underdelivery of audience. It is not a brush fire easily contained.

Sources at Capital Cities said the company moved so swiftly to acquire ABC Inc. because it feared it could soon face a takeover bid, perhaps from American Express, part owner of Warner Amex Cable Communications. An American Express spokesperson called the idea "ludicrous," but that's what they were saying inside Cap Cities.

For ABC's part, the decision to sell reportedly was an admission that some company was bound to buy it out, and Capital Cities was the most desirable choice.

Smaller gobbles larger

The most salient factor in the merger was the fact that the smaller of the two parties acquired the larger in this $3.5 billion deal. Cynics who had dismissed the reported bid by Ted Turner to take over CBS Inc. because of the disparity in financial size between the two companies now must be taking a second look.

The explanation of how Cap Cities could acquire the much larger ABC Inc. lies in both companies' bottom lines. ABC Inc. last year had revenues of $3.7 billion (up 26% compared with '83) and net earnings of $195 million (up 22%). Cap Cities had revenues of $949.7 million in '84 (up 23%), with net earnings of $135.2 million (up 18%). It simply costs Cap Cities less money to make more money.

Cap Cities' management philosophy in one major respect is not so different from that of Mr. Turner. For years, Mr. Turner has predicted that the survivors in tv will be the companies that are managed most efficiently.

Cap Cities believes that to be true. It is only the style and experience of Cap Cities' top management that makes it a more desirable acquirer than the outspoken and brash Mr. Turner.

The management pecking order of the merged company clearly points up that Cap Cities is the acquirer and is in control. Thomas Murphy, chairman-ceo of Capital Cities, holds the same titles in Cap Cities/ABC. Daniel Burke, president-coo of Cap Cities, takes those titles to the merged company as well. Reporting to Mr. Burke will be Frederick Pierce, who had been president of ABC Inc. and now becomes chairman-ceo of the ABC unit. Leonard Goldenson, formerly chairman of ABC Inc., becomes chairman of Capital Cities/ABC Inc.'s executive committee.

L. Goldenson

T. Murphy

Murphy in charge

Mr. Murphy now becomes the ultimate ruler of the merged company. The man who started as an executive at Lever Bros. in the 1950s has remained a relative unknown entity in broadcasting, even though Capital Cities before the merger was the 16th-largest media company in the U.S. He is known for his low-key style, his management skills and his penchant for small staffs and big financial returns on operations.

In its New York headquarters, Capital Cities has a staff of 30 persons. ABC Inc. has considerably more people occupying executive suites at its Manhattan headquarters.

But will Cap Cities be able to effect the kinds of management streamlining and cost-cutting necessary to maintain its reputation for bare-bones investment and high returns? When a network is in third place in the ratings race, is it the most opportune time to approach the Hollywood production community with pleas for lower prices? It is difficult to see Hollywood's motivation to cooperate in the short term. Such a strategy by the new communications company will, no doubt, require very skillful maneuvering.

The merger also comes on the heels of management restructuring at ABC Broadcast Group and ABC Television (AA, March 18).

While it is not expected that Cap Cities will immediately reverse those changes (which demoted former ABC-TV president John Severino and placed absolute power for turning around the ratings in the hands of ABC Broadcast Group president Anthony Thomopoulos and ABC Entertainment president Lewis Erlicht), the old alliances at ABC that led to the reformulated structure now must answer to a new, higher authority. It is this

(Continued on Page 51)

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Touring the top 10

Los Angeles

Greater L.A. Visitors Bureau

A city within a city

By Richard Mahler

1 "The Mexican-Americans of Los Angeles are lucky," wrote Truman Capote. "They have their own culture."

The remark—as much a put-down of nonethnic Angelenos as a positive statement about their Hispanic counterparts—provides important insight into this city within a city, culture within a culture.

A walk down Broadway, the main artery of the city's Spanish-speaking community, is almost the same as a stroll through Mexico City's *Zona Rosa.* Los Angeles now rivals the Mexican capital as the second largest Spanish-speaking city in the Northern Hemisphere and the eighth largest in the world.

For miles east of Broadway, a visitor may hear and read nothing but Spanish. Hundreds of thousands are born, grow old and die in East Los Angeles with Spanish their primary language and Mexico their cultural touchstone—80% are of Mexican descent.

The market may be shifting toward greater diversity, however. Those of Mexican descent now are more likely to have been born here, and many new arrivals are streaming in from other countries, primarily Caribbean and Central American nations, notably Guatemala and El Salvador.

"However, the movement is not in the classic melting pot sense," says Henry Adams-Esquivel, vp, Market Development, a transcultural research company based in San Diego. "The people are assimilating, but primarily to other Hispanics in their communities. In Los Angeles, the community of Mexicans is so enormous that the other nationalities skew their language, eating habits and life styles to the Mexican." They are not necessarily becoming more like the general population, he says, but more like each other.

This melting pot within a pot is getting larger each day. Public schools report more than 50% Hispanic enrollment in elementary grades, and demographers estimate the Hispanic population is growing 6.5% annually, five times the rate for the city as a whole. Possibly by the year 2000, the Hispanic minority is

(Continued on Page 18)

Richard Mahler is a frequent contributor to Special Report who reported on the growing influence of California's Asian population in last year's Special Report on California.

Los Angeles

Print

Title	Frequency
La Opinion	daily
La Prensa de Los Angeles	weekly
Belvedere Citizen	weekly
Caminos	monthly
City Terrace Comet	weekly
Eagle Rock Sentinel	2/wk
Eastside Journal	weekly
Eastside Sun	weekly
El Sereno Star	weekly
Ela Brooklyn - Belvedere Comet	weekly
Highland Pk. News Herald & Journal	weekly
Lincoln Heights Bulletin News	weekly
Mexican American Sun	weekly
Montebello Comet	weekly
Monterey Pk. Comet	weekly
Northeast Star Review	weekly
South Pasadena Journal	weekly
Wyvernwood Chronicle	weekly
East Los Angeles Tribune	weekly
Mr. TeVe	weekly
Q-vo	bimonthly
Noticias del Mundo	6 days

Radio

Call letters	Spanish-language hours/wk
KPFK - FM	4
KLVE - FM	168
KTNQ - AM	168
KWKW - AM	168
KALI - AM	168
KCSN - FM	2
KMAX - FM	25
KPCC - FM	1
XEPRS - AM	168
KSKQ - AM	168
KXLU - FM	24

Television

Call letters	Spanish-language hours/wk
KMEX	)168
KSCI	45

Not just Spanish Harlem

By W. Franklyn Joseph

2 After more than 30 years in the industry, very little, if anything, that relates to the Hispanic market slips by Alicia M. Conill, president of New York-based Conill Advertising Associates. The ground has been covered and recovered so much lately that Ms. Conill says she is tired of seeing and reading statistical reports that identify the same aspects unique to the Hispanic community.

Nothing is new, she says, except an awakening by many advertisers to the Hispanic market's potential. Items that trumpet the behavioral patterns of the group such as strong family and religious ties as well as their brand loyalty are true, Ms. Conill says, but repetitious. Hispanics have charisma beyond the cold illusion of statistical charts, she says, and occasionally the human aspects are overlooked.

"The fascination of the Spanish market is that it is the only new market right now in the United States," says Pedro Font, president of Font & Vaamonde, a New York agency. Advertisers in search of new targets have realized the potential of the Hispanic market, he says.

"The key to unlocking the New York segment of the Hispanic market is to understand the composition of the market . . . and communicate a message to them, in their own language," Ms. Conill says.

Ranked as the No. 2 U.S. Hispanic market in population, New York area Hispanics are concentrated in the city's five boroughs. The majority of Manhattan's Hispanics live in *El Barrio*—better known as "Spanish Harlem"—between the exclusive Manhattan high-rises and Harlem's black neighborhoods. The South Americans have picked Queens, the Cubans moved to New Jersey and the Puerto Ricans primarily have claimed the Bronx, says Mike Psaltis, vp, Adelante Advertising.

According to Strategy Research Corp., when neighboring counties in New York and New Jersey are included, the area's Hispanic population stands at 2.4 million, or 14% of the total U.S. Hispanic population. Puerto Ricans represent 60% of the market, followed by Dominicans and Cubans as the next most visible ethnic groups.

"When you take into consideration the amount of undocumented aliens who are in the

(Continued on Page 24)

W. Franklyn Joseph is executive editor of Class, *a New York-based publication targeted to Caribbean-Americans.*

New York City

Bart Barlow, N.Y. Visitors Bureau

New York

Print

Title	Frequency
Nuevo Amanecer	monthly
El Diario-La Prensa	6/wk
La Voz Hispania	weekly
El Tiempo de Nueva York	weekly
Noticias del Mundo	daily

Radio

Call letters	Spanish-language hours/day
WADO - AM	24
WBNX - AM	24
WJIT - AM	24
WSKQ - AM	24

Television

Call letters	Spanish-language hours/wk
WNJU	100
WXTV	126
WNBC	.5
WOR - TV	.5

Turmoil joins affluence

By John F. Sugg

3 Meet Miami's Hispanic community:

Francisco de Borbon y Escasany, the honest-to-God duke of Seville; Andres Garcia Marrero, "El Loco," cop killer; Luis Botifoll, aristocratic chairman of the bank credited with financing much of Miami's Cuban business; Ray Corona, flamboyant chairman of the first bank ever accused of being purchased for the primary purpose of laundering money.

Meet Miami's Hispanic community:

Huber Matos, patriot who rotted for years in Fidel Castro's jails; Eduardo Arocena, convicted terrorist; the families of

(Continued on Page 28)

John Sugg, a former Ad Age *correspondent, is manager of the Miami division of the Communications Group.*

Miami

Print

Title	Frequency
Diario de las Americas	6 days
El Miami Herald	daily
Bienvenidos a Miami	2/month
Miami Mensual	monthly
Replica	weekly
La Voz	2/month
Las Noticias de Hialeah	weekly
Vista	monthly
Donde	5/year

Radio

Call letters	Spanish-language hours/day
WCMQ - AM	24
WCMQ - FM	24
WRHC - AM	24
WOCN - AM	
WQBA - AM	24
WQBA - FM	24
WSUA - AM	24

Television

Call letters	Spanish-language hours/wk
WLTV	133
WPBT	3
HIT-TV (Cable)	168
WSCV	116.5

R. Valladares, ©The Image Bank

U.S. Hispanic markets

San Antonio

Print

Title	Frequency
La Voz de San Antonio	weekly
Southside Sun	weekly
Westside Sun	weekly
Visitante Dominical	weekly

Radio

Call letters	Spanish-language hours/day
KCOR - AM	24
KEDA - AM	24
KFHM - AM	12
KXET - FM	24

Television

Call letters	Spanish-language hours/wk
KWEX	126
SATV	92

San Antonio

S. A. Visitors Bureau

City has split personality

By Richard Erickson

4 Identifying and targeting the San Antonio, Tex., Hispanic audience is tough. In fact, it might be even more difficult than in most of the other major Hispanic cities.

"The reason this market is tougher," says Lionel Sosa, president-creative director of Sosa & Associates, "is that it has a little bit of a schizo personality in that most of the Hispanics in San Antonio are not newcomers to the United States. In fact, they are third and fourth-generation Hispanics and overwhelmingly bilingual, the Hispanics that carry the cultures and traditions of Mexico while becoming mainstream U.S.A."

Statistics tell part of the market's story. Strategy Research Corp., Miami, estimates the local Hispanic population at 781,800, 72% within San Antonio's Bexar County, and most of those people residing on the south and west sides of the city. The U.S. Census Bureau, which admits undercounting Hispanics by about 12%, projects the Bexar County Hispanic population at 565,400. The community generally is described as being 54% Hispanic.

Although Strategy Research pegged San Antonio as the nation's fourth largest Hispanic market in 1984, the Census Bureau dropped the city from the third largest in 1980 to seventh in 1985.

This did not happen because the population stopped growing

(Continued on Page 32)

Richard Erickson is editor of San Antonio Today.

San Francisco

S.F. Visitors Bureau

Refugees change district

By Lynn Berling-Manuel

6 The San Francisco Hispanic market is a puzzle with its pieces spread across hundreds of square miles and over many nationalities. Assembled, the pieces become the Hispanic market with one of the highest

(Continued on Page 38)

San Francisco

Print

Title	Frequency
El Mundo	weekly
El Tecolote	monthly
Tiempo Latino	weekly
La Prensa de San Francisco	n/a
El Bohemio	2/month

Radio

Call letters	Spanish-language hours/wk
KBRG - FM	168
KIQI - AM	84
KOFY - AM	84
KPOO - FM	12
KNTA	168
KAZA - AM	84

Television

Call letters	Spanish-language hours/wk
KDTV	140
KTVU	.5

Houston

Print

Title	Frequency
Revista Chicano-Riquena	4/yr
La Voz de Houston	weekly
El Sol	weekly
Informacion	2/month
El Mexica	weekly
El Mundo	weekly
Los Noticias de Fort Bend	weekly
Del Universal	weekly

Radio

Call letters	Spanish-language hours/day
KEYH - AM	12
KLAT - AM	24
KLVL - AM	24
KXYZ - AM	24
KFRD - AM	6
KYST - AM	24
KHCB - FM	2
KUHF - FM	7/wk
KXKX - FM	24

Television

Call letters	Spanish-language hours/day
K45AK	24

Integration, not isolation

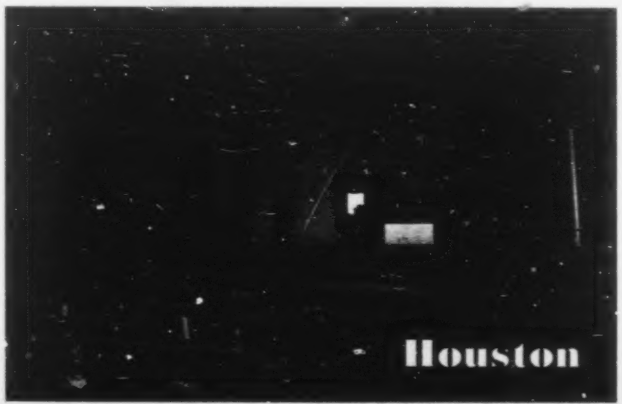
By Richard Vara

7 Uncovering the average Houston-area Hispanic's profile is a task not unworthy of Sherlock Holmes. However, collecting the numerous clues and piecing together the substantial but scattered data could help garner a share of the Hispanic community's $1.3 billion income.

Even estimating the number of Hispanics in Harris County, which includes Houston and several suburbs, can stump a ta-

(Continued on Page 39)

Richard Vara is a reporter with the Houston Post.



James LaCombe, Houston Chamber of Commerce

Mary Cairns

Cross-section of nation

By Jack Hafferkamp

5 If an actress wanted to portray Hispanic Chicago, she could warm up with readings from "The Three Faces of Eve" or even "Sybil"—because Chicago's Hispanic community has multiple personalities.

The Windy City is at the crossroads of Hispanic North America. The Chicago area is not only the fifth largest U.S. Hispanic market with 741,000 people, according to Strategy Research Corp., Miami, but also the convergence of all the major Hispanic nationalities.

So to be accurate, the actress would have to play a Mexican-American 63% of the time, a Puerto Rican 22%, a Cuban 3% and then a series of characters from Spain to the Philippines, Tierra del Fuego to Guatemala the remaining 12% of the time.

You could say that makes Chicago one crazy woman. You also could say that if you can get a handle on her, you've gone a long way toward grasping the national Hispanic population. Chicago's Hispanic profile is uncannily similar to the national mix—with only 4% more Mexicans and 8% more Puerto Ricans, and 3% fewer Cubans and 8% fewer Central and South Americans.

Strategy Research says Chicago Hispanics are generally younger and less educated, but a bit more affluent than their national counterpart. Although scattered, culturally and geographically, over the 19-county Chicago area of dominant influence, about 85% of Illinois' Hispanics live in Cook County, making it the fourth largest Hispanic county in the U.S.

Community leaders estimate the actual population at more

(Continued on Page 36)

Jack Hafferkamp is a frequent contributor to Special Report living in Chicago.

Chicago

Print

Title	Frequency
El Heraldo de Chicago	weekly
El Manana Newspaper	6 days/wk
La Raza	weekly
Logan Square Extra	weekly
Northwest Extra	weekly
Wicker Park/ West Extra	weekly

Radio

Call letters	Spanish-language hours/wk
WEDC - AM	66.5
WSBC - AM	38
WOJO - FM	168
WONX - AM	77
WKKD - AM	6
WCEV - AM	20.5
WCRW - AM	34
WCYC - FM	36
WMBI - AM	12
WVVX - FM	33
WTAQ - AM	12.6

Television

Call letters	Spanish-language hours/wk
WCIU	33.5
WCFC	3
WBBS	56

The magic is gone

By Mickey Torres

8 There was magic once in the Rio Grande Valley. Back when the downtown warehouses were teeming with goods, sales were by the case or lot number, cash on the barrel. Magic when the rail cars in Edcouch were loaded with hand-picked beets or cabbage, bound for East Coast housewives who demanded farm fresh vegetables.

Promoters and developers planted palm trees along the highways and convinced frozen Midwesterners that the area along the South Texas border was "Miami Beach at half the price."

Mickey Torres is a Brownsville, Tex.-based free lance writer.

Today, packing sheds sit idle and downtown has been taken over by money exchange houses and boutiques that offer the latest fashions in used clothing at 75 cents a pound.

Oldtimers say the magic began to fade when supermarkets stocked frozen vegetables. But everyone agrees the bottom fell out when the peso disintegrated. The retail sector of Brownsville, McAllen and Harlingen, Tex., shrank, sales tax revenue plunged and the tax base eroded.

What's left of boom time, according to the South Texas Institute for Latin and Mexican American Research, Brownsville, are 600,000 people, 85% Hispanic, occupying a string of mushrooming communities in one of the nation's most poverty-stricken regions. Not including another 215,000 people south of the ankle-deep Rio Grande, the area constitutes the eighth largest U.S. Hispanic market, according to Strategy Research Corp., Miami.

Rio Grande Valley

Mickey Torres

This market is expected to double by 1990 despite an 18.5% unemployment rate valleywide, which is three times the state average, according to the Texas Employment Commission. Adjoining Starr County's unemployment rate has hit 40%. If the citrus industry fails to recover from the past two killing freezes, the poorest people in the U.S. will get even poorer. De-

(Continued on Page 40)

Rio Grande Valley

Print

Title	Frequency
El Heraldo de Brownsville	6/wk

Television

Call letters	Spanish-language hours/day
K-12-TV	24

Radio

Call letters	Spanish-language hours/day
KGBT - AM	24
KIRT - AM	24
KIWW - FM	24
KQXX - FM	24
KOIR - FM	24

Albuquerque/Santa Fe

Albuquerque Visitors Bureau

Rooted in history

By Karen Evans

9 New Mexico Hispanics are an unusual Hispanic subculture with their Spanish roots—some of which predate the Pilgrims.

"In some parts of New Mexico we still speak a Spanish spoken hundreds of years ago," says Lionel Holguin, president of the Albuquerque Hispano Chamber of Commerce. "We use the old sayings, or *dichos*. The isolationism has caused us to create a unique market."

Immigrants are not flowing constantly into the area from other countries the way they are in Florida, Texas and California. "Hispanics have been here for generations, longer than the Anglos," says A.B. Collado, publisher of *El Hispano*, the area's only Spanish-language newspaper.

Hispanics can't be considered a minority here, says Edmundo Delgado of Delgado Advertising & Public Relations, Santa Fe. "I don't consider myself a minority. I'm Spanish on both sides, but my cultural background is U.S.A.—American."

While other states with heavy Hispanic populations find that a majority report Mexico as their country of origin—California, 81%; Texas, 97%—more than half of New Mexico's Hispanics trace their roots to the Spanish colonists. Puerto Rican and Cuban immigrants, which make up large sectors of other Hispanic populations, are negligible in New Mexico.

"The Hispanics in California and Texas are trying to assimilate," says John Ramsey, client representative of Hispanic Advertising Consultants in Albuquerque. "Here, it's the Anglos who are trying to assimilate.

"The main strategy in New Mexico is to realize that it's a unique market," he says. "Very few advertisers are doing it right. They are saying, 'Oh, you

(Continued on Page 42)

Karen Evans, a Santa Fe, N.M.-based free lance writer, is a former editor of the Rocky Mountain News.

Albuquerque/Santa Fe

Print

Title	Frequency
El Hispano	weekly

Television

Call letters	Spanish-language hours/wk
KGSW	1
K48AM	168

Radio

Call letters	hours/wk
KABQ - AM	168
KANW - FM	3
KARS - AM	35
KLTN - AM	168
KXKS - AM	84
KDCE - AM	15.75
KUNM - FM	18.5
KNMX - AM	84

Source for all media charts: ADVERTISING AGE, *"Burrelle's Hispanic Media Directory, 1984," Strategy Research Corp. "U.S. Hispanic Market 1984."*

'Siamese twins'

By Ken Flynn

10 Cliff Sherrill, writing 25 years ago in the *El Paso Herald-Post*, described the international metropolis of El Paso, Tex.-Juarez, Mexico, as Siamese twins "joined together at the cash register."

If that statement was true in 1960, it is even truer today. But the cash register is not all that binds the two cities.

Ken Flynn is chief of United Press International's El Paso bureau.

El Paso and Juarez are united in language, culture, traditions, philosophies and needs. Only the trickle of the Rio Grande separates the two communities. Developers have boasted that the two cities represent the largest international twin city; geographers have yet to dispute the claim.

Juarez has a population conservatively estimated at more than 1 million. El Paso's population is now more than 470,000, 60% of which is Hispanic. Strategy Research Corp., Miami, classifies El Paso as the 10th largest U.S. Hispanic market. When joined with its Siamese twin, El Paso-Juarez ranks fourth.

G.A. Rossi, ©The Image Bank

Whether fourth or 10th, El Paso represents a major Hispanic market. Some say it is the most unusual Hispanic market in the country because of its comparative geographic isolation and its strong ties with Mexico.

The El Paso-Juarez market is very traditional, slow to change, with an ever-increasing Hispanic influence, says Hector Bencomo, owner of Bencomo's Ruidoso Market, a 60-year-old neighborhood grocery store located four blocks from Mexico. "Our people are never going to assimilate into the mainstream of American society because there is a constant influx of new immigrants, almost daily.

"There is a great deal of interaction. We all have relatives 'on the other side of the river,' as we say. We speak the same language and have the same problems," he says.

Margarita H. Hidalgo, a lecturer at El Paso Community College who recently completed a study on border language habits and attitudes, says residents of Juarez speak quality Spanish, and that Spanish is a source of national identity. The Spanish spoken in El Paso is good Spanish also, she says, but among the younger Mexican Americans, there is an increase in Spanglish, beginning a phrase in Spanish and finishing it in English.

Ms. Hidalgo's study, a sampling of individuals from both cities, concluded that Spanglish generally is disliked by Mexicans, who are encouraged to withstand the cultural barrage from the north and keep the language pure. She says loyalty to Spanish in Juarez is part of the community's need to survive as a part of Mexico.

Cashing in on the unusual language situation in El Paso-

(Continued on Page 42)

El Paso/Juarez

Print

Title	Frequency
El Continental	6 days/wk
El Fronterizo	daily
El Mexicano	6 days/wk
El Universal	daily
El Diario	daily

Radio

Call letters	Spanish-language hours/wk
KAMA - AM	87.5
KTEP - FM	10
NTNR - FM	15.5
KALY - AM	168
XEROK - AM	168
XEWG - AM	133
XEJ - AM	168
XEP - AM	168
XEPZ - AM	98
XEYZ - AM	168
XECJC - AM	112
XHTO - FM	126
XHEM - FM	126
XHIM - FM	168
XEF - AM	154
XEWR - AM	98
XEFV - AM	98
XEJPV - AM	98
XHH - FM	140
XHGU - FM	168
XHP - FM	168

Television

Call letters	Spanish-language hours/wk
KINT	87.5
KCOS	3
KCIK	2
KVIA	.5
KDBC	.5
XEJ - TV	126
XHIJ - TV	119

Los Angeles

(Continued from Page 14)

expected to become the majority population of Los Angeles, putting the city's non-Hispanic population in the unusual role of melting into another culture.

Already, the Los Angeles area of dominant influence is by far the largest U.S. Hispanic market, home to an estimated 3.4 million Spanish-surnamed persons—almost 20% of the entire U.S. Hispanic population—according to Strategy Research Corp., Miami. Strategy Research estimates 75% of these live in metropolitan Los Angeles.

This growing market is an ideal consumer segment because Hispanics spend a substantial amount on consumer products. A 1982 *Los Angeles Times* estimate pegged their annual purchasing power at $11.3 billion, and only New York Hispanics spend more each week on groceries, according to SRC.

Although the majority work in manufacturing (garment, aerospace or electronics industries) or services (hotels, restaurants or hospitals), a growing number are employed in higher paid professional positions. They also are members of a distinct, identifiable culture that can be reached in most cases by both English and Spanish-language media because 60% are bilingual.

Despite the fact that studies show many of their buying habits do not radically depart from those of the mainstream population, Los Angeles Hispanics traditionally have been classified as underprivileged people with little purchasing power. However, the mean Hispanic income has doubled during the past 10 years--the U.S. Census placed it at $18,732 in 1983. That buying power is bolstered by youth—their median age is 23, 35% younger than the national figure, and 70% are younger than 34.

But by virtually all accounts, the market remains woefully untapped. A recent study by *Hispanic Business*, for example, estimates that in 1984 advertisers spent $47.5 million in Los Angeles, compared with $46 million in Miami. "It's clear that Miami, with a population of about 580,000 Hispanics, sells itself much better than Los Angeles, with about 2 million," says Jesus Chavarria, editor and publisher of Santa Barbara, Cal.-based *Hispanic Business*.

He estimates the aggregate family income in Los Angeles for the same period was $10.6 billion, compared with Miami's $4 billion.

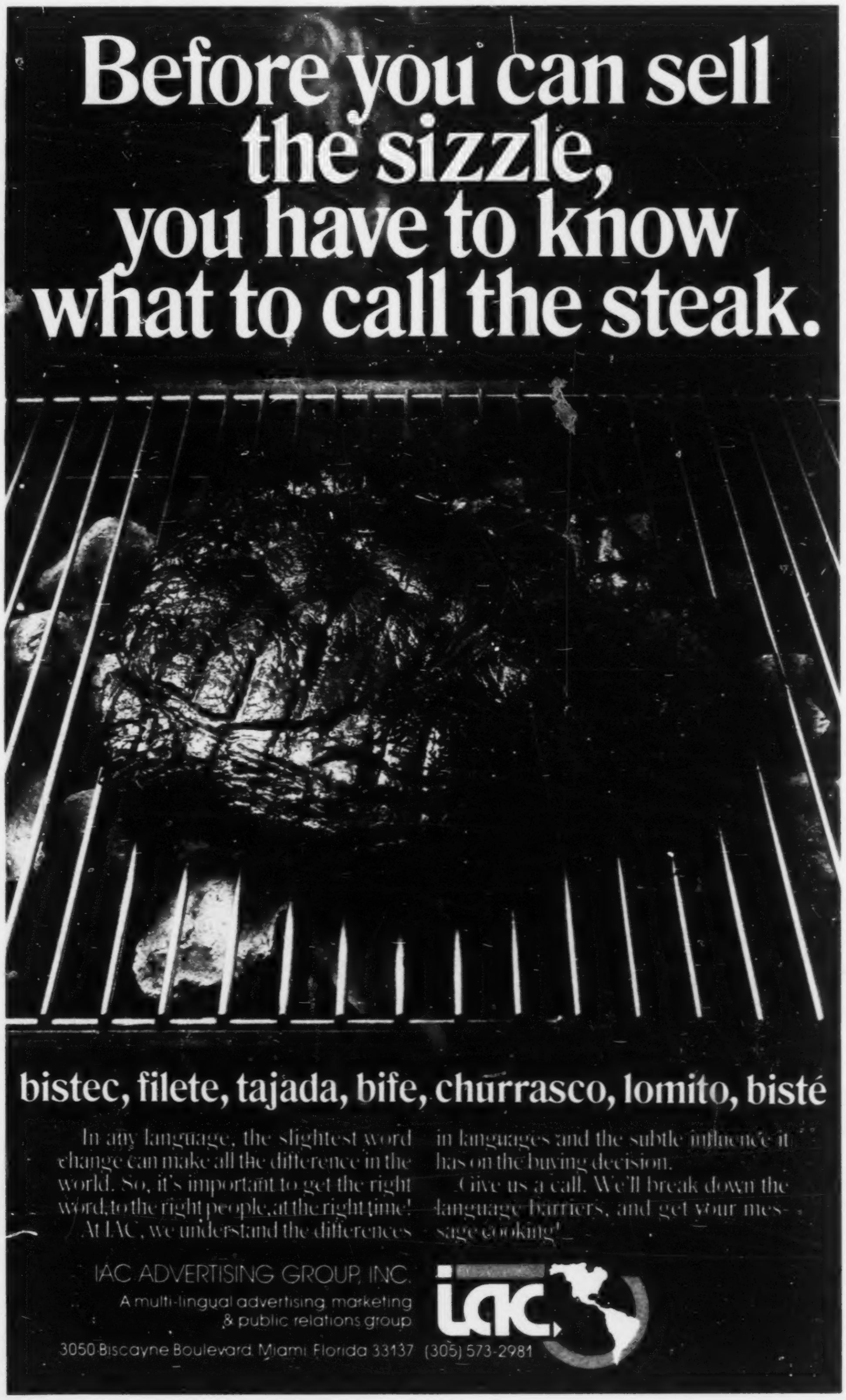
"The Hispanic market has the potential to pay tremendous dividends," says Jay Rodriguez, vp-corporate information for NBC-TV, Burbank, Cal. Mr. Rodriguez says traditional media in most markets, including Los Angeles, are ignoring Hispanics.

David Ochoa, president of Hispanic-owned Buenavision Cable of Los Angeles, concurs: "[Hispanics] are mainline, blue-chip consumers, but somehow the idea has emerged that they're different."

California Hispanics are different in a few important respects. Between 12% and 30%, depending on whose research is quoted, are fluent only in Spanish, while a similar percentage speak little or no Spanish. About two-thirds are bilingual, with about half of these preferring English. As in other Hispanic markets, language usage generally is divided along educational lines. The least educated —only 35% have a high school education or more—are most likely to use only Spanish.

Although Mr. Ochoa advocates "research, research and more research" as the best

(Continued on Page 20)



Before you can sell the sizzle, you have to know what to call the steak.

bistec, filete, tajada, bife, churrasco, lomito, bisté

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Strong identity present

In Southern California, Hispanics refer to themselves as Chicanos, Latinos, Hispanics, Mexican-Americans, Mexicans or of Spanish heritage. Each may be extremely sensitive about whether a term is used and quick to anger if it is not.

The distinctions go beyond language to include major cultural differences. Increasingly, advertisers are recognizing these subtleties in their media campaigns, attempting to cement an emotional bond with each ethnic community.

Not long ago, Anheuser-Busch hired Castor Spanish International, a New York-based agency specializing in Hispanic accounts, to produce separate Budweiser ads for four Hispanic groups: Mexicans, Cubans, Puerto Ricans and Latin Americans. Thus *mariachi* music was added for Mexican-descended Hispanics, while those aimed at Puerto Ricans featured Caribbean *salsa* rhythms.

Jesus Chavarria, editor and publisher of Santa Barbara-based *Hispanic Business*, says the debate about whether separate ads should be produced is shifting from a cultural to a socioeconomic focus.

As serious, high-quality market research becomes available, more sophisticated strategies will be used, he says. "My feeling is that you can develop a standard campaign for the Hispanic population of this country."

Mr. Chavarria also says campaigns based on emotional appeals may be more successful if tailored for a specific Hispanic segment. This is made more difficult by demographic changes. Until now, advertisers have assumed that Los Angeles could be approached with Mexican-oriented sales techniques.

"We're getting to the point now where Los Angeles is not just a Mexican-American market," Mr. Chavarria says. "There's a very large number of Central Americans and even Puerto Ricans now."

In the meantime, companies such as Los Angeles-based Rayo Asociados are prospering. A recently formed division of Rivas Film Associates, Rayo Asociados insists on tailoring its advertising to reflect five Hispanic groups: Californians of Mexican descent, Southwest residents of Mexican descent, Midwesterners of Mexican descent, Cubans of South Florida and Puerto Ricans in the Northeast.

Producers pay close attention to food, clothing, music, architecture, interior design and social behavior in their ads to reflect an authentic cultural context. Rayo Asociados uses a bilingual production staff to simultaneously shoot commercials

(Continued on Page 20)

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Los Angeles

(Continued from Page 18)

means for understanding the Hispanic consumer, that task is made more difficult by the fact that only 18% have listed telephone numbers and an estimated 1.4 million Southern California Hispanics are not legal U.S. residents. Because this contributes to census undercounts, local organizations have succeeded in officially revising Hispanic population totals up 10%.

Several studies have found Southern California Hispanics, perhaps more so than other Hispanics, rely on electronic media. Although the city has two daily Spanish-language newspapers, the circulation of the largest of these—*La Opinion*—has been about 70,000 for years.

The typical Los Angeles Hispanic spends more than 19 hours watching tv each week, 16 hours listening to the radio and four hours reading, according to recent studies. Bilingual or English-only speakers and more affluent Hispanics spend more time with print media. Only 7% subscribe to cable tv.

KWKW-AM is one of six Los Angeles-area radio stations broadcasting in Spanish full-time. In a 1982 study of 600 Hispanic households conducted by Carranza Associates and California State University at Northridge for KWKW, researchers concluded both English and Spanish should be used in marketing to area Hispanics. A bilingual approach "reinforces a sense of belonging and of consistent self-image for the entire target market."

The study documented "an inordinate brand loyalty and desire for product quality . . . traced, in part, to the Hispanic's desire for positive and consistent self-image. Identification with quality and recognized brands can signify that the individual is giving the best to the

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Identity

(Continued from Page 18)

in both English and Spanish.

Ray Rivas, a commercial director for the company, says this approach represents a substantial improvement over the early days of Spanish-language tv, when English-language dubbing was common.

"The sophistication level has risen and there's upward mobility in the community," Mr. Rivas says. "Nevertheless, I still find agencies budget about 20% less than what they are paying for Anglo campaigns."

Mr. Rivas emphasizes that cultural differences can be reflected in subtle ways. "Some Anglo agency people want to show cereal being served in a Mexican-looking bowl . . . and a *serape* casually draped over a chair. I have to tell them, 'You don't have to beat people over the head with this.'" Less blatant—and patronizing—distinctions include showing women wearing skirts rather than pants or men wearing designer jeans at a picnic, he says.

Although he says they often are naive, Mr. Rivas agrees that Anglo agency executives are more receptive than in the past, in part because of groundwork by radio stations and their agencies. Caballero Radio Network, for example, published a list of different ad-related Spanish-language terms as a means of convincing advertisers they needed to buy regionalized radio advertising.

Ernesto Balleste, vp-managing director of Noble y Asociados, Newport Beach, Cal., acknowledges linguistic differences among Hispanic groups, but says his agency is not interested in subdividing Spanish-language ad campaigns. "I think that in radio, especially, such regionalization is a natural," he says.

"But there is such a thing as neutral Spanish. It is one language," he says. "There is a way to use Spanish that is acceptable to everybody, including Mexicans, Puerto Ricans, Cubans, Dominicans and Argentines."

In addition, many companies that are reluctant to budget for Hispanic messages might be shocked by the production costs of four or five separate versions of the same campaign.

Hector Orci, vp-general manager of La Agencia, the Hispanic division of McCann-Erickson, says it's important to recognize that the Los Angeles Hispanic market is predominantly bilingual and bicultural.

"Depending on the situation, sometimes it is necessary and desirable to use specific approaches to specific groups of Hispanics," he says. "But sometimes it isn't. It depends on the marketing strategies of the brand or the account."

Although La Agencia sometimes tailors its campaigns along cultural subdivisions, Mr. Orci says generally it is not necessary. "More important to us is ensuring the use of correct Spanish," he says.

Perhaps even more important is to communicate with Hispanics at all. Advertisers that deemphasized the Hispanic market in the past are surprised to find them so appreciative of efforts to reach them in their native language, Mr. Orci says.

Mr. Balleste says Spanish-language advertising is effective even in convincing predominantly English-speaking Hispanics that an advertiser is interested in them. "Your mental reaction is, 'That was written for me, because I understand Spanish.' When the commercial is in English, it can never register in the same way." —*R.M.*

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Los Angeles

(Continued from Page 20)

family or to guests."

Los Angeles Hispanic consumers, the report concludes, "spend an inordinately high percentage of their income on products, services and entertainment for *la familia.*"

Although it estimates it attracts 70% of these loyal buyers, KMEX, the only fulltime Spanish-language tv station in Los Angeles proper, has had difficulty attracting national advertisers. "Our schedule is 70% local and 30% national," says KMEX president-general manager Danny Villanueva. "I can deliver people, I just can't deliver numbers sometimes," adding his opinion that the major tv ratings companies—A.C. Nielsen Co. and Arbitron Ratings Co.—still "don't know how to measure us."

KMEX also offers advice on how to target Hispanics. Programs "must include children, young, adults, parents, working women and grandparents," a published ad appeal says.

Hispanic Business' Mr. Chavarria is encouraged to find a growing number of agencies specializing in the Los Angeles Hispanic market. In Newport Beach, Cal., Mendoza, Dillon & Asociados promotes such clients and products as Miller Brewing Co., Denny's Restaurants, Johnson's Band-Aids, Ban deodorant and Vitalis. Beverly Hills-based Bermudez & Associates' clients include American Telephone & Telegraph, Stroh's, Schlitz and Schaefer beers.

Some major agencies farm out Hispanic marketing work to these smaller companies because rates, and thus commissions, are generally low. For example, KWKW charges about $70 for a commercial that would cost up to $500 on another station to reach the equivalent audience. Others have established their own in-house Hispanic units, notably McCann-Erickson's La Agencia, Young & Rubicam's Bravo Group and J. Walter Thompson USA's Hispania.

Castor A. Fernandez, president of Castor Spanish International, a New York-based Hispanic agency, says, "The growth of the market from here on in, with the attention that it is now being given, and will be given, by the big boys in marketing, will be by leaps and bounds."

For those interested in the Los Angeles ADI, 3.4 million prospects are waiting to hear what you have to say. ■

New York

(Continued from Page 14)

New York area of dominant influence, the Puerto Ricans' edge as market leader is lessened," Ms. Conill says.

Because immigrating Puerto Ricans—as residents of a U.S. possession—already are registered citizens, the well-established underground Hispanic population is made up of primarily Central and South Americans, she says.

Puerto Ricans are more transient than other immigrating Hispanic groups, says Thomas Johansen, vp-sales director, WNJU-TV. Because the ties are strong and the travel unrestricted between their island home and adopted residence, they are more likely to come to the states for a few years and then go back to Puerto Rico, he says.

New York is different from the other major U.S. Hispanic markets, Mr. Font says. He cites three reasons: Puerto Ricans predominate; Spanish-language media representation is strong, and "New York has subways."

Subways are a very important, often overlooked medium in New York, he says. Hispanics average 25 minutes a day commuting on the subway. With such a captive audience, he says, advertisers can make a tremendous impression.

"There is a very high dependence on mass transit by Hispanics in New York," Mr. Psaltis says. "Statistically, fewer than 25% of the city's Hispanic market owns automobiles. Outdoor boards are an important sell in Miami or L.A., where cars are a necessity. In New York, however, pedestrian boards are better suited."

On any given weekday morning, the city's George Washington Bridge bus terminal is besieged by Hispanic rush-hour commuters. en route to primarily low-paying jobs in New Jersey factories and offices.

The median family income for a New York Hispanic family is $16,300, which falls short of the $19,900 national average for the group, according to Strategy Research. Although the latter figure is lower than the over-all U.S. median income of $28,400, U.S. Hispanic families are the most financially secure of all Hispanics in the world, the company's report says.

"When they come here, they come for a better life. They come to make it," says Daisy Exposito, vp-creative director, Young & Rubicam's Bravo Group. One affordable way of showing that life has improved is with food, she says. This helps to explain why the approximate weekly grocery expenditure for a New York Hispanic family, which averages 3.71 people, is the highest among U.S. Hispanics at $101.

Hispanic consumers in New York are aware that they have purchasing power as a bloc, Ms. Exposito says. And much of that power is channeled through the area's more than 10,000 *bodegas*, the mom-and-pop shops. Any product an advertiser wants a New York Hispanic to purchase must be highly visible in the *bodegas*, Mr. Font says.

It is necessary to get distribution through the cash-and-carry outlets or a product will be shut out of the Hispanic market, says William Stiles, exec vp, SIN Television Network, New York. Many *bodegas* will not carry a product that is not advertised to the Spanish market, he says.

WNJU's Mr. Johansen says making the effort may result in garnering a share of the $5 billion New York's Hispanic consumers spend annually. "Even with the token advertising . . . those brands that bother to advertise in Spanish will be the No. 1 or 2 brand in each of their categories," he says. "The Hispanic who sees the Anglo company that bothers to advertise to them in their language will become brand conscious and brand loyal to that company beyond the advertiser's wildest expectations."

Opportunity and growth are the primary objectives of the Hispanic community; education and jobs are the main issues, Mr. Johansen says. Many schools with high Hispanic enrollments are bilingual, a move that aids education but reduces the need for acculturation.

The impact, Mr. Johansen says, "is a statement of pride. Hispanic people are understanding their new-found force. They are in a way saying—and there's nothing you can do to change it —I will go to Spanish movie theaters; I eat at Spanish restaurants; I have two Spanish tv stations."

"In New York today a person can live and work without speaking English . . . they can even get a Spanish driver's license," says Eduardo Caballero, president of Caballero Spanish Media, a national Spanish-language radio representative.

Over-all, New York Hispanics are enthused about the progress they have made in recent years. Mr. Caballero, a Cuban native who has been in New York for 20 years, says he has witnessed an increase in "pride in one's background" among Spanish-speaking people.

"Ten years ago many Hispanics were afraid to let their heritage be known . . . even when it came to reading a Spanish newspaper in public they would often avoid it because of embarrassment; they were ashamed to let others know about their background," he says.

Along with this esteem—and in an effort to further themselves—Hispanics have become more politically aware. The Hispanic community has felt closer to the black community, both emotionally and politically, Mr. Caballero says. "The Hispanics went to Harlem in part because they were attracted by the black push for equality and strength,"

(Continued on Page 28)

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New York

(Continued from Page 24)

he says.

"The influx of other Latins [from Central and South America] into New York from politically charged countries also has had an effect," Mr. Caballero says.

"The new residents are helping to change the composition of the Northeast's Hispanic community from a mainly Puerto Rican and other Caribbean type of market, to one that is more heterogeneous. Puerto Ricans remain the dominant group but the global mix makes New York a one of a kind market," he says.

But the merging of Hispanic groups from varied backgrounds into the New York area had not resulted in a united political front.

"Puerto Ricans have traditionally been Democrats," Mr. Caballero says. Cubans and Argentines on the other hand are more conservative, he says.

A recent flap may have provided the issue that solders the community. A coalition of blacks and Hispanics had selected Herman Badillo to contest Mayor Ed Koch in the upcoming mayoral contest. When the black community then selected its own candidate, a rift separated the two minority communities.

Where the Hispanics previously might have been mired in indecision or split their support, they have banded together behind Mr. Badillo and appear to be ready to fight their own battle.

This could be a turning point. According to Mr. Caballero, New York Hispanics have been among the least politically influential.

Texas, for example, has some 39 mayors of Hispanic background, he says, while New York state has none. "Sooner or later you will have a Latin mayor in New York . . . maybe not now but the potential is so strong," Mr. Font says.

But before that happens, they will have to unite. "The subject of unity was proven by the Yankelovich [Skelly & White] study that indicated Hispanics are now considering themselves Hispanic as a whole," says Rochelle Newman, director-new accounts division, Font & Vaamonde. "Less and less are you seeing, 'I'm Cuban, I'm Puerto Rican, I'm South or Central American.' There's a unity that's happening and the stronger that unity becomes the more influence it will have."

Miami

(Continued from Page 14)

deposed dictators Somoza, Trujillo and Batista; Fidel Castro's sister, Juanita, a pharmacist; Juan Bosch, retired chairman of Bacardi Corp., worth an estimated $300 million; Eduardo Suarez, who fled Cuba four years ago and is winner of five Emmy Awards for WLTV.

Meet Miami's Hispanic community, as seen through the media:

Ricardo Tubbs, the Puerto Rican half of the "Miami Vice" team; Tony Montana, "Scarface" with his mountains of cocaine.

Meet the rest of the Miami Hispanic community:

A majority of Miami, a plurality of Dade County, 805,800 strong, the most affluent and aggressive Hispanic enclave in the U.S.

Dramatic events have shaken Miami, causing irreversible changes in the Hispanic community. These changes have hardened lines among Miami's once fairly harmonious ethnic groups, and foretell a startingly different Miami in the 1990s.

"The community is simply not shoulder to shoulder, side by side as it was in the 1970s," says Richard Tobin, president of Strategy Research Corp., Miami. Evidence of this rupture reverberates thoughout the state. A proposed amendment to Florida's constitution would make English the state's official language. The three-person Hispanic majority on the Miami

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Advertisers that reach target reap great rewards

The Hispanic market presents an advertiser with both a problem and an opportunity. The problem: Finding the surest method of reaching the consumer. The opportunity: Knowing that a successful campaign can pay sizable dividends.

The methods of how to solve the problems and make the most of the opportunities are elements of a major debate. Advertising and media experts fail to agree on the ideal execution because some say the Hispanic community is homogeneous, while others are adamant that it is a collection of subcultures.

"No question about it," says Thomas Johansen, vp-director of sales, WNJU-TV. "Mexican Spanish is as different from Caribbean Island Spanish as British English is to [an American]. Even though it's English, the accent is different, the colloquialisms are different."

Eduardo Caballero, president of Caballero Spanish Media, agrees. "Most people who share a philosophy that the Spanish market should not be segmented are generally those who do not speak Spanish." He advises advertisers to concentrate on being emotionally appealing to the consumer by paying close attention to the unusual features indigenous to each group.

According to Alicia Conill, president of Conill Advertising Associates, subdividing the market and targeting Hispanic groups from different areas with separate campaigns does little more than dilute the total market's impact. "Even though the market is so mixed, you can sell to this market in a generic Spanish way," she says. The key is to look for similarities among each group and use them to your advantage, she says.

"There is only one [group of] Hispanics," says Pedro Font, president of Font & Vaamonde, who says he cannot understand why some people suppose Hispanic people are so different simply because they come from different countries.

"We believe in the national approach," says Daisy Exposito, vp-creative director at Bravo Group, Young & Rubicam's Hispanic division. Ms. Exposito does concede that specific areas do need individual consideration.

"People who believe in segmenting believe that you have to have *salsa* [music] in New York and *cha-cha* in Miami. That's a nice approach," Ms. Exposito says, "but you can also do a nice general approach that will sell all groups."

Many agencies avoid segmenting the market because of the cost involved in preparing separate executions and the traditionally smaller budgets allocated for the Hispanic market. The economics usually preclude separate executions, Ms. Exposito says. "So you do one tv execution that will do well across all the subsegments." Only when it's a regional or spot placement should the local flavor be prevalent, she says, otherwise it's "not a necessity."

Opportunities to reach the market both locally and nationally exist. "If you have a healthy advertising budget you should use all four mediums: Tv, radio, print and outdoor," she says.

"We operate a television network in 80 ADIs nationwide and send the same programing and the same commercial messages all over the country," says William Stiles, exec vp, SIN Television Network. "Obviously we have a viewpoint that you can program and advertise to this segment as a monolith. There are many more similarities than there are differences."

Mr. Caballero touts radio as "the most effective method to target Hispanics," saying the other mediums do not match radio's reach. Houston has seven stations while New York boasts four that carry 24-hour Spanish-language programing: WADO, WKDM, WJIK and WSKQ. Indicating the market's growth, Mr. Caballero says, "as little as two years ago there were only two stations servicing the [New York] area." In addition to the 24-hour stations other networks in New York carry limited hours of Spanish programing.

Thomas W. Koopman, sales manager for De Armas Publications, New York, says print—not radio or tv—is the most effective way advertisers can speak Spanish with prospects on a national level. His opinion is understandable because De Armas blankets the nation with Spanish-language magazines aimed at most demographic levels.

"Print advertising offers advertisers more time to get their messages across than a 30-second spot on tv or radio," he says.

However, Messrs. Koopman, Caballero and Stiles agree that advertisers should not ignore any medium.

Media placement aside, Ms. Conill says the main issue is proving the power of the Hispanic market—a power that is increased by homogeneous numbers

Advertisers know a large Hispanic population exists, Mr. Caballero says, and if they are to reach them, they must ensure that each group within the whole is equally targeted. And the only way to do so is to "target each segment individually," he says.

The real goal, Ms. Exposito says, is "to prove to people that yes, there's money to be made in the Spanish market." *W.F.G.*

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Miami

(Continued from Page 28)

city commission recently ousted the black city manager, and blacks and many Anglos retaliated by petitioning for the recall of Mayor Maurice Ferre, a Puerto Rican.

"We have a problem," Mr. Tobin says.

The problem's roots go back to May, 1980, when 125,000 people fled Cuba in the Mariel boatlift. About 100,000 of these "Marielitos" settled in Miami, and the differences between them and earlier waves of refugees have recast forecasts of Miami's future.

The Mariel influx accelerated an already steady climb in the number of Dade County Hispanics. Between 1980 and 1983, the Dade County Hispanic population increased 204,106, according to the U.S. Census Bureau; non-Latin residents increased only 39,713. The surge of Marielitos boosted Latins to a 43% plurality, compared with a 40% white and a 17% black population.

"What happened after Mariel was that Latins stopped melting" into the general population, says Frank Soler, publisher of *Miami Mensual*, a Spanish-language city magazine.

Most observers agree with Mr Soler. "Throughout the 1970s," Mr. Tobin says. "the Cuban community developed economically and socially in concert with Anglos. With the rescinding of Dade County's bilingual ordinance, Cubans, who thought that they had been companions in community progress, then felt a real slap."

A general airing of frustrations by Hispanics followed Mariel and the repeal of the bilingual ordinance, says Eduardo Padron, vp, Miami-Dade Community College. And, according to Joaquin Blaya, vp-general manager of WLTV, Miami's Hispanics perceived "clandestine bigotry" by Anglos after Mariel.

Some disagree, of course. "Mariel is over, the impact is over," says Luis Botifoll, chairman of Republic National Bank.

But even if the impact has subsided, the boatlift's residue can be measured. In 1980, according to SRC, the median annual family income of Cubans was $18,245, or 91.6% of the U.S. median. This year, Cuban

(Continued on Page 32)

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Cuban pride in heritage steers market

"Miami 'Hispanics' do not think of themselves as Hispanics," says Isabel Mola, president of Interamerican Marketing and Communications, Miami. "The Cubans and Cuban-Americans are very proud of their heritage and are a very aggressive and assertive people. They will never think of themselves as 'Hispanics.' They will always keep their identity."

Because of this, most media and advertising executives agree that when speaking to Miami's 805,800 Hispanics, 84% of whom are Cuban, it should be done in their dialect.

The basic social difference between Miami's Cubans and other U.S. Hispanics is rooted in the varying motivations for emigrating. The overwhelming majority of Mexicans and Puerto Ricans came here because of economic reasons. But Cubans who came to Miami in the 1960s were fleeing not economics, but Fidel Castro.

Cubans are "more concerned with international politics than with local issues," Ms. Mola says. The intensity of this feeling has made Spanish virtually a requirement for reaching Miami's Cubans.

The media provide a good lesson. Between 1980 and 1985, Dade County's population increased from 1.3 million to almost 1.9 million, or about 48%. Meanwhile, the Miami Herald showed an anemic 2.5% increase in daily Dade County circulation, according to the *Herald's* market research department.

Even the introduction of *El Herald*, which is delivered free along with the "main" *Herald* to all subscribers with Spanish surnames, has done little to plug the dike of eroding penetration. By comparison, *Diario las Americas* has more than doubled its circulation since 1973.

Similarly, while the three network-affiliated tv stations were hammering at each other for ratings, WLTV, the SIN Television Network-affiliated Spanish-language station, has attracted the largest audiences of any local station during both local and national news, according to Arbitron Ratings Co.

Local marketers realized in the 1960s and 1970s the need to address Cubans in Spanish. Retailers such as Farm Stores, Winn Dixie and Big Daddy's Lounges all have learned Spanish and profited by it. But, as *Diario* advertising director Enrique Perez says, "The giant national advertisers are slower to respond to Spanish."

Joseph Albonetti, director-Hispanic and international marketing, Tinsley Advertising, Miami, states the problem more emphatically. "Frankly," he says, "we are still a long way from attaining universal recognition of the importance of the Hispanic consumer by many otherwise astute advertisers."

After getting recognition, the next question is how to best reach Dade County's Hispanics. "Advertising must be culturally relevant," says Herb Levin, president of WSUA-AM. And "it must recognize the subsegments of the Hispanic market."

Variations in the Spanish spoken by Cubans, Puerto Ricans and Mexicans are not dialects, says Jorge Garrido, president of Mingo-Jones-Garrido, "they are 'isms'—Cubanisms, Puerto Ricanisms and Mexicanisms—expressions that vary from countries of origin and therefore different parts of the U.S."

Teri Zubizaretta, president of Zubi Advertising, agrees, asking, "Would you sell a product the same way in both Boston and Alabama?"

Ana-Marie Brechner, president of Inter American Communications, Miami, says even among Cuban-Americans, differences should be noted. Ms. Brechner devises different messages depending on the location of the audience.

Tampa Bay has a large Hispanic community, whose members mostly came to the U.S. several decades before Castro's revolution. "Tampa's Hispanics represent an older culture and tradition from Cuba than do most Miami Cubans," Ms. Brechner says.

The need to segment the Hispanic market often is illustrated by language gaps and gaffes. In New York, for example, *habichuelas* would refer to any type of bean. But that word would leave Cubans and Mexicans cold —a bean to them is a *frijole*.

According to Ms. Zubizaretta, an advertiser does not have to be overly concerned about subgroups within the market. "Here in Miami," she says, "Nicaraguans assimilate to the Cuban message. And Cubans in New York don't resent the Puerto Rican message."

Many marketers now are touting the existence of the "national Hispanic market." "We are interested in trends that indicate that there is a little more homogeneous nature to the Hispanic market than we had originally believed," says Sidney Levin, a partner with Beber Silverstein & Partners, Miami.

"Each market has its own characteristics," he says. "But it is possible to approach the [national] Hispanic market with a single campaign." Another trend is that the "upscale Latin consumer increasingly can be reached by the general media, especially television."

Joaquin Blaya, general manager of WLTV, also sees a more homogeneous national Hispanic market. "There were great differences in the United States among different regions, differences of culture and language," he says. "But network television became the common denominator, and we now accept a fairly universal 'American English.'"

Now, Mr. Blaya says, "the same thing is happening with Hispanics. SIN is the only national medium reaching all Hispanic groups, and we are seeing the emergence of a general 'broadcasting language.'"

More important, Mr. Garrido says, is whether a company should advertise to Hispanics at all. "Segmentation has been an excuse to not target the Hispanic market when the product's budget isn't that great. For products sold *en masse*, where the budgets are astronomical, it pays to localize the effort in the same way you would localize any national effort.

"But the key questions are; should we address the market and then how should we address it?" Mr. Garrido says. "It's a quantitative judgment first, then a qualitative." —*J.F.S.*

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Miami

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income has increased to $24,400, but has slid to 85.9% of the U.S figure. Although still much higher than any other U.S Hispanic group—the average is $19,900—this decline has not gone unnoticed.

"You now have to break down the Cubans by age and time of arrival in the United States," says state Sen. Joseph Gersten, one of the few Anglo politicians supported by the Cuban community. "If you combine all of Miami's Hispanics," he says, "the statistics show a more insular, lower income group."

Generally, the income decline is attributed to the unskilled and blue-collar occupations of most Mariel refugees, compared with the large numbers of professionals and entrepreneurs in earlier waves. The educational level among recent arrivals is much lower. And, says Herb Levin, president of WSUA-AM, "You can't ignore the fact that [Mariel refugees] spent 20 years under a socialist system. Their values are different."

Again, some disagree. "I think this is the only community in the nation able to assimilate 100,000 individuals in six months," says Teri Zubizaretta, president of Zubi Advertising.

On one point, few disagree. If language is an indicator of change, then change has occurred. "With Mariel, the increase in Spanish use is up 10%," Mr. Tobin says.

The Marielitos were primarily monolingual, and, according to Enrique Perez, ad director, *Diario las Americas*, "it isn't that there has been a reluctance to learn English. There simply hasn't been a need [for new arrivals] to learn English."

The primary reason English is almost superfluous along *Calle Ocho*—SW 8th St., the heart of "Little Havana"—is the strength of the Spanish media. Uhf station WLTV regularly bests the three network and several independent stations in both local and national news show viewership and during many other time slots. "Unfortunately, among many [national] advertisers, this is still an untold story," Mr. Blaya says.

The Latin community is served by two Spanish daily newspapers, *Diario las Americas* and *El Herald*, a Spanish version of the *Miami Herald*, and dozens of weekly newspapers. According to Mr. Perez, *Diario's* advertising and circulation success is partly because of the post-Mariel attitudinal shifts among Hispanics. "It's not that Latins can't read the *Herald*," Mr. Perez says. "They no longer feel the need to assimilate, so even if they speak perfect English, they prefer their own media."

Seven Spanish-language radio stations serve the market, ranging from WQBA-FM, with a pop, bicultural brand of Spanglish, to political diatribes on WRHC-AM and WOCN-AM. The Spanish-language stations routinely occupy top spots in rating polls.

Miami also has a booming Spanish-language magazine business, led by Editorial America, publisher of the internationally circulated *Vanidades* and other publications. Also with a strong international circulation—and plans to expand to other Hispanic markets—is *Miami Mensual*. Mr. Soler attributes his success to "reflecting the aspirations of Cubans. We are very upwardly mobile."

According to Strategy Research, although South Florida's Latins represent only 5.8% of the total U.S. Hispanic population, they will spend $11 billion this year on consumer goods, or about 12% of the nationwide Hispanic expenditure of $94 billion. "That's twice the per capita consumer goods expenditure compared to the national Hispanic average," Mr. Soler says.

Other distinguishing demographic information on Miami's Latins includes:

- Cubans have the smallest households of any U.S. Hispanic group at 3.3 people.
- The percentage of Cubans who have completed four years of college is about equivalent to the total U.S. population.
- Both Cuban males and females lead all Hispanic groups in managerial and professional employment at 19.4% and 15.7%, respectively.
- Of all Hispanic groups, Cubans have one highly significant low figure: English proficiency. Only 28.9% say they speak English well or very well, and 31.2% say, "*Yo no hablo Ingles.*"

"Those patterns aren't likely to change," Miami-Dade Community College's Mr. Padron says. "But we are undergoing a period of adjustment."

What this adjustment will lead to remains in question, but may be determined by two major international situations.

The first of these situations is the Reagan administration's decision to expedite normal residency status for the Mariel refugees, making their families eligible to leave Cuba for the U.S.

"We are probably going to see 25,000 to 35,000 new Cubans a year for the next eight years or more arriving in Miami," Mr. Perez says.

Almost undoubtedly it will result in an absolute Latin majority in Miami. Excluding the Mariel influx, the Latin population has grown 3% annually during the past 15 years, compared with a non-Latin figure of only 0.7%. That disparity in growth could lead to a Latin majority as soon as 1993.

The other major international factor looming on Miami's horizon is the future of Latin American, Central American and Caribbean economies and governments. Fidel Castro turned Miami from "a small tourist town on the decline into a major commerce center," Mr. Botifoll says. Everyone came to Miami in the 1970s to do business.

When the bottom fell out of the Latin economies, trade declined, as did Latin American tourism—from 1.3 million in 1982 to 896,000 in 1984, the lowest level since 1978, according to the Dade County Department of Tourism. Similarly, office vacancy is setting record highs, and hundreds of luxury condominiums are empty.

The only certain area of Hispanic growth, other than additional waves of Cubans, will come from countries in revolution such as Nicaragua and El Salvador. Mr. Perez says this will result in a decade of political adjustment, and only Anglo politicians with strong ties to the Latin community will survive.

"The new generation of young Cuban businessmen are really more American than Cuban," Mr. Botifoll says. "As they increasingly take over the leadership of the community, we will again become united."

Mr. Tobin agrees, saying, "We could already be on the way back. However, there will be a difference. The Cubans were fooled once that they were full partners. Now, they will demand to be full partners, and they won't readily give up their culture and language."

"Miami will never be a melting pot again," WLTV's Mr. Blaya says. "But we will become a tasty mixed salad."

San Antonio

(Continued from Page 15)

—it jumped more than 27% in those five years—but because other Hispanic communities grew faster. Part of that growth difference, local marketers say, is because of Hispanics' move toward middle-class Anglo life styles, a move that includes smaller families.

Emilio Nicolas, president of KWEX-TV, San Antonio's only Spanish-language tv station, doesn't necessarily agree, but he does admit the strangeness of the South Texas market. "This is like the twilight zone," he says. "It is neither light nor darkness. This is neither Mexico nor the

(Continued on Page 34)

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San Antonio

(Continued from Page 32)

United States. This is neither Latin America nor the typical rest of North America. This is not a pure Anglo city or a Mexican city. This is in between.

"And what happens here is very funny," Mr. Nicolas says, "because the Mexicans are bilingual and communicate very well with the Anglo. The Anglos are not bilingual. They are only one way streets and we are two-way streets."

These two-way people are usually young and poor. Some 41% are younger than 18, and 69% are younger than 35.

The San Antonio Hispanic had a 1983 median income of $15,171, and as much as one-third of the city's Spanish-speaking population would be classified as "poor" by the Census Bureau. As those numbers indicate, chronic underemployment is a problem. Of the Hispanic work force 24 years old and older, only 12% hold managerial, professional or technical positions.

But these kinds of numbers are not uncommon to the whole community. The local economy is governmental and service oriented. While San Antonio is gaining fame as a high-technology center, most of these jobs arrive in hourly wage assembly plants.

In fact, industry has been attracted to the city because of the availability of inexpensive, unskilled, nonunion labor—primarily Hispanic.

San Antonio is filled with those little quirks. The city, with its graceful plazas and cobblestone downtown river walk, has an easy and comfortable bicultural feel.

But the city is divided, with most of the economic generators on the city's northern edges. The south side contains four of the five original Spanish missions in the area. All of the four still have active parishes. The fifth—the Alamo—is crowded with tourists.

Even the city's 105-year-old, 10-day Fiesta added its first Hispanic-oriented event only a few years ago. About the same time the local chamber of commerce ran a cover story in *San Antonio* about the city's tv sportscasters, overlooking the existence of KWEX-TV.

This polarity is not hostile, but merely another aspect of the city's schizo personality. When an issue commands it, Anglo and Hispanic quickly unite—and just as quickly separate.

Hispanics are making great advances in the local political arena, but in San Antonio's business and social life, it is another matter. Out of more than 70 banks, fewer than 5% have Hispanic top executives.

"In the San Antonio Hispanic culture, the way to be polite is a bit like the southern culture only more so," Mr. Sosa says. "There is a saying in Spanish, '*a sus ordinance*,' which means 'I am at your command.' That is polite.

"What happens is that part of the culture in the United States sees that as a very subservient type of personality, one that doesn't want to make waves," he says. "But what has happened with that attitude? We have an Hispanic mayor. We have representatives on the city council, two Hispanic congressmen, an Hispanic police chief. How has this subservient attitude manifested itself into such great political power? I think the reason is that attitude says I want to do it your way, and I am here to be

Cultural keys unlock effectiveness

After you identify the San Antonio Hispanic—if you can identify the San Antonio Hispanic—comes the major task of reaching him. That is not easy either. Nor is there much agreement on how to do it.

Lionel Sosa, president-creative director of Sosa & Associates, handles such national Hispanic accounts as Anheuser-Busch, Brown & Williamson Tobacco and Westinghouse Electric. He says he believes strongly in the bilingual approach. "I tell them to look at the Hispanic first as a cultural phenomenon. There are cultural differences and language is only one of them," he says.

"You should consider English media just as much as Spanish media in San Antonio. I would recommend an advertiser produce English-language radio and television commercials directly to the Hispanic just as in Spanish language. And I would tell them to forget Spanish print in any shape or form," Mr. Sosa says. Hispanics in the San Antonio market "can't read Spanish to save their lives."

He recommends an advertiser "depict the Hispanic just as you would an Anglo. Don't put him in a Mexican rodeo or at a pinata party. Depict him as an American—and then make those wonderful little nuances in the execution."

One example is a Sosa spot—done in conjunction with N W Ayer, New York—for the U.S. Army. An Hispanic father working in his garage is telling a neighbor how his son just received an R.O.T.C. scholarship. His son walks into the scene.

"*Let's get going, Dad,*" the son says. "*Yes, sir, mi general,*" the father responds with a grin.

All of the cultural keys are there, Mr. Sosa says: A family orientation, pride of accomplishment, a desire to advance and those two words of Spanish that anyone can understand. "You're talking like a Hispanic would talk and triggering a response so that he knows immediately that that is for him," and you don't turn off Anglo viewers, he says.

Even though all of his accounts are national, Mr. Sosa says San Antonio is the place to test his spots. "This market, from an attitudinal point of view, is where the red flags will come up in the way Hispanics are depicted. The people in California and Miami are much more tolerant. People in San Antonio, while acculturating faster, are less confident of their own identity, so problems with commercial messages will tend to surface here quicker."

The local Spanish-language media, however, think Mr. Sosa's techniques are designed more for Anglo ad executives than for Hispanic consumers. "We hear a lot of stuff from the agencies that we can reach the Hispanic market with English," says Nathan Safir, vp-general manager of KCOR-AM, the country's oldest fulltime Spanish-language radio station. "But we turn down accounts, and big accounts too, by refusing to use any English copy."

KCOR is tied for sixth place in a 27-station market. Mr. Safir says the formerly top-rated station would head the ratings again if Arbitron Ratings Co. had not changed its methodology, measuring only listeners with telephones. According to Strategy Research Corp., 13% of San Antonio area Spanish-language households do not have phones and 44% have unlisted phones.

Unfair treatment by the rating services is the opinion at KWEX-TV as well. KWEX, a SIN Televison Network affiliate, was the nation's first Spanish-language tv station. It carries programing mostly from Mexico, and it also rejects any ads using English.

"We are dealing with Spanish-speaking Mexican-Americans," says Emilio Nicolas, KWEX president. "This is the programing that they identify with. This is the programing where people talk like they do, look like they do and do things like they do. We are the only people bringing all of that, so we must have one hell of an audience.

"It is not *our* problem. We suffer from the rating services' lack of capability," he says. "This is the same programing that is No. 1 in Miami and No. 2 in Los Angeles, but in San Antonio, it doesn't exist in the Arbitron or Neilsen books. That doesn't speak against us, but it does speak against their system."

In a Strategy Research Corp. study paid for by SIN, KWEX emerges with half of the San Antonio Hispanic audience, burying the local English-language network affiliates. But local advertisers don't appear to believe those numbers. While Mr. Nicolas says his national ad billings doubled last year, local advertising increased only 13%. KWEX has an estimated 11% of the local advertising market, while CBS-affiliate KENS has about 34%.

Spanish-language media receive little business from local agencies, confirms Carlos Montemayor, president of Montemayor y Asociados. "They are trying hard, but the local agencies seem to feel they can reach the majority of the Spanish market through English-language stations."

He counsels a middle road. "In English or in Spanish? Part of the market in San Antonio is Spanish-speaking only, so you have to do some, but what percentage? That's where all of these theories break down. I don't know if you can really tell that." —*R.E.*

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part of whatever the U.S is all about," Mr. Sosa says.

"The folks that are in power are less apprehensive here," he says. "It is a feeling that 'I want to work within the system.' Here they become part of the structure, and that is unique to [San Antonio]."

Part of that probably has to do with the stability of the market. Nearly two out of three Hispanic heads of households have lived in the area for more than 10 years. About half of the Hispanic population speaks both English and Spanish at home, but 28% prefer Spanish compared with a 60% Spanish-language preference in Los Angeles.

This does not mean the San Antonio Hispanic is really an Anglo in disguise, says Lloyd Lopez, marketing director of Mira/Hispanos, a research subsidiary of locally based Communications Advertising. "The reality is that there are several different profiles within this community," he says. "Contrary to studies by Yankelovich, Skelly & White, we are not homogeneous."

Mr. Lopez has segmented the San Antonio Hispanic market to try to prove that statement. The Primary Hispanic, he says, makes up 28% of the South Texas Hispanic population. The Primaries speak only Spanish, have 54% larger families than their non-Hispanic counterparts, lack a formal education, are strongly Catholic and earn about $14,000 to $16,000 a year, accounting for $1.3 billion aggregate income, he says.

Primary Hispanics tend to rely on a national brand because of the strength of the name, Mr. Lopez says. It is the best for the family, or at least the best they can afford.

On the other end of the spectrum, according to Mr. Lopez, is the Assimilator Hispanic. Only 12% of the local Mexican-American population, this group represents more than $2 billion in aggregate income. The members of this segment are well educated and professionally employed. A large percentage is younger than 40 years old and is the fastest growing group of Hispanics in the country.

Between the two ends of the spectrum is the 60% of the marketplace that most confuses the experts. The Participator Hispanic is usually second and third-generation and follows one of two paths: Intra-acculturation, staying within the Hispanic culture, or inter-acculturation, moving toward the Anglo community. Together they represent about $3.7 billion in income.

Which path they take, Mr. Lopez says, depends on the parents' experience with the Anglo community. If that experience is good, the influence will be to meld the two cultures, to "be an Amercan" and still retain the strong Hispanic heritage. The result is shrinking households, more suburban living, more striving for education and income—and more use of English.

The intracultural direction is just the opposite. The parents' experience with Anglos was bad, but consumer, family and society patterns still are changing.

"If I am one of this group," Mr. Lopez says, "my cultural comfort zone must extend beyond the west side or the south side. It must extend to a north side job. I start to lose control of my family, because they are trying to retain the imperatives of the past completely. It is not possible to do this and still succeed in the work place."

The result, he says, is a new, younger generation of Hispanics. This subculture's combination language, Spanglish, represents the idea that this group's members are neither truly Mexican nor Anglo, but a hybrid.

Some of those mixtures can be seen in more moderate success stories. Mayor Henry Cisneros—37, Harvard-educated, White House fellow, university professor—is the first Hispanic mayor in the Alamo City in more than 100 years. He reached that post by being attractive to both elements of the community.

"Henry is the first Hispanic politician who is able to walk the line between the north side power structure and keeping the west side and south side groups happy," says Carlos Montemayor, president, Montemayor y Asociados. "That is a credit to Henry as an individual."

While San Antonio has traditionally been a nonpartisan city for local politicians, Mr. Cisneros broke that custom by supporting Walter Mondale. He was even among the handful of finalists in the Democratic vice-presidential contest. Some suggest that his local support—he won his last election with 94% of the vote--comes from deep Democratic roots. Mr. Sosa, whose agency produced Spanish-language spots for the Republicans in last year's national elections, disputes this.

"The majority are Democratic, but 40% of the Hispanic vote in the last presidential election went for Reagan. Four years ago, that was 31%; eight years ago, the Republican vote was 8%, and 12 years ago, it was 4%. There's an interesting phenomenon going on here. Hispanics are basically conservative by nature, they seem to want to be Republicans as soon as they go up the economic ladder. They are anti-welfare, for the home and neighborhood, for defense and anti-abortion."

As can be seen by changing voting patterns, changing consumer choices, new life-style choices, San Antonio is evolving.

"For all of these years, we have been in the backseat," Mr. Lopez says. "Now you can see we have arrived; we are emerging.

"Migration trends of San Antonio's west side are moving north, into the typically Anglo communities. The new commercial development there, including new housing and retail malls, is a catalyst for a whole new universe that has sprouted out there, just like Henry Cisneros is a new catalyst for another type of universe," he says. "There is a new group of people who are saying 'I can be like Henry.' Look at those catalysts. That is what we've been lacking for years." ■

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MID-AMERICA'S HISPANIC METROPLEX

Chicago

(Continued from Page 15)

than twice the official tally; some estimate as high as 1.4 million people. Having increased 16% from 1980 to 1985, according to Strategy Research, Hispanics constitute the city's fastest growing population segment.

This trend is not likely to slow soon. Today, Hispanics account for about 15% of the city population. Yet 24% of Chicago children younger than 5 are Hispanic.

"Hispanics are now a part of what makes Chicago Chicago," says Enrique Loza, president of Americas Inc., a local ad agency.

Marketers have a few main reasons to look at Chicago. First is the market's size. Second is its mirror of the U.S. Hispanic population, "making it a perfect test market for national products," says Mary Montgomery, editor, Extra Bilingual Publications Group. "Because of the community's composition, you'll find out here first if something can work on a national level."

Perhaps most interesting, though, is the emergence of the Hispanic consciousness—the consciously Hispanic-Hispanic. "It was the Anglo market that labeled us Hispanic," says Jose Nino, president, Latin-American Chamber of Commerce. "We certainly didn't put on an advertising campaign for it."

Consequently, "in many places you say 'Hispanic' to Spanish-speaking people and they look at you with a puzzled face. There are a lot of Mexican-Americans, Puerto Ricans, Cubans and so forth, but there are very few who truly feel their primary identity is Hispanic," says Armando Triana, director-special research and academic programs, DePaul University.

Even so, Chicago is where "the concept of 'Hispanicness' reaches its highest levels," the Cuban-born management expert says.

This is because on the city's north side something new is bubbling up from the cultural caldron. More than half of the city's 526,000 Hispanics live on the north side, Mr. Triana says. "The north side is unique in relation to Hispanics worldwide. Nowhere else do so many Hispanics of so many different nationalities use goods and services in such close proximity."

The north side is Chicago's Hispanic melting pot. "The southeast side is primarily Mexican," says Mila Tellez, publisher, Extra Bilingual Publications Group. But because of the loss of steel industry jobs in that area, many Mexicans have moved closer to employment, which happened to be to some Puerto Rican areas. In addition, "as they become upwardly mobile, they seem to be moving to the north and west sides of town, as well as the suburbs." But even Hispanic suburbanites return to the old neighborhood to do their shopping, she says.

Growing community awareness also has been a reaction to the realities of Chicago politics. "The Hispanic elite has no choice but to work together across nationality lines. We simply are not enough individually to make a difference," Mr. Triana says.

As people in cultural transition, he says, Hispanics need an identity, and Hispanic-ness provides the most flexible socially acceptable framework. A rise in Hispanic consciousness typically is accompanied by a marked reduction of cultural bias against other Spanish-speaking nationalities.

"My father from Puerto Rico could not get along with Mexicans," says Miguel Del Valle, executive director, Association

Three major communities converge in Windy City

In Chicago the issue of to target or not to target specific Hispanic audiences takes on national significance because of the convergence of three major—Mexican, Puerto Rican and Cuban—and several other distinct Hispanic communities.

The message here is clear: Go generic. Of course, nothing is that simple. You have to remember that what's right for a campaign depends as much on the product and company as it does on the audience.

For some products it may be better to target Mexican-Americans, who make up about 60% of both the Chicago and U.S. Hispanic markets. For life style products or ad messages, it might be best to segment the Hispanic audience by regions, using the dominant nationality characteristics.

Or if budgets are tight, it might be wiser to skip Hispanic-oriented ads, hoping the 41% to 57% of Hispanics who describe themselves as fluent in English will be swept into a general market campaign.

Still, for a campaign that wants to reach all Spanish speakers with the same ad message, the favored method in the Windy City is to work with ethnically neutral images in a media mix that includes tv, radio, print, outdoor and even circulars.

Paul Sierra, creative director at Chicago's O.M.A.R., recommends this approach for several reasons, not the least of which is that tv alone "is too expensive to target to a single audience."

It's not cost-effective to target all the nationalities, says Enrique Loza, president of Americas Inc. The solution is to use a range of media and promotional events and Spanish that everyone will understand—"Walter Cronkite Spanish," he says.

Illinois Bell, with nearly 15 years of advertising to Hispanics under its belt, has had considerable opportunity to weigh the various ad stratagems. Assistant vp Fredric J. Felton has concluded that universally accepted Spanish is the best policy. "We have found that if you stick to the traditional classic Spanish you may come off as a little prim, but at least you are understood," he says.

George San Jose, president of San Jose Associates, doesn't care for the word "generic." He says it sounds too much like "mediocre." But he does agree with the concept of aiming for the largest possible audience rather than running ethnically oriented material in the various outlets favored by specific nationalities.

Mr. Sierra likes the idea that universally accepted spots are aiding in creation of a distinct American Hispanic nationality. It's not only good business," he says, "it's the right thing to do."

The ad message should stress "a theme that will unite all of us," Mr. Loza says. "That's the best way to invest advertising money wisely."

A Mexican factory worker and a Mexican architect are as different—or even more different—from each other as a Mexican and a Puerto Rican factory worker, says Jorge Caballero, president of Caballero & Associates. "Unless it's a specific case," he says, "I go for the life styles, not the nationalities." Yet he too agrees that to create one commercial for each ethnic group is making it too complicated.

Chicago agency executives agree that there is no single best way to spend dollars allocated for Hispanic advertising. Everybody likes tv, but they also say radio, print and outdoor are effective. Mr. Loza says Hispanics even will take the time to read door-to-door circulars.

"There is no rule," Mr. Caballero says. "It depends on the product, and the end product probably should be a mix."

Mr. San Jose says he looks at the media mix as a jigsaw puzzle with "seven or eight pieces that have to be put together in new configurations each time." In short, many Hispanic agency executives in Chicago agree that you can't rely on one medium and that the smartest way to go fishing is to cast the widest net.

A group of local Spanish-language newspaper publishers has realized that if the net is to be cast wider, they should be a bigger fish. Calling themselves the Hispanic Publications of Chicago, the publishers of *El Manana Daily*, Extra Bilingual Publications Group and *La Raza* discovered that between their formats—daily news, weekly community affairs and weekly features—and circulation areas, they weren't competitors.

In addition to commissioning independent research on the Chicago Hispanic market, the group's goal "is to take a professional approach to improving our effectiveness, discussing and verifying the numbers and selling the permanence of print," says Steve Hopkins, assistant publisher, *La Raza*.

"They're networking—doing what the Anglos have been doing for years," says Rosanna Stoll, president, Metrica Marketing Group, a research company.

As the message and the media become more sophisticated, the members of Chicago's Hispanic potpourri—whether they assimilate and acculturate to each other or the mainstream public—should become easier to talk to and easier to find. —*J.H.*

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House, an 85-year-old community settlement house on the predominantly Hispanic near-northwest side. "My wife is Mexican. Her father hated Puerto Ricans."

His wife and her three sisters married Puerto Ricans, Mr. Del Valle says, "because we grew up in the same neighborhood. To me it didn't matter that she was Mexican," he says, noting his eldest son calls himself a Latino.

The attitude of Mr. Del Valle's son reveals one of the screwballs thrown at marketers by U.S. Hispanics. Not only must the market be considered horizontally—by nationality—but also vertically—by generation. The number of generations in the U.S. is as important in shaping the psychographic portrait as national origins.

"In 1970 there were 160,000 Hispanics here under 20," Mr. Triana says. "Most of those kids now have their own families, and most of them went through school here, meaning that for the most part they are English-dominant. They speak Spanish, but are likely to feel more comfortable in English for long conversations." This English-dominant group will increase in number and purchasing power faster than all the Spanish-dominant groups will increase through immigration, he says.

"In eight to ten years you're going to have equal numbers of Spanish-dominant and English-dominant Hispanics," Mr. Triana says. "The English-dominants will sit at a substantially higher socioeconomic level than the Spanish-dominants. They will be better educated, and they will tend to work in white-collar jobs and have incomes around the U.S. median."

Despite the trend toward crossculturalization, "you shouldn't confuse the melting pot with the mosaic," says Gorki Tellez, publisher, *El Manana Daily*. "If you were to mix everything together you'd have nothing left in the pot except something that tastes awful. This is a unique group—the subcultures are keeping their identities."

Although unity and respect among the groups is at its highest point, he says, the stores in the predominantly Mexican Little Village neighborhood carry Mexican goods, while in Humboldt Park the shops carry Puerto Rican products.

The roots of those preferences are deep. "We came to this country brainwashed," he says. Rosanna Stoll, president of Metrica Marketing Group, a locally based research company, says, "Hispanics come to this country with brand preferences developed at their country of origin."

As the number of second and third generation Hispanic-Hispanics increases, however, advertising in the U.S. will take on greater importance. "The first time I saw a McDonald's commercial in Spanish on Chicago tv, I got really excited," Mr. Del Valle says. "It was reaching out to us, telling me, 'I know you're out there. You're an important enough part of the society for me to be advertising to you.' "

Similarly, the recent commercial success of the singing group Menudo serves notice that the young Hispanic market is barely containing its urge to explode in every direction. The trick, of course, is how to explode with it.

According to Mr. Triana, the Yankelovich, Skelly & White survey "Spanish USA, 1984" was contradictory. "On one side, Yankelovich showed that Hispanics are more likely than the general population to be brand loyal. On the other hand, it also showed that Hispanics indicated a greater likelihood of trying new products, new stores, new things."

He says this indicates "Hispanics are initially more volatile, then later more loyal to particular products. That is, until brand loyalty is established, they are more likely to try new things." The conclusion, Mr. Triana says, is that it makes sense to develop that loyalty early.

One thing that makes the Hispanic market different from the mainstream market is that advertising alone is not enough to establish wide and deep brand loyalty. To be effective, "advertising must be supplemented by

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Chicago

(Continued from Page 37)

a vigorous program of promotional special events that put the product or service into the community through human representatives," Mr. Loza says. "This is an important point because it speaks directly to the fundamental Hispanic need to develop trust toward particular products and services." He often recommends companies participate directly in community events.

Illinois Bell has considerable expertise in penetrating the Chicago Hispanic market. "We were early among Chicago business to recognize the potential in this market place and just the plain size of the demographic equation," assistant vp Fredric J. Felton says.

The reasoning was simple, he says. "It was a marketing effort that says, 'When you've lost a customer, replace him.'" Older ethnic groups were moving out of the city, and Hispanics were moving in. Illinois Bell wanted their business.

"In 1970 we entered into a constructive dialog with two dozen or more community leaders," Mr. Felton says. "Our interest was in sales. Theirs was in jobs and the two translated perfectly because we needed people who understood the marketplace. It was important for us to add Hispanics to our payroll.

There is really no trick to winning the Hispanic marketing wars. "Once you win a Hispanic's heart, you've got him," Mr. Del Valle says. "And it really doesn't take all that much to win their hearts—just simply showing concern for Hispanic advancement."

Those two words sum up the fundamental concern of Chicago's distinct nationality groups and its growing population of Hispanic-Americans. Hispanic advancement is a uniting theme, and it is very likely to become a rallying cry for the growing number of second and third generation Hispanic-Hispanics—even as they make the transition to more mainstream consumer spending patterns.

All of which seems to indicate Chicago is destined to play a major part in the future of the national American Hispanic market; sort of an "as Chicago goes, so goes the nation."

According to Mr. Loza, the good news for those who want to audition for the role of Hispanic Chicago's suitor is that "You don't have to create elaborate, expensive spots to be successful. You don't even need to wear a *sombrero* or poncho to be welcome. Just come in genuinely."

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Bay Area

(Continued from Page 15)

per capita incomes among such markets and one predicted to include greater economic growth.

Covering 11 counties and ranked sixth in the nation in Hispanic population with 717,200, according to Strategy Research Corp., Miami, the San Francisco area of dominant influence does not have a centralized Hispanic community.

The greatest influence on the Hispanic market personality of the San Francisco Bay Area is the influx in the past five years of Central and South American political and economic refugees, attracted by the mild climate and economic and cultural opportunities.

The Mission District is nestled in the narrow warm belt of San Francisco. Ten years ago, it existed like an island, a little chunk of Mexico located only a 12-hour drive from Baja, Cal. But the ethnic composition of this neighborhood has been reworked.

Many small "Mexitessens" are located along Mission St., the main drag of the district. Most are small, family-owned shops supplying the ingredients for many Mexican specialties: Fresh corn husks for tamales, handmade tortillas and Mexican-style sausages. But now the aisles include banana leaves for Nicaraguan-style tamales and beans for a popular El Salvadoran dish.

In barely five years, much of the Mexican population has left San Franciso and been replaced by Central and South American refugees, the professional people who made up the middle class of Nicaragua, El Salvador, Chile, and other politically hot nations.

"Certainly there are also 'economic' refugees," says Emilio Nicolas Jr., vp-general manager, KDTV, San Francisco, a SIN International Network affiliate. "But to a large extent, the refugees that settled in the Mission felt politically threatened by their economic status, education or political affiliation."

Because Spanish was the day-to-day language of the Mission, it was natural for the immigrants to settle in this neighborhood of pleasant weather, Spanish-language newsstands and theaters.

"San Francisco really has been the brain drain of Central America," Mr. Nicolas says. "It was the educated and politically involved people that had to flee." Many others came as well, he says, although this key group will have the greatest effect on income and buying. Mr. Nicolas also predicts per capita income will increase steadily during the next five years as this group becomes proficient enough in English to pursue their professions.

"It does appear that the Central and South Americans coming into this area are making it their home," he says. "They don't see much chance of returning to their native countries in the near future." Their children—born and raised in the U.S.—will add to this Hispanic market. They will be very American, but they will have strong cultural ties to their parents' homeland.

Carlos has been in the U.S. for almost 20 years, a Chilean political refugee who brought his young wife here to start a new life. His sons, Manuel, 13, and Juan, 17, were born in the U.S. and have never been to their parents' homeland.

Every year, the Chilean community gathers for a soccer game, dance and barbecue. The gathering was a family treat when the boys were younger. But during the past few years, it has become a family relations land mine. Embarrassed about the gathering's "hick" appearance, Juan began to balk at having to attend the ethnic affair.

He attended the celebration grudgingly when he was 15, but refused to go the next year. His father says he resented the "put down" of the family roots. Juan says he just wanted to be the same as his friends at school.

When he was 17, Juan went to the celebration. He met some girls and chummed around with some boys his age. He says he is looking forward to the party next year.

Carlos is still resentful that his son's life does not have a more Chilean focus, but Juan has become one of the emerging class of Hispanics. Juan is very Americanized in his buying tastes and habits. But he has a sense of pride in his heritage. For him, Spanish provides the connection to his parents and his Hispanic peers.

"The Bay Area is a perfect example of what the Hispanic market is," says Eduardo Gregg Patoni, president, Inter-American Advertising. "The nationalities included in 'Hispanic' are many: Mexican, Nicaraguan, Salvadoran, Argentine. There are some cultural differences, but they're really pretty minor compared to the common language that ties them together as a single market."

Bay Area Hispanic advertising and media executives say using Spanish makes any advertising work in the Hispanic market. It is the great common denominator, even in this diverse market.

Mirella-Olivia is 2 weeks old. Her mother, Janet, is an Anglo and her father, Lionel, is a Mexican who arrived in San Francisco about 10 years ago. They've been married for five years and Mirella-Olivia is their first child.

Lionel spoke virtually no English when he arrived in the U.S., but he has worked hard to learn it and has a responsible position at a flower nursery in the East Bay community of San Pablo. Janet, a native of the Bay Area, has a well-paying job as a postal worker.

Their friends are both Hispanic and Anglo, but Spanish is spoken at home. Janet and Lionel discussed speaking in English so Lionel would develop a better command of the language, but decided his English is adequate and using Spanish was more relaxing.

When Janet returns to work in three months, they have decided to send Mirella-Olivia to a day-care center that has Spanish as the primary language. They say their Hispanic friends' children who learn English first tend to be withdrawn and shy about using Spanish. But the children who learn Spanish first seem to pick up English quickly from tv, friends and family. Mirella-Olivia will grow and develop as an Hispanic; not Mexican, but not Anglo.

The largest concentration of Bay Area Hispanics—260,300 people, according to Strategy Research—is in Santa Clara County, the heart of Silicon Valley. Mexicans coming across the border 10 years ago would have headed to the region for harvesting jobs. As the computer industry boomed, agricultural jobs became factory jobs manufacturing silicon chips and computer casings.

The ethic to acquire land is part of the Mexican-American culture because the people of the land—farmers, field workers and those from small villages—were the ones who had come to seek their fortune in the U.S., according to Mr. Patoni. "The people who had money in Mexico have stayed," he says. "The Mexicans who came to the United States were looking for a better life and willing to work hard to get it."

Buying a house, acquiring major appliances, nice furniture and other accoutrements of U.S. middle-class living are some of the primary goals of these new Americans, he says.

"Latins are very status conscious in expressing the 'big' and the 'marvelous,'" he says. "They have a saying, '*Solo Dio y los Gringos*,' which means only God and the Gringos have it. They're looking for some of the good stuff in life. That's why you'll find they almost always buy name brands and consider discount products inferior."

Jose—an example of Mr. Patoni's analysis—crossed the border five years ago as a 17-year-old undocumented alien from a poor family in a small town in the state of Michoacan, Mexico. He and a friend crossed the border at night, a grand adventure. They had dreams of working the harvests and getting enough money to buy a car, taking it back to show the other boys in their hometown.

Jose had relatives in the San Francisco area, so when he crossed into the U.S., he called them and they sent money to make his way to the Bay Area. In the five years since that phone call, he's changed from a naive country boy, who had to

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Lynn Berling-Manuel is an Oakland, Cal.-based frequent contributor to Special Report and editor of Soccer America.

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be taught to use silverware instead of scooping up food with a tortilla, to a married man with a steady job and two children.

Jose and his wife purchased a small home with some financial help from relatives, and Jose sends money back to his family in Mexico. He has become a legal citizen since marrying his Chicano wife and plans on staying in the U.S. His children will grow up in a very Mexican-oriented home, but they will go to American schools and will grow up as young Americans.

Although San Francisco is ranked sixth in total Hispanic population, it is ranked fifth in the number of households. According to the San Francisco Business Council, annual family income in the San Francisco Hispanic market is $23,400—$5,600 more than the U.S. Hispanic average and $2,100 less than the U.S. average.

"Because often both the husband and wife work and children also may be contributing to household income there tends to be more financial stability in the household economy," Mr. Patoni says.

Like most of the other major Hispanic markets, the San Francisco population is young—68.5% are younger than 35, 36.5% are younger than 18 and 25% are 11 years or younger. "Money is really spent on kids for clothes and toys," KDTV's Mr. Nicolas says. "They want the best for their kids because life often revolves around home and family."

However, according to Tony Salazar, senior account exec for KOFY-AM in Santa Clara, changes are occurring. "We're seeing an increase in the number of women heads of households," he says. "Although the Catholic church still is a very strong influence on the entire Latin culture, it does not have as strong a hold on the community. The divorce rate may not have increased drastically, but it seems to be an increasing trend."

As cultural changes occur, cultural clashes are inevitable. Within the past decade, Mexican-Americans have taken greater pride in their roots and developed an identity as Chicanos. But this is an identity newer immigrants don't always understand or appreciate.

Miguel, a young Chicano lawyer who grew up in the San Francisco Bay Area and is practicing in Bakersfield, is caught between the cultures. His mother was politically active, and Miguel's dream always had been to be a lawyer.

He now works with low-income Hispanics as clients, but his Spanish is almost nonexistent. It has made it difficult to help them and gain their trust.

"You had to feel sorry for the Mexican-Americans," Mr. Patoni says. "They weren't really accepted by Anglos or Mexicans. For a long time they just wanted to fit in. But one of the important things that has happened is that now it's okay to be Chicano.

"Latins are a very proud people," he says. "That is deep in the culture . . . ."

The San Francisco Hispanic market is a puzzle—an apparently lucrative puzzle. Its diversity and geography tend to make marketers wary. But it also is establishing itself as potentially one of the most profitable Hispanic markets.

The next five years, according to local experts, should see substantial growth. As political problems in Central and South America continue, refugees will flow across the borders to friends and relatives. With them will come greater acquisitions, making the San Francisco Hispanic market a puzzle worth solving. ■

Houston

(Continued from Page 15)

lented investigator. The figures run from a low of 300,000 Hispanics to a high of nearly 1 million.

Strategy Research Corp., Miami, places the population of the Houston area of dominant influence at 3.5 million, of which 611,300 are Hispanic. The company says 464,800 Hispanics live in Harris County alone. Arturo Sanchez, director-pr and promotions for KLAT-AM, the No. 1 rated local Hispanic radio station, says all figures are soft because of the number of undocumented Hispanics.

Regardless of the total figures, Houston Hispanics have gone far beyond the barrios, says Richard Jaffe, president of Telesurveys of Texas, Houston. "The barrio image is a false image here in Houston."

Telesurveys of Texas surveyed Houston's Mexican and Mexican-American population, which Mr. Jaffe says makes up 90% of the local Hispanic market. "Eighty per cent of the census tracts here are at least 5% Hispanic. Hispanics are in black areas and white areas. An insulated or isolated society, it is not," he says.

The result of this mingling, according to Rosie Zamora-Cope, vp of Telesurveys of Texas, has been greater integration in school systems and more intermarriage—30% of Houston Hispanics have married non-Hispanics. "So there is more acculturation," she says. "But you also have new arrivals all the time," so Houston has both old and new world Hispanics.

"Formerly all-white areas now have Hispanic shops in them," she says. "Apartment complexes that had been all-white, high-income buildings now have a lot of brown faces."

Mr. Jaffe says that "emotionally Anglos find it easier to absorb Hispanics into their society than blacks. There's no history of violence the way there is with blacks from the '60s. Also the culture is so inculcated—Anglos have always gone to Mexican restaurants." The only real concern whites have is that the number of Hispanics in the school system will cause a serious tax drain, he says.

Tacho Mindiola, a University of Houston professor, says the

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Houston

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influx of Mexican immigrants gives residents a sense of vitality.

Mr. Jaffe says that without the undocumented, Houston would be poorer. "The undocumented have stimulated new jobs and industries. Despite an influx of immigrants, our unemployment figure is down one percentage point from last year to 7.4%. The undocumented and documented are able to enter the labor force rather effectively. They are also creating a middle class among Mexican-Americans and blacks," he says. The undocumented come in at the bottom of the employment ladder, pushing others up.

Although a portion of Houston's undocumented community has left because of the city's oil-related downturn, the city's proximity to the Mexican border makes it an attractive destination for Mexicans and an increasingly large number of Central and South Americans.

El Salvadoran residents now number between 30,000 and 50,000, Mr. Sanchez says. A small community of Cubans, estimated at 10,000 to 20,000 people, and another community of 12,000 Central and South Americans, fill out the local Hispanic population, he says.

The Cuban immigrants and some South Americans tend to work in white-collar jobs. "The Mexicans coming up are blue collar," Mr. Jaffe says, "and the Salvadorans are a mixed bag depending on who they're fleeing—the left or the right."

Because the Salvadorans, Guatemalans and Colombians are "more divorced from their lands," these people are adopting the Mexican-American culture, he says.

Mr. Jaffe says economic and social problems guarantee growth even if stricter immigration restrictions were approved. Already one out of every three students in the Houston public schools is Hispanic. Within 10 years the majority of the students will be Hispanic, and Mr. Jaffe says half of Harris County will be Hispanic in 30 to 35 years.

"The fertility rate among Mexican-Americans is much higher than among whites or blacks," Mr. Jaffe says. "Children are a survival mechanism: If you have kids, they'll support you. Until they become middle class, Hispanics are going to keep having children."

The Houston Hispanic community is an attractive market because of the age of the population, Mr. Mindiola says. More than 40% of the Houston Hispanic community is younger than 18 while 73.5% is younger than 35.

Local Hispanics' income and educational levels are higher than local blacks', but they are lower than that of Anglos. More than 40% of Houston area Hispanic heads of households are high school graduates, while 20% are college graduates. Strategy Research placed the 1980 average annual family income at $13,500. A smaller study done by Mr. Mindiola in 1982 found the average to be only slightly higher.

Although Strategy Research found that two-thirds of Houston Hispanic households have at least one credit card, Mr. Jaffe says only 35% of the Hispanic-Americans have checking accounts—a sharp contrast with the 90% of the total community. Only 6% of the undocumented have checking accounts, he says.

"With half the population being undocumented or registered-documented, they are always worried about what is going to happen," Mr. Jaffe says. The undocumented live "at the whim of the government," he says, making them unlikely to open checking or savings accounts and providing a healthy money order business.

But even the documented and Hispanic-Americans have not been reached by the financial services institutions. They are still strong believers in the cash transaction, he says. Houston Hispanic leaders say the lack of a relationship with the financial community is a detriment to increasing economic clout both as consumers and in business.

But lack of financial savvy has not kept 75% of the area's Hispanic families from owning their homes. One reason for the emphasis on home buying is the Hispanic's first priority—his family. The family orientation accounts for a lower divorce rate, fewer mental health problems and fewer problems with the law, Mr. Jaffe says.

Spanish is the bond between generations and Hispanic-Americans and new immigrants. ["Advertisers] have to understand that 44% of Houston Hispanics speak Spanish all of the time as a family language," Mr. Jaffe says. "Over 85% speak Spanish most or some of the time." This requires a new sophistication and adaptation to bilingualism, he says. "Businesses here are becoming more bilingual. The stores recognize there has to be a Hispanic flavor."

Fiesta Mart, a grocery store that opened several years ago in the heart of the city's north side barrio, found success hinged on promoting the Hispanic flavor. The store not only stocked nearly every item that Hispanics could ever want, it overstocked them. Store officials capitalized on the Hispanic trait of seeing abundant stock as an invitation to buy without fear of depleting the items for anyone else.

Politically, the Harris County Hispanic tends to be a Democrat but with a mixed stand on issues. On abortion, they are conservative, but on civil rights they are liberal, Mr. Mindiola says. He says the Republicans are making inroads into the upper and middle-class.

Hispanics believe they have no influence and that the political system is not responsive to their needs, says Mr. Mindiola, who conducted a political survey of a large Houston barrio. As a result, Hispanics are registered in smaller numbers than the community at large. Mr. Jaffe says that to vote in an American election would be to break their bond to Mexico.

Should they become registered, they would have increasing clout both as voters and buyers. But even if they remain undocumented, Hispanics will continue to shape the city in their image, adding Hispanic tiles to the city's cultural and economic mosaic. ■

Brownsville

(Continued from Page 16)

spite this, the people who inhabit what has been described as America's Third World survive on several cultural, economic and educational levels.

• **The Day Laborer:** A tv cameraman spotted an extreme case; two families seeking shelter from a winter freeze in a three-room shack with no heat, no water, one bare bulb suspended from the ceiling, swaying in the draft. The parents and eight children ranging in age from 2 to 10 years—with another on the way—stood without shoes or coats.

These new arrivals to the Hispanic Ellis Island probably will become low-paid day laborers, joining the 22% of the valley's population living at the poverty line or the 28% living below it, according to the Industrial Areas Foundation. These Spanish-speaking immigrants were victims of bureaucratic red tape. They don't qualify for food stamps because their papers aren't in order; a lawyer will straighten them out for $200.

The children don't speak English either, but they are of school age. The Supreme Court ruled they have to be admitted to school, but should they be taught in Spanish or the official language of their new country, a language they don't understand?

Immigrants continue to stream across the river primarily because conditions are worse in Mexico. Families such as these are the reason the valley's median age is 18, the average yearly income is $7,000 and educational levels are sixth grade, according to the South Texas Institute.

If this seems bleak, consider that the situation largely has improved: In 1970, the average annual income was $3,000 and the educational level was third grade. However, institute director Antonio Noe Zavaleta says the median age could dip to 16 years by 1990.

The day laborer's household and financial affairs usually are administered to by his wife. She will fill out the countless welfare forms, make the major purchases, raise the family and respond to efforts to organize the community.

Because of the day laborer's living conditions, the Catholic Diocese of Brownsville invited the IAF to try to organize this segment of the valley. "The only reason we're helping them is because no one else will—not the chamber of commerce, not the lawyers, not the developers," Bishop John Fitzpatrick says.

The day laborer spends nearly all his income on rent, food and clothing, usually at the neighborhood *tendajo* where credit is available. His favorite media is radio—music cheers him up and reminds him of home.

• **The Border Rat:** Julio grew up in the valley and will remain here until he dies. He is a border rat. He admits it. No, he proclaims it. Joe is one too, although he isn't quite as vocal about it.

Both completed Catholic high school and attended college. Every spring Joe tapes a 1040 tax form to his father's downtown office window and waits for the W-2s to walk in. It takes him about 15 minutes to complete a tax form while the customer waits. Presto, $10.

He won't keep it long, though; his children always need something. Joe blew his stack the other day when he found out his wife took their sons to the mall for haircuts at $12 each. His barber across the border in Matamoros charges 300 pesos, but he gives him $2 and let's him keep the change.

Joe considered moving to Houston with his brothers, but never got around to it. Although he is bilingual, his children don't speak Spanish and he hasn't bothered to teach them. "If they want to speak it," he says, "they'll learn it themselves."

Julio knows what it's like to be unemployed in the valley. The last time he got fired he went into his room and "didn't come out for a year," he says. His family supported him—they had to. They wanted him to be a po-

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liceman, but after he got out of the Marines he didn't want to wear another uniform.

His father went bankrupt when Mexican banks confiscated U.S. dollars in savings accounts. The sign above his father's junkyard was knocked down during the last hurricane and hasn't been replaced. His uncle owns a sister yard in Mexico, and his relatives are close to local politicians. "You need connections like those to do business," he says.

Julio's philosophy—"there's a racket in everything"—makes him a shrewd and wary buyer, serving him well in the poverty-stricken valley, where a large underground economy exists. He wears Topsiders and tasteful, expensive jewelry.

The border rats account for 10% of the population, according to South Texas Institute estimates, and represent the new middle-class valley Hispanic. Earning between $20,000 and $40,000 a year, they are as bright and capable as their Anglo counterparts, having been given access to about the same education. They feel stifled by one thing: Lack of advancement. "You're never going to get anywhere down here," Joe says.

Politically, they differ just slightly. Joe disdains national and statewide politicians, who trek here every four years promising change in return for votes. His interest in politics is purely parochial. Julio is more radical on national issues as they involve "Chicanos," saying the deck is stacked against them.

- **The Infrastructure:** Representing about 15% of the population, the members of the infrastructure have risen through the ranks to become the valley bureaucracy. Their families have lived in the area for generations. In this group are social program administrators, district judges, school superintendents, college professors and just plain hometown folks who made good.

Because they have become the establishment, they lead their lives and carry their views conservatively. This group is wealthier—annual incomes exceed $40,000, according to local estimates—older—about mid-40s—more mobile and more secure than other valley Hispanics. They like their community and love their position in it.

Their homes are furnished with "brand name" merchandise. They have outgrown scrimping, but still know how to drive a hard bargain.

- **The Executive Winter Texan:** Primarily Anglos, these people, 15% of the valley population, often consider themselves stranded in an outpost far from civilization.

Many are long-term tourists or retirees. Others are industry executives—bank presidents, real estate agents, promoters and developers—who find themselves stuck in the 19th century. They are working hard to raise the standards of living into the 20th century and have been the class that valley Hispanics hope to emulate.

At their worst, they keep relations with the natives cordial and to a mimimum, learning only enough Spanish to communicate with the maid. They often remind others English is the official language of the U.S.

Long dominant in local politics, their strength is waning because of increasing Hispanic voting strength. Brownsville was the first to fall and McAllen now is tottering.

- **The Wealthy Mexicans:** This low-profile group is part of the reason magic once visited the valley, and it still keeps the malls afloat. When the peso fell, the Wealthy Mexicans' presence fell with it, dropping from 30% of the local population to 5%. They found themselves unable to afford quality U.S. merchandise, beachfront condos and lavish shopping sprees, causing local merchants to shift their target to local residents.

They still can be found vacationing on South Padre Island or shopping downtown. Their main contribution to the economy is keeping financial houses teeming with deposits, protected by the Federal Savings & Loan Insurance Corp. Mexico confiscated their dollars once, and they are making sure it won't happen again.

- **The Founders:** Also primarily Anglos, this 5% of the area's population didn't discover the area, but figured out how to make more money out of it. After forming irrigation companies, they turned a silty desert wasteland into a year-round citrus and vegetable producer.

They oppose change for one obvious reason: They have the most to lose. Still the real powers of the area, their strength may be waning. The biggest threat to their position is worker's compensation and union organization. Also, many of the citrus groves were sold in 10-acre lots to northerners for investments. It's unclear who the real owners are now.

Their offspring are part of the new right, more compassionate than their parents but still conservative. Most keep low profiles and live in secluded upper valley areas. They once planted palm trees and tried to re-create a plantation life style—now the palm trees are all dead.

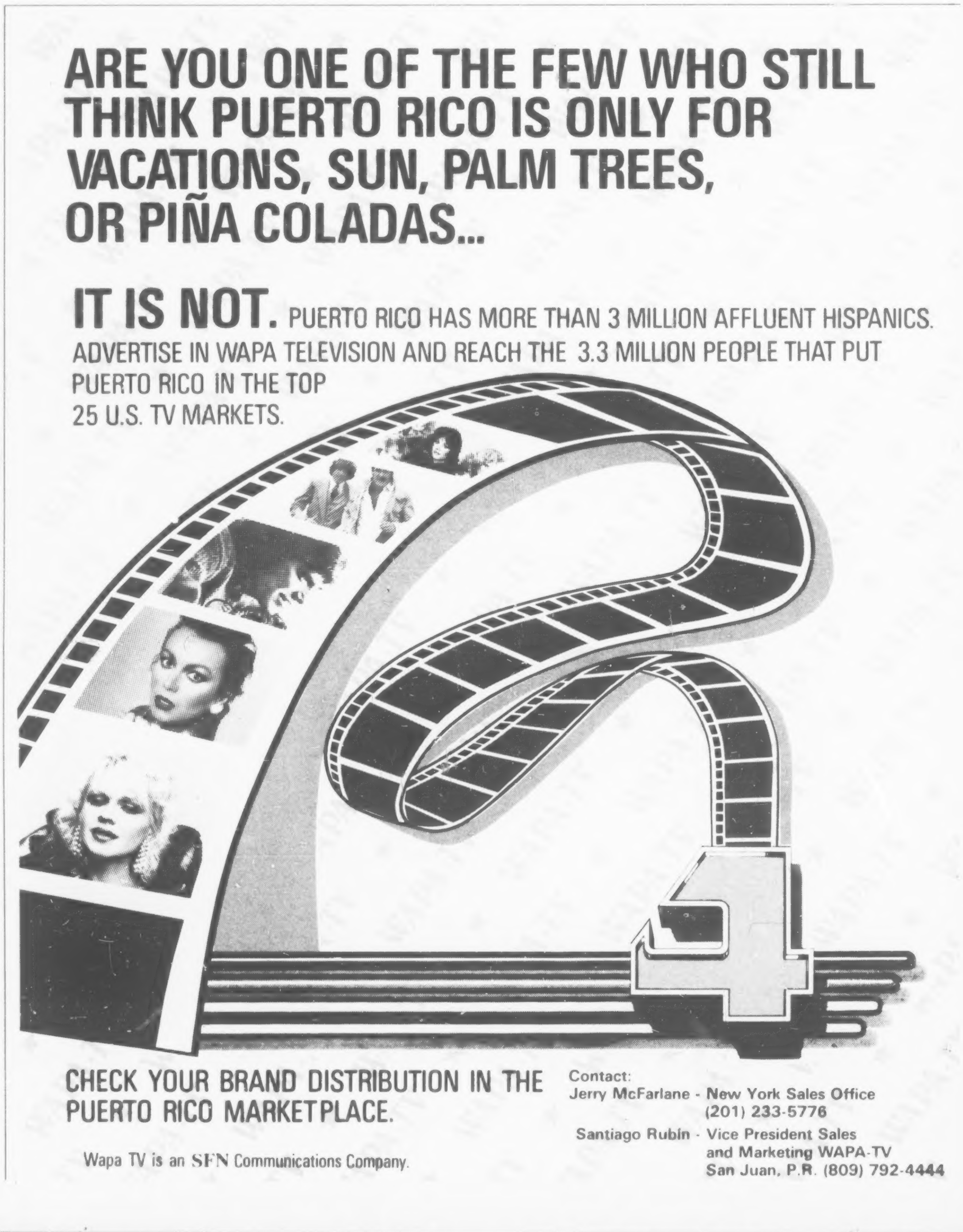
With the exception of radio, advertisers primarily reach this diverse market in English. To advertise in Spanish is to consciously target the 215,000 residents on the other side of the Rio Grande, they say.

KGBT-AM is the largest radio station in the valley and broadcasts in Spanish to an audience well into Mexico and Central America. KIWW, also Spanish language, is the fm leader.

The tv market is divided evenly between KRGV, the ABC affiliate, and KGBT, the CBS affiliate. Their Spanish programing—less than 5% of airtime—consists of Sunday morning musical guest shows. Because of its cost, cable tv—represented by K12TV—primarily serves the Valley's rather limited middle to upper income groups.

Freedom Newspapers hold a

(Continued on Page 42)



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Brownsville

(Continued from Page 41)

virtual monopoly in the print media, owning the *Brownsville Herald*, the Harlingen-based *Valley Morning Star* and the *Monitor* in McAllen. The *Herald* publishes a Spanish-language edition that has a dedicated following numbering 5,000, according to Douglas Hardie, publisher. But it is merely four Spanish pages wrapped around the rest of the English-language newspaper.

Advertisers are missing the boat if they think converting English commercials into Spanish will appeal to the border market, says Mr. Zavaleta of the South Texas Institute. "That's a researcher's copout, to lump all Hispanics as Spanish speakers," he says. "The Hispanic is much more diverse than that. The valley is truly a bilingual community, and research has shown succeeding generations rely on Spanish less and less.

"We're entering the middle class, exerting our political and economic muscle, and we have to be reached in ways that are consistent with our experiences and values," he says.

The themes that appeal to valley residents are those that acknowledge they are moving into society as full-fledged participants in social and economic activities. Judge Reynaldo G. Garza, the first Mexican-American appointed to the federal judiciary, says he will never forget what President John F. Kennedy said to him on the day of his appointment: "He said, 'America was no longer going to accept second-class citizens.' "

Judge Garza symbolizes just how much the immigrant can achieve if given the opportunity. If Hispanics continue to infiltrate the middle class, by their sheer numbers alone, mindful of their humble past but driven by a desire to succeed, maybe magic once again will visit the Rio Grande Valley. ■

Albuquerque

(Continued from Page 16)

are a part of Texas.' "

Mr. Ramsey says Spanish phrases that are relevant to the Cuban, Puerto Rican or Mexican populations in other cities may be meaningless in New Mexico. "It's a different language."

New Mexico politics reflect the long-established clout of the Hispanic population. The state has the largest proportion of Hispanic residents in the nation —36.8% Hispanic compared with Texas' 23.4% and California's 22.5%. In part because of this, it is the only state with a Hispanic governor, and it has sent two of the nine Hispanic representatives to the U.S. Congress. The State Legislature is 40% Hispanic. "The Anglo has no trouble voting for a Hispanic here," says Lee Benjamin, executive director of the Albuquerque Hispano Chamber.

Mr. Collado points out another ramification of the long-standing Hispanic culture: New Mexico Hispanics are more heterogeneous. "Here you have all types of people," he says. "Rich, middle class and poor."

Albuquerque's Hispanic market is even more youthful than the national norm, with 69% younger than 35 years old. The obvious conclusion is that their greatest earning and spending years are still ahead of them. Males 18 to 34 account for 58.4% of the population—compared with 16.6% nationwide—and Hispanic females 18 to 34 account for 60.5%—contrasted with 16% nationwide.

The regional Hispanic median income is $19,500, close to the non-Hispanic national norm. But a Hispano Chamber of Commerce survey found Hispanic household income in Albuquerque hovered near $14,700 a year—$5,000 less than the average non-Hispanic household.

According to the survey, a greater proportion of New Mexico Hispanics work in heavy industry and as operators and service providers. Non-Hispanics tend to work in finance and insurance and are found in managerial, professional and technical jobs.

The brand loyalty found nationally among Hispanics is also evident among New Mexican Hispanics. A survey by Hispanic Advertising Consultants found that 61.3% of auto buyers surveyed listed "make" as the reason for a purchase, and only 16% listed "price." Marketers should "stress quality and service," Mr. Ramsey says.

The local touch also works, Mr. Benjamin says, adding that "word-of-mouth, 'Tell-your-neighbors-about-us' advertising is very effective. There is a tremendous amount of trust in the Hispanic community. Even very large companies now are starting to work with local management. The national can decide the 'what' but the 'how' has to be local. To succeed here advertising needs a local angle."

The strong family ties that show up among Hispanics nationally are also obvious in New Mexico, with entertainment centered on the home and family. "Hospitality is a valued quality," Mr. Benjamin says, and leisure purchases reflect that.

New Mexicans cling to their unusualness, preferring New Mexican native foods, which are influenced by Indian cooking, over anything that might be described nationally as "Mexican" food. "In food at least, it's more difficult to make a change than in the community at large," Mr. Benjamin says. "It's brand loyalty, partly, and a resistance to changing food patterns."

But by appealing directly to the community, companies can influence and stimulate change. When a local distributor for a national concern hired a Hispanic community coordinator, someone who was well-known in the community, the company's sales boomed. A "Mexican" restaurant chain failed, and a local took it over, turning it into a success by serving local fare.

The composition of today's market will change soon, some experts predict. "There is a lot of intermarriage," Mr. Delgado says. "That will have an effect. Maybe not now, but in 10 years."

The immigration to areas of Albuquerque, unlike many primary Hispanic markets, is mainly Anglo, not Hispanic. Nevertheless, the Hispanic population of the city—which including outlying areas of Bernalillo County now accounts for 183,000 of New Mexico's 532,000 Hispanics—is expected to triple by 1990, according to "The Hispanic Almanac."

"It's an exciting market," Mr. Ramsey says. "National advertisers look at Albuquerque and say it's not a big enough market to do something special, but it is. The rate of growth will be 35% in the next 10 years. That means 104,000 more people, 60% of that growth in the Hispanic population."

Those growth figures and the fact that New Mexico is the only officially bilingual state in the union have boosted the acceptance of Spanish-language media, according to local media people. "The Hispanic market is almost integrated with the English. People who listen to our station are bilingual," says Richard Garcia, general manager of Spanish-language KDCE-AM. "Some families have been here for 390 years, and they are used to hearing both languages."

Although the area has a number of Spanish-language outlets, Mr. Delgado says it is not necessary to use Spanish to reach potential buyers.

A lot of Spanish is spoken, "but that doesn't mean it's all they speak," he says. "You do have to get in and be part of that culture, but that doesn't mean working in Spanish necessarily, just being part of things. Locally originated tv programs are only tokens."

But tokens may help position a company in the community. Local media people say Spanish-language ads run during English-language programing, or vice versa, have not resulted in cultural backlashes. "The nice thing about using Spanish-language radio," Mr. Ramsey says, "is there is a cultural tie. There's a crossover because Anglos are listening, too."

A telephone survey by Hispanic Advertising Consultants found that 21.3% of the Albuquerque residents who identified themselves as Hispanics spoke Spanish at home "all the time," and only 11.7% responded "never." The survey also determined that 26.3% of those people identifying themselves as Hispanics listen "often" to Spanish-language radio, and 26.3% "never" turn their dial to those stations.

Albuquerque marketers report that residents are placing more value on speaking Spanish as a second language. Although the current generation of 30-year-old Hispanics may not have learned Spanish because speaking English and assimilating was highly valued in their parents' generation, they are encouraging their children to learn Spanish.

Those active in the New Mexican Hispanic market say marketers should be attentive to the area's characteristics. "In a nutshell," Mr. Delgado says, "marketing understands the numbers, but from a cultural and psychological viewpoint they know very little.

"A lot of trying to reach the Hispanic market is being done through the eyes of an Anglo," he says. "The days of the Frito Bandito and the Mexican under a Saguaro cactus were over a long time ago."

Mr. Delgado says the best way for a company to reach the market is to become part of it at the grass-roots level.

Problems will exist until marketers recognize the different subcultural groups under the Hispanic umbrella, Mr. Delgado says. "There is a unique identity here . . . a huge hidden market that someone with the right assessment is going to explore. We're dealing with a distinct cultural group that yet is in the mainstream of society. I don't know that anyone really understands the Hispanic market. They bandy the Hispanic name around, but it's an umbrella name."

For those willing to probe its subtleties, the Albuquerque market is promising. "There is a feeling of growth in Albuquerque," Mr. Benjamin says, "a feeling of being part of the Sunbelt. I think the '80s is the decade of the Hispanic." ■

El Paso

(Continued from Page 16)

Juarez and the constant contact with two cultures is Spanish-language KAMA-AM and its affiliate, KAMZ-FM. Jack R. McVeigh Jr., national sales manager, says older Mexican-Americans in El Paso not only speak excellent Spanish, but also generally feel more comfortable with it. Spanglish is prevalent among younger Mexican-Americans, who feel more comfortable with English, he says.

Unlike KAMA, KAMZ is programed in English to reach the young Hispanic, Mr. McVeigh says. The average age of Hispanics in El Paso is 23.5 years. Strategy Research says 43.9% of all Hispanics in El Paso are younger than 18 and children younger than 12 make up nearly 30% of the Hispanic population.

The radio business in El Paso-Juarez is highly competitive, Mr. McVeigh says, with 17 stations in El Paso and 20 in Juarez.

"El Paso will always be a Spanish-English community. The comparative low circulation rates of the two English-language newspapers [*El Paso Times*, 60,500 daily; *El Paso Herald-Post*, 33,000 daily] attests to the language uniqueness of this community," Mr. McVeigh says.

Mr. Bencomo says El Paso-Juarez is different in ways besides language, differences that

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affect consumers' behavior and buying habits. "There is a great deal of pride among Hispanics in El Paso, of church and family. There is an ethic among Hispanics of being a good worker—that working hard is part of being a good provider," Mr. Bencomo says.

The good provider attitude means Hispanics are loyal to name brands, no matter how expensive, he says.

"Most of our customers are hard-working people," Mr. Bencomo says. "About 40% are receiving some kind of federal assistance, such as food stamps. But we also have very affluent Hispanics who grew up in the *barrio*, moved on to better things, but return to shop at the old store."

The future will see an upswing in the number of affluent El Paso Hispanics, he says. "Today we have many doctors, lawyers, judges, accountants. The Hispanic of today defies all stereotypes, even though we are still a blue-collar people and we have a long way to go."

Hispanics are able to take what they want from both cultures, Mr. Bencomo says. "More and more we're gaining the respect of the Anglo for our family ties, our music and food and our loyalty to the church," he says. "We're a beautiful people."

Politically, Mr. Bencomo says, the Hispanic is a mixture of Republican and Democrat, depending on economic status.

Those who live on a fixed income tend to remain loyal to the Democratic party, which is viewed as the party with compassion for the poor, Mr. Bencomo says. Underemployed and unemployed Hispanics feel left out of the American dream and are angry and frustrated, he says. "I would say 30% of our people are not making it. For them, being a Mexican and looking like a Mexican and speaking English with a Spanish accent is a terrible disadvantage."

When Hispanics are better educated and have better jobs, those characteristics become advantages. The Hispanic lawyer who relates to his clients because he is *raza* tends to do better than his non-Hispanic counterparts. Bilingual teachers are in greater demand than monolingual teachers.

"So political systems for the Hispanics means which party can get the Hispanics from the outside, where being Hispanic is a disadvantage, to the point in professional life where being Hispanic is a plus," Mr. Bencomo says.

Oscar Martinez, director of the Center for Inter-American and Border Studies at the University of Texas at El Paso, has a dim view of Hispanic progress. As a community, he says, El Paso Hispanics "have traveled only a short distance in their quest to achieve parity with the Anglo population. Economically and socially, a gulf still separates the two groups." But strides have been made, he says, and Hispanics have enhanced their role and their say in El Paso by fighting for their interests.

Residents of Juarez have none of the two-culture prejudicial problems of their friends north of the Rio Grande. Theirs is a problem of survival and of making it in a devaluating economy.

Many border businesses folded when Mexicans no longer could afford American products. The two cities again learned how much they rely on each other.

The peso today is still highly devalued, but because of high inflation in Mexico, Mexicans are finding bargains again in American border cities. Shoppers from El Paso and Juarez have crossed the border to spend some $125 million a year in each other's cities.

Not all the interaction has a positive effect, however. Labor experts say El Paso is a "minimum-wage town" because it is on the border.

Being on the border also promotes a feeling of isolation. El Paso is out of the normal orbit of Texas, relating in many ways to New Mexico, Arizona and California. "California has always been the mecca for Mexican-Americans," Mr. Bencomo says. "Very seldom would you hear of a Mexican-American moving to Dallas or Houston or Fort Worth. All that is changing now, and opportunities to the east are opening up. But the grass is still greener for us anywhere west."

Part of the Texas isolation comes from the fact that El Paso is only 325 miles from Santa Fe, the capital of New Mexico, while it is 583 miles to Austin, the capital of Texas.

Juarez is in the same boat. Mayor Francisco Barrio calls his city a desert island, and he says his constituents also are ignored, maligned and misunderstood by the rest of the country, including state and federal governments.

Because of the border, El Paso's economy is based on trade, government and low-skilled manufacturing, which has kept it from growing like other Sunbelt cities, says Thomas F. Lee, an El Paso economist. However, he predicts "a moderately healthy" economic future for the area.

Even if the economy doesn't boom, the population—fueled by high birth rates in both Juarez and El Paso and a steady influx of immigrants—probably will. City planners predict an increase from 470,000 to between 600,000 and 660,000 by 2000. In Juarez, planners estimate a population between 1.5 million and 2.4 million by 2000.

Economists, planners, businessmen and political leaders all agree on one aspect of the El Paso-Juarez economy of the future: The two cities and the citizens will continue to be Siamese twins, joined at the cash register.

Marketing to Hispanics report coordinator: Ed Fitch.

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Monday, March 25, 1985

Advertising Age

Crain's International Newspaper of Marketing ®

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Buy-buy, bye-bye in media world

New names, new faces result from desire to acquire

By CRAIG REISS

It was a week of historic magnitude and dramatic transition for some of the nation's biggest media companies.

Ownership changed hands in two major deals, and control of several other major media entities was either being challenged, or about to be, through stock purchases by outsiders.

The $3.5 billion takeover of ABC Inc. by Capital Cities Communications, both New York, remained the largest and most remarkable event in a remarkable week.

That was an amicable merger, as was Rupert Murdoch's $250 million cash outlay ($88 million was a loan) for a 50% stake in 20th Century Fox Film Corp., Los Angeles *(see related story on Page 2)*.

Friendliness, however, stopped there. For everyone else affected by the accelerating rush to acquire stock in media operations, the mood last week was particularly nasty. Consider:

James Brady's views of Tom Murphy and the Cap Cities crowd—Page 3.

- Ivan Boesky, one of the country's fiercest arbitragers, whose Wall Street exploits have earned him the nickname "Piggy," last week acquired a 7%-to-8% interest in CBS Inc., New York, for $240 million, according to the *New York Times*.

At press time, CBS said it was unaware of Mr. Boesky's action, but the company was listed every day last week on the New York Stock Exchange's list of most active stocks.

- Mr. Boesky's reported move on CBS followed by two days the announcement of the Cap Cities/ABC merger (AA, March 21) and by one day a report in Liz Smith's *New York Daily News* gossip column that former CBS Inc. chairman William Paley was considering a return to the fold by leading a leveraged buyout of CBS, the company he founded.

CBS denied the Paley report and also said it knew of no move by Mr. Boesky to acquire such a large block of CBS stock. But it is a clear commentary on the state of affairs in the control of media companies that Mr. Boesky was not discouraged by that denial. Media stocks now are being driven far more by perception than by fact.

- Ted Turner, who earlier this month was reported to have begun his own CBS Inc. takeover bid (AA, March 4), gave a deposition to CBS lawyers last week in which he apparently admitted that he had met several times with conservative Republican Sen. Jesse Helms (R., N.C.) about working together to buy out CBS. Sen. Helms' group, Fairness in Media, has been seeking to acquire CBS stock to force ideological change on the CBS board and CBS

(Continued on Page 116)

Perfectly clear who's touting Nixon's book

By JANET SIMONS

DENVER—If Geraldine Ferraro can, why not Richard Nixon?

The former U.S. President makes his bow this week as a commercial presenter in ads that tout the newspaper serialization of his new book, "No More Vietnams," in the *Rocky Mountain News*.

In 30-second radio and tv spots, Mr. Nixon reads a brief excerpt from his book. The tv commercial, featuring his narration, uses b&w Vietnam-era photographs of Mr. Nixon, selected by him from the Nixon archives.

Colle & McVoy, Denver, created the *News* campaign; the production company is Zine Design Films, Denver. Mr. Nixon made the tapes at his office in New York.

The idea of using the only President in U.S. history to be forced out of office as advertising talent began when an agency executive learned that Zine Design partner David Soma had a long relationship with Mr. Nixon and was willing to act as liaison. Mr. Soma had worked on a commercial for Mr. Nixon's presidential campaign and for other Republican party commercials.

The book's publisher, Arbor House; its syndicator, News America Syndicate Inc., and a group of Nixon sympathizers pushed to get the commercial made, according to Mr. Soma. "I think this will be very good for him," Mr. Soma added.

Mr. Soma claims Mr. Nixon decided to make the commercials not for the money, but to use them as a vehicle to show him in a favorable light. The former President undoubtedly feels the ads will present him as an elder statesman.

According to Mr. Soma, Mr. Nixon didn't take a talent fee, and insisted the commercial tapes be available free of charge to other newspapers carrying "No More Vietnams." The spots will run in at least 15 major markets, including New York, Boston, Chicago, Dallas and Orange County, Cal., starting March 31, the book's publication date.

Mr. Nixon had a degree of control over the content of the ads. He selected an initial group of photo-

(Continued on Page 116)

The bite that's right
KING COBRA
KING COBRA
KING COBRA
KING COBRA
From Anheuser-Busch

Cobra coiled

Anheuser-Busch reenters the malt liquor category this week with King Cobra (AA, March 21). The brand, expanded to 150 markets in 20 states after a one-year test in 12 markets, gives St. Louis-based A-B an entry in a market segment it left several years ago after the failure of Budweiser Malt Liquor. Print, radio and outdoor advertising, themed "The bite that's right," support the rollout. J.P. Martin Associates, New York, is the agency.

Last Minute News

Marschalk, Jordan win in Sterling juggle

NEW YORK—Sterling Drug has shifted more than $20 million in Lehn & Fink business. The move adds Marschalk Co. and Jordan, Case & McGrath to its roster, drops Avrett, Free & Ginsburg and moves two products out of SSC&B. Marschalk gains Lysol Pine Action cleaner from Avrett, and Lysol laundry sanitizer, a new all-purpose bleach. The two Lysol brands bill an estimated $10 million-plus each. Jordan gains Wet Ones and Chubs towelettes, billing $1.5 million, from SSC&B.

GrandMet to sell off Pinkerton Tobacco

MONTVALE, N.J.—GrandMet USA intends to sell its Pinkerton Tobacco Co. unit, the Owenboro, Ky., marketer of Red Man chewing tobacco and pipe tobaccos. Benton & Bowles, New York, handles Pinkerton's roughly $3 million ad account.

First ads poured into Cherry Coke

HARTFORD, CONN.—Coca-Cola USA, Atlanta, breaks its first advertising today for Cherry Coke in a $1 million tv campaign in this test area. SSC&B, New York, created the advertising.

ABC lines up sponsor stars for Oscars

NEW YORK—ABC-TV's telecast tonight of the Academy Awards will be sponsored by AT&T, Coca-Cola Co., General Electric, General Motors'

(Continued on Page 8)

Stones may rock for Pepsi

By NANCY GIGES

Pepsi-Cola USA hopes to close a deal soon with the Rolling Stones, adding that group to what could be a growing list of rock groups sponsored by the Purchase, N.Y.-based soft-drink company.

A Pepsi spokesman had no comment on the report, but reliable sources said Pepsi is prepared to pay more than the $10 million it invested in the Michael Jackson deal last year.

If the deal is consummated, with a single act Pepsi would appeal to a broader age span than Michael Jackson or Lionel Richie alone. Mr. Richie, who replaced the Jacksons in Pepsi-Cola commercials this year, has a multiyear, multifaceted deal. Although Mr. Jackson and his brothers no longer are associated with Pepsi, the company has expressed hope it would link with musical groups or individuals desiring a longer-term arrangement.

The Rolling Stones, one of the few groups that has remained popular for many years, removed the stigma from corporate sponsorship of rock groups when it signed with Jovan in 1981. That 45-city tour brought in some $40 million from

(Continued on Page 116)

Ad Age Best

The editors of ADVERTISING AGE took a look at last year's tv spots and selected 1984's best commercials. See Page 50.

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'Scapegoat' Luisi grazes JWT on libel

By STEWART ALTER

Did JWT Group make Marie Luisi the scapegoat for its syndication problems?

That's the point her lawyers seem most likely to emphasize in court, now that a New York state supreme court judge has ruled (AA, March 21) that Ms. Luisi does have a cause of action for a libel trial against JWT.

The trial, which probably won't take place for at least another year, is also likely to focus on several issues that go beyond the world of advertising. Two subjects likely to get attention, both of which have relatively little legal precedent, are the extent of liability of an individual executive for a corporation's problems and the topic of press releases as documents subject to libel suits.

JWT, which now has the burden of proof, maintains that it can establish its case against Ms. Luisi.

"We are confident that when the facts are presented in a court of law that they will prove that we did not libel her and they will totally vindicate the company," said Don Deaton, senior vp-director of corporate communications at JWT Group.

It was Mr. Deaton's department that prepared the March 30, 1982, press release that forms the basis for the libel suit.

"We've been confident from the beginning in the validity of the way we handled the matter and have felt the lawsuit was without merit and ludicrous," he continued. Mr. Deaton also confirmed that the Securities & Exchange Commission "is still investigating what happened and that that investigation has not terminated."

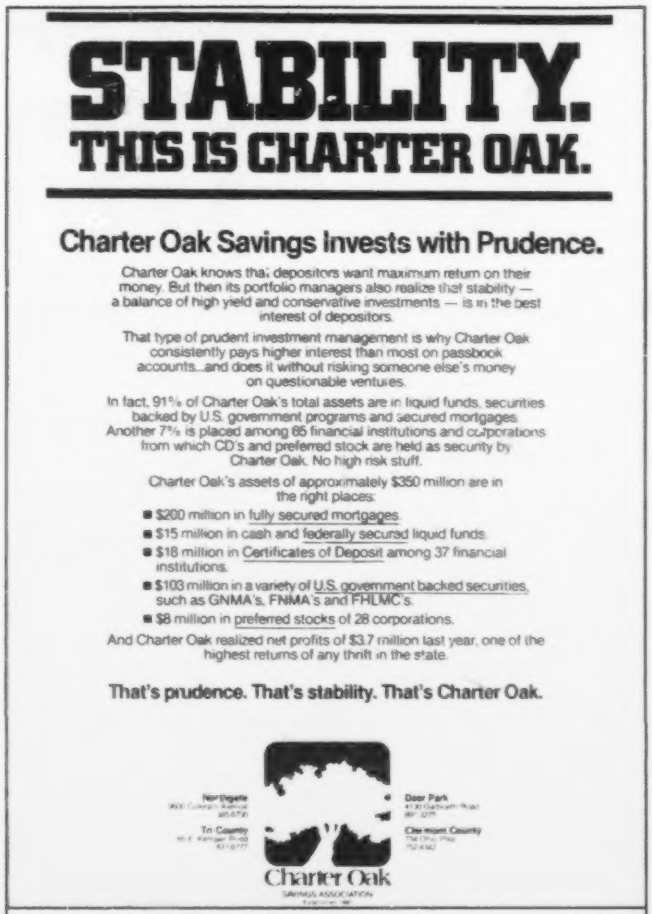
Ms. Luisi had headed J. Walter Thompson USA's spot-buying and tv program syndication units before it was learned that syndication revenue had been overstated significantly through computer system entries (AA, Feb. 8, '82, *et seq.*). Because of the discovery of these irregularities, JWT had to restate its earnings for that year to reflect a loss of more than $30 million.

The agency dismissed Ms. Luisi, labeling her responsible for the scandal.

The libel suit seeks damages in excess of $20 million and punitive damages of $30 million.

New York state supreme court Justice David Saxe ruled last week that "this press release may reasonably

(Continued on Page 114)



STABILITY. THIS IS CHARTER OAK.

Charter Oak Savings Invests with Prudence.

Charter Oak knows that depositors want maximum return on their money. But then its portfolio managers also realize that stability — a balance of high yield and conservative investments — is in the best interest of depositors.

That type of prudent investment management is why Charter Oak consistently pays higher interest than most on passbook accounts...and does it without risking someone else's money on questionable ventures.

In fact, 91% of Charter Oak's total assets are in liquid funds, securities backed by U.S. government programs and secured mortgages. Another 7% is placed among 65 financial institutions and corporations from which CD's and preferred stock are held as security by Charter Oak. No high risk stuff.

Charter Oak's assets of approximately $350 million are in the right places:

- $200 million in fully secured mortgages.
- $15 million in cash and federally secured liquid funds.
- $18 million in Certificates of Deposit among 37 financial institutions.
- $103 million in a variety of U.S. government backed securities, such as GNMA's, FNMA's and FHLMC's.
- $8 million in preferred stocks of 28 corporations.

And Charter Oak realized net profits of $3.7 million last year, one of the highest returns of any thrift in the state.

That's prudence. That's stability. That's Charter Oak.

Sign of stability

Charter Oak Savings Assn., Cincinnati, used this ad to reassure customers of its "stability" after Ohio authorities cleared state s&l's to reopen last week *(see story on Page 113).*

Highlights

Beer and wine advertisers can defuse opposition to their tv ads and marketing practices by implementing three relatively "minor" policy changes, according to the White House's alcohol policy coordinator. *See Page 10.*

The Christian Science Publishing Society in recent months has embarked on a new marketing program that promises to change the way the nonprofit organization works and may even turn it from a consistent money-loser into a break-even operation. *See Page 12.*

Mickey Mouse, Donald Duck and Pluto will star in a $2.5 million consumer advertising campaign starting in May, when Walt Disney Home Video begins promoting a new limited series of videocassettes. *See Page 32.*

In June, the International Assn. of Ice Cream Manufacturers, Washington, will ply legislators and Washington heavyweights with 3,000 gallons of ice cream, 300 pounds of candy and nuts, 8,500 ice cream novelties and 7,000 root-beer floats at its second annual ice cream social. After all, if elected officials support ice cream, how can the rest of the population ignore it, IAICM figures. *See Page 34.*

Stouffer Foods, the subsidiary of Nestle Enterprises that produces Lean Cuisine, is expanding its franchise in the health and well-being business by introducing a diet, nutrition and fitness video program for home use. *See Page 40.*

CORPORATE CLOSEUP

Just as his two-year struggle to stunt Storer Communications' multi-million-dollar losses and ballooning debt appeared to be paying off, Peter Storer, the company's 54-year-old chairman, is faced with a new threat that may force his corporation to liquidate. *See Page 4.*

FORUM

Adman Doug Wilhide wonders where all the creative "outlaws" went. *See Page 20.*

INTERNATIONAL

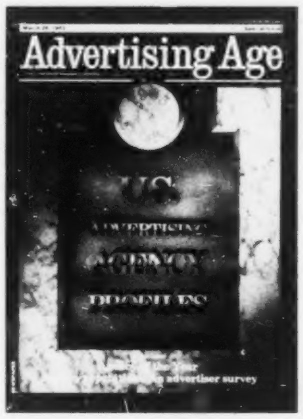
The Australian Broadcasting Tribunal, Australia's version of the Federal Communications Commission, has asked the government to strengthen the ABT's bylaws to prevent global marketers in Australia from using tv commercials produced overseas, regardless of how many court cases are won giving them the right to use more foreign material. *See Page 60.*

Aurrera, Mexico's leading supermarket, sells home computers displayed next to household appliances such as blenders and toasters. Earlier this year, Aurrera sold 3,000 Commodore 16 computers in a promotion supported by a $180,000 multimedia ad campaign via agency Garcia Patto y Asociados. *See Page 65.*

Geneva, Switzerland, apparently is not as permissive as most German-speaking Swiss seem to think it is. Recently, a poster featuring a semi-nude woman that scarcely raised an eyebrow in the cities of Basel and Zurich was banned in Geneva. *See Page 68.*

DIRECT MARKETING

Since opening his doors in 1980, Dwaine Canova's California-based Telephone Marketing Services operation has been growing at the rate of 60% per year. And while that may not be unusual for some telemarketing agencies, the path that Mr. Canova has followed to build up his telemarketing business is. *See Page 100.*



COMING THURSDAY

Next week, ADVERTISING AGE publishes its 41st Agency Profile issue, in which the Agency of the Year is named and 619 U.S. ad agencies are ranked. AD AGE *Thursday* will return April 4.

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Murdoch move out-Foxes L.A.

By BOB MARICH

Rupert Murdoch's buy into 20th Century Fox Film Corp. at a bargain price will give him a programing base to expand his worldwide tv ambitions.

The Los Angeles-based studio will supply programing to his tv ventures, analysts predict. With the purchase, the print media baron also gets his hands on Fox's extensive film library, which some analysts estimate is worth at least $300 million.

Mr. Murdoch operates Sky Channel, a satellite-direct-to-home tv service in Europe. A year ago, he abandoned a similar satellite tv venture in the U.S. in part because of difficulty in buying programing.

Mr. Murdoch's debut as a Hollywood mogul led to speculation primarily about the impact he might have on the shape and style of tv and theatrical programing.

But the move sent out another signal to newspaper publishers. With the Fox deal coming only months after Mr. Murdoch spent $360 million to buy 12 business titles from Ziff-Davis Publishing Co., New York, the newspaper in-

(Continued on Page 114)

Like, Carling catches on, eh?

Great Lite North

By SCOTT HUME

Beer marketers wondering what could happen if the U.S. government cracks down on the use of celebrities in advertising need look only as far as Canada.

Carling O'Keefe, Toronto, under license from Milwaukee-based Miller Brewing, is launching Lite beer in Canada, the first American light-beer brand to be introduced there. Lite also is the first new brand to be introduced simultaneously in all Canadian provinces.

Carling expects to have the same success with Lite that it had two years ago when it began producing and marketing Miller High Life under a similar license. But there's just one snag: The Canadian government is having trouble making up its mind about use of celebrities in beer advertising.

The Canadian Radio & Television Commission, which must review and approve advertising before it appears, forbids use of rec-

(Continued on Page 114)

White House aide advises on tv alcohol ads (see Page 10).

ADWATCH

P&G ad awareness scores fit to be Tide

By SCOTT HUME

The Tide rolled in last month for Procter & Gamble.

The nation's largest consumer-products company took a gamble this year by introducing a liquid version of its top-selling Tide laundry detergent. So enthused was P&G about the importance of and prospects for Liquid Tide that it called its first new-product press conference in 3½ years.

P&G also is so determined to ensure Liquid Tide's success that it has committed a reported $50 million to advertising and marketing for the brand.

The first wave of the Liquid Tide launch appears to have received a solid response.

Of the 1,255 consumers asked last month in ADVERTISING AGE's adWatch survey to name the first laundry-product advertising that came to mind, 465, or 37.1%, named Tide. In January, Tide's share of first mentions was 27.3%.

Significantly, 26 respondents (2.1% of the total) specifically recalled advertising for Liquid Tide. That's surprisingly strong top-of-mind awareness for a new product, especially so soon after introductory advertising has broken.

Tv advertising for Liquid Tide began Jan. 14. On Feb. 3 and 17, P&G supported the launch with heavy insert couponing (AA, Nov. 26). But new products and new advertising campaigns frequently hit the marketplace with little effect on adWatch awareness scores. That Liquid Tide already has captured consumers' attention means P&G has passed its first hurdle.

The second hurdle, of course, will be the continuing sales competition with Lever Bros.' Wisk, the leading liquid detergent. Wisk's was the second most often recalled advertising in the laundry category last month, although it mustered only 3.4% of first mentions. Lever's powdered detergent, All, held the No. 3 spot with a 2.8% share.

Another advertiser facing high hurdles is Pepsi.

In the January adWatch survey (AA, Feb. 25) awareness of Coke's and Pepsi's advertising was virtually even. Last month, the tie was broken. Coke's advertising came to mind first for 32.7% of the sample, a 5.6 point increase. Pepsi's share dropped 3.4 points to 23.6%.

Those changes left Pepsi trailing Coke just as major new advertising executions for both companies were about to be launched. Last month's adWatch polling was conducted between Feb. 1 and 20. Thus the awareness scores do not include reactions to Pepsi's Lionel Richie commercials (which debuted on the Feb. 26 Grammy Awards telecast) or Coke's new "Coke is it" executions (which broke Feb. 19).

The February adWatch also was conducted too early to be influenced by Geraldine Ferraro's controversial debut as a spokeswoman for Diet Pepsi. That brand's advertising could use an awareness boost, since it garnered only 3.5% of first mentions last month (placing it fifth). Diet Coke was fourth with 4.4% of first mentions.

All this means next month's scores in the soft-drink category should be especially interesting.

Still trailing the colas last month was 7UP, which received 5.3% of first mentions. That was a strong enough awareness share to keep it in its accustomed No. 3 spot. But 7UP also has launched new advertising that revives its "Uncola" positioning. Can a 15-year-old advertising theme boost 7UP's awareness? Watch this space next month.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name the advertising in a variety of product categories that first comes to mind from all seen, heard or read in the previous 30 days.

In February, 1,255 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points between monthly polls is considered to be statistically significant and attributable to more than variations in the sample.

Among other significant changes from the February survey:

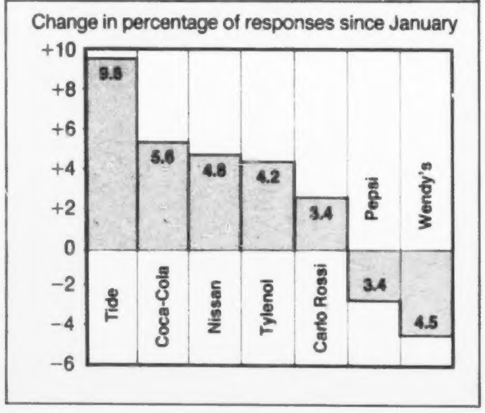
- Is it Nissan or Datsun? Consumers continue to recall the auto maker's advertising under both names, which probably doesn't bother Nissan as long as they do recall its ads.

Nissan made its best showing ever last month, when its advertis-

(Continued on Page 113)

February winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.


Change in percentage of responses since January

Frohock to promote AA

NEW YORK—Christina M. Frohock has joined ADVERTISING AGE as promotion director, with responsibility for the publication's marketing and promotion activities. She was affiliate promotion manager for Home Box Office, the pay cable service of Time Inc.

C. Frohock

According to AA publisher Louis F. De Marco, Ms. Frohock provides "a new dimension to the publication's sales support systems since her varied experience is ideal for our needs."

A 14-year veteran in the media-promotion arena, Ms. Frohock's experience also includes newspaper and magazine promotion. She previously was associated with *Metropolitan Home*, *Newsweek International* and the Newspaper Advertising Bureau.

Ms. Frohock will be based in AA's New York office.#

CORRECTIONS & CLARIFICATIONS

- The major account losses attributed to J. Walter Thompson (AA, March 18, P. 8) should have been attributed to JWT/West's San Francisco office.
- A logo, "Ad Age Review," should have appeared with Fred Danzig's review of the new Miller High Life ad campaign headlined "Miller waves flag, but spots fall flat" (AA, March 11, P. 4).
- Lesley Gillman's assignment before joining Jack Brahms Advertising, Baltimore, was incorrectly stated, based on information supplied by the agency (AA, March 4, P. 46). Her previous position was account exec, WRLH-TV, Richmond, Va.
- Verbatim Corp. is not undertaking an agency review as reported earlier (AA, March 14, P. 35). The account was awarded to D'Arcy MacManus Masius, San Francisco (AA, Oct. 29).
- Beatrice Cos. gained $253 million from the combined sale of its cookie, foodservice equipment, agri-product and leather operations, not just from the sale of its cookie business (AA, Feb. 18, P. 77).#

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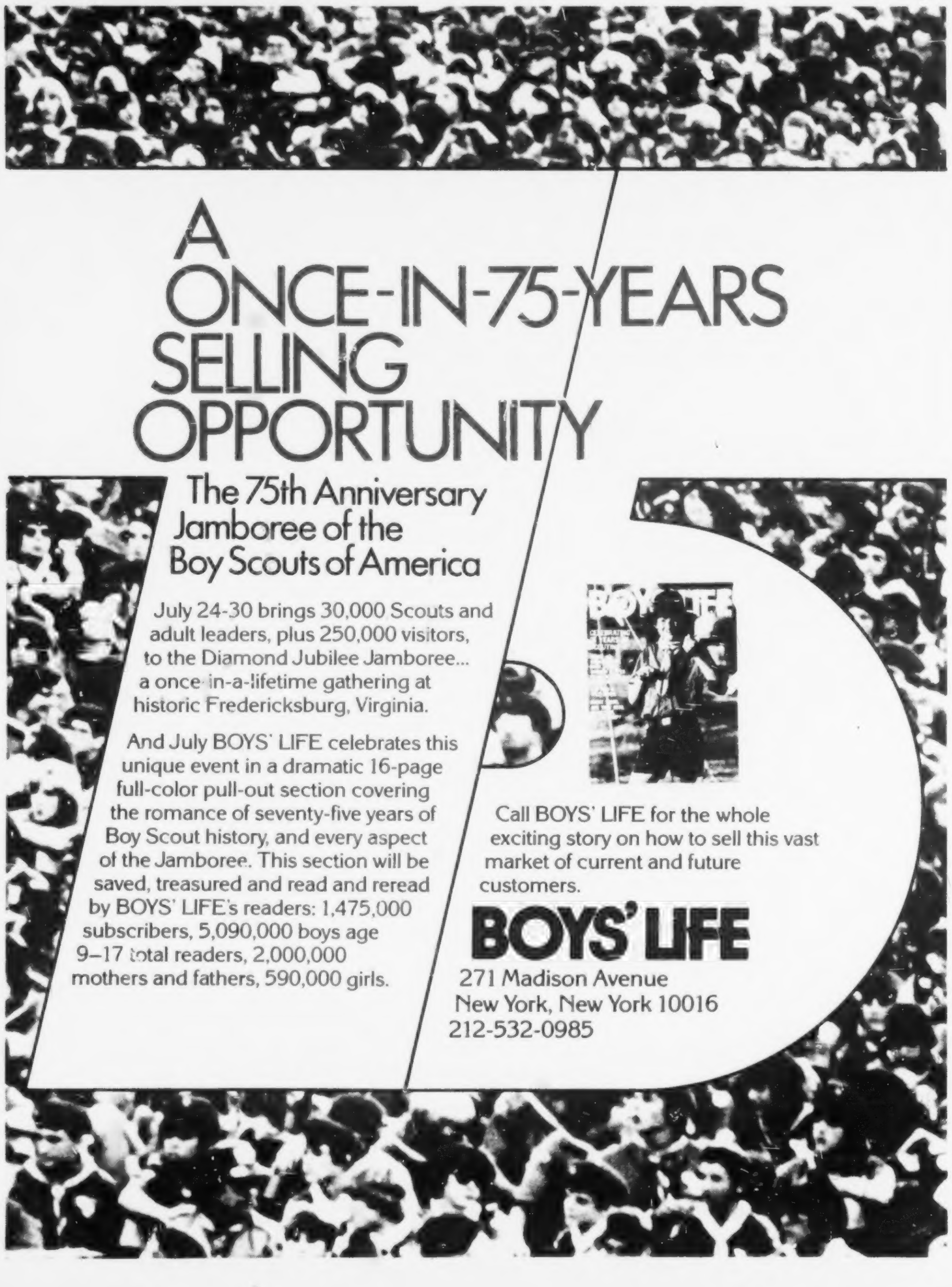
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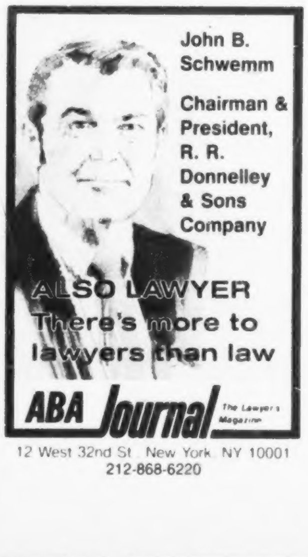
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Ohio s&ls bank on ads

By GARY LEVIN

State-insured savings and loan associations in Ohio switched from a "crisis mode" to one of recovery last week as most prepared to trumpet their reopenings with special ad campaigns.

Larger thrifts, at press time, planned extensive, short-term media campaigns to alert customers they would be back in business as early as March 22.

The crisis was precipitated by the failure March 9 of a single state-insured thrift, Home State Savings Assn. in Cincinnati. That failure caused a run on 71 other s&ls also without federal insurance, and Gov. Richard Celeste forced them to close their doors March 15 until the crisis could be resolved.

As for those new ad campaigns, City Loan & Savings Co., Lima, again will use celebrity spokesman Harry Morgan in tv spots to reassure depositors that it's "business as usual" for Ohio's largest state-insured s&l. Newspaper ads in most major dailies throughout the state will support the message for the 111-branch thrift, which has offices in each of Ohio's 88 counties.

W.B. Doner & Co., Baltimore, is the agency for City Loan and its Baltimore-based parent, Commercial Credit Co. Separately, the thrift hired the Burson-Marsteller public relations company to arrange media interviews and to send "personal letters" to each customer, a spokesman said.

The ads are "a message of confidence, reminding Ohioans of the long relationship between them and City Loan & Savings," said Don Riesett, management supervisor at W.B. Doner. "It's very straightforward and sincere, which Harry Morgan is very adept at." The veteran tv actor most recently appeared in CBS-TV's "M*A*S*H" series and "AfterMASH," its short-lived sequel.

Charter Oak Savings Assn., Cincinnati, planned immediate use of radio spots via Penny/Ohlmann/-Neiman, Dayton, announcing its ability to grant limited withdrawals. Newspaper and direct-mail efforts are expected to complete the $12,000-to-$15,000 campaign, said Bob Penny, the agency's chairman.

All emphasize the "stability" and "prudence" of Charter Oak's investments. The thrift has four branches each in Cincinnati and Columbus.

Other s&ls were plotting more unique ploys to regain customer confidence. One thrift reportedly agreed to donate a percentage of new deposits to an African hunger relief fund.

Another s&l, Molitor Loan & Building Co. in Cincinnati, passed out t-shirts emblazoned with the message "I support Molitor with my deposits." It also planned a radio and newspaper campaign via Financial Advertising Agency, Fort Mitchell, Ky., said Robert Nave, savings department manager. Mr. Nave added, "We're on the tv [news] so much, we don't need to buy tv time."

Smaller institutions found media coverage alone more then adequate for their publicity needs. "I don't think there are any [of our] customers out there who don't know we're open," said Stephen Wood, president and managing officer of Columbia Savings & Loan Co., Cincinnati. That s&l was allowed to reopen March 18. Fortuitously, its previous application for federal insurance was approved just after state officials shuttered it and 70 other thrifts.

And while Mr. Wood said the $6 million-asset s&l won't refuse new depositors, "we're not looking to go out and be a scavenger on this thing."

Officials at Independence Savings Bank near Cleveland said they'll also rely on word-of-mouth and local media coverage. But Mentor Savings Bank, also in the Cleveland area, plans a short-term direct-mail, newspaper and radio effort.

The Home State failure March 9 drained the state's private Ohio Deposit Guarantee Fund, which in turn caused a run on deposits at other state-insured thrifts.

Those applying for federal insurance and able to demonstrate "financial soundness" were conditionally permitted to reopen, at first only to grant $750 withdrawals to customers strapped for cash by the unexpected closing. Those who do reopen must obtain federal insurance within 120 days.#

Playboy countersues Jerry

New York—Playboy Enterprises, former owner of *Oui*, and freelance writer Jon Denny have countersued adman Jerry Della Femina, who took them to court last year for allegedly publishing "false and defamatory" statements about him in an interview in the January, 1981, issue of *Oui*.

The suit charges disparagement by Mr. Della Femina against the publication and Mr. Denny.

Mr. Della Femina sued Playboy and Mr. Denny around the same time filed a $184 million defamation suit against against A/S/M Communications, publisher of *Adweek*, and five individuals associated with that publication (AA, Aug. 30, *et seq.*). In part, his *Adweek* suit was spurred by an article in that publication he claims left the impression that a copy of the *Oui* article had found its way to the White House and doomed Della Femina, Travisano & Partners' chance to handle Ronald Reagan's reelection campaign.

The *Oui* interview, written by Mr. Denny, according to the Playboy complaint, had Mr. Della Femina discussing "the agency's annual 'sex contest'; his views on drug use; the manner in which his agency is run; clients he has handled, including Feminique, a feminine hygiene spray that he claimed was named for him, and his refusal, as a matter of principal, to handle the advertising for political candidates and campaigns."

As it turned out, James Travis, vice-chairman and chief executive officer of the Della Femina shop, and the agency's top creatives, Ron Travisano and James Weller, became key members of the Tuesday Team, the ad hoc agency that helped reelect the Reagan ticket. Mr. Travisano was bought out earlier this month by Mr. Della Femina (AA, March 11).

The Playboy countersuit in federal district court here contends that following his "rejection" by the White House, Mr. Della Femina began making statements designed to minimize the "damage and embarrassment" the interview had caused Mr. Della Femina "and to cast doubts on the honesty and professional integrity of Denny, who conducted and prepared the interview." Asked to comment on the countersuit, Mr. Della Femina replied, "I sued them. They sued me. That sounds fine to me."

In the case against A/S/M in state supreme court here, no ruling has been handed down concerning the defendant's motion to dismiss Mr. Della Femina's suit.#

AdWatch

(Continued from Page 6)

ing came to mind first for 11.3% in the **cars and trucks** category. That score represents a 4.8 percentage-point increase since January. For the record, 50 respondents said they recalled Nissan advertising; 19 remembered the advertiser as Datsun. Five commercials during January's Super Bowl helped Nissan's awareness, no doubt, as did broad print presence.

Ford's advertising continues to have the best recall, capturing 22.3% of first mentions last month. Chevrolet was second with 13.2%.

- "I love to talk about Carlo Rossi wine, but I'd much rather drink it," chortles the pixie-faced Carlo Rossi in the winery's advertising. The president of Carlo Rossi Vineyards is back on tv, and consumers noticed. In fact, the brand came to mind first for 4.4% of respondents in the **wine** category. That compares with a less than 1% share in January.

Riunite replaced Gallo as the category leader, capturing 8.6% of first mentions. Gallo came to mind first for 8% of the sample.

- Tylenol widened its lead in the **medicine and drugs** category with a 4.2 point gain to 24.1% of first mentions. Anacin took the No. 2 spot with 5.6%; Bayer was third with 4.2%.
- Where's Clara "Where's the beef?" Peller when Wendy's needs her? Doing Prego Plus spaghetti sauce commercials for Campbell Soup, that's where. The No. 3 burger chain's advertising has been losing awareness recently, and in February it received only 12.5% of first mentions. That represented a hefty 4.5% drop from January and gave Wendy's its lowest awareness score in the **fast-food** category in six months.

In January, Wendy's poked fun at its competitors with a commercial in which a clown (like Ronald You-Know-Who) and counter girl (like the stars of Burger King's spots) complained that they don't have stuffed baked potatoes to sell like Wendy's does. While the spot didn't help Wendy's awareness much within the category, Wendy's remained one of the 10 best-recalled advertisers over-all.

Consumers had no trouble remembering the name McDonald's. It easily retained the No. 1 spot with a 39.8% share of first mentions. Burger King took the No. 2 spot (for the first time in five months) with a 14.9% share.

- The **top 10** advertisers in unaided recall were Coke, McDonald's, Miller/Lite, Budweiser/Bud Light, Pepsi, Wendy's, Ford, Tide, IBM and Chevrolet.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

For the Record

BBDO INTERNATIONAL, New York, maintains a high per-client profitability level by keeping "revenue generation per account equal to at least three times the salaries required to work on the account," says an investment study of the agency by Provident National Bank, Philadelphia. BBDO is the most profitable, on a percentage basis, of all U.S. publicly held ad agencies.

MILITARY ADVERTISING may be in for review by federal budget-cutters, says White House chief of staff Donald Regan. Mr. Regan said the role and effectiveness of advertising for the all-volunteer army "would be the basis for a discussion of whether that advertising should be held, cut or maybe increased." The Army's annual ad budget is about $65 million and the Navy's about $20 million. N W Ayer, New York, handles the Army and Ted Bates Advertising/New York handles the Navy.

LOTUS DEVELOPMENT CORP., Cambridge, Mass., has delayed for two months the introduction of Jazz, an integrated software package that is being counted on to make Apple Computer's Macintosh personal computer more attractive to business. Shipment of the software, which had been expected March 31 *(see earlier story on Page 82)*, has been rescheduled for May 27, reportedly because Jazz is plagued by operating "bugs."

HUGH HEFNER says he'll change his life following a mild stroke he suffered two weeks ago, even though the 58-year-old chairman of Playboy Enterprises has fully recovered. A spokeswoman for Chicago-based Playboy said Mr. Hefner probably will take "a more philosophic and creative role" and may become less involved in day-to-day affairs.

WOMEN FEEL misrepresented in car ads, says a new study that J.D. Powers & Associates, Los Angeles, conducted for *Family Circle*. Ads insinuate women are interested in a car's appearance only, said the women surveyed, and don't contain enough technical data. Respondents said dealers treat women shoppers less seriously than they treat men.

HOLIDAY INNS, Memphis, has proposed a corporate name change to Holiday Corp. to reflect the diversity of its growing chain. The company started with its Holiday Inns chain but now also owns Embassy Suites hotels, Hampton Inns, Harrah's hotels and casinos, Perkin's restaurants and the Residence Inn hotels.

SEVEN-UP CO., St. Louis, on March 31 will distribute 43 million two-page freestanding inserts in Sunday newspapers. The fsi includes a 25¢-off coupon for a carton of 7UP and a purchase offer for its upside-down Uncola glass. N W Ayer, New York, handles.

COCA-COLA USA, Atlanta, will air on ABC's Academy Awards telecast tonight a new commercial for diet Sprite featuring Paulina Porizkova. The 20-year-old Czech model, who appeared on the cover of *Sports Illustrated's* 1984 and '85 swimsuit issues, also appeared in last year's diet Sprite advertising. Marschalk Co., New York, handles.

BILLBOARD, New York, says it will contribute to USA for Africa $75,000 generated by its April 6 special section saluting that all-star group's "We Are the World" project. About 40 advertisers bought space in the section. The latest element in that fund-raising venture for the hungry and homeless in Africa and the U.S. is an album, which Columbia Records is releasing April 7.

AVON PRODUCTS, New York, is searching for an acquisition in either consumer goods or healthcare. It also has instructed all its divisions to make recommendations for divestitures from within each division.

ACCOUNT ACTIVITY: **Greater New York Aamco Dealers Assn.**, New York, to **Muller Jordan Weiss** for its $2 million broadcast account, from Albert Jay Rosenthal & Co. . . .**Suntory International**, New York, to **Isidore & Paulson** for Suntory imported beer and other projects, with billings of at least $1 million, from Chiat/Day. . .**Beverly Sassoon Cosmetics**, Dallas, to **GSD&M** to handle the initial $2 million account for a new cosmetics line that will be marketed to women 25 years old and older. . .**Marriott Corp.'s** Marriott Hotels & Resorts, Washington, to **Lewis, Gilman & Kynett**, Philadelphia, for domestic advertising from Ogilvy & Mather, New York. The assignment follows a three-month agency review and a reorganization of Marriott's marketing team . . .**American Natural Beverage Corp.**, New York, to **Ogilvy & Mather Partners**, its first agency for Soho Natural soda.

WORTH NOTING: **Jordan, Case & McGrath**, New York, has formed working affiliations with Humphreys Bull & Barker, London, and Goodis-Wolf, Toronto. . .**Patricia Martin**, formerly director-marketing support, Warner-Lambert Co., and **Joan Lipton**, formerly senior vp-associate creative director, McCann-Erickson, have formed New York-based **Martin/Lipton**, an agency specializing in health and personal care products. . .Drossman Lehmann Marino Reveley, New York, has been renamed **Drossman Lehman Marino** following the departure of exec vp Maria Reveley a few months ago. . .**E. Christian Schoenleb** to president, Horn & Hardart's Bojangles' of America subsidiary, Charlotte, N.C., from president-ceo, Swensen's Ice Cream Co., Phoenix. He succeeds **Jack Fulk Sr.**, founder of the chicken-and-biscuit restaurant chain. Mr. Fulk's employment contract with Horn & Hardart, which acquired Bojangles' in 1982, expired last January. . .**Robert Edgell** to vice-chairman, a new post at Harcourt Brace Jovanovich, Orlando, Fla., while retaining his post of chairman, HBJ Publications, Cleveland. Separately, **HBJ Publications** has acquired *CPI100*, which covers the chemical process industry, from Contour Publishing International, Cherry Hill, N.J. . . .**Seven-Up Bottling Co. of Los Angeles** is bottling Chicago-based A.J. Canfield's Diet Chocolate Fudge Soda (AA, Feb. 14). The lately trendy aspartame-sweetened soft drink will be distributed for the first time in Las Vegas and throughout Southern California. . .**Beatrice Cos.**, Chicago, and the **China International Trust & Investment Corp.**, Beijing, have formed Beatrice-CITIC Development Co. to develop modern consumer products in China. The venture also will develop opportunities for exporting goods from China to international markets. . .**Penton/IPC**, Cleveland, has acquired *Millimeter* from Millimeter Inc., New York. Peter Jablon will continue as president at the magazine. . .**Gannett Media Sales** has added 30 daily newspapers to its Four Color Newspaper Network, bringing the total number of papers that can print high-quality process color advertising to 94. GMS formed the network of Gannett and non-Gannett papers in January (AA, Feb. 4).

This issue $3.00, $55 a year

March 28, 1985 **Special Issue**

2710-1

Advertising Age

Crain's International Newspaper of Marketing

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U.S. ADVERTISING AGENCY PROFILES

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March 28, 1985 **Special Issue**

Advertising Age

Crain's International Newspaper of Marketing

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U.S. agency income surges 17%

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By R. CRAIG ENDICOTT

Continued growth in the U.S. economy in 1984 enabled the U.S. advertising agency industry to increase worldwide gross income by 17% over 1983, to $7.23 billion, on worldwide billings of $49.36 billion, up 17.3% from 1983.

U.S. gross income increased 18.3%, to $5.34 billion, and U.S. billings jumped 18%, to $36.56 billion, as U.S. gross income and billings increased a percentage point to 74% of world gross income and billings, according to ADVERTISING AGE's 41st compilation of U.S. agency data.

The survey is based on year-to-year data supplied by 619 agencies, the preponderance of total gross income and billings coming from the 162 agencies that fall within AD AGE's top two of four categories used to group agencies in this issue.

Those categories, Nos. I and II, made up of agencies reporting $5 million or more in gross income, contributed 91% of worldwide gross income and billings for both 1983 and 1984 among the universe of 619 U.S. agencies monitored.

The Young & Rubicam agencies continued to head all others in world income with aggregate gross income of $480.1 million, and Ted Bates Worldwide held on to the No. 2 position with $424.4 million as the remaining agencies in the top 10 elite played musical chairs. Doyle Dane Bernbach International was the only agency to leave the group, being replaced by Grey Advertising.

Similar shuffling occurred among the top 10 agencies in world billings following the $3.2 billion from No. 1 Young & Rubicam, the perennial leader.

Ogilvy & Mather squeezed past Ted Bates and J. Walter Thompson Co. into No. 2, while a shuffling of positions characterized the remaining slots. The only agency to exit the world billings chart was SSC&B:Lintas International, giving way to Doyle Dane Bernbach International.

The story among this grouping was Ogilvy & Mather's quick surge behind Y&R, propelled by its strong U.S. base. This was evidenced by a similar rise by O&M from No. 4 to No. 2 in U.S. gross income behind Y&R. The spurt, which supplanted Ted Bates, was fueled by an increase of 32.5% in U.S. income.

O&M credits this strong stateside performance to $300 million in new assignments picked up from existing clients, primarily American Express, AT&T, Mattel, Sears, Roebuck & Co. and Kimberly-Clark.

There were no new entries to the U.S. income top 10 chart.

The prospect of repatriating U.S. dollars to foreign countries, which often has lured foreign agencies to shop stateside for clients and agencies—perhaps more so now than before with the dollar still peaking—was behind the move by Paris-based Eurocom to re-enter the U.S. market by buying 51% of Y&R-owned Marsteller Inc. Marsteller, merged with Eurocom's Havas Conseil, is now No. 22 and renamed HCM.

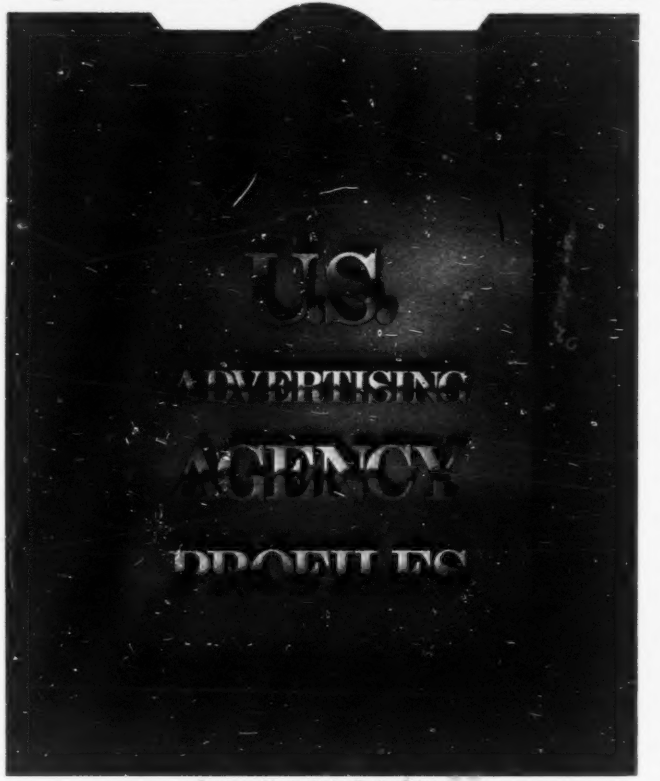
Geers Gross, the public U.K. agency whose major advertising activity is through its New York unit, also sold a minority interest to Eurocom. Eurocom's last dally in the U.S. market was in 1979 when it bowed out of Kelly, Nason, a shop it had taken over two years earlier.

McCann-Erickson Worldwide, the largest agency among the Interpublic Group of Cos., again outdistanced the rest of the field in the non-U.S. billings category with total foreign billings of $1.38 billion. J. Walter Thompson Co. stayed close in the second position with $1.25 billion. Saatchi & Saatchi Compton Worldwide, aided by a 28.7% increase in non-U.S. billings from 1983, pushed Ted Bates out of third place with $1.21 billion from clients abroad. This was the only position change among the top 10.

Further evidence of the importance of foreign billings among these three leading agencies is their high percentage of non-U.S. billings to total capitalized billings. At McCann-Erickson, it was 63.6%, JWT 46.2% and Saatchi & Saatchi Compton 52.5%.

Saatchi & Saatchi Compton was perhaps the most aggressive player among the top 10 agencies. The agency, whose British owners entered the U.S. ad scene through the

(Continued on Page 112)



Cover graphics by Avalon Studio, Chicago

Top 10 agencies in world income

(Gross income in $000,000)

Rank '84	Rank '83	Agency	1984	1983	% chng
1	1	Young & Rubicam	480.1	414.0	16.0
2	2	Ted Bates Worldwide	424.4	387.9	9.4
3	4	Ogilvy & Mather Intl	421.0	345.8	21.7
4	3	J. Walter Thompson Co.	405.8	368.3	10.2
5	6	BBDO International	340.0	292.0	16.4
6	7	Saatchi & Saatchi Compton	337.5	253.3	33.3
7	5	McCann-Erickson	325.2	267.2	21.7
8	9	Foote, Cone & Belding	268.5	208.4	28.9
9	8	Leo Burnett Co.	253.5	216.5	17.1
10	12	Grey Advertising	224.2	183.5	22.2

Top 10 agencies in world billings

(Billings income in $000,000)

Rank '84	Rank '83	Agency	1984	1983	% chng
1	1	Young & Rubicam	3,202.1	2,761.4	16.0
2	4	Ogilvy & Mather Intl	2,887.9	2,360.4	22.3
3	2	Ted Bates Worldwide	2,839.2	2,586.1	9.8
4	3	J. Walter Thompson Co.	2,706.7	2,456.2	10.2
5	7	Saatchi & Saatchi Compton	2,301.7	1,710.6	34.6
6	6	BBDO International	2,275.0	1,969.0	15.5
7	5	McCann-Erickson	2,169.4	1,782.2	21.7
8	9	Foote, Cone & Belding	1,802.3	1,405.6	28.2
9	8	Leo Burnett Co.	1,734.8	1,485.3	16.8
10	11	Doyle Dane Bernbach Intl	1,510.6	1,321.0	14.4

Top 10 agencies in U.S. income

(Gross income in $000,000)

Rank '84	Rank '83	Agency	1984	1983	% chng
1	1	Young & Rubicam	323.1	274.4	17.8
2	3	Ogilvy & Mather Intl	270.5	204.1	32.5
3	2	Ted Bates Worldwide	263.2	244.4	7.7
4	4	BBDO International	235.0	199.0	18.1
5	5	J. Walter Thompson Co.	218.2	188.3	15.9
6	6	Foote, Cone & Belding	196.9	158.9	23.9
7	8	Leo Burnett Co.	163.2	135.0	20.9
8	10	Saatchi & Saatchi Compton	157.4	110.9	42.0
9	9	Grey Advertising	155.1	125.1	24.0
10	7	Doyle Dane Bernbach Intl	154.1	144.6	6.6

Top 10 agencies in non-U.S. billings

(Billings income in $000,000)

Rank '84	Rank '83	Agency	1984	1983	% chng
1	1	McCann-Erickson	1,378.9	1,145.9	20.3
2	2	J. Walter Thompson Co.	1,251.4	1,200.7	4.2
3	4	Saatchi & Saatchi Compton	1,208.4	938.8	28.7
4	3	Ted Bates Worldwide	1,084.4	957.1	13.3
5	5	Ogilvy & Mather Intl	1,083.6	999.0	8.5
6	6	Young & Rubicam	1,047.0	931.2	12.4
7	7	SSC&B:Lintas	815.6	708.9	15.1
8	8	BBDO International	694.0	620.0	11.9
9	9	D'Arcy MacManus Masius	629.6	546.1	14.4
10	10	Leo Burnett Co.	601.9	571.2	5.4

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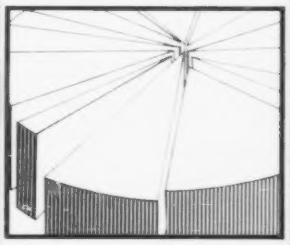

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Ad Age honors BBDO as Agency of the Year

By STEWART ALTER

Philip Dusenberry shrugs off a question about his philosophy of advertising, saying it's hard to summarize.

But then, the vice-chairman and executive creative director at Batten, Barton, Durstine & Osborn recalls the advice he gives to the people who work for him: "Don't get happy too soon with the first idea that comes into your head" and "if it feels or sounds familiar, don't do it."

Those guidelines may explain why BBDO last year proved that advertising rules were made to be broken, especially in an age of increasing commercial clutter. This fresh approach won BBDO the 1984 Agency of the Year award from ADVERTISING AGE.

BBDO Inc.—which encompasses the New York, Detroit and Minneapolis shops—did not just slip out of the creative straitjacket in a couple of highly publicized instances. In one product category after another, BBDO found ways to avoid the familiar.

BBDO abandoned the seemingly mandatory theme-song and life-style approach for soft drink advertising—approaches the agency introduced to the category for longtime client Pepsi-Cola Co. Similarly, BBDO replaced the usual suffering faces in cold remedy advertising with lively feet and an upbeat theme for Menley & James Laboratories' Contac.

When BBDO came up with alternatives, it did not turn to arresting production techniques for their own sake. The new approaches were married to sound strategies. Cars drove up buildings and into dreamland to combat Dodge's staid image; fragmented closeups and intimate dialog were used to help Diet Pepsi target the sophisticated low-cal sipper, and an intense zoom-in shot was used to capture the muscle of Black & Decker's power tool heritage.

The agency demonstrated mastery over a range of techniques, from presenting facts to projecting images. BBDO applied wit to Black & Decker's Car Vac, Gillette's Dry Idea and Campbell Soup Co.'s Chunky Soups. It used warmth for General Electric and Home Box Office.

And at a time when the argot of advertising increasingly is being translated from the world of cinema and pop music, this 94-year-old agency proved itself among the more fluent in the language of a "whole new generation."

Its standout campaign of the year had to be the Pepsi-Cola USA work. While its advertising for Pepsi always has been among its best, BBDO broke tradition last year with its "Choice of a New Generation" campaign. The long Coke vs. Pepsi battle over which one could sing a better jingle or portray people having more fun at picnics finally came to an end, or at least entered a lull.

With what it called its "leading edge" strategy, BBDO tried to reach out to the new, younger generation in their own language and not through any single campaign format.

Michael Jackson filled the bill by singing for Pepsi an adaptation of his "Billie Jean."

None of the other new commercials for Pepsi had music. Instead, the spots were takeoffs of popular science-fiction movies such as "E.T." and "Close Encounters of the Third Kind," or the spots created their own format, such as the Cannes Gold Lion award-winning commercial in which a young man opens, pours and drinks Pepsi over a sound truck's microphone to stimulate sales to hot, thirsty beachgoers.

These commercials were the result of a process that would have been impossible even in the recent past at BBDO, a strategy-oriented, research powerhouse. The Pepsi campaign "was a creative intuition that became a strategy and the creative theories turned out to be strategically correct," says Allen Rosenshine, chairman-chief executive officer of the agency, who on April 1 will succeed Bruce Crawford as president-ceo of the agency's parent, BBDO International.

Mr. Crawford, who then will become chairman, a post that has been vacant, until the end of the year when he will become general manager at the Metropolitan Opera in New York, took over as president of BBDO International in 1975, became ceo in 1977 and built the largely U.S.-oriented network into a multinational agency. Non-U.S. billings since that time have risen from $147 million to $694 million.

Over-all, the multinational parent had gross income of $340 million on billings of $2.28 billion in 1984.

The BBDO shop with New York, Detroit and Minneapolis offices being honored in this issue contributed $92.6 million of the total gross income and $617.5 million of total billings.

"The creative intuition was that there was too much similarity in the execution in the category, that Pepsi and Coke were too similar over the years, that other life-style executions were encroaching on them and muddying the soft drink imagery," says Mr. Rosenshine, who sees his task now as maximizing the potential of the international network Mr. Crawford built.

"Pepsi," he says, "in an ongoing fight with a larger company with more money to spend, could not in the foreseeable future continue to see who could come up with a better song and prettier pictures."

Though the process didn't start with facts and figures and a strategic definition, it led to one, Mr. Rosenshine says.

"Pepsi could be seen as younger and more *avant-garde* and that Coke could not abandon its middle ground of Middle America and follow us there."

If BBDO proved that a top agency can be a creative leader, it also exemplified what the big agencies had to leave behind in the mid-1970s, when creativity was considered subordinate to strategy.

"I really agreed very much with Bill Bernbach that, of course, strategy was extremely important, but advertising agencies do not have an exclusivity on this expertise. It also exists among clients," Mr. Crawford says.

"I think if you want to stand out among people who practice this trade, you should be excellent at what is scarcest. One needs both marketing strategy and exceptional creative talent, but one is harder to come by," he says.

"In the mid-'70s, our creative work had slipped quite badly," says Mr. Crawford, whose credits include building the agency's international network and keeping its profit margins among the highest in the publicly owned sector of the industry.

"We lost a number of accounts then, and while we never knew exactly why, my feeling was we were not delivering the product as consistently," he says.

But building a creative reputation is not the same as simply desiring one. In tribute to its management, BBDO grasped relatively early why change was necessary, what was shifting in the world of advertising that undermined the strategy-creativity equation then in operation.

"We had a philosophy in the mid-'70s, and most people thought this, that strategy and execution were separate elements," Mr. Rosenshine says. The procedure then was that the strategy was developed and then "slipped into the cages of the creative animals, who masticated it and spewed it out, at which point it was determined whether the strategy was still on target or not," Mr. Rosenshine says.

Mr. Rosenshine was BBDO's creative director from 1975 to 1980. He spearheaded the movement to again mesh strategy and creativity. He became president in 1980, ceo in 1981 and chairman in 1983 when Mr. Crawford withdrew.

"What happened was parity products. When parity products develop creative strategies, they all

(Continued on Page 4)

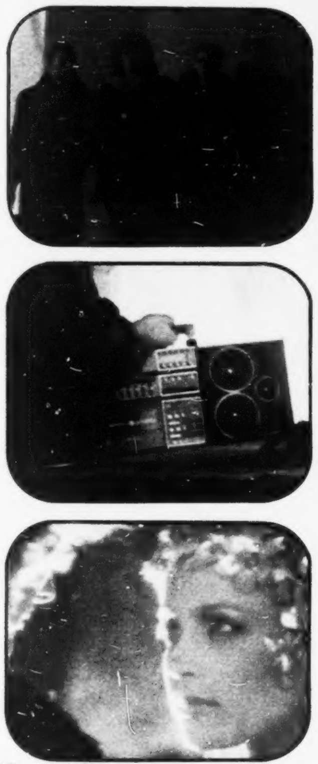
PEPSI.
THE CHOICE OF
A NEW GENERATION.

Pepsi struts to new beat with Michael Jackson.

TASTE.
Improved by Diet Pepsi.

Diet Pepsi gets subtle billing in father-daughter reunion.

Black & Decker cosmic intro brings viewer in for a demo.



Far out GE spot augurs new age for audio equipment ads.

Bundt
The freshest ideas are baking
Pillsbury

Sensuality, French *patois* bring home Pillsbury cake message.

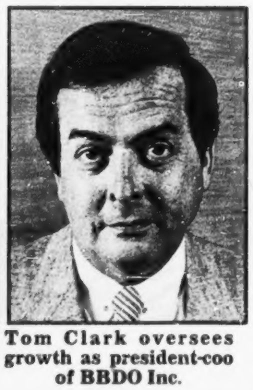
DODGE 600 ES
TURBO

Dodge spot transforms dreams into reality.

Phil Dusenberry shuns the familiar; urges flexibility.

Allen Rosenshine made strategy and creative execution inseparable.

Crawford has molded BBDO International into a profit machine.



Tom Clark oversees growth as president-coo of BBDO Inc.

BBDO wins

(Continued from Page 3)

come out the same," Mr. Rosenshine says, explaining why major ad agencies in general have reawakened to the virtue and necessity of creativity.

The use of line extensions and market segmentation by parity product marketers to differentiate themselves has added to the problem. "The problem of parity products was not overcome, but rather exacerbated by market segmentation," Mr. Rosenshine says.

The market pie was getting cut into thinner slices, and the result was a surplus of hard-hitting, rational creative executions that all sounded the same.

They all aimed to be authoritative, assertive, competitive and convincing about why the product they were selling was the best choice for the consumer, he says.

For BBDO, it became clear that the way to go was to leave the rational sell behind. "We are far more devoted now to the concept that advertising is a consumer experience with the brand. We are much more sensitive to and careful that the experience is enjoyable, pleasant, human, warm and emotional, while no less relevant from a sales-strategy viewpoint," Mr. Rosenshine says.

To accomplish this, he notes, the relationship between the creative and research departments had to change. "We went from being Jim Jordan's creative agency to being Phil Dusenberry's," he says. Mr. Jordan left the agency as president in 1978, soon after Mr. Crawford became ceo of BBDO International; Mr. Jordan subsequently has become a principal at Jordan, Case & McGrath, New York.

The first major sign that BBDO was becoming more of a creative force came in 1979. BBDO competed head-to-head against Young & Rubicam for the whole General Electric account—which both shared—and won with its "We bring good things to life" theme.

But, in 1980, the agency's efforts might have been derailed when it suffered what everyone at the agency acknowledges as a "shock" and a "blow"—it lost the Chrysler Corp. account, more than 20% of its business.

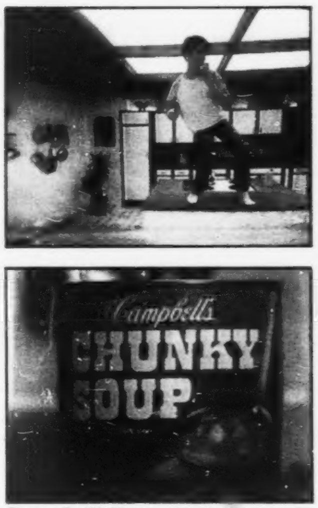
"The effect of that is that it taught us we could survive it," Mr. Rosenshine says. "It also taught us to make strategic choices about the business we would be going after. We began to have criteria for new business prospects. Crawford made the choice that we would only replace Chrysler with something with as much potential."

Chrysler returned its Dodge division to BBDO in 1982 and that car account since has become one of the agency's creative showpieces.

Ben Bidwell, exec vp, Chrysler Corp., has to get much of the credit for BBDO's new wave Dodge advertising. He brought in a reel that showed some automotive commercials, for the most part European, and very much new wave—the direction Mr. Bidwell wanted to go. "We said, 'Ben, if you're serious, we'll bring it to you, but you understand it will be controversial,' " says Tom Clark, BBDO's president-chief operating officer.

SEVERE
COLD
FORMULA
CONTAC
CONTAC. WE KEEP AMERICA ON ITS FEET.

BBDO opts for active feet rather than sniffling noses for Contac cold remedy.



Campbell Soup spot plays off "Risky Business" theme.

HBO
There's no place like HBO.

HBO spot reminds father and Kenny Rogers of the good times.

pierre cardin

Sensuous women dress tastefully with Pierre Cardin.

It may have been controversial within the ranks of Chrysler, but it was not particularly risky. "It might have been risky for a nameplate that had a larger share of market and that had a prospect base which was healthy. In Dodge's case, that was not true," Mr. Clark says.

The commercials, the most prominent of which showed a car driving up a wall and carrying a young woman to a heaven where handsome bare-chested men ride around on white horses, have spurred positive results. Sales have risen and recent research showed the new imagery is attracting a younger, more upscale, more active car buyer—the campaign's goal.

It is this success that best points to what may be BBDO's major accomplishment: Breaking the rules to push through the clutter with executions that enhance, rather than undermine, the sales message.

The Black & Decker corporate campaign is another prime example of BBDO's ability to break the rules without undermining the message. In each Black & Decker commercial, the spot ends with the phrase, "Built like a Black & Decker."

"It breaks the rule that you always have to show what you're saying and say what you're doing," Mr. Dusenberry says, referring to the opening zoom shot that kicks off each spot. "It's a compelling visual that's so simple it allows you to listen to what's being said, even though the visual doesn't fit in with the words," he says.

Similarly, last year's Diet Pepsi commercials with their visually fragmented approach was a clutter-breaking idea. The film focused on faces of men and women engaged in private conversation, with "Pepsi" interspersed into their dialog.

"We're not used to hearing intimate dialog in commercials," Mr. Dusenberry says. "If they do, it's usually dialog about a product attribute."

But the technique was also meant to draw in the slightly more sophisticated target customer for the product.

BBDO has continued into 1985 with demonstrations of how creative style can enhance an ad message. A recent commercial for General Electric audio products shows a futuristic scene in which space travelers set a frozen civilization free with the power of music.

This becomes BBDO's third major campaign in the past year to go the futuristic or science-fiction route, the others being Pepsi and Dodge.

"Science fiction is an easy route to modernity and contemporary positioning," Mr. Rosenshine says.

"It allows companies like General Electric, Pepsi and Dodge, which have a traditionalism about them, to tap into a contemporary style of communication without having to create their own milieu, which could be in violation of the consumer's perception of them."

Dodge, in particular, is a case where today's products are way ahead of the company's old-fashioned image, Mr. Rosenshine says.

"Dodge's reputation, like BBDO's, has lagged and been mired too much in the past," Mr. Rosenshine says.

And BBDO, in transforming the image of clients, has shown a particular creative gift of self-rejuvenation.#

Dusenberry plays creative hardball

Phil Dusenberry helped create the advertising that helped re-elect the President and found himself at the center of a minor controversy in the process.

The vice-chairman and executive creative director of Batten, Barton, Durstine & Osborn was a member of the Tuesday Team, the *ad hoc* group of advertising heavyweights who did the advertising for President Reagan's re-election campaign. It was Mr. Dusenberry who wrote and produced the 18-minute film that introduced the President on the closing day of the Republican National Convention.

Two of the networks refused to air the $425,000 film, which even its critics conceded was a moving and beautifully photographed tribute. The networks said the film lacked balance and that showing it would have amounted to free advertising for the President. Some observers objected to what they said was the film's implication that President Reagan personified the values of all America.

The characteristically low-keyed Mr. Dusenberry was unfazed by the fuss. "The film totally reflected the President and the optimism of America. It spoke to the people of America," he says.

Mr. Dusenberry believes the Tuesday Team's work in general brought a new dimension to campaigning. "I think it broke new ground for political advertising in that most political advertising, at least in times gone by, was amateurishly done," he says.

His Tuesday Team work wasn't the only notable extracurricular work for Mr. Dusenberry last year. Years ago, the rabid baseball fan (and one-time aspiring big-league catcher) wrote a screenplay for one of his favorite books, Bernard Malamud's "The Natural."

It met nothing but rejections and roadblocks before finally catching the eye of Robert Redford and making it to the screen last year. The film, which Mr. Redford directed and starred in, was a box-office hit and continues to be a popular videocassette offering.

There was a bit of controversy involved in "The Natural" also. As it neared production and encountered the inevitable rewriting, Mr. Dusenberry's name was dropped as author of the screenplay. He quietly but persistently protested and ultimately wound up in the credits as co-author.

The movie also was criticized for changing Malamud's bleak ending to an upbeat one. The happy ending, which Mr. Dusenberry cheerily concedes was all his doing, surprised no one who knows him or his advertising.

Criteria applied to selecting Agency of Year

ADVERTISING AGE's annual selection of Agency of the Year is based on evaluation, by a committee of the publication's editors, of the creative product of the nominated agencies.

The creative product, rather than business success or number of accounts gained, is given primary attention in order that agencies of all sizes and types can be considered for the annual award.

The creative product can include copy, creative strategies, merchandising, media planning, research and related factors.

An agency's business success and growth throughout the year is considered only to the extent that it is reflective of creative excellence.

Nominations for Agency of the Year are submitted to the editors by editorial staff members in all ADVERTISING AGE bureaus and offices.

While primary emphasis is put on nominations from members of the AD AGE staff, careful consideration also is given to the candidacies advanced by the agencies themselves.

Staff nominations result from the monitoring of the advertising agency business throughout the previous year in the course of covering the news.

This year, the final selection of the Agency of the Year came down to four agencies. BBDO faced stiff competition from Avrett, Free & Ginsburg, Chiat/Day and Young & Rubicam, but BBDO's innovative yet effective approach applied in its creative output separated it from the contenders.

Included in this issue are brief summaries and portfolios of these runner-ups considered in the final round of judging. Check the contents strip on Page 1 for the location of the writeups on these candidates.

Past winners

Previous winners of the ADVERTISING AGE Agency of the Year award:

1983—Fallon McElligott Rice
1982—Ogilvy & Mather
1981—Ally & Gargano
1980—Chiat/Day
1979—Henderson Advertising
1978—N W Ayer and **Young & Rubicam**
1977—Needham Harper Worldwide
1976—DKG Advertising
1975—Leo Burnett Co.
1974—Scali, McCabe, Sloves

Advertisers draw bead on agency reputations

By JOSEPH M. WINSKI

J. Walter Thompson USA and Ogilvy & Mather are the nation's two best ad agencies, and Chiat/Day is the hottest, the nation's advertising directors say.

Those are some of the key findings of an exclusive ADVERTISING AGE poll of company ad directors across the country. Other results:

Which are the hottest agencies?

Rank	Agency
1.	**Chiat Day**
2.	**Fallon McElligott Rice**
3.	**Needham Harper**

- Awards do seem to matter.
- Less than half of the clients surveyed believe they will have the same primary agency five years from now.
- Nearly two-thirds of all clients surveyed have been approached by agencies seeking business within the past three months.
- Client satisfaction with agencies is lowest in the West.
- Female ad directors are more likely to dump their agencies than male ad directors.

This Survey of Agency Reputations, which will be repeated periodically to track changes, was conducted for AD AGE by SRI Research Center of Lincoln, Neb., in the last quarter of 1984. SRI questioned a random sample of 300 ad directors of companies with revenues of more than $25 million a year. Questioning was limited to the top 20 U.S. markets.

Asked to name the agency that "provides the best over-all services and products," more ad directors named JWT than any other agency, but the margin over No. 2 Ogilvy & Mather was slim: 8.3% to 7.7% of responses.

Rounding out the best over-all agencies were Young & Rubicam, No. 3 (with 6.3% of the responses); Leo Burnett Co., No. 4 (4%); BBDO International and McCann-Erickson Worldwide, tied for No. 5 (3.7% each); Doyle Dane Bernbach International, D'Arcy MacManus Masius, Bozell & Jacobs and Foote, Cone & Belding, all tied for No. 7 (3% each).

JWT's reputation among ad directors is distinguished by its across-the-board strength.

Of the six criteria by which respondents were asked to appraise agencies, JWT was judged best in five: Media planning and buying, account execs, marketing assistance, top management and research.

The numerical results were supported by followup questioning. Asked why they considered JWT to be the best agency, respondents invariably cited the agency's breadth. The ad director of a New York marketer said he was impressed by JWT's "total service concept." His counterpart at a Minneapolis-based food company cited the agency's "under-one-roof service."

Only JWT's relatively "poor" performance in creativity kept it from laying undisputed claim to the best agency title. JWT finished No. 4 in creativity. Few of the ad directors who picked JWT to be the best agency stressed creativity when explaining their choice.

Ogilvy & Mather's strength, on the other hand, derives largely from its creative output. That's the most critical criterion, according to the ad directors: 36% of them cited creativity as "the most important strength an agency must have."

Which agency is the best?

Rank	Agency	%*
1.	**J. Walter Thompson**	8.3
2.	**Ogilvy & Mather**	7.7
3.	**Young & Rubicam**	6.3
4.	**Leo Burnett Co.**	4.0
5.	**BBDO International**	3.7
	McCann-Erickson	3.7

* % responses

They rated Ogilvy & Mather tops in creativity. Its hallmark is its "really good creative people," the ad director of a New York financial institution said

Chiat/Day, the smallest agency to finish in the top three in any of the measured criteria, was ranked No. 2 by ad directors in creativity. The agency executives are "creative in a straightforward sense; they infuse humor and wit in their ads," said the ad director of a Dallas marketer. Doyle Dane Bernbach was No. 3 in creativity.

JWT, which has been one of the most aggressive agencies in self-promotion, was the clear winner in top-of-mind awareness. Twenty-five per cent of the ad directors named JWT when asked to name the first ad agency that came to mind. Ogilvy & Mather finished second in awareness with 15% of the responses.

They were followed by Young & Rubicam (12%), BBDO International (11%) and Doyle Dane Bernbach (9%). The survey found a positive correlation between awareness of an agency and ad director perceptions of its strength.

Los Angeles-based Chiat/Day, probably best known for its work for Apple Computer, was judged by ad directors to be the "hottest up-and-coming agency" in the country.

Fallon McElligott Rice was No. 2 among the hottest agencies. "They've got the best copywriters in the business," one ad director said. Needham Harper Worldwide was No. 3 in the category.

The value of awards to an agency is much debated within advertising, but the ad directors indicated they are an important barometer. "Reputation and past awards" were cited most often—by 16% of the respondents—as the reason for picking an agency as the best.

The greatest weakness among agencies generally, the ad directors said, is their lack of knowledge of the client's business. That deficiency was mentioned by 20% of the directors, nearly three times the number who said poorly trained account execs were the biggest problem.

The survey turned up significant geographical differences in agency assessment. Ad directors in the West expressed the most dissatisfaction with their agencies. The biggest surprise was that ad directors in the West gave their agencies lower scores for creativity, which much current opinion holds to be a forte of the West Coast agencies.

Which agency first comes to mind?

Rank	Agency	%*
1.	**J. Walter Thompson**	25
2.	**Ogilvy & Mather**	15
3.	**Young & Rubicam**	12
4.	**BBDO International**	11
5.	**Doyle Dane Bernbach**	9

* % responses

Despite Chiat/Day's West Coast base and the acclaimed work turned out by other California agencies such as the San Francisco offices of Ogilvy & Mather and Foote, Cone & Belding, only 30% of the ad directors in the West rated their agencies excellent in creativity, versus the 41% of the national sample who did so.

One theory: Ad directors compare their agencies' work with that of the best in the West—which is very good—and find their agencies wanting.

The West also was rated significantly lower in quality of account execs and top management. The West and South were both rated low in marketing skills. Ad directors in the South also rated their agencies relatively low in media planning and buying.

What are the most important agency attributes?	Which agencies are best at that?
1. Creativity	**1.** Ogilvy & Mather **2.** Chiat/Day **3.** Doyle Dane Bernbach
2. Account execs	**1.** J. Walter Thompson **2.** Ogilvy & Mather **3.** Leo Burnett Co.
3. Media	**1.** J. Walter Thompson **2.** Leo Burnett Co. **3.** BBDO International Ogilvy & Mather
4. Top management	**1.** J. Walter Thompson **2.** Ogilvy & Mather **3.** Young & Rubicam
5. Marketing	**1.** J. Walter Thompson **2.** Leo Burnett Co. **3.** Ogilvy & Mather
6. Research	**1.** J. Walter Thompson **2.** Ogilvy & Mather **3.** BBDO International Leo Burnett

Ad directors in the North Central and East areas gave their agencies significantly better marks in creativity. The East scored high in account execs and top management.

Nonetheless, a significantly higher proportion of ad directors in the East indicated they were likely to change agencies; 37% of the East respondents disagreed or strongly disagreed with the statement, "My current agency will still be my primary agency five years from now."

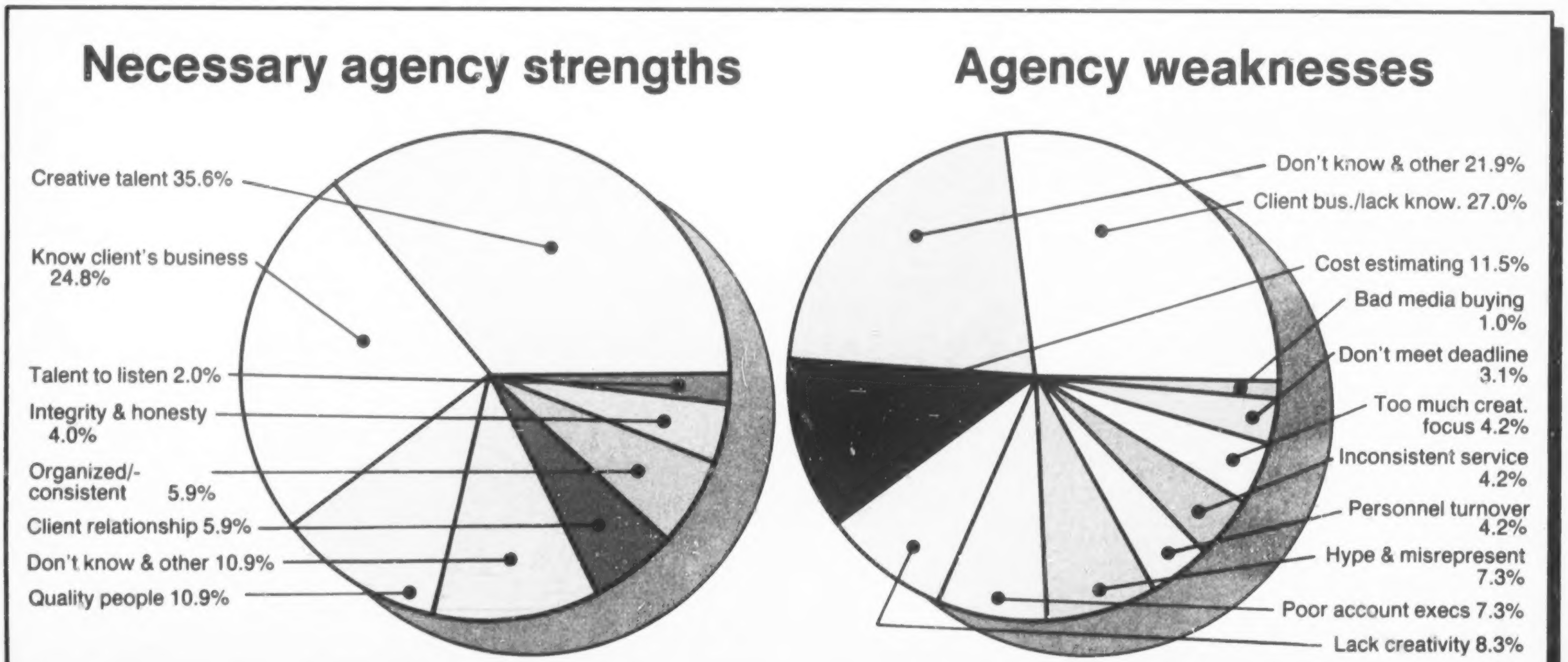
That compared with 31% in the West, 27% in the North Central area and 28% in the South.

Nationally, 31% disagreed. But with more than 15% saying they didn't know and 4% saying they were neutral, that left less than half of the advertisers nationally agreeing that they would have the same agency in five years.

Female ad directors appear to be more restive than their male counterparts. Some 38% of the women surveyed disagreed—including 17% who strongly disagreed—with the statement that they will have the same agency in five years. Only 28% of the men disagreed, including just 7% who strongly disagreed.

Agencies are feeding the restiveness: 65% of the clients surveyed said they had been approached by agencies seeking business within the previous three months.#

For additional information on this survey, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb., 68510. Phone: (402) 489-0351.



Necessary agency strengths

Agency weaknesses

41st report on U.S. agencies

Profiles within this comprehensive listing of U.S. advertising agency business are arranged alphabetically in four income groups: I ($15,000,000 or more), II ($5,000,000-$15,000,000), III ($1,000,000-$5,000,000) and IV (less than $1,000,000). The III and IV agencies are also placed within their geographic areas. Many subsidiaries also are reviewed within the listing of their parent agency.

AC&R Advertising
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	16.4	12.9	26.8
Billings	98.7	82.6	19.4
U.S.			
Gross income	15.9	12.2	30.3
Billings	94.7	77.5	22.2
U.S. volume breakdown			
Media	76.9	59.4	29.4
Materials/services	15.3	15.2	0.6
Capitalized fees	2.5	2.8	-10.7

AC&R Advertising, New York, a subsidiary of Ted Bates Worldwide, reported gross income of $16,389,000, of which $504,000 was non-U.S. contributions, in 1984 on biliings of $98,660,000. In 1983, it reported gross income of $12,924,000, of which $730,000 was non-U.S. contributions, on billings of $82,627,000.

The agency's 1984 U.S. volume of 94,681,000 consisted of $76,883,000 in media, $15,278,000 in materials and services and $2,520,000 in capitalized fees. Its 1983 volume of $77,450,000 consisted of $59,382,000 in media, $15,247,000 in materials and services and $2,821,000 in capitalized fees.

Overseas, its 1984 dollar volume of $3,979,000 consisted of $2,770,000 in media, $542,000 in materials and services and $667,000 in capitalized fees. Its 1983 foreign volume of $5,177,000 consisted of $3,721,000 in media, $956,000 in materials and services and $500,000 in capitalized fees.

In 1984 the agency gained: Kellwood multiproduct apparel, Tiffen photographic filters, Ruffini men's sportswear designer, Wines of Bordeaux, San Juan, Puerto Rico, Convention Bureau, 3M Thinsulate thermal insulation products. It lost: Pulsar watches, Spring Mills apparel fabrics, Bigelow Sanford carpeting. It gained and lost no accounts overseas.

Billings breakdown: Newspapers 5.6%, magazines 32.4%, radio 1.3%, network tv 5.2%, spot tv 47.8%, outdoor 0.3%, business papers 7.4%. Employes: 240 in two offices. Top execs: Stephen Rose, chairman; Alvin Chereskin, president; Louis Miano, vice-chairman, creative services; Kaz Kudo, Sheldon Marks, exec vps-client services; Harry Koenig, exec vp-treasurer; Mort Weinstein, exec vp-mktg services.

Phone: (212) 685-2500.

Admarketing Inc.
Los Angeles

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	28.1	26.8	4.9
Billings	171.3	146.3	17.1
U.S. volume breakdown			
Media	156.8	145.0	8.1
Materials/services	3.2	1.3	146.1
Capitalized fees	11.3	0	N/A

Admarketing Inc., Los Angeles, reported gross income of $28,100,000 in 1984 on billings of $171,252,290. In 1983, it reported gross income of $26,800,000 on billings of $146,300,000.

The agency's U.S. 1984 volume consisted of $156,800,000 in media, $3,200,000 in materials and services and $11,252,290 in capitalized fees. Its 1983 volume consisted of $145,000,000 in media and $1,300,000 in materials and services.

In 1984 the agency gained: Dakota Farms Cheese; Wilsey Foods—Saffola margarine, mayonnaise, safflower oil, Tablemaid light and regular spread and Goldensweet margarine, Georgia-Pacific's Household Chemical div.'s Perform brand spray starch, fabric softener, cleanser and glass cleaner and its Quik Fire, Aquachem Wood New, House of Lee's oriental spices and sauces, American Dhul's Duly Flan, The Disney Channel, Select Tv, Preview, Los Angeles Raiders, C&R Clothiers, Hartfield Zodys—Zodys discount department stores, Jet Pac. It lost: Regal Vitamin, Oak Communications' ON TV, Raleigh Hills Hospitals, La Victoria Foods, Jet America.

Billings breakdown: Newspapers 3%, magazines 2%, supplements 4%, radio 8%, spot tv 75%, outdoor 1%, business papers 1%, transit advertising 2%, point of sale 2%, direct mail 1%, other 1%. Employes: 275 in three offices. Top execs: Jack Roth, president-ceo; Robert Recht, chairman; Robert Roth, treasurer; Martin Cagan, exec vp; Ed Moiselle, Harv Kauffman, George Abdell, Tony Naish, Julian MacDonald, senior vps; Marilyn Edwards, Patricia Gleason, Larry Mandel, Charles Katz, Bill Tollis, John

l agencies: $15,000,000 +

Bamberer, Amnon Mizrahi, vps.
Phone: (213) 203-8400.

Ally & Gargano
New York

($ figures – 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	23.4	22.2	5.1
Billings	182.9	174.1	5.1
U.S. volume breakdown			
Media	131.6	149.3	-11.8
Materials/services	20.2	16.1	25.4
Capitalized fees	31.1	8.7	258.8

Ally & Gargano, New York, reported gross income of $23,365,000 in 1984 on billings of $182,871,000. In 1983, it reported gross income of $22,229,800 on billings of $174,066,000.

The agency's U.S. 1984 volume consisted of $131,571,000 in media, $20,171,000 in materials and services and $31,129,000 in capitalized fees. Its 1983 volume consisted of $149,273,000 in media, $16,117,300 in materials and services and $8,675,700 in capitalized fees.

In 1984 the agency gained: Andrew Jergens Co., Bristol-Myers' Datril, Bryan Foods, Ciba Consumer Pharmaceuticals Corp., Polaroid Corp., RCA American Communications, Sun Banks of Florida. It lost: Canadair Ltd., Comprehensive Accounting Corp., Franklin Computers, Kloss Video Corp., Midway Airlines, National Football League Properties, Piper Aircraft Corp., WYNY-FM.

Billings breakdown: Newspapers 10%, magazines 14.7%, radio 2.8%, network tv 26.7%, spot tv 42.5%, cable tv 0.8%, business papers 2.2%. Employes: 261 in one office. Top execs: Amil Gargano, chairman-president-ceo; Harold R. Weston, exec vp-ceo-secretary-treasurer; Michael Tesch, exec vp-associate creative director; Larry Dexheimer, senior vp-mktg & media services; Tom Messner, senior vp-creative group head-copy chief; Barry Vetere, senior vp-creative group head; Dennis Visich, senior vp-acct mgmt services.

Phone: (203) 688-5300.

N W Ayer Inc.
New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Gross income	104.7	97.4	7.5
Billings	751.7	650.0	15.6
U.S.			
Gross income	91.2	83.2	9.6
Billings	652.5	558.0	16.9
U.S. volume breakdown			
Media	567.7	423.0	34.2
Materials/services	84.8	67.0	26.5
Capitalized fees	0.0	68.0	N/A

☑

N W Ayer Inc., New York, reported gross income of $104,659,000, of which $13,500,000 was non-U.S. contributions, in 1984 on billings of $751,700,000. In 1983, it reported gross income of $97,400,000, of which $14,200,000 was non-U.S. contributions, on billings of $650,000,000.

The agency's 1984 U.S. volume of $652,500,000 consisted of $567,700,000 in media and $84,800,000 in materials and services. Its 1983 U.S. volume of $558,000,000 consisted of $423,000,000 in media, $67,000,000 in materials and services and $68,000,000 in capitalized fees.

Overseas, its dollar volume was $99,200,000 in 1984 and $92,000,000 in 1983, neither figure of which was broken out. Although the agency has no U.S. subsidiaries, figures include results of Ayer offices in New York, Chicago, Detroit and Los Angeles.

In 1984 the agency gained: J.C. Penney national retail advertising, AT&T Communications—added U.S. assignments, U.S. Dept. of Commerce's U.S. Travel & Tourism Admin., U.S. Army recruiting—renewal, Toshiba Inc.'s corporate. It lost: Sears' Business Systems Stores, Sterling Drug's Glenbrook Laboratories, Braniff Intl., CompuShop Inc., Time-Life Books direct response, Kraft's Breyers ice cream, AT&T Communications overseas.

Overseas, it gained: U.S. Travel & Tourism Admin., Bristol-Myers (Germany), BASF (Spain), BMW autos (Italy), Australian Air Force (Australia), Cunard Cruises (New Zealand), Wardair airline (Netherlands). It lost: Audi autos, Dunlop tennis rackets (Netherlands), Arnott Harper pet foods, Simmons bedding (Australia), Bonafieds supermarkets (Argentina), Duckworth Turner (New Zealand).

Billings breakdown: Newspapers 8.6%, magazines 18%, supplements 1.1%, radio 8.1%, network tv 46.8%, spot tv 11.1%, cable tv 0.3%, outdoor 0.4%, business papers 4.2%, direct mail 0.4%, other 0.3%. Employes: 2,300 in 18 offices worldwide; 1,265 in four U.S. offices.

Top execs: Louis T. Hagopian, chairman-ceo; Jerry J. Siano, vice-chairman-chief creative officer; David H. Means, Dominick F. Rossi Jr., Patrick J. Cunningham, George H. Eversman, Jerry N. Jordan, Thomas Maxey, V. Hugh Wells and Theodore M. Regan Jr., exec vps; Bartine A. Stoner Jr., chairman-western div.; Robert P. Zabel, president-midwestern div; Bertrand M. Lanchner, senior vp-secretary & counsel; John B. Roedig, senior vp-financial.

Phone: (212) 708-5000.

Backer & Spielvogel
New York

($ figures – 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	59.3	51.6	14.9
Billings	395.7	344.1	14.9
U.S. volume breakdown			
Media	391.6	334.8	16.9
Materials/services	N/A	N/A	N/A
Capitalized fees	4.1	9.2	-55.4

☑

Backer & Spielvogel, New York, reported gross income of $59,330,000 in 1984 on billings of $395,730,000. For 1983, the agency restated its gross income at $51,608,000 on billings of $344,055,000, compared with estimates submitted that year of $45,000,000 in gross income and $300,000,000 in billings.

The agency's 1984 volume consisted of $391,602,000 in media and $4,128,000 in capitalized fees. Backer and Spielvogel's 1983 volume consisted of $334,828,000 in media and $9,227,000 in capitalized fees.

In 1984 the agency gained: James Catto & Co.'s Steidl's wine cooler, Miller Brewing's Milwaukee's Best, Philip Morris USA's Parliament cigarets, Quaker Oat's Celeste frozen pizza. It lost: Sony Corp. of America's Betamax video-

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story below left.*

Cpas verify '84 agency returns

This 1984 survey marks the first year ADVERTISING AGE has sought verification of an agency's domestic U.S. gross income by an outside accountant.

The step was taken to move toward greater assurance that the published figures are the most reliable that are available to those who need dependable information on agency performance.

Participating agencies with $5 million in gross income or above in the 1983 issue were notified of this move toward verification in the fall of 1984 and were asked how they would respond.

Many of those responding said they would attach an accountant's signature. The agencies were informed at that time that such a signature would be purely voluntary, and that ADVERTISING AGE would make note of those who volunteered a signature.

Those agencies who provided a signature are noted in this issue by a check mark within a box (☑) in the profile of the agency. More than a third of the agencies in this 41st annual issue signed the following AD AGE statement:

> *The undersigned, acting as outside accountant for the agency, confirms that the U.S. income figure indicated above for the year 1984 reflects totals as entered on the books of the company for the period reported.*

A number of cpa firms opted for greater clarification of the language and submitted their own finely tooled statements, which were accepted. Most of those adopted a statement drafted by the advertising committee of the New York State Society of CPAs. (See New York CPA statement in accompanying box.) That statement notes that a cpa's confirmation of the U.S. gross income does not constitute an examination (audit) in accordance with generally accepted auditing standards; therefore, a signature would not mean that the cpa was expressing an opinion (which comes with an audit).

"An accountant would probably do the same thing with your statement as with ours," says Gene F. Gaughan, chairman of the New York State Society of CPAs, "only ours is in keeping with standards adopted for legal reasons by the profession."

Neither the AD AGE nor the New York CPA statement requires an audit, which can be expensive and is unnecessary in general for small agencies.

Those agencies whose cpa firms used this New York Society of CPAs' statement or a form of it in complying with the AD AGE verification request are noted in the issue with a dagger adjacent to the marked box (☑†). Alternate statements from accountants generally were accepted in this attempt to seek greater verification.

Despite the strong response from the accounting profession, a number of smaller agencies failed to respond to the AA questionnaire, probably because of the verification procedures. Some blame for this fallout also may be attributed to AA's newly computerized mailing sent to "agency principal." One such betitled exec wrote: "Sorry we're late, but our mail room doesn't know anybody by the name of agency principal."

NY cpa statement accepted

To agency board of directors:

We *(the accounting firm)* have applied certain agreed-upon procedures, as discussed below, to the accounting records of *(give name of agency)* for the year ended Dec. 31, 1984, solely to assist you prepare your report to appear in the "1984 Agency Income Report" to be published by ADVERTISING AGE on March 28.

It is understood that our report on your accounting records is solely for your information and is not to be referred to or distributed for any purpose to anyone who is not a member of management of your agency without our consent. You may attach a copy of this letter to your agency's report to ADVERTISING AGE.

Our procedure was to confirm total 1984 "U.S. Income" of *(the amount is given)* shown on line 1 of the agency income questionnaire agreed with the balances in general ledgers or other financial records maintained by your agency and its U.S. affiliates.

Because the above procedure does not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above.

In connection with the procedure referred to above, no matters came to our attention that caused us to believe that "U.S. Income" should be adjusted. Had we performed additional procedures or had we completed or made an examination of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you.

This report relates only to the accounts and items specified above and does not extend to any financial statements of your agency taken as a whole."

Advertising Age
Crain's International Newspaper of Marketing

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l agencies: $15,000,000 +

cassette recorders.

Employes: 544. Top execs: Carl Spielvogel chairman-ceo; William M. Backer, president; G. Robert Holmen, exec vp-chief operating officer; Robert H. Lenz, exec vp-creative director; Stephen Leff, exec vp-media services; Robert R. Meury, exec vp-copy chief.

Phone: (212) 556-5200.

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Ted Bates Worldwide
New York

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Gross income	424.4	387.9	9.4
Billings	2,829.2	2,586.1	9.8
U.S.			
Gross income	263.1	244.4	7.7
Billings	1,754.7	1,629.0	7.7
U.S. volume breakdown			
Media	1,362.5	1,293.1	5.3
Materials/services	154.6	150.6	2.6
Capitalized fees	237.7	185.2	28.3

Ted Bates Worldwide, New York, reported gross income of $424,373,000, of which $161,162,000 was non-U.S. contributions, in 1984 on billings of $2,829,154,000. In 1983, it reported gross income of $387,899,000, of which $143,506,000 was non-U.S. contributions, on billings of $2,586,064,000.

The agency's 1984 U.S. volume of 1,754,744,000 consisted of $1,362,452,000 in media, $154,636,000 in materials and services and $237,656,000 in capitalized fees. Its 1983 U.S. volume of $1,628,950,000 consisted of $1,293,119,000 in media, $150,586,000 in materials and services and $185,245,000 in capitalized fees.

Overseas, its 1984 dollar volume of $1,074,410,000 consisted of $618,786,000 in media, $60,606,000 in materials and services and $395,018,000 in capitalized fees. Its 1983 foreign volume of $957,114,000 consisted of $589,191,000 in media, $60,437,000 in materials and services and $307,486,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- William Esty Co.
- AC&R Advertising
- Campbell-Mithun
- Diener/Hauser/Bates Co.
- McDonald & Little
- Sawdon & Bess Advertising
- Stern Walter/Earle Ludgin

In 1984, the agency gained (for New York office only): Anheuser-Busch Michelob (blond and classic dark), Mars Inc.'s Uncle Ben's. It lost: Mobil Chemical Co., Beiersdorf, Duffy Mott, Rose Holland House.

Billings breakdown: Newspapers 7.1%, magazines 14%, supplements 1.2%, radio 4.6%, network tv 37.9%, spot tv 23.1%, cable tv 0.9%, outdoor 8.8%, business papers 1.5%, direct mail 0.3%, other 0.6%. Employes: 5,345 in 99 offices. Top execs: Robert E. Jacoby, chairman-president-ceo and chairman-Ted Bates Advertising/New York; John R. Hoyne, exec vp, president-intl group; Duane W. Ragsdale, exec vp, director-corp. development; Stephen Rose, exec vp, president-U.S. Affiliates Group, chairman-AC&R Advertising; Donald M. Zuckert, exec vp, president-Ted Bates Advertising/New York; Michael L. Becker, exec vp, vice-chairman-chief creative officer-Ted Bates Advertising/New York; William H. Maynard Jr., vice-chairman, director-worldwide creative services; A. Michael Frothingham, senior vp, secretary-general counsel; Robert J. Preis, senior vp, chairman-finance committee; Donald P. Murphy, senior vp-cfo; Joseph Guistino senior vp-treasurer; Elhanan C. Stone, senior vp, general counsel-operations, assistant secretary; Edward A. Cannata, senior vp, president-financial affiliates group.

Phone: (219) 869-3131.

BBDO International
New York

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Gross income	340.0	292.0	16.4
Billings	2,275.0	1,969.0	15.5
U.S.			
Gross income	235.0	199.0	18.1
Billings	1,581.0	1,349.0	17.2
U.S. volume breakdown			
Media	1,108.0	926.0	19.6
Materials/services	231.0	217.9	6.4
Capitalized fees	242.0	205.1	18.0

BBDO International, New York, reported gross income of $340,000,000 in 1984, of which $105,000,000 was in non-U.S. contributions, on billings of $2,275,000,000. In 1983, it reported gross income of $292,000,000, of which $93,000,000 was in non-U.S. contributions, on billings of $1,969,000,000.

The agency's 1984 U.S. volume of $1,581,000,000 included $1,108,000,000 in media, $231,000,000 in materials and services and $242,000,000 in capitalized fees. Its 1983 U.S. volume of $1,349,000,000 consisted of $926,000,000 in media, $217,900,000 in materials and services and $205,100,000 in capitalized fees.

Overseas, its dollar volume was $694,000,000 in 1984 and $620,000,000 in 1983. The figures included contributions of U.S. subsidiaries:

- Batten, Barton, Durstine & Osborn
- BBDO Chicago
- BBDO Direct
- BBDO/West
- BDA/BBDO
- Blair Advertising
- Caravetta Allen Kimbrough/-BBDO
- Doremus & Co.
- GM DuBois
- Hannaford Co.
- Quinn & Johnson/BBDO
- Marcoa Direct Advertising
- RC Communications
- Franklin Spier Inc.
- Tracy-Locke
- Waring & LaRosa
- Frank J. Corbett Inc.
- Lavey/Wolff/Swift
- Telerx Marketing

In 1984 the agency gained: Coldwell Banker. It lost: Firestone, Liberty Mutual. Overseas, it gained: Minolta cameras, Apple computers, KPI (Gulf Stations Europe), Rothman's cigarets. It lost: Aspect Ltd., RWE.

Billings breakdown: Newspapers 10%, magazines 18%, supplements 1%, radio 9%, network tv 30%, spot tv 22%, cable tv 1%, outdoor 1%, business papers 4%, point of sale 1%, direct mail 1%, other 2%. Em-

Profiles continued on Page 24

ASK Joan Collins
• and Robert Mitchum • and
Orson Welles • and Lauren Bacall •
and Ricardo Montalban • and George Peppard •
and Morgan Fairchild • and Mr. T • and Heather Lockleer
• and Chevy Chase • and James Brolin • and Jimmy Stewart • and
Barbara Eden • and Buddy Ebsen • and Mohammed Ali • and Sarah Purcell •
and Eddie Albert • and Lloyd Bridges • and Ernest Borgnine
and Shirley Jones • and Dick Van Patten • and Marcus Allen • and
Phyllis Diller • and Rodney Dangerfield • and Burgess Meredith •
and Juliet Prowse • and Jill St. John • and Julius Irving • and
Lindsay Wagner • and Rita Moreno • and Mickey Rooney • and Jack
Palance • and Jennifer O'Neill • and Diane Von Furstenberg • and
Leonard Nimoy • and Scott Carpenter • and Elke Sommer • and Mel
Tillis • and Doc Severinsen • and Audrey Landers • and Tony Randall •
and Mclean Stevenson • and Joyce Brothers • and Arnold Schwarzenegger •
and James Whitmore • and Mary Ann Mobley • and Howard Cosell • and
Melvin Belli • and Ester Rolle • and Jayne Meadows • and Robert Conrad • and
Don Knotts • and Toni Tennille • and Martin Mull • and Carl Reiner • and Ruth Buzzi •
and David Steinberg • and Hope Lange • and Herschel Walker • and Tina Louise • and Ava Gabor
• and The Smothers Brothers • and Rick Monday • and Helen Reddy • and Alan Carr
• and Steve Allen • and Roger Miller
• and Jo Anne Worley • and Redd
Foxx • and Red Skelton • and Joey Heatherton
• and Billy Carter • and Billie Jean King • and
Paul Williams • and Sid Ceasar • and Wayne
Newton • and Peter Lawford • and Vincent
Price • and E.G. Marshall • and Dorothy Lamour
• and Gary Burghoff • and Barry Sullivan •
and Milton Berle • and Dan Haggerty • and
Tony Martin • and Jerry Lee Lewis • and Sandy
Dennis • and Cesar Romero • and Barry
Newman • and Ginger Rogers • and June Allyson
• and Trini Lopez • and Aldo Ray • and Louie Nye
• and Macdonald Carey • and George Plimpton
• and Henny Youngman • and Roger Williams •
and Rosey Grier • and Linda Day George •
and Roddy McDowell • and Bobby Morse • and
Richard Roundtree • and John Newcombe • and
Avery Schreiber • and Arte Johnson • and
Nipsey Russell • and Martin Milner • and
Bobby Riggs • and Rudy Vallee • and Arthur Hill
• and George Jessell • and Kaye Ballard • and Morey Amsterdam • and Kevin McCarthy • and Cyd Charisse • and Bert Parks • and Gordon MacRae • and Rex Reed • and Buddy Greco • and Meadowlark Lemon • and Scatman Crothers • and Jackie Vernon • and Ed Byrnes • and John Cappalletti • and Buster Crabbe • and Tracy Austin • and Sheila MacRae • and Dorothy Malone • and Paul Burke • and Julia Meade • and Ann Miller • and Xavier Cugat • and Andrew Sisters • and Dennis Day • and Gisele MacKenzie • and Mickey Dolen • and Chubby Checker • and Ted Bessell • and Fats Domino • and Roger Miller • and Cliff Gorman • and Barnstable Twins • and Lyle Waggoner • and Martin Landau • and Don Adams • and Marty Allen • and Shaun Cassidy • and Steve Lawrence • and Eydie Gorme • and Della Reese • and Ron Palillo • and Rossano Brazzi • and Kevin Dobson • and James Earl Jones • and Merl Haggard • and Red Aurabauch • and Marty Ingels Mother•

The list goes on forever: Top celebrities placed by Ingels Inc. in a successful commercial project.

Are you considering a Personality for something? Why not let us run all your interference. We'll deliver you an instant picture of the *entire celebrity field*. You make your choices, we bring in your star. And you pay us NOTHING EXTRA. Try us. We're good.

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l agencies: 60 top $15 million in gross income

World income rank		Agency	World gross income ($000,000)		U.S. gross income ($000,000)		World billings ($000,000)		U.S. billings ($000,000)		U.S. capitalized fees ($000,000)		Total employes	
1984	1983		1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
1	1	Young & Rubicam	480.1	414.0	323.1	274.4	3,202.1	2,761.4	2,155.1	1,830.1	0.0	0.0	8,418	7,745
2	2	Ted Bates Worldwide	424.4	387.9	263.2	244.4	2,839.2	2,586.1	1,754.7	1,629.0	237.7	185.2	5,345	5,124
3	4	Ogilvy & Mather International	421.0	345.8	270.5	204.1	2,887.9	2,360.4	1,804.3	1,361.4	0.0	0.0	7,428	8,030
4	3	J. Walter Thompson Co.	405.8	368.3	218.2	188.3	2,706.7	2,456.2	1,455.4	1,255.9	0.0	0.0	8,174	7,636
5	6	BBDO International	340.0	292.0	235.0	199.0	2,275.0	1,969.0	1,581.0	1,349.0	242.0	205.1	4,472	4,018
6	7	Saatchi & Saatchi Compton Worldwide	337.5	253.3	157.4	110.9	2,301.7	1,710.6	1,093.3	771.8	0.0	177.2	3,814	1,140
7	5	McCann-Erickson Worldwide	325.2	267.2	118.5	95.4	2,169.4	1,782.2	790.5	636.4	0.0	0.0	6,422	5,962
8	9	Foote, Cone & Belding Communications	268.5	208.4	196.9	158.9	1,802.3	1,405.6	1,324.4	1,075.5	0.0	0.0	5,832	4,468
9	8	Leo Burnett Co.	253.5	216.5	163.2	135.0	1,734.8	1,485.3	1,132.9	914.1	42.0	20.8	3,668	3,461
10	12	Grey Advertising	224.2	183.5	155.1	125.1	1,495.2	1,224.0	1,034.6	839.5	127.4	76.1	4,300	3,908
11	10	Doyle Dane Bernbach International	218.3	197.6	154.1	144.6	1,510.6	1,321.0	1,085.1	970.0	146.9	142.0	3,280	3,365
12	13	D'Arcy MacManus Masius Worldwide	198.6	173.0	106.9	91.6	1,337.5	1,156.5	712.9	610.3	0.0	0.0	3,583	3,626
13	11	SSC&B:Lintas Worldwide	182.9	155.5	62.2	50.8	1,230.3	1,047.5	414.6	338.7	0.0	0.0	3,765	3,705
14	14	Benton & Bowles	159.4	140.1	111.0	98.1	1,129.4	966.3	766.7	649.9	272.3	146.1	2,934	2,973
15	15	Marschalk Campbell-Ewald Worldwide	140.3	126.7	112.1	99.5	935.6	844.9	747.9	663.8	0.0	0.0	1,934	1,851
16	19	Needham Harper Worldwide	114.7	94.2	96.7	77.9	775.0	631.9	655.0	519.9	204.3	121.3	1,293	2,126
17	16	Dancer Fitzgerald Sample	110.4	105.0	109.2	94.1	758.0	726.1	750.2	627.0	0.0	0.0	3,352	3,175
18	18	N W Ayer	104.7	97.4	91.2	83.2	751.7	650.0	652.5	558.0	0.0	68.0	2,300	1,230
19	20	Wells, Rich, Greene	96.3	92.7	94.2	91.0	632.0	608.5	618.0	595.6	0.0	67.0	962	916
20	22	Bozell & Jacobs	94.2	74.4	92.5	73.5	671.0	557.0	660.0	551.0	114.0	86.0	1,650	1,350
21	21	William Esty Co. ☽	78.0	84.8	78.0	84.8	520.0	565.0	520.0	565.0	0.0	0.0	597	636
22	N/A	HCM ○	75.3	59.9	30.6	28.1	502.0	399.1	204.0	187.1	59.5	43.5	1,329	N/A
23	24	Ketchum Communications	60.9	52.7	53.1	46.8	406.1	368.4	354.1	312.2	83.6	68.7	1,050	1,050
24	27	Backer & Spielvogel	59.3	51.6	59.3	51.6	395.7	344.1	395.7	344.1	4.1	9.2	554	514
25	23	Kenyon & Eckhardt	56.4	60.5	41.3	45.0	376.2	392.2	275.2	289.2	67.1	59.6	2,375	2,319
26	25	Cunningham & Walsh	53.3	52.7	53.3	52.7	370.0	366.0	370.0	366.0	18.8	18.3	600	711
27	29	Campbell-Mithun ☽	45.0	42.8	45.0	42.8	300.3	285.3	300.3	285.3	0.0	0.0	670	660
28	31	Scali, McCabe, Sloves ♤	44.6	35.2	30.5	23.6	307.0	229 2	209.5	158.8	0.0	0.0	635	583
29	28	HBM/Creamer	44.2	43.5	44.2	43.5	294.8	290.0	294.8	290.0	25.3	22.8	653	700
30	32	TBWA Advertising	40.5	35.0	10.9	7.7	270.0	237.2	72.8	51.0	0.0	0.0	523	502
31	33	Ross Roy Inc.	37.8	34.1	37.8	34.1	252.0	227.0	252.0	227.0	99.0	80.0	600	516
32	N/A	DYR Worldwide ○	36.9	29.4	21.3	17.4	246.0	196.0	142.0	116.0	0.0	0.0	693	N/A
33	34	Della Femina, Travisano & Partners	33.0	30.8	33.0	30.8	220.0	205.0	220.0	205.0	23.1	21.4	370	363
34	36	Leber Katz Partners Advertising	32.4	29.2	32.4	29.2	279.3	251.0	279.3	251.0	36.1	31.4	285	300
35	44	Tracy-Locke ♡	32.4	22.8	32.4	22.8	239.8	198.1	239.8	198.1	15.9	45.2	476	341
36	35	Laurence, Charles & Free	32.3	29.3	32.3	29.3	215.0	195.0	215.0	195.0	12.0	10.0	205	197
37	38	Wunderman, Ricotta & Kline ○	31.2	25.8	23.8	19.2	256.8	215.8	207.8	171.9	0.0	0.0	461	389
38	57	Lord, Geller, Federico, Einstein	29.8	14.4	29.8	14.4	207.2	98.2	207.2	98.2	12.7	12.1	257	198
39	42	Admarketing	28.1	26.8	28.1	26.8	171.3	146.3	171.3	146.3	11.3	0.0	275	275
40	56	Chiat/Day	27.8	14.8	27.8	14.8	226.6	138.4	226.6	138.4	42.8	34.5	300	240
41	41	McCaffrey & McCall □	27.5	23.9	27.5	23.9	183.4	159.9	183.4	159.9	0.0	0.0	340	330
42	37	Tatham-Laird & Kudner	27.1	27.0	27.1	27.0	226.0	224.0	226.0	224.0	84.2	85.4	377	375
43	39	W.B. Doner & Co. Advertising	26.9	24.8	26.9	24.8	179.0	165.0	179.0	165.0	27.7	26.2	424	395
44	52	Hill, Holliday, Connors, Cosmopolus	26.3	17.3	22.7	14.6	175.4	115.0	151.5	101.4	93.3	52.6	411	306
45	47	Jordan, Case & McGrath	24.2	21.0	24.2	21.0	165.1	147.8	165.1	147.8	25.3	28.7	205	170
46	30	Geers Gross Advertising	23.8	23.1	23.8	23.1	168.0	165.0	168.0	165.0	10.0	10.4	311	335
47	40	Doremus & Co. ♡	23.5	24.1	23.5	24.1	153.9	158.4	153.9	158.4	51.7	51.9	314	350
48	45	Ally & Gargano	23.4	22.2	23.4	22.2	182.9	174.1	182.9	174.1	31.1	8.7	261	244
49	43	Bloom Cos.	23.1	21.9	23.1	21.9	154.1	146.4	154.1	146.4	0.0	0.0	350	400
50	49	Keller-Crescent Co.	22.5	19.2	22.5	19.2	114.0	96.1	114.0	96.1	50.7	45.8	585	585
51	46	Dailey & Associates	22.2	21.5	22.2	21.5	147.9	143.5	147.9	143.5	0.0	0.0	245	301
52	51	Sudler & Hennessey ○	20.5	17.5	16.4	13.5	136.7	117.0	109.4	90.0	0.0	0.0	280	265
53	50	Warwick Advertising	20.3	18.9	20.3	18.9	135.0	126.0	135.0	126.0	38.5	36.0	270	270
54	54	Rumrill-Hoyt □	18.2	16.2	18.2	16.2	121.6	108.1	121.6	108.1	0.0	43.2	306	241
55	53	MCA Advertising Ltd.	17.6	16.5	17.6	16.5	148.7	137.5	148.7	137.5	9.5	2.6	95	92
56	61	AC & R ☽	16.4	12.9	15.9	12.2	98.7	82.6	94.7	77.5	2.5	2.8	240	207
57	60	Medicus Intercon International △	16.2	13.4	6.7	6.0	135.9	117.9	61.1	52.7	42.7	38.0	290	250
58	55	Rosenfeld, Sirowitz & Lawson	15.6	14.8	15.6	14.8	121.5	115.0	121.5	115.0	28.6	26.0	202	202
59	68	Evans Communications	15.6	11.6	15.6	11.6	104.0	77.5	104.0	77.5	29.5	24.0	295	227
60	48	Nationwide Advertising	15.0	20.0	14.3	14.0	100.0	67.0	95.0	60.0	0.0	0.0	290	N/A

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In some cases, income and billings figures are included in the parent company totals on this chart. The following symbols indicate the parent companies in which this occurs:

Symbol	Parent company	Symbol	Parent company
○	Young & Rubicam	□	Saatchi & Saatchi Compton Worldwide
☽	Ted Bates Worldwide	☆	D'Arcy MacManus Masius
♧	J. Walter Thompson Co.	◇	Foote, Cone & Belding Communications
♤	Ogilvy & Mather International	⌂	Doyle Dane Bernbach International
♡	BBDO International	△	Benton & Bowles

II agencies: 102 reach $5 million to $15 million

World income rank		Agency	World gross income ($000,000)		U.S. gross income ($000,000)		World billings ($000,000)		U.S. billings ($000,000)		U.S. capitalized fees ($000,000)		Total employes	
1984	1983		1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
61	67	Davis, Johnson, Mogul & Colombatto	14.1	11.8	14.1	11.8	101.4	78.9	101.4	78.9	8.9	6.9	191	180
62	N/A	Lewis, Gilman & Kynett ◇	13.8	11.7	13.8	11.7	91.7	77.8	91.7	77.8	29.4	26.8	225	N/A
63	63	Ohlmeyer Advertising	13.7	12.8	13.7	12.8	91.0	85.0	91.0	85.0	0.0	0.0	51	N/A
64	85	Ammirati & Puris Inc.	13.5	8.7	13.5	8.7	90.0	58.0	90.0	58.0	1.0	0.0	170	112
65	70	Geer, DuBois Advertising	13.5	10.8	13.5	10.8	90.0	72.0	90.0	72.0	0.0	0.0	160	140
66	82	William Douglas McAdams	13.5	12.0	13.5	12.0	90.0	80.2	90.0	80.2	29.6	20.7	171	165
67	65	Cole & Weber ☾	13.4	12.3	13.4	12.3	96.9	85.2	96.9	85.2	30.4	22.3	209	185
68	71	Muir Cornelius Moore	13.0	10.7	13.0	10.7	86.6	71.3	86.6	71.3	0.0	0.0	150	180
69	92	Ingalls Associates	12.7	8.0	12.7	8.0	85.0	60.5	85.0	60.5	23.0	21.0	240	175
70	N/A	Fahlgren & Swink	12.5	11.7	12.5	11.7	84.6	77.9	84.6	77.9	39.7	37.0	240	N/A
71	69	Sieber & McIntyre	12.5	11.2	11.9	10.3	83.5	74.2	79.2	68.3	51.1	47.7	162	174
72	N/A	Telephone Marketing Programs	12.3	10.0	12.0	9.8	83.0	67.5	80.0	65.0	0.0	0.0	551	N/A
73	66	Waring & LaRosa ♡	12.3	12.0	11.8	11.6	82.0	80.0	78.8	77.0	7.5	6.7	135	135
74	95	Earle Palmer Brown Cos.	12.1	10.6	12.1	10.6	84.4	50.1	84.4	50.1	0.0	0.0	250	160
75	58	Eisaman, Johns & Laws	12.1	14.3	12.1	14.3	80.4	95.3	80.4	95.3	4.1	2.7	135	170
76	83	Hicks & Greist	12.0	9.0	12.0	9.0	92.5	71.0	92.5	71.0	4.3	3.0	140	125
77	62	Diener/Hauser/Bates Co. ☽	11.4	12.3	11.4	12.3	112.4	124.6	112.4	124.6	0.0	0.0	171	204
78	72	Henderson Advertising	11.3	10.5	11.3	10.5	75.4	70.1	75.4	70.1	9.8	7.7	130	137
79	59	Kornhauser & Calene	11.3	14.3	11.3	14.3	120.4	150.1	120.4	150.1	8.4	12.9	137	182
80	78	Stone & Adler ○	11.1	9.2	9.8	8.4	82.2	61.6	72.7	55.9	61.3	50.5	176	155
81	77	Wyse Advertising	11.1	9.4	11.1	9.4	84.8	68.6	84.8	68.6	26.7	20.7	196	198
82	91	Direct Marketing Agency	11.0	8.3	11.0	8.3	50.2	40.1	50.2	40.1	46.0	37.4	78	54
83	86	McKinney Silver & Rockett	10.9	8.6	10.9	8.6	72.3	57.5	72.3	57.5	7.0	5.4	118	103
84	75	Kallir, Philips, Ross	10.7	9.9	10.6	9.9	98.4	86.0	98.0	86.0	65.3	56.6	157	140
85	89	Levine, Huntley, Schmidt & Beaver	10.6	8.5	10.6	8.5	71.3	56.8	71.3	56.8	11.6	5.2	126	98
86	73	Group 3hree Advertising Corp.	10.6	10.1	10.6	10.1	35.3	33.5	35.3	33.5	22.9	22.2	40	37
87	64	Nadler & Larimer	10.5	10.5	10.5	10.5	70.0	70.0	70.0	70.0	0.0	0.0	105	150
88	98	Fletcher/Mayo/Associates ⌂	10.3	7.3	10.3	7.3	89.7	67.3	89.7	67.3	55.8	47.9	203	165
89	84	Avrett, Free & Ginsberg	10.1	9.0	10.1	9.0	87.0	82.0	87.0	82.0	0.0	0.0	76	68
90	80	Meldrum & Fewsmith	9.9	9.2	9.1	8.3	66.3	61.0	60.5	55.5	0.0	0.0	153	155
91	79	Al Paul Lefton Co	9.4	9.2	9.2	9.0	62.4	61.3	61.4	60.0	0.0	0.0	166	165
92	119	Harold Cabot & Co.	9.2	6.9	9.2	6.9	60.2	44.9	60.2	44.9	9.0	7.2	107	101
93	108	Brouillard Communications ♧	8.9	6.5	8.9	6.5	63.0	43.9	63.0	43.9	12.2	5.4	100	100
94	96	Creswell, Munsell, Fultz & Zirbel ○	8.9	7.3	8.9	7.3	59.3	49.0	59.3	49.0	0.0	0.0	164	137
95	103	GSD&M	8.9	6.7	8.9	6.7	61.2	47.3	61.2	47.3	13.1	14.6	161	148
96	100	Tucker Wayne & Co.	8.6	6.9	8.6	6.9	59.1	48.3	59.1	48.3	7.1	4.5	103	101
97	87	Arnold & Co.	8.6	8.5	8.6	8.5	64.7	62.9	64.7	62.9	14.7	14.0	175	171
98	101	Mandabach & Simms	8.5	6.9	8.5	6.9	56.9	45.8	56.8	45.8	0.0	0.0	135	118
99	99	Rolf Werner Rosenthal	8.4	6.9	8.4	6.9	55.9	46.3	55.9	46.3	35.5	25.9	N/A	104
100	N/A	Deutsch, Shea & Evans ◇	8.1	4.7	8.1	4.7	54.3	31.3	54.3	31.3	0.0	0.0	170	N/A
101	102	Sawdon & Bess Advertising ☽	8.1	6.8	8.1	6.8	54.6	45.0	54.6	45.0	3.0	2.8	80	80
102	104	Venet Advertising	8.1	6.7	8.1	6.7	54.2	44.6	54.2	44.6	13.9	11.7	190	175
103	125	Colle & McVoy Advertising Agency	8.1	6.2	8.1	6.2	50.3	38.0	50.3	38.0	9.6	5.7	148	125
104	N/A	Chester Gore/Eric Mower & Associates	8.0	6.2	8.0	6.2	50.2	32.1	50.2	32.1	23.2	17.9	131	N/A
105	90	Calet, Hirsch & Spector	8.0	8.3	8.0	8.3	64.0	78.0	64.0	78.0	4.0	18.0	130	135
106	126	Allen & Dorward	8.0	5.7	8.0	5.7	52.6	37.3	52.6	37.3	0.0	0.0	133	123
107	112	Lavey/Wolff/Swift ♡	7.8	6.4	7.8	6.4	52.3	42.4	52.3	42.4	52.3	42.4	110	105
108	118	Richards Group	7.8	6.0	7.8	6.0	53.2	46.0	53.2	46.0	40.0	30.2	141	99
109	88	Beber Silverstein & Partners	7.8	6.7	7.8	6.7	51.2	44.2	51.2	44.2	5.0	4.7	100	70
110	106	Kobs & Brady Advertising	7.7	6.6	7.7	6.6	52.0	44.3	52.0	44.3	44.5	37.3	110	101
111	97	Cramer-Krasselt Co.	7.7	7.1	7.7	7.1	51.2	48.2	51.2	48.2	5.7	4.8	117	114
112	105	Towne, Silverstein, Rotter	7.7	6.6	7.7	6.6	51.0	44.0	51.0	44.0	N/A	N/A	56	56
113	152	M.E.D. Communications	7.6	6.3	7.6	6.3	50.1	41.0	50.1	41.0	39.1	30.7	93	82
114	111	Richardson, Myers & Donofrio	7.4	6.4	7.4	6.4	49.5	42.6	49.5	42.6	5.1	4.4	92	117
115	131	Robert A. Becker Inc.	7.4	5.4	7.4	5.4	49.8	35.6	49.8	35.6	41.9	28.3	90	90
116	123	DBG&H Unlimited	7.2	5.9	7.2	5.9	50.5	41.4	50.5	41.4	0.0	0.0	185	167
117	110	AdCom Inc.	7.1	6.6	7.1	6.6	46.6	43.2	46.6	43.2	3.6	2.2	71	52
118	143	Carmichael-Lynch	7.1	4.9	7.1	4.9	47.0	32.7	47.0	32.7	21.0	17.2	115	102
119	162	Griffin-Bacal	7.0	4.2	7.0	4.2	46.8	28.1	46.8	28.1	0.0	0.0	N/A	38
120	81	Richard & Edwards	7.0	9.2	7.0	9.2	46.0	61.0	46.0	61.0	N/A	N/A	26	26
121	127	Valentine-Radford Inc.	7.0	5.6	7.0	5.6	50.7	40.1	50.7	40.1	17.3	12.8	113	102
122	107	Barnum Communications	6.9	6.6	6.9	6.6	45.1	43.3	45.1	43.3	27.1	25.4	115	92
123	132	Burton-Campbell	6.8	5.3	6.8	5.3	48.3	36.5	48.3	36.5	19.0	9.5	131	103
124	153	Lois Pitts Gershon/Pon GGK	6.8	6.0	6.8	6.0	54.7	48.8	54.7	48.8	10.7	0.0	58	N/A
125	121	Muller Jordon Weiss	6.7	5.8	6.5	5.6	43.6	38.5	41.9	36.9	7.4	6.0	106	92
126	195	Martin Agency	6.7	3.6	6.7	3.6	44.7	24.0	44.7	24.0	16.5	11.1	123	85
127	143	Cochrane Chase, Livington & Co. □	6.7	4.8	6.7	4.8	51.8	51.8	51.8	51.8	0.0	0.0	115	98
128	115	William Cook Advertising	6.6	6.1	6.6	6.1	44.1	40.7	44.1	40.7	0.0	0.0	115	111
129	116	Carrafiello-Diehl & Associates	6.6	6.0	6.5	6.0	44.0	40.1	43.2	40.1	34.1	5.5	102	93
130	139	Keyes Martin	6.4	5.1	6.4	5.1	40.0	30.1	40.0	30.1	26.1	11.2	85	80
131	134	Lawler Ballard Advertising	6.4	5.3	6.4	5.3	42.5	35.2	42.5	35.2	0.0	0.0	137	125
132	120	Spiro & Associates	6.3	5.8	6.3	5.8	51.3	45.5	51.3	45.5	30.1	26.6	115	116
133	113	Lorsch Group	6.3	6.3	6.3	6.3	39.0	42.0	39.0	42.0	N/A	N/A	28	32

II agencies: 102 reach $5 million to $15 million

World income rank		Agency	World gross income ($000,000)		U.S. gross income ($000,000)		World billings ($000,000)		U.S. billings ($000,000)		U.S. capitalized fees ($000,000)		Total employes	
1984	1983		1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
134	173	Burrell Advertising	6.3	4.0	6.3	4.0	41.9	26.9	41.9	26.9	31.2	23.8	100	70
135	183	Kenrick Advertising	6.3	3.7	6.3	3.7	43.3	30.2	43.3	30.2	26.2	16.6	145	[illegible]
136	135	Weightman Inc. Advertising	6.2	5.3	6.2	5.3	41.3	35.2	41.3	35.2	0.0	0.0	116	92
137	136	Long, Haymes & Carr	6.2	5.2	6.2	5.2	41.5	34.9	41.5	34.9	6.8	6.9	110	98
138	N/A	Albert Frank-Guenther Law ☾	6.2	6.6	6.2	6.6	41.0	43.7	41.0	43.7	7.0	7.8	80	N/A
139	140	Faller, Klenk & Quinlan	6.1	5.0	6.1	5.0	35.4	30.2	35.4	30.2	4.7	3.3	139	128
140	109	Griswold Inc.	6.1	6.5	6.1	6.5	38.6	42.3	38.6	42.3	6.0	5.6	N/A	110
141	129	North Castle Partners ◇	6.1	5.4	6.1	5.4	43.5	35.7	43.5	35.7	18.0	16.4	52	63
142	117	Smith/Greenland	6.1	6.0	6.1	6.0	40.0	40.0	40.0	40.0	6.3	4.7	102	104
143	163	Miller Advertising	6.0	4.2	6.0	4.2	39.2	27.4	39.2	27.4	4.7	3.0	120	90
144	122	Klemtner Advertising ☐	5.9	5.8	5.9	5.8	41.2	41.0	41.2	41.0	34.0	24.4	85	85
145	216	Barry Blau & Partners	5.7	3.5	5.7	3.5	30.8	21.4	30.8	21.4	16.1	9.3	76	42
146	128	Altschiller Reitzfeld Solin Advertising	5.6	5.4	5.6	5.4	47.1	44.8	47.1	44.8	8.1	7.8	59	52
147	N/A	Goodwin, Dannenbaum, Littman & Wingfield	5.6	5.1	5.6	5.1	36.0	34.0	36.0	34.0	10.5	9.0	70	N/A
148	74	Epsilon Data Management	5.6	4.1	5.6	4.1	33.9	25.1	33.9	25.1	13.8	10.9	700	N/A
149	177	Bernstein-Rein Advertising	5.6	3.9	5.6	3.9	46.3	36.3	46.3	36.3	3.0	2.1	112	100
150	142	Phillips-Ramsey Co.	5.6	5.0	5.6	5.0	37.2	33.1	37.2	33.1	21.5	21.2	115	108
151	137	McKinney Inc.	5.5	5.2	5.5	5.2	38.8	38.1	38.8	38.1	26.0	25.6	110	114
152	133	Cadwell Davis Partners ☐	5.5	5.3	5.5	5.3	44.0	36.8	44.0	36.8	5.5	4.6	60	60
153	150	Slater Hanft Martin	5.4	4.7	5.4	4.7	36.1	31.2	36.1	31.2	2.8	2.3	55	55
154	160	Vicom Associates	5.4	4.3	5.4	4.3	50.2	41.8	50.2	41.8	35.8	28.9	56	57
155	159	Bader Rutter & Associates	5.3	4.4	5.3	4.4	35.6	29.2	35.6	29.2	7.0	6.0	82	66
156	185	MARCOA Direct Advertising ♡	5.3	3.7	5.3	3.7	35.1	24.6	35.1	24.6	0.0	0.0	60	51
157	165	Dorritie & Lyons	5.2	4.2	5.2	4.2	34.1	27.5	34.1	27.5	5.1	3.7	36	36
158	157	Miller Meester Advertising	5.1	4.5	5.1	4.5	34.1	30.1	34.1	30.1	0.0	0.0	85	74
159	93	Advertising to Women	5.1	7.5	5.1	7.5	45.0	60.0	45.0	60.0	0.0	0.0	52	77
160	149	Bentley, Barnes & Lynn	5.1	4.7	5.1	4.7	34.0	31.5	34.0	31.5	2.4	2.7	110	110
161	168	Lord, Sullivan & Yoder	5.1	4.0	5.1	4.0	36.1	30.1	36.1	30.1	18.3	16.8	94	92
162	201	David Deutsch Associates	5.0	3.4	5.0	3.4	33.4	23.0	33.4	23.0	2.4	1.4	42	28

III agencies: 272 report $1 million to $5 million

Agency	World gross income 1984	World gross income 1983
Competitive Edge	4,950,000	4,100,000
Sacks & Rosen	4,942,000	4,730,000
Fallon, McElligott Rice	4,837,500	3,450,000
Wahlstrom & Co.	4,822,576	3,579,445
Edwin Bird Wilson Inc.	4,820,000	3,990,000
William R. Biggs/Gilmore Associates	4,700,000	3,572,300
Batz Hodgson Neuwoehner Inc.	4,693,790	4,552,600
Shaller, Rubin & Winer	4,570,000	4,410,000
Dugan/Farley Communications	4,568,637	4,007,577
Elkman Advertising	4,565,000	4,665,000
Giardini/Russell Inc.	4,505,000	3,536,897
Thomas G. Ferguson Associates	4,492,000	4,315,890
Cargill, Willson & Acree ⌂	4,481,000	4,057,000
Plapler & Associates	4,471,346	1,557,671
Smith Burke & Azzam Inc.	4,420,700	3,168,700
Grant/Jacoby	4,400,000	4,121,000
Gray Strayton International	4,400,000	3,300,000
Serino, Coyne & Nappi	4,377,000	3,008,000
Carr Liggett Inc.	4,368,565	3,623,839
Barkley & Evergreen	4,350,000	4,050,000
Frankenberry Laughlin & Constable	4,350,000	3,300,000
Stern/Monroe Advertising	4,243,000	3,869,000
Frank J. Corbett Inc. ♡	4,200,000	3,500,000
Stern Walters/Earle Ludgin ☽	4,184,135	4,021,072
Margeotes/Fertitta & Weiss	4,180,650	3,465,262
Paragon Advertising & PR	4,178,000	4,113,000
Henderson Friedlich Graf & Doyle	3,978,400	N/A
Daniel Glassman Advertising	3,966,440	2,650,900
Fox & Associates	3,920,015	3,067,070
Ackerman & McQueen	3,850,782	3,316,562
Levy, King & White Cos.	3,850,000	3,380,000
Eisner & Associates	3,795,920	3,016,450
Noble & Associates	3,791,260	2,656,853
Jordan/Tamraz/Caruso Advertising	3,780,000	2,580,000
Lang, Fisher & Stashower Advertising	3,758,340	3,495,000
Yellow Pages Marketing Services	3,752,000	3,019,000
Asher/Gould Advertising	3,750,000	3,750,000
Mel Richman Inc.	3,750,000	4,275,000
Philip Stogel Co.	3,717,000	3,634,000
A & M Associates	3,703,000	3,388,000
Kalish & Rice	3,700,000	3,300,000
Doe-Anderson Advertising	3,672,938	3,679,039
Frank Vos Company	3,665,000	3,350,168
Mutual Media	3,630,000	3,060,000
Starr Seigle McCombs	3,533,946	3,086,833
Gray & Rogers Inc.	3,530,000	3,270,000
Sherwood & Schneider Advertising	3,518,000	2,325,000
Don Tennant Co.	3,500,000	3,700,000
McDonald & Little ☽	3,500,000	3,800,000
Northlich, Stolley	3,494,000	3,171,000
Cooper Leder Inc.	3,478,000	2,665,000
Fairfax Inc. ☐	3,450,000	2,535,000
Pinne, Garvin, Herbers & Hock	3,420,537	3,375,123
John Paul Itta Inc.	3,387,000	2,873,000
Marketing Support	3,382,388	3,260,822
Advertising Inc.	3,382,000	3,235,747
Juhl Advertising Agency	3,324,000	3,362,000
Berk & Company	3,300,000	N/A
Scott Lancaster Mills Atha	3,207,000	2,195,000
Mort Barish Associates	3,200,000	3,300,000
Louis Benito Advertising	3,100,000	2,730,000
Poppe Tyson Inc. ☆	3,100,000	3,047,685
Schaefer Advertising	3,050,000	2,655,000
Trahan, Burden & Charles	3,035,716	2,726,254
Howard Miller Associates	3,028,705	2,412,434
Franklin Spier Inc. ♡	3,014,000	2,748,000
Gross Townsend Frank	3,000,000	2,625,000
Haddon Advertising	2,965,000	2,574,000
Simons Michelson Zieve Inc.	2,950,000	3,100,000
Abelson-Taylor Inc.	2,938,970	2,325,130
Kerker & Associates	2,934,455	2,734,323
Kelly Michener Inc.	2,923,714	2,163,544
Penchina, Selkowitz Inc.	2,900,000	2,300,000
Van Brunt & Co.	2,900,000	2,975,000
Liller Neal Inc.	2,891,399	2,914,505
Blair/BBDO ♡	2,850,795	649,059
Dawson, Johns & Black	2,850,000	2,512,500
BBDM Inc.	2,830,504	2,651,682
Harland & Tine & White	2,791,757	2,466,259
Leonard Monahan Saabye	2,770,600	2,202,000
S.R. Leon Co.	2,770,000	2,200,000
Robinson, Yesawich & Pepperdine	2,754,749	2,360,475
Gregory & Thomas	2,735,476	1,889,345
Rizzo, Simons, Cohn Inc.	2,712,572	1,252,093
Gilbert, Whitney & Johns	2,700,000	2,065,000
Firestone & Associates Inc.	2,652,640	2,891,160
Emerson/Nichols/Bailey	2,591,726	2,325,673
Homer & Durham Advertising	2,580,722	2,528,056
Cosmopulos, Crowley & Daly	2,557,000	1,500,000
Marquardt & Roche	2,544,973	2,181,925
Price/McNabb Advertising Agency	2,530,000	2,098,000
McCaffery & Ratner	2,517,000	1,176,000
Ensslin & Hall Advertising	2,513,887	2,160,870
Jayme Organizations	2,510,000	2,108,000
Milici/Valenti Advertising	2,507,000	2,734,000
ClarkeGowardFitts	2,500,000	2,300,000
Warren/Kremer Advertising	2,483,275	2,007,000
Specht, Gilbert & Partners	2,475,000	2,700,000
Johnston & Johnston Group/Jim Johns	2,472,348	2,426,100
Karsh & Hagan	2,462,951	N/A
Symon & Hilliard	2,448,000	2,343,750
Stone & Simmons Advertising	2,438,120	2,172,174

III agencies: 272 report $1 million to $5 million

Agency	World gross income	
	1984	1983
S.J. Weinstein Associates	2,437,000	2,023,577
Needham & Grohmann Inc.	2,435,749	1,932,483
Borders Perrin & Norrander	2,434,000	1,543,000
E.H. Brown Advertising Agency	2,430,475	2,370,329
Marcus Advertising Inc.	2,358,796	N/A
Miller-Reid	2,354,000	2,440,000
Pringle Dixon Pringle	2,346,000	2,051,250
Warner, Bicking & Fenwick	2,345,989	2,063,220
Alexander Marketing Services	2,315,454	1,813,059
Lauerer Markin Gibbs Inc.	2,309,292	2,081,839
Kolon, Bittker & Desmond Inc.	2,300,000	2,200,000
Baker, Abbs, Cunningham & Klepinger	2,292,495	1,832,802
Huntsinger, Jeffer, Van Groesbeck	2,284,825	1,744,000
Lawrence Butner Advertising	2,279,875	1,653,750
Mullen Advertising	2,250,100	1,590,000
Biederman & Co.	2,243,035	N/A
Ehrig & Associates	2,231,000	2,337,000
Frank C. Nahser Inc.	2,228,923	2,046,000
Fry/Hammond/Barr	2,208,709	1,391,070
Alden Group	2,200,000	1,700,000
Sefton Associates	2,182,700	2,294,750
Kert Advertising	2,169,000	1,680,000
Craig, Lamm, Hensley & Alderman	2,165,096	2,040,228
Siddall, Matus & Coughter, Inc.	2,154,000	1,014,000
J. Richard Smith Advertising Ltd.	2,150,000	1,800,000
Bowes/Hanlon Advertising	2,145,226	1,569,402
Drossman Lehmann Marino	2,132,399	487,632
Montgomery & Associates	2,115,000	1,900,000
Stephen & Brady	2,114,524	2,096,912
Gumpertz/Bentley/Fried	2,102,184	2,029,742
Gerber Advertising	2,101,000	1,900,000
Siesel Co.	2,085,000	1,739,000
Battenberg, Fillhardt & Wright	2,078,945	2,088,607
Potter Hazlehurst Inc.	2,053,942	1,817,993
Bauerlein, Inc.	2,052,018	1,918,406
Fitzgerald Advertising	2,031,853	1,950,396
Lohmeyer Simpson Communications	2,000,000	1,400,000
Gordon Bailey & Associates	1,995,166	1,320,996
John Emmerling Inc.	1,986,000	1,522,500
Ted Chin & Co.	1,975,000	1,950,000
Maris, West & Baker Inc.	1,974,966	1,733,916
Communigraphics	1,967,687	1,729,069
DBK & O	1,954,000	1,502,000
Emery Advertising Corp.	1,951,410	1,931,487
Morgan Burchette Associates	1,951,000	980,000
West, Gentry & Morris Inc.	1,950,000	1,810,614
Stimpson Associates	1,948,600	1,942,600
Knudsen Moore Schropfer	1,936,000	1,395,000
Kamstra Communications	1,935,000	1,815,000
Sullivan Higdon & Sink Inc.	1,923,697	1,541,083
Penney & Pengra	1,918,812	1,592,916
Brady Co.	1,918,593	1,701,172
Associated Advertising Agency	1,894,246	1,687,610
Taylor Advertising	1,892,000	1,546,000
Lempert Co.	1,886,250	1,450,350
Black, Gillock & Langberg	1,863,000	1,292,053
Fredericks Kullberg Amato Pisacane	1,850,000	900,000
Baxter Gurian & Mazzei	1,849,800	1,615,500
Stone, August & Co.	1,840,995	1,620,000
Coakley Heagerty Cos.	1,838,819	1,254,069
Harris-Edward	1,835,273	1,568,610
Greengage Associates	1,812,000	1,812,000
PR Associates	1,800,000	1,100,000
Marcus Group	1,793,226	870,500
Finnegan & Agee	1,789,365	1,379,000
Pihas, Schmidt, Westerdahl Co.	1,743,300	1,260,073
Robert McKim & Co.	1,736,000	1,400,000
Waldbillig & Besteman Inc.	1,730,916	1,486,780
Wardrop Murtaugh Temple & Frank	1,728,900	1,710,000
Creative Advertising Co.	1,723,308	1,254,670
Hughes Advertising	1,723,133	1,201,375
Vance-Mathews Inc.	1,714,814	1,405,244
Detrow & Underwood	1,711,961	1,456,158
Baron & Zaretsky Advertising	1,695,000	1,230,000
Fern/Hanaway Inc.	1,655,000	1,414,685
Impact Marketing & Communications	1,654,000	1,000,000
Advertising Works	1,650,000	1,450,000
Lou Beres & Associates	1,650,000	1,300,000
Intermarco Advertising	1,649,000	2,035,000
Simms & McIvor	1,642,000	1,705,000
Fortis Fortis Advertising	1,629,000	1,537,000
Ackerman Advertising	1,625,000	1,010,000
Hallmark Advertising	1,612,000	1,208,000
Zylke & Associates	1,611,078	1,487,379
Sutton Communications	1,600,000	1,200,000
Livingston/Sirutis/Advertising	1,580,350	533,294
Shaffer/MacGill & Associates	1,572,311	1,415,518
John Brown & Partners	1,564,217	1,154,764
Keroff & Rosenberg Advertising	1,559,896	1,198,383
Spencer Bennett Nowak	1,557,000	1,255,000
Cole Henderson Drake	1,552,640	1,082,280
Bailey Lewis & Associates	1,537,296	1,217,028
Silberman Whitebrow Dolan Inc.	1,530,000	1,215,000
Yaffe Berline Inc.	1,502,552	1,481,134
DiIorio, Wergeles	1,500,000	1,000,000
Kaprielian O'Leary Advertising	1,500,000	1,275,000
W.J. Haughey Co.	1,500,000	N/A
Naftzger & Kuhe	1,492,511	1,048,328
Bergelt Advertising	1,474,000	1,382,000
Sommer Inc.	1,473,800	1,078,150
Fogarty & Klein	1,434,790	1,252,000
Ken Schmidt Co.	1,415,000	1,300,000
Larson, Bateman & McAllister	1,411,060	759,094
Franznick & Cusatis Advertising	1,405,300	1,042,957
Contemporary Marketing	1,400,000	1,200,000
Freeman Huenink Zilbert	1,400,000	1,112,000
Isidore & Paulson	1,400,000	N/A
Frank/James Direct Marketing	1,394,000	607,000
Arnold Harwell McClain & Associates	1,386,743	1,351,302
S. Gunnar Myhrbeck & Co.	1,381,000	945,000
Unger Associates	1,381,000	943,000
Bloom & Gelb	1,375,000	1,204,968
Image Dynamics	1,374,142	1,121,418
Lieberman-Appalucci	1,369,520	1,200,000
Beaumont, Heller & Sperling	1,349,612	1,260,212
Neal Spelce Communications	1,347,315	1,224,475
Marketing Directions	1,326,503	813,373
Roggers, French & Co.	1,322,373	1,261,310
Mohawk Advertising	1,321,066	827,402
TCI Advertising	1,320,317	1,042,215
Winchell Marketing Communications	1,312,500	1,312,500
Brand Advertising	1,297,252	1,301,579
Wray/Ward Advertising	1,288,081	1,064,024
Lockhart & Pettus Inc.	1,285,000	1,065,000
Bonsib Inc. Marketing Services	1,284,300	1,070,447
Adams, Rickard & Mason	1,279,731	1,135,700
Grafx Multi Media	1,266,123	677,906
Sawyer Riley Compton	1,262,704	1,134,126
Ross Advertising Inc.	1,259,060	1,128,622
Berenson, Isham & Partners	1,254,781	1,251,471
Harmon Smith Inc.	1,244,622	1,102,131
Robbins & Ries Advertising	1,241,327	934,888
Kolker, Talley, Hermann	1,210,000	1,025,000
Donald L. Arends Inc.	1,207,500	958,800
Dorland & Sweeney	1,205,558	1,630,601
Barker Campbell & Farley	1,200,000	1,000,000
Caravetto Allen Kimbrough ♡	1,200,000	1,635,792
Pesin, Sydney & Bernard Advertising	1,200,000	1,153,550
Andrews/Mautner Inc.	1,187,113	959,082
Wooding & Housley Inc.	1,170,000	600,000
McDougall Associates	1,139,400	1,135,800
Loeffler Marley Mountjoy	1,131,375	927,304
Cline, Davis & Mann Inc.	1,125,000	N/A
Kaufman & Maraffi	1,113,972	986,400
Patchen Brownfeld Inc.	1,089,385	587,000
O'Sullivan Advertising/PR	1,085,120	942,619
Haller Schwarz	1,085,000	730,000
Fotheringham & Associates	1,083,980	868,714
Adler, Schwartz Inc.	1,074,069	1,008,400
Moses Kimicata Anshell Inc.	1,074,000	620,000
George P. Clarke Advertising	1,072,368	986,011
Gulf State Advertising Agency	1,069,691	1,050,376
Lipman Advertising Co.	1,063,959	1,010,967
John Volk Co.	1,062,865	661,033
Wyble Advertising	1,053,257	793,095
Greenwald/Christian Advertising	1,049,894	824,955
Burns Group	1,043,067	775,684
Gray Baumgarten Layport Inc.	1,041,890	732,738
Martcom Inc.	1,038,762	716,000
Boeiter & Lincoln	1,038,621	663,473
WarrenAnderson Inc.	1,036,328	1,026,945
Anson-Stoner Inc.	1,029,239	692,118
Behrends & Co.	1,023,846	906,755
Murray Salit & Associates	1,020,000	1,132,000
Adair Associates/Advertising	1,013,850	996,062
Wimmershoff & Associates	1,010,449	936,147
Wolff Whitehill Inc.	1,006,917	716,415

IV agencies: 185 report less than $1 million gross income

Agency	World gross income	
	1984	1983
Alan Frank & Associates	985,918	903,431
Larwin/Livers Associated Inc.	970,000	918,000
Oldfield Daivs	965,666	640,822
Howard H. Monk Associates	958,702	285,037
R.S.M. & K.	958,000	946,830
Greene & Claire Inc.	950,000	920,000
Didday & Branch	949,774	537,477
Smith & Yehle	944,964	975,125
McKee Advertising	938,520	711,000
Smith, Badofsky & Raffel	934,987	915,200
Bedell Inc.	921,766	659,605
Koehler Iversen	904,000	577,000
Hal Langerman Co.	902,764	554,600
CRE Inc.	901,098	634,507
Dekrig Advertising	900,000	820,000
Don Wise & Co.	900,000	750,000
Patterson Advertising Agency	870,369	739,325
Shorey & Walter	865,000	840,000
Crumbley & Associates	860,000	735,000
Menaker & Wright Inc.	856,335	747,000
Gann-Dawson	855,460	773,939
Stern/Frank Advertising	847,500	N/A
Barney & Patrick Advertising	834,000	771,000
Hart/Conway Co.	831,987	813,830

IV agencies: 185 report less than $1 million gross income

Agency	World gross income 1984	1983
KSK Communications	826,805	348,574
Flax Advertising	825,000	670,000
Rathke Blair Kerns & Frost	823,080	777,280
Smelkinson, Cerrati & Co.	822,932	631,736
Bradley, Dimmock & Hungerford	814,612	726,536
Pearlman Wohl Inc.	805,000	510,000
Emery Advertising	800,000	700,000
Chris Nater & Associates	792,400	N/A
Jason Group	782,000	768,000
Dulaney Advertising	774,665	546,770
Darien, Russell, Hill & Dahl	771,876	534,939
Emerson Marketing Agency	770,216	628,337
Storey Berman & Freer	755,000	662,000
Kostman/Schmid & Associates	750,000	825,000
G. Temple Associates	744,252	503,003
Communication Trends	741,344	481,404
Tepe, Hensler & Westerkamp	736,500	540,900
McFarland Group	735,000	640,000
MarketAide Inc.	733,093	588,005
Webb & Associates	732,316	572,438
VamCom Corp.	728,000	435,000
Hiebing Group	727,207	661,502
Jules Rabin Associates	720,000	615,000
Fensholt Inc.	719,809	660,602
Jonethis Organization	708,000	629,000
Cummings Advertising	707,000	437,000
Adelante Advertising	705,000	675,000
Oliver White Associates	700,000	650,000
Lane & Leslie Advertising Agency	691,000	676,000
SSF Advertising	681,816	N/A
Stral Advertising Agency	675,236	610,000
Gallagher Group	675,000	600,000
Richmond Advertising Assoc.	671,973	521,332
Peterson-Morris Inc.	650,000	600,000
Tunks Communications Group	650,000	1,030,000
Dusenbury & Alban Inc.	648,500	338,700
Gorten Advertising	643,090	371,533
Claire Harrison Associates	641,795	613,471
Ashby, Dillon & Meade	632,000	625,000
Monett Media Advertising	625,710	492,638
Zam & Kirshner & Geller Inc.	621,934	N/A
Cascino & Purcell	615,332	367,372
JAM & Corbett Advertising	612,490	467,062
Three Arts Inc.	608,000	584,000
Todd Advertising & Public Relations	606,118	622,799
Whole Advertising Co.	604,192	N/A
Dallas C. Dort & Co.	600,476	466,503
Kolker & Gill	600,000	N/A
New-Venture Advertising	600,000	430,000
Ray Coen Company	600,090	450,000
Communicators Group	597,100	528,400
Soderberg & Associates	591,327	828,444
Peter Forstenzer Inc.	580,491	N/A
Cantin & Elliot	580,000	547,500
Jack Cantwell Inc.	569,413	678,825
Keye Advertising	559,193	507,449
DFK Advertising	550,000	525,000
Richard Yeager Associates	549,104	459,463
Conti Advertising	544,000	553,600
Deulofeu/Wilson Advertising	539,000	378,500
Fricke 3 Inc.	538,094	307,005
New Trend Advertising	535,287	N/A
Steen Advertising Corp.	532,000	451,000
J.D. Mathis & Co.	531,250	312,000
Brashe Advertising	526,300	448,000
Smith/Tarter & Co.	521,206	460,140
Sanford Solarz Co.	515,000	496,000
Communigraphics	505,000	360,000
MSA Advertising	504,150	313,200
Martin Fiderer Associates	496,000	493,000
Poindexter Associates Advertising	492,553	338,774
Covey & Koons	488,594	548,321
Hirsch Elliot Inc.	487,029	510,000
Sheldon Fredericks Advertising	482,000	532,000
Doty, Phillips & Laing Inc.	479,959	347,222
McIlheny-Humphrey Inc.	477,000	427,000
Kopf & Isaacson Advertising	470,000	370,000
K.I. Lipton Inc.	468,676	396,005
Universal Public Relations	450,000	250,000
Earle Bower Associates	441,686	339,200
Robert K. Butcher & Associates	435,900	436,400
Klein/Richardson	435,000	411,000
Raptis Inc.	434,960	N/A
Gerald Patlis Advertising	427,500	410,000
Bernard Popick Associates	426,770	305,856
James & Thomas	425,000	395,290
Qually & Co.	422,875	204,613
Kalmar Ad/Marketing	421,000	329,000
Martin A. Lave Marketing	413,000	257,000
Rubin-VanSlyke	407,130	330,230
FitzSimons Advertising	405,000	405,000
Concept Three Inc.	404,668	217,095
Keller Hauer	395,000	360,000
Parsons, Friedman & Central	393,374	368,150
Noble Arnold & Associates	377,250	399,500
Kinzie & Green Inc.	370,014	317,696
Perry Ballard/Advertising	369,816	348,185
Morrow Lewis & Kelley Inc.	366,112	273,512
Haley & Ruckle Inc.	363,400	300,000
Davis Advertising	358,000	325,000
Chamberlain-Frandolig	352,250	295,300
Elbert Advertising	351,880	338,088
Haselow & Associates	347,000	320,000
Andrew Curcio Inc.	340,000	N/A
Ad-Pro Inc.	338,500	303,100
Hill Sullivan Brownell	336,936	320,000
Bolster & Associates	325,000	300,000
Asher Agency	324,000	269,000
John Johns & Associates Advertising	321,000	294,000
White, Good & Co.	320,588	298,009
Creel Associates	316,500	314,700
Sydney Schreiber Inc.	316,073	235,082
Spangler/Fischer Advertising	302,000	126,000
Donald W. Gardner Advertising	300,000	315,000
William Mills & Associates	295,500	251,800
Andrew Bertucci Associates	292,000	251,000
Blanchard & Associates	287,400	389,914
Maurice Paulsen Advertising	281,832	265,701
Morvay Advertising Agency	270,000	225,000
Jacobs & Clevenger	257,536	122,417
Malek Group	257,199	198,231
Black & Musen Inc.	255,000	223,000
Stenrich Group	250,000	50,000
Levy Advertising Assoc.	243,400	360,500
Com/Tech Group	242,850	270,963
Adams & Longino Advertising	239,420	198,842
Dick Jackson Inc.	236,000	N/A
Standard PR & Marketing	230,000	N/A
CTS Associates	212,084	127,687
Rice Advertising Agency	206,166	179,303
Eidel Marketing Communications	204,033	250,316
Jack Mathis Advertising	201,895	196,473
Eagle Advertising Corp.	200,000	175,000
Albright & Price	197,867	199,120
Bradseth Group Ltd.	197,600	N/A
Bates & Fawcett	185,350	195,331
Kreicker & Meloan	185,000	167,652
Peter Scannell inc.	179,386	N/A
SB & W Associates	170,396	140,067
Lubinsky-Schild Associates	170,000	N/A
Keith Bates & Associates	169,028	3,267
Brian Connelly Advertising	165,000	N/A
Shepler & Co.	163,287	N/A
J. Ronald Gaffe' Inc.	151,496	199,667
Huber Hoge & Sons Advertising	150,000	150,000
Hinton & Steel	143,683	83,029
Fillman Advertising	131,769	114,378
Harrison Advertising	122,500	115,000
Herbert S. Warmflash & Associates	121,700	114,500
John L. Moorhead Advertising/PR	119,000	83,000
Halcyon Associates	117,100	19,000
Fraser Advertising	110,753	103,800
Lloyd G. Jakeway Advertising	82,000	104,000
Advertising Associates	71,700	60,000
High Plains Advertising	58,324	51,214
NPC & Associates	56,300	47,600
Marketing Laboratory	55,134	5,433
Lord & Emerson Co.	49,000	41,000
Charles Edelstein Advertising	46,000	31,400
McAndrew Advertising Co.	41,700	39,000

I agencies: $15,000,000 +

ployes: 4,472 in 122 offices worldwide; 3,164 in 31 U.S. offices. Top execs: Bruce Crawford, president-ceo/BBDO Intl; Allen Rosenshine, exec vp/BBDO Intl, chairman-ceo/BBDO Inc.; Norm Campbell, exec vp/BBDO Intl, chairman-ceo Tracy-Locke; Steve Kahler, exec vp/BBDO Intl, chairman-ceo Doremus & Co.; Willi Schalk, exec vp/BBDO Intl, president intl group; Ray McGovern, secretary-general counsel/BBDO Intl, senior vp-secretary/general counsel of BBDO; Jim Cannon, senior vp-chief financial officer/BBDO Intl; Tom Watson, senior vp/BBDO Intl; William Wilson, exec vp-intl group.

Phone: (212) 355-5800.

Batten Barton Durstine & Osborn

Batten Barton Durstine & Osborn, New York, Minneapolis, Detroit, reported gross income of $92,628,000 in 1984, on billings of $617,520,000. In 1983, it reported gross income of $84,354,000, on billings of $562,361,000.

The agency's 1984 volume included $542,785,000 in media, $63,615,000 in materials and services and $11,120,000 in capitalized fees. Its 1983 volume consisted of $495,507,000 in media, $55,282,000 in materials and services and $11,572,000 in capitalized fees.

In 1984 the agency gained: Symbolics, DuPont's carpet fibers, Powdered Wisk. It lost: Firestone, Tupperware.

Billings breakdown: Newspapers 2%, magazines 19%, supplements 2%, radio 6%, network tv 47%, spot tv 16%, cable tv 2%, outdoor 1%, business papers 4%, other 1%. Employes: 1,135 in three offices. Top execs: Allen G. Rosenshine, chairman-ceo; Philip B. Dusenberry, vp-chairman-exec creative director; Tom Clark, president-coo; Anthony Lenge, senior vp-treasurer.

Phone: (212) 355-5800.

BBDO Chicago

BBDO Chicago reported gross income of $11,317,000 in 1984 on billings of $91,000,000. In 1983, it reported gross income of $10,526,000 on billings of $85,120,000.

The agency's U.S. 1984 volume consisted of $82,634,000 in media, $5,366,000 in materials and services and $3,000,000 in capitalized fees. Its 1983 volume consisted of $75,051,000 in media, $7,989,000 in materials and services and $2,080,000 in capitalized fees.

In 1984 the agency gained: Bally Corp.'s Six Flags Great America, Household Intl's Thermos div. It lost: None.

Billings breakdown: Newspapers 5.2%, magazines 5.3%, radio 2.8%, network tv 55.5%, spot tv 23.1%, cable tv 4.4%, outdoor 1%, business papers 1%, other 1.7%. Employes: 155 in six offices. Top execs: Arthur E. Meyerhoff, founder-chairman; Roger Mohr, chairman of the board; Eric Harkna, president-ceo; Dennis Berger, exec vp-creative director; Ernest Stern, exec vp-finance & admn.; Robert Bailey, senior vp-mktg services; Dean Proctor, Andrew Donchak, Robert Pingrey, senior vps-acct service.

Phone: (312) 337-7860.

BDA/BBDO

BDA/BBDO, Atlanta, reported gross income of $11,143,000 in 1984 on billings of $74,284,260. In 1983, it reported gross income of $9,388,002

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

on billings of $62,586,680.

The agency's 1984 U.S. volume included $63,223,460 in media, $6,542,880 in materials and services and $4,517,920 in capitalized fees. In 1983, volume consisted of $54,348,940 in media, $4,434,920 in materials and services and $3,802,820 in capitalized fees.

In 1984 the agency gained: Certified Tours Inc. It lost: None.

Billings breakdown: Newspapers 39.2%, magazines 7.9%, radio 21%, spot tv 26.3%, outdoor 5.6%. Employes: 101 in two offices. Top execs: F. Glenn Verrill, president; Norman Grey, J. Martin Hollinger, Jack V. Walz, Gary Verrill, senior vps.

Phone: (404) 231-1700.

Top 50 poorest performer: William Esty, an −8% '83-84 drop.

Benton & Bowles
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	159.4	140.1	13.7
Billings	1,129.4	966.3	16.9
U.S.			
Gross income	111.1	98.1	13.1
Billings	766.7	649.9	18.0
U.S. volume breakdown			
Media	481.1	503.8	-4.5
Materials/services	13.3	0	N/A
Capitalized fees	272.3	146.1	86.3

☑†

Benton & Bowles, New York, reported gross income of $159,373,191, of which $48,361,966 was non-U.S contributions, in 1984 on billings of $1,129,402,811. In 1983, it reported gross income of $140,114,623, of which $41,984,823 was non-U.S. contributions, on billings of $966,284,876.

The agency's 1984 U.S. volume of $766,738,979 consisted of $481,123,173 in media, $13,334,500 in materials and services and $272,281,306 in capitalized fees. Its 1983 U.S. volume of $649,931,200 consisted of $503,784,900 in media and $146,146,300 in capitalized fees.

Overseas, its 1984 dollar volume of $362,663,832 was all in media. Its 1983 foreign volume of $316,352,676 was all in media.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- B&B Direct
- Manning, Selvage & Lee
- Medicus Intercon Intl
- Ted Colangelo Associates
- Telecom Entertainment

In 1984 the agency gained: Ericsson, Tropicana, Browning-Ferris, Anderson Clayton, Oroweat. It lost: Campbell-Taggart, Emery, Showtime.

Overseas, it gained: Lee Europe, Verkade biscuits & chocolates, Vandemoortele salad oil, Must de Cartier, P&G Attends, Yop drink yoghurt, Intratel boots (Belgium); Corning Canada, Olympia Business Machines, Lee Canada, Dare Foods, Avco Financial Services (Canada); Glaxo, Rioja, Privatbanken, United Intl Pictures, Lee Denmark, Al Pharma (Denmark); *Ca m'Interesse*, *Femme Actuelle*, Always' Catemenial (France); Bitter Schweppes, El Castillo, Alvarex, B B dolls (Spain). It lost: Callebaut, Carnation, Richardson-Vicks, Cinzano's Cognac Otard (Belgium); Chr. Islef & Co., Wrangler (Denmark); Suchard (Spain).

Billings breakdown: Newspapers 4%, magazines 13%, radio 5%, network tv 48%, spot tv 29%, outdoor 1%. Employes: 2,934 in 45 offices; 1,605 in 16 U.S. offices. Top execs: John Bowen, chairman of the board-ceo; Roy Bostock, president; Theodore Carey, Thomas Carey, John Ferries, Alice Goldberg, Philip Guarascio, Joseph Hannan, Richard Hopple, Bernard Kanner, Richard Levenson, Michael Moore, William Munro, Frederick Sulcer, senior vps; Richard Levenson, Medicus Intercon; Robert Lyman, senior vp-finance & ass't secretary; Robert Schwartz, Manning, Selvage & Lee; George Simko, senior vp-secretary.

Phone: (212) 758-6200.

Bloom Cos.
Dallas

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	23.1	21.9	5.5
Billings	154.1	146.4	5.3
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑†

Bloom Cos., Dallas, had estimated gross income of $23,100,000 for fiscal year 1984, ended Feb. 28, on billings of $154,100,000. In 1983, it reported gross income of $21,900,000 on billings of $146,400,000. The agency did not break down its volume for either year.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Bloom Agency, New York
- Bloom Business Agency, Houston
- Impact Promotions of the Southwest
- Public Relations Advisors
- SRB Advertising, Dallas

The 1983 figures included income of the following subsidiaries that were sold or closed in 1984: Automated Productions and the Collateral Group.

In 1984 the agency gained: Schering-Plough Corp.'s Maybelline cover stick, Maybelline Blush-Brush; Stearns & Foster Mattress Co.; 3M's Electronics Products div.; Plough Inc.'s U.S. Proprietary Drugs & Toiletries div.; St. Joseph's aspirin; Cable & Wireless' Data & Message Group; Bojangle's Restaurants; Mobil Chemical Co.'s Gypsum Aggregate Group; General Electronics Corp.'s nonconsumer accounts; 800-Flowers, Haagen-Dazs new products. It lost: Wine Group's Mogen David, Franzia California Wines and Tribuno Vermouth, and Richardson-Vicks' Home Care Products div.

Employes: 350 in three offices. Top execs: Bloom Cos.: Robert H. Bloom, chairman-ceo; C. Anthony Wainwright, president; Marion Flores, senior vp-cfo. Bloom Agency, New York: Jeff Fine, chairman-chief operating officer; Stuart Bresner, president-creative director; Stephen McCloskey, David Rutkin, senior vp-mgmt super; Lili Rodriguez, senior vp-media director. Bloom Agency, Dallas: Dennis McClain, chairman-exec creative director; Paul MacMahon, president; Sherri Babcock, Stan Hansen, Henry Lewczyk, senior vps-mgmt super; Arlen Bryant, senior vp-creative business affairs; Jack Kendrick, Spencer Michlin, senior vp-creative director; Bob Cecil, senior vp-research; Charlotte Weissenberger, senior vp-media director. Impact Promotions of the Southwest, Dallas: Debbie Richards, vp-genl mgr. SRB Advertising, Dallas: Pat Austin, chairman. Public Relations Advisor, Dallas: Alan Hilburg, president. Bloom Business Agency,

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I agencies: $15,000,000 +

Houston: Alan Vera, president-chief operating officer; Richard Laurence Baron, senior vp-creative director.

Phone: (214) 638-8100.

Bozell & Jacobs

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	94.2	74.4	26.5
Billings	671.0	557.0	20.5
U.S.			
Gross income	92.5	73.5	25.9
Billings	660.0	551.0	19.8
U.S. volume breakdown			
Media	457.6	391.5	16.8
Materials/services	88.4	73.5	20.2
Capitalized fees	114.0	86.0	32.6

☑

Bozell & Jacobs, New York, reported gross income of $94,150,000, of which $1,650,000 was non-U.S. contributions, in 1984 on billings of $671,000,000. In 1983, it reported gross income of $74,400,000, of which $900,000 was non-U.S. contributions, on billings of $557,000,000.

The agency's 1984 U.S. volume of $660,000,000 consisted of $457,600,000 in media, $88,400,000 in materials and services and $114,000,000 in capitalized fees. Its 1983 volume of $551,000,000 con*sisted of $391,500,000 in media,* $73,500,000 in materials and services and $86,000,000 in capitalized fees.

Overseas, its 1984 dollar volume of $11,000,000 and 1983 foreign volume of $6,000,000 were all in media.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:

- Custom Production Service

In 1984 the agency gained: American Stores Co., Dominion Resources Corp., Valvoline Oil Co., Eastman Chemical Products, Beatrice Cos.' dairy div., Honeywell, Control Data Corp., Firstel, Tenneco West House of Almonds, Bell Helicopter, Gibraltar Savings, Tennessee Gas Transmissions, Eye Tech. It lost: Satellite Tv Co., Lindsay Mfg., Illinois Dept. of Commerce, First Bank System.

Overseas, it gained: Alberto-Culver, Oberon Intl, Securicor, *Travel Times*, Clair Bros., Burns-Fry, Peat, Marwick, Mitchell & Son. It lost: First Leisure Corp., Fisons.

Billings breakdown: Newspapers 16%, magazines 25%, radio 14%, network tv 13%, spot tv 27%, outdoor 1%, Yellow Pages 4%. Employes: 1,650 in 20 offices.

Top execs: Charles D. Peebler Jr., president-ceo; J. Liener Temerlin, chairman; Alan Jacobs, chairman emeritus; Joseph Caggiano, vice-chairman-cfo; Wayne Fickinger, vice-chairman; Cy Schneider, chairman-Pacific div.; David Bell, president-Atlantic div.; Bruce Altman, exec vp-B&J Yellow Pages div.; Rolland Anderson, president-Midwest div.; Al Buschhorn, president-Custom Production Service; James Canfield, president-B&J Public Relations; Peter Finn, president-Southwest div.; Chet Frazier, president-ag div.; Robert Leverte. president-Ruvane-Leverte; Claire Thain, president-B&J Direct; Florian Chollet, vp-intl.

Phone: (212) 705-6800.

Leo Burnett Co.

Chicago

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	253.5	216.5	17.1
Billings	1,734.8	1,485.3	16.8
U.S.			
Gross income	163.2	135.0	20.9
Billings	1,132.9	914.1	23.9
U.S. volume breakdown			
Media	960.9	779.1	23.3
Materials/services	130.1	114.2	13.9
Capitalized fees	42.0	20.8	101.3

☑†

Leo Burnett Co., Chicago, reported gross income of $253,485,000, of which $90,255,000 was non-U.S. contributions, in 1984 on billings of $1,734,813,000. In 1983, it reported gross income of $216,534,000, of which $81,536,000 was non-U.S. contributions, on billings of $1,485,302,000.

The agency's 1984 U.S. volume of $1,132,941,000 consisted of $960,899,000 in media, $130,080,000 in materials and services and $41,962,000 in capitalized fees. Its 1983 volume of $914,091,000 consisted of $779,069,000 in media, $114,175,000 in materials and services and $20,847,000 in capitalized fees.

Overseas, its dollar volume was $601,872,000 in 1984 and $571,211,000 in 1983.

In 1984 the agency gained: Hewlett-Packard Personal Computer Group, Kraft Inc. It lost: Sydney Development Corp.

Billings breakdown: Newspapers 8%, magazines 16%, supplements 2%, radio 1%, network tv 49%, spot tv 16%, outdoor 8%. Employes: 3,668 in 46 offices. Top execs: John J. Kinsella, president-ceo; Norm Muse, chairman; Wayne A. Wiggins, vice-chairman; Hal Adams, chairman-ceo, USA; Richard Fizdale, president, USA; Thomas Heath, vice-chairman; Robert Barocci, president-intl.

Phone: (312) 565-5959.

Campbell-Mithun

Minneapolis

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	45.0	42.8	5.3
Billings	300.3	285.3	5.3
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Campbell-Mithun, Minneapolis, a subsidiary of Ted Bates Worldwide, New York, reported gross income of $45,045,000 in 1984 on billings of $300,300,000. In 1983, it reported gross income of $42,795,000 on billings of $285,300,000.

Included in the agency's figures are the billings and gross income of U.S. subsidiaries:

- Cash Plus
- Promotion Works

No volume breakout was provided for either year.

In 1984 the agency gained: Canteen Corp., Control Data, Husky/RTM Properties, Joanna Western Mills Co., Johnsonville Sausage Co., Midway Airlines, Nickerson American Plant Breeders, Share Development Corp., 3M Photo Color Systems. It lost: County Seat Stores, Dow Chemical Co., G.R.I. Corp., G. Heileman Brewing Co. (Old Style brand), Lutheran Brotherhood, Republic Airlines, Universal Foods Corp.

Billings breakdown: Newspapers 11%, magazines 17%, supplements 2%, radio 8%, network tv 16%, spot tv 36%, outdoor 1%, business papers 4%, direct mail 2%, other 3%. Employes: 670 in two offices. Top execs: William D. Dunlap, chairman-ceo; William E. Stein, president-chief operating officer; Raymond L. Sachs, vice-chairman.

Phone: (612) 347-1000.

Chiat/Day Advertising

Los Angeles

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	27.8	14.8	88.2
Billings	226.6	138.4	63.6
U.S. volume breakdown			
Media	160.2	83.5	91.7
Materials/services	23.5	20.4	15.1
Capitalized fees	42.8	34.5	24.2

Chiat/Day, Los Angeles, reported net income of $8,584,700 and gross income of $27,800,300 in 1984 on billings of $226,551,067. In 1983, it reported net income of $2,349,524 and gross income of $14,764,249 on billings of $138,422,222.

The agency's 1984 volume included $160,212,333 in media, $23,509,330 in materials and services, and $42,829,404 in capitalized fees. In 1983, volume consisted of $83,535,833 in media, $20,420,360 in materials and services, and $34,466,029 in capitalized fees.

In 1984 the agency did not report any account gains or losses.

Billings breakdown: Newspapers 14%, magazines 14%, radio 4%, network tv 40%, spot tv 20%, outdoor 8%. Employes: 300 in three offices. Top execs: Jay Chiat, chairman; Guy Day, president; Lee Clow, Fred Goldberg, Bob Wolf, exec vps.

Phone: (213) 622-7454.

Cunningham & Walsh

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	53.3	52.7	1.0
Billings	370.0	366.0	1.1
U.S. volume breakdown			
Media	314.7	311.0	1.2
Materials/services	36.5	36.8	-0.7
Capitalized fees	18.8	18.3	2.7

Cunningham & Walsh, New York, a Mickelberry Corp. agency, reported gross income of $53,280,000 in 1984 on billings of $370,000,000. In 1983, it reported gross income of $52,704,000 on billings of $366,000,000.

The agency's 1984 volume consisted of $314,730,000 in media, $36,520,000 in materials and services and $18,750,000 in capitalized fees. Its 1983 volume was made up of $310,970,000 in media, $36,780,000 in materials and services and $18,250,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Reiser Williams deYong
- Cunningham & Walsh Dallas
- Direct Marketing Agency
- Cunningham & Walsh Chicago

In 1984 the agency gained: Moet Hennessy U.S. Corp., American Home Product's E.J. Brach & Sons and American Home Foods' Chef Boy-Ar-Dee, Sounder Sports. It lost: Brown & Williamson Tobacco, La Choy food products, Fireman's Fund Insurance Cos., Wrather Port Properties.

Billings breakdown: Newspapers 12%, magazines 36%, supplements 1%, radio 1%, network tv 35%, spot tv 8%, outdoor 7%. Employes: 600 in eight offices. Top execs: Anthony C. Chevins, chairman-ceo; Horace M. Malfa, president; Warren E. Albright, exec vp.

Phone: (212) 683-4900.

Dailey & Associates

Los Angeles

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	22.2	21.5	3.0
Billings	147.9	143.5	3.0
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑†

Dailey & Associates, Los Angeles, reported gross income of $22,175,000 in 1984 on billings of $147,907,000. In 1983, it reported gross income of $21,515,000 on billings of $143,505,000. No volume breakdown was reported. All business activity was in the U.S.

In 1984 the agency gained: Beatrice/Hunt-Wesson's Peter Pan peanut butter, Christian Brothers, Carnation's Health & Nutrition Centers, Mattel's Hot Wheels and new products, Godfather's Pizza, Teleflora. It lost: None. No media breakout was provided. The agency has 245 employes compared with 301 a year ago. Top execs: Phillip Joanou, chairman-ceo;

Top 10 I and II agencies by % change in world income

($ in 000,000)

Rank	Agency	% chng	Gross income 1984	Gross income 1983
1	Lord, Geller, Federico, Einstein	106.6	29.8	1.4
2	Chiat/Day	88.3	27.8	14.8
3	Martin Agency	86.1	6.7	3.6
4	Deutsch, Shea & Evans	73.6	8.1	4.7
5	Kenrick Advertising	68.4	6.3	3.7
6	Griffin-Bacal	66.4	7.0	4.2
7	Barry Blau & Partners	60.7	5.7	3.5
8	Ingalls Associates	58.8	12.7	8.0
9	Burrell Advertising	55.6	6.3	4.0
10	Ammirati & Puris Inc.	55.2	13.5	8.7

Top 10 I and II agencies by % change in world billings

($ in 000,000)

Rank	Agency	% chng	Billings 1984	Billings 1983
1	Lord, Geller, Federico, Einstein	110.9	207.2	98.2
2	Martin Agency	86.3	44.7	24.0
3	Deutsch, Shea & Evans	73.6	54.3	31.1
4	Earle Palmer Brown Cos.	68.5	84.4	50.1
5	Griffin-Bacal	66.4	46.8	28.1
6	Chiat/Day	63.7	226.6	138.4
7	Chester Gore/Eric Mower	56.4	50.2	32.1
8	Burrell Advertising	55.6	41.9	26.9
9	Ammirati & Puris Inc.	55.2	90.0	58.0
10	Hill, Holliday, Connors, Cosmopolus	52.5	175.4	115.0

Top 10 I and II agencies by % change in U.S. income

($ in 000,000)

Rank	Agency	% chng	Gross income 1984	Gross income 1983
1	Lord, Geller, Federico, Einstein	106.6	29.8	1.4
2	Chiat/Day	88.3	27.8	14.8
3	Martin Agency	86.1	6.7	3.6
4	Deutsch, Shea & Evans	73.6	8.1	4.7
5	Kenrick Advertising	68.4	6.3	3.7
6	Griffin-Bacal	66.4	7.0	4.2
7	Barry Blau & Partners	60.7	5.7	3.5
8	Ingalls Associates	58.8	12.7	8.0
9	Hill, Holliday, Connors, Cosmopolus	55.7	22.7	14.7
10	Burrell Advertising	55.6	6.3	4.0

Top 10 I and II agencies by % change in U.S. billings

($ in 000,000)

Rank	Agency	% chng	Billings 1984	Billings 1983
1	Lord, Geller, Federico, Einstein	110.9	207.2	98.2
2	Martin Agency	86.3	44.7	24.0
3	Deutsch, Shea & Evans	73.6	54.3	31.1
4	Earle Palmer Brown Cos.	68.5	84.4	50.1
5	Griffin-Bacal	66.4	46.8	28.1
6	Chiat/Day	63.7	226.6	138.4
7	Chester Gore/Eric Mower	56.4	50.2	32.1
8	Burrell Advertising	55.6	41.9	26.9
9	Ammirati & Puris Inc.	55.2	90.0	58.0
10	Hill, Holliday, Connors, Cosmopolus	49.4	151.5	101.4

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

l agencies: $15,000,000 +

Clifford J. Einstein, president-creative director.

Phone: (213) 386-7823.

Dancer Fitzgerald Sample
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	110.4	105.0	5.2
Billings	758.0	726.1	4.4
U.S.			
Gross income	109.2	94.1	16.1
Billings	750.2	627.0	19.6
U.S. volume breakdown			
Media	750.2	627.0	19.6
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Dancer Fitzgerald Sample, New York, reported gross income of $110,409,000, of which $1,170,000 was non-U.S. contributions, in 1984 on billings of $758,003,000. In 1983, it reported gross income of $105,000,000, of which $10,950,000 was non-U.S. contributions, on billings of $726,095,000.

The agency's 1984 U.S. volume of $750,200,000 and 1983 volume of $627,000,000 were all in media.

Overseas, its 1983 dollar volume of $7,803,000 and its 1983 volume of $99,095,000 were all in media. DFS' reduced overseas dollar volume is traced to the March, 1984, sale of its ownership in 13 European agencies to Dorland Advertising, London, a subsidiary of Saatchi & Saatchi Compton Worldwide. The European group, considered a second network for Saatchi & Saatchi, had total billings in 1984 of $308,600,000.

After the sale to Dorland, DFS reaffiliated with Dorland to form Dorland-DFS International network, although retaining no equity interest. DFS and Dorland had been partners in Europe through the DDF (Dorland, Dancer, Fortune) network that broke up six years ago.

DFS holds little equity in the shops making up its DFS International network, which covers essentially the Far East and Latin America. All of that equity is held in three shops: DFS/Australia and NDC/DFS and Yomiko in Japan. That equity is the basis of the foreign income and billings attributed to DFS in this report.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- DFS Direct
- DFS/Wegener Agricultural Group
- Program Syndication Services
- DFS Program Exchange
- DFS Corporate Advertising Group

In 1984 the agency gained: DFS/New York—Western Union Easylink, Popsicle Industries, Martlet Importing's Molsen Golden beer, General Electric Rechargeables, Republic Airlines, Entre Computer Centers, Nabisco Oreo Cookies 'n Cream, CPC International Best Food div.'s Mazola corn oil, Karo corn syrup, Argo and Kingsford corn starch, Golden Griddle syrup. DFS Direct—All American Sports, Citibank, MacMillan Book Club, Western Union. DFS/Torrance, Cal.—Ashton Tate, Edelbrook Corp. auto aftermarket products, Bausch & Lomb's Bushnell div., KOVR-TV, Greatwest Hospitals. DFS/San Francisco—Megaphone Co. phone information system, Tri-Valley Growers' Libby and Sacramento brand juice products, Compris Hotel Corp., Itel Corp. In addition, the office gained about $20 million in billings from the purchase of San Francisco agency Wilton, Coombs & Colnett.

It lost: DFS/New York—Hellmann's mayonnaise. DFS/Torrance, Cal.—Bridgestone Tire Co. DFS/San Francisco—Grid Systems, IBC Prune Board.

Overseas, it gained: Duetz-Fahr Argentina, Crush soft drinks, Banco de Galicia, Veme women's swimwear, Stani candies (Argentina/Lautrec); Malaysian Tourist Board (Australia/DFS Australia); Toyota do Brazil (Brazil/Esquire); Canadian Egg Marketing Board, Xanaro Technologies, Brownies Franchises cooked chicken, Crush Canada (Canada/Ronalds-Reynolds); Salco Drugstores, Feltrex Carpets, Winter Sausage (Chili/Israel & DeBianchi); Reckitt & Colman's Sanpic, Cherry, Brala and Mansion, Cremhelado's Heladino, Frutti and Ski, Quaker's Frescavena, (Colombia/Contacto Publicidad); Danpo frozen chicken, DFDS sea transport/holiday tours (Denmark/Bergenholz & Arnesen); Bergenheim Yhtiot, Insko, Ekonon, Finnpap, Neste OY, Outocumpu OY (Finland/OY AC MAINOS); Jaguar, Italimprese, Federconsorzi (Italy/Dorland/DFS Italia); CPC's Skippy peanut butter (Japan/NDC); Philip Morris Asia Retail Assistance Program (Japan/Yomiko); Sat Nam yogurts, Larousse dictionaries (Mexico/Iconic); Mair Foods' meat, seafood & horticultural exporters, New Zealand Health Dept., New Zealand Kiwifruit Authority, Auckland Region Visitors & Convention Bureau, Time-Life New Zealand (New Zealand/Carlton-Carruthers); Puerto Rico Dept. of Agriculture, Puerto Rico Power & Light Co. (Puerto Rico/J.R. Marquina); Bacardi Rum (Spain/Tapsa); B&W Hypermarket, General Bisquit, Nordstjernan (Sweden/DFS Pihlstrom); British Telecom's tv buying and flotation, B&Q, Camerons, *Daily & Sunday Telegraph*, Dow Chemical, Duracell, Heinz tv buying, Hoseasons, LRC, Orbis Publishing, Pimms, Sekonda Watches, Templeton's Stores, United Biscuits-TFC Sorge (U.K./ Dorland); Ceramics Piemme, Compania de Telefonos (Venezuela).

It lost: L'Eggs (Australia/DFS Australia); Duracell (Brazil/Esquire); New York Life Insurance, St. Hubert Barbeque (Canada/Ronalds-Reynolds); Ferios Chilena del Libro bookstore, (Chile/Israel & DeBianchi); Baboo, Holguines (Colombia/Contacto Publicidad); Volvo, Valtameri OY, Bausch & Lomb (Finland/OY OC MAINOS); General Mills Toys (Italy/Dorland/DFS Italia); Christian Dior, Nuevo Vallarta (Mexico/Iconic); McLean Engineering (New Zealand/Carlton-Carruthers); BMW Iberica (Spain/Tapsa); Robinsons Cosifits (U.K./Dorland).

Billings breakdown: Newspapers 2.8%, magazines 10.8%, supplements 0.7%, radio 5.4%, network tv 37.4%, spot tv 35.7%, cable tv 2.3%, outdoor 1.8%, business papers 1.2%, farm publications 1.3%, transit advertising 0.3%, other 0.3%. Employes: 3,352 in 49 offices. Top execs: Stuart B. Upson, chairman-ceo; Peter F. McSpadden, president-chief operating officer; William McC. Vickery, Robert E. Kennedy, vice-chairmen; Gary M. Susnjara, president-DFS/New York; Nelson (Skip) Riddle, president-DFS/Torrance; Ronald Colnett, president-DFS/San Francisco.

Phone: (212) 661-0800.

D'Arcy MacManus Masius Worldwide
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	198.6	173.0	14.8
Billings	1,337.5	1,156.5	15.7
U.S.			
Gross income	106.9	91.5	16.8
Billings	712.9	610.3	16.8
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

D'Arcy MacManus Masius Worldwide, New York, reported gross income of $198,601,000, of which $91,661,000 was in non-U.S contributions, in 1984 on billings of $1,337,533,000. In 1983, it reported gross income of $172,998,000, of which $81,447,000 was non-U.S. contributions, on billings of $1,156,469,000.

U.S. volume was $712,933,000 in 1984 and $610,340,000 in 1983, neither figure of which was broken out.

Overseas, its 1984 dollar volume consisted of $624,600,000. Its 1983 foreign volume was $546,129,000, restated from $600,149,000 reported in 1983.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Poppe Tyson
- DMM Latinoamericana
- Intergroup Mktg & Promotions

In 1984 the agency gained in the U.S.: Silver Dollar City theme park, Decatur Federal Savings, Joseph Swisher, Lowes Food, White Water, Anheuser-Busch—Campbell Taggart Bakery Div. and Anheuser-Busch LA beer, Software, Intran, PC Photo Systems, Beatrice's corporate co-op campaign, Magic Pan, Economic Labs, BRK Electronics. It lost: *Chicago Sun Times*, CPC.

Overseas, it gained: Three accounts in Vienna; nine in Brussels, including Mobil Industrial and Duracell; five in Copenhagen, including Kimberly-Clark; six in Helsinki, including the Finnish Foreign Trade Assn.; six in Paris, including Mars' Bounty, El Al, Infoplus and Lotus Development Software; four in Athens, including Phoenix Insurance; seven in Amsterdam, including Continental, Air France and Mars bars; four in Milan/Rome, including Sipro, and four at DMM's CBC shop, including Beiersdorf and Tempo Italiana; three in Oslo; nine in Madrid, including Banco Hispano Americano and Alfa Romeo; five in Stockholm, including Helene Curtis; four in Hamburg/Frankfurt, including Cinzano, Bank of America and Lotus Development Software; nine in London, including Lotus Development Software and May & Baker; two in Mexico; 40 in six shops in Australia, including Geoffrey Packer & Co. by the Adelaide shop, Liberal Party of Australia (Queensland) in Brisbane, Dunlop Industries in Melbourne, Foodland Associated in Perth, Stimorol Australia (sales) and Carlton & United Breweries in Sydney; 10 in New Zealand including NZ Wines & Spirits' Southern Comfort and Richardson-Vicks' Suncare Products; five in Hong Kong, including Eli Lilly and H.K. Gov't Information; six in Singapore, including Denny's Restaurant; seven in Jakarta, including Jakarta Hilton, Levi's jeans, Clearasil soap, Ulan Cream and Vidal Sassoon; five in Bangkok, including Bata Shoes; two in Tokyo, including Mars (Effem Japan KK) and Union Carbide Japan, and seven in South Africa, including Stimorol gums.

DDM client, Lee Cooper jeans, was the agency's major multinational loss during 1984, coming on the heels of its loss of Colgate-Palmolive at the end of 1983. Lee Cooper pulled out of the DMM shops in Copenhagen, Paris, Amsterdam, Milan/Rome, Oslo, Stockholm and London. It also lost: Two accounts in Brussels, including Molnlycke; one in Copenhagen, four in Helsinki, including Playtex Wallco and Scan Auto OY; two in Paris; Falke Socks in Athens; three in Amsterdam; two in the DMM Milan/Rome shop and two at CBC in Milan/Rome; one in Oslo; Maderas Cuesta in Madrid; two in Stockholm; Passap Schweiz AG in Zurich; five in Hamburg/Frankfurt, including Rodino and Kenwood; six in London, including Lowenbrau and National Panasonic; Clemente Jacques in Mexico; nine in Australia, including Australian Wool Corp. in Melbourne and Canon Australia in Sydney; two in New Zealand; two including China Airlines in Hong Kong, and one in Singapore and Bangkok.

Billings breakdown: Newspapers 7%, magazines 13%, radio 11%, network tv 40%, spot tv 25%, outdoor 3%, other 1%. Employes: 3,583 in 55 offices worldwide, 1,556 in nine U.S. offices. Top execs: Hal Bay, chairman-ceo; Peter Redsell, chief operating officer-intl; John Balson, chief operating officer-North America; Craig Brown, exec vp-cfo; Alvin Hampel, exec vp-creative services; Alan Pilkington, exec vp-business development; Scott Wallace, exec vp-senior mgmt representative-Mars Inc.

Phone: (212) 850-7300.

Della Femina, Travisano & Partners
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	33.0	30.8	7.1
Billings	220.0	205.0	7.3
U.S. volume breakdown			
Media	176.0	164.0	7.3
Materials/services	20.9	19.6	6.6
Capitalized fees	23.1	21.4	7.9

Della Femina, Travisano & Partners, New York, reported gross income of $33,000,000 in 1984 on billings of $220,000,000. In 1983, it reported gross income of $30,750,000 on billings of $205,000,000.

The agency's 1984 volume included $176,000,000 in media, $20,900,000 in materials and services, and $23,100,000 in capitalized fees. In 1983, volume consisted of $164,000,000 in media, $19,600,000 in materials and services, and $21,400,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S subsidiaries:

- Sherwood & Schneider
- Della Femina, Travisano, Sherman & Olken

In 1984 the agency gained: HealthAmerica Corp., Metromedia Telecommunications, National Medical Enterprises (Psychiatric Centers of America), Group W Broadcasting, Newmont Isuzu Dealers Assn, Triangle Isuzu Dealers Assn. (Albany, N.Y. metro), Book-Of-The-Month Club's Quality Paperback Book Club, Fortune Book Club, Cooking & Crafts Book Club, Dolphin Book Club, and Schering-Plough Corp.'s Coppertone. It lost: Kaypro Computers, Continental Tire Co.

Billings breakdown: Newspapers 11%, magazines 13%, radio 9%, network tv 35%, spot tv 25%, cable tv 2%, outdoor 2%, business papers 1%, farm publications 1%, transit advertising 1%. Employes: 370 in two offices. Top execs: Jerry Della Femina, chairman; Ronald Travisano, vice-chairman; James Travis, vice-chairman, coo; Louise McNamee, president.

Phone: (212) 421-7180.

W.B. Doner & Co.
Southfield, Mich.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	26.9	24.8	8.4
Billings	179.0	165.0	8.4
U.S. volume breakdown			
Media	123.2	113.5	8.5
Materials/services	28.1	25.3	11.0
Capitalized fees	27.7	26.2	5.7

W.B. Doner & Co., Southfield, Mich., and Baltimore, Md., reported gross income of $26,860,000 in 1984 on billings of $179,000,000. In 1983, it reported gross income of $24,750,000 on billings of $165,000,000.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- W.B. Doner & Co., Houston
- W.B. Doner & Co., Los Angeles
- W.B. Doner & Co., St. Petersburg, Fla.
- Kelling-Murley Auto Div, Southfield, Mich.
- W.B. Doner, Quebec
- W.B. Doner, Toronto

The agency's 1984 volume included $123 200,000 in media, $28,100,000 in materials and services, and $27,700,000 in capitalized fees. In 1983, volume consisted of $113,500,000 in media, $25,300,000 in materials and services, and $26,200,000 in capitalized fees.

In 1984 the agency gained: Ben Franklin Savings Assn of Houston; Canada's Wonderland, Chattem Inc. of Chattanooga, Chicagoland & Northern Indiana Pontiac Dealer Assn, Creative Hairdressers of Alexandria, Va., Detroit Buick Dealers Assn, Igloo Corp in Houston, Josephson Intl's radio div of New York, Linen Center of Murrysville, Pa., Little Caesar's Enterprises of Farmington, Mich., Nutri-Systems of Jenkintown, Pa., Orange Julius, Pick Systems of Irvine, Cal., Thrifty Corp. of Los Angeles, Vie de France of Vienna, Va., Wasatch Front Chevrolet Dealers of Salt Lake City, White Stores of Wichita Falls, Tex. It lost: Color Tile, Congoleum Corp., Modernage Furniture, Pizza Hut, Sedgefield Sportswear, Sherwin Williams.

Billings breakdown: Newspapers 8%, magazines 5%, radio 17%, network tv 6%, spot tv 61%, cable tv 1%, outdoor 1%, transit advertising 1%. Employes: 424 in eight offices worldwide; 410 in six U.S. offices. Top execs: W.B. Doner, chairman exec committee; H.D. Fried, chairman; Michael Shapira, president, Detroit; William Hooper, president, Baltimore; James Dale, vice-chairman, corp.

Phone: (313) 354-9700 (Southfield).

(301) 338-1600 (Baltimore).

Doremus & Co.
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	23.5	24.1	-2.5
Billings	153.9	158.4	-2.8
U.S. volume breakdown			
Media	102.2	106.4	3.9
Materials/services	N/A	N/A	N/A
Capitalized fees	51.7	51.9	-0.4

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

I agencies: $15,000,000 +

Doremus & Co., New York, a subsidiary of BBDO International, reported gross income of $23,461,020 in 1984 on billings of $153,884,276. In 1983, it reported gross income of $24,058,446 on billings of $158,356,625.

The agency's 1984 volume was $102,192,130 in media, materials and services and $51,692,146 in capitalized fees. Its 1983 volume consisted of $106,445,883 in media, materials and services and $51,910,742 in capitalized fees.

In 1984 the agency gained: Black & Decker, Noxell Corp., ComputerLand Corp., Kis Photo, Deak Perera Securities. It lost: Shearson/American Express.

Billings breakdown: Newspapers 48%, magazines 19%, radio 3%, business papers 30%. Employes: 314 in seven offices. Top execs: Franklin E. Schaffer, chairman; Steve Kahler, president-ceo; G. Barry McMennamin, vice-chairman; William B. Palmer, Curtis R. Troeger, Wesley E. Truesdell, exec vps; Donald A. Dery, John E. Eckelberry, George A. Preston, George P. Pryde, Alan R. Quinby, Stephen Roth, senior vps; James J. McNulty, cfo.

Phone: (212) 964-0700.

Doyle Dane Bernbach International
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	218.3	197.6	10.5
Billings	1,510.6	1,321.0	14.4
U.S.			
Gross income	154.1	144.6	6.6
Billings	1,085.1	970.0	11.9
U.S. volume breakdown			
Media	804.8	697.0	15.4
Materials/services	133.5	131.0	1.9
Capitalized fees	146.9	142.0	3.4

☑†

Doyle Dane Bernbach International, New York, reported gross income of $218,300,000, of which $64,200,000 was non-U.S. contributions, in 1984 on billings of $1,510,600,000. In 1983, it reported gross income of $197,600,000, of which $53,000,000 was non-U.S. contributions, on billings of $1,321,000,000.

The agency's 1984 U.S. volume of $1,085,100,000 consisted of $804,750,000 in media, $133,500,000 in materials and services and $146,850,000 in capitalized fees. Its 1983 volume of $970,000,000 consisted of $697,000,000 in media, $131,000,000 in materials and services and $142,000,000 in capitalized fees.

Overseas, its dollar volume was $425,500,000 in 1984 and $351,000,000 in 1983.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Cargill, Wilson & Acree
- Ecom
- Fletcher/Mayo/Associates
- Bernard Hodes Advertising
- Kallir, Philips, Ross
- Milici/Valenti Advertising
- Rapp & Collins

In 1984 the agency gained: DDB/New York—CBS/Fox Video, Sanderson N.A., Bristol-Myers Products div.'s Excedrin, IBM Credit Corp., North American Philips' Magnavox, Brown & Williamson Tobacco's Kool (U.S. & intl), Viceroy (U.S.) and Lucky Strikes (intl), Popeyes Famous Fried Chicken & Biscuits, Clairol's Special Effects line. DDB/Los Angeles—Seven-Up Food Groups new products, Cigna Healthplans of California, Allergan extended wear contact lens solution, Pacific Living Centers. DDB/San Francisco—Schlage Lock Co., Sun Diamond Growers, Straw Hat Restaurant Corp. Cargill, Wilson & Acree—Chick-fil-A, Interface Flooring Systems, Days Inn of America, Northside Realty Associates. Fletcher/Mayo/Associates—Agri-Exchange Technologies, American Angus Assn. computerized mktg network, Visolus electronic computers, FMC Corp. food processing equipment, Tensar Corp. fencing mfg., Dane Wesson Arms revolvers. Kallir, Philips, Ross—Alpha Therapeutic Corp., Stauffer Chemical Co. Milici/Valenti Advertising—Kahala Hilton. Rapp & Collins—Audi direct mail program, Warner Software, Comprehensive Care, Royal Doulton.

It lost: DDB/New York—Bankers Trust, El Al Airlines, Camargo Foods, Atari, Philip Morris U.S.A.'s Parliament, Polaroid USA (consumer), Porsche (independent mktg entity from Audi). DDB/Los Angeles—Instant Care Health Centers, Celestial Seasonings, Teleflora. DDB/San Francisco—Morrow Designs, Tynshare. Cargill, Wilson & Acree—Cable America, Krystal Co., Pro Golf equipment. Fletcher/Mayo/Associates—Genentech, Hoover Universal, Farmtronix, Cerner Corp. Kallir, Philips, Ross—Berlex Laboratories. Milici/Valenti Advertising—Marina Loa macadamia nuts, State S&L. Rapp & Collins—Knapp Publications, Doubleday & Co.

Overseas, it gained: Coopers & Lybrand, Illawara Mutual Building Society, IBM PCjr, Agricultural Minerals fertilizers, Midland Brick Co. (DDB/Australia); BIPA retail drugstores, Meridian travel (DDB/Austria); IKEA furniture, Gerais-Danone desserts, Antwerp's Zoo (DDB/Belgium); Michelin Tires, National Federation of Coffee Growers, Ziebart Rustproofing (DDB/Canada); Caron perfume, Lesieur detergent, Weight Watchers (DDB/France); Weight Watchers, *Handelsblatt* magazine (DDB/Germany); Database, Reuters, Integrated Business Systems telecommunications, China Airlines, Suntory Products beer (DDB Hong Kong); Airwick shampoo (DDB/Italy); Binney & Smith crayons, Wearever polish, Grupo Kivi casual wear (DDB/Mexico); Molnlycke Nederland medical div. (DDB/Netherlands); Pakistan International Airlines, Den Furn Design Pte. furniture, Citicorp Traveler's Checks, Arthur Andersen, Jollibee Foods Corp. fast foods (DDB/Singapore); Barclays Bankcard, National Federation of Coffee Growers of Colombia, La Toja Cosmetics, Ciba-Geigy toothpaste, Bristol-Myers deodorant, Teledyne Water Pik, Donut Corp. Espanola (Tandem/DDB/Spain); ASG, Mima sportswear, Hemglass AB ice cream (Falk & Pihl/DDB Sweden); Girard & Perregaux S.A. watches, Knorr instant food, Polaroid sunglasses (DDB/Switzerland); Color Gas autogas, Currys electrical retailers, Burton Group loans and insurance (DDB/London).

It lost: James Wallace Ltd. resort development, South Australian Health Commission, Challenge Hi-Fi (DDB/Australia); Mais-Monda S:A. Knorr Mix (DDB/Belgium); Comac Communications (DDB/Canada); Microsoft (DDB/France); Triumph Adler (DDB/Germany); Malko General Agencies, Motorola semiconductors, Citibank (DDB/Hong Kong); Co. Fas' Cokin filters (DDB/Italy); Abbott Laboratories shampoos (DDB/Mexico); Cote d'Or Nederland, Vara (DDB/Netherlands); Singguif Pte. fast food (DDB/Singapore); Chocolate Cibeles Cote d'Or, Bulova, Fisher tvs & hi-fi (Tandem/DDB Spain); Skandia insurance (Falk & Pihl/DDB Sweden); Beecham aftershave (DDB/Switzerland); Atari videogames, A.T. Cross (DDB/London).

Billings breakdown: Newspapers 8%, magazines 18%, supplements 0.5%, radio 2%, network tv 42%, spot tv 19%, cable tv 2.5%, outdoor 0.7%, farm publications 2%, transit advertising 0.1%, point of sale 1%, direct mail 4%, other 0.2%. Employes: 3,280 in 45 offices worldwide; 1,969 in 19 U.S. offices. Top execs: Joseph R. Daly, chairman; Barry E. Loughrane, president-ceo; Robert G. Pfundstein, exec vp-cfo; Roy Grace, chairman-exec creative director; Robert Levenson, chairman-intl div; John Bernbach, president-int'l div; Peter Falcone, Arie L. Kopelman, vice-chairmen, DDB/New York; Montgomery McKinney, chairman, DDB/West.

Phone: (212) 415-2000.

DYR Worldwide
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	36.9	29.4	25.7
Billings	246.0	196.0	25.5
U.S.			
Gross income	21.3	17.4	22.4
Billings	142.0	116.0	22.4
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

DYR Worldwide, New York, a 50-50 joint venture between Young & Rubicam and Tokyo-based Dentsu Inc., reported gross income of $36,936,000, of which $15,650,000 was non-U.S. contributions, in 1984 on billings of $246,000,000. In 1983, it reported gross income of $29,382,000, of which $11,992,000 was non-U.S contributions, on billings of $196,000,000.

The agency's U.S. volume was estimated at $142,000,600 in 1984 and $116,000,000 in 1983.

Overseas, its dollar volume was estimated at $104,000,000 in 1984 and $80,000,000 in 1983.

In 1984 the agency gained: Disneyland, Don Q rum, Fazi Battaglia, Harveys Bristol Cream, Hume Publishing, Maxell, Pacific Southwest Airlines, Torresella. It lost: Uniden. Overseas, it gained: Beatrice's Red Tulip chocolates, Europe Health Bars, imported confectionery and corporate, and Stihl Chain Saw's chain saws and brush cutters (Australia); A.S. Watson's Findus, ComputerLand, Sogo Department Stores (Hong Kong); Bristol-Myers Sea Breeze scrub, Chugai Milful health drink, Colgate's Okinawa project, Hechima cologne, Hermes scarves, perfumes and handbags, Johnson & Johnson Affinity shampoo, Nikka Whiskey's Y2 and No Side Brands, Nikka Export French motor show, Roman Meal bread, Spalding sports equipment, Sunstar Beatech, U.S. Travel & Tourist Admin., Wyeth Laboratories infant foods (Japan); Abbott Laboratories Vidalyn, Bank Bumipurta Mastercard, Calbee Foods snacks, Colgate-Palmolive's Fab, Glo, Palmolive soap, shampoo, Softlan, Hagemeyer Corning Glass, Sabah Development property, Sarawak Motor Toyota Land-Cruisers (Malaysia); Caldbeck McGregor's Bacardi, Courvoisier, Deinhard, Johnnie Walker, Citibank, Ikea Furniture, Meitetsu department store, Pernod Ricard Orangina, Westin Hotels (Singapore). It lost: Air Canada, Blue Cross, Fuji Photo products, Canon's Jardine, Pizza Hut, Revlon (Hong Kong); Altman dating service, Sord computers (Japan); Galeries Lafayette department store, New Otani Hotel, Pavilion Inter-Continental Hotel (Singapore).

Billings breakdown: Newspapers 13%, magazines 42%, radio 5%, network tv 28%, spot tv 7%, outdoor 2%, other 3%. Employes: 693 in eight offices.

Top execs: Tetsuro Umegaki, chairman-Tokyo; Alexander Brody, president-New York; John Pare, exec vp-London; Shinzo Ueno, exec vp-Tokyo; Peggy Healy, senior vp-New York; Jerry G. Roberts, chairman-DYR USA; Shunya Hashiguchi, president-DYR Japan.

Phone: (212) 869-8350.

William Esty Co.
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	78.0	84.8	-8.0
Billings	520.0	565.0	-8.0
U.S. volume breakdown			
Media	478.0	514.0	-7.0
Materials/services	42.0	51.0	-17.6
Capitalized fees	N/A	N/A	N/A

William Esty Co., New York, reported gross income of $78,000,000 in 1984 on billings of $520,000,000. In 1983, it reported gross income of $84,750,000 on billings of $565,000,000.

William Esty is the largest autonomous operating subsidiary of Ted Bates & Co.

The agency's 1984 volume consisted of $478,000,000 in media and $42,000,000 in materials and services. Esty's 1983 volume consisted of $514,000,000 in media and $51,000,000 in materials and services.

In 1984 the agency gained: Boyle Midway, div of American Home Products.

It lost: Colgate-Palmolive, Warner-Lambert, and Ecko Housewares.

Billings breakdown: Newspapers 3%, magazines 15%, supplements 2%, radio 3%, network tv 45%, spot tv 17%, cable tv 1%, outdoor 14%. Employes: 597 in two offices. Top execs: Gordon Bushell, chairman; Larry Wassong, president.

Phone: (212) 692-6200.

Top 10 I and II agencies by U.S. capitalized fees as a % of U.S. billings

(Capitalized fees ÷ U.S. billings × 100)

Rank	Agency	1984	1983	fees*
1	Lavey/Wolff/Swift	100	100	52.3
2	Lorsch Group	100	100	39.0
3	Direct Marketing Agency	92	93	46.0
4	Kobs & Brady Advertising	85	84	44.5
5	Stone & Adler	84	90	61.3
6	Robert A. Becker Inc.	84	79	41.9
7	Klemtner Advertising	83	59	34.0
8	Carrafiello-Diehl & Associates	79	14	34.0
9	M.E.D. Communications	78	75	39.1
10	Richards Group	75	66	40.0

* Capitalized fees in $000,000

Evans Communications
Salt Lake City

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	15.6	11.6	34.2
Billings	104.0	77.5	34.2
U.S. volume breakdown			
Media	57.0	40.0	42.5
Materials/services	17.5	13.5	29.6
Capitalized fees	29.5	24.0	22.9

Evans Communications, Salt Lake City, reported gross income of $15,600,000 in 1984 on billings of $104,000,000. In 1983, it reported gross income of $11,625,000 on billings of $77,500,000.

The agency's 1984 volume consisted of $57,000,000 in media, $17,500,000 in materials and services and $29,500,000 in capitalized fees. Its 1983 volume consisted of $40,000,000 in media, $13,500,000 in materials and services and $24,000,000 in capitalized fees.

In 1984 the agency gained: Isuzu Truck of America, AMC Jeep Dealer Group-Northwest, McDonnell Douglas Physician Systems, Darigold, Pizza Hut-Northwest, American National Bank, KJJJ-AM Phoenix, Drug Emporium. It lost: Trus Joist Corp., Shoe Stop Corp.

Billings breakdown: Newspapers 22.3%, magazines 24.4%, radio 19.2%, spot tv 30.6%, outdoor 3.4%, other 0.1%. Employes: 295 in eight offices. Top execs: L. Glen Snarr, chairman-ceo; Jon L. Johnson, president-chief operating officer; Arthur S. Anderson, president-Salt Lake City; Dell R. Nelson, president-Portland; Frank Horsley, chairman-Evans/Kraft; Terrence Lynch, president-Evans/Lynch Rickey; Thomas A. Weinberg, chairman-Evans/Weinberg; Charles R. Bartholomew, president-Evans/Bartholomew; Philip A. Motta, president-Evans/Motta; Frederick G. Todman, president-Evans/Atlanta.

Phone: (801) 364-7000.

Foote, Cone & Belding Communications
Chicago

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	268.5	208.4	28.9
Billings	1,802.3	1,405.6	28.2
U.S.			
Gross income	196.9	158.9	23.9
Billings	1,324.4	1,075.5	23.1
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑

Foote, Cone & Belding Communications, Chicago, reported gross income of $268,548,000 in 1984, of which $71,657,000 was in non-U.S. contributions, on billings of $1,802,319,000. In 1983, it reported gross income of $208,413,000, of which $49,500,000 was in non-U.S. contributions, on billings of $1,405,644,000.

The agency's 1984 U.S. volume of $1,324,364,000 compared with 1983 volume of $1,075,479,000. No breakdown was provided for either year.

Overseas, its 1984 dollar volume was $477,955,000 compared with $330,165,000 in 1983. No breakdown was provided.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Foote, Cone & Belding, Chicago
- FCB Advertising, New York
- Foote, Cone & Belding, Los Angeles, San Francisco
- Lewis, Gilman & Kynett, Philadelphia

l agencies: $15,000,000 +

- Albert Frank/Guenther Law, New York
- Deutsch, Shea & Evans, New York
- Carl Byoir & Associates, New York (pr)
- North Castle Partners, Greenwich, Conn.
- Smith-Hemmings-Gosden, El Monte, Cal.
- VICOM Associates, San Francisco

In 1984 the U.S. agencies gained: Colgate-Palmolive, Long John Silver, Celestial Seasonings, Nutri/Systems, United Telecom, ComputerLand, Carnation, National Dairy Board (West), Maxicare, Bell Atlanticom. It lost: Pizza Hut, Quaker Oats, Coldwell Banker, Wallpapers-To-Go.

Overseas, it gained: Gillette, ICI, Data General, Shulton, Beiersdorf, Motta, Negroni, Iberia, Heinz, ComputerLand. It lost: Minolta, Cinzano, Ferguson, Toshiba.

Billings breakdown: Newspapers 6%, magazines 14.8%, supplements 1.1%, radio 8.5%, network tv 37.5%, spot tv 27.8%, cable tv 1.9%, outdoor 2%, direct mail 0.4%. Employes: 5,832 in 68 offices worldwide; 2,889 in nine U.S. offices.

Top execs: Foote, Cone & Belding Communications—Norman W. Brown, president-ceo; John E. O'Toole, chairman; W.R. Wirth Jr., exec vp-corp. resources; Allan Wilson Jr., exec vp-finance. Antonio S. Beja, president, FCB/Latin America-Pacific-South Africa; Abbott C. Jones, president-FCB Associated; William Kiely, chairman-FCB/Europe; Emine Messiqua, president-FCB/Europe; David Ofner, president-FCB/Midwest; Thomas F. Randolph, president-FCB/West; Edward A. Roncarelli, president-FCB Multinational Business Group; Jack M. Young, president-FCB/East.

Phone: (312) 467-9200.

FCB/Direct

FCB/Direct Marketing, Chicago, reported net income of $20,000 and gross income of $1,641,000 in 1984 on billings of $11,000,000. In 1983, it reported net income of $31,000 and gross income of $1,304,000 on billings of $6,900,000. In 1984, volume consisted of $4,000,000 in media, $1,500,000 in materials and services and $5,500,000 in capitalized fees. In 1983, volume consisted of $500,000 in media, $900,000 in materials and services and $5,500,000 in capitalized fees.

Accounts gained: John O. Butler Co., Royal Bank of Canada. Lost: Spring Green. Billings breakdown: Newspapers 5%, magazines 15%, radio 15%, business papers 10%, direct mail 40%, other 15%. Employes: 30. Top execs: Mark Weinstein; James Rose, director; James Tennant, creative director.

Phone: (312) 467-9200.

IMPACT

IMPACT Promotion & Design, Chicago, a subsidiary of Foote, Cone & Belding, reported gross income of $2,510,000 in 1984 on billings of $8,285,000. In 1983, it reported gross income of $1,925,000 on billings of $6,352,500. In 1984, volume consisted of $4,950,000 in materials and services, and $3,335,000 in capitalized fees. In 1983, volume consisted of $3,811,500 in materials and services, and $2,541,000 in capitalized fees.

Accounts gained: Ocean Spray, Pet, CBN, KIWI, Zenith Data Systems, Long John Silver, Pearle Vision, Rusty Jones, Sunkist. Accounts lost: Pizza Hut, Swift, Harris, Quaker Oats. Billings breakdown: Supplements 30%, business papers 20%, point of sale 50%. Employes: 40 in two offices. Top execs: Joseph P. Flanagan, director; Sherwin Leff, client services director; George Reiter, Larry Barnhart, Mark Drozd, creative directors; Tom Barr, design director.

Phone: (312) 467-9200.

Geers Gross Advertising
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	23.8	23.1	3.0
Billings	168.6	165.0	1.8
U.S.			
Gross income	23.8	23.1	3.0
Billings	168.0	165.0	1.8
U.S. volume breakdown			
Media	142.0	138.0	2.8
Materials/services	16.0	16.6	3.6
Capitalized fees	10.0	10.4	-3.8

Geers Gross Advertising, New York, reported gross income of $23,800,000 in 1984 on billings of $168,000,000. In 1983, it reported gross income of $23,100,000 on billings of $165,000,000. Geers Gross in New York is the dominant unit of an English agency of the same name that is publicly traded in the UK.

The New York agency's volume in 1984 consisted of $142,000,000 in media, $16,000,000 in materials and services and $10,000,000 in capitalized fees. Its 1983 U.S. volume consisted of $138,000,000 in media, $16,600,000 in materials and services and $10,400,000 in capitalized fees.

The UK arm provided 1984 dollar volume of $85,600,000 that broke down into $71,600,000 in media, $8,900,000 in materials and services and $5,100,000 in capitalized fees. In 1983 its volume of $85,000,000 consisted of $70,400,000 in media, $9,000,000 in materials and services and $5,600,000 in capitalized fees.

Together, the English-based transatlantic agency had gross income of $37,300,000 in 1984 on billings of $253,600,000 compared with $37,000,000 in gross income on billings of $250,000,000 in 1983.

Geers Gross in February, 1985, became the second major agency in which Eurocom, the large French agency holding company, purchased an interest. Under the arrangement, Geers Gross issued an additional 10% of stock to Eurocom, which placed voting rights with Robert Gross, chairman-New York. During the year, Eurocom also purchased 51% of Young & Rubicam's Marsteller Inc. (minus the pr unit), merging the operation into its major satellite agency, Havas Conseil, based in Paris.

In 1984 the agency gained: G.H. Bass & Co., L'Oreal, The Gap, Fuji micrographics and professional products, Sodastream. It lost: Fortunoff, Gold Seal Co.

Overseas, it gained: Schreiber Furniture, Micronet Computers, Ocean Spray cranberry juice, Clairol appliances, Bass Worthington. It lost: Zanussi.

Billings breakdown: Newspapers 30%, magazines 9%, supplements 5%, radio 5%, network tv 20%, spot tv 24%, cable tv 1%, outdoor 4%, business papers 2%. Employes: 311 in three offices. Top execs: Robert Gross, chairman; Marvin Honig, vice-chairman, exec creative director; Donald Kurtz, Dick Tarlow, vice-chairmen; John Koutsantanou, exec vp-ceo; Kent DeFelice, gm; Joe Carlucci, Chris Hansen, exec vps, Russell Gilsdorf, media director; Nancy Jo Kimmerle, rsch director.

Phone: (212) 916-8000.

Grey Advertising
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	224.2	183.5	22.2
Billings	1,495.6	1,224.0	22.2
U.S.			
Gross income	155.1	125.1	24.0
Billings	1,034.6	839.5	23.2
U.S. volume breakdown			
Media	907.2	763.4	18.8
Materials/services	N/A	N/A	N/A
Capitalized fees	127.4	76.1	67.4

Grey Advertising, New York, reported gross income of $224,200,000, of which $69,100,000 was non-U.S. contributions, in 1984 on billings of $1,495,200,000. In 1983, it reported gross income of $183,500,000, of which $58,400,000 was non-U.S. contributions, on billings of $1,224,000,000.

The agency's 1984 U.S. volume of $1,034,600,000 consisted of $907,200,000 in media and $127,400,000 in capitalized fees. Its 1983 U.S. volume of $839,500,000 consisted of $763,400,000 in media and $76,100,000 in capitalized fees.

Overseas, its capitalized volume was $460,600,000 in 1984 and $384,500,000 in 1983.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Beaumont-Bennett
- Entertainment & Leisure div.
- Grey Direct
- GreyCom
- Grey Lyon & King
- Grey Medical
- Grey Strategic Marketing
- Kosarin Design Group
- RADA Recruitment

In 1984 the agency gained: Toys 'R' Us, Pet Inc.'s Pet-Ritz Pie Crust, Old El Paso, Whitmans and Downy Flake, Bristol-Myers' Nuprin, Ban and Vitalis, Walden Books, U.S. West Direct, Catalina, Knudsen Corp. It lost: Brown & Williamson's Viceroy, General Foods' Izod and Osco Drugs.

Overseas, big additions were Televideo Systems to Grey shops in Austria, Denmark, France, Germany, Japan, the Netherlands, Norway, Sweden and Switzerland, and Beecham in France, Mexico and Switzerland. Other gains: Shell (Argentina), Canon and Inter-Continental Hotels (Australia), Fiat and General Mills Toys (Austria), Cinzano Belgium and Northwest Orient Airlines (Belgium), AMC/Renault, E.D. Smith & Sons and Toys 'R' Us (Canada), Banco O'Higgins, A.C. Nielsen and Yellow Pages (Chile), Sandoz (France), Lindt & Sprungli, Citroen and 3M Deutschland (Germany), Jardine Engineering Corp. and Revlon (Hong Kong), General Mills Toys and Tuborg beer (Italy), Les Must De Cartier and Sumitomo 3M (Japan), Banco de Credito Mexicano (Mexico), Visa Card, Saudi Arabian Airlines (the Netherlands), General Electric (Peru), Mercedes-Benz (Singapore), Chubb Security (South Africa), AGIP and 3M (Spain), Texaco and Halmsteds Sparbank (Sweden), Sylvania (Switzerland), Dunkin' Donuts and General Motors auto (Thailand) Converse running shoes (Thailand), Midas Intl (U.K.), Inter-Continental Hotels (Venezuela).

It lost: New Caledonia Tourism and Stronghold Insurance (Australia), Schartlachberg (Austria), Chicobel (Belgium), Pittway, Steinberg (Canada), Agfa-Gevaert and Plough Chile (Chile), Husqvarna (France), Hong Kong Snack Foods (Hong Kong), FN-Browning Sports (Italy), Jergens (Mexico), Akergrupper (Norway), Jack Chia & Co. (Singapore) Dunlop Tyers (South Africa), Electrolux Motor (Sweden), John West Foods (U.K.), Mavesa (Venezuela).

Billings breakdown: Newspapers 8%, magazines 17%, radio 4%, network tv 48%, spot tv 20%, cable tv 2%, outdoor 1%. Employes: 4,300 in 81 offices worldwide; 2,168 in six U.S. offices. Top execs: Edward H. Meyer, president-chairman; Robert L. Berenson, exec vp-admn.; Alan B. Fendrick, exec vp-treasurer & secretary; Barbara S. Feigin, exec vp-mktg planning & strategic development; Richard M. Karp, Richard R. Kiernan, exec vps-creative services; Alec Gerster, exec vp-media & programing; Stephen A. Novick, exec vp-broadcast production.

Phone: (212) 546-2000.

HBM/ Creamer
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	44.2	43.5	1.6
Billings	294.8	290.0	1.6
U.S. volume breakdown			
Media	231.2	230.1	0.4
Materials/services	38.3	37.2	3.0
Capitalized fees	25.3	22.8	11.1

HBM/Creamer, New York, reported gross income of $44,220,000 in 1984 on billings of $294,800,000. In 1983, it reported gross income of $43,500,000 on billings of $290,012,000.

The agency's 1984 volume included $231,200,000 in media, $38,300,000 in materials and services and $25,300,000 in capitalized fees. In 1983, volume consisted of 230,080,000 in media, $37,165,000 in materials and services, and $22,767,000 in capitalized fees.

In 1984 the agency gained: Molsen, RI Hospital Trust, New American Library, JA Henckel. It lost: Kis, BASF, Star Markets.

Billings breakdown: Newspapers 5%, magazines 33%, supplements 1%, radio 4%, network tv 29%, spot tv 23%, cable tv 1%, outdoor 1%, business papers 2%, other 1%. Employes: 653 in seven offices. Top execs: Donald E. Creamer, chairman; Harold Strauss, vice-chairman; Edward Eskadarian, president; Peter Evans, exec vp; Herbert Burger, William Sprague, senior vps.

Phone: (212) 887-8000.

HCM
(New York)

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	75.3	59.9	25.8
Billings	502.0	399.1	25.8
U.S.			
Gross income	30.6	28.1	8.9
Billings	204.0	187.1	9.0
U.S. volume breakdown			
Media	109.8	103.1	6.4
Materials/services	34.7	40.6	-14.5
Capitalized fees	59.5	43.5	36.8

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HCM, New York, the new signature created by the September, 1984, merger of major French agency, Havas Conseil, and New York-based Marsteller Inc., reported gross income of $75,282,000 of which $44,700,000 was non-U.S. contributions, in 1984 on billings of $501,984,000. In 1983, comparable figures would be gross income of $59,857,000 of which $31,800,000 was non-U.S. contributions, on billings of $399,140,000.

The agency's 1984 U.S. volume of $203,984,000 consisted of $109,807,000 in media, $34,663,000 in materials and services and $59,514,000 in capitalized fees. Its comparable 1983 U.S. volume of $187,140,000 consisted of $103,073,000 in media, $40,553,000 in materials and services and $43,514,000 in capitalized fees.

Non-U.S. volume in 1984 was $298,000,000 compared with $212,000,000 in 1983. Havas Conseil's results were the lion's share of international billings for both years.

Under the merger, Young & Rubicam, owner of Marsteller, got 49% of the new agency, and Eurocom, parent of Havas Conseil, got 51%. Burson-Marsteller, the public relations unit of Marsteller, remained 100% owned by Y&R. Its gross income and billings do not appear in the 1984 or 1983 results shown. Traditionally consolidated with those of Marsteller, the pr unit's results were subtracted from the 1983 figures. Those of Havas Conseil were added to Marsteller in 1983 to arrive at a comparable year-to-year growth figure for the two HCM partners. In 1983, consolidated figures for the advertising and pr units at Marsteller Inc. were fee income of $84,258,000 on capitalized billings of $562,000,000.

The Eurocom connection gives Marsteller greater European presence. The European group will include about $300 million in billings distributed in 14 French offices and 13 in other European countries. Marsteller brings a London office into the group for the first time. Eurocom finally gets a foothold in the U.S. following an uncessful attempt to establish Kelly Nason, New York, as its U.S. base in 1977. That lasted two years before Kelly Nason employes bought back the agency.

In 1984 the agency gained: Perkins Restaurants, Charles P. Young, GAB Business Services, Mita Copiers, Spiegel Retail, Connecticut Bank & Trust. It lost: Alinet, Vernor's.

Overseas, it gained: Toshiba Copiers & Computers, Penney, Swiss Credit Bank, Mahou beer, Chanel, Camel Plus pay tv, Materne preserves, A. Blatt wool. Lost: None.

Billings breakdown: Newspapers 8.1%, magazines 21.8%, supplements 0.2%, radio 6.5%, network tv 20.8%, spot tv 14.3%, outdoor 1.0%, business papers 27.3%. Employes: 1,329 in 25 offices. Top execs: R. Schmetterer, ceo; Louis Magnani, president-USA; Alain de Pouzilhac, president-Europe; M. Drazen, Dale Landsman, Thomas Sharp, Milton Lynnes, Bert Rosenberg, exec vps.

Phone: (212) 752-6500.

Hill, Holliday, Connors, Cosmopulos
Boston

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	26.3	17.3	52.5
Billings	175.4	115.0	52.5
U.S.			
Gross income	22.7	14.6	55.7
Billings	151.5	101.4	49.6
U.S. volume breakdown			
Media	52.3	38.7	35.1
Materials/services	6.0	10.1	-40.5
Capitalized fees	93.3	52.6	77.4

Hill, Holliday, Connors, Cosmopulos, Boston, reported gross income of $26,304,600, of which $3,575,800 was non-U.S. contributions, in 1984 on billings of $175,364,000. In 1983, it reported

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Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10*

l agencies: $15,000,000 +

gross income of $17,250,000, of which $2,650,700 was non-U.S. contributions, on billings of $115,000,000.

The agency's U.S. 1984 volume of $151,525,300 consisted of $52,282,700 in media, $5,984,000 in materials and services and $93,258,600 in capitalized fees. Its 1983 volume of $101,406,100 consisted of $38,691,900 in media, $10,145,600 in materials and services and $52,568,600 in capitalized fees.

Overseas, its 1964 dollar volume of $23,838,700 consisted of $6,992,000 in media, $2,494,000 in materials and services and $14,352,700 in capitalized fees. Its 1983 dollar volume of $13,593,900 consisted of $4,290,600 in media, $1,058,900 in materials and services and $8,244,400 in capitalized fees.

In 1984 the agency gained: Gould Inc., Edwards Food Warehouse, M.S. Walker, Springs Industry, ShareAmerica, Puma USA, Ritz Carlton (Boston), Cellular One, Telelogic Inc., CombiNet, Cluett Peabody's Youthwear Div. and Colours by Alexander Julian Div., Colonial Provision Co. It lost: H.P. Hood Dairy.

Overseas, it gained: Granada Business Centres, SICOB, Iveco, Thorn/EMI, Thomson Telephone, Jetour, SBA Consulting, Wrightline GmbH. It lost: Lotus Development Corp.

Billings breakdown: Newspapers 20%, magazines 19%, radio 9%, network tv 14%, spot tv 23%, outdoor 1%, business papers 8%, other 6%. Employes: 411 in nine offices. Top execs: George J. Hill III, chairman; John M. Connors Jr., president; Walter M. Pile, exec vp-gm; Jack Sansolo, exec vp-mktg services director; Dick Pantano, Tony Winch, exec vps-creative directors; Malcolm MacDougall, president-creative director, New York office; Scott Cheyne, Bob Curry, Ann Finucane, Mike Wilder, senior vps-acct service; Doug Houston, Paul Regan, senior vps-associate creative directors; Felice Kincannon, senior vp-media director; William Matteson, senior vp-European client service director; Seumas McGuire, senior vp-creative services director; John Mills, senior vp-finance; Christine Miller, senior vp-mng director, New York office; Susan Smith, senior vp-intl; Yustin Wallrapp, senior vp-director of pr.

Phone: (617) 437-1600.

Jordan, Case & McGrath
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	24.2	21.0	15.2
Billings	165.1	147.8	11.7
U.S. volume breakdown			
Media	135.0	115.0	17.3
Materials/services	4.8	4.1	17.0
Capitalized fees	25.3	28.7	-11.8

Jordan, Case & McGrath, New York, reported gross income of $24,200,000 in 1984 on billings of $165,100,000. In 1983, it reported gross income of $21,000,000 on billings of $147,800,000.

The agency's 1984 volume consisted of $135,000,000 in media, $4,800,000 in materials and services and $25,300,000 in capitalized fees. Its 1983 volume consisted of $115,000,000 in media, $4,100,000 in materials and services and $28,700,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of subsidiary:

- Specht, Gilbert & Partners

In 1984 the agency gained: Revlon Health Care's Barnes Hind Div.'s soft contact lenses; A.H. Robins new products; Nestle USA's Goobers, Raisinets, Bit-O-Honey; Selchow & Righter's Scrabble People; Tonka's Gobots; Wheat Industry Council; Welch Food's Welch's Orchard Juices; Norcliff-Thayer's Oxy Clean. It lost: Richardson-Vicks' Saxon lotion, Long John Silver.

Billings breakdown: Newspapers 2%, magazines 16%, supplements 2%, radio 12%, network tv 35%, spot tv 27%, cable tv 4%, outdoor 1%, business papers 1%. Employes: 205 in one office. Top execs: James J. Jordan, chairman; Gene Case, creative director; Patrick J. McGrath, president; John L. Taylor, exec vp.

Phone: (212) 906-3600.

Keller-Crescent Co.
Evansville, Ind.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	22.5	19.2	17.2
Billings	114.0	96.1	18.6
U.S. volume breakdown			
Media	23.5	17.3	35.8
Materials/services	39.8	33.0	20.6
Capitalized fees	50.7	45.8	10.7

Keller-Crescent Co., Evansville, Ind., reported gross income of $22,496,000 in 1984 on billings of $114,013,000. In 1983, it reported gross income of $19,189,000 on billings of $96,124,000.

The agency's 1984 volume consisted of $23,512,000 in media, $39,807,000 in materials and services and $50,694,000 in capitalized fees. Its 1983 volume consisted of $17,313,000 in media, $33,012,000 in materials and services and $45,799,000 in capitalized fees.

In 1984 the agency gained: Bootz Mfg., Emge Meat Packing, Fanny-May Candy Shops, Justus Enterprises, McDonald Dairy, Petrochem Corp., Tell City National Bank, Colorkraft Corp., Firestone Steel Products, Ignitor Products Intl, Mitsubishi Intl Corp., Storm Printing, Wavetek Indiana, Kusan Mfg., OEC/Diasonics, Wayne-Dalton Corp., Rent A Center, Uccel Corp.

It lost: Anheuser-Busch special projects and Eagle Snacks, Arkla Industries, Borden's Confectionery Div., Cresline Plastic Pipe, Dorman Products, Intl Yarn, KCL Corp., Koch Label, Hoffco Inc., Muse Air, Suburban American Corp., Caltex Petroleum, Highland Park National Bank, Color Tile.

Employes: 585 in two offices. Top execs: Alan Graf, chairman; Thomas M. Smythe, president; Ray Trapp, Southwest president; Al Samuelson, exec vp-creative director; Chuck Bua, Southwest exec vp-creative director.

Phone: (812) 424-2461.

Kenyon & Eckhardt
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	56.4	60.5	-6.7
Billings	376.2	392.2	-4.1
U.S.			
Gross income	41.3	45.0	-8.3
Billings	275.2	289.2	-4.8
U.S. volume breakdown			
Media	183.5	204.9	-10.4
Materials/services	24.6	24.7	-0.4
Capitalized fees	67.1	59.6	12.6

☑

Kenyon & Eckhardt, New York, a Lorimar Co. subsidiary, reported gross income of $56,411,109, of which $15,150,000 was non-U.S. contributions, in the fiscal year ended July 31, 1984, on billings of $376,211,597. In the calendar year 1983, it reported gross income of $60,457,000, of which $15,450,000 was non-U.S. contributions, on billings of $392,173,796.

The agency's 1984 U.S. volume of $275,211,597 consisted of $183,505,018 in media, $24,640,563 in materials and services and $67,066,016 in capitalized fees. Its 1983 U.S. volume of $289,173,796 consisted of $204,896,639 in media, $24,702,751 in materials and services and $59,574,406 in capitalized fees.

Overseas, its volume was $101,000,000 in 1984 and $103,000,000 in 1983. No volume breakdown was provided.

In 1984 the agency gained: New York Telephone, Contrex, J.H. Filbert, Bristol-Myers' Vitalis, Dino DeLaurentis, N.E. Shrimp, MAI/Basic 4. It lost: Premex, Wickes (Snyder Drugs, Howard Bros. Red Owl), Timex, Ware Savings.

Overseas, it gained: British Telecom, Imperial War Museum (U.K.); Solvay Chemical Products, Air Malta, Boehringer Thompirina Analgesic, Club Med (Italy); ESAB & Arcos Welding, Barbour Clothing (Germany); Good Companion cigarets, Cussons toiletries, Lucullus foods & wines, Lion & Globe cooking oils, Amoy Canning (Hong Kong); Toys 'R' Us (Singapore); Lion Stout, Regnis & Tron from Singer, Konsum Family Products (Malaysia); Thailand Tourism Authority, Courvoisier cognac, Svenson Hair Center (Thailand); Canon, California Cling Peaches Advisory Board (Japan); Fisher & Paykel range/dishwashers (New Zealand); Helene Rochas perfumes, Germaine Monteil cosmetics, Instituto Technico, Isabelle Lancray cosmetics, Sherwin Williams paints (Puerto Rico); Fuji Film, Balsea soft drinks, Etiquetta Azul mineral water (Mexico); Sanyo, American Express (Middle East). It lost: Nestle (Malaysia/Singapore); Mercedes Benz (Singapore); Gallaher Silk Cut cigarets, General Electric, Life Savers' Bubble Yum and Qantas (Hong Kong).

Billings breakdown: Newspapers 7%, magazines 28%, radio 9%, network tv 29%, spot tv 22%, cable tv 2%, outdoor 2%, other 1%. Employes: 2,375 in 61 offices worldwide; 625 in 23 U.S. offices. Top execs: Leo-Arthur Kelmenson, ceo-chairman; Ronald DeLuca, Stephen O. Frankfurt, vice-chairmen; William Lang, exec vp-treasurer; Peter Dimsey, Larry Flink, Murray Smith, exec vps.

Phone: (212) 880-2000.

Ketchum Communications
Pittsburgh

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	60.9	52.7	15.5
Billings	406.1	368.4	10.2
U.S.			
Gross income	53.1	46.8	13.4
Billings	354.1	312.2	21.7
U.S. volume breakdown			
Media	245.4	214.3	14.5
Materials/services	25.0	29.2	-14.3
Capitalized fees	83.6	68.7	21.7

☑

Ketchum Communications, Pittsburgh, reported gross income of $60,881,000, of which $7,800,000 was non-U.S. contributions, in 1984 on billings of $406,050,000. In 1983, it reported gross income of $52,707,000, of which $5,899,000 was non-U.S. contributions, on billings of $368,409,000.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Ketchum Advertising/USA
- Ketchum Public Relations
- New Venture Communications
- Shivers Communications
- Ketchum Yellow Pages
- Ketchum Direct

The agency's 1984 U.S. volume of $354,050,000 consisted of $245,369,000 in media, $25,033,000 in materials and services and $83,648,000 in capitalized fees. Its 1983 volume of $312,209,000 consisted of $214,260,000 in media, $29,221,000 in materials and services and $68,728,000 in capitalized fees.

Overseas, its dollar volume was $52,000,000 in 1984 and $56,200,000 in 1983. No volume breakout was provided.

In 1984 the agency gained: California Egg Commission, National Food Assn., Pacific Bell, Wallpapers To Go, Intl Banana Assn., Digital Equipment Corp., Homelite-Jacobson, CertainTeed, Coleco, Burry-Lu, Hanes new products, Hermann Hospital & Affiliated System. It lost: Rockwell Intl, Koret, Calgo, Season-All, Caesar's Boardwalk Regency, Melitta, General Foods, Food Service, Air Jamaica, Gordon's Contemporary Stores, ACF. Overseas, it gained: Miller Brewing lite beer (Japan). It lost: Rockwell Intl.

Billings breakdown: Newspapers 9.3%, magazines 13.8%, radio 11.8%, network tv 21.2%, spot tv 33.8%, cable tv 0.3%, trade papers 9.8%. Employes: 1,050 in 16 offices worldwide; 875 in 11 U.S. offices. Top execs: William H. George, chairman-ceo; Gerald J. Vorvos, president-chief operating officer; Edward L. Graf, exec vp-cfo; Don-

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Y&R: An impressive runnerup

One of the many apocryphal tales in advertising deals with a client who went about choosing his new agency by reviewing major account changes of the year and figuring out which agency was the most consistent runnerup. That was the agency he selected.

He explained, the legend goes, that because different clients have different needs and different reasons for their first choice, it is the steady second-place finisher that is, by anyone's criteria, generally doing the best work.

For those who follow that logic, Young & Rubicam's credentials would appear to be in good order. Advertising Age editors were sufficiently impressed by Y&R's 1984 creative output to make the agency their runnerup choice behind BBDO. Y&R was also a finalist last year. And it was the co-winner in 1978, along with N W Ayer.

Among the Y&R creative work most often cited were ads for American Telephone & Telegraph, Lincoln-Mercury, Jell-O, Thomas' English muffins, Campbell Soup Co., U.S. Postal Service and 7-Eleven stores.

The agency is justifiably proud of its track record in the creative award derby:

It recently produced an 90-page catalog of ad awards garnered by its various agencies around the world. In the foreword, Y&R's Alex Kroll, recently named chief executive officer, wrote:

"While we do not measure our success by awards . . . they tell us whether our creative product is near, or at, the leading edge of inventiveness . . . . They show us where we stand in the 'art' of commercial communications, which is at least half the business."

"Little Rascals" rally around Jell-O Gelatin Pops stand.

JELL-O
GELATIN POPS

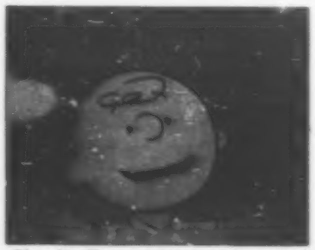
Dr Pepper can slake the mighty thirst of Godzilla.

The list includes 13 citations from the International Advertising Film Festival at Cannes.

Ad Age's editors noted that in 1984 Y&R was particularly adept at adding familiar touches to a number of clients' tv spots for added impact.

For example, A Mercury class reunion spot was reminiscent of "The Big Chill" movie of a similar theme, Dr Pepper used a takeoff on Godzilla and another on the bar scene in "Star Wars." A band of "Little Rascals" types appeared in Jell-O spots, an Ed Sullivan spoof was the theme of a Ruffles commercial, and old movie clips were used in a Dentyne spot.

And the agency recently broke a major campaign for Metropolitan Life using the popular "Peanuts" comic strip characters.#



Charlie Brown gives sales pitch for Metropolitan Life.

Lincoln-Mercury rolls into town for a reunion . . .

. . . and lost friends arrive "home" as in "The Big Chill."

l agencies: $15,000,000 +

ald G. Sullivan, president-Ketchum Advertising/USA; Paul Alvarez, chairman-Ketchum Public Relations; Maryalice Fullmer, president-Ketchum Direct; Herbert D. Gordon, president-Ketchum Yellow Pages; Thomas J. Smith, president-Ketchum Intl; Joseph M. Coogle, exec vp-Ketchum Communications.

Phone: (412) 456-3500.

Laurence, Charles & Free

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	32.3	29.3	10.3
Billings	215.0	195.0	10.3
U.S. volume breakdown			
Media	192.0	175.0	9.7
Materials/services	11.0	10.0	10.0
Capitalized fees	12.0	10.0	20.0

Laurence, Charles & Free, New York, a Mickelberry Corp. agency, reported gross income of $32,250,000 in 1984 on billings of $215,000,000. In 1983, it reported gross income of $29,250,000 on billings of $195,000,000.

The agency's 1984 volume consisted of $192,000,000 in media, $11,000,000 in materials and services and $12,000,000 in capitalized fees. Its 1983 volume consisted of $175,000,000 in media, $10,000,000 in materials and services and $10,000,000 in capitalized fees.

In 1984 the agency gained: Drackett Co.'s Renuzit and Vanish, S.C. Johnson Fiberall, Dreyfuss Corp., Uniden Corp., Hearst Corp. It lost: None.

Billings breakdown: Newspapers 21%, magazines 23%, supplements 1%, radio 2%, network tv 25%, spot tv 12%, cable tv 2%, outdoor 7%, business papers 1%, transit advertising 5%, point of sale 1%. Employes: 205. Top execs: Charles Goldschmidt, chairman; F. William Free, chairman-exec committee; Laurence D. Dunst, president; Brett Shevak, president-LCF&S div.; Thomas K. Myers, vice-chairman; Martin Smith, vice-chairman-account mgr; Russell K. Shaffer, exec vp-acct services; Samuel Alfstad, Paul Hodges, exec vps-creative directors; Alfred L. Evans Jr., exec vp-mgmt super; Alfred Magnane, Malcolm Minor, Basil Thomsen, senior vp-mgmt supers; Richard Walken, senior vp-mktg services & media; Robert Adler, senior vp-media director; Paul Hiromura, senior vp-mktg rsch; Doris Gould, Ellen Goldschmidt, senior vps-broadcast production; Jack Mitnick, senior vp-print production.

Phone: (212) 661-0200.

Leber Katz Partners

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	32.4	29.2	10.9
Billings	279.3	251.0	11.2
U.S. volume breakdown			
Media	228.8	206.3	10.8
Materials/services	14.4	13.3	8.0
Capitalized fees	36.1	31.4	15.1

Leber Katz Partners Advertising, New York, reported gross income of $32,402,000 in 1984, on billings of $279,326,000. In 1983, it reported gross income of $29,191,000, on billings of $251,043,000.

The agency's 1984 volume included $228,785,000 in media, $14,403,000 in materials and services and $36,138,000 in capitalized fees. Its 1983 volume consisted of $206,322,000 in media, $13,325,000 in materials and services and $31,396,000 in capitalized fees.

In 1984 the agency gained: R.J. Reynolds' new Ritz cigarets, public issues, Heublein and RJR Development Corp., Campbell Soup Co.'s Prego Plus and Juice Bowl, Lenox Inc.'s Lenox Collections div, Richardson-Vicks' Saxon and new products, American Telesystems, and direct marketing for Colonial Penn Insurance, Prudential/AARP Insurance, National Liberty Mktg Inc., World Book Insurance Group. It lost: Bonne Bell Inc.

Billings breakdown: Newspapers 16%, magazines 28%, radio 11%, total tv 24%, outdoor 4%, business papers 3%, direct marketing 10%, sales promotion 4%. Employes: 285. Top execs: Stanley H. Katz, chairman; Jonathan L. Adams, president; Murray A. Valenstein, vp; Laurel Cutler, vice chairman-mktg planning director; Samuel R. Eisnitz, Jerome L. Davidow, exec vps-acct mgmt; Robert T. Hirsch, exec vp-mgmt rep; Paul E. Lucy, exec vp-chief admin officer; Kenneth L. Damsky, treasurer-senior vp, finance.

Phone: (212) 705-1243.

Lord, Geller, Federico, Einstein

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	29.8	14.4	106.6
Billings	207.2	98.2	110.9
U.S. volume breakdown			
Media	169.4	75.3	124.9
Materials/services	25.1	10.9	130.2
Capitalized fees	12.7	12.1	5.0

☑†

Lord, Geller, Federico, Einstein, New York, a subsidiary of JWT Group, reported gross income of $29,758,223 in 1984 on billings of $207,194,203. In 1983, it reported gross income of $14,406,308 on billings of $98,240,182.

The agency's 1984 volume consisted of $169,394,356 in media, $25,143,904 in materials and services and $12,655,943 in capitalized fees. Its 1983 volume consisted of $75,304,845 in media, $10,879,992 in materials and services and $12,055,345 in capitalized fees.

In 1984 the agency gained: WNBC-TV (New York), Book-of-the-Month Club, Radio Advertising Bureau, Barbar Group, Charles of the Ritz Group's Gianni Versace, Charles of the Ritz and Alexandra de Markoff. It lost: G.H. Bass & Co., Quality Paperback, Fortune Book Clubs.

Billings breakdown: Newspapers 14%, magazines 30%, radio 5%, network tv 30%, spot tv 15%, cable tv 1%, outdoor 3%, business papers 1%, transit advertising 1%. Employes: 257 in two offices. Top execs: Richard J. Lord, chairman-ceo; Norman Geller, Gene Federico, vice-chairmen; Arthur W. Einstein Jr., president-creative director; Edward D. Yaconetti, exec vp-chief operating officer; Robert F. Wells, senior vp-acct services; William L. Sibert, senior vp-marketing services.

Phone: (212) 421-6050.

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Marschalk Campbell-Ewald Worldwide

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	140.3	126.7	10.7
Billings	935.6	844.9	10.7
U.S.			
Gross income	112.1	99.5	12.6
Billings	747.9	663.8	12.6
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑†

Marschalk Campbell-Ewald Worldwide, New York, part of the Interpublic Group of agencies, reported gross income of $140,272,000 in 1984, of which $28,143,000 was in overseas contributions, on billings of $935,612,000. In 1983, it reported gross income of $126,672,000, of which $27,149,000 was in overseas contributions, on billings of $844,901,000.

The agency group's U.S. volume was $112,129,000 in 1984 and $99,523,000 in 1983. No further volume breakdown was provided. No media breakout was provided.

Included in the agency's figures are the billings and gross income of Interpublic agencies:

- Campbell-Ewald Co.
- Campbell-Ewald International
- Marschalk Co.
- Clinton E. Frank Inc. (merged with C-E Co.)

(For accounts gained and lost in the U.S. and overseas, see individual agencies grouped with this profile.)

Employes: 1,934 in 29 Marschalk Campbell-Ewald Worldwide offices, including 1,369 in 17 U.S. offices. Top execs of Marschalk Campbell-Ewald Worldwide: Richard D. O'Connor, chairman-ceo, Marschalk Campbell-Ewald Worldwide; Lester A. Delano, president-coo, Marschalk Campbell-Ewald Worldwide; Paul L. John, chairman-ceo, Campbell-Ewald Co.; Michael S. Lesser, chairman-ceo, Marschalk Co.; Robert P. Roselle, cfo-Marschalk Campbell-Ewald Worldwide.

Phone: (212) 315-8360

Marschalk Co.

Marschalk Co., New York, reported gross income of $40,881,000 in 1984 on billings of $272,676,000. In 1983, it reported gross income of $32,129,000 on billings of $214,300,000.

Volume was all in the U.S. No volume breakdown was reported for either year.

In 1984 the agency gained: Comerica, Beckley Cardy school supplies, Winmar shopping malls (Cleveland), Fuddruckers fast food (Houston), SONY vcrs, Philips Automated Home Systems, Economic Laboratory, Coca-Cola Minute Maid soda (New York), Marriott Hotels' Fisherman's Wharf (San Francisco). It lost: Gibraltar s&l (Houston), Heublein (New York).

Employes: 572 in four U.S. offices. Top execs: Michael S. Lesser, chairman; Andrew J. Langer, president; exec vps—Stuart J. Agres, Stephen A. Bayer, Daniel E. Cohen, Eric J. Einhorn, James D. Johnson, Marshall Karp, Barry R. Linsky, Lyle E. Metzdorf, Kenneth I. Roffe, Richard Villante.

Phone: (212) 708-8800.

Campbell-Ewald Co.

Campbell-Ewald Co., Warren, Mich., reported gross income of $99,391,000 in 1984, of which $28,143,000 was from non-U.S. contributions represented by Campbell-Ewald International, on billings of $662,936,000. Figures include those of Clinton E. Frank Inc., whose Chicago office was closed in 1984 and its remaining Richmond office merged into Campbell-Ewald Co.

The equivalent figures for 1983 (including the addition of Clinton E. Frank) were gross income of $94,543,000, of which $27,149,000 was from Campbell-Ewald International, on billings of $630,601,000.

In the U.S., total volume was $475,225,000 in 1984 and $449,518,000 in 1983. No further volume breakout was provided. Of the total Clinton E. Frank's contributions, all in the U.S., were gross income of $2,667,000 in 1984 and $3,898,000 in 1983, and capitalized billings of $17,789,000 in 1984 and $26,000,000 in 1983.

Account gains in U.S.: Rockwell Intl, Mennen, Bacardi's Hatuey Beer, Bridgestone Tire Co., Sheaffer media placement, General Motors new assignments—Chevrolet Astro Van co-op and Service Parts div (Detroit). It lost: Philips' Magnavox (Detroit).

Overseas, its major gains included new assignments for Coca-Cola (Netherlands-Sprite, South Africa and Mexico-Fanta), and for Henkel (South Africa-Dixi dishwashing detergent, Spain and Canada-Fa soap, Germany-Denta Clean). Its major account loss overseas was Goodyear (Belgium, UK, France, Germany, Italy). Other gains: Fielder's Bakery, MLC Assurance, Home Yardage fabrics, Elna Sewing Machines, Carreras Rothman (Australia); Avis Rent-A-Car, Fourcroy's Garcia wine, Niemeyer's Samson Tobacco, Maredsous soft cheese (Belgium); Levi Strauss, Libby-Owens-Ford, Johnson & Johnson shampoo, Visagis' Visconti bakery products (Brazil); DuPont Plastics, fibres, chemicals, Electrolux, Nesbitt Thomson investment group, Rockwell Intl (Canada); JVC video & audio systems, in-car entertainment, Wander's Ovaltine, Ernst & Whinney, Ideal Standard bathroom equipment (England); Campari, Maitre Coq poultry, Poulain's Le Cadre Noir, Bassetti linens, Kelly Girl (France); Fordergemeinschart Gutes Horen Assn for Promotion of Hearing Aids, Bayer aspirin, McKesson Group Armor All Car Care, Info Kaberkommunikation cable tv, Heidseidk Monopole champagne, Woelm Pharma's Vitamin E, Nestle's Barenmarke milk (Germany); Gucci clothing/purses, Mondial Assistance insurance, Centrokappa furniture (Italy); Grupo Loredo restaurant chain, Smith Kline French's Contac, Mentholatum, Iodex, Bristol-Myers' Windex (Mexico); Hertz Rent-A-Car, Nedan's Velamints, Stimorol, Fisherman's Friend, Cointreau's Lancers White Wine (Netherlands); Twins skin care & toiletries, Gilbeys Bertrams VO brandy, wines (South Africa); Banco de Huesca, Pamplonica meat, Braun electric toothbrush, Coeba supermarkets (Spain).

Other losses: McEwans Hardware, Burroughs (Australia); Martini & Rossi (Belgium); Cica foods, Temana air freshener, Primicia luggage (Brazil); Olympia business equipment (Germany); Barilla bakery products (Italy); Canon Copiers (Netherlands); Joshua Doore, Spur Steakhouses (South Africa); MICPE Apple computers (Spain).

Employes: 1,362 in 25 offices worldwide; 797 in 13 U.S. offices (including the merged Clinton E. Frank).

Top execs: Paul L. John, chairman; Richard D. O'Connor, vice-chairman; Peter A. Dow, president-coo; Robert P. Roselle, exec vp-treasurer; James I. Bernardin, Sean K. Fitzpatrick, Jan T.L. Homan, Ronald W. Mitchell, John H. Newhall, R. Hamilton Schirmer, Louis M. Schultz, William J. Tausch, Eugene F. Taylor, exec vps; Lawrence Cugini Jr., Joseph V. Karle Jr., Richard S. Macedo, James J. O'Neal, Robert F. Ovies, Dennis H. Plansker, Laurence B. Rood, group senior vps; Edwin L. Acker, Harold E. Allen, Ian W. Beaton, Michael O. Bell, Harold W. Bickner Jr., James T. Birchfield, Paul B. Blustain, Thomas R. Boyd, Robert E. Britton, Eugene Butera, Theodore J. Charron, Neil Costa, Larry R. Fleming, Thomas H. Gaskin, Robert J. Gervason, Ronald D. Geskey, Charles E. Glass, Donald L. Gould, Bernard Guggenheim, John B. Hammond Jr., Robert F. Henry, Frank E. Hoag Jr., Anthony J. Hopp, Molly A. Hudson, Duane G. Kell, Kenneth M. Konecnik, Ronald S. Lapiec, James A. Lodge, Harold A. Margolis, Glenn T. Marrichi, John S. Momeyer, John W. Nuccio, Lawrence M. Rau, Warren Ruden, Gunther Saupe, Robert Schenkel, William S. Schindler, Roderick G. Smith, David S. Stone, Eugene H. Tashoff, Francisco Vergara, Martin F. West, Donald D. Williams, senior vps. George B. Woltz, president Campbell-Ewald Richmond; Louis H. Bridestine Jr., vp-secretary.

Phone: (313) 574-3400.

MCA Advertising

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	17.6	16.5	6.4
Billings	148.7	137.5	8.1
U.S. volume breakdown			
Media	139.2	134.9	3.1
Materials/services	N/A	N/A	N/A
Capitalized fees	9.5	2.6	268.9

MCA Advertising, New York, a wholly owned subsidiary of Marketing Corp. of America, Westport, Conn., reported gross income of $17,550,000 in 1984 on billings of $148,700,000.

In 1983, the agency reported gross income of $16,500,000 on billings of $137,500,000.

The agency's U.S. 1984 volume consisted of $139,200,000 in media and $9,500,000 in capitalized fees. Its 1983 volume consisted of $134,925,000 in media and $2,575,000 in capitalized fees.

In 1984, the agency gained: Menley & James Laboratories' Congestac and Ecotrin, Ralston Purina's S'mores granola bars, H.J. Heinz's Weight Watcher's bread and ice cream, Chico San rice cakes, B-F Spirits' Canadian Mist, Southern Comfort and Early Times. It lost: Tropicana Products' Pure Premium, Gold n' Pure and Frozen Concentrate orange juice.

Billings breakdown: Newspapers 5%, magazines 20%, supplements 1%, radio 1%, network tv 25%, spot tv 22%, cable tv 2%, outdoor 20%, transit advertising 3%, point of sale 1%. Employes: 92 in two offices. Top execs: Morgan Hunter, chairman; Bill Bishop, president; Warren Dechter, Bob Lepre, Richard Sellers, exec vps.

Phone: (212) 661-5491.

McCaffrey & McCall

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	27.5	23.9	15.0
Billings	183.4	159.9	14.6
U.S. volume breakdown			
Media	183.4	159.9	14.6
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

I agencies: $15,000,000 +

McCaffrey & McCall, New York, a subsidiary of Saatchi & Saatchi, Compton Worldwide, reported gross income of $27,503,000 in 1984 on billings of $183,353,000. In 1983, it reported gross income of $23,900,000 on billings of $159,900,000. Volume for both years was all in media.

In 1984 the agency gained: Citibank, National Coffee Assn., New York Stock Exchange. It lost: None.

Billings breakdown: Newspapers 12%, magazines 40%, radio 4%, network tv 31%, spot tv 7%, cable tv 1%, outdoor 2%, direct mail 3%. Employes: 340.

Top execs: David B. McCall, chairman-ceo; Henry P. Bernhard, president-coo; Robert H. Cherins, president-Direct; R. Bruce Montgomery, William T. Shaw, John A. Sidebotham Jr., exec vp-creatives; Richard J. Passanant, exec vp-cfo; Linden A. Davis Jr., senior vp-rsch; Harris Lefkon, senior vp-media; Patrick A. Hehir, senior vp-treasurer; Norman S. Freedman, Peter A. Manley, William J. Vieser, senior vp-accts.

Phone: (212) 421-7500.

McCann-Erickson Worldwide
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	325.2	267.2	21.7
Billings	2,169.4	1,782.2	21.7
U.S.			
Gross income	118.5	95.4	24.2
Billings	790.5	636.4	24.2
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑†

McCann-Erickson Worldwide, New York, reported gross income of $325,241,000 in 1984, of which $206,726,000 was in non-U.S. contributions from McCann-Erickson International, on billings of $2,169,356,000. In 1983, it reported gross income of $267,199,000, of which $171,793,000 was in non-U.S. contributions, on billings of $1,782,220,000.

The agency's 1984 U.S. volume was $790,495,000 in 1984 and $636,358,000 in 1983. Overseas volume was $1,378,861,000 in 1984 and $1,145,862,000 in 1983. No further breakdown was reported.

Figures for McCann-Erickson USA include those of the division:
- March Direct Marketing

In 1984, McCann-Erickson USA gained: Atlanta Convention Visitors Bureau, Northwestern Bank, Wilcom computer software, Georgia Alliance for Children (Atlanta). Covington & Samson Buick Dealers (Detroit). Houston Economic Development Council, Exxon new assignments (Houston). Chas. P. Young Print Network, San Diego Coca-Cola Bottler, Hilton Co-op (Los Angeles). Society National Group insurances, Commerce Union Bank, Video-Tech computerized shopping service, Nashville Symphony (Louisville). Eastman Kodak cameras & video tape, Beatrice Foods' & Bonkers cat food, Renfield Importers' Martini & Rossi, Simac Appliance Co. small appliances, Council for Cable Info, Haagen Dazs, Sony audio products, AT&T Equal Access, American Express' Platinum Card & Consumer Lending, Shearson/American, Unilever new product, R.J. Reynolds new product (New York). Coca-Cola Bottling Co. of California, Tri-State Milk Producers, Dairy Promotion Federation, Fireman's Fund (San Francisco). Tom Software, Sylvan Learning Center, Blue Cross, Flakey Jake's hamburger chain, Group 4 farm publications, Seattle First National Bank (Seattle). It lost: Chick-Fil-A restaurants (Atlanta). Chili's Fast Food, Southwest Bancshares (Houston). Straw Hat Fast Food, Velvet Turtle restaurants (Los Angeles). Brown-Forman (Louisville and New York). Kentucky Fried Chicken (Seattle).

McCann-Erickson's March Direct Marketing unit gained in the U.S.. American Express Platinum Card, Texas Instruments catalog operation/software, *Rolling Stone*, Group 4 home computer book, Coca-Cola's Max drink.

Overseas, McCann-Erickson International gained much of its new activity in new assignments from Coca-Cola, Johnson & Johnson, Martini-Rossi, Ebauche ETA Swatch Watch, L'Oreal, Nestle, Kodak, Henkel, General Motors, R.J. Reynolds, Gillette and Goodyear, American Express, Nabisco and Texas Instruments.

New assignments from Coca-Cola: Diet Coke (Argentina, Belgium, Chile, Italy, Norway); Caffeine-free Coke (Austria, Germany, Norway); Sprite (Brazil, Colombia, France, Sweden); Fanta (Kenya, Sweden); and Simba (Brazil); mineral water (Hong Kong); Coke (Jamaica); Mellow Yellow, Smokin' Joe (South Africa); Kinley (Switzerland); Grape Fanta (Uruguay). For J&J: Baby products (Argentina, Kenya, Mexico, Philippines, Singapore); Stayfree (Mexico).

From Ebauche: (Australia, Austria, Colombia, UK, Finland, France, Italy, Norway, South Africa, Spain, Sweden, Switzerland). From Martini-Rossi: Eristoff vodka (Austria); William Lawson (Belgium, Switzerland); Tiller's Whiskey (Brazil); Riesling Italica (UK); Uruguay (vinegar). From L'Oreal: fragrances (Austria and UK); Vanderbilt perfume (France, Netherlands, Puerto Rico); hair products (Austria-Colorelle, Brazil-Dulcia Perm, Finland, Greece, Hong Kong, Malaysia, Singapore, Spain). From Nestle: Coffee (Belgium-instant, Germany-Nescafe and Royal Instant, Japan, Portugal-Nescafe); chocolate (Hong Kong, Sweden-Finest Hot Chocolate); Maggi (Portugal, Hong Kong); cereals (Kenya-Golden Morn Cereal, Chile). From Eastman Kodak: Videotape (Austria, Finland, Greece, Hong Kong, Italy, Mexico, Netherlands, Norway, Singapore, Spain, Sweden); film (Japan); cameras and copier (Austria). From R.J. Reynolds: Del Monte (Canada-Aylmer Soups/canned goods, U.K.-fruits & vegetables, Philippines-banana catsup). Heublein (Chile-Smirnoff, Jamaica-Tony Roma, Swank Pizza, Thailand-Central Dept Store/KFC). Aor (Canada); cigarets (Chile, Mexico-Camels). From Gillette: Writing Instruments (UK, France, Germany, Italy, Philippines, Spain); Iovialle (Costa Rica); Silkience (Jamaica); razors (Japan-Fil Flow, Mexico-Perma Sharp Blades); Jafra skincare range (UK); Tame, Aapri (Malaysia). From Goodyear: Tires (Germany, Italy, Portugal, Sweden, Switzerland, Belgium, UK, France). From Ebauche's ETA Swatch Watch (Australia, Austria, Colombia, UK, Finland, France, Italy, Norway, South Africa, Spain, Sweden, Switzerland). For Henkel: Sapur Carpet Care detergent (Belgium); Sator WC Line, Acti (Italy); adhesives (Mexico); Dixon detergent (South Africa). For General Motors: Opel direct mktg (Belgium); R Car (Japan); AC/Delco (Singapore).

For Nabisco: Biscuits (Australia); Ritz, assorted biscuits (Ecuador); cereals (Sweden). Texas Instruments: Digital equipment (UK); computers (Puerto Rico); corporate (Argentina). For American Express: Platinum Card (Canada); Gold Card (Germany); credit cards (Philippines).

Among the overseas losses: Philips, Suzuki (Canada); Nestle (Finland); Coca-Cola (Guatemala); Hiram Walker's Courvoisier (Italy); Gillette (Kenya); Quaker (Netherlands); Abbott Laboratories, 3M (Philippines); Sabina Airlines (Singapore); Eastern Airlines (Panama); Lufthansa, Gillette shaving cream (Spain).

No media breakout was provided. Employes: 6,422 in 62 McCann-Erickson offices Worldwide; 1,570 in nine McCann-Erickson Inc. offices in the U.S. Top execs: Willard C. Mackey Jr., chairman; Robert L. James, president-ceo; Barry L. Day, vice chairman; John F. Bergin, vice chairman-president, USA; Eugene H. Kummel, chairman-exec committee; Edward G.A. Bathon, Gianni Cottardo, Michael C. Ferrier, Bohdan I. Kurylko, Marcio M. Moreira, William J. Shively, Ronald H. Sugarman, William C. Thompson Jr., exec vps-worldwide; Max Cusnir, exec vp-worldwide, Asia-Pacific; Jens Olesen, exec vp-worldwide, Latin America; Koji Oshita, exec vp-worldwide, Asia-Pacific.

Phone: (212) 697-6000.

Medicus Intercon International
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	16.2	13.4	21.3
Billings	135.9	117.9	15.3
U.S.			
Gross income	6.7	6.0	11.9
Billings	61.1	52.7	16.0
U.S. volume breakdown			
Media	8.4	8.8	-4.5
Materials/services	10.1	5.9	71.1
Capitalized fees	42.7	38.0	12.3

Medicus Intercon International, New York, a subsidiary of Benton & Bowles, reported gross income of $16,218,000, of which $9,512,000 was in non-U.S. contributions, in 1984 on billings of $135,863,000. In 1983, it reported gross income of $13,370,000, of which $7,379,000 was non-U.S. contributions, on billings of $117,876,000.

The agency's 1984 U.S. volume of $61,108,000 consisted of $8,370,000 in media, $10,083,000 in materials and services and $42,655,000 in capitalized fees. Its 1983 volume of $52,665,000 consisted of $8,794,000 in media, $5,885,000 in materials and services and $37,986,000 in capitalized fees.

Overseas, its 1984 dollar volume of $74,755,000 consisted of $31,417,000 in media, $7,503,000 in materials and services and $35,835,000 in capitalized fees. Its 1983 foreign volume of $65,211,000 consisted of $30,100,000 in media, $6,542,000 in materials and services and $28,569,000 in capitalized fees. Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:
- "Science & Medicine"

In 1984 the agency gained: Wyeth Intl, Syntex Laboratories. It lost: Perdue Frederick.

Billings breakdown: Business papers 60%, direct mail 10%, other 30%. Employes: 290 in 17 offices. Top execs: Lawrence J. Lesser, chairman-ceo; William G. Castagnoli, president-North America; Hartwig Ellmer, president-intl; Jay Cohen, exec vp-mng director; Stephen King, exec vp-creative director; Gary Elman, senior vp-controller; Wilhelm Rall, senior vp-controller intl.

Phone: (212) 826-0760.

Top 10 I and II agencies by productivity

(Employes per $1 million in world billings)

Rank	Agency	1984	1983	Billings/ employe*	1984 employes
1	**Ohlmeyer Advertising**	0.56	N/A	1,784.3	51
2	**Richard & Edwards**	0.57	0.43	1,769.2	26
3	**MCA Advertising Ltd.**	0.64	0.67	1,565.2	95
4	**Lorsch Group**	0.71	0.76	1,392.9	28
5	**Avrett, Free & Ginsberg**	0.87	0.83	1,144.7	76
6	**Laurence, Charles & Free**	0.95	1.01	1,048.9	205
7	**Leber Katz Partners**	1.02	1.20	980.1	285
8	**Dorritie & Lyons**	1.06	1.31	947.8	36
9	**Lois Pitts Gershon/Pon GGK**	1.06	1.31	942.6	58
10	**Towne, Silverstein, Rotter**	1.10	1.27	910.7	56

* 1984 world billings in $000 per employe

Nationwide Advertising
Cleveland

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	15.0	20.0	-25.0
Billings	100.0	67.0	49.2
U.S.			
Gross income	14.3	14.0	1.7
Billings	95.0	60.0	58.3
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Nationwide Advertising, Cleveland, a recruitment agency, had estimated gross income of $15,000,000, of which about $750,000 was in non-U.S. contributions, in 1984 on billings the agency estimated at $100,000,000.

In 1983, the agency had estimated gross income of $20,000,000, of which about $1,000,000 was in non-U.S. contributions, on billings which the agency estimated at $67,000,000. No volume breakout was provided.

The agency's U.S. volume was estimated at $95,000,000 in 1984 and $60,000,000 in 1983. Volume from its five Canadian offices was estimated at $5,000,000 in 1984 and $7,000,000 in 1983. In 1984 the agency gained: McDonnell-Douglas. It lost: None.

Billings breakdown: Newspapers 70%, magazines 20%, other 10%. Employes: 290 in 34 offices worldwide; about 250 in 29 U.S. offices. Top execs: George Gund, Gordon Gund, co-chairmen; Thomas Richey, president; John W. Graham, ceo; Jim Miller, cfo.

Phone: (216) 579-0300.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

Needham Harper Worldwide
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	114.7	94.2	21.8
Billings	775.0	631.9	22.6
U.S.			
Gross income	96.7	77.9	24.1
Billings	655.0	519.9	26.0
U.S. volume breakdown			
Media	382.2	343.7	11.2
Materials/services	68.5	54.9	24.7
Capitalized fees	204.3	121.3	68.4

☑†

Needham Harper Worldwide, New York, reported gross income of $114,700,000, of which $18,000,000 was non-U.S. contributions, in 1984 on billings of $775,000,000. In 1983, it reported gross income of $94,206,400, of which $16,265,700 was non-U.S. contributions, on billings of $631,900,000.

The agency's 1984 U.S. volume of $655,000,000 consisted of $382,200,000 in media, $68,500,000 in materials and services and $204,300,000 in capitalized fees. Its 1983 volume of $519,900,000 consisted of $343,700,000 in media, $54,900,000 in materials and services and $121,300,000 in capitalized fees.

Overseas, its 1984 dollar volume was $120,000,000, up from $112,000,000 in 1983, both in media.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:
- D.R. Group
- Needham Porter Novelli

In 1984 the agency gained: Carter-Wallace's Pearl Drops tooth polish, Pearl Drops Smoker's tooth polish, Answer pregnancy kit; Dorsey Laboratories' Eclipse sunscreen products; Sandoz Nutrition Corp.'s Ovaltine, Meritene, Opti-Fast, Featherweight, Fiddle-Faddle, Poppycock, Screaming Yellow Zonkers and P.D.Q.; Embassy Pictures; *Fortune*; The Nashville Network; RCA Corp.; Shasta Beverage's Spree All Natural soda; McDonald's Advertising Assn. of San Diego; Honda dealers associations for Southern California, western Pennsylvania, Chicago & northwest Indiana and Tri-State (New Jersey, Delaware, Pennsylvania); Sandoz Inc. corporate; Anheuser-Busch's Michelob Light; Manor Care; Source Telecomputing Corp.; Sencorp; Campbell Soup's Mrs. Paul's Kitchens. It lost: Sav-On Drugs, Crocker National Bank.

Overseas, it gained: Eight accounts in four shops in Australia, including additional business from S.C. Johnson in Sydney; Embassy Pictures, Ramada Inns and Rubbermaid (Canada); Group des Populaires (France); *Carina* women's magazine of Aenne Burda Publishing House, Grundig, Nestle, Allmedica, Citizen watches and *Fortune*, among 18 new accounts in three German offices; Fuji Film, Wongs Group of Cos. and Hong Kong Community Chest (Hong Kong); *Fortune International*, Seleco, Techogas (Italy); Optrex Malaya among three in Malaysia; *Algemeen Dagblad* daily among three in the Netherlands; D.R. Britton Ltd.'s Bardahl additives among six in New Zealand; ACMA refrigerators and Banque Nationale de Paris among nine in Singapore; Clorox and American Cyanamid's Lederle Pharmaceuticals among six in two offices in Spain; Hitachi among three in Sweden; Bank Americard and Faul in Switzerland; Walt Disney, McDonald's, Boots cough remedies, Bristol-Myers' toiletries among six in Taiwan; Yamaha motorcycles, Castrol lubricants, CPAC Monier roof tiles, Dactarin skin cream, Chase Manhattan,

l agencies: $15,000,000 +

Akai, Cross pens, Ubix, Mecanorma and McDonald's in two shops in Thailand; Bass's Allbright and Toby draught bitters, Colman's mustard and sauces, and Lejaby lingerie (U.K.).

It lost: Seagram's (Australia), Mattel Asia (Hong Kong), Johnson & Johnson, S.C. Johnson's Johnson Wax (New Zealand), J.P. Brandt (Sweden), Searle (U.K.), Thomson Electronics (Germany).

Billings breakdown: Newspapers 6.4%, magazines 18.7%, supplements 0.5%, radio 7.3%, network tv 49.6%, spot tv 15.7%, cable tv 0.2%, outdoor 1.6%. Employes: 1,293 in 11 U.S. offices; the number of employes in 34 offices worldwide is not available. Top execs: Keith Reinhard, chairman-ceo; Paul C. Harper Jr., chairman emeritus; John Bradstock, president-intl division; C.A. Wolfe, president-Chicago division; Bob Cox, exec director-creative services, New York div.; Edward Haymes, exec vp-cfo-secretary & treasurer; Joel Hochberg, exec vp-director-creative services, Chicago div.; Jurgen Knauss, mng director-Heye, Needham & Partner GmbH; James Kuras, president-New York div.; John H. Porter, chairman-Needham Porter Novelli; Larry Postaer, exec vp-director-creative services-Los Angeles; Gerrold R. Rubin, president-Los Angeles; C. James Schaefer, president-DR Group.

Phone: (212) 758-7600.

Ogilvy & Mather International
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	421.0	345.8	21.7
Billings	2,887.9	2,360.4	22.3
U.S.			
Gross income	270.5	204.1	32.5
Billings	1,804.3	1,361.4	32.5
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Ogilvy & Mather International, New York, which is changing its name to the Ogilvy Group this May, reported gross income of $420,953,000 in 1984, of which $150,441,000 was in non-U.S. contributions, on billings of $2,887,919,000. In 1983, it reported gross income of $345,840,000, of which $141,726,000 was in non-U.S. contributions, on billings of $2,360,442,000.

O&M's U.S. volume was $1,804,315,000 in 1984 and $1,361,440,000 in 1983. No volume breakout was provided.

Overseas, its 1984 dollar volume was $1,083,604,000 and $999,002,000 in 1983.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- O&M Direct Response
- Dudley-Anderson Yutzy (pr)
- O&M Washington PR
- A. Eicoff & Co.
- O&M Promotions
- O&M Recruitment
- O&M Special Markets
- Scali, McCabe, Sloves
- Cole & Weber
- Euramerica Translations
- Graphic Services Inc.
- O&M Hispanic
- O&M Partners
- O&M Presents
- Rolf Werner Rosenthal Inc.
- Sussman & Sugar
- O&M Yellow Pages
- O&M Hawaii
- Speech Dynamics

In 1984 the agency gained in the U.S.: Hallmark, Hardee's, Hellmann's mayonnaise, Squibb, Schering, California Federal, Wrather Port Properties, Princess Tours, Gates Rubber, Crocker Bank, Dreyers, Seagram V.O. It lost: Marriott hotels/resorts, Meniey & James, California First, Mattel Hot Wheels, Baskin-Robbins, Management Science America.

Overseas, it gained: American Express (Spain, Switzerland); Avon (Australia, Spain, Venezuela); BAT (Germany); Beecham (Japan); Duracell (Brazil, Canada, Hong Kong, Singapore, Taiwan); General Foods (Mexico); Guinness (worldwide, including UK); Kimberly-Clark (UK); Mattel (Belgium, Ecuador, Hong Kong, Indonesia, Malaysia, Holland, Singapore, Switzerland, Taiwan); Pepsico (Brazil, Singapore); Philips (Germany, Norway, Sweden, Finland, UK, Uruguay); Richardson-Vicks (Sweden, Switzerland); Searle (UK); Shell (Korea, Mexico, Spain, Switzerland, Thailand); TWA (Switzerland), Wagner Spray Tech. (worldwide). It lost: Citizen Watch, Kenya Airlines, Castrol, ITT, Sanyo, Raleigh bicycles.

Billings breakdown: Newspapers 6%, magazines 16%, radio 3%, network tv 51%, spot tv 14%, business papers 1%, direct mail 9%. Employes: 7,428 in 185 offices worldwide; 3,518 in 43 U.S. offices.

Top execs: OMI—William E. Phillips, chairman-ceo; Michael J. Ball, James Benson, Kenneth Roman, vice-chairmen; John P. Gill, secretary-treasurer; Graham Phillips, cfo. Ogilvy & Mather Worldwide—William E. Phillips, chairman; Kenneth Roman, president; Michael J. Ball, vice-chairman; William Weed, director intl accounts; Graham Phillips, chairman U.S; Norman Berry, creative head, president N.Y. S.M.S. Group—Harold Dixon, chairman, ceo; Edward McCabe, president/worldwide creative director. Cole & Weber—Harold Dixon, chairman; Hal Newson, president/creative director. Hal Riney—Hal Riney, chairman. Davidson Pearce Ltd.—Christopher Hawes, chairman-ceo. Primary Contact Ltd.—Keith Dunnell, mng director. Meridian Advertising Cos.—Kenneth L. Bray, chairman-ceo.

Phone: (212) 907-3400.

O&M Direct

Ogilvy & Mather Direct Response, New York, reported gross income of $36,000,000 in 1984, of which $16,000,000 was in non-U.S. contributions, on billings of $240,000,000. In 1983, it reported gross income of $26,000,000, of which $12,000,000 was in non-U.S. contributions, on billings of $175,000,000.

Its U.S. volume was $133,000,000 in 1984 and $95,000,000 in 1983. Overseas, its 1984 dollar volume was $107,000,000 in 1984 and $80,000,000 in 1983. No volume breakout was provided for U.S. or overseas for either year.

Included in the agency's figures are the billings and gross income of the following U.S subsidiary:

- O&M Yellow Pages

In 1984 the agency gained: IDS American Express, AT&T Communications, Hertz, MGM Grand, World Book, Velo-Bind, Cal Gas and Cal Fed. It lost: None.

Billings breakdown: Newspapers 10%, magazines 7%, radio 3%, network tv 13%, direct mail 60%, other 7%. Employes: 600 in 30 offices worldwide; 293 in five U.S. offices. Top execs: Jerome Pickholz, president; William Morrissey, genl mgr.

Phone: (212) 340-3500.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by Advertising Age. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

Rosenfeld, Sirowitz & Lawson
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	15.6	14.5	5.3
Billings	121.5	115.0	5.7
U.S. volume breakdown			
Media	84.4	81.4	3.2
Materials/services	8.5	7.6	11.8
Capitalized fees	28.6	26.0	5.7

Rosenfeld, Sirowitz & Lawson, New York, reported gross income of $15,620,000 in 1984 on billings of $121,500,000. In 1983, it reported gross income of $14,835,000 on billings of $115,000,000.

The agency's 1984 U.S. volume consisted of $84,357,400 in media, $8,517,200 in materials and services and $28,625,400 in capitalized fees. Its 1983 volume consisted of $81,409,400 in media, $7,603,700 in materials and services and $25,986,900 in capitalized fees.

In 1984 the agency gained: Charles of the Ritz' Forever Krystle and new products, Smith-Corona portable typewriters and computer printers, Chase Manhattan's Visa World Card and Home Banking div., McDonald's Milwaukee co-op and national promo, Intl Playtex's Living gloves, Hearst Corp.'s *Popular Mechanics*. It lost: Harlequin Enterprises, Schenley Industries, Sharp Electronics.

Billings breakdown: Newspapers 4%, magazines 15%, radio 7%, network tv 17%, spot tv 56%, outdoor 1%. Employes: 202 in three offices. Top execs: Thomas E. Lawson, president-ceo; Ron Rosenfeld, Len Sirowitz, co-chairmen; Steve Humphrey, president-ceo, New York.

Phone: (212) 505-0200.

Ross Roy Inc.
Detroit

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	37.8	34.1	11.0
Billings	252.0	227.0	11.0
U.S. volume breakdown			
Media	128.0	127.0	0.7
Materials/services	25.0	20.0	25.0
Capitalized fees	99.0	80.0	23.8

Ross Roy Inc., Detroit, reported gross income of $37,800,000 in 1984 on billings of $252,000,000. In 1983, it reported gross income of $34,050,000 on billings of $227,000,000.

The agency's 1984 volume consisted of $128,000,000 in media, $25,000,000 in materials and services and $99,000,000 in capitalized fees. Its 1983 volume consisted of $127,000,000 in media, $20,000,000 in materials and services and $80,000,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Gray & Kilgore, Troy, Mich.
- Ross Roy/Colarossi, Griswold, New York

In 1984 the agency gained: Ameritech Publishing, Chrysler Corp.'s Chrysler Marine, Chrysler Service & Parts Operations, Chrysler Fleet Operations, Chrysler Institute and Chrysler Diversified Operations, Furrs Cafeterias, Fasolino Foods. It lost: Comerica Bank.

Billings breakdown: Newspapers 6%, magazines 7%, radio 16%, network tv 30%, spot tv 20%, outdoor 1%, point of sale 10%, direct mail 4%, other 6%. Employes: 600 in seven offices. Top execs: Glen W. Fortinberry, chairman-president; John L. Frakes, F. Robert Steiger, Peter C. Vetowich, Bruce S. Wagner, Richard C. Ward, exec vps; Chris A. Lawson, senior vp-finance.

Phone: (313) 568-6000.

Rumrill-Hoyt
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	18.2	16.2	12.4
Billings	121.6	108.1	12.4
U.S. volume breakdown			
Media	121.6	60.1	N/A
Materials/services	N/A	4.8	N/A
Capitalized fees	N/A	43.2	N/A

Rumrill-Hoyt, New York, a subsidiary of Saatchi & Saatchi, Compton Worldwide, reported gross income of $18,233,000 in 1984 on billings of $121,555,000. In 1983, it reported gross income of $16,215,000 on billings of $108,100,000. The agency's 1984 volume was all in media. In 1983, volume consisted of $60,121,000 in media, $4,756,000 in materials and services, and $43,223,000 in capitalized fees.

In 1984 the agency gained: Alaner, Champion Sporting Products, Pfizer's Animal Medical div, ITT's Education Services div, Allied Corp's Carpet Fibers div, Syntech. It lost: Molson beer, Crossman.

Billings breakdown: Newspapers 6%, magazines 39%, radio 17%, network tv 15%, direct mail 13%, other 10%. Employes: 306 in two offices. Top execs: Gary Landis, ceo-New York; Paul Goldsmith, president-New York; R.K. Peters, ceo-CMS div; Joe Valerio, ceo-Rochester; Dick Thomson, president-Rochester.

Phone: (212) 753-1770.

Saatchi & Saatchi Compton Worldwide
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	337.5	253.4	33.2
Billings	2,301.7	1,710.6	34.5
U.S.			
Gross income	157.4	110.9	41.9
Billings	1,093.3	771.8	41.6
U.S. volume breakdown			
Media	N/A	562.2	N/A
Materials/services	N/A	32.4	N/A
Capitalized fees	N/A	177.2	N/A

Saatchi & Saatchi Compton Worldwide, New York, reported gross income of $337,534,576, of which $180,162,576 was non-U.S. contributions, in 1984 on billings of $2,301,683,353. In 1983, it reported gross income of $253,266,000, of which $142,410,000 was non-U.S. contributions, on billings of $1,710,569,000.

The agency's 1984 U.S. volume totaled $1,093,329,000 compared with $771,785,000 in 1983, which the agency broke down into $562,206,000 in media, $32,404,000 in materials and services and $177,175,000 in capitalized fees. No U.S. volume was provided.

Overseas, its 1984 dollar volume was $1,208,354,353 compared with $938,784,000 in 1983, neither figure of which was broken down.

Included in the agency's figures are the billings and gross income of U.S. subsidiaries:

- Saatchi & Saatchi Compton Inc.
- Irv Koons Associates
- Rumrill-Hoyt
- Fairfax Inc.
- Cochrane Chase, Livingston
- Klemtner Advertising
- Mayo Infurna Design
- Cadwell Davis Partners
- Hoffman York
- McCaffrey & McCall
- Kleid Co. (direct mktg)

(See separate profiles elsewhere in this issue on many of these U.S. subsidiaries. Also check Saatchi & Saatchi Co. Plc profile in the story on group agencies.). Domestic figures also include the advertising activity of Hay Group, the UK-based advertising and management consulting company. Virtually all that advertising activity is in the U.S.

Compton Advertising, which ranked 26th in gross income among U.S. agencies in 1983, is now called Saatchi & Saatchi Compton Inc., which had estimated gross income in 1984 of $59,000,000 on estimated billings of $414,300,000. These figures are consolidated into Saatchi & Saatchi Compton Worldwide.

The overseas business is dominated by two agencies under the Saatchi & Saatchi Worldwide umbrella—Saatchi & Saatchi Compton Inc. (formerly Compton in New York) and Saatchi & Saatchi Compton London, lead agency of the Saatchi & Saatchi Group UK subgroup which also includes Downton, Crawford Halls Harrison Cowley, Acme Media, RPG Gloucester, Sales Promotion Agency, Dorland Advertising and KMP. Group UK reported in 1984 gross income of $82,000,000 on billings of $550,960,000 compared with gross income in 1983 of $65,977,500 on billings of $440,079,000. Returns from Dorland Advertising's European network were not included because terms of its equity buyout of DFS International have yet to be ironed out. In this issue, figures for those network agencies do not appear in DFS International totals either.

Also, for the sake of year-to-year comparison, Saatchi & Saatchi Worldwide reported three new units not reported in 1983: Cochrane Chase, Livingston, Hay Group and Kleid Co. Together, these units provided gross income of an estimated $32,000,000 in 1984.

Accounts gained: Johnson & Johnson in Mexico, Puerto Rico, Spain, Colombia, Greece; Playtex in US, Australia, Puerto Rico, Belgium; Procter & Gamble in US, Puerto Rico, Barbados, Hong Kong, Malaysia, Singapore, UK, France, Germany, Holland, Italy, Spain; Citibank in Philippines, UK, Belgium, Holland; Jacobs-Suchard in Spain, Germany, France, Switzerland; Wander in Switzerland, Germany, Spain, France, Italy, Belgium, Austria; Nabisco Brands in Spain, Puerto Rico, Holland, Canada; Carnation in Germany, France, UK; Revlon Healthcare in Taiwan, Philippines; CPC in Thailand; Cunard in Canada; Gillette in UK, Germany, France, Belgium, Holland, Spain, Italy; Trust House Forte worldwide; Chesebrough Ponds in Finland, France; Mattel in Italy; Allied Lyons in Brazil, BSN in UK, Germany, Mexico; Gallaher in UK, Greece, Australia, Hong Kong; Hiram Walker's Courvoisier on pan-European basis. Lost: 28 accounts.

Billings breakdown for Saatchi & Saatchi Compton Worldwide: Newspapers 7%, magazines 18%, radio 2%, network tv 70%, point of sale 3%. Employes: 3,814 in 84 offices worldwide; 1,499 in 12 U.S. offices.

Top execs: O.M. Gossett, chairman-ceo; Robert Jordan, chairman, New York; E. Wax, ceo-president, New York; Robert Huntington, exec vp-coo; James Adler, director-Intl, Kurt Willinger, Charles Saatchi, Maurice Saatchi,

I agencies: $15,000,000 +

Kenneth Gil, directors.
Phone: (212) 754-1100.

Scali, McCabe, Sloves
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	44.6	35.2	26.8
Billings	307.0	229.2	34.0
U.S.			
Gross income	30.5	23.6	29.1
Billings	209.5	158.8	31.9
U.S. volume breakdown			
Media	209.5	158.8	31.9
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Scali, McCabe, Sloves, New York, a subsidiary of Ogilvy & Mather, reported gross income of $44,554,500, of which $14,034,200 was non-U.S. contributions, in 1984 on billings of $307,020,400. In 1983, it reported gross income of $35,150,300, of which $11,514,300 was non-U.S. contributions, on billings of $229,161,100.

The agency's U.S. volume was $209,512,700 in 1984 and $158,798,300 in 1983, all in media. Overseas, its dollar volume was $97,507,700 in 1984 and $70,362,800 in 1983, also all in media.

In 1984 the agency gained: Sharp, Izod LaCoste, Ralston Purina, Marriott, Duffy Mott, Chase Manhattan Bank, ARA Services, American Plan, Bloomingdale's, Time Inc., Pilgrim Management, Chemical Bank. It lost: Heublein, Sperry, Mrs. Paul's Kitchen, ARA Services, Scandinavian Labs, American Plan.

Overseas, it gained: Alberto Culver, Continental Air, Weight Watchers, ASKO, KEUCO, E. Merck, NEEF GmbH, Arthur Andersen Co., Dunlop Ltd., *The Economist*, Thorn EMI, Ferguson, Radio Mktg Bureau, Savacentre, Watney Mann Truman (Budweiser), Link House (exchange & mart), National Mutual Assets Management Ltd., Cardamona Fruit Products Co-op, Gordon & Gotch, Victorian Arts Center, Success Motivation Institute, Agropur. It lost: Streif AG, Robert Krups Stiftung, Radio 3xx Pty Ltd., Mexatlan, Embotelladora El Sol, Clairol.

Billings breakdown: Newspapers 15%, magazines 19%, radio 8%, network tv 30%, spot tv 24%, outdoor 1%, business papers 3%. Employes: 635 in eight offices worldwide; 354 in two U.S. shops. Top execs: Marvin Sloves, chairman-ceo; Edward A. McCabe, president-worldwide creative director; Alan D. Pesky, president-intl; Sam Scali, vice-chairman-chief art director; Richard Roth, exec vp-account services; Michael Ephron, exec vp-media services; Gail F. Lieberman, senior vp-cfo; Jerry Reitman, president-direct response.

Phone: (212) 421-2050.

The top 25 agencies listed by world gross income in this issue may represent only 4% of all agencies reporting, but they command 71% of all reported world gross income and 62% of all reported U.S. income. In total volume, they represented 68% of all reported world billings and 59% of all reported U.S. billings. New York claims 21 of the top 25, Chicago three.

Top 10 I and II agencies by foreign billings as a % of world billings

(1984 billings in $000,000)

Rank	Agency	1984 %*	World billings	Foreign billings
1	**TBWA Advertising**	73.0	270.0	197.2
2	**SSC&B:Lintas**	69.9	1,378.2	963.6
3	**McCann-Erickson Worldwide**	63.6	2,169.4	1,378.9
4	**HCM**	59.4	502.0	298.0
5	**Medicus Intercon Intl**	55.0	135.9	74.8
6	**Saatchi & Saatchi Compton**	52.5	2,301.7	1,208.4
7	**D'Arcy MacManus Masius**	46.7	1,337.5	624.6
8	**J. Walter Thompson Co.**	46.2	2706.7	1251.4
9	**DYR Worldwide**	42.3	246.0	104.0
10	**Ted Bates Worldwide**	38.2	2,839.2	1,084.4

* Foreign billings as a % world billings

SSC&B: Lintas Worldwide
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	182.9	155.5	17.3
Billings	1,230.3	1,047.5	17.5
U.S.			
Gross income	62.2	50.8	22.4
Billings	414.6	338.7	22.4
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑†

SSC&B:Lintas Worldwide, New York, reported gross income of $182,942,000 in 1984, of which $120,778,000 was in non-U.S. contributions through SSC&B:Lintas International, on billings of $1,230,283,000. In 1983, it reported gross income of $155,468,000, of which $104,695,000 was in non-U.S. contributions, on billings of $1,047,541,000.

Interpublic Group of Cos. links SSC&B:Lintas Worldwide and Dailey & Associates agencies only in financial reporting results, but there is no management connection other than indirectly through the Interpublic parent office. Ad Age has therefore elected to treat the two agencies separately, as in the past, with the exception of 1983 when their figures were combined. Figures for the two years represented in this issue, however, are on a comparable basis.

The agency's U.S. volume through SSC&B was $414,634,000 in 1984 and $338,656,000 in 1983. No further breakdown was reported. Also included in the agency's figures are those of Frank Vos Co., a division of SSC&B Inc. All Frank Vos business is in the U.S. Overseas activity of the agency is vested in SSC&B:Lintas International.

Overseas, SSC&B:Lintas International had billings of $815,649,000 in 1984 and $708,885,000 in 1983. No further volume breakout was reported.

In 1984 the SSC&B Inc. shop in the U.S. gained: JVC audio/video equipment, Unilever's Snuggle Fabric Softener, Johnson & Johnson new assignments, Coca-Cola's Tab, Columbia Pictures. It lost: Textron/Homelite, Renfield Importers.

Employes: 3,765 in 59 SSC&B: Lintas Worldwide offices, of which 760 are in two U.S. offices.

Top execs for SSC&B:Lintas Worldwide: William V. Weithas, chairman-ceo, intl director; Eugene P. Beard, Dr. J. Braun, Andre M.R. Bernard, Philippe Charmet, John Hollier, Jean-Francois Lacour, R.A.H. McLaren, Mark J. Penney, Kenneth L. Robbins, John P. Sweeting, Gerald Wright, Dr. Ingo Zuberbier, intl directors. SSC&B Inc. officers—Mr. Weithas, chairman-ceo SSC&B:Lintas Intl; Mr. Robbins, chairman-ceo; Spencer Plavoukos, vice-chairman, coo; Francis J. DeVito, vice-chairman-director creative services; Harold V. Rover, vice-chairman. Frank Vos Co.: Frank Vos, chairman; Thomas J. Turner, president.

Phone for Vos: (212) 684-7600.

Phone SSC&B:Lintas Worldwide: (212) 605-8000.

Sudler & Hennessey
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	20.5	17.5	17.1
Billings	136.7	117.0	16.8
U.S.			
Gross income	16.4	13.5	21.5
Billings	109.4	90.0	21.6
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑

Sudler & Hennessey, New York, a subsidiary of Young & Rubicam, reported gross income of $20,500,000, of which $4,100,000 was non-U.S. contributions, in 1984 on billings of $136,700,000. In 1983, it reported gross income of $17,500,000, of which $4,000,000 was non-U.S. contributions, on billings of $117,000,000.

U.S. volume was $109,400,000 in 1984 and $90,000,000 in 1983. Overseas, its dollar volume was $27,300,000 in 1984 and $27,000,000 in 1983. No volume breakout was provided for domestic or overseas.

In 1984 the agency gained: BASF/Wyandotte Corp.'s Nutritional Products Div.'s new products; Lifetime Network; Searle special assignments; Ayerst Laboratories' Inderal H; Parke-Davis' Amsidyl, Doryx and Procaterol; Roche's Rocephin; Stuart Pharmaceuticals' Cefotetan; Whitehall Laboratories' Anacin 3, Primatene and Dristan; Advanced Care Products Ortho Div.'s Project Cycle and Project Mountain; Parke-Davis' Benadryl. It lost: Mead Johnson & Co.'s Desyrel; Ciba Pharmaceuticals' Slow FE and Acutrim.

Overseas, it gained: Warner Lambert Intl Maxicam (worldwide); Amersham Australia Pty., C.I.G. MediShield Ramsay, Colgate-Palmolive professional services div., F.H. Faulding & Co., Manchester Unity, Syntex Agribusiness (Australia); Astra Lakemedel AB, Beecham Research Intl, Seven Seas Healthcare (England); Astra France, Cetrane, CNTS, Merck Sharp & Dohme (France); MSD Sharp & Dohme (Germany). It lost: AHS Australia, Wyeth Pharmaceuticals (Australia); IHB, Laboratories Roussel, Laboratories Sarep (France); Behringwerk GmbH, Lederle Arzneimittel, Mundipharma GmbH (Germany); Whitehall (Japan).

Employes: 280 in seven offices worldwide. Top execs: William B. Gibson, chairman-president, ceo; Robert Gouterman, exec vp-communications services; Donald Howard, exec vp-director intl services; Arthur Rosen, exec vp-director.

Phone: (212) 265-8000. ☑

Tatham-Laird & Kudner
Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	27.1	27.0	0.3
Billings	226.0	224.0	0.9
U.S. volume breakdown			
Media	114.4	112.5	1.6
Materials/services	27.4	26.2	4.5
Capitalized fees	84.2	85.4	-1.3

Tatham-Laird & Kudner, Chicago, reported gross income of $27,100,000 in 1984 on billings of $226,000,000. In 1983, it reported gross income of $27,000,000 on billings of $224,000,000.

The agency's 1984 volume consisted of $114,351,000 in media, $27,400,000 in materials and services and $84,249,000 in capitalized fees. Its 1983 volume consisted of $112,488,000 in media, $26,160,000 in materials and services and $85,352,000 in capitalized fees.

In 1984 the agency gained: Ralston Purina's New Human Foods Product (additional assignment), Activision, Brown Shoe's Cloth World, Ragold's Velamints, Velamints gum and new products, Universal Foods' Red Star yeast and Stella cheeses, Domaine Chandon's Napa Valley Brut and Blanc Noirs wines, U.S. Dept. of Justice (public service). It lost: Oscar Mayer's Louis Rich Div., York Steak House Systems.

Billings breakdown: Newspapers 16%, magazines 11%, supplements 1.3%, radio 2.3%, network tv 30.5%, spot tv 29.7%, cable tv 3%, outdoor 1.2%, business papers 0.9%, transit advertising 0.7%, direct mail 3.4%. Employes: 377 in three offices. Top execs: Charlotte Beers and William E. Ross, mng partner-ceos.

Phone: (312) 337-4400.

TBWA Advertising
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	40.5	35.0	15.7
Billings	270.0	237.2	13.8
U.S.			
Gross income	10.9	7.7	42.7
Billings	72.8	51.0	42.7
U.S. volume breakdown			
Media	72.8	51.0	42.7
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

TBWA Advertising, New York, reported gross income of $40,501,472, of which $29,581,472 was non-U.S. contributions, in 1984 on billings of $270,009,816. In 1983, it reported gross income of $35,018,000, of which $27,368,000 was non-U.S. contributions, on billings of $237,195,000.

The agency's U.S. volume of $72,800,000 in 1984 and $51,000,000 in 1983 was all in media. Overseas, its dollar volume of $197,209,816 in 1984 and $186,195,000 in 1983 was all in media.

In 1984 the agency gained: American Dairy Assn. butter, Conde Nast's *Gourmet*, Monsanto herbicide products, Carillon Importers' La Grande Passion Liqueur, Ralston Purina Cracker Jack cereal, UNICEF public service, St. Louis Symphony public service. It lost: Air 1.

Overseas, it gained: American Airlines, Bull computers, Henkel detergents (France); Austin Rover (Italy); Grand Marnier (Holland); Ciba-Geigy, Hanes (Belgium); Volvo Corp., Atari, Monsanto (U.K.); Henkel, American Airlines (Germany). It lost: Milka (Germany), Cetina (Switzerland); Canon (Belgium); Barilla (Italy).

Billings breakdown: Newspapers 6%, magazines 31%, supplements 2%, radio 9%, network tv 15%, spot tv 33%, cable tv 1%, outdoor 2%, point of sale 1%. Employes: 523 in 12 offices worldwide; 88 in three U.S. offices. Top execs: William Tragos, chairman-ceo; Richard Costello, president; Arnold Arlow, Peter Lubalin, exec vp-creative directors; William Oakey, exec vp, gm-St. Louis; Anthony Morgan, exec director-mktg services; John Doman, senior vp-mgmt super; Carl Stewart, senior vp-exec art director; Stuart Loss, senior vp-controller.

Phone: (212) 725-1150.

J. Walter Thompson Co.
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	405.8	368.3	10.2
Billings	2,706.7	2,456.2	10.2
U.S.			
Gross income	218.2	188.3	15.9
Billings	1,455.4	1,255.9	15.9
U.S. volume breakdown			
Media	1,455.4	1,255.9	15.9
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑†

J. Walter Thompson Co., New York, reported gross income of $405,808,000 in 1984, of which $187,612,000 was in non-U.S. income, on billings of $2,706,739,000. In 1983, it reported gross income of $368,253,000, of which $179,965,000 was in non-U.S. income, on billings of $2,456,248,000.

The agency had U.S. volume of $1,455,367,000 in 1984 and $1,255,881,000 in 1983, all in media for both years.

Overseas, its dollar volume was $1,251,372,000 in 1984 and $1,200,367,000 in 1983. No volume breakdown was provided.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:
- Brouillard Communications
- J. Walter Thompson USA
- Thompson Recruitment Advertising
- Market Behavior
- Marti, Flores Prieto

In 1984 the agency gained: Baskin-Robbins, Diet Center Inc., Emery Worldwide, Kuppenheimer Mfg, Mexicana Airlines, Miller Brewery, Showtime/The Movie Channel.

It lost: Activision, Adolph Coors, ComputerLand Corp., Dollar Rent A Car, Hewlett Packard, Jacuzzi Whirlpool bath, Olympia USA (BC), Sasson Sun Banks Inc., Timex, Toys 'R' Us, Uncle Ben's Foods.

Overseas, it gained: Benetton (Amsterdam, Brussels, London, Vienna, Zurich, Madrid), British-Rail (London), Burger King (Paris), Calve Peanuts (Amsterdam), Cinzano (Madrid), Codan Insurance (Copenhagen), Flachglas (Frankfurt), RJR's Winston cigarets (Madrid), Rustenburg (Milan-Colombia), Bacardi (Mexico City), BancoContinental (Lima), Bausch & Lomb (Buenos Aires), Ford Cargo Line (Sao Paulo), Lan Chile (Santiago), Nestle (Mexico City), Philips (Caracas), IBM (Hong Kong, Bangkok, Jakarta, Manila, Tokyo), Australian Games (Sydney), Burger King (Kuala Lumpur, Seoul), Coats Patons (Wellington), FNCB (Manila), Eastman Kodak Co. (Jakarta), Nestle (Colombo), Pepsi (Hong Kong), Sara Lee (Capetown), Scott Paper (Bangkok), Teachers Scotch (Singapore).

It lost: Champion (Amsterdam,

Milan), Timex (Frankfurt, Lisbon), *The Guardian* (London), Goodyear (Caracas), Scott Paper (Mexico City), Goodyear (Wellington), Insular Bank of Asia (Manila), Sisson Paints, Wang (Kuala Lumpur).

Billings breakdown: Newspapers 6%, magazines 13.2%, spot and network radio 4.3%, network tv 34.6%, spot tv 20.9% cable tv 1.5%, outdoor 1.1%, trade 2.5%, direct mail 0.8%, other 15.1%.

Employes: 8,174 in 192 offices worldwide; 3,316 in 76 U.S. offices. Top execs: Don Johnston, chairman-ceo; Denis Lanigan, vice chairman-coo, Burt Manning, vice chairman-creative resources; Walter J. O'Brien, vice chairman-multinational client services director; Hugh P. Connell, secretary; Glen A. Dell, exec vp-finance & admin; George M. Black, Jeremy Bullmore, Manuel de Elexpuru, Joseph O'Donnell, Leonel M. Pavao, John E. Peters, Burton B. Petersen, exec vps; John J. Cronin, exec vp-president/Europe; Ronald A. Kovas, exec vp-president/Canada; W. Lee Preschel, exec vp-president/Latin America; Donald C. Robertson, exec vp-chief planning officer; Stephen M. Salorio, exec vp-general counsel and assistant secretary; Donald F. Thompson, exec vp-president/Asia and Pacific.

Phone: (212) 210-7000.

Tracy-Locke
Dallas

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	32.4	22.8	41.9
Billings	239.8	198.1	21.0
U.S. volume breakdown			
Media	191.7	130.3	47.1
Materials/services	32.2	22.5	42.8
Capitalized fees	15.9	45.2	-64.8

Tracy-Locke, Dallas, a subsidiary of BBDO International, reported gross income of $32,352,326 in 1984, on billings of $239,801,470. In 1983, it reported gross income of $22,793,637, on billings of $198,063,691.

The agency's 1984 volume included $191,733,354 in media, $32,185,123 in materials and services and $15,882,993 in capitalized fees. Its 1983 volume consisted of $130,288,397 in media, $22,529,874 in materials and services and $45,245,420 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Promotional Services Group
- Geographic Marketing Group

In 1984 the agency gained: Republic Health Corp., La Quinta Motor Inns, Holsten Import Corp., United Banks of Colorado. It lost: Gates Automotive.

Billings breakdown: Newspapers 3%, magazines 4%, radio 20%, network tv 16%, spot tv 53%, cable tv 1%, outdoor 2%, business papers 1%. Employes: 476 in 13 offices. Top execs: Norman Campbell, chairman; Howard Davis, president; David Hudnall, cfo; Ian Fawn-Meade, exec vp-exec creative director; Larry Spiegel, exec vp; Robert Largen, exec vp-director of mktg planning & rsch; Rod Underhill, exec vp; Mike Aarons, Tom Morris, David Novak, Lanny Houillian, senior vp-mgmt reps; Arthur Taylor, senior vp-creative director; Nick Arend, senior vp-mgmt super; Jean Farinelli, president-pr; David Kubes, president/Tracy-Locke Direct; Tracy-Locke, Englewood, Colo.—Garry Mitchell, president, John McLagan, exec vp, Jerry Murff, senior vp-creative director. Promotional Services, Dallas—Gary Von Kennel, president; Terry Langan, exec vp. Geographic Marketing Group, Philadelphia—Mel Korn, president.

Phone: (214) 969-9000.

Warwick Advertising
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	20.3	18.9	7.1
Billings	135.0	126.0	7.1
U.S. volume breakdown			
Media	89.0	83.0	7.2
Materials/services	7.5	7.0	7.1
Capitalized fees	38.5	36.0	6.9

Warwick Advertising, New York, reported gross income of $20,250,000 in 1984 on billings of $135,000,000. In 1983, it reported gross income of $18,900,000 on billings of $126,000,000.

The agency's 1984 volume consisted of $89,000,000 in media, $7,500,000 in materials and services and $38,500,000 in capitalized fees. Its 1983 volume consisted of $83,000,000 in media, $7,000,000 in materials and services and $36,000,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:

- Chapman/Warwick, San Diego

In 1984 the agency gained: ABC Entertainment, an interim program for Crafted with Pride in USA Council, and new assignments from existing accounts—CPC Intls' Bosco, Mrs. Fanning's pickles, Knorr salad dressing mixes; Plough's Correctol laxative products, Shade sunscreen products; Joseph E. Seagram & Son's Seagram's Canadian Hunter; new products from Sterling Drug's Lehn & Fink group; U.S. Tobacco's Skoal Long Cut. It lost: Economic Laboratory, Maybelline.

While Warwick does not have an equity interest in an overseas shop, the agency is the U.S. representative in the Brussel's based-Alliance Intl network of 12 agencies serving primarily Europe, the U.S. and the Far East.

Billings breakdown: Newspapers 8%, magazines 37%, radio 4%, network spot & cable tv 37%, outdoor 5%, business papers 4%, other 5% (print, broadcast production, collateral materials, direct mail, publicity/pr *et al.*).

Employes: 270 in two offices. Top execs: John P. Warwick, chairman-ceo; Wilder D. Baker, president-chief operating officer; Robert J. Fiore, exec vp-creative services; James R. Driscoll, exec vp-group mgmt super; John J. Meskil, exec vp-media/admin.; Alden R. Ludlow, Jerry Prestomburgo, group senior vps-creative directors; D. Kyle Felt, group senior vp-group mgmt super; Sean Driscoll, senior vp-group mgmt super; Michael M. Graham, senior vp-mgmt super; Richard D. Rock, senior vp-media director; Diana Kramer, senior vp-assoc. creative director; William R. Christgau, senior vp-corp. affairs.

Phone: (212) 751-4700.

Wells, Rich, Greene
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	96.3	92.7	3.8
Billings	632.0	608.5	3.8
U.S.			
Gross income	94.2	91.0	3.5
Billings	618.0	595.6	3.7
U.S. volume breakdown			
Media	N/A	458.5	N/A
Materials/services	N/A	70.0	N/A
Capitalized fees	N/A	67.0	N/A

Wells, Rich, Greene, New York, had estimated gross income of $96,254,000 in 1984 of which $2,100,000 was non-U.S. contributions, on billings of $632,000,000. In 1983, it reported gross income of $92,680,000, of which $1,723,000 was non-U.S. contributions, on billings of $608,490,000. WRG provided only a total for capitalized billings. Gross income estimates were made by ADVERTISING AGE.

The agency's U.S. volume was an estimated $618,000,000 in 1984 and $595,573,000 in 1983, the latter of which was broken down into $458,503,000 in media, $70,023,000 in materials and services and $67,047,000 in capitalized fees.

The 1984 overseas dollar volume was $14,000,000. The 1983 volume of $12,917,000 consisted of $9,772,000 in media, $1,718,000 in materials and services, and $1,427,000 in capitalized fees.

Included in the agency's figures are totals for the following U.S subsidiary:

- Gardner Advertising, St. Louis

In 1984 the agency gained: Liberty Mutual, Mobil Chemical Co. It lost: Chase Manhattan Bank. Billings breakdown: Newspapers and supplements 28%, magazines 19%, radio 3%, network tv 31%, spot tv 14%, outdoor 5%. Employes: 962 in five offices worldwide. Top execs: Mary Lawrence, chairman; Charles Moss, Charles Jacobs, vice-chairmen; Kenneth Olshan, chairman-ceo, WRG/Worldwide; William Luceno, president, WRG/-Worldwide; Gerald A. Kessler, exec vp, WRG.

Phone: (212) 758-4300.

Wunderman, Ricotta & Kline
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	31.2	25.8	20.9
Billings	256.8	215.8	19.0
U.S.			
Gross income	23.8	19.2	24.1
Billings	207.8	171.9	20.9
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Wunderman, Ricotta & Kline, New York, a direct response subsidiary of Young & Rubicam, reported gross income of $31,150,000, of which $7,348,000 was non-U.S. contributions, in 1984 on estimated billings of $256,800,000. In 1983, it reported gross income of $25,767,000, of which $6,580,000 was non-U.S. contributions, on estimated billings of $215,800,000.

U.S. total volume was an estimated $207,800,000 in 1984 and $171,900,000 in 1983. Overseas, its estimated dollar volume was $49,000,000 in 1984 and $43,900,000 in 1983. No volume breakouts were provided.

The agency did not provide account gains or losses. Billings breakdown: Newspapers 24%, magazines 26%, supplements 4%, radio 1%, spot tv 32%, direct mail 13%. Employes: 461 in 16 offices worldwide; 302 in five U.S. offices. Top execs: Lester Wunderman, chairman; G. Steven Dapper, Raymond V. Dempsey, Thomas Knowlton, exec vps; Tony Teska, senior vp.

Phone: (212) 909-0100.

Young & Rubicam
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	480.1	414.0	15.9
Billings	3,202.1	2,761.4	15.9
U.S.			
Gross income	323.1	274.4	17.7
Billings	2,155.1	1,830.1	17.7
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Young & Rubicam, New York, reported gross income of $480,078,000, of which $156,973,000 was in non-U.S. contributions, in 1984 on billings of $3,202,120,000. In 1983, it reported gross income of $413,996,000, in which $139,618,000 was in non-U.S. contributions on billings of $2,761,353,000.

The agency's total U.S. volume was an estimated $2,155,110,000 in 1984 and $1,830,101,000 in 1983. Overseas total volume was an estimated $1,047,009,000 in 1984 and $931,252,000 in 1983.

No breakdown was provided for domestic or foreign volume, both figures of which are ADVERTISING AGE estimates.

The report includes figures for U.S. subsidiaries:

- Hutchins/Y&R
- Sive Associates
- Young & Rubicam/Zemp
- Creswell, Munsell, Fultz & Zirbel
- Rives, Smith, Baldwin & Calberg/Y&R
- Burson-Marsteller (including Cohn & Wolfe and Rogers Merchandising)
- Cato Johnson
- CYB
- Chapman Direct Marketing
- Stone & Adler
- Sudler & Hennessey
- Wunderman, Ricotta & Kline
- Y&R Entertainment Division
- DYR (joint venture)
- HCM (formerly Marsteller Inc.)

Only 50% of the financial results of the latter two units above are consolidated into the total Y&R figures because of its near 50% ownership in both units with Tokyo-based Dentsu Inc. (DYR) and Paris-based Eurocom through Eurocom's Havas Conseil agency (HCM). Burson-Marsteller, not included in the 51% purchase of Marsteller by Eurocom, remains fully owned by Y&R. In 1984 it had returns of $84,258,000 in net fee income which would capitalized into $562,000,000 in billings, figures consolidated in Y&R's totals.

In 1984 the agency gained: AT&T Intl Long Distance, Advil, Rozzoni, Canada Dry No-Cal, Ajax Dishwashing Liquid, Dart & Kraft's Breyers Ice Cream, NYNEX Business Information System Sales Force, Tupperware Home Parties, Intl Harvester corporate, Humana Corp.'s Medfirst div, Cole National Eyeworks, Helme Tobacco Redwood, Motorola National Cellular Advertising, Consolidated Foods' Gallo Salame div. It lost: Hallmark Cards, *USA Today*.

Overseas, it gained: Plein Pot, Banque Populaire (Paris); Kawasaki (Stockholm); Felix Australia (Vienna); KFC Dealer Advertising (Toronto); KFC, Colgate-Palmolive (various brands) (Sydney); Kaffe Hag (Amsterdam); Kodak, Suchard (Berne); Suchard (Brussels); Brinkmann AG, Triumph (Frankfurt); Aegtelefunke, Crunchies (Cadbury), Advil-ICC, British Midlands Airways, Johnny Walker IDV (London); Milan, Barilla, Smirnoff, Cinzano (Madrid); Nilisk (Oslo). It lost: Mercedes Dealerships (Stockholm); Manpower (Berne), Heinz Soups, TV Rentals (London); Winston Cigarets (Madrid); J&J (Mexico).

Billings breakdown: Newspapers 7.2%, magazines 17%, supplements 0.4%, radio 4.6%, network tv 41.1%, spot tv 22.1%, cable tv 1.2%, outdoor 1.0%, business papers 1.6%, farm publications 0.7%, transit advertising 0.4%, direct mail 1.7%, other 1.0%. Employes: 8,418 in 117 offices; 4,872 in 43 U.S. offices.

Top execs: Edward N. Ney, chairman-ceo; Alexander Kroll, president-coo; Peter Georgescu, president Y&R Intl; Harold Burson, exec vp-chairman, ceo, Burson-Marsteller; Richard E. Christian, chairman, Marsteller Inc.; John J. McNamara, president, Y&R USA; Joseph E. De Deo, exec vp-president, Y&R Europe; Roger Craton, exec vp-cfo; R. John Cooper, senior vp-general counsel and secretary; Arthur Klein, exec vp-president, Direct Marketing Group; James Dowling, president Burson-Marsteller; Robert Schmetterer, president-coo, HCM; Roby Harrington, exec vp, Y&R USA; Lester Wunderman, chairman, Wunderman, Ricotta & Kline; John McGarry, exec vp, Young & Rubicam USA.

Phone: (212) 210-3000.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

PR's influence on top 10

($ figures in 000,000)

Rank without pr*	Rank with pr**	Agency	Gross income without pr	Agency pr company/ net fee in $000,000	Worldwide gross income†
1	2	**Ted Bates Worldwide**	424.4	**N/A**	424.4
2	4	**J. Walter Thompson Co.**	405.8	**Hill & Knowlton/69.4**	405.8
3	3	**Ogilvy & Mather Intl**	404.7	**Ogilvy & Mather PR/16.3**	421.0
4	1	**Young & Rubicam**	395.8	**Burson-Marsteller/84.3**	480.1
5	6	**Saatchi & Saatchi Compton**	337.5	**N/A**	337.5
6	5	**BBDO International**	329.4	**Doremus & Co./10.6**	340.0
7	7	**McCann-Erickson**	325.2	**N/A**	325.2
8	9	**Leo Burnett Co.**	253.5	**N/A**	253.5
9	8	**Foote, Cone & Belding**	238.0	**Carl Byoir & Associates/30.5**	268.5
10	10	**Grey Advertising**	223.1	**GreyCom/1.1**	224.2

* World gross income rank without pr fees

** World gross income rank with pr fees as appearing on Page 1

† Some agencies reported their pr activities to Ad Age without breaking them out. This chart is a composite of the AA top 10 by worldwide gross income and the 1985 edition of "O'Dwyer's Directory of PR Firms." AA accepts pr income if the pr unit is not considered an autonomous unit by the agency.

II agencies: $5 million-$15 million

AdCom Inc.
Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.1	6.6	7.7
Billings	46.6	43.2	7.8
U.S. volume breakdown			
Media	38.1	36.2	5.2
Materials/services	4.9	4.8	2.0
Capitalized fees	3.6	2.2	64.2

AdCom Inc., Chicago, a subsidiary of Quaker Oats, reported estimated gross income of $7,116,000 in 1984 on billings of $46,580,000. In 1983, it reported gross income of $6,610,000 on billings of $43,212,000.

The agency's U.S. 1984 volume consisted of $38,118,000 in media, $4,880,000 in materials and services and $3,582,000 in capitalized fees. Its 1983 volume consisted of $36,212,000 in media, $4,818,000 in materials and services and $2,182,000 in capitalized fees.

AdCom soon may shake its direct tie with Quaker Oats. Several agencies and AdCom's own management reportedly are seeking to purchase the shop.

In 1984 the agency gained: Quaker's Gatorade, corn bran, oat bran and new product concept assignments. It lost: None.

Billings breakdown: Newspapers 1%, magazines 5%, radio 4%, network tv 78%, spot tv 9%, cable tv 3%. Employes: 71. Top exec: Gary R. Bayer, president-creative director.

Phone: (312) 222-8900.

Advertising to Women
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.1	7.0	-3.2
Billings	45.0	60.0	-25.0
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Advertising to Women, New York, reported gross income of $5,100,000 in 1984 on billings of $45,000,000. In 1983, it reported gross income of $7,000,000 on billings of $60,000,000. No volume breakdown was provided for either year.

In 1984 Advertising to Women gained: Wella Corp. The agency lost: Gillette Co., National Coffee Assn. of USA.

Billings breakdown: Newspapers 1%, magazines 11%, radio 3%, network tv 70%, spot tv 12%, cable tv 2%, business papers 1%. Employes: 52. Top execs: E.W. Kelley, president; Lois Geraci Ernst, president-ceo; F. Phillip Geraci, senior vp; John L. Ernst, gm.

Phone: (212) 688-4675.

Allen & Dorward
San Francisco

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.0	5.7	41.0
Billings	52.6	37.3	41.0
U.S. volume breakdown			
Media	45.5	32.2	41.3
Materials/services	7.1	5.1	39.2
Capitalized fees	N/A	N/A	N/A

Allen & Dorward, San Francisco, reported gross income of $8,002,000 in 1984, on billings of $52,600,000. In 1983, it reported gross income of $5,674,000, on billings of $37,300,000.

The agency's 1984 volume included $45,500,000 in media and $7,100,000 in materials and services. Its 1983 volume consisted of $32,200,000 in media and $5,100,000 in materials and services.

In 1984 the agency gained: Castle & Cooke new product assignments, *Tribune* newspaper, Famous Grouse Scotch. It lost: Eagle Computer, Casa Ole, MediClinic.

Billings breakdown: Newspapers 7%, magazines 17%, radio 29%, network tv 2%, spot tv 35%, outdoor 1%, business papers 5%, farm publications 3%, transit advertising 1%. Employes: 133 in five offices. Top execs: Donald F. Dorward, president-ceo; Bob Hoffman, Joe Van Trump, exec vps-general mgrs.

Phone: (415) 956-7470.

Altschiller Reitzfeld Solin Advertising
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.6	5.4	3.9
Billings	47.1	44.8	5.1
U.S. volume breakdown			
Media	36.1	34.5	4.6
Materials/services	2.8	2.6	7.6
Capitalized fees	8.1	7.8	4.7

Altschiller Reitzfeld Solin Advertising, New York, reported gross income of $5,628,000 in 1984 on billings of $47,058,000 in its first year after splitting off from Norman, Craig & Kummel. In 1983, it reported gross income of $5,416,000 on billings of $44,781,000.

The agency's 1984 volume consisted of $36,113,000 in media, $2,814,000 in materials and services and $8,131,000 in capitalized fees. Its 1983 volume consisted of $34,467,000 in media, $2,551,000 in materials and services and $7,763,000 in capitalized fees.

In 1984 the agency gained: WABC-TV (New York), Air Jamaica's passenger and cargo service. It lost: General Biscuit's Burry-Lu cookies.

Billings breakdown: Newspapers 5%, magazines 10%, radio 5%, spot tv 80%. Employes: 59. Top execs: David Altschiller, chairman; Bob Reitzfeld, vice-chairman; Darrol Solin, president.

Phone: (212) 586-1400.

Ammirati & Puris
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	13.5	8.7	55.2
Billings	90.0	58.0	55.2
U.S. volume breakdown			
Media	80.0	51.0	56.8
Materials/services	9.0	7.0	28.5
Capitalized fees	1.0	0	N/A

Ammirati & Puris, New York, reported gross income of $13,500,000 in 1984 on billings of $90,000,000. In 1983, it reported gross income of $8,700,000 on billings of $58,000,000.

The agency's 1984 volume consisted of $80,000,000 in media, $9,000,000 in materials and services and $1,000,000 in capitalized fees. Its 1983 volume consisted of $51,000,000 in media and $7,000,000 in materials and services.

In 1984 the agency gained: Pulsar Time, United Parcel Service, Dataproducts, Waterford Crystal, Rose-Holland House. It lost: Sony consumer, Club Med.

Billings breakdown: Magazines 40%, radio 5%, network tv 10%, spot tv 33%, cable tv 2%, outdoor 10%. Employes: 170 in five offices. Top execs: Martin F. Puris, president-ceo; Ralph Ammirati, chairman-creative director; Edward Vick, exec vp-chief operating officer; Ted Hazard, exec vp; Philip Palazzo Jr., senior vp-cfo; Art Molesphini, senior vp-media director; Vivian Young, senior vp-rsch director.

Phone: (212) 206-0500.

Arnold & Co.
Boston

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.6	8.5	1.0
Billings	64.7	62.9	2.9
U.S. volume breakdown			
Media	50.0	48.9	2.2
Materials/services	N/A	N/A	N/A
Capitalized fees	14.7	14.0	4.7

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Arnold & Co., Boston, reported gross income of $8,618,150 in 1984 on billings of $64,710,399. In 1983, it reported gross income of $8,532,400 on billings of $62,910,619.

The agency's 1984 volume consisted of $50,014,589 in media and $14,695,810 in capitalized fees. Its 1983 volume consisted of $48,870,269 in media and $14,040,350 in capitalized fees.

In 1984 the agency gained: Almy's Department Stores, Skok Systems, Seven-Up Bottlers, H.P. Hood, Oomphies Inc., Securities Research Co. It lost: None.

Billings breakdown: Newspapers 13%, magazines 4%, supplements 1%, radio 15%, network tv 18%, spot tv 32%, cable tv 1%, outdoor 1%, business papers 7%, point of sale 1%, direct mail 3%, other 4%. Employes: 175 in five offices. Top execs: Arnold Z. Rosoff, chairman; Gerald Broderick, president; Wilson Seibert, exec vp-creative services; Lawrence Green, exec vp-mktg services; Lionel LeBlanc, senior vp-director tv broadcasting; Leonard Karsakov, senior vp-creative director; Marie Kachinski, senior vp-media director; John Cantwell, Joseph Teixeira, senior vps.

Phone: (617) 357-1900.

Avrett, Free, & Ginsberg
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	10.1	9.0	11.5
Billings	87.0	82.0	6.1
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Avrett, Free & Ginsberg, New York, reported gross income of $10,050,000 in 1984 on billings of $87,000,000. In 1983, it reported gross income of $9,010,000 on billings of $82,000,000. No volume breakdown was provided.

In 1984 the agency gained: Tri-State Cadillac Dealers Assn., Ralston Purina's Sun-Maid instant hot cereal. It lost: Dana, Casa Lupita, St. Brendan's.

Billings breakdown: Newspapers 4%, magazines 14%, radio 4%, network tv 51%, spot tv 25%, outdoor 2%. Employes: 76. Top execs: John G. Avrett, president-chairman; Marcella Free, co-chairman; Frank Ginsberg, senior exec vp-creative director; Norman Sherman, exec vp-account services; Jose Abarquez, senior vp-finance; Donald Bandman, Lewis Carbone, senior vps-mgmt supers; Sue Costa, senior vp-internal services; John LaRock, senior vp-assoc. creative director; Edward Weiner, senior vp-media.

Phone: (212) 832-3800.

Bader Rutter & Associates
Brookfield, Wis.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.3	4.4	21.8
Billings	35.6	29.2	21.7
U.S. volume breakdown			
Media	21.8	17.3	26.5
Materials/services	6.8	6.0	13.3
Capitalized fees	7.0	6.0	16.3

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Bader Rutter & Associates, Brookfield, Wis., reported gross income of $5,335,991 in 1984 on billings of $35,573,274. In 1983, it reported gross income of $4,381,742 on billings of $29,226,219.

The agency's 1984 U.S. volume consisted of $21,838,655 in media, $6,781,578 in materials and services and $6,953,041 in capitalized fees. Its 1983 volume consisted of $17,264,065 in media, $5,983,736 in materials and services and $5,987,418 in capitalized fees.

In 1984 the agency gained: ASEA Robotics, Cenex, Consolidated Badger Co-op, Applied Powers' Enerpac div., Fireman's Fund Employer Insurance, MCC Powers, Rexnord Inc.'s Mechanical Powers div., Rite-Hite Corp., St. Mary's Hospital, Wisconsin Natural Gas. It lost: None.

Billings breakdown: Newspapers 6%, magazines 16%, radio 11%, spot tv 23%, outdoor 1%, farm publications 43%. Employes: 82. Top execs: Ronald L. Bader, president; James K. Rutter, exec vp; Richard Jensen, vp-creative director.

Phone: (414) 784-7200.

Barnum Communications
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.9	6.6	4.1
Billings	45.1	43.3	4.1
U.S. volume breakdown			
Media	14.6	14.6	-0.2
Materials/services	3.4	3.3	3.5
Capitalized fees	27.1	25.4	6.7

Barnum Communications, New York, reported gross income of $6,857,000 in 1984 on billings of $45,123,000. In 1983, it reported gross income of $6,587,000 on billings of $43,340,000.

The agency's 1984 volume consisted of $14,590,000 in media, $3,420,000 in materials and services and $27,113,000 in capitalized fees. Its 1983 volume consisted of $14,630,000 in media, $3,304,000 in materials and services and $25,406,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. division:

- Barnum/Secunda Associates

In 1984 the agency gained: DeVilbiss Health Care Worldwide, Intech Systems Corp., Boehringer Mannheim Canada, Anderson Group. It lost: None.

Billings breakdown: Newspapers 6%, magazines 64%, radio 2%, network tv 10%, spot tv 10%, direct mail 8%. Employes: 115 in nine offices. Top execs: H.J. Barnum Jr., chairman; Dorothy M. Philips, president; Renton Bond, John H. Woodcock, senior vps; Eugene Secunda, president, Barnum/Secunda Associates.

Phone: (212) 221-7363.

Beber Silverstein & Partners
Miami

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.8	6.7	16.4
Billings	51.2	44.2	15.8
U.S. volume breakdown			
Media	42.2	36.0	16.4
Materials/services	4.0	3.5	17.1
Capitalized fees	5.0	4.7	5.3

Beber Silverstein & Partners, Miami, had estimated gross income of $7,800,000 in 1984 on billings of $51,200,000. In 1983, it had estimated gross income of $6,700,000 on billings of $44,200,000.

The agency's 1984 volume included $42,200,000 in media, $4,000,000 in materials and services, and $5,000,000 in capitalized fees. In 1983, volume consisted of $36,000,000 in media, $3,500,000 in materials and services, and $4,700,000 in capitalized fees.

In 1984 the agency gained: Squirtco, C.A.C., Budget Rent-A-Car, Diplomat Hotel & Country Club, Palm Beach County. It lost: None.

Billings breakdown: Newspapers 25%, magazines 15%, supplements 2%, radio 10%, network tv 10%, spot tv 30%, other 7%. Employes: 100 in three offices. Top execs: Joyce Beber, president; Elaine Silverstein, exec vp.

Phone: (305) 856-9800.

Robert A. Becker Inc.
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.4	5.4	37.6
Billings	49.8	35.6	39.7
U.S. volume breakdown			
Media	4.3	5.2	16.7
Materials/services	3.5	2.1	66.0
Capitalized fees	41.9	28.3	48.1

Robert A. Becker Inc., New York, reported gross income of $7,379,000 in 1984 on billings of $49,751,200. In 1983, it reported gross income of $5,360,000 on billings of $35,611,400.

The agency's 1984 volume included $4,341,400 in media, $3,508,200 in materials and services, and $41,901,600 in capitalized fees. In 1983, volume consisted of $5,217,900 in media, $2,112,700 in materials and services, and $28,280,800 in capitalized fees.

In 1984 the agency gained: Bristol-Myers' intl div, Chibret Intl. It lost: None.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

il agencies: $5,000,000 to $15,000,000

Billings breakdown: Medical & trade magazines 50%, direct mail 20%, sales literature, CME programs, audic visual & collateral material 30%. Employes: 90. Top execs: Robert A. Becker, president; Joel Lauber, Edward Maitland, Raymond Perry, Norman Franklin, David Charney, senior vps.

Phone: (212) 922-1000.

Bentley, Barnes & Lynn

Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.1	4.7	8.0
Billings	34.0	31.5	8.0
U.S. volume breakdown			
Media	30.2	27.4	9.8
Materials/services	1.4	1.4	0
Capitalized fees	2.4	2.7	-10.1

☑

Bentley, Barnes & Lynn, Chicago, reported gross income of $5,097,286 in 1984 on billings of $33,981,908. In 1983, it reported gross income of $4,718,602 on billings of $31,457,347.

The agency's 1984 volume consisted of $30,183,451 in media, $1,403,420 in materials and services and $2,395,037 in capitalized fees. Its 1983 volume consisted of $27,358,149 in media, $1,435,500 in materials and services and $2,663,698 in capitalized fees.

In 1984 the agency gained: Hattori Corp. of America, Illinois Service Corp., Michael Reese Hospital, Sea Cliff Resort, Hillhaven Corp. It lost: Chicago Blitz pro football team, Landmark Properties.

Billings breakdown: Newspapers 74%, magazines 5%, supplements 1%, radio 4%, spot tv 2%, cable tv 1%, outdoor 1%, business papers 2%, other 10%. Employes: 110 in three offices. Top execs: Peter Postelnek, chairman; Stan Tannenbaum, president; Merrill Litow, secretary-treasurer; Paul Oleff, Sam Conforti, exec vps; Gus Unti, creative director.

Phone: (312) 467-9350.

Bernstein-Rein Advertising

Kansas City, Mo.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.6	3.9	45.5
Billings	46.3	36.3	27.5
U.S. volume breakdown			
Media	38.2	31.2	22.4
Materials/services	5.1	3.0	7.0
Capitalized fees	3.0	2.1	45.9

Bernstein-Rein Advertising, Kansas City, Mo., reported gross income of $5,601,750 in 1984 on billings of $46,324,653. In 1983, it reported gross income of $3,850,000 on billings of $36,320,426.

The agency's 1984 volume consisted of $38,213,365 in media, $5,063,485 in materials and services and $3,047,803 in capitalized fees. Its 1983 volume consisted of $31,195,104 in media, $3,036,251 in materials and services and $2,089,071 in capitalized fees.

Excluded in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Las Vegas Electronics
- Reno Electronics

In 1984 the agency gained: Lucky Stores' automotive div., Maag Agrochemicals, Kansas City Chiefs football club, MGM/UA Entertainment Co. (regional). It lost: K.C. Hilton Hotel.

Billings breakdown: Newspapers 8%, magazines 5%, radio 11%, spot tv 69%, cable tv 2%, outdoor 5%. Employes: 112 in three offices. Top execs: Robert A. Bernstein, president; Irwin Rein, exec vp.

Phone: (816) 756-0640.

Barry Blau & Partners

Westport, Conn.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.7	3.5	60.7
Billings	30.8	21.4	43.8
U.S. volume breakdown			
Media	1.3	0.8	62.7
Materials/services	13.4	11.4	17.8
Capitalized fees	16.1	9.3	74.1

☑

Barry Blau & Partners, Westport, Conn., reported gross income of $5,655,092 in 1984 on billings of $30,840,305. In 1983, it had gross income of $3,518,000 on billings of $21,444,160.

The agency's 1984 volume consisted of $1,307,385 in media, $13,413,585 in materiais and services and $16,119,335 in capitalized fees. Its 1983 volume consisted of $803,030 in media, $11,381,416 in materials and services and $9,259,714 in capitalized fees.

In 1984 the agency gained: Dreyfus Corp.. Purolator Courier Corp., Aetna Insurance, IBM Information Services, Times Mirror Magazines' *Golf*, *Outdoor Life*, *Popular Science*, *Ski*. It lost: None.

Billings breakdown: Newspapers 2%, magazines 2%, supplements 2%, radio 2%, spot tv 4%, cable tv 4%, direct mail 84%. Employes: 76 in four offices. Top execs: Barry Blau, chairman; Michael Fabian, president; Dennis Eastham, Ronald Friedman, exec vps; J. Donald Gartland III, Mark Goroff, senior vps.

Phone: (203) 227-0020.

Brouillard Communications

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.9	6.5	36.4
Billings	63.0	44.0	43.3
U.S. volume breakdown			
Media	45.0	34.0	34.8
Materials/services	5.8	4.5	27.4
Capitalized fees	12.2	5.4	126.8

☑†

Brouillard Communications, New York, a subsidiary of J. Walter Thompson Co., reported gross income of $8,917,230 in 1984 on billings of $62,955,192. In 1983, it reported gross income of $6,538,189 on billings of $43,927,518.

The agency's 1984 volume consisted of $45,023,961 in media, $5,758,171 in materials and services and $12,173,060 in capitalized fees. Its 1983 volume consisted of $34,041,322 in media, $4,518,834 in materials and services and $5,367,362 in capitalized fees.

In 1984 the agency gained: Municipal Bond Insurance Assn., Johnson & Higgins, Bradford (pr), Reichhold Chemicals, Key Banks, National Knitwear & Sportswear Assn. It lost: Olympia.

Billings breakdown: Newspapers 22%, magazines 20%, supplements 11%, radio 3%, network tv 30%, spot tv 13%, outdoor 1%. Employes: 100 in two offices. Top execs: James H. Foster, president; Irene A. Hansen, senior vp-admn. & agency services; Terrence Hill, senior vp-exec creative director; Richard Eyman, Miranda Lee, John Palmer, Carl Rhodes, Henry Rissmeyer, Robert Scott, senior vps-account directors; Betsy Halpern, senior vp-pr director; Frank Massaro, senior vp-media director; Carl LeVander, senior vp-group creative director; Jeff Lewis, senior vp-senior writer; Larry Scaglione, senior vp-ad services.

Phone: (212) 867-8300.

Earle Palmer Brown Cos.

Bethesda, Md.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	12.1	10.6	13.8
Billings	84.4	74.0	14.1
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Earle Palmer Brown Cos., Bethesda, Md., which merged with Kalish & Rice, Philadelphia, in June, 1984, reported consolidated gross income of $12,069,920 in 1984 for the two shops on billings of $84,400,000. In 1983, the comparable figures for the two agencies were an aggregate $10,600,000 in gross income on billings of $74,000,000.

Taken separately, Earle Palmer Brown Cos. had gross income of $8,369,920 on billings of $57,200,000, and Kalish & Rice had gross income of $3,700,000 on billings of $27,200,000 in 1984. A separate listing for Kalish & Rice also is provided in this issue.

No volume breakout was provided for either year.

In 1984 the agency gained: Interstate Brands Corp., Scudder, Stevens & Clark, Amtrak, Airbus Industrie, American Federation of Information Processors, AMF's Union Machinery, Pentagon Federal Credit Union, Sheraton Hotels/regional, STSC, Howard Security. It lost: Geico Auto Insurance.

No media breakdown was provided. Employes: 250 in four offices. Top execs: Jeremy E. Brown, president-ceo; Earle Palmer Brown, chairman; Allan Kalish, president-Kalish & Rice; Mark Goldstein, exec vp-creative; Jim Cobb, exec vp-mktg services; Howard Rice, exec vp-Kalish & Rice; Steve Levine, senior vp-Kalish & Rice; Gerry Grosso, senior vp-acct service.

Phone: (301) 657-6000.

Burrell Advertising

Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.3	4.0	55.6
Billings	41.9	26.9	55.6
U.S. volume breakdown			
Media	7.9	1.6	402.3
Materials/services	2.8	1.6	75.9
Capitalized fees	31.2	23.8	31.3

☑

Burrell Advertising, Chicago, reported gross income of $6,287,600 in 1984 on billings of $41,917,000. In 1983, it reported gross income of $4,040,400 on billings of $26,936,000.

The agency's 1984 volume consisted of $7,917,000 in media, $2,800,000 in materials and services and $31,200,000 in capitalized fees. Its 1983 volume consisted of $1,576,600 in media, $1,591,000 in materials and services and $23,768,400 in capitalized fees.

In 1984 the agency gained: Jos. Garneau Co.'s Martell cognac, Columbia Pictures, Georgia Power Co., Jack Daniels Distillery, Procter & Gamble's Crest toothpaste. It lost: None.

Billings breakdown: Newspapers 3%, magazines 15%, radio 15%, network tv 57%, spot tv 6%, outdoor 4%. Employes: 100 in two offices. Top execs: Thomas J. Burrell, president; Barbara Burrell, senior vp-corp. development; Sarah Burroughs, Eugene Morris, William Sharp, senior vps-mgmt supers; Anna Morris, senior vp-associate creative director.

Phone: (312) 266-4600.

Burton-Campbell

Atlanta

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.8	5.3	28.2
Billings	48.3	36.5	32.4
U.S. volume breakdown			
Media	23.9	21.3	12.2
Materials/services	5.4	5.6	-3.5
Capitalized fees	19.0	9.5	98.9

☑

Burton-Campbell, Atlanta, reported gross income of $6,832,073 in 1984 on billings of $48,274,435. In 1983, it reported gross income of $5,330,170 on billings of $36,452,087.

The agency's 1984 volume consisted of $23,861,028 in media, $5,424,424 in materials and services and $18,988,983 in capitalized fees. Its 1983 volume consisted of $21,269,981 in media, $5,633,347 in materials and services and $9,548,759 in capitalized fees.

In 1984 the agency gained: Vail Associates, Management Science America, Hanson Scale Co., Grolsch Importers, Brumos Porsche-Audi, United Way of Atlanta. It lost: First Tennessee Bank, Luther's Bar-B-Que.

Billings breakdown: Newspapers 25%, magazines 44%, radio 9%, all tv 20%, outdoor 2%.

Employes: 131. Top execs: Ron Scharbo, president-chairman; Gabe Massimi, vice-chairman-creative director.

Phone: (404) 881-8585.

Harold Cabot & Co.

Boston

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	9.2	6.9	34.2
Billings	60.2	44.9	34.1
U.S. volume breakdown			
Media	42.9	31.6	35.9
Materials/services	8.3	6.1	36.1
Capitalized fees	9.0	7.2	24.5

☑†

Harold Cabot & Co., Boston, had estimated gross income of $9,241,000 in 1984 on billings of $60,152,692. In 1983, it had estimated gross income of $6,888,000 on billings of $44,851,545.

The agency's 1984 volume consisted of $42,919,478 in media, $8,258,449 in materials and services and $8,974,765 in capitalized fees. Its 1983 volume consisted of $31,573,595 in media, $6,067,160 in materials and services and $7,210,790 in capitalized fees.

In 1984 the agency gained: Medi Mart Co. It lost: None.

Employes: 107. Top execs: James I. Summers, president-ceo; William H. Monaghan, exec vp; Courtney A. Crandell, Joseph R. Wallace, Edmund Fitzmaurice, senior vps; Robert P. Linderman, senior vp-creative director; Charles F. Kiefer, treasurer.

Phone: (617) 426-7600.

Cadwell Davis Partners

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.5	5.3	3.8
Billings	44.0	36.8	19.5
U.S. volume breakdown			
Media	36.7	30.7	19.5
Materials/services	1.8	1.5	19.1
Capitalized fees	5.5	4.6	19.5

Cadwell Davis Partners, New York, part of the Saatchi & Saatchi Compton Worldwide agency group, reported gross income of $5,500,000 in 1984 on billings of $44,000,000. In 1983, it reported gross income of $5,297,000 on billings of $36,812,000.

The agency's 1984 volume included $36,701,000 in media, $1,796,000 in materials and services, and $5,503,000 in capitalized fees. In 1983, volume was estimated at $30,701,000 in media, $1,507,000 in materials and services and $4,604,000 in capitalized fees.

In 1984 the agency gained: City Center in New York, Hammacher Schlemmer in New York and Chicago, McNeil Consumer Products' new products. It lost: None.

Billings breakdown: Newspapers 0.5%, magazines 21.1%, radio 0.2%, network and spot tv 78.2%. Employes: 60. Top execs: Franchellie Cadwell, president-ceo; Herman Davis, chairman; Jeffrey Zeiler, exec vp-genl mgr; David Michaelson, senior vp-media director.

Phone: (212) 350-1500.

Calet, Hirsch & Spector

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.0	8.3	-3.6
Billings	64.0	78.0	17.9
U.S. volume breakdown			
Media	52.0	50.0	4.0
Materials/services	8.0	10.0	-20.0
Capitalized fees	4.0	18.0	-77.7

Calet, Hirsch & Spector, New York, reported gross income of $8,000,000 in 1984 on billings of $64,000,000. In 1983, it reported gross income of $8,300,000 on billings of $78,000,000.

The agency's 1984 volume included $52,000,000 in media, $8,000,000 in materials and services, and $4,000,000 in capitalized fees. In 1983, volume consisted of $50,000,000 in media, $10,000,000 in materials and services and $18,000,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S subsidiary:

- Calet, Hirsch & Spector Florida

In 1984 the agency gained: Gleneagles Hotels, Konica USA's film, paper and Nice Print System, Alitalia corporate. It lost: AAMCO Transmissions.

Billings breakdown: Newspapers 7%, magazines 24%, radio 10%, network tv 9%, spot tv 38%, cable tv 1%, outdoor 8%, business papers 1%, transit advertising 1%, point of sale 1%. Employes: 130 in two offices. Top execs: In New York—Larry Spector, president-ceo; Neil Calet, Peter Hirsch, co-chairmen, exec creative directors; Colin Probert, exec vp-director acct services; Robert Petizon, exec vp-director,

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II agencies: $5,000,000 to $15,000,000

media programming; Martin Lipsitt, Ken Majka, exec vps-creative directors; Frank DiSalvo, senior vp-director broadcast productions; Sandy Goebel, senior vp-mgmt super; Lester Goldstein, senior vp-genl operations mgr; C. David Kreps Jr., Richard Maddock, senior vps-mgmt supers. In Clearwater, Fla.—Leonard J. Deadman, president; Eugene H. Camoosa Jr., exec vp.

Phone: (212) 777-0666.

Carmichael-Lynch
Minneapolis

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.1	4.9	43.6
Billings	47.0	32.7	43.7
U.S. volume breakdown			
Media	19.4	10.9	77.9
Materials/services	6.7	4.6	45.6
Capitalized fees	21.0	17.2	22.1

☑†

Carmichael-Lynch, Minneapolis, reported gross income of $7,050,000 in 1984 on billings of $47,024,000. In 1983, it reported gross income of $4,908,000 on billings of $32,732,000.

The agency's 1984 volume consisted of $19,410,000 in media, $6,660,000 in materials and services and $20,954,000 in capitalized fees. Its 1983 volume consisted of $10,928,000 in media, $4,642,000 in materials and services and $17,162,000 in capitalized fees.

In 1984 the agency gained: First Bank System, Control Data Corp.'s Academic Education div. (PLATO), Arpin Dairy, Rotoflo Power Painting Equipment, Jostens' College div.; Minneapolis Convention & Visitor Commission, Minnesota Dept. of Economic Development, Speed Queen home laundry appliances, Agrigenetics' Sun Seeds div. It lost: Investors Savings, Custom One Int'l, Simplicity Mfg., Jenny Lee macaroni, Northrup King seeds.

Billings breakdown: Newspapers 15%, magazines 18%, radio 9%, network tv 4%, spot tv 30%, cable tv 1%, outdoor 4%, business papers 6%, transit advertising 1%, point of sale 5%, direct mail 7%. Employes: 115. Top execs: Lee Lynch, chairman-creative director; Lou Bacig, president; Ed Coleman, senior vp-finance; Jerry Stahl, Steve Goldstein, Phil Waggoner, senior vps-mgmt super; Dick Wilson, Ron Sackett, Dan Krumwiede, senior vps-associate creative directors; Mary Palson, senior vp-production services; Perry Forster, senior vp-rsch director; Sumer Bileydi, senior vp-media director; Dick Damrow, senior vp, CL-Direct, mng partner; Jim Christy, senior vp, CL-Direct.

Phone: (612) 871-8300.

Carrafiello-Diehl & Associates
Irvington, N.Y.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	6.6	6.0	9.7
Billings	44.0	40.1	9.7
U.S.			
Gross income	6.5	6.0	7.6
Billings	43.2	40.1	7.6
U.S. volume breakdown			
Media	8.2	27.8	-70.5
Materials/services	0.9	6.8	86.7
Capitalized fees	34.1	5.5	519.1

☑

Carrafiello-Diehl & Associates, Irvington, N.Y., reported gross income in 1984 of $6,600,000, of which $125,000 was in non-U.S. contributions, on billings of $44,000,000. In 1983, it reported gross income of $6,015,000 on billings of $40,100,000, all in the U.S.

The agency's 1984 U.S. volume of $43,150,000 consisted of $8,200,000 in media, $900,000 in materials and services and $34,050,000 in capitalized fees. Its 1983 U.S. volume consisted of $27,800,000 in media, $6,800,000 in materials and services and $5,500,000 in capitalized fees.

The 1984 overseas volume of $850,000 was all in media.

In 1984 the agency gained: Trilling Resources' Water-Jel, Snaidero of Canada's kitchen furniture (Woodbridge, Ont.), American Cyanamid's Lederle div.'s Caltrate (Toronto). It lost: Richardson-Vicks' Oral Health Group's dental products professional advertising, Roerig div. of Pfizer Pharmaceuticals' Navane and Sinequan products.

Billings breakdown: Newspapers 2%, magazines 10%, radio 2%, network tv 48%, spot tv 6%, cable tv 2%, business papers 23%, point of sale 3%, direct mail 4%. Employes: 102 in one office. Top execs: A. Louis Carrafiello, president; Anthony B. Bennett, exec vp; Thomas G. Baldacci, Austin H. Gedney Jr., Robert C. Brandt, William Green, senior vps.

Phone: (914) 591-9191.

Cochrane Chase, Livingston & Co.
Newport Beach, Cal.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.6	4.8	37.5
Billings	51.8	51.8	N/A
U.S. volume breakdown			
Media	51.8	19.1	N/A
Materials/services	N/A	5.3	N/A
Capitalized fees	N/A	27.4	N/A

Cochrane Chase, Livingston & Co., Newport Beach, Cal., a subsidiary of Saatchi & Saatchi Compton Worldwide, reported gross income of $6,651,000 in 1984 on billings of $51,843,000. In 1983, it reported gross income of $4,820,000 on billings of $51,771,513.

The agency's 1984 volume was all in media. In 1983, volume consisted of $19,070,544 in media, $5,314,343 in materials and services, and $27,386,626 in capitalized fees. In 1984 the agency gained: Beckman Electronic Technologies—div of Emerson Electric, Home Health Care, Process Instruments & Controls, USC Norris Cancer Hospital, Logicon, Xerox Computer Services, Coldwell Banker's Relocation div, Kreepy Krauly USA, Beatrice's Hunt-Wesson new products; Marriott Hotels regional. It lost: Memorex, Builders Emporium, Airspur, Metal Bellows, Pertec.

Billings breakdown: Newspapers 9%, magazines 30%, supplements 1%, radio 16%, spot tv 40%, outdoor 4%. Employes: 115. Top execs: Cochrane Chase, chairman; Lynn Livingston, president; Ray Roschmann, Carolyn Johnson, Elliott Manketo, senior vps.

Phone: (714) 752-6171.

Cole & Weber
Seattle

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	13.4	12.3	8.6
Billings	96.9	85.2	13.7
U.S. volume breakdown			
Media	57.4	54.0	6.2
Materials/services	9.1	8.9	2.9
Capitalized fees	30.4	22.3	36.3

Cole & Weber, Seattle, a subsidiary of Ogilvy & Mather, reported gross income of $13,384,350 in 1984 on billings of $96,905,928. In 1983, it reported gross income of $12,313,559 on billings of $85,157,940.

The agency's 1984 volume included $57,364,528 in media, $9,119,543 in materials and services, and $30,421,857 in capitalized fees. In 1983, volume consisted of $54,006,538 in media, $8,858,848 in materials and services, and $22,292,554 in capitalized fees.

In 1984 the agency gained: Lucite, Trus Joist, Southern Forest Products Commission, Bonneville Power Administration, California Pistachio Commission, Napa Naturals, Caddex Corp., Central Bank, Thomas J. Lipton Inc., Wheat Industry Council. It lost: Consolidated Dairy Products, Nalley's Fine Foods, Adams Foods.

Billings breakdown: Newspapers 15%, magazines 13%, radio 16%, network tv 16%, spot tv 23%, outdoor 3%, business papers 13%, other 1%. Employes: 209 in four offices. Top execs: Harold C. Dixon, chairman; Harold A. Newsom, president; Leonard L. Bartlett, Richard G. Hadley, vice-chairmen; James W. Schulz, treasurer.

Phone: (206) 433-6200.

Colle & McVoy Advertising
Minneapolis

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.1	6.2	31.5
Billings	50.3	38.0	32.2
U.S. volume breakdown			
Media	19.3	15.0	28.6
Materials/services	21.4	17.3	23.6
Capitalized fees	9.6	5.7	67.3

☑

Colle & McVoy Advertising, Minneapolis, had estimated gross income of $8,107,000 in 1984 on billings of $50,276,600. In 1983, it had estimated gross income of $6,165,000 on billings of $38,038,446.

The agency's 1984 volume consisted of $19,281,889 in media, $21,381,714 in materials and services and $9,612,997 in capitalized fees. Its 1983 volume consisted of $14,957,534 in media, $17,335,468 in materials and services and $5,745,444 in capitalized fees.

In 1984 the agency gained: Ebenezer Co., Jackson Graves, Hubbard Broadcasting Co., Conus Communications, Bandana Square, KOA-AM/KOAQ-FM (Denver), Pizza Hut, Northwestern Bell Information Technologies, Sterwin Laboratories. It lost: Gehl Co., First American, Colonial Savings.

Billings breakdown: Newspapers 26%, magazines 21%, radio 19%, spot tv 21%, outdoor 2%, farm publications 9%, other 2%. Employes: 148 in five offices. Top execs: Clarence M. Thompson Jr., chairman-ceo; Ray Foley, president; Al Hietala, exec vp-agricultural; Bill Lau, exec vp-financial/retail; Al Kunz, exec vp-business/intl; Ray Booth, senior vp-exec art director; Jim Heinz, senior vp-Midwest; Ed Hunter, senior vp-West; Wayne Engelman, secretary-treasurer.

Phone: (612) 861-7181. ☑

William Cook Advertising
Jacksonville, Fla.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.6	6.1	7.5
Billings	44.1	40.7	8.4
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑†

William Cook Advertising, Jacksonville, Fla., reported gross income of $6,607,774 in 1984 on billings of $44,073,853. In 1983, it reported gross income of $6,144,994 on billings of $40,662,856.

The agency did not break down its dollar volume. Figures reported do not include those of U.S. subsidiary William Cook Advertising, Miami.

In 1984 the agency gained: Dodge dealers advertising associations in Orlando, Dade and Broward counties, H&R Investments resort developer, Robex Intl's Bimini Bay Resort, French Novelty Shops and Strawberry Fields retail clothing stores, Indian River Plantation Resort, Jacksonville Port Authority, Ryder/P.I.E. Nationwide, Jacksonville Transportation Authority, Alfred I. DuPont Foundation, BRS/Saunders. It lost: Bos Corp.'s Sandestin Resort, Ford Dealers Advertising Fund, Florida & South Georgia Babcock Intl real estate developer, Three Seasons real estate developer.

Billings breakdown: Newspapers 9%, magazines 8%, radio 6%, spot tv 72%, cable tv 0.5%, outdoor 2%, business papers 1%, point of sale 0.5%, direct mail 1%. Employes: 115 in two offices. Top execs: William W. Cook, chairman; Bernard C. Shramm Jr., president; J. Carson Eddings, exec vp; Stanley P. Norton, vp; Robert D. Cargell, vp-gm, pr div; Barry L. Hough, vp-gm, Miami office.

Phone: (904) 353-3911.

Cramer-Krasselt Co.
Milwaukee

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.7	7.1	8.1
Billings	51.2	48.2	6.2
U.S. volume breakdown			
Media	37.4	35.8	4.4
Materials/services	8.2	7.6	7.8
Capitalized fees	5.7	4.8	18.1

☑†

Cramer-Krasselt, Milwaukee, reported gross income of $7,659,000 in 1984 on billings of $51,240,000. For 1983, it reported gross income of $7,085,000 on billings of $48,249,000, both of which were restated.

The agency's 1984 volume consisted of $37,359,000 in media, $8,173,000 in materials and services and $5,708,000 in capitalized fees. Its 1983 volume consisted of $35,779,000 in media, $7,638,000 in materials and services and $4,832,000 in capitalized fees.

The agency's report included financial data from the following offices:

- Cramer-Krasselt/Milwaukee
- Cramer-Krasselt/Chicago
- Cramer-Krasselt/Direct, Chicago
- Cramer-Krasselt/Southwest, Phoenix

In 1984 the agency gained: *Arizona Highways*, Simplicity Mfg., American Charter Savings & Loan, Citicorp Remittance Service, Amherst Assn., Illinois Bell Communications, Marquette Pkg., Anixter, Sears, Roebuck & Co. catalog circulation, Yamaha Parts Distributors, Phoenix Motors, United Airlines direct, North American Coin & Currency. It lost: EZ Paintr, First Interstate Bank of Arizona, Wisconsin Bell Communications.

Billings breakdown: Newspapers 7%, magazines 23%, radio 3%, network tv 21%, spot tv 28%, outdoor 1%, business papers 7%, direct mail 10%. Employes: 117 in three offices. Top execs: Theodore J. Wing, chairman, president-ceo; Peter G. Krivkovich, president-gm-Cramer-Krasselt/Chicago; Rolf G. Normann, exec vp-gm/Phoenix; Paul S. Counsell, exec vp-gm; William D. Faude, senior vp-secretary; Robert J. Bradley, vp-controller;

Chiat/Day: Getting big, staying creative

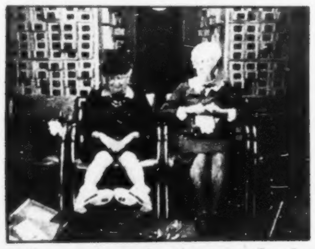
In 1981, ADVERTISING AGE picked a hot West Coast shop, Chiat/Day, as Agency of the Year. It was the first West Coast agency so honored. Since then, the agency's billings have grown from more than $100 million to $226.6 million in 1984, the latter representing a 63.7% increase over 1983.

Despite its rapid accumulation of top clients with big bucks, Chiat/Day has not lost its creative spark. It seems to have taken on bigness without falling prey to Jay Chiat's warning, or challenge, depending on one's point of view: "We're going to find out how big we can get without getting bad," said the agency chairman in 1981.

Chiat/Day produced one of the most talked-about spots of last year, the "1984" commercial for Apple Computer that ran only once nationally, on the Super Bowl telecast. The commercial, taking a sly dig at International Business Machines with a Big Brother theme, received wide acclaim. Although Apple's eagerly awaited Super Bowl spot this year (titled "Lemmings" and taking another dig at IBM-style conformity) did not receive the same acclaim, Chiat/Day's work for Apple has been consistently high quality and was partly responsible for the recent selection of the client's John Sculley as AA's 1984 Adman of the Year.

AA's editors also had high praise for the agency's highly creative work for Nike shoes.

Chiat/Day's "1984" Apple spot was a smash hit.



Nike got mainstreamed via humor spots and outdoor splash.

II agencies: $5,000,000 to $15,000,000

Philip May, senior vp-mgr, Cramer-Krasselt/Direct.

Phone: (414) 276-3500.

Creswell, Munsell, Fultz & Zirbil
Cedar Rapids, Ia.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.9	7.3	21.2
Billings	59.3	49.0	21.2
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Ia., a subsidiary of Young & Rubicam, reported gross income of $8,892,262 in 1984 on billings of $59,311,388. In 1983, it reported gross income of $7,339,231 on billings of $48,952,671. No volume breakdown was provided.

In 1984 the agency gained: Banks of Iowa, Dow Chemical Canada, Iowa Bankers Assn., Pester Corp., Meredith Corp.'s *Successful Farming*, Younkers, Economics Laboratory's Electrochemicals & Technology div. (pr), Harnischfeger Corp.'s OEM Products Group (pr), Morningside College (pr), National Dairy & Promotion Research Board (pr). It lost: Vigortone Ag Products, Chittenden & Eastman, Security Savings, National Fertilizer Solutions Assn. (pr).

Billings breakdown: Newspapers 3%, magazines 1%, radio 10%, spot tv 19%, outdoor 1%, business papers 3%, farm publications 26%, sales & promotion 20%, pr 17%. Employes: 164 in two offices. Top execs: E. William Munsell, chairman, exec vp-Y&R USA; Richard D. Meyocks, president-ceo; William J. Fultz, exec vp-mng director-Des Moines div.; Richard F. Mayes, senior vp-mng director pr; Marvin L. White, senior vp-mng director, Cedar Rapids div.; Weston Ritchie, senior vp-director, Signal Communications; James E. Meeks, senior vp-director, business affairs.

Phone: (319) 395-6500.

Davis, Johnson, Mogul & Colombatto
Los Angeles

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	14.1	11.8	18.9
Billings	101.4	78.9	28.5
U.S. volume breakdown			
Media	81.8	62.8	30.2
Materials/services	10.8	9.2	17.3
Capitalized fees	8.9	6.9	28.9

Davis, Johnson, Mogul & Colombatto, Los Angeles, reported gross income of $14,066,800 in 1984 on billings of $101,440,000. In 1983, it reported gross income of $11,830,000 on billings of $78,916,700.

The agency's U.S. 1984 volume consisted of $81,751,700 in media, $10,761,200 in materials and services and $8,927,100 in capitalized fees. Its 1983 volume consisted of $62,830,000 in media, $9,160,000 in materials and services and $6,926,700 in capitalized fees.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by Advertising Age. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

The agency report includes financial data from subsidiary:

- DJMC Advertising

In 1984 the agency gained: U.S. Borax & Chemical Corp., McDonald's Operators Assn. (Fresno), Duron Inc., Glendale Federal Savings & Loan's Realty World. It lost: McDonald's Operators Assn. (San Diego), Getty Oil.

Billings breakdown: Newspapers 18%, magazines 4%, radio 22%, spot tv 53%, outdoor 3%. Employes: 191 in five offices. Top execs: Robert Davis, chairman-ceo; Robert Colombatto, chairman-chief operating officer; Brad Ball, president; Ronald Kojis, exec vp-director client services; Thomas Nipper, senior vp-finance; John Turner, senior vp-operations; Richard Deleguardia, Fred Wilson, Rick Lenat, Richard Brennan, senior vps.

Phone: (213) 383-3332.

DBG&H
Dallas

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.2	5.9	21.8
Billings	50.5	41.4	21.8
U.S. volume breakdown			
Media	50.5	41.4	21.8
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑

DBG&H Unlimited, Dallas, reported gross income of $7,166,359 in 1984 on billings of $50,467,310. In 1983, it reported gross income of $5,882,358 on billings of $41,428,000. Capitalized volume for both years was all in media.

In 1984 the agency gained: Barnes Connally, Inn of the Mountain Gods, Galleria in New Orleans, Bass Bros. Development. It lost: Longhorn Properties.

Billings breakdown: Newspapers 50%, magazines 20%, radio 10%, network tv 5%, outdoor 5%, direct mail 10%. Employes: 185 in seven offices. Top execs: David C. Dozier, president; Sharon J. Baca, Martha L. Gallier, senior vps; Kyle W. Crews, Brad Forrester, Robert Scichili, vps; Ann E. Hall, vp-director pr.

Phone: (214) 638-7723.

JWT traces its linage to William J. Carlton Co., which in 1868 hired James Walter Thompson, a 20-year-old bookkeeper and fourth cousin of President Theodore Roosevelt.

David Deutsch Associates
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.0	3.4	45.0
Billings	33.4	23.0	45.0
U.S. volume breakdown			
Media	29.8	20.7	43.9
Materials/services	1.2	0.8	50.0
Capitalized fees	2.4	1.4	68.0

☑

David Deutsch Associates, New York, reported gross income of $5,002,320 in 1984 on billings of $33,350,000. In 1983, it reported gross income of $3,449,895 on billings of $23,000,000.

The agency's 1984 volume consisted of $29,765,000 in media, $1,188,000 in materials and services

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and $2,397,000 in capitalized fees. Its 1983 volume consisted of $20,745,300 in media, $828,000 in materials and services and $1,426,700 in capitalized fees.

In 1984 the agency gained: Pontiac Dealers of New York, New Jersey, Fairfield County, New Haven and Long Island, Samsung Electronics, CBS Publications' *American Photographer*, Thoroughbred Educational Software, BP Chemicals, Damon Sportswear. It lost: Ericsson Inc., Scholastic Inc.

Billings breakdown: Newspapers 15%, magazines 30%, supplements 5%, radio 10%, spot tv 30%, cable tv 3%, business papers 5%, point of sale 2%. Employes: 42 in two offices.

Top execs: David Deutsch, chairman; James Aucone, president; Rocco Campanelli, vice-chairman; Donald Deutsch, J. Kevin Buckley, senior vps.

Phone: (212) 867-0044.

Deutsch, Shea, & Evans
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.1	4.7	73.5
Billings	54.3	31.3	73.5
U.S. volume breakdown			
Media	54.3	31.3	73.5
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Deutsch, Shea & Evans, New York, a recruitment agency for Foote, Cone & Belding, reported net income of $405,949 and gross income of $8,146,090 in 1984 on billings of $54,334,420. In 1983, it reported a loss in net income of $169,900 and gross income of $4,693,000 on billings of $31,302,310. Volume for both years was all in media.

In 1984 the agency gained: Northrop, Savin Corp., Booz Allen & Hamilton, Union Carbide. It lost: Tandem Computers.

Billings breakdown: Newspapers 83%, magazines 15%, radio 1%, outdoor 1%. Employes: 170 in eight offices. Top execs: Charles L. Gould, president; Ralph Burack, William T. Aitchison, exec vps; Wilma Yowell, William Harris, senior vps.

Phone: (212) 688-0500.

Diener/Hauser/Bates Co.
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	11.4	12.3	-6.7
Billings	112.4	124.6	-9.7
U.S. volume breakdown			
Media	105.0	116.7	-10.0
Materials/services	7.5	7.8	-3.8
Capitalized fees	N/A	N/A	N/A

Diener/Hauser/Bates Co., New York, part of Ted Bates Worldwide, reported gross income of $11,442,000 in 1984 on billings of $112,444,000. For 1983, it reported gross income of $12,270,000 on billings of $124,571,000, both restated.

The agency's U.S. 1984 volume consisted of $104,974,000 in media and $7,470,000 in materials and services. Its 1983 volume consisted of $116,724,000 in media and $7,847,000 in materials and services.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Golden Group
- Suzanne Salter Public Relations

In 1984 the agency gained: Tri-Star Pictures, Parkinson-Friendly Productions. It lost: Delsener Enterprises.

Billings breakdown: Newspapers 45%, magazines 18%, radio 5%, network tv 5%, spot tv 26%, outdoor 1%. Employes: 171 in five offices. Top execs: Herbert Hauser, chairman; Hank Weintraub, president; Gene Cofsky, president-West Coast; David Dember, Norman Trell, exec vps; Perry Sperber, Cheryl Lodinger, senior vps.

Phone: (212) 840-3300.

Direct Marketing Agency
Stamford, Conn.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	11.0	8.3	32.8
Billings	50.1	40.1	25.2
U.S. volume breakdown			
Media	0.04	0.6	-93.6
Materials/services	4.1	2.1	95.2
Capitalized fees	46.0	37.4	23.2

☑

Direct Marketing Agency, Stamford, Conn., whose name suggests its activity, reported gross income of $11,024,000 in 1984 on billings of $50,152,670. In 1983, it reported gross income of $8,300,000 on billings of $40,052,000.

The agency's 1984 U.S. volume consisted of $38,000 in media, $4,085,000 in materials and services and $46,029,670 in capitalized fees. Its 1983 volume consisted of $600,000 in media, $2,100,000 in materials and services and $37,352,000 in capitalized fees.

In 1984 the agency gained: Porsche Cars North America, Citibank Financial, Comp-U-Card, Manufacturers Hanover, USV Labs, Parke-Davis. It lost: Ericsson, Audi, First Federal Savings.

Billings breakdown: Direct mail 99%, other 1%. Employes: 78. Top execs: Norman J. Suslock, chairman; Ira Wolff, exec vp; Robert J. McKeon, exec vp-healthcare; Sam Raskin, Richard C. Wharton, senior vps.

Phone: (203) 357-7895.

Dorritie & Lyons
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.2	4.2	24.0
Billings	34.1	27.5	24.1
U.S. volume breakdown			
Media	25.6	21.1	21.3
Materials/services	3.5	2.8	25.0
Capitalized fees	5.1	3.7	22.9

Dorritie & Lyons, New York, had estimated gross income of $5,209,000 in 1984 on billings of $34,120,550. In 1983, it reported estimated gross income of $4,202,000 on billings of $27,500,000.

The agency's 1984 volume consisted of $25,560,000 in media, $3,458,000 in materials and services and $5,102,000 in capitalized fees. Its 1983 volume consisted of $21,050,000 in media, $2,800,000 in materials and services and $3,650,000 in capitalized fees.

In 1984 the agency gained: Luitpold Pharmaceuticals, Bristol-Myers. It lost: None.

Billings breakdown: Newspapers: 1%, magazines 80%, business papers 4%, point of sale 10%, other 5%. Employes: 36. Top execs: John F. Dorritie, president; Michael J. Lyons, senior exec vp; Albert G. Nickel, exec vp; William J. Brown, Thomas J. Velardi, James A. Stroup, Martin J. McNamara, senior vps.

Phone: (212) 687-9394.

Eisaman, Johns & Laws
Los Angeles

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	12.1	14.3	-15.7
Billings	80.4	95.3	-15.7
U.S. volume breakdown			
Media	71.5	86.4	-17.2
Materials/services	4.8	6.3	-23.8
Capitalized fees	4.1	2.7	52.6

Eisaman, Johns & Laws, Los Angeles, reported gross income of $12,050,000 in 1984 on billings of $80,402,050. In 1983, it reported gross income of $14,300,000 on billings of $95,333,333.

The agency's 1984 volume consisted of $71,500,000 in media, $4,800,000 in materials and services and $4,102,050 in capitalized fees. Its 1983 volume consisted of $86,365,333 in media, $6,300,000 in materials and services and $2,688,000 in capitalized fees.

In 1984 the agency gained: Cadillac Dealers Advertising Assn. (Kansas City, Wichita/Southwest Kansas, New Orleans/Coastal Louisiana, Southwest Louisiana, Southeast Missouri, Northeast Mississippi, Omaha, Tulsa, Twin Cities); Price Pfister brass mfg/faucets; Sysco Food Systems Compton div.; Contel CADO Systems' super-micro business computers; Domino's Pizza, (Ann Arbor, Mich., Western States/Hawaii); Ivy Medical Group/Med Centers (Los Angeles, Cleveland); WJR-AM Detroit; Hertz-Penske Truck Leasing Corp.; Arkansas Luxury Condominiums. It lost: Chevrolet Dealers Advertising Assn. (Dallas, Coastal Valley, California); Cadillac Dealer Advertising Assn. (Miami, Southern California).

Billings breakdown: Newspapers 7%, magazines 34%, supplements 3%, radio 17%, network tv 9%, spot tv 24%, outdoor 4%, business papers 2%. Employes: 135 in four offices. Top execs: J.R. Eisaman III, chairman; Robert F. Laws, president; Adrienne Hall, vice-chairman; Jack J. Leener, Dean R. Laws, exec vps-mgmt supers; James F. Benson, exec vp-exec creative; Dennis R. Coe, exec vp-mktg services; Richard Westman, president-Houston; Mike de Maio, exec vp-gm, Chicago & automobile divs.

Phone: (213) 469-1234.

Epsilon Data Management
Burlington, Mass.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.6	4.1	36.0
Billings	33.9	25.1	35.4
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	20.1	14.2	42.1
Capitalized fees	13.8	10.9	26.6

Epsilon Data Management, Burlington, Mass., had estimated gross income of $5,620,000 in 1984 on billings of $33,910,000. In 1983, it had estimated gross income of $4,132,000 on billings of $25,052,000.

The agency's 1984 volume consisted of $20,123,000 in materials and services and $13,787,000 in capitalized fees. Its 1983 volume consisted of $14,160,000 in materials and services and $10,892,000 in capitalized fees.

Billings breakdown: Spot tv 0.5%, point of sale 0.5%, direct mail 99%. Employes: 700 in four offices. Top execs: Thomas O. Jones, president-ceo; Robert J. Drummond, senior vp, commercial mktg; John E. Groman, senior vp, Not For Profit Marketing; Stephen A. Cone, senior vp, Direct Response Services; Timothy A. Hult, senior vp, Information Services.

Phone: (617) 273-0250.

Fahlgren & Swink
Parkersburg, W.Va.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	12.5	11.7	7.4
Billings	84.6	77.9	8.7
U.S. volume breakdown			
Media	28.6	26.3	8.7
Materials/services	16.4	14.6	12.3
Capitalized fees	39.7	37.0	7.4

☑

Fahlgren & Swink, Parkersburg, W.V., a merger of Fahlgren & Ferriss and Howard Swink Advertising, reported gross income of $12,537,280 in 1984 on billings of $84,639,200. In 1983, it reported gross income of $11,674,000 on billings of $77,850,000. The 1983 figures reflect totals for F&F and Swink before the merger.

The agency's U.S. 1984 volume consisted of $28,570,100 in media, $16,364,800 in materials and services and $39,704,300 in capitalized fees. Its 1983 volume consisted of $26,275,000 in media, $14,601,200 in materials and services and $36,973,800 in capitalized fees.

In July, 1984, Fahlgren & Ferriss merged with Howard Swink Advertising of Marion, O., giving the merged agency virtual blanket coverage of Ohio. F&F had offices in Cincinnati, Columbus and Toledo, and Swink had offices in Marion, Columbus and Cleveland. Fahlgren also has an office in Parkersburg and Swink an outlet in Greensboro, N.C. Fahlgren recently sold its Charlotte, N.C., office, billing about $2 million.

Hanes

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Griffin, GA 30223
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2860 Memphis St.
Philadelphia, PA 19134
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(800) 523-2721 (National)

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301-313 E. Bay St.
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Dallas, TX 75229
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916 Kaaahi Place
Honolulu, HI 96817
(808) 847-1967

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1711 Church St.
Holbrook, NY 11741
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(800) 645-1181 (National)

Hyman's Wholesale Co.
2018 Reynolds Ave.
North Charleston, SC 29405
(800) 922-1056 (SC)
(800) 845-2568 Ext. 128 (National)

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Seattle, WA 98108
(800) 562-8391 (WA)
(800) 426-4200 (National)

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Winston-Salem, NC 27103
(800) 642-0521 (NC)
(800) 334-8752 (National)

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P.O. Box 771707
3918 Dunvale St.
Houston, TX 77063
(800) 392-2331 (TX)
(800) 231-4581 (National)

Kelley & Abide
4401 Euphrosine St.
New Orleans, LA 70125
(504) 822-2700 (Call Collect)

Leff Bros.
2505 Texas Ave.
Houston, TX 77003
(800) 392-8613 (TX)
(800) 231-7211 (National)

Light Bros.
1108 Fifth Ave.
Pittsburgh, PA 15219
(412) 261-3125

Mahoning Merchandise Co.
865 E. Indianola Ave.
Youngstown, OH 44502
(216) 788-8733

McCreary & Pew, Inc.
3940 W. Montecito
Phoenix, AZ 85019
(602) 269-2375

Mid America T's
28 S. Main St.
Centerville, OH 45459
(513) 433-6653
(800) 543-9713 (National)

Frank L. Robinson
1150 South Flower St.
Los Angeles, CA 90015
(213) 748-8211

South Carolina Tees, Inc.
2001 Green St.
Columbia, SC 29250
(803) 256-1393
(800) 438-0001 (National)

Staton Wholesale
5339 Choctaw
Baton Rouge, LA 70806
(800) 251-6321 (LA)
(800) 321-7711 (National)

Staton Wholesale
220 Space Park Dr.
Nashville, TN 37211
(800) 221-4139 (TN)
(800) 551-5417 (National)

THinc Actionwear, Inc.
1930 N.E. Oregon St.
Portland, OR 97232
(800) 452-1200 (OR)
(800) 841-6295 (National)

Young Creations
15245 Minnetonka Blvd.
Minnetonka, MN 55343
(612) 935-5937

ll agencies: $5,000,000 to $15,000,000

Separately, Fahlgren had gross income of $7,500,000 on billings of $50,000,000 in 1983, and Swink had gross income of $5,382,432 on billings of $39,470,138.

In 1984 the agency gained: Landmark Inc., Big Drum, Monitronix, DataServe, McDonald's restaurants (southern West Virginia), Blue Cross-Blue Shield of West Virginia, O.M. Scott & Sons Pro-Turf, Klosterman's Baking Co., R.A. Jones, Litton UHS, Perry & Derrick, Great American Insurance Cos., Plastiserv, Greensboro Chamber of Commerce, Guilford County Convention & Visitor's Bureau, American Federation of Information Processing Society, Dental Health Services, Interactive Financial Services, Brooks Auto Parts, Integrated Communications, Piedmont div. of NAPA. It lost: Firstmark Corp., Valvoline Oil Co., Schoenling Brewing Trax Tires.

Billings breakdow .. Newspapers 9%, magazines 8%, radio 14%, network tv 8%, spot tv 28%, outdoor 2%, business papers 27%, other 4%. Employes: 240 in seven offices. Top execs: H. Smoot Fahlgren, chairman-ceo; C. Richard Fisher, president; Vincent J. Backley, vice-chairman; William Kight, vice-chairman-president/Central Ohio; Blaine E. Gutermuth, chairman-executive committee; James W. Swearingen, exec vp-operations; William J. Farson, treasurer-cfo; Robert F. Guirlinger, secretary-president/North Carolina; Rodney D. Stegall, senior vp-creative director; Alfred Nucifora, president-Fahlgren, Swink & Nucifora/Atlanta; Donald Rice, president-Cincinnati; Ted Schurdell, president-Cleveland; Richard Imes, president-Toledo.

Phone: (304) 424-3500.

Faller, Klenk & Quinlan
Buffalo

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.1	5.0	22.5
Billings	35.4	30.2	17.1
U.S. volume breakdown			
Media	19.4	17.1	13.3
Materials/services	11.4	9.9	15.1
Capitalized fees	4.7	3.3	42.9

Faller, Klenk & Quinlan, Buffalo, N.Y., reported gross income of $6,147,354 in 1984 on billings of $35,437,205. In 1983, it reported gross income of $5,014,560 on billings of $30,248,310.

The agency's 1984 volume included $19,364,166 in media, $11,372,604 in materials and services, and $4,700,435 in capitalized fees. In 1983, volume consisted of $17,086,000 in media, $9,874,000 in materials and services, and $3,288,310 in capitalized fees.

In 1984, the agency gained: Discount Auto Parts, Stanton Corp., Velux American, Vermont American, Buffalo Hyatt Hotels, Larry's Ice Cream. It lost: None.

Billings breakdown: Newspapers 7%, magazines 14%, radio 10%, network tv 9%, spot tv 20%, cable tv 2%, business papers 15%, point of sale 10%, direct mail 11%, other 2%. Employes: 139 in three offices. Top execs: Robert O. Faller, president; Reginald V. Williams, exec vp-gm.

Phone: (716) 688-1177.

Fletcher/Mayo/Associates
St. Joseph, Mo.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	10.3	7.3	41.2
Billings	89.7	67.3	33.3
U.S. volume breakdown			
Media	25.2	14.0	79.1
Materials/services	8.8	5.3	65.1
Capitalized fees	55.8	47.9	16.3

Fletcher/Mayo/Associates, St. Joseph, Mo., reported net income of $864,000 and gross income of $10,263,000 in 1984 on billings of $89,711,000. In 1983, it reported net income of $1,157,000 and gross income of $7,266,000 on billings of $67,308,000.

The agency's 1984 U.S. volume consisted of $25,160,000 in media, $8,783,000 in materials and services and $55,768,000 in capitalized fees. Its 1983 volume consisted of $14,046,000 in media, $5,318,000 in materials and services and $47,944,000 in capitalized fees.

The agency merged with Cohan & Paul and Barickman Advertising agencies in 1984. Financial results do not include data from its U.S. agricultural-monitoring subsidiary:

- Agricom Inc.

In 1984 the agency gained American Angus Assn., Cargill Poultry, Chek-Tech, Dresser Inc., Englewood Electrical Supply, Kleen Leen Inc., Lindsay Mfg. Co., Tensar Corp., U.S. Steel Supply, Varco-Pruden, Women on the Run, Stone Mfg. Through its merger with Cohan & Paul, it gained: Clorox Co., Continental Bondware, Continental Fibre Drum, Continental White Cap, National Assn. of Realtors, Putman Publishing, HP Smith, Technical Publishing. Through its merger with Barickman, it gained: Farmland Foods, Guy's Foods, Phillips Chemical Co., Rival Mfg., Safeway Stores, Sealright Co., Spectrum Control, Titan Sales Corp., Vencompass Inc. It lost: Elanco's Graslan, Genentech, Union Carbide's Sevin and Standek.

Billings breakdown: Newspapers 9%, magazines 3%, radio 9%, spot tv 10%, outdoor 2%, business papers 14%, farm publications 32%, point of sale 9%, direct mail 2%, other 10%. Employes: 203 in five offices. Top execs: R.W. Fletcher, ceo; G.R. Mayo, president-chief operating officer; J.L. Richie, exec vp-treasurer; H.P. Lammers, A.K. Phelan, senior vps; G.E. Clement, president-St. Joseph office; G.S. Cohan, president-Chicago office; E.R. Anderson, president-Atlanta office; C.E. Gustin Jr., president-Kansas City, Mo., office; D.D. Ballou, S.G. Paul, senior vps.

Phone: (816) 233-8261.

Albert Frank-Guenther Law
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.2	6.6	-6.0
Billings	41.0	43.7	-6.1
U.S. volume breakdown			
Media	26.1	28.2	-7.2
Materials/services	7.9	7.7	2.4
Capitalized fees	7.0	7.8	-9.9

Albert Frank-Guenther Law, New York, a financial specialty agency of Foote, Cone & Belding, reported net income of $695,000 and gross income of $6,155,000 in 1984 on billings of $41,040,000. In 1983, it reported net income of $605,000 and gross income of $6,551,000 on billings of $43,676,000.

The agency's 1984 volume consisted of $26,133,000 in media, $7,917,000 in materials and services, and $6,990,000 in capitalized fees. In 1983, volume consisted of $28,181,000 in media, $7,731,000 in materials and services, and $7,764,000 in capitalized fees.

In 1984 the agency gained: Softword Systems, Tucker Anthony & R.L. Day, General Computer, Automatic Data Processing, Butcher & Singer, Ampad pr, Chrysler pr, Irish Distillers intl pr, Robert Garrett Associates, James D. Wolfensohn Inc. It lost: Dreyfus, Ashby, Blasius Industries, Robert Garrett Associates, General Computer, Tucker, Anthony & R.L. Day, Software Systems.

Billings breakdown: Newspapers 67%, magazines 21%, radio 2%, spot tv 9%, outdoor 1%. Employes: 80 in three offices. Top execs: Stephen J. Witt, chairman; Michael A. Taylor, vice-chairman; John F. Cowell, president-creative director; Robert D. Washburn, secretary-treasurer; Walter H. Liebman, exec vp-director pr; Anthony P. Galli, exec vp-director corp. pr; Jerry Nussbaum, senior vp-director business devel, A. Paul Marrocco, senior vp-director acct services; Jerome M. Morea, senior vp-financial advertising.

Phone: (212) 248-5200.

Geer, Dubois Advertising
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	13.5	10.8	25.0
Billings	90.0	72.0	25.0
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Geer, DuBois, New York, reported gross income of $13,500,000 in 1984 on billings of $90,000,000. In 1983, it reported gross income of $10,800,000 on billings of $72,000,000.

The agency's volume was all in media each year.

In 1984, the agency gained: BASF Wyandotte Corp., Ponderosa's Casa Lupita Restaurants, United Technologies' Sikorsky Aircraft. It lost: IPI's Almay, American Petrofina's Fina Gasoline, North American Philips' Norelco Recorders.

Billings breakdown: Newspapers 10%, magazines 25%, radio 10%, network tv 10%, spot tv 35%, outdoor 5%, farm publications 5%. Employes: 160. Top execs: Peter Geer, chairman; Richard Seclow, president; Jim Adair, senior vp-art director; John Allen, Fred Irwin, senior vp-group acct supers; Rea Brown, senior vp-group creative super; Joy Sliwa, senior vp-media & program; Stephen Olderman, senior vp-creative director; Brian Sherwood, senior vp-group acct super, mktg director-pr; Doria Steedman, senior vp-group acct super; Edward Parella, vp-treasurer; Peter Farago, senior vp-group creative director; Tom Pearse, senior vp-print production mgr.

Phone: (212) 741-1900.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

Goodwin, Dannenbaum, Littman & Wingfield
Houston

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.6	5.1	10.3
Billings	36.0	34.0	5.9
U.S. volume breakdown			
Media	21.0	20.0	5.0
Materials/services	4.5	5.0	-10.0
Capitalized fees	10.5	9.0	16.7

Goodwin, Dannenbaum, Littman & Wingfield, Houston, estimated gross income of $5,625,000 for its fiscal year ended March 31, 1985, on estimated billings of $36,000,000. In 1983, it reported gross income of $5,100,000 on billings of $34,000,000.

The agency's 1984 volume estimate consists of $21,000,000 in media, $4,500,000 in materials and services and $10,500,000 in capitalized fees. Its 1983 volume consisted of $20,000,000 in media, $5,000,000 in materials and services and $9,000,000 in capitalized fees.

In 1984 the agency gained: Gordon Jewelers, Medical Care Intl, Metropolitan Transit Authority, ON TV, Western Oceanic. It lost: Capon Interests, Castle Dental, Chemical Enterprises, Emerald Air, Kirby Building.

Billings breakdown: Newspapers 20%, magazines 5%, radio 10%, spot tv 50%, outdoor 5%, business papers 10%. Employes: 70. Top execs: Earl Littman, chairman-ceo; Barry Silverman, president; Anna Wingfield, exec vp; Gene Key Monigold, Jake Elliot, senior vps; Rich Witmer, senior vp-treasurer; Mildred Edwards, senior vp-comptroller.

Phone: (713) 977-7676.

Chester Gore/Eric Mower & Associates
Syracuse

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.0	6.2	29.7
Billings	50.2	32.1	56.4
U.S. volume breakdown			
Media	15.9	7.9	101.2
Materials/services	11.1	6.3	76.7
Capitalized fees	23.2	17.9	29.2

☑†

Chester Gore/Eric Mower & Associates, Syracuse, N.Y., reported gross income of $8,042,931 in 1984 on billings of $50,167,984. In 1983, it reported gross income of $6,201,567 on billings of $32,083,494.

The agency's 1984 volume consisted of $15,872,231 in media, $11,120,318 in materials and services and $23,175,435 in capitalized fees. Its 1983 volume consisted of $7,852,833 in media, $6,290,595 in materials and services and $17,940,066 in capitalized fees.

Figures for both years represent Eric Mower & Associates and Chester Gore Co., the latter purchased by Mower in 1984.

In 1984 the agency gained: Albert Nipon, Suffolk Downs, Inficon Leybold-Heraeus, Rotelcom, Indium, Comstock Foods, Endicott-Johnson, PGA Golf. It lost: *Signature*, McGregor Corp., Diagnostic Medical Instruments, New York Racing Assn.

Billings breakdown: Newspapers 7%, magazines 39%, radio 8%, network tv 8%, spot tv 17%, outdoor 1%, business papers 6%, farm publications 3%, point of sale 2%, direct mail 5%, collateral 4%. Employes: 131 in two offices. Top execs: Eric A. Mower, chairman-ceo; Chester A. Gore, president-creative director; Francis T. Nichols, senior vp-cfo; Jay Quinn, senior vp.

Phone: (315) 472-4703.

AF&G: Versatility recognized

Avrett, Free & Ginsberg, a New York agency with gross income of $10.1 million on billings of $87 million last year, was nominated for Agency of the Year because of its versatility in turning out ads that run from nuts-and-bolts to trendsetters.

The AF&G client list is equally diversified, ranging from Lord & Taylor to Purina Cat Chow and Sun-Maid Instant Hot Cereal from Ralston Purina Co. to Tri-State Cadillac.

Its spot for Frisson wine from Remy Martin Amerique used new video technology and an entertainment theme launched by a video segue from the Frisson logo into a Frisson party on a fast-moving train. Test market sales doubled the projected goal for this product, billed as a wine for young adults, the agency says.

The agency also moved Ponderosa Steakhouses president Jerry Office into that select group of identifiable company bosses by featuring him in spots for the Ponderosa chain.

AF&G says the Ponderosa spot for "family priced" meals garnered a 22% increase in dinner sales over control markets and a 38% increase in customer count.

Despite such success, the account since has moved to McCann-Erickson, though Mr. Office continues to appear in ads for his chain.

PONDERO
FAMILY
NIGHT
Jerry Office
President

Will Ponderosa prexy Jerry Office become a cult personality?

The Party's
Frisson

Just any ol' party turns into a movable express with Frisson.

II agencies: $5,000,000 to $15,000,000

Griffin - Bacal
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.0	4.2	66.4
Billings	[illegible]	28.1	66.4
U.S. volume breakdown			
Media	42.2	25.4	66.1
Materials/services	4.6	2.7	70.3
Capitalized fees	N/A	N/A	N/A

Griffin-Bacal, New York, reported gross income of $7,012,000 in 1984 on billings of $46,751,000. In 1983, it reported gross income of $4,215,000 on billings of $28,100,000.

The agency's U.S. 1984 volume consisted of $42,175,000 in media and $4,576,000 in materials and services. Its 1983 volume consisted of $25,400,000 in media and $2,700,000 in materials and services.

The agency report includes figures from subsidiary:
- Griffin-Bacal Public Relations

In 1984 the agency gained: Playskool Toys, Milton Bradley Games, PlayNet Inc. It lost: None.

Billings breakdown: Magazines 10%, network tv 12%, spot tv 78%. Top execs: Tom Griffin, president-ceo; Joe Bacal, exec vp-director, creative services; Paul Kurnit, exec vp-director, client services; Art Heller, exec vp-director, media services; Lenny Leokum senior vp-creative director; Bob Darcy, vp-treasurer; Heide Kahme, vp-spot buying; Michele Litzky, vp-director, GBI pr; Robert Marden, Jeff Zwetchenbaum, vp-mgmt supers.

Phone: (212) 687-2500.

Griswold Inc.
Cleveland

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.1	6.5	-2
Billings	38.6	42.3	-8.6
U.S. volume breakdown			
Media	26.8	29.3	-8.8
Materials/services	5.8	7.3	-20.2
Capitalized fees	6.0	5.6	7.3

Griswold Inc., Cleveland, reported gross income of $6,098,875 in 1984 on billings of $38,600,473. In 1983, it reported gross income of $6,503,353 on billings of $42,260,960.

The agency's 1984 volume included $26,757,086 in media, $5,838,966 in materials and services, and $6,004,421 in capitalized fees. In 1983, volume consisted of $29,349,617 in media, $7,319,475 in materials and services, and $5,591,868 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:
- Colarossi Griswold, New York

In 1984 the agency gained: Sherwin-Williams. It lost: Keller furniture makers, Republic Steel.

Billings breakdown: Newspapers 11.5%, magazines 23.4%, radio 9.4%, network tv 17.7%, spot tv 9.9%, outdoor 0.2%, business papers 27.8%, farm publications 0.1%. Employes: 100 in four offices. Top execs: Mary E. Landers, chairman; Thomas Gilday, vice-chairman; Patrick J. Morin, president; Neal Davis, exec vp; William Brokaw, senior vp-creative director.

Phone: (216) 696-3400.

Group 3hree Advertising Corp.
Pompano Beach, Fla.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	10.6	10.1	5.0
Billings	35.3	33.5	5.2
U.S. volume breakdown			
Media	10.5	10.0	5.2
Materials/services	1.8	1.3	39.5
Capitalized fees	22.9	22.2	3.2

Group 3hree Advertising, Pompano Beach, Fla., reported gross income of $10,599,506 in 1984 on billings of $35,252,000. In 1983, it reported gross income of $10,094,768 on billings of $33,511,424.

The agency's 1984 volume included $10,531,300 in media, $1,806,900 in materials and services and $22,913,800 in capitalized fees. Its 1983 volume consisted of $10,002,596 in media, $1,295,434 in materials and services and $22,213,394 in capitalized fees.

In 1984 the agency gained: Avian Corp., Lexicon Corp., Gould-FAA, Kaplus Organization. It lost: Proximity Devices, Auerbach & Neufeld, Intervault.

Billings breakdown: Newspapers 35%, magazines 19%, supplements 1%, radio 12%, spot tv 18%, cable tv 2%, outdoor 2%, transit advertising 1%, point of sale 1%, direct mail 6%, other 3%. Employes: 40. Top execs: Philip Leo Rushlow, chairman; O. Leslie Nell, president; Philip Lee Rushlow, David Robert Rushlow, vps.

Phone: (305) 785-9600.

GSD&M
Austin

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.8	6.7	32.5
Billings	61.2	47.3	29.2
U.S. volume breakdown			
Media	36.0	23.3	54.8
Materials/services	12.0	9.4	27.7
Capitalized fees	13.1	14.6	10.4

GSD&M (Gurasich, Spence, Darilek & McClure), Austin, Tex., reported gross income of $8,863,400 in 1984 on billings of $61,166,692. In 1983, it reported gross income of $6,689,600 on U.S. billings of $47,318,700.

In 1984, volume consisted of $36,066,262 in media, $12,004,352 in materials and services and $13,096,078 in capitalized fees. In 1983, volume consisted of $23,297,400 in media, $9,394,500 in materials and services and $14,626,800 in capitalized fees.

Accounts gained: National Bancshares, NPC Home Builders in San Antonio, QUBE Cable for Houston and Dallas, Club Med, *Houston Post*, Greater Houston Transportation Co., Haggar Slack's Reed St. James, Jacuzzi, Kelly Johnson restaurants. The agency lost: Morgan Boots, Healthcare Intl, Westbury Homes, Interfirst Bank in Odessa. Billings breakdown: Newspapers 32.7%, magazines 4.5%, radio 19.7%, network tv 2.5%, spot tv 30.6%, outdoor 10%. Employes: 161 in five offices. Top execs: Stephen W. Gurasich, president; Roy M. Spence, Thomas M. McClure, Judith L. Trabulsi, William G. Gurasich, Kimberly R. Gaynor, exec vps; Carl Larkin, president, Dallas; John F. Davis, senior vp, Dallas; Robert S. Lansdowne, president, Houston; Dick Smith, senior vp-creative director, Houston.

Phone: (512) 327-8810.

Henderson Advertising
Greenville, S.C.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	11.3	10.5	7.5
Billings	75.4	70.1	7.4
U.S. volume breakdown			
Media	58.3	55.7	4.6
Materials/services	7.3	6.7	8.9
Capitalized fees	9.8	7.7	26.5

Henderson Advertising, Greenville, S.C., reported gross income of $11,306,000 in 1984 on billings of $75,370,000. In 1983, it reported gross income of $10,522,000 on billings of $70,149,000.

The agency's 1984 volume consisted of $58,299,000 in media, $7,271,000 in materials and services and $9,800,000 in capitalized fees. Its 1983 volume consisted of $55,674,000 in media, $6,726,000 in materials and services and $7,749,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:
- Pelham Marketing Services
- Henderson Direct

In 1984 the agency gained: Texize Commercial Products div., Texize Consumer Products (Puerto Rico), Carlton Importing Co.'s Nordik Wolf Beer, "21" Brands' Rene Junot French Wine. It lost: None.

Billings breakdown: Newspapers 8%, magazines 3%, radio 8%, network tv 43%, spot tv 32%, cable tv 1%, outdoor 1%, business papers 1%, point of sale 2%, direct mail 1%. Employes: 130 in two offices. Top execs: James M. Henderson, chairman; Fred C. Walker, vice-chairman; Ralph W. Callahan, president; John J. Kennedy Jr., senior vp-finance, treasurer; G. Howard Clark, senior vp-acct service; Robert J. Reuschle, senior vp-media; John A. Shimell, senior vp-rsch.

Phone: (803) 271-6000.

Top 10 I and II agencies by newspaper billings

($ in 000,000)

Rank	Agency	Newspaper billings	U.S. billings	%*
1	Wells, Rich, Greene	173.0	618.0	28.0
2	BBDO International	158.1	1,581.0	10.0
3	Young & Rubicam	155.2	2,155.1	7.2
4	Ted Bates Worldwide	124.6	1,754.7	7.1
5	Ogilvy & Mather International	108.3	1,804.3	6.0
6	Bozell & Jacobs	105.6	660.0	16.0
7	Leo Burnett Co.	90.6	1,132.9	8.0
8	J. Walter Thompson Co.	87.3	1,455.4	6.0
9	Doyle Dane Bernbach	86.8	1,085.1	8.0
10	Grey Advertising	82.8	1,034.6	8.0

* Newspaper billings as a % of an agency's U.S. capitalized billings
NOTE: This chart was compiled from information provided by 144 I and II agencies

Hicks & Greist
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	12.0	9.0	33.3
Billings	92.5	71.0	30.3
U.S. volume breakdown			
Media	85.0	65.0	30.7
Materials/services	3.2	3.0	6.6
Capitalized fees	4.3	3.0	43.3

Hicks & Greist, New York, reported gross income of $12,000,000 in 1984 on billings of $92,500,000. In 1983, it reported gross income of $9,000,000 on restated billings of $71,000,000.

The agency's 1984 volume consisted of $85,000,000 in media, $3,200,000 in materials and services and $4,300,000 in capitalized fees. Its 1983 volume consisted of $65,000,000 in media, $3,000,000 in materials and services and $3,000,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of U.S. subsidiaries:
- Irving Smith Kogan PR
- E.T. Howard Advertising

In 1984 the agency gained: H.P. Hood's citrus and cheese divs., Canadian Fisheries, Sweet Life Foods, Quick & Reilly, Red Cheek apple juice, Eagle Electric, Rioja, Angostura, *Family Circle*. It lost: Tetley.

Billings breakdown: Newspapers 12%, magazines 21%, supplements 5%, radio 7%, network tv 20%, spot tv 22%, cable tv 3%, outdoor 2%, business papers 3%, transit advertising 1%, point of sale 1%, direct mail 2%, other 1%. Employes: 140. Top execs: Charles V. Skoog Jr., board chairman; D. Edward Ricchiuto, president; Hank Seiden, exec vp; William L. Roper, chairman-exec committee; William Wurtzel, senior vp-creative; Gerald Cutler, senior vp-group mktg; Ken Silvers, vp-group mktg; Smitty Kogan, president-I.S. Kogan; Robert Tenny, president-E.T. Howard.

Phone: (212) 370-9600.

Ingalls Associates
Boston

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	12.7	8.0	58.8
Billings	85.0	60.5	40.5
U.S. volume breakdown			
Media	52.5	32.5	61.5
Materials/services	9.5	7.0	35.7
Capitalized fees	23.0	21.0	9.5

☑

Ingalls Associates, Boston, reported gross income of $12,700,000 in 1984 on billings of $85,000,000. In 1983, it reported gross income of $8,000,000 on billings of $60,500,000.

The agency's 1984 volume consisted of $52,500,000 in media, $9,500,000 in materials and services and $23,000,000 in capitalized fees. Its 1983 volume consisted of $32,500,000 in media, $7,000,000 in materials and services and $21,000,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of its U.S. subsidiary:
- Swofford & Scharff, New York.

In 1984 the agency gained: Dennison Computer Supplies, Key Banks, Ground Round restaurants, B.J.'s Wholesale Club, Kansas City Nissan Dealers, Direct Response Inc., Layered Software, Softbridge Expert Systems. It lost: Hayden Software, Boston Edison, GenRad.

Billings breakdown: Newspapers 18%, magazines 16%, radio 15%, network tv 10%, spot tv 30%, cable tv 1%, outdoor 1%, business papers 7%, transit advertising 1%, direct mail 1%. Employes: 240 in two offices. Top execs: S. Joseph Hoffman, chairman-ceo; David Weiss, president-chief operating officer; Harold Turin, exec vp; Carol Wright, exec vp-acct services; Brendan Kelley, exec vp-creative services.

Phone: (617) 437-7000.

Kallir, Philips, Ross
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	10.7	9.9	8.1
Billings	98.4	86.0	14.4
U.S.			
Gross income	10.6	9.9	7.5
Billings	98.0	86.0	13.9
U.S. volume breakdown			
Media	19.2	16.9	13.6
Materials/services	13.5	12.5	8.0
Capitalized fees	65.3	56.6	15.3

Kallir, Philips, Ross, New York, a subsidiary of Doyle Dane Bernbach, reported gross income of $10,660,000, of which $60,000 was non-U.S. contributions, in 1984 on billings of $98,386,200. In 1983, it reported gross income of $9,858,000, all from the U.S., on billings of $86,020,000.

The agency's 1984 U.S. volume of $97,986,000 consisted of $19,245,000 in media, $13,469,000 in materials and services and $65,272,000 in capitalized fees. Its 1983 volume consisted of $16,912,000 in media, $12,500,000 in materials and services and $56,608,000 in capitalized fees.

Overseas, its 1984 dollar volume was $400,200, all capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:
- KPR Infor/Media Corp.

In 1984 the agency gained: Alpha Therapeutic Corp., Stauffer Chemical Co. It lost: Berlex Laboratories. Overseas, it gained: Janssen Pharmaceutica, Beecham Laboratories, Sandoz Pharmaceuticals. It lost: None.

Billings breakdown: Magazines 58%, direct mail 22%, other 20%. Employes: 157 in two offices. Top execs: John Kallir, director-president; Warren Ross, director-chairman, exec committee; Gerald M. Philips, director-creative services; Norman Cooper, director-exec vp, chief operating officer; Richard Grossman, Leo Palmer, senior vps.

Phone: (212) 878-3700.

Kenrick Advertising
St. Louis

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.3	3.7	68.4
Billings	43.3	30.2	43.4
U.S. volume breakdown			
Media	10.4	9.4	10.6
Materials/services	6.6	4.3	53.4
Capitalized fees	26.2	16.6	58.5

Kenrick Advertising, St. Louis, Mo., reported gross income of $6,271,000 in 1984 on billings of $43,283,000. In 1983, it reported gross income of $3,723,000 on billings of $30,177,000.

The agency's 1984 volume con-

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II agencies: $5,000,000 to $15,000,000

sisted of $10,420,000 in media, $6,617,000 in materials and services and $26,246,000 in capitalized fees. Its 1983 volume consisted of $9,365,000 in media, $4,250,000 in materials and services and $16,562,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Frank/James Direct Marketing
- Kingsbury Graphics Inc.
- Aragon Public Relations
- Data Support Services
- Multavista Inc.

In 1984, the agency gained: Health Care Network, HBE Corp. It lost: May Centers.

Billings breakdown: Newspapers 5%, magazines 10%, supplements 1%, radio 21%, spot tv 20%, cable tv 2%, outdoor 2%, business papers 6%, farm publications 27%, transit advertising 1%, point of sale 3%, direct mail 2%. Employes: 145 in six offices.

Top execs: C. Ric Sides, president; Kenneth H. Hieronymus, Eugene D. Duncan, exec vps; Charles A. Stillwater, Gary E. Miller, Warren B. Wiethaupt, Norman A. Berger, Jefferson L. Miller, senior vps.

Phone: (314) 726-6020.

Keyes Martin
Springfield, N.J.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.4	5.1	25.8
Billings	40.0	30.1	32.8
U.S. volume breakdown			
Media	11.1	17.4	36.2
Materials/services	2.8	1.5	86.8
Capitalized fees	26.1	11.2	133.4

Keyes Martin, Springfield, N.J., reported gross income of $6,401,593 in 1984 on billings of $39,988,500. In 1983, it reported gross income of $5,090,000 on billings of $30,114,000.

The agency's 1984 volume consisted of $11,093,000 in media, $2,805,500 in materials and services and $26,090,000 in capitalized fees. Its 1983 volume consisted of $17,435,000 in media, $1,500,000 in materials and services and $11,179,000 in capitalized fees.

Included in Keyes Martin's figures are the billings and gross income of the following U.S. subsidiaries:

- Public Affairs Consultants
- Anngus Communications
- Keyes Martin & Gaby

In 1984 the agency gained: AT&T Communications, Acme Plastics, Domenico Tours, Elizabethtown Gas Co., New Jersey Life Insurance Co., Fonda Group, Rutgers University, Village of Bal Harbour, LaserColor Labs, Weight Watchers of West Palm Beach. It lost: Kyocera Intl.

Billings breakdown: Newspapers 50%, magazines 8%, radio 10%, spot tv 5%, outdoor 4%, business papers 16%, point of sale 1%, direct mail 5%, other 1%. Employes: 85 in two offices. Top execs: Daniel M. Gaby, president; Leonard B. Brown, exec vp; John Carlino, Jack Tucker, senior vps.

Phone: (201) 376-7300.

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Klemtner Advertising
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.9	5.8	0.8
Billings	41.2	41.0	0.5
U.S. volume breakdown			
Media	4.2	13.5	68.7
Materials/services	3.0	3.2	5.3
Capitalized fees	34.0	24.4	39.6

Klemtner Advertising, New York, a subsidiary of Saatchi & Saatchi Compton Worldwide, reported gross income of $5,850,000 in 1984 on billings of $41,210,000. In 1983, it reported gross income of $5,800,000 on billings of $41,000,000.

The agency's 1984 volume included $4,225,000 in media, $2,980,000 in materials and services, and $34,005,000 in capitalized fees. In 1983, volume consisted of $13,500,000 in media, $3,150,000 in materials and services, and $24,350,000 in capitalized fees. The report includes figures from U.S. subsidiary:

- Comtact Corp.

In 1984 the agency gained: Abbott Labs, Berlex Laboratories, Princeton Dental Products. It lost: Pfizer Laboratories.

Billings breakdown: Magazines 2%, network tv 5%, cable tv 2%, business papers 50%, direct mail 10%, other 31%. Employes: 85. Top execs: A.P. Molinaro Jr., president-ceo; J.A. Broomhead, G.A. Scotti, R.J. Conlan, exec vps.

Phone: (212) 350-0400.

Kobs & Brady Advertising
Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.7	6.6	17.3
Billings	52.0	44.3	17.4
U.S. volume breakdown			
Media	4.3	4.9	-12.2
Materials/services	3.2	2.0	60.0
Capitalized fees	44.5	37.3	19.1

☑†

Kobs & Brady Advertising, Chicago, primarily a direct marketing agency, reported gross income of $7,735,253 in 1984 on billings of $52,013,230. In 1983, it reported gross income of $6,593,571 on billings of $44,311,891.

The agency's 1984 volume consisted of $4,326,517 in media, $3,226,581 in materials and services and $44,460,132 in capitalized fees. Its 1983 volume consisted of $4,944,855 in media, $2,025,428 in materials and services and $37,341,608 in capitalized fees.

Figures include those of subsidiaries:

- Kobs & Brady, New York
- Kobs & Brady, Minneapolis

In 1984 the agency gained: BellSouth, Beltone Electronics Corp., Calvert Distillers, Chesebrough-Pond's Prince Matchabelli, Cincinnati Microwave, Foster Parents Plan, General Mills Betty Crocker Enterprises catalog production, Genesco Inc., Group W Cable, Happy Trails Resorts, Miles Homes, Montgomery Wards Corp. Credit, Scientific Computer, Share Development Corp., Sperry Corp., Tools Etc. It lost: Littleton Stamp & Coin Co., Nestle's deluxe chocolate catalog, Wilton Enterprises.

Billings breakdown: Newspapers 1.2%, magazines 31.8%, supplements 2.1%, spot tv 16.5%, cable tv 5.2%, business papers 3.2%, direct mail 40%. Employes: 110 in three offices. Top execs: Jim Kobs, president; Tom Brady, Bill Gregory, exec vps; Howard Draft, Dan Ginsburg, Sid Liebenson, Craig Thomas, senior vps; Richard Meyers, vp-admn. services.

Phone: (312) 944-3500.

Kornhauser & Calene
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	11.3	14.3	-20.8
Billings	128.0	150.0	-14.7
U.S. volume breakdown			
Media	119.6	137.2	-12.8
Materials/services	N/A	N/A	N/A
Capitalized fees	8.4	12.9	-34.7

☑

Kornhauser & Calene, New York, reported gross income of $11,301,000 in 1984 on billings of $128,036,000. In 1983, it reported gross income of $14,273,000 on billings of $150,072,000.

The agency's U.S. 1984 volume consisted of $119,636,000 in media and $8,400,000 in capitalized fees. Its 1983 volume consisted of $137,198,900 in media and services and $12,873,100 in capitalized fees.

The reduction in 1984 billings reflects dissolution of the agency's relationship with its Hall Decker McKibbin subsidiary and termination of its West Coast affiliation.

In 1984 the agency gained: Mas Cosmetics, Palm Bay Imports' Cavit and Principato wines, Skin Control Systems' Dick Clark's men's toiletries, Swedish Match's Tarkett Inc., American Cyanamid's Chemacryl Plastics Ltd., American Home Products' Anacin-3, E.J. Brach & Sons new products, Children's Anacin-3, Dennisons Chili, Pac-Man Pizza, Wizard air fresheners, Wizard Dry Breezes, Wizard pet odor fighter, Wizard Stik-Ons, Church & Dwight's Arm & Hammer maximum strength carpet deodorizer and Arm & Hammer Dental Care, National Westminister Bank's NatWest Commercial Services. It lost: *American Health*, Preparation-H, Sani-Flush.

Billings breakdown: Newspapers 3%, magazines 10%, supplements 2%, radio 14%, network tv 60%, spot tv 7%, business papers 4%. Employes: 137. Top execs: Henry Kornhauser, chairman-ceo; John Calene, president-creative services director; Mike Cotter, Mike S. Rothman, Stanley M. Turk, Alan Yarnoff, exec vps; Robert L. Wise, exec vp-cfo, treasurer; Kenmore Emerson, Kenneth Glaser, senior vps.

Phone: (212) 490-1313.

Top 10 I and II agencies by magazine billings

($ in 000,000)

Rank	Agency	Magazine billings	U.S. billings	%*
1	Young & Rubicam	366.4	2,155.1	17.0
2	Ogilvy & Mather Intl	288.7	1,804.3	16.0
3	BBDO International	284.6	1,581.0	18.0
4	Ted Bates Worldwide	245.7	1,754.7	14.0
5	Saatchi & Saatchi Compton	196.8	1,093.3	18.0
6	Foote, Cone & Belding Communications	196.0	1,324.4	14.8
7	Doyle Dane Bernbach	195.0	1,085.1	18.0
8	J. Walter Thompson Co.	192.1	1,455.4	13.2
9	Leo Burnett Co.	181.3	1,132.9	16.0
10	Grey Advertising	175.9	1,034.6	17.0

* Magazine billings as a % of an agency's U.S. capitalized billings
NOTE: This chart was compiled from information provided by 144 I and II agencies

Lavey/Wolff/Swift
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.8	6.4	23.5
Billings	52.3	42.4	23.5
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	52.3	42.4	23.5

☑

Lavey/Wolff/Swift, New York, part of BBDO International, reported gross income of $7,843,000 in 1984 on billings of $52,300,000. In 1983, it reported gross income of $6,350,000 on billings of $42,350,000.

The agency's volume was all in fees for each year.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Health Education Technologies
- Prism International

In 1984 the agency gained: Ross Laboratories, Janssen Pharmaceutica, Alcon Laboratories, Behringer-Mannheim, Murex, Scott, Mentholatum (additional assignments). It lost: None.

Billings breakdown: Magazines 50%, point of sale 5%, other 45%. Employes: 110 in four offices worldwide; 90 in three U.S. offices. Top execs: John F. Swift, president-ceo; Kenneth H. Lavey, chairman-creative director; Charles A. Rockefeller, exec vp; Al Gerstein, senior vp-creative planning; Peter Belliveau, senior vp-art/creative planning; Ronald J. Furedi, Jeremy S. Lee, Miriam Goldstein, senior vps-acct supers.

Phone: (212) 593-3630.

Lawler Ballard Advertising
Norfolk, Va.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.4	5.3	20.6
Billings	42.5	35.2	20.7
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑

Lawler Ballard Advertising, Norfolk, Va., reported gross income of $6,368,000 in 1984 on billings of $42,474,000. In 1983, it reported gross income of $5,280,000 on billings of $35,200,000.

The agency did not break down its billings for either year.

In 1984 the agency gained: Alliance Health System, Coachmen Industries, Contel Business Systems, Contel Cellular, DineLite, Earth Terminals, Figgie Intl, First National Bank of Florida, First Security National Bank in Kentucky, Gainer Bank Corp. in Gary, Ind., Jung Products, Midwest Financial Group in Peoria, Norfolk General Hospital, Patrick Petroleum. It lost: Econo Lodges of America, First National Bank of South Carolina, Liebherr-America Inc.

Billings breakdown: Newspapers 24%, magazines 6%, radio 21%, spot tv 35%, outdoor 4%, business papers 10%. Employes: 137 in four offices. Top exec: J.D. Ballard, president.

Phone: (804) 627-0261.

Al Paul Lefton Co.
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	9.4	9.2	1.7
Billings	62.4	61.3	1.7
U.S.			
Gross income	9.2	9.0	2.3
Billings	61.4	60.0	2.3
U.S. volume breakdown			
Media	61.4	60.0	2.3
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Al Paul Lefton Co., New York, reported gross income of $9,360,000, of which $150,000 was non-U.S. contributions, in 1984 on billings of $62,400,000. In 1983, it reported gross income of $9,200,000, of which $200,000 was non-U.S. contributions, on billings of $61,300,000.

The agency's U.S. volume of $61,400,000 in 1984 and $60,000,000 in 1983 was all in media for both years.

Overseas, its dollar volume was $1,000,000 in 1984 and $1,330,000 in 1983, all in media.

In 1984 the agency gained: Resorts Intl Casino Hotel, Capital Controls Co., Dana Corp.'s Drivetrain service div. pr, ICI Americas' Aerospace Div. It lost: None.

Billings breakdown: Newspapers 10%, magazines 14%, supplements 2%, radio 15%, network tv 14%, spot tv 14%, cable tv 4%, outdoor 1%, business papers 14%, farm publications 5%, transit advertising 1%, direct mail 4%, other 2%. Employes: 166 in two offices. Top execs: Al Paul Lefton Jr., president-ceo; Grayson F. Lathrop, chairman; James W. North, exec vp; Norman Lewis, cfo.

Phone: (212) 867-5100.

Levine, Huntley, Schmidt & Beaver
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	10.6	8.5	25.4
Billings	71.3	56.8	25.4
U.S. volume breakdown			
Media	52.5	45.0	16.6
Materials/services	7.2	6.7	7.4
Capitalized fees	11.6	5.2	121.7

Levine, Huntley, Schmidt & Beaver, New York, reported gross income of $10,615,000 in 1984 on billings of $71,260,000. In 1983, it reported gross income of $8,467,000 on billings of $56,840,000.

The agency's 1984 volume consisted of $52,492,000 in media, $7,176,000 in materials and services and $11,592,000 in capitalized fees. Its 1983 volume consisted of $44,961,000 in media, $6,650,000 in materials and services and $5,229,000 in capitalized fees.

In 1984 the agency gained: Apricot Computers, Citizen watches, *McCall's*, Subaru of Southern California, Telecom Plus Intl. It lost: None.

Billings breakdown: Newspapers 8%, magazines 20%, radio 14%, network tv 10%, spot tv 37%, cable tv 2%, outdoor 1%, business papers 5%, transit advertising 3%. Employes: 126 in two offices. Top execs: Harold Levine, chairman-ceo; Robert Schmidt, president-chief operating officer; Allan Beaver, exec vp-creative director.

Phone: (212) 557-0900.

II agencies: $5,000,000 to $15,000,000

Lewis, Gilman & Kynett
Philadelphia

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	13.8	11.7	17.8
Billings	91.7	77.8	17.8
U.S. volume breakdown			
Media	45.3	35.6	27.2
Materials/services	17.0	15.4	10.3
Capitalized fees	29.4	26.8	47.0

Lewis, Gilman & Kynett, Philadelphia, a subsidiary of Foote, Cone & Belding, reported gross income of $13,751,000 in 1984 on billings of $91,700,000.

In 1983, it reported gross income of $11,668,000 on billings of $77,800,000.

The agency's 1984 volume consisted of $45,300,000 in media, $17,000,000 in materials and services, and $29,400,000 in capitalized fees.

In 1983, volume consisted of $35,600,000 in media, $15,400,000 in materials and services, and $26,800,000 in capitalized fees.

The report does not include figures from LG&K's pr division, which would bring aggregate gross income in 1984 to $16,530,000, compared with $13,824,000 the previous year, and capitalized billings to $110,200,000, compared with $92,500,000 in 1983.

In 1984 the agency gained: Bell Atlanticom, Kimberly-Clark, Iveco, Sorbus, Dorney Park. It lost: Airpax, Alco, Datamedia, N.L. Industries, Red Cheek, S.S. White, Dorney Park.

Billings breakdown: Newspapers 22%, magazines 35%, radio 10%, network tv 3%, spot tv 25%, outdoor 2%, direct mail 1%, other 2%. Employes: 225 in advertising; 75 in pr. Top execs: Robert G. Wilder, chairman-ceo; John K. Kaiser, president-chief operating officer; Charles B. Mathias, president-HealthCom; Charles M. Lodovico, exec vp-finance & admn.; Carl E. Casselman, exec vp-creative director.

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Lois Pitts Gershon Pon/GGK
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.8	6.0	12.3
Billings	54.7	48.8	12.1
U.S. volume breakdown			
Media	44.0	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	10.7	N/A	N/A

☑

Lois Pitts Gershon Pon/GGK, New York, a merger in January, 1985, between New York-based Lois Pitts Gershon and GGK/New York, reported combined gross income of $6,780,000 in 1984 on billings of $54,672,000. This compares to an aggregate $6,040,000 in gross income and $48,770,000 in billings in 1983 for the two agencies before the merger.

In 1983, LPG alone reported gross income of $4,600,000 on billings of $39,170,000, all in the U.S. GGK/New York, the U.S. arm of GGK Group, a $190 million Swiss-based agency network with offices in 12 cities, mainly in Europe, had gross income of $1,440,000 on billings of $9,600,000, all in the U.S.

The combined agency's U.S. 1984 volume consisted of $44,000,000 in media and $10,672,000 in capitalized fees.

In 1984 the agency gained: *USA Today* (consumer and trade), VH-I Cable Network, Doubleday Broadcasting, L.M. Berry/Electronic Mall, Circuit City Stores/Lafayette Stores, KPLX-AM (Fort Worth), *Signature*, Nickelodeon Cable Network, Porsche Design, WIII-TV (Cincinnati), Linc Licensing. It lost: Beefsteak Charlie's, Bristol-Myers' Vitalis and Knoware Inc.

Billings breakdown: Newspapers 15%, magazines 21%, radio 8%, network tv 4%, spot tv 49%, cable tv 1%, outdoor 1%, direct mail 1%. Employes: 58. Top execs: George Lois, chairman-creative director; William Pitts, vice-chairman-mktg director; Richard Gershon, president-media director; Dale Pon, Richard Lewis, exec vps.

Phone: (212) 974-1400.

Long, Haymes & Carr
Winston-Salem, N.C.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.2	5.2	17.8
Billings	41.5	34.9	18.9
U.S. volume breakdown			
Media	28.0	22.2	26.1
Materials/services	6.7	5.8	15.5
Capitalized fees	6.8	6.9	-1.4

☑

Long, Haymes & Carr, Winston-Salem, N.C., reported gross income of $6,159,300 in 1984 on billings of $41,500,000. In 1983, it reported gross income of $5,230,000 on billings of $34,900,000.

The agency's 1984 volume was $28,000,000 in media, $6,700,000 in materials and services and $6,800,000 in capitalized fees. Its 1983 volume consisted of $22,200,000 in media, $5,800,000 in materials and services and $6,900,000 in capitalized fees.

In 1984 the agency gained: Century Furniture Co., Jefferson-Pilot Corp., Jefferson Standard Life Insurance Co., Pilot Life Insurance Co., R.J. Reynolds Tobacco Co.'s Doral brand, Stanback Co. It lost: Douglas Battery Mfg Co., Wix Corp.

Billings breakdown: Newspapers 19%, magazines 14%, supplements 1%, radio 3%, network tv 29%, spot tv 9%, outdoor 1%, trade press 6%, point of sale (sales promotion) 13%, direct mail 2%, service fees 3%. Employes: 110 in one office. Top execs: Curtis E. Long, chairman; Joseph A. Haymes Jr., president-ceo; Austin H. Carr, senior exec vp; Donald N. Adams, Loren L. Chamberlain, Robert E. Fly, Dennis A. Schmidt, exec vps; Robert S. Fellows, Erl S. Tronnes, senior vps; Pat N. Thomas, senior vp-treasurer.

Phone: (919) 765-3630.

Lord, Sullivan & Yoder
Marion, O.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.1	4.0	25.5
Billings	36.1	30.1	19.8
U.S. volume breakdown			
Media	13.1	9.8	34.0
Materials/services	4.7	3.5	34.0
Capitalized fees	18.3	16.8	8.6

☑

Lord, Sullivan & Yoder, Marion, O., reported gross income of $5,070,395 in 1984 on billings of $36,105,161. In 1983, it reported gross income of $4,041,729 on billings of $30,131,253.

The agency's 1984 volume consisted of $13,124,307 in media, $4,725,004 in materials and services and $18,255,850 in capitalized fees. Its 1983 volume consisted of $9,792,489 in media, $3,524,632 in materials and services and $16,814,132 in capitalized fees.

In 1984, the agency gained: Stolle Corp.'s Memory Products Group, The Andersons, Dolfin Corp., Firestone Tire & Rubber Co.'s building products div., Pioneer Communications of America, Iowa Public Service, Kone Corp's Crane div. (Laval, Quebec). It lost: Franklin University, First National Bank (Sioux City, Ia.), Continental Cablevision of Ohio, Wendy's (Des Moines), Toledo Scale, WNCI-FM, Columbus.

Billings breakdown: Newspapers 22.4%, magazines 2.4%, radio 24.1%, spot tv 22%, cable tv 0.7%, outdoor 1.5%, business papers 22%, farm publications 2.2%, transit advertising 1.1%, point of sale 1.3%, direct mail 0.1%, other 0.2%. Employes: 94 in two offices. Top execs: John K. Lord, chairman; Robert E. Sullivan, president; Robert D. Ackerman, senior vp-acct services; Robert L. Bender, senior vp-art & production; Kent Zimmerman, senior vp-acct services, Des Moines; Robert L. Potter, senior vp-creative services, Des Moines.

Phone: (614) 387-8500.

Lorsch Group
Los Angeles

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.3	6.3	0.0
Billings	39.0	42.0	-7.1
U.S. volume breakdown			
Media	23.0	26.0	-11.5
Materials/services	16.0	16.0	0.0
Capitalized fees	N/A	N/A	N/A

Lorsch Group, Los Angeles, reported gross income of $6,300,000 in 1984 on billings of $39,000,000. In 1983, its gross income was the same on billings of $42,000,000.

The agency's 1984 U.S. volume included $23,000,000 in media and $16,000,000 in materials and services. In 1983, volume consisted of $26,000,000 in media and $16,000,000 in materials and services.

Included in the agency's figures are figures of U.S. subsidiary:
- Bob Lorsch & Friends

In 1984 the agency gained: Harrah's Hotel Reno, Taco Bell new assignments, Hunt-Wesson Foods new assignments, Memorex audio and video products new assignments, Intera Technologies, Paladin-Visicalc software, Computerland. It lost: Regent Air, Caesar's Tahoe, Ajax Rent-A-Car.

Billings breakdown: Newspapers 30%, magazines 20%, supplements 10%, radio 10%, spot tv 5%, outdoor 5%, direct mail 10%, other 10%. Employes: 28. Top execs: Robert H. Lorsch, president-ceo; Lester Boxer, director; Debbie Rosten, vp; Tracy Beavers, general mgr, Bob Lorsch & Friends.

Phone: (213) 856-0808.

Mandabach & Simms
Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.5	6.9	23.6
Billings	56.9	45.8	24.1
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Mandabach & Simms, Chicago, had estimated gross income of $8,500,000 in 1984 on billings of $56,882,000. In 1983, it had estimated gross income of $6,875,700 on billings of $45,838,000. No volume breakdown was provided for either year.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:
- Mandabach & Simms, New York
- Mandabach & Simms/Pacific
- Mandabach & Simms/Ohio
- Manchester Marketing, Fort Lauderdale

In 1984 the agency gained: Bell & Howell, Bell & Howell-Phillipsburg, Republic Tobacco, J.R. Simplot's new products div., Software Results Corp., Fruitex Enterprise, ABCO Tableware, New Zealand Lamb Co., Puma Products Intl, Ohio Conference of Seventh-day Adventists, Silent Watchman Corp., Peninsula Hospital & Medical Center, Corbett Canyon Vineyards, Jeff Crippen Oldsmobile, Young Oil Co., ALD Cosmetics. It lost: Tenman Systems, Corning Glass Works, Hazeltine Corp., Air Power Group, Laurel Grove Hospital.

Employes: 135 in five offices. Top execs: Irwin Simms, president-ceo; Paul Mandabach, chairman; Lee Lippman, Sheldon Kahn, exec vps; Robert J. Maszka, senior vp-finance.

Phone: (312) 236-5333.

MARCOA Direct Advertising
Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.3	3.7	42.7
Billings	35.1	24.6	42.6
U.S. volume breakdown			
Media	35.1	24.6	42.6
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑

MARCOA Direct Advertising, Chicago, a subsidiary of BBDO International, had estimated gross income of $5,265,000 in 1984 on billings of $35,100,000. In 1983, it had estimated gross income of $3,690,000 on billings of $24,600,000. Volume was all in media for each year.

In 1984 the agency gained: Sears Financial Network, Figis, Fisher-Price. It lost: Lee Wards, Video Associates.

Billings breakdown: Newspapers

II agencies: $5,000,000 to $15,000,000

21%, magazines 31%, supplements 6%, radio 1%, spot tv 8%, business papers 3%, point of sale 2%, direct mail 28%. Employes: 60. Top execs: David Hefner, president; David L. King, Robert A. Patterson, Michael McCarthy, senior vps; Ronald T. Perrella, exec vp.

Phone: (312) 454-0660.

Martin Agency
Richmond, Va.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.7	3.6	86.1
Billings	44.7	24.0	86.3
U.S. volume breakdown			
Media	22.2	9.3	138.7
Materials/services	6.0	3.6	66.6
Capitalized fees	16.5	11.1	48.6

Martin Agency, Richmond, Va., reported net income of $338,000 and gross income of $6,700,000 in 1984 on billings of $44,700,000. In 1983, it reported net income of $97,000 and gross income of $3,600,000 on billings of $24,000,000.

The agency's 1984 volume consisted of $22,200,000 in media, $6,000,000 in materials and services and $16,500,000 in capitalized fees. Its 1983 volume consisted of $9,300,000 in media, $3,600,000 in materials and services and $11,100,000 in capitalized fees.

In 1984 the agency gained: Digital Communication Associates, GM's Allison div., Comdial. It lost: CILCO, Electro Biology.

Billings breakdown: Newspapers 14%, magazines 11%, radio 11%, spot tv 12%, outdoor 2%, farm publications 4%, point of sale 2%, direct mail 10%, other 34%. Employes: 123 in three offices. Top execs: David Martin, chairman; Harry M. Jacobs Jr., vice-chairman; Donald R. Just, president; James R. Hughes Jr., exec vp; John B. Adams Jr., senior vp-acct mgmt; Stephen H. Martin, senior vp-mktg services; Ralph L. Thompson, senior vp-finance.

Phone: (804) 254-3407.

William Douglas McAdams
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	13.5	12.0	12.3
Billings	90.0	80.2	12.3
U.S. volume breakdown			
Media	44.7	43.0	3.9
Materials/services	15.7	16.5	4.8
Capitalized fees	29.6	20.7	43.1

☑

William Douglas McAdams, New York, reported gross income of $13,500,000 in 1984 on billings of $90,000,000. In 1983, it reported gross income of $12,025,000 on billings of $80,166,000.

In 1984, volume consisted of $44,734,000 in media, $15,687,000 in materials and services and $29,579,000 in capitalized fees. In 1983, volume consisted of $42,991,000 in media, $16,502,000 in materials and services and $20,673,000 in capitalized fees.

Accounts gained: Pfizer Inc.'s Roerig, N. Dorman & Co. The agency lost: None.

Billings breakdown: Magazines 76.1%, direct mail 14.3%, other 9.6%. Employes: 171. Top execs: Irwin C. Gerson, president; William M. Wolf, exec vp-director; Anthony J. D'Onofrio, exec vp-operations; Joseph Carobene, Gene Fine, Howard Mandelbaum, Ronald Vignone, senior vp-acct services; Victor Trasoff, Thomas Haynes, Walter Scott, senior vps-art; Claire Anderley, senior vp-copy; Brian Boyle, treasurer-cfo.

Phone: (212) 759-6300.

McKinney Inc.
Philadelphia

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.5	5.2	7.2
Billings	38.8	38.1	1.7
U.S. volume breakdown			
Media	9.0	8.9	1.1
Materials/services	3.8	3.7	2.7
Capitalized fees	26.0	25.6	1.8

McKinney Inc., Philadelphia, reported gross income of $5,547,738 in 1984 on billings of $38,769,000. In 1983, it reported gross income of $5,175,458 on billings of $38,123,000.

The agency's 1984 volume consisted of $8,984,000 in media, $3,773,000 in materials and services and $26,012,000 in capitalized fees. Its 1983 volume consisted of $8,860,000 in media, $3,700,000 in materials and services and $25,563,000 in capitalized fees.

In 1984 the agency gained: FMC Material Handling Systems, Nilfisk of America, Precision Tube, Dalton Dalton Newport, Milwaukee Brush Co., Schuler Inc., T.W. Grogan Co., Deloitte Haskins & Sells, Keithly DAS, Orion Research, Sloan Valve Co.'s Gear Products, Household Intl, Mitsubishi Construction Equipment Group. It lost: Budd's Intermodel div., Glen Gary Corp., North American Refractories, Pultrusions, LTX, Teledyne Engineering Services, Watts Regulator.

Billings breakdown: Newspapers 3%, magazines 1%, radio 2%, business papers 85%, direct mail 7%, Yellow Pages 2%. Employes: 110 in five offices. Top execs: Albert W. Emery Jr., chairman; Frank W. Callahan, president McKinney Inc.

Phone: (215) 751-9611.

McKinney Silver & Rockett
Raleigh, N.C.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	10.9	8.6	25.8
Billings	72.3	57.5	25.8
U.S. volume breakdown			
Media	60.1	47.3	27.0
Materials/services	5.3	4.9	8.1
Capitalized fees	7.0	5.4	29.4

McKinney Silver & Rockett, Raleigh, N.C., reported gross income of $10,852,390 in 1984 on billings of $72,349,471. In 1983, it reported gross income of $8,627,330 on billings of $57,518,225.

The agency's 1984 volume consisted of $60,052,245 in media, $5,333,746 in materials and services and $6,963,480 in capitalized fees. Its 1983 volume consisted of $47,279,161 in media, $4,856,374 in materials and services and $5,382,690 in capitalized fees.

In 1984 the agency gained: Brown & Williamson Tobacco Co.'s Raleigh and Belair cigarets. It lost: Tom's Foods.

Billings breakdown: Newspapers 28%, magazines 22%, radio 13%, spot tv 20%, cable tv 5%, outdoor 5%, business papers 7%. Employes: 118. Top execs: Charles McKinney, chairman-president; Robert Doherty, exec vp; Lloyd Jacobs, Michael Winslow, Charles Ashby, Donald Heineman, John Ketchum, senior vps.

Phone: (919) 828-0691.

M.E.D. Communications
Woodbridge, N.J.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.6	6.3	22.2
Billings	50.1	41.0	22.3
U.S. volume breakdown			
Media	6.0	6.0	0
Materials/services	5.0	4.3	16.2
Capitalized fees	39.1	30.7	27.5

☑

M.E.D. Communications, Woodridge, N.J., reported gross income of $7,647,500 in 1984 on billings of $50,119,000. In 1983, it reported gross income of $6,258,950 on billings of $40,982,000.

The agency's 1984 volume consisted of $6,000,000 in media, $5,000,000 in materials and services and $39,119,000 in capitalized fees. Its 1983 volume consisted of $6,000,000 in media, $4,300,000 in materials and services and $30,682,000 in capitalized fees.

In 1984 the agency gained: Pharmacia Intl, Wyeth Intl, Abbott Hospital Products, Dornier. It lost: None. Overseas, it also gained: Wyeth Intl. It lost: None.

Billings breakdown: Magazines 20%, supplements 25%, direct mail 5%, other 50%. Employes: 93. Top execs: Robert Portman, president; David I. Portman, exec vp; Edward Cohen, senior vp-creative director; Skip Hurley, senior vp-co-creative director; Tom H. Rosenwald, senior vp-pharmaceuticals; Nita Taskier, senior vp-scientific services.

Phone: (201) 636-6600.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

Top 10 I and II agencies by spot tv billings

($ in 000,000)

Rank	Agency	Spot tv billings	U.S. billings	%*
1	**Young & Rubicam**	476.3	2,155.1	22.1
2	**Ted Bates Worldwide**	405.3	1,754.7	23.1
3	**Foote, Cone & Belding Communications**	368.0	1,324.4	27.8
4	**BBDO International**	347.8	1,581.0	22.0
5	**J. Walter Thompson Co.**	304.2	1,455.4	20.9
6	**Dancer Fitzgerald Sample**	267.8	750.2	35.7
7	**Ogilvy & Mather**	252.6	1,804.3	14.0
8	**Benton & Bowles**	222.4	766.7	29.0
9	**Grey Advertising**	206.9	1,034.6	20.0
10	**Doyle Dane Bernbach**	206.2	1,085.1	19.0

* Spot tv billings as a % of an agency's U.S. capitalized billings
NOTE: This chart was compiled from information provided by 144 I and II agencies

Meldrum & Fewsmith
Cleveland

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	9.9	9.2	8.5
Billings	66.3	61.0	8.7
U.S.			
Gross income	9.1	8.3	9.0
Billings	60.5	55.5	9.0
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Meldrum & Fewsmith, Cleveland, estimated gross income of $9,932,300, of which $858,000 was non-U.S. contributions, for 1984 on billings of $66,315,000. In 1983, it had estimated gross income of $9,150,000, of which $825,000 was non-U.S. contributions, on billings of $61,000,000.

The agency did not break down its 1984 U.S. volume of $60,495,000 or its 1983 volume of $55,500,000.

Overseas, its 1984 dollar volume was $5,720,000. Its 1983 foreign volume was $5,500,000.

In 1984 the agency gained: Bekins Van Lines, Cole National Corp.'s optical div., AmeriTrust Corp.'s Insta Net Bank Card System, York Steak House Systems. It lost: Bee Chemicals, Brillion Iron Works, FMC Corp., Agricultural Chemical Group Intl, Kenny King Corp., Kentucky Fried Chicken's Northeast Ohio co-op, Penton/IPC, Pioneer Hi Bred Intl.

Billings breakdown: Newspapers 5%, magazines 4.3%, radio 6.5%, network tv 12%, spot tv 27%, cable tv 2.5%, outdoor 0.5%, business papers 21.8%, farm publications 7.5%, transit advertising 0.1%, other 11.9%. Employes: 153 in three offices. Top execs: Arthur E. Earley, chairman; Terrence G.E. Parmelee Sr., president-ceo; Robert P. Huddilston, senior vp-secretary/treasurer; Jeffrey H. Bryden, Robert Iredell IV, senior vp-mgmt supers; Chris N. Perry, senior vp-creative services; John C. Bryan, senior vp-gm/Detroit; Richard H. Herrmann, senior vp-group creative director/Detroit; Thomas E. Butterfield, senior vp-gm/Chicago.

Phone: (216) 241-2141.

Miller Advertising
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.0	4.2	42.8
Billings	39.2	27.4	43.1
U.S. volume breakdown			
Media	34.0	24.0	41.6
Materials/services	0.5	0.4	25.0
Capitalized fees	4.7	3.0	56.7

☑

Miller Advertising, New York, reported gross income of $6,000,000 in 1984 on billings of $39,200,000. In 1983, it reported gross income of $4,200,000 on billings of $27,400,000.

The agency's U.S. 1984 volume consisted of $34,000,000 in media, $500,000 in materials and services and $4,700,000 in capitalized fees. Its 1983 volume consisted of $24,000,000 in media, $400,000 in materials and services and $3,000,000 in capitalized fees.

The agency's report included financial returns for subsidiaries:

- Miller-Mitchell, Hempstead, N.Y.
- Miller Advertising, Needham, Mass.

The agency declined to list accounts gained or lost. Billings breakdown: Newspapers 60%, magazines 5%, radio 20%, spot tv 10%, cable tv 2%, business papers 2%, other 1%. Employes: 130 in three offices. Top execs: Leonard J. Miller, chairman; Robert Miller, president.

Phone: (212) 929-2200.

Miller Meester Advertising
Minneapolis

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.1	4.5	13.3
Billings	34.1	30.1	13.1
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑†

Miller Meester Advertising, Minneapolis, reported net income of $594,000 and gross income of $5,112,000 in 1984 on billings of $34,080,000. In 1983, it reported net income of $320,000 and gross income of $4,520,000 on billings of $30,130,000.

In 1984 the agency gained: Bio Techniques, MTS Systems, McQuay Intl, CENTRAK, CENEX Insurance Agency, Federal Intermediate Credit Banks and Federal Land Bank of Louisville, Tom Thumb Stores, Custom One, Trend Enterprises, St. Paul Winter Carnival pr, Woodbine Condominiums.

It lost: Wisconsin Dairies, Pako Photographic, Pako Graphic Arts, A.O. Smith Harvestore Systems, PC Photo Systems.

Billings breakdown: Newspapers 8%, magazines 16%, radio 15%, spot tv 20%, outdoor 2%, farm publications 25%, point of sale 5%, direct mail 10%.

Employes: 85. Top execs: Robert V. Miller, president-ceo; Karen E. Kangas, exec vp-chief operating officer; Ted A. Priebe, exec vp-client services; Oreland Johnson, Arch Crist, senior vps.

Phone: (612) 854-8944.

Muir Cornelius Mcore
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1963	% chg
Gross income	13.0	10.7	21.4
Billings	86.6	71.3	21.4
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	86.6	71.3	21.4

☑

Muir Cornelius Moore, New York, reported gross income of $12,985,890 in 1984 on billings of $86,615,886. In 1983, it reported gross income of $10,695,481 on billings of $71,338,858. The agency's volume was all in capitalized fees for both years.

In 1984 the agency gained: Cetus Corp., Chemical Bank's Capital Markets Group, Mortgage Finance Group, Citibank's Private Banking sales promo, Emerson Electric's Electronic Defense Systems, Greater New York Savings Bank corporate and sales promo, Harris Corp.'s Government Aerospace Systems, IBM national distribution div.'s IBM Product Centers direct mktg, IBM's entry systems div. direct mktg, Marsh & McLennan, Pfizer Intl, SEI. It lost: Coloplast, Dynamic Control, Reston Publishing.

Billings breakdown: Newspapers 5%, business papers 30%, point of sale 10%, direct mail 15%, other 40%.

Employes: 150 in two offices. Top execs: William P. Muir, chairman-president; James Cornelius, Richard Moore, vice-chairmen.

Phone: (212) 687-4055.

Muller Jordan Weiss
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	6.7	5.8	15.3
Billings	43.6	38.5	13.2
U.S.			
Gross income	6.5	5.6	15.6
Billings	41.9	36.9	13.5
U.S. volume breakdown			
Media	28.1	25.4	10.6
Materials/services	6.5	5.6	16.0
Capitalized fees	7.4	6.0	23.2

☑

Muller Jordan Weiss, New York, reported gross income of $6,717,920, of which $216,016 was non-U.S. contributions, in 1984 on billings of $43,644,846. In 1983, it reported gross income of $5,828,500, of which $201,800 was non-U.S. contributions, on billings of $38,542,700.

The agency's 1984 U.S. volume of $41,940,606 consisted of $28,113,280 in media, $6,466,848 in materials and services and $7,360,478 in capitalized fees. Its 1983 volume of $36,940,700 consisted of $25,369,000 in media, $5,595,400 in materials and services and $5,976,300 in capitalized fees.

Overseas, its volume of $1,704,240 in 1984 and $1,602,000 in 1983 was all in media.

In 1984 the agency gained: Cohoes Stores' Grain Bin, Italian Chamber of Commerce's Italian Shoe Center, New York Helicopter, Schrade Cutlery. It lost: None.

Billings breakdown: Newspapers 3%, magazines 18%, radio 12%, network tv 4%, spot tv 35%, outdoor 3%, business papers 14%, farm publications 11%. Employes: 106 in three offices. Top execs: John T. Jordan, chairman-ceo; Jane Maas, president; Frank B. Muller, exec vp-treasurer; Andrew M. Weiss, exec vp.

Phone: (212) 399-2700.

Nadler & Larimer
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	10.5	10.5	0.0
Billings	70.0	70.0	0.0
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Nadler & Larimer, New York, a Mickelberry Corp. agency, had estimated gross income of $10,500,000 in 1984 on billings of $70,000,000, the same as for 1983. No breakout was provided for capitalized volume.

Mickelberry also owns New York agencies Cunningham & Walsh and Laurence, Charles & Free, which are profiled in this issue.

In 1984 the agency gained: Argenti, Supima, TiCaro, Gray Lines, Pernod. It lost: ABC Radio Networks, Consolidated Cigar, Consolidated Cigar's Allied Products and Sutliff Tobacco, Berlitz Schools of Languages.

Billings breakdown: Newspapers 15%, magazines 20%, supplements 5%, radio 20%, network tv 10%, spot tv 25%, outdoor 5%. Employes: 105. Top execs: Ricardo Calvillo, president-ceo; Robert Larimer, vice-chairman-creative director; Irwin Goldberg, exec vp, co-creative director; David R. Altman, Howard Berg, Robert David, Gerald Karp, William Lyons, Eva Schmatz, Melvin D. Weiss, exec vps; Herbert Hugel, exec vp-finance & treasurer; Bruce Bromley, Hal Kurnit, Jack Keane, senior vps; Manas Sternschein, senior vp-media; Robynne Reiber, senior vp-rsch director; Jack Keane.

Phone: (212) 245-7300.

North Castle Partners
Greenwich, Conn.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.1	5.4	11.9
Billings	43.5	35.7	21.8
U.S. volume breakdown			
Media	22.0	17.3	27.3
Materials/services	3.5	2.0	75.0
Capitalized fees	18.0	16.4	9.6

North Castle Partners, Greenwich, a subsidiary of Foote, Cone & Belding since February, 1984, reported gross income of $6,059,200 in 1984 on billings of $43,509,000. In 1983, it reported gross income of $5,410,000 on billings of $35.708,000.

The agency's 1984 volume included $22,000,000 in media, $3,500,000 in materials and services, and $18,009,000 in capitalized fees.

In 1983, volume consisted of $17,280,000 in media, $2,000,000 in materials and services, and $16,428,000 in capitalized fees.

In 1984 the agency gained: Tetley Inc., Q Comp's retail computerized coupon counter. It lost: None.

Billings breakdown: Newspapers 5%, magazines 25%, supplements 2%, radio 1%, network tv 10%, spot tv 40%, outdoor 15%, transit advertising 2%.

Employes: 52. Top execs: William L. Ballard, chairman; Barrington Boardman, vice-chairman; Lynn Andrew Rotando, president; Robert Lelle, creative director; Leonard Ferraguzzi, exec vp.

Phone: (203) 622-1122.

Ohlmeyer Advertising
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	13.6	12.8	7.1
Billings	91.0	85.0	7.1
U.S. volume breakdown			
Media	91.0	85.0	7.1
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Ohlmeyer Advertising, New York, had estimated gross income of $13,650,000 in 1984 on billings of $91,000,000.

In 1983, it had estimated gross income of $12,750,000 on billings of $85,000,000. Volume was all in media for both years.

In 1984 the agency gained: Stroh Brewery, Times Mirror magazines, Nabisco Brands corporate. It lost: None.

Billings breakdown: Newspapers 2%, magazines 10%, supplements 2%, radio 2%, network tv 63%, spot tv 16%, cable tv 5%. Employes: 51. Top execs: Don Ohlmeyer, chairman; Dean Heitler, president-ceo; Lee Pratt, exec vp-media programing; Wally Weis, exec vp-creative director.

Phone: (212) 418-6900.

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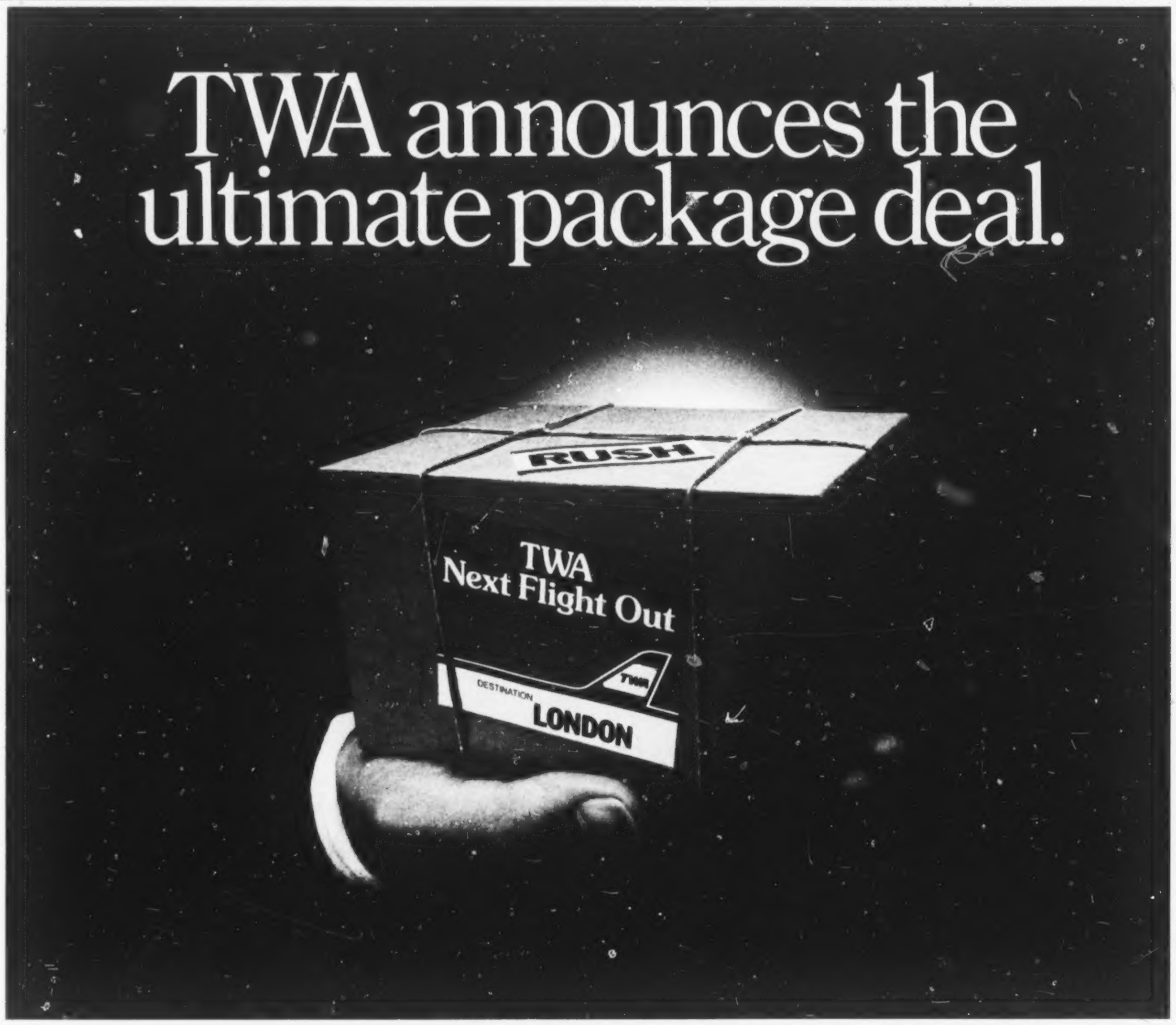

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LEADING THE WAY.℠ TWA.

II agencies: $5,000,000 to $15,000,000

Phillips-Ramsey Co.

San Diego

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.6	5.0	12.4
Billings	37.2	33.1	12.4
U.S. volume breakdown			
Media	13.2	9.5	37.9
Materials/services	2.5	2.4	5.7
Capitalized fees	21.5	21.2	1.6

Phillips-Ramsey Co., San Diego, reported net income of $46,600 and gross income of $5,581,200 in 1984 on billings of $37,226,600. In 1983, it reported net income of $62,000 and gross income of $4,966,300 on billings of $33,125,200.

The agency's 1984 volume consisted of $13,163,700 in media, $2,521,300 in materials and services and $21,541,600 in capitalized fees. Its 1983 volume consisted of $9,540,200 in media, $2,385,100 in materials and services and $21,199,900 in capitalized fees.

The agency financial data includes offices in San Diego, Los Angeles and Phoenix.

In 1984 the agency gained: American Medical Intl's western div., Butterfield Development Corp., Club Med sales, Deloitte Haskin & Sells, Inter-Tel, Northrop Corp., R.B. McComic Inc., Ticor, Vicorp Specialty Restaurant. It lost: Carmel Mountain Ranch, CDC Software Only, Famous Pacific Fish Co., Grand Canyon National Park Lodges, Ocean Garden products, Pocari.

Billings breakdown: Newspapers 18%, magazines 26%, radio 20%, spot tv 33%, outdoor 3%. Employes: 115 in three offices. Top execs: Richard D. Brooks, president-ceo; R. Page Jones, chairman; Richard Badami, Robert Kwait, exec vps-creative; Robert Lewis, exec vp; Winfield Holden, exec vp/Phoenix; Don Cady, senior vp/Los Angeles.

Phone: (619) 574-0808.

Richard & Edwards

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.0	9.2	-30.7
Billings	46.0	61.0	-24.5
U.S. volume breakdown			
Media	N/A	N/A	N/A
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Richard & Edwards, New York, had estimated gross income of $7,000,000 in 1984 on billings of $46,000,000. In 1983, it reported gross income of $9,150,000 on billings of $61,000,000. The agency did not break out its volume.

In 1984 the agency gained: Riegel Textile Corp., Playtime Electronics, Barbados Board of Tourism, Takara toys, M.W. Kasch. It lost: None. The decline in gross income and billings was due to clients' budget cutbacks.

Billings breakdown: Newspapers 2%, magazines 5%, radio 1%, network tv 18%, spot tv 74%. Employes: 26. Top execs: Richard Schwarzchild, president; Edward Mandell, exec vp; Shelly Hirsch, senior vp.

Phone: (212) 557-1600.

Employes per $1 million in billings in the top 25 U.S. agencies have fallen from 2.9 in '79 to 1.9 in '84 vs. an over-all 3.0 to 1.8 slide.

Richards Group

Dallas

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.8	6.0	30.2
Billings	53.2	46.0	15.6
U.S. volume breakdown			
Media	5.9	8.5	-29.7
Materials/services	7.3	7.4	-1.7
Capitalized fees	40.0	30.2	32.5

Richards Group, Dallas, reported gross income of $7,807,000 in 1984 on billings of $53,212,000. In 1983, it reported gross income of $5,996,000 on billings of $46,045,000.

The agency's 1984 volume consisted of $5,939,000 in media, $7,273,000 in materials and services and $40,000,000 in capitalized fees. Its 1983 volume consisted of $8,455,000 in media, $7,402,000 in materials and services and $30,188,000 in capitalized fees

In 1984 the agency gained: Muse Air, LDS Inc., Triland Intl, Dallas Corp., Omron Financial Systems. It lost: *Denver Post*, *Texas Monthly*.

Billings breakdown: Newspapers 20%, magazines 5%, radio 25%, spot tv 41%, outdoor 7%, direct mail 2%. Employes: 141 in three offices. Top execs: Stan Richards, Jim McGhee, Brad Todd, Martin Bybee, principals; Scot Dykema, cfo.

Phone: (214) 987-2700.

Richardson, Myers & Donofrio

Baltimore

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.4	6.4	16.1
Billings	49.5	42.6	16.1
U.S. volume breakdown			
Media	34.6	30.2	14.5
Materials/services	9.8	8.0	22.3
Capitalized fees	5.1	4.4	15.2

Richardson, Myers & Donofrio, Baltimore, reported gross income of $7,420,264 in 1984 on billings of $49,468,425. In 1983, it reported gross income of $6,391,370 on billings of $42,608,797.

The agency's 1984 volume consisted of $34,590,705 in media, $9,772,869 in materials and services and $5,104,851 in capitalized fees. Its 1983 volume consisted of $30,191,244 in media, $7,987,410 in materials and services and $4,430,143 in capitalized fees.

In 1984 the agency gained: State Aviation Admn., Six Flags Power Plant, Park Avenue Tobacco, Nairn Floor, MCTel Inc., Lukens Steel, Shakey's eastern div., F&M Bank, Argent Corp., Omni Intl Hotel, DuPont, CertainTeed. It lost: Columbia First Federal s&l Assn., MTTR, Lutron Electronics.

Billings breakdown: Newspapers 18%, magazines 40%, broadcast 42%. Employes: 92 in three offices. Top execs: Ruth Adams, Bill Nimtz, Dick Sands, senior vps; Sally Rogers, senior vp-mktg services director; Jim Frost, senior copywriter-group creative director; Bob Cooke, senior copywriter-associate creative director, creative director-direct response; Joe Herrick, senior art director; Tyson Janney, exec vp; Chris Hartman, exec vp, gm-pr; Paul Field, gm-D.C. office; Jamie Rice, George Corrigan, senior vp-co-mgrs, Philadelphia; Dick Parker, associate creative director; Lou Gunshol, group creative director; Pat McCaffrey, senior vp-finance & admn.

Phone: (301) 576-9000.

Rolf Werner Rosenthal

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.4	6.9	20.5
Billings	55.9	46.3	20.7
U.S. volume breakdown			
Media	13.2	15.1	-12.6
Materials/services	7.2	5.4	33.8
Capitalized fees	35.5	25.9	37.4

Rolf Werner Rosenthal, New York, reported gross income of $8,374,614 in 1984 on billings of $55,920,000.

In 1983, it reported gross income of $6,948,200 on billings of $46,321,339.

The agency's 1984 volume consisted of $13,150,000 in media, $7,231,000 in materials and services and $35,539,000 in capitalized fees. Its 1983 volume consisted of $15,054,325 in media, $5,401,588 in materials and services and $25,865,426 in capitalized fees.

Included in the agency's figures are results from:

- World Health Communications

WHC in 1984 had gross income of $1,131,300 and capitalized billings of $7,545,800.

In 1984 Rosenthal gained: Alcon Laboratories, Plough Inc. It lost: E.R. Squibb & Sons, Squibb-Novo.

Billings breakdown: Magazines 72%, direct mail 15%, other 13%. Top execs: Rolf Werner Rosenthal, president; Charles W. Riegle, vp-chief operating officer; Ronald J. Souza, senior vp-client sevices director; Sylvio A. deRouin, senior vp-creative services director.

Phone: (212) 684-0909.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by Advertising Age. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

Sawdon & Bess Advertising

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.1	6.8	20.6
Billings	54.6	45.0	21.3
U.S. volume breakdown			
Media	42.5	36.2	17.4
Materials/services	9.1	6.0	51.6
Capitalized fees	3.0	2.8	7.1

☑

Sawdon & Bess Advertising, New York, a subsidiary of Ted Bates Worldwide, reported gross income of $8,140,000 in 1984 on billings of $54,600,000. In 1983, it reported gross income of $6,750,000 on billings of $45,000,000.

The agency's 1984 volume consisted of $42,500,000 in media, $9,100,000 in materials and services and $3,000,000 in capitalized fees. Its 1983 volume consisted of $36,200,000 in media, $6,000,000 in materials and services and $2,800,000 in capitalized fees.

In 1984 the agency gained: Black & White scotch, Southern California Cadillac Dealers Assn., Ehrich Bober & Co., Bolton's Athletic Shoe Factory stores, Shopsmith Inc., Woolworth variety stores. It lost: Pulsar Time Consolidation, Pontiac Dealers Assn. of New York.

Billings breakdown: Newspapers 3%, magazines 5%, supplements 5%, radio 13%, network tv 4%, spot tv 64%, cable tv 1%, business papers 5%. Employes: 80 in two offices. Top execs: Jerome Bess, chairman; Martin M. Mitchell, president.

Phone: (212) 751-6660.

Sieber & McIntyre

Chicago

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	12.5	11.2	11.9
Billings	83.5	74.2	12.6
U.S.			
Gross income	11.9	10.3	15.3
Billings	79.2	68.3	16.0
U.S. volume breakdown			
Media	18.5	13.6	35.7
Materials/services	9.7	7.0	38.4
Capitalized fees	51.1	47.7	7.1

Sieber & McIntyre, Chicago, reported gross income of $12,516,200, of which $636,000 was non-U.S. contributions, in 1984 on billings of $83,483,000. In 1983, it reported gross income of $11,183,850, of which $877,000 was non-U.S. contributions, on billings of $74,150,000.

The agency's U.S. 1984 volume of $79,241,000 consisted of $18,462,300 in media, $9,656,600 in materials and services and $51,122,100 in capitalized fees. Its 1983 U.S. volume of $68,295,700 consisted of $13,603,320 in media, $6,975,200 in materials and services and $47,717,180 in capitalized fees.

Overseas, its 1984 dollar volume of $4,242,000 consisted of $748,250 in materials and services and $3,493,750 in capitalized fees. Its 1983 foreign volume of $5,854,300 consisted of $985,200 in materials and services and $4,869,100 in capitalized fees.

In 1984 the agency gained: Serono Laboratories, Mount Sinai Hospital, Bristol-Myers' Nuprin, Baxter-Travenol. It lost: MacNeal Memorial Hospital, American Critical Care, Smith Laboratories. Overseas, it gained: Dainabot K.K. (Japan).

Billings breakdown: Magazines 76%, direct mail 16%, other 8%. Employes: 162 in seven offices. Top execs: R. Joseph McIntyre, president; Mary Ann McCarthy, Robert Buckman, Bruno Ruegg, A. Weinerman, senior vps; David McCarty, Fred Fitzsimmons, Steve Freeman, Patrick McTigue, Retzie Gleeson, T. Joseph McIntyre, T. Mahony, Kenneth March, Robert McCaffrey, Raymond Taylor, exec vps; A. Bonomo, corp. treasurer.

Phone: (312) 266-9200.

Slater Hanft Martin

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.4	4.7	15.6
Billings	36.1	31.2	15.6
U.S. volume breakdown			
Media	28.7	25.9	11.0
Materials/services	4.5	3.0	48.9
Capitalized fees	2.8	2.3	23.3

Slater Hanft Martin, New York, reported gross income of $5,414,000 in 1984 on billings of $36,093,300. In 1983, it reported gross income of $4,683,000 on billings of $31,219,500.

The agency's 1984 volume consisted of $28,710,700 in media, $4,534,000 in materials and services and $2,848,600 in capitalized fees. Its 1983 volume consisted of $25,859,200 in media, $3,049,500 in materials and services and $2,310,800 in capitalized fees.

In 1984 the agency gained: Shop Vac's Wet/Dry vacuum cleaners and new products, New York State Alcohol Abuse's drunken driver campaign, Walsh-Greenwood Stock Market Information Systems, Fortunoff's Fine Jewelry & Silver corporate and its backyard outdoor furniture, Citibank Direct Access, Monarch Wine Co.'s Cusano wine, Grape Vine wine cooler, Mandingo orange liqueur, Manischewitz wine, Manischewitz wine cooler, Raffo beer, Tsing Tao beer. It lost: Nashville Network, Rainbow Programming.

Billings breakdown: Newspapers 13%, magazines 23%, radio 5%, network tv 38%, spot tv 15%, cable tv 3%, outdoor 1%, direct mail 2%. Employes: 55. Top execs: Gerald Martin, chairman; Adam Hanft, president-creative director; Donald Slater, exec vp-creative director; Gary Roberts, exec vp-chief operating officer; William J. Lahr III, senior vp-treasurer.

Phone: (212) 674-3100.

Smith/Greenland

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.1	6.0	0.7
Billings	40.0	40.0	0.1
U.S. volume breakdown			
Media	29.9	31.1	-4.1
Materials/services	3.9	4.2	-7.1
Capitalized fees	6.3	4.7	34.3

Smith/Greenland, New York, reported gross income of $6,050,000 in 1984 on billings of $40,020,000. In 1983, it reported gross income of $6,006,270 on billings of $40,000,000.

The agency's 1984 volume included $29,851,000 in media, $3,900,000 in materials and services and $6,269,000 in capitalized fees. Its 1983 volume consisted of $31,131,000 in media, $4,200,000 in materials and services and $4,669,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:

- Markland Corp.

In 1984 the agency gained: Biotex Industries, Planned Parent-

Top 10 I and II agencies by network tv billings

($ in 000,000)

Rank	Agency	Network tv billings	U.S. billings	%*
1	Ogilvy & Mather	920.2	1,804.3	51.0
2	Young & Rubicam	885.8	2,155.1	41.1
3	Saatchi & Saatchi Compton	765.3	1,093.3	70.0
4	Ted Bates Worldwide	665.0	1,754.7	37.9
5	Leo Burnett Co.	555.1	1,132.9	49.0
6	J. Walter Thompson Co.	503.6	1,455.4	34.6
7	Foote, Cone & Belding Communications	496.6	1,324.4	37.5
7	Grey Advertising	496.6	1,034.6	48.0
9	BBDO International	474.3	1,581.0	30.0
10	Doyle Dane Bernbach	455.7	1,085.1	42.0

* Network tv billings as a % of an agency's U.S. capitalized billings

NOTE: This chart was compiled from information provided by 144 I and II agencies

hood, Parfums Givenchy, Ginestet wine, Marquisat wine. It lost: Ovaltine products, S.A. Schonbrunn Inc. Billings breakdown: Newspapers 15%, magazines 22%, radio 7%, spot tv 44%, transit advertising 1%, direct mail 8%, other 3%. Employes: 102. Top execs: Leo Greenland, chairman-ceo; Norman Goluskin, president; Murray Platte, exec vp; Oscar H. Haffner, senior vp-cfo; Murray Klein, senior vp-creative director; Beryl Seidenberg, senior vp-media director; Harry Wenthen, senior vp-account service.

Phone: (212) 757-3200.

Spiro & Associates

Philadelphia

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.3	5.8	7.8
Billings	51.3	45.5	12.7
U.S. volume breakdown			
Media	16.0	14.1	13.1
Materials/services	5.2	4.8	8.4
Capitalized fees	30.1	26.6	13.2

Spiro & Associates, Philadelphia, reported gross income of $6,301,000 in 1984 on billings of $51,270,000. In 1983, it reported gross income of $5,847,600 on billings of $45,485,000.

The agency's 1984 volume consisted of $15,960,000 in media, $5,216,000 in materials and services and $30,094,000 in capitalized fees. Its 1983 volume consisted of $14,100,000 in media, $4,810,000 in materials and services and $26,575,000 in capitalized fees.

In 1984 the agency gained: Arthur Andersen & Co., Pinehurst Hotel & Convention Center, Reliance Insurance Group, Orange Productions, Hill Financial, Blue Cross of Greater Philadelphia, Decision Data Corp., CIGNA Corp., Greater Philadelphia First Corp., Schuylkill Self-Stor Co., Suburban General Hospital. It lost: Rabbit Software Co., McCloskey Varnish Co., Gourmade Foods, Main Hurdman.

Billings breakdown: Newspapers 21%, magazines 24%, supplements 1%, radio 17%, spot tv 25%, outdoor 2%, business papers 6%, direct mail 4%. Employes: 115. Top execs: Walter A. Spiro, chairman-ceo; Harry A. Egbert, vice-chairman; Norman R. Tissian, president; Nelson M. Fellman Jr., Gerald D. Oakes, exec vps; Cyndy Ciccone, Martin A. Kramer, Gordon G. Lawrence, H. Robert Lesnick, Bernice Slosburg, Herbert Smith, Robert L. Wolf, senior vps; Charles Bofinder, senior vp-asst. to chairman.

Phone: (215) 923-5400.

Stone, & Adler

Chicago

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	11.1	9.2	20.2
Billings	82.2	61.6	33.5
U.S.			
Gross income	9.8	8.4	16.0
Billings	72.7	55.9	30.2
U.S. volume breakdown			
Media	0.9	0.0	N/A
Materials/services	10.6	5.3	98.5
Capitalized fees	61.3	50.5	21.3

☑

Stone & Adler, Chicago, a subsidiary of Young & Rubicam, reported gross income of $11,121,000, of which $1,336,000 was in non-U.S. contributions, in 1984 on billings of $82,211,000. In 1983, it reported gross income of $9,230,000, of which $800,000 was in non-U.S. contributions, on billings of $61,564,000.

The agency's 1984 U.S. volume of $72,747,000 included $862,000 in media, $10,561,000 in materials and services, and $61,324,000 in capitalized fees. In 1983, U.S. volume of $55,863,000 consisted of $5,318,000 in materials and services, and $50,545,000 in capitalized fees.

Overseas volume of $9,464,000 in 1984 included $93,000 in media, $1,100,000 in materials and services, and $8,271,000 in capitalized fees. In 1983, overseas capitalized billings of $5,701,000 included $819,000 in materials and services, and $4,882,000 in capitalized fees.

In 1984 the agency gained in the U.S.: Dart & Kraft's Tupperware, Nynex, 3M, Lanier, Holiday Clubs Intl. It lost: Stauffer Chemicals, Viewdata, Tran-Lux, Staff Builders. Overseas it gained: Bank of Montreal, Sun Life.

Billings breakdown: Newspapers 28%, magazines 11%, spot tv 20%, direct mail 41%. Employes: 176 in three offices worldwide; 148 in two U.S. offices. Top execs: Richard Colligan, chairman-ceo; William Booth, senior vp-gm, Chicago; Livingston Platt, senior vp-network creative director; Gary Vest, senior vp-production director; Keith Mulcrone, vp-gm, New York; Harris Brandt, vp-creative director, New York; Carol Hawkins, vp-acct. director, New York; Ken Mach, vp-finance & admn.

Phone: (312) 346-6100.

Telephone Marketing Programs

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	12.3	10.0	23.0
Billings	83.0	67.5	23.0
U.S.			
Gross income	12.0	9.8	23.1
Billings	80.0	65.0	23.1
U.S. volume breakdown			
Media	80.0	65.0	23.0
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Telephone Marketing Programs, New York, reported gross income of $12,300,000, of which $300,000 was non-U.S contributions, in 1984 on billings of $83,000,000. In 1983, it reported gross income of $10,000,000, of which $250,000 was non-U.S. contributions, on billings of $67,500,000.

The agency's 1984 U.S. volume of $80,000,000 and 1983 volume of $65,000,000 was all in media.

Overseas, its dollar volume was $3,000,000 in 1984 and $2,500,000 in 1983, all in media.

In 1984 the agency gained: Mobil Oil, Ziebart Rust Proofing, Red Lobster, Control Data Engineering Services, United Parcel Services, Avon Products, Merry Maids, Continental Insurance, Federal Express Zap Mail, Multicom, Cort Furniture Rentals. It lost: Certified Leasing, Honeywell Office Automation, Geosource, Victor Temporary Services, Mitel, Barclays American Financial. Overseas, it gained: Federal Express Intl. It lost: None.

Billings breakdown: Yellow Pages 100%. Employes: 551 in 13 offices. Top execs: Andrew J. McKelvey, president; Lance S. Johnson, senior vp-sales; Paul Camara, senior vp-operations; Robert Lamb, vp-mktg; Thomas G. Collison, vp-finance; Frank Troise, vp-operations.

Phone: (212) 977-4200.

Berkshire Hathaway, an insurance company owned 47% by Warren Buffet and pending owner of ABC Inc., is the biggest shareholder of Interpublic and has a big piece in Ogilvy & Mather.

Towne, Silverstein, Rotter

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.7	6.6	15.9
Billings	51.0	44.0	15.9
U.S. volume breakdown			
Media	51.0	44.0	15.9
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

Towne, Silverstein, Rotter, New York, reported gross income of $7,650,000 in 1984 on billings of $51,000,000. In 1983, it reported gross income of $6,600,000 on billings of $44,000,000. Billings for both years were all in media.

In 1984 the agency gained: Trader Horn, R.W. Peters Rickel & Co., Emerson Radio Corp. It lost: None. Billings breakdown: Newspapers 15%, magazines 5%, radio 10%, network tv 20%, spot tv 40%, outdoor 5%, point of sale 5%. Employes: 56. Top execs: Les Towne, ceo; D.W. Silverstein, president; Steve Rotter, exec director; Michael O'Connell, Binnie J. Levin, Mike Mulieri, senior vps.

Phone: (212) 557-5570.

Tucker Wayne & Co.

Atlanta

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.6	6.9	24.7
Billings	59.1	48.3	22.6
U.S. volume breakdown			
Media	46.5	38.6	20.5
Materials/services	5.6	5.1	8.8
Capitalized fees	7.1	4.5	55.5

☑

Tucker Wayne & Co., Atlanta, reported gross income of $8,635,629 in 1984 on billings of $59,148,853. In 1983, it reported gross income of $6,923,000 on billings of $48,254,000.

The agency's 1984 volume consisted of $46,488,159 in media, $5,605,035 in materials and services and $7,055,659 in capitalized fees. Its 1983 volume consisted of $38,579,000 in media, $5,148,450 in materials and services and $4,526,550 in capitalized fees.

In 1984 the agency gained: NAPA Brakes, Jack's Cookies. It lost: Hot Shot Insecticides, GoS Inc., Century Furniture, Monticello Drugs, Dr. Tichenor's.

Billings breakdown: Newspapers 12%, magazines 10%, radio 14%, network tv 4%, spot tv 50%, outdoor 2%, business papers 8%. Employes: 103. Top execs: Matthew Connor, chairman-treasurer; C. Knox Massey Jr., president; Sidney L. Smith, exec vp-secretary.

Phone: (404) 521-7600. ☑

Valentine-Radford

Kansas City, Mo.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	7.0	5.6	24.3
Billings	50.7	40.1	26.3
U.S. volume breakdown			
Media	24.7	21.6	14.4
Materials/services	8.6	5.7	52.3
Capitalized fees	17.3	12.8	34.8

☑

Valentine-Radford, Kansas City, Mo., reported gross income of $6,954,754 in 1984 on billings of $50,657,060. In 1983, it reported gross income of $5,594,642 on billings of $40,107,808.

The agency's 1984 volume consisted of $24,692,804 in media, $8,649,950 in materials and services and $17,314,306 in capitalized fees. Its 1983 volume consisted of $21,582,918 in media, $5,675,875 in materials and services and $12,849,015 in capitalized fees.

In 1984 the agency gained: Tower Properties, Entre Computers, Fred Pryor Seminars, Research Medical Center. It lost: CertainTeed Corp., Pizza Hut's East Central region.

Billings breakdown: Newspapers 10%, magazines 7%, radio 12%, network tv 6%, spot tv 23%, outdoor 10%, business papers 3%, farm publications 25%, point of sale 1%, direct mail 3%. Employes: 113. Top execs: G.W. Hawley, chairman; R.A. Brooks, president; R.L. Lang, R.L. Langford, C.L. Curtis, senior vps.

Phone: (816) 842-5021.

Venet Advertising

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	8.1	6.7	21.5
Billings	54.2	44.6	21.5
U.S. volume breakdown			
Media	30.2	25.0	20.6
Materials/services	10.1	7.8	67.3
Capitalized fees	13.9	11.7	18.3

Venet Advertising, New York, reported gross income of $8,124,300 in 1984 on billings of $54,162,000. In 1983, it reported gross income of $6,684,800 on billings of $44,565,000.

The agency's 1984 volume consisted of $30,168,200 in media, $10,128,300 in materials and services and $13,865,500 in capitalized fees. Its 1983 volume consisted of $25,001,000 in media, $7,843,400 in materials and services and $11,720,600 in capitalized fees.

The agency report includes financial figures from subsidiary:

- Venet Advertising/New Jersey

In 1984 the agency gained: Drake's Bakeries, TV Log, Fairchild Publications, Jobson Publications, Gordon Publications, MRI, Coco Lopez, WNET-TV (Newark). It lost: Paul's Peanuts, Victor's Cookies, Finlandia (Atlanta), Telesphere Intl, Morgan Grampian, R.W. Peters/Rickel; Rockford Furniture.

Billings breakdown: Newspapers 22%, magazines 3%, supplements 6%, radio 18%, network tv 4%, spot tv 41%, cable tv 2%, outdoor 2%, farm publications 1%, transit advertising 1%. Employes: 190 in four offices. Top execs: Zal Venet, chairman-president; George Coscia, president-New Jersey; Murray Skurnik, exec vp-New York; John Fortune, Jack Maged, senior vps-New York; Saul Margulies, treasurer; Dorothy Stofik, secretary.

Phone: (212) 489-6700.

Vicom Associates

San Francisco

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	5.4	4.3	24.0
Billings	50.2	41.8	20.1
U.S. volume breakdown			
Media	7.5	7.7	-3.0
Materials/services	6.9	5.2	33.5
Capitalized fees	35.8	28.9	24.0

☑

Vicom Associates, San Francisco, a medical subsidiary of Foote, Cone & Belding, reported gross income of $5,370,944 in 1984 on billings of $50,248,375. In 1983, it reported gross income of $4,311,005 on billings of $41,809,105.

The agency's 1984 volume consisted of $7,506,168 in media, $6,918,011 in materials and services, and $35,824,196 in capitalized fees. In 1983, volume consisted of $7,739,114 in media, $5,182,183 in materials and services, and $28,887,803 in capitalized fees.

In 1984 the agency gained: Diatek, Neurometrics, Cetus Corp., Collegen Corp. It lost: None.

Billings breakdown: Magazines 50%, direct mail 14%, other 36%. Employes: 56 in two offices. Top execs: R.W. Buechert, president; R.A. Bowes, exec vp; T.C. Spooner, senior vp.

Phone: (415) 391-8700.

Waring & LaRosa

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Gross income	12.3	12.0	2.5
Billings	82.0	80.0	2.5
U.S.			
Gross income	11.8	11.6	2.3
Billings	78.8	77.0	2.3
U.S. volume breakdown			
Media	63.0	62.1	1.4
Materials/services	8.3	8.2	1.2
Capitalized fees	7.5	6.7	11.9

Waring & LaRosa, New York, a subsidiary of BBDO International, reported gross income of $12,300,000, of which $480,000 was in non-U.S. contributions, in 1984 on billings of $82,000,000. In 1983, it reported gross income of $12,000,000, of which $450,000 was in non-U.S. contributions, on billings of $80,000,000.

The agency's 1984 U.S. volume of $78,800,000 consisted of $63,000,000 in media, $8,300,000 in materials and services and $7,500,000 in capitalized fees. Its 1983 U.S. volume of $77,000,000 consisted of $62,100,000 in media, $8,200,000 in materials and services and $6,700,000 in capitalized fees.

Overseas, its dollar volume was $3,200,000 in 1984 and $3,000,000 in 1983.

In 1984 the agency gained: Aziza Polishing Pen, Cutex Perfect Color lipstick, Fisher-Price camera & children's clothing, Prince tennis wear & footwear. It lost: SCM Corp.

Billings breakdown: Newspapers 3%, magazines 31%, radio 8%, network tv 50%, spot tv 6%, cable tv 1%, outdoor 1%. Employes: 135. Top execs: Joe LaRosa, chairman & creative director; Saul Waring, president; Mort Grossman, exec vp-finance & admn.; John McCrosky, exec vp-mktg & acct services; Marty Narva, senior vp-media director; Larry Weisberg, senior vp-mgmt super; Francesca Blumenthal, Michael Kahn, Vince Salmieri, senior vps-associate creative directors; Gerry Viola, senior vp-creative services.

Phone: (212) 755-0700.

Weightman Inc.

Philadelphia

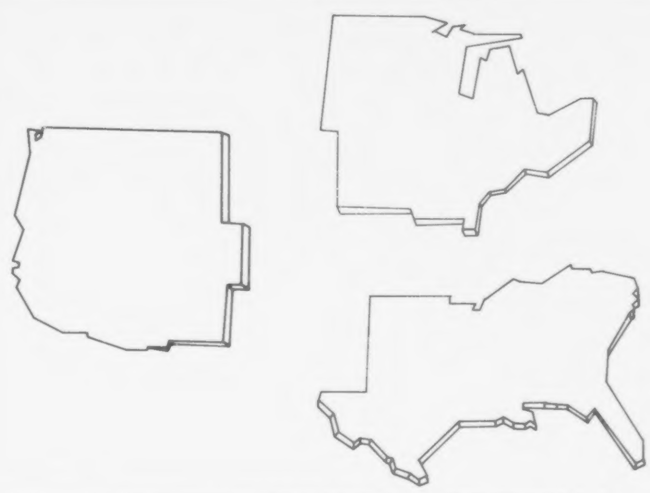
($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	6.2	5.3	17.2
Billings	41.3	35.2	17.2
U.S. volume breakdown			
Media	41.3	35.2	17.2
Materials/services	N/A	N/A	N/A
Capitalized fees	N/A	N/A	N/A

☑

Weightman Inc., Philadelphia, reported gross income of $6,188,000 in 1984 on billings of $41,255,000. In 1983, it reported gross income of $5,280,000 on billings of

III agencies: $1 million to $5 million (East)



Regional guide to III & IV agencies

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Midwest	84	Midwest	102
South	92	South	106
West	95	West	109

Ackerman Advertising Communications, Greenvale, N.Y., reported gross income of $1,625,000 in 1984 on billings of $10,856,478. In 1983, it reported gross income of $1,010,000 on billings of $7,257,550. In 1984, volume consisted of $5,453,200 in media, $845,000 in materials and services and $4,558,278 in capitalized fees. In 1983, volume consisted of $4,950,000 in media, $540,000 in materials and services and $1,767,550 in capitalized fees.

Accounts gained: Roslyn Savings Bank, Travelhost Agencies. Lost: None. Billings breakdown: Newspapers 20%, magazines 5%, supplements 10%, radio 20%, spot tv 25%, cable tv 3%, business papers 5%, point of sale 2%, direct mail 10%. Employes: 28. Top execs: Skip Ackerman, president; Ruth Haltman, senior vp.

Phone: (516) 484-5150. ☑

Adams, Rickard & Mason, Glastonbury, Conn., reported gross income of $1,279,731 in 1984 on billings of $8,532,000. In 1983, it reported gross income of $1,135,700 on billings of $7,571,700. In 1984, volume consisted of $1,712,123 in media, $905,877 in materials and services and $5,914,000 in capitalized fees. In 1983, volume consisted of $1,810,925 in media, $1,219,588 in materials and services and $4,541,187 in capitalized fees.

Accounts gained: JMG Associates Ltd., Lydall Composite Materials div, Computech Corp. Lost: American Chemical & Engineering, Connecticut Valley Arms. Billings breakdown: Newspapers 12%, magazines 38%, radio 2%, outdoor 1%, business papers 34%, direct mail 4%, other 9%. Employes: 29. Top execs: Frederick C. Adams, chairman, ceo; Albert D. Mason, president; Jonathan S. Rickard, vp-creative.

Phone: (203) 659-1311.

Adler, Schwartz, Englewood Cliffs, N.J., reported gross income of $1,074,069 in 1984 on billings of $7,163,508. In 1983, it reported gross income of $1,008,400 on billings of $6,535,616. In 1984, volume consisted of $393,587 in media, $671,540 in materials and services and $6,098,381 in capitalized fees. In 1983, volume consisted of $326,400 in media, $508,700 in materials and services and $5,700,516 in capitalized fees.

Accounts gained: Essex Specialty Products. Lost: Engineering Information, New York Cellular Radio. Billings breakdown: Newspapers 10%, business papers 40%, sales promotion 50%. Employes: 20. Top execs: Richard Schwartz, president; Peter Adler, exec vp; Stephen Dick, Judith Donovan, George Lynn, Jan Kraner, vps; Laura Eisenman, vp-media & production.

Phone: (201) 461-8450.

Alden Group, New York, reported gross income of $2,200,000 in 1984 on billings of $13,500,000. In 1983, it reported gross income of $1,700,000 on billings of $11,000,000. No volume breakdown was provided for either year. The report includes results from J.S. Alden Public Relations.

Accounts gained: Juki Office Machines, E.F. Ross. Lost: None. No billings breakdown was provided. Employes: 26. Top execs: Jack H. Casper, chairman; Seymore Ripka, president.

Phone: (212) 867-6400.

Baron & Zaretsky, New York, reported gross income of $1,695,000 in 1984 on billings of $11,300,000. In 1983, it reported gross income of $1,230,000 on billings of $8,200,000. Volume was all in media for each year.

Accounts gained: Lucille Roberts, Pavion Cosmetics, Stuffed Shirt. Lost: Berkley Publishing. Billings breakdown: Newspapers 40%, magazines 35%, radio 5%, network tv 5%, spot tv 15%. Employes: 19. Top execs: Kenneth D. Baron, president; Burton Zaretsky, vp.

Phone: (212) 677-1747.

Beaumont, Heller & Sterling, Reading, Pa., reported gross income of $1,349,612 in 1984 on billings of $10,621,097. In 1983, it reported gross income of $1,260,212 on billings of $9,761,015. In 1984, volume consisted of $1,514,905 in media, $1,425,834 in materials and services and $7,680,358 in capitalized fees. In 1983, volume consisted of $1,589,249 in media, $1,244,515 in materials and services and $6,927,251 in capitalized fees.

Accounts gained: AcrySyl Intl Corp., CompAir Kellogg, Kellogg-American, Cressona Aluminum Co. Lost: None. Billings breakdown: Newspapers 0.2%, radio 0.2%, business papers 13.4%, direct mail 22.7%, Yellow Pages 1.1%, public relations 15%, collateral materials 7.7%, marketing, creative & client services 39.6%. Employes: 45. Top execs: Robert D. Beaumont, president; Donald T. Beaumont Jr., senior exec vp-secretary/treasurer; James Buchanan, senior vp-media/mktg services director; James D. Flannery, vp-exec art director; William E. Kemper Jr., vp; Allan D. Keough, vp-creative director; James E. Ludwig Jr., Leland E. Rice, vps; John R. Sergeant Jr., vp-direct mail/print production mgr.

Phone: (215) 375-4311. ☑

Berenson, Isham & Partners, Boston, reported net income of $159,898 and gross income of $1,254,781 in 1984 on billings of $7,011,537.

In 1983, it reported net income of $43,644 and gross income of $1,251,471 on billings of $6,104,739. In 1984, volume consisted of $2,033,018 in media, $782,028 in materials and services and $4,196,491 in capitalized fees. In 1983, volume consisted of $3,750,693 in media, $729,495 in materials and services and $1,624,551 in capitalized fees.

Accounts gained: Biarritz Imported Shoes, Crown Services Systems, Massachusetts Businessman's Assn, Mutual Advisory Corp., New England Rare Coin, Profesco Corp., Windsor Mktg Group. Lost: Heathdelle Associates; Celltech International. Billings breakdown: Newspapers 25%, magazines 10%, radio 7.5%, spot tv 7.5%, cable tv 2.5%, outdoor 2.5%, business papers 5.5%, transit advertising 2.5%, point of sale 2.5%, direct mail 35%. Employes: 16. Top execs: Paul Berenson, president/ceo; Carolynn Isham, exec vp; Louis Flanders, senior vp.

Phone: (617) 423-1120. ☑

Bergelt Advertising, New York, reported gross income of $1,474,000 in 1984 on billings of $9,868,000. In 1983, it reported gross income of $1,382,000 on billings of $9,200,000. In 1984, volume consisted of $4,200,000 in media, $3,200,000 in materials and services and $2,468,000 in capitalized fees. In 1983, volume consisted of $4,100,000 in media, $2,900,000 in materials and services and $2,200,000 in capitalized fees.

Figures include those of Bergelt's U.S. subsidiary:

- Bergelt Public Relations

Accounts gained: Futures Discount Group, Luitpold Pharmaceuticals, Arcadian Corp. Lost: ContiCommodity Services, Ford Intl Tractor/pr. Billings breakdown: Newspapers 15%, magazines 13%, radio 6%, business papers 10%, farm publications 25%, point of sale 1%, direct mail 10%, other 20%. Employes: 22. Top execs: Edward C. Bergelt, president-ceo; John M. Fraioli, exec vp-art; William I. Zeitung, senior vp-creative director.

Phone: (212) 725-5588. ☑

Berk & Co., Boston, had estimated gross income of $3,300,000 in 1984 on billings of $22,000,000. No figures were provided for 1983. No volume breakout was provided for either year.

Accounts gained: Graham Gund Architectural Design, Speedy Muffler King. Lost: None. Billings breakdown: Newspapers 6%, radio 33%, spot tv 59%, other 2%. Employes: 50 in three offices. Top execs: Kenneth A. Berk, president, Donald M. Shanbar, exec vp, Sheila Shively, vp-acct services; Daniel J. Harper, controller.

Phone: (617) 247-2800.

Biederman & Co., New York, reported gross income of $2,243,035 in the eight months of operations in 1984 since it spun off from Needham Harper Worldwide, on billings of $16,287,505. Volume over the same period consisted of $7,584,185 in media, $1,280,077 in materials and services and $7,423,243 in capitalized fees.

Accounts gained: ITT corporate, ITT Intl Telecommunications, Israel Ministry of Tourism, Canadian Imperial Bank Group, Deloitte, Haskins & Sells, Solarex Corp. Lost: None. Billings breakdown: Newspapers 3%, magazines 51%, supplements 2%, radio 2%, network tv 34%, spot tv 2%, cable tv 3%, business papers 3%. Employes: 61. Top execs: Barry Biederman, president-ceo; Howard Benson, creative director; John Kelly, coo; John Mason, senior vp.

Phone: (212) 929-7200.

Blair/BBDO, Rochester, N.Y., a subsidiary of BBDO International, reported gross income of $2,850,795 in 1984 on billings of $19,005,300. In 1983, it reported gross income of $649,059 on billings of $4,327,060. In 1984, volume consisted of $5,880,259 in media, $3,762,936 in materials and services and $9,362,105 in capitalized fees. In 1983, volume consisted of $2,596,236 in media, $1,224,558 in materials and services and $506,266 in capitalized fees.

Accounts gained: Computer Consoles, Xerox Multiple Channels Group, Gannett Rochester Newspapers, Bausch & Lomb, Ray-Ban. Lost: Software Distribution Services. Billings breakdown: Newspapers 12%, magazines 22%, radio 25%, spot tv 30%, cable tv 3%, outdoor 1%, business papers 5%, farm publications 1%, direct mail 1%. Employes: 48 in two offices. Top execs: John F. Kraushaar, president; H. Mat Adams, senior vp.

Phone: (716) 476-0440. ☑

Bloom & Gelb, New York, reported gross income of $1,375,000 in 1984 on billings of $9,171,250. In 1983, it reported gross income of

II agencies: $5,000,000 to $15,000,000

$35,200,000. Volume was all in media for each year.

In 1984 the agency gained: CertainTeed Corp., Shelter Materials Group. It lost: KeyServ Group.

Billings breakdown: Newspapers 10%, magazines 10%, radio 4%, network tv 36%, spot tv 34%, business papers 5%, other 1%. Employes: 116. Top execs: Charles Coffey, chairman-ceo: Dave Jordan, vice-chairman-cfo; John Goodchild, president-chief operating officer.

Phone: (215) 561-6100.

Wyse Advertising
Cleveland

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Gross income	11.1	9.4	18.1
Billings	84.8	68.6	23.7
U.S. volume breakdown			
Media	46.6	38.2	21.9
Materials/services	11.5	9.6	20.2
Capitalized fees	26.7	20.7	28.6

☑

Wyse Advertising, Cleveland, reported gross income of $11,083,885 in 1984 on billings of $84,807,174. In 1983, it reported gross income of $9,386,582 on billings of $68,555,484.

The agency's 1984 volume included $46,617,643 in media, $11,520,234 in materials and services and $26,669,297 in capitalized fees. Its 1983 volume consisted of $38,232,064 in media, $9,580,898 in materials and services and $20,742,522 in capitalized fees.

In 1984 the agency gained: Blue Cross/Blue Shield of Northeast Ohio, Bonne Bell Cosmetics, Consolidated Natural Gas corporate, People's Gas, Hope Gas. It lost: Aladdin Energy Products.

Billings breakdown: Newspapers 9%, magazines 21%, radio 9%, network tv 16%, spot tv 33%, outdoor 2%, other 10%. Employes: 196 in two offices.

Top execs: Marc A. Wyse, board chairman; Lois Wyse, president; James B. Rucker Jr., vice-chairman; Evelyn M. Reisz, secretary-treasurer.

Phone: (216) 696-2424.

Top 10 I and II agencies by radio billings

($ in 000,000)

Rank	Agency	Radio billings	U.S. billings	%*
1	BBDO International	142.3	1,581.0	9.0
2	Foote, Cone & Belding Communications	112.6	1,324.4	8.5
3	Young & Rubicam	99.1	2,155.1	4.6
4	Bozell & Jacobs	92.4	660.0	14.0
5	Ted Bates Worldwide	80.7	1,754.7	4.6
6	D'Arcy MacManus Masius	78.4	712.9	11.0
7	J. Walter Thompson Co.	62.6	1,455.4	4.3
8	Ogilvy & Mather	54.1	1,804.3	3.0
9	N W Ayer	52.9	652.5	8.1
10	Tracy-Locke	48.0	239.8	20.0

* Radio billings as a % of an agency's U.S. capitalized billings
NOTE: This chart was compiled from information provided by 144 I and II agencies

$1,204,968 on billings of $8,037,137. No volume breakdown was provided for either year.

Accounts gained: Midlantic National Bank, Aetna Life & Casualty, Ivy Growth Fund, Bill Communications. Lost: Bachrachs, *Today's Christian Woman*. Billings breakdown: Newspapers 15%, magazines 25%, radio 5%, spot tv 10%, direct mail 45%. Employes: 16. Top execs: Carl P. Bloom, president; Pete Gelb, exec vp.

Phone: (212) 906-3880.

Lawrence Butner Advertising, New York, a direct marketing agency, reported net income of $195,000 and gross income of $2,279,875 in 1984 on billings of $15,200,000. In 1983, it reported net income of $152,500 and gross income of $1,653,750 on billings of $11,025,000. In 1984, volume consisted of $12,782,500 in media, $750,000 in materials and services and $1,667,500 in capitalized fees. In 1983, volume consisted of $9,833,000 in media, $525,000 in materials and services and $667,000 in capitalized fees.

Accounts gained: Transamerica Occidental, *Asian Wall Street Journal Weekly*. Lost: U.S. Capital Corp. Billings breakdown: Newspapers 5%, magazines 1%, radio 19%, network tv 20%, spot tv 20%, cable tv 30%, business papers 1%, transit advertising 1%, point of sale 1%, direct mail 2%. Employes: 30. Top execs: Lawrence Butner, president; Eleanor Butner, exec vp; Nevil Cross, Joseph Larsen, Pam Weinberg, vps.

Phone: (212) 682-3200. ☑

Ted Chin & Co., New York, reported gross income of $1,975,000 in 1984 on billings of $13,140,000. In 1983, it reported gross income of $1,950,000 on billings of $12,710,000. In 1984, volume consisted of $5,627,000 in media, $910,000 in materials and services and $6,603,000 in capitalized fees. In 1983, volume consisted of $5,592,000 in media, $815,000 in materials and services and $6,303,000 in capitalized fees.

Accounts gained: Nabisco Royal "No Bake" Chocolate Mousse Pie Mix, Shaklee Corp. Lost: Citizen Watch. Billings breakdown: Newspapers 10%, magazines 20%, radio 5%, network tv 14%, spot tv 35%, cable tv 2%, business papers 10%, transit advertising 3%, other 1%. Employes: 24. Top exec: Ted Chin, president.

Phone: (212) 421-0707.

George P. Clarke Advertising, New York, reported gross income of $1,072,368 in 1984 on billings of $7,152,695. In 1983, it reported gross income of $986,011 on billings of $6,571,405. In 1984, volume consisted of $2,915,438 in media, $340,630 in materials and services and $3,896,627 in capitalized fees. In 1983, volume consisted of $2,864,294 in media, $333,125 in materials and services and $3,373,986 in capitalized fees.

Accounts gained: Novo Communications, Manpower Education Institute, Financial Clearing & Services Corp., Money Brokers Associates. Lost: William T. Thompson, Fasolino Foods Co. Billings breakdown: Newspapers 25%, magazines 15%, radio 10%, spot tv 10%, business papers 10%, point of sale 5%, direct mail 5%, other 20%. Employes: 16. Top exec: George P. Clarke, president.

Phone: (212) 490-2212. ☑

ClarkeGowardFitts, Boston, reported net income of $120,000 and gross income of $2,500,000 in 1984 on billings of $17,221,400. In 1983, it reported net income of $175,000 and gross income of $2,300,000 on billings of $15,304,000. In 1984, volume consisted of $6,500,000 in media, $1,250,000 in materials and services and $9,471,400 in capitalized fees. In 1983, volume consisted of $6,000,000 in media, $1,300,000 in materials and services and $8,004,000 in capitalized fees.

Accounts gained: General Computer, Bolt Berenek Newman, Addison Wesley, Ann & Hope. Lost: Health Stop, Deck House, Medi-Tech, Houghton Mifflin. Billings breakdown: Newspapers 15%, magazines 20%, radio 10%, spot tv 20%, outdoor 3%, business papers 15%, transit advertising 2%, point of sale 3%, direct mail 2%, other 10%. Employes: 40. Top execs: Terence M. Clarke, president-chairman; Jon Goward, Jim Fitts, exec vps-creative; Peter Morrissey, president-Clark & Co., Jim Hollister, vp-mktg/acct super; Phyllis Maynard, vp-media.

Phone: (617) 536-7611. ☑

Cline, Davis & Mann, New York, which was founded in January, 1984, reported gross income of $1,125,000 on billings of $7,842,560. Volume consisted of $2,380,000 in media, $340,000 in materials and services and $5,122,560 in capitalized fees.

Accounts gained: Biosearch Medical Products. Lost: None. Billings breakdown: Magazines 75%, direct mail 5%, other 20%. Employes: 13. Top execs: Morgan E. Cline, president-ceo; Clyde P. Davis; Fredric I. Mann, exec vp-creative director; John R. Slonaker; Jed A. Beitler, vps-acct supers.

Phone: (212) 308-4242. ☑

Communigraphics Inc., Woodbury, N.Y, reported gross income of $1,967,687 in 1984 on billings of $5,915,095. In 1983, it reported gross income of $1,729,069 on billings of $5,235,766. In 1984, volume consisted of $913,262 in media, $358,233 in materials and services and $4,643,600 in capitalized fees. In 1983, volume consisted of $867,068 in media, $243,536 in materials and services and $4,125,162 in capitalized fees.

Accounts gained: None. Lost: Charmilles Technologies Corp. Billings breakdown: Newspapers 3%, business papers 74%, other 18%. Employes: 17 in two offices.

Phone: (516) 364-2333. ☑

Contemporary Marketing, Bala Cynwyd, Pa., reported gross income of $1,400,000 in 1984 on billings of $9,300,000. In 1983, it reported gross income of $1,200,000 on billings of $8,000,000.

Accounts gained: All Control Systems, Intl Cogeneration Corp., Red Devil, Intl Mobile Machines—TACT Technology. Lost: Mellon Bank. Billings breakdown: Newspapers 20%, magazines 29%, radio 10%, spot tv 15%, outdoor 1%, business papers 10%, direct mail 5%, other 10%. Employes: 27. Top execs: T.H. Tromsdorf, president; A.M. Barolin; R.E. Layton, vps; R.T. Morotz, vp-pr; R. Pavloff, vp-creative services.

Phone: (215) 667-3683.

Cooper Leder, Lake Success, N.Y., reported gross income of $3,478,000 in 1984 on billings of $8,408,065. In 1983, it reported gross income of $2,665,000 on billings of $6,442,637. In 1984, volume consisted of $2,260,700 in media, $347,800 in materials and services and $5,799,565 in capitalized fees. In 1983, volume consisted of

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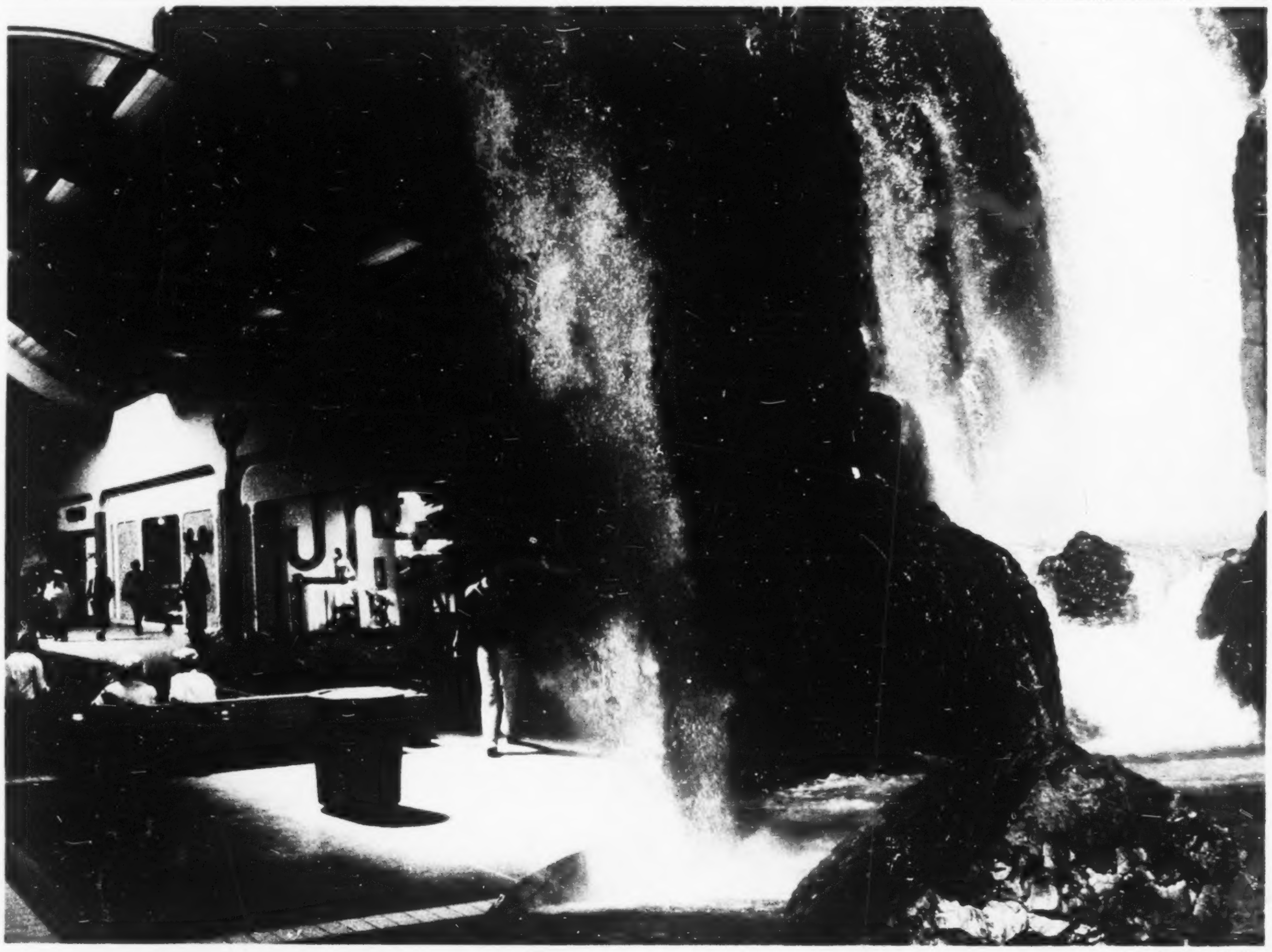

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East: III agencies $1,000,000-$5,000,000

$1,732,250 in media, $266,500 in materials and services and $4,443,887 in capitalized fees.

Accounts gained: Propper Mfg., KB Electronics, Sultan Chemists. Lost: Bamberger Polymers. Billings breakdown: Newspapers 10%, magazines 63%, radio 10%, spot tv 2%, other 15%. Employes: 12. Top execs: Ronald E. Leder, president; Marvin Lebowitz, vp-secretary/treasurer, Daniel Carazo, vp-senior art director.

Phone: (516) 488-4800.

Cosmopulos, Crowley & Daly, Boston, reported gross income of $2,557,000 in 1984 on billings of $16,392,000. In 1983, it reported gross income of $1,500,000 on billings of $10,000,000. In 1984, volume consisted of $6,036,000 in media, $1,552,000 in materials and services and $8,804,000 in capitalized fees. No volume breakdown was provided for 1983.

Accounts gained: Advanced Brands, Allendale Mutual Insurance, Alloy Computer Products, Data Resources, Funk Software, Harrison Convention Services, Joyce Chen gourmet products, Massachusetts Convention Center Authority, Spaulding & Slye, Cambridge Tire & Car Care Centers, Massachusetts Mutual Life Insurance's Group Life & Health div. Lost: Integral Data Systems, Jobline. Billings breakdown: Newspapers 15%, magazines 20%, supplements 5%, radio 20%, spot tv 8%, cable tv 2%, outdoor 5%, business papers 10%, transit advertising 5%, point of sale 5%, direct mail 5%. Employes: 44. Top execs: Stavros Cosmopulos, chairman-creative director; Robert J. Crowley, exec vp-treasurer; Harold E. Daly Jr., president.

Phone: (617) 266-5500.

Detrow & Underwood, Ashland, O., reported gross income of $1,711,961 in 1984 on billings of $4,896,834. In 1983, it reported gross income of $1,456,158 on billings of $4,180,775. In 1984, volume consisted of $482,644 in media, $667,611 in materials and services and $3,746,579 in capitalized fees. In 1983, volume consisted of $311,703 in media, $663,922 in materials and services and $3,205,150 in capitalized fees.

Accounts gained: Bell & Howell Publication Products (microforms & microforms), Ohio Brass' Electric Utilities div, Quantico Communications' Slow Video Equipment. Lost: Nelson McCoy Pottery Co. Billings breakdown: Newspapers 5%, magazines 15%, radio 5%, outdoor 5%, business papers 50%, farm publications 5%, direct mail 15%. Employes: 17. Top execs: Jack M. Detrow, president-ceo; Gary D. Underwood, exec vp-creative director; Michael W. Detrow, exec vp-finance/production.

Phone: (419) 289-0265. ☑

DiIorio, Wergeles, New York, reported gross income of $1,500,000 in 1984 on billings of $10,000,000. In 1983, it reported gross income of $1,000,000 on billings of $7,000,000. In 1984, volume consisted of $9,500,000 in media and $500,000 in materials and services. In 1983, volume consisted of $6,500,000 in media and $500,000 in materials and services. Account gained: Casa Fiesta Mexican Food. Lost: Golden Blossom Honey. Billings breakdown: Newspapers 10%, radio 5%, spot tv 80%, outdoor 2%, business papers 3%. Employes: 14. Top execs: Donald S. Wergeles, chairman; Julio DiIorio, president.

Phone: (212) 986-7850.

Dorland & Sweeney, Philadelphia, reported gross income of $1,205,558 in 1984 on billings of $8,059,028. In 1983, it reported gross income of $1,630,601 on billings of $10,796,685. In 1984, volume consisted of $315,247 in media, $748,118 in materials and services and $6,995,663 in capitalized fees. In 1983, volume consisted of $283,235 in media, $615,957 in materials and services and $9,897,493 in capitalized fees.

The agency did not gain or lose any accounts. Billings breakdown: Newspapers 13%, magazines 27%, direct mail 55%, other 5%. Employes: 26. Top execs: Harry A. Sweeney, chairman-ceo; Joseph M. Noel, president; Richard Jones, exec vp; Rita Sweeney, senior vp.

Phone: (215) 625-0111. ☑

Drossman Lehmann Marino, New York, reported gross income of $2,132,399 in 1984 on billings of $14,221,760. The agency, which was founded in September, 1983, had gross income of $487,632 on billings of $3,238,268 during its four months of business that year. In 1984, volume consisted of $3,543,277 in materials and services and $10,678,483 in capitalized fees. In 1983, volume consisted of $944,443 in media, $208,776 in materials and services and $2,085,268 in capitalized fees.

Accounts gained: Commodore Business Machines, Nationwide Automotive, R.G. Barry Inc.'s Dearfoams, Friendly Press, Bide-A-Wee Home Assn. Lost: None. Billings breakdown: Newspapers 31%, magazines 23%, supplements 3%, radio 9%, network tv 25%, spot tv 9%. Employes: 30. Top execs: Neil Drossman, chairman; Charles Lehmann, president; Domenick Marino, exec vp; Charles Rice, senior vp.

Phone: (212) 683-0888.

G.M. DuBois Corp., New York, a subsidiary of BBDO International, reported gross income of $2,850,795 in 1984 on billings of $19,005,300. In 1983, it reported gross income of $649,059 on billings of $4,327,060. In 1984, volume consisted of $5,880,259 in media, $3,762,936 in materials and services, and $9,362,105 in capitalized fees. In 1983, volume consisted of $2,596,236 in media, $1,224,558 in materials and services, and $506,266 in capitalized fees.

Accounts gained: Computer Consoles, Xerox Multiple Channels Group, Gannett's Rochester newspapers, Bausch & Lomb, Ray-ban. Lost: Software Distribution Services. Billings breakdown: Newspapers 12%, magazines 22%, radio 25%, spot tv 30%, cable tv 3%, outdoor 1%, business papers 5%, farm publications 1%, direct mail 1%. Employes: 48 in two offices. Top execs: John F. Kraushaar, president; H. Mat Adams, senior vp.

Phone: (716) 473-0440.

Dugan/Farley Communications Associates, Upper Saddle River, N.J., reported gross income of $4,568,637 in 1984 on billings of $29,854,115. In 1983, it reported gross income of $4,007,577 on billings of $26,252,000. In 1984, volume consisted of $4,860,702 in media, $2,789,484 in materials and services and $22,203,929 in capitalized fees. In 1983, volume consisted of $5,009,471 in media, $2,425,639 in materials and services and $18,816,890 in capitalized fees.

The agency did not gain or lose any accounts. Billings breakdown: Magazines 60%, direct mail 15%, other 25%. Employes: 33. Top exec: John P. Dugan, president.

Phone: (201) 934-0720.

Eisner & Associates, Baltimore, reported gross income of $3,795,920 in 1984 on billings of $25,229,618. In 1983, it reported gross income of $3,016,450 on billings of $20,112,303. In 1984, volume consisted of $15,934,800 in media, $2,321,200 in materials and services and $6,973,618 in capitalized fees. In 1983, volume consisted of $12,987,500 in media, $1,848,000 in materials and services and $5,276,803 in capitalized fees.

Accounts gained: Southern Floridabanc, Metropolitan s&l, Riverside s&l, Camp Mfg, Baker Watts, Holiday Espre Center, Physical Fitness Centers of Philadelphia, Plata Grande restaurant chain, Cluster de France Wine, Bavarian Vodka, Bartonwood Condos, Chesapeake. Lost: Endura. Billings breakdown: Newspapers 23%, magazines 7%, radio 21%, network tv 5%, spot tv 29%, cable tv 2%, outdoor 3%, business papers 6%, point of sale 2%, direct mail 2%. Employes: 65 in two offices. Top execs: Henry W. Eisner, chairman; Steven C. Eisner, president; Dan Stachurski, Sidney Cohen, John McLaughlin, Jonathan Russick, senior vps.

Phone: (301) 685-3390.

Elkman Advertising, Bala Cynwyd, Pa., reported gross income of $4,565,000 in 1984 on billings of $37,857,500. In 1983, it reported gross income of $4,665,000 on billings of $38,172,500.

The agency's 1984 volume included $22,850,000 in media, $3,335,000 in materials and services, and $11,672,500 in capitalized fees. In 1983, volume consisted of $23,000,000 in media, $3,500,000 in materials and services, and $11,672,500 in capitalized fees.

In 1984 the agency gained: Keyserv Group, Sencit, Mobix, Greensward, Today's Man. It lost: Resorts Intl, Copelco.

Billings breakdown: Newspapers 13%, magazines 5%, radio 18%, spot tv 59%, outdoor 1%, business papers 2%. Employes: 90 in two offices. Top execs: Stanley Elkman, ceo; Donald M. Tuckerman, president; Donald Rosenblit, senior exec-vp; David Phillips, exec vp.

Phone: (215) 835-2400. ☑

Emery Advertising Corp., Baltimore, reported gross income of $1,951,410 in 1984 on billings of $13,009,275. In 1983, it reported gross income of $1,931,487 on billings of $12,876,445. In 1984, volume consisted of $8,781,261 in media, $3,174,263 in materials and services and $1,053,751 in capitalized fees. In 1983, volume consisted of $8,858,998 in media, $2,781,313 in materials and services and $1,236,134 in capitalized fees.

Accounts gained: McCrory's, Back Center, Dark Room, Topflight, Gore, Parker, Town & Country, Bereeta, Brookwood Farms, Pfaltzgraff. Lost: Teledyne, Larsen, The Savings Bank. Billings breakdown: Newspapers 25%, magazines 5%, radio 12%, spot tv 18%, outdoor 1%, business papers 37%, direct mail 2%. Employes: 35. Top execs: Louis F. Mathai, president; Robert Skacel, exec vp.

Phone: (301) 628-6242.

John Emmerling Inc., New York, reported gross income of $1,986,000 in 1984 on billings of $13,240,000. In 1983, it reported gross income of $1,522,500 on billings of $10,150,000. In 1984, volume consisted of $9,173,000 in media, $2,019,000 in materials and services and $2,048,000 in capitalized fees. In 1983, volume consisted of $8,158,600 in media, $734,000 in materials and services and $1,257,400 in capitalized fees.

Accounts gained: Avon Fashions, Dreyfus, Ashby & Co. Lost: None. Billings breakdown: Newspapers 4%, magazines 18%, radio 10%, network tv 10%, spot tv 42%, business papers 14%, transit advertising 2%. Employes: 18. Top execs: John Emmerling, chairman; James Guthrie, president; Arthur Gilmore, exec vp.

Phone: (212) 751-7460.

Fairfax Inc., New York, a subsidiary of Saatchi & Saatchi Compton Worldwide, reported gross income of $3,450,000 in 1984 on billings of $23,000,000. In 1983, it reported gross income of $2,535,000 on billings of $19,000,000. In 1984, volume consisted of $19,500,000 in media and $3,500,000 in materials and services. In 1983, volume consisted of $14,750,000 in media, $2,750,000 in materials and services and $1,500,000 in capitalized fees.

Accounts gained: Central New England College, Hardwick Stove, RCA Consumer Electronics div, ITT Educational Services, Mayflower Movers special projects, *National Enquirer* special projects, Washington Mint, Fracorp's St. Andrews, Sterling Plaza, Beauty Samples USA-Educational Directory. Lost: Ashley China, Intl Monetary Mint, H.K. James Ltd., Phillippe, La France Yarn Master. Billings breakdown: Newspapers 17%, magazines 32%, supplements 28%, radio 2%, spot tv 15%, outdoor 1%, business papers 1%, farm publications 1%, transit advertising 3%. Employes: 52 in two offices. Top execs: James W. Fishel, chairman-ceo; Robert J. McQuade, president; Albert C. Klein, vp-comptroller.

Phone: (212) 350-1800.

Thomas G. Ferguson Associates, Parsippany, N.J., reported gross income of $4,492,000 in 1984 on billings of $34,958,318. In 1983, it reported gross income of $4,315,890 on billings of $33,033,442. In 1984, volume consisted of $2,547,000 in media, $5,095,000 in materials and services and $27,316,318 in capitalized fees. In 1983, volume consisted of $1,643,442 in media, $3,376,000 in materials and services and $28,014,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Pro/Com Enterprises
- Medesign

Accounts gained: Amaric Corp., American Micro Scan, Bard Med-Systems, Becton Dickinson Immunodiagnostics, E.R. Squibb & Sons (Pronestyl), Shield Healthcare Centers, USV Laboratories' Revlon Healthcare (Calcimar PMO, Calel-D), Warner-Lambert's Consumer Health Products Group (Early Detector, Mediquell, Sinutab). Lost: U.S. Surgical Corp. Billings breakdown: Magazines 15%, point of sale 5%, direct mail 15%, other 65%. Employes: 58. Top execs: Thomas D. Ferguson, chairman-president; Thomas D. Atkinson, M. Jean Pankow, senior vps; John F. Zweig, Robert P. Muratore; Pamela A. Rossetti; Edward J. Gorzalski, vps.

Phone: (201) 540-8000. ☑

Fern/Hanaway, Providence, R.I., estimates gross income of $1,655,000 in 1984 on billings of $11,038,850. In 1983, it reported gross income of $1,414,685 on billings of $9,435,948. In 1984, volume consisted of $4,780,000 in media, $3,286,165 in materials and services and $2,972,685 in capitalized fees. In 1983, volume consisted of $4,085,369 in media, $2,809,810 in materials and services and $2,540,769 in capitalized fees.

Accounts gained: C.I. Hayes Inc., Dycem. Lost: None. Billings breakdown: Newspapers 10%, magazines 10%, radio 5%, spot tv 10%, business papers 25%, other 40%. Employes: 38. Top execs: Sanford M. Fern, president; James F. Hanaway Jr., exec vp.

Phone: (401) 421-7202. ☑

Firestone & Associates, New York, reported gross income of $2,652,640 in 1984 on billings of $17,662,542. In 1983, it reported gross income of $2,891,160 on billings of $19,291,350. In 1984, volume consisted of $10,402,500 in media, $1,706,600 in materials and services and $5,553,442 in capitalized fees. In 1983, volume consisted of $11,400,000 in media, $1,855,000 in materials and services and $6,036,350 in capitalized fees.

Accounts gained: None. Lost: Ronzoni Macaroni. Billings breakdown: Newspapers 14%, magazines 24%, supplements 3%, radio 8%, spot tv 43%, business papers 6%, point of sale 1%, direct mail 1%. Employes: 28. Top exec: Murray Firestone, president-creative director.

Phone: (212) 247-4900.

Franznick & Cusatis Advertising, New York, reported net income of $248,012 and gross income of $1,405,300 in 1984 on billings of $8,144,867. In 1983, it reported net income of $186,436 and a gross income of $1,042,957 on billings of $6,292,444. In 1984, volume consisted of $3,587,213 in media, $1,837,741 in materials and services and $2,719,913 in capitalized fees. In 1983, volume consisted of $2,284,301 in media, $1,462,158 in materials and services and $2,545,985 in capitalized fees.

Accounts gained: Sorrell Ridge Conserves, Stotter Co., Park Tafy Labs/Osteo-Cal 600, The Vitamin Factory, *Illustrated* magazine, Quintessentials Computer Software, *The Sporting News*, *TLC Magazine*. Lost: *Mechanix Illustrated*, *Audio Magazine*, Franz Kneissl. Billings breakdown: Newspapers 10%, magazines 55%, radio 5%, spot tv 30%. Employes: 15. Top execs: Philip E. Franznick, president; J. Kathleen Cusatis, exec vp.

Phone: (212) 696-4260. ☑

Fredericks Kullberg Amato Pisacane, New York, reported gross income of $1,850,000 in 1984 on billings of $12,000,000. In 1983, it reported gross income of $900,000 on billings of $6,000,000. In 1984,

Top 10 I and II agencies by cable billings

($ in 000,000)

Rank	Agency	Cable billings	U.S. billings	%*
1	Doyle Dane Bernbach	27.1	1,085.1	2.5
2	Young & Rubicam	25.9	2,155.1	1.2
3	Foote, Cone & Belding Communications	25.2	1,324.4	1.9
4	J. Walter Thompson Co.	21.8	1,455.4	1.5
5	Grey Advertising	20.7	1,034.6	2.0
6	Dancer Fitzgerald Sample	17.3	750.2	2.3
7	BBDO International	15.8	1,581.0	1.0
8	Ted Bates Worldwide	15.8	1,754.7	0.9
9	Tatham-Laird & Kudner	6.8	226.0	3.0
10	Jordan, Case & McGrath	6.6	165.1	4.0

* Cable billings as a % of an agency's U.S. capitalized billings
NOTE: This chart was compiled from information provided by 144 I and II agencies

volume consisted of $10,200,000 in media and $1,800,000 in materials and services. In 1983, volume consisted of $5,000,000 in media and $1,000,000 in materials and services.

Accounts gained: Businessoft, Hardcastle Ltd., Lebenthal & Co., The Ryland Group. Lost: Lifeboat Associates. Billings breakdown: Newspapers 19%, magazines 37%, radio 12%, network tv 4%, spot tv 15%, business papers 12%, other 1%. Employes: 18. Top execs: Charles Fredericks, chairman; Gary W. Kullberg, president; Al Amato, Nick Pisacane, exec vps-creative director; Joe Murray, senior vp-media director; Audrey Kullberg, senior vp-rsch director.

Phone: (212) 730-1630.

Giardini/Russell, Watertown, Mass., reported gross income of $4,505,000 in 1984 on billings of $30,217,460. In 1983, it reported gross income of $3,536,897 on billings of $25,869,259. In 1984, volume consisted of $4,280,000 in media, $2,339,000 in materials and services and $23,598,460 in capitalized fees. In 1983, volume consisted of $5,597,679 in media, $1,749,890 in materials and services and $18,521,690 in capitalized fees.

Accounts gained: Adams Russell Co., State Properties of New England, Voicetek Corp. Lost: Fairchild Test Systems Group, Harvard Software. Billings breakdown: Newspapers 8%, magazines 32%, radio 13%, spot tv 12%, outdoor 4%, business papers 28%, direct mail 3%. Employes: 70. Top execs: Robert H. Russell, chairman; Richard L. Warren, president.

Phone: (617) 926-5030. ☑

Gilbert, Whitney & Johns, Whippany, N.J., reported gross income of $2,700,000 in 1984 on billings of $18,000,000. In 1983, it reported gross income of $2,065,000 on billings of $13,750,000. No volume breakdown was provided for either year.

Accounts gained: CIT Corp., E.I. Dupont de Nemours & Co., Horizon Bank, National Sea Products, CAMVAC Intl. Lost: None. Billings breakdown: Newspapers 15%, magazines 40%, radio 10%, network tv 25%, spot tv 10%. Employes: 42. Top execs: John Daltner, president; John Mimnaugh, exec vp-creative director; Kenneth Van Reekum, exec vp-operations; Paul Richartz, senior vp-acct super; Larry Everling, Tom Potterfield, vps-acct super; Allan Fliss, vp-pr director.

Phone: (201) 386-1776.

Daniel Glassman Advertising, Fairfield, N.J., reported gross income of $3,966,440 in 1984 on billings of $26,575,150. In 1983, it reported gross income of $2,650,900 on billings of $16,802,073. In 1984, volume consisted of $220,000 in media and $26,355,150 in capitalized fees. In 1983, volume consisted of $168,238 in media and $16,633,835 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. affiliates:

- Danis Research
- Hospital Research Associates

Accounts gained: Winthrop-Breon Laboratories. Lost: None. Billings breakdown: Magazines 7%, direct mail 10%, other 83%. Employes: 55 in two offices. Top execs: Daniel Glassman, chairman-president; Gene Goldberg, Warren Jacobson, group vps; David Hillman, president-Hospital Research Associates; Carl Raphael, senior vp-Danis Research; Richard Romanelli, vp-data processing; Iris Glassman, vp-financial services.

Phone: (201) 575-3507. ☑

Grafx Multi Media, New York, reported net income of $430,482 and gross income of $1,266,123 in 1984 on billings of $3,263,981. In 1983, it reported net income of $230,489 and gross income of $677,906 on billings of $1,984,103. In 1984, volume consisted of $119,187 in media, $794,580 in materials and services and $2,350,214 in capitalized fees. In 1983, volume consisted of $58,374 in media, $389,162 in materials and services and $1,536,567 in capitalized fees.

Accounts gained: New York Videotex, Sportschannel, Chaserie, Cindy Hughes Design, Bristol-Myers's Clairol Rock Influences, TTC Productions. Lost: Plexus Records, Bravo, Pot Covers. Billings breakdown: Newspapers 10%, magazines 5%, supplements 15%, cable tv 10%, transit advertising 10%, direct mail 35%, other 15%. Employes: 15 in two offices. Top execs: R.E. Kern, president; Jon P. Pellicoro, vp; Nicholas Rosenthal, genl mgr.

Phone: (212) 929-0006. ☑

Gray & Rogers, Philadelphia, reported gross income of $3,530,000 in 1984 on billings of $25,100,000. In 1983, it reported gross income of $3,270,000 on billings of $22,600,000. In 1984, volume consisted of $11,540,000 in media, $4,732,000 in materials and services and $8,828,000 in capitalized fees. In 1983, volume consisted of $10,169,000 in media, $4,295,000 in materials and services and $8,136,000 in capitalized fees. Accounts gained: Chemical Leaman Tank Lines, Foster Medical Corp., Harris-Tarkett, Maryland Computer Services, Med-Con Industries, Pennsylvania House, Pennwalt's AgChem div, Safeguard Business Systems, *SCIENCE '84*, Sun Refining & Mktg's Lubes div, Tarkett Inc., Tullos Group, Philadelphia Suburban Corp.'s computer related subsidiaries—Utility and Municipal Services, Digital Systems, Delphi Systems Associates. Lost: L.D. Caulk, Carpenter Technology, CRC Chemicals, Capitol Windows. Billings breakdown: Newspapers 14%, magazines 10%, radio 8%, network tv 5%, spot tv 9%, outdoor 0.5%, business papers 41%, farm publications 6%, direct mail 2%, other 4.5%. Employes: 72 in two offices. Top execs: James W. Finegan, chairman; Robert T. Butler, president; Robert Simpson, exec vp; Charles Rose, Arthur Benning, David Delman, Elmer Pizzi, Henry Inman, senior vps.

Phone: (215) 864-6800. ☑

Gray Strayton International, Wellesley, Mass., had estimated gross income of $4,400,000 in 1984 on billings of $29,010,000. In 1983, it

Atlantic Video's $20,000 flat as a pancake studio floor.

Most studio floors are smooth and level enough for 999 out of 1,000 situations.

But studios are used to create magic, and every now and then we might be asked to shoot the most delicately balanced creation to stem from an art director's brain this side of Rube Goldberg. Or use a micro-lens on a dolly shot that would make the tiniest bump look like you were at 15,000 feet and hit an air pocket.

So we put an extra $20,000 into pouring a self-leveling floor for our studio. We thought it a small enough investment to ensure that once the cameras are on, we get through the job as quickly, and as best, as it can be done. (What we do, and some of the equipment that helps us do it, is at right).

We use our floor to illustrate the thought that went into designing Atlantic Video, a place we've created to be as easy for you to work in as it is for us.

And that statement's on the level. Call Atlantic Video's Diana Del Toro today at 703-823-2800 and we'll prove it to you on your next job.

Studio Production: A 95' x 40' and 50' x 40' sound stage, both with Kliegl digital lighting. Hard cyc, a 10' x 10' prop door. Grass Valley 300-2B switcher, ADM VP-1603 audio board, Hitachi SK-96 and Thompson 701 cameras.

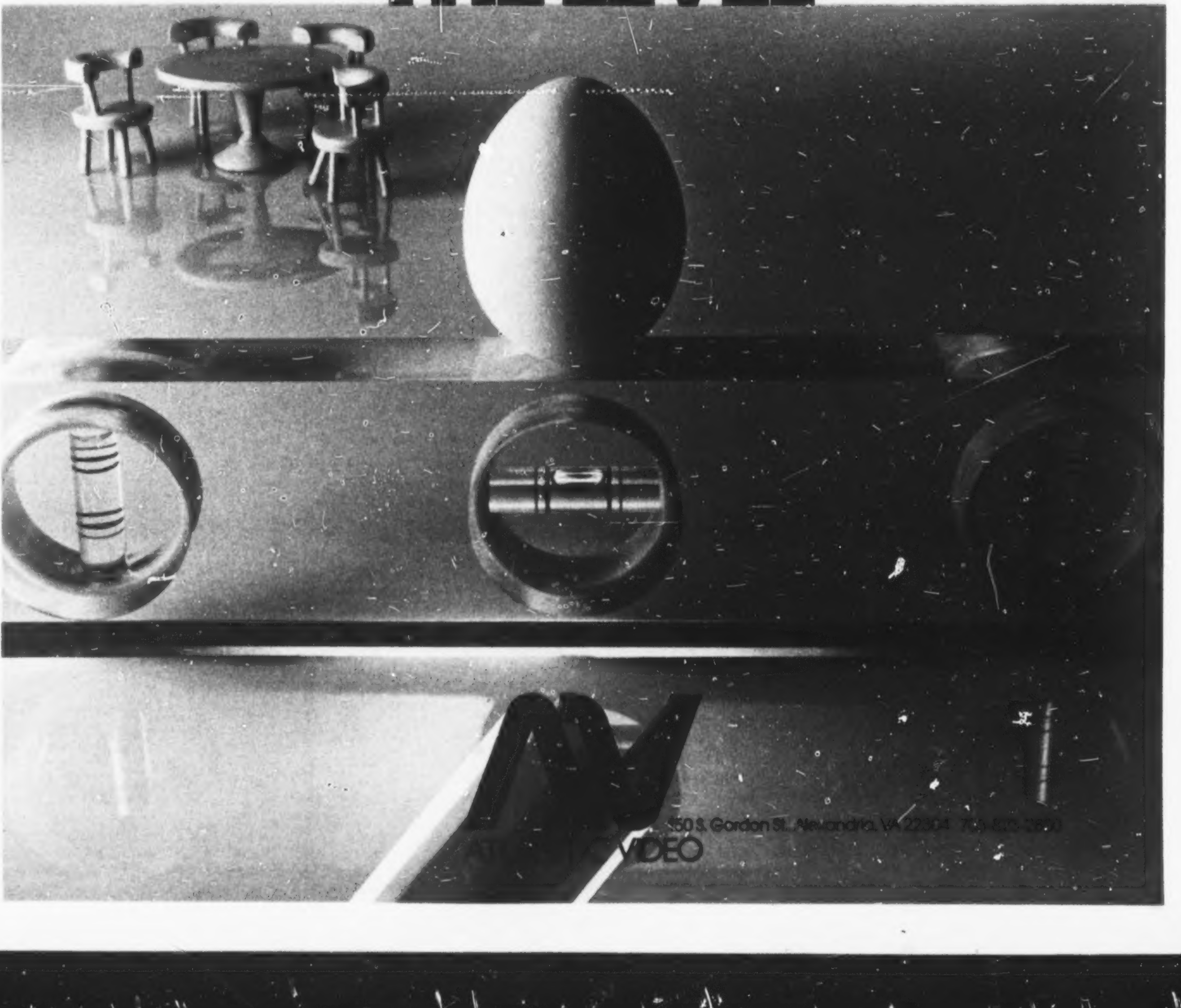
Remote Production: Three BVH-500 1", two BVU-110 ¾", Sony Betacam recorders, Grass Valley 100 portable switcher and five Thompson 701 cameras.

Post-Production: Four editing suites, two with Paltex Vanguard editors for interformat editing. Seven Ampex VPR-3's, three Sony 1000's a Sony 2000 1", three Sony BVU-820's, two Sony BVW-40's. Plus a Dubner CBG-II graphics generator and 2 channel ADO.

Duplication: From any tape format, to any tape format with four Quad and twelve 1" machines. A Dwight Cavendish duplication system makes up to 50 ½" and ¾" dubs at a time.

Video-conferencing: Fixed gear microwave to virtually all earth station facilities in metro Washington. Access to all domestic satellites though our up-link facility in Bren Mar, Virginia.

ON THE LEVEL



East: III agencies
$1,000,000-$5,000,000

had estimated gross income of $3,300,000 on billings of $21,795,000. In 1984, volume consisted of $3,650,000 in media, $1,450,000 in materials and services and $23,910,000 in capitalized fees. In 1983, volume consisted of $3,900,000 in media, $1,220,000 in materials and services and $16,675,000 in capitalized fees.

Accounts gained: Autex Systems, Telesis, Datel, EG&G corporate, Software International, RCA Cylix, Diconix. Lost: Philips Info Systems. Billings breakdown: Newspapers 5%, magazines 65%, supplements 5%, radio 5%, business papers 10%, point of sale 5%, direct mail 5%. Top execs: Robert Strayton, president; Charles Clemente, Richard Duffy, exec vps; Katharine Handrahan, Michael Stringer, Marcille Williams, senior vps.

Phone: (617) 237-3220.

Greengage Associates, New York, reported gross income of $1,812,000 in 1984 on billings of $10,668,000, the same as in 1983. Volume consisted of $8,000,000 in media and $2,668,000 in capitalized fees.

Accounts gained: Bruno Magli, Maho Bay Camps, and i s Cosmetics Inc. Lost: Paquet Cruises. Billings breakdown: Newspapers 24%, magazines 30%, radio 2%, spot tv 29%, cable tv 5%, business papers 5%, point of sale 5%. Employes: 25. Top execs: Richard Ferrelli, president; Reggie Troncone, exec vp.

Phone: (212) 752-8866.

Greenwald/Christian Advertising, Philadelphia, reported gross income of $1,049,894 in 1984 on billings of $7,000,000. In 1983, it reported gross income of $824,955 on billings of $5,500,000. In 1984, volume consisted of $5,085,960 in media, $500,000 in materials and services and $1,414,040 in capitalized fees. In 1983, volume consisted of $4,649,700 in media, $250,000 in materials and services and $600,300 in capitalized fees. Accounts gained: Child Care Systems/div of ARA, Penn Savings Bank, Holy Redeemer Hospital. Lost: Jonns Inc. Billings breakdown: Newspapers 30%, magazines 8%, radio 25%, network tv 5%, spot tv 22%, cable tv 2%, outdoor 2%, business papers 2%, transit advertising 1%, direct mail 3%. Employes: 15. Top execs: Joseph T. Greenwald, president; Caye Christian, exec vp.

Phone: (215) 568-9797.

Gross Townsend Frank, New York, had estimated gross income of $3,000,000 in 1984 on billings of $20,000,000, all in capitalized fees. In 1983, it had estimated gross income of $2,625,000 on billings of $17,500,000, all in capitalized fees. Figures include those of U.S. subsidiary:

- Gross Townsend Frank PR

Accounts gained: Johnson & Johnson Products, Merck Sharp & Dohme (new assignment), Purdue Frederick Co., Syntex Medical Diagnostics, TransMedica/CBS, Access Medical Systems, Dioptics Medical Products, Martec Pharmaceuticals, Bio-Technology General Corp., Abbott Labs/pr, BASF Wyandotte/pr. Lost: Cutter Biological, Syva Co. Billings breakdown: Cable tv 5%, business papers 55%, point of sale 5%, direct mail 15%, collateral 20%. Employes: 42. Top execs: Alan Gross, president; Jane Townsend, David Frank, Ronnie Hoffman, exec vps; Clare Macken, vp-production; Marietta Abrams, vp-copy; Orin Kimball, vp-art.

Phone: (212) 475-4040.

Harland & Tine & White, Hartford, Conn., reported gross income of $2,791,757 in 1984 on billings of $18,617,781. In 1983, it reported gross income of $2,466,259 on billings of $16,093,052. In 1984 volume consisted of $4,659,888 in media, $1,823,509 in materials and services and $12,134,384 in capitalized fees. In 1983, volume consisted of $3,729,136 in media, $1,062,973 in materials and services and $11,300,943 in capitalized fees.

Accounts gained: Connecticut Podiatry Assn, Peabody Intl, Devonwood Corp. Lost: Computerese, Chase Telecommunications. Billings breakdown: Newspapers 32%, magazines 25%, supplements 3%, radio 15%, spot tv 9%, cable tv 1%, outdoor 1%, business papers 10%, direct mail 1%, other 3%. Employes: 46. Top execs: Will W. White III, chairman; David M. Tine, president; Susan Harland, exec vp.

Phone: (203) 728-0000.

Harris-Edward, Philadelphia, reported net income of $241,073 and gross income of $1,835,273 in 1984 on billings of $6,738,985. In 1983, it reported net income of $206,046 and gross income of $1,568,610 on billings of $5,935,587. In 1984, volume consisted of $693,540 in media, $34,960 in materials and services, and $6,010,485 in capitalized fees. In 1983, volume consisted of $592,770 in media, $205,650 in materials and services, and $5,137,167 in capitalized fees.

Accounts gained: Brooks Instrument of Emerson Electric Co., Bank Hapoalim in Philadelphia, JBM Corp. Lost: None. Billings breakdown: Newspapers 20%, magazines 10%, radio 20%, outdoor 1%, business papers 24%, direct mail 25%. Employes: 14. Top execs: Elizabeth F. Harris, president; Edward J. Di Ulio, exec vp.

Phone: (215) 735-3003.

W.J. Haughey, Boston, a subsidiary of Berk & Co. specializing in recruitment advertising, had estimated gross income of $1,500,000 in 1984 on billings of $10,000,000. No figures were provided for 1983. No volume breakdown was provided for either year.

No accounts were gained or lost. Billings breakdown: Newspapers 94%, radio 4%, other 2%. Employes: 29. Top execs: Donald M. Shanbar, president; Rhonda Hoffmann, vp-admin; Marlene Nussbaum, vp-acct super.

Phone: (617) 247-4180.

Henderson Friedlich Graf & Doyle, New York, reported gross income of $3,978,400 on billings of $28,875,900 in 1984, its first year of operation. For the year, volume consisted of $19,948,800 in media, $6,574,000 in materials and services and $28,875,000 in capitalized fees. Accounts gained: Olympia USA, Hibernia Bank, *Readers Digest*, Emigrant Savings Bank, *Manhattan, Inc.* magazine, New York Dept of Agriculture and Markets. Lost: None. Billings breakdown: Newspapers 25%, magazines 50%, radio 10%, spot tv 10%, outdoor 2%, business papers 3%. Employes: 62. Top execs: William Henderson, chairman; Bruce Friedlich, president; Hubert Graf, James Parry, exec vps; William Doyle, exec vp-coo; Brian Holland, Stefan Blaschke, Robert Nutt, Martin Rowe, senior vps.

Phone: (212) 687-2300.

Homer & Durham Advertising, New York, reported gross income of $2,580,722 in 1984 on billings of $18,710,501. In 1983, it reported gross income of $2,528,056 on billings of $18,250,853. In 1984, volume consisted of $6,134,290 in media, $1,500,155 in materials and services and $11,076,056 in capitalized fees. In 1983, volume consisted of $5,918,639 in media, $1,391,674 in materials and services and $10,940,540 in capitalized fees.

Accounts gained: American Savings Bank, Olds Metro Club Dealers Assn, Sybedon Corp. Lost: Passport Intl, Michael Davis Shipping, RIHT Financial Corp. Billings breakdown: Newspapers 15%, magazines 27%. radio 5%, spot tv 6%, business papers 25%, point of sale 12%, direct mail 10%. Employes: 39. Top execs: Tamara K. Homer, president; Guy F. Durham, exec vp.

Phone: (212) 477-5400.

Image Dynamics, Baltimore, reported gross income of $1,374,142 in 1984 on billings of $9,165,527. In 1983, it reported gross income of $1,121,418 on billings of $7,476,494. Billings for both years were all in capitalized fees.

Accounts gained: Al Packer Ford, Peabody Court, Gucci, Ocean Pines, About Faces, Lutheran Hospital, McCarthy Hicks, Magill Yerman. Lost: Furniture & Things, Collective Impressions. Billings breakdown: Newspapers 20%, magazines 20%, supplements 2%, radio 25%, spot tv 20%, cable tv 1%, outdoor 3%, business papers 6%, point of sale 1%, direct mail 2%. Employes: 25. Top exec: Phyllis Brotman, president.

Phone: (301) 539-7730. ☑

Impact Marketing & Communications, Boston, had estimated gross income of $1,654,000 in 1984 on billings of $10,936,000. In 1983, it had estimated gross income of $1,000,000 on billings of $6,835,000. In 1984, volume consisted of $3,200,000 in media, $2,400,000 in materials and services, and $5,336,000 in capitalized fees. In 1983, volume consisted of $2,000,000 in media, $1,500,000 in materials and services, and $3,335,000 in capitalized fees.

Accounts gained: Imagitex Inc. Lost: Morton Thiokol's Ventron div. Billings breakdown: Magazines 70%, radio 10%, direct mail 20%. Employes: 35. Top execs: Betsyann Duval, president; Robert J. Clawson, exec vp; Dorothy Woglom, vp.

Phone: (617) 542-3130.

Top 10 I and II agencies by outdoor billings

($ in 000,000)

Rank	Agency	Outdoor billings	U.S. billings	%*
1	Ted Bates Worldwide	154.4	1,754.7	8.8
2	Leo Burnett Co.	90.6	1,132.9	8.0
3	William Esty Co.	72.8	520.0	14.0
4	Wells, Rich, Greene	30.9	618.0	5.0
5	MCA Advertising	29.7	148.7	20.0
6	Foote, Cone & Belding Communications	26.5	1,324.4	2.0
7	Cunningham & Walsh	25.9	370.0	7.0
8	Young & Rubicam	21.6	2,155.1	1.0
9	D'Arcy MacManus Masius	21.4	712.9	3.0
10	Chiat/Day	18.1	226.6	8.0

* Outdoor billings as a % of an agency's U.S. capitalized billings

NOTE: This chart was compiled from information provided by 144 I and II agencies

Intermarco Advertising, New York, part of the Publicis International network based in Paris, reported gross income of $1,649,000 in 1984 on billings of $12,170,000. In 1983, it reported gross income of $2,035,000 on billings of $14,538,000. In 1984, volume consisted of $7,997,000 and $4,173,000 in capitalized fees. In 1983, volume consisted of $10,120,000 in media and $4,418,000 in capitalized fees.

The 15 agencies comprising Publicis International network had total 1984 gross income of $81,684,000 on billings of $547,028,000. Accounts gained by the New York shop: L'Oreal cosmetics and hair products, Biotherm. Lost: K-Way sportswear, Peartree liquor products. Employes: 13. Top exec: Arlene Hoffman, president.

Phone: (212) 980-8550.

Isidore & Paulson, New York, reported gross income of $1,400,000 in 1984 on billings of $14,563,111. No figures were provided for 1983. In 1984, volume consisted of $7,807,030 in media, $2,405,000 in materials and services and $4,351,081 in capitalized fees.

Accounts gained: *Bon Appetit*, Bristol-Myers, Big Yank, Moseley Hallgarten, Estabrook & Weeden, Casual Corner. Lost: Guinness Beer. Billings breakdown: Newspapers 20%, magazines 18%, radio 4%, spot tv 54%, business papers 4%. Employes: 13. Top execs: Paul J. Paulson, president-ceo, Anthony Isidore, chairman-creative director.

Phone: (212) 486-2200.

John Paul Itta Inc., New York, reported gross income of $3,387,000 in 1984 on billings of $20,595,000. In 1983, it reported gross income of $2,873,000 on billings of $18,693,000. In 1984, volume consisted of $13,767,000 in media, $2,567,000 in materials and services and $4,260,000 in capitalized fees. In 1983, volume consisted of $12,238,000 in media, $2,613,000 in materials and services and $3,842,000 in capitalized fees.

The agency did not gain or lose any accounts. Billings breakdown: Newspapers 11%, magazines 17%, radio 9%, network tv 33%, spot tv 20%, cable tv 4%, outdoor 1%, business papers 1%, transit advertising 1%, point of sale 2%, direct mail 1%. Employes: 23. Top exec: John Paul Itta, president.

Phone: (212) 541-4460.

Johnston & Johnston Group/Jim Johnston Advertising, New York, reported gross income of $2,472,348 in 1984 on billings of $22,951,752. In 1983, it reported gross income of $2,426,100 on billings of $21,187,767. In 1984, volume consisted of $16,831,288 in media, $1,228,473 in materials and services and $4,891,991 in capitalized fees. In 1983, volume consisted of $16,625,480 in media, $1,204,816 in materials and services and $3,357,471 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Carolina Partnership
- Strategic Planning Institute

Accounts gained: General Electric corp mktg, Northern Business Information, Alexander & Alexander projects, General Mills' Creative Dining div, Blue Cross-Blue Shield projects, Assn of Independent Television Stations. Lost: Drexel Burnham Lambert. Billings breakdown: Newspapers 29%, magazines 37%, radio 11%, cable tv 1%, outdoor 2%, business papers 15%, direct mail 1%, other 4%. Employes: 31 in two offices. Top execs: J.J. Johnston, chairman-ceo; Pat Johnston, exec vp; Howard Berber, senior vp-media; Robert Fox, senior vp-acct planning.

Phone: (212) 490-2121.

Kalish & Rice, Philadelphia, a subsidiary of Earle Palmer Brown Cos., reported gross income of $3,700,000 in 1984 on billings of $27,200,000. In 1983, it reported gross income of $3,300,000 on billings of $23,000,000. No volume breakdown was provided for either year.

Accounts gained: Hilton Casino Hotel in Atlantic City. Lost: Silo Stores. No billings breakdown was provided. Employes: 75. Top execs: Allan Kalish, president; Howard Rice, exec vp-creative; Steve Levine, exec vp-genl mgr; Linda Spikol, senior vp-acct service.

Phone: (215) 299-3800.

Kaprielian O'Leary Advertising, New York, formerly Fearon O'Leary Kaprielian, reported gross income of $1,500,000 in 1984 on billings of $9,100,000. In 1983, it reported gross income of $1,275,000 on billings of $8,600,000. In 1984, volume consisted of $8,500,000 in media and $600,000 in materials and services. In 1983, volume consisted of $8,100,000 in media and $500,000 in materials and services.

Accounts gained: Interroyal Furniture, Corbin Ltd., N.Y. City Technical College, Cayman Islands' Dept of Tourism, Cayman Airways. Lost: Puma/USA, N.Y. Hilton's Waldorf Astoria, Rainbow Programming. Billings breakdown: Newspapers 20%, magazines 45%, supplements 5%, radio 20%, spot tv 5%, cable tv 5%. Employes: 18. Top execs: Walter Kaprielian, chairman-creative director; Alice O'Leary, president-ceo.

Phone: (212) 580-9494. ☑

Kaufman & Maraffi, New York, reported net income of $148,500 and gross income of $1,113.972 in 1984 on billings of $11,683,100. In 1983, it reported net income of $128,200 and gross income of $986,400 on billings of $9,934,500. In 1984, volume consisted of $9,283,100 in media and $2,400,000 in materials and services. In 1983, volume consisted of $8,253,500 in media and $1,681,000 in materials and services.

Accounts gained: Travel Savers, C.I.E. Tours, Omnipass, Orient Express Hotels, Sheraton Stamford/pr, Garden City Hotel. Lost: None. Billings breakdown: Newspapers 32%, magazines 50%, radio 5%, spot tv 5%, business papers 4%, transit advertising 1%, direct mail 3%. Employes: 12. Top execs: Jack Maraffi, president; Jack Kaufman, chairman.

Phone: (212) 867-0670.

Kelly Michener Inc., Valley Forge, Pa., reported gross income of $2,923,714 in 1984 on billings of $24,018,417. In 1983, it reported gross income of $2,163,544 on billings of $18,105,735. In 1984, volume consisted of $6,521,031 in media, $2,272,577 in materials and services and $15,224,809 in capitalized fees. In 1983, volume consisted of $5,382,755 in media, $1,500,965 in materials and services and $11,222,015 in capitalized fees.

Accounts gained: C&M Mfgers, L.D. Caulk Co., Pennsylvania Power & Light, Lifebelt Lancaster, Rite Aid, Pennsylvania Dutch Visitors Bureau, Rollins Truck Leasing. Lost: Narin Chait, Reisman Pretzels, Sun Refining. Billings breakdown: Newspapers 25%, magazines 5%, radio 10%, spot tv 34%, cable tv 1%, outdoor 1%, business papers 24%. Employes: 58 in two offices. Top execs: Walter W. Michener, chairman; Robert L. Kelly, president; Joseph M. Possemato, exec vp-creative; Kenneth L. Ulsh, exec vp-acct services; Maria G. Kelly, senior vp-operations; Warren W. Ashburn, senior vp-mktg; Gene Green, senior vp-pr; Edward L. Jones, senior vp-acct super; Peter C. Pentz, Tony Trezza, senior vp-creative services.

Phone: (215) 964-0500. ☑

Knudsen Moore Schropfer, Stamford, Conn., reported gross income of $1,936,000 in 1984 on billings of $13,000,000. In 1983, it reported gross income of $1,395,000 on billings of $9,300,000. In 1984, volume consisted of $7,500,000 in media, $3,300,000 in materials and services and $2,200,000 in capitalized fees. In 1983, volume consisted of $8,100,000 in media, $1,000,000 in materials and services and $200,000 in capitalized fees.

Accounts gained: Connecticut Savings Bank, Cognitronics, Defender Energy. Lost: Alimak Inc. Billings breakdown: Newspapers 10%, magazines 15%, radio 16%, network tv 7%, spot tv 27%, outdoor 3%, business papers 14%, direct mail 8%. Employes: 31. Top execs: David W. Schropfer, president-ceo; William H. Knudsen, chairman; Joseph A. DelGaldo, Lawrence D. Rabbitt, exec vps; George W. Morris, Gordon Huppi, William Hoag, senior vps.

Phone: (203) 967-7200.

Kolker, Talley, Hermann, New York, reported gross income of $1,210,000 in 1984 on billings of $8,000,000. In 1983, it reported gross income of $1,025,000 on billings of $6,250,000. Volume for both years was all in media.

Accounts gained: Wine Imports, Message Bank. Lost: Victoria Packing. Billings breakdown: Newspapers 25%, magazines 20%, radio 25%, spot tv 10%, business papers 10%, direct mail 10%. Top execs: Stanley Kolker, president; Terry Talley, exec vp-creative services; Don Hermann, exec vp-client services.

Phone: (212) 889-7200.

Hal Langerman Co., Center Square, Pa., reported gross income of $748,916 in 1984 on billings of $4,887,435. In 1983, it reported gross income of $554,600 on billings of $4,256,219. In 1984, volume consisted of $200,000 in materials and services and $4,687,435 in capitalized fees. In 1983, volume consisted of $175,000 in materials and services and $4,081,219 in capitalized fees.

Accounts gained: Standard Security Life Insurance Co., Prudential Bank and Trust Co. Lost: None. Billings breakdown: Radio 10%, network tv 10%, direct mail 80%. Employes: 6. Top execs: Hal Langerman, president; Doris Tustin, mng partner.

Phone: (215) 275-1901.

Lempert Co., Belleville, N.J., reported net income of $53,500 and gross income of $1,886,250 in 1984 on billings of $12,577,050. In 1983, it reported net income of $31,907 and gross income of $1,450,350 on billings of $9,669,950. In 1984, volume consisted of $5,500,000 in media, $2,975,000 in materials and services and $4,102,050 in capitalized fees. In 1983, volume consisted of $4,300,000 in media, $2,135,000 in materials and services and $3,234,950 in capitalized fees.

Accounts gained: Abbotts Dairies, Amerifederal Savings Bank, Fulton Lobster Co., Cuisine de Jour, Hubbard's Cupboard Convenience Stores. Lost: Finnfoods Inc., Empress Intl. Billings breakdown: Newspapers 20%, magazines 10%, supplements 15%, radio 10%, spot tv 25%, business papers 10%, point of sale 10%. Employes: 23. Top exec: Philip Lempert, president.

Phone: (201) 759-2927. ☑

S.R. Leon Co., Great Neck, N.Y., reported gross income of $2,770,000 in 1984 on estimated billings of $16,796,550. In 1983, it reported gross income of $2,200,000 on estimated billings of $13,663,350. In 1984, volume consisted of $13,400,000 in media, $295,000 in materials and services and $3,101,550 in capitalized fees. In 1983, volume consisted of $10,100,000 in media, $195,000 in materials and services and $3,368,350 in capitalized fees.

Accounts gained: Quality Bakers of America's Sunbeam Bread, Superior Care, Kraft's Celestial Seasonings and tea, Cook's magazine, Polaner Jams, Preserves and consumer products, Mennen's new products. Lost: None. Billings breakdown: Newspapers 10%, magazines 5%, supplements 2%, radio 5%, network tv 10%, spot tv 45%, cable tv 15%, business papers 1%, point of sale 1%, direct mail 5%, other 1%. Employes: 20. Top execs: Thomas Leon, president-creative director; Sanford Lunt, exec vp-mktg director; Max Brookmeyer, exec vp-media; Max Firetog, exec vp-exec art director; Daniel Leon, senior vp-acct services; Ruth Orens, senior vp-comptroller; L. Evans, senior vp-tv production.

Phone: (516) 487-0500.

Leonard Monahan Saabye, Providence, R.I., reported gross income of $2,770,600 in 1984 on billings of $18,480,000. In 1983, it reported gross income of $2,202,000 on billings of $14,756,000. In 1984, volume consisted of $3,897,300 in media, $2,592,000 in materials and services and $11,990,700 in capitalized fees. In 1983, volume consisted of $3,533,000 in media, $2,315,000 in materials and services and $8,908,000 in capitalized fees. Accounts gained: Commonwealth Cadillac Dealers of Boston, Fairwinds Coffee, Blue Cross-Blue Shield of R.I., SAROCA Boats. Lost: Tarquin, J-Boats, Parks Paint Sundries.

Billings breakdown: Newspapers 18%, magazines 26%, radio 10%, network tv 3%, spot tv 19%, cable tv 3%, outdoor 1%, business papers 20%. Top execs: Bruce N. Leonard, president; Thomas J. Monahan, Robert Saabye, exec vps; Ernest Schenck, Robert Pagano, senior vps.

Phone: (401) 277-9020.

Levy, King & White Cos., Buffalo, N.Y., reported net income of $280,000 and gross income of $3,850,000 in 1984 on billings of $25,700,000. In 1983, it reported net income of $135,000 and gross income of $3,380,000 on billings of $22,544,600. In 1984, volume consisted of $17,680,000 in media, $3,820,000 in materials and services and $4,200,000 in capitalized fees. In 1983, volume consisted of $14,600,000 in media, $3,600,000 in materials and services and $4,344,600 in capitalized fees.

Accounts gained: Revlon's Barnes-Hind Hydrocurver, Buffalo Sabres Hockey, Delicato Vineyards, Dad's Dog Food, Ecology & Environment, Network Communication Corp., Pennwalt Corp., Ross Laboratories, Upstate Milk Co-op, Westwood Pharmaceuticals. Lost: Popsicle, Stanford Seed. Billings breakdown: Newspapers 32.4%, magazines 12%, supplements 8.8%,

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Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by Advertising Age. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

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radio 15.1%, network tv 12.5%, spot tv 3.5%, cable tv 3.5%, outdoor 2%, business papers 6.2%, transit advertising 0.5%, point of sale 0.2%, direct mail 3%, other 0.3%. Top execs: Peter King, chairman-ceo; Strattan S. White, president-coo; David I. Levy, chairman exec committee.

Phone: (716) 853-6755.

Lieberman-Appalucci, Allentown, Pa., reported net income of $65,000 and gross income of $1,369,520 in 1984 on billings of $10,227,680. In 1983, it reported net income of $45,000 and gross income of $1,200,000 on billings of $7,843,500. In 1984, volume consisted of $3,778,900 in media, $1,150,000 in materials and services and $5,298,780 in capitalized fees. In 1983, volume consisted of $3,125,000 in media, $1,050,000 in materials and services and $3,668,500 in capitalized fees.

Accounts gained: Bethlehem Steel Corp., Cadillac Petfoods, Lane Metal Products Co. Lost: Lehigh Securities, Commonwealth Telephone Enterprises, Allentown Hilton. Billings breakdown: Newspapers 11%, magazines 41%, radio 11%, spot tv 2%, outdoor 7%, direct mail 21%, other 7%. Employes: 35. Top execs: George R. Lieberman, chairman; Joseph L. Appalucci, president.

Phone: (215) 791-2011. ☑

Lipman Advertising, New York, reported net income of $10,399 and gross income of $1,063,959 in 1984 on billings of $9,312,526. In 1983, it reported net income of $54,381 and gross income of $1,010,967 on billings of $8,521,187. In 1984, volume consisted of $4,103,469 in media and $5,209,057 in capitalized fees. In 1983, volume consisted of $4,149,876 in media and $4,371,311 in capitalized fees.

Accounts gained: Plaza Hotel. Lost: J's Steaks & Subs. Billings breakdown: Newspapers 40%, magazines 15%, radio 15%, spot tv 20%, outdoor 5%, transit advertising 5%. Top execs: Robert S. Lipman, president; Richard Lipman, secretary/treasurer; David Lipman, vp.

Phone: (212) 684-1100.

Lockhart & Pettus, New York, reported gross income of $1,285,000 in 1984 on billings of $8,570,000. In 1983, it reported gross income of $1,065,000 on billings of $7,100,000. In 1984, volume consisted of $6,360,000 in media and $2,210,000 in materials and services. In 1983, volume consisted of $5,200,000 in media and $1,900,000 in materials and services.

Accounts gained: Associated Black Charities, Carson Products Co. new products, Interfaith Medical Center, Wendy's Intl. Lost: None. Billings breakdown: Newspapers 6%, magazines 23%, radio 21%, spot tv 26%, outdoor 24%. Employes: 20. Top execs: Keith E. Lockhart, president; Theodore D. Pettus, vp.

Phone: (212) 922-1670.

Lohmeyer Simpson Communications, Morristown, N.J., had estimated gross income of $2,000,000 in 1984 on billings of $13,340,000. In 1983, it had estimated gross income of $1,400,000 on billings of $9,400,000. No volume breakout was provided for either year. Figures include those of U.S. subsidiary:

- DAE & Associates div

Accounts gained: Nynex Mobile Communications (projects), Career Consultive Services, Papermill Playhouse. Lost: Stahl Soap. Employes: 35. Top execs: Richard J. Lohmeyer, president; John A. Simpson, exec vp-secretary/treasurer; Donna A. Ely, president-DAE Associates div.

Phone: (201) 267-0400.

Margeotes/Fertitta & Weiss, New York, reported net income of $225,498 and gross income of $4,180,650 in 1984 on billings of $26,136,350. In 1983, it reported net income of $49,115 and gross income of $3,465,262 on billings of $19,467,199. In 1984, U.S. volume consisted of $18,486,308 in media, $3,994,475 in materials and services and $3,655,567 in capitalized fees. In 1983, U.S. volume consisted of $11,173,413 in media, $3,309,424 in materials and services and $3,426,987 in capitalized fees.

The agency did not have overseas contributions in 1984. In 1983, it had a dollar volume of $1,557,376 overseas, all in media.

Accounts gained: Merona Sport, Associated Air Freight, Celentano Frozen Foods, Krug Champagne, TDK Floppy Disks, *Harper's Bazaar* magazine, Villeroy & Boch. Lost: None. Billings breakdown: Newspapers 10%, magazines 50%, radio 10%, spot tv 10%, outdoor 5%, business papers 5%, transit advertising 2%, point of sale 3%, direct mail 5%. Employes: 38.

Phone: (212) 620-3838. ☑

Marquardt & Roche, Stamford, Conn., reported gross income of $2,544,973 in 1984 on billings of $16,972,950. In 1983, it reported gross income of $2,181,925 on billings of $14,551,691. In 1984, volume consisted of $3,904,706 in media, $146,740 in materials and services and $12,921,504 in capitalized fees. In 1983, volume consisted of $3,507,666 in media and $11,044,025 in capitalized fees.

Accounts gained: IBM Instruments Inc., AMAX Specialty Metals Corp., Darrien Bank. Lost: William Pitt Inc. Billings breakdown: Newspapers 20%, magazines 5%, radio 10%, spot tv 5%, cable tv 2%, business papers 45%, direct mail 5%, other 8%. Employes: 46. Top execs: James J. Marquardt, president; Edwin J. Roche, exec vp.

Phone: (203) 327-0890.

McCaffery & Ratner, New York, reported gross income of $2,517,000 in 1984 on billings of $18,168,000. In 1983, it reported gross income of $1,176,000 on billings of $9,634,500. In 1984, volume consisted of $11,500,000 in media, $3,000,000 in materials and services and $3,668,000 in capitalized fees. In 1983, volume consisted of $5,100,000 in media, $2,200,000 in materials and services and $2,334,500 in capitalized fees.

Accounts gained: American Express, Anne Klein, Monitor Systems, *National Geographic*, Port Authority. Lost: None. Billings breakdown: Newspapers 28%, magazines 34%, supplements 3%, radio 12%, spot tv 4%, outdoor 2%, business papers 2%, point of sale 5%, direct mail 5%, other 5%. Employes: 30. Top execs: Samuel I. Ratner, chairman; William McCaffery, president; Sheila McCaffery, senior vp-art; Jay Cheek, senior vp-copy.

Phone: (212) 661-8940.

McDougall Associates, Peabody, Mass., reported gross income of $1,139,400 in 1984 on billings of $8,311,900. In 1983, it reported gross income of $1,135,800 on billings of $7,429,400. In 1984, volume consisted of $1,441,700 in media, $562,400 in materials and services and $6,307,800 in capitalized fees. In 1983, volume consisted of $1,338,500 in media, $766,900 in materials and services and $5,324,000 in capitalized fees.

Accounts gained: Boston Dental, Consumers Bank, CBS Financial Corp., Peerless Inc., Boston Chimney & Tower, Ventron, Waltham Savings Bank, Slade Gorton, ITS, Dynapert/HTC, Darling & Associates, Varian. Lost: Keene Savings Bank. Billings breakdown: Newspapers 35%, magazines 30%, radio 30%, spot tv 5%. Employes: 29. Top execs: Michael J. McDougall, chairman; Daniel R. McDougall, president; Philip H. Hureau, treasurer; Ralph Carola, vp-acct services.

Phone: (617) 532-6500.

Howard Miller Associates, Lancaster, Pa., reported gross income of $3,028,705 in 1984 on billings of $7,977,685. In 1983, it reported gross income of $2,412,434 on billings of $5,492,890. In 1984, volume consisted of $1,233,420 in media, $922,450 in materials and services and $5,821,815 in capitalized fees. In 1983, volume consisted of $913,828 in media, $955,306 in materials and services and $3,623,746 in capitalized fees.

Accounts gained: Burlington-Northern. Lost: Best Programs. Billings breakdown: Magazines 3%, network tv 20%, business papers 70%, direct mail 7%. Employes: 13. Top execs: Howard J. Miller Jr., president; J. Scott Franks, senior vp.

Phone: (717) 291-1130. ☑

Montgomery & Associates, King of Prussia, Pa., reported gross income of $2,115,000 in 1984 on billings of $15,100,000. In 1983, it reported gross income of $1,900,000 on billings of $13,900,000. In 1984, volume consisted of $10,750,000 in media, $1,350,000 in materials and services and $3,000,000 in capitalized fees. In 1983, volume consisted of $10,300,000 in media, $1,200,000 in materials and services and $2,400,000 in capitalized fees.

Accounts gained: Abington Hospital, All Flow Corp., Coil Co., First Jersey National Bank, Greenview Inc., Lavino Shipping, Oracare Consultants Inc. Lost: None. Billings breakdown: Newspapers 15%, magazines 19%, radio 17%, spot tv 36%, outdoor 2%, business papers 8%, direct mail 3%. Employes: 34. Top execs: Harold B. Montgomery, president; Barclay Hallowell, senior vp-client services; Spencer Meschter, vp-client services; Alan L. Bobbe, vp-media; James D. Block, vp-creative.

Phone: (215) 768-0322.

Top 10 I and II agencies by direct marketing billings

($ in 000,000)

Rank	Agency	Direct marketing billings	U.S. billings	%*
1	Ogilvy & Mather	162.4	1,804.3	9.0
2	Direct Marketing Agency	49.7	50.2	99.0
3	Doyle Dane Bernbach	43.4	1,085.1	4.0
4	Young & Rubicam	36.6	2,155.1	1.7
5	Epsilon Data Management	33.6	33.9	99.0
6	Stone & Adler	29.7	72.7	40.8
7	Leber Katz Partners	27.9	279.3	10.0
8	Wunderman Ricotta Kline	27.0	207.8	13.0
9	Barry Blau Partners	25.9	30.8	84.0
10	Kallir Philips Ross	21.5	98.0	22.0

* Direct marketing billings as a % of an agency's U.S. capitalized billings
NOTE: This chart was compiled from information provided by 144 I and II agencies

Mullen Advertising, Beverly Farms, Mass., reported gross income of $2,250,100 in 1984 on billings of $15,000,657. In 1983, it reported gross income of $1,590,000 on billings of $10,600,000. In 1984, volume consisted of $9,726,500 in media, $1,153,490 in materials and services and $4,120,667 in capitalized fees. In 1983, volume consisted of $7,015,167 in media, $751,500 in materials and services and $2,833,333 in capitalized fees.

Accounts gained: Apollo Computer, Bostick div of Emhart Corp., Data Industrial Corp., National Sea Products, "New England Journal of Medicine," Pencept Inc., The Sailboats Northeast Group, Son Yacht Charters, Total Communications, *Inc*. magazine. Lost: Acoustic Research, Mark of the Unicorn, Saunders Hotels, Ovation Technologies, M.W. Carr Inc., Ericson Yachts, Trak-Kneissl Inc. Billings breakdown: Newspapers 10%, magazines 42%, radio 15%, spot tv 10%, outdoor 2%, business papers 14%, point of sale 2%, direct mail 3%, other 2%. Employes: 34. Top execs: James X. Mullen, president; Joseph M. Grimaldi, senior vp-director of client services; Paul H. Silverman, senior vp-creative director; Stephen W. Haesche, senior vp-art.

Phone: (617) 927-7222. ☑

Mutual Media Inc., New York, had estimated gross income of $3,630,000 in 1984 on billings of $24,200,000, all in media. In 1983, it had estimated gross income of $3,060,000 on billings of $20,400,000, all in media. No volume breakout was provided. Accounts gained: Atlas-Slatus Sales Co., B&J Mktg Ltd., Hobar Group, Intl Capital & Technology Corp., Marketing Services Corp.; Robeson Industries Corp., R.O.I. Group, Surge Pharmaceutical Co. Lost: None. Billings breakdown: Newspapers 2%, magazines 5%, radio 10%, network tv 5%, spot tv 78%. Employes: 30. Top execs: David Blank, president; Richard Blank, vp.

Phone: (212) 490-2040.

S. Gunnar Myhrbeck & Co., Norwell, Mass., had estimated gross income of $1,381,000 in 1984 on billings of $8,830,710. In 1983, it had estimated gross income of $945,000 on billings of $6,065,630. In 1984, volume consisted of $1,236,000 in media, $2,839,000 in materials and services and $4,755,710 in capitalized fees. In 1983, volume consisted of $856,200 in media, $1,681,000 in materials and services and $3,528,430 in capitalized fees.

Accounts gained: Waltham Chemical Pump, Avedis Zildjian Co., Sprague Air Controls, Boston Whaler, Cole Hersee Co. Lost: None. Billings breakdown: Newspapers 15%, magazines 65%, radio 10%, outdoor 5%, transit advertising 5%. Employes: 25. Top execs: S. Gunnar Myhrbeck, chairman-treasurer; Robert H. Brandt, president; Aristides Viegas, vice chairman.

Phone: (617) 871-2730. ☑

Naftzger & Kuhe, Farmington, Conn., reported gross income of $1,492,511 in 1984 on billings of $12,174,671. In 1983, it reported gross income of $1,048,328 on billings of $9,583,421. In 1984, volume consisted of $3,825,000 in media, $1,165,054 in materials and services and $7,184,617 in capitalized fees. In 1983, volume consisted of $4,025,000 in media, $849,515 in materials and services and $4,708,906 in capitalized fees.

Accounts gained: Ensign-Bickford Fibre Optics, Connecticut Hospital Assn, Toski Golf Co. Lost: Sounder Sports, Connecticut Bank & Trust. Billings breakdown: Newspapers 10%, magazines 29%, radio 15%, spot tv 20%, outdoor 1%, business papers 23%, direct mail 2%. Employes: 30. Top execs: John Naftzger, president; H. James Kuhe, exec vp.

Phone: (203) 677-7900.

Needham & Grohmann, New York, reported net income of $96,664 and gross income of $2,435,749 in 1984 on billings of $17,063,980. In 1983, it reported net income of $23,561 and gross income of $1,932,483 on billings of $12,901,867. In 1984, volume consisted of $10,050,321 in media, $2,867,233 in materials and services and $4,146,426 in capitalized fees. In 1983, volume consisted of $7,983,816 in media, $1,934,320 in materials and services and $2,983,731 in capitalized fees. The figures include those of U.S. subsidiary:

- Needham & Grohmann South

The agency did not gain or lose any accounts. Billings breakdown: Newspapers and magazines 98%, radio 1.7%, outdoor 0.3%. Employes: 39 in two offices. Top execs: Howard A. Heinsius, president-ceo; C. Michael Edgar, exec vp; James E. Paroline, senior vp-finance/operations.

Phone: (212) 245-6200.

O'Sullivan Advertising/Public Relations, Morristown, N.J., reported net income of $62,391 and gross income of $1,085,120 in 1984 on billings of $8,914,630. In 1983, it reported net income of $27,350 and gross income of $942,619 on billings of $8,024,615. In 1984, volume consisted of $6,103,723 in media and $2,810,907 in materials and services. In 1983, volume consisted of $5,610,700 in media and $2,413,915 in materials and services.

Accounts gained: Allied Corp. special projects, Regional Oil, Bendix special projects, Peugeot, John Dusenbery & Co. Lost: None. Billings breakdown: Newspapers 10%, magazines 45%, radio 2%, spot tv 2%, point of sale 10%, direct mail 25%, other 6%. Employes: 22. Top exec: Owen M. O'Sullivan, president.

Phone: (201) 267-1440. ☑ (†)

Penchina, Selkowitz, New York, reported gross income of $2,900,000 in 1984, of which $150,000 was from non-U.S. business, on billings of $20,101,250. In 1983, it reported gross income of $2,300,000, of which $350,000 was in non-U.S. activity, on billings of $16,543,890. In 1984, U.S. volume of $18,951,100 consisted of $14,600,000 in media, $2,150,000 in materials and services and $2,201,100 in capitalized fees. In 1983, U.S. volume of $14,213,890 consisted of $12,375,000 in media, $725,000 in materials and services and $1,113,890 in capitalized fees.

Overseas billings in 1984 of $1,150,150 included $700,000 in media, $150,000 in materials and services and $300,150 in capitalized fees. Overseas volume in 1983 was $2,330,000, all in media.

Accounts gained: NBC's WYNY radio. Lost: Jefferson-Pilot Insurance Cos. Billings breakdown: Newspapers 14%, magazines 24%, radio 5%, network tv 51%, outdoor 3%, direct mail 3%. Employes: 17. Top execs: Arthur Selkowitz, president; Steven Penchina, chairman; Norman Siegel, Rochelle Boyarsky, Steven Brookstein, senior vps.

Phone: (212) 980-6677. ☑

Pesin, Sydney & Bernard Advertising, New York, reported estimated gross income of $1,200,000 in 1984 on estimated billings of $7,705,000. In 1983, it reported gross income of $1,153,550 on billings of $7,691,200. In 1984, volume consisted of $5,825,000 in media, $280,000 in materials and services and $1,600,000 in capitalized fees. In 1983, volume consisted of $5,675,000 in media, $282,000 in materials and services and $1,734,200 in capitalized fees.

Accounts gained: Buccellati Silver, Government of Israel Coins & Medals Corp. Lost: None. Billings breakdown: Newspapers 20%, magazines 45%, supplements 5%, radio 5%, spot tv 5%, outdoor 2%, business papers 6%, point of sale 5%, direct mail 7%. Employes: 21 in two offices. Top exec: Sydney J. Cohn, president.

Phone: (212) 752-2212 ☑

Plapler & Associates, New York, reported gross income of $4,471,346 in 1984 on billings of $30,001,280. In 1983, it reported gross income of $1,557,671 on billings of $10,521,630. In 1984, volume consisted of $25,548,388 in media, $2,665,332 in materials and services and $1,787,560 in capitalized fees. In 1983, volume consisted of $8,875,000 in media, $1,026,320 in materials and services and $620,310 in capitalized fees.

Accounts gained: Hammond Inc., Planned Parenthood Federation, People For The American Way. Lost: None. Billings breakdown: Newspapers 43%, magazines 3%, radio 23%, network tv 8%, spot tv 15%, outdoor 6%, business papers 1%, transit advertising 1%. Employes: 30. Top execs: Larry Plapler, chairman-ceo; Bob Phillips, John Russo, Robert Wilvers, senior vp-creative directors; Ernie Fossa, senior vp-media director.

Phone: (212) 807-7999.

Poppe Tyson, New York, a subsidiary of D'Arcy MacManus Masius, reported gross income of $3,100,000 in 1984 on billings of $20,666,667. In 1983, it reported gross income of $3,047,685 on billings of $20,317,900. In 1984, volume consisted of $8,959,616 in media, $2,031,786 in materials and services and $9,675,265 in capitalized fees. In 1983, volume consisted of $8,867,595 in media, $2,101,105 in materials and services and $9,349,200 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:

- Malverne

Accounts gained: Barclays Bank of North America, Connor Forest Industries, Grumman Data Systems, Intl Exposition, Nassau County, Penton Design Show, Port Authority N.Y./N.J., Charles Ross & Co., Top of the Park. Lost: Cooper Industries' Electrical Construction Materials div, Hearst Corp.'s *American Druggist*, Facit, Polytechnic Institute, Zak. Billings breakdown: Newspapers 22%, magazines 38%, radio 1.6%, network tv 4.5%, outdoor 3.4%, other 30.5%. Employes: 44 in two offices. Top execs: Fred C. Poppe, chairman-ceo; Fergus O'Daly, president.

Phone: (212) 725-2900.

Potter Hazlehurst, East Greenwich, R.I., reported net income of $69,832 and gross income of $2,053,942 in 1984 on billings of $15,599,762. In 1983, it reported net income of $54,115 and gross income of $1,817,993 on billings of $14,111,803. In 1984, volume consisted of $5,702,392 in media, $1,902,819 in materials and services and $7,994,551 in capitalized fees. In 1983, volume consisted of $4,966,801 in media, $1,988,272 in materials and services and $7,156,730 in capitalized fees. Accounts gained and lost: N/A. Billings breakdown: Newspapers 22%, magazines 47%, radio 2%, spot tv 11%, outdoor 2%, business papers 16%. Employes: 47. Top execs: Thomas E. Hazlehurst, president; Herbert C. Sawyer, exec vp-treasurer; Nathaniel Frothingham, senior vp.

Phone: (401) 885-4300.

Pringle Dixon Pringle, Atlanta, reported gross income of $2,346,000 in 1984 on billings of $15,745,000. In 1983, it reported gross income of $2,051,250 on billings of $13,315,000. In 1984, volume consisted of $9,370,000 in media, $1,440,000 in materials and services and $4,935,000 in capitalized fees. In 1983, volume consisted of $8,215,000 in media, $1,085,000 in materials and services and $4,015,000 in capitalized fees.

Accounts gained: Collins & Aiken, Community Federal s&l, First Federal of Panama City, The Cumberland, Connecticut Valley Arms, Camel Outdoor Equipment, Anheuser-Busch (Southeast), Touche Ross. Lost: Domino's Pizza, Jekyll Island. Billings breakdown: Newspapers 16%, magazines 22%, radio 10%, spot tv 28%, cable tv 3%, outdoor 5%, point of sale 2%, direct mail 8%, other 6%. Employes: 52. Top execs: Jim Pringle, president; Jobie Dixon, exec vp; Jan Pringle, president-pr; Bill Pruett, senior vp; Curt Zimmerman, vp; Doug Hancock, vp-finance; Bill Aydlotte, vp-creative director; Jeanne Cartwright, vp-medical director.

Phone: (404) 261-9542. ☑

Mel Richman Inc., Bala Cynwyd, Pa., reported gross income of $3,750,000 in 1984 on billings of $25,000,000. In 1983, it reported gross income of $4,275,000 on billings of $28,505,000. In 1984, volume consisted of $12,000,000 in media, $5,000,000 in materials and services and $8,000,000 in capitalized fees. In 1983, volume consisted of $13,000,000 in media, $5,500,000 in materials and services and $10,005,000 in capitalized fees.

Accounts gained: Princeton Bank, Soft-Switch computer software, Beneficial National Bank (Wilmington, Del.), Bank Credit Cards, Keystone Health Plan, BC/BS HMO (Camp Hill, Pa.), Memoire Collection, Diamond Anniversary Rings. Lost: Hamilton Watch Co. Billings breakdown: Newspapers 20%, magazines 5%, radio 20%, spot tv 20%, business papers 10%, point of sale 1%, direct mail 4%, other 20%. Employes: 75. Top execs: Mel Richman, chairman; William F. Robertson, president-ceo; Hank Kozlowszki, Ron Tucker, exec vps; Richard Keith, senior vp-creative director; Jim Scharnberg, senior vp-exec art director; Russ Gazzara, Biff Maddock, Bob Back, senior vps-account services, Bill Graham, senior vp-media services; Richard Booth, senior vp-finance.

Phone: (215) 667-8900. ☑

Rizzo, Simons, Cohn, Boston, reported net income of $254,691 and gross income of $2,712,572 in 1984 on billings of $19,198,777. In 1983, it reported net income of $112,953 and gross income of $1,252,093 on billings of $10,491,389. In 1984, volume consisted of $4,684,014 in media, $2,064,414 in materials and services and $12,450,349 in capitalized fees. In 1983, volume consisted of $2,243,737 in media, $1,466,543 in materials and services and $6,781,109 in capitalized fees.

Accounts gained: Cullinet Software/corporate and recruitment; Nashua Corp.'s computer products div; Biltrite Corp., Natural Juice Co., Viewlogic Systems, Vermont Maple Orchards. Lost: Kiddie Products, Symbolics, *Boston Herald*. Billings breakdown: Newspapers 9%, magazines 40%, radio 7%, spot tv 8%, outdoor 1%, business papers 17%, transit advertising 1%, point of sale 6%, direct mail 4%, other 7%. Employes: 37. Top execs: J. Peter Rizzo, president; Thomas S. Simons, Richard E. Cohn, exec vps-creative directors.

Phone: (617) 423-2700. ☑

Robbins & Ries Advertising, New York, reported net income of $113,082 and gross income of $1,241,327 in 1984 on billings of $8,276,140. In 1983, it reported net income of $79,815 and gross income of $934,888 on billings of $6,232,939. In 1984, volume consisted of $5,860,978 in media, $1,161,682 in materials and services and $1,253,480 in capitalized fees. In 1983, volume consisted of $4,578,538 in media, $956,826 in materials and services and $697,575 in capitalized fees.

Accounts gained: WLTW-fm, WSSH-fm (Lowell/Boston). Lost: None. Billings breakdown: Newspapers 36%, magazines 9%, radio 15%, spot tv 23%, outdoor 7%, transit advertising 3%, point of sale 2%, direct mail 5%. Employes: 18. Top execs: Sherman M. Robbins, president; Thomas W. Ries, exec vp.

Phone: (212) 686-6220. ☑

Sacks & Rosen, New York, reported gross income of $4,942,000 in 1984 on billings of $28,000,000. In 1983, it reported gross income of $4,730,000 on billings of $26,800,000. Total volume was in media for both years.

Accounts gained: Conde Nast Publications special projects, Blanton's Bourbon, Aquascutum of England, Paul Bocuse Cognac, Parfums Caron, Roma Industries, Tamnavulin Malt Scotch Whiskey, Lee Myers Transmission Centers, Hamilton Watch Co. Lost: Lady Manhattan. Billings breakdown: Newspapers 10%, magazines 35%, supplements 10%, radio 5%, spot tv 20%, outdoor 2%, business papers 3%, direct mail 15%. Employes: 45. Top execs: Leonard Sacks, president; Michael Rosen, exec vp; David Griffing, Amy Gold, vps-creative directors; Fred Milman, vp-mktg director; Gerald Jacobs, comptroller.

Phone: (212) 986-4004.

Murray Salit & Associates, New York, reported gross income of $1,020,000 in 1984 on billings of $6,200,000. In 1983, it reported gross income of $1,132,000 on billings of $6,900,000.

The agency's 1984 volume consisted of $5,200,000 in media and $1,000,000 in materials and services. Its 1983 volume consisted of $5,800,000 in media and $1,100,000 in materials and service.

In 1984 the agency gained: Opp & Micolas textiles, Triangle Apparel, Stringbean Ties, Moe Ginsburg Clothiers, Wally Frank Tobacconists. It lost: Crompton Textiles, Teenform.

Billings breakdown: Newspapers 15%, magazines 50%, spot tv 25%, business papers 10%. Employes: 13. Top execs: Murray Salit, president; Charles Auerbach, exec vp; Arthur Trostler, senior vp.

Phone: (212) 661-7300.

Schaefer Advertising, King of Prussia, Pa., reported gross income

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An eerie pattern has turned up in which the big winners (on an annual percentage basis) one year often turn up among those with smallest increases the next. Tatham-Laird & Kudner, Ally & Gargano and Bloom Cos. were among the top 10 of the 50 biggest agencies last year in year-to-year gains in U.S. billings. This year, all fell among the top 10 in "smallest increase," joining William Esty Co. and Kenyon & Eckhardt which have camped out on the chart two years running. Saatchi & Saatchi Compton and TBWA are "big gainers" two years in a row, and Leo Burnett Co. exited 1983's "smallest" for 1984's "biggest."

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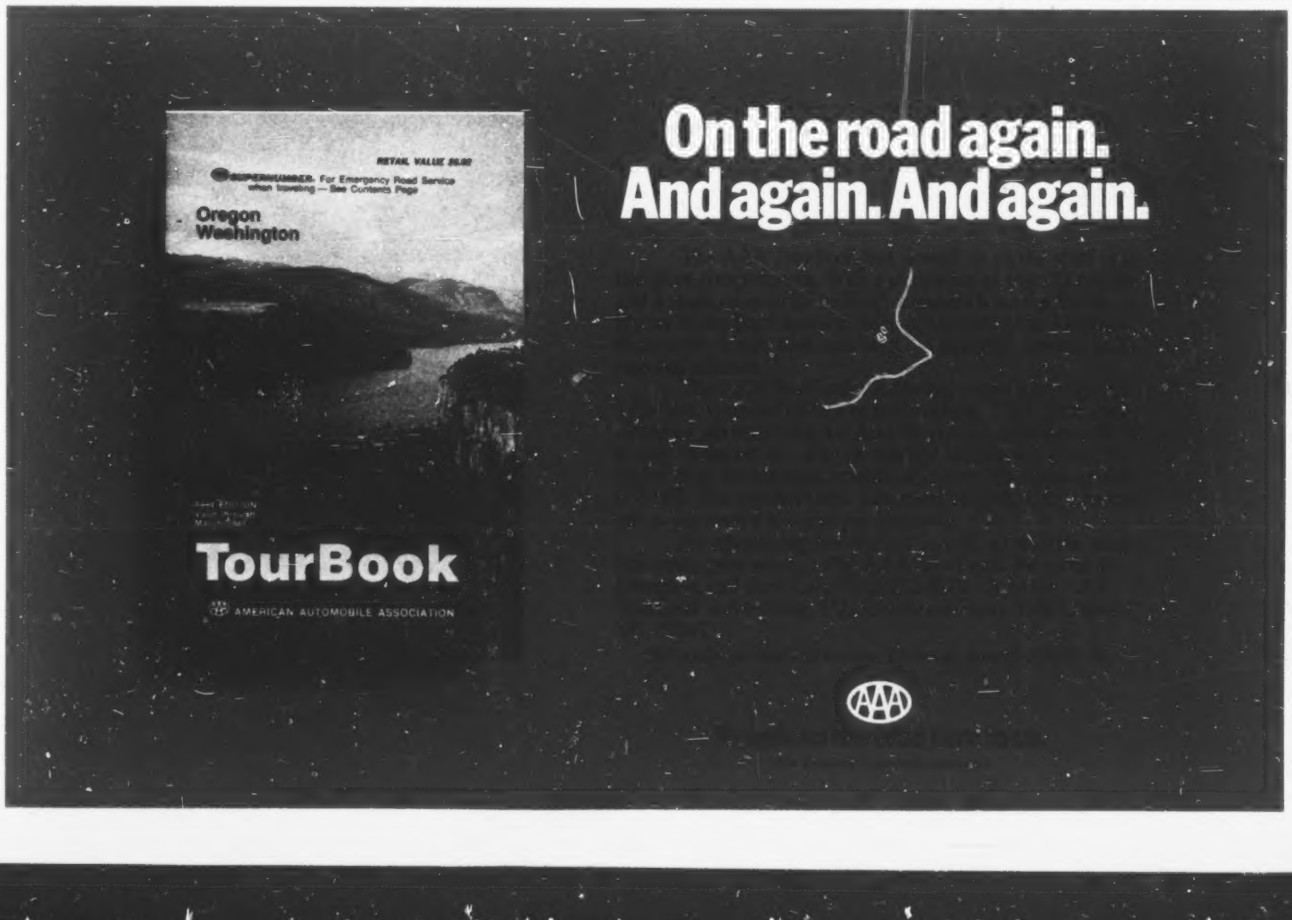

East: III agencies
$1,000,000-$5,000,000

of $3,050,000 in 1984 on billings of $20,300,000. In 1983, it reported gross income of $2,655,000 on billings of $17,700,000. In 1984, volume consisted of $8,700,000 in media, $1,750,000 in materials and services and $9,850,000 in capitalized fees. In 1983, volume consisted of $7,740,000 in media, $1,910,000 in materials and services and $8,050,000 in capitalized fees.

Accounts gained: ADP Canada, Best Impressions, CRC Chemicals, Fairmount Psychiatric Institute, Mars Electronics, Matheson Gas Products, Sun Carriers Inc., System Automation Corp., Yale Materials Handling. Lost: MAI/Sorbus Service. Billings breakdown: Newspapers 10%, magazines 10%, radio 25%, network tv 8%, business papers 35%, direct mail 12%. Employes: 53. Top execs: A.O. Schaefer Jr., president; Joseph A. Meehan Jr., senior vp-creative services; Paul Stevens, senior vp-creative services; Jim Bruno, president-Woodward & Schaefer (pr subsidiary).

Phone: (215) 337-0550.

Serino, Coyne & Nappi, New York, reported gross income of $4,377,000 in 1984 on billings of $29,177,000. In 1983, it reported gross income of $3,008,000 on billings of $20,063,000. In 1984, volume consisted of $21,867,000 in media, $4,932,000 in materials and services and $2,378,000 in capitalized fees. In 1983, volume consisted of $15,021,000 in media, $3,402,000 in materials and services and $1,640,000 in capitalized fees.

Accounts gained: "42nd Street," "Ma Rainey's Black Bottom," "Noises Off," "Sunday In The Park With George," "Harrigan & Hart," "Biloxi Blues," "The Odd Couple," "The Octette Bridge Club," "Strange Interlude," WQXR-fm. Lost: WABC-TV. Billings breakdown: Newspapers 42%, radio 15%, spot tv 38%, outdoor 2%, transit advertising 3%. Employes: 44. Top execs: Matthew Serino, president; Nicholas Nappi, Nancy Coyne, exec vps.

Phone: (212) 704-3900. ☑

Shaller, Rubin & Winer, New York, reported gross income of $4,570,000 in 1984 on billings of $29,900,000. In 1983, it reported gross income of $4,410,000 on billings of $29,400,000. In 1984, volume consisted of $18,400,000 in media, $5,500,000 in materials and services and $6,000,000 in capitalized fees. In 1983, volume consisted of $18,200,000 in media, $5,200,000 in materials and services and $6,000,000 in capitalized fees.

Accounts gained: Garan Man new products, Gazella Wine new products, Alexander Julian Leather Goods, Merrell Dow Pharmaceuticals new products, Becton Dickinson's public safety div; Requisites Men's Skin Treatment. Lost: None. Billings breakdown: Newspapers 10%, magazines 15%, supplements 5%, radio 20%, network tv 10%, spot tv 40%. Employes: 40. Top execs: Mel Rubin, Milt Shaller, co-chairmen; Arnold Winer, president-ceo.

Phone: (212) 598-6900.

Sherwood & Schneider, New York, had estimated gross income of $3,518,000 in 1984 on billings of $23,100,000. In 1983, it reported gross income of $2,325,000 on billings of $15,500,000. In 1984, volume consisted of $21,100,000 in media and $2,000,000 in materials and services. The agency did not break out its volume in 1983.

Accounts gained: Bulova Watch Co., Walt Disney Pictures, Habersett Bros. Lost: None. Billings breakdown: Newspapers 8%, magazines 25%, radio 6%, network tv 12%, spot tv 40%, cable tv 1%, outdoor 3%, direct mail 3%, other (sales promotion) 3%. Employes: 42. Top execs: Marvin Schneider, chairman-ceo; Lew Sherwood, president; Brendan Hawk, exec vp.

Phone: (212) 486-8800.

Siesel Co., New York, had estimated gross income of $2,085,000 in 1984 on billings of $13,750,600. In 1983, it had estimated gross income of $1,739,000 on billings of $11,475,000. In 1984, volume consisted of $5,030,000 in media, $850,000 in materials and services and $7,870,600 in capitalized fees. In 1983, volume consisted of $4,179,500 in media, $775,500 in materials and services and $6,500,000 in capitalized fees.

Accounts gained: Marli Inc., Villeroy & Boch—Tile & Plumbing div, Panelization Systems, Butler Walker Inc., IDCNY's Intl Design Center, Forox Corp., Gulf & Western's Simmons Universale wall coverings. Lost: Regent-Sheffield Inc. Billings breakdown: Newspapers 13%, magazines 41%, radio 8%, business papers 30%, point of sale 5%, direct mail 3%. Employes: 42. Top execs: Alfred J. Siesel, president-ceo; Daniel Siesel, exec vp-coo; Claire Coleman, senior vp-pr; Roger Kafka, Frances Lyons, senior vps.

Phone: (212) 759-6500.

Silberman Whitebrow Dolan, Philadelphia, reported net income of $1,530,000 in 1984 on billings of $10,200,000. In 1983, it reported gross income of $1,215,000 on billings of $8,100,000. In 1984, volume consisted of $4,935,000 in media, $2,665,000 in materials and services and $2,600,000 in capitalized fees. In 1983, volume consisted of $3,365,000 in media, $2,335,000 in materials and services and $2,400,000 in capitalized fees.

Accounts gained: Tenly Enterprises, HMO Great Lakes, Fleur de Lait Foods, Penn Center Inn. Lost: National Auto Stores. Billings breakdown: Newspapers 8%, magazines 36%, supplements 1%, radio 10%, spot tv 33%, cable tv 1%, outdoor 4%, business papers 4%, transit advertising 1%, point of sale 2%. Employes: 21. Top execs: Eli Silberman, president; Leo J. Dolan Jr., exec vp; Harold Ziebelman, senior vp.

Phone: (215) 665-1202.

Simms & McIvor, Bound Brook, N.J., reported gross income of $1,642,000 in 1984 on billings of $11,350,000. In 1983, it reported gross income of $1,705,000 on billings of $11,860,000. In 1984, volume consisted of $612,000 in media, $1,733,000 in materials and services and $9,005,000 in capitalized fees. In 1983, volume consisted of $432,000 in media, $1,751,000 in materials and services and $9,677,000 in capitalized fees.

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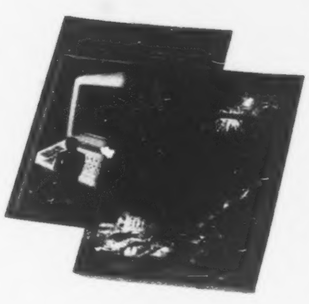

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1600 Ridge Avenue
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Accounts gained: Becton Dickinson, Gyneco, EBI Inc., Johnson & Johnson Alternative Care Marketing, Johnson & Johnson Hospital Services, Medi-tech, Mansfield Scientific. Lost: Meadox Medicals. Billings breakdown: Magazines 15%, cable tv 2%, point of sale 3%, direct mail 15%, other 65%. Employes: 32. Top execs: Patrick S. McIvor, president; Gene E. Hollen, exec vp-acct super; Stan Cohen, vp-production & acct coordination; Doug Barton, vp-creative director.

Phone: (201) 560-1410. ☑

J. Richard Smith Advertising, Old Bethpage, N.Y., had estimated gross income of $2,150,000 in 1984 on billings of $14,196,030. In 1983, it had estimated gross income of $1,800,000 on billings of $11,868,680. The agency's 1984 volume consisted of $8,015,000 in media, $785,000 in materials and services and $5,396,030 in capitalized fees. Its 1983 volume consisted of $7,870,000 in media, $637,000 in materials and services and $3,361,680 in capitalized fees.

In 1984 the agency gained: Webcor, Lane Leasing, Huntington Honda, Valley Stream Subaru, AMC Jeep, Park Avenue Dental, 360 Leasing, Auto Rite Stores, Med-i-tec, Spandage, Rad Oil, North Shore Honda, South Shore Honda. It lost: 60 Minute Photo, Poly-Pak.

Billings breakdown: Newspapers 30%, magazines 13%, supplements 7%, radio 16%, spot tv 20%, cable tv 2%, transit advertising 1%, point of sale 1%, direct mail 10%. Employes: 26. Top execs: Gerald R. Smith, president, Wayne Gastman, exec vp-production, Sandra Smith, secretary-treasurer; Michael Smith, exec vp-accts; Allan E. Meyerson, creative director.

Phone: (516) 293-8700.

Smith Burke & Azzam, Baltimore, reported gross income of $4,420,700 in 1984 on billings of $31,570,829. In 1983, it reported gross income of $3,168,700 on billings of $24,120,070. In 1984, volume consisted of $10,374,024 in media, $2,593,505 in materials and services and $18,603,300 in capitalized fees. In 1983, volume consisted of $8,849,590 in media, $1,951,000 in materials and services and $13,319,480 in capitalized fees.

Accounts gained: Baltimore Baseball Club, Marriott Food Service, Public Broadcasting Service, The Bank of Baltimore, Head Sportswear, National Public Radio, Baltimore Luggage Co. Lost: None. Billings breakdown: Newspapers 8%, magazines 2%, supplements 0.5%, radio 10.5%, spot tv 65%, outdoor 0.5%, business papers 1%, point of sale 0.5%, direct mail 12%. Employes: 58 in two offices. Top execs: Barry L. Smith, president; Joseph McD. Burke, chairman; Eugene Azzam, exec vp-creative director; Graham V. Kirk, senior vp-acct services; Roger L. Gray, senior vp-cfo; Thomas Little, president-Atlanta.

Phone: (301) 727-4306. ☑

Sommer Inc., Englewood, N.J., reported net income of $265,284 and gross income of $1,473,800 in 1984 on billings of $9,827,700. In 1983, it reported net income of $172,504 and gross income of $1,078,150 on billings of $7,188,700. In 1984, volume consisted of $4,690,000 in media, $2,002,000 in materials and services and $3,135,700 in capitalized fees. In 1983, volume consisted of $3,220,000 in media, $1,901,000 in materials and services and $2,067,700 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:

- Sommer & Benton

Accounts gained: Ziyad Inc., E.T. Electrotech, GTE-Sylvania Lighting Equipment div, OK Industries, Wire Graphics. Lost: None. Billings breakdown: Newspapers 5%, magazines 83%, radio 2%, direct mail 10%. Employes: 24 in two offices. Top execs: Bernard Sommer, president; Dom Mauro, exec vp; Bill Brennan, senior vp; Cheryl Benton, vp.

Phone: (201) 568-3838.

Specht, Gilbert & Partners, New York, a subsidiary of Jordan, Case & McGrath, reported gross income of $2,475,000 in 1984 on billings of $15,200,000. In 1983, it reported gross income of $2,700,000 on billings of $17,800,000. In 1984, volume consisted of $14,000,000 in media, $1,000,000 in materials and services and $200,000 in capitalized fees. In 1983, volume consisted of $16,000,000 in media, $1,200,000 in materials and services and $600,000 in capitalized fees.

Accounts gained: General Cigar's D'Jeep Lighters. Lost: None. Billings breakdown: Magazines 1%, network tv 90%, spot tv 5%, cable tv 4%. Employes: 15. Top execs: Ilon Specht, creative director; Don Gilbert, president.

Phone: (212) 906-3850.

Spencer Bennett Nowak, Seekonk, Mass., reported gross income of $1,557,000 in 1984 on billings of $10,441,000. In 1983, it reported gross income of $1,255,000 on billings of $8,370,850. In 1984, volume consisted of $2,434,000 in media, $2,117,000 in materials and services and $5,890,000 in capitalized fees. No volume breakout was provided for 1983.

Accounts gained: Carleton Corp., Maxitron Inc., Monsanto Polymer Products, Polaroid Commercial Chemicals Group, Rogers Corp., Royce Data. Lost: None. Billings breakdown: Newspapers 5%, magazines 10%, radio 5%, business papers 60%, direct mail 15%, other 5%. Employes: 36 in two offices. Top execs: Sheldon D. Spencer, chairman; Edward G. Nowak Jr., president; Richard E. Donnelly Jr., exec vp.

Phone: (617) 336-5801. ☑

Franklin Spier Inc., New York, a subsidiary of BBDO International, reported gross income of $3,014,000 in 1984 on billings of $20,094,000. In 1983, it reported gross income of $2,748,000 on billings of $18,329,000. In 1984, volume consisted of $12,630,000 in media, $2,628,000 in materials and services and $4,836,000 in capitalized fees. In 1983, volume consisted of $11,130,000 in media, $2,013,000 in materials and services and $5,186,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the U.S. subsidiary:

- Spier/BBDO

Accounts gained for Franklin Spier Inc.: Houghton Mifflin, Berkley Publishing, Ticknor Fields, *American Heritage*. Lost: Columbia University Press, Princeton University, Harry N. Abrams.

Accounts gained for Spier/BBDO: Rouse Corp., Bert Stratford Productions, Jani Enterprises, Columbia Artists.

Billings breakdown: Newspapers 42%, magazines 23%, radio 12%, network tv 2%, spot tv 5%, cable tv 1%, outdoor 2%, business papers 4%, transit advertising 1%, point of sale 2%, direct mail 4%, other 2%. Employes: 41. Top execs: Lee Simmons, president-ceo-Franklin Spier; Alix Nelson, senior vp-Franklin Spier; Tom Wells, president-Spier/BBDO, vp-Franklin Spier.

Phone: (212) 679-4441.

Philip Stogel Co., New York, which merged Sweet Advertising of Mount Morris, Ill., into its business in February, 1985, had estimated gross income of $3,717,000 in 1984 on billings of $14,711,170. In 1983, it had estimated gross income

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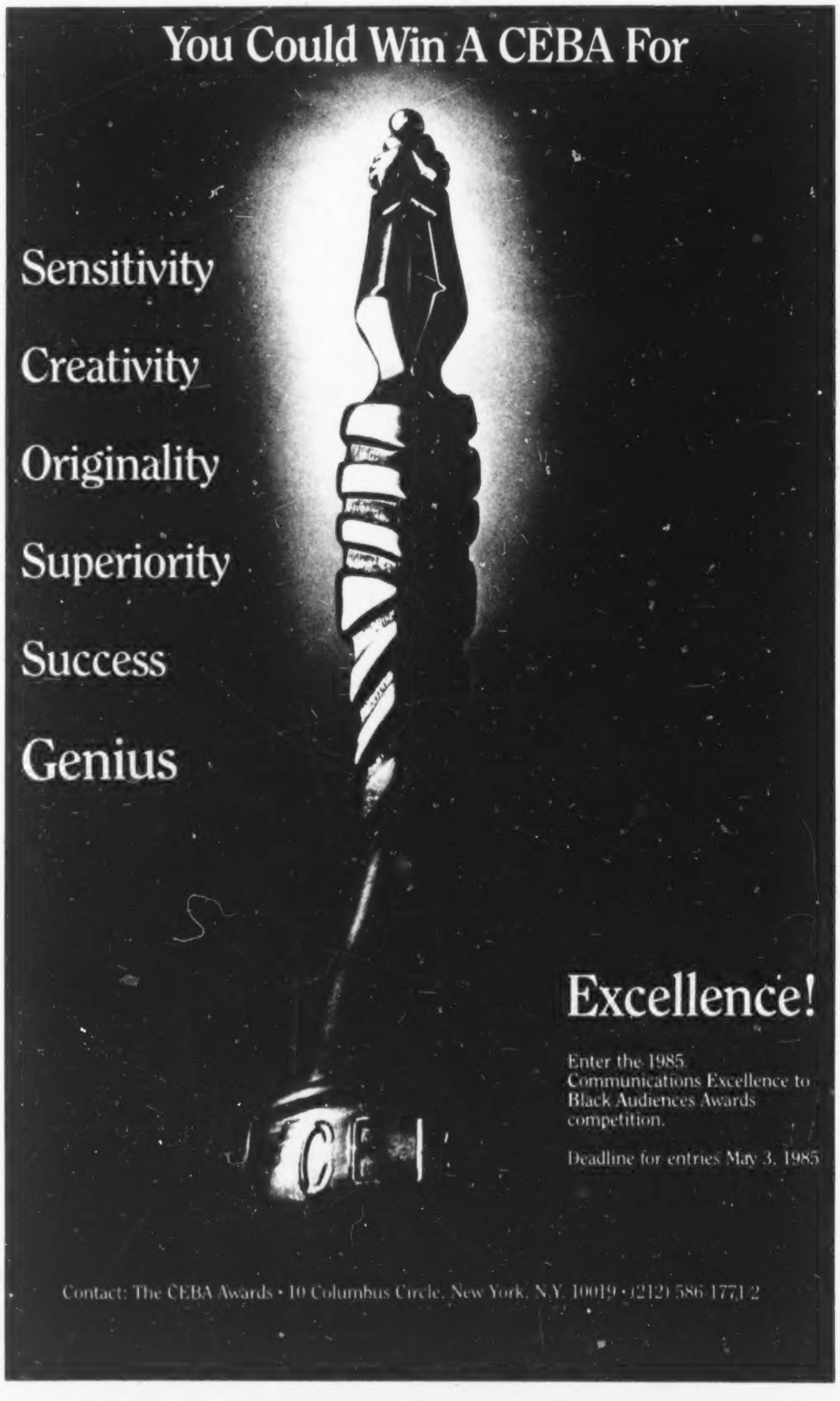

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East: III agencies $1,000,000-$5,000,000

of $3,634,000 on billings of $14,216,350. Figures do not include those of Sweet & Co. In 1984, volume consisted of $9,601,150 in media, $3,440,020 in materials and services and $1,670,000 in capitalized fees. In 1983, volume consisted of $9,450,600 in media, $3,095,750 in materials and services and $1,670,000 in capitalized fees.

Accounts gained: Botany 500, DMI, Deutsch Associates, Dundee Mills (Griffin, Ga.), Essex Wallcoverings, Fashion Wallcoverings (div of GTR), Gamble Brothers (Louisville, Ky.), Haviland & Co., Hoyne Industries (Rolling Meadows, Ill.), iittala usa, Kay Mfg Co., Kentile Floors, Kimball Furniture, La-Z-Boy Showcase Shoppes, Lewittes Enterprises, Lipparini Inc., Mersman/Woldron Furniture (Celina, N.Y.), Navan Carpets, Schroeder, Gary, Chair Co. Lost: Typetron. No billings breakdown was provided.

Phone: (212) 682-7600.

Sutton Communications, New York, reported gross income of $1,600,000, of which $200,000 was non-U.S. contributions, in 1984 on billings of $11,000,000. In 1983, it reported gross income of $1,200,000, of which $200,000 was non-U.S. contributions, on billings of $8,000,000. U.S. volume was $9,500,000 in 1984 and $6,500,000 in 1983. Overseas volume was $1,500,000 in both 1984 and 1983. No volume breakdown in U.S. or foreign billings volume was provided for either year.

Figures include those of U.S. subsidiary:

- Sutton Special Projects Group, Northbrook, Ill.

Accounts gained: G.D. Searle & Co. (additional assignment), Abbott Laboratories (additional assignment) Cooley's Anemia Foundation, Serono Laboratories. Lost: none. Billings breakdown: Magazines 60%, direct mail 30%, other 10%. Employes: 25 in two offices. Top execs: Glenn DeSimone, president; Nort Branesco, exec vp; Stan Dornfest, Nancy Larsen, Steve Spittel, vps.

Phone: (212) 682-7090. ☑

Symon & Hilliard, New York, reported gross income of $2,448,000 in 1984 on estimated billings of $19,584,000. In 1983, it reported gross income of $2,343,750 on estimated billings of $18,750,000. No capitalized volume breakouts were provided for either year.

Accounts gained: Black & Decker Housewares div, Levinson Conover, Axelrod, Wheaton & Grayzel. Lost: None. No billings breakdown was provided. Employes: 15. Top execs: James Symon, chairman; Tony Hilliard, vice chairman.

Phone: (212) 505-0688.

TCI Advertising, Stamford, Conn., reported net income of $236,110 and gross income of $1,320,317 in 1984 on billings of $9,958,843. In 1983, it reported net income of $159,511 and gross income of $1,042,215 on billings of $8,225,809. In 1984, volume consisted of $2,949,611 in media, $1,145,935 in materials and services and $5,863,297 in capitalized fees. In 1983, volume consisted of $1,941,576 in media, $1,260,396 in materials and services and $5,023,837 in capitalized fees.

Accounts gained: Communications Week, Distributed Control Systems, Hazeltine Corp., Architel Systems, Dynaforce Corp. Lost: Sandvik Corp., Reichholk Chemicals (corporate), Information Displays. Billings breakdown: Newspapers 10%, magazines 40%, business papers 40%, point of sale 5%, direct mail 5%. Employes: 24. Top execs: Michael F. Murphy, president; William P. Kennedy, exec vp-creative director; Jack Willimott, vp.

Phone: (203) 327-9900. ☑

Trahan, Burden & Charles, Baltimore, reported gross income of $3,035,716 in 1984 on billings of $20,238,113. In 1983, it reported gross income of $2,726,254 on billings of $18,175,031. In 1984, volume consisted of $11,619,124 in media, $2,408,633 in materials and services and $6,210,356 in capitalized fees. In 1983, volume consisted of $11,092,544 in media, $2,107,835 in materials and services and $4,974,652 in capitalized fees.

Accounts gained: M. Rubin & Sons's Sergio Valente menswear, Rouse Co's. Enterprise Development Co. (Portside Festival Marketplace, Waterside, Water Street Pavilion, Kellogg Center, Sixth Street Marketplace) Allegheny Conference, Travel Committee Inc. Lost: None. Billings breakdown: Newspapers 10%, magazines 10%, radio 20%, spot tv 45%, cable tv 5%, outdoor 2%. business papers 5%, point of sale 1%. direct mail 2%. Employes: 47. Top execs: Edward A. Trahan, president; Thomas L. Burden, Allan F. Charles, exec vp.

Phone: (301) 347-7500. ☑

Van Brunt & Co., New York, reported gross income of $2,900,000 in 1984, of which $450,000 was non-U.S. contributions, on billings of $26,695,000. In 1983, it reported gross income of $2,975,000, of which $475,000 was in non-U.S. contributions, on billings of $26,990,000. In 1984, volume consisted of $9,875,000 in media, $3,450,000 in materials and services and $5,670,000 in capitalized fees. In 1983, volume consisted of $10,000,000 in media, $3,440,000 in materials and services and $5,800,000 in capitalized fees.

Overseas, its dollar volume was $7,700,000 in 1984 and $7,750,000 in 1983. Volume was not broken down.

The results include those of the agency's U.S. subsidiaries:

- VB/Growick Fashion Advertising
- VB/Mahta Travel Mktg
- VB/Schaeffer PR

Accounts gained: Hearst Publications' *Science Digest*, Electronic Publishing Services, CDS, Jacques Moret, Sweats Footwear, A'Milano/Skiva Sportswear, N.Y. ADI Newspaper's *Supermarket*. Lost: WQXR-am/fm New York, Bethlehem Steel, Port of N.Y. & N.J. Authority, Barbados Board of Tourism. Billings breakdown: Newspapers 20%, magazines 30%, radio 16%, spot tv 15%, business papers 8%, transit advertising 3%, direct mail 8%. Employes: 48. Top execs: Edwin Van Brunt, chairman; Albert Van Brunt, president; Howard Karp, exec vp-co-creative director; Robert Gass, director media; William D. Buckley, director broadcast; P.F. Mahta, president/travel mktg-mgmt div; Phillip Growick, senior vp/acct group super; Lou Garcia, vp Van Brunt/Shaeffer pr div; Frank A. Caporaso, controller; Burton Zelner, senior vp acct group mgr; Carl Van Brunt, exec vp/co-creative director; Dot Smith, corp. secretary.

Phone: (212) 949-1300.

Frank Vos Co., New York, a division of SSC&B Inc., New York, reported gross income of $3,665,000 in 1984 on billings of $24,435,000. In 1983, it reported gross income of $3,350,168 on billings of $22,338,386. In 1984, volume consisted of $14,681,000 in media, $1,404,000 in materials and services and $8,350,000 in capitalized fees. In 1983, volume consisted of $13,106,725 in media, $1,381,025 in materials and services and $7,850,636 in capitalized fees.

Accounts gained: Johnson & Johnson, Citibank, Numivest America, Lynchburg Hardware & General Store. Lost: Lenox Corp. Billings breakdown: Newspapers 10%, magazines 40%, spot tv 20%, direct mail 30%. Employes: 40. Top execs: Frank Vos, chairman; Thomas J. Turner, president.

Phone: (212) 684-7600.

Wahlstrom & Co., Stamford, Conn., Foote, Cone & Belding's specialist agency in Yellow Pages advertising, reported gross income of $4,822,576 in 1984 on billings of $32,166,582. In 1983, gross income was $3,579,445 on billings of $23,874,898. No volume breakout was provided.

Accounts gained: American National Insurance, Bell Atlanticom Systems, Care Health Services, Coldwell Banker, COMPAQ Computer Corp., Computerland, Concordia Corp., EMI, Fujitsu Microelectronics, Great Pacific Hotels, Happy Sleeper Mattress Factories, Kardex Systems, Market Data Retrieval, Ozalid Corp., Reynolds Products, Roofmaster Products Co., Shelby Williams Industries, Starnet Corp., Victor Systems & Equipment, Wheelabrator-Frye & Equipment, World Airways. Lost: Horizon Health Corp., Reynolds Aluminum Building Products. Billings breakdown: Yellow Pages, 100%. Employes: 81 in four offices. Top execs: Francis J. Barton, president; Leon V. Taricani, senior vp; Edward N. Schneck, vp.

Phone: (203) 348-7347.

Warner, Bicking & Fenwick, New York, reported gross income of $2,345,989 in 1984 on billings of $15,517,220. In 1983, it reported gross income of $2,063,220 on billings of $13,654,018. In 1984, volume consisted of $5,351,200 in media, $721,300 in materials and services and $9,444,720 in capitalized fees. In 1983, volume consisted of $4,285,000 in media, $595,300 in materials and services and $8,773,718 in capitalized fees. Accounts gained: "Electronics Bulletin," STP anti-freeze. Lost: Gibraltar Transmissions. The agency did not break down its billings. Employes: 26. Top execs: John E. Warner, chairman-creative director; Andrew Morris, president.

Phone: (212) 759-7900.

Warren/Kremer Advertising, New York, reported gross income of $2,483,275 in 1984 on billings of $15,900,000. In 1983, it reported gross income of $2,007,000 on billings of $13,800,000. No volume breakdown was provided for either year.

Accounts gained: Marriott Newark Airport Hotel, Treadway Inns Corp., Marriott's Castle Harbour, Americana Hotels' Eden Roc (Miami Beach). Lost: None. Billings breakdown: Newspapers 29%, magazines 35%, radio 5%, spot tv 5%, outdoor 4%, business papers 15%, transit advertising 1%, point of sale 2%, direct mail 3%, other 1%. Employes: 39. Top execs: Peter Warren, president; John H. Pollok, exec vp.

Phone: (212) 686-2914.

S.J. Weinstein Associates, New York, reported gross income of $2,437,000 for fiscal year ended Sept. 30, 1984, on billings of $10,280,790. In fiscal year 1983, it reported gross income of $2,023,577 on billings of $8,917,257. In 1984, volume consisted of $830,000 in media, $1,200,000 in materials and services and $8,250,790 in capitalized fees. In 1983, volume consisted of $1,089,000 in media, $1,000,000 in materials and services and $6,827,258 in capitalized fees.

Accounts gained: Cilco div of W.H. Rorer, Mead Data. Lost: Romark Diagnostics. Billings breakdown: Magazines (medical trade publications) 50%, point of sale 10%, direct mail 20%, sales materials 20%. Employes: 25. Top execs: Stephen J. Weinstein, president-creative director; Mel H. Getzoff, exec vp; Richard C. Siegel, senior vp; Barry R. Frankel, vp-mgmt super.

Phone: (212) 206-0222. ☑

Edwin Bird Wilson Inc., New York, reported gross income of $4,820,000 in 1984 on billings of $35,323,578. In 1983, it reported gross income of $3,990,000 on billings of $29,151,892. In 1984, volume consisted of $20,994,150 in media, $5,394,903 in materials and services and $8,934,525 in capitalized fees. In 1983, volume consisted of $18,875,602 in media, $4,460,424 in materials and services and $5,815,866 in capitalized fees.

Accounts gained: John Paton Co.'s Golden Blossom Honey, *Venture* Magazine. Lost: Northeast Savings Bank, Safavieh Carpets of Isfahan. Billings breakdown: Newspapers 30%, magazines 35%, radio 5%, network tv 10%, spot tv 5%, cable tv 1%, outdoor 4%, business papers 10%. Employes: 70. Top execs: Delano W. Ladd Jr., chairman-president; Hubert Donlon, vice-chairman; James Harvey, exec vp; Howard Gelman, vp-treasurer.

Phone: (212) 684-5220.

Wimmershoff & Associates, Westwood, N.J., reported net income of $127,317 and gross income of $1,010,449 in 1984 on billings of $6,738,442. In 1983, it reported net income of $93,614 and gross income of $936,147 on billings of $6,242,775. In 1984, volume consisted of $1,383,988 in media, $1,119,864 in materials and services and $4,234,590 in capitalized fees. In 1983, volume consisted of $1,398,118 in media, $1,263,274 in materials and services and $3,581,383 in capitalized fees. No accounts were gained or lost. The agency did not break down its billings. Top execs: Alfred Wimmershoff, president-creative director-Chip Wimmershoff, senior vp-mktg; Rosemary Grippo, senior vp-operations.

Phone: (201) 664-3220.

Winchell Marketing Communications, Philadelphia, had estimated gross income of $1,312,500 in 1984 on billings of $8,750,000, the same as in 1983.

Volume was all in media for both years. No accounts were gained or lost.

Winchell Marketing's billings breakdown: Newspapers 10%, magazines 5%, radio 5%, business papers 30%, direct mail 10%, other 20%. Employes: 16. Top execs: Henry R. Blynn, president; Frederick H. Gloeckner, chairman.

Phone: (215) 568-1770.

Wolff Whitehill Inc., New York, reported gross income of $1,006,917 in 1984 on billings of $6,658,255. In 1983, it reported gross income of $716,415 on billings of $5,030,784. In 1984, volume consisted of $1,547,377 in media, $440,141 in materials and services and $4,670,737 in capitalized fees. In 1983, volume consisted of $1,459,246 in media, $530,419 in materials and services and $3,041,119 in capitalized fees.

Figures include those of U.S. subsidiary:

- Wolff Whitehill, Ft. Lauderdale

Accounts gained: Vector Real Estate, Tiki Tan Sun Care Products, Software Centre Intl, Broward Marine, Jos. E. Seagram's St. Regis Vineyards, Faded Glory, Texas Apparel. Lost: Dunhill Personnel System, Cigarette Racing Team. Billings breakdown: Newspapers 10%, magazines 35%, supplements 5%, radio 15%, spot tv 5%, outdoor 5%, business papers 10%, point of sale 10%, direct mail 5%. Employes: 16 in two offices. Top execs: Martin J. Wolff, president-creative director; Marshall S. Dickman, exec vp; Melvin S. Wolff, senior vp.

Phone: (212) 421-3980. ☑

Wooding & Housley, Providence, R.I., reported net income of $53,000 and gross income of $1,170,000 in 1984 on billings of $6,000,000. In 1983, it reported net income of $32,000 and gross income of $600,000 on billings of $5,000,000. In 1984, volume consisted of $3,200,000 in media, $1,860,000 in materials and services and $940,000 in capitalized fees. In 1983, volume consisted of $3,250,000 in media, $920,000 in materials and services and $830,000 in capitalized fees.

Accounts gained: Bates Shoe Co., Thermo Electron, Modular Cogeneration. Lost: Kingston-Warren Corp. Billings breakdown: Newspapers 5%, magazines 30%, outdoor 5%, business papers 45%, point of sale 5%, direct mail 5%, other 5%. Employes: 21.

Top execs: Benjamin E. Wooding, president; John H. Housley, vp-creative.

Phone: (401) 272-9494.

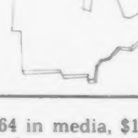
Wyble Advertising, Millville, N.J., reported gross income of $1,053,257 in 1984 on billings of $7,023,908. In 1983, it reported gross income of $793,095 on billings of $5,733,303.

In 1984, volume consisted of $1,971,765 in media, $659,541 in materials and services and $4,392,602 in capitalized fees. In 1983, volume consisted of $1,220,433 in media, $534,602 in materials and services and $3,978,268 in capitalized fees.

Accounts gained: Atlantic Yacht & Shipbuilding, SL Auburn Inc. Lost: Summit Airlines, (Philadelphia). Billings breakdown: Newspapers 10%, magazines 20%, supplements 2%, outdoor 1%, business papers 50%, farm publications 3%, point of sale 1%, direct mail 11%, other 2%. Employes: 23 in two offices. Top execs: Gene Wyble, chairman; Henry Wyble, president.

Phone: (609) 825-3403. ☑

Midwest: III agencies $1,000,000-$5,000,000



Abelson-Taylor, Chicago, reported gross income of $2,938,970 in 1984 on billings of $25,456,011. In 1983, it reported gross income of $2,325,130 on billings of $19,038,121. In 1984, volume consisted of $2,462,628 in media, $3,390,453 in materials and services and $19,602,930 in capitalized fees. In 1983, volume consisted of $1,843,764 in media, $1,685,740 in materials and services and $15,508,617 in capitalized fees.

Accounts gained: American Medical Systems, Difco Labs, Travenol Labs, American Annson. Lost: Amedco Healthcare. Billings breakdown: Newspapers 5%, magazines 22%, business papers 23%, point of sale 5%, direct mail 25%,

Midwest: III agencies $1,000,000-$5,000,000

other 20%. Employes: 42. Top execs: Marvin Abelson, chairman; Dale Taylor, president; Robert McCormick, Frank Catania, exec vps.

Phone: (312) 781-1700.

Alexander Marketing Services, Grand Rapids, Mich., reported gross income of $2,315,454 in 1984 on billings of $18,098,468. In 1983, it reported gross income of $1,813,059 on billings of $12,093,103.

In 1984, volume consisted of $1,949,714 in media, $704,676 in materials and services and $15,444,078 in capitalized fees. In 1983, volume was all in capitalized fees. Results from its Chicago office were included in the report.

Accounts gained: Cabot Corp. Wrought Products div, Database Design. Lost: None.

Employes: 40 in two offices. Top execs: James S. Alexander, president; Thomas J. Kreuger, exec vp; Robert C. Milroy, vp-client services mgr; Richard H. Hill, vp-office services; Lloyd W. Dunlap, vp-Chicago office; Michael J. McGillicuddy, vp-exec art director; Howard H. Rice, vp-pr.

Phone: (616) 957-2000. ☑

Andrews/Mautner, Milwaukee, reported gross income of $1,187,113 for fiscal year 1984 ended June 30, on billings of $8,614,336. For fiscal 1983, it reported gross income of $959,082 on billings of $6,847,454. Through the first six months of fiscal year 1985, the agency estimates annual gross income already $1,600,000 and capitalized billings of $11,000,000. In 1984, volume consisted of $3,097,849 in media, $1,555,721 in materials and services and $3,960,766 in capitalized fees. In 1983, volume consisted of $2,975,580 in media, $1,244,074 in materials and services and $2,627,800 in capitalized fees.

Accounts gained: Kelley Co., NEC America's Broadcast Equipment div, Bell & Howell's Micro Design div, Falk Corp., Thomas Industries. Lost: Wilton Corp.'s Perfex div, McQuay Inc.'s Ambrosia Chocolate, Ken Cook Co., Phoenix Industries. Billings breakdown: Newspapers: 4%, magazines 9%, radio 2%, business papers 60%, point of sale 1%, direct mail 4%, other 20%. Employes: 33. Top execs: Don Orlaska, chairman; Christopher M. Vernon, president-ceo; Eugene Vogel, exec vp; Norman W. Mautner, Kenneth W. Snyder, vps; Richard H. Buerger, vp-exec art director.

Phone: (414) 272-4482. ☑

Donald L. Arends Inc., Oak Brook, Ill., reported gross income of $1,207,500 in 1984 on billings of $8,054,000. In 1983, it reported gross income of $958,800 on billings of $6,395,000. In 1984, volume consisted of $1,890,000 in media, $4,546,800 in materials and services and $1,617,200 in capitalized fees. In 1983, volume consisted of $1,598,000 in media, $3,388,300 in materials and services and $1,408,700 in capitalized fees.

Accounts gained: Bissell Healthcare Cos., BRK Electronics. Lost: None. Billings breakdown: Newspapers 12%, magazines 8%, radio 15%, spot tv 3%, business papers 54%, point of sale 2%, direct mail 6%. Employes: 22. Top execs: Donald L. Arends, ceo; Robert K. Erickson, president.

Phone: (312) 323-1220. ☑

Associated Advertising Agency, Wichita, Kan., reported gross income of $1,894,246 in 1984 on billings of $12,634,622. In 1983, it reported gross income of $1,687,610 on billings of $11,256,359. In 1984, volume consisted of $4,839,871 in media, $3,080,910 in materials and services and $4,713,841 in capitalized fees. In 1983, volume consisted of $4,230,623 in media, $2,587,558 in materials and services and $4,438,178 in capitalized fees.

Accounts gained: Coleman Distributing Co., Coleman Associated Divisions Group, Mastercraft Ski Co., Hardage Hotel Corp., Siefkes Travel Service. Lost: Legg Co., Hilton Inns, Wichita. Billings breakdown: Newspapers 1.5%, magazines 8%, radio 14.4%, spot tv 23.3%, outdoor 0.7%, business papers 3.3%, farm publications 9%, point of sale 1.1%, direct mail 4.7%, other 34%. Employes: 41. Top execs: Preston D. Huston, chairman-president; M. Gene Countryman, T. Joe Robertson, senior vps.

Phone: (316) 683-4691. ☑

Bailey Lewis & Associates, Lincoln, Neb., reported gross income of $1,537,296 in 1984 on billings of $10,251,293. In 1983, it reported gross income of $1,217,028 on billings of $8,115,365. In 1984, volume consisted of $3,633,355 in media, $1,301,675 in materials and services and $5,316,263 in capitalized fees. In 1983, volume consisted of $3,601,808 in media, $820,912 in materials and services and $3,692,645 in capitalized fees.

Accounts gained: AAA Airlines, Applied Communications, B&C Steel, Ben Simon's, Bruning Hydraulics, CD Systems, Certified Transmissions, Coca-Cola Bottlers of Nebraska, Cosmerica, Cyclonaire Corp., Dal-Worth Enterprises, Farmers National Bank of Grant, First Employee Leasing Ltd., FirsTier Inc., FirsTier Leasing, FirsTier Mortgage Co., Gateway Electronics Institute, Globe Sign Co., KMA Radio (Shenandoah, Ia.), Jiffy Lube Intl (Rocky Mountain States), Lincoln Center Assn, McBride & Associates, MEGA Corp., Monterrey Cutlery, Nebraska Dept of Economic Develop.-Tourism div, Nebraska Power Assn, Nebraska Soft Drink Assn, Northwestern Bell Phones, Omaha National Bank, Pershing Municipal Auditorium, Saline State Bank, Software Source, Union Crop Insurance, Wallstreet Corp., Zip +4 Service Center. Lost: American Business Lists, Commerce Group, Commerce Savings Cos., First Westside Bank, Grandmother's Restaurants, Hill Aero, National Bank of Commerce, Pepsi-Cola Bottling Co., Terrano Corp., Wendy's Nebraska co-op, Wendy's (Sioux Falls, SD). Billings breakdown: Newspapers 10%, magazines 4%, supplements 1%, radio 16%, spot tv 22%, outdoor 5%, business papers 2%, farm publications 4%, direct mail 1%, collateral 35%. Employes: 37 in two offices. Top execs: Richard W. Bailey, chairman-ceo; Jim Lauerman, president-Lincoln div; Tracy Zaiss, president-Omaha div; George Maininger, senior exec vp-creative services; Ron Plagemen, exec vp-cfo.

Phone: (402) 475-2800.

Baker, Abbs, Cunningham & Klepinger, Birmingham, Mich., reported gross income of $2,292,495 in 1984 on billings of $15,290,942. In 1983, it reported gross income of $1,832,802 on billings of $12,224,790. In 1984, volume consisted of $4,538,887 in media, $2,430,834 in materials and services and $8,321,221 in capitalized fees. In 1983, volume consisted of $4,123,882 in media, $2,963,656 in materials and services and $5,137,252 in capitalized fees.

Accounts gained: London's Farm Dairy, Roney & Co., Sprague Devices. Lost: Group Health Plan of SE Michigan, Huron Office Products, Widger Chemical Corp. Billings breakdown: Newspapers 37%, magazines 24%, radio 20%, spot tv 19%. Employes: 42. Top execs: Ernest W. Baker, chairman, president; Robert J. Cunningham, exec vp; B.H. Cunningham, treasurer.

Phone: (313) 540-5400. ☑

Barkley & Evergreen, Fairway, Kan., had estimated gross income of $4,350,000 in 1984 on billings of $29,000,000. In 1983, it had estimated gross income of $4,050,000 on billings of $27,000,000. No volume breakdown was provided.

Accounts gained: None. Lost: None. Employes: 50. Top execs: William M. Fromm, president; James Barickman, chairman; Michael J. McGarry, exec vp; C.N. Foxworthy, treasurer; Robert Moore, Stephen Brewer, vps; James Aylward, vp-creative director; Jeff Gorosh, vp-media director.

Phone: (913) 432-2600.

Batz Hodgson Neuwoehner, St. Louis, Mo., reported gross income of $4,693,790 in 1984 on billings of $32,650,376. In 1983, it reported gross income of $4,552,600 on billings of $30,563,994. In 1984, volume consisted of $15,756,351 in media, $4,261,481 in materials and services and $12,584,389 in capitalized fees. In 1983, volume consisted of $15,989,946 in media, $4,031,780 in materials and services and $10,542,268 in capitalized fees.

Accounts gained: S.G. Adams, Carter Automotive, Copying Concepts, Butler Chevrolet, Physicians Preferred, Comfortzone, Invitron, Omni Sports, KHTR-fm St. Louis, St. Louis Blues Hockey Team, St. Louis Arena, Alexian Brothers Hospital, Save Mart Stores. Lost: HBE Corp., Martha Belle, Ravarino-Freschi, Lenco, Plaza Motors. Billings breakdown: Newspapers 13%, magazines 8%, radio 23%, spot tv 27%, outdoor 2%, business papers 23%, farm publications 1%, other 3%. Employes: 115 in six offices. Top execs: Kennett C. Johnson, chairman-ceo; George T. Gale, president-creative director-St. Louis; Terrance J. Donohue, secretary-treasurer; Robert C. Zeitinger, exec vp; Gordon L. Hepper, mng director, BHN/PR; Walter F. Balzerick, president-Wichita div; Peter Langmack, president-Cedar Rapids div; James F. Watts, Irv Jensen, John Blakemore, div presidents.

Phone: (314) 241-1200.

BBDM Inc., Chicago, reported gross income of $2,830,504 in 1984 on billings of $18,879,461. In 1983, it reported gross income of $2,651,682 on billings of $17,677,880. No volume breakout was provided for either year.

Accounts gained: Esser's, Mystik Tape, Signode Industries. Lost: Management Group. Billings breakdown: Newspapers 10%, magazines 31%, radio 5%, network tv 19%, spot tv 20%, business papers 12%, direct mail 3%. Employes: 44 in two offices. Top execs: W.S. "Bud" Browning, president-director; Richard B. Sanderson, director-exec vp; David M. Bender, John T. Dolby, directors.

Phone: (312) 644-9600. ☑

Lou Beres & Associates, Chicago, reported gross income of $1,650,000, of which $50,000 was non-U.S. contributions, on billings of $14,418,000 in 1984. In 1983, it reported gross income of $1,300,000, all from the U.S. business, on billings of $10,700,000. In 1984, U.S. volume of $14,084,000 consisted of $12,900,000 in media, $650,000 in materials and services and $534,000 in capitalized fees. In 1983, volume, all in the U.S., consisted of $10,300,000 in media and $400,000 in capitalized fees.

The agency's 1984 overseas dollar volume of $334,000 was all in capitalized fees.

Accounts gained: Ohio Art Toys, BWD Automotive, VanKampen Merritt, Calument Business Center. Lost: None. Overseas it gained: Burger Boy Fast Foods (Mexico). Billings breakdown: Newspapers 5%, magazines 12%, supplements 2%, radio 8%, network tv 16%, spot tv 32%, business papers 10%, direct mail 3%, other 12%. Employes: 25. Top execs: Louis H. Beres, president; Ernest Shapiro, exec vp-client services; Ernest A. Brown, exec vp-genl mgr; Michael Cheney, exec creative director; Donald Boehme, George Kase, creative directors.

Phone: (312) 670-0470.

William R. Biggs/Gilmore Associates, Kalamazoo, Mich., reported gross income of $4,700,000 in 1984 on billings of $50,368,000. In 1983, it reported gross income of $3,572,300 on billings of $32,157,000. In 1984, volume consisted of $19,751,000 in media, $3,063,000 in materials and services and $27,554,000 in capitalized fees. In 1983, volume consisted of $15,255,000 in media, $2,475,000 in materials and services and $14,427,000 in capitalized fees.

Accounts gained: Clarke div of McGraw Edison, Howard Miller, Kirsch, Mutual Home Savings, Pizza Hut, Ship-Pac, Aerovent Fan, Care Health Services. Lost: Edwards Motors. Billings breakdown: Newspapers 2%, magazines 39%, supplements 1%, radio 4%, network tv 1%, spot tv 4%, outdoor 1%, business papers 40%, farm publications 7%, direct mail 1%. Employes: 85 in five offices. Top execs: William Biggs, president; Ronald Davis, Peter Horst, David Hunt, senior vps; Don DeGroot, secretary, treasurer.

Phone: (616) 349-7711.

Boelter & Lincoln, Madison, Wis., reported gross income of $1,038,621 in 1984 on billings of $6,927,602. In 1983, it reported gross income of $663,473 on billings of $4,225,265. Volume was all in capitalized fees for both years.

Figures include those of U.S. subsidiaries:

- Boelter & Lincoln, Madison
- Boelter & Lincoln, Milwaukee
- Boelter & Lincoln PR

Accounts gained: Christie Clinic, Distribution Services Systems, Germania Corp., PersonalCare HMO, Schneider National, Security s&l, St. Vincent Hospital. Lost: Colonial s&l, Great American s&l, Home s&l, Cousins Sub Sandwiches, Nortridge Software, Systems 5. Billings breakdown: Newspapers 15%, magazines 10%, radio 13%, spot tv 28%, cable tv 2%, outdoor 2%, business papers 7%, transit advertising 2%, point of sale 3%, direct mail 3%, other 15%. Employes: 37 in three offices. Top execs: Robert Boelter, president-Madison; John Lincoln, president-Milwaukee; Kate Speer, president-B&L Public Relations.

Phone: (608) 251-3381.

Bonsib Inc., Fort Wayne, Ind., had estimated gross income of $1,284,300 in fiscal year 1984 ended Jan. 31, 1985, on billings of $8,566,281. In 1983, it reported gross income of $1,070,447 on billings of $7,139,881. No volume breakdowns were provided for either year.

Accounts gained: Central Soya's International Feed, Community Hospital/Indianapolis, Beatrice Cos.—Eckrich's special event, Fort Wayne Newspapers (Knight-Ridder), CBS's Gemeinhardt, Grand Wayne Center, Lincoln National Employee Benefits, Magnavox's Electronic Systems, North American Philips' Magnavox Hotel/Motel, Patton Electric's Seaboard Farms, Bordens' Seyfert, Holiday Rambler's Utilimaster, Wavetek. Lost: Independent Stationers, WOWO-am Fort Wayne. Billings breakdown: Newspapers 15%, magazines 8%, supplements 2%, radio 15%, spot tv 15%, cable tv 1%, outdoor 2%, business papers 19%, farm publications 8%, transit advertising 1%, point of sale 5%, direct mail 8%, other 1%. Employes: 32 in two offices. Top execs: Richard E. Bonsib, chairman-president; Thomas D. Mattern, exec vp; David J. Floyd, vp-genl mgr/Indianapolis, Gretchen A. Bonsib, secretary-treasurer.

Phone: (219) 422-4661. ☑

The Brady Co., Menomonee Falls, Wis., reported gross income of $1,918,593 in 1984 on billings of $13,453,696. In 1983, it reported gross income of $1,701,172 on billings of $12,003,172. In 1984, volume consisted of $3,007,226 in media, $2,677,294 in materials and services and $7,769,176 in capitalized fees. In 1983, volume consisted of $2,553,908 in media, $2,181,066 in materials and services and $7,268,198 in capitalized fees. Accounts gained: Gehl Co., Marquette Electronics, Rolyan Medical Products, Wisconsin League of Financial Institutions. Lost: Fox Brady, Merrick's, Ph Orth Co., Pope Scientific. Billings breakdown: Newspapers 4%, magazines 42%, radio 5%, spot tv 1%. farm publications 48%. Employes: 49 in two offices. Top exec: Karl F. Ohm, president.

Phone: (414) 255-0100. ☑

Brand Advertising, Chicago, reported gross income of $1,297,252 in 1984, of which $6,547 was non-U.S. contributions, on billings of $10,270,048. In 1983, it reported gross income of $1,301,579, of which $7,103 was non-U.S. contributions, on billings of $10,692,115. In 1984, U.S. volume consisted of $6,383,871 in media, $1,097,812 in materials and services and $2,741,952 in capitalized fees. In 1983, volume consisted of $6,525,818 in media, $1,136,411 in materials and services and $2,981,865 in capitalized fees.

The agency's 1984 overseas dollar volume of $46,413 consisted of $36,492 in media and $9,921 in materials and services. Its 1983 foreign volume of $48,021 consisted of $38,976 in media and $9,045 in materials and services.

Accounts gained: Lyons s&l, Efficient Health Systems. Lost: Nalco Chemical Co., Timeworks Inc. Overseas, it gained Optibelt Corp.-special assignments (Germany). Billings breakdown: Newspapers 10%, magazines 41%, supplements 5%, radio 22%, spot tv 13%, outdoor 3%, direct mail 3%, other 3%. Employes: 50 in two offices. Top exec: Perry L. Brand, president.

Phone: (312) 836-7777.

E.H. Brown Advertising, Chicago, reported gross income of $2,430,475 in 1984 on billings of $16,203,169. In 1983, it reported gross income of $2,370,329 on billings of $15,802,192. In 1984, volume consisted of $10,778,308 in media, $1,804,443 in materials and services and $3,620,418 in capitalized fees. In 1983, volume consisted of $10,374,139 in media, $1,662,105 in materials and services and

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Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

$3,765,948 in capitalized fees.

Accounts gained: Bell & Howell-DeVry div, Value Investors. Lost: Control Data, NCR/Comten. Billings breakdown: Newspapers 12%, magazines 26%, radio 3%, spot tv 32%,outdoor 2%, business papers 21%, direct mail 4%. Employes: 38. Top execs: Edward H. Brown Sr., chairman; Edward H. Brown Jr., president; John M. Ryan, exec vp-client services; William A. Vernon, exec vp; Patrick C. Tims, exec vp-communications.

Phone: (312) 372-9494.

Burns Group, Minneapolis, reported net income of $44,597 and gross income of $1,043,067 in 1984 on billings of $6,921,791. In 1983, it reported net income of $67,414 and gross income of $775,684 on billings of $5,516,027. In 1984, volume consisted of $653,333 in media, $314,688 in materials and services and $5,953,770 in capitalized fees. In 1983, volume consisted of $625,174 in media, $222,947 in materials and services and $4,667,906 in capitalized fees.

Accounts gained: Honeywell Avionics Systems Group, Honeywell Military Avionics div, Hotel Sofitel Toledo, Quality Homes, Tant-Pour-Tant Restaurant, Scheherazade Jewelers. Lost: Baker Properties, Webb Inc., 3M Safety & Security div. Billings breakdown: Newspapers 16%, magazines 64%, radio 15%, spot tv 1%, outdoor 4%. Employes: 27. Top execs: Neal M. Burns, president-ceo; Phyllis S. Burns, Lee C. Garrick, vps.

Phone: (612) 546-4494.

Carr Liggett, Cleveland, had estimated net income of $125,000 and gross income of $4,368,565 in 1984 on billings of $35,277,720. In 1983, it reported net income of $81,650 and gross income of $3,623,839 on billings of $31,562,274. In 1984, volume consisted of $7,879,121 in media, $7,316,835 in materials and services and $20,081,764 in capitalized fees. In 1983, volume consisted of a revised $9,018,789 in media, $7,391,275 in materials and services and a revised $15,152,210 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:

- StudioL

Accounts gained: Mr. Hero Sandwich Systems, Midland-Ross-Aerospace div, Woodruff Hospital, Progressive Corp., Wendy's. Lost: Wendy's, Master Builders, Wayne-Dalton Door. Billings breakdown: Newspapers 6%, supplements 1%, radio 8%, network tv 2%, spot tv 15%, business papers 60%, Yellow Pages 8%. Employes: 92. Top execs: Harold A. Shoup, president-ceo; John Morton, vice chairman; Michael W. Carlton, senior vp.

Phone: (216) 696-0330.

Frank J. Corbett, Chicago, a subsidiary of BBDO International, reported gross income of $4,200,000 in 1984 on billings of $28,014,000. In 1983, it reported gross income of $3,500,000 on billings of $23,345,000. Volume was all in capitalized fees for both years.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Vis-U-Com
- Pragmaton
- CMR

Accounts gained: Dow B. Hickam. Lost: Alcon Professional Products, Abbott Diagnostic. Employes: 50. Top execs: Frank J. Corbett, chairman; John J. Fisher, president.

Phone: (312) 664-5310. ☑

Dawson, Johns & Black, Chicago, reported gross income of $2,850,000 in 1984 on billings of $19,000,000. In 1983, it reported gross income of $2,512,500 on billings of $16,750,000. In 1984, volume consisted of $14,000,000 in media and $5,000,000 in capitalized fees. In 1983, volume consisted of $11,300,000 in media and $5,450,000 in capitalized fees.

Accounts gained: Barton Beers Ltd., U.S. Dept. Health & Education Anti-smoking, Porsche-Audi Dealers, John Morrell meats, Ekco Housewares. Lost: Heinhold Commodities, Allison Industries. Billings breakdown: Newspapers 14%, magazines 17%, radio 21%, network tv 7%, spot tv 40%, outdoor 1%. Employes: 45. Top execs: R. Powell Johns Jr., president; James P. Black, Marion D. Dawson, Robert G. Kaplan, exec vps.

Phone: (312) 670-2200. ☑

DBK&O Inc., Minneapolis, reported net income of $123,000 and gross income of $1,954,000 in 1984 on billings of $13,029,000. In 1983, it reported net income of $138,000 and gross income of $1,502,500 on billings of $10,016,000. In 1984, volume consisted of $4,937,000 in media, $2,970,000 in materials and services and $5,122,000 in capitalized fees. In 1983, volume consisted of $3,611,000 in media, $2,339,000 in materials and services and $4,066,000 in capitalized fees.

Accounts gained: Mother Tucker's Restaurants, Oak Hall Clothiers, Chicago Cutlery, Island Bingo, Nothrup King Co.'s consumer products group (new assignments). Lost: Rite-Hite Corp. Billings breakdown: Newspapers 25%, magazines 20%, supplements 1%, radio 25%, spot tv 10%, outdoor 5%, business papers 1%, farm publications 5%, transit advertising 2%, point of sale 3%, direct mail 3%. Employes: 31. Top execs: Gary Bringgold, ceo, Gary Knutson, president; Daniel Oberpriller, Dean Oberpriller, exec vps.

Phone: (612) 375-9660.

Fallon McElligott Rice, Minneapolis, Advertising Age's Agency of the Year for 1983, reported gross income of $4,837,500 in 1984 on billings of $32,250,000. In 1983, it reported gross income of $3,450,000 on billings of $23,000,000. No volume breakout was provided.

In 1984 the agency gained: AMF, American Crystal Sugar, First Tennessee Banks, Lexitel, Micro Business Applications, MedCenters Health Plan, Shade Information Systems, *Wall Street Journal*. It lost: Commercial Federal, American Sharecom, Stearns Computer.

Billings breakdown: Newspapers 15%, magazines 28%, radio 13%, all tv 30%, other 5%. Employes: 60 in 1984 and 45 in 1983. Top execs: Pat Fallon, president; Tom McElligott, vp-creative director; Nancy Rice, vp-exec art director; Irv Fish, vp-cfo; Fred Senn, vp-acct group director.

Phone: (612) 332-2424.

Fortis Fortis Advertising, Chicago, reported net income of $202,460 and gross income of $1,629,000 in 1984 on billings of $12,382,000. In 1983, it reported net income of $191,000 and gross income of $1,537,000 on billings of $11,650,000. In 1984, volume consisted of $6,042,000 in media, $1,537,000 in materials and services and $4,803,000 in capitalized fees. In 1983, volume consisted of $5,700,000 in media, $1,450,000 in materials and services and $4,500,000 in capitalized fees.

Accounts gained: Swensen's Inc., Swensen's Parlours, Colonial Bank Group. Lost: Beatrice Cos.' Bonkers and Cap 10, Kelly-Johnston Enterprises. Billings breakdown: Newspapers 3%, magazines 25%, supplements 2%, radio 10%, network tv 15%, spot tv 40%, cable tv 5%. Employes: 28. Top execs: J. Gerald Fortis, president; Dixie B. Fortis, exec vp-creative services; Terry M. Bowman, senior vp-mktg director.

Phone: (312) 329-1980. ☑

Fox & Associates, Cleveland, had estimated gross income of $3,920,000 in 1984 on billings of $26,045,600. In 1983, it had estimated gross income of $3,067,000 on billings of $20,382,000. In 1984, volume consisted of $21,000,000 in media, $510,000 in materials and services and $4,535,600 in capitalized fees. In 1983, volume consisted of $16,000,000 in media, $380,000 in materials and services and $4,002,000 in capitalized fees

Accounts gained: Pines of America, Medic Discount Drug Centers, Kirby div of Scott & Fetzer. Lost: None. No breakdown in billings was provided. Employes: 41 in two offices. Top exec: Aaron S. Fox, president.

Phone: (216) 621-8520. ☑

Frankenberry Laughlin & Constable, Milwaukee, Wis., reported gross income of $4,350,000 in 1984 on billings of $29,000,000. In 1983, it reported gross income of $3,300,000 on billings of $22,000,000. In 1984, volume consisted of $20,000,000 in media and $9,000,000 in materials and services. In 1983, volume consisted of $16,500,000 in media and $5,500,000 in materials and services.

Accounts gained: Diggers Hotline, Elaine Powers, Forward Wisconsin, St. Joseph Hospital, Wisconsin Bell Communications, Wisconsin Department of Development, Hillshire Farm. Lost: None. Billings breakdown: Newspapers 19%, magazines 11%, radio 22%, network tv 11%, spot tv 27%, business papers 5%, other 5%. Employes: 60. Top execs: Dennis Frankenberry, Steve Laughlin, John Constable, partners.

Phone: (414) 272-2400. ☑

Frank/James Direct Marketing, St. Louis, had estimated gross income of $1,394,000 in 1984 on billings of $8,500,000. In 1983, it had estimated gross income of $607,000 on billings of $3,700,000. In 1984, volume consisted of $375,000 in media and $8,125,000 in materials and services. In 1983, volume consisted of $85,000 in media and $3,615,000 in materials and services.

Accounts gained: Anheuser-Busch, General American Life, HealthCare Network, HBE Corp., Saberliner Corp., Mercantile Bancorp. Lost: None. Billings breakdown: Newspapers 1%, magazines 5%, radio 1%, other 93%. Employes: 31. Top execs: Frank Roth, president; Gary Miller, exec vp-genl mgr; William Shewman, Frank Deptula, senior vps; David Joest, controller.

Phone: (314) 726-4600

Freeman Huenink Zilbert Inc., Brookfield, Wis., had estimated gross income of $1,400,000 in 1984

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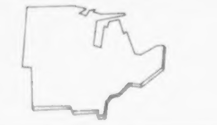


on billings of $9,260,851. In 1983, it had estimated gross income of $1,112,000 on billings of $7,178,535. In 1984, volume consisted of $1,958,716 in media, $992,049 in materials and services and $6,310,086 in capitalized fees. In 1983, volume consisted of $1,378,289 in media, $1,166,798 in materials and services and $4,633,448 in capitalized fees.

Accounts gained: Newell Window Furnishings, Family Health Plan, Cousins Submarines, Fitness Equipment, Hufcor Mfg, Lieds, Green Valley Gardens. Lost: Adaptive Micro Systems, Enterprise Systems, City Software. Billings breakdown: Newspapers 20%, magazines 30%, radio 15%, spot tv 20%, outdoor 3%, transit advertising 2%, direct mail 5%, other 5%. Employes: 24. Top execs: John Huenink, ceo; Arnie Freeman, president; Vic Zilbert, exec vp.

Phone: (414) 785-1100. ☑

Grant/Jacoby, Chicago, reported gross income of $4,400,000 in 1984 on billings of $45,528,000. In 1983, it reported gross income of $4,121,000 on billings of $40,041,000. In 1984, volume consisted of $22,000,000 in media, $4,880,000 in materials and services and $18,648,000 in capitalized fees. In 1983, volume consisted of $20,800,000 in media, $3,900,000 in materials and services and $15,341,000 in capitalized fees.

Accounts gained: Keycom Electronic Publishing, Lowes Inc., Management Group, WPWR-TV Aurora, Ill. Lost: Westin Chicago. Billings breakdown: Newspapers 12%, magazines 10%, radio 8%, network tv 27%, outdoor 1%, business papers 6%, farm publications 2%, transit advertising 3%, point of sale 3%, direct mail 12%, other 16%. Employes: 85. Top execs: Robert L. Flink, chairman; Bruce I. Carlson, president; Robert J. Killian, senior vp-creative; Robert J. Krewer, senior vp-treasurer; Malcolm Gordon, senior vp-media; Robert W. Lavender, Charles A. Norris, senior vps; Thomas McGavin, senior vp-mgmt group super.

Phone: (312) 664-2055.

Gray Baumgarten Layport, Pittsburgh, estimated it had gross income of $1,041,890 in 1984 on billings of $6,431,479. In 1983, it had gross income of $732,738 on billings of $3,977,268. In 1984, volume consisted of $1,376,112 in media, $900,674 in materials and services and $4,154,693 in capitalized fees. In 1983, volume consisted of $897,069 in media, $686,629 in materials and services and $2,393,570 in capitalized fees.

Accounts gained: Charter Rolling, Delta Intl Machinery Corp., Gateway Rehabilitation Center. Lost: Linen Center, Custom Craft, Maggie Mae's Roadhouse, River City Brass Band. Billings breakdown: Newspapers 20%, magazines 10%, supplements 2%, radio 8%, spot tv 8%, outdoor 2%, business papers 28%, point of sale 1%, direct mail 5%, other 16%. Employes: 17. Top exec: Mark H. Gray, president.

Phone: (412) 279-3732. ☑

Gregory & Thomas, Cleveland, reported gross income of $2,735,476 in 1984 on billings of $19,560,155. In 1983, it reported gross income of $1,889,345 on billings of $12,242,124. In 1984, volume consisted of $5,090,122 in media, $2,208,332 in materials and services and $12,261,701 in capitalized fees. In 1983, volume consisted of $2,093,796 in media, $1,206,506 in materials and services and $8,941,822 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Gregory PR
- ADS Inc.
- DIR Inc.

Accounts gained: E.W. Bliss Co., MFG Justin Tanks, Ferro Corp., Toledo Scale. Lost: Robert Routman Associates, Industrial Paper Shredders, Cleveland Controls, Dover Chemical Corp. Billings breakdown: Newspapers 5%, magazines 90%, other 5%. Employes: 62 in five offices. Top execs: Ira D. Thomas, chairman; Joseph A. Rini, president.

Phone: (216) 621-9632. ☑

Haddon Advertising, Chicago, reported net income of $425,000 and gross income of $2,965,000 in 1984 on billings of $24,015,000. In 1983, it reported net income of $319,000 and gross income of $2,574,000 on billings of $21,354,000. In 1984, volume consisted of $3,900,000 in media, $3,400,000 in materials and services and $16,715,000 in capitalized fees. In 1983, volume consisted of $3,800,000 in media, $3,200,000 in materials and services and $14,354,000 in capitalized fees.

Accounts gained: Cartan Tours, Esca Inc., Holiday Inn Chicago, Stein & Co., Visolux Inc. Lost: Exchange National Bank of Chicago. Billings breakdown: Newspapers 20%, magazines 20%, radio 20%, spot tv 20%, direct mail 20%. Employes: 50. Top execs: Harvey L. Haddon, president; Jacqueline Wagner, Adrianne Richmond, vps.

Phone: (312) 943-6266.

Hallmark Advertising, Pittsburgh, reported gross income of $1,612,000 in 1984 on billings of $10,201,000. In 1983, it reported gross income of $1,208,000 on billings of $7,634,000. In 1984, volume consisted of $7,000,000 in media, $1,200,000 in materials and services and $2,001,000 in capitalized fees. In 1983, volume consisted of $5,500,000 in media, $800,000 in materials and services and $1,334,000 in capitalized fees.

The agency did not gain or lose any accounts. Billings breakdown: Newspapers 7%, magazines 2%, supplements 5%, radio 20%, spot tv 48%, cable tv 3%, outdoor 2%, transit advertising 2%, point of sale 5%, direct mail 2%, other 4%. Employes: 35. Top exec: Marvin S. Jacobson, president.

Phone: (412) 361-5200. ☑

Harmon Smith Inc., Kansas City, Mo., reported gross income of $1,244,622 in 1984 on billings of $8,574,315. In 1983, it reported gross income of $1,102,131 on billings of $7,520,772. In 1984, volume consisted of $2,758,569 in media, $2,871,241 in materials and services and $2,944,505 in capitalized fees. In 1983, volume consisted of $2,723,511 in media, $2,314,487 in materials and services and $2,482,774 in capitalized fees. The agency did not gain or lose any accounts. Billings breakdown: Newspapers 20%, magazines 50%, radio 5%, spot tv 5%, business papers 15%, farm publications 5%. Employes: 20. Top execs: Austin Harmon, president; John Lee Smith, vp.

Phone: (816) 756-0756.

Hughes Advertising, St. Louis, reported gross income of $1,723,133 in 1984 on billings of $13,814,684. In 1983, it reported gross income of $1,201,375 on billings of $9,240,018. In 1984, volume consisted of $4,933,463 in media, $1,606,572 in materials and services and $7,274,649 in capitalized fees. In 1983, volume consisted of $3,650,376 in media, $1,387,643 in materials and services and $4,201,999 in capitalized fees.

Accounts gained: Angelica Uniform Group, Carboline Co., Nusrala's Name Brand Shoes, Webster University, ROHO Medical Cushions. Lost: Stuckey's. Billings breakdown: Newspapers 6%, magazines 15%, radio 20%, spot tv 32%, outdoor 1%, business papers 15%, transit advertising 1%, point of sale 3%, direct mail 7%. Employes: 32. Top execs: Jack A. Hughes, president; Larry R. McLane, exec vp; Donald H. Fosher, Henry George, senior vps.

Phone: (314) 862-9111. ☑

Jayme Organization, Cleveland, reported gross income of $2,510,000 in 1984 on billings of $19,863,754. In 1983, it reported gross income of $2,108,000 on billings of $16,732,000. In 1984, volume consisted of $1,660,776 in media, $1,961,528 in materials and services and $16,241,450 in capitalized fees. In 1983, volume consisted of $1,839,000 in media, $1,726,000 in materials and services and $13,167,000 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- Publicom
- Strategic Research

Accounts gained: Dow Chemical USA, Fashion Two Twenty, C.A. Norgren Co., Norton Health Care Products, O.H. Materials Co., Pioneer-Standard Electronics, Preformed Line Products Co., Seasonall Industries. Lost: AGA Gas. Billings breakdown: Newspapers 10%, magazines 15%, radio 10%, spot tv 5%, business papers 45%, farm publications 2%, point of sale 3%, direct mail 10%. Employes: 55. Top execs: George N. Havens, ceo; Michael E. Cargile, president; Lawrence R. Kavanaugh, exec vp; James E. Horn, senior vp; Allen B. Straka, vp-finance; Cathy A. Pokorny, president-Publicom; Kathleen M. Wallace, president-Strategic Research Center.

Phone: (216) 831-0110. ☑

Jordan/Tamraz/Caruso Advertising, Chicago, reported gross income of $3,780,000 in 1984 on billings of $25,200,000. In 1983, it reported gross income of $2,580,000 on billings of $17,200,000. In 1984, volume consisted of $18,040,000 in media, $4,520,000 in materials and services and $2,640,000 in capitalized fees. In 1983, volume consisted of $12,145,000 in media, $3,215,000 in materials and services and $1,840,000 in capitalized fees.

Accounts gained: Domino's Pizza (eight-state Midwest area), Tone Communications, MGM/UA Movies (Chicago metro). Lost: None. Billings breakdown: Newspapers 24%, magazines 14%, radio 19%, spot tv 32%, other 11%. Employes: 59. Top execs: Joseph A. Caruso, president; Charles A. Jordan, exec vp.

Phone: (312) 951-2000.

Juhl Advertising, Elkhart, Ind., had estimated gross income of $3,324,000 in 1984 on billings of $21,681,630. In 1983, it had gross income of $3,362,000 on billings of $21,941,000. In 1984, volume consisted of $5,262,000 in media, $2,752,000 in materials and services and $13,667,630 in capitalized fees. In 1983, volume consisted of $3,900,000 in media, $2,700,000 in materials and services and $15,341,000 in capitalized fees.

Figures include those of U.S. subsidiary:

- Juhl Advertising, Valhalla, N.Y.

Accounts gained: Schult Homes Corp./pr, Starcraft Corp./pr. Lost: Coachmen Corp.'s R.V. div. Billings breakdown: Newspapers 4%, magazines 44%, radio 14%, spot tv 7%, outdoor 1%, farm publications 1%, point of sale 4%, direct mail 10%, other 15%. Employes: 80 in two offices. Top execs: Howard J. Blackwood, president, Max B. Barrick, exec vp; James J. Dominello, senior vp; Steve Patton, James Cope, vps; Roberta J. Simmons, vp-pr; Douglas Thornton, treasurer.

Phone: (219) 293-5621.

Kamstra Communications, St. Paul, Minn., had estimated gross income of $1,935,000 in 1984 on billings of $12,900,000. In 1983, it had estimated gross income of $1,815,000 on billings of $12,100,000. In 1984, volume consisted of $2,000,000 in media, $700,000 in materials and services and $10,200,000 in capitalized fees. In 1983, volume consisted of $2,100,000 in media, $500,000 in materials and services and $9,500,000 in capitalized fees.

Accounts gained: 3M's Automotive Specialties div, Children's Museum of Minnesota, Comp Equipment Corp., Crystal Semiconductor Corp. Lost: Rank Precision Industries' Videometrix, Schwan's Sales Enterprises' Syncom div. Billings breakdown: Radio 2%, business papers 37%, point of sale 1%, direct mail 10%, collateral 30%, av/sales training 20%. Employes: 36 in three offices. Top execs: Kenneth M. Kamstra, president; Vincent T. Verrecchio, exec vp-creative director; J.M. Warner, vp-acct admin; D.S. Finlayson, vp-acct super; H.R. Long, vp-exec art director; D.L. Burke, vp-media/rsch director; M.E. Blyth, exec vp-intl.

Phone: (612) 228-1419. ☑

Kerker & Associates, Minneapolis, reported gross income of $2,934,455 in 1984 on billings of $19,919,541. In 1983, it reported gross income of $2,734,323 on billings of $19,014,249. In 1984, volume consisted of $8,102,016 in media, $2,385,959 in materials and services and $9,431,566 in capitalized fees. In 1983, volume consisted of $7,680,410 in media, $2,300,118 in materials and services and $9,033,721 in capitalized fees.

Accounts gained: Decal Specialties, Control Data Corp.'s Govt Systems div, NCR Comten, 3M Riker Lab. Lost: Boise Cascade, Cold Spring Granite Co., Univac's Defense Systems div. Billings breakdown was not provided. Employes: 45. Top execs: Richard W. Kerker, chairman; Robert E. Marlow, ceo; Allen R. Sandvik, president; Charles C. Wanous, exec vp; Kenneth R. Oelschlager, exec vp.

Phone: (612) 835-7922. ☑

Keroff & Rosenberg Advertising, Chicago, reported gross income of $1,559,896 in 1984 on billings of $10,404,565. In 1983, it reported gross income of $1,195,383 on billings of $7,973,204. In 1984, volume consisted of $4,161,802 in media, $1,040,510 in materials and services and $5,202,253 in capitalized fees. In 1983, volume consisted of $4,289,942 in media, $1,253,272 in materials and services and $2,429,990 in capitalized fees.

Accounts gained: Plywood Minnesota, Prudential Insurance Co. of America's Realty Group; Urban Investment & Development. Lost: None. Billings breakdown: Newspapers 15%, magazines 15%, radio 20%, network tv 5%, spot tv 10%, business papers 20%, direct mail 15%. Employes: 28. Top execs: William B. Keroff, president; Charles J. Rosenberg, exec vp; Michael A. Swidler, Donna Skertich, vps.

Phone: (312) 321-9000. ☑

Kolon, Bittker & Desmond, Troy, Mich., reported gross income of $2,300,000 in 1984 on billings of $15,000,000. In 1983, it reported gross income of $2,200,000 on billings of $13,200,000. In 1984, volume consisted of $10,500,000 in media, $1,500,000 in materials and services and $3,000,000 in capitalized fees. In 1983, volume consisted of $10,428,000 in media, $1,438,000 in materials and services and $1,334,000 in capitalized fees.

Accounts gained: Foland's Department Stores, Richard Simmons Anatomy Asylums (Michigan, Ohio), Ford Motor Land Development Corp., New Dimension Food, Potomac Leasing Co. Lost: CBS/Fox Video. Billings breakdown: Newspapers 20%, magazines 4%, supplements 1%, radio 15%, spot tv 35%, outdoor 5%, point of sale 5%, direct mail 10%, other 5%. Employes: 45. Top execs: John Kolon, president-coo, J. Bittker, ceo-chairman; P. Bittker, vice chairman.

Phone: (313) 524-2500.

Lang, Fisher & Stashower Advertising, Cleveland, had estimated gross income of $3,758,000 in 1984 on billings of $25,049,930. In 1983, it had estimated gross income of $3,495,000 on billings of $23,302,261. In 1984, volume consisted of $14,583,340 in media and billings and $10,466,590 in capitalized fees. In 1983, volume consisted of $13,565,890 in media and billings and $9,736,371 in capitalized fees.

Accounts gained: AGA Gas, EZ Paintr, Counselor Scale, Ostendorf-Morris, Channel 61, Sebring Forest. Lost: Cook United. Billings breakdown: Newspapers 17%, magazines 10%, supplements 1%, radio 15%, network tv 3%, spot tv 39%, cable tv 2%, outdoor 1%, business papers 5%, point of sale 2.5%, direct mail 2.5%, other 2%. Employes: 49. Top execs: David L. Stashower, president; Thomas S. Case, Edmund M. Kagy, exec vps; Richard S. Baily, C. Henry Foltz, senior vps-mgmt super; Richard M. Ruhlman, senior vp-creative director; Charles D. Knepper, senior vp-media director.

Phone: (216) 771-0300. ☑

Lauerer Markin Gibbs, Toledo, O., reported gross income of $2,309,292 in 1984 on billings of $15,146,201. In 1983, it reported gross income of $2,081,839 on billings of $13,762,048. In 1984, volume consisted of $1,627,572 in media, $1,614,408 in materials and services and $11,904,221 in capitalized fees. In 1983, volume consisted of $1,308,678 in media, $1,604,789 in materials and services and $10,848,581 in capitalized fees.

Accounts gained: Scholz Master Builders, Bloomfield s&l, Meilink Safe Co., 1986 PGA Golf Tournament. Lost: NAPA American Brake Block (Marietta, Ga.). Billings breakdown: Newspapers 5%, magazines 35%, radio 2%, spot tv 2%, outdoor 1%, point of sale 5%, direct mail 5%, collateral 20%, sales promo 25%. Employes: 55. Top execs: Kenneth G. Lauerer, senior partner-acct services; G. Edward Gibbs, senior partner-creative services; William B. Markein, senior partner-mktg services.

Phone: (419) 841-7744. ☑

Marcus Advertising, Cleveland, reported gross income of $2,358,796 in 1984 on billings of $15,726,656. No figures were provided for 1983. In 1984, volume consisted of $12,016,899 in media, $1,015,358 in materials and services and $2,694,399 in capitalized fees. No figures were reported for 1983.

Acounts gained: Cleveland Indians, Marymount Hospital, MPE Distributing, Southwest Hospital, WHK-am Cleveland, Libman Co., Basic Computer, Sentinel Products, Northfield Park. Lost: Cleveland Cavaliers. Billings breakdown: Newspapers 13%, magazines 12%, radio 18%, network tv 43%, outdoor 5%, transit advertising 2%, other 7%. Employes: 32. Top execs: Donald Marcus, president; Harvey

Scholnick, William Greenwald, exec vps; William Brown, James Reed, vps.
Phone: (216) 461-8000.

Maris, West & Baker, Jackson, Mich., reported gross income of $1,974,966 in 1984 on billings of $13,173,026. In 1983, it reported gross income of $1,733,916 on billings of $11,563,330. In 1984, volume consisted of $2,164,521 in media, $999,323 in materials and services and $10,009,182 in capitalized fees. In 1983, volume consisted of $2,125,073 in media, $1,653,807 in materials and services and $7,784,450 in capitalized fees.

Accounts gained: Adrian's Restaurant, State Bank & Trust-Brookhaven, St. Dominic's Hospital, Hercules, Institute for Technology Development, Jennings & Associates, Johnny's Pizza, Miss. Ballet Intl, Inn Serve Corp., Moody Mfg, North Colony condominiums, National Plastics, Sasco and Natchez Pilgrimage Tours. Lost: None. Billings breakdown: Newspapers 19.3%, magazines 27.5%, radio 15.5%, spot tv 24%, outdoor 13.1%, other 0.6%. Employes: 36 in two offices. Top execs: Gerrit A. Maris, president; Norman L. West, exec vp; Harry C. Brown, vp.
Phone: (601) 362-6306.

Marketing Support, Chicago, reported gross income of $3,382,388 in 1984 on billings of $21,577,822. In 1983, it reported gross income of $3,260,822 on billings of $20,565,144. In 1984, volume consisted of $2,712,176 in media, $3,460,741 in materials and services and $15,404,905 in capitalized fees. In 1983, volume consisted of $2,119,919 in media, $3,015,654 in materials and services and $15,429,571 in capitalized fees.

Accounts gained: Eljer Plumbingware, Gilmour lawn & garden products, Parker Hannifin Components Group, National Carpet & Floorcovering Sale, Dachstein ski boots, Continental-Midland, National Shoe Retailers Assn. Lost: Universal-Rundle Corp. bathroom fixtures, Emerson Environmental products. Billings breakdown: Newspapers 15%, magazines 10%, supplements 5%, radio 10%, network tv 12%, spot tv 15%, outdoor 1%, business papers 14%, point of sale 10%, direct mail 3%, other 5%. Employes: 48 in three offices. Top execs: David L. Weiner, president; Kenneth M. Chakiris, exec vp.
Phone: (312) 565-0044. ☑

Martcom Inc., Columbus, O., reported gross income of $1,038,762 in 1984 on billings of $6,860,547. In 1983, it had estimated gross income of $716,000 on billings of $4,731,412. In 1984, volume consisted of $292,111 in media, $91,500 in materials and services and $6,476,936 in capitalized fees. No volume breakdown was provided for 1983.

Accounts gained: Aerospace Lubricants, Health Care Logistics, Continental Bioclinical Labs, Medical Frontiers (late 1983). Lost: North American Systems' d'Amelia Pasta, Zanco Inc., Family Med. Billings breakdown: Newspapers 31%, magazines 47%, supplements 1%, radio 9%, spot tv 1%, cable tv 1%, business papers 8%, point of sale 1%, direct mail 1%. Employes: 11. Top exec: Kenneth Burke, president.
Phone: (614) 457-2400. ☑

Mohawk Advertising, Mason City, Ia., reported net income of $82,272 and gross income of $1,321,066 in 1984 on billings of $8,811,510. In 1983, it reported net income of $28,906 and gross income of $827,402 on billings of $5,518,771. In 1984, volume consisted of $1,870,329 in media, $974,352 in materials and services and $5,966,829 in capitalized fees. In 1983, volume consisted of $1,340,294 in media, $687,232 in materials and services and $3,491,245 in capitalized fees.

Accounts gained: Ross-Temp/Schneider Metal, Druggists Mutual Insurance, Wilson Hybrid Seed, Henkel/Steinberg-Henkel, Schettler Seeds, North Iowa Medical Center, Metalcraft Inc. Lost: None. Billings breakdown: Newspapers 7.9%, magazines 3.1%, radio 13.6%, spot tv 20.4%, outdoor 2.5%, business papers 20.2%, farm publications 18.7%, point of sale 2%, direct mail 9.0%, other 2.6%. Employes: 48 in two offices. Top execs: James S. Clark, president-chairman; Jan[illegible] M. Grossman, exec vp-creative director; James L. Paape, vp-ag director; Jerry Jepsen, vp-mktg director; Phillip Means, vp-exec art director; William Meeker, vp-controller, treasurer.
Phone: (515) 423-1354.

Frank C. Nahser Inc., Chicago, had gross income of $2,228,923 in 1984 on billings of $17,459,355. In 1983, it reported gross income of $2,046,000 on billings of $21,202,730.

The agency's 1984 volume included $9,940,373 in media, $2,004,640 in materials and services, and $5,514,342 in capitalized fees. In 1983, volume consisted of $14,083,000 in media, $1,882,130 in materials and services, and $5,237,600 in capitalized fees.

Included in the agency's figures are those of sister agency Frank C. Nahser of Wisconsin Inc., Brookfield, Wis. In 1984 the Chicago agency gained: The Westin Hotel, Miller Shoes. It lost: Miller Shoes.

Billings breakdown: Newspapers 2%, magazines 47%, radio 12%, network tv 10%, spot tv 2%, outdoor 1%, business papers 26%. Employes: 41 in two offices. Top execs: Frank B. (Ron) Nahser, president-ceo; R. Bruce Marsh, senior vp; Daniel M. Schuyler, vp-secretary; Andrew A. Vallozzi, president, Frank C. Nahser of Wisconsin Inc.
Phone: (312) 845-5000. ☑

Noble & Associates, Springfield, Mo., reported gross income of $3,791,260 in 1984 on billings of $26,527,811. In 1983, it reported gross income of $2,656,853 on billings of $18,363,251. In 1984, volume consisted of $9,633,554 in media, $2,610,525 in materials and services and $14,283,732 in capitalized fees. In 1983, volume consisted of $8,950,893 in media, $1,581,444 in materials and services and $7,830,914 in capitalized fees.

Figures also include those of U.S. subsidiary:
- Noble & Associates/Chicago

Accounts gained: Consolidated Foods Corp.'s Superior Coffee Co., Vollrath Co., Land O' Lakes, Amedco Inc. and Amedco Steel, Tyson Foods' Mexican Original Products, Toastmaster Inc., National Live Stock & Meat Board's Beef Industry Council & Pork Industry Group, Litton Industries' Interconnections. Lost: None. Billings breakdown: Newspapers 7.6%, magazines 20.4%, supplements 10.4%, radio 11.6%, network tv 39.4%, spot tv 9.4%, outdoor 0.8%, other 0.4%. Employes: 113 in two offices. Top execs: Robert B. Noble, ceo; John Morrison, exec vp-mktg services; Terry Fisher, exec vp-creative services; Dennis Marlin, exec vp-advertising services.
Phone: (417) 882-5050. ☑

Northlich, Stolley, Cincinnati, reported net income of $163,000 and gross income of $3,494,000 in 1984 on billings of $23,300,000. In 1983, it reported net income of $220,000 and gross income of $3,171,000 on billings of $21,150,000. In 1984, volume consisted of $2,780,000 in media, $450,000 in materials and services and $20,070,000 in capitalized fees. In 1983, volume consisted of $1,520,000 in media, $366,000 in materials and services and $19,264,000 in capitalized fees. The reports include figures from U.S. subsidiaries:
- Northlich, Stolley PR
- Design Team One

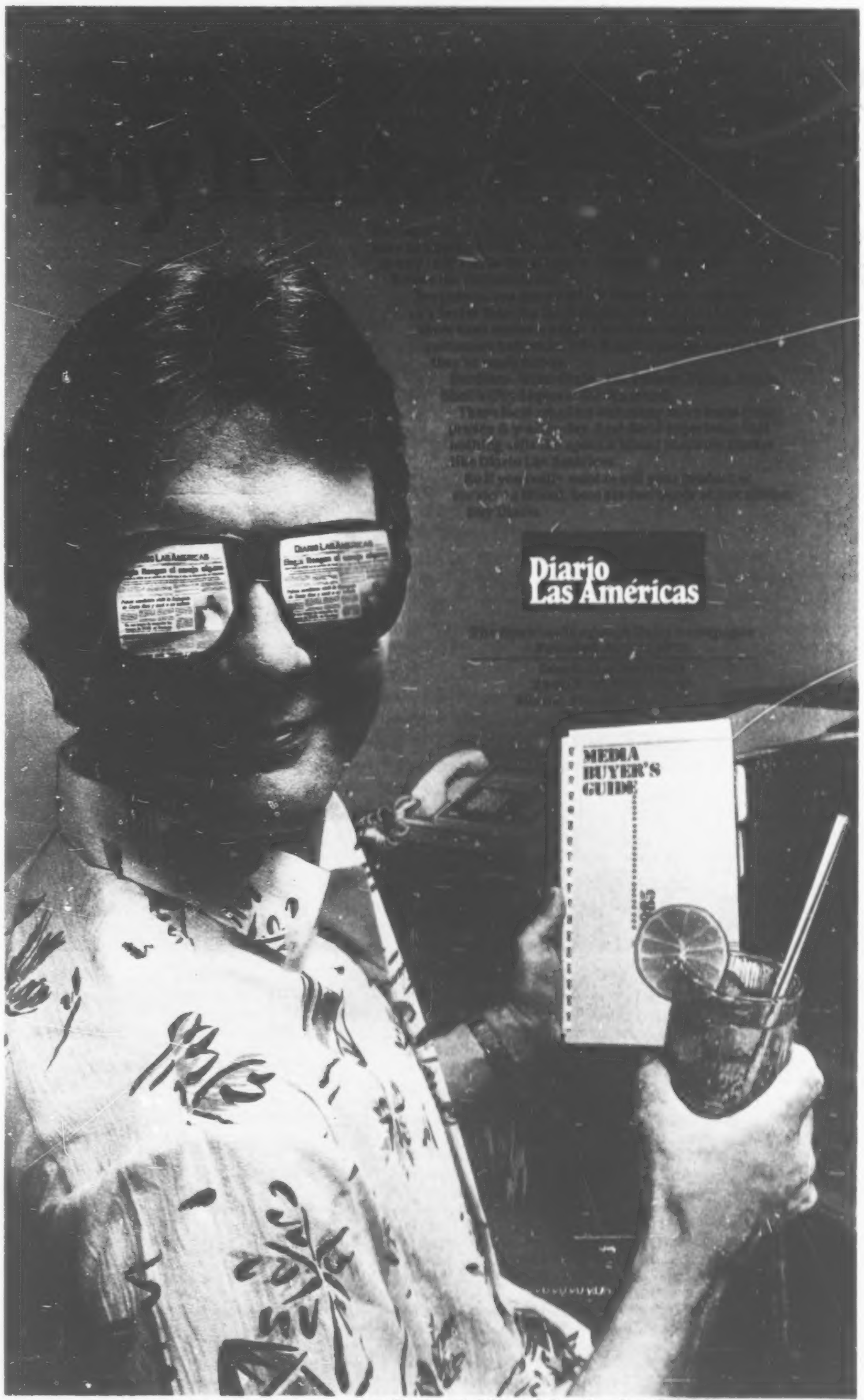
Accounts gained: GE CAE Intl, Fox Mktg, Fox Research, Marco Pollo Restaurants Intl, Procter & Gamble's Liquid Ivory and Lava, American Standard's Perma Door, Webber Farms. Lost: Baldwin Piano & Organ Co., Microstandard Technologies, Gallo Salame, ZF of North America. Billings breakdown: Newspapers 14%, magazines 65%, radio 9%, spot tv 11%, outdoor 1%. Employes: 75. Top execs: Alexander Stolley, ceo; William M. LaWarre, president; Brenda V. Ganulin, Barry E. Raut, Mark A. Serrianne, senior vps.
Phone: (513) 421-8840. ☑

Paragon Advertising & Public Relations, Minneapolis, reported gross income of $4,178,000 in 1984 on billings of $30,343,000. In 1983, it reported gross income of $4,113,000 on billings of $28,417,000. In 1984, volume consisted of $11,844,000 in media, $5,046,000 in materials and services and $13,453,000 in capitalized fees. In 1983, volume consisted of $13,376,000 in media, $4,069,000 in materials and services and $10,972,000 in capitalized fees.

Accounts gained: Canterbury Downs racetrack, Judith N. Brown, Keebler Co. new product development, Norenco Corp., Vekich, Arkema & Co. Lost: American Crystal Sugar, Industrial Fabrics, Lea Foods, Schweigert Brand, Micro Component Technology, Proex Photo Systems. Billings breakdown: Newspapers 11%, magazines 11%, radio 9%, network tv 34%, spot tv 26%, outdoor 7%, direct mail 2%. Employes: N/A. Top execs: Trevor R. Gettelman, chairman; Robert L. Jones, president; Gary L. Vars, exec vp; Roland W. Comstock, senior vp-pr.
Phone: (612) 835-3707. ☑

PR Associates, Akron, O., reported gross income of $1,800,000 in 1984 on billings of $9,850,000. In 1983, it reported gross income of $1,100,000 on billings of $7,784,000. In 1984, volume consisted of $2,200,000 in media, $650,000 in materials and services and $7,000,000 in capitalized fees. In 1983, volume consisted of $1,000,000 in media, $684,000 in materials and services and $6,100,000 in capitalized fees.

Accounts gained: Norton Performance Plastics, Western Lithotech (St. Louis, Mo.), Intech Systems (Hampton, Va.), Sharon Steel Corp (Sharon, Pa.). Lost: None. Billings breakdown: Newspapers 5%, magazines 65%, radio 10%, spot tv 20%. Employes: 33. Top execs: Paul L. Schmitz, president; Alan R.



Represented nationally by: Cresmer, Woodward, O'Mara & Ormsbee, Inc. (CWO&O).

Midwest: III agencies
$1,000,000-$5,000,000

Kliskey, exec vp; Patricia Ray Hardesty, vp-financial; John C. Moore, vp-rsch; Matthew Heidorf, vp-acct services.
Phone: (216) 928-8000.

Ross Advertising, Peoria, Ill., reported net income of $163,046 and gross income of $1,259,060 in 1984 on billings of $10,093,738. In 1983, it reported net income of $249,786 and gross income of $1,128,622 on billings of $8,764,448. In 1984, volume consisted of $2,000,000 in media, $1,200,000 in materials and services and $6,893,738 in capitalized fees. In 1983, volume consisted of $1,600,000 in media, $1,028,708 in materials and services and $6,135,740 in capitalized fees.

Accounts gained: Quintron Corp., Merchants National Bank, National Chempruf. Lost: None. Billings breakdown: Newspapers 10%, magazines 5%, radio 5%, spot tv 10%, outdoor 1%, business papers 25%, farm publications 10%, point of sale 9%, direct mail 25%. Employes: 28. Top execs: A. Wayne Flittner, president; Ken Westerdale, exec vp-creative director; Fred Kowalske, exec vp-operations.
Phone: (309) 691-4436. ☑

Saffer Cravit & Freedman Advertising, Chicago, the U.S. arm of the Toronto-headquartered agency of the same name, reported gross income of $2,026,261 in 1984 on billings of $16,856,401. The agency did not report results for 1983. In 1984, U.S. volume consisted of $4,180,657 in media, $3,613,369 in materials and services and $9,062,375 in capitalized fees.

The Toronto shop had non-U.S. gross income of $5,734,881 and non-U.S. capitalized billings of $63,154,782, broken down into $29,167,187 in media, $12,437,185 in materials and services and $21,550,410 in capitalized fees. The Toronto contribution brings total gross income for the Canadian-based agency to $7,761,142 on billings of $80,011,183. However, because Saffer Cravit & Freeman is Canadian-based, only its individual U.S. subsidiary is considered in ranking the agency in this issue.

U.S. accounts gained: Carson, Pirie, Scott in Chicago, County Seat stores in Dallas and Richman-Gordman department stores in Omaha. Lost: Simpson's, Coles Books, Budget Rent-A-Car, Firestone U.S., Scitron. Billings breakdown: Newspapers 40%, magazines 5%, radio 20%, spot tv 20%, outdoor 5%, other 10%. Employes: 20 in Chicago; 200 in three offices worldwide. Top execs: Morris Saffer, president/partner; David Cravit, exec vp/partner; Jim Wallace, president-Wallace SCF/partner; Ron Smith, vp-Chicago; Richard Padulo, Terrence Morgan, senior vps-client services; Ronald Bremner, senior vp-media; Raymond Jankelow, senior vp-finance & admin; Margaret Cioffi, senior vp-creative; Donna Pearl, senior vp-new business; Isabella Carnegie, senior vp-production.
Phone: (416) 449-7961.

Ken Schmidt Co., Milwaukee, reported gross income of $1,415,000 in 1984 on billings of $8,031,000. In 1983, it reported gross income of $1,300,000 on billings of $8,025,200. In 1984, volume consisted of $3,942,000 in media, $1,822,500 in materials and services and $2,266,500 in capitalized fees. In 1983, volume consisted of $4,420,000 in media, $1,877,000 in materials and services and $1,728,200 in capitalized fees.

Accounts gained: Blaw-Knox Construction Equipment, Claas of America, Duphar Nutrition, Phoenix Products Co. Lost: Hopkins, American Hoechst. Billings breakdown: Magazines 50%, radio 10%, spot tv 6%, farm publications 34%. Employes: 28. Top execs: Kenneth W. Schmidt, chairman-ceo; Cecil M. Hunt, president.
Phone: (414) 224-0210.

Sefton Associates, Grand Rapids, Mich., had estimated gross income of $2,183,000 in 1984 on billings of $14,238,700. In 1983, it had estimated gross income of $2,295,750 on billings of $15,039,500. In 1984, volume consisted of $1,700,000 in media, $1,800,000 in materials and services and $10,738,700 in capitalized fees. In 1983, volume consisted of $1,200,000 in media, $1,500,000 in materials and services and $12,339,500 in capitalized fees.

Accounts gained: Wolverine Brass Works, Wedin Corp. Lost: None. Billings breakdown: Newspapers 10%, magazines 50%, radio 7%, network tv 10%, spot tv 10%, cable tv 2%, outdoor 2%, transit advertising 2%, point of sale 2%, direct mail 5%. Employes: 33 in two offices. Top execs: G. William Sefton, chairman; James E. Stevens, president; David D. Teater, Guy E. Greene, exec vps; Gary Petertyl, Michael Nickel, Rudolph N. Carlson Jr., Richard T. Lang, senior vps.
Phone: (616) 957-0600.

Shaffer/MacGill & Associates, Chicago, reported gross income of $1,572,311 in 1984 on billings of $9,777,312. In 1983, it reported gross income of $1,415,518 on billings of $8,881,839. In 1984, volume consisted of $4,612,720 in media, $1,455,085 in materials and services and $3,709,507 in capitalized fees. In 1983, volume consisted of $4,305,648 in media, $1,085,333 in materials and services and $3,490,858 in capitalized fees.

Accounts gained: Currie Motors, First American Savings, Focus Real Estate Finance Co., Peerless Instrument. Lost: Abacus Group. Billings breakdown: Newspapers 30%, magazines 5%, radio 10%, spot tv 25%, outdoor 1%, business papers 29%. Employes: 36 in two offices. Top execs: Jerome B. Shaffer, president.
Phone: (312) 467-0920.

Simons Michelson Zieve, Troy, Mich., reported gross income of $2,950,000 in 1984 on billings of $16,557,000. In 1983, it reported gross income of $3,100,000 on billings of $17,365,000. In 1984, volume consisted of $11,372,000 in media, $1,275,000 in materials and services and $3,910,000 in capitalized fees. In 1983, volume consisted of $12,460,000 in media, $1,435,000 in materials and services and $3,470,000 in capitalized fees.

Accounts gained: NuVision Inc., Professional Foot Center, Disposa-Fresh, Jewish Chautauqua. Lost: Bloomfield s&l, Guardian Photo div, Towne & Country Interiors. Billings breakdown: Newspapers 19%, magazines 11%, radio 19%, spot tv 27%, outdoor 18%, transit advertising 3%, point of sale 2%, direct mail 1%. Employes: 51. Top execs: Morton Zieve, chairman; James A. Michelson, president; Evelyn J. Keller, exec vp.
Phone: (313) 649-5600. ☑

Stephan & Brady, Madison, Wis., reported gross income of $2,114,524 in 1984 on billings of $15,471,640. In 1983, it reported gross income of $2,096,912 on billings of $15,364,230. In 1984, volume consisted of $4,242,783 in media, $1,420,355 in materials and services and $9,808,502 in capitalized fees. In 1983, volume consisted of $4,165,876 in media, $1,311,118 in materials and services and $9,887,236 in capitalized fees.

Accounts gained: Wisconsin Dairies' Foremost Whey Products div, Parker Pen (collateral & co-op programs), Adolph Coors Brewing's regional pr, Wingra Village. Lost: Thermolyne Corp. Billings breakdown: Newspapers 23%, magazines 9%, supplements 1%, radio 5%, spot tv 18%, outdoor 1%, business papers 23%, farm publications 2%, point of sale 1%, direct mail 7%, collateral 10%. Employes: 40. Top execs: Hugh Brady, chairman-ceo; Jack Ragel, president-coo; Frank Fueger, senior vp.
Phone: (608) 241-4141.

Stern Walters/Earle Ludgin, Chicago, a subsidiary of Ted Bates Worldwide, reported gross income of $4,184,135 in 1984 on billings of $32,387,647. In 1983, it reported gross income of $4,021,072 on billings of $31,519,581.

The agency's 1984 volume consisted of $17,008,627 in media, $2,951,363 in materials and services and $12,427,657 in capitalized fees. Its 1983 volume consisted of $18,158,336 in media, $1,997,787 in materials and services and $11,363,458 in capitalized fees.

In 1984 the agency gained: American Warranty, Baskin-Robbins (Chicagoland), Alberto-Culver, Squirt, Levy Organization. It lost: Agar Foods, Hosiery Mate, Convenient Food Marts.

Billings breakdown: Newspapers 9%, magazines 27%, radio 16%, network tv 12%, spot tv 26%, business papers 10%. Employes: 71 in two offices. Top execs: Gerald J. Stern, chairman; William Quigley Jr, president; Don Costello, vice chairman; Ira Brichta, exec vp; Eileen Healy, senior vp-treasurer; Willard Isenberger, exec vp, West Coast; Richard Bach, Maryanne Friend, William Thomas, Scott Schaive, William Casey, Robert Cannell, senior vps.
Phone: (312) 642-4990.

Stone, August & Co., Birmingham, Mich., reported gross income of $1,840,995 in 1984 on billings of $14,930,820. In 1983, it reported gross income of $1,620,000 on billings of $10,200,482. In 1984, volume consisted of $6,854,069 in media, $2,053,448 in materials and services and $6,023,303 in capitalized fees. In 1983, volume consisted of $6,826,590 in media, $787,000 in materials and services and $2,586,892 in capitalized fees.

Accounts gained: Weight Watchers (of New Hampshire, Dallas, Dayton, Syracuse, Memphis, Philadelphia, S. Illinois, Baltimore, Erie, Atlanta, Omaha), Phar-Mor Guaranty Federal Savings, Consumers Power, Providence Hospital. Lost: Detroit Symphony Orchestra, A.N.R., Sanders. Billings breakdown: Newspapers 31%, magazines 2%, radio 10%, spot tv 56%, business papers 1%. Employes: 34. Top execs: Ronald Stone, chairman; James August, president; Sandrea Grossman, treasurer.
Phone: (313) 646-9200. ☑

Stone & Simons Advertising, Southfield, Mich., reported gross income of $2,438,120 in 1984 on billings of $16,080,000. In 1983, it reported gross income of $2,172,174 on billings of $13,140,800. In 1984, volume consisted of $10,990,658 in media, $1,852,030 in materials and services and $3,237,312 in capitalized fees. In 1983, volume consisted of $9,386,809 in media, $1,230,930 in materials and services and $2,523,061 in capitalized fees.

Accounts gained: Monarch Fine Foods, Security Bank. Lost: C.A. Muer Corp. Billings breakdown: Newspapers 15%, magazines 7%, radio 25%, network tv 26%, spot tv 26%, transit advertising 1%. Employes: 38. Top execs: Charles G. Stone, chairman-president; Christopher B. Gaffield, vp-mktg; Robert Sorock, exec vp-client services.
Phone: (313) 358-4800.

Sullivan Higdon & Sink, Wichita, Kan., reported gross income of $1,923,697 in 1984 on billings of $14,746,958. In 1983, it reported gross income of $1,541,083 on billings of $10,769,084. In 1984, volume consisted of $2,351,348 in media, $2,766,702 in materials and services and $9,628,908 in capitalized fees. In 1983, volume consisted of $2,672,589 in media, $1,615,536 in materials and services and $6,480,959 in capitalized fees.

Accounts gained: Airosol Co., Capital Systems, Coleman Co.'s outing products-collateral, Medspace, NCR Wichita division, Wescon Products' Consumer Products div, W-W Grinder. Lost: Kansas Dept of Economic Development, Dold Foods. Billings breakdown: Newspapers 17.3%, magazines 41.7%, radio 0.9%, spot tv 2.3%, outdoor 0.4%, business papers 34.8%, farm publications 2.6%. Employes: 38. Top execs: Wendell R. Sullivan, Allan K. Higdon, B. Vaughn Sink, executive committee.
Phone: (316) 263-0124. ☑

Don Tennant Co., Chicago, Ill., reported gross income of $3,500,000 in 1984 on billings of $34,000,000. In 1983, it reported gross income of $3,700,000 on billings of $35,500,000. In 1984, volume consisted of $29,896,000 in media, $1,753,000 in materials and services and $2,351,000 in capitalized fees. In 1983, volume consisted of $32,589,000 in media, $2,578,000 in materials and services and $333,000 in capitalized fees.

Accounts gained: National Savings, Ralston-Purina's Gremlins Cereal and Songberry Bird Food, WBEZ-fm Chicago Radio. Lost: Ragold Inc. Billings breakdown: Newspapers 1%, magazines 4%, radio 2%, network tv 68%, spot tv 24%, other 1%. Employes: 35. Top execs: Don Tennant, chairman; Roland Waller, vice chairman; Elizabeth Harrington, president; Denis Naylor, exec vp-director creative services.
Phone: (312) 644-4600.

John Volk Co., Chicago, reported gross income of $1,062,865 in 1984 on billings of $7,515,973. In 1983, it reported gross income of $661,033 on billings of $4,856,128. In 1984, volume consisted of $2,108,150 in media, $2,126,790 in materials and services and $3,281,033 in capitalized fees. In 1983, volume consisted of $1,233,689 in media, $475,980 in materials and services and $3,146,459 in capitalized fees.

Accounts gained: U.S. Sweetener Producers Group pr, A.E. Staley pr, MDM Cattle Co., *High Plains Journal*, Caterpillar Tractor Co. special projects. Lost: None. Billings breakdown: Newspapers 11%, radio 16%, business papers 8%, farm publications 65%. Employes: 20. Top execs: John Volk, president; Tom Wright, vp-associate creative director; Mary Kowalczyk, vp-pr; John Larkin, vp-acct super; Margaret O'Brien, business manager.
Phone: (312) 787-7117.

Waldbillig & Besteman, Madison, Wis., reported gross income of $1,730,916 in 1984 on billings of $13,906,455. In 1983, it reported gross income of $1,486,780 on billings of $11,751,010. In 1984, volume consisted of $2,560,000 in media, $1,845,000 in materials and services and $9,501,455 in capitalized fees. In 1983, volume consisted of $2,138,862 in media, $1,582,335 in materials and services and $8,029,813 in capitalized fees.

Accounts gained: CUNA Service Group, U.S. Central Credit Union, CUNA Mortgage Corp., CUNA Mutual Insurance Group (projects) PERSOFT Inc., Stauffer Cheese, Jones Distributing, Rheinhessen Wine Board, Monroe Specialty Co. Lost: Sassafras Ltd./Karen & Co., Richard Foods Corp. Billings breakdown: Newspapers 12%, magazines 3%, radio 8%, spot tv 7%, cable tv 1%, outdoor 2%, business papers 16%, farm publications 4%, point of sale 7%, direct mail 13%, other 27%. Employes: 38. Top execs: William J. Waldbillig, president; Robert H. Besteman, exec vp; Michael F. Knapstein, vp-acct super; Thomas J. Senatori, vp-art; David A. Genschaw, vp-controller.
Phone: (608) 238-4767.

Wardrop Murtaugh Temple & Frank, Chicago, reported gross income of $1,728,900 in 1984 and billings of $12,800,000. In 1983, it reported gross income of $1,710,000 on billings of $11,400,000. In 1984, volume consisted of $6,650,000 in media, $4,876,000 in materials and services and $1,274,000 in capitalized fees. In 1983, volume consisted of $5,900,000 in media, $4,286,060 in materials and services and $1,213,940 in capitalized fees. Accounts gained: Irv's Men's Clothing. Lost: None. Billings breakdown: Newspapers 40%, magazines 20%, radio 20%, spot tv 10%, business papers 10%. Employes: 21. Top execs: Jack Wardrop, president; John Temple, creative director; P. Murtaugh, exec vp.
Phone: (312) 750-9200.

Warren Anderson, Davenport, Ia., reported gross income of $1,036,328 in 1984 on billings of $6,912,310. In 1983, it reported gross income of $1,026,945 on billings of $6,849,725. In 1984, volume consisted of $1,055,187 in media, $683,377 in materials and services and $5,173,746 in capitalized fees. In 1983, volume consisted of $1,393,419 in media, $668,573 in materials and services and $4,787,733 in capitalized fees.

Accounts gained: M.A. Ford, First National Bank of Maine, Budget Rent A Car, Hansoly Corp. Lost: Wendy's, Vielies, Davenport Bank & Trust. Billings breakdown: Newspapers 3%, radio 20%, network tv 35%, outdoor 1%, farm publications 16%, other 25%. Employes: 26. Top execs: Gerald D. Jacks, chairman; David D. Hansen, president; Jane Gardner, Arlen Stensrud, David Aeschliman, vps.
Phone: (319) 326-2596.

West, Gentry & Morris, Rockford, Ill., reported net income of $126,000 and gross income of $1,950,000 in 1984 on billings of $8,647,000. In 1983, it reported net income of $66,962 and gross income of $1,810,614 on billings of $7,567,575. In 1984, volume consisted of $3,150,000 in media, $412,000 in materials and services and $5,076,000 in capitalized fees. In 1983, volume consisted of $2,800,000 in media, $428,160 in materials and services and $4,339,415 in capitalized fees. The report includes figures from U.S. subsidiary:

- WG&M, Minneapolis

Accounts gained: Morgan Products Ltd., Magic Waters, State of Illinois's Dept of Commerce & Community Affairs, VSB Hospitals, HydroLine Mfg, Pacific Scientific's Motors div. Lost: Bachrodt Chevrolet. Billings breakdown: Newspapers 7%, magazines 55%, radio 10%, spot tv 10%, outdoor 3%, point of sale 3%, direct mail 8%, other 4%. Employes: 23 in two offices. Top execs: Robert West, president; William Morris, exec vp; Jeanne Kant, vp-mgr/Minneapolis office, David Sundstedt, senior vp;

Midwest: III agencies
$1,000,000-$5,000,000

Joseph Ubben, Arthur Page, vps; Donna Williams, controller.
Phone: (815) 968-5552. ☑

Yaffe Berline, Southfield, Mich., reported gross income of $1,502,552 in 1984 on billings of $10,002,817. In 1983, it reported gross income of $1,481,134 on billings of $10,061,371. In 1984, volume consisted of $5,668,762 in media, $810,475 in materials and services and $3,523,580 in capitalized fees. In 1983, volume consisted of $5,696,348 in media, $820,585 in materials and services and $3,544 438 in capitalized fees.

Accounts gained: Servico's Michigan Inn, Northfield Hilton, Southfield Hilton and Troy Hilton, Michigan Dept of Transportation, Mickey Shorr, Kay & Kay/The Tile DePot. Lost: Michigan Panthers. Billings breakdown: Newspapers 21%, magazines 2%, radio 32%, spot tv 38%, outdoor 7%. Employes: 30. Top exec: Fred Yaffe, chairman-ceo.
Phone: (313) 552-7800.

Yellow Pages Marketing Services, Mequon, Wis., reported gross income of $3,752,000, of which $88,000 was non-U.S. contributions, in 1984 on billings of $25,025,000. In 1983, it reported gross income of $3,019,000, of which $78,000 was non-U.S. contributions, on billings of $20,136,000. In 1984, volume was all in media. No volume breakdown was provided for 1983.

In 1984, overseas volume consisted of $587,000. In 1983, the volume consisted of $520,000.

Accounts gained: 69. Lost: 8. Billings breakdown: National Yellow Pages 100%. Employes: 63 in seven offices. Top execs: T.F. Scanneil Jr., chairman-ceo; R.C. Miller, president; Mark O. Brown, Helen B. Harper, R.B. Kennedy, D.J. Madison, R.N. Magnolia, J.F. Ponce, K.L. Smith, M.G. Young, D.A. Zimmel, vps.
Phone: (414) 241-8600. ☑

Zylke & Associates, Northbrook, Ill., reported gross income of $1,611,078 in 1984 on billings of $10,745,890. In 1983, it reported gross income of $1.487,379 on billings of $9,929,818. In 1984, volume consisted of $3,471,380 in media, $1,453,889 in materials and services and $5,820,621 in capitalized fees. In 1983, volume consisted of $3,441,000 in media, $2,141,000 in materials and services and $4,347,818 in capitalized fees.

Accounts gained: Payhauler Corp., Charmilles Technologies, Consolidated Thermoplastics, Friedman Associates, Marketing Innovators Intl, Signal Products, Tipton Laboratories. Lost: Press Machinery, MCC Powers, North American Car. Billings breakdown: Business papers 60%, farm publications 1%, direct mail 20%, other 19%. Employes: 25. Top execs: Ralph B. Zylke, president; Charles H. Puls, exec vp.
Phone: (312) 498-9300.

South: III agencies
$1,000,000-$5,000,000

Ackerman & McQueen, Oklahoma City, reported gross income of $3,850,782 in 1984 on billings of $26,449,200. In 1983, it reported gross income of $3,316,562 on billings of $22,754,070. In 1984, volume consisted of $10,178,328 in media, $3,161,248 in materials and services and $13,109,624 in capitalized fees. In 1983, volume consisted of $8,786,322 in media, $2,450,032 in materials and services and $11,517,716 in capitalized fees.

Accounts gained: Pizza Hut/regional, Fleming Cos., Sheraton Kensington in Tulsa. Lost: PepsiCo's Lee Way Motor Freight div. Billings breakdown: Newspapers 11%, magazines 36%, radio 15%, spot tv 26%, outdoor 4%, business papers 8%. Employes: 80 in three offices. Top execs: Ray Ackerman, chairman; Angus McQueen, president; Bruce Anderson, exec vp; Peggy Howard, Jeffrey Nauser, Cynthia McAra, Patti Weinbrenner, Gail Daniels, senior vps; William Winkler, secretary/treasurer.
Phone: (405) 843-7777. ☑

Adair Associates/Advertising, Atlanta, reported gross income of $1,013,850 in 1984 on billings of $5,427,462. In 1983, it reported gross income of $996,062 on billings of $4,870,863. In 1984, volume consisted of $151,226 in media, $2,556,371 in materials and services and $2,719,919 in capitalized fees. In 1983, volume consisted of $194,696 in media, $2,314,334 in materials and services and $2,361,833 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:
- Bottlers Press

Accounts gained: Oak Creek Basket, Shared Services for Southern Hospitals, Oxford Services, Lucius Barbeque, Dunbarton Corp. Lost: Coggins Systems Inc., M&M Products, Samford University. Billings breakdown: Newspapers 29%, magazines 13%, radio 13%, spot tv 45%. Employes: 16. Top exec: William M. Adair, president.
Phone: (404) 351-8424. ☑

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

Advertising Incorporated, Tulsa, Okla., reported net income of $108,000 and gross income of $3,382,000 in 1984 on billings of $22,547,000. In 1983, it reported net income of $84,000 and a gross income of $3,235,747 on billings of $21,582,432. In 1984, volume consisted of $10,053,776 in media, $3,809,200 in materials and services and $8,684,024 in capitalized fees. In 1983, volume consisted of $8,956,367 in media, $4,396,102 in materials and services and $8,229,963 in capitalized fees.

Accounts gained: Technical Oil Tool Corp. (TOTCO), American Multi-Cinema, Electronic Banking Systems-Dallas, *Tulsa Tribune*, Transfund, Petrolite Specialty Polymers Group. Lost: United Bank, Economic Development Commission, Dutton Lainson Co. Billings breakdown: Newspapers 7%, magazines 17%, radio 20%, network tv 10%, spot tv 35%, cable tv 1%, outdoor 2%, business papers 7%, transit advertising 1%. Employes: 63 in three offices. Top execs: Tom Tripp, chairman; Bob Daily, president; Jack Harwood, senior vp; Todd Van Every, mng vp-Oklahoma City; Ron J. Lucas, mng vp-Houston.
Phone: (918) 747-8871. ☑

Anson-Stoner, Winter Park, Fla., reported net income of $172,264 and gross income of $1,029,239 in 1984 on billings of $7,219,852. In 1983, it reported net income of $110,517 and gross income of $692,118 on billings of $4,395,518. In 1984, volume consisted of $6,178,918 in media, $894,194 in materials and services and $146,740 in capitalized fees. In 1983, volume consisted of $3,520,307 in media, $828,588 in materials and services and $46,623 in capitalized fees.

Accounts gained: Hilton at Walt Disney World Village, Orlando Regional Medical Center, Rent-A-Center of Florida. Lost: None. Billings breakdown: Newspapers 7%, magazines 9%, supplements 2%, radio 3%, spot tv 75%, outdoor 1%, point of sale 1%, direct mail 2%. Employes: 18. Top execs: Joseph B. Anson, president-creative director; Michael R. Stoner, exec vp.
Phone: (305) 629-9484. ☑

Arnold Harwell McClain & Associates, Dallas, reported net income of $21,700 and gross income of $1,386,743 in 1984 on billings of $9,249,578. In 1983, it reported net income of $5,226 and gross income of $1,351,302 on billings of $9,013,182. In 1984, volume consisted of $544,203 in media, $424,325 in materials and services and $8,281,050 in capitalized fees. In 1983, volume consisted of $888,877 in media, $1,417,957 in materials and services and $6,706,348 in capitalized fees.

Accounts gained: Texas Utilities Electric Co., Dallas Area Rapid Transit. Lost: Lone Star Cadillac Co. Billings breakdown: Newspapers 22%, magazines 3.3%, radio 15.1%, spot tv 56.6%, outdoor 3%. Employes: 21 Top execs: George L. Arnold, president-ceo; Barbara Harwell, chairman-creative director; Robert W. Foster, exec vp-coo; Martha McClain, exec vp-cfo; William McGee, senior vp.
Phone: (214) 521-6400. ☑

Gordon Bailey & Associates, Stone Mountain, Ga., reported net income of $120,000 and gross income of $1,995,166 in 1984 on billings of $13,302,413. In 1983, it reported net income of $72,760 and gross income of $1,320,996 on billings of $10,977,439. In 1984, volume consisted of $40,868 in media, $1,488,418 in materials and services and $11,773,117 in capitalized fees. In 1983, volume consisted of $1,504,604 in media, $749,129 in materials and services and $8,723,706 in capitalized fees.

Accounts gained: Foods div of Mobil Chemical Co. Lost: None. Billings breakdown: Business papers 80%, point of sale 10%, direct mail 10%. Employes: 36. Top execs: Gordon Bailey, president; Alfred Schoelles, exec vp.
Phone: (404) 296-2777. ☑

Barker Campbell & Farley, Virginia Beach, Va., reported gross income of $1,200,000 in 1984 on billings of $8,000,000. In 1983, it reported gross income of $1,000,000 on billings of $6,500,000. In 1984, volume consisted of $2,199,500 in media, $4,800,000 in materials and services and $1,000,500 in capitalized fees. In 1983, volume consisted of $1,933,000 in media, $3,900,000 in materials and services and $667,000 in capitalized fees.

Accounts gained: Maryview Psychiatric & Community Mental Health Center, Eastern Computers, Goodman Segar Hogan, Potash Co. of America, Reuter Laboratories, Carswell Import & Mktg Assn. Lost: Williamsburg Area Conference & Tourism Bureau, Professional Realty/R.G. Moore, Brewster Leeds & Co., E.F. Burlingham & Sons. Billings breakdown: Newspapers 20%, magazines 20%, radio 20%, spot tv 20%, outdoor 10%, farm publications 5%, direct mail 5%. Employes: 30.

Top execs: Robert A. Barker, president; William T. Campbell, exec vp-creative; A. Palmer Farley, exec vp; J. Robert Stiffler, senior vp-agribusiness; Richard Gearhart, vp-media director; Sharon Brady, vp-art.
Phone: (804) 497-4811.

Bauerlein Inc., New Orleans, reported gross income of $2,052,018 in 1984 on billings of $14,151,296. In 1983, it reported gross income of $1,918,406 on billings of $13,200,456. In 1984, volume consisted of $5,976,669 in media, $1,473,493 in materials and services and $6,701,134 in capitalized fees. In 1983, volume consisted of $4,920,192 in media, $1,722,259 in materials and services and $6,558,005 in capitalized fees.

Accounts gained: Westminister Corp., Pizza Hut, Butch Baum & Associates, National Medical Enterprises. Lost: Louisiana Dept of Commerce & Industry, Plantation Business Campus. Billings breakdown: Newspapers 22%, magazines 28%, radio 13%, network tv 32%, outdoor 5%. Employes: 39. Top execs: Eugene Barnes, president; Kenneth Gormin, chairman.
Phone: (504) 522-5461.

Behrends & Co., High Point, N.C., reported gross income of $1,023,846 in 1984 on billings of $7,099,805. In 1983, it reported gross income of $906,755 on billings of $6,219,288. In 1984, volume consisted of $1,185,683 in media, $1,188,220 in materials and services and $4,725,902 in capitalized fees. In 1983, volume consisted of $1,008,691 in media, $1,079,219 in materials and services and $4,131,378 in capitalized fees.

Accounts gained: First Charter National Bank, Adriana's Gelateria, Jonbil Inc., Commercial Office of the Government of Spain in Miami, TL Industries Inc./Indiana Moulding. Lost: None. Billings breakdown: Newspapers 15%, magazines 10%, supplements 10%, radio 17%, spot tv 15%, outdoor 5%, business papers 22%, direct mail 6%. Employes: 29. Top execs: Richard D. Behrends, president-chairman; Sylvia Y. Passavant, secretary/treasurer; Richard Furmanski, Robert A. Bodle Jr., vps-creative.
Phone: (919) 882-4151. ☑

Louis Benito Advertising, Tampa, Fla., reported gross income of $3,100,000 in fiscal year 1984, ended September 30, on billings of $20,800,000. In fiscal 1983, it reported gross income of $2,730,000 on billings of $19,199,000. In 1984, volume consisted of $17,500,000 in media and $3,300,000 in capitalized fees. In 1983, volume consisted of $15,200,000 in media and $3,999,000 in capitalized fees.

Accounts gained: Bardmoor Properties, Leisure Entertainment, Clairson Products, Sheraton Maitland, Sheraton World. Lost: Circus World. Billings breakdown: Newspapers 18%, magazines 13%, radio 15%, spot tv 42%, outdoor 5%, business papers 3%, direct mail 4%. Employes: 61 in three offices. Top execs: Jack Painter, chairman-president; Ken Bernhardt, exec vp; Duke Miller,senior vp.
Phone. (813) 877-8200.

Black, Gillock & Langberg, Houston, reported gross income of $1,863,000 in 1984 on billings of $11,996,000. In 1983, it reported gross income of $1,292,053 on billings of $7,645,000. In 1984, volume consisted of $9,580,000 in media and $2,416,000 in materials and services. In 1983, volume consisted of $6,058,000 in media and $1,587,000 in materials and services. Accounts gained: Tune-up Plus, Aero-Date, Cigna Healthcare, Cimmeron Development Corp, Life Forms. Lost: *Houston Post*, Ron's Fried Chicken. Billings breakdown: Newspapers: 28%, magazines 2%, supplements 1%, radio 22%, spot tv 20%, outdoor 27%. Employes: 28. Top execs: William Scott Black, president-ceo; Leslie Scott Langberg, exec vp.
Phone: (713) 781-6666. ☑

Bowes/Hanlon Advertising, Atlanta, reported net income of $445,000 and gross income of $2,145,266 in 1984 on billings of $14,489,072. In 1983, it reported net income of $316,214 and gross income of $1,569,402 on billings of $10,562,029. In 1984, volume consisted of $2,990,787 in media, $2,780,295 in materials and services and $8,717,990 in capitalized fees. Not included in the media volume in 1984 was $3,600,000 in media purchased on a net basis. In 1983, volume consisted of $3,673,202 in media, $2,050,609 in materials and services and $4,838,218 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:
- Strategic Research Center
- Bowes/Hanlon/Yarbrough PR
- The Project Group

Accounts gained: Walker Interactive Products, Harry Norman Realtors, Bank Earnings Intl, Dow Chemical Carpet Backing div, First Nationwide Network, Home Federal s&l, Marriott Marquis Hotel, Tangent Technologies, Ambulatory Resourses, Quail Intl. Lost: Fickling & Walker Insurance. Billings breakdown: Newspapers 15%, magazines 20%, radio 10%, spot tv 20%, outdoor 1%, business papers 15%, point of sale 10%, direct mail 5%, other 4%. Employes: 35. Top execs: Kenneth E. Bowes, president; George R. Hanlon, exec vp; Joel M. Babbit, senior vp.
Phone: (404) 261-1900. ☑

Caravetta Allen Kimbrough/-BBDO, Miami, part of BBDO International, had estimated gross income of $1,200,000 in 1984 on billings of $8,000,000. In 1983, it reported gross income of $1,635,792 on billings of $10,910,732. In 1984, volume consisted of $5,000,000 in media and $3,000,000 in materials and services. In 1983, volume consisted of $7,619,257 in media, $2,353,673 in materials and services, and $937,802 in capitalized fees.

Accounts gained: Southeast Medical Center, Hoffman Group of Florida. Lost: AmeriFirst s&l. Billings breakdown: Newspapers 49%, magazines 5%, radio 21%, spot tv 25%. Employes: 22 Top execs: Fred Caravetta, chairman; Nina Cohen, president; Richard Flury, senior vp; Lane Atkins, senior vp-creative director; Rod R. Carlson, senior vp-client service.
Phone: (305) 594-1896.

Cargill, Wilson & Acree, Atlanta, a subsidiary of Doyle Dane Bernbach, reported gross income of $4,481,000 in 1984 on billings of $29,890,000. In 1983, it reported gross income of $4,057,000 on billings of $27,059,000. No volume breakdown was provided for either year.

Accounts gained: Chick-fil-A, Interface Floring Systems, Days Inn of America, Northside Realty Associates. Lost: Cable America, Krystal Co., Pro Group golf equipment. No media breakdown was provided. Employes: 87. Top exec: Watson Mundy, president.
Phone: (404) 261-8700.

Cole Henderson Drake, Atlanta, reported gross income of $1,552,640 in 1984 on billings of $10,918,840. In 1983, it reported gross income of $1,082,280 on billings of $7,648,752. In 1984, volume consisted of $8,953,448 in media, $1,398,442 in materials and services and $566,950 in capitalized fees. In 1983, volume consisted of $6,142,538 in media, $1,072,664 in materials and services and $433,550 in capitalized fees.

Accounts gained: Jim Dandy Dog Food, Arby's Inc.-franchising div, MacGregor Golf Co., Sawgrass div of Arvida Corp., McDonnell-Douglas Banking Systems Co., Birmingham, Ala., Ritz-Carlton of Naples, Fla., and Laguna-Niguel, Cal. Lost: JP Hotels (div of W.B. Johnson Properties), Digital Communications Associates; Benson's Old Home Kitchens. Billings breakdown: Newspapers 11%, magazines 22%, supplements 5%, radio 4%, spot tv 16%, cable tv 12%, outdoor 2%, business papers 12%, point of sale 2%, direct mail 8%, other 6%. Employes: 30. Top execs: Richard Henderson, chairman; John H. Drake, president; Jim P. Cole, exec vp; John L. Mather, chief financial officer.

Phone: (404) 237-0057.

Craig, Lamm, Hensley & Alderman Advertising, Houston, reported net income of $48,730 and gross income of $2,165,096 in 1984 on billings of $14,341,079. In 1983, it reported net income of $40,491 and gross income of $2,040,228 on billings of $13,198,156. In 1984, volume consisted of $5,333,545 in media, $2,726,103 in materials and services and $6,281,431 in capitalized fees. In 1983, volume consisted of $3,695,144 in media, $2,868,637 in materials and services and $6,634,375 in capitalized fees.

Accounts gained: Burchfield Development, Cushman & Wakefield, Wm. Keith Hargrove, KRI, Medical Action, NMR Imaging, Texas Computer Works. Lost: ATC, Bakerline, NSW, Texas Nuclear, NL Treating Chemicals. Billings breakdown: Newspapers 21%, radio 17%, spot tv 2%, outdoor 2%, business papers 58%. Employes: 36. Top execs: Douglas S. Craig, senior chairman; Donald C. Lamm, chairman; S.O. Hopson, president.

Phone: (713) 621-2680.

Doe-Anderson Advertising, Louisville, Ky., reported gross income of $3,672,938 in 1984 on billings of $26,176,147. In 1983, it reported gross income of $3,679,039 on billings of $27,258,338. In 1984, volume consisted of $13,725,208 in media, $2,447,753 in materials and services and $10,003,186 in capitalized fees. In 1983, volume consisted of $12,287,340 in media, $2,969,339 in materials and services and $12,001,659 in capitalized fees.

Accounts gained: *Courier-Journal*, Bigelow Carpets' national Yellow Pages and projects, Critter Ridders, Keller Mfg, Braniff Inc.'s national Yellow Pages, Roadmaster Inc. Lost: Bird Inc., J.J.B. Hilliard, W.L. Lyons Inc. Billings breakdown (does not include national Yellow Pages): Newspapers 14%, magazines 22%, radio 9%, spot tv 23%, outdoor 4%, business papers 28%. Employes: 77. Top execs: Robert S. Allison, president-ceo; James S. Lindsey, exec vp; Philip D. Payne, Robert J. Beggs, senior vps.

Phone: (502) 589-1700. ☑

Emerson/Nichols/Bailey, Irving, Tex., reported gross income of $2,591,726 in 1984 on billings of $17,511,560. In 1983, it reported gross income of $2,325,673 on billings of $15,245,256. In 1984, volume consisted of $12,686,005 in media, $3,006,292 in materials and services and $1,819,263 in capitalized fees. In 1983, volume consisted of $10,968,770 in media, $2,190,757 in materials and services and $2,125,729 in capitalized fees.

Accounts gained: Condel Mgmt, SpotCo restaurants, Americom Communications Corp., Inwood Business Machine. Lost: None. Billings breakdown: Newspapers 15%, magazines 5%, radio 5%, spot tv 70%, cable tv 1%, outdoor 1%, point of sale 2%, direct mail 1%. Employes: 40 in two offices. Top execs: Stan Emerson, president; Larry Nichols, vp-creative director; John Stahl, vp-director mktg. rsch, new business development; Dara Nichols, vp-finance.

Phone: (214) 257-0123. ☑

Ensslin & Hall Advertising, Tampa, Fla., reported gross income of $2,513,887 in 1984 on billings of $16,760,008. In 1983, it reported gross income of $2,160,870 on billings of $14,328,000. In 1984, volume consisted of $7,869,121 in media, $2,809,007 in materials and services and $6,081,880 in capitalized fees. No volume breakout was provided for 1983.

Accounts gained: Paragon, Cypress Gardens, Deltona, Plan Services, WenSouth Corp. Lost: Bay Dealerships, Dolphin Airlines, Younger's Beer. Billings breakdown: Newspapers 21%, magazines 11%, radio 27%, spot tv 29%, outdoor 12%. Employes: 50. Top execs: Thomas Hall, chairman; Glen C. Peak, president; Keith Gold, senior vp; Timothy Gardner, vp.

Phone: (813) 223-5684.

Finnegan & Agee, Richmond, Va., reported net income of $336,527 and gross income of $1,789,365 in 1984 on billings of $11,929,098. In 1983, it reported net income of $113,000 and gross income of $1,379,000 on billings of $9,193,400. In 1984, volume consisted of $7,882,943 in media, $3,614,288 in materials and services and $431,867 in capitalized fees. In 1983, volume consisted of $6,577,717 in media, $2,542,229 in materials and services and $73,454 in capitalized fees.

Accounts gained: Advance Auto Stores, Brandermill Inc., City of Fredericksburg travel and tourism. Lost: 2001 Inc. Billings breakdown: Newspapers 9%, magazines 8%, radio 24%, spot tv 57%, outdoor 2%. Employes: 38 in two offices. Top execs: Tim Finnegan, president; Louis E. Brink, exec vp.

Phone: (804) 643-4100.

Fitzgerald Advertising, New Orleans, La., reported gross income of $2,031,853 in 1984 on billings of $14,501,716. In 1983, it reported gross income of $1,950,396 on billings of $13,174,954. In 1984, volume consisted of $5,741,829 in media, $2,951,395 in materials and services and $5,808,492 in capitalized fees. In 1983, volume consisted of $6,411,180 in media, $1,685,787 in materials and services and $5,077,987 in capitalized fees.

Accounts gained: Louisiana Department of Commerce & Industry, Tulane Medical Center, New Orleans Public Service, Perque Carpet & Drapery, Phelphs, Dunbar, Marks, Claverie & Sims. Lost: Canizaro Interests. Billings breakdown: Newspapers 23%, magazines 32%, radio 16.5%, spot tv 27%, outdoor 1.5%. Employes: 37. Top execs: Joseph L. Killeen Jr., president-ceo; Ronald J. Thompson, Gary D. Dickson, Donald C. Smith, exec vps; Leslie G. Galivan, treasurer.

Phone: (504) 529-3161.

Fogarty & Klein, Houston, reported gross income of $1,434,790 in 1984 on billings of $11,499,462. In 1983, it reported gross income of $1,252,000 on billings of $8,350,000. In 1984, volume consisted of $8,152,384 in media, $743,317 in materials and services and $2,603,761 in capitalized fees. In 1983, volume consisted of $7,252,000 in media and $1,098,000 in materials and services.

Accounts gained: ComputerCraft, Arbor Homes/Dallas div, Houston Sports Assn (Houston Astros, National Baseball League), KHOU-TV in Houston (CBS affiliate), Steeplechase National Bank. Lost: None. Billings breakdown: Newspapers 7%, magazines 3%, radio 40%, spot tv 40%, outdoor 6%, business papers 2%, direct mail 2%. Employes: 15. Top execs: William H. Fogarty, Richard E. Klein, principals.

Phone: (713) 528-3354. ☑

Fry/Hammond/Barr, Orlando, Fla., reported gross income of $2,208,709 in 1984 on billings of $13,955,982. In 1983, it reported gross income of $1,391,070 on billings of $9,574,816. In 1984, volume consisted of $7,214,044 in media, $2,692,788 in materials and services and $4,049,150 in capitalized fees. In 1983, volume consisted of $5,285,154 in media, $1,888,489 in materials and services and $2,401,173 in capitalized fees.

Accounts gained: D.L. Peoples Group, Orlando Renegades, Cheddars Restaurants, Loehmann's Plaza. Lost: None. Billings breakdown: Newspapers 30%, magazines 3%, radio 7%, spot tv 29%, outdoor 6%, business papers 12%, direct mail 13%. Employes: 31. Top exec: Charles F. Fry, president.

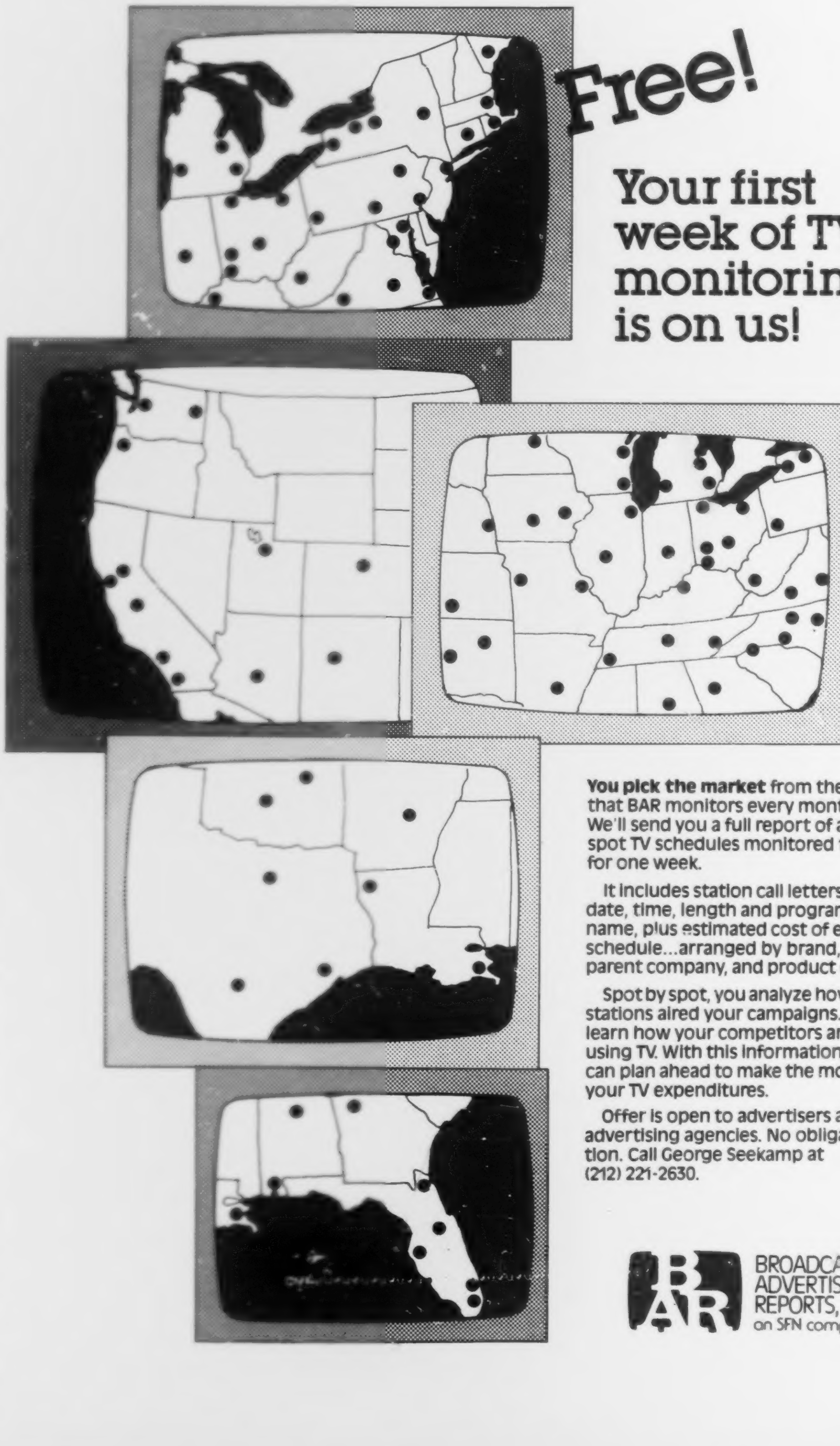
Phone: (305) 849-0100.

Gulf State Advertising, Houston, reported net income of $185,920 and gross income of $1,069,691 in 1984 on billings of $8,241,341. In 1983, it reported net income of $179,615 and gross income of $1,050,376 on billings of $7,540,965. In 1984, volume consisted of $3,451,283 in media, $891,843 in materials and services and $3,898,215 in capitalized fees. In 1983, volume consisted of $3,559,750 in media, $841,699 in materials and services and $3,139,516 in capitalized fees.

The agency did not gain or lose any accounts. Billings breakdown: Newspapers 17%, magazines 10%, radio 16%, spot tv 20%, outdoor 16%, business papers 10%, point of sale 4%, direct mail 7%. Employes: 21. Larry Sachnowitz, president.

Phone: (713) 776-9000.

Huntsinger, Jeffer, Van Groesbeck, Richmond, Va., had estimated gross income of $2,285,000 in 1984 on billings of $15,234,216. In 1983, it had gross income of $1,744,000 on billings of $11,625,703. In 1984, volume consisted of $11,132,653 in media and $4,101,563 in capitalized fees. In 1983, volume consisted of $8,023,830 in media and $3,601,873 in capitalized fees. The agency did not gain or lose any accounts. Billings breakdown: Newspapers 2%, magazines 46%, spot tv 25%, direct



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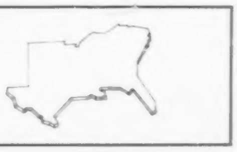

mail 27%. Employes: 25. Top execs: Jerald E. Huntsinger, chairman; Donald P. Jeffer, president; Kevin Van Groesbeck, exec vp; Edward T. Hurley, vp-operations.

Phone: (804) 266-2499.

Kert Advertising, Ft. Lauderdale, Fla., reported net income of $350,000 and gross income of $2,169,000, of which $2,000,000 was non-U.S. contributions, in 1984 on billings of $17,040,270. In 1983, it reported net income of $570,000 and gross income of $1,680,000, of which $1,600,000 was non-U.S. contributions, on billings of $16,765,269. In 1984, U.S. volume of $933,100 consisted of $658,000 in media, $75,000 in materials and services and $200,100 in capitalized fees. In 1983, volume of $564,669 consisted of $556,000 in media, $4,000 in materials and services and $4,669 in capitalized fees.

Overseas, its 1984 dollar volume of $16,107,170 consisted of $12,000,000 in media, $3,100,000 in materials and services and $1,007,170 in capitalized fees. Its 1983 foreign volume of $16,200,600 consisted of $12,000,000 in media, $3,000,000 in materials and services and $1,200,600 in capitalized fees.

Accounts gained: Steego Auto Parts, Swiss Chalet Development Corp., Haggerty Realty. Lost: None. Overseas it gained: Citech Quartz Corp. (Citizen Watches), Skocar Inc., Dylex Ltd. (Big Steel), Tuco Products, Ralston Purina. Billings breakdown: Newspapers 11.4%, magazines 0.2%, radio 17.3%, spot tv 68%, point of sale 2.1%, direct mail 1%. Employes: 50 in two offices. Top execs: Norman I. Kert, president; Les M. Hill, vp.

Phone: (305) 971-4646. ☑

Liller Neal, Atlanta, reported gross income of $2,891,399 in 1984 on billings of $20,023,541. In 1983, it reported gross income of $2,914,508 on billings of $20,179,174. In 1984, volume consisted of $8,452,820 in media, $1,045,614 in materials and services and $10,525,107 in capitalized fees. In 1983, volume consisted of $8,754,453 in media, $1,065,417 in materials and services and $10,359,304 in capitalized fees.

Accounts gained: Intex Products, Tensar Corp., Prudential Bank & Trust, Jiffy Lube of Atlanta, Middle Georgia Operators Assn, National Prepared Foods. Lost: Refreshment Enterprises, Mayhill Homes, Jim Dandy, Comdial. Billings breakdown: Newspapers 3%, magazines 8%, radio 11%, network tv 7%, spot tv 45%, cable tv 6%, outdoor 4%, business papers 10%, farm publications 1%, transit advertising 1%, point of sale 1%, direct mail 3%. Employes: 57. Top execs: Richard E. Hodges, chairman-ceo; Lucian Kapuscinski, president-creative director; James D. Gonia, vice-chairman; Richard Hemsley, exec vp-client services; Merrill E. Williams, exec vp-admin; Lydia C. Jones, senior vp-finance; Robert F. Scott, senior vp-mktg services.

Phone: (404) 432-7555.

Loeffler Marley Mountjoy, Charlotte, N.C., reported gross income of $1,131,375 in 1984 on billings of $6,784,299. In 1983, it reported gross income of $927,304 on billings of $6,185,117. In 1984, volume consisted of $5,140,397 in media, $1,385,280 in materials and services and $258,622 in capitalized fees. No volume breakdown was provided for 1983.

Accounts gained: Carolina Mirror Corp., Direct Express Courier Services. Lost: Central Carolina Surgical Eye Assn, Dee Dee Ceramics, WRAL-TV. Billings breakdown: Newspapers 30%, magazines 2%, radio 10%, spot tv 50%, outdoor 2%, business papers 2%, point of sale 2%, direct mail 2%. Employes: 24. Top execs: William G. Loeffler, president; David E. Marley, James W. Mountjoy, vps.

Phone: (704) 554-7141. ☑

Marcus Group, Atlanta, reported gross income of $1,793,226 in 1984 on billings of $11,192,027. In 1983, it reported gross income of $870,500 on billings of $5,779,750. In 1984, volume consisted of $6,798,924 in media, $2,270,543 in materials and services and $2,122,560 in capitalized fees. In 1983, volume consisted of $4,125,325 in media, $1,014,105 in materials and services and $640,320 in capitalized fees.

Accounts gained: Avon Products pr, Cousins Properties pr, Chetney Group's Southstar Industries. Lost: Southern GF Co. Billings breakdown: Newspapers 6%, magazines 60%, business papers 22%, point of sale 8%, other 4%. Employes: 43. Top execs: Charlenne Carl, president; Roger Vershen, chairman; Susan Frazier, exec vp-secretary; Mary Ann Williams, treasurer.

Phone: (404) 955-5275. ☑

McDonald & Little, Atlanta, a subsidiary of Ted Bates Co., reported gross income of $3,500,000 in 1984 on billings of $23,300,000. In 1983, it reported gross income of $3,800,000 on billings of $25,300,000. In 1984, volume consisted of $18,800,000 in media and $4,500,000 in capitalized fees. In 1983, volume consisted of $22,400,000 in media and $2,900,000 in capitalized fees.

Accounts gained: Bojangles of America. Lost: Bojangles of America, Louisiana World Exposition, Health American. Billings breakdown: Newspapers 12%, magazines 7%, radio 22%, network tv 27%, spot tv 26%, outdoor 6%. Employes: 60. Top execs: Michael G. McDonald, chairman-ceo; Robert J. Jones, president-chief creative officer; Joseph Lansdorf, exec vp-client services; Donald F. Trousdell, senior vp-collateral; Benjamin S. Tully, senior vp-media; John Dixon, vp-finance/admin.

Phone: (404) 881-8700.

Miller-Reid Group, Chattanooga, reported gross income of $2,354,000 in 1984 on billings of $25,175,000. In 1983, it reported gross income of $2,440,000 on billings of $28,008,000. In 1984, volume consisted of $22,407,000 in media, $780,000 in materials and services and $1,988,000 in capitalized fees. In 1983, volume consisted of $24,858,000 in media, $682,000 in materials and services and $2,468,000 in capitalized fees.

Accounts gained: Greater Houston McDonald's Operator's Assn, Bradford Schools, Alexian Village, Queen Carpets, Melrose Co., Ft. Myers Coca-Cola Bottling Co., Wichita Falls Coca-Cola Bottling Co., CBL & Associates. Lost: Coca-Cola Bottling, Consolidated, Comtex Intl, ComputerLand of Chattanooga. Billings breakdown: Newspapers 2%, magazines 1%, radio 36%, spot tv 54%, outdoor 4%, point of sale 1%, direct mail 1%, other 1%. Employes: 62. Top execs: W. Kent Keasler, president; Kenneth Work, exec vp.

Phone: (615) 756-2131.

Morgan Burchette Associates, Alexandria, Va., had estimated gross income of $1,951,000 in 1984 on billings of $12,602,696. In 1983, it reported estimated gross income of $980,000 on billings of $6,219,869. In 1984, volume consisted of $3,338,159 in media, $1,027,528 in materials and services and $8,237,009 in capitalized fees. In 1983, volume consisted of $2,157,301 in media, $1,201,720 in materials and services and $2,860,848 in capitalized fees.

Accounts gained: Ocean Data Systems, Kaiser Permanente, Transportation General, Claritas. Lost: Holly Farms Fried Chicken, Entre Computer Center, Entre Cooperatives. Billings breakdown: Newspapers 15%, magazines 20%, radio 5%, spot tv 10%, business papers 25%, direct mail 10%, other 15%. Employes. 33 in two offices. Top execs: Karen C. Burchette, president; Dee Morgan, vp-client services; Sheila Wexler, vp-marketing; Homer Brookshire Jr., vp, genl mgr-N.C.

Phone: (703) 549-2393. ☑

Penny & Pengra, Houston, formerly Weekly & Penny & Marshall Pengra Co., reported gross income of $1,918,812 in 1984 on billings of $16,014,278. In 1983, it reported gross income of $1,592,916 on billings of $13,941,125. In 1984, volume consisted of $4,262,700 in media, $1,603,326 in materials and services and $10,148,252 in capitalized fees. In 1983, volume consisted of $3,497,947 in media, $1,149,134 in materials and services and $9,294,044 in capitalized fees.

Accounts gained: Daniel Industries, Farb Apartments, River Oaks Bank & Trust, Sunbelt Hotels. Lost: Lake Olympia, Reed Tool Co. Billings breakdown: Newspapers 22%, magazines 23%, radio 10%, spot tv 11%, outdoor 15%, business papers 4%, direct mail 11%, other 4%. Employes: 37. Top execs: C.R. Penny, exec chairman; M.H. Pengra, president.

Phone: (713) 965-0331. ☑

Price/McNabb Advertising, Asheville, N.C., reported gross income of $2,530,000 in 1984 on billings of $16,875,100. In 1983, it reported gross income of $2,098,000 on billings of $13,993,700. In 1984, volume consisted of $9,904,300 in media, $3,232,300 in materials and services and $3,738,500 in capitalized fees. In 1983, volume consisted of $8,978,300 in media, $2,373,400 in materials and services and $2,642,000 in capitalized fees.

Accounts gained: DG Shelter Products, Instrument Society of America, Durham Life Broadcasting, American Enka Corp. (Enkamat Systems). Lost: Fonville Morrissey, Kangaroo Products, Hoopers, Wellco Enterprises. Billings breakdown: Newspapers 14%, magazines 3%, radio 18%, spot tv 62%, outdoor 3%. Employes: 72 in four offices. Top execs: Charles R. Price Jr., chairman; George W. Krichbaum Jr., president (Raleigh div); Robert B. Boettcher, Phillip B. Winstead, senior vps.

Phone: (704) 254-7461. ☑

Robinson, Yesawich & Pepperdine, Orlando, Fla., reported gross income of $2,754,749 in 1984 on billings of $19,417,129. In 1983, it reported gross income of $2,360,475 on billings of $15,736,500. In 1984, volume consisted of $3,361,220 in media, $1,044,634 in materials and services and $15,011,275 in capitalized fees. In 1983, volume consisted of $6,400,000 in media, $7,669,000 in materials and services and $1,667,500 in capitalized fees.

Accounts gained: Lee County Tourist Development Council, Grenelefe Golf & Tennis Resort, Jupiter Beach Hilton. Lost: Saddlebrook Plaza Hotel & Casino, San Juan, P.R., Grand Case Beach Club, St. Maartin, N.A. Billings breakdown: Newspapers 15%, magazines 40%, supplements 10%, radio 5%, spot tv 5%, outdoor 5%, business papers 10%, direct mail 10%. Employes: 48 in three offices. Top execs: John E. Robinson Jr., chairman; Peter C. Yesawich, president; Jim Pepperdine, senior vp; Norman Sandhaus, senior vp-creative; Judith Toole, Alan Oakes, David Turley, vp-acct supers; Duffy Myers, vp-pr; Joseph Varga, vp-mkt rsch; Christopher Burch, media director.

Phone: (305) 896-8787 ☑

Sawyer Riley Compton, Gainesville, Ga., reported gross income of $1,262,704 in 1984 on billings of $15,802,038. In 1983, it reported gross income of $1,134,126 on billings of $13,127,411. In 1984, volume consisted of $4,933,124 in media, $1,547,943 in materials and services and $9,320,971 in capitalized fees. In 1983, volume consisted of $4,432,277 in media, $1,238,355 in materials and services and $7,456,779 in capitalized fees.

Figures include those of U.S. subsidiary:

- Waters Group

Accounts gained: Deutz Corp. engine div, Duff-Norton, Glynwed Inc., Melamine Chemicals, Sikkens Paint. Lost: Federal Intermediate Credit Bank of Louisville, Sanderson Farms. Billings breakdown: Newspapers 2%, magazines 1%, radio 14%, spot tv 22%, outdoor 1%, business papers 30%, farm publications 26%, point of sale 1%, direct mail 3%. Employes: 31. Top execs: L. Gordon Sawyer, chairman; Franklin C. Compton, president; Richard W. Wiley, exec vp; S. Jack Waters, president, Waters Group div; Louis G. Sawyer, Sandra K. Whitaker, Jim Steadman, vps.

Phone: (404) 532-6285. ☑

Siddall, Matus & Coughter, Richmond, Va., had estimated gross income of $2,154,000 in 1984 on billings of $14,359,772. In 1983, it had estimated gross income of $1,014,000 on billings of $6,759,644. In 1984, volume consisted of $6,839,973 in media, $1,550,889 in materials and services and $5,968,910 in capitalized fees. In 1983, volume consisted of $3,583,486 in media, $1,473,334 in materials and services and $1,702,824 in capitalized fees.

Accounts gained: Sperry Corp. Electronic Systems, Mobil Land Development (Georgia) Corp., Mobil Land Development (Florida) Corp., Sailfish Point, River Bridge. Lost: Wintergreen. Billings breakdown: Newspapers 22%, magazines 22%, radio 14%, spot tv 40%, outdoor 2%. Employes: 37. Top execs: John N. Siddall, chairman-ceo; Stanley Matus, president; Peter J. Coughter Jr., exec vp; Donna Weaver, senior vp.

Phone: (804) 788-8011. ☑

Neal Spelce Comunications, Austin, Tex., reported gross income of $1,347,315 in 1984 on billings of $8,982,100. In 1983, it reported gross income of $1,224,475 on billings of $8,163,167. In 1984, volume consisted of $1,994,740 in media, $1,222,395 in materials and services and $5,764,965 in capitalized fees. In 1983, volume consisted of $1,883,380 in media, $1,053,880 in materials and services and $5,225,907 in capitalized fees.

No accounts were gained or lost. No billings breakdown was provided. Employes: 30. Top execs: Neal Spelce, president-chairman; William Bennett Spelce, vice-chairman.

Phone: (512) 476-4644.

Stern/Monroe Advertising, Dallas, reported gross income of $4,243,000 in 1984 on billings of $28,300,000. In 1983, it reported gross income of $3,869,000 on billings of $25,800,000. No volume breakout was provided for either year. Accounts gained: Embassy Suites/Granada Royale Hotels, TGI Fridays and Dalts restaurant chains, Fidelity National Bank of Dallas. Lost: First City Bank of Dallas. Employes: 45. Top execs: Lawrence N. Stern, president.

Phone: (214) 871-7171.

Unger Associates, Atlanta, had estimated gross income of $1,381,000 in 1984 on billings of $8,980,240. In 1983, it had estimated gross income of $943,000 on billings of $6,132,602.

In 1984, volume consisted of $7,221,771 in media, $1,278,229 in materials and services and $480,240 in capitalized fees. In 1983, volume consisted of $4,861,272 in media, $871,130 in materials and services and $400,200 in capitalized fees.

Accounts gained: In Washington D.C.—American Management Systems, Computer Data Systems, Federal Home Loan Mortage, and C-Tech; O'Neill Development (Atlanta), Ericsson Communications. Lost: Chamber of Commerce of the U.S. Billings breakdown: Newspapers 35%, magazines 3%, radio 35%, spot tv 5%, cable tv 5%, outdoor 1%, business papers 10%, point of sale 1%, direct mail 5%. Employes: 25 in three offices.

Top execs: Robert M. Unger, president; Kathryn Unger, senior vp; Mark Havard, vp-Washington; John Laseau, vp-art director; Lawrence Certain, Paul Glickstein, vp-acct services; Phil Hornstein, vp-California.

Phone: (404) 892-1555.

Vance-Mathews, Beaumont, Tex., reported net loss of $55,903 and gross income of $1,714,814 in 1984 on billings of $14,419,057. In 1983, it reported net loss of $90,633 and gross income of $1,405,244 on billings of $11,941,097. In 1984, volume consisted of $5,366,776 in media, $2,354,814 in materials and services and $6,697,467 in capitalized fees.

In 1983, volume consisted of $4,489,524 in media, $1,592,255 in materials and services and $5,859,315 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S subsidiary:

- HealthCare Marketing Group

Accounts gained: American Medical Intl's Central div, Beaumont Bank, Gulf Coast Bank, Parkdale Mall, St. Elizabeth Hospital, Texas Private Duty Nursing, Stat Care, Versailles in Austin and Dallas, Greenbriar Homes, Preston on the Lake, Seis Lagos, Port Louis, Central SW Services, CWS Energy, Plantz Corp., Tucan, John Riddle Interest, Beauty Built Homes, Buno's, Feldman's Furniture. Lost: Chevyland, Mobil Chemical Co.'s Saudi Services. Billings breakdown: Newspapers 28%, magazines 2%, radio 9%, spot tv 21%, outdoor 10%, other 30%. Employes: 38 in three offices.

Top execs: Tom Vance, chairman; Herschel R. Mathews, president-ceo; Wallace S. Sisk Jr., vp-Houston mgr; Gary Opperman, vp-Dallas mgr; John Raffin, vp-planning; Newton F. Hamlin, vp-new accounts; Ralph E. Likins, controller.

Phone: (409) 898-1313.

Wray/Ward Advertising, Charlotte, N.C., reported gross income of $1,288,081 in 1984 on billings of $8,716,507. In 1983, it reported gross income of $1,064,024 on billings of $7,165,423. No volume breakdown was provided for either year.

Accounts gained: Blue Cross-Blue Shield of North Carolina, 1st Home Federal. Lost: South Carolina Electric & Gas, Norman's of Salisbury, Carolina Mirror Corp. Billings breakdown: Newspapers 8%, magazines 10%, radio 8%, spot tv 54%, outdoor 2%, business papers 18%. Employes: 21. Top execs: Charles W. Wray Jr., president-treasurer; Robert L. Ward, exec vp-secretary.

Phone: (704) 332-9071.

West: III agencies
$1,000,000-$5,000,000

Advertising Works, Honolulu, reported gross income of $1,650,000 in 1984 on billings of $11,000,000. In 1983, it reported gross income of $1,450,000 on billings of $9,500,000. In 1984, volume consisted of $9,000,000 in media and $2,000,000 in materials and services. In 1983, volume consisted of $8,000,000 in media and $1,500,000 in materials and services.

Accounts gained: Kona Surf Hotel. Lost: None. Billings breakdown: Newspapers 30%, magazines 30%, radio 5%, spot tv 25%, business papers 10%. Employes: 22. Top execs: Darrel Kloninger, president; Carol Apiki, vp.

Phone: (808) 955-4416.

A&M Associates, Phoenix, Ariz., reported gross income of $3,703,000, of which $153,000 was in non-U.S. contributions, on billings of $27,782,765 in 1984. In 1983, it reported gross income of $3,388,000, of which $88,000 was in non-U.S. contributions, on billings of $24,966,464. In 1984, volume consisted of $25,100,000 in media, $450,000 in materials and services and $186,760 in capitalized fees. In 1983, volume consisted of $23,350,000 in media, $750,000 in materials and services and $253,460 in capitalized fees.

Abroad, its 1984 volume of $1,046,005 consisted of $1,006,000 in media, $30,000 in materials and services and $10,005 in capitalized fees. Its 1983 foreign volume of $613,004 consisted of $580,000 in media, $25,000 in materials and services and $8,004 in capitalized fees.

Accounts gained: Haullywood Video Rentals. Lost: None. Billings breakdown: Newspapers 3%, magazines 36%, radio 2%, outdoor 4%, business papers 2%, point of sale 3%, direct mail 1%, other 49%. Employes: 33. Top execs: Duane P. Swanson, president; Franklin N. Ashton, secretary-treasurer.

Phone: (602) 263-6504.

Asher/Gould Advertising, Beverly Hills, Cal., had estimated gross income of $3,750,000 on billings of $25,000,000 for both 1984 and 1983. Volume was all in media for both years.

Accounts gained: Jenny Craig Weight Loss Centers, Southern California Cable Television Marketing Council. Lost: Capital Group Tire, Union Home Loans, Unity Savings. Billings breakdown: Newspapers 19%, magazines 5%, radio 25%, spot tv 45%, outdoor 5%, other 1%. Employes: 38. Top execs: Morley Gould, chairman; Harold Asher, president; Ron Herman, senior vp-acct services.

Phone: (213) 658-7707.

Battenberg, Fillhardt & Wright, San Jose, Cal., reported gross income of $2,078,945 in 1984 on billings of $13,103,637. In 1983, it reported gross income of $2,088,607 on billings of $13,931,008. In 1984, volume consisted of $6,373,634 in media, $1,160,093 in materials and services and $5,569,910 in capitalized fees. In 1983, volume consisted of $5,489,716 in media, $1,610,285 in materials and services and $6,831,007 in capitalized fees.

Accounts gained: E+E Data-Comm, Goodwill Industries, Metaphore Inc., Wyse Technologies. Lost: Anova, AMI, Measurex, Verbatim Corp. Billings breakdown: Newspapers 13%, magazines 26%, radio 8%, business papers 50%, point of sale 1%, direct mail 2%. Employes: 25. Top execs: Curtis L. Wright, president; Charles H. Fillhardt, vp-creative director, Lynn M. Battenberg, vp-treasurer.

Phone: (408) 287-8500.

Baxter Gurian & Mazzei, Beverly Hills, Cal., had estimated gross income of $1,849,800 in 1984 on billings of $12,270,000. In 1983, it reported estimated gross income of $1,615,500 on billings of $10,770,000. In 1984, volume consisted of $2,200,000 in media, $3,400,000 in materials and services and $6,670,000 in capitalized fees. In 1983, volume consisted of $2,000,000 in media, $3,000,000 in materials and services and $5,770,000 in capitalized fees. Accounts gained: Computer Synergy, Keralo Co., Merieux, Viratek, Elder Pharmacy, Dartell Labs, Kato Labs. Lost: Hospital Satellite Network, Carnation, Syncor. Billings breakdown: Newspapers 1%, magazines 30%, cable tv 1%, direct mail 60%, other 8%. Employes: 26 in two offices. Top execs: Donald Baxter, chairman; Kenneth Gurian, president; Mike Byrnes, vp-finance.

Phone: (213) 657-5050. ☑

Borders Perrin & Norrander, Portland, Ore., reported gross income of $2,434,000 in 1984 on billings of $16,234,000. In 1983, it reported gross income of $1,543,000 on billings of $10,291,000. In 1984, volume consisted of $6,213,000 in media, $7,168,000 in materials and services and $2,853,000 in capitalized fees. In 1983, volume consisted of $2,849,000 in media, $5,181,000 in materials and services and $2,261,000 in capitalized fees.

Accounts gained: Pendleton Menswear, Lilly Miller Garden Products, State of Oregon Economic Development/Tourism divs, Potlatch Corp., Eurodown Feather Products. Lost: KINK-fm. Billings breakdown: Newspapers 10%, magazines 55%, radio 20%, network tv 10%, outdoor 3%, transit advertising 2%. Employes: 43 in two offices. Top execs: Wes Perrin, chairman; Bill Borders, president; Mark Norrander, vice chairman; Pete Hatt, exec vp.

Phone: (503) 227-2506. ☑

John Brown & Partners, Seattle, reported gross income of $1,564,217 in 1984 on billings of $12,398,223. In 1983, it reported gross income of $1,154,764 on billings of $10,342,463. In 1984, volume consisted of $8,609,879 in media, $1,428,351 in materials and services and $2,359,993 in capitalized fees. In 1983, volume consisted of $7,964,024 in media, $868,832 in materials and services and $1,509,607 in capitalized fees.

Accounts gained: Marine Center, Nntendo, Watersports Network, *Pacific Northwest* magazine, John Spellman for Gov, John Miller for Congress, Ikenberry for Atty Genl, Phil Snart Auto, Hytec. Lost: Doubletree Inn and Plaza Hotel, Independent Colleges of Washington, Seattle Supersonics, Western Washington Chevrolet Dealers Assn, Cedarmark Homes. Billings breakdown: Newspapers 6%, magazines 7%, supplements 1%, radio 22%, spot tv 60%, cable tv 1%, outdoor 1%, other 2%. Employes: 22. Top exec: John Brown, president.

Phone: (206) 622-9306.

Coakley Heagerty Cos., Santa Clara, Cal., reported gross income of $1,838,819 in 1984 on billings of $12,776,240. In 1983, it reported gross income of $1,254,069 on billings of $9,237,255. In 1984, volume consisted of $2,231,844 in media, $905,199 in materials and services and $9,639,197 in capitalized fees. In 1983, volume consisted of $1,867,427 in media, $623,950 in materials and services and $6,745,878 in capitalized fees.

Accounts gained: Ampex, Argonne Systems, Caere Corp., Citation Insurance, E.A. Hathaway, Fuqua & Baptist, Grupe Co., Levitt Properties, Redwood Shores, Ridge Tahoe, Pandolfi & Partners. Lost: Cochlea Corp., Eli Thomas, IDS, Eldred Kunkel, JDO Corp., Walls Alive, Davidon Homes. Billings breakdown: Newspapers 61%, magazines 9%, radio 11%, spot tv 18%, other 1%. Employes: 27. Top execs: David A. Heagerty, ceo; John D. Heagerty, president.

Phone: (408) 249-6242. ☑

Competitive Edge, Albuquerque, N.M., had estimated gross income of $4,950,000 in 1984 on billings of $33,000,000. In 1983, it reported estimated gross income of $4,100,000 on billings of $27,000,000. Volume was all in media for both years.

Accounts gained: 52 new accounts. Lost: six. Billings breakdown: Newspapers 10%, radio 15%, network tv 5%, spot tv 55%, cable tv 10%, point of sale 5%. Employes: 115 in eight offices. Top execs: Lee Galles, president, Competitive Edge; Tony Cook, president, Galles Advertising; Betty McDermott, president, Sunrise Video; Harry Chapman, president, Wright Edge; Terri Bryan, Chris Bryan, Bryan Batman, vps, Batman, Bryan, Galles.

Phone: (505) 881-3700. ☑

Creative Advertising, Phoenix, Ariz., reported net income of $512,983 and gross income of $1,723,308 in 1984 on billings of $13,987,027. In 1983, it reported net income of $347,837 and gross income of $1,254,670 on billings of $8,713,954. In 1984, volume consisted of $8,197,246 in media, $506,381 in materials and services and $5,283,400 in capitalized fees. In 1983, volume consisted of $4,804,607 in media, $343,052 in materials and services and $3,566,295 in capitalized fees. Accounts gained: Grand Canyon State Bank, Continental Homes of Colorado, Borman Chevrolet of Miami, Crescent Hotel Group, Tucson Datsun Dealers, Val-Coast Nissan Dealers, Credit Vending. Lost: Phoenix Soccer Team, Lincoln Savings, Microwave Video Corp. Billings breakdown: Newspapers 15%, magazines 5%, radio 31%, spot tv 38%, cable tv 5%, outdoor 2%, point of sale 1%, direct mail 3%. Employes: 19. Top execs: Henry Sauro, chairman; William H. Sauro, president; Steve Atwood, exec vp.

Phone: (602) 252-7606. ☑

Ehrig & Associates, Seattle, reported gross income of $2,231,000

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in 1984 on billings of $14,880,800. In 1983, it reported gross income of $2,337,000 on billings of $15,580,000. In 1984, volume consisted of $8,665,000 in media, $1,670,000 in materials and services and $4,545,800 in capitalized fees. In 1983, volume consisted of $9,378,000 in media, $1,706,000 in materials and services and $4,496,000 in capitalized fees.

Accounts gained: Sundance Cruises, Seattle Mariners, Pierce Transit, Washington State Ferries. Lost: Peoples National Bank of Washington, Fifth Avenue Theatre, Space Needle. Billings breakdown: Newspapers 18%, magazines 14%, radio 26%, spot tv 31%, outdoor 5%, business papers 4%, transit advertising 2%. Employes: 47. Top execs: Jack Ehrig, chairman; Fred Burrow, president; Vicki Brems, exec creative director.

Phone: (206) 623-6666.

Fotheringham & Associates, Salt Lake City, reported gross income of $1,083,980 in 1984 on billings of $6,553,004. In 1983, it reported gross income of $868,714 on billings of $4,989,927. In 1984, volume consisted of $1,826,885 in media, $1,172,116 in materials and services and $3,554,003 in capitalized fees. In 1983, volume consisted of $1,335,251 in media, $1,249,060 in materials and services and $2,405,616 in capitalized fees.

Accounts gained: Deseret Book, PenTec/MTI, Utah Hospital Assn, Teton Pines, Sun County Estates, Presswood Inc., ALPS, MCI special projects, MBFG pr, Park City Accommodations. Lost: Country Crisp. Billings breakdown: Newspapers 21%, magazines 7%, radio 20%, spot tv 45%, outdoor 2%, direct mail 5%. Employes: 21. Top execs: Robert S. Fotheringham, chairman-ceo; Samuel M. Williams, exec vp-coo.

Phone: (801) 521-2903.

Gerber Advertising, Portland, Ore., reported gross income of $2,101,000 in 1984 on billings of $14,537,000. In 1983, it reported gross income of $1,900,000 on billings of $13,450,000. In 1984, volume consisted of $5,100,000 in media, $7,337,000 in materials and services and $2,100,000 in capitalized fees. In 1983, volume consisted of $7,250,000 in media, $5,450,000 in materials and services and $750,000 in capitalized fees.

Accounts gained: Arneson/Flav-R-Pac, Franz Bakery, Darigold, USFL Portland Breakers, Well-Pet, NBA Portland Trail Blazers. Lost: Supra Products. Top execs: Tom M. Hougan, president; Philip L. Stevens, senior vp-secretary/treasurer; Betty Chimenti, vp-media; Don Dickinson, Dennis Rossman, vp; Chuck King, vp-production.

Phone: (503) 221-0100. ☑

Gumpertz/Bentley/Fried, Los Angeles, reported gross income of $2,102,184 in 1984 on billings of $16,500,000. In 1983, it reported gross income of $2,029,742 on billings of $15,973,000. In 1984, volume consisted of $11,472,327 in media, $1,348,941 in materials and services and $3,678,732 in capitalized fees. In 1983, volume consisted of $11,305,680 in media, $1,033,264 in materials and services and $3,634,056 in capitalized fees.

Accounts gained: In-N-Out Burger, Southern California Rapid Transit District. Lost: Numero Uno Pizza. Billings breakdown: Newspapers 7%, magazines 12%, radio 17%, network tv 13%, spot tv 43%, outdoor 1%, business papers 7%. Employes: 25. Top execs: Gordon M. Gumpertz, chairman; Richard H. Fried, president, Robert L. Porter, senior vp.

Phone: (213) 931-6301.

Haller Schwarz, Los Angeles, reported gross income of $1,085,000 in 1984 on billings of $7,850,000. In 1983, it reported gross income of $730,000 on billings of $4,870,000. Capitalized volume was not broken out.

Accounts gained: California Devices Inc.'s microelectronic components, Informatics General Corp., Mfg Technologies, Protocol Computers, Rosemarie Stack Ltd.'s Les Grains perfumes, Thorn EMI computer software. Lost: Personal Systems Technology. Billings breakdown: Newspapers 25%, magazines 30%, supplements 5%, radio 5%, outdoor 5%, business papers 15%, direct mail 5%, other 10%. Employes: 17 in three offices including Edison Braun Co. and Plummer & Friends. Top execs: Henry Schwarz, president; Anthony Haller, senior vp; Dick Chadkowski, creative director; Missy Powell, vp-acct services; Allene Gray, media director.

Phone: (213) 462-4433. ☑

Karsh & Hagan, Englewood, Colo., reported net income of $485,135 and gross income of $2,462,951 in 1984 on billings of $16,423,753. No figures were provided for 1983. In 1984, volume consisted of $5,257,363 in media, $3,000,769 in materials and services and $8,165,621 in capitalized fees. No volume breakdown was provided for 1983.

Accounts gained: Great West Life Assurance, Aircoa, Better Air, Hibbert-Laman, Honeywell Vistronics, Porter Memorial Hospital. Lost: None. Billings breakdown: Newspapers 18%, magazines 9%, radio 18%, spot tv 55%. Employes: 45. Top execs: Philip H. Karsh, president; Thomas P. Hagan, exec vp-secretary; Joan R. Hawley, treasurer.

Phone: (303) 770-8088. ☑

Larson, Bateman & McAllister, Santa Barbara, Cal., reported gross income of $1,411,060 in 1984 on billings of $9,183,782. In 1983, it reported gross income of $759,094 on billings of $5,041,077. In 1984, volume consisted of $6,280,191 in media, $515,525 in materials and services and $2,388,066 in capitalized fees. In 1983, volume consisted of $3,557,980 in media, $468,408 in materials and services and $1,014,689 in capitalized fees.

Accounts gained: Host Intl's Airport Foodservice and Merchandise divs. Lost: All Year Assn of Santa Barbara. Billings breakdown: Newspapers 23%, magazines 8%, radio 26%, spot tv 10%, outdoor 0.4%, other 32.6%. Employes: 20. Top execs: Michael McAllister, president-ceo; Jim Evans, senior vp; Dennis Hardy, vp-secretary; Sue Andrews, vp-treasurer; Bill Henry, vp-creative director; Don Dancer, vp-associate creative director; Jim Beavers, vp-media director.

Phone: (805) 963-5841. ☑

Livingston/Sirutis/Advertising, Belmont, Cal., reported net income of $153,099 and gross income of $1,580,350 in 1984 on billings of $9,208,181. In 1983, it reported net income of $36,600 and gross income of $533,294 on billings of $2,067,045. In 1984, volume consisted of $6,204,421 in media, $1,405,408 in materials and services and $1,598,352 in capitalized fees. In 1983, volume consisted of $699,558 in media, $790,054 in materials and services and $577,433 in capitalized fees. Figures include those of U.S. subsidiary:

- Livingston/Kane PR

Accounts gained: Metapath Inc., Four Seasons Clift Hotel, National Computer Training Institute, City of Bristol, England. Lost: Eureka Federal s&l, Evelyn Wood Reading Dynamics. Billings breakdown: Newspapers 20%, magazines 26%, radio 22%, outdoor 31%, direct mail 1%. Employes: 19. Top execs: Thomas Livingston, principal-president; Zina Sirutis, principal-exec vp; Aldis Butler, chairman; John Kane, president-Livingston/Kane; Jerry Leonhart, Craig Boniface, vps.

Phone: (415) 594-0300. ☑

Marketing Directions, Newport Beach, Cal., reported gross income of $1,326,503 in 1984 on billings of $7,749,661. In 1983, it reported gross income of $813,373 on billings of $5,966,713. In 1984, volume consisted of $913,398 in media, $760,440 in materials and services and $6,075,823 in capitalized fees. In 1983, volume consisted of $599,275 in media, $572,615 in materials and services and $4,794,823 in capitalized fees.

Accounts gained: American Edward's Business Development div, Cooper Biomedical Inc.'s Therapeutic div, Memorial Hospital of Glendale, Health Data Sciences, Hospital Satellite Network, U.S. Health Systems. Lost: Amerford Intl, Impra Inc., Nellcor Inc. Billings breakdown: Newspapers 4%, magazines 2%, radio 2%, spot tv 2%, outdoor 1%, business papers 35%, direct mail 13%, other 41%. Employes: 20. Top execs: Richard L. Lawrence, chairman; Michael B. Cole, president; James Jay Lawrence, exec vp.

Phone: (714) 752-6211 ☑

Robert McKim & Co., Los Angeles, had estimated gross income of $1,736,000 in 1984 on billings of $4,730,000. In 1983, it had estimated gross income of $1,400,000 on billings of $4,219,000. In 1984, volume consisted of $776,000 in media, $1,286,000 in materials and services and $2,668,000 in capitalized fees. In 1983, volume consisted of $702,000 in media, $1,266,200 in materials and services and $2,250,800 in capitalized fees.

Accounts gained: Cosmo Computing, M.J. Brock & Sons, Toro Co.'s Irrigation div, Informer Inc. Lost: Professional Hospital Services, Data Soft, Perma Plaque. Billings breakdown: Newspapers 15%, magazines 15%, business papers 20%, point of sale 5%, direct mail 15%, other 30%. Employes: 12. Top exec: Robert McKim, president.

Phone: (213) 382-2358.

Milici/Valenti Advertising, Honolulu, a subsidiary of Doyle Dane Bernbach, reported gross income of $2,507,000 in 1984 on billings of $16,714,000. In 1983, it reported gross income of $2,734,000 on billings of $18,240,000. No volume breakdown was provided for either year.

Accounts gained: Kahala Hilton. Lost: Marina Loa Macadamia Nuts. No media breakdown was provided. Employes: 48. Top execs: Raymond B. Milici, chairman-ceo; Frank Valenti, president-coo.

Phone: (808) 536-0881.

Moses Kimicata Anshell, Phoenix, Ariz., had estimated gross income of $1,074,000 in 1984 on billings of $6,835,000. In 1983, it had estimated gross income of $620,000 on billings of $3,917,500. In 1984, volume consisted of $3,000,000 in media, $500,000 in materials and services and $3,335,000 in capitalized fees. In 1983, volume consisted of $2,000,000 in media, $250,000 in materials and services and $1,667,500 in capitalized fees.

Accounts gained: First Interstate Bank of Arizona, Pulte Homes, Fiesta Mall, Arizona Telephone Co., 24 Hour Nautilus Super Spas, *New Times Weekly*, RGW Cos., Kitchell Corp., Scurr Messenger Lundquist. Lost: None. Billings breakdown: Newspapers 25%, magazines 10%, radio 30%, spot tv 15%, cable tv 5%, outdoor 5%, business papers 8%, direct mail 2%. Employes: 12. Top execs: Louie Moses, president; Frances Kimicata, Jos Anshell, exec vps.

Phone: (602) 254-7312.

Patchen Brownfeld Advertising, Phoenix, Ariz., reported gross income of $1,089,385 in 1984 on billings of $8,989,553. In 1983, it reported gross income of $587,000 on billings of $5,008,500. In 1984, volume consisted of $7,321,636 in media, $896,865 in materials and services and $771,052 in capitalized fees. In 1983, volume consisted of $4,300,000 in media, $255,000 in materials and services and $453,500 in capitalized fees.

Accounts gained: Boswell Eye Institute, Arizona Biltmore Resort, Arizona Heart Institute, Hospice of the Valley, Lincoln s&l. Lost: Entz-White, Cavalier Homes, Bar-S Foods. Billings breakdown: Newspapers 40%, magazines 8%, radio 13%, spot tv 25%, outdoor 4%, direct mail 10%. Employes: 22. Top execs: Steve Patchen, president; Fred Brownfeld, exec vp.

Phone: (602) 274-7707 ☑

Pihas, Schmidt, Westerdahl, Portland, Ore., reported gross income of $1,743,300 in 1984 on billings of $12,842,160. In 1983, it reported gross income of $1,260,073 on billings of $9,758,872. In 1984, volume consisted of $3,555,005 in media, $2,608,695 in materials and services and $6,678,460 in capitalized fees. In 1983, volume consisted of $3,089,623 in media, $1,633,459 in materials and services and $5,035,790 in capitalized fees.

Accounts gained: Sizzler, Oregon Bank, Elmer's Pancake & Steak House, Cornerstone Development Co. Moore Co., National Christmas Tree Assn. Lost: Textronix's DAD div, Schuck's Auto Supply, Mt. Bachelor, Central Oregon Recreation Assn. Billings breakdown: Newspapers: 20%, magazines 4%, radio 12%, spot tv 36%, outdoor 1%, business papers 3%, transit advertising 1%, point of sale 3%, direct mail 7%, collateral 13%. Employes: 38. Top execs: John Pihas, president; Ron Schmidt, exec vp; Ed Westerdahl, chairman; Cliff Engel, senior vp.

Phone: (503) 288-4000. ☑

Pinne, Garvin, Herbers & Hock, San Francisco, reported net income of $30,274 and gross income of $3,420,537 in 1984 on billings of $19,026,255. In 1983, it reported net income of $88,199 and gross income of $3,375,123 on billings of $21,124,232. In 1984, volume consisted of $8,513,166 in media, $3,525,890 in materials and services and $6,987,199 in capitalized fees. In 1983, volume consisted of $9,534,439 in media, $4,284,062 in materials and services and $7,905,731 in capitalized fees.

Accounts gained: California Capital Group, Imatron Inc., Gillig/Leyland. Lost: North Star Computers. Billings breakdown: Newspapers 10%, magazines 50%, supplements 5%, radio 10%, outdoor 5%, business papers 10%, transit advertising 3%, direct mail 7%. Employes: 55. Top execs: Robert A. Pinne, chairman; Donald A. Herbers, president-ceo; Frederick Murphy, senior vp-creative director; John R. Pelkan, vp-client services; James J. Lewis, vp-cfo; Pierre Jacot, vp-exec art director; Bruce Glassner, vp-associate creative director.

Phone: (415) 956-4210.

Roggers, French & Co., Irvine, Cal., reported gross income of $1,322,373, of which $304,011 was non-U.S. contributions, in 1984 on billings of $8,762,732. In 1983, it reported gross income of $1,261,310, of which $217,335 was non-U.S. contributions, on billings of $8,410,057. In 1984, volume consisted of $4,201,882 in media, $948,200 in materials and services and $2,061,030 in capitalized fees. In 1983, volume consisted of $4,157,000 in media, $965,500 in materials and services and $1,838,252 in capitalized fees.

Overseas, its 1984 dollar volume of $1,551,620 consisted of $588,300 in media, $122,900 in materials and services and $840,420 in capitalized fees. Its 1983 foreign volume of $1,449,305 consisted of $521,500 in media, $117,400 in materials and services and $810,405 in capitalized fees.

Accounts gained: Point 4 Data Corp., Citicorp Retail, MICOM. Lost: Standard Aero Intl, OMAC. Overseas, it lost: Standard Aero Intl. Billings breakdown Newspapers 3%, magazines 42%, radio 13%, network tv 6%, spot tv 11%, cable tv 4%, outdoor 7%, business papers 7%, transit advertising 1%, point of sale 2%, direct mail 4%. Employes: 27. Top execs: William C. French, president; Carol L. Malek, David H. McMichael; Jane Rogers; vps; Ken Slidders, acct services super.

Phone: (714) 261-6122.

Scott Lancaster Mills Atha, Los Angeles, had estimated gross income of $3,207,000 in 1984 on billings of $21,213,600. In 1983, it had estimated gross income of $2,195,000 on billings of $14,526,400. In 1984, volume consisted of $1,738,600 in media, $990,400 in materials and services and $18,484,600 in capitalized fees. In 1983, volume consisted of $1,268,400 in media, $643,000 in materials and services and $12,615,000 in capitalized fees.

Accounts gained: Leisure Dynamics, Papel Inc. Lost: None. Billings breakdown: Newspapers 8%, magazines 26%, radio 16%, network tv 14%, spot tv 27%, outdoor 3%, business papers 4%, point of sale 1%, direct mail 1%. Employes: 23 in two offices. Top execs: Stephen C. Scott, president; Peggy W. Lancaster, David W. Mills, senior vp; David S. Atha, secretary/treasurer.

Phone: (213) 552-6050.

Starr Seigle McCombs, Honolulu, reported net income of $70,301 and gross income of $3,533,948 in 1984 on billings of $23,571,433. In 1983, it reported net loss of $14,710 and gross income of $3,086,833 on billings of $20,589,169. In 1984, volume consisted of $12,282,698 in media, $4,325,875 in materials and services and $6,962,860 in capitalized fees. In 1983, volume consisted of $10,566,767 in media, $5,233,562 in materials and services and $4,788,840 in capitalized fees.

No accounts were gained or lost. Billings breakdown: Newspapers 32%, magazines 40%, supplements 1%, radio 5%, network tv 1%, spot tv 15%, cable tv 1%, business papers 1%, point of sale 4%. Employes: 78. Top execs: Allan Starr, chairman-executive committee; Jack Seigle, board chairman; Stewart McCombs, president; Jack Bates, exec vp-acct service; John Eastham, Walter Thorndike, senior vp; David Koch, Philip Wood, exec vps-creatives.

Phone: (808) 524-5080.

Stimpson Associates, Seattle, reported net income of $207,100 and gross income of $1,948,600 in 1984 on billings of $12,993,000. In 1983, it reported net income of

$201,500 and gross income of $1,942,600 on billings of $12,953,000. In 1984, volume consisted of $5,400,000 in media, $2,500,000 in materials and services and $5,093,000 in capitalized fees. In 1983, volume consisted of $5,250,000 in media, $2,520,000 in materials and services and $5,183,000 in capitalized fees.

The agency gained: Kentucky Fried Chicken's western Washington co-op, Friedlander & Sons Jewelry Stores, 20th Century Fox-media. Lost: Blue Cross of Washington & Alaska, Pace National Corp., Shakey's Pizza, Chemgrate Corp. Billings breakdown: Newspapers 25%, magazines 7%, radio 20%, spot tv 25%, cable tv 5%, outdoor 3%, business papers 1%, transit advertising 4%, point of sale 7%, direct mail 3%. Employes: 35. Top execs: Robert M. Capeloto, chairman-ceo; James W. Clarke, president-coo; Kenneth M. Gollins, exec vp.

Phone: (206) 448-0272.

Taylor Advertising, Tucson, Ariz., reported net income of $110,000 and gross income of $1,892,000 in 1984 on billings of $12,842,000. In 1983, it reported net income of $37,000 and gross income of $1,546,000 on billings of $10,437,000. In 1984, volume consisted of $6,649,000 in media, $957,000 in materials and services and $5,236,000 in capitalized fees. In 1983, volume consisted of $5,803,000 in media, $1,079,000 in materials and services and $3,555,000 in capitalized fees.

Accounts gained: Roadrunner Homes, Mobil Land Development Corp., KJ Software. Lost: Tucson Greyhound Park, Tashman Building Corp. Billings breakdown: Newspapers 30%, magazines 2%, radio 23%, spot tv 35%, outdoor 10%. Employes: 36 in two offices. Top execs: Jay Taylor, president-creative director.

Phone: (602) 624-0100.

IV agencies: Less than $1 million (East)

Adelante Advertising, New York, reported gross income of $705,000 in 1984, of which $22,500 was in non-U.S. contributions, on billings of $5,860,580. In 1983, it reported gross income of $675,000, on which $37,500 was in non-U.S. contributions, on billings of $5,550,525. In 1984, U.S. volume of $5,710,580 consisted of $3,900,000 in media, $650,000 in materials and services and $1,160,580 in capitalized fees. In 1983, U.S. volume of $5,300,525 consisted of $3,750,000 in media, $500,000 in materials and services and $1,050,525 in capitalized fees. Overseas dollar volume was $150,000 in 1984 and $250,000 in 1983. Accounts gained: Heinz Ketchup, Dent's 3-in-1 Toothache Relief. Lost: None. Billings breakdown: Newspapers 10%, magazines 10%, radio 30%, spot tv 20%, outdoor 10%, transit advertising 10%, point of sale 5%, direct mail 5%. Employes: 20. Top execs: Sy Davis, president; Herb Fried, David Krieger, exec vps.

Phone: (212) 696-0855. ☑

Bates & Fawcett, Darien, Conn., reported gross income of $185,350 in 1984 on billings of $1,213,290. In 1983, it reported gross income of $195,331 on billings of $1,302,211. In 1984, volume consisted of $565,000 in media, $68,000 in materials and services and $580,000 in capitalized fees. In 1983, volume consisted of $876,700 in media, $70,000 in materials and services and $355,511 in capitalized fees.

Accounts gained: Ads On Cable, Essex Group, New England Tubular Rivet, Ronjer Cable Systems, Wise Components. Lost: Coakley, Boyd & Abbett, Kulka Smith Inc. Billings breakdown: Newspapers 10%, business papers 70%, direct mail 20%. Employes: 4. Top execs: Roger K. Fawcett, chairman; Michael S. Ziegler, president.

Phone: (203) 655-8767.

Andrew Bertucci Associates, Bristol, Pa., had estimated gross income of $292,000 in 1984 on billings of $1,899,000. In 1983, it had estimated gross income of $251,000 on billings of $1,642,250. In 1984, volume consisted of $300,000 in media, $265,000 in materials and services and $1,334,000 in capitalized fees. In 1983, volume consisted of $250,000 in media, $225,000 in materials and services and $1,167,250 in capitalized fees.

Accounts gained: Am Quip Corp., Franklin China, Penn Electric, Inductotherm Ind. Lost: None. Billings breakdown: Newspapers 15%, magazines 60%, radio 5%, cable tv 2%, outdoor 2%, direct mail 11%, other 5%. Employes: 11. Top execs: Andrew D. Bertucci, president; Nancy Maren, exec vp.

Phone: (215) 785-1920.

Black & Musen, East Long Meadow, Mass., reported gross income of $255,000 in 1984 on billings of $1,433,000. In 1983, it reported gross income of $223,000 on billings of $1,250,000. In 1984, volume consisted of $759,000 in media, $147,000 in materials and services and $527,000 in capitalized fees. In 1983, volume consisted of $736,000 in media, $127,000 in materials and services and $387,000 in capitalized fees.

Accounts gained: Reform Writing Instruments, United Process, Union Engineering, SAEX Group, Spartan Saw Works, Zwick of America, Olympic Fasteners, American Sales Club. Lost: Alvin, Target Industries, Raymond Packer. Billings breakdown: Newspapers 5%, magazines 25%, radio 5%, spot tv 15%, business papers 30%, direct mail 10%, other 10%. Employes: Six. Top execs: Arthur Musen, president; Merle Black, treasurer.

Phone. (413) 567-0361.

Bolster & Associates, Providence, R.I., reported gross income of $325,000 in 1984 on billings of $2,833,000. In 1983, it reported gross income of $300,000 on billings of $2,400,000. In 1984, volume consisted of $225,000 in media and $2,608,000 in capitalized fees. In 1983, volume consisted of $192,000 in media and $2,208,000 in capitalized fees.

Accounts gained: Christian Mutual Life Insurance, General Electric Co.'s Plastics Group special projects, Peters-Hartel Corp., Plymouth Savings Bank, Stanhome Inc. Lost: None. No billings breakdown was provided. Employes: Six. Top execs: Donald W. Bolster, president; Philip Caswell, vp.

Phone: (401) 273-5330.

Earle Bower Associates, New York, reported net income of $53,158 and gross income of $441,686 in 1984 on billings of $3,071,048. In 1983, it reported net income of $40,600 and gross income of $339,200 on billings of $2,581,400.

In 1984, agency volume consisted of $1,543,455 in media, $408,620 in materials and services and $1,118,973 in capitalized fees. In 1983, volume consisted of $1,456,000 in media, $327,700 in materials and services and $797,700 in capitalized fees.

Accounts gained: IT&T's Koni Motorcycle Shock Absorbers, Elkay Industries, *Crain's New York Business, Crain's Detroit Business.* Lost: None. Billings breakdown: Newspapers 10%, magazines 30%, radio 5%, spot tv 15%, cable tv 30%, business papers 10%. Employes: 10. Top execs: Earle Bower, president; John Baroody, vp-media, mktg; John Nordland, vp-art director; Sheila Simon, vp-copy director.

Phone: (212) 682-3920. ☑

Bradley, Dimmock & Hungerford, New York, reported net income of $102,828 and gross income of $814,612 in 1984 on billings of $5,660,289. In 1983, it reported net income of $86,836 and gross income of $726,536 on billings of $5,245,631. In 1984, volume consisted of $1,055,421 in media, $1,247,857 in materials and services and $3,357,011 in capitalized fees. In 1983, volume consisted of $1,254,132 in media, $854,826 in materials and services and $3,136,673 in capitalized fees.

Accounts gained: *Home* magazine, SRDS Inc. Lost: *Metropolitan Home.* Billings breakdown: Newspapers 25%, magazines 30%, supplements 20%, radio 5%, spot tv 10%, transit advertising 5%, direct mail 5%. Employes: six. Top execs: Samuel P. Bradley, chairman-creative director; Robert V. Hungerford, exec vp-creative director; Charles F. Frost, senior vp-acct services; David R. Williams, senior vp-media director.

Phone: (212) 697-6780.

Brashe Advertising, Jericho, N.Y., had estimated gross income of $526,300 in 1984 on billings of $3,503,175. In 1983, it had estimated gross income of $448,000 on billings of $2,980,192. In 1984, volume consisted of $1,446,009 in media, $36,090 in materials and services and $2,021,076 in capitalized fees. In 1983, volume consisted of $1,197,112 in media, $39,875 in materials and services and $1,743,205 in capitalized fees.

Accounts gained: Dan River's Home Furnishings div, Petroleum Heat & Power Co., Abel Home Health Management Services. Lost: None. Billings breakdown: Newspapers 69%, magazines 10%, radio 7%, cable tv 8%, business papers 2%, point of sale 2%, direct mail 2%. Employes: Six. Top exec: Harvey Cherkis, president.

Phone: (516) 935-5544. ☑

Cantin & Elliott, New York, reported gross income of $580,000 in 1984 on billings of $3,868,650. In 1983, it reported gross income of $547,500 on billings of $3,650,650. In 1984, volume consisted of $2,300,000 in media, $250,000 in materials and services and $1,318,650 in capitalized fees. In 1983, volume consisted of $2,100,000 in media, $250,000 in

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materials and services and $1,300,650 in capitalized fees.

Accounts gained: Software Machine, Coleco. Lost: Atari, F. Wildman. Billings breakdown: Newspapers 5%, magazines 40%, radio 10%, business papers 10%, point of sale 5%, direct mail 30%. Employes: 20. Top execs: Don Cantin, president-creative director; Don Elliott, chairman.

Phone: (212) 869-2022.

Jack Cantwell, Englewood Cliffs, N.J., reported gross income of $569,413 in 1984 on billings of $3,793,500. In 1983, it reported gross income of $678,825 on billings of $4,518,750. In 1984, volume consisted of $100,000 in media, $25,000 in materials and services and $3,668,500 in capitalized fees. In 1983, volume consisted of $300,000 in media, $50,000 in materials and services and $4,168,750 in capitalized fees.

Accounts gained: Stratford Laboratories, Rushautters Bay. Lost: PC Expo. Billings breakdown: Newspapers 20%, magazines 80%. Employes: Four. Top execs: Jack Cantwell, president-ceo; John Brooks, chairman.

Phone: (201) 568-7023.

Communicators Group, Brattleboro, Vt., reported gross income of $597,100 in 1984 on billings of $5,007,800. In 1983, it reported gross income of $528,400 on billings of $3,952,300. In 1984, volume consisted of $1,796,300 in media, $658,200 in materials and services and $2,553,300 in capitalized fees. In 1983, volume consisted of $1,353,200 in media, $618,800 in materials and services and $1,980,300 in capitalized fees.

Accounts gained: Bromley Mountain ski resort, Cortina Inn, Village of Loon-mountain homes sales/rentals. Lost: Montgomery Real Estate; Garden Way Publishing. Billings breakdown: Newspapers 19%, magazines 21%, supplements 1%, radio 25%, spot tv 21%, outdoor 4%, business papers 8%, direct mail 1%. Employes: 14. Top exec: James E. Hormel, president.

Phone: (802) 257-4321.

Communigraphics Inc., Baltimore, Md., reported net income of $40,000 and gross income of $505,000 in 1984 on billings of $3,250,000. In 1983, it reported net income of $31,000 and gross income of $360,000 on billings of $2,500,000. No volume breakout was provided for either year. Accounts gained: Talles Homes, Home Rent-A-Center, Towers Condominiums, C.N. Robinson Lighting Supply. Lost: None. Billings breakdown: Newspapers 60%, magazines 10%, radio 20%, spot tv 10%. Employes: 11.

Phone: (301) 366-3337. ☑

Conti Advertising, Paramus, N.J., had estimated gross income of $554,000 in 1984 on billings of $3,564,000. In 1983, it had estimated gross income of $553,600 on billings of $3,510,000. In 1984, volume consisted of $480,000 in media, $730,000 in materials and services and $2,242,000 in capitalized fees. In 1983, volume consisted of $950,000 in media, $1,025,900 in materials and services and $1,534,100 in capitalized fees.

Overseas, its 1984 dollar volume of $112,000 consisted of $87,000 in media, $25,000 in materials and services. In 1983, there was no foreign volume.

Accounts gained: Anacona-Ericsson Information System, Business Direct-to-Business Publishing Co., Bartex Exchange Network, Commerce Register Publishing Co., Clay-Webster Associates, FCS Software (IBM Remarketer), Motivational Marketing, RCS/Radio Computing Services Software, Sharp Electronics' Industrial Equipment div, Sealed Air Corp., Stewart Data Systems, Computer Universe. Lost: Telephonics Inc., Chipwich Inc., Devonsheer Melba Corp., Business Direct-to-Business Publishing Co., Ericsson Information Systems, Volvo of America's bus div. Billings breakdown: Newspapers 20%, magazines 5%, outdoor 2%, business papers 45%, point of sale 3%, direct mail 25%. Employes: 23. Top execs: Edward Conti, president-ceo; Richard Conti, exec vp-coo, A. Guerrera, vp-art director; J. Richter, vp-creative director; T. Piazza, vp-mktg; J. Szymanski, P. Reinauer, vps.

Phone: (201) 262-8400. ☑

Andrew Curcio Inc., Boston, reported net income of $40,000 and gross income of $340,000 in 1984 on billings of $2,386,980. No figures were provided for 1983. In 1984, volume consisted of $300,000 in media, $126,000 in materials and services and $1,960,980 in capitalized fees.

Accounts gained: Parkersburg Steel, I.C. Credit Union, Lawrence Savings projects, Raytheon Credit Union, Bank of New England, Bristol County projects. Lost: Sheraton Commander Hotel, Leominster Savings Bank. Billings breakdown: Newspapers 60%, magazines 10%, radio 5%, business papers 5%, direct mail 20%. Employes: Nine. Top execs: Andrew Curcio, president; Patricia K. Clark, vp.

Phone: (617) 262-6800. ☑

Davis Advertising, Worcester, Mass., reported gross income of $358,000 in 1984 on billings of $4,000,000. In 1983, it reported gross income of $325,000 on billings of $3,600,000. In 1984, volume consisted of $3,850,000 in media, $150,000 in materials and services. In 1983, volume consisted of $3,500,000 in media, $100,000 in materials and services.

Accounts gained: Rob Roy Hair Salons, Americuts, Rob Roy Beauty Sciences Academy, Post Road Buick. Lost: None. Billings breakdown: Newspapers 70%, magazines 10%, supplements 5%, radio 15%. Employes: 10. Top execs: Jeffrey Davis, president; Andrew Davis, vp; Eliot Cohen, treasurer.

Phone: (617) 752-4615.

Dekrig Advertising, New York, reported net income of $175,000 and gross income of $900,000 in 1984 on billings of $7,980,000. In 1983, it reported net income of $150,000 and gross income of $820,000 on billings of $7,450,000. In 1984, volume consisted of $4,200,000 in media, $280,000 in materials and services and $3,500,000 in capitalized fees. In 1983, volume consisted of $4,000,000 in media, $250,000 in materials and services and $3,200,000 in capitalized fees.

Accounts gained: Gelmart Industries' Lady Marlene, Titan Textiles. Lost: None. Billings breakdown: Newspapers 10%, magazines 20%, business papers 70%. Employes: 22. Top exec: Arnold Krigsman, president.

Phone: (212) 532-3260.

DFK Advertising, New York, reported gross income of $550,000 in 1984 on billings of $3,700,250. In 1983, it reported gross income of $525,000 on billings of $3,500,250. In 1984, volume consisted of $2,700,000 in media, $300,000 in materials and services and $500,250 in capitalized fees. In 1983, volume consisted of $2,750,000 in media, $250,000 in materials and services and $500,250 in capitalized fees. Accounts gained: None. Lost: None. Billings breakdown: Newspapers 30%, magazines 30%, radio 20%, spot tv 10%, other 10%. Employes: 14. Top execs: David Krieger, president; Seymour Davis, Herb Fried, vps; Ted Amber, vp-creative director.

Phone: (212) 696-0766. ☑

Eagle Advertising, New Rochelle, N.Y., had estimated gross income of $200,000 in 1984 on billings of $1,200,000. In 1983, it had estimated gross income of $175,000 on billings of $1,050,000. In 1984, volume consisted of $1,000,000 in media and $200,000 in materials and services. In 1983, volume consisted of $865,000 in media and $150,000 in materials and services.

Accounts gained: Nelco Marine, Roxide Intl, F.R. Kaiser. Lost: None. Billings breakdown: Magazines 5%, farm publications 80%, other 15%. Employes: Five. Top execs: James B. Cowen, chairman-president.

Phone: (914) 235-5332.

Charles Edelstein Advertising, Holland, Pa., had estimated gross income of $46,000 in 1984 on billings of $289,900. In 1983, it had estimated gross income of $31,400 on billings of $198,815. In 1984, volume consisted of $150,000 in media, $6,500 in materials and services and $133,400 in capitalized fees. In 1983, volume consisted of $108,000 in media, $6,333 in materials and services and $84,482 in capitalized fees.

Accounts gained: Bostik/Woodmont, CHI Institute. Lost: Gemini Bakery Equipment Co. Billings breakdown: Newspapers 7%, magazines 5%, radio 3%, spot tv 10%, business papers 60%, direct mail 15%. Employes: Five. Top exec: Charles Edelstein, president.

Phone: (215) 355-5015. ☑

Eidel Marketing Communications, Briarcliff Manor, N.Y., reported gross income of $204,033 in 1984 on billings of $1,148,337. In 1983, it reported gross income of $250,316 on billings of $1,616,088. In 1984, volume consisted of $530,000 in media, $100,432 in materials and services and $517,905 in capitalized fees. In 1983, volume consisted of $827,000 in media, $159,000 in materials and services and $630,088 in capitalized fees.

Accounts gained: Enzyme Bio-Systems Ltd., Future Schools, IBM special projects, Pace University special projects. Lost: Penn Star Products, Nestworks Inc. Billings breakdown: Newspapers 10%, magazines 10%, radio 5%, business papers 30%, point of sale 5%, direct mail 35%, other 5%. Employes: Three. Top exec: Zeneth Eidel, president.

Phone: (914) 762-4985.

Elbert Advertising, Norwood, Mass., reported gross income of $351,880 in 1984 on billings of $2,046,071. In 1983, it reported gross income of $338,088 on billings of $2,045,358. In 1984, volume consisted of $594,733 in media, $300,376 in materials and services and $1,150,962 in capitalized fees. In 1983, volume consisted of $593,602 in media, $241,350 in materials and services and $1,210,406 in capitalized fees.

Accounts gained: Clothes Country Factory Outlet. Lost: None. Billings breakdown: Newspapers 16%, magazines 1%, radio 1.2%, spot tv 1.4%, business papers 67.8%, point of sale 3.3%, direct mail 8.5%, other 0.8%. Employes: Six. Top exec: Elbert A. Taitz, president.

Phone: (617) 769-7666. ☑

Emerson Marketing, New York, had estimated gross income of $770,716 in 1984 on billings of $5,049,003. In 1983, it had estimated gross income of $628,337 on billings of $4,125,128. In 1984, volume consisted of $585,200 in media, $355,750 in materials and services and $4,108,053 in capitalized fees. In 1983, volume consisted of $425,250 in media, $276,500 in materials and services and $3,423,378 in capitalized fees.

Accounts gained: Webcraft Mktg Systems, Sonal World Mktg. Lost: None. Billings breakdown: Newspapers 15%, magazines 10%, supplements 2%, radio 3%, business papers 8%, direct mail 20%, other 42%. Employes: Five. Top execs: Andi Emerson, president; Lee Marc Stein, exec vp.

Phone: (212) 213-0320.

Martin Fiderer Associates, Englewood Cliffs, N.J., reported gross income of $496,000 in 1984 on billings of $3,308,000, all in fees. In 1983, it reported gross income of $493,000 on billings of $3,189,560, all in fees.

Accounts gained: George Glove Co. Lost: None. Billings breakdown: Magazines 22%, direct mail 47%, other 31%. Employes: Eight. Top execs: Martin Fiderer, president.

Phone: (201) 871-0422.

Flax Advertising, New York, reported gross income of $825,000 in 1984 on billings of $3,750,450. In 1983, it reported gross income of $570,000 on billings of $3,000,000. In 1984, volume consisted of $2,317,000 in media, $1,200,000 in materials and services and $233,450 in capitalized fees. In 1983, volume consisted of $1,999,950 in media, $899,550 in materials and services and $100,500 in capitalized fees.

Accounts gained: National Car Rental's used cars, John Meyer Inc., Trissi Inc., Darda Inc., Wamsutta R-T-W, Flexither Inc., Celanese Fibers special products, Knit-Mates Inc. Lost: Polypore Industries, Allison Mfg, Herbert Grossman, Riveria Trading Corp., Jan Stuart. Billings breakdown: Newspapers 15%, magazines 20%, radio 5%, spot tv 5%, business papers 30%, point of sale 5%, direct mail 20%. Employes: 16. Top execs: Elliot Flax, president; Sam Flax, secretary-treasurer.

Phone: (212) 944-9797.

Peter Forstenzer Inc., New York, had estimated gross income of $87,073 in 1984 on billings of $580,491. In 1983, it reported gross income of $150,000 on billings of $593,804. In 1984, volume consisted of $398,173 in media and $182,318 in materials and services. In 1983, volume consisted of $435,577 in media and $158,227 in materials and services. Accounts gained: None. Lost: None. Billings breakdown: Newspapers 10%, magazines 15%, business papers 50%, direct mail 25%. Employes: Four. Top execs: Peter Forstenzer, president; Edward Birsner, vp.

Phone: (212) 697-8725. ☑

Gallagher Group, New York, had estimated gross income of $675,000 in 1984 on billings of $4,500,000. In 1983, it had estimated gross income of $600,000 on billings of $4,000,000. No volume breakdown was provided.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 25%, magazines 10%, radio 20%, spot tv 40%, outdoor 5%. Employes: Seven. Top exec: James J. Gallagher, president.

Phone: (212) 563-3611.

Gann-Dawson, Scranton, Pa., reported gross income of $855,460 in 1984 on billings of $5,704,518. In 1983, it reported gross income of $773,936 on billings of $5,161,124. In 1984, volume consisted of $2,435,704 in media, $369,452 in materials and services and $2,899,362 in capitalized fees. In 1983, volume consisted of $1,809,267 in media, $246,712 in materials and services and $3,105,145 in capitalized fees.

Accounts gained: *Centre Daily Times*, Genesee & Wyoming Railroad, King Fifth Wheel, Sandvik Industrial Tool, Sandvik Consumer Tool, Williamsport National Bank. Lost: None. Billings breakdown: Newspapers 35%, magazines 2%, radio 9%, spot tv 30%, outdoor 3%, business papers 20%, other 1%. Top execs: William M. Dawson, chairman; William M. Dawson III, president; John Heron Jr., exec vp.

Phone: (717) 343-6551. ☑

Donald W. Gardner Advertising, Beverly, Mass., had estimated gross income of $300,000 in 1984 on billings of $2,000,000. In 1983, it had estimated gross income of $315,000 on billings of $2,100,000. Volume was all in media for each year.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 5%, magazines 45%, radio 5%, spot tv 20%, direct mail 25%. Employes: Seven. Top execs: Robert F. Graham, president; Alan Graham, vp.

Phone: (617) 927-3858. ☑

Greene & Claire, New York, reported gross income of $950,000, of which $170,000 was non-U.S. contributions, in 1984 on billings of $7,280,000. In 1983, it reported gross income of $920,000, of which $90,000 was non-U.S. contributions, on billings of $6,900,000. In 1984, U.S. volume of $6,130,000 consisted of $3,500,000 in media, $1,030,000 in materials and services and $1,600,000 in capitalized fees. In 1983, U.S. volume of $6,300,000 consisted of $3,800,000 in media, $1,100,000 in materials and services and $1,400,000 in capitalized fees.

Overseas, volume was $1,150,000 in 1984 and $600,000 in 1983.

Accounts gained: Gala Eyewear, Arline Couture, Asahi Chemical, Leothermo Textiles. Lost: None. Billings breakdown: Newspapers 22%, magazines 30%, supplements 10%, radio 5%, spot tv 8%, business papers 15%, point of sale 5%, direct mail 5%. Employes: 15. Top execs: Don Greene, president-ceo; Arthur Abravanel, vp.

Phone: (212) 695-5800.

Halcyon Associates, Brooklyn, N.Y., reported gross income of $117,100 in 1984 on billings of $781,600. In 1983, it reported gross income of $19,000 on billings of $133,400. In 1984, volume consisted of $355,000 in media, $235,000 in materials and services and $191,600 in capitalized fees. In 1983, volume was all in capitalized fees. Accounts gained: NewsNet, VM Personal Computing. Lost: None. Billings breakdown: Magazines 50%, business papers 10%, direct mail 40%. Employes: Four. Top exec: Donald R. Fleck, president.

Phone: (718) 636-9800.

Haley & Ruckle, Boston, reported gross income of $363,400 in 1984 on billings of $2,300,000. In 1983, it reported gross income of $300,000 on billings of $1,897,000. In 1984, volume consisted of $1,080,000 in media, $390,000 in materials and services and $830,000 in capitalized fees. In 1983, volume consisted of $887,000 in media, $323,000 in materials and services and $687,000 in capitalized fees.

Accounts gained: Charles Hotel, Charles Square Retail Complex, Lowell Plan, Koden Marine Electronics. Lost: Security Deposit. Billings breakdown: Newspapers 25%, magazines 10%, radio 35%, spot tv 10%, outdoor 5%, business papers 10%, point of sale 5%. Employes: 10. Top execs: Edgar Ruckle, president; Gene C. Haley, exec vp; P. Di~nne Driscoll, vp-operations; George Brewer, vp-co-creative director.

Phone: (617) 542-7777.

Hart/Conway Co., Rochester, N.Y., reported gross income of $831,987 in 1984 on billings of $5,549,353. In 1983, it reported gross income of $813,830 on billings of $5,428,278. In 1984, volume consisted of $2,497,195 in media, $288,524 in materials and services and $2,763,634 in capitalized fees. In 1983, volume consisted of $2,233,402 in media, $165,609 in materials and services and $3,029,267 in capitalized fees.

Accounts gained: John Holtz Dealership, (Honda, Subaru, Mazda, Mercedes, BMW, Volvo, Lincoln Mercury), Health Care Rochester, Belcor Inc., Gateway Inn, Landmark Properties, Plaza Associates, Monroe Muffler/Brake, 1985 LPGA, Monroe County Fair. Lost: Security Trust Co., Moran's Inc. Billings breakdown: Newspapers 38%, magazines 2%, radio 34%, spot tv 20%, outdoor 6%. Employes: 20. Top execs: Peter B. Whitcombe, president; William A. Westerfield, exec vp.

Phone: (716) 232-2930. ☑

Hill Sullivan Brownell, Randolph, Vt., formerly Hill Hays Associates, reported net income of $35,100 and gross income of $336,936 in 1984 on billings of $2,246,825. In 1983, it reported net income of $40,000 and gross income of $320,000 on billings of $2,025,500. In 1984, volume consisted of $831,760 in media, $248,215 in materials and services and $1,166,850 in capitalized fees.

In 1983, volume consisted of $825,000 in media, $222,058 in materials and services and $1,086,823 in capitalized fees. Accounts gained: Catamount Brewing, Clear Solutions, Central Vermont Medical Center. Lost: Imaging Technologies. Billings breakdown: Newspapers 25%, magazines 5%, radio 25%, spot tv 25%, outdoor 2%, point of sale 8%, direct mail 5%, other 5%. Employes: Seven in two offices. Top exec: Alfred J. Sullivan, president.

Phone: (802) 728-9624.

Hirsch Elliott Inc., New York, reported gross income of $487,029 in 1984 on billings of $3,944,928. In 1983, it reported gross income of $510,000 on billings of $3,746,490. In 1984, volume consisted of $606,000 in media, $815,000 in materials and services and $2,523,928 in capitalized fees. In 1983, volume consisted of $711,000 in media, $1,388,000 in materials and services and $1,647,490 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiary:

- Barmmer Elliott PR, N.Y.

Accounts gained: McCormack & Dodge (Natick, Mass.) recruitment advertising, Salesnet (Norwalk, Conn.) recruitment advertising. Lost: Safeguard Business Systems. Billings breakdown: Newspapers 27%, magazines 1%, radio 2%, business papers 25%, direct mail 5%, other 40%. Employes: 17. Top execs: Don Elliott, president; Bernie Hirsch, exec vp.

Phone: (212) 819-9320.

Huber Hoge & Sons, Smithtown, N.Y., had estimated gross income of $150,000 in 1984, on billings of $1,400,000, the same as in 1983. Volume for both years consisted of $1,000,000 in media and $400,000 in materials and services.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 5%, magazines 40%, spot tv 5%, direct mail 50%. Employes: Three. Top execs: Cecil C. Hoge, president; Cecil C. Hoge Jr., vp.

Phone: (516) 724-8900. ☑

Dick Jackson Inc., New York, reported gross income of $236,000 in 1984 on billings of $1,574,120. No figures were provided for 1983. No volume figures were provided for either year.

Accounts gained: *New Shelter* magazine, Dataline Inc., N.Y. Restaurant Group, Mattress Factory. Lost: None. Billings breakdown: Newspapers 40%, magazines 40%, direct mail 20%. Employes: Three. Top exec: Dick Jackson, president.

Phone: (212) 418-0410.

Jason Group, New York, reported gross income of $782,000 in 1984 on billings of $7,975,000. In 1983, it reported gross income of $768,000 on billings of $7,625,000. In 1984, volume consisted of $5,250,000 in media and $2,725,000 in materials and services. In 1983, volume consisted of $5,125,000 in media and $2,500,000 in materials and services. Accounts gained: Habib American Bank, IFA Systems, OptiManagement Resources. Lost: None. Billings breakdown: Newspapers 20%, magazines 45%, radio 10%, spot tv 15%, business papers 10%. Employes: Eight. Top exec: Art Sasso, president.

Phone: (212) 759-9583. ☑

Kalmar Ad/Marketing, Fort Lee, N.J., had estimated gross income of $421,000 in 1984 on billings of $2,804,825. In 1983, it had estimated gross income of $329,000 on billings of $2,190,614. Volume was all in media for each year.

Accounts gained: Froehlich PhotoVideo, Volvo Penta Marine, Constant Technologies, Biolog Inc. Lost: None. Billings breakdown: Newspapers 5%, magazines 75%, spot tv 3%, point of sale 10%, direct mail 7%. Employes: 15. Top execs: Albert Markarian, chairman-ceo; Doris S. Wiese, president-coo.

Phone: (201) 947-7770. ☑

Keller Haver, New York, reported gross income of $398,000 in 1984 on billings of $2,375,000. In 1983, it reported gross income of $360,000 on billings of $2,010,000. Volume was not broken out for either year.

Accounts gained: Wines of Cyprus. Lost: Voyager Emblems. Billings breakdown: Newspapers 25%, radio 5%, spot tv 5%, outdoor 10%, business papers 20%, transit advertising 35%. Employes: Eight. Top exec: Gerald A. Keller, president.

Phone: (212) 758-4400. ☑

Keye Advertising, Brooklyn, N.Y., reported gross income of $559,193 in 1984 on billings of $6,095,204. In 1983, it reported gross income of $507,449 on billings of $4,974,990. No volume breakdown was provided for either year.

Accounts gained: American Vacation Tours. Lost: None. Billings breakdown: Newspapers 15%, magazines 50%, direct mail 35%. Employes: Six. Top execs: Murray Schechter, president.

Phone: (718) 645-9006. ☑

Koehler Iversen, New York, had estimated gross income of $904,000 in 1984 on billings of $5,066,750. In 1983, it had estimated gross income of $577,000 on billings of $3,466,700. In 1984, volume consisted of $4,800,000 in media, $100,000 in materials and services and $166,750 in capitalized fees. In 1983, volume consisted of $3,400,000 in media and $66,700 in capitalized fees.

Accounts gained: Allied Co.'s North American Refractories. Lost: Lone Star Lafarge. Billings breakdown: Newspapers 30%, radio 25%, business papers 20%, direct mail 5%, other 20%. Employes: 26 in two offices. Top execs: W. Peter Koehler Jr., president-creative director; Corey E. Klein, exec vp; Monique S. Koehler, senior vp.

Phone: (212) 807-0377.

Kolker & Gill, New York, founded six months ago, estimated annualized financial returns of $600,000 in gross income in 1984 on $4,000,000 in capitalized billings. Volume breakdown was not estimated.

Accounts gained: Gitano jeans, Silor Optical, TFM Industries, Universal Intl toys, Suntex's Mhing game, Doctor Denton, Character Licensing Inc.'s Raggedy Ann and Andy, ITS's Zodiac shoes, Lolly Togs childrenswear, Saratoga menswear. Overseas: Barbados Tourism. Lost: Gitano and TFM Industries.

Billings breakdown: Magazines 45%, radio 5%, spot tv 40%, transit advertising 5%, point of sale 5%. Employes: 10. Top execs: Stephen D. Kolker, president, who came from Richard & Edwards, New York, where he was a partner; Anthony Gill, secretary-treasurer, who was exec vp-art director at Richard & Edwards.

Phone: (212) 398-9375.

Kopf & Isaacson Advertising, Melville, N.Y., reported gross income of $470,000 in 1984 on billings of $3,203,380. In 1983, it reported gross income of $370,000 on billings of $2,256,700. In 1984, volume consisted of $1,790,000 in media, $1,320,000 in materials and services and $93,380 in capitalized fees. In 1983, volume consisted of $1,320,000 in media, $870,000 in materials and services and $66,700 in capitalized fees.

Accounts gained: PMI Motors, Logitek. Lost: Symbol Technologies. Billings breakdown: Newspapers 5%, magazines 80%, business papers 10%, direct mail 5%. Employes: 13. Top execs: Andrew Isaacson, president: Ken Kopf, secretary-treasurer.

Phone: (516) 293-6115. ☑

Larwin/Livers Associates, Huntingdon Valley, Pa., reported gross income of $970,000 in 1984 on billings of $9,000,000. In 1983, it reported gross income of $918,000 on billings of $8,400,000. In 1984, volume consisted of $1,571,747 in media, $1,047,825 in materials and services and $6,380,428 in capitalized fees. In 1983, volume consisted of $1,427,485 in media, $931,609 in materials and services and $6,040,906 in capitalized fees.

Accounts gained: Chessell Corp. projects, Professional Publishing Inc. projects, Digitax Inc., McManus Enterprises, Potter Industries, Quad Systems Corp. Lost: Drexel Industries, Drexelbrook Engineering Co., Land Combustion Inc. Billings breakdown: Business papers 74%, point of sale 1%, direct mail 20%, other 5%. Employes: 22. Top exec: Stephen S. Livers, president.

Phone: (215) 938-0400. ☑

Levy Advertising Associates, New York, reported gross income of $243,400 in 1984 on billings of $2,331,137. In 1983, it reported gross income of $360,500 on billings of $2,249,770. In 1984, volume consisted of $818,140 in media, $804,590 in materials and services and $708,407 in capitalized fees. In 1983, volume consisted of $705,135 in media, $904,850 in materials and services and $639,785 in capitalized fees.

Accounts gained: Shrack North America. Lost: None. Billings breakdown: Supplements 20%, business papers 80%. Employes: Six. Top exec: David Levy, president.

Phone: (212) 921-4400. ☑

K.I. Lipton Inc., Doylestown, Pa., reported gross income of $468,676 in 1984 on billings of $2,289,917. In 1983, it reported gross income of $396,005 on billings of $1,560,004. In 1984, volume consisted of $395,459 in media, $579,014 in materials and services and $1,315,444 in capitalized fees. In 1983, volume consisted of $417,217 in media, $608,173 in materials and services and $534,614 in capitalized fees.

Accounts gained: Electro-Nucleonics, Intl Technidyne, Squibb-Novo, Thomas Scientific. Lost: Bio/Data, IBM Biomedical Systems. Billings breakdown: Magazines 80%, direct mail 20%. Em-

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ployes: Nine. Top exec: Kenneth I. Lipton, president.
Phone: (215) 345-4525. ☑

Lubinsky-Schild Associates, New York, had estimated gross income of $170,000, of which $40,000 was non-U.S. contributions, in 1984 on billings of $540,000. It did not report figures for 1983. In 1984, volume consisted of $220,000 in media, $180,000 in materials and services and $100,000 in capitalized fees.

Overseas, its 1984 dollar volume of $40,000 consisted of $20,000 in media and $20,000 in materials and services.

Accounts gained: Community National Bank, Fairmont Funding, Community Home Care, Parkway Estates. Lost: None. Overseas, it gained: Emanuel. Billings breakdown: Newspapers 65%, radio 25%, direct mail 10%. Employes: Nine. Top execs: Menachem Lubinsky, president; David Schild, vp.
Phone: (212) 889-1808.

Malek Group, New York, had estimated gross income of $260,000 in 1984 on billings of $1,685,680. In 1983, it had estimated gross income of $198,231 on billings of $1,511,781. In 1984, volume consisted of $551,087 in media, $166,789 in materials and services and $967,804 in capitalized fees. In 1983, volume consisted of $361,368 in media, $183,957 in materials and services and $966,456 in capitalized fees.

Accounts gained: Equity Programs, Herzfeld & Stern, Leitner Associates, Securities Resource Management, Tradecenter Inc., Telecom Plus, Lost: None. Billings breakdown: Newspapers 45%, magazines 48%, direct mail 7%. Employes: Eight. Top execs: Judith Malek, president; Frances Cohen, secretary-treasurer.
Phone: (212) 684-6103.

Marketing Laboratory, Danbury, Conn., reported gross income of $55,134 in 1984 on billings of $389,005. In 1983, it reported gross income of $5,433 on billings of $36,687. In 1984, volume consisted of $97,695 in media, $21,308 in materials and services and $270,002 in capitalized fees. In 1983, volume consisted of $34,889 in media, $464 in materials and services and $1,334 in capitalized fees.

Accounts gained: Lorad Medical Systems. Lost: None. Billings breakdown: Newspapers 34%, magazines 29%, radio 23%, business papers 11%, direct mail 3%. Employes: Five. Top execs: Allen F. Flouton, director-president; Henry A. Mattoon, director-vp; Frank B. Kemp, Constance McManus, Ella Flouton, directors.
Phone: (203) 426-5552. ☑

J.D. Mathis & Co., Baltimore, reported gross income of $531,250 in 1984 on billings of $3,840,700. In 1983, it reported gross income of $312,000 on billings of $2,350,000. In 1984, volume consisted of $1,800,000 in media, $640,000 in materials and services and $1,400,700 in capitalized fees. In 1983, volume consisted of $1,550,000 in media, $365,000 in materials and services and $435,000 in capitalized fees.

Accounts gained: Hearst's *The News American* national trade and consumer advertising, Pizza Hut (Baltimore Co-op), L.U.I. (Baltimore and Seattle), Tyler's Clothers, The Builders Group. Lost: None. Billings breakdown: Newspapers 15%, magazines 25%, radio 8%, spot tv 40%, cable tv 2%, outdoor 2%, business papers 5%, point of sale 1%, direct mail 2%. Employes: 13. Top exec: James D. Mathis, president.
Phone: (301) 837-7171. ☑

McAndrew Advertising Co., Bronx, N.Y., had estimated gross income of $41,700 in 1984 on billings of $278,000. In 1983, it had estimated gross income of $39,000 on billings of $260,000. In 1984, volume consisted of $124,000 in media and $154,000 in materials and services. In 1983, volume consisted of $100,000 in media and $160,000 in materials and services. Accounts gained: Film Capacitor. Lost: None. Billings breakdown: Business papers 95%, direct mail 5%. Employes: Three. Top exec: Robert McAndrew, president-acct exec.
Phone: (212) 892-8660. ☑

Morrow Lewis & Kelley, New York, reported net income of $60,169 and gross income of $366,112 in 1984 on estimated billings of $2,400,000. In 1983, it reported net income of $16,000 and gross income of $273,512 on estimated billings of $1,500,000. Volume breakout was not provided.

Account gained: Evan & Lewis Ltd. Lost: None. Billings breakdown: Magazines 60%, radio 20%, business papers 10%, point of sale 10%. Employes: Five. Top execs: William E. Lewis, president; Carol Lewis, vp-creative director.
Phone: (212) 245-7646.

Morvay Advertising, South Orange, N.J., had estimated gross income of $270,000 in 1984 on billings of $1,800,000. In 1983, it reported estimated gross income of $225,000 on billings of $1,500,000. In 1984, volume was all in media. No volume breakout was provided for 1983. Accounts gained: None. Lost: None. The agency did not break down its billings.
Phone: (201) 262-3331.

MSA Advertising, Philadelphia, reported net income of $82,300 and gross income of $504,150 in 1984 on billings of $3,361,000. In 1983, it reported net income of $43,600 and gross income of $313,200 on billings of $2,210,456. In 1984, volume consisted of $1,830,500 in media, $301,219 in materials and services and $1,229,281 in capitalized fees. In 1983, volume consisted of $1,310,000 in media, $121,400 in materials and services and $779,056 in capitalized fees.

Accounts gained: D.F. Merrill Jewelers, Wolf Comfort Products. Lost: None. Billings breakdown: Newspapers 22%, magazines 14.4%, radio 5.9%, business papers 31.6%, point of sale 4.1%, direct mail 22%. Employes: Eight. Top execs: Michael Schwartz, president.
Phone: (215) 546-8000.

Newton Associates, St. Davids, Pa., reported net income of $307,246 and estimated gross income of $440,072 in 1984 on billings of $2,933,816. In 1983, it reported estimated gross income of $342,750 on billings of $2,285,000. No volume breakout was provided for either year.

Accounts gained: M. Buten & Sons, The Crouse Group, Frankel Chevrolet, Scott Oldsmobile, Welding Engineers, Westcode Inc., Enterra Instrumentation Technologies, Associated Lead. Lost: Capital Controls Co. Billings breakdown: Newspapers 15%, magazines 50%, radio 20%, spot tv 10%, outdoor 3%, transit advertising 2%. Employes: 10. Top execs: Jon Newton, president; Harry A. Streamer, LeRoy Keeler, vps.
Phone: (215) 964-9300. ☑

New Trend Advertising, Teterboro, N.J., reported net income of $80,000 and gross income of $535,287 in 1984 on billings of $3,035,668. No figures were provided for 1983. In 1984, volume consisted of $868,159 in media, $99,809 in materials and services and $2,067,700 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 35%, magazines 2%, supplements 1%, radio 15%, spot tv 30%, business papers 1%, point of sale 5%, direct mail 10%, other 1%. Employes: 12. Top exec: Geri Boxer, president.
Phone: (201) 288-8565. ☑

NPC & Associates, Lanham, Md., had estimated gross income of $56,300 in 1984 on billings of $360,529. In 1983, it had estimated gross income of $47,600 on billings of $299,435. In 1984, volume consisted of $145,407 in media, $15,000 in materials and services and $200,122 in capitalized fees. In 1983, volume consisted of $184,215 in media, $9,500 in materials and services and $105,720 in capitalized fees.

Accounts gained: American Nursing Service, Bowie State College, Southern Maryland Dental Assn, Multi-Group Industries USA, Sears Painting Service, U.S. Naval Academy, *Washington Informer* newspaper. Lost: Capitol Copy Products, Car-Telephone Corp. Billings breakdown: Newspapers 40%, magazines 9%, radio 20%, spot tv 1%, outdoor 2%, business papers 15%, point of sale 10%, direct mail 1%, other 2%. Employes: Four in two offices. Top execs: Nathaniel Pope, president; Bettieann Wise, exec vp.
Phone: (301) 731-5355.

Parsons, Friedmann & Central, Boston, reported gross income of $393,374 in 1984 on billings of $3,029,825. In 1983, it reported gross income of $368,150 on billings of $2,563,660. In 1984, volume consisted of $598,041 in media, $550,277 in materials and services and $1,881,507 in capitalized fees. In 1983, volume consisted of $458,955 in media, $450,005 in materials and services and $1,654,700 in capitalized fees.

Accounts gained: Analab Inc.'s Mfg Chemists, Plycraft Inc.'s Seating & Recliners. Lost: Akko Inc.'s Acrylic Accessories. Billings breakdown: Newspapers 7%, magazines 10%, radio 5%, spot tv 2%, outdoor 2%, business papers 52%, transit advertising 1%, point of sale 3%, direct mail 15%, other 3%. Employes: 11 in two offices. Top execs: Robert F. Friedmann, president-treasurer; Camille M. Wilding, asst treasurer-office mgr.
Phone: (617) 266-4310. ☑

Gerald Patlis Advertising, New York, reported gross income of $427,500 in 1984 on billings of $2,850,000. In 1983, it reported gross income of $410,000 on billings of $2,733,500. In 1984, volume consisted of $1,900,000 in media, $650,000 in materials and services and $300,000 in capitalized fees. In 1983, volume consisted of $1,800,000 in media, $600,000 in materials and services and $333,500 in capitalized fees. Accounts gained: M-D Natural Vitamins Club. Lost: Family Bazaar, Vitacrown. Billings breakdown: Newspapers 40%, magazines 30%, radio 5%, spot tv 5%, direct mail 20%. Employes: 10. Top exec: Gerald Patlis, president.
Phone: (212) 759-6400.

Bernard Popick Associates, Atlantic City, N.J., reported gross income of $426,770 in 1984 on billings of $2,812,349. In 1983, it reported gross income of $305,856 on billings of $2,040,048. In 1984, volume consisted of $6,033 in materials and services and $2,806,316 in capitalized fees. In 1983, volume consisted of $27,289 in materials and services and $2,012,759 in capitalized fees. Accounts gained: Jack W. Blumenfeld Co., George A. Fuller Co. Lost: Atlantic City Airport Utility, Resorts Intl Hotel-Casino. Billings breakdown: 98.66% of net income is derived from consultation fees to clients for public relations counselling. Top execs: Bernard A. Popick president; Frances L. Popick, Rita Z. Bulk, vps.
Phone: (609) 348-2600. ☑

Jules Rabin Associates, Valley Stream, N.Y., reported gross income of $720,000 in 1984 on billings of $4,200,000. In 1983, it reported gross income of $615,000 on billings of $3,700,000. In 1984, volume was all in media. No volume breakout was provided for 1983. Accounts gained: Nationwide Plastics, Ames Engineering, Guardian Bank, Royal Consultants, American Equity Funding. Lost: Knoll Pharmaceutical, Magic Novelty. Employes: 20. Top execs: Jules W. Rabin, president; Melvin Weber, exec vp.
Phone: (516) 561-9160.

Raptis Inc., Baltimore, reported gross income of $434,960 in 1984 on billings of $2,728,560. No figures were reported for 1983. In 1984, volume consisted of $1,240,000 in media, $368,000 in materials and services and $1,120,560 in capitalized fees. No volume breakout was provided for 1983.

Accounts gained: Willard Battery Co., WPOC-fm, Garon's Ethan Allen Galleries, Belvedere Hotel, A.J. Buck & Son, Macecote Protective Coverings, Colstan Foods, Intl Import Designs. Lost: None. Billings breakdown: Newspapers 30%, magazines 10%, radio 25%, spot tv 10%, cable tv 3%, outdoor 2%, business papers 5%, point of sale 5%, direct mail 10%. Employes: 14. Top execs: Louis N. Raptis, president; C.A. Davis, exec vp.
Phone: (301) 234-0990. ☑

Richmond Advertising/Reinhold Associates, New York, reported gross income of $671,973 in 1984 on billings of $4,912,503. In 1983, it reported gross income of $521,332 on billings of $4,509,679. In 1984, volume consisted of $3,958,633 in media and $953,870 in capitalized fees. In 1983, volume consisted of $3,414,439 in media and $1,095,240 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 28%, magazines 7%, supplements 1%, radio 15%, spot tv 2%, business papers 34%, transit advertising 13%. Employes: 14. Top exec: Louis E. Reinhold, president.
Phone: (212) 840-7676.

RSM&K Inc., New York, reported gross income of $958,600 in 1984 on billings of $6,232,460. In 1983, it reported gross income of $946,830 on billings of $6,313,890. In 1984, volume consisted of $2,280,000 in media, $664,150 in materials and services and $3,288,310 in capitalized fees. In 1983, volume consisted of $2,248,050 in media, $690,820 in materials and services and $3,375,020 in capitalized fees.

Accounts gained: Egon Von Furstenberg women's fashions, VDM Metal Resources. Lost: None. Billings breakdown: Newspapers 4%, magazines 36%, radio 5%, spot tv 16%, business papers 38%, direct mail 1%. Employes: 14. Top execs: Leon Katz, chairman; Mel Mohr, president; Alfred Calabro, exec vp; Lansing Moore, vp.
Phone: (212) 759-7070.

Sanford Solarz Co., Trenton, N.J., had estimated gross income of $515,000 in 1984 on billings of $3,174,000. In 1983, it had estimated gross income of $496,000 on billings of $3,062,000. In 1984, volume consisted of $987,000 in media, $46,000 in materials and services and $2,141,000 in capitalized fees. In 1983, volume consisted of $945,000 in media, $43,000 in materials and services and $2,074,000 in capitalized fees.

Accounts gained: Heinemann Electric Co., Henry E. Sanson & Sons, Philadelphia Safety Devices, Surface Technology. Lost: Dunmore Corp., KNF Neuberger Inc., Universal Process Equipment. Overseas account gain: Pruftechnik. Billings breakdown: Newspapers 1%, business papers 92%, direct mail 7%. Employes: Seven. Top exec: Sanford Solarz, president.
Phone: (609) 882-5200. ☑

SB&W Associates, Boston, reported net income of $11,665 and gross income of $170,396 in 1984 on billings of $1,136,540. In 1983, it reported a net loss of $3,639 and gross income of $140,067 on billings of $930,180. In 1984, volume consisted of $292,252 in media, $599,926 in materials and services and $244,362 in capitalized fees. In 1983, volume consisted of $245,059 in media, $484,855 in materials and services and $200,266 in capitalized fees.

Accounts gained: None. Lost: None. Employes: Four. Top exec: Jacques Wassfelner, president.
Phone: (617) 262-3000.

Peter Scannell Inc., New York, founded in 1984, reported gross income of $179,386 on billings of $1,168,445. Volume consisted of $158,700 in materials and services and $1,009,745 in capitalized fees. Accounts gained: American Express Co. and American Express International Bank, Barclay's Bank, Shearson-Lehman Bros., Citibank, Continental Word Processing Agency, Insurance Services Offices Inc., National Service Corp. Billings breakdown does not apply because agency does not place media. Lost: *Time* magazine sales promotion. Employes: Seven. Top execs: Peter Scannell, Carol T. Savage, principals.
Phone: (212) 719-3629.

Sydney Schreiber Inc., Philadelphia, reported gross income of $316,073 in 1984 on billings of $2,897,767. In 1983, it reported gross income of $285,082 on billings of $2,693,058. In 1984, volume consisted of $521,762 in media, $493,465 in materials and services and $1,882,540 in capitalized fees. In 1983, volume consisted of $612,745 in media, $433,757 in materials and services and $1,646,556 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 56%, radio 3%, business papers 26%, direct mail 15%. Employes: Nine. Top exec: Sydney Schreiber, president.
Phone: (215) 545-2223.

Sheldon Fredericks Advertising, New York, reported net income of $101,000 and gross income of $482,000 in 1984 on billings of $5,297,945.

In 1983, it reported net income of $96,000 and gross income of $532,000 on billings of $5,275,000. In 1984, volume consisted of $3,345,000 in media, $888,000 in materials and services and $1,064,945 in capitalized fees. In 1983, volume consisted of $3,162,000 in media, $901,000 in materials and services and $1,212,000 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 35%, magazines 17%, radio 6%, network tv 15%, spot tv 13%, direct mail 14%. Employes: 18. Top exec: Frederick A. Schwartz, president.
Phone: (212) 867-0110. ☑

East: IV agencies
Less than $1,000,000

Steen Advertising, Lynbrook, N.Y., reported gross income of $532,000 in 1984 on billings of $3,970,720. In 1983, it reported gross income of $451,000 on billings of $3,580,000. In 1984, volume consisted of $3,500,000 in media, $197,000 in materials and services and $273,720 in capitalized fees. In 1983, volume consisted of $3,200,000 in media, $116,000 in materials and services and $264,000 in capitalized fees.

Accounts gained: Great Neck Saw Mfg, NMC Management College, Coast Mfg, Lectra Laboratories. Lost: None. Billings breakdown: Newspapers 10%, magazines 65%, radio 3%, network tv 1%, spot tv 3%, business papers 14%, point of sale 2%, direct mail 2%. Employes: 13. Top execs: Norman Steen, president; Keith Bernhard, vp; Dan Forlenza, creative director.

Phone: (516) 596-1600. ☑

Stenrich Group, New York, had estimated gross income of $250,000 in 1984 on billings of $2,500,000. In 1983, it had estimated gross income of $50,000 on billings of $1,200,000.

Accounts gained: Dow Jones' Software div, Johnson & Johnson's Irex div, 3M's Edis div. Lost: Ciba-Geigy Pharmaceuticals' book div, Savings Bank of Utica. Billings breakdown: Newspapers 5%, magazines 15%, direct mail 30%, other 50%. Employes: 20. Top execs: Steven Isaac, president; David Morris, vp-secretary/treasurer; Mark Grodin, cfo; Deanna Manneker, senior vp-sales & client service; Sindy Beekman, senior acct exec.

Phone: (212) 255-7273. ☑

Stern/Frank Advertising, Boston, a subsidiary of Berk & Co., had estimated gross income of $847,500 in 1984 on billings of $5,650,000. No figures were provided for 1983. No volume breakdowns were provided for either year.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 31%, magazines 22%, broadcast 35%, collateral 12%. Employes: 22 in two offices. Top execs: Herbert W. Frank, president-Boston; Irwin M. Barnett, president-New York; Robert S. Oliv, vp-mgmt super.

Phone: (617) 267-8600.

Universal Public Relations, New York, reported gross income of $450,000 in 1984 on estimated billings of $3,001,500. In 1983, it reported gross income of $250,000 on estimated billings of $1,667,500. No volume breakout was provided for either year. Accounts gained: Prime Motor Inns, All State Microfilm, Score Mfg, Edw Viner & Co. Lost: White Rock Products. Billings breakdown: Newspapers 40%, radio 20%, business papers 40%. Top execs: William Conlan, president.

Phone: (212) 619-7900.

VamCom Corp., Florham Park, N.J., had estimated gross income of $728,000 in 1984 on billings of $4,853,641. In 1983, it had estimated gross income of $435,000 on billings of $2,897,821. No volume breakout was reported for either year.

Accounts gained: Matrix Instruments' Computer Graphics Products, M.F. Smith & Associates' (management consultants). Lost: KingAlarm Distributors. Billings breakdown: Newspapers 2%, magazines 3%, radio 1%, cable tv 1%, point of sale 1%, direct mail 12%, trade publications 60%, collateral 20%. Employes: 10. Top execs: Alexander P. Vella, president; Sy Paget, mktg services director; S. Ridgway Kennedy, pr director; Christine Keane, client services director; Dennis Simmons, art director.

Phone: (201) 966-0080.

Herbert S. Warmflash & Associates, East Orange, N.J., reported gross income of $121,700 in 1984 on billings of $1,039,839. In 1983, it reported gross income of $114,500 on billings of $959,715. In 1984, volume consisted of $119,200 in media, $108,900 in materials and services and $811,739 in capitalized fees In 1983, volume consisted of $132,600 in media, $63,400 in materials and services and $763,715 in capitalized fees.

Accounts gained: None. Lost: Conco-Tellus. Billings breakdown: Business papers 30%, direct mail 5%, public relations 30%, sales literature 20%, visual aids 15%. Employes: Four. Top exec: Herbert S. Warmflash, president.

Phone: (201) 678-8080. ☑

White, Good & Co., Mt. Gretna, Pa., reported net income of $40,001 and gross income of $320,588 in 1984 on billings of $2,191,089. In 1983, it reported net income of $23,937 and gross income of $298,009 on billings of $1,777,708. In 1984, volume consisted of $34,713 in media, $285,875 in materials and services and $1,870,501 in capitalized fees. In 1983, volume consisted of $601,937 in media, $317,809 in materials and services and $857,962 in capitalized fees.

Accounts gained: Ephrata Diamond Spring Water Co., Plain 'N' Fancy Kitchens, Turkey Hill Diary. Lost: Willow Valley Associates, Pennsylvania Sour Mash Distilleries. Billings breakdown: Newspapers 35%, magazines 10%, radio 10%, spot tv 15%, cable tv 1%, outdoor 8%, business papers 5%, farm publications 2%, point of sale 4%, direct mail 6%, other 4%. Employes: Eight. Top execs: Robert F. Good, president; Ann S. White, exec vp.

Phone: (717) 964-3616. ☑

Whole Advertising Co., Philadelphia, reported gross income of $604,192 in 1984 on billings of $4,043,616. No figures were provided for 1983. Volume consisted of $239,820 in media, $287,452 in materials and services and $3,516,344 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 10%, magazines 65%, outdoor 5%, direct mail 20%. Employes: 13. Top execs: Frank Clyde, president; W. James Rothell, exec vp.

Phone: (215) 592-8000. ☑

Don Wise & Co., New York, had estimated gross income of $900,000 in 1984 on billings of $6,000,000. In 1983, it had estimated gross income of $750,000 on billings of $5,000,000. No volume breakdown was provided.

Accounts gained: Nina Shoes. Lost: None. Billings breakdown: Newspapers 5%, magazines 60%, radio 10%, business papers 15%, point of sale 5%, direct mail 5%. Employes: 15. Top exec: Donald Wise, president.

Phone: (212) 371-3333.

Richard Yeager Associates, Moorestown, N.J., reported gross income of $549,104 in 1984 on billings of $3,846,595. In 1983, it reported gross income of $459,463 on billings of $3,402,232. In 1984, volume consisted of $465,423 in media, $447,559 in materials and services and $2,933,613 in capitalized fees. In 1983, volume consisted of $433,457 in media, $398,171 in materials and services and $2,570,604 in capitalized fees.

Accounts gained: Hibbert Group. Lost: None. Billings breakdown: Newspapers 18%, magazines 20%, radio 10%, business papers 19%, point of sale 8%, direct mail 10%, other 15%. Employes: 12. Top exec: Richard Yeager, president.

Phone: (609) 235-5768. ☑

Zam & Kirshner & Geller, Garden City, N.Y., reported gross income of $621,934 in 1984 on billings of $3,976,230. No figures were provided for 1983. In 1984, volume consisted of $2,535,726 in media, $511,000 in materials and services and $929,504 in capitalized fees.

Accounts gained: Kollmorgen Corp.'s EED div, Advanced Technology Distribution Corp., TRI-COM Corp., ETA Industries, Hobby & Brown's Sentry-Lite div, RCK Technology's Metal Removal Systems div, Neil Michael Group. Lost: Chronosport's Breitling Watch div, NIC Components Corp. Billings breakdown: Newspapers 10%, magazines 10%, radio 5%, business papers 65%, direct mail 10%. Employes: 11. Top execs: Iz Zam chairman; Samuel J. Kirshner, president-treasurer; Marvin Geller, vp.

Phone: (516) 227-2277. ☑

Midwest: IV agencies
Less than $1,000,000

Ad-Pro Inc., Sycamore, Ill., reported gross income of $338,500 in 1984 on billings of $2,351,200. In 1983, it reported gross income of $303,100 on billings of $2,020,800. In 1984, volume consisted of $343,500 in media, $266,800 in materials and services and $1,740,900 in capitalized fees. In 1983, volume consisted of $200,400 in media, $277,000 in materials and services and $1,543,400 in capitalized fees.

Accounts gained: ITT Blackburn, RCA Associates, DeKalb Swine Breeders, Aurora College. Lost: Idea Co., Turner's Cooper Group, Solar Horizons. Billings breakdown: Newspapers 30%, magazines 52%, supplements 4%, radio 3%, spot tv 1%, outdoor 2%, farm publications 8%. Employes: 10. Top execs: Diana Leifheit, president-principal; Robb R. Robbins, exec vp-principal; Robert E. Meierhans, vp-principal.

Phone: (815) 895-2000.

Advertising Associates, Northbrook, Ill., had estimated gross income of $71,700 in 1984 on billings of $478,000. In 1983, it had estimated gross income of $60,000 on billings of $400,000. Volume was all in media for both years.

Accounts gained: Garrison Products Co., Independent Mechanical Industries. Lost: American Meat Institute, Arlington, Va., Resource Recovery Systems Group, Jerry R. Sheahan Associates. Billings breakdown: Newspapers 70%, radio 10%, business papers 20%. Employes: Seven. Top execs: William Aaron, president; Alice Rowe, exec vp-comptroller.

Phone: (312) 564-5337.

Noble Arnold & Associates, Schaumburg, Ill., reported gross income of $377,250 in 1984 on billings of $3,004,000. In 1983, it reported gross income of $399,500 on billings of $3,102,000. In 1984, volume consisted of $505,800 in media, $824,030 in materials and services and $1,674,170 in capitalized fees. In 1983, volume consisted of $515,700 in media, $836,759 in materials and services and $1,749,541 in capitalized fees.

Accounts gained: Chain Sales & Mktg, Cambridge Group, Design Mates. Lost: Kremers Urban. Billings breakdown: Newspapers 2%, magazines 23%, radio 2%, farm publications 1%, point of sale 1%, direct mail 22%, other 49%. Employes: 10. Top exec: Noble Arnold, president.

Phone: (312) 882-8808.

Ashby, Dillon & Meade, Rocky River, O., had estimated gross income of $632,000 in 1984 on billings of $4,216,026. In 1983, it had estimated gross income of $625,000 on billings of $4,167,302. No volume breakdown was provided for either year.

Accounts gained: Thermal Fintube Intl, Fratianna Mfg, Basic Packaging, Enercon, Bettcher Mfg, Sterling Foundry. Lost: None. Billings breakdown: Newspapers 5%, radio 5%, business papers 50%, point of sale 5%, direct mail 15%, other 20%. Top execs: John A. Ashby, president; Lowell R. Dillon, vp; Geoffrey B. Meade, treasurer.

Phone: (216) 331-5252. ☑

Asher Agency, Fort Wayne, Ind., reported gross income of $324,000 in 1984 on billings of $2,071,678. In 1983, it reported gross income of $269,000 on billings of $1,657,342. In 1984, volume consisted of $1,035,000 in media, $469,728 in materials and services and $566,950 in capitalized fees. In 1983, volume consisted of $828,000 in media, $375,782 in materials and services and $453,560 in capitalized fees.

Accounts gained: Grand Wane Center, Greenblatt Furs, Holiday Inn Downtown, N.E. Indiana Chevy Dealers, RediMed Urgent Care Centers, Wildwood Racquet Club, Irmscher Supplies, Cap N' Cork Beverage Stores. Lost: None. Billings breakdown: Newspapers 2%, magazines 20%, radio 18%, spot tv 55%, cable tv 1%, outdoor 3%, direct mail 1%. Employes: Seven. Top execs: Timothy S. Borne, president; Thomas J. Price, senior vp-creative.

Phone: (219) 424-3373. ☑

Perry Ballard/Advertising, St. Joseph, Mich., reported net income of $18,338 and gross income of $369,816 in 1984 on billings of $2,488,818. In 1983, it reported net income of $45,870 and gross income of $348,185 on billings of $2,341,813. In 1984, volume consisted of $259,370 in media, $114,758 in materials and services and $2,114,690 in capitalized fees. In 1983, volume consisted of $120,028 in media, $91,654 in materials and services and $2,130,131 in capitalized fees.

Accounts gained: Garden City Fan, Greater Niles Economic Development Foundation, Digital Interface Systems. Lost: Modar. Billings breakdown: Newspapers 20%, magazines 55%, outdoor 10%, business papers 10%, direct mail 5%. Employes: 14. Top exec: Perry Ballard, president-chairman.

Phone: (616) 983-0611.

Keith Bates & Associates, Chicago, reported net income of $169,028 and gross income of $450,402 in 1984 on billings of $3,796,047. In 1983, it reported net income of $3,267 and gross income of $348,633 on billings of $3,104,364. In 1984, volume consisted of $542,386 in media, $249,481 in materials and services and $3,004,180 in capitalized fees. In 1983, volume consisted of $499,404 in media, $279,579 in materials and services and $2,325,381 in capitalized fees. Accounts gained: ZyLAB Corp. Lost: None. Billings breakdown: Magazines 50%, business papers 10%, direct mail 40%. Employes: Five. Top exec: Keith Bates, president.

Phone: (312) 263-5820. ☑

Blanchard & Associates, Minneapolis, reported gross income of $287,400 in 1984 on billings of $1,821,348. In 1983, it reported gross income of $389,914 on billings of $2,462,836. In 1984, volume consisted of $847,531 in media, $263,382 in materials and services and $710,435 in capitalized fees. In 1983, volume consisted of $1,598,480 in media, $418,466 in materials and services and $445,890 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 10%, magazines 75%, radio 5%, business papers 10%. Employes: Five. Top exec: Ernest C. Blanchard, president.

Phone: (612) 332-1557.

Bradseth Group, Duluth, Minn., had estimated gross income of $197,600 on billings of $1,220,946 in 1984, its first year of business. In 1984, volume consisted of $620,906 in media, $402,608 in materials and services and $197,432 in capitalized fees.

Accounts gained: Captain Jack Foods, Como Oil Co., Duluth Zoo, Elk Rapids Pkg, Fitger's, Giovoni Pizza, Iron Range Resources & Rehabilitation Board, Mr. Mac Predictables, Itasca Greenhouse, Apple Valley Bank, Black's General Tire, Everfresh Foods, Hill Lumber, Intl Soft Drinks, RTC Western, Skoglund Communications. Lost: None. Billings breakdown: Newspapers 25%, magazines 20%, radio 15%, spot tv 20%, outdoor 15%, direct mail 5%. Employes: 12. Top exec: Thomas C. Bradseth.

Phone: (218) 7723-5500. ☑

Concept Three, Davison, Mich., reported gross income of $404,668 in 1984 on estimated billings of $2,698,000. In 1983, it reported gross income of $217,095 on estimaed billings of $1,448,000. No volume breakdown was provided for either year.

Accounts gained: Owosso Graphic Arts, Lobb Humidifier Co., Republic Bank. Lost: None. Billings breakdown: Newspapers 10%, magazines 50%, radio 10%, spot tv 25%, point of sale 3%, direct mail 2%. Employes: Three. Top execs: James R. Slater, president; Susan R. Slater, vp.

Phone: (313) 653-1002. ☑

Brian Connelly Advertising, Ann Arbor, Mich., had estimated gross income of $165,000 in 1984 on billings of $1,057,848. No figures were provided for 1983. In 1984, volume consisted of $251,615 in media, $235,568 in materials and services and $570,665 in capitalized fees.

Accounts gained: I-94 Chevy Dealers, Allied/Prestolite Specialty Wire Products, University of Michigan Housing div, Owens-Corning Fiberglas Employee Assistance Program. Lost: Dean Foods, Baskin-Robbins Ice Cream. Billings breakdown: Newspapers 30%, magazines 10%, radio 10%, spot tv 30%, outdoor 10%, direct mail 10%. Employes: Eight. Top execs: Brian R. Connelly, president; Don Chuba, vp-exec art director; Michael Tucker, vp-creative director.

Phone: (313) 769-1050. ☑

Covey & Koons, Canton, O., reported gross income of $488,594 in 1984 on billings of $3,258,030. In 1983, it reported gross income of $548,321 on billings of $3,656,286. In 1984, volume consisted of $1,428,363 in media, $357,091 in materials and services and $1,472,576 in capitalized fees. In 1983, volume consisted of

$1,625,819 in media, $406,455 in materials and services and $1,624,012 in capitalized fees.

Accounts gained: Beaver Excavating Co., Dover Chemical Corp., Grady McCauley Creative Graphics, United Credit Bureau of Canton. Lost: Community Tire, Lucien Q. Moffitt Inc. Billings breakdown: Newspapers 2%, radio 7%, business papers 89%, direct mail 2%. Employes: 10. Top exec: W. Roderic Covey, president.

Phone: (216) 456-7381. ☑

CRE Inc., Indianapolis, reported gross income of $901,098 in 1984 on billings of $6,454,551. In 1983, it reported gross income of $634,507 on billings of $4,874,494. In 1984, volume consisted of $1,287,826 in media, $537,998 in materials and services and $4,628,727 in capitalized fees. In 1983, volume consisted of $561,235 in media, $538,039 in materials and services and $3,775,220 in capitalized fees.

Accounts gained: Britt Airways, North American Van Lines' High Value Products div., Schwab Safe Co. Lost: The A.H. Emery Co., Winslow Scale Co. Billings breakdown: Newspapers 7.5%, magazines 43%, radio 3.4%, spot tv 4.1%, outdoor 0.1%, farm publications 8.6%, point of sale 4.2%, direct mail 1.4%, other 27.7%. Employes: 30. Top execs: Michael L. Brooks, president; Leslie L. Boyle, exec vp.

Phone: (317) 631-0260.

Creel Associates, Oak Brook, Ill., reported net income of $78,000 and estimated gross income of $316,500 in 1984 on billings of $2,047,310. In 1983, it reported net income of $10,000 and estimated gross income of $314,700 on billings of $2,045,910. In 1984, volume consisted of $400,000 in media, $360,000 in materials and services and $1,287,310 in capitalized fees. In 1983, volume consisted of $263,000 in media, $295,500 in materials and services and $1,487,410 in capitalized fees.

Accounts gained: Midway Airlines bank promotions, Retail EFT. Lost: None. Billings breakdown: Newspapers 60%, magazines 20%, radio 10%, business papers 2%, point of sale 5%, direct mail 3%. Employes: 11. Top exec: David R. Creel, president.

Phone: (312) 986-9402. ☑

CTS Associates, Detroit, reported net income $25,299 and gross income of $212,084 in 1984 on billings of $1,796,229. In 1983, it reported net loss of $4,000 and gross income of $127,687 on billings of $1,199,540. In 1984, volume consisted of $976,824 in media, $249,860 in materials and services and $569,545 in capitalized fees. In 1983, volume consisted of $851,000 in media, $101,750 in materials and services and $246,790 in capitalized fees.

Accounts gained: Inmont's Widger Chemical div, Dino's Pizza. Lost: National Bank of Royal Oak, Dino's Pizza. Billings breakdown: Newspapers 35%, magazines 5%, supplements 5%, radio 35%, spot tv 5%, cable tv 1%, outdoor 1%, business papers 1%, point of sale 5%, direct mail 1%, other 6%. Employes: Eight. Top execs: C. Thomas Scholl, president; Muriel G. Scholl, exec vp.

Phone: (313) 965-0575.

Cummings Advertising, Rockford, Ill., had estimated gross income of $707,000 in 1984 on billings of $4,712,275. In 1983, it had estimated gross income of $437,000 on billings of $2,910,552. In 1984, volume consisted of $1,268,040 in media, $527,704 in materials and services and $2,916,531 in capitalized fees. In 1983, volume consisted of $809,094 in media, $368,819 in materials and services and $1,732,639 in capitalized fees. Accounts gained: Motorola Component Products, Ingersoll Cutting Tools, ComputerLand, Penda Corp., City National Bank, Kerry Foods, Serac Inc., Fantasy Flavors, Data Ray Corp., Illinois Tool Works, Cisa Lock. Lost: None. Billings breakdown: Magazines 97.2%, farm publications 2.8%. Employes: 20. Top execs: Quinten P. Barclay, president; Larry C. Shubert, exec vp.

Phone: (815) 962-0615. ☑

Didday & Branch, Cincinnati, reported net income of $162,672 and gross income of $949,774 in 1984 on billings of $4,418,376. In 1983, it reported net income of $5,702 and gross income of $537,477 on billings of $2,441,702. In 1984, volume consisted of $50,269 in media, $287,758 in materials and services and $4,080,349 in capitalized fees. In 1983, volume consisted of $5,383 in media, $196,252 in materials and services and $2,240,067 in capitalized fees. Accounts gained: None. Lost: None. The agency did not break down its billings. Employes: 15. Top execs: Kerry B. Didday, president; Harold Branch, exec vp.

Phone: (513-751-1730). ☑

Dallas C. Dort & Co., Flint, Mich., reported gross income of $600,476 in 1984 on billings of $3,940,086. In 1983, it reported gross income of $466,503 on billings of $3,079,600. In 1984, volume consisted of $860,537 in media, $364,812 in materials and services and $2,714,737 in capitalized fees. In 1983, volume consisted of $982,036 in media, $172,735 in materials and services and $1,924,829 in capitalized fees.

Accounts gained: Saratoga Community Hospital. Lost: Wolohan Lumber Co., Burtrum Furs, Eyeglass Factory. Billings breakdown: Newspapers 10%, radio 20%, spot tv 45%, outdoor 5%, other 20%. Employes: 16. Top exec: Dallas C. Dort, president.

Phone: (313) 238-4677. ☑

Doty, Phillips & Laing, Battle Creek, Mich., reported gross income of $479,959 in 1984 on billings of $3,059,198. In 1983, it reported gross income of $347,222 on billings of $2,079,538. In 1984, volume consisted of $418,400 in media, $424,911 in materials and services and $2,215,887 in capitalized fees. In 1983, volume consisted of $238,793 in media, $290,800 in materials and services and $1,549,945 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 10%, magazines 14%, radio 1%, business papers 69%, point of sale 2%, direct mail 4%. Employes: 13. Top execs: Perry Phillips, president; Vernon Doty, vp-secretary.

Phone: (616) 965-7255.

Fensholt Inc., Lombard, Ill., reported gross income of $719,809 in 1984 on billings of $5,389,968. In 1983, it reported gross income of $660,602 on billings of $4,865,031. In 1984, volume consisted of $1,446,585 in media, $995,076 in materials and services and $2,948,307 in capitalized fees. In 1983, volume consisted of $1,234,596 in media, $876,411 in materials and services and $2,754,024 in capitalized fees.

Accounts gained: Reptron Electronics. Lost: Geo. T. Schmidt. Billings breakdown: Magazines 97%, business papers 2%, farm publications 1%. Employes: 15 in two offices. Top execs: Daniel D. Glaubke, chairman-ceo; Charles R. Muth, president.

Phone: (312) 953-2300. ☑

Fillman Advertising, Champaign, Ill., reported gross income of $131,769 in 1984 on billings of $560,722. In 1983, it reported gross income of $114,378 on billings of $499,299. In 1984, volume consisted of $380,000 in media and $180,722 in materials and services. In 1983, volume consisted of $323,799 in media and $175,500 in materials and services.

Accounts gained: None. Lost: None. Billings breakdown: Business papers 50%, farm publications 25%, direct mail 25%. Employes: Five. Top exec: William T. Fillman, president.

Phone: (217) 352-0002.

FitzSimons Advertising, Cleveland, reported gross income of $405,000 in 1984 on billings of $3,050,750, the same as in 1983. Volume for both years consisted of $1,150,000 in media, $400,000 in materials and services and $1,500,750 in capitalized fees.

Accounts gained: Brentwood Hospital, Business Perspectives, Council of Smaller Enterprises, East Suburban Council for Open Communities, Greater Cleveland Growth Assn, McDonald & Co. Securities, Ress Realty, U.S. Sports Development, Value Marketing. Lost: Agency Rent-A-Car. Billings breakdown: Newspapers 18%, magazines 5%, radio 11%, spot tv 12%, outdoor 2%, business papers 16%, transit advertising 1%, point of sale 4%, direct mail 8%, other 23%. Employes: Eight. Top execs: Daniel A. FitzSimons, president.

Phone: (216) 241-5656.

J. Ronald Gaffe Inc., Okemos, Mich., reported net income of $21,388 and gross income of $151,496 in 1984 on billings of $1,231,678. In 1983, it reported net loss of $15,195 and gross income of $199,667 on billings of $922,559. In 1984, volume consisted of $625,798 in media, $423,444 in materials and services and $182,436 in capitalized fees. In 1983, volume consisted of $315,997 in media, $267,085 in materials and services and $339,477 in capitalized fees.

Accounts gained: Guardian Photo div of Guardian Industries. Lost: None. Billings breakdown: Newspapers 50%, radio 15%, spot tv 35%. Employes: Eight. Top exec: J. Ronald Gaffe, president.

Phone: (517) 349-5770. ☑

Harrison Advertising, Naperville, Ill., reported gross income of $122,500 in 1984 on billings of $912,796. In 1983, it reported gross income of $115,000 on billings of $840,270. In 1984, volume consisted of $200,500 in media, $120,000 in materials and services and $592,296 in capitalized fees. In 1983, volume consisted of $200,000 in media, $100,000 in materials and services and $540,270 in capitalized fees. Accounts gained: Johnson Industries, Lanquist & Sons. Lost: None. Billings breakdown: Business papers 50%, other 50%. Employes: Four. Top execs: G.G. Harrison, president; B.K. Harrison, vp.

Phone: (312) 496-0606.

Haselow and Associates, Beachwood, O., reported gross income of $347,000 in 1984 on billings of $2,510,490. In 1983, it reported gross income of $320,000 on billings of $2,299,600. In 1984, volume consisted of $196,000 in materials and services and $2,314,490 in capitalized fees. In 1983, volume consisted of $165,200 in materials and services and $2,134,400 in capitalized fees.

Accounts gained: Textron Inc.'s Townsend div, Welded Beam Co. Lost: Fluid Controls Inc. Billings breakdown: Business papers 25%, farm publications 0.5%, direct mail 3.5%, sales literature 34%, public relations 35%, research 2%. Employes: 10. Top exec: John H. Haselow, president.

Phone: (216) 831-6060. ☑

Hiebing Group, Madison, Wis., reported net income of $111,677 and gross income of $727,207 in 1984 on billings of $5,441,163. In 1983, it reported net income of $101,768 and gross income of $661,502 on billings of $5,029,304. In 1984, volume consisted of $873,365 in media, $438,254 in materials and services and $4,129,544 in capitalized fees. In 1983, volume consisted of $680,944 in media, $526,703 in materials and services and $3,821,657 in capitalized fees.

Accounts gained: Cyclin Pharmaceuticals, Quisling Clinics, Brady's, Portel Services Network, Linen Center, Peck's Menswear. Lost: McDonald College. Billings breakdown: Newspapers 10%, magazines 5%, radio 4%, spot tv 65%, outdoor 1%, point of sale 1%, direct mail 2%, collateral/rsch 12%. Employes: 19. Top exec: Roman G. Hiebing Jr., president.

Phone: (608) 256-6357. ☑

High Plains Advertising, Dodge City, Kan., reported net income of $4,100 and gross income of $58,324 in 1984 on billings of $809,276. In 1983, it reported net income of $3,200 and gross income of $51,214 on billings of $613,934. In 1984, volume consisted of $364,527 in media and $444,749 in capitalized fees. In 1983, volume consisted of $320,086 in media and $293,853 in capitalized fees. Accounts gained: ST Paging, Servi-Tech Inc. Lost: None. Billings breakdown: Newspapers 18%, radio 41%, spot tv 12%, outdoor 1%, farm publications 4%, point of sale 22%, other 2%. Employes: Three. Top execs: Joe Berkely, president; Dave Tartar, mng director.

Phone: (316) 227-7171.

Jacobs & Clevenger, Chicago, reported gross income of $257,536 in 1984 on billings of $2,007,280. In 1983, it reported gross income of $122,417 on billings of $1,121,532. In 1984, volume consisted of $73,879 in media, $326,618 in materials and services and $1,606,783 in capitalized fees. In 1983, volume consisted of $316,936 in materials and services and $804,596 in capitalized fees.

Accounts gained: Intl Software Technology, J.P. Rivers Inc., Korwin Learning Systems, Pines 'n' Birches, Working Press of the Nation. Lost: Viking office products. Billings breakdown: Magazines 10.1%, direct mail 89.9%. Employes: 10. Top execs: Ron Jacobs, presi-

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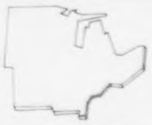


dent; Penny Clevenger, secretary-treasurer.
Phone: (312) 944-2075.

JAM & Corbett Advertising, Columbus, O., reported gross income of $612,490 in 1984 on billings of $10,211,996. In 1983, it reported gross income of $467,062 on billings of $6,090,782. In 1984, volume consisted of $2,459,548 in media, $691,540 in materials and services and $7,060,908 in capitalized fees. In 1983, volume consisted of $1,668,082 in media, $354,000 in materials and services and $4,068,700 in capitalized fees.

Included in the agency's figures are the billings and gross income of the following U.S. subsidiaries:

- JAM, Harrisburg, Pa.
- JAM, Erie, Pa.

Accounts gained: FCA, Assurex, Burpee Tools, Colony First Federal. Lost: None. Billings breakdown: Newspapers 29%, magazines 2%, supplements 2%, radio 30%, spot tv 21%, outdoor 6%, point of sale 4%, direct mail 6%. Employes: 22 in three offices. Top execs: H. Douglas Jones, president; Joseph A. Anastasi, exec vp; Margaret Corbett, senior vp.
Phone: (614) 221-2395. ☑

James & Thomas, Chicago, reported net income of $181,475 and gross income of $425,000 in 1984 on billings of $1,189,230. In 1983, it reported net income of $148,233 and gross income of $395,290 on billings of $901,847. In 1984, volume consisted of $275,625 in media, $14,590 in materials and services and $899,015 in capitalized fees. In 1983, volume consisted of $272,750 in media, $33,200 in materials and services and $595,897 in capitalized fees.

Accounts gained: Western Suburban Hospital, Corridor Graphics, Industrial Fiberglas Supply. Lost: None. Billings breakdown: Newspapers 60%, magazines 5%, supplements 5%, radio 15%, spot tv 5%, cable tv 3%, outdoor 4%, farm publications 1%, transit advertising 1%, direct mail 1%. Employes: Eight in two offices. Top exec: William J. Bloch, president.
Phone: (312) 751-0520.

Jonethis Organization, Akron, O., had estimated gross income of $708,000 in 1984 on billings of $4,670,040. In 1983, it had estimated gross income of $629,000 on billings of $4,152,520. In 1984, volume consisted of $300,000 in media, $288,000 in materials and services and $4,082,040 in capitalized fees. In 1983, volume consisted of $200,000 in media, $244,000 in materials and services and $3,708,520 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 50%, magazines 10%, supplements 10%, radio 8%, spot tv 20%, cable tv 1%, outdoor 1%. Employes: 14. Top execs: David G. Jonethis, president; Barbara M. Jonethis, vp.
Phone: (216) 375-5122.

Kinzie & Green, Wausau, Wis., reported gross income of $370,014 in 1984 on billings of $2,507,193. In 1983, it reported gross income of $317,696 on billings of $2,436,365. In 1984, volume consisted of $940,789 in media, $255,249 in materials and services and $1,311,155 in capitalized fees. In 1983, volume consisted of $737,914 in media, $304,768 in materials and services and $1,393,683 in capitalized fees.

Accounts gained: American National Bank, Curtainwall Systems, EO Johnson, Wausau Medical Center, Tri-State Testing. Lost: Citizen's State Bank, Merrill Mfg. Billings breakdown: Newspapers 8%, magazines 10%, radio 10%, spot tv 10%, business papers 32%, other 30%. Employes: 10. Top exec: Leslie C. Green, president.
Phone: (715) 845-4251. ☑

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by Advertising Age. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

Kostman/Schmid & Associates, Chicago, had estimated gross income of $750,000 in 1984 on billings of $5,000,000. In 1983, it had estimated gross income of $825,000 on billings of $5,500,000. No volume breakout was provided for either year. Accounts gained: Quartet Mfg, Stevens Bedding, Mechanics Brand Driveway Products, TriplEdge Wiper Corp. Lost: None. Billings breakdown: Newspapers 6%, magazines 22%, radio 9%, network tv 20%, spot tv 38%, business papers 5%. Employes: 10. Top execs: M.F. (Skip) Kostman, president; Carl F. Schmid, exec vp.
Phone: (312) 649-5800.

Kreicker & Meloan, Northfield, Ill., reported gross income of $185,790 in 1984 on billings of $1,224,659. In 1983, it reported gross income of $167,652 on billings of $1,117,750. In 1984, volume consisted of $947,721 in media, $117,032 in materials and services and $159,906 in capitalized fees. In 1983, volume consisted of $866,493 in media, $115,763 in materials and services and $135,494 in capitalized fees.

Accounts gained: Tisma Machinery Corp., *Paper Trade Journal*, Brook Furniture Rental. Lost: None. Billings breakdown: Magazines 10%, business papers 80%, direct mail 5%, other 5%. Employes: Five. Top exec: J.M. Wallseck, president.
Phone: (312) 446-8885.

Lane & Leslie Advertising, Wichita, Kan., had estimated gross income of $691 000 in 1984 on billings of $4,510,194. In 1983, it had estimated gross income of $676,000 on billings of $4,505,850. In 1984, volume consisted of $2,107,948 in media, $550,054 in materials and services and $1,852,192 in capitalized fees. No volume breakdown was provided for 1983.

Accounts gained: J.W. Enterprises, Hardage Enterprises, Valley Federal s&l. Lost: Landmark Federal s&l, Fidelity Savings. Billings breakdown: Newspapers 46%, magazines 2%, radio 23%, spot tv 25%, outdoor 1%, farm publications 3%. Employes: 11. Top execs: David W. Lane, president.
Phone: (316) 265-0882.

Martin A. Lave Marketing, Indianapolis, had estimated gross income of $413,000 in 1984 on billings of $2,690,133. In 1983, it had estimated gross income of $257,000 on billings of $1,626,163. In 1984, volume consisted of $1,667,128 in media, $310,027 in materials and services and $712,978 in capitalized fees. In 1983, volume consisted of $1,285,810 in media, $114,468 in materials and services and $225,885 in capitalized fees. Accounts gained: Lincoln Technical Institute (Eastern region), Ocean World. Lost: Elin Uniform. Billings breakdown: Newspapers 9%, magazines 11%, network tv 1%, spot tv 59%, outdoor 2%, business papers 2%, point of sale 3%, direct mail 12%. Employes: One. Top exec: Martin A. Lave, president.
Phone: (317) 872-0071. ☑

Lord & Emerson, Jackson, Mich., reported gross income of $49,000 in 1984 on estimated billings of $326,830. In 1983, it reported gross income of $41,000 on estimated billings of $273,470. No volume breakout was provided for either year. Accounts gained: None. Lost: None. Billings breakdown: Newspapers 10%, magazines 80%, business papers 10%. Employes: One.
Phone: (517) 787-8261.

MarketAide Inc., Salina, Kan., reported gross income of $733,093 in 1984 on billings of $4,995,542. In 1983, it reported gross income of $588,005 on billings of $3,911,010. In 1984, volume consisted of $411,344 in media, $1,499,463 in materials and services and $3,084,735 in capitalized fees. In 1983, volume consisted of $373,182 in media, $996,385 in materials and services and $2,541,443 in capitalized fees.

Accounts gained: Speed King Mfg, Francis Boys' Home. Lost: None. Billings breakdown: Newspapers 7%, magazines 1%, radio 18%, spot tv 22%, outdoor 1%, business papers 20%, farm publications 5%, point of sale 1%, direct mail 25%. Employes: 16. Top execs: Gary D. Ray, chairman-ceo; Russell C. Norwood, president.
Phone: (913) 825-7161. ☑

Jack Mathis Advertising, Libertyville, Ill., reported gross income of $201,895 in 1984 on billings of $1,346,354. In 1983, it reported gross income of $196,473 on billings of $1,310,197. In 1984, volume consisted of $461,114 in media, $104,783 in materials and services and $780,457 in capitalized fees. In 1983, volume consisted of $457,078 in media, $98,122 in materials and services and $754,997 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Business papers 54%, direct mail 14%, literature & brochures 32%. Employes: Three. Top exec: Jack Mathis, president.
Phone: (312) 367-1826.

McFarland Group, Elm Grove, Wis., reported net income of $58,800 and gross income of $735,000 in 1984 on billings of $5,834,500. In 1983, it reported net income of $51,200 and gross income of $640,000 on billings of $4,800,000. In 1984, volume consisted of $2,000,000 in media, $1,500,000 in materials and services and $2,334,500 in capitalized fees. In 1983, volume consisted of $1,600,000 in media, $1,200,000 in materials and services and $2,000,000 in capitalized fees.

Accounts gained: Lindsay Outdoor Power Equipment div, Graysoft Inc., Banner Welder, Legion Cos., Schwaab Inc. Lost: Wick Buildings. Billings breakdown: Newspapers 10%, magazines 15%, radio 15%, spot tv 15%, business papers 5%, farm publications 25%, direct mail 10%, other 5%. Employes: 12. Top execs: Michael McFarland, president; Byron R. Foster, exec vp.
Phone: (414) 786-5891. ☑

McIlhenny-Humphrey, Pittsburgh, reported net income of $56,000 and gross income of $477,000 in 1984 on billings of $3,181,590. In 1983, it reported net income of $48,000 and gross income of $427,000 on billings of $2,848,090. In 1984, volume consisted of $1,035,520 in media, $345,170 in materials and services and $1,800,900 in capitalized fees. In 1983, volume consisted of $862,280 in media, $498,410 in materials and services and $1,487,400 in capitalized fees.

Accounts gained: Green River Steel, Westmoreland Casualty, First National Bank of Western Pennsylvania. Lost: Tribune Review Publishing, Global Development Co. Billings breakdown: Newspapers 46%, radio 14%, spot tv 1%, outdoor 7%, business papers 32%. Employes: Eight. Top execs: John J. Humphrey, president; Edward J. Spahr Jr., exec vp; Richard G. Herbert, senior vp.
Phone: (412) 261-4611. ☑

McKee Advertising, Elmhurst, Ill., reported gross income of $938,520 in 1984 on billings of $6,301,420. In 1983, it reported gross income of $711,000 on billings of $4,245,000. In 1984, volume consisted of $1,650,000 in media, $1,810,000 in materials and services and $2,841,420 in capitalized fees. In 1983, volume consisted of $880,000 in media, $1,197,000 in materials and services and $2,168,000 in capitalized fees.

Accounts gained: Dovre Inc., DynaTour Corp., Wood World, Eder Instrument Co., Premier Coatings. Lost: None. Billings breakdown: Newspapers 2%, magazines 67%, spot tv 5%, outdoor 5%, farm publications 2%, point of sale 15%, direct mail 3%, other 1%. Employes: 15. Top execs: Edward McKee, president; Thomas Behan, exec vp; Walter Denny, senior vp-acct super; Dave Johnson, vp-creative director; Charlotte Aigner, vp-art director.
Phone: (312) 833-0155.

Menaker & Wright, Chicago, reported net income of $214,000 and gross income of $856,335 in 1984 on billings of $5,641,500. In 1983, it reported net income of $191,000 and gross income of $747,000 on billings of $5,256,700. In 1984, volume consisted of $2,250,000 in media, $390,000 in materials and services and $3,001,500 in capitalized fees. In 1983, volume consisted of $2,150,000 in media, $372,000 in materials and services and $2,734,700 in capitalized fees.

Accounts gained: Cinzano North America's Sparkling Varietal Wines, Tropicana Products' new products, Frito-Lay's new products, Pillsbury Co. Lost: None. Billings breakdown: Newspapers 20%, magazines 20%, supplements 5%, radio 5%, spot tv 25%, cable tv 5%, outdoor 5%, business papers 10%, transit advertising 5%. Employes: 10. Top execs: Warren M. Menaker, Kenneth T. Wright, principals; William W. Paul, creative director.
Phone: (312) 266-1177. ☑

Howard H. Monk & Associates, Rockford, Ill., reported gross income of $958,702 in 1984 on billings of $7,409,590. In 1983, it reported gross income of $285,037 on billings of $2,662,390. In 1984, volume consisted of $770,575 in media, $411,588 in materials and services and $6,227,427 in capitalized fees. In 1983, volume consisted of $502,941 in media, $265,509 in materials and services and $1,893,940 in capitalized fees.

Accounts gained: Mark Controls Corp., Computer Products Inc., Square D Co.'s Ircon Inc., A.Y. McDonald Mfg Co., Great Lakes Instruments, American Chemical Services. Lost: None. Billings breakdown: Newspapers 2%, magazines 80%, radio 5%, spot tv 5%, cable tv 2%, outdoor 3%, direct mail 3%. Employes: 25. Top execs: W.C. Kirschner, president; E.D. Bors Jr., exec vp.
Phone: (815) 964-4631.

Patterson Advertising, Topeka, Kan., reported gross income of $870,369 in 1984 on billings of $5,804,056. In 1983, it reported gross income of $739,325 on billings of $4,754,959. In 1984, volume consisted of $1,962,726 in media, $646,914 in materials and services and $3,194,416 in capitalized fees. In 1983, volume consisted of $1,875,558 in media, $464,881 in materials and services and $2,414,520 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 25%, radio 20%, spot tv 45%, business papers 10%. Top execs: Duane T. Patterson, chairman; Donald M. Shurtz, president.
Phone: (913) 266-3636. ☑

Maurice Paulsen Advertising, Sioux Falls, S.D., reported net income of $39,543 and gross income of $281,832 in 1984 on billings of $1,493,324. In 1983, it reported net income of $25,084 and gross income of $265,701 on billings of $1,535,701. In 1984, volume consisted of $1,281,880 in media, $163,420 in materials and services and $48,024 in capitalized fees. In 1983, volume consisted of $1,320,209 in media, $167,468 in materials and services and $48,024 in capitalized fees.

Accounts gained: McKennan Hospital, Great Bear Lodge. Lost: None. Billings breakdown: Newspapers 20%, magazines 34%, radio 11%, spot tv 17%, outdoor 1%, business papers 2%, farm publications 14%, direct mail 1%. Top execs: Maurice Paulsen, president.
Phone: (605) 336-1745.

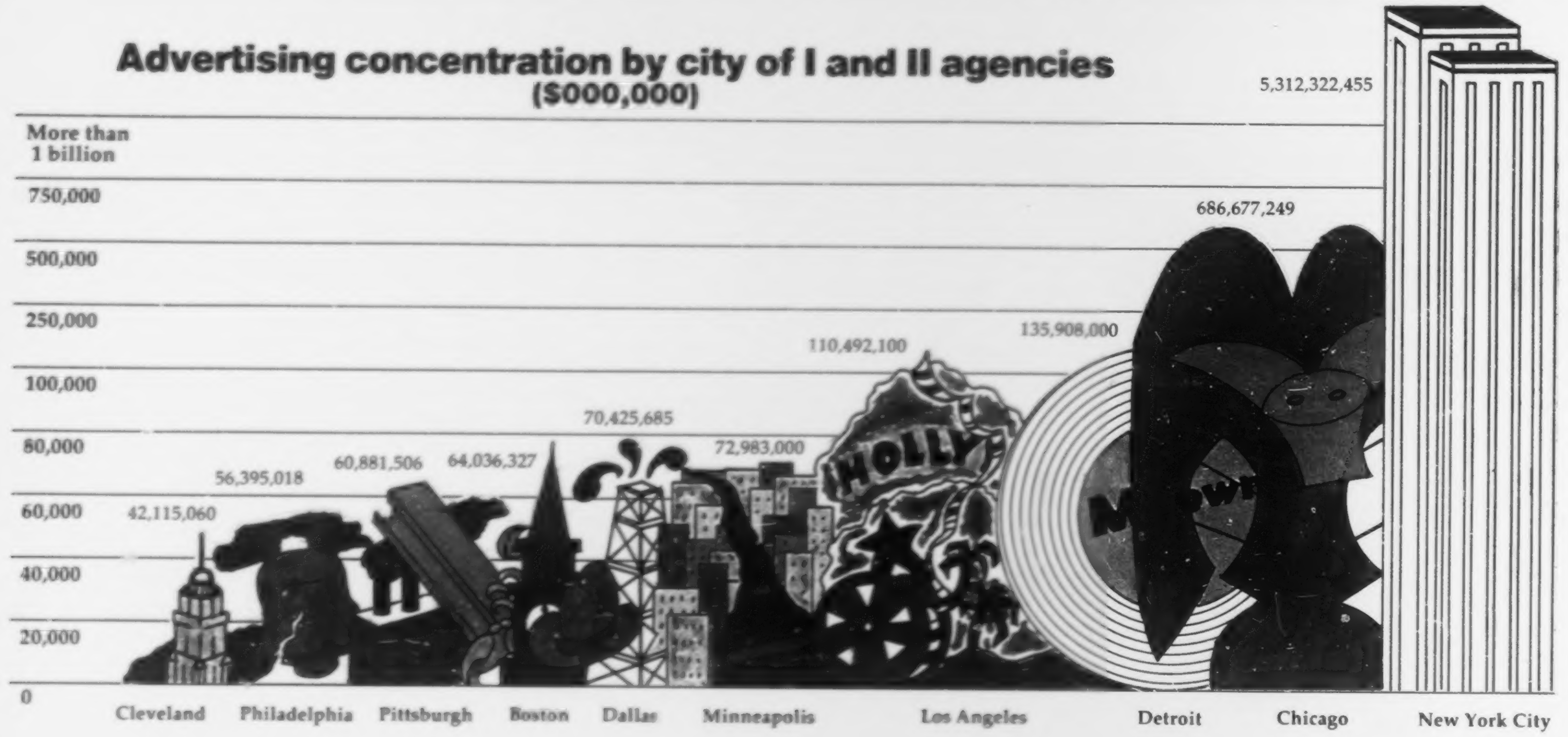
Peterson-Morris, St. Paul, Minn., reported gross income of $650,000 in 1984 on billings of $4,333,000. In 1983, it reported gross income of $600,000 on billings of $4,000,000. No volume breakdown was provided for either year.

Accounts gained: Alaskan Air Conditioning, Broadway Place real estate development; Burgess Industries, General Foods materials handling; Hiner Homes real estate development; Intl Hardware, OmniStripper power paint remover, Metalcote Grease & Oil Co., Schoonover Auto Rebuild, Sexaver Co. (Brookings, S.D.) seeds, TISCO farm equipment, Vomela Specialty Co. graphic designs. Lost: Standard Aero Intl. Top execs: Jack Morris, president; Harlan Stoehr, senior vp.
Phone: (612) 645-0581.

Qually & Co., Chicago, reported gross income of $422,875 in 1984 on billings of $3,100,000. In 1983, it reported gross income of $204,613 on billings of $1,650,000. No volume breakout was provided for either year. Accounts gained: Marsh Co., Bigsby & Kruthers, Sassy Inc., Bitter Automobile of Germany, Encyclopaedia Britannica special projects. Lost: None. Billings breakdown: Newspapers 10%, magazines 5%, radio 20%, network tv 10%, spot tv 25%, business papers 10%, transit advertising 5%, point of sale 5%, direct mail 5%, other 5%. Employes: Eight. Top exec: Robert Qually, president-creative director.
Phone: (312) 944-0237. ☑

Rathke Blair Kerns & Frost, Rockford, Ill., reported gross income of $823,080 in 1984 on billings of $6,503,661. In 1983, it reported gross income of $777,280 on billings of $5,070,850. In 1984, volume consisted of $1,441,123 in media, $848,145 in materials and services and $4,214,393 in capitalized fees. In 1983, volume consisted of $1,016,200 in media, $638,663 in materials and services and $3,415,987 in capitalized fees.

Accounts gained: ComputerLand of Iowa City, ComputerLand of St. Charles County, Mo., Northern Petrochemical's Northrop Films div, Mitsubishi Intl Corp.'s JLP North America, Rader Cos. (Portland, Ore.), Manley Motors, Beloit



Advertising concentration by city of I and II agencies
($000,000)

Midwest: IV agencies
Less than $1,000,000

Corp.'s BelComp Controls div, Lenox Machine Co., Pulping Systems. Lost: ComputerLand of Rockford, The Bedroom, Caron Intl. Billings breakdown: Newspapers 17%, magazines 5%, radio 18%, spot tv 16%, outdoor 6%, business papers 21%, farm publications 12%, direct mail 5%. Employes: 19. Top execs: Roger H. Rathke, president; John A. Frost, exec vp; Brian R. Blair, Webb Kerns, vp.

Phone: (815) 226-9130. ☑

Rubin-VanSlyke, Bannockburn, Ill., reported net income of $32,570 and gross income of $407,130 in 1984 on billings of $2,714,200. In 1983, it reported net income of $27,425 and gross income of $330,230 on billings of $2,221,520. In 1984, volume consisted of $937,060 in media, $710,000 in materials and services and $1,067,200 in capitalized fees. In 1983, volume consisted of $758,000 in media, $556,400 in materials and services and $907,120 in capitalized fees. Accounts gained: Victor Technologies, Schwarzkopf Inc., Pandex Laboratories, Niehoff Alternator, Eureka X-Ray Tube Co. Lost: LaMarche Mfg, Labsonics Inc. Billings breakdown: Newspapers 5%, business papers 80%, direct mail 15%. Employes: Eight. Top execs: Ronald Rubin, president; Todd B. VanSlyke, exec vp.

Phone: (312) 295-7700.

Smith, Badofsky & Raffel, Chicago, reported gross income of $934,987 in 1984 on billings of $8,370,299. In 1983, it reported gross income of $915,200 on billings of $7,977,257. In 1984, volume consisted of $2,899,788 in media, $1,257,932 materials and services and $4,212,579 in capitalized fees. In 1983, volume consisted of $3,171,920 in media, $1,044,544 in materials and services and $3,760,793 in capitalized fees.

Accounts gained: COE Laboratories, Downtown Court Club, Crain Communications, Merrill Chase Galleries, Midland Hotel, The Suitery, LTD, Superior Toy, Toojay's, Vita Food Products. Lost: *Chicago Sun-Times* special project, Golden Bear, Great Lakes Computer Peripherals, Balmoral Park, Manor House Foods. Billings breakdown: Newspapers 24%, magazines 5%, supplements 1%, radio 22%, spot tv 35%, outdoor 1%, business papers 5%, transit advertising 2%, point of sale 1%, direct mail 4%. Employes: 21. Top execs: Robert J. Smith, president; Jack Badofsky, vp-creative director; William D. Raffel, exec vp.

Phone: (312) 661-1500.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has signed a statement of verification supplied by ADVERTISING AGE. *Those with a checked box and dagger (☑ †) were also signed by independent cpas and accounting firms who supplied their own verification language that was accepted by the editors. See story on Page 10.*

Smith & Yehle, Kansas City, Mo., reported gross income of $944,964 in 1984 on billings of $6,302,910. In 1983, it reported gross income of $975,125 on billings of $6,504,083. In 1984, volume consisted of $2,195,017 in media, $1,260,030 in materials and services and $2,847,863 in capitalized fees. In 1983, volume consisted of $2,760,534 in media, $1,684,886 in materials and services and $2,058,663 in capitalized fees.

Accounts gained: None. Lost: American Charter, Kansas City Kings. Billings breakdown: Newspapers 15%, magazines 5%, supplements 1%, radio 25%, spot tv 35%, outdoor 1%, point of sale 1%, direct mail 12%, other 5%. Employes: 20. Top execs: Karl J. Yehle, president; Cotton Smith, chairman; John Rylee, exec vp.

Phone: (816) 842-4900. ☑

Spangler/Fischer Advertising, Minneapolis, reported gross income of $302,000 in 1984 on billings of $3,260,000. In 1983, it reported gross income of $126,000 on billings of $1,937,000. In 1984, volume consisted of $1,390,000 in media, $829,000 in materials and services and $1,041,000 in capitalized fees. In 1983, volume consisted of $976,000 in media, $341,000 in materials and services and $620,000 in capitalized fees.

Accounts gained: Northstar Pizza Corp., Fish Building Supply, Runnings, Resource Bank & Trust. Lost: Resource Bank & Trust, Toros of Aspen. Billings breakdown: Newspapers 25%, magazines 15%, supplements 30%, radio 20%, spot tv 7%, point of sale 3%. Employes: 10. Top execs: Phil Fischer, president.

Phone: (612) 339-0549. ☑

Storey Berman & Freer, Chicago, reported gross income of $755,000 in 1984 on billings of $5,034,000. In 1983, it reported gross income of $662,000 on billings of $4,413,700. In 1984, volume consisted of $3,400,000 in media, $794,000 in materials and services and $840,420 in capitalized fees. In 1983, volume consisted of $2,600,000 in media, $1,080,000 in materials and services and $733,700 in capitalized fees.

Accounts gained: Great Lake Financial Resources, ON TV. Lost: None. Billings breakdown: Newspapers 10%, magazines 25%, radio 15%, spot tv 20%, business papers 25%, direct mail 5%. Employes: 11. Top execs: Jane C. Storey, Robert A. Berman, William B. Freer, directors.

Phone: (312) 822-9715.

Stral Advertising, Chicago, reported net income of $7,605 and gross income of $675,236 in 1984 on billings of $4,503,824. In 1983, it reported net income of $6,558 and gross income of $610,000 on billings of $4,035,000. In 1984, volume consisted of $1,519,219 in media, $1,[illegible]6 in materials and services and $1,745,219 in capitalized fees. In 1983, volume consisted of $1,440,000 in media, $1,147,000 in materials and services and $1,448,000 in capitalized fees.

Accounts gained: Bodine Electric Co., Microsolutions, Toko America, Trace Instruments. Lost: None. Billings breakdown: Business papers 80%, direct mail 10%, other 10%. Employes: 15. Top execs: Harold M. Stral, chairman; Laurence A. Kaufman, president; Morrie S. Goldman, vp.

Phone: (312) 467-1323. ☑

G. Temple Associates, Southfield, Mich., reported net income of $30,130 and gross income of $744,252 in 1984 on billings of $4,963,676. In 1983, it reported net income of $7,288 and gross income of $503,003 on billings of $3,354,652. In 1984, volume consisted of $554,084 in media, $417,391 in materials and services and $3,992,201 in capitalized fees. In 1983, volume consisted of $435,781 in media, $328,270 in materials and services and $2,590,601 in capitalized fees.

Account gained: Alloying Surfaces. Lost: None. Billings breakdown: Magazines 80%, direct mail 20%. Employes: 13. Top execs: G.L. Temple, president; E. Doherty, vp.

Phone: (313) 557-5044. ☑

Tepe, Hensler & Westerkamp, Cincinnati, reported gross income of $736,500 in 1984 on billings of $5,606,400. In 1983, it reported gross income of $540,900 on billings of $4,049,100. In 1984, volume consisted of $1,677,300 in media, $675,500 in materials and services and $3,253,600 in capitalized fees. In 1983, volume consisted of $1,167,600 in media, $595,000 in materials and services and $2,286,500 in capitalized fees.

Accounts gained: Comquest subsidiary of Cincinnati Bell, Good Samaritan Hospital, Kahn's & Co.'s food service div, Compucare's PCI Systems div, Physiciancare, Taft Broadcasting Co.'s Leisure Properties div, Stearns & Foster Co.'s Textile div. Lost: None. Billings breakdown: Newspapers 5%, magazines 16%, radio 18%, spot tv 10%, outdoor 2%, business papers 35%, direct mail 3%, other 11%. Employes: 17. Top execs: John Tepe, president; George Hensler III, Tom Westerkamp, vps.

Phone: (513) 241-0100. ☑

Three Arts, Cedar Rapids, Ia., had estimated gross income of $608,000 in 1984 on billings of $4,053,100. In 1983, it had gross income of $584,000 on billings of $3,893,000.

Accounts gained: Kewanee Machinery, Henkel Bonewitz, Intl Boar Semen. Lost: None. Billings breakdown: Newspapers 6%, magazines 35%, radio 11%, spot tv 12%, outdoor 6%, farm publications 30%. Employes: 18. Top execs: Stanton L. Priske, chairman; Daniel S. Perkins, president-ceo; Larry D. Buchanan, senior vp-creative director; Thomas J. Wyckoff, vp-coo.

Phone: (319) 365-7572.

Tunks Communication Group, Minneapolis, had estimated gross income of $117,000 in 1984 on billings of $735,050. In 1983, it had estimated gross income of $181,000 on billings of $1,143,400. In 1984, volume consisted of $395,000 in media, $240,000 in materials and services and $100,050 in capitalized fees.

In 1983, volume consisted of $650,000 in media, $360,000 in materials and services and $133,400 in capitalized fees.

Accounts gained: Lake State Equipment, Gypcrete, Auto-tel. Lost: Lee Data Corp. Billings breakdown: Newspapers 5%, radio 30%, spot tv 5%, outdoor 15%, business papers 20%, farm publications 20%, direct mail 5%. Employes: Four. Top exec: Frederick E. Tunks, president.

Phone: (612) 540-0060.

South: IV agencies
Less than $1,000,000

Adams & Longino Advertising, Greenville, N.C., reported net income of $71,420 and gross income of $239,420 in 1984 on billings of $1,514,540. In 1983, it reported net income of $63,232 and gross income of $198,842 on billings of $1,237,619. In 1984, volume consisted of $611,757 in media, $245,788 in materials and services and $656,995 in capitalized fees.

In 1983, volume consisted of $473,210 in media, $264,633 in materials and services and $499,776 in capitalized fees.

Accounts gained: Trident Financial Corp., Snark Boats, S.G. Wilkerson & Sons. Lost: North State s&l. Billings breakdown: Newspapers 15%, magazines 30%, radio 5%, spot tv 5%, outdoor 15%, business papers 25%, point of sale 5%. Employes: Six. Top execs: Frank H. Longino Jr., president; Charles P. Adams, vp.

Phone: (919) 355-5566.

Barney & Patrick, Mobile, Ala., reported gross income of $834,000 in 1984 on billings of $5,563,000. In 1983, it reported gross income of $771,000 on billings of $5,049,000. In 1984, volume consisted of $2,794,000 in media, $585,000 in materials and services and $2,184,000 in capitalized fees. In 1983, volume consisted of $2,405,000 in media, $198,000 in materials and services and $2,446,000 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 16%, magazines 10%, radio 22%, spot tv 44%, cable tv 1%, outdoor 3%, business papers 4%. Employes: 18. Top execs: McGowin I. Patrick, president; J. Tyler Turner Jr., exec vp.

Phone: (205) 443-0401. ☑

Bedell Inc., Fort Smith, Ark., reported gross income of $921,766 in 1984 on billings of $6,145,107. In 1983, it reported gross income of $659,605 on billings of $4,397,367. In 1984, volume consisted of $2,688,646 in media, $480,954 in materials and services and $2,975,507 in capitalized fees. In 1983, volume consisted of $2,208,811 in media, $317,274 in materials and services and $1,871,282 in capitalized fees.

Accounts gained: Wolverine Toy Co., Columbia Savings. Lost: None. Billings breakdown: Newspapers 13%, magazines 6%, radio 31%, spot tv 47%, direct mail 3%. Employes: 32 in three offices. Top execs: Conaly Bedell, president; Gary Phillips, vp.

Phone: (501) 782-8261. ☑

Robert K. Butcher & Associates, Shreveport, La., reported net income of $19,062 and gross income of $435,900 in 1984 on billings of $2,274,800. In 1983, it reported net income of $21,994 and gross income of $436,400 on billings of $2,162,200. In 1984, volume consisted of $872,000 in media, $581,300 in materials and services and $821,500 in capitalized fees. In 1983, volume consisted of $797,900 in media, $531,900 in materials and services and $832,400 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 32%, magazines 12%, radio 10%, spot tv 27%, other 19%. Employes: 12 in two offices. Top exec: Robert K. Butcher, president.

Phone: (318) 221-4113.

Cascino & Purcell, Atlanta, reported gross income of $615,332 in 1984 on billings of $4,103,030. In 1983, it reported gross income of $367,372 on billings of $2,449,829. In 1984, volume consisted of $2,016,410 in media, $450,809 in materials and services and $1,635,811 in capitalized fees. In 1983, volume consisted of $956,062 in media, $134,121 in materials and services and $1,359,646 in capitalized fees.

Accounts gained: American Hoechst's Agricultural Chemicals div's Scout Insecticide and Whip herbicide products. Lost: WGNX-TV Atlanta. Billings breakdown: Newspapers 10%, radio 5%, spot tv 69%, outdoor 9%, business papers 7%. Employes: 13. Top execs: Alfred M. Cascino, president; Andrew J. Purcell, chairman; John C. Freebairn, exec vp; James E. Kelly, senior vp.

Phone: (404) 237-9945.

Chamberlain-Frandolig Inc., Houston, reported gross income of $352,250 in 1984 on billings of $2,348,000. In 1983, it reported gross income of $295,300 on billings of $1,969,090. In 1984, volume consisted of $1,275,000 in media, $140,000 in materials and services and $933,000 in capitalized fees. In 1983, volume consisted of $995,000 in media, $127,000 in materials and services and $847,090 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 25%, magazines 5%, supplements 5%, radio 30%, spot tv 30%, outdoor 3%, business papers 1%, direct mail 1%. Employes: Five. Top exec: Charles A. Frandolig, president.

Phone: (713) 467-0370.

Communications Trends, Atlanta, reported net income of $79,051 and gross income of $741,344 in 1984 on billings of $6,507,336. In 1983, it reported net income of $49,407 and gross income of $481,404 on billings of $4,225,527. In 1984, volume consisted of $3,338,099 in media, $1,207,850 in materials and services and $1,961,387 in capitalized fees. In 1983, volume consisted of $2,167,579 in media, $784,318 in materials and services and $1,273,630 in capitalized fees.

Accounts gained: Star Ship Stereo, *On Cable* magazine. Lost: The Associated Press. Billings breakdown: Newspapers 9%, magazines 69%, spot tv 2%, direct mail 20%. Employes: 21. Top execs: Toni M. Augustine, president; Ellen S. Chalef, vp-finance; A. Guy Bost, senior vp-creative director; Michael Montgelas, senior vp.

Phone: (404) 352-2200.

Com/Tech Group, St. Petersburg, Fla., reported net income of $73,640 and gross income of $242,850 in 1984 on billings of $1,340,234 In 1983, it reported net income of $92,127 and gross income of $270,963 on billings of $1,630,494.

The agency's 1984 volume consisted of $184,981 in media, $139,639 in materials and services and $1,015,614 in capitalized fees. Its 1983 volume consisted of $228,213 in media, $156,546 in materials and services and $1,245,735 in capitalized fees.

In 1984 the agency gained: None. It lost: None.

Billings breakdown: Business papers 40%, farm publications 1%, other 59%. Employes: Six. Top execs: Robert C. Pierson, president; Robert G. Koehler, exec vp.

Phone: (813) 321-6500. ☑

Crumbley & Associates, Atlanta, had estimated gross income of $860,000 in 1984 on billings of $5,300,000. In 1983, it had estimated gross income of $735,000 on billings of $4,900,000. In 1984, volume consisted of $4,363,360 in media, $323,000 in materials and services and $613,640 in capitalized fees. In 1983, volume consisted of $3,993,370 in media, $313,000 in materials and services and $593,630 in capitalized fees.

Accounts gained: Club Esprit, Charian Oriental Carpets. Lost: None. Billings breakdown: Newspapers 32%, magazines 1%, radio 32%, spot tv 33%, other 2%. Employes: 15. Top execs: George P. Crumbley Jr., president; Cheryl C. Miles, exec vp; Thomas M. Crumbley, vp.

Phone: (404) 577-7150.

Dulaney Advertising, Louisville, Ky., reported net income of $48,603 and gross income of $774,665 in 1984 on billings of $4,726,200. In 1983, it reported net loss of $6,256 and gross income of $546,770 on billings of $3,419,414. In 1984, volume consisted of $1,216,843 in media, $833,373 in materials and services and $2,675,984 in capitalized fees. In 1983, volume consisted of $868,953 in media, $441,346 in materials and services and $2,109,115 in capitalized fees.

Accounts gained: Belknap, University Medical Associates, Commonwealth Life Insurance, Whip Mix dental products. Lost: California Waterbeds, Claiborne Farms, Godfather's Pizza. Billings breakdown: Newspapers 11%, radio 30%, spot tv 14%, outdoor 2%, business papers 15%, point of sale 25%, direct mail 1%, other 2%. Employes: 24. Top execs: W.H. Dulaney, president; Daryl Travis, vp; C.M. DeMuth, secretary-treasurer.

Phone: (502) 587-1711.

Dusenbury & Alban, Durham, N.C., reported gross income of $648,500 in 1984 on billings of $4,161,106. In 1983, it reported gross income of $338,700 on billings of $2,203,975. In 1984, volume consisted of $975,000 in media, $781,571 in materials and services and $2,404,535 in capitalized fees. In 1983, volume consisted of $402,000 in media, $184,500 in materials and services and $1,617,475 in capitalized fees.

Accounts gained: Oh! Brian's Restaurant. Lost: None. Billings breakdown: Newspapers 15%, magazines 10%, radio 10%, spot tv 60%, other 5%. Employes: 11. Top execs: George Dusenbury, secretary-vp; Ray Alban, treasurer-vp.

Phone: (919) 493-4455. ☑

Emery Advertising, El Paso, reported net income of $200,000 and gross income of $800,000 in 1984 on billings of $3,900,000. In 1983, it reported net income of $180,000 and gross income of $700,000 on billings of $3,633,500. In 1984, volume consisted of $3,000,000 in media, $600,000 in materials and services and $300,000 in capitalized fees. In 1983, volume consisted of $2,700,000 in media, $600,000 in materials and services and $333,500 in capitalized fees. Accounts gained: None. Lost: None. Billings breakdown: Newspapers 20%, magazines 10%, radio 20%, spot tv 30%, cable tv 2%, outdoor 5%, business papers 5%, point of sale 3%, direct mail 5%. Top execs: Tom Emery, president; Henry Martinez, senior vp-art director.

Phone: (915) 532-3636.

Fraser Advertising, Atlanta, reported gross income of $110,753 in 1984 on billings of $714,436. In 1983, it reported gross income of $103,800 on billings of $726,000. In 1984, volume consisted of $383,992 in media, $83,227 in materials and services and $247,217 in capitalized fees. In 1983, volume consisted of $329,000 in media, $160,000 in materials and services and $237,000 in capitalized fees.

Accounts gained: World Distribution Systems. Lost: None. Billings breakdown: Newspapers 20%, radio 2%, spot tv 50%, business papers 10%, direct mail 6%, other 12%. Employes: Two. Top exec: Neil L. Fraser, president.

Phone: (404) 892-7060.

Fricke 3 Inc., Raleigh, N.C., reported gross income of $538,094 in 1984 on billings of $2,875,870. In 1983, it reported gross income of $307,005 on billings of $1,682,548. In 1984, volume consisted of $1,364,465 in media, $1,153,293 in materials and services and $358,112 in capitalized fees. In 1983, volume consisted of $926,325 in media, $503,230 in materials and services and $252,993 in capitalized fees.

Accounts gained: None. Lost: None. Billings breakdown: Newspapers 10%, magazines 45%, radio 5%, spot tv 10%, outdoor 15%, business papers 15%. Employes: Eight. Top execs: Charles H. Fricke, president.

Phone: (919) 848-2015. ☑

Lloyd G. Jakeway Advertising & PR, Houston, had estimated gross income of $82,000 in 1984 on billings of $517,612. In 1983, it reported gross income of $104,000 on billings of $651,383. In 1984, volume consisted of $283,512 in media, $34,000 in materials and services and $200,100 in capitalized fees. In 1983, volume consisted of $376,172 in media, $38,160 in materials and services and $237,051 in capitalized fees.

Accounts gained: One. Lost: None. Billings breakdown: Newspapers 6%, magazines 28%, radio 7%, outdoor 52%, direct mail 7%. Employes: Three. Top exec: Lloyd G. Jakeway, president.

Phone: (713) 999-5959.

John Johns & Associates, South Daytona, Fla., had estimated gross income of $321,000 in 1984 on billings of $2,056,987. In 1983, it had estimated gross income of $294,000 on billings of $1,910,663. In 1984, volume consisted of $751,720 in media, $136,787 in materials and services and $1,168,480 in capitalized fees. In 1983, volume consisted of $429,650 in media, $111,232 in materials and services and $1,369,781 in capitalized fees.

Accounts gained: Volusia Co.'s Duff's Family Smorgasbord, Commercial National Bank, Hunt Club at Countryside, Pelican Bay Golf & Country Club, Ocean Sands Condominium, Fox Furniture, Carter Bedding, Cap'n Coty's Restaurant (Ormond, Fla.). Lost: Bishop's Glen Retirement Center, Summit Village/Orlando, Champs Sporting Goods of Central Florida. Billings breakdown: Newspapers 50%, magazines 5%, radio 20%, spot tv 10%, outdoor 10%, direct mail 5%. Employes: Nine in two offices. Top execs: W. John Johns, president; Brian Bell, senior vp.

Phone: (904) 761-2687. ☑

KSK Communications, McLean, Va., reported gross income of $826,805 on billings of $5,512,033 in 1984. In 1983, it reported gross income of $348,574 on billings of $2,323,831.

The agency's 1984 volume included $1,227,615 in media, $1,162,298 in materials and services, and $3,122,120 in capitalized fees. In 1983, volume consisted of $503,118 in media, $617,825 in materials and services, and $1,202,888 in capitalized fees.

In 1984 the agency gained: Saab-Fairchild, Weinschel Engineering, Ball Atlantic, COM-MAIL. It lost: Hyperion (Bytec-Comterm), Universal Computers.

Billings breakdown: Newspapers 8%, magazines 19%, supplements 3%, radio 8%, spot tv 5%, outdoor 1%, transit advertising 1%, direct mail 10%, other 45%. Employes: 20. Top execs: Karen S. Kennedy, president; Carole M. Brown, exec vp.

Phone: (703) 734-1880. ☑

William Mills & Associates, Atlanta, had estimated gross income of $295,500 in 1984 on billings of $1,923,382. In 1983, it had estimated gross income of $251,800 on billings of $1,634,451. In 1984, volume consisted of $603,131 in media, $268,172 in materials and services and $1,052,079 in capitalized fees. In 1983, volume consisted of $504,746 in media, $255,666 in materials and services and $874,437 in capitalized fees.

Accounts gained: GMD Systems Intl, Pulse Marketing, Broadway & Seymour. Lost: None. Billings breakdown: Newspapers 15%, magazines 50%, radio 5%, business papers 15%, point of sale 5%, direct mail 10%. Employes: 13. Top execs: William E. Mills Jr., president; Eloise B. Mills, corp secretary-media director; Herb Morgan, exec art director.

Phone: (404) 261-4900. ☑

Monett Media Advertising, Atlanta, had estimated gross income of $625,710 in 1984 on billings of $4,058,750. In 1983, it had estimated gross income of $492,638 on billings of $3,200,750. In 1984, volume consisted of $2,560,000 in media, $640,000 in materials and services and $858,750 in capitalized fees. In 1983, volume consisted of $1,897,000 in media, $475,000 in materials and services and $828,750 in capitalized fees.

Accounts gained: State of Ohio Nissan Datsun Dealers, WRMM-FM. Lost: Oxford Chemicals, Olympic Mfg, Control Data Institute. Billings breakdown: Newspa-

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pers 20%, magazines 1%, radio 20%, network tv 50%, outdoor 5%, direct mail 4%. Employes: Seven. Top exec: David S. Monett, president.

Phone: (404) 231-9050. ☑

John L. Moorhead Advertising/PR, Durham, N.C., had estimated gross income of $119,000 in 1984 on billings of $789,498. In 1983, it had gross income of $83,000 on billings of $539,735. In 1984, volume consisted of $295,544 in media, $27,394 in materials and services and $466,560 in capitalized fees. In 1983, volume consisted of $192,873 in media, $65,015 in materials and services and $281,847 in capitalized fees.

Accounts gained: Soil & Material Engineers. Lost: None. Billings breakdown: Newspapers 15%, business papers 70%, other 15%. Employes: Three. Top execs: John L. Moorhead, president-owner.

Phone: (919) 688-6137.

Oldfield Davis, Dallas, reported gross income of $965,666 in 1984 on billings of $8,512,287. In 1983, it reported gross income of $640,822 on billings of $5,507,444. In 1984, volume consisted of $1,069,095 in media, $1,002,200 in materials and services and $6,440,992 in capitalized fees. In 1983, volume consisted of $863,481 in media, $369,680 in materials and services and $4,274,283 in capitalized fees.

Accounts gained: Murray Financial Corp., Joe Foster Co. Lost: None. Billings breakdown: Newspapers 15%, magazines 35%, radio 20%, spot tv 5%, outdoor 15%, direct mail 10%. Employes: 17. Top execs: Holly M. Oldfield, president, co-owner; Rachel Mostert Davis, vp-secretary, co-owner.

Phone: (214) 748-4611.

Poindexter Associates Advertising, Roanoke, Va., reported gross income of $492,553 in 1984 on billings of $3,758,668. In 1983, it reported gross income of $338,774 on billings of $2,152,709. In 1984, volume consisted of $1,874,451 in media, $439,882 in materials and services and $1,444,335 in capitalized fees. In 1983, volume consisted of $1,138,647 in media, $276,087 in materials and services and $737,975 in capitalized fees.

Accounts gained: Hop-In Food Stores. Lost: Roanoke Valley Cable Tv. Billings breakdown: Newspapers 30%, magazines 5%, radio 13%, spot tv 35%, outdoor 5%, direct mail 2%, other 10%. Employes: 11. Top exec: Dale S. Poindexter, president.

Phone: (703) 345-2400. ☑

Rice Advertising, Oklahoma City, had estimated gross income of $206,166 in 1984, on billings of $1,367,793. In 1983, it had estimated gross income of $179,303 on billings of $967,429. In 1984, volume consisted of $855,408 in media, $85,459 in materials and services and $426,926 in capitalized fees. No volume breakdown was provided for 1983. Accounts gained: Nichols Casing Crews, Napoleon Nash apparel, Keystone Equipment Co. Lost: None. Billings breakdown: Newspapers 20%, magazines 3%, radio 19%, spot tv 43%, cable tv 5%, outdoor 2%, point of sale 1%, direct mail 7%. Employes: Eight. Top execs: Jim L. Rice, president; Barry L. Smith, vp-supervisor; Vonda L. Rice, vp-finance.

Phone: (405) 943-9849. ☑

Shepler & Co., Hickory, N.C., newly formed in 1984, had estimated gross income of $163,287 on billings of $1,088,586. Volume consisted of $220,000 in media, $363,000 in materials and services and $505,586 in capitalized fees. Accounts gained: Douglas Battery, AP Parts, Dana Precision Controls div. Lost: None. Billings breakdown: Magazines 20%, point of sale 5%, other 75%. Employes: Five. Top execs: Larry Shepler, president-ceo.

Phone: (704) 322-5807. ☑

Shorey & Walter, Greenville, S.C., had estimated gross income of $865,000 in 1984 on billings of $5,700,000. In 1983, it had estimated gross income of $840,000 on billings of $5,600,000. In 1984, volume consisted of $1,600,000 in media, $1,600,000 in materials and services and $2,500,000 in capitalized fees. In 1983, volume consisted of $1,500,000 in media, $1,500,000 in materials and services and $2,600,000 in capitalized fees. Accounts gained: None. Lost: None. The agency did not break down its billings. Employes: 18. Top execs: G.D. Shorey, chairman-ceo; W.J. Walter Jr., president; G. Day Shorey, vp-business development.

Phone: (803) 242-5407. ☑

Smelkinson, Cerrati & Co., Hilton Head Island, S.C., reported gross income of $822,932 in 1984 on billings of $5,379,928. In 1983, it reported net income of $207,209 and gross income of $631,736 on billings of $4,212,796. In 1984, volume consisted of $1,093,468 in media, $971,517 in materials and services and $3,314,943 in capitalized fees. In 1983, volume consisted of $1,118,657 in media, $648,437 in materials and services and $2,445,702 in capitalized fees.

Accounts gained: U.S. Retirement Co., Beacon Financial Group, Ocean Forest Plaza, The Savings Bank of Beaufort County, Hidden Dunes Shoreline Destin Pointe, (Destin, Fla.), Coastal Land Trust. Lost: InteRedec. Billings breakdown: Newspapers 25%, magazines 25%, radio 10%, outdoor 5%, business papers 10%, point of sale 10%, direct mail 15%. Employes: 17. Top execs: Marsha E. Smelkinson, president; Karen C. Cerrati, vp; Tobin Spirer, vp-client services.

Phone: (803) 785-5038.

Smith/Tarter & Co., Amarillo, Tex., reported net income of $33,617 and gross income of $521,206 in 1984 on billings of $3,402,527. In 1983, it reported net income of $28,974 and gross income of $460,140 on billings of $3,093,315. In 1984, volume consisted of $1,167,284 in media, $528,884 in materials and services and $1,706,359 in capitalized fees. In 1983, volume consisted of $1,164,625 in media, $276,144 in materials and services and $1,652,546 in capitalized fees.

Accounts gained: Energas Co., Puget Sound Pontiac Dealers Assn. Lost: Westview National Bank. Billings breakdown: Newspapers 20%, magazines 12%, radio 7%, spot tv 45%, outdoor 2%, point of sale 5%, other 9%. Employes: Nine in two offices. Top exec: Dan M. Smith, president.

Phone: (806) 379-6433. ☑

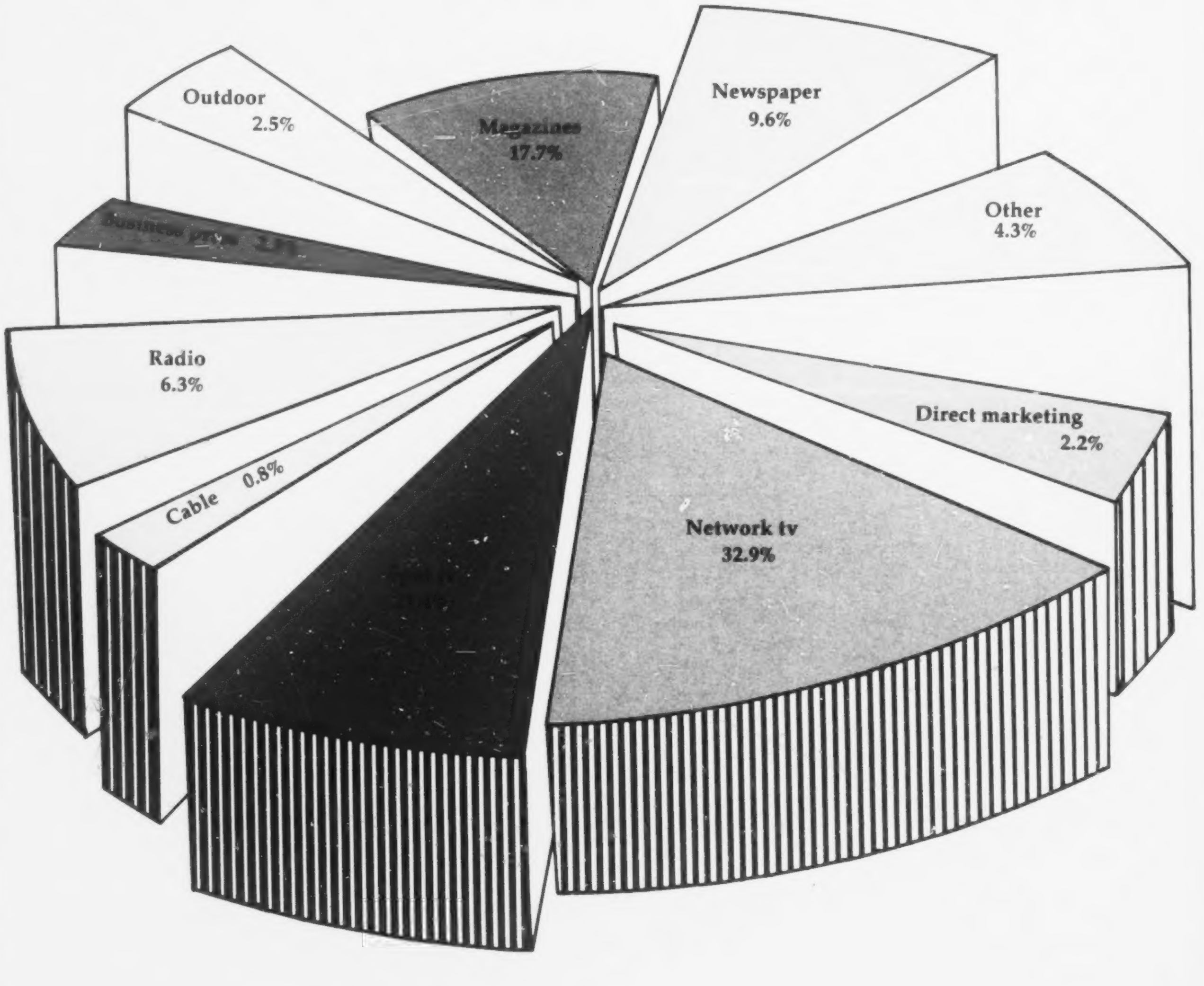
SSF Advertising, Hickory, N.C., the advertising division of Inform Inc., an association management and public relations firm, reported net income of $54,000 and gross income of $681,816 in 1984 on billings of $4,325,129. For 1983, gross income, billing, and volume figures were not available. In 1984, volume consisted of $507,360 in media, $665,654 in materials and services and $3,152,115 in capitalized fees.

Accounts gained: Hotel Europa (Durham), North Carolina College Foundation, GEI, Hickory Construction, Hickory Throwing Co., Hickorycraft. Lost: Technetic Industries. Billings breakdown: Newspapers 6.8%, magazines 1.6%, radio 5.7%, outdoor 1.5%, business papers 84.4%. Employes: 16 in two offices. Top execs: Paul Fogleman, ceo; James Fry, president; Barbara Short, exec vp.

Phone: (704) 328-5618.

Todd Advertising & PR, Fort Worth, Tex., reported net income of $33,000 and gross income of $606,118 in 1984 on billings of $3,741,414. In 1983, it reported net income of $8,277 and gross income of $622,799 on billings of $4,153,511. In 1984, volume consisted of $696,843 in media, $640,410 in materials and services and $2,404,161 in capitalized fees. In 1983, volume

1984 media breakdown of U.S. billings for I and II agencies



NOTE: Compiled from information provided by 144 I and II agencies with total media spending of $31,710,565,200

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consisted of $609,397 in media, $494,130 in materials and services and $3,049,984 in capitalized fees.

Accounts gained: Total Assets Protection, National Hand Tool, Barnes Petroleum. Lost: Continental National Bank, Snyder Oil Co. Billings breakdown: Newspapers 13%, magazines 51%, radio 8%, outdoor 25%, direct mail 1%, yellow pages 2%. Employes: 18. Top execs: Jerre R. Todd, president; Sue Countryman, senior vp.

Phone: (817) 335-2107. ☑

Oliver White Associates, Atlanta, had estimated gross income of $700,000 in 1984 on billings of $4,318,000. In 1983, it had estimated gross income of $650,000 on billings of $4,140,000. In 1984, volume consisted of $2,600,000 in media, $785,000 in materials and services and $933,000 in capitalized fees. In 1983, volume consisted of $2,250,000 in media, $690,000 in materials and services and $1,200,000 in capitalized fees.

Accounts gained: Hyatt Regency Atlanta. Lost: None. Billings breakdown: Newspapers 10%, magazines 60%, business papers 20%, direct mail 10%. Employes: 10. Top execs: Oliver White Jr., president; Pamela K. Nolen, vp-acct services; David L. Harrell, vp-creative director.

Phone: (404) 233-6777.

West: IV agencies
Less than $1,000,000

Albright & Price, Lafayette, Cal., reported net income of $8,182 and gross income of $197,867 in 1984 on billings of $1,319,535. In 1983, it reported net income loss of $13,001 and gross income of $199,120 on billings of $1,246,145. In 1984, volume consisted of $66,865 in media, $413,034 in materials and services and $839,636 in capitalized fees. In 1983, volume consisted of $51,076 in media, $438,474 in materials and services and $756,595 in capitalized fees.

Accounts gained: Financial Proformas, Brighter Images, Children's Hospital, ETI Micro. Lost: None. Billings breakdown: Newspapers 40%, magazines 60%. Employes: Five. Top execs: J. Grant Price, president; Gary E. Albright, vp-secretary/treasurer.

Phone: (415) 284-1694.

Ray Coen Co., Los Angeles, had estimated gross income of $600,000 in 1984 on billings of $4,000,000. In 1983, it had estimated gross income of $450,000 on billings of $3,000,000. No volume breakout was provided for either year.

Accounts gained: Imperial Bank, Shomex Corp., Gem Products, Fredericks-Hansen Paints. Lost: Vagabond Hotel, SAGA Corp.'s restaurant mgmt div. Billings breakdown: Newspapers 30%, magazines 30%, radio 10%, spot tv 5%, outdoor 10%, point of sale 5%, direct mail 5%, other 5%. Employes: Eight. Top exec: Raymond L. Coen, president.

Phone: (213) 477-4183.

Darien, Russell, Hill & Dahl. San Jose, Cal., reported net income of $246,756 and gross income of $711,876 in 1984 on billings of $6,344,117. In 1983, it reported net income of $158,500 and gross income of $534,939 on billings of $4,241,839. In 1984, volume consisted of $4,676,634 in media, $475,114 in materials and services and $1,192,369 in capitalized fees. In 1983, volume consisted of $2,934,103 in media, $373,536 in materials and services and $934,200 in capitalized fees.

Figures include those of U.S. subsidiary:

- DRH&D, Fresno, Cal.

Account gains and losses were not provided. Billings breakdown: Newspapers 20%, magazines 9%, radio 20%, spot tv 45%, cable tv 1.5%, outdoor 1%, business papers 1%, transit advertising 0.5%, direct mail 2%. Employes: 14 in two offices. Top execs: Frank Darien Jr., president; Earle Russell, vp-secretary; Danny Hill, vp-treasurer; Gary Dahl, vp-creative director.

Phone: (408) 247-2622.

Deulofeu/Wilson Advertising, Culver City, Cal., had estimated gross income of $539,000 in 1984 on billings of $3,128,730. In 1983, it had estimated gross income of $378,500 on billings of $2,192,100. In 1984, volume consisted of $327,937 in media, $2,640,713 in materials and services and $160,080 in capitalized fees. In 1983, volume consisted of $214,554 in media, $1,873,754 in materials and services and $103,792 in capitalized fees.

Accounts gained: Datafaction, Wilsons. Lost: None. Billings breakdown: Magazines 95%, radio 5%. Employes: 16. Top execs: Julio Deulofeu, president; Jeffrey Wilson, vp.

Phone: (213) 559-9880. ☑

Alan Frank & Associates, Salt Lake City, reported net income of $18,077 and gross income of $985,918 in 1984 on billings of $6,184,171. In 1983, it reported net income of $18,077 and revised gross income of $903,431 on billings of $5,673,651. In 1984, volume consisted of $4,602,669 in media, $1,245,454 in materials and services and $336,048 in capitalized fees. In 1983, volume consisted of $4,665,989 in media, $682,700 in materials and services and $324,962 in capitalized fees.

Accounts gained: Rick Warner Ford, MCA/Universal, Buildmart Mall, Wyoming Downs, New World Pictures, Benchmark Reality, Utah Safety Council, Sarah Daft Home. Lost: David Early Tire, Circle 'J' Club. Billings breakdown: Newspapers 25%, radio 5%, spot tv 35%, outdoor 5%, point of sale 1%, direct mail 27%, other 2%. Employes: 19 in two offices. Top execs: Alan F. Frank, president-genl mgr; Kazou Shiotani, senior vp; William Brannan, vp-acct exec.

Phone: (801) 486-7455. ☑

Gorton Advertising & PR, Los Angeles, called LA West Advertising until the name was changed in December, 1984, reported net income of $27,607 and gross income of $643,090 in 1984 on billings of $3,458,897. In 1983, it reported net income of $15,032 and gross income of $371,533 on billings of $2,357,059. In 1984, volume consisted of $2,215,643 in media, $813,906 in materials and services and $429,348 in capitalized fees. In 1983, volume consisted of $1,424,952 in media, $598,634 in materials and services and $333,473 in capitalized fees.

Accounts gained: Boge of America shock absorbers, Hawaiian Sun natural fruit drink. Lost: American Warranty Corp. Employes: Nine. Top execs: Jack Gorton, chairman; Ethan Eller, cfo; Carol Agern, coo; Jim Barney, pr director.

Phone: (213) 934-8586

Claire Harrison Associates, San Francisco, reported net income of $51,676 and gross income of $641,795 in 1984 on billings of $5,523,460. In 1983, it reported net income of $49,693 and gross income of $613,471 on billings of $5,021,827. In 1984, volume consisted of $569,967 in media, $100,334 in materials and services and $4,853,159 in capitalized fees. In 1983, volume consisted of $534,144 in media, $93,907 in materials and services and $4,393,776 in capitalized fees.

Accounts gained: Oregon Pacific, Urban West, Computer Aided Design, Multiterminals, Rouse Associates, Field/Gruzen. Lost: 101 Lombard, Suburban House. Billings breakdown: Newspapers 40%, magazines 10%, radio 5%, outdoor 5%, business papers 5%, point of sale 25%, direct mail 10%. Employes: 15. Top execs: Claire Reed, president; Edward Reed, exec vp; Timothy Mitchell, senior vp.

Phone: (415) 543-7760. ☑

Hinton & Steel, Seattle, reported net income of $11,779 and gross income of $314,572 in 1984 on billings of $2,348,748. In 1983, it reported net income of $12,691 and gross income of $304,121 on billings of $2,665,324. In 1984, volume consisted of $632,865 in media, $409,251 in materials and services and $1,306,632 in capitalized fees. In 1983, volume consisted of $807,877 in media, $382,764 in materials and services and $1,474,683 in capitalized fees.

Accounts gained: American Data Base, Chaffey Corp., Multicare Medical Center, Sheraton Tacoma Hotel, Window Visions. Lost: Attachmate. Billings breakdown: Newspapers 25%, magazines 10%, radio 20%, spot tv 10%, business papers 20%, direct mail 5%, other 10%. Employes: 10. Top execs: Dennis Hinton, president; Davis C. Steel, secretary-treasurer.

Phone: (206) 623-0852. ☑

Klein/Richardson, Beverly Hills, Cal., reported gross income of $435,000 in 1984 on billings of $2,900,000. In 1983, it reported gross income of $411,000 on billings of $2,750,000.

Accounts gained: California Hospital, Medical Fitness Center, Nutrition Health Systems, The Orthodontist, Provident Federal Savings. Lost: Granada Royale Hometels, Aliseo Intl, Hawaii's Own. Billings breakdown: Newspapers 30%, magazines 25%, radio 25%, outdoor 5%, business papers 5%, point of sale 5%, other 5%. Employes: Eight. Top execs: Niel K. Klein, president-creative director; Glenn W. Richardson, exec vp-client services director.

Phone: (213) 652-4450.

Chris Nater & Associates, Albuquerque, N.M., projects net income of $87,190 and gross income of $792,400 for 1984 on billings of $5,266,920. The agency projected its figures on a calendar basis from nine months of its current fiscal year. No figures were provided for 1983. Volume in 1984 consisted of $731,000 in media, $27,000 in materials and services and $4,508,920 in capitalized fees.

Accounts gained: ComputerLand of Santa Fe, New Mexico Health Plan, Pen 'n' Pad, Sport One, Taos Ski Valley, Heights General Hospital. Lost: Mati Jewelers, Solar Age Mfg, Heights General Hospital. Billings breakdown: Newspapers 16%, magazines 6%, radio 11%, spot tv 57%, cable tv 1%, outdoor 8%, other 1%. Employes: 10. Top exec: Chris Nater, president-creative director.

Phone: (505) 298-7200.

New-Venture Advertising, Los Angeles, reported net income of $185,000 and gross income of $600,000 in 1984 on billings of $3,008,800. In 1983, it reported net income of $120,000 and gross income of $430,000 on billings of $2,080,000. In 1984, volume consisted of $1,225,000 in media, $850,000 in materials and services and $933,800 in capitalized fees. In 1983, volume consisted of $820,000 in media, $626,350 in materials and services and $633,650 in capitalized fees.

Accounts gained: Audio-Video Outlets, Data Service Bureau, ICDT Enterprises, Electronic Mail Centers, Perma Tech Industries. Lost: None. Billings breakdown: Newspapers 30%, magazines 35%, radio 15%, network tv 10%, outdoor 5%, business papers 5%. Employes: Seven. Top exec: Doug Hedlund, president-creative director.

Phone: (213) 473-1547. ☑

Pearlman Wohl Inc., Los Angeles, reported net income of $162,000 and gross income of $805,000 in 1984 on billings of $5,870,000. In 1983, it reported net income of $121,000 and gross income of $510,000 on billings of $3,370,000. In 1984, volume consisted of $4,700,000 in media, $490,000 in materials and services, and $680,000 in capitalized fees. In 1983, volume consisted of $2,500,000 in media, $350,000 in materials and services, and $520,000 in capitalized fees.

Figures include those of U.S. subsidiaries:

- Aspen Marketing Group
- Wally Inc.

Accounts gained: Ernst & Whinney, Elm Development Corp., Vista Nohl Corp., Southern California Psychiatric Society. Lost: Marchon Inc. Billings breakdown: Newspapers 20%, magazines 7%, supplements 2%, radio 4%, network tv 3%, spot tv 40%, cable tv 1%, point of sale 3%, direct mail 10%, other 10%. Employes: Eight. Top execs: Wally Wohl, chairman-creative director; Dan Pearlman, president-ceo.

Phone: (213) 277-4684.

Soderberg & Associates, Seattle, reported net loss of $21,181 and gross income of $591,327 in 1984 on billings of $4,270,130. In 1983, it reported net income of $22,060 and gross income of $828,444 on billings of $6,546,631. In 1984, volume consisted of $1,969,284 in media, $1,237,568 in materials and services and $1,063,278 in capitalized fees. In 1983, volume consisted of $2,130,814 in media, $1,199,230 in materials and services and $3,216,[illegible] in capitalized fees.

Accounts gained: Brittania, Bergman Luggage, Calico Inns, KTZZ-Channel 22, Southgate Ford, Seattle Trade Center, Stock Market Foods. Lost: Scandia Down Corp., Union Bay Sportswear, Black Angus Restaurants. Billings breakdown: Newspapers 14%, magazines 2%, radio 30%, spot tv 42%, cable tv 10%, point of sale 2%. Employes: 15. Top exec: P. Stanley Soderberg, president.

Phone: (206) 285-2070.

Standard PR & Marketing/Standard Worldwide, Universal City, Cal., a member company of Standard Advertising Inc., Tokyo, had estimated gross income in 1984 of $230,000 on billings of $1,537,083. The Los Angeles arm of Standard Advertising was founded in mid-1983, therefore, no figures are available for calendar 1983. No volume breakout was provided for 1984. Billings breakdown: Newspapers 10%, magazines 16%, radio 8%, all tv 43%, other 23%. Employes: 12. Top execs: Ken Kichioki, president; Ronald S. Mracky, mgmt director, North America; Peter Johns, creative director.

Phone: (818) 760-6622.

Webb & Associates, Lafayette, Cal., reported net income of $60,047 and gross income of $732,316 in 1984 on billings of $3,312,009. In 1983, it reported net loss of $9,154 and gross income of $572,439 on billings of $2,889,112. In 1984, volume consisted of $1,184,164 in media, $959,544 in materials and services and $1,168,301 in capitalized fees. In 1983, volume consisted of $1,266,110 in media, $893,192 in materials and services and $729,810 in capitalized fees.

Accounts gained: Price Dealership Group, Falcon Development, Santa Rosa Transit, Temaco Pathtrace Intl. Lost: None. Billings breakdown: Newspapers 50%, magazines 20%, radio 15%, outdoor 5%, transit advertising 5%, direct mail 5%. Employes: 16. Top exec: John M. Webb, president.

Phone: (415) 283-1733. ☑

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Agency income surges by 17%

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purchase of Compton Advertising, had year-to-year increases in world income of 33.3%, world billings 34.6%, U.S. income 42% and non-U.S. billings 28.7%.

Growth among agencies in 1984 was most evident among the I agencies—the select group of agencies that top $15 million in gross income. Sixty agencies entered this grouping in 1984, compared with 54 in 1983. The I agencies accounted for 81% of the world gross income of all agencies monitored and 80% of world billings. In the U.S., they accounted for 74% of U.S. gross income and billings.

The new entries to this select group in 1984 were paced by Lord, Geller, Federico, Einstein, the JWT subsidiary that rose to No. 38 from No. 57 in 1983. Lord, Geller had increases of 106% in gross income and 111% in billings, a performance chairman-chief executive officer Richard J. Lord credits to new business from Book-of-the-Month Club and Charles of the Ritz Group and from growth in new assignments from existing clients, particularly Scheiffelin and IBM (PC jr).

Chiat/Day, one of the contenders for this year's Agency of the Year, was not far behind, jumping from No. 56 to No. 40 in rank by world gross income. Other newcomers: No. 56 AC&R, a Ted Bates Worldwide subsidiary; No. 57 Medicus Intercon International, a Benton & Bowles subsidiary; No. 58 Rosenfeld, Sirowitz & Lawson, and No. 59 Evans Communications.

The II agencies—those with gross income between $5 million and $15 million—included 102 agencies in 1984 compared with 86 in 1983. They accounted for 10% of both world gross income and billings for the 619 agencies reported.

Westport, Conn.-based Barry Blau & Partners recorded the largest jump among them, from No. 216 in 1983 to No. 145 in 1984. Substantial new business from Purolator Courier Corp. and new assignments from IBM and Citicorp Diner's Club were the major contributors to growth at Blau & Partners.

The III agencies—the 272 in this issue with gross income of $1 million to $5 million—accounted for 8% of total world gross income and 8.6% of world billings among the agencies. Group IV agencies—the 185 in this issue with gross income of less than $1 million—accounted for less than 2% of gross income and billings.

The I and II agencies, because of their sheer size, serve as a window to the entire advertising industry, which Ad Age has plumbed in this 41st agency report by monitoring their productivity, where they spend their clients' money, the relationship of fees to total billings volume, the employment picture and how it is changing, among others.

In general, the most efficient ad shops fall in the II agency sector—the $5 million to $15 million gross income category. Productivity—a measure of the number of employes per $1 million in billings—in this group averaged 1.9.

But employment stability among these shops is more hazardous, the average number of employes dropping 0.7% from 1983 to 1984, to 88, despite a billings boost of 17% for the entire category. The leading shop in productivity (0.56) was Ohlmeyer Advertising, a member of the II agency category.

The only I agencies to crack the top 10 in productivity were Laurence, Charles & Free (0.95) and Leber Katz Partners (1.02). While the I agencies are on average less productive (2.4 employes per $1 million in billings), they are at least hiring as a group—employment in this $15 million-plus in gross income category rose 8.4% from 1983 to 1984 in the U.S.

The much smaller III agencies ($1 million to $5 million gross income) averaged 2.2 persons per $1 million in billings, and the IV's 3.0 persons, indicating that somewhere among the 102 II agencies there is a point of diminishing returns.

Tv dominated the spending among the I and II agencies with network tv commanding 32.9% of their total billings and spot tv 21.4% of the total. Magazines came in third at 17.7%. Other expenditure breakdowns: Newspapers 9.6%, radio (spot and network) 6.3%, outdoor 2.5%, business press 2.3%, direct mail 2.2%, cable 0.8%, supplements 0.7%, farm and point of sale, both 0.5%, transit 0.2%, and other 2.4%. These statistics were based on the media segment figures supplied by 144 of the 162 agencies in the I and II categories.

The dominant media shops by billings volume reads like the "Who's Who" among agencies: Ogilvy & Mather outpaced the rest in network tv expenditures, spending 51% of its billings in that medium. O&M also led the pack in direct marketing, where it spent 9% of its billings—a tribute to O&M's big direct marketing subsidiary.

Young & Rubicam led the rest in spot tv billings volume, where it spent 22.1% of its billings, and in magazines, which pulled in 17% of the Y&R total. The newspaper king was Wells, Rich, Greene, which funneled 28% of its business into that medium.

BBDO International won in the radio billings race, spending 9% of its volume in that medium; Ted Bates Worldwide took outdoor billings with 8.8% of its expenditures, and Doyle Dane Bernbach was the volume leader in cable, which attracted 2.5% of DDB expenditures.

The growth of capitalized fees as a form of agency remuneration stalled at 10.9% as a composite of capitalized U.S. billings among the I and II agencies in 1984. The percentage actually dropped among the I shops from 8.9% of the total billings for those agencies in 1983 to 8.5% in 1984, which countered the II agency composite increase from 22.7% to 25% of II billings—the latter figures influenced by a large number of direct marketing and specialty type shops (medical advertising, for example) that comprise the II ranks.

Lavey/Wolff/Swift and Lorsch Group topped the top 10 I and II agencies in percentage of fees to total billings, handling all their business by fee.

This relationship of an agency's size to its propensity to take remuneration by fees rather than media commission continues into the III and IV agencies. The percentage of fees to total billings increased from 34.9% to 36% among the III agencies on the year-to-year basis, and moved from 39.7% to 41.1% among the IV agencies.#

1984 composite statistics in 41st agency report

($ figures in 000,000)

Agency group	World gross income range	Agencies reporting	Capitalized fees	U.S. billings	Cap. fees as % of U.S. billings	Total employes	Average employes
I	**More than $15 million**	60	2,281.0	27,002.3	8.5	95,183	1,586
II	**$5 million to $15 million**	102	1,181.6	4,736.3	25.0	8,807	88
I & II		162	3,462.6	31,738.6	10.9	103,990	650
III	**$1 million to 5 million**	272	1,488.7	4,181.5	36.0	9,196	33
IV	**Less than $1 million**	185	265.6	641.1	41.1	1,920	10
All		619	5,216.9	36,561.2	14.3	115,106	186

Saatchi paces agency groups

The meteoric rise of Saatchi & Saatchi Co. Plc in the 1980s was never more evident than in 1984 when it rocketed six places from No. 10 to No. 4 in world ranking by gross income of agency groups/-agencies.

The London-based holding company, whose business emanates primarily from New York and London, rose dramatically in 1984 from sizable new business stateside and from the inclusion of financial data from 1984 acquisitions—Hay Group and Yankelovich, Skelly & White.

The holding companies are not ranked in this issue because technically they are not agencies. The accompanying chart illustrates how they line up against agencies in this issue, many of which are their own subsidiaries.

Interpublic Group

Interpublic Group of Cos., New York, comprising agencies McCann-Erickson Worldwide, Marschalk Campbell-Ewald Worldwide, SSC&B:Lintas Worldwide, and Dailey & Associates, had consolidated gross income of $671,311,000 in 1984 on billings of $4,477,644,000 compared with gross income of $566,370,000 on billings of $3,777,688,000.

Individual members of the holding company and their gross income and billings in 1984: McCann-Erickson, $325,241,000 gross income on $2,169,356,000 in billings; Marschalk Campbell-Ewald, $140,272,000 gross income on $935,612,000 in billings; SSC&B:Lintas Worldwide, $182,942,000 gross income on $1,230,283,000 in billings, and Dailey & Associates, $22,175,000 gross income of $147,907,000 in billings.

Interpublic is headed by Philip H. Geier Jr., chairman-ceo. Other top officers include: J. Donald McNamara, president, and Eugene P. Beard, exec vp-finance/cfo.

JWT Group

JWT Group, New York, reported gross income of $528,300,000 in 1984 on billings of $3,523,600,000. In 1983, it reported gross income of $468,200,000 on billings of $3,122,600,000.

The group is comprised primarily of J. Walter Thompson Co., New York, which had gross income of $405,800,000 on billings of $2,706,700,000 in 1984 compared with gross income of $368,300,000 on billings of $2,456,200,000 in 1983. Under the J. Walter Thompson banner fall several agencies: J. Walter Thompson USA, Brouillard Communications, Thompson Recruitment Advertising, Market Behavior, and Marti, Flores Prieto.

JWT Group agencies not under the J. Walter Thompson Co. banner include Lord, Geller, Federico, Einstein, Hill & Knowlton, a leading pr agency, E-A International and Simmons Market Research Bureau. Don Johnston is chairman-ceo and chairman exec committee of JWT Group, and chairman-ceo of J. Walter Thompson Co. Hugh P. Connell is exec vp-secretary of JWT Group.

Saatchi & Saatchi Co. Plc

Saatchi & Saatchi Co. Plc, New York, reported gross income of $426,201,241 in 1984, of which $209,495,908 was in non-U.S. income, on billings of $2,390,350,018. In 1983, it reported gross income of $253,266,000, of which $142,410,000 was in non-U.S. income, on billings of $1,710,569,000.

The company's 1984 U.S. volume was $1,152,662,333. In 1983, volume of $771,785,000 consisted of $562,206,000 in media, $32,404,000 in materials and services and $177,175,000 in capitalized fees.

The report incorporates all of the operations in the company, including the non-advertising activities within Hay Group in London, an advertising and management consulting company, and Yankelovich, Skelly & White, the U.S. research company, both of which were purchased in 1984. Saatchi & Saatchi continues to seek acquisitions, recently purchasing Rowland Co., a New York pr business.

Mickelberry Corp.

Mickelberry Corp., New York, comprised of Cunningham & Walsh, Laurence, Charles & Free and Nadler & Larimer, reported consolidated gross income of $96,030,000 in 1984 on billings of $755,000,000 compared with gross income of $92,454,000 on billings of $631,000,000 in 1983 for a year-to-year increase of 3.9% in gross income and 19.7% in billings.

Individual results in 1984 include: Cunningham & Walsh, $53,280,000 gross income on $370,000,000 in billings; Laurence, Charles & Free, $32,250,000 gross income on $215,000,000 in billings; and Nadler & Larimer, $10,500,000 income on $70,000,000 in billings. C & W also took over Chicago's BBDM in March, 1985.

James Marlas, founder, recently moved up to chairman to allow Richard J. Diamond to become president. Former chairman, Franklin D. Roosevelt Jr., has become chairman of exec committee.

Agency groups lead top agencies

(Figures in $000,000)

World rank	U.S. rank†	**Group**/Agency	World gross income 1984	% change 1984-1983	U.S. gross income 1984	% change 1984-1983
1	3	**Interpublic**	671.3	18.5	315.0	17.9
2	1	**JWT Group**	528.3	12.8	*324.0	18.7
3	2	Young & Rubicam	480.1	15.9	323.1	17.8
4	10	**Saatchi & Saatchi Plc**	426.2	68.3	157.4	41.9
5	5	Ted Bates Worldwide	424.4	9.4	263.2	7.7
6	4	Ogilvy & Mather Intl	421.0	21.8	270.5	32.5
7	7	J. Walter Thompson Co.	405.8	10.2	218.2	15.9
8	6	BBDO International	340.0	16.4	235.0	18.1
9	11	Saatchi & Saatchi Compton	337.5	33.2	157.4	41.9
10	13	McCann-Erickson	325.2	21.7	118.5	24.2

* AA estimate

†Foote, Cone & Belding International is No. 8 at $196.9 million; Leo Burnett Co. is No. 9 at $163.2 million, and Doyle Dane Bernbach International is No. 12 at $154.1 million

NOTE: Agency group Mickelberry Corp. ranked No. 23 worldwide among U.S. agencies with gross income of $96,000,000 in 1984, up 3.9% from 1983, and No. 20 in U.S. with the same gross income.

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C-2710-1

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Monday, April 1, 1985

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ABC sporting with Ford, Chevy

'MNF,' Olympics deals in works

By VERNE GAY

New York—Ford Motor Co. is preparing to sign a multiyear deal with ABC Sports for sponsorship of "Monday Night Football," Advertising Age has learned. The deal, expected to be completed by mid-April, will break the domestic-auto-exclusivity hold that General Motors' Chevrolet division has held for years.

Chevrolet, however, is a prime target for ABC as it prepares to begin its sales effort April 15 for its coverage of the 1988 Winter Olympics. Asking price reportedly is $400,000 or more per 30 seconds, about double the 1984 Winter Games, when Chevrolet was a major sponsor.

On "Monday Night Football," Chevy and import Nissan will continue to maintain their berths, but the new arrangement will be structured so that Ford and Nissan can share a game. Ford reportedly would take the first half and Nissan the second. The following Monday Chevrolet would be the exclusive auto sponsor. Nissan and Ford would switch halves every other game.

In addition, ABC is increasing the number of commercial units per game needed to maintain automotive-category exclusivity from 10 30-second spots to 12. The reason for this, AA was told, is that ABC can firm up the commercial load on the game.

Having suffered a ratings loss last season, "MNF" experienced a decline in advertiser interest. As a result, unit costs sometimes dipped below $100,000. It is believed Ford would pay $175,000 per 30 seconds for its "MNF" positions.

Exclusivity advertisers in both the beer and automotive categories ended three-year deals on "MNF" last season.

The strategy with the automotive companies this year is the exact opposite of the way ABC handled beer-category exclusivity renewals. To shore up its chances

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$40 million push starts

AT&T finally rolls its own

By BRIAN MORAN

AT&T is starting a new network tv push for its lagging IBM-compatible personal computer as it rolls out, at long last, a machine of its own design.

AT&T's latest moves indicate the company is determined to continue the fight in the casualty-ridden IBM "clone" battle, while it begins challenging IBM with a unique, potentially more competitive product.

The new advertising push, estimated at $40 million over six months, goes into high gear tonight with two tv spots aligning AT&T's IBM-compatible 6300 personal computer with the company's telecommunications experience. Ogilvy & Mather, New York, handles.

AT&T Information Systems, Morristown, N.J., last week introduced a wide range of enhancements for the 6300, which flopped since it was unveiled last summer as AT&T's first entry in the personal-computer market. Industry analysts estimate it sold 20,000 units in 1984, compared with IBM's 1.5 million in personal-computer sales.

AT&T hopes peripherals for the 6300—including a new modem and hard-disc drive for added storage—will trigger more 6300 sales.

Both tv spots carry Information Systems' new theme,

(Continued on Page 94)

Because time goes by

Kodak's America

Kodak uses non-actors for a patriotic, emotional pitch in its new campaign from J. Walter Thompson, USA. *(See story on Page 92.)*

Nabisco cuts three shops; DDB added

By NANCY GIGES

Nabisco Brands, aiming for long-term, more-stable agency relationships, last week split $40 million in food product assignments between Doyle Dane Bernbach and Bozell & Jacobs, both New York.

In making the assignments, Nabisco, Parsippany, N.J., dropped Benton & Bowles, McCann-Erickson and J. Walter Thompson USA, all New York.

The agency reshuffling was signaled when Nabisco revealed its own restructuring several months ago (AA, Dec. 24). At the time, Nabisco consolidated several units into three operating divisions—biscuits, Planters/Life Savers and grocery.

DDB, new to the Nabisco roster, gains Fleischmann's and Blue Bonnet margarines, billing about $9 million; Cream of Wheat and Nabisco ready-to-eat cereals, billing about $8 million, and Fleischmann's yeast, a $2 million brand.

Bozell & Jacobs, already agency for candy bars, gains Planters nuts and snacks, a $20 million line.

The biggest loser is Benton & Bowles, which had Planters, Fleischmann's and Blue Bonnet. McCann-Erickson lost the cereals and JWT had the yeast.

According to R.J. Carbonell, Nabisco Brands USA president, the shift was made to "bring about the most efficient use of our advertising dollars as well as to avoid agency product conflicts. What we are aiming for is meaningful, ef-

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Chiat picks a flower fight

By STEWART ALTER

Four months ago, executives at Chiat/Day and *800-Flowers* were still writing each other nice flowery letters. There were regrets that the five-month agency-client relationship had never made it out of some brief test-marketing.

But that friendliness has now withered into bitterness and lawsuits.

Chiat/Day, New York, filed papers in federal district court there two weeks ago, seeking a jury trial. Chief Judge Constance Baker Motley is to decide whether jurisdiction is in Texas (where 800 Flowers, a national flowers-by-phone service, is located) or New York before any trial action can proceed, said a spokeswoman in the judge's office.

Chiat's filing followed a suit it entered in New York state supreme court in early January, seeking a little more than $1 million it claimed 800-Flowers still owed in commissions, fees and production charges. The agency won from that court an order of attachment against 800-Flowers' property.

That led to a suit from 800-Flowers, filed in Texas state court in mid-January. It sought to vacate that order and claimed the decision threatened the company's ability to

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'A.D.' signals a new epoch at P&G—Page 3

BRAZIL

Brazil, Latin America's largest consumer market, is staging a comeback. *(See Page 54.)*

Last Minute News

Klores moves to CH&S as president

New York—Walter Klores has moved to Calet, Hirsch & Spector as president. He succeeds Larry Spector, who remains ceo at the agency. Mr. Klores had been exec vp in charge of new business and account service at Advertising To Women, which has given his responsibilities to senior vp Jeff Lehmann.

Avis' U.S. account parks at Ted Bates

Garden City, N.Y.—Avis Rent A Car System has moved its U.S. car rental advertising to Ted Bates Advertising/New York from Saatchi & Saatchi's McCaffrey & McCall. The latter agency will continue to handle Avis' international assignments. Leading National Advertisers puts the car rental company's billings at $6 million for the first nine months of 1984 and $14 million for all of 1983.

Conde Nast, 'FT' plan business magazine

London—Conde Nast Publications and the *Financial Times*, Europe's leading business newspaper, will launch a new monthly business magazine called *Business People* in November. The publication will be 60%-owned by Conde Nast and 40%-owned by the *FT*. The magazine's cover price will be about $2.40 and its publishers are aiming for a 40,000-to-50,000 circulation.

(Continued on Page 8)

NEWSPAPER

More cable tv ads, but creativity lags

By SUSAN SPILLMAN

New York—Some big advertising dollars are finally rolling into cable tv, but those long-promised innovative commercials aren't.

That was the picture painted last week at the fourth annual Cabletelevision Advertising Bureau conference. And it was an image that some of the leading cable executives embraced.

Although cable channels no longer are being filled solely with per-inquiry ads for Ginsu knives and Veg-A-Matics, neither are they being used as originally envisioned—as a means to deliver new kinds of long-form and narrowcast messages.

Advertisers, however, are quick to credit MTV: Music Television with inspiring a new music video look for several spots. But most of these commercials also air on broadcast tv.

"Why should we go to advertisers and say, 'Treat us differently'? We're doing the same thing as the networks, we're bringing a signal into the home through a tv set," said William Grimes, president of ESPN, Bristol, Conn. "We don't want to act like some fledgling business asking for experimental dollars."

Kay Koplovitz, president of USA Network, Glen Rock, N.J., agreed she'd rather see more money spent on buying cable time than in creating expensive new-form advertisements.

The sentiments of advertisers were summed up by Hilary Hinchman, vp-director of advertising for Sterling Drug. She said cable provides "cheap tonnage and a way to combat network erosion. We didn't want to spend money for new cable commercials, nor did we see the need to in our categories."

Advertisers spent $542 million in cable tv last year, and CAB president Robert Alter predicted 1986 cable ad revenues will reach nearly $1 billion. In 1980, cable ad revenues were $58 million. Mr. Alter added that almost all of the top 50 tv advertisers now include cable in their schedules.

Not everyone is pleased about the new tendency to position cable as a cheap counterforce to declining network tv shares. Keith Reinhard, chairman of Needham Harper Worldwide, in his keynote address to the conference, said he had wanted to put together a reel

(Continued on Page 94)

Highlights

Procter & Gamble's Always sanitary napkins continue assaulting the shares of the Big 3 marketers of those feminine protection products. Now, at least two of those companies are scrambling to protect their declining shares. *See Page 4.*

Sunbeam Appliance Co. is gearing up for a fight with archrival Black & Decker Corp. for supremacy in the small electric appliance market. *See Page 6.*

"Amadeus," so far a moderate success at the box office, grossing $35 million in 31 weeks, will gain another $5 million to $10 million as a direct result of its eight-Oscar sweep, movie marketing sources predict. *See Page 10.*

Major hotels are offering business travelers a two-for-one deal—a two-room suite for the price of one. *See Page 12.*

Clara Peller's beef with Wendy's International may yet wind up in court. Ms. Peller's attorneys have responded to her widely reported "firing" with threats to sue Wendy's for "unauthorized" use of her likeness. *See Page 14.*

Coca-Cola USA begins a barrage of tv spots today in Hartford, Conn., and Springfield, Mass., as Cherry Coke enters its first test areas. *See Page 77.*

CORPORATE CLOSEUP

Paul Masturzo, president of Max Factor & Co.'s U.S. division, wants to rebuild the troubled company "to what it once was"—synonymous with Hollywood glamor. *See Page 4.*

FORUM

The chief executive of a frozen-foods marketer writes on the use of politicians in advertising. *See Page 20.*

INTERNATIONAL

The Rand Daily Mail, one of the world's most respected and controversial newspapers, is folding. The paper, throughout its history the most outspoken critic of the South African government's policies, ceases publication at the end of April, leaving 300 employes jobless. *See Page 50.*

Parker Pen Co., which launched an ambitious global-marketing campaign last year, is about to switch gears, and some sources believe the company is pulling back from its original global concept. *See Page 50.*

A variety show held at the London Palladium to raise funds for charity may have created a new advertising medium. For $825, advertisers can buy a 30-second live skit about their product, performed by top British comedians. *See Page 53.*

VIDEOTECH

While the CBS and NBC programing bosses were most accurate in the 1984-85 season, all three networks misread some key time periods. *See Page 60.*

Despite, or perhaps because of, the aversion most Americans have for Nazism, Adolf Hitler remains a strong prime time tv ratings draw 40 years after World War II. *See Page 60.*

DIRECT MARKETING

The Direct Marketing Assn. has attracted many diverse companies and organizations to its fold over the past few years and, as their numbers have grown, so have the complaints that the trade group has not done an adequate job representing all its special interests. *See Page 68.*

The DMA will not release its estimate of direct-response advertising expenditures and total sales figures for 1984 pending a review of the way these statistics were gathered. *See Page 68.*

COMING THURSDAY

SPECIAL REPORT

Men's new consciousness about clothes and working women's new buying power have fueled increases in circulation and ad revenue for fashion magazines, exceeding those for consumer publications in general.

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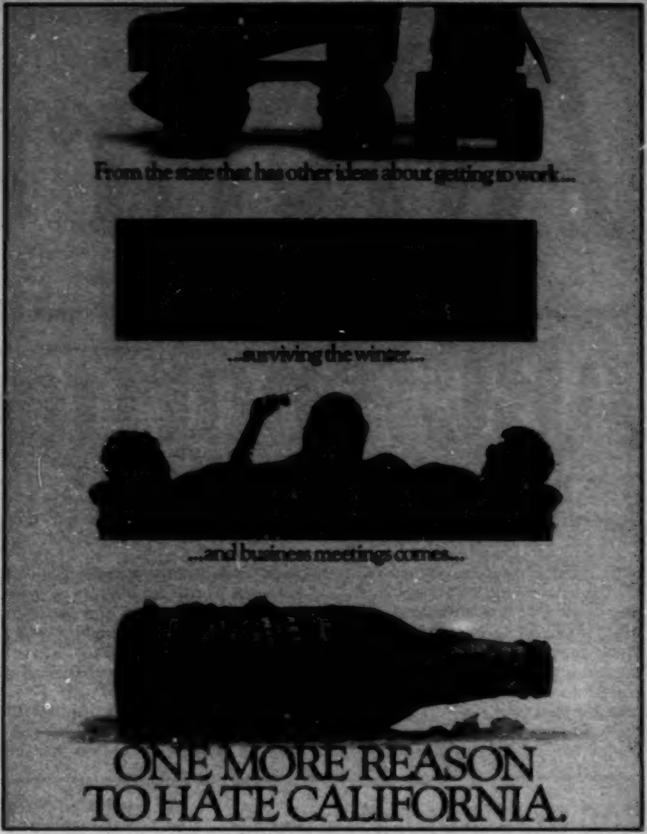
From the state that has other ideas about getting to work...
...surviving the winter...
...and business meetings comes...
ONE MORE REASON TO HATE CALIFORNIA.

California Cooler believes the rest of the country has a bad case of "California envy." Ads, breaking this week in network and spot radio and on tv, claim CC is just "one more reason to hate California."

Tongue-in-cheek, of course

Cooler cuts Cal.

By RUTH STROUD

California Cooler, expecting to be vastly outspent by major beer and wine competitors this year in the category it pioneered, is pinning its future on a startling new campaign breaking this week.

Tv and radio ads developed by Chiat/Day, San Francisco, elaborately spoof California, featuring eastern or midwestern types uttering every cliched image of the state that has ever been thought or uttered—from surfing and hot tubs to organic vegetables and "49-grain bread"—and ending with the theme line: "California Cooler: One more reason to hate California."

Industry sources already are comparing the potentially controversial campaign to Apple Computer's "1984" ad, another attention-getting Chiat/Day product. Some of the industry assessment is negative, with observers rating the campaign "weird" or "well done, but it makes no sense" in reference to the theme.

Tom Gibbs, director of marketing of the Stockton, Cal.-based company, pooh-poohed the negative reaction, boasting that at a recent sales meeting in Vail, Colo., the audience "stood up and

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Time Inc. homes in on office

By STUART J. ELLIOTT

New York—Time Inc.'s magazine development group hopes to decide by June the fate of its first product: *Home Office*, which came out last week. There already are some positive signs for *Home Office*, produced as a one-shot designed to test the waters for possible regular publication. Editorially, the magazine's editors "are developing story lists for future issues," said Jan Meyer, advertising sales director of both the magazine and the development group.

And from an ad standpoint, "we're very excited," said Mr. Meyer, because *Home Office* has

(Continued on Page 90)

Thursday

Noted author Roy Blount Jr. tells why he likes those macho light beer commercials—and why he'll probably never appear in one. Mr. Blount's essay on advertising will appear in Advertising Age *Thursday* April 4.

It's Sunbeam vs. B&D in houseware war

By LAURIE FREEMAN

Sunbeam's spot for its Monitor iron emphasizes its automatic turnoff. Burton-Campbell, Atlanta, handles.

CHICAGO—Sunbeam Appliance Co. is gearing up for a fight with archrival Black & Decker Corp. for supremacy in the small electric appliance market.

The Oak Brook-based unit of Allegheny International plans to spend a record $42 million in its bid to fill the void created when General Electric Co. last spring sold its $300 million small appliance business to Black & Decker, Towson, Md. (AA, Dec. 19, '83, et seq.).

Sunbeam officials are betting consumers will be confused by the disappearance of GE products and will turn instead to Sunbeam branded appliances.

"The demise of General Electric's brand name in small appliances, and the resulting disarray in the industry, opens up a tremendous opportunity for Sunbeam," said Paul Saxton, Sunbeam vp-sales and marketing.

However, Sunbeam's marketing power may not have enough strength to compete with Black & Decker's $100 million corporate image and product ad budget.

Already the fight is under way. Both companies staked out their marketing turf here last week at the 82nd annual National Housewares Manufacturers Show.

Sunbeam threw down the gauntlet, introducing its new Freedom line of cordless, rechargeable appliances and heavily promoting its minisize, $85 Oskar food processor.

Black & Decker proudly displayed products bearing the GE or Black & Decker labels.

B&D has until 1987 to convert all GE products to the Black & Decker name. The mixing of the old and the new was subtly highlighted as GE Toast-R-Ovens stood beside Black & Decker's new cordless, rechargeable appliance line.

Although B&D is better known for its power tools, vp-marketing Kenneth Homa said the company's brand-image campaign should erase any lingering doubts about its commitment to the appliance business.

Network tv spots, breaking this month, play up the company's heritage as a power tool marketer and introduce B&D's new products. BBDO, New York, created the spots. The agency had handled advertising for the small appliances while they were at GE, and Black & Decker retained BBDO after it bought the GE business.

Sunbeam's $42 million 1985 budget, split between media advertising and promotion for its entire line, is five times the total spent by the company in the last five years.

Network tv spots for Sunbeam's Monitor electronic irons as well as the cordless series carry the company's "Sunbeam makes it easy" theme. Burton-Campbell, Atlanta, handles.#

Appliances become unwired

By LAURIE FREEMAN

CHICAGO—Having convinced consumers to shelve bulky toaster ovens and coffee makers under cabinets, housewares marketers now will try to convince them to hang cordless, rechargeable appliances on their kitchen walls.

Six months ago, West Bend Co. introduced the first cordless electric iron at the National Housewares Manufacturers Show. Not only has West Bend expanded its iron line to include a second FreeStyle steam/dry iron, but at last week's spring Housewares Show, it appeared every manufacturer has jumped on the cordless bandwagon. Marketers now offer everything from hand mixers to knives and can openers—and even a lightweight vacuum cleaner.

Sunbeam Appliance Co.'s Freedom line and Black & Decker's assortment of cordless, rechargeable appliances were the most-talked-about items among retailers and buyers at the show.

The Sunbeam Freedom line, including a cordless hand mixer, knife and can opener, comes with rechargeable batteries. The company estimates the batteries will last five to seven years before they need to be replaced. Burton-Campbell, Atlanta, is the agency.

Black & Decker added two new cordless appliances to its HandyMixer beater—a three-speed mixer and a knife. BBDO, New York, the agency that handled advertising for General Electric, is producing Black & Decker's new campaigns.

Not to be overshadowed, Hamilton Beach, Waterbury, Conn., has signed up Heisman Trophy winner Doug Flutie to promote its cordless carving knife. Mr. Flutie, now quarterbacking for the New Jersey Generals, will also promote the company's newly introduced $250 microwave oven.

Joe Namath returns to the Hamilton Beach spotlight to pitch the company's air-driven popcorn poppers. He's been touting the company's popcorn makers since the early 1970s. Actor Mickey Rooney is the spokesman for Hamilton Beach's DrinkMaster mixer.

Hamilton Beach is backing its products with $15 million, more money than it's ever spent before, said Charles Skoog, chairman of Hicks & Greist, the New York agency handling the account.

Separately, Richard Hochman, director of communications, National Housewares Manufacturers Assn., is retiring, effective July 1.

The NHMA also appointed Smith, Badofsky & Raffel here as its advertising and direct-mail agency, replacing Kreicker & Meloan, Northfield, Ill. Sheila King Public Relations has been named to handle pr.#

HOME BILLBOARDS
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Zochert, Maurstad join AA; Hume promoted

CHICAGO—Donald Zochert has joined ADVERTISING AGE here as senior editor on the copy desk.

A graduate of Elmhurst (Ill.) College, Mr. Zochert worked as a reporter and editor at United Press International here from 1961 to 1966. He then spent 12 years at the *Chicago Daily News* as a reporter, rewriteman, feature writer and editor. In 1974, he began a writing career that led to three novels as well as several other books, articles and essays.

D. Zochert

T. Maurstad

Mr. Zochert also is an experienced business writer, most recently having served as a senior staff journalist in the corporate communications department of Urban Investment & Development Co., a major real-estate development company.

Also joining AD AGE is Thomas A. Maurstad, who will be a reporter in the Dallas bureau. A December, 1984, graduate of the University of Texas at Austin with a degree in journalism, Mr. Maurstad held several posts with the university's 39,000-circulation *Daily Texan* and other student publications.

In AA's Chicago bureau, Scott Hume has been promoted from reporter to senior reporter.

Mr. Hume, whose beats include fast-food and beverages, will serve as acting bureau chief this summer when bureau chief Sarah Moran takes maternity leave.#

CORRECTIONS & CLARIFICATIONS

- Contrary to an earlier article (AA, March 11, P. 1), R.J. Reynolds Industries uses its in-house media department only for planning and placing print advertising for its Del Monte and Heublein subsidiaries. Young & Rubicam handles network tv; Marschalk handles spot tv; Asch Advertising handles outdoor.
- Andrews/Mautner, Milwaukee, is the agency for Bell & Howell Co.'s Micro Design division. A B&H official earlier said another agency had the account (AA, March 11, P. 40).
- Coca-Cola Co. received 600,000 entries in its "Win a Magic Evening" with Julio Iglesias sweepstakes. The number was reported incorrectly (AA, March 11, P. 42).
- The correct linage figures for *Esquire* are March, 1985, 150.6 pages; March, 1984, 122.6; year-to-date, 1985, 252.2, and year-to-date, 1984, 220.6 (AA, March 18, P. 91).
- The magazine revenue increase for February of 14.3%, as reported by Publishers Information Bureau (AA, March 25, P. 8), is an increase over revenues of February, 1984, not over the previous month.
- Cine Design Films, Denver, was incorrectly spelled in an article on the newspaper serialization of President Nixon's new book (AA, March 25, P. 1).
- Thoro System Products is based in Miami. Its agency is HCM, Chicago. Wrong cities were listed earlier (AA, March 25, P. 36).
- Contrary to information in an earlier article, S.C. Johnson's new Raid Flea Killer Plus does kill insects with the initial application, as well as prevent eggs from hatching and young fleas from maturing into adults (AA, March 25, P. 92).
- The U.S. disposable diaper market is $2.7 billion, not $4.7 billion, which is the size of the international market (AA, March 25, P. 80). Also, Kimberly-Clark Corp. said it is using "chopped cellulose" for the insert panel in its new Huggies Extra Absorbent Medium 40s, rather than a cotton panel.#

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Risque advertising and Brazil are often synonymous. In commercials for Playboy shampoo (two on left), agency DM 9 shows a young couple in bed before shampooing, while two girlfriends talk about how people think they are homosexuals. Inega jeans' agency DPZ shows a young girl caught with her pants down.

BRAZIL

Advertising market bounces back after years of recession

By JULIA MICHAELS

"Brazil is the country of the future," goes a popular saying, "and always will be." The cynic who thought this up may have to eat his words soon.

After four years of recession, Brazil, Latin America's largest consumer market with $2 billion in ad spending, is making a cautious comeback.

Unemployment is down, consumer spending is up and a new democratic civilian government, led by President-elect Tancredo Neves, took over in March from a military dictatorship.

"Clients are more optimistic. They're taking plans out of the drawer," said Alex Periscinoto, a partner in Alcantara Machado, Periscinoto Comunicacoes, Brazil's No. 2 agency.

Although inflation still hovers around 250% a year, ad spending in the last six months is finally keeping up with the inflation rate and is even showing signs of real growth, said Petronio Correa Filho, superintendent-director of top-ranked MPM Propaganda's Sao Paulo division.

Compared with 1984's 15% drop and 1983's 30% drop, some agencies might show some real growth in billings at the end of 1985, Mr. Filho predicted.

"Clients are feeling a positive reaction in sales," said Walter Guelfi, client service director at J. Walter Thompson Publicidade.

Mr. Guelfi said that JWT client Gessy Lever, a Unilever subsidiary, is reactivating its ad budget in the laundry detergent market after at least a year of belt-tightening.

The three major yogurt makers—Lacesa (under license from the French company Yoplait), LPC Industrias (48% owned by another French company, BSN Gervais-Danone) and Swiss-based Nestle—have all launched drinkable yogurts and are fighting for a piece of the newly targeted adult market.

Early this year, Coca-Cola Co. introduced Sprite, via McCann-Erickson Publicidade, while the giant Rock 'n Rio rock music festival held last January marked Pepsi-Cola Brasil's $10 million reentry of Pepsi, via JWT, into the Coke-drenched Rio de Janeiro market.

"After four years of decline, the soft-drink market is turning around," said Edward Moerk, president of Pepsi. A Coke executive said he expects soft-drink sales to grow by 4% this year after 3% growth in '84. He also sees increased '85 sales recouping most of last year's losses.

Cigaret marketers say the recession, which caused lower-price cigarets to flood the market as smokers traded down, has stabilized. Top-of-the-line brands are coming back into focus, slowly.

Late last year, R.J. Reynolds Tobacco Co. launched its high-price Camel brand with an ad blitz, via McCann.

Earlier last year British American Tobacco Co. came out with a soft-pack version of its upscale John Player cigarets. BAT marketing director Flavio de Andrade said he expects uptrading in cigarets to begin in earnest by the end of 1985.

Ad agencies are expanding, too. MPM Propaganda has begun opening offices in the rich agricultural regions, which it regards as Brazil's No. 2 consumer market after Sao Paulo.

"We're placing ourselves there for when the market explodes," said Petronio Correa, MPM general director, "in three to four years."#

DPZ

A bridesmaid, but never a bride

Roberto Duailibi is the most outspoken partner in Duailibi, Petit, Zaragoza Propaganda, Brazil's fourth-largest agency, and president of the National Assn. for Advertising Agencies in Brazil. Before that, he worked for J. Walter Thompson Co. and McCann-Erickson Worldwide. His agency has been been courted by many U.S. multinational agencies, but sources say the stumbling block is equity—DPZ doesn't want to give up any. Mr. Duailibi tells his story below.

By ROBERTO DUAILIBI

When the day comes to set up a club for international vps of U.S. advertising agencies, Sao Paulo could easily be chosen as the club's headquarters. There are even a few agency presidents who'd probably like to join.

We know them all. Some come in the summer, some in the winter, some zip through and others stay for a while. Some come just to sniff up prospects, some to make deals. Some make the right choice and others pick a lemon.

It's rare to meet one who's not a good professional. And all of them are excellent public relations men.

I have a fond memory of George Gribbin, who traveled around the world in search of opportunities for Young & Rubicam, even after he had retired. His presence itself was a great honor for the then-young admen he visited. His sincere empathy, his wish to help without expecting anything in return were precious and I now find unforgettable.

Young & Rubicam's Alex Brody, the extrovert (now with DYR); the warmth of Doyle Dane Bernbach's Clay Timon (now with Colgate-Palmolive Co.); the companionship of Grey Advertising's Norman Vail; the cheerfulness of J. Walter Thompson's Lee Preschel; and the care of Foote, Cone & Beldings' Julian Morrison—and the pride they all took in their agencies' work—made a good impression and still serve as a model.

Julian Morrison spent almost 10 months here in 1980-81, trying to

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Anything goes

Sex sells, and blame it on Rio

By JULIA MICHAELS

Europeans and Americans worry about their countries' bans on cigaret and liquor advertising, about lawsuits because of shaky product claims and about complaints from insulted ethnic groups.

But in Brazil, there are ads pulsing across the airwaves that never would make it off a sketch pad in the U.S. Brazilians say sex sells, but the evidence suggests that so do nuns, priests, monks, children and ethnics.

Take a funny commercial for Johnson & Johnson's o.b. tampons, by Duailibi, Petit, Zaragoza Propaganda.

The tv spot features a little girl who says she wants the product for Christmas. She doesn't know what it is, she said, but it was good because you could swim, play sports, ride a horse. . .do anything if you had one. (The idea was filmed, but the client didn't approve it and the spot never aired.)

A commercial for Dorsay Industria Farmaceutica's Playboy shampoo and deodorant, via DM 9 Propaganda, shows a teen-age couple in bed. While the baby-faced girl complains that she can't talk to her mother about sleeping together, her boyfriend gets up and takes a shower, using the products. (The product is not licensed by Playboy Enterprises, Chicago.)

This ad was taken off the air after a month, but a spot from the same campaign, suggesting a homosexual relationship between two young women, ran for a longer period.

Another commercial for Inega jeans shows people getting caught with their pants down. Duailibi, Petit, Zaragoza created the spot for the manufacturer, Comercio E Industria Gofra S.A., but eventually quit, claiming the company was "intractable."

For a Catholic country, Brazil is unexpectedly irreverent. Actors portraying priests often are used to sell alcoholic beverages. Clerical characters also appear in spots for dishwashing liquids and instant noodles.

In other ads, children look and act like naughty grownups. An LPC Industrias commercial for Dannon yogurt, via Alcantara Machado Periscinoto, had a boy saunter into a bar and ask the pint-size barman for a yogurt (the bar clearly served only yogurt). He then made a pass at a little girl, dolled up in makeup and sexy clothes, seated on the next bar stool.

There are practically no taboos on racial stereotypes. Japanese Brazilians, who emigrated here before World War II, are used to selling high-technology products while showing off their karate skills. They usually speak a choppy, broken Portuguese.

Italians sell food products, but they also are shown as Mafia bosses. In a Gillette Co. ad, via Alcantara Machado, a Mafia-like underling turns his boss on to the Atra razor when the boss tries to slap him in the face and discovers how smooth it is.

Sometimes it's hard for Brazilians to make a clear distinction between advertising and programing or editorial content. A series of government ads that ran last January during TV Globo's prime time "Fantastico" variety show so closely resembled the show itself that viewers had to remind themselves that the spots weren't just other musical numbers.

Using a colorful dance troupe and testimonials from young people, the government sold viewers on its many accomplishments during the just-ended presidential term.

General Foods' Tang breakfast drink, Ford automobiles and Braun electric mixers are sold in the middle of Brazil's popular tv soap operas by having the products and comments about them inserted into the shows' scripts.

One sportswear marketer, Industria de Roupas Staroup, has an advertising campaign that mainly consists of soap opera characters wearing clothes with larger-than-normal Du Mond brand labels. The agency

(Continued on Page 59)

Still a bridesmaid

(Continued from Page 54)

convince us it was worth it to link up with a multinational company because it would improve our technology, that sort of thing. The first thing he did, when he got a chance, was to leave the company and open an agency in Chile. I still kid him about it.

It's curious the way the first contact is made between a U.S. agency and a foreign one. Naturally, we know more about their agencies than they do about ours. Our access to the professional culture is all in the English language. For us, when something happens in New York, it's as if it were in another neighborhood. (Except the budgets are enormously bigger.)

So at the first meeting, we know who their clients are, how good their work is and the agency's reputation. Nevertheless, I never met an international vp who hadn't done his homework and didn't come fully informed about the agency in question and the general characteristics of the Brazilian market.

You have to value the local professionals. One American, who courted us and then ended up coming down to open a separate agency, the first thing he did was put down Brazilian advertising. He was shocked by the high salaries paid to our creative people and called them "dilettantes earning big salaries." This didn't go down so well.

Then he brought an art director down from the U.S., saying he would teach people how to make advertising. This also didn't make a good impression. The first campaign they did was for a paper factory and the client was a difficult one. Of course, the campaign was terrible.

We are always pleased, for example, to find the vp who understands the small idiosyncrasies of each market. In fact, maybe this is the mark of a good international vp. He never considers a particular aspect weird or strange—unlike the executives of some other countries. Often, the latter looks at things that are different from home with a mixture of shock and criticism. Nothing is more irritating.

The French and the English never come to Brazil. The Japanese appear, but they end up making small deals with Japanese studios. A few Germans have shown up, coming to take a superficial look at the market.

A Dentsu vp once came. He was more American than the Americans. He used a lot of American slang, even though he had a strong Japanese accent. He was the opposite of the ultra-formal Japanese businessman. One had the feeling he was playing a part. Overacting.

It's easy to make friends with colleagues, and this, it always seems to me, is the basic requirement for making a deal. Among the American international vps I've met, not a one has failed to keep up his side of the friendship, even when the deal, for a variety of reasons, doesn't go through.

When I say friendship, I mean that each person is pleased to welcome the other into his own home when he visits the foreign country. That's why, when I talk about Clay Timon, I think about Barbara. When I talk about Norman Vail, I think of Irene. When I talk about Julian Morrison, I think of Makeka. And their children.

All the international vps have the same approach. Something of a canned talk. They all push the exchange of experience, of technology. In fact, the bottom line is how many dollars you're talking about.

The ambition of the Brazilian agencies that are interested in negotiating is to grow faster, to get an edge on the competition. Lots of agencies want to sell. They dream of linking up with a big agency, almost as a way of getting international recognition of their creative work.

The role played by some creatives, as two companies draw near to each other, cannot be underestimated. I remember, for example, the enormous role played by Bert Steunhauser and Don Blauweiss (both formerly with DDB) and Steve Frankfurter (formerly with Y&R), in speeches they gave around the world.

They didn't come to make deals, but they ended up creating the interest in making deals with the agencies they represented. Ed McCabe (of Scali, McCabe, Sloves) and Jay Chiat (of Chiat/Day), for example, continue to do this.

But we will stay independent for a while. We still have lots of room for growth. There's a feeling of freedom, to be your own agency and your own boss.#

Brazil's biggest advertisers

	COMPANY	AGENCIES	MAJOR BRANDS	1984 AD SPENDING in millions $ U.S.
1.	**Dorsay Ind. Farmaceutica Ltda.**	Sym (in-house)	**Pharmaceutical products** *Major brands: Monange nail polish, Doril analgesic, Gelol analgesic rub*	22.0
2.	**Grupo Pao de Acucar**	Pao de Acucar Publicidade Ltda. (in-house)	**Supermarket chain**	21.0
3.	**Nestle**	Norton Publicidade; Dualibi, Petit, Zaragoza Propaganda; McCann-Erickson Publicidade; J. Walter Thompson Publicidade; Artplan Publicidade	**Food products** *Major brands: Nestle chocolates, candies; Nescafe instant coffee; Nestea instant tea; Nestle Quik; Ninho powdered milk; Maggi soups*	19.0
4.	**Mesbla S/A**	Proverejo Propaganda E Producoes (in-house)	**Retail chain**	18.0
5.	**Companhia de Cigarros Souza Cruz** a British American Tobacco subsidiary	Standard, Ogilvy & Mather Publicidade; MPM Propaganda; Dualibi, Petit, Zaragoza Propaganda; Salles/Inter-Americana de Publicidade	**Cigarets** *Major brands: Hollywood, Minister, John Player, Free*	16.0

Source: A.C. Nielsen Ltda., Lada Division.

BRAZIL IS CHANGING ALL OF ITS LEADERS, BUT ONE: MPM.

Ranking 84	Ranking 83	Agency	1984 Gross Income (in billions of Cr$)	1983 Gross Income (in billions of Cr$)
01	01	MPM	45.800*	14.600
02	02	Alcântara Machado/Almap	36.800	14.129
03	04	McCann Erickson	30.240	9.805
04	03	Salles/Inter-Americana	30.000**	9.409
05	05	J.W. Thompson	22.700	8.460
06	07	Norton	22.500	7.500
07	06	DPZ	22.000	8.000
08	09	Standard, Ogilvy & Mather	21.818	5.121
09	08	Denison	15.600	6.000
10	11	Artplan	12.000**	3.304
11	13	CBBA/Propeg	11.850	4.245
12	—	Pão de Açúcar	10.503	3.168
13	12	Assessor	8.100	3.005
14	10	SSC&B Lintas	7.800	3.405
15	—	BAP - Brasil América	7.601	1.220
16	15	Young & Rubicam	7.530	2.100
17	14	Lage, Stabel/BBDO	6.500	2.337
18	—	Provarejo	6.100	1.800
19	17	SGB	6.000	1.976
20	22	VS Escala	6.000	1.200
21	22	Unidade/Interamericana	4.990	1.545
22	20	Leo Burnett	4.600	1.930

* In US$: 32,060,000. (Advertising Age)
** Forecast of "Meio & Mensagem"
Source: "Meio & Mensagem", January 15, 1985.

An opening democracy; a recovering economic development: Brazil has just changed its government as well as its economy figures. To us, all this is a good reason for festivity. But we are also celebrating something that did not change: once more MPM is the first ranking agency among those in Brazil having the highest billings.

Ten years in first place.

If you want to do good business in this enormously expanding market, follow the preferential trend of the Brazilian advertiser: choose MPM, the agency that has been the leader in Brazil for the last ten years.

MPM
Ten years in the vanguard.
Full worldwide operational agreement with Grey Advertising, Inc.

Brazil: São Paulo - Rio Grande do Sul - Rio de Janeiro - Minas Gerais - Bahia - Brasília - Paraná - Pernambuco - Santa Catarina - Ceará - Bauru - Ribeirão Preto - São José do Rio Preto.
United States: Grey Advertising, 777 Third Avenue, New York, N.Y. 10017. Tel. (212) 546-2000. Telex: ITT 420829 / WU 640818. Cable: GREYAGE - New York.

Newspaper Advertising MRCS/SAU Inches January 1985 vs. January 1984

	1985		1984	
	Full Run	Part Run	Full Run	Part Run

AKRON, OH				
Beacon Journal (E)	83,061	25,464	83,404	25,891
Beacon Journal (S)	55,530	3,878	62,685	3,589
Grand Total	138,591	29,330	146,089	28,580

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA				
Constitution (M)	148	35,189	133,132	30,574
Journal (E)	151,963	36,817	137,288	32,745
Journal & Constitution (S)	98,380	29,789	115,480	42,479
Journal & Constitution (Sat)	31,150	—	29,310	—
Grand Total	427,800	100,791	415,131	105,798

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD				
News-American (S)	23,945	2,030	30,632	1,913
News-American (E)	34,125	6,960	38,267	5,385
Sun (M)	10,161	1,310	85,410	5,880
Sun (E)	67,760	1,310	78,089	5,883
Sun (S)	118,302	13,537	124,498	6,.14
Grand Total	285,216	27,069	358,836	27,.44

BERGEN COUNTY, NJ				
Record (E)	129,013	15,379	112,647	18,951
Record (S)	100,052	15,085	114,685	19,635
Grand Total	229,065	30,464	227,332	38,586

NOTE: Record Evening published five days a week only.

BOSTON, MA				
Herald (M)	39,323	—	32,961	—
Herald (S)	17,150	10,639	22,313	3,016
Globe (M)	103,165	6,775	112,052	7,110
Globe (S)	181,604	8,436	165,415	8,825
Grand Total	381,185	25,850	332,771	18,951

BUFFALO, NY				
News (AD)	85,454	19,385	86,467	20,351
News (S)	37,389	19,505	43,866	15,095
Grand Total	122,807	38,890	130,275	35,446

CAMDEN, NJ				
Courier-Post (E)	91,019	13,681	85,433	8,935
Courier-Post (S)	44,472	1,482	35,252	1,301
Grand Total	135,491	15,163	140,685	10,236

CHARLOTTE, NC				
News (E)	97,019	—	59,430	394
Observer (M)	109,183	—	88,727	29,451
Observer (S)	60,099	—	63,662	25,708
Grand Total	267,101	—	211,899	55,511

NOTE: News Evening published five days a week only. 1985 part run figures not available.

CHICAGO, IL				
Tribune (AD & S)	550,787	—	471,510	—
Sun-Times (M)	113,472	47,154	101,525	34,755
Sun-Times (S)	50,378	28,385	38,573	17,380
Grand Total	714,957	75,539	692,009	52,140

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent full run and part run combined advertising for 12/31/84 through 2/3/85.

CINCINNATI, OH				
Enquirer (M)	141,035	4,471	114,596	6,171
Enquirer (S)	92,962	3,898	97,071	3,863
Post (E)	46,464	17,435	53,375	8,717
Grand Total	280,461	25,793	265,002	18,751

CLEVELAND, OH				
Plain Dealer (M)	124,962	16,086	114,576	18,581
Plain Dealer (S)	82,119	3,715	79,444	3,793
Grand Total	207,081	20,401	194,020	22,374

DALLAS, TX				
News (M)	264,069	14,355	226,966	11,294
News (S)	135,602	8,917	103,990	15,691
Times-Herald (AD)	217,235	14,545	281,176	12,287
Times-Herald (S)	101,711	6,430	128,099	21,957
Grand Total	718,146	44,267	739,251	61,199

DENVER, CO				
Rocky Mt. News (M)	266,094	—	253,048	783
Rocky Mt. News (S)	70,017	—	74,506	—
Post (M)	163,286	5,111	132,757	6,751
Post (S)	92,281	1,387	116,389	385
Grand Total	591,857	6,498	576,710	7,009

DETROIT, MI				
Free Press (M)	84,623	32,442	77,746	35,197
Free Press (S)	38,298	25,373	42,136	14,437
News (AD)	125,536	34,086	95,976	21,086
News (S)	75,266	17,343	81,763	12,888
Grand Total	323,145	107,294	297,621	81,538

FORT LAUDERDALE, FL				
News & Sun Sentinel (S)	97,001	—	117,650	22,385
Sun Sentinel (M)	290,001	—	215,873	53,600
News & Sun Sentinel (Sat)	88,471	—	95,040	—
Grand Total	475,355	—	428,563	75,985

NOTE: 1984 figures for all editions and 1985 figures for Saturday edition supplied by publisher to Media Records. Part run 1985 figures not available. Sun Sentinel Morning published five days a week only.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run

FORT WAYNE, IN				
Journal Gazette (M)	66,120	—	62,327	—
Journal Gazette (S)	41,743	—	40,202	—
News Sentinel (E)	75,716	—	74,749	—
Grand Total	183,579	—	186,085	—

NOTE: Part run figures not available.

FORT WORTH, TX				
Star Telegram (M)	224,380	48,403	180,445	39,314
Star Telegram (E)	178,138	47,672	153,799	37,213
Star Telegram (S)	121,980	32,580	132,781	34,731
Grand Total	524,497	128,694	470,046	111,258

NOTE: Figures supplied by publisher to Media Records.

GREENWICH-STAMFORD, CT				
Time (E)	60,937	—	67,384	—
Time (S)	35,717	—	36,779	—
Advocate (E)	89,591	—	84,182	—
Advocate (S)	37,285	—	40,185	—
Grand Total	223,530	—	229,480	—

HARTFORD, CT				
Courant (M)	124,468	23,735	106,857	16,374
Courant (S)	74,612	72,180	78,403	75,335
Grand Total	199,080	95,915	185,260	91,709

HONOLULU, HI				
Advertiser (M)	113,385	—	11,140	—
Star-Bulletin (E)	108,380	—	108,665	—
Star-Bulletin & Advertiser (S)	58,598	—	86,416	—
Grand Total	280,169	—	281,161	—

HOUSTON, TX				
Chronicle (AD)	255,573	33,680	283,236	17,839
Chronicle (S)	360,275	48,238	134,706	27,798
Post (M)	169,599	33,210	192,471	12,993
Post (S)	57,114	19,465	77,794	22,521
Grand Total	842,862	131,546	688,207	79,911

LONG BEACH, CA				
Press Telegram (M)	95,369	—	80,085	—
Press Telegram (S)	40,889	—	49,379	—
Grand Total	136,257	—	129,464	—

NOTE: Part run figures not available.

LONG ISLAND, NY				
Newsday (E)	140,420	34,813	124,863	29,841
Newsday (S)	74,752	43,547	85,148	40,540
Grand Total	215,172	78,360	210,011	70,381

LOS ANGELES, CA				
Times (M)	288,124	223,615	240,214	168,435
Times (S)	161,793	71,307	180,787	75,100
Herald-Examiner (M)	51,446	10,997	44,990	12,580
Herald-Examiner (S)	11,472	2,745	13,505	4,877
Grand Total	492,035	308,664	479,887	261,052

LOS ANGELES/SAN FERNANDO VALLEY, CA				
News (M)	91,856	29,650	143,281	16,295
News (S)	62,170	10,845	70,551	5,311
Grand Total	222,306	41,973	213,832	21,686

LOS ANGELES/TORRANCE, CA				
Breeze (E & S)	174,510	—	150,110	—
Grand Total	174,510	—	150,110	—

NOTE: Figures supplied by publisher to Media Records.

LOUISVILLE, KY				
Courier Journal (M)	84,586	39,982	66,180	21,430
Times (E)	56,417	52,953	65,799	36,072
Courier Journal (S)	40,277	31,589	50,610	44,986
Grand Total	180,279	124,524	182,589	102,483

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL				
Herald (M)	164,388	—	164,332	—
Herald (S)	85,295	—	106,156	—
News (E)	59,088	—	65,162	—
Grand Total	318,382	—	335,660	—

NOTE: Part run figures not available.

MINNEAPOLIS, MN				
Star & Tribune (AD)	96,733	10,301	81,900	17,188
Star & Tribune (S)	96,782	402	115,894	794
Star & Tribune (Sat)	19,617	—	17,641	—
Grand Total	213,132	10,740	215,435	17,982

NEW BRUNSWICK, NJ				
Home News (E)	68,669	—	—	—
Home News (Sun)	45,616	1,060	—	—
Grand Total	114,285	1,060	—	—

NOTE: 1984 figures not available.

NEW YORK, NY				
Times (M)	137,466	14,388	130,505	14,439
Times (S)	164,616	62,347	177,629	73,704
News (M)	53,913	89,622	51,178	61,638
News (S)	29,913	47,538	29,914	61,444
Post (AD)	48,727	866	48,885	—
Grand Total	434,635	214,731	438,131	211,265

NEWARK, NJ				
Star Ledger (M)	167,475	5,560	158,756	6,777
Star Ledger (S)	139,256	12,586	141,338	15,781
Grand Total	306,731	18,146	300,094	22,558

OAKLAND, CA				
Tribune (M)	75,694	45,482	72,747	10,646
Tribune (S)	38,663	17,044	55,006	16,716
Grand Total	116,357	62,446	127,753	27,362

	1985		1984	
	Full Run	Part Run	Full Run	Part Run

ORANGE COUNTY, CA				
Register (AD)	276,262	66,557	231,830	45,028
Register (S)	103,908	5,684	120,494	3,122
Grand Total	380,170	72,241	352,324	48,150

PHILADELPHIA, PA				
Inquirer (M)	139,140	35,221	118,893	26,382
Inquirer (S)	108,253	17,120	113,827	18,780
News (E)	65,569	3,406	60,809	1,049
Grand Total	312,962	55,747	293,529	46,211

PHOENIX, AZ				
Arizona Republic (M)	201,314	9,933	191,395	7,739
Arizona Republic (S)	128,785	—	107,151	—
Gazette (E)	192,403	10,079	183,553	7,760
Grand Total	522,502	20,012	482,099	15,499

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY				
Democrat & Chronicle (M)	78,475	11,525	69,975	11,202
Democrat & Chronicle (S)	51,880	8,285	60,062	5,821
Times-Union (E)	65,194	11,758	65,429	7,804
Grand Total	195,549	31,568	195,466	24,827

NOTE: Times-Union Evening published five days a week only.

SACRAMENTO, CA				
Bee (M)	205,870	10,440	172,763	7,321
Bee (S)	79,221	4,168	95,821	5,933
Grand Total	285,091	14,608	268,584	13,254

ST. LOUIS, MO				
Post Dispatch (M)	71,934	27,490	52,305	9,353
Post Dispatch (S)	87,622	—	97,337	—
Grand Total	159,556	27,490	149,642	9,353

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN				
Pioneer Press Dispatch (AD)	84,696	—	62,472	—
Pioneer Press Dispatch (S)	73,786	—	87,307	—
Dispatch (E)	—	—	67,237	—
Grand Total	158,482	—	217,016	—

NOTE: Part run figures not available. Pioneer Press morning and Dispatch evening combined to one edition. Pioneer Press Dispatch all day effective January 2, 1985. The Pioneer Press morning activity is shown in the Pioneer Press Dispatch all day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press morning and Dispatch evening had a combined Saturday edition with the activity shown only in the Dispatch evening.

SAN ANTONIO, TX				
Express-News (AD)	116,585	10,237	99,930	11,403
Express-News (S)	72,464	8,403	77,494	13,928
Express-News (Sat)	33,652	—	33,895	—
News (E)	—	—	90,107	10,412
Light (AD)	107,526	25,951	93,240	16,639
Light (S)	68,141	10,824	73,072	17,497
Light (Sat)	30,931	—	25,456	—
Grand Total	324,372	55,415	493,194	69,879

NOTE: Express Morning and News Evening combined to one edition. Express News all day effective September 10, 1984. The Express Morning activity is shown in the Express News all day listing. Prior to September 10, 1984, Express Morning and News Evening published five days a week only.

Light all day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA				
Union (M)	187,968	9,581	165,985	20,043
Union (S)	96,206	—	107,887	—
Tribune (E)	196,023	9,913	174,977	20,100
Grand Total	480,197	19,494	448,849	40,143

SAN FRANCISCO, CA				
Chronicle (M)	121,558	54,695	109,785	40,991
Examiner (E)	118,891	54,096	108,086	41,908
Examiner & Chronicle (S)	69,211	188,102	75,760	28,358
Grand Total	309,660	296,893	293,631	111,257

SAN JOSE, CA				
Mercury News (AD)	273,935	24,433	236,194	28,517
Mercury News (S)	114,841	—	144,251	—
Grand Total	388,776	24,433	380,445	28,517

SHREVEPORT, LA				
Journal (E)	77,894	5,640	62,724	4,808
Times (M)	97,837	10,930	80,984	4,925
Times (S)	50,291	5,425	59,863	8,377
Grand Total	226,022	21,995	203,571	18,110

STATE COLLEGE, PA				
Centre Times (E)	64,333	3,794	52,977	3,179
Centre Times (S)	16,091	—	14,719	1,059
Grand Total	80,424	3,794	67,696	4,238

NOTE: Figures supplied by publisher to Media Records.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run

SYRACUSE, NY				
Herald Journal (E)	75,474	24,477	73,565	17,893
Herald American (S)	39,934	20,262	48,210	15,896
Post-Standard (M)	64,934	24,315	55,992	16,105
Grand Total	180,342	69,054	177,767	49,894

TAMPA, FL				
Tribune (AD)	166,135	72,743	154,263	46,617
Tribune (S)	85,384	—	104,635	—
Grand Total	251,519	72,743	258,898	46,617

NOTE: Figures supplied by publisher to Media Records. Comics activity is not included.

TOLEDO, OH				
Blade (E)	81,497	—	66,318	—
Blade (S)	57,503	—	60,658	—
Grand Total	139,000	—	126,976	—

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC				
Post (M)	238,086	24,713	222,847	20,146
Post (S)	127,391	12,883	138,676	22,168
Grand Total	365,477	37,596	361,523	42,314
Alexandria Journal (M)	49,866	—	42,222	—
Prince George's Journal (M)	44,712	263	36,511	533
Montgomery Journal (M)	45,548	—	37,993	533
Fairfax Journal (M)	51,443	—	42,756	—
Arlington Journal (M)	50,664	—	42,335	—

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

WEST PALM BEACH, FL				
Post (M)	212,587	41,518	180,974	26,339
Times (E)	174,189	2,244	147,330	1,114
Post (S)	133,392	14,693	146,073	13,837
Grand Total	520,168	58,455	474,377	41,290

NOTE: Figures supplied by publisher to Media Records.
Times evening published five days a week only.

WESTCHESTER ROCKLAND, NY				
Reporter Dispatch (E)	65,382	12,326	64,405	13,480
Reporter Dispatch (S)	47,205	6,508	60,703	7,765
Grand Total	112,587	18,834	125,108	21,245

WICHITA, KS				
Eagle-Beacon (M)	109,037	—	93,532	—
Eagle-Beacon (S)	51,180	—	60,570	—
Grand Total	160,217	—	154,102	—

NOTE: Part run figures not available.

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in activity but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page.....
   Width and Depth in Inches.
2. Determine Square Inches of Page.....
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page.....
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page.....
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches.....
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

NOTE

ONLY THE FOLLOWING PAGES OF THIS

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Advertising Age®

Crain's International Newspaper of Marketing

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Simon bids billion for Multimedia

By CRAIG REISS, VERNE GAY and WILLIAM F. GLOEDE

The investment company headed by former Treasury Secretary William E. Simon has made a $1 billion bid to take over Greenville, S.C.-based Multimedia Inc., the 36th-largest U.S. media company, ADVERTISING AGE has learned.

Multimedia is already considering a leveraged buyout by top management and members of the four families that hold large blocs of company stock. Multimedia, founded in 1888, is a major group television and radio broadcaster and owns 13 daily and 22 nondaily newspapers, mostly in the Sunbelt. It also has extensive holdings in cable tv franchises and operates an entertainment division that is best known for its syndication of "The Donahue Show" with Phil Donahue.

In February, management offered to take Multimedia private at $37 cash per share and $25 per share in a 20-year bond that is interest-free for the first five years. Mr. Simon's Wesray Inc., Morristown, N.J., has offered $60 per share cash, sources said. There are about 16.6 million common shares of Multimedia stock outstanding, bringing the Wesray takeover price to about $1 billion.

If Multimedia management agrees to present Mr. Simon's bid to its stockholders, and if it is approved, it

(Continued on Page 88)

Two new coffee brands help fight for market share

GF stands its ground

By GAY JERVEY

General Foods' intensive effort to broaden its coffee business is continuing with the coast-to-coast rollout of Maxwell House decaffeinated instant coffee and the testing of Maxwell House Master Collection, a family of whole-bean and ground-premium brews.

Advertising for the new decaffeinated item—which joins Maxwell House ground decaf, new last year—is expected to break early next month. Master Collection—comprised of both special-reserve dark and traditional roasts, in addition to a decaffeinated variety—is available only in an Evansville, Ind., test market. Ogilvy & Mather, New York, is the agency for both products.

GF declined to elaborate on either introduction, other than to describe the instant launch as "imminent" and the Master Collection test as "very limited."

However, analysts applaud both GF moves as further indication the marketer is bent on protecting its coffee franchise—the company's biggest source of cash and one that has been under pressure from Procter & Gamble and Nestle.

It also is clear the name of the game in the coffee market these days is segmentation. "The only way to gain, or even to just maintain market share today, is to have every niche covered," said Ron Strauss, an analyst with William Blair Co., Chicago. "This strategy has enabled GF to do a good job of warding off P&G and Nestle."

"There's so much activity in the coffee business, and it's so highly, highly competitive, that segmenta-

(Continued on Page 90)

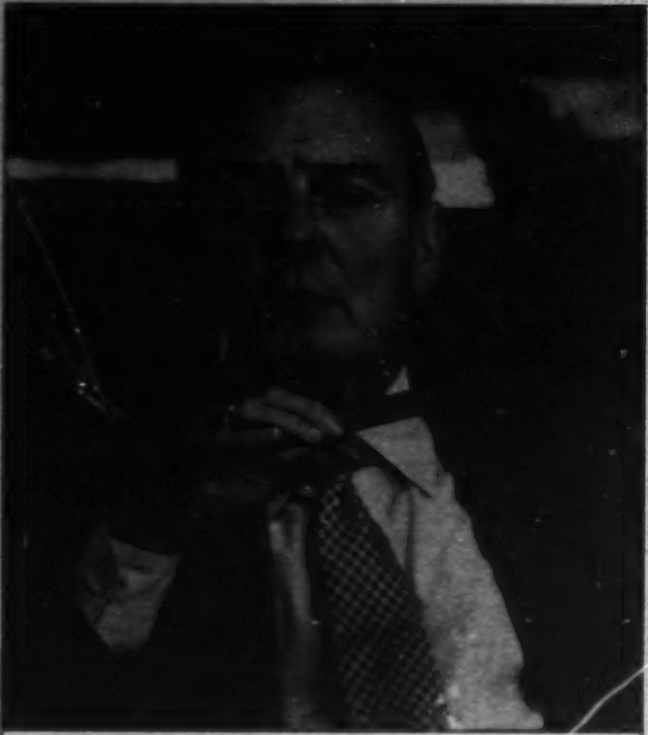

Photo by Arnold Adler

Robert Jacoby, chairman of Ted Bates Worldwide, is seeking growth, but denies the company is holding m[illegible]r talks with Saatchi & Saatchi.

Bates' Jacoby will hang tough on growth plan

By STEWART ALTER

NEW YORK—Ted Bates Worldwide will make changes in its money-losing McDonald & Little operation, maybe even buy another agency in Atlanta. It is also close to a direct-marketing acquisition in the U.S., as well as agency purchases in Canada, Germany and Puerto Rico.

But while Bates chairman-ceo Robert Jacoby bluntly admitted to being "disappointed" in the performance of the William Esty Co. unit, he still likes its management and is not planning any changes in that area. Nor, as rumored, is he having merger talks with Saatchi & Saatchi; "they're a major Procter & Gamble agency and our second largest client is Colgate-Palmolive," he said.

Mr. Jacoby, who has found himself at center stage lately because of news reports about all kinds of changes he might be making—in his board of directors, his subsidiary agencies, and Bates' ownership—sat down last week for a rare interview to explain his thinking and goals. He touched on a range of subjects that included his thoughts on his successor, his subsidiaries, his financial goals and the Bates stock ownership system that gives him such enormous power.

Esty, despite three major account losses (several brands from Colgate-Palmolive, some Warner-Lambert brands, Winston cigarets) and "major motion" downward in its billings, still seems to be the jewel in the Bates crown of affiliate agencies. This in spite of the fact

(Continued on Page 89)

Last Minute News

Galotti bows to 'Mademoiselle'

NEW YORK—Ronald Galotti is leaving Hearst Magazines, where he was publisher at *Country Living*, to join Conde Nast Publications as *Mademoiselle's* publisher. He succeeds Joseph Fuchs, publisher since 1977, who becomes vp, a new post being created at Conde Nast because "additional corporate management is required" as a result of recent expansion, said chairman S.I. Newhouse Jr.

Plant's workers gear up to picket at BBDO

NEW YORK—BBDO's headquarters here is slated to be picketed next month by workers from Black & Decker Corp.'s Allentown, Pa., plant. The action will be part of the workers' protest against plans to close down what is the only unionized plant among those that B&D acquired last year when it bought General Electric Co.'s housewares division. BBDO handles B&D's $100 million ad campaign highlighting the division's name change to B&D from GE.

Interpublic mulls former Time chief for board

NEW YORK—James Shepley, former president of Time Inc. and currently chairman of Pullman Co., has been nominated to serve on the Interpublic Group of Cos.' board. If elected, he would join former CBS president Frank Stanton as the second former media company president on the Interpublic board.

Philip Morris plays down Players 25s

NEW YORK—Philip Morris USA has "no firm direction" rega possible introduction of 25-unit packages of its upscale Pl line, a company spokesman says. Last year, Players fell market share thought essential to a brand's success.

(Continued on Page 8)

IBM print ad tunes up pitch

By CLAIRE WILSON

PARIS—IBM France and Dupuy Saatchi & Saatchi Compton have brought the high-tech world of electronics and microchips to print advertising.

Last month, an issue of *Le Point*, France's leading newsweekly, included what its creators say was the first electronic produced.

Th

AT&T begins new

NEWSPAPER

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WASHINGTON DC 20014

BEST AVAILABLE COPY

The word at AT&T is Mummenschanz

By BRIAN MORAN

NEW YORK—AT&T this week begins new network tv ads for a broad range of business and consumer products as part of a $125 million first-half ad push designed to drive home the company's reputation for reliability.

The new creative marks a significant shift in direction for AT&T, which spent most of last year laboring to reestablish itself with consumers following the telephone monopoly's breakup in January, 1984.

The new commercials, produced by three AT&T agencies here, have a more aggressive tone. A few even show competitors' products and challenge viewers to make comparisons.

Consumer confusion from the divestiture was not helped by AT&T's dizzying array of theme lines in its corporate, product and service advertising last year. All of the new advertising carries a single theme line: "The right choice."

The new look will appear first in spots breaking tonight for AT&T Information Systems, Morristown, N.J., on the NBC-TV miniseries "Wallenberg: A Hero's Story." The commercials, via Ogilvy & Mather, support Information Systems' office automation products and services.

To get across a potentially dull message about the adaptability of AT&T's product line to integrate existing office systems, O&M created two futuristic spots featuring Mummenschanz, the famous Swiss mime troupe, in its first-ever commercial appearance.

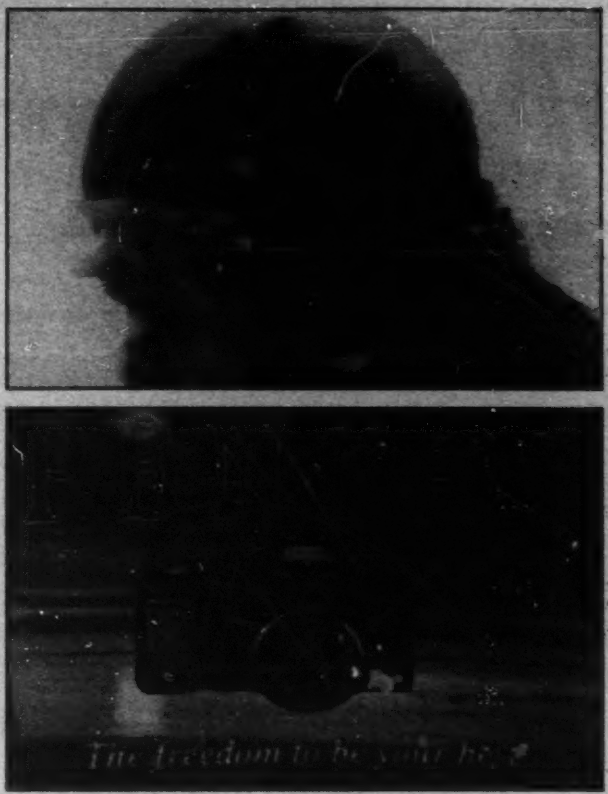
In one spot, the mimes appear in costumes resembling giant Slinky toys that slowly "integrate" with each other. In another, the three-member troupe silently exchanges vividly colored building blocks until each has the "information" necessary for efficient office communication.

"To use people in the same old office setting to talk about office automation in the future would have been deathly boring," said Jay Jasper, O&M senior vp-creative director. "We needed a metaphor, and [Mummenschanz'] ability to imbue objects with humanity fit the bill."

AT&T's new ad tack will hit full stride April 14, when the company begins its one-eighth sponsorship of the CBS-TV miniseries "Space." AT&T's $4.8 million buy for the special will see the debut of new creative for the AT&T Communications, Consumer Products and corporate accounts.

AT&T Consumer Products, Parsippany, N.J., will break three spots on the special, via N W Ayer, that will play up consumer fears of buying non-AT&T telephone equipment and stress AT&T's status as the only home telephone

(Continued on Page 88)


The freedom to be your best

Sven's lens for Pentax

Campbell-Mithun, seeking an award-winning feel for new spots for the Pentax 35mm range-finder camera and the single-lens reflex A3000, hired Sven Nykvist, Oscar-winning cinematographer for Ingmar Bergman, to film the commercials. *(See story on Page 87.)*

Highlights

Hugh Hefner won't lord over Playboy Enterprises anymore, but instead will be a sort of elder statesman in the company he founded 32 years ago. *See Page 6.*

McDonald's Corp. is beefing up its international agency roster, and Saatchi & Saatchi and McCann-Erickson are the big winners. *See Page 10.*

For those who'd like to flick a smaller Bic, Bic Corp. rolls national June 1 with a downsize version of its successful Bic disposable lighter. *See Page 12.*

Five "men of ideas" shared their insights, versatility and enthusiasm at a seminar, drawing a copywriter into the world of design. *See Page 42.*

TRY NEW CHEX SNACK MIX AND SAVE 20¢
3 Great Flavors Now Ready to Eat
Chex
Chex Snack Mix
Chex
SAVE 20¢

Ralston Purina Co.'s Chex Snack Mix has developed into a hot item in one test market, grocery-store buyers report. The product is a prepackaged version of the well known Chex party mix, a combination of three Chex cereals and other ingredients. *See Page 62.*

TE CLOSEUP

publishing company dedicated to growth in the hottest growth sectors in this country, small business and high tech," says one executive. *See Page 4.*

FORUM

Adman Neil Bruce Holbert moved to Australia and came home seeing through different eyes. *See Page 20.*

Phil Donahue came and went, but the Windy City stayed behind. Bryan Brown lets on How to Chicago. *See Page 20.*

INTERNATIONAL

Sunbeam, the home appliance marketer, is giving a new boost to its international business. The marketer, a subsidiary of Allegheny International, is streamlining part of its international product line to grab a bigger share of the international housewares market. *See Page 50.*

What's happening in Toronto? Check out the "Talk of Toronto," the first of a new series of periodic columns featuring "street talk" from around the world. *See Page 50.*

U.S. media mogul Ted Turner is gambling that his Cable News Network will take off in Europe the same way it has here. *See Page 50.*

VIDEOTECH

In spring, a network tv programer's fancy turns to thoughts of fall, and the new ratings battles. *See Page 56.*

Saturday is the lowest-rated night of the week for the networks, even though more people than ever are sitting home in front of the tube on Saturday nights. What they're watching is Home Box Office and videocassettes. *See Page 57.*

COMING THURSDAY

SPECIAL REPORT

Canada, the land of the maple leaf, is looking beyond its own borders. More Canadian companies are investing in the U.S., and many Canadians are finding jobs overseas. Canadian agencies, media and admen, from Quebec to British Columbia, are profiled.

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TOP TEN GENERAL DIRECT-MARKETING AGENCIES 70

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Can Yugo spark Beetle-mania?

By JESSE SNYDER

A new importer plans to recapture the low-price, but lovable, marketing image of the Volkswagen Beetle this summer when it starts marketing a Yugoslavian-built auto.

The Yugo, announced as a $3,995 basic small car, must be marketed as a fun vehicle with good value because too many low-end competitors will soon crop up for price advertising alone to work, said John Slaven, senior vp-marketing for Yugo America.

The stated price is $1,400-to-$2,000 below established low-end Japanese imports, but South Korean and other European auto makers already are planning or considering similar entries into the U.S. car market.

Yugo America, a New York-based subsidiary of Malcolm Bricklin's Bricklin Industries, will import a base and upscale model of the small four-seat sedan. The cars, based on a licensed Fiat 127 design, are built by Zavodi Crvena Zastava, a 30-year-old Yugoslavian auto maker.

The car bears a passing resemblance to a small VW Rabbit, one of several parallels to the West German auto maker.

Rosenfeld, Sirowitz & Lawson, as agency for the Yugo (AA, April 1), will be charged with finding a distinctive position for the car. Agency co-chairmen Ronald Ro-

(Continued on Page 90)

Baker puts it on back burner

Celeb rule stalled

By STEVEN W. COLFORD

WASHINGTON—A Treasury Department proposal to restrict the use of celebrities in alcoholic beverage ads appears to have run into opposition from Treasury Secretary James Baker III.

The proposal from the Bureau of Alcohol, Tobacco & Firearms was forwarded to Mr. Baker and his deputy, Richard Darman, last month after John Walker, assistant secretary for enforcement and operations, signed off on it, according to department sources.

Under normal circumstances, Mr. Walker's approval would have sufficed, sources said. But because of the ongoing debate over alcohol advertising on tv, department officials felt it advisable for newly arrived Secretary Baker to pass on the proposal. The length of time it has languished on Mr. Baker's desk has sparked questions about the proposal's future.

A high-level Treasury official,

(Continued on Page 90)

Ohio congressman is latest to plan alcohol-ad bill—Page 87.

BEST AVAILABLE COPY

Hefner eases grasp on 'Playboy' helm

By BOB MARICH and GARY M. LEVIN

HOLMBY HILLS, CAL.—Hugh Hefner said he won't lord over Playboy Enterprises anymore, but instead will be a sort of elder statesman in the company he founded 32 years ago.

The change in status is prompted by the stroke he suffered March 6, he told reporters at an April 1 press conference at his mansion near Beverly Hills. Mr. Hefner blamed his stroke on stress resulting from a bitter feud with film director Peter Bogdanovich, whom he blasted during the press conference.

No immediate changes are expected in the $187 million Playboy media conglomerate because Mr. Hefner's daughter Christie, 33, president-ceo, and longtime publishing aide Arthur Kretchmer, 44, senior vp-editorial director, *Playboy*, take up the slack. Insiders say the reins of *Playboy* are in the hands of Mr. Kretchmer; Ms. Hefner concentrates on Playboy's cable tv venture and corporate affairs.

Nat Lehrman, president of Playboy Enterprises' publishing division and associate publisher of *Playboy*, said he will step down from those posts to take an "advisory" role in the company when a successor is found (AA, Feb. 18).

"This is a company nearing the end of its transition period," said David Leibowitz, an analyst with American Securities, New York. "I am very impressed with what I've seen. I think management has a realistic set of expectations on what they can do. . .Clearly there's a sense that this is a business and will be operated as such," Mr. Leibowitz continued, adding that the opposite perception was prevalent until perhaps a decade ago.

Mr. Hefner said his stroke was "acute," not minor as first suggested by the company. Though he appeared to be healthy, alert and fully recovered a month after being stricken, he said the experience convinced him it's time to slow down.

"The stroke was in the left lobe" of the brain, he continued. "What I lost was the ability to gather the appropriate words and phrases, both to read them and also to find them in the index files of the mind.

"I expect to be very actively involved in the future of the company, but it will be a different kind of activity [with] the focus more on the creative kinds of things, rather than the routine," he said.

Mr. Hefner said improving *Playboy's* image, which he says is under increased attack, is one of the roles he sees for himself.

Mr. Kretchmer, who has been with the magazine since 1966, said he expects Mr. Hefner will drop participation in regular meetings where he personally reviewed art and editorial of the magazine. "But Hef's stamp will still be on it," Mr. Kretchmer said.#

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CORRECTIONS & CLARIFICATIONS

- Monahan Dayman Adams, an agency based in Sydney, Australia, bought 50% of Japanese-owned Standard Advertising, Sydney, not 50% of Tokyo-based Standard Advertising (AA, March 18, P. 3).
- The list of previous winners of the ADVERTISING AGE Agency of the Year award (AA, March 28, P. 4) unfortunately omitted Cunningham & Walsh, which in 1973 became the first agency to win this award.
- According to Simmons Market Research Bureau, 42.8% of all black males age 18 to 34 read *Jet*. The percentage was reported incorrectly (AA, March 14, P. 26).
- Geers Gross Advertising's gross income and billings should have been $37.3 million on billings of $253.6 million in 1984, compared with gross income of $37 million on billings of $250 million in 1983 for the New York agency. The change would elevate the agency to No. 32 in ranking by worldwide gross income from No. 46. Figures for Geers Gross, London, should not have been omitted from the totals (AA, March 28, P. 36).
- SSC&B:Lintas' percentage of foreign-to-world billings should have been 66.3% in the Top 10 chart, based on SSC&B's foreign contribution of $815.7 million to world billings of $1.23 billion. The agency's No. 2 rank on the chart does not change (AA, March 28, P. 50).
- Saffer Cravit & Freedman, Toronto/Chicago, did not lose as published, but gained the following overseas accounts: Simpson's, Coles Books, Budget Rent a Car, Firestone U.S., Scitron (AA, March 28, P. 90).
- A Young & Rubicam profile should have contained a ☑† indicating an independent accounting company had verified the agency's gross income figure using language acceptable but different from that supplied by AD AGE. Additionally, Roger Craton was listed as exec vp-chief financial officer. He is senior vp-chief financial officer (AA, March 28, P. 51).
- The chart "Top 10 I and II agencies by direct marketing billings" should have read "by direct mail billings" (AA, March 28, P. 80). Additionally, the direct-marketing designation in the pie chart on P. 108 should have been labeled "direct mail."#

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Some shops quarrel with DMA billings report

By PAUL L. EDWARDS

NEW YORK—The Direct Marketing Assn. has reversed its decision to separate from its annual survey of billings one agency that reported income from its letter shop.

At the same time, the DMA is continuing to receive protests from agencies that believe the unusual treatment of the annual billings survey was unfair.

The complaints are likely to lead to a review of the entire process before the 1985 survey is released next year.

In its "1985 Fact Book," DMA will reinstate the listing for Foote, Cone & Belding/Direct. In its first release of the survey (AA, March 18), the agency was included in a smaller, separate list of direct-marketing agencies that provide letter-shop, database and printing services in addition to the standard agency fare. DMA initially referred to these agencies as specialty agencies. It has now decided to call them integrated agencies.

DMA also considered making a similar change on behalf of the Direct Marketing Group, but at that agency's request decided to leave it on the smaller list, where it ranks No. 1.

The survey was split into two categories, DMA said initially, because many in the industry believed that including ancillary income made it difficult to compare all the agencies listed on the same basis.

While the decision generally was received favorably by agencies without such operations, it drew immediate protest from FCB/-Direct and the DM Group. Two weeks later, the Direct Marketing Agency, Westport, Conn., joined in the complaint.

The DM Group has included income from its letter-shop activities since DMA first conducted its survey. FCB/Direct, on the other hand, never had such income until its purchase last year of Smith-Hemmings-Gosden. At the Direct Marketing Agency, it is the company's database services, rather than a letter shop, that generate the ancillary income.

In a letter to the association, Norman Suslock, chairman, Direct Marketing Agency, wrote, "The only difference between the Direct Marketing Agency and any of the other agencies is that we believe that the computer, and more particularly, the construction of unique databases and the ability to perform back-end analysis, separates us in terms of a more complete service to clients. If there is a difference [between us and the other agencies], that difference is not that the general agencies are blind to the value of those techniques, but that they buy them outside." DMA said it received the Direct Marketing Agency's complaint too late to consider a change in its "Fact Book."

In the case of FCB/Direct, director Mark Weinstein said the letter shop at Smith-Hemmings-Gosden was a small part of that agency and represented but a minuscule portion of the total revenue generated by FCB/Direct. Together with the letter shop, FCB/Direct reported 1984 billings at $48.7 million. In the revised listing, with the letter-shop activity removed, the agency is reporting $47.5 million.

John DePasquale, chairman of the DM Group, went even further. He said not only was the income from the letter shop a small part of his agency business, but the comparisons between his agency and others that do not have letter shops were unfair.

"It makes very little, if any difference," he said, "whether the money that we spend on letter shops goes to our factory or to someone else's. We do use others sometimes and all the other agencies must go outside. The money that they spend on those letter shops is then considered a fee and capitalized for billing purposes. So they've been reporting their spending on letter shops all along, just as we have."

Nonetheless, in its revised listings, the DM Group was asked to remove from its billings the amount of income attributed to its letter shop. Mr. DePasquale declined to do so, and so will remain on the integrated list. Mr. DePasquale said he will continue to press for reinstatement of the agency on the general list while retaining the letter-shop revenues. "The other agencies say it's like comparing apples and oranges to include all our income. But I think that it's only apples and oranges when you leave it out," he said.

A spokeswoman for the DMA said only two changes will be made in the "1985 Fact Book." The smaller list will be retitled "Integrated Agencies" and FCB/Direct will be returned to the general agency list. She added, however, that the controversy is likely to lead to a review of the process by DMA's Agency Leaders, a newly formed group consisting of the senior management of direct-marketing agencies.#

Top 10 general DM agencies

This revised list represents only those agencies that responded to a DMA request made in 1985 for their full-year 1983 and 1984 U.S. billings. All figures were supplied by the individual agencies, which were asked to include space and broadcast billings, billings for materials and services provided by organizations outside the agency and capitalized agency fees. Source: DMA Research Department.

Rank/Agency	Billings ($ millions) 1984	1983	Per cent change
1. Wunderman, Ricotta & Kline	159.0	124.2	28.0
2. Ogilvy & Mather Direct Response	133.0	95.0	40.0
3. Stone & Adler	72.7	55.8	30.2
4. Rapp & Collins	58.6	50.2	16.7
5. Grey Direct	56.8	39.6	43.4
6. Kobs & Brady Advertising	52.0	44.3	17.4
7. FCB/Direct	47.5	40.7	16.7
8. Chapman Direct Marketing	45.9	41.5	10.6
9. Soskin/Thompson	41.9	36.6	14.5
10. MARCOA Direct	35.1	24.6	42.7

Direct marketing briefs

Jay Hillis to president, Uplifting Ideas, a new direct-marketing agency in Lynnwood, Wash., from vp-circulation, Alaska Northwest Publishing Co.

Diane Curran to vp, a new post at Hub Mail Advertising, Boston, from senior account exec. She will be responsible for the development of new company programs and will manage a newly formed account group.

Nestle World Direct, the direct-marketing arm of Nestle, White Plains, N.Y., to **Bloom & Gelb**, New York, from the DM Group.

Telemarketing Corp. of America is the new name for Avis Telemarketing Services, New York.

Direct Inc. is the new name for B&B Direct, New York, a partner company of Benton & Bowles.

Robert Fisler to senior writer, a new post at Evergreen Marketing, Middlebury, Vt., from vp-circulation, Time Inc., New York.

Norton Goodman to vp-management supervisor, a new post at Kobs & Brady Advertising, Chicago, from vp-account supervisor, R.S. Feldman & Co.

Barbara Hill to creative director, a new post at Flair Direct, Chicago, from account supervisor, CFM Communications, Naperville, Ill.

Barry Kessel to senior vp-general manager, Stone & Adler, Toronto, from vp-creative group manager, Chicago. He succeeds **David Watson**, who resigned. Also, **Don Mitchell** to vp-creative director from president, the Scollard Group, succeeding **George Campbell**, now with Bozell & Jacobs, Dallas.

Douglas Cooper to vp, Tinsley Yellow Pages division of Tinsley Advertising, Miami, from account exec. He replaces **Robert Caldarone**, who left.

Northwest Orient Airlines, St. Paul, Minn., to **Telephone Marketing Programs—Minneapolis**, a Yellow Pages agency, from Colle & McVoy. Also to TMP—Minneapolis, **Computer Depot**, a computer retailer, no previous agency, and **American Paging**, a distributor of pagers and beepers, from ACT, Stuart, Fla.

J.C. Penney, New York, contributes $250,000 to support direct-marketing education at the New York University Center for Direct Marketing at the School of Continuing Education.

S.N. Okner to president, Signature Direct Response Marketing division, Signature Group, Montgomery Ward & Co., Chicago, from exec vp-life and health insurance. He succeeds **Richard Cremer**, who retired.

The **Frank Vos Co.**, the New York direct-marketing agency owned by SSC&B:Lintas Worldwide, has changed its name to **SSC&B:Vos Direct**.#

Risky business is DRM Group's target

NEW YORK—Steve Bowman has a mission: Restoring an entrepreneurial spirit to insurance companies.

"Insurance companies were more entrepreneurial many years ago, but that stopped when they got bogged down in bureaucracy," said the president of Omaha-based DRM Group, a direct-marketing agency that specializes in insurance.

"And up until recently, 'entrepreneur' was a dirty word in this business. But not any more," said Mr. Bowman, who has reason to know.

He spent 12 years in the marketing departments of insurance companies, developing direct-marketing programs in-house, before founding his own agency with three other insurance professionals in 1982.

Unlike most direct-marketing agencies, which skew their efforts toward developing marketing programs, DRM Group, with its insurance expertise, often presents entire business plans to potential clients.

"We'll develop a direct-marketing program for a specific product, like hospital indemnity, and then find an insurance company that would like to create that product and work with us," Mr. Bowman said.

"We'll share in the marketing costs and in the profits."

Mr. Bowman conceded that is a high-risk approach to direct marketing, but it is a risk he takes with obvious relish. "Direct marketing is accountability," he said. "And with our approach, we're putting our time and future profits on the line."

Just the same, Mr. Bowman's approach is new and different, and not all insurance marketers have embraced the idea. "A lot of what we do is still conventional direct marketing—lead generation, for example."

Some insurance companies view lead generation as an adjunct to the existing agent sales efforts, while others view his programs as a totally independent sales effort that they believe "competes" with the agents.

Mr. Bowman believes this conflict will be resolved over time, with insurance companies setting up centralized direct-marketing departments that will take over for agents on certain products. "There are many common insurance products, such as property and casualty insurance, that don't generate sufficient commissions to maintain an active sales-agent network," he said.

"They would be good candidates for direct-marketing programs exclusively. Other, high-ticket items that are also more complicated, like universal life, will probably still require the services of an agent to sell effectively."

Direct marketing in the insurance industry, he said, has changed considerably since the early 1970s, when he first started at Mutual of Omaha Insurance Co. "Back then, direct marketing was taking a list of 5 million names and mailing to every one of them. Postage was [low] and they could afford that. Today, the cost would be prohibitive."

Insurance marketing has become more sophisticated, he said, and that will continue. "One of the techniques that became popular was third-party endorsement, the use of an association or person to endorse a given plan. At first, those endorsements were a tremendous boost to sales. But today, only a few groups, like the American Assn. of Retired Persons, have much effect."

DRM Group is a privately held agency reporting $2.4 million in retained earnings.

Among its insurance industry clients are numbered Amoco Life Insurance Co., a division of Standard Oil of Indiana, Omaha; Equitable of Iowa, Des Moines; Liberty Mutual Insurance Co., Boston; the Hartford, Hartford, Conn., and Phoenix Mutual Insurance Co., also Hartford.

Mr. Bowman said the agency also has begun working with several banks.

"They have very similar problems and we feel that our approach will be attractive to them as well," he said.#

Senior editor Paul L. Edwards, New York, is the editorial director of the ADVERTISING AGE Direct Marketing section.

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In the news

Delta plays oldie but goodie

When Delta Air Lines decided to put a long-running advertising slogan on ice, the company didn't mind borrowing to come up with a new one. Delta simply bought the rights to a song that once worked wonders for *Sports Illustrated*. *See Page 4.*

Jingle jangles advertiser

Cover photo by Arnie Adler

Are three notes enough of a jingle to warrant trademark protection? That's what Nabisco Brands would like to know, and it's up to a New York court to decide. *See Page 4.*

Short takes

"Saturday Night Live's" Martin Short has created a Grimley funny character and ridden it to late-night comedy success. *See Page 5.*

A publishing 'Romance'

The all-together woman is the target of *Romance Today*, a four-color, slick women's magazine set to debut in the May 5 Sunday editions of the *New York Daily News*. *See Page 9.*

Uncovering the jeans beat

Jag jeans caught readers' attention with a print ad in which all but three of the 13 models were nude. It was created by a new Franco-American agency called ADN. *See Page 31.*

Special Report

International—Canada

Canada is looking beyond its own borders. More Canadian companies are investing in the U.S., and many Canadians are finding jobs overseas. Agencies, media and admen from Quebec to British Columbia are included in the Special Report, *starting on Page 13.*

Presstime

Two of them look at 'Us'

New York—*Us* is likely to be sold soon by Macfadden Holdings' Peters Publishing Co. division to Straight Arrow Publishers (*Rolling Stone*) and Telepictures Publications (*Muppet Magazine*), publishing industry sources say. All three companies declined comment on reports of the impending sale of the every-other-weekly.

A-B hatches promo

St. Louis—Anheuser-Busch soon will launch an unusual promotion for its Natural Light brand. Complementing that brand's "The beer with the taste for food" theme line (AA, Nov. 26), the on and off-premise promotion will offer a $1 rebate with proofs-of-purchase for fresh chicken and two six-packs. Also included is a recipe for Chicken Monica, a dish featured in one of the Natural Light spots. D'Arcy MacManus Masius handles. Separately, an A-B spokesman flatly denied published reports the brewer plans to start a pay-per-view cable channel to carry St. Louis Cardinals baseball games. A-B owns the National League team. Sports Time Cable Network, in which A-B held a 51% interest, folded March 31. That network had telecast Cardinals games.

'S-T' pages local agencies

Chicago—*Chicago Sun-Times* has invited nine local agencies to vie for its account. The winner will succeed Grey, Lyon & King, New York. The agencies contacted for formal presentations are Bozell & Jacobs; Campbell-Mithun; Doremus & Co.; HCM; Smith, Badofsky & Raffel; Albert Jay Rosenthal & Co.; Don Tennant Co.; Zechman & Associates, and Zwiren & Wagner.

O&M gets bank account

Hartford—Connecticut National Bank has named Ogilvy & Mather Partners, New York, to handle its $3.6 million advertising and promotion account after a six-agency review. Geers Gross previously handled.

$300M to merger pals?

New York—Broadcast station brokers expect Capital Cities/ABC Inc. to get between $300 million and $500 million from the sale of tv and radio properties needed to meet Federal Communications Commission requirements as part of the merger of the two companies. The brokers also expect Cap Cities/ABC to receive as much as 12 times projected cash flow, compared with the rate of 10 times cash flow in other recent station sales.

ESPN forms Olympic team

Bristol, Conn.—ESPN has tapped 22 1984 Olympians to host its 16-day rebroadcast of the 1984 Summer Olympics beginning June 29. Among the athletes who will revisit Los Angeles for special coverage of their sports are Mark Breland, Michael Jordan, Edwin Moses and Mary Lou Retton. David Wolper, producer of the opening and closing events of the Olympics, will also appear.

Bozell is on Beam

Chicago—Bozell & Jacobs has added a new-product assignment from James B. Beam Distill-

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'Go West' not part of vocabulary for East Coast talent

By Jennifer Pendleton

Hiring talent from the East for positions in California is risky business, according to Bozell & Jacobs Pacific division chairman Cy Schneider.

Getting the prospective employe to accept the job is easy. The real test comes later—seeing if the new hire can adjust to life on the West Coast.

"When they accept the job, they think, 'Yes, it would be nice to have a vacation. I think I'll take it,' " explains Mr. Schneider, noting that, for many, West Coast experience is limited to brief respites at posh lodgings, such as the Beverly Hills Hotel.

"With their first paycheck, they buy a pair of sunglasses. On the second, a sports car," explains Mr. Schneider.

But then, the problems start to emerge: "They go crazy. They find they don't have any support systems here," states Mr. Schneider. "They're astonished they can't find a corned beef sandwich after 10 p.m."

Dealing with the culture shock many transplants from the East experience after moving to California is only one problem agency heads face when filling management positions. In interviews with the general managers of several major agencies in Los Angeles and San Francisco, most complain about the difficulty of finding top talent for middle and upper-management positions.

Many admit the West Coast talent pool is smaller than that of New York and Chicago. One of the obvious reasons is that there are fewer major package-goods companies in the West, the kind that typically provide a solid foundation for careers in account management.

"There's a shortage because there aren't too many training companies based here," laments Alan Pando, president of Della Femina, Travisano & Partners' Los Angeles office. "And the average account exec gravitates to New York because that's where the action is." He believes the typical account exec who has spent his entire career on the West Coast is less prepared for a management position than his eastern counterparts.

Craig Campbell, director of client services at Foote, Cone & Belding, Los Angeles, agrees that good management personnel are hard to find, but thinks the problem goes beyond the lack of package-goods companies based in the West. The agency business simply is growing at a faster rate than new talent is entering the business, he believes. Jerry McGee, executive director of Ogilvy & Mather, Los Angeles, thinks so, too. "It's [the talent pool] not as big as it used to be," states the recent New York transplant.

In addition to facing fewer qualified prospects, Los Angeles and San Francisco agencies have another major problem that inhibits recruitment efforts: The prohibitive cost of California real estate. "It's the single biggest obstacle in a New York or Chicago move," states Los Angeles-based executive recruiter Joan Baeder.

While a senior executive may be able to own a substantial home for $300,000 in some suburbs of New York or Chicago, prospective employes are shocked to learn that a similar sum will yield only a modest post-World War II two-bedroom house in West Los Angeles.

One agency exec explained one of the problems this way: "Say

(Continued on Page 31)

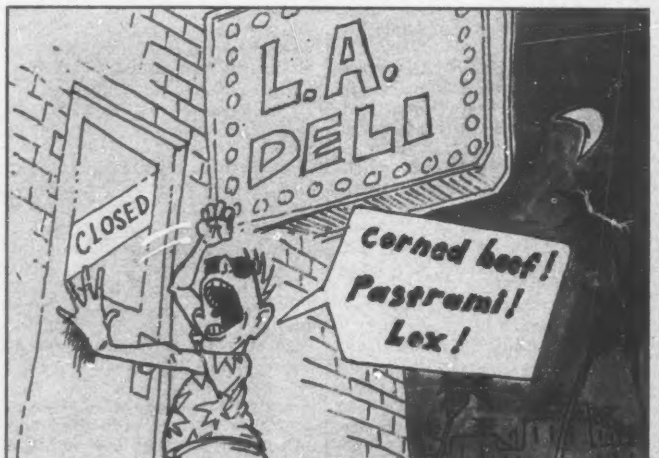

Illustration by David Small

Tv turning over new leaf

By Desmond Smith

TORONTO—In a country as regionally diverse as Switzerland and bigger than China, national politics—which way the wind is blowing in Ottawa—is a good clue to media trends.

With the election of a conservative Prime Minister, the outlook for Canada's electronic media is one of change.

Pay tv appears to be taking off after a brutal shakeout that saw the financial collapse of all seven original national and regional pay tv companies. Two years later just three pay tv companies have survived, and then only after financial restructuring.

In English-speaking Canada, the First Choice pay tv company has a monopoly east of Alberta, while Superchannel owns everything west of the province. Super Ecran has the French monopoly nationwide.

Until now, with less than a 2% share of the total tv hours tuned in, pay tv has been a losing proposition for programers and cable companies. But Fred Klinkhammer, president of First Choice, based in Toronto, says he expects his company to break into the black this year.

Colin Watson, president of Rogers Cablesystems of Toronto, Canada's largest cable service with 1.4 million subscribers, says the engine now driving pay tv was last year's federal decision to allow cable operators to offer U.S. specialty channels.

Far ahead of systems in the U.S., cable in Canada is the dominant distribution technology for tv. More than 60% of households are hooked into cable systems, compared with 43.7% in the U.S.

However, cable is facing a challenge from the satellite dish, which has become as familiar a northern sight as the Hudson's Bay store and the snowmobile.

In addition to programs that can be picked off Canadian satellites, there is an even greater choice of programing available off U.S. satellites.

The Canadian Cable Television Assn. estimates between 80,000 and 100,000 satellites are in use. Recognizing the market potential, Tandy Corp.'s Canadian Radio Shack stores are marketing a complete C-band satellite dish that can receive between 50 and 100 channels.

Of all the emerging technologies in tv, videocassette recorders have stirred up the most interest among advertisers, broadcasters and cable operators.

According to A.C. Nielsen Co. and the Broadcast Bureau of Measurement, vcr penetration in Canada in 1978 was about 1%. By the summer of 1984, the bureau estimated vcrs had reached 20%.

This fragmentation of Canada's tv distribution system concerns Ron Willoughby, chairman of the Assn. of Canadian Advertisers.

"The increasing number of viewer options is a significant trend, yet as advertisers I don't believe we have a handle on it," Mr. Willoughby says. He says that in the age of the vcr, it's time to reconsider the industry's cost-per-thousand yardstick.

"We have to think about viewership of commercials as opposed to viewership of programs now that viewers have such options as zapping, switching and editing."

Programing continues to be an explosive issue in Canada, as the trend toward more U.S. and foreign (mostly British) programing escalates. The trend has been helped by the new administration's relaxed attitude toward the Broadcasting Act of 1968, which says Canadian broadcasting should "safeguard, enrich and strengthen the cultural, political, social and economic fabric of the country."

In a newspaper article, Mark Starowicz, top current affairs producer with British Broadcasting Corp., said the Canadian broadcasting system has become substantially American, and noted that less than 30% of all English-language tv in Canada is Canadian.

But consumers don't seem to mind. The latest A.C. Nielsen Co. ratings book for 1984 listed "Dallas" on the CBC, "60 Minutes" on the Global Network and the movie "Popeye" on the CTV Network as the most watched tv shows.

Desmond Smith is a senior producer with the Canadian Broadcasting Corp.

Magazine market heats up

By Tony Thompson

TORONTO—*Newsweek's* move to begin printing in Canada has brought controversy to the Canadian magazine industry, but it's the battle for the lucrative and growing yuppie market that's generating the industry's greatest activity.

The battle has caused a flurry of new launchings. Earlier this year, Thomson Newspapers-owned *Globe and Mail*, Toronto, produced the first of its monthly *Report on Business*, distributed free with the paper to the *Globe's* 380,000 readers.

At about the same time, CB Media, publisher of *Canadian Business*, the country's leading financial magazine, announced introduction of *Your Money*. Publishers say the magazine met the 100,000 target circulation for the first issue in January.

However, one new issue already has ended in failure. *Quest*, owned by Comac Communications, offered advice on the art of fine living and personal investment. Unfortunately, a survey found that few of the some 700,000 copies delivered free were opened. The publication folded in December.

While much of the industry's new-publication money is being socked into the slick, money-oriented issues, much of the industry rhetoric is being aimed at *Newsweek*. The agreement between Canada Post and the Washington Post Co., *Newsweek's* parent company, for a mail rate subsidy allowing the company to pay about 5 cents to deliver each magazine instead of almost 40 cents that it normally costs for second-class mail, brought a storm of protest.

The powerful Canadian magazine lobby extracted a promise from the government that the magazine would be the last of the 28 U.S.-owned publications to enjoy this special postal rate. All major Canadian-owned magazines receive postal subsidies.

Newsweek's entry was a miniseries rerun of the late 1970s political intrigue that led to the disallowance of business tax deductions for Canadian companies advertising in non-Canadian-owned media.

Katharine Graham, board chairman of the Post Co., told the Empire Club of Canada in February that while "Canada's culture and national identity are well-served by support of Canadian media," diversity of information should not be "at the expense of . . . the foreign media."

However, Peter Newman, a former editor of *Maclean's*, at the same luncheon said newsmagazines purporting to report on Canada should be owned and edited by Canadians.

Critics say this view, common among Canadian publishers, is blinkered, failing to take into account the ownership of U.S. media by Canadians. Mr. Newman's former employer, Maclean Hunter, owns many U.S. trade magazines, recently acquired the *Houston Post*, and has several cable franchises in the U.S. And the Thomson family has more holdings in the U.S. than in any other country.

The controversy continues to provide free publicity for *Newsweek*. *Newsweek's* circulation before it began printing in Canada on Nov. 5 was about 55,000, vs. *Time's* 357,000 and *Maclean's* 643,000 copies. By January, *Newsweek* was selling 85,000 copies a week, with a mid-1985 target of 100,000 to satisfy media buyers' criteria.

Time has been printing in Canada since before 1976, when the business tax deductions for advertising were disallowed.

Canadian media buyers have welcomed *Newsweek's* entry. "I see it as a good thing; an enrichment," says George Murray, Ogilvy & Mather Canada's media director. "They have a good publication, and there's room for it here."

Marketing in Canada

Top 10 advertisers

Advertiser	Agencies	1983 spending ($000,000)
Federal government	Media Canada Inc.*	$38.2
Procter & Gamble	Leo Burnett, Benton & Bowles, Grey Advertising Young & Rubicam	27.4
John Labatt	Scali McCabe Sloves, Young & Rubicam, BCP Advertising, J. Walter Thompson**	27.1
Rothmans of Canada	Hayhurst Advertising	21.6
Dart & Kraft	Needham Harper Worldwide Foote, Cone & Belding	19.8
Ontario government	Foster Advertising*	19.4
General Motors	Foster Advertising, MacLaren Advertising	19.2
Nabisco Brands	Ted Bates Advertising, Carder Gray Advertising, Hayhurst Advertising	18.6
The Molson Cos.	MacLaren Advertising, McKim Advertising	18.6
General Foods	McKim Advertising, Ogilvy & Mather, Hayhurst Advertising, MacLaren Advertising, Communications PNMD	15.4

Note: Figures for major media only.
**Agency responsible for media buying.*
***JWT will cease to have any involvement with Labatt on April 30, 1985*
Source: Advertising Age, Media Measurement Services.

Top 10 agencies

Agency	Major clients	1984 billings ($000,000)
J. Walter Thompson	Kraft, Ford, PepsiCo Warner Lambert, Ralston Purina, Burger King, Goodyear	$130
Foster Advertising	Ontario government, Mother's Restaurants, General Motors, Canada Dry, Canadian General Electric, Pitney Bowes	109.1
McKim Advertising	Molson, Canadian Pacific, Bell Canada, 7-Up, General Foods, Gillette, Canadian Imperial Bank of Commerce, Dairy Bureau	102.6
Ogilvy & Mather	American Express, Campbell Soups, General Foods, Rowntree, Seagram's, Wendy's, Shell, Lever	101.2
Young & Rubicam	General Foods, Colgate-Palmolive, Scotts Restaurants, Johnson & Johnson (part), Hershey Chocolate of Canada	79.1
Baker Lovick	Chrysler, Wrigley, Kimberly Clark, Bridgestone Canada, Petro Canada	77.6
McCann-Erickson	Coca-Cola, Kodak, R.J. Reynolds, Century 21, Christie Brown, Canadian Canners, Minute Maid	72.1
Vickers & Benson	McDonald's Restaurants, Coca-Cola (promotions), Ford, Gulf Oil, 3M of Canada, Culinar Dairy Bureau	69.4
Hayhurst Advertising	Nabisco, Chesebrough-Ponds, Holiday Inns, Toronto-Dominion Bank, Rothman's, British Airways, Laura Secord, Irwin Toy	66.3
Cossette Communications-Marketing	McDonald's Restaurants (French), Bell Canada/Telecom, Club Med, Renault/AMC (Co-op)	63.8

Note: Billings restricted to Canada only. Source: Advertising Age.

Top U.S. magazine circulations in Canada

Magazine	Circulation	Magazine	Circulation
National Geographic	746,068	Penthouse	341,894
National Enquirer	464,360	The Star	327,566
Conde Nast package	370,076	Good Housekeeping	281,840
Women's Day	361,337	Playboy	221,718
Family Circle	344,010	Globe	164,764

Note: Time Canada (257,632) is reported under Canadian figures because it is printed in Canada. Split runs for advertising in the Canadian-only copies of foreign magazines result in their being impounded at the border under various customs regulations. By printing in Canada, companies do not have to take magazines through customs—the pages are sent electronically direct to the Canadian printers. However, because the magazines are non-Canadian owned, advertisers may not claim tax deductions. Reader's Digest became a Canadian company for its magazine operation only, so that tax deductions for advertising are permissible.
Source: Audit Bureau of Circulations and publishers' statements.

C2710-1

$1.25 a copy; $55 a year

Monday, April 15, 1985

Advertising Age

Crain's International Newspaper of Marketing

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Coke gets its juices flowing

Orange, recast Fresca ready

By NANCY GIGES

Coca-Cola USA plans a double-barreled entry into the emerging with-juice segment of the soft-drink market. It will introduce into U.S. test two brands containing juice: Minute Maid orange soda and a reformulated Fresca.

Coca-Cola is racing to beat rival Pepsi-Cola USA into the marketplace with the orange flavor, as Pepsi is expected to begin tests of Mandarin orange-flavor Slice soon. Coca-Cola has watched Pepsi's Slice lemon-lime with 10% juice overtake Coke's own Sprite lemon-lime (sans juice) in test areas.

Coke plans a late May or early June introduction for its new with-juice items.

Careful to pay attention to the larger cola segment as well, Coca-Cola plans this week to air the first 30-second spots for Cherry Coke, themed "Out 'n outrageous," in its limited markets: Atlanta; Charlotte/Greensboro/Winston-Salem, N.C.; Denver, and Hartford, Conn./Springfield, Mass.

A Coca-Cola spokesman said the company thinks Minute Maid "has a real advantage over Pepsi's Slice. The U.S. consumer is going to be excited about the 10% real orange juice in Minute Maid as opposed to Slice, which has principally pear and white grape juice in addition to lemon-lime."

In Canada, which served as a working test lab, Minute Maid orange soda contains only 2.5% juice.

Coke out to quench buyers' thirst for clothing—Page 3.

A Coca-Cola spokesman said the juice content was increased for the U.S. market because testing here indicated a stronger interest in the higher percentage. In Canada, the drink is now available to 90% of the population, up from 40% a month ago.

Fresca, a low-calorie grapefruit-flavor soft drink that has been restaged several times since its introduction in 1966, will be tested as "The perfect soft drink." It will contain 100% NutraSweet low-calorie sweetener, 1% real grapefruit juice and revert to a cloudy appearance from a clear one. New packaging features a creamy-yellow can at the bottom that fades to a light cream color at the top.

Fresca's agency is McDonald & Little, Atlanta.

According to Coca-Cola, the brand will be aimed at an upscale audience 25 years old and older with incomes of $30,000 and above.

Brian G. Dyson, president, Coca-Cola USA, said the new Fresca will be positioned as a low-calorie alternative to other beverages, including sparkling waters, light wines and coolers. "Unlike certain competitors, this is a soft drink, not a bubbly, flavored water," he said.

As for Minute Maid orange soda and its diet counterpart, Mr. Dyson said it is directed at the citrus-flavor and real-juice segments, which are currently experiencing significant market growth.

Noting that the orange soda carries the prestigious name of the leading brand of orange juice in the U.S. from Coca-Cola's foods di-

(Continued on Page 84)

IT'S TIME AMERICA KNEW THE FACTS ABOUT DRINKING.

12 oz. of beer, 5 oz. of wine and 1¼ oz. of liquor all have the same alcohol content.

It's time ABC, CBS and NBC let the facts be heard.

It's Time All Of Us Were Heard.

THE HOUSE OF SEAGRAM

Seagrams attacks

Seagram's new print campaign (l.) takes the major networks to task for refusing to run its tv spot (r., top and bottom) equating the alcohol contents of beer, wine and liquor. Warwick Advertising handles. *See story on Page 86.*

Lowenbrau out shopping

By STEWART ALTER
and SCOTT HUME

Miller Brewing has begun a "preliminary review of new advertising creative" for the $20 million Lowenbrau superpremium brand assignment now handled by Backer & Spielvogel.

A spokesman for Milwaukee-based Miller said it will interview "a number of potentially interested agencies" over the next two weeks. By the end of this month that number will be narrowed to two or three finalists who will join Backer & Spielvogel, New York, in making competitive presentations.

If Miller sticks to that timetable, it would be a much speedier review than last year's 11-month-long deliberation over the $50 million assignment for High Life. B&S ultimately lost that account to J. Walter Thompson USA, New York, but retained media-buying responsibility.

The job of reviving Lowenbrau's sales may be no easier than turning around Miller High Life. The superpremium segment has been badly hurt by the rise in sales for imports, and Lowenbrau sales dipped perhaps 20% last year, according to analysts' estimates.

(Continued on Page 84)

Last Minute News

Chattem whittles field to five agencies

New York—Chattem, following its split with Marschalk Co., has narrowed its agency search to five shops. They are Advertising To Women; D'Arcy MacManus Masius; Geer, DuBois; HBM/Creamer, and Hill, Holliday, Connors, Cosmopulos. Each has been asked to create an ad for a skin cleanser. The winner will then get the rest of the account.

Leber Katz, Eurocom consider linkup

New York—Leber Katz Partners and Eurocom SA, Paris, are continuing a dialog on a possible international business linkup. Eurocom controls four major French agencies and Univas, an international network.

P&G, Chesebrough drop legal jousting

New York—Procter & Gamble, Cincinnati, and Chesebrough-Pond's, Greenwich, Conn., have dropped lawsuits over each other's ad claims on

(Continued on Page 8)

NEWSPAPER

AA
DC20014CONGL I   FMJF   M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014
2

Media merger mania mounts

By VERNE GAY

New York—Everyone agrees, media takeover fever is rampant. Now the question is, who's next?

Wall Street observers, broadcast analysts, consultants and brokers say the flurry of takeover activity is far from over. Just in the last week, Cox Enterprises, the closely held company that owns the Cox newspaper interests, made a $75-a-share tender offer to take Cox Communications and its broadcast and cable properties private; CBS Inc. sued arbitrageur Ivan Boesky for alleged stock-trading improprieties involved in Mr. Boesky's purchase of an 8.7% interest in the media giant; Multimedia Inc. rebuffed two separate $1 billion offers from former Treasury Secretary William E. Simon and Lorimar Communications, and Storer Communications, which faces liquidation and a hostile proxy fight for control of the company, convinced the Federal Communications Commission to decide quickly whether the dissident stockholders had to file a "long form" request, a move that could seriously delay the takeover attempt.

At least half a dozen other top communications companies could also be targeted by takeover specialists in the near future, according to an Advertising Age survey of stock analysts and station brokers. Some of the companies most often cited as likely takeover targets,

(Continued on Page 84)

Fed jury targets print buys

Chicago—A federal investigation into alleged kickbacks is said to involve Earl Lee Co., a commercial printing company here, and at least one of its agency clients.

A spokesman for Young & Rubicam, New York, has confirmed that an employe with Y&R/Zemp in St. Petersburg, Fla., has been granted a leave of absence pending the outcome of an FBI probe into his dealings with the Chicago printing company.

Y&R said the Zemp exec, a print production supervisor, is

(Continued on Page 8)

Sohio bridges Gulf account with Doner

By JESSE SNYDER

Standard Oil Co. (Ohio), devising a marketing strategy for the 4,200 Gulf service stations it acquired this year, has assigned the multimillion-dollar account to W.B. Doner & Co., Southfield, Mich.

Doner, already on Sohio's agency roster, will open a Cleveland office, where Sohio is headquartered. The size of the account is under negotiation, but it could reach $8 million. A key factor will be how soon and how completely Sohio plans to consolidate retail gasoline brands.

Sohio is researching for an umbrella brand name under which to consolidate many of its retail gas outlets within a year or so. It is unclear how agency assignments would be divided under such an arrangement.

The Gulf stations in Sohio's hands, located in eight southeastern states, were acquired from Chevron Oil Co. in February.

Doner beat out another incumbent Sohio agency, Marschalk Co., Cleveland, and an unspecified number of other agencies, said Jon Groza, Sohio advertising analyst. Young & Rubicam, New York, which has Chevron's remaining Gulf stations outside the Southeast, was not involved because of the conflict.

Doner handles Sohio's year-old Procare auto service centers in Ohio and tire, battery and accessories advertising. Marschalk handles Sohio's other retail gasoline outlets: Sohio in Ohio, Gibbs and BP in the East, William Penn in Pennsylvania, Boron in Michigan, Kentucky, Pennsylvania and West Virginia and Gas-'n-Go in Detroit.

Marschalk also handles Sohio Chemical Co., a Cleveland-based subsidiary, and Truck Stops of America, which Sohio purchased from Ryder Co. in 1984.

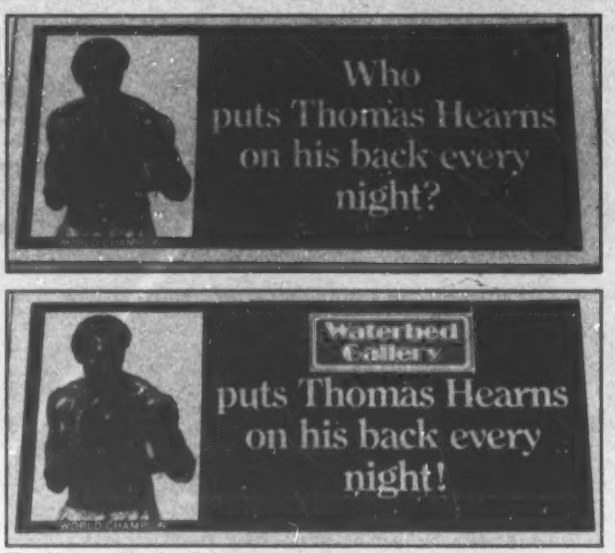
Sohio's 4,200 Gulf stations had to be divested by Chevron in order to get government approval of its acquisition of Gulf Oil Co. Chevron still operates Gulf stations in other states, but will allow Sohio to retain the Gulf brand name for up to nine years.

Doner executives will travel to Sohio headquarters in Cleveland this week to discuss plans for the new office. Doner is likely to locate account execs in Cleveland, perhaps in the Sohio building, and keep creative in its Detroit office.

"We are very happy with Marschalk's work, but Doner's Procare work is just what we wanted," Mr. Groza said.

Marschalk is shooting a series of six new commercials for a new

(Continued on Page 86)



The Hearns-Hagler fight prompted a waterbed marketer to place these outdoor ads, which join advertising and promotional efforts of all sorts, in Detroit, Tommy Hearns' hometown.

Hagler-Hearns: Promotions for pugilism pay off

By ROBERT RAISSMAN

The folks at Waterbed Gallery in Livonia, Mich., have a special interest in the outcome of tonight's World Middleweight Championship fight between Marvelous Marvin Hagler and challenger Thomas (Hitman) Hearns.

They have signed the Hitman to a yearlong endorsement deal. Thirty-five outdoor boards featuring the 26-year-old fighter with the slogan "Waterbed Gallery puts Thomas Hearns on his back every night!" have been hanging around Detroit, Mr. Hearns' hometown, for about a month. Whether he will move on to bigger and better deals inside and outside the ring will be determined following the rumble. The fight itself appears likely to set box-office records for both live and closed-circuit tv attendance.

"It's gone beyond my expectations," said Bob Halloran, vp-sports and special events, Caesars World Productions. The fight will be held in the parking lot of Caesars Palace in Las Vegas. "I thought the interest in other [championship fights at Caesars] was great, but it's beyond great in this one." For Caesars, the smashing success of the fight—ringside seats were being scalped for $2,000 each late last week—gives the Las Vegas casino an added shot of awareness. Mr. Halloran said Caesars' ad budget for the fight was about $200,000.

"But when you think of the publicity this fight has generated here and around the world, the cost-per-thousand we are getting is amazing," Mr. Halloran said.

Tv ads featuring Messrs. Hearns and Hagler have appeared regularly on ESPN for the past month, and ads for the fight have been in a variety of national magazines.

The one area in which the fight may have fallen short is tie-ins. Bob Arum, president, Top Rank, the promoter of the fight, had ap-

(Continued on Page 86)

Highlights

Beatrice/Hunt-Wesson Foods is preparing for a fight with CPC International's Mazola corn oil by introducing nationally its Wesson corn oil. *See Page 6.*

USA for Africa, the star-studded crew that crooned "We Are the World," has spawned more than a hit single. *See Page 10.*

Pepsi-Cola USA and Pepsi-Cola International are majority sponsors of an effort by Hispanic recording artists seeking to raise funds for Latin American relief. *See Page 10.*

When you're No. 6 in the $3 billion car-rental market, you have to try even harder. So in that dog-eat-dog business, Dallas-based American International Rent A Car is hoping its new cartoon spokespooch, Frugalhound, will take a bite out of the market share of its competitors. *See Page 28.*

Marschalk Co., New York, has hired three new senior vps-associate creative directors in a significant expansion of its creative management. *See Page 40.*

Members of the Detroit ad community hit the road for the Uniroyal One Lap of America. A Young & Rubicam team finished fourth. *See Page 42.*

Church & Dwight's struggle to stop rival Airwick Industries from making certain ad claims for Carpet Fresh rug and room deodorizer may have backfired. Not only has Airwick been exonerated, but now the company says it has accumulated so much information defending itself, it now believes Church & Dwight's claims for Arm & Hammer carpet deodorizer are false and misleading. *See Page 81.*

Carpet
RUG & ROOM
DEODORIZER

CORPORATE CLOSEUP

Adolph Coors Co. recently brought its brands into Chicago as part of its drive toward national distribution. Its target: The dominant brewery, Anheuser-Busch. *See Page 4.*

FORUM

Gloria Steinem flouts superstition by listing 13—yes, *thirteen*—major trends in society. *See Page 18.*

Adman Neal Lemlein outlines a coming imperative for movie makers—to make films that appeal to an older audience. *See Page 18.*

INTERNATIONAL

Europeans are predicting a major shakeout in the white-goods industry this year. Experts say mergers and shutdowns are expected. *See Page 46.*

The Canadian government and the advertising industry are haggling over whether toy marketers should be allowed to address advertising directly to children. *See Page 46.*

Keith Reinhard, chairman of Needham Harper Worldwide, and Bill Phillips, chairman of the Ogilvy Group, offer opposing views on aspects of global marketing. *See Page 46.*

DIRECT MARKETING

A recent agreement between the American Gas Assn. and the National Center for Missing & Exploited Children, Washington, is the largest instance of mailers getting behind the campaign to help locate missing children, but not the first. *See Page 68.*

An unusual sweepstakes promotion has helped ratings for a syndicated tv soap opera, but its producers nevertheless have decided to yank the show from prime time. *See Page 68.*

COMING THURSDAY

SPECIAL REPORT

Are supermarkets the dinosaurs of the 1980s? They won't be if they evolve to stay ahead of the competition—specialty shops, warehouse stores, convenience outlets and more.

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Reed on wild side for Honda scooters

By BOB MARICH

American Honda motor scooters are portrayed as hip, trendy and fashionable in a new ad campaign featuring singer Lou Reed.

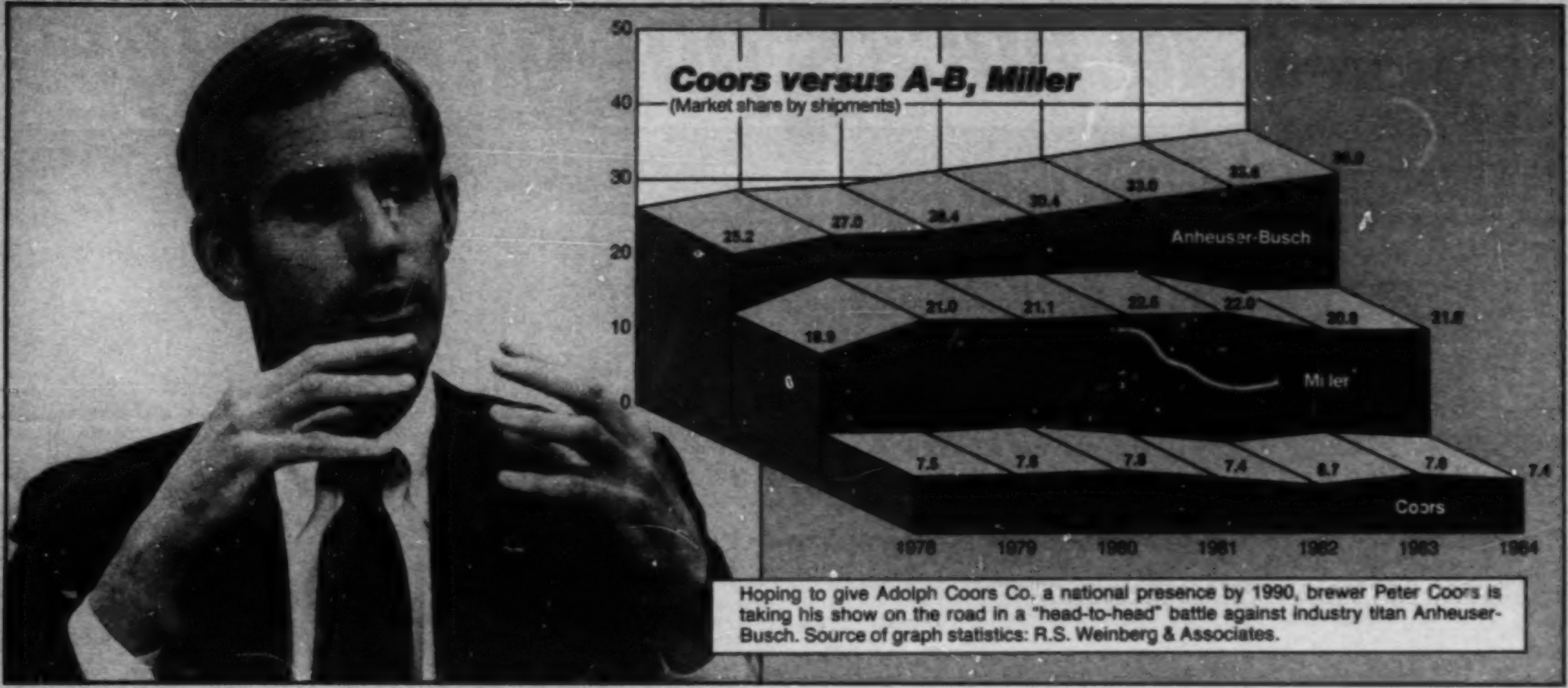
In one print ad, featuring a photo of Mr. Reed and a scooter in a cityscape, there is no copy.

In a tv spot with the same setting, the background music is from "Walk on the Wild Side," Mr. Reed's funky hit song from 1972 about a transvestite.

"The whole idea is to suggest being different and Lou Reed is about as avante-garde as they come," said Gary Langstaff, general manager of Wieden & Kennedy, Los Angeles. The campaign is the first since the agency took the account (AA, Jan 7). The estimated $8 million campaign begins May 6. Media Buying Services (West), Santa Monica, handles media buying.

Honda holds about 80% of the scooter market; Yamaha Motor Corp., Cypress, Cal., is the other marketer in the category.

Neil Leventhal, Honda motorscooter division manager, said the ads are designed to elicit "an emotional response." Dailey & Associates, the former motor scooter agency that still handles the $40 million Honda motorcycle account, last year used rock stars Adam Ant and Grace Jones as presenters in scooter ads.#



Hoping to give Adolph Coors Co. a national presence by 1990, brewer Peter Coors is taking his show on the road in a "head-to-head" battle against industry titan Anheuser-Busch. Source of graph statistics: R.S. Weinberg & Associates.

Coors pores over plans to expand

By SCOTT HUME

CHICAGO—Peter Coors leans forward in his chair when asked why his family's company, Adolph Coors Co., has in the past two years nearly doubled (to 44) the number of states in which it markets its products. He answers the question straight on:

"We have to be a national marketer. Changes in the brewing industry, especially consolidation, now make that mandatory."

With only a short pause, Mr. Coors then gets right to the marching orders.

"Anheuser-Busch is our competition, and primarily Budweiser," he says flatly. "Traditionally, A-B has used the profits it makes in the East against us in the West. What we've got to do is press on them in their traditional markets [in the East and Midwest] and force them to redirect marketing funds to ease their pressure."

Mr. Coors understands the perils of taking on Anheuser-Busch, a company that presently enjoys an awesome dominance in the industry.

In the past, Coors tried without success to position advertising for its Coors and Golden Lager brands against A-B's Budweiser. But the Golden, Colo.-based brewery is now avoiding that kind of confrontation and, instead, going "head-to-head" against A-B brands on retail shelves and in taverns across the country as part of its territorial expansion strategy.

Mr. Coors, the company's secretary and divisional president for sales, marketing and administration, was in Chicago recently for precisely that purpose—to help inaugurate Coors' off-premise sales in one of the nation's most competitive beer markets.

The move into Illinois is the latest in a series of such "grand entrances" for Coors, which is steadily taking its Coors and Coors Light beers across the country. Similar galas are coming soon in six New England states.

The great-grandson of the company's founder, Mr. Coors speaks with the openness and honesty that long has characterized his family and sometimes brought trouble. He doesn't say Coors has arrived in Chicago because the city is "a great beer town" or because "the market wanted us," as a slicker brewery exec might have. Instead, Coors now is selling its products here and in Milwaukee, and soon in Boston, because it *needs* to do so. It needs the sales, it needs the economies of national marketing.

Likewise, Mr. Coors believes, it needs to take on Anheuser-Busch.

For every major brewer except one, 1984 sales were lower than the previous year's and the scramble is on to find ways to reverse their slides. Anheuser-Busch, of course, was the exeception. Its net beer-business sales rose 10% to $5.39 billion. Total shipments by the St. Louis-based brewer were 64 million bbls., a 5.8% increase from the 60.5 million shipped in 1983. Coors' net beer-business sales last year, by contrast, were $938 million, down 1% from $947 million in 1983. Total shipments fell 3.9% to 13.2 million bbls. from 13.7 bbls. The difference between the two sets of figures leaves Coors with a lot of marching to do.

Brewing industry observers generally agree that becoming a national marketer—and a national advertiser—is important to Coors' long-term survival. The nation's fifth-largest brewery (or sixth, if you combine Paul Kalmanovitz' holdings, including recently acquired Pabst Brewing), Coors has

(Continued on Page 58)

WHO PUT WESSON IN A NEW LIGHT?

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Japanese urge 'Buy foreign'

By JACK BURTON

TOKYO—The Japanese government later this month will launch a domestic public relations campaign including tv and print ads to encourage Japanese to buy more foreign—mainly U.S.—goods.

The campaign, to be coordinated by the prime minister's office and the Ministry of International Trade & Industry, is one of several dozen measures the Japanese cabinet approved April 9 to open the country further to imports.

"An intensive campaign through advertisements in newspapers, magazines and posters—and on the streets—and on tv will be carried out to strongly appeal to the Japanese and local marketers to encourage their efforts to expand imports of foreign manufactured goods," the cabinet announced.

The action was taken in the face of growing demands in the U.S. that Washington limit Japanese exports to America unless Japan improves the access of foreign products to its own market.

The tone of the campaign was set when Prime Minister Yasuhiro Nakasone told tv viewers April 9, "If each of you buys $100 worth of foreign goods, Japan's import volume will expand by $12 billion, and this is the way to overcome the present difficulties."

Although the government import measures are designed to be enacted over a three-year period, the pr campaign may have a considerably shorter life span and only a limited impact.

Tv spots, which will remind viewers that it is their responsibility to buy more foreign goods to maintain the free-trade system, probably will run for only a three-week period from April 20 through early May, according to Mitsuoki Kikuchi, a senior official in the public information section of the prime minister's office.

These spots, which will take the form of public service announcements, may have a hard time getting on prime time tv since ad time during this time slot usually is booked weeks in advance.

Newspaper ads will appear the last week in April, and cinema ads will be screened in early May. The government also will get its "Buy foreign" message across with electronic posters and foreign-product exhibits on street corners.

The next two weeks of a government-sponsored tv program, "Amakara Talks," will be devoted to the issue, but it is expected that it will reach a small audience because the show airs at 8 a.m.

Mr. Kikuchi said he could not estimate how much the campaign will cost, but admitted "it is not a big amount" because "we are using media space that we have already contracted for other information purposes."

Dentsu, which handles the bulk of government advertising, likely will play a leading role in the campaign, sources say.#

Wesson looks for Mazola corn oil to slip

By JULIE FRANZ
and RUTH STROUD

CHICAGO—Backed by a $16 million ad campaign, Beatrice/Hunt-Wesson Foods is preparing for a fight with CPC International's Mazola corn oil by introducing nationally its Wesson corn oil.

The product tested in New York, Philadelphia and Miami last year (AA, Dec. 10).

The strength of the Beatrice name and Hunt-Wesson's distribution system should give Wesson corn oil the momentum to pass Mazola as the corn-oil market leader, one retail source said.

Some believe Wesson simply will sacrifice profits for market share—pouring millions into promotion and paring its prices to steal volume from Mazola and private-label brands.

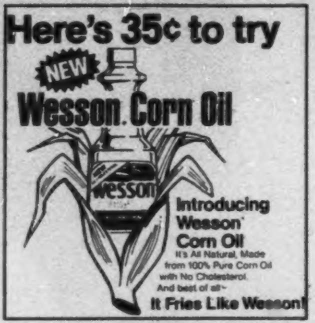
The Fullerton, Cal.-based company reportedly decided to go forward with the corn-oil introduction after simulations showed that consumers would buy the corn-oil product because of the Wesson name.

One regional competitor said he found it "hard to believe" that people would switch oils based only on name perception.

Instead, price and promotion will be the motivating factors, he theorized.

Wesson's regular vegetable-based oil is No. 2 in the cooking oil category.

The new corn oil is heavily targeted to Hispanic consumers, the largest buyers of corn oil.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And best of all—
It Fries Like Wesson!

Hunt-Wesson's new Wesson corn oil is taking a stab at the top spot in the corn oil market, currently held by CPC International's Mazola brand. Wesson corn oil ads are by Ketchum Advertising, San Francisco.

Englewood Cliffs, N.J.-based CPC, considered by retailers to be giving Mazola lukewarm support, has stepped up advertising efforts by offering co-op coupons, buyers report.

Mazola corn oil brand manager Mike Lyon said, "We feel we do provide Mazola corn oil with enough ad support for long-term growth." He had no comment on how the brand will defend itself against Wesson's new entry. D'Arcy MacManus Masius, New York, is the agency for Mazola corn oil.

Ketchum Advertising/San Francisco, Wesson's agency, plans spots on both network and Hispanic cable tv. Themed "And best of all, it fries like Wesson," the spots run from June through November.

Coupons for 25¢ off will run in June, July, August and November. Co-op coupons for 35¢ off are already appearing in selected markets.

Wesson corn oil comes in 32-oz., 48-oz., 64-oz. and 1-gal. sizes. It's priced comparably with Mazola, buyers report.

As of last fall, Procter & Gamble's Crisco led the cooking-oil category with about 21% of the 1.15 billion-lb. market. Wesson followed with 19.9%, Mazola with 15.8%, P&G's Puritan with 3.8% and Beatrice/Hunt-Wesson's Sunlite with 2.2%. Private labels and generics represent about a quarter of the market, industry sources estimate.

Market shares in the corn-oil segment are a little less defined. Mazola clearly is the leader in the segment, which comprises an estimated 25%-to-30% of the total cooking-oil category. Mazola represents about 50% of the corn-oil segment, followed by private labels with about 30%, sources believe. Regional brands comprise most of the rest.

Fleischmann's corn oil, introduced in upstate New York (AA, Feb. 13) by parent Nabisco Brands, Parsippany, N.J., hardly will be a factor after Wesson's distribution and heavy promotion goes into full swing, industry sources suggest.

Sources said Beatrice/Hunt-Wesson's attempt to reposition its ailing Sunlite sunflower-oil brand has proved ill-fated and the new corn oil is supplanting it on some store shelves. The company changed the product name to Sunlite Wesson 100% Sunflower Seed oil, seeking to raise its sinking market share by linking it with the Wesson name (AA, Dec. 10). Dailey & Associates, Los Angeles, is the agency.

Wesson corn oil is a way of filling the gap left by the Sunlite disappointment while further leveraging the Wesson name. In addition, the company has quietly reformulated its regular Wesson oil, a partially hydrogenated soy oil, to a "new, all-natural" nonhydrogenated oil.

Hydrogenation is the process that ensures oil doesn't break down when heated.

Hunt-Wesson apparently has discovered a way of stablizing the oil naturally, a mysterious technique that has aroused competitors' curiosity.

A Hunt-Wesson source said the company has been advertising its Wesson oil on a continual basis and probably will mention its "new all-natural" designation in future advertising. The source also denied that its renamed Sunlite oil has been a disappointment. "It's meeting all our expectations," he maintained. Tv and print ads continue for the product.#

CORRECTIONS & CLARIFICATIONS

- Lord, Geller, Federico, Einstein, New York, had gross world income of $14.4 million in 1983. The amount was listed incorrectly in two charts (AA, March 28, P. 30).
- The budget figure reported for Citibank's national MasterCard/Visa card marketing campaign, $17 million (AA, April 8, P. 84), is based on an AA estimate from outside sources. Citibank, which declined to release spending figures, said the $17 million estimate is inaccurate.
- Ogilvy & Mather's growth usually comes 70% from existing clients, 30% from new business, but came 50% from existing clients, 50% from new business in 1984, a very strong new-business year for the agency. A previous story on the agency (AA, March 25, P. 47) confused those percentages.
- In a story on Brazil, the names of agency executives Steve Frankfurt, Bert Steinhauser and Norman Vale were incorrectly spelled (AA, April 1, P. 54).#

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Sources: *Market Statistics, 1984, Sales-Per-Household
**Sales & Marketing Management's 1984 Survey of Buying Power

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WCFT-TV, CBS, Tuscaloosa, AL
KYEL-TV, NBC, Yuma, AZ – El Centro, CA

Coors

(Continued from Page 4)

been losing share in some of its core markets like California and Texas (primarily to A-B) and additional sales territories can help offset those losses.

Thus the company has spent the past few years expanding its marketing territory, its product line and its advertising budget in pursuit of 50-state availability by 1990.

A-B a tough target

Establishing itself nationally would be difficult for Coors in the best of times—which, for the brewing business, these aren't. Setting its sights on A-B only compounds the difficulty.

"It's like you or me going one-on-one with [Boston Celtics star] Larry Bird," Manny Goldman, an analyst at Montgomery Securities in San Francisco, says of taking on A-B. "You might actually score a few points, but you're not going to win. How well Coors does long-term really depends on how it does against the industry as a whole."

Analyst George Thompson at Prudential-Bache in New York is similarly unenthusiastic.

"A-B will wear you down in a market even if they don't have the largest market share" as they do not in Chicago, where G. Heileman Brewing remains the leader, he says. "And if they do have a significant share, they'll eat you alive."

That has been Coors' fate in earlier expansion pushes into the Southeast and upper Midwest, analysts say.

"When Coors moved into Florida [in 1983], bingo, it grabbed a 15% share. But three months later it was down to 10% and heading toward 8%," Mr. Thompson says. And that's been their experience in every market they've expanded into lately."

Coors is a beer that midwesterners and easterners once "smuggled" home from the West. Yet "the 'novelty' of the new brand and the so-called 'Coors mystique' wears off, and they haven't got the muscle to keep share," Mr. Thompson adds.

According to industry newsletter "Beer Marketer's Insights," Coors' shipments in the Southeast dropped 21% in 1984. A-B's were up 12%, Miller's up 1.3%. Coors' 7% share in the Southeast is respectable, analysts add, but they question whether Coors can increase its share at the expense of A-B or Miller. It might be wiser to target Detroit-based Stroh Brewery or La Crosse, Wis.-based G. Heileman, they suggest.

Money is only one of the competitive edges A-B and Miller have over Coors, but it is a formidable one. Both A-B (with net income last year of $392 million) and Miller (with wealthy parent Philip Morris) have more available cash than does Coors (whose net income last year was $44.7 million). And staying afloat in the beer business takes a lot of money.

Expensive expansion

"Coors' expansion is going to be very, very expensive," says Mr. Goldman. "Remember that there is *no* market where A-B has a vulnerably low share. It can afford large marketing outlays everywhere. And I'd be surprised if A-B really is concentrating its spending on the West. Instead, it has been increasing spending in Chicago and the Midwest, where it hasn't been strongest. And that's right where Coors is going now. The move into Chicago may be Coors' most difficult to date."

Another roadblock in Coors' path is what analyst Mr. Thompson calls the "third-strongest guy" distribution problem. Distributors for the two strongest brands in a market—usually A-B and Miller or Stroh or, in Chicago's case, Heileman—won't take on Coors. That forces the Colorado brewery to hook up with no better than the third-strongest distributor in the market, and to live with the consequences of wielding only the third-strongest clout in getting on-premise placements. This, says Mr. Thompson, is why Coors' share drops off in new markets.

Reasons for optimism

Compounding the distribution problem are the large number of Pabst distributors who also handle Coors. Paul Kalmanovitz' immediate dismantling of Pabst's marketing department after his acquisition of the brewer (AA, March 25) puts some of those businesses on shaky ground.

Peter Coors is fully aware of these obstacles, yet remains confident. Among his reasons: The success of Coors Light and the potential of the current "distinctiveness" advertising campaign to boost sales of Coors premium.

Coors Light, which broke a 20-year company tradition of brewing only one beer when it was introduced in 1978, "has gone crazy," Mr. Coors points out. Analysts agree. Coors Light is now the No. 2 light beer behind Miller Lite and a significant advantage in the effort to increase market share.

Not all the brewer's efforts to expand its product line have met with such success, but even so, Mr. Coors declares, the experience has been instructive.

Herman Joseph's, Coors' entry in the top-of-the-line superpremium category, has languished in a variety of test markets since its introduction in 1980. For now, its future is "in a holding pattern," Mr. Coors says, since that category has been especially hard hit by the industry's downturn.

Killian's Irish Red, an import-style beer introduced in 1981, is "doing quite well" in the 24 states where it is marketed "but isn't right for every market," he says. Still, he predicted further market expansion for the brand this year.

In 1983, Coors tried out Golden Lager, a "heavier-tasting" premium beer meant to do battle with Budweiser. Golden Lager was pulled from test last fall, but Coors is ready to try again. This month it will begin testing a new full-bodied premium brand called Coors Extra Gold (AA, Feb. 11).

"We learned some lessons from the failure of Golden Lager," Mr. Coors says with characteristic forthrightness. "It was targeted directly at Bud, and that didn't work. Consumers didn't understand what the brand was all about and they didn't understand its connection with Coors.

"We pushed too hard toward Bud with Golden Lager rather than concentrate on its being from Coors. Coors Extra Gold has the benefit of the Coors name and we're going to tell people [in advertising created by Tatham-Laird & Kudner, Chicago] that this isn't a superpremium, this is simply a premium beer with a bit more heft."

Advertising is the other important element in Mr. Coors' plan, and he is counting on a campaign from national agency Foote, Cone & Belding, Chicago, to improve sales of Coors premium, which has slipped. These ads (AA, Jan. 31), themed "Coors is the one," feature actor Mark Harmon, star of NBC-tv's "St. Elsewhere," quietly discussing attributes (such as nonpasteurization) that set Coors apart.

"Just plain beer talk"

"There's no hoopla here," Mr. Coors says of the campaign, now airing in established markets. "There are no bar scenes, no macho postures. This is just plain old beer talk. We're not saying it's like Bud or anything else, we're just saying what it is: A fresh, clean-tasting beer."

That campaign will be used for Coors' first foray into network tv in the next few months. Mr. Coors allows that the brewer has "paid a penalty for not having national network tv" like its competitors have, but relishes the prospect.

"It's going to be fun getting into the bidding [for network and local sports sponsorships]," he says with a smile. "But with the Olympics and the Super Bowl and the stadium presences, A-B has pushed the prices up substantially, making it more difficult for us to do what the company wants to do. But we're the second-most-profitable brewery in the country."

Through last year's first three quarters, A-B spent $91 million in measured media on its Budweiser and Bud Light brands alone. Miller spent $85 million on High Life and Lite (and this was before the start of its expensive blitz for High Life's new "American made" campaign). For Coors and Coors Light, Coors spent $23 million.

Mr. Coors said advertising spending will be up significantly in 1985 (last year its total advertising/marketing spending was $139 million, or 11% of gross sales, compared with 9.9% the previous year). Several million dollars will be spent in Chicago alone.

Image problem lingers

If there's a cloud in Mr. Coors' blue sky, it's Adolph Coors Co.'s recurrent corporate image problem. Marketing dollars that could be channeled to media spending instead are directed to a massive array of community-relations programs that have a special urgency for Coors because of longstanding complaints in the past about the company's alleged discrimination against ethnic groups and organized labor, and the conservative politics of chairman William Coors and his brother, Joseph, who is president.

A 1982 "60 Minutes" report on Coors chronicled the extent of its affirmative-action programs and helped put that issue to rest. But a residue of bitterness clearly remains when Peter Coors talks about how hard the company has had to fight its negative image.

"We are not anti-union," he says flatly, "although it would be easy for us to be considering some of the things labor has said about us."

(To handle advertising targeted to the Hispanic market, Coors has hired GSD&M, Austin, Tex. Although it works with several small minority agencies for advertising targeted to blacks, Coors has yet to name an agency to coordinate that effort. Mr. Coors said he "expects that eventually a national agency will be named" for that.)

One area in which Coors hasn't yet become a competitor is low-alcohol beer. Coors is the only one of the nation's top five brewers yet to introduce such a brand. The company isn't opposed to the concept, but is still monitoring consumer acceptance.

Says Mr. Coors: "Anheuser-Busch can afford to spend $25 million advertising LA while selling only 500,000 bbls. We can't. Still, we have a product on the shelf and preliminary marketing plans that we could implement very quickly.

"But it would be a dilution of what we want to do now."#

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Gray area

(Continued from Page 24)

ance. Many incentive houses are not offered that same 3% to offset their costs.

The only exception is a large-scale catalog with wide distribution. In many cases, manufacturers are willing to pay a certain percentage to get their product featured in that catalog. Involvement in the gray market by the incentive industry is risky, but the 20%-to-30% price spread makes these products difficult to ignore.

In the electronics area, companies such as Sony are hit the hardest. Other companies, such as Yamaha, with a limited line and limited distribution, also can fall victim. Yamaha last year found itself in the gray market with its popular compact-disc player. The parent company traced serial numbers to some of the gray goods that were sold in Japan selling to certain importers. It terminated its relationships and problems ceased.

It is difficult for the premium marketer to compete with both the retailer and the gray market. It is the premium and incentive marketers who continually promote products through large incentive programs and provide additional channels of distribution for these products. Clearly, the manufacturers must decide if the premium accounts are worth cultivating.

Many manufacturers contend that there is a distinction between the retail market and the premium market. Premium buyers are, in many cases, more concerned with service, specialization and support materials, delivery time and, of course, warranty. Price/value is as important to the premium buyer, if not more so, as to the retailer. With price differences between gray market and legitimate product ranging as widely as 20% to 30%, it is difficult to sell legitimate product to a client looking for a value.

The difference between premiums and retail should be black and white, not a shade of gray.#

Mr. Feldman heads Feldman Associates, Chicago, a marketing services agency.

Ad pages in farm publications for 3 months, 1985-84

First-quarter figures for U.S. and Canadian publications reporting to Advertising Age

	Pages Jan.-Mar.-1985	Pages Jan.-Mar.-1984
— Canadian —		
Country Guide:		
Eastern Edition	144.3	147.5
National Edition	276.1	290.8
Western Edition	178.9	185.7
Le Bulletin des Agriculteurs	52.0	47.0
Total Group	651.3	671.0
% change	−2.9%	
— Dairy & livestock —		
Beef Magazine A.	223.3	222.2
Beefweek	144.5	172.7
The Cattleman	345.2	353.0
Dairy	80.6	—
Dairy Herd Management	81.5	141.9
Drovers Journal (52x) A.	258.0	337.0
Farm Progress Hog Producer	18.4	26.8
Feedlot Management	76.4	72.8
Florida Cattleman	209.5	237.2
Hoards Dairyman (23X) A.	209.6	255.9
Hog Farm Management	56.3	120.1
National Hog Farmer	213.6	237.0
Pig American	44.3	68.4
Pork '85	125.0	103.0
Southern Beef Producer (8X)	61.1	42.3
Sunbelt Dairyman (6X)	9.7	10.5
Western Livestock Journal Weekly:		
Central Edition	77.8	115.0
Western Edition	92.1	106.3
Western Livestock Reporter	148.4	182.6
Total Group	2,475.3	2,804.7
% change	−11.7%	
— Fruit & vegetable —		
American Fruit Grower	153.4	165.7
American Vegetable Grower	151.1	126.0
Citrus & Vegetable	149.9	153.7
Total Group	454.4	445.4
% change	+2.0%	
— General farm publications —		
American Agriculturist	96.6	135.7
California Farmer (21X) A.	202.0	231.5
Cotton Farming:		
Midsouth Edition	204.4	119.7
Texas-Oklahoma Edition	122.6	65.7
Western Edition	130.6	60.4
Farm Futures A.	186.5	154.7
Farm Industry News (10X)	225.8	216.6
Farm Journal (14X)	288.3	333.8
Farmer-Stockman Unit:		
Oklahoma Farmer-Stockman	38.2	43.2
Texas Farmer-Stockman	30.9	43.4
Harvest Publishing Unit:		
Kansas Farmer (21X)	218.1	267.3
Michigan Farmer (21X)	219.7	218.5
Missouri Ruralist (21X)	265.3	275.4
Ohio Farmer (21X)	298.8	293.7
Pennsylvania Farmer (21X)	208.4	210.5
High Plains Journal:		
Eastern Kansas (52X)	529.1	602.3
Colorado	505.8	573.5
Nebraska	502.2	578.0
Oklahoma-Texas	526.5	587.9
Western Kansas	564.4	633.4
Irrigation Age (10X) A.	74.2	100.1
Kentucky Farmer	113.9	110.8
Lancaster Farming (52X)	1,638.0	1,440.8
Midwest Farm Paper Unit: (24X)		
The Farmer	365.1	445.5
Indiana Edition	428.5	424.6
Nebraska Farmer	442.1	536.0
Prairie Farmer A.	460.4	436.5
Wallaces Farmer A.	408.9	448.3
Pecan South (6X)	16.8	16.8
Progressive Farmer A.	233.1	245.9
Rice Farming	89.4	74.3
Specialized Agricultural Publications:		
Flue Cured Tobacco Farmer	44.8	64.9
Peanut Farmer (8X)	37.9	42.7
Successful Farming A.	111.5	113.7
Tennessee Farmer	53.3	59.5
Western Unit Farm Magazines:		
Arizona Farmer-Ranchman	72.5	64.3
Colorado Rancher & Farmer (5X)	121.2	181.9
Northwest Unit Farm Magazines: (24X)		
Idaho Farmer-Stockman	199.0	238.9
Montana Farmer-Stockman	284.0	340.7
Oregon Farmer Stockman	160.9	179.8
Utah Farmer-Stockman	143.9	154.0
Washington Farmer-Stockman	165.7	189.1
Wyoming Farmer-Stockman	63.5	82.9
Total Group	11,093.1	11,637.3
% change	−4.7%	
— Poultry —		
Broiler Industry	164.0	144.8
Poultry Digest	43.2	43.5
Poultry Tribune	58.9	79.2
Poultry & Egg News:		
Poultry Times	37.6	—
Southeast Edition	47.5	—
Southwest Edition	23.7	—
Poultry & Egg Mktg.	48.0	—
Total Group	761.3	267.5
% change	+185.0%	

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions.

'Times Herald' escalates Dallas news war

By TOM BAYER

Times Mirror Co. has opened its coffers wide in its latest effort to improve the circulation of the *Dallas Times Herald*.

The paper—which long has been embroiled in a bitter newspaper war with the rival *Dallas Morning News*—is beefing up its staff to make way for an array of new sections, backed by a media campaign.

On May 5, the *Times Herald* will replace its *Westward* Sunday magazine with *Dallas City*. The new 10¾-by-11½-in. magazine will be printed on supercalendared stock, stitched and trimmed for an updated appearance.

The newspaper also will begin a weekly "Outlook" section of in-depth and behind-the-scenes reports related to recent news stories. The "Arts and Leisure" section also will be expanded, as will the Sunday sports and business presentations and the newspaper's *TV Times*. That's only the first salvo. On Monday, May 6, the *Times Herald* will introduce "Dallas Inc.," a weekly tabloid business section targeted at business executives.

Harold Stanley, senior vp of the *Morning News*, the *Times Herald's* feisty competitor, described the coming changes as "catch up."

Both papers reported circulation gains from 1983 to 1984 for the six months ending Sept. 30, the most recent Audit Bureau of Circulation figures available. But the *News* remains the dominant Dallas paper. The *News* reported daily circulation of 360,347 compared with 270,661 for the *Times Herald*; on Sundays, it's 454,828 to 373,225, respectively. These figures were derived after an ABC audit showed both papers submitted circulation figures that included nonpaid subscriptions.

Times-Mirror Co. also owns the *Denver Post*, *Los Angeles Times* and *Newsday*, among other newspaper properties.

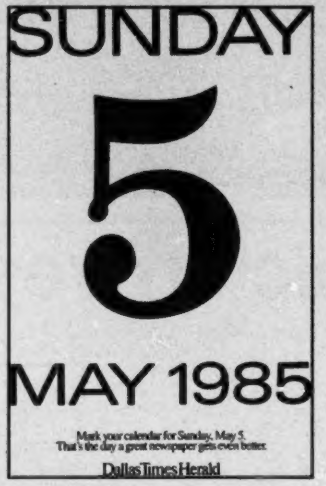
Tom Johnson, *Times Herald* chairman and chief executive officer, said the changes are designed to feed the increased appetite among readers and advertisers for business, sports and Dallas coverage, as identified in research.

On the circulation side, the *Times Herald* will begin offering guaranteed service to all subscribers as well as a 90-day, money-back guarantee to new subscribers. The change reflects Mr. Johnson's resolve to correct what he says were "serious service problems," for which a new circulation service center was created.

Mr. Johnson said changes will continue throughout 1985, culminating in the fall with a graphic streamlining of the newspaper that will occur when a new offset press is installed.

Laurie Walton, *Times Herald* marketing director, said 41 different projects are involved, not the least of which is a multimedia advertising campaign being created by the Richards Group, Dallas. Details of that are to remain under wraps for competitive reasons, she said, but she acknowledged that the new campaign will replace the newspaper's "What does the *Herald* say" celebrity campaign.

For the newspaper's parent, Los Angeles-based Times Mirror Co., the change represents a major increase in its commitment to the Dallas property, Mr. Johnson said. He said the company increased its capital expenditures for new *Times Herald* presses and other equipment to $45 million from $25 million initially.



SUNDAY

5

MAY 1985

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Dallas Times Herald

Dallas, Inc.
Cashing in on the '80s
3
7
23

At left, an April 7 *Dallas Times Herald* ad trumpets the paper's new additions, which include a weekly tabloid business section (above), "Dallas Inc."

And, he said, Times Mirror is adding 10 editorial staffers at the *Times Herald* (mostly for business news and *Dallas City*).

Times Mirror said it will commit to a significant increase in ad spending, but would not specify the ad budget. According to Leading National Advertisers, the *Times Herald* spent about $1 million in spot tv through the first nine months of 1984.

The changes are designed to stop the *Times Herald's* loss of market share to the *Morning News*, which has undertaken many improvements of its own during the past three years. The *News* introduced a "Business Tuesday" section and increased business coverage five years ago, and has upgraded its Sunday magazine, sports section and made other improvements.

Some *News* insiders, who asked not to be identified, speculated the changes are intended to divert attention from the *Times Herald's* declining circulation, expected to be confirmed in March 31 Audit Bureau of Circulations figures to be released about the same time.

Mr. Johnson said the *Times Herald* improvements are not responses to changes at the *News*. "The *Dallas News* is an excellent newspaper, and I congratulate them on their many successes and achievements. But I do not believe in building yourself up by cutting the competition. Our emphasis is to do what we can do to make the *Times Herald* the best it can be."#

4A's programs guide

NEW YORK—A growing number of advertising agencies are developing and packaging software programs to improve record keeping, according to a new directory published by the American Assn. of Advertising Agencies.

The 65-page "Computer Software Systems Directory" lists 45 software and hardware vendors that serve agencies and provides details on software applications in accounting, traffic, media and production billing.

The directory—free to member agencies, $25 for nonmembers—is available from the Four A's, 666 Third Ave., 10017.#

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QUARTERLY EARNINGS

Competition stifles Curtis

CHICAGO—"Unprecedented competition" among consumer products marketers sent Helene Curtis Industries' fiscal fourth-quarter and yearly earnings tumbling, despite higher revenues.

For the quarter, which ended Feb. 28, sales rose 5.8% to $96 million from $90.7 million a year earlier, while earnings dropped nearly 20% to $4.3 million, from $5.3 million.

For the year, sales increased 12% to $370.3 million from $330.4 million a year earlier. Earnings fell 74% to $2.7 million from $10.4 million the previous year.

"We had improved results for the first half, but our operating results were [hurt] in the second half when the competitive environment [in personal-care products] intensified," said Ronald J. Gidwitz, president.

"The need to advertise and promote consumer brands heavily to gain or maintain market share narrowed margins considerably," Mr. Gidwitz added.

Privately, Wall Street analysts are concerned Helene Curtis cannot maintain its heavy ad spending on products such as the Atune line for permed or color-treated hair.

However, one industry consultant says the company won't be able to bargain for precious retail shelf space unless Helene Curtis continues spending to improve its market shares.

CBS Inc., New York, reported significantly lower income and revenues for the first quarter, which it attributed to a decline in record sales and the acquisition of the Ziff-Davis Publishing Co.'s consumer magazine group. The decline had been expected.

The absence of the "extraordinary" sales of Michael Jackson's "Thriller" album caused the records group's net income to plummet to $25.1 million from $57.2 million in the year-ago quarter.

The publishing group incurred a loss of $15.2 million, vs. a year-ago loss of $11.7 million, due to amortization of acquisition costs and goodwill associated with the acquisition of the Ziff-Davis magazines, which was completed Feb. 4.

The broadcast group's performance, by comparison, was better, with net income up 9%, to $56.4 million from $51.8 million. This was attributed to the strong performance of the CBS Television Network, which continues to lead its rivals in the Nielsen ratings in all dayparts, except for late night and Saturday morning.

Bottom Line: Net income was $16.7 million, a 57% decrease from $38.9 million in the same period last year. Total revenues for the quarter declined 2%, to $1.12 billion from $1.15 billion.

General Mills' proposed spinoff of its toy group and the expected sale of its fashion operations have had a drastic effect on third-quarter and nine-month financial results.

The Minneapolis company announced earlier this year it would sell its ailing toy group, comprised of Kenner Products, Parker Bros. and Fundimensions, and its troubled fashion division, comprised of Foot Joy, Izod, Monet Jewelry and Ship 'n Shore (AA, Jan. 31). Last month, General Mills amended that plan and said it would spin off the toy group instead (AA, April 1). Bottom line: In the third quarter, ended Feb. 24, General Mills had a $105.3 million loss from discontinued operations and another $8.5 million loss from asset redeployment charges. Net earnings from continuing operations were $39.7 million, resulting in a total net loss of $74.1 million. That compares with net earnings of $38.7 million for the same period last year. Third-quarter sales rose 4% to $1.1 billion from $1.0 billion.

For the first nine months, the company lost $77 million from discontinued operations and $9.4 million from asset redeployment but earned $122 million from continuing operations, for total net earnings of $35.6 million.

For the year-ago period, General Mills had net earnings of $192.9 million. Sales for the first nine months rose 3.5% to $3.3 billion from $3.2 billion.

MGM/UA Entertainment Co., Culver City, Cal., reported a net loss for the second quarter, which the studio blamed on poor performance of its movies.

For the second quarter ended Feb. 28, MGM/UA sustained a net loss of $82.2 million, compared with a net profit of $16 million a year earlier.

Bottom line: Revenues were $162.1 million, versus $214.3 million a year earlier. For the six-month period, it posted a net loss of $80.5 million, compared with a net profit of $27 million a year earlier. Revenues were $332.9 million, versus $406.5 million before.#

Agency Profile Report Addendum

($ figures in 000,000)

Agency, city	1984 Gross income	1984 Capitalized billings	Phone
Epstein Raboy Advertising, NYC	5.3	35.0	212/688-4000
Tycer-Fultz-Bellack, Palo Alto	5.2	34.5	415/856-1600
MARC & Co., Pittsburgh	4.1	27.0	412/562-2000
Newmark, Posner & Mitchell, NYC	3.0	18.5	212/867-3900
Dubreck DePaul Flern & Morgan, Pittsburgh	2.0	15.0	412/242-2580
R.S. Feldman & Co., Chicago	1.7	11.5	312/642-4500
Marketing Communications Group, Toledo	1.7	11.3	419/255-6555
Zechman & Associates, Chicago	1.7	12.1	312/346-0551
Decker Guertin Cheyne Inc., Hartford	1.5	10.1	203/522-6633
William Eisner & Associates, Milwaukee	1.4	9.2	414/425-8800
Umphenour & Martin, Atlanta	1.3	9.0	404/939-6820
Furman, Roth Advertising, NYC	1.2	7.7	212/757-7393
Omaha Creative Group, Omaha	0.7	2.1	402/391-3660
L. Quillan & Associates, LaCrosse, Wis.	0.6	1.6	608/788-8292
Furman, Feiner & Co., Englewood, N.J.	0.3	1.8	212/757-7393
Zeta Media Inc., Juno Beach, Fla.	0.2	1.5	305/627-7660

Note: The above agencies were onfitted from the March 28 Agency Profile Report. The number was sufficient enough to publish this addendum giving basic financial data and means of contact.

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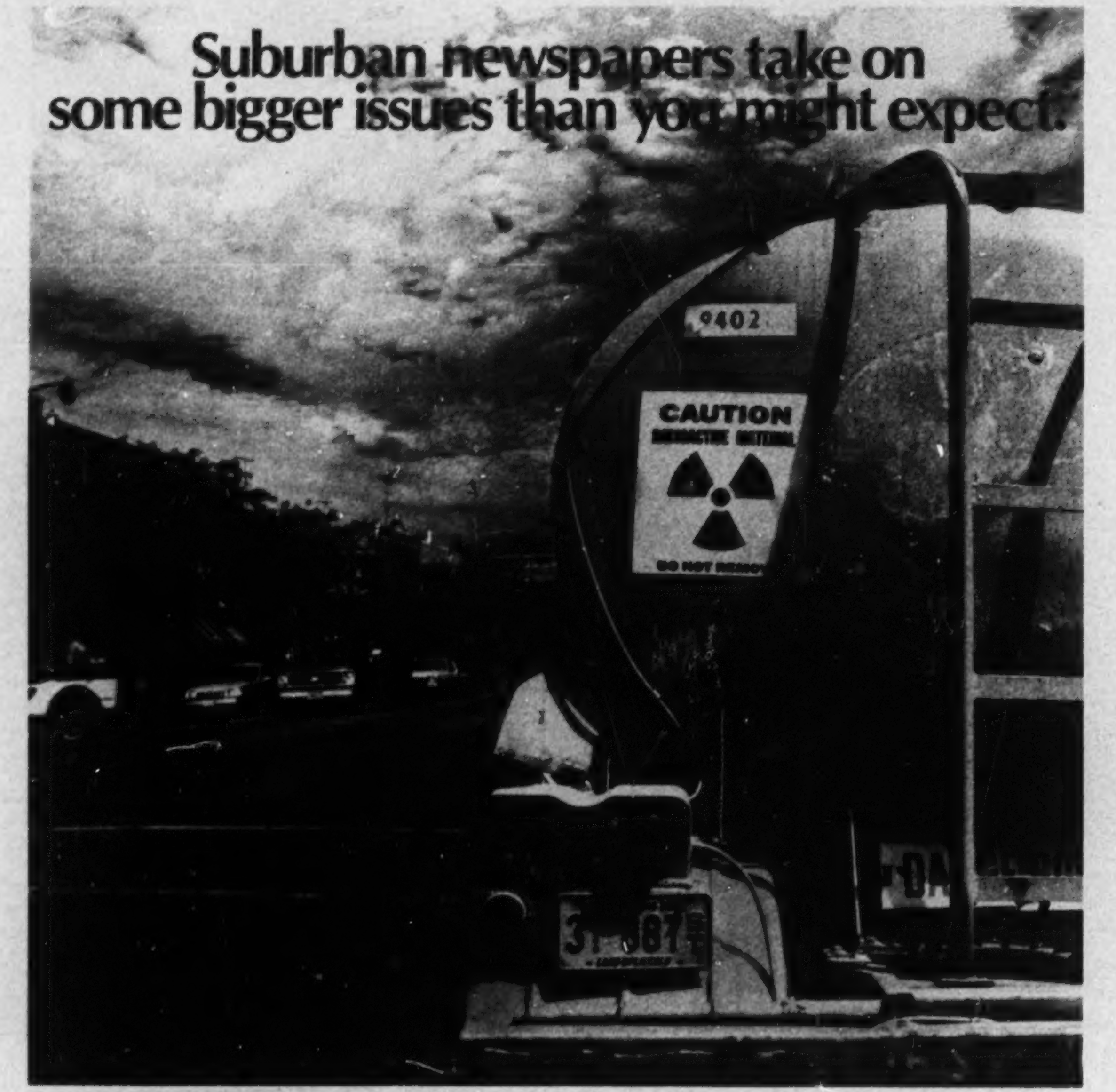
Suburban newspapers take on some bigger issues than you might expect.
9402
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It's true that if you live in the suburbs, the only place you'll find your little girl's softball team standings is in suburban newspapers. But they're also your only source for learning about things like school board elections, zoning board meetings or the proposed transport of toxic materials through your town.

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The suburbs' source for news

Thursday

Bill Smith says bye-bye Burnett, hello show biz

After 20 years, Chicago adman [illegible] tread the boards

INSIDE

Grocery Marketing: [illegible] strike back at the [illegible] [illegible] looks at [illegible]

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In the news

Adman has his stage stage

What others have daydreamed about, Bill Smith did. This spring he left the security of his job as exec vp at Leo Burnett USA to become an actor. Why? *See Page 5.* And, former New York adman Allan Wikman can speak from experience about the same leap into the unknown. *See Page 55.*

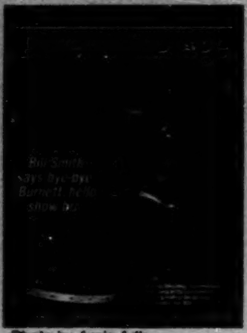


Photo by Arnie Adler

Eye lights

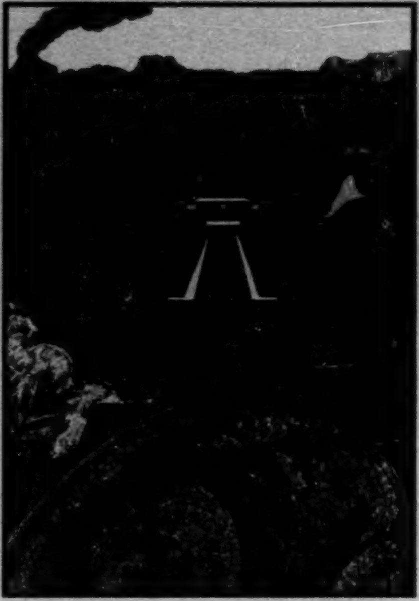
Tired of eyeliner that smudges and smears? Now you can have it applied permanently. Doctors across the country are "implanting pigment"—or, more familiarly, tattooing—around women's eyes to keep them highlighted through showers, tears and games of tennis. Called Accents, the technique was invented by a doctor who for years watched his nearsighted grandmother struggle with eyeliner. *See Page 6.*

A presidential presence

Former President Jimmy Carter is one of a number of Georgia notables treading the boards—badly, in the opinion of the advertiser—in a series of ads to support Atlanta's Alliance Theater. D'Arcy MacManus Masius produced four *pro bono* 30-second tv spots, each featuring three renowned Georgians hamming it up. The spots close with an appeal for the theater's new subscription and fund drive, warning that if the show can't afford to go on, "The alternative would be to depend on 'other' talent—and that would be a tragedy." *See Page 54.*

Special Report

Grocery Marketing



Are supermarkets the dinosaurs of the 1980s? They won't be if they evolve to stay ahead of the competition. *Starting on Page 15 in Special Report.*

Presstime

BBDO charges for Visa

New York—Visa USA has named BBDO here to handle its $20 million domestic account, formerly in-house (AA, Jan. 28, *et seq.*). BBDO/West, San Francisco, will be involved in management, account services, media and research aspects of the account. New advertising is expected to break this fall.

Henderson picks up two

New York—Hilton International this week assigned its $3.5 million account to Henderson Friedlich Graf & Doyle after a two-month search. Lord, Geller, Federico, Einstein resigned the account in February. Separately, Reader's Digest Assn., Pleasantville, N.Y., gave Henderson a corporate advertising assignment estimated to be worth $2 million. There was no previous agency for the corporate work.

'Space' rockets past rivals

New York—CBS-TV's "Space" miniseries began with an A.C. Nielsen Co. 19.4 rating/31 share on April 14. It ranked 14th for the week and beat NBC and ABC movies competing against it. NBC, however, stayed out front for the week.

Faberge, N&L part

New York—Faberge and Nadler & Larimer finally have called it quits after some 20 years together. N&L on Aug. 1 will officially resign the Organics brand, the only nationally advertised Faberge brand it retained after Kenyon & Eckhardt was awarded Aqua Net, Babe and Brut. K&E will now pick up Organics and project development that N&L had. Separately, Faberge reportedly has canceled its plans for introducing an upscale Erte fragrance. Instead it will roll out new mass-market fragrance brands in 1986.

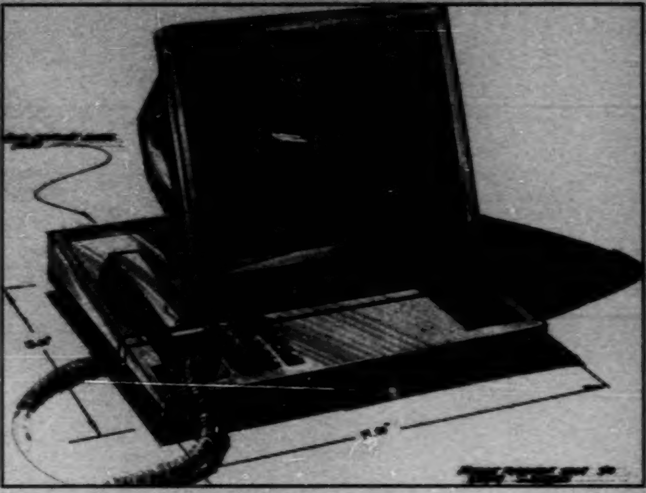
Dior appeals Jackie ruling

New York—Christian Dior/New York, J. Walter Thompson USA, Richard Avedon and model Barbara Reynolds have filed an appeal in a New York state court in a bid to overturn a ruling that they trampled on the privacy rights of Jacqueline Onassis by using her look-alike in a Christian Dior ad (AA, Jan. 23, '84). The lower court issued a preliminary injunction against further distribution of the ad at that time. The appeal's outcome may be key in determining whether Ms. Onassis is entitled to damages.

FTC, MADD eye ads

Washington—Federal Trade Commission chairman James Miller warned alcohol advertisers this week to clean up their advertising and promotional acts, especially when it comes to on-campus promotions. Mr. Miller cautioned the industry after announcing that the FTC will not consider any rule to ban or restrict alcohol advertising on an industrywide basis. The FTC is watching specific beer ads and promotions, he noted, and that regulatory action could be taken on a case-by-case basis. Separately, Candy Lightner, founder of Mothers Against Drunk Driving, called for the alcohol industry to establish advertising guidelines by Jan. 1, 1986. She spoke at the National Assn. of Broadcasters meeting in Las Vegas. Congressional representatives at the NAB convention

(Continued on Page 58)



After two years' work, AT&T designers have come up with a personal terminal telephone they believe will enchant white-collar workers.

AT&T finally ready with ultimate phone

By Lenore Skenazy

"You know more than you think you know."

That reassuring first line in Dr. Spock's baby-care manual for new parents also could apply to new "parents" of the AT&T personal terminal telephone. For two years, AT&T's designers and engineers labored to create a machine so attractive and simple to use that white-collar workers would fall in love with it immediately, and learn how to handle it almost intuitively.

But how can you make state-of-the art computer equipment unintimidating, nay, enchanting to the average executive? You get rid of all the things that fluster him: Nix on keyboards, user manuals, confusing codes and bulk. Then you go a step further. You make the display screen squishy soft, so that a simple poke fetches the user whatever he wants. No muss or fuss. Even infants require a certain technical dexterity from their parents, but not this baby. You price it at $1,800 and christen it the PT510.

The PT510 is a phone that works with a computer terminal and AT&T's phone systems to combine the functions of most things a manager would keep on his desk: Message pads, phone directories, business reports, a calculator, clock and calendar. It lets the user call his phone directory to the screen, tap the number he wants, have the machine dial it and leave a message if no one's there. That's two pokes of the finger. It also allows him to send messages to other PT510 terminals—even while he's talking on the phone—and to review and revise data from a mainframe computer. No keyboard is necessary for any of these functions, although one is sold separately. The entire unit will be ready to order by May 31, and has just been unveiled. This is the story of how AT&T designed it.

Design

* * *

AT&Ts first "computer phone" actually made its debut about four years ago, for testing purposes only. A hodge-podge of existing hardware, it was called "The Epic." Though it quickly evidenced some serious flaws, it was clear that with the Epic's phone and terminal marriage, "the egg had met the sperm," as designer Don Genaro put it.

Mr. Genaro is a senior partner at Henry Dreyfuss Associates, a Manhattan company that has been designing AT&T equipment since the 1930s. At the Dreyfuss loft, Mr. Genaro, his partner Gordon Sylvester and senior designer Steve Miggels created the way the PT510 looks. Poring over old pictures of the Epic there recently, the threesome shook their heads at how far the PT510 had come.

One of ancestor Epic's biggest problems was that its phone didn't have a dial. That's right. Users were expected to make phone calls using the numbers on the typewriter keyboard attached. Since most people are far more familiar with the phone dial than the typewriter, this method proved cumbersome, even ridiculous. But discovering mistakes is what prototypes are for.

Epic's other big problem was the fact that it required a keyboard at all. First of all, said Mr. Genaro, many executives balk at the idea of a keyboard in their office. "It's like a mop and a pail." Even more damning, many of those same executives simply don't know how to type. To them, mastering the Epic would be a daunting, not to mention embarrassing, task. The design was dropped even before AT&T tried test-marketing it.

While the Epic was getting kneaded at AT&T's human factors research centers, Bell Laboratories was experimenting with gentle prods of the finger. Bell wanted to create a "touch screen" for the terminal that would respond to people tapping on it. Although some screens already did use touch, they were made of hard glass. Using them was about as sensually pleasing as tickling a Coke bottle. Furthermore,

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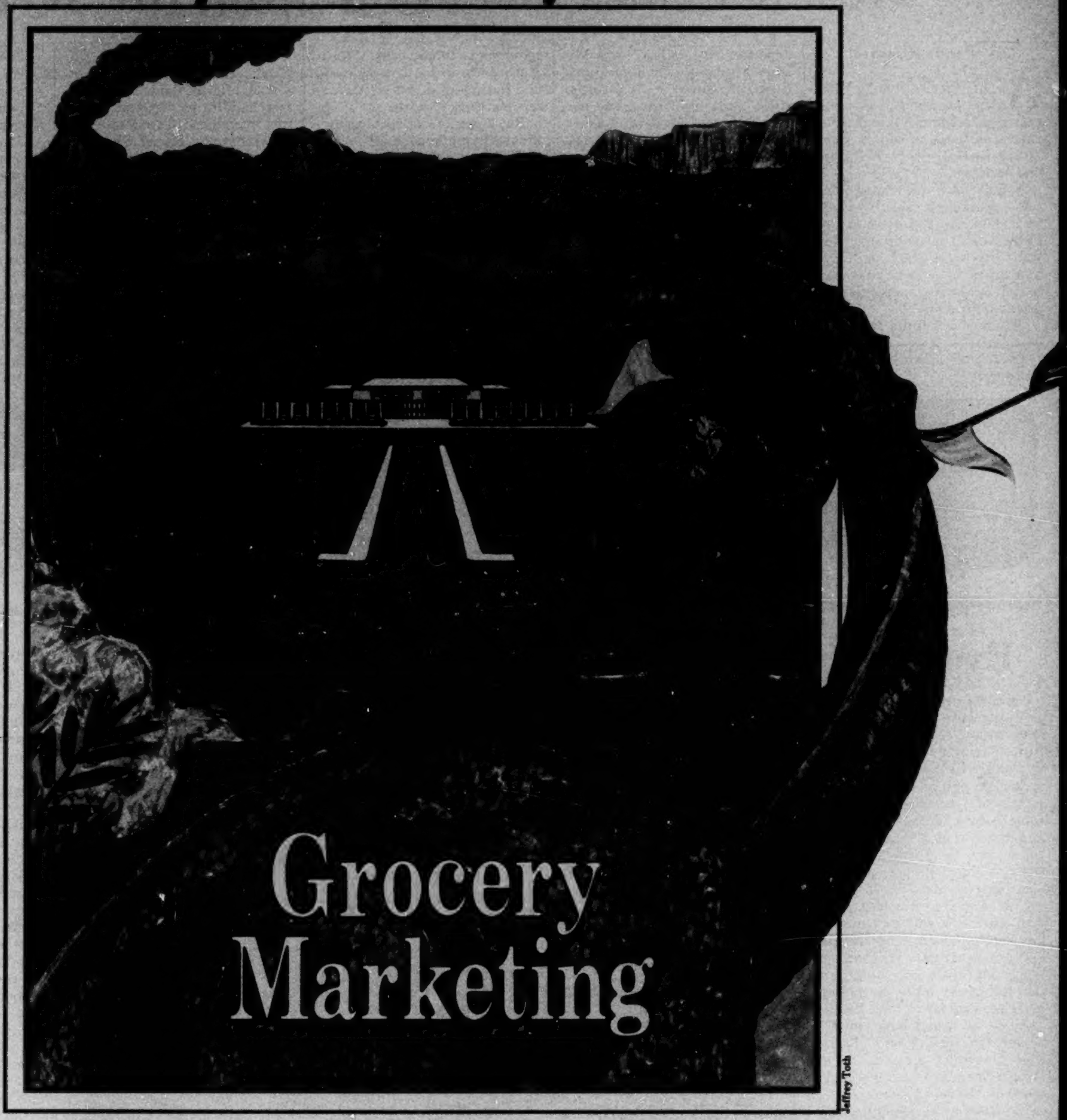


Jeffrey Toth

Supermarkets evolving to avoid extinction

By Mary McCabe English

Supermarkets are the innovation of the 1950s. Are they the dinosaurs of the 1980s?

Not yet, but they are under a lot of pressure from a rapidly changing grocery retailing environment, and the key to survival may be how well supermarkets can evolve.

Competition is the first and most obvious force prodding supermarkets to change. The competition for America's food dollar is increasing rapidly, industry experts says. Shoppers can spend their grocery budget in a different kind of food store almost every day of the week if they like—warehouse stores, carryout stores, bulk groceries, ethnic stores, gourmet shops, health food stores—without setting foot in one of the "traditional" supermarkets that trace their roots to the 1950s.

In immediate response to this competition, supermarkets are trying to become more things to more people.

Gone are the days when a supermarket automatically equaled an esthetically barren 20,000 sq. ft. filled with more than 10,000 items. Today's supermarkets range from smaller neighborhood markets to superstores and combo stores that average up to 55,000 sq. ft. and include amenities such as pharmacies (found in a combo store but not a superstore), flower shops, salad bars, takeout food sections, sit-down restaurants, juice and fruit bars, health food sections, dry cleaning services, photo processing and banking.

There's even a more flamboyant "hypermarket" format that combines supermarket and discount department store in spaces from 100,000 to 200,000 sq. ft.

Though these huge retailers, such as Bigg's, which was opened last year in Cincinnati by Hyper Shoppes, generally are not given much of a prognosis for widespread success in the U.S., the more conservative superstores and combo stores are seen as state of the art in food retailing, the competitive tool that will bolster supermarkets' position as the main grocery outlet for most shoppers despite the emergence of alternative specialty formats.

Progressive Grocer, a grocery trade publication based in Stanford, Conn., has tracked dramatic growth in the number of superstores, combo stores and warehouse stores during the past 10 years.

There were few superstores and combo stores 10 years ago, but today they account for one-third of the sales made by supermarkets that do at least $2 million a year in business, according to Walter Heller, *Progressive Grocer's* research director. Many of the country's top supermarket chains are investing in these formats for the future.

Tim Hammonds, senior vp at the Food Marketing Institute in Washington, says these supermarket formats probably will continue to evolve through the decade, heading off erosion of grocery sales.

"The specialty food store is not going to become the dominant format for food sales," Mr. Hammonds says.

To prevent that, supermarket chains will respond to the competition and changes in consumer preference with whatever format the marketplace requires. "The most important single force influencing food shopping today is the need for one-stop shopping for the bulk of shopping trips. Now, that doesn't mean that people won't

(Continued on Page 16)

Mary McCabe English is a frequent contributor to Special Report and a grocery marketing watcher.

New services meet changing life styles

By Wendy Kimbrell

As Americans change their shopping habits, some grocery retailers are supplementing their traditional price-item marketing tactics with new images and services.

Retailers are still emphasizing price, marketing executives say, but they want consumers to know that the products they want at prices they want are available in stores that can match a stylish, convenience-oriented life style.

"There is a definite change in supermarket retailing," says Michael Mulligan, communications director, Super Valu Stores, Eden Prairie, Minn., the nation's largest food wholesaler and supermarket chain. "Just as American families are less homogenous today, so are supermarkets."

Says another industry official, "A lot of the change has to do with the working woman and the working mother. Those people simply don't have time to sit and read the paper page by page to hunt for bargains anymore."

Hundreds of chains still highlight weekly specials and promotions in their advertising, but many have added more tv and radio spots to go with the coupon inserts in local newspapers and the glossy, direct mail circulars featuring specials.

But some are adopting more innovative approaches.

The entry of discount warehouse food chains into the marketplace has made the supermarket industry more competitive than ever. As the mammoth stores slowly spread across the country, they blast the airwaves with slick ad campaigns backed with fat ad budgets.

While some of these marketers pitch convenience and value, others highlight over-all low prices rather than special prices on particular items.

In the Midwest, for example, Bigg's, a 200,000-sq.-ft. hypermarket offering food and general merchandise at discount prices was introduced last October in Cincinnati by Hyper Shoppes, owned by Euromarche Co., a Parisian retailer with about 55 hypermarkets in France.

Bigg's draws about 50,000 customers a week, and industry sources estimate it generates $2 million in weekly sales.

Diana Carter, account supervisor at Southfield, Mich.-based W.B. Doner & Co., the agency handling the Bigg's account, claims 95% of Bigg's weekly customers are lured by the multimedia ad campaign.

The campaign, touting the theme "True Minimum Pricing. A new way to shop for food . . . and everything else," challenges competitors' price-item ad strategies and emphasizes an economical image.

One 30-second tv spot warns consumers to avoid "specials." The copy says: "Supermarkets lose money on most specials. But don't feel sorry for them. They make that money back and more by charging higher prices on everything else. The bottom line is, you pay more for food. Bigg's doesn't have specials. We have true minimum pricing on every item every single day."

Other Bigg's spots highlight

Wendy Kimbrell is a free lance writer.

W.B. Doner & Co., Southfield, Mich., handles Bigg's multimedia ad campaign touting "True Minimum Pricing."

Evolving

(Continued from Page 15)

go to specialty food stores when they want something special. But we're not headed back to 'butcher, baker, candlestick maker' shopping," he says.

Catering to this desire for something special, Mr. Hammonds says, new supermarkets will tend to be of the large variety with many specialty and service departments.

Customer convenience, selection and price will continue to motivate all shapes and sizes of grocery retailers. Warehouse store operators will heighten their consumer appeal by adding more perishables to their inventory, he says, and large, multi-department food stores will continue to reduce prices to make themselves more cost competitive with the warehouses.

"So what we're seeing in this case are two prominent store formats starting to evolve toward each other, and in 10 years there may not be much distinguishable difference between the two," Mr. Hammonds says.

Stores' evolutions will reflect consumers' needs and demands.

Bill Joseffer, marketing director-grocery products for *Better Homes & Gardens*, told the Grocery Manufacturers of America's Consumer Affairs Conference in Washington last month that today's shopper is on a quest for convenience and "wants to find a full spectrum of services [at the supermarket] . . . from banking and stocking up on wines and liquor for tonight's party, to buying freshly cut flowers and mailing packages in a post office branch."

There remains room for smaller supermarkets. Willard Bishop, a consultant from Willard Bishop Consulting Economics, Barrington, Ill., says the future won't be a case of big stores supplanting all smaller supermarkets. Smaller supermarkets also will change, adding selected specialty departments. Smaller supermarkets still are needed by consumers. It takes a certain population density to support very large stores, Mr. Bishop says, so they simply won't be cost-efficient in some areas.

Mr. Bishop also agrees with Mr. Hammonds that in the face of competition, many smaller supermarkets will find ways to close the price gaps between them and larger stores.

"Under these circumstances, everybody making a store choice has fewer reasons to go to the big store, so I don't really see out and out domination at the expense of the smaller stores," Mr. Bishop says.

John B. Lightfoot, exec vp of Supermarket Insights, a New York company that produces monthly and quarterly video reports on critical issues related to the grocery and convenience store industries, respectively, also sees a lot of blending of grocery store types and strategies as savvy retailers look to survive by carving out new, narrower marketing niches in a highly dimensional society that on one side squeezes them with pressure for value and price, and on the other with pressure for variety and premium goods.

The market, he says, has become so segmented that pat definitions for convenience, quality and value just don't work.

"The basic factor at work behind all the shifting and melding of store formats is the demassification of food distribution," Mr. Lightfoot says.

That makes it increasingly important for food retailers to know their customers and come up with marketing and advertising approaches designed to deal with the differences within that group, he says.

In this kind of environment, traditional price advertising in the local newspaper won't always be enough. At the same time, attention to image takes on new importance, FMI's Mr. Hammonds says.

"The big challenge in food marketing right now is knowing how to reach an extremely diverse customer base," Mr. Hammonds says.

"It follows that if the customer base is more diverse, advertising needs to be more diverse. In line with this, everyone is using more media.

"For example, if you're trying to reach the growing Hispanic audience, radio is usually more effective than newspaper advertising, which generally gets poor results with that market. Or, in close, well-defined neighborhoods, fliers to the door might work best," he says.

Newspaper is still the backbone of food advertising, "but people are also using a lot more tv, radio and alternative advertising, such as fliers, than they used to," he says.

"Another aspect of this is that with scanners, food retailers are better able to measure the effectiveness of their advertising. And these measurements are going to mean a much more objective evaluation of advertising."

Bruce F. Failing Jr., president of Actmedia Inc., says in-store marketing also has become more important than ever as a means of maximizing customers' buying potential.

Not coincidentally, Actmedia, which has offices in Darien, Conn., and Speonk, N.Y., has been conducting in-store programs for the past 12 years, including the placement of ads on supermarket shopping carts and aisle directories, in-store distribution of cents-off coupons, product samplings and demonstrations for many major package goods clients.

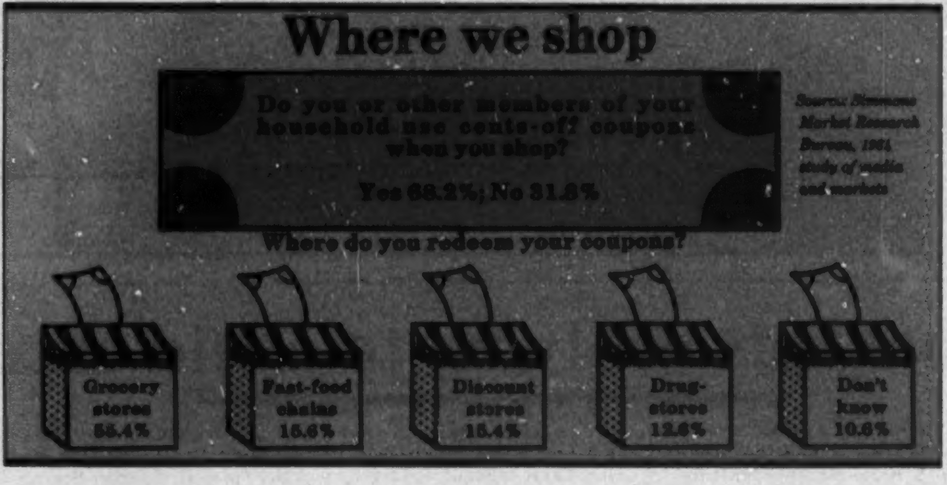
Mr. Failing builds his case for in-store advertising on the assertion that grocery shoppers can't be reached totally by either newspapers or tv. In addition, he says, only a third of all shoppers use lists and even though stores are generally bigger, with more items per store, than in the past, "average shopping time is still only 30 minutes."

"As convincing as Mr. Whipple is, you don't walk into a store picturing him squeezing the Charmin," Mr. Failing says in reference to Procter & Gamble's bathroom tissue spokesman. "You need something right there to bring him back to awareness.

"In the supermarket, profit depends on turnover, and in today's market, especially with the increasing attention being given to direct product profitability, the manufacturer needs all the help he can get to make his product profitable to the retailer."

Mr. Hammonds says technology also will play a major role in helping food retailers determine product profitability and control costs in a marketplace that contains so many variables.

Grocery competition "is like a two-edged sword," he says. "Business as usual is very dangerous at a time when the customer base is changing so much. And retailers have to be very



Source: Simmons Market Research Bureau, 1981 study of media and markets particular departments, such as produce or meat. Although company officials would not divulge budget figures, some industry analysts estimate the budget for the Bigg's campaign to be more than $2.5 million.

W.B. Doner also has devised image campaigns for two other large retailers, Cub Foods and Farmer Jack Supermarkets.

Cub, owned by Super Valu, is a Stillwater, Minn.-based discount warehouse chain with 26 units in the Midwest and South and plans to open 16 more stores this year. Throughout its history, Cub advertising has highlighted low prices.

The company shifted its account in February from Chuck Ruhr Advertising, Minneapolis, to W.B. Doner because Cub officials were impressed with the job Doner had done for Bigg's, according to Mr. Mulligan. The ads will continue to emphasize low prices, but won't link economy to only special items.

Another midwestern chain, Farmer Jack Supermarkets, an 85-unit chain owned by Borman's Inc., Detroit, is helping parents prepare plans should their children become lost.

Through a joint venture with Purchase, N.Y.-based PepsiCo and WDIV-TV, a Detroit tv station, Farmer Jack is running a campaign urging parents to obtain a "New Generation ID Card," which posts a child's picture and other identifying information, at any Farmer Jack store.

Ads emphasizing the theme "If you think it's frightening to be the parent of a lost child, imagine how the child feels," explain how the card may help some children who become "too scared for words." The ads will run through May.

Farmer Jack, which in 1983 ran a campaign introducing shopping carts designed for the handicapped, now promotes other services such as the "Want Card," a program enabling customers to order items not available at Farmer Jack's.

Farmer Jack's script says, "Another reason why one supermarket is better than the rest."

"Loyalties toward merchandisers are sometimes fickle," a Farmer Jack spokesman says. "But if you give customers more reasons than price to visit your stores, your chances of gaining consumer loyalty are much better."

In Southern California, where several major chains battle for market share, supermarkets are stretching beyond price advertising to promote "quality," and expanding use of image-building spot tv.

While most of the Southern California chains have taken their ad campaigns to the airwaves, Alpha Beta Co., La Habra, Cal., was one of the first to redirect the majority of its ad dollars from print to tv in the 1970s. The chain, which stresses its reputation for over-all low prices rather than specials with its "Where the Savings Don't Stop" theme, also is promoting its "Win a Million" sweepstakes with a multimedia campaign.

The sweepstakes, offering an array of prizes, including $25,000 jackpots and automobiles, will award one winner $1 million in May.

Bozell & Jacobs, Los Angeles, manages the Alpha Beta campaign.

Lucky Stores, Dublin, Cal., which operates 620 Lucky food stores in eight states, is also looking to enhance itself.

"We're trying to promote a high quality image," says Larry Davis, vp-ad manager, Lucky's southern food division. "A lot of customers shop a store for more than just price."

A low-price leader, Lucky shifted its advertising from price-item about a year ago when it began spreading its "more than low prices" theme through its markets via spokeswoman Stephanie Edwards, who promotes over-all quality and value. Advertising is handled in-house.

Although the number of supermarket retailers eschewing price-item advertising is growing, there are some marketers that prefer to stick to tradition.

Larry Nauman, vp-advertising, Dominick's Finer Foods, Northlake, Ill., a conventional supermarket chain with 82 Chicago area locations, says, "We are very comfortable with price-item advertising. It has been successful for us, and while some of our competitors are departing from it, we don't see any need to."

THINK BIGG CLEARANCE
bigg's
ENDS SUNDAY

Some Bigg's spots highlight price and others particular departments, such as produce or meat.

sensitive to trends and what's going on in other parts of the country. But, at the same time, this diversity has created a lot more opportunity."

Mr. Joseffer relates the changes and opportunities within the food retailing industry to a perception popularized by author John Naisbitt in "Megatrends."

"Keeping an eye on consumer interests and marketing to those interests will be the key to successful supermarketing in the future," Mr. Joseffer said at last month's GMA conference. "Recognizing the food renaissance and the consumer's interest in food as a means of status, self-esteem, creativity and self-fulfillment, and catering to that interest will mean greater sales and profits in the future.

"Food is no longer just fuel to stoke the furnace of work. It offers the reassurance of high-touch in a high-tech world."

That's hardly the talk of dinosaurs.

Chains cultivating superstores

Although industry observers say there's plenty of room on the retail food horizon for conventional supermarkets, the country's top chains are committed to developing superstores and combo stores in the 1980s.

Superwarehouse stores also promise to make a mark on the evolving grocery scene.

A&P, for example, has rebounded from the operating problems it had been burdened with and has undertaken an aggressive remodeling and building program that is moving all of the Montvale, N.J.-based chain's stores toward the superstore concept.

A&P's prototype Futurestore opened in Allendale, N.J., last November, and the company has two other superstores in Baton Rouge, La.—all three are remodeled existing structures. A&P's first newly constructed Futurestore, consisting of 40,000 sq. ft., is scheduled to open in Atlanta by late spring.

In addition, an A&P spokesman says, the company's Family Mart combo stores—24 stores of 55,000 sq. ft., with eight more scheduled for construction by the end of 1986—are one of the company's fastest growth areas.

A&P also is working on the prototype for a new superwarehouse concept, with plans calling for a possible opening this summer at an undisclosed location.

Robert E. Wunderle, an economist and vp-public affairs at Supermarkets General Corp. in Woodbridge, N.J., agrees that strength lies with the expanded store or warehouse.

"The basic concept at work here is the desire for one-stop shopping and shopping trip elimination, and the primary consideration in the way anyone sets up has to be convenience," Mr. Wunderle says.

All of Supermarkets General's 135 Pathmark supermarkets are either combo stores (90) or superstores (44). In the future, Mr. Wunderle says, the dominant store types will be the combo store, "an enlargement and refinement of the superstore," and the so-called hybrid warehouse, "which has evolved from the basic warehouse that carried only dry groceries . . . to include perishables and specialty departments."

Both types afford maximum convenience, he says.

Kroger Co., an industry leader in store product and hours expansion, has built nothing but superstores or combo stores since 1972. And, according to a spokeswoman for the chain, "The kinds of stores we've been opening for the last two or three years have been virtually all combination stores, which we see as expanded superstores. And we're invested heavily in this concept for the future, because our research continues to show that this is what people want."

Safeway Stores, the Oakland, Cal.-based supermarket giant, also is convinced superstores are the answer to many of today's food retailing needs.

Superstores of between 35,000 and 60,000 sq. ft. are "the mainstay of our building program," a corporate spokeswoman says, and "more than 80% of the stores we built between 1981 and 1984 were superstores.

"We do have a lot of traditional-size stores left, and we're also putting in smaller stores where desirable," she says. "Our emphasis is on superstores."

The same is true for Lucky Stores, based in Dublin, Cal.

"We've been putting a lot of emphasis on bigger stores and the addition of more service and specialty departments in existing stores," a spokeswoman says. "Our new prototype Food Center is over 40,000 sq. ft., with delis, bakeries, more produce, more meat and fish and expanded liquor and wine. And we'll be concentrating where possible on building stores in the 40,000 sq. ft. range."

Lucky also operates two hybrid Big Bear warehouse stores in Seattle.

Boston-based Stop & Shop Supermarket Co. also has embarked on an aggressive program that will make it a virtually all superstore company.

"We will not be building any new stores that won't be superstores," company spokeswoman Michele Vaughters says. "Fifteen of our 119 supermarkets are currently superstores, and based on what we've learned from our consumer board program, this concept is definitely the wave of the future, for us and for the industry generally."

Even Jacksonville, Fla.-based Winn Dixie Stores, which has trailed other top 10 supermarket chains in adopting the more nonfood and specialties format, has begun to get into the act.

"We have two stores in the 45,000 sq. ft. range and many more in the 35,000 sq. ft. range, and we'll have more in the 45,000 range within the years," says Mickey Clerc, Winn Dixie's ad director. "We are building larger stores every year." *M.M.E.*

Competition gains ground

Research compiled by *Progressive Grocer*, Stamford, Conn., charts the increased popularity of new supermarket formats such as superstores and combo stores during the past 10 years.

In 1975, the magazine reports, conventional supermarkets accounted for 97% of all food retailers that recorded more than $2 million annually in sales; superstores accounted for 2%, and economy stores (warehouses, limited assortment stores and super warehouses) 1%. This is based on a total of 19,370 stores.

Progressive Grocer's most recent figures show that in 1984, conventional stores made up 75% of food stores; superstores, 13%; combo stores, 2%, and economy stores, 10%, based on a total of 30,175 stores with annual sales more than $2 million.

Research shows conventional supermarkets brought in 96% of the business in 1975; superstores, 3%; combo stores and economy stores, less than 1% each, based on total sales of $82.1 billion by stores with sales of more than $2 million.

In 1984, conventional supermarkets did only 59% of the business done by food stores with more than $2 million in annual sales; superstores, 25%; combo stores, 5%; economy stores, 11%, based on total sales of nearly $189.2 billion.

Progressive Grocer research director Walter Heller says total 1984 grocery sales—including those by stores recording less than $2 million in sales a year—came to $263.8 billion. Stores with sales of more than $2 million accounted for about 72%; convenience stores, 6%; and others, 22%. *—M.M.E.*

Alternatives gain on price and print ads

By Russell Shaw

Once upon a time, grocery advertising was simple. When your competition advertised ground beef for $1.39 a pound, you advertised the product for $1.29 a pound.

Along with the other 40 or so items that the regional office dictated would be on sale that week, a drawing of the ground beef would be etched in a page display ad, ready for display in the food section of the metropolitan daily.

> **"In many cases, price has become a neutral factor .... There's a lot more emphasis on service and selection."**
>
> *—Susan Schmierer*
> *L.F. Rothschild*

Now, grocery advertising is changing in terms of media and creative content. The annual total grocery ad budget in the U.S., more than $2.1 billion in 1983, is being divided and conveyed in a greater number of ways.

Although specific buying and creative strategies vary by region and company, two key trends are emerging. Price is no longer the automatic primary consideration in grocery ads, and run-of-print is not automatically the medium with the message.

Statistics for 1984 will be released in early May by the Food Marketing Institute, but comparing 1983 and 1982 data shows a change in grocery media mix. In 1982, 57.2% of grocery ad dollars were spent in newspapers. By 1983, that bite had declined to 42.1%. Direct mail also diminished, shrinking from 13.7% of dollars spent to 12.4%.

The biggest shock, observers say, was that spot tv also dropped, going from 13.2% to 10.8%.

However, 1984 statistics released by the Television Bureau of Advertising show tv advertising (mostly in spot tv) increased nearly 10%, to about $253 million.

The big spenders in tv spot advertising, according to TvB, were: Kroger Co., Cincinnati, with $20.5 million; Safeway Stores, Oakland, Cal., with $20.1 million; Winn Dixie Stores, Jacksonville, Fla., with $14.3 million, and Lucky Stores, Dublin, Cal., with $8.6 million.

From 1982 to 1983, radio's share of grocery ad dollars increased from 7.7% to 12.8%. In-store coupons were the real winners, mushrooming from 2.6% to 14.9%, according to FMI.

Many of the media changes can be linked to consumer lifestyle changes and the use of image rather than price advertising, industry experts say.

Price customarily has been viewed as the only tangible component able to be communicated in standard print advertising, while the electronic media traditionally have been seen as the perfect venue for image ads.

A survey in the April issue of *Progressive Grocer*, an industry magazine, reported on consumer responses to grocery advertising.

"The older the shopper is and the less income they have, the more they 'almost always' read supermarket newspaper ads in preparing a trip to the grocery," says Walter Heller, director-research for the trade publication. Newpaper ads are read by 47% of consumers younger than 35, but this increases to 64% of consumers age 35 to 54 and 78% of consumers 55 and older, he says.

Income levels skew similarly, according to the same study. While only 48% of high-income consumers read the food ads, 62% of middle income and 77% of low-income consumers do.

"What this shows to me is since price is not a major concern of the upper-income levels, then other ways are needed of pulling in the consumer," Mr. Heller says.

"The marketplace is becoming more sophisticated, and the consumer knows what is going on now," says Susan Schmierer, grocery industry analyst with L.F. Rothschild, Unterberg, Towbin, New York. "In many cases, price has become a neutral factor. Supermarkets have begun to understand the competitive role better and have responded with the inception of several new formats. There's a lot more emphasis on service and selection."

But that doesn't necessarily mean price-item advertising is obsolete. Grocery retail advertising is still an inexact science.

"There's no question that consumers have put other priorities on their shopping list besides price," says Marvin Goldsmith, vp, Campbell-Mithun, Chicago, agency for the $175 million-plus ad account of Kroger Co. "There's no question that the industry has recognized consumers' interest in nutrition, life style changes and more exotic menu items. Broadcast, which gives you more opportunity for sight and sound, is the first place everybody looks for creativity."

But creativity—even on tv—is not achieved automatically. "Everything we're saying today has been said in the past. It's just how to say it a little differently that matters," says Bob Snyder, vp, Bowes/Hanlon/Yarborough, Atlanta, agency for the 75-store Food Giant chain.

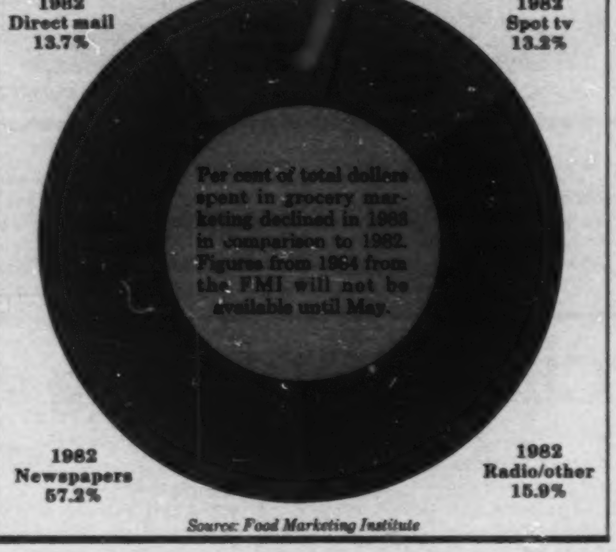
The chain currently features the president of the company as a spokesman in a tv spot using unusual angle photography.

The answer to whether to use price-item advertising depends on what the grocer's problem is in the market, says Sheldon Sosna, industry consultant and publisher of "Supermarket Advertising Newsletter."

"I don't think there's a set answer. If you are a conventional supermarket in Indianapolis facing Cub Stores, you might do well to say you have Hellmann's mayonnaise on sale for 89 cents, because Indianapolis is a price-conscious market dominated by price-conscious stores," Mr. Sosna says.

"Kansas City is another extremely price-conscious market. But in Southern California, for instance, everybody is priced together, so you might want to talk about how great your meat or produce is."

Grocery media mix



Per cent of total dollars spent in grocery marketing declined in 1983 in comparison to 1982. Figures from 1984 from the FMI will not be available until May.

Source: Food Marketing Institute

While advertisers debate price vs. image, consumers raise another issue.

"Supermarket advertisers need to do a better job zeroing in on consumers' major concerns," says Mona Doyle, president of the Consumer Network, a national organization based in Philadelphia. "They are sort of doing price, image and freshness, but people are overwhelmingly concerned about ingredients and hassle."

Ms. Doyle cites a national survey that indicates long checkout lines are a greater concern to shoppers than price. "We're talking about the poverty of time vs. the poverty of dollars," she says. "The complexity of today's shopping experience is very hard for that industry to get wrapped around. They have to learn to zero in on a smarter consumer who is willing to pay for less hassle and wants to know more about the food they eat."

While the advantage of shorter checkout lines and the explanation of inventory selection are not major parts of the grocery ad message, nutrition is finding exposure in a relatively new vehicle, in-store print advertising.

The publication of nutrition-oriented booklets, either in tandem with food marketers or in-house, is more of a promotion than an ad function, yet these pamphlets, published by many leading supermarketers, either contain coupons or are displayed near in-store circulars.

Stores active in the informational publishing field include Kroger; Jewel Food Stores of Melrose Park, Ill.; Farm Fresh Supermarkets, Norfolk, Va.; D'Agostino Supermarkets, New York, and Safeway.

For example, "Foods Unlimited," the Safeway publication, is a recipe-laden volume packed with nutrition information. As in many other booklets, the teachings of home economists receive significant play.

With consumers, nutrition pamphlets are becoming a more valued item. In a Food Marketing Institute study tabulated through January, 1984, 78% of respondents thought supermarkets "do an excellent or pretty good job of" providing nutrition and health information. The figure was up eight percentage points from the previous year.

Closely allied with in-store informational booklets are direct mail and fliers. Accounting for more than 12% of the national supermarket ad total, they are popular in the Midwest, where their use approaches $1 out of every $3 spent.

The tremendous growth of circular advertising in the supermarket industry is the most important thing happening in print, Mr. Sosna says. "We see this in the Marriage Mail concept, started by ADVO in Hartford, Conn. They have the ability to give you just those Zip codes you want. Stores used to do them four times a year or at most once a month. Now they do them weekly."

Newspapers, however, are fighting back. There is, according to Mr. Sosna, a danger of wasted circulation in markets such as Los Angeles, which has 117 daily and weekly newspapers.

"Daily newspapers are waging a strong battle against ADVO Marriage Mail," Mr. Sosna says. "They stress their more friendly relationship with readers, since a newspaper is purchased but the fliers come by junk mail. Also, dailies are convering nonsubscriber homes with a bob-tailed version of the regular paper—with ads."

Print also has another, rather unexpected ally—radio. Mr. Sosna says spot radio, which has increased its net dollar amount of supermarket-related advertising 64% since 1980, is stressing "media synergism," or a mixed-media marketing approach.

In "Media Synergism, The Mixed Media Approach to Retail Advertising," published by the Television Bureau of Advertisers, numerous merchants were quoted as to the reinforcement advantages of a mixed-media campaign.

Supermarkets' run-of-print newspaper ads also are beginning to respond to consumers' creative challenges.

Each year, the Food Marketing Institute, in tandem with *Woman's Day*, conducts a creative competition for supermarket ads. "Although the two-page traditional price information grocery ad continues to be one of the primary advertising styles, we see a lot more on the part of companies in the way of service-oriented ads," FMI communications director Karen Brown says. "We see a lot more in the way of service-oriented and company-image ads, more creative use of graphics, more use of white space."

In print, there also seems to be a corresponding trend toward less listing of products. "Creativity starts with the simplicity and singleness of the message," Mr. Goldsmith says. "Consumers are looking for simplicity, but I think that grocery retailers tend to try to get an awful lot into ads. That in itself overshadows what kind of creativity there may be. There's a giant shift in grocery advertising toward more merchandising of single products."

Industry experts see a more practical reason for continued growth of supermarket advertising creativity—increased sophistication on the part of supermarket staff personnel.

"They are more sophisticated and better trained," Mr. Sosna says.

According to FMI research, newspaper grocery ads are three times more likely to be composed by staff than an ad agency, 39% to 13%, with the remainder put together by printers and other resources.

Even with all these changes, grocery advertisers won't ignore advertising prices.

"You have to have price," Ms. Schmierer says. "Mid-America is not exactly full of yuppies, and most people have to know that you are pricing.

"But just like anything else," she says, "you have to be more creative with that, too." ■

Russell Shaw is an ADVERTISING AGE correspondent in Atlanta.

Convenience outlets expanding customer base

By Faye Brookman

One of Circle K Corp.'s 12-ft. outdoor boards shows a construction worker munching a sandwich. By using this hard-hat-clad worker, Circle K, Phoenix, Ariz., the nation's second largest convenience store chain with about $1 billion in sales, appeals to a group long considered the mainstay of the convenience store business: The blue-collar male.

But wait a minute: This rough-and-tough bruiser is eating a croissant sandwich—a strange snack for a construction worker.

Hold on, the story gets even stranger. Down the road a few miles is another Circle K poster featuring a professional-looking woman—another odd ad pitch considering that women make up two-thirds of those who do not frequent convenience stores, according to Gallup Trends Reports.

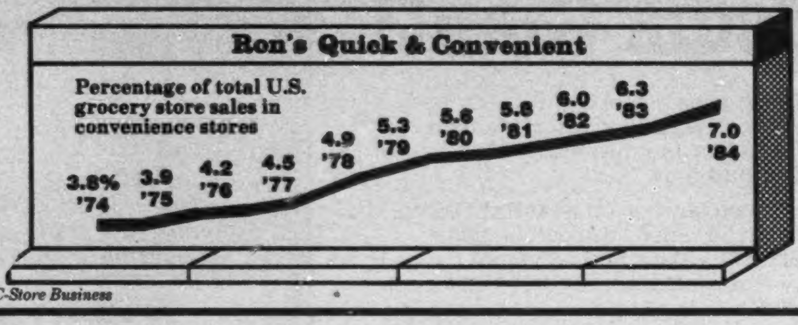
The paradox in both cases is intentional, says Joe Jacober, Circle K's account manager at WFC Advertising in Phoenix.

"We use real people but with a different twist, like the blue-collar worker eating a croissant. The idea is to give infrequent shoppers a reason to come to Circle K," he says.

Circle K is just one of the nation's convenience store chains taking bold steps to strip away the old stereotypes of being a supplier of last-minute party supplies and snacks in hopes of attracting new shoppers, particularly women. The primary convenience store shopper has been a male between the ages of 18 and 34.

According to Gallup, if more of the 11% of customers who are infrequent shoppers could be enticed to come in about twice a month, it could result in as much as 1,200 more visits, or $29,000 of additional revenue per store. That's on top of the $500,000 an average 4,000-sq.-ft. unit churns out each year.

Convenience stores' growing importance



Source: C-Store Business

"We are appealing to a group that has not traditionally been a substantial part of our customer base in the past, but can be in the future," says J.S. Brewster, vp-finance and chief financial officer for National Convenience Stores, Dallas, the nation's fourth largest chain, with annual sales of about $819 million.

To woo this customer, stores are adding more fast foods, including freshly prepared dishes, more health and beauty aids, and better services. Today a woman can purchase a dinner to prepare in the microwave and some nachos plus rent a videocassette all under one convenience store roof.

"Convenience stores used to say, 'Sure we cater to women; we sell panty hose," one industry observer says. "Now they know it takes more than a pair of L'eggs."

No longer just a late-night haunt for people on a beer run, the $43.3 billion (including gas) convenience store business is thriving. Sales rose 16% last year while earnings climbed 28%. Convenience stores are beginning to give supermarkets and other food retailers a better run for their money.

According to industry trade publication *C-Store Business*, convenience stores now account for 8% of total food dollars, up substantially from 10 years ago when these units grabbed a 3.8% share. Moreover, New York-based researcher Frost & Sullivan predicts sales increases will outpace other food retailers through 1987.

This sales optimism is generated by the stores' targeting new customers. Working women will prefer the convenient foods and the easy shopping, Frost & Sullivan says, and more than 50% of all convenience stores are open 24 hours to meet changing work and shopping schedules.

The bright outlook for convenience stores does not dismay traditional supermarket chains. "We appeal to a different consumer," says a spokeswoman for Lucky Food Stores in Dublin, Cal. "We have everyday low prices and a broad selection."

But supermarkets aren't sitting still for convenience stores. According to Ed Gagnon, an analyst and investor relations expert at Dallas-based stock brokerage Eppler, Guerin & Turner, food stores have reacted to convenience stores by adding express checkout lanes. One chain, Supermarkets General Corp.'s Pathmark Supermarkets, Woodbridge, N.J., promises a new lane will be opened if customers have to wait behind more than three people.

Even with express lanes, 60,000-sq.-ft. units can't be considered convenient. The trend to megastores, which has propelled the food industry, also has fueled growth in convenience stores.

Pathmark reported $4.3 billion in sales in 1984.

"The big opportunity for convenience stores," says Larry Schaeffer, editorial director for *Progressive Grocer*, another industry trade publication, "is to fill the void left by the closing of small, conventional food stores forced out by one-stop shopping."

Kerley LeBoeuf, president of the National Assn. of Convenience Stores, agrees.

"Convenience stores will never replace other foods stores as the primary shopping outlet, but as these superstores are forced to be spread far apart, convenience stores will become more of an outlet for fill-in needs."

To spur even more growth, convenience stores are revamping many strategies.

"They have cleaned up the stores, given more attention to training of personnel and reworked pricing to help eliminate the negative image they had in past years," says Denise Melinsky, editor of *Convenience Store News*.

With the new look of the stores, convenience retailers have found a need to spread the word. "We did not advertise very much before," Mr. Brewster says of National Convenience Stores, which operates units primarily under the Stop N Go name, "because we were just another 7-Eleven-style operator. Now we have a new prototype, new graphics and a reason to reach people."

Says Ms. Melinsky, "There is more use of advertising and it is not just hyping convenience but price as well. Convenience stores are going head-to-head on some prices with food stores."

Outdoor boards and radio are the two primary advertising vehicles, industry marketing executives say, and larger chains are increasing their use of spot tv.

Dive into our subs for just $1.49

Circle K Corp. is among many convenience store chains offering fast food options.

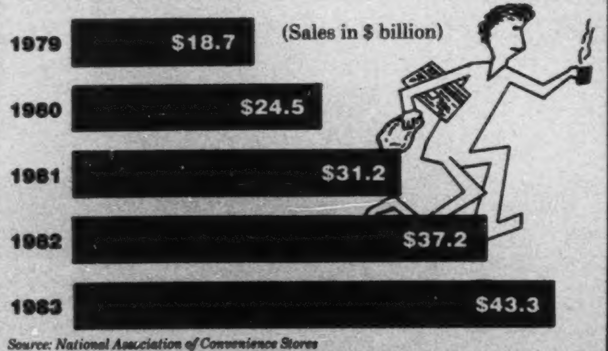
Circle K, for instance, will launch a new campaign weighted heavily toward radio and tv, according to Duane Baukus, senior vp-marketing. Print ads and possibly direct mail also will be used. Outdoor boards are used extensively by Circle K, primarily because the corporation owns Bauman Co., an outdoor board company in El Paso, Tex.

On radio, jingles are still the most powerful tool convenience stores have, Mr. Gagnon says, especially during peak driving

(Continued on Page 38)

Faye Brookman is a free lance writer specializing in retailing.

Total convenience store industry sales



Source: National Association of Convenience Stores

65 and not retiring
(65th in U. S. population)

Nothing retiring about Fresno.
The Fresno market is progressive and vital. The MSA represents 5.2 billion in effective buying income.

√ You need the Fresno market.
√ You need The Fresno Bee.

The Fresno Bee

Represented nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc.

Source: 1980 U.S. Census
SM&M, 1983

Small stores cling to city corners

By Eileen Norris

For 17 years, Carmelo and Esther Varela have worked 15-hour days in Varela's Spotlight Groceries, a cramped corner store that lies in the shadow of Chicago's Wrigley Field.

The neighborhood is in transition—assaulted by youth gang graffiti on garage doors and gussied up by rehabbed graystones that have been taken over by the newest of the nouveaux riches, young urban professionals.

For the Varelas, 1984 heralded not so much a fear of George Orwell's "Big Brother" as it did a fear of big corporations, specifically the convenience store that moved in across the street.

The 7-Eleven, marked by its distinctive orange shingles and owned by Southland Corp., Dallas, opened its doors just one year ago, not long after the neighborhood began an obvious economic rebound. At that time, the Varelas feared they might not be able to make it in a competitive price and hour war with the corporate giant that operates more than 7,000 stores around the clock in 42 states.

Although Varela's Spotlight Groceries is still open everyday from 8 a.m. until 11 p.m., Mr. and Mrs. Varela are not sure they have survived the battle.

"We can't say the 7-Eleven has downed us. Business has been profitable, but it hasn't been a good year for anyone," Mrs. Varela says as she rings up small orders from a steady stream of regulars.

"This is a neighborhood store in a walking neighborhood with too many stores to compete with," she says. "Customers are shop-hopping, going from us to the 7-Eleven to the Jewel or Dominick's [two nearby large supermarkets] to pick up one or two items at each that are on sale.

"All we can do is service our people," she says. "People come in and ask for something and we get it. If there's a problem, they confront the owners, not just some salesperson. There's no permanent set of rules here, and if we know someone, we'll take their personal check."

Varela's is a classic example of what some observers see as a dying breed: The urban neighborhood grocery. Under siege since the late 1950s by large supermarkets, the "corner" grocery store has survived by being convenient and available to shoppers walking in the neighborhood.

Now a new competitor, the convenience chain store, also is aiming at that marketing niche and offering longer hours and other advantages.

One of the only remaining advantages for the old urban corner store over a convenience chain store often is price.

"We never ripped off our customers and we never will," Mrs. Varela says. "We buy at the best rate and we will buy 10 cases of something so that we can pass the savings onto our people."

Convenience stores, she says, get the same good rates from wholesalers and distributors but fail to pass on that savings to the customer.

Donald Ciszewski, 7-Eleven zone manager for the Chicago area, says most pricing is dictated by the corporation, but the stores try to compete locally with special pricings sometimes.

But the price competition isn't cutthroat.

"The Varelas are still there; there's room for everybody on the street," he says.

"The convenience stores are higher priced by their choice," says Donald Bloom, vp of Bloom Komon Distributors in Countryside, Ill. "The only thing you won't find upcharged is a newspaper. They demand a 35% to 40% markup on the cost of goods so that even a 35¢ candy bar will be 40¢."

Mary Herlehy

Esther and Carmelo Varela have owned Varela's Spotlight Groceries in Chicago for 17 years.

In some cases the mom-and-pop operation may have lower prices, says Mr. Bloom, whose family has been in the full-line distribution business since 1897. Corner stores once accounted for about 50% of his business, but now he estimates that figure is about 20%.

The Varelas say they have no trouble competing with the convenience store on price. What the mom-and-pop store can't begin to compete with is the chain's round-the-clock hours and 7-Eleven's parking lot in a neighborhood that rivals New York for lack of parking space.

The similarity between New York and Chicago extends to more than just parking problems. Both cities are probably the only remaining havens of the small urban grocery, Mr. Bloom says. Most other cities already have turned to convenience stores for their impromptu and nearby needs.

"The new mom-and-pop store is the convenient store for many, but in certain markets, like Chicago and New York, there are corner stores that appear to be here to stay," he says.

Mr. Bloom estimates there are thousands of corner stores in the Chicago metropolitan area that still are doing a good business.

However, a lot of corner stores tend to be undercapitalized, and that can be a major problem, Mr. Bloom says. "Some aren't good credit risks and a lot are not in the financial position of carrying enough selection. Sometimes that forces their customers to go to the chains."

It is difficult for the corner store to afford and maintain enough stock, agrees Shelly Grossman, editor for the National Candy Wholesalers Assn. magazine, *Candy Wholesaler*, in Washington. Member wholesale distributors also sell tobacco, candy, health and beauty aids, and groceries to small and large stores.

"Many mom-and-pop operations can't afford to buy in bulk from grocery wholesalers, and some don't have the room for backup stock," she says.

Some turn to wholesale cash-and-carry operations that cater to small businesses that have a limited amount of capital or space to store merchandise, Ms. Grossman says.

Corner stores are "turning into the convenience store of the 1980s. Both have high markups, long hours and a limited amount of product, so where do you draw the line? It's just an evolution of terms," she says.

No one really knows how many small, urban groceries remain, says Bruce Smith, vp for *Progressive Grocer*, a Stanford, Conn.-based trade publication. "Our data center doesn't even track the number because the corner grocery store is not a fac-

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Convenience

(Continued from Page 36)

hours. Circle K has its "We'll save you some time," and Southland Corp.'s 7-Eleven, the largest convenience store chain with $5.9 billion in annual sales, has countered with, "We'll save you more than time."

Convenience stores also are getting more involved in corporate sponsorships as a method to spread their name. Southland was a major contributor to the 1984 Olympics.

The company allocated $4 million for the building of the Olympic Velodrome.

A source at Baltimore-based High's Dairy Stores convenience stores says advertising will become more important as the various convenience stores try to get more exposure.

Once the advertising entices the customer, the mix and the store layout must trigger the sales.

Convenience store operators say they are increasing their fast food offerings to not only please customers, but also improve gross profit margins.

"Fast food is the fastest growing sector of our business," Mr. Baukus says.

Sales of fast foods at the Circle K chain amounted to $51.7 million, or 8% of total sales (excluding gas), in 1984.

The profit picture was even rosier. Convenience stores average a 30% gross profit margin, but fast food yields gross margins as high as 60%.

With that in mind, National Convenience Stores hopes to fatten its fast food sales from a 6% share of total volume in 1984 to a 9% share in 1987. One of the company's vehicles to reach this goal is its new hexagonal-shaped building. The company will open 80 of these 3,300-sq.-ft. stores this year and all will devote 25% of selling space to fast food, including an area for dining.

"They have a wonderful open-refrigerator section to sell sandwiches," Mr. Gagnon says. "It is as attractive as produce departments in food stores and it helps convince shoppers of the quality of the goods because they can actually touch the sandwiches."

Additionally, Mr. Gagnon says, the planned purchases are located in the rear of the new stores so customers must pass the high impulse foods and snacks.

Circle K, 7-Eleven and WaWa Stores in WaWa, Pa., (a smaller chain with about $259 million in 1984 sales) are other operators revamping the store layout to emphasize food offerings. "These items are placed in high traffic, high visibility spots to maximize exposure," Mr. Baukus says.

Shoppers also cannot miss the various services convenience stores now are offering. Automatic teller machines and airline ticketing head the list.

The planned purchases are located in the rear of the stores so customers must pass the high impulse food and snacks.

More than 3,000 7-Eleven outlets have automatic teller machines, a spokeswoman for Southland says, and eventually the chain will feature event ticketing.

In the Northeast, 43 7-Elevens now rent videocassettes in an 8-ft. section.

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tor. The corner store as a term doesn't exist," he says.

In terms of national retail food sales, supermarkets that ring up more than $2 million in annual volume account for 72%. Convenience stores account for another 6% of the annual sales, leaving 22% of all retail food sales to be divided between neighborhood stores, delicatessens and superettes, small grocers that do less than $1 million in sales a year.

"Corner stores exist only if they provide a service to the neighborhood they're in," Mr. Smith says. "The only place you won't see the growth of the convenience store and the decline of the mom-and-pop operation are in Chicago and New York, especially Manhattan, where there are greengrocers and specialty butcher shops on just about every corner," Mr. Smith says.

The National American Wholesaler Grocers Assn. also says it has no idea how many corner stores are in existence, but estimates there must be 85,000 stores in all, with annual sales of less than $1 million. That doesn't include the about 50,000 convenience stores, says Richard A. Brown, vp-operational services for the association, which represents large and small wholesalers and distributors.

"The corner store doesn't seem to be having as much trouble existing as the medium-size store," Mr. Brown says. "The megastore chains are getting larger and the smaller stores have found a special neighborhood niche. They offer a convenience to the neighborhood. The feeling is that convenience stores tend to go into areas more outside of a downtown city, like in a shopping center or a new housing development."

Corner stores can continue to make money when they're needed and when they don't have a bigger store to compete with, he says. "It's still a good business as long as the community in the area responds and with many, a relationship with customers 90 hours a week breeds a certain kind of loyalty."

Member distributors and wholesalers of NAWGA have no problem catering to the smaller grocery store either, he says, unless the wholesaler has a minimum order size. "The economy of wholesaling is reducing the number of stops the truck has to make, but there are a lot of small wholesalers out there who want to service the small account. The corner store might be charged a little more for delivery and service, but his operating expenses and overhead are considerably less."

Since the 7-Eleven moved in across the street, Varela's Spotlight Groceries has had little difficulty keeping its service contacts. The couple has not had to resort to buying from a cash-and-carry wholesaler.

"We aren't penalized with a minimum order size because we buy in bulk and store our stock in our two full basements," Mrs. Varela says. "But we are having trouble getting service from a bakery that is hesitant to service us. He feels he can sell more stock to the 7-Eleven. That's the only problem we've had."

The Varelas plan to keep their store, which they bought sight unseen for $7,000 from a relative. That was 17 years ago, when the neighborhood was rough and the grocery store windows were broken by punks an average of three times a week, Mr. Varela says.

"We're making a living and trying to get our six kids through school. I'd like to think our customers will keep coming in and won't forget us. We have really lost very little in the last year, and I'd say the 7-Eleven hasn't hurt us that bad. But that's because of our loyal customers."

But, if the right offer came along, "we might sell," he says.

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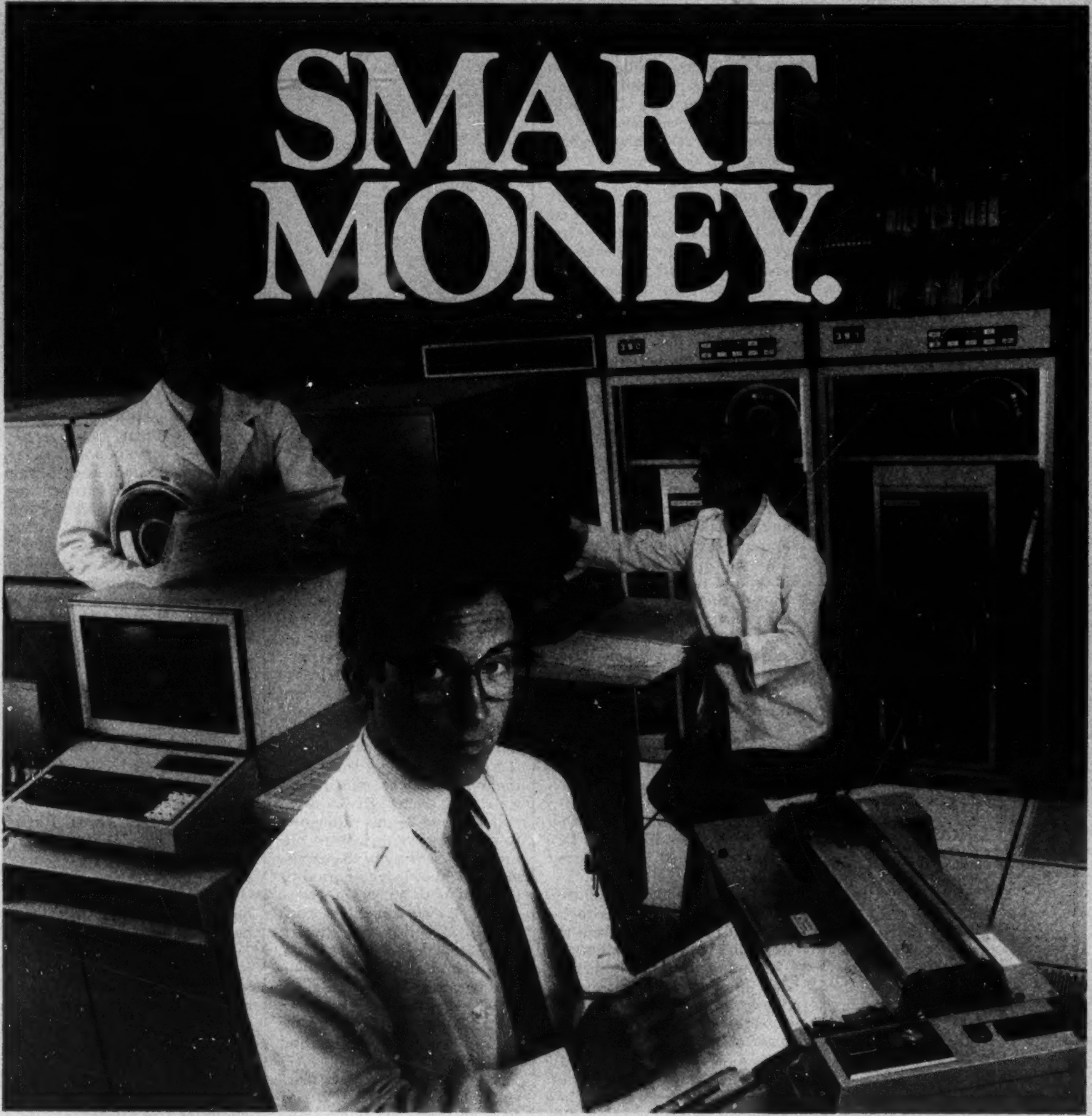
that customers must come in at least two times—once to rent and again to return. Research shows these customers are spending about $8 (excluding the rental) on the first visit and $3 on the second.

That's higher than the average convenience store transaction, which is about $2, according to the National Assn. of Convenience Stores.

Competition with food stores is not the only reason behind these moves. Oil companies including Hess, Texaco and Mobil are opening their own versions of convenience stores.

Drug chains also are enlarging convenient food selections. Walgreen Co. of Deerfield Ill., Longs Drug Stores in Walnut Creek, Cal., and Fay's Drug Co. in Liverpool, N.Y., for example, all now have 1,000-sq.-ft. food sections offering 800 of the most wanted items in selected stores. Southland supplies several of the sections.

"Today's convenience stores face many of the same challenges as the supermarket industry. Both must adjust to changing demographics. Convenience stores appear to have found their own successful method to do this," Mr. Schaeffer of *Progressive Grocer* says.



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Specializing in gourmet tastes

By Joanne Y. Cleaver

It's 8 a.m. on a weekday, and the aroma of rich, fresh coffee fills the air at Cafe Express, an Evanston, Ill., gourmet coffee shop.

Commuters peruse their newspapers, lingering over another cup. Manager Annika Kostrubala and two employes are squeezing fresh orange juice, serving freshly baked breakfast breads and pouring several different types, flavors and strengths of coffee into customers' waiting cups.

In the afternoon, the store is full of students and "the gauze skirt crowd," according to Ms. Kostrubala; after dinner and until midnight, young professionals meet there to sip decaffeinated coffee and talk.

Though the store opened 2½ years ago as a gourmet coffee bean and accessory shop, the continental breakfast and fresh coffee menu accounts for much of its 1984 $90,000 annual gross sales.

But the demand for the store's coffees, which cost between $5.25 and $6.75 a pound, is as strong as espresso, and Ms. Kostrubala is trying to figure out how she can rearrange the tiny store to accommodate an expanded line of beans, coffee makers and exotic accessories dear to the hearts of coffee aficionados.

Such are the problems of specialty food stores. The adventuresome spirit of today's gourmets has spawned an enthusiastic demand for the unusual, the imported, the best, the latest, in food trends. Shops selling primarily cheese, coffee, fresh fish, chocolate, pasta or rich and unusual baked goods are springing up all over.

Consumers with gourmet palates brush aside the conveniences of the local grocery store to make multistop shopping trips, even timing their arrivals with that of the fresh scallops or red snapper.

Food business insiders say it's almost impossible to gauge how many specialty food stores exist. Many are very small and family owned. But there are some indicators of the specialty food category's recent explosive growth.

The National Assn. for the Specialty Food Trade's winter show in February had more than 400 exhibitors—a 30% increase from the 1984 winter show. More than 15,000 trade insiders attended, a 10% jump.

According to the retail division of the Census Bureau, the latest survey of independent food shops, completed in 1982, reveals that the number of specialty stores nearly doubled from 1972. At the time of the survey, that category included 6,317 stores with total annual gross sales of $1.6 billion—a figure that industry insiders say probably has doubled by now.

Specialty food stores also are commanding a dominant market share in the fragmented world of gourmet foods, according to the 1984 Gourmet Retail Market Report, commissioned by Miami-based *Gourmet Retailer*. Competing with cookware, coffee, cheese, gift gourmet shops and even department stores' gourmet food sections, specialty food stores came out on top in nearly every category surveyed, from chocolate confections to Dutch cheese.

The survey did not include grocery stores' gourmet sections.

The profile of the typical gourmet food customer is not surprising: Urban, two-wage earner household, sophisticated and self-confident, in short, the kind of person who figures he's worth the extra money it takes to have Swiss water-decaffeinated fresh almond-flavored bean coffee sitting in the cabinet rather than Maxwell House.

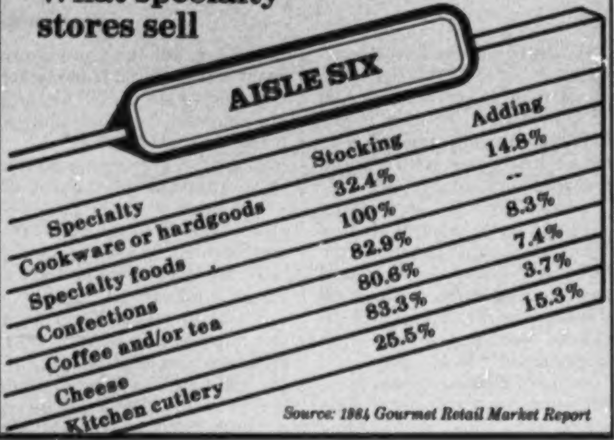
But association executives and store managers also agree that the customers are of all ages, very interested in food as a hobby and health-conscious.

According to Edward Loeb, publisher of *Gourmet Retailer*, the groundwork for the current

(Continued on Page 44)

Joanne Y. Cleaver is a frequent contributor to Special Report.

What specialty stores sell



Specialty	Stocking	Adding
Cookware or hardgoods	32.4%	14.8%
Specialty foods	100%	--
Confections	82.9%	8.3%
Coffee and/or tea	80.6%	7.4%
Cheese	83.3%	3.7%
Kitchen cutlery	25.5%	15.3%

Source: 1984 Gourmet Retail Market Report

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Restaurants cater to home eating

By Julie Liesse Erickson

Having a pizza at home is as American as mom, baseball, hot dogs and apple pie. But what happens when mom doesn't have time to cook?

Then pizza may be partially prepared by Edwardo's Natural Pizza restaurant, the apple pie baked by Bakers Square, and the meat selection, along with the sauce and side dishes, purchased raw or ready-to-cook from a favorite local eatery.

As home cooking shrinks as an American standard, restaurants and grocery stores are invading each other's turf with new fervor to compete for the growing carryout and prepared food market. For grocery stores, the weapons are soup and salad bars and on-premise bakeries.

And for a growing number of restaurants of all types—full service as well as fast food—takeout foods, retail grocery counters and home delivery have become a routine part of the daily menu.

So far at least, the invasion has not been dramatic. Latest estimates compiled by Technomic Industries, a Chicago-based leader in foodservice industry research, indicate that one out of every five meals is eaten away from home. That figure, Technomic president Ron Paul says, "is changing very, very slowly" in the favor of restaurants.

"Restaurants [someday] may account for one out of every four meals, but people ask when one out of every two meals will be eaten away from home," he says. "The answer is never."

Perhaps more worrisome for grocers is the company's estimate that between 40% and 45% of America's food dollars are spent away from home. Soon, Mr. Paul says, foodservice and groceries will share equally in consumer food spending.

Changing demographics—more working women, more two-income families—and improved foodservice industry efforts indicate that takeout foods and home delivery will become more important in that equation.

Takeout already represents a formidable percentage of restaurants' sales. Technomic estimates the industry's takeout sales at $20 billion yearly.

The fast food industry's rule of thumb says about 40% of sales are not eaten in the restaurant. Wendy's International, Dublin, O., meets that percentage with conveniences such as its drive-through window, which in many cases is open 24 hours.

For pizza restaurants, thus far foodservice's most accepted participants in takeout and home delivery, those sales are even more important. Ann Arbor, Mich.-based Domino's Pizza has grown to more than 1,200 units through pizza delivery only.

Wichita, Kan.-based Pizza Hut, conspicuous for years because of its lack of a delivery system, is testing home delivery.

Mama Mia! Pasta in Chicago offers complete dinners to go, including a bottle of wine.

And even for "gourmet" pizza restaurants, such as the eight Edwardo's shops in the Chicago area, takeout and delivery account for 43% of the average unit's about $1 million in sales.

In addition to the convenience of takeout foods, Mr. Paul says, "The home has become an entertainment center in itself. If consumers have [videocassette recorders], tvs, stereo systems, cable tv, you have to expect that they're going to be using them. They want to be in their home, but they don't want to cook."

That's what Dorothy De Carlo and David Houle, co-owners of Chicago's two-unit Mama Mia! Pasta chain, discovered in their first restaurant, an upscale fast-

Julie Liesse Erickson, an associate editor of ADVERTISING AGE, has covered the foodservice industry for more than three years.

Gourmet

(Continued from Page 43)

popularity of gourmet foods was laid about 10 years ago when gourmet cookware shops started springing up.

When cookware sales started to peak, he says, "The independent retailers started to put in consumable items. The easiest ones were coffee and tea of all types." Deluxe preserves, condiments, flavored cooking oils, vinegars and wines were next, he says, and now virtually all gourmet cookware stores also stock some types of food—and vice versa.

Much of the appeal of specialty food shops comes from the atmosphere and service created by knowledgeable salespeople. The family-owned stores go out of their way to be sure customers get what they want and know what to do with it when they get home.

"People come to a gourmet shop expecting service," says Steve Pasto, editor-in-chief of Barrington, R.I.-based *Food Distributor*. "And service means [telling them] where the cheese came from and what to do with it."

Even the most adventuresome can be stymied by indecision when trying to put together the right combination of goat cheeses, soft cheeses and whole-grain crackers for a party.

Encouraging customers to sample food is standard operating procedure for specialty shops, says Marc Nathanson, administrator of the retail division of the National Assn. for the Specialty Food Trade.

"If you're going to spend that kind of money on food, you shouldn't be buying it prepackaged off the shelf," he says. Sampling is also "one of the strongest marketing techniques in specialty stores." Impulse purchases are increased by sampling, and it also encourages customers to buy groups of related products—such as chocolates and coffee.

An equally strong appeal of the service emphasis is the enjoyment customers get out of seeing their food prepared before their eyes.

Even fish stores, which formerly had a reputation for having an atmosphere people avoided, are evolving into gleaming, tile-lined emporiums of fresh seafood.

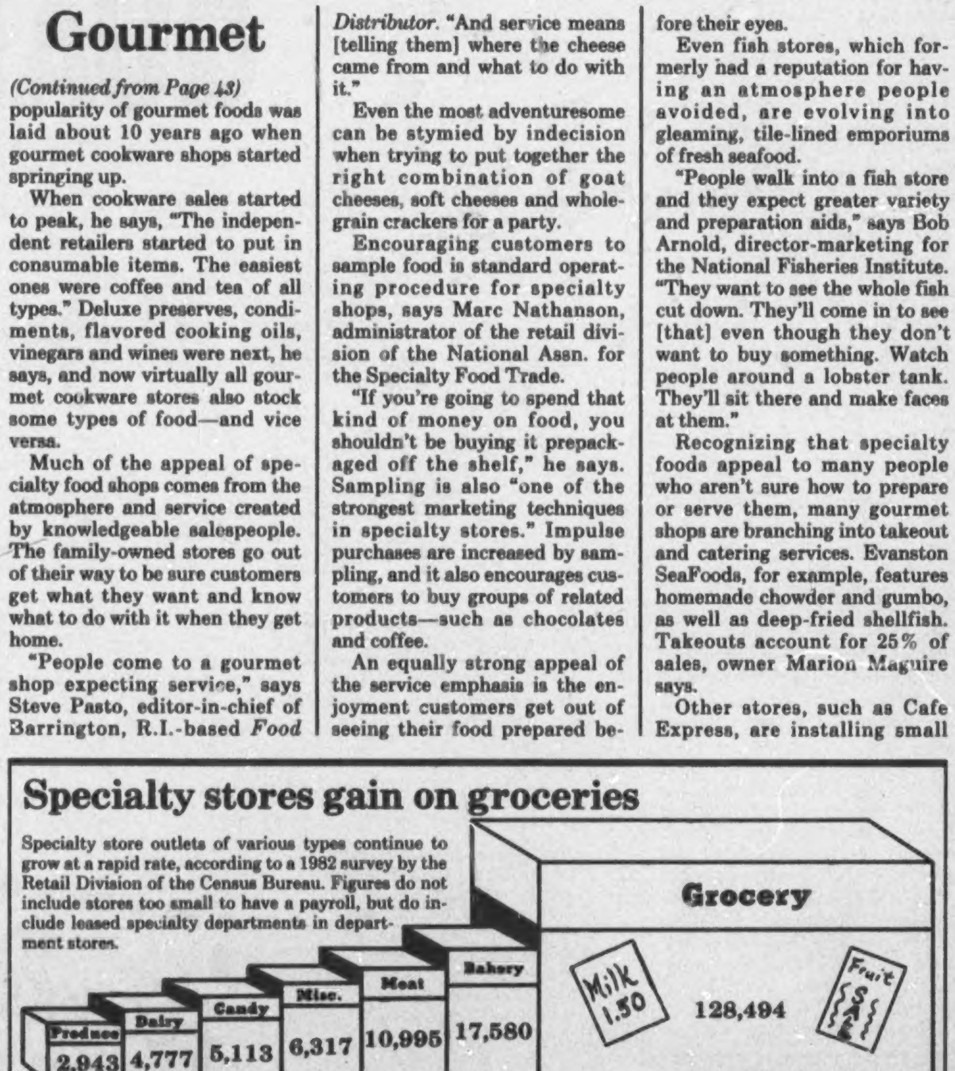
"People walk into a fish store and they expect greater variety and preparation aids," says Bob Arnold, director-marketing for the National Fisheries Institute. "They want to see the whole fish cut down. They'll come in to see [that] even though they don't want to buy something. Watch people around a lobster tank. They'll sit there and make faces at them."

Recognizing that specialty foods appeal to many people who aren't sure how to prepare or serve them, many gourmet shops are branching into takeout and catering services. Evanston SeaFoods, for example, features homemade chowder and gumbo, as well as deep-fried shellfish. Takeouts account for 25% of sales, owner Marion Maguire says.

Other stores, such as Cafe Express, are installing small

Specialty stores gain on groceries

Specialty store outlets of various types continue to grow at a rapid rate, according to a 1982 survey by the Retail Division of the Census Bureau. Figures do not include stores too small to have a payroll, but do include leased specialty departments in department stores.



(Number of stores)

Source: Retail Div. of the U.S. Census Bureau

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service shop specializing in freshly made pasta and sauces.

"When people call in a dinner order to pick up, they know there's someone else slaving in a hot kitchen making the pasta and sauce and plating it just for them—but they don't have to worry about the fuss or the mess," Ms. De Carlo says. "We can give them complete dinners to go—pasta, sauce, bread, dessert, even a bottle of wine. What amazes me is that people don't even want to toss a green salad.

"But I know what *I* like—and there's nothing like having it done for you."

Another attraction of Mama Mia!'s takeout, delivery and grocery options is the food's freshness. "We make our pasta fresh daily and once people have been to our restaurant a couple of times, they realize there's a distinct difference between it and store-bought pasta," Mr. Houle says. "We're educating people to believe it's better to buy it fresh—with no preservatives."

Takeout and delivery combined account for about 15% of Mama Mia!'s sales. The original restaurant and its six-month-old sister store have yearly sales of $2 million to $2.5 million and offer pasta by the pound and sauces by the quart as well as individual-portion dinners to go.

If customers want an unusual combination of bulk foods not normally produced by Mama Mia!, such as whole-wheat pasta shells, the store generally will accommodate. Such personal attention by restaurant staffs to individual consumer needs is even more widespread, however, at retail grocery counters attached to restaurants.

At Timbers Away!, the retail shop located under the roof of Timbers Charhouse, Highland Park, Ill., customers can purchase raw the fresh meats and exotic fish featured on the dining room menu.

"We'd get a lot of customers asking whether they could buy a couple of slabs of meat from us," says Jillian Okun, director-marketing for Timbers parent, Northbrook, Ill.-based Errant Enterprises. "They'd tell us that they couldn't find such good meats in their grocery stores—or that they couldn't find the fresh turbot or pompano or other exotic fish they'd sampled in our restaurant."

> **"They'd tell us they couldn't find such good meats in their grocery stores."**
>
> *—Jillian Okun*
> *Errant Enterprises*

Now, Ms. Okun says, customers can purchase these raw materials, as well as the full-service restaurant's freshly made salad dressings, salads, baked goods and desserts, from Timbers Away!

"They're getting the quality they already have witnessed in the restaurant," she says. "And sometimes, if they don't know exactly how to prepare one of our exotic fish, we'll try to team them up with our chef, who gives them pointers—and perhaps even filets a fish for them."

Although Timbers, not yet open six months, does not have sales figures available, its sister Claim Company restaurants in Northbrook and Oak Brook, Ill., together ring up $250,000 annually in takeout of prepared meals.

One reason the Claim Company added a takeout menu was to satisfy customers who didn't want to wait in line for a table at the two popular restaurants, which do not accept reservations.

That same problem—customers lined up outside the door—led to a takeout business for The Crab House restaurant in Miami. But in this case, the takeout business has developed into a separate chain of takeout-only facilities.

The Miami Crab House was purchased in 1976 by Edward Scharps and Leonard Rapaport, who boosted its annual sales volume to the current $3 million. By the early 1980s, the restaurant was generating $500,000 in

(Continued on Page 46)

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seating areas where customers can munch in comfort.

Despite such amenities, the specialty food stores pose little threat to grocery stores' 92% share of the food market. But the grocery chains closely watch the gourmet shops to see what food trends are gaining strength, according to Ian Gittlitz, publisher of *Gourmet Today/TeleFood*, a New York-based publication that goes to 15,000 gourmet cookware and food stores.

Mr. Gittlitz and other industry insiders agree that supermarkets' expanded gourmet sections reflect the national appetite for specialty foods.

Many food distributors and manufacturers use specialty shops to build their market presence and then are thrilled to broaden their distribution through supermarket chains.

But the paradox is that a widely distributed specialty food is no longer unusual; therefore, it loses its appeal to the status-seeking gourmet.

However, the specter presented by the local grocery chains stocking whole bean coffee to be ground at the store doesn't faze Ms. Kostrubala of Cafe Express.

What does scare her, she says, is the thought that a restaurant corporation might pick up on the success that specialty food shops are having and launch a chain of gourmet coffee shops that sell coffee both by the bag and the cup.

Even so, she's convinced her customers would remain loyal. "The people here just want to start out their day right, with a good cup of coffee," she says.

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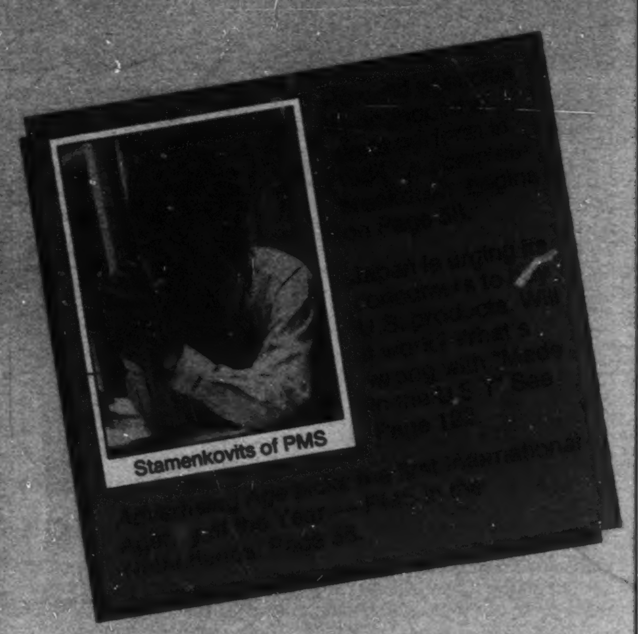

With Y&R win, Dentsu leader may stay on

By DENNIS CHASE

Trivial pursuit: Name the biggest advertising agency in the world.

If you answered Dentsu, you would have been right for any of the past 10 years. But no longer.

Young & Rubicam supplanted Dentsu as the biggest agency in the world last year by gross income, according to ADVERTISING AGE's latest tabulations of international agency income and billings *(see story on Page 58)*. Dentsu had held the No. 1 ranking since 1973.

Y&R's gross income, measured in U.S. dollars, hit $480.1 million last year, compared with Dentsu's $468.4 million.

The announcement is having an impact in Tokyo, where Hideharu Tamaru, president of Dentsu since 1977, is believed to be considering retirement this year.

Following Dentsu's drop from the top spot, all bets are off on whether the 70-year-old Mr. Tamaru will retire this year.

"Nobody knows what he will do," said one agency source. "He doesn't have to retire if he doesn't want to. No one can force him."

One reason for the uncertainty is Japanese concern about losing face. Before publication of the agency rankings, Dentsu officials expressed concern about Y&R overtaking Dentsu, and whether this would upset retirement plans organized by Mr. Tamaru's colleagues.

"If Dentsu stayed No. 1, then it was pretty certain he would retire because he couldn't take the agency any higher," said the source. "Now it's not a given."

Rumors about Mr. Tamaru's retirement during the last three years were rekindled by reports in local business publications this year that he would step down, partly because he turned 71 on April 20.

Although there is no mandatory retirement age at Dentsu for senior executives, 70 is considered a benchmark.

Also, Mr. Tamaru's birthday falls around the time of Dentsu's general stockholders meeting in May, the most likely time for a retire-

(Continued on Page 128)

NEWSPAPER

AA
DC20014CONGL1 FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
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WASHINGTON DC 20014

New taste buds as Coke hits 100

By NANCY GIGES

Coca-Cola Co., Atlanta, this week will announce that it is changing the formula for flagship-brand Coke to produce a taste that purportedly is far superior to the original.

The U.S.' leading soft drink will enter its second century in May, 1986, with an even better taste than ever before and in packaging tied especially to its 100th birthday.

The reformulation move is considered so major that the head of one West Coast bottler was considering postponing his weekend wedding to attend meetings in Atlanta.

Coca-Cola has invited financial analysts and the media to presentations on April 23 at New York's Lincoln Center, where this announcement, as well as others relating to new advertising and the Coke brand's 100th birthday, will be made.

Invitations to analysts say major "soft-drink marketing developments" will be discussed.

Bottlers, who will all meet in Atlanta this evening, have also been told to cancel all advertising possible

(Continued on Page 130)

Turner takeover plan: Skeptics abound

CBS oils weapons

By CRAIG REISS

NEW YORK—CBS Inc., which for the past month has been counterpunching stock speculators and conservative groups with the stunning force of a corporate Marvelous Marvin Hagler, has prepared a double-barreled legal and regulatory response to Ted Turner's hostile takeover bid.

CBS' countermoves to Mr. Turner's $5.4 billion bid for the media giant were expected to come to light as early as today. Sources said CBS would challenge the way Mr. Turner intends to finance his takeover bid, much as CBS challenged the manner in which arbitrageur Ivan Boesky funded his purchase of an 8.7% interest in CBS last month.

Amid the speculation on Wall Street as to whether Mr. Turner could pull off his bold bid for CBS, most observers overlooked the possible downside for the Atlanta cable mogul. If CBS is able to tie up Mr. Turner in a lengthy and costly regulatory and legal morass, can Mr. Turner afford the interest payments on his "junk" bonds and the legal fees in the anticipated CBS countersuits?

Mr. Turner, who has the image of a modern-day riverboat gambler, may be involved in his biggest winner-take-all poker hand to date. If CBS continues to counterpunch effectively, Mr. Turner could jeopardize the financial strength of his existing base, Turner Broadcasting System.

James Gammon, exec vp, Gammon & Ninowski, the Washington-based broadcast brokerage company, in an earlier interview called Mr. Turner "a good operator." But he noted that any takeover attempt would have to be well timed because the interest on financing, in this case, on the zero-coupon bonds, could "eat you alive."

Last week, Mr. Gammon said, "I think [Mr. Turner's bid] is preposterous. An entity that nets $10 million offering securities of his own for CBS is preposterous. . .It reminds me of the deals I used to try

(Continued on Page 130)

Last Minute News

Four agencies to pitch Lowenbrau

MILWAUKEE—Miller Brewing Co. will hear creative presentations for its $20 million Lowenbrau assignment (AA, April 15) from incumbent Backer & Spielvogel, Chiat/Day, Saatchi & Saatchi Compton and J. Walter Thompson USA, all New York. All but Saatchi currently have other Miller assignments. Separately, Miller has expanded test markets for its Plank Road premium brand (AA, Oct. 25) to include Lexington, Ky.; Raleigh and eastern North Carolina, and San Francisco and northern California. Chiat handles.

Ketchum on line for Honda's new Acura

GARDENA, CAL.—American Honda Motor Co. has named Ketchum Advertising to handle the $10 million-plus account for its new Acura line, ending a yearlong search. As a condition of its appointment, Ketchum will establish a Los Angeles office staffed by Craig Mathiesen, currently senior vp-creative director at the agency's San Francisco branch.

Benton & Bowles makes account Gaines

WHITE PLAINS, N.Y.—Anderson, Clayton & Co.'s Gaines Foods subsidiary has assigned its $2 million Top Choice and Gaines-Burgers soft-moist dog food account to Benton & Bowles, New York, from Young & Rubicam in a consolidation. B&B already handles Gravy Train and Cycle.

Campbell-Mithun picks up Interstate Brands

KANSAS CITY, MO.—Interstate Brands, the nation's third-largest wholesale baker, has moved its $7 million-to-$10 million account to Campbell-Mithun, Minneapolis. Earle Palmer Brown Cos., Bethesda, Md., pre-

(Continued on Page 8)

C-P puts teeth into rollout

By NANCY GIGES

NEW YORK—The toothpaste market is bracing for another donnybrook as Colgate-Palmolive prepares a $40 million national introduction for Dentagard, and Lever Bros. seeks a fresh creative edge for Aim from a new agency.

Although Lever said the shift of Aim to SSC&B from Ogilvy & Mather is due to a consolidation *(see related story on Page 128)*, the brand has failed to stand up under heavy pressure from rivals Colgate-Palmolive and Procter & Gamble. Its share has fallen to 7%, about half its onetime high.

Some view O&M, which intro-

(Continued on Page 128)

Moonlighting aids Eastern's rebound

By BRIAN MORAN

Eastern Air Lines is banking on expansion of its cut-rate, late-night flight service and a leap into London to stay on course after a strong first quarter.

Moonlight Special, the carrier's first attempt to tap into the booming "no-frills" passenger market, has averaged a 90% load factor since its April 1 start, Miami-based Eastern reports. The cross-country service uses planes that double as cargo carriers.

An introductory tv and newspaper campaign for Moonlight, themed "The miracle of flight," has completed its run.

A follow-up print effort is being developed by the carrier's agency, Campbell-Ewald, Warren, Mich., but the airline is in no rush to start it.

"When you're running with such a high load, more advertising right now could lead to a seating problem," said Basil Walsh, Eastern advertising manager. Eastern's total load factor in March was 66.2%.

Eastern, which currently offers Moonlight flights between 10 U.S. cities through its Houston hub, plans to expand the service to its Chicago hub this summer. Because operating costs are covered by a freight-hauling agreement with Palo Alto, Cal.-based CF Airfreight, Eastern so far is turning a handsome profit with the service. The cross-country fare is $98, at least 20% lower than competitors' fares.

Some airline industry analysts initially felt Moonlight was a desperation move of an airline on the skids because of severe labor problems and competition. But off its first two weeks of service, Moonlight is getting high marks.

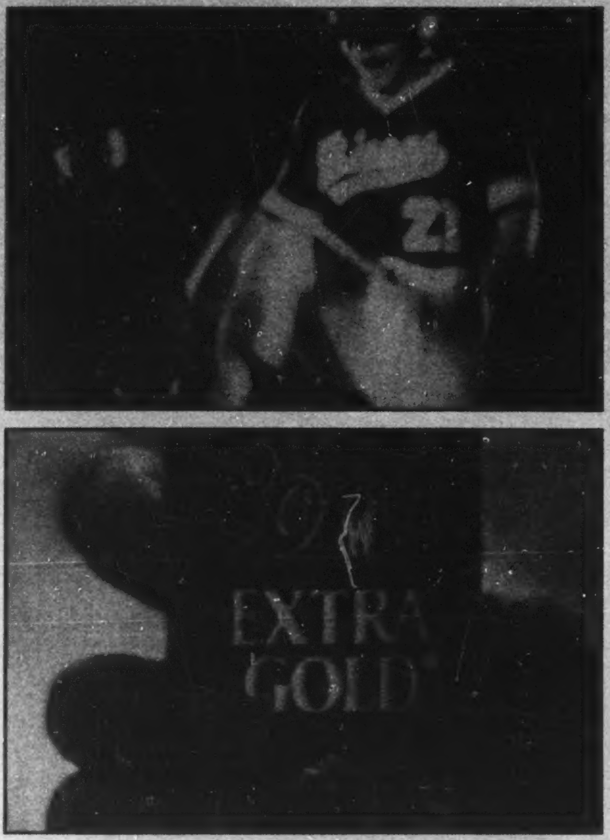
"It's really been very innovative," said Robert Joedicke, an analyst with Shearson Lehman Brothers, New York. "It's helped them use their fleet of underused wide-body planes more efficiently, and they're getting greater productivity out of their crews."

The new service uses seven of Eastern's wide-body, A-300 Airbus planes. Passengers—who pay extra for meals and cannot check bag-

(Continued on Page 128)

Coming Thursday

Columnist James Brady explores the secrets hidden in "pneumonia obits" and why the media "draw curtains of discretion across the truth"— in the April 25 issue of ADVERTISING AGE *Thursday*.



Coors' Extra Gold gets tough

With a baseball player breaking a bat over his knee exemplifying hard-charging types of beer drinkers, a test-market ad for Coors Extra Gold portrays a two-fisted image for the brand, termed "a Coors like you never knew before." *(See story on Page 128.)*

Highlights

Visa USA hopes BBDO, the agency that glamorized Pepsi as "the choice of a new generation," will lend similar sparkle to its familiar, but slightly shopworn, blue, white and tan card. *See Page 6.*

Joe Landy, director of client services for Needham Harper Worldwide's New York office, will take the helm of the agency's beleaguered Washington shop that has lost five of its top executives in the past 100 days. *See Page 10.*

The Seven-Up Co. is continuing to broaden its product line, making its initial move into the growing soft-drink mixer category. *See Page 12.*

The Benevolent Dictators: Robert Bloom, chairman-ceo of Bloom Cos., Dallas, believes clients need the involvement of senior management. *See Page 52.*

CORPORATE CLOSEUP

With his "Business is war" philosophy, Jack Tramiel ignited a frenzy of cost-cutting at Atari Corp. in an effort to relaunch the company into a leadership position in the home-computer business. The payoff, if there is one, still is ahead. *See Page 4.*

FORUM

Demos, geos, psychos and recos—they're all in a day's work for Saatchi & Saatchi Compton exec Stephen Fajen. *See Page 20.*

Psychologist Steven Gilbert writes about violence and advertising. *See Page 20.*

CATEGORY REVIEW

While there has been much comment about who's on top in the continuing Coca-Cola vs. Pepsi-Cola soft-drink battle, little has been said about how the small guys are faring in the trenches. *See Page 44.*

INTERNATIONAL

International consumer groups that targeted pharmaceutical advertising as the next category for international restrictions are not making much progress in their attack. *See Page 55.*

Advertising agencies and ad industry organizations worldwide are fighting the growing threat of increased advertising restrictions by doing what they do best—creating catchy ads designed to convince consumers of the value of advertising. *See Page 55.*

A new Japanese advertising campaign with the slogan "Imports bring us together" will try to boost the purchase of foreign—and particularly U.S.—products in Japan. *See Page 122.*

VIDEOTECH

Pay tv executives are calling the first quarter one of the slowest in the medium's short history. *See Page 90.*

Turner Broadcasting System has gone to court to get the Federal Communications Commission to reconsider and eventually modernize its "must-carry" policy. *See Page 91.*

DIRECT MARKETING

Throughout most of the civilized world, Hermes, the chic, ex-saddlery-cum-specialty retailer, is opening up boutiques. But in the U.S., in order not to miss any corner of America's heartland, Hermes is using the mails. *See Page 114.*

Donnelley Marketing dropped its spring Share Force questionnaire to 45 million households. *See Page 116.*

COMING THURSDAY

SPECIAL REPORT

Executives for the nation's trade journals—once seen as the country cousins of consumer magazines—are shaking that image with sophisticated graphics, writing and marketing. One observer calls the maturing business press, which has projected 1985 ad revenues of $3.15 billion, "the healthiest segment in all journalism."

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'Space' shuttles to low-G ratings

By JAMES P. FORKAN

NEW YORK—Liftoff problems for CBS-TV's expensive "Space" miniseries last week were more evidence for tv observers who believe the miniseries format has been overworked.

The 13-hour, $32 million opus last week was averaging a 27 share after four nights of national data from A.C. Nielsen Co., less than blockbuster numbers. The novelty of the miniseries, said some industry observers, had been lost due to scheduling too many too close together. And that doesn't include five more miniseries projects still slated to air in May.

As it stands now, "Space's" four-night 16.9 rating average lags behind nine other 1984-85 miniseries (topping only NBC's "The Sun Also Rises"), while its 27 share level trails eight of those epics, including NBC's "A.D." and CBS' "Mistral's Daughter."

Some agency people have begun wondering whether two-part miniseries, totaling four to six hours, might be a better way to go. This season's ratings statistics were dominated by NBC's "Fatal Vision," with a 47 share for two nights last November, and ABC's

(Continued on Page 133)

Plug pulled on 2nd network

JWT drops Euro

By DENNIS CHASE

JWT Group, the parent company of J. Walter Thompson Co., last week finally threw in the towel and sold off its second agency network in Europe.

The group announced it was selling its wholly owned Euro Advertising agencies in Duesseldorf, Germany; Bologna/Milan, Italy, and Athens, Greece, back to its equity partners, who are the founder-managers of each agency.

The reasons given include the need to build up the main JWT agency in Europe, and the strong value of the U.S. dollar compared with European currencies, which has cut into Euro Advertising's profits when reported in dollars.

The commissions of Euro Advertising in 1984—$8 million—represent less than 2% of JWT's Group's over-all commissions and fees—which totaled $508 million last year.

In a prepared statement, JWT Group president Don Johnston said, "Although [Euro Advertising] has been operationally profitable since 1983, the margins have never approached levels that are acceptable."

Another exec said, "We're

(Continued on Page 128)

CORPORATE CLOSEUP

'New' Atari tries to bring back old growth

By CLEVELAND HORTON

SUNNYVALE, CAL.—The sign in front of corporate headquarters is chipped and fading. Inside the entrance, the decor is "modern transition"; moving boxes are stacked nine-high. The two receptionists working behind a counter, a young man and young woman, seem to be pulling triple duty: Answering telephone calls, serving customers and running interference for the accounts payable department.

This is the new Atari Corp., still bearing scars of battles waged within the company nine months ago when Warner Communications sold the once high-flying videogame and home-computer company to Commodore Business Machines founder Jack Tramiel.

A former Atari executive offers a view of his old employer. See Page 28.

With his "Business is war" philosophy, Mr. Tramiel immediately ignited a frenzy of cost-cutting at Atari in an effort to relaunch the company into a leadership position in the home-computer business.

The payoff, if there is one, still is ahead. But central to Mr. Tramiel's plans are two new lines of computers. One, quietly released late last month, is essentially an extension of the 5-year-old Atari 800XL, based on the industry's fading 8-bit technology. The other is intended to be a match for Apple Computer's Macintosh.

Mr. Tramiel, 55, hopes to boost Atari's slim 3% market share with sales of between 3 million and 5 million computers this year, the company says. The goal is admittedly optimistic, since the entire industry sold fewer than 5 million home computers in 1984. But if he even comes close to market leadership, it won't be the first taste of success for either Mr. Tramiel or Atari.

The unkempt appearance of Atari's corporate headquarters reflects Mr. Tramiel's belief that the company will be well served by the same cost-cutting/low-margin strategy he used to build Commodore into a worldwide marketer of personal computers. A cigar-smoking, self-styled tyrant, Mr. Tramiel is prepared to bully his staff, every company doing business with Atari and, some say, even customers in his single-minded effort to market the lowest-price personal computer available.

By emphasizing manufacturing and disregarding marketplace niceties, Mr. Tramiel bucks the current trend in the personal-computer industry, in which the use of slick, sophisticated marketing techniques is gospel. Personal-computer companies turned to traditional package-goods marketing in the early 1980s when Atari Inc., then owned by Warner, recruited James Morgan from his position as exec vp-marketing at Philip Morris USA to take over the ailing company and Apple hired soft-drink marketer John Sculley, president of Pepsi-Cola USA, to assume the helm at Cupertino.

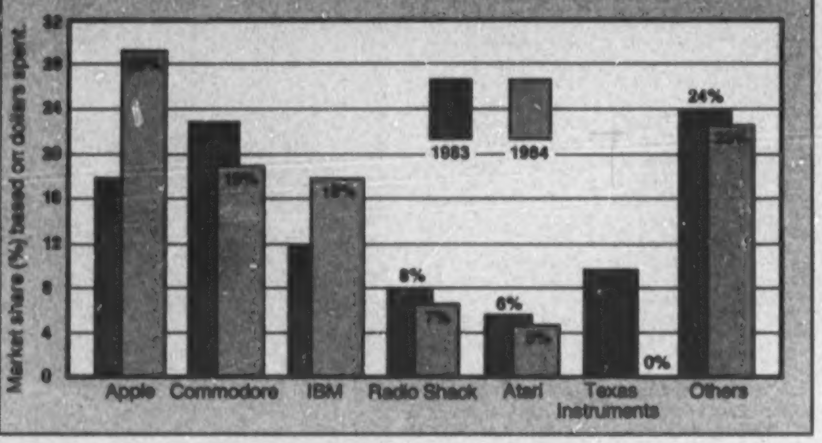
Mr. Tramiel runs against the grain in this and other ways. When he acquired Atari, he promptly installed his three sons in key positions: Sam, 36, as president; Leonard, 30, a former physicist, as vp-software, and Gary, 25, an ex-stockbroker, as vp-administration. Mr. Tramiel managed to work with son Sam while still at Commodore, but his efforts to bring the rest of his family on board contributed to his departure from that company. Family, however, is particularly important to Mr. Tramiel. Born in Poland, he is a survivor of the Auschwitz concentration camp and lost most of his family in World War II.

Mr. Tramiel has transferred his survival instincts to the business world, where his tough-minded tactics turned Commodore, founded as a typewriter repair shop, into a $1 billion international marketer of computers. In taking over Atari, Mr. Tramiel thus carried with him an intimate knowledge of his largest competitor, Commodore, which ranked first in market share based on units sold during the flurry of home-computer

(Continued on Page 112)

Shares of the home-computer market

Even though Atari ranks only fifth among major manufacturers of home computers, the company hopes to regain some of its former glory with ex-Commodore boss Jack Tramiel calling the shots and cracking the whip. *Source: Future Computing Inc.*



Atari bucks CES, cites costs

By CLEVELAND HORTON

Atari Corp.'s unexpected decision to drop out of the upcoming Consumer Electronics Show surprised many observers. But others suggest the move may reflect the company's belief that low prices alone will guarantee success for its new lines of home computers *(see related story above).*

Sunnyvale, Cal.-based Atari introduced those new machines at the January CES in Las Vegas. Its decision not to attend the June show in Chicago was disclosed last week (AA, April 18).

The company will be represented in some manner in Chicago, insisted Greg Pratt, president of Atari (U.S.) Corp., the company's domestic sales subsidiary. It may rent hotel suites near the exhibit hall to meet with retailers, he said.

Mr. Pratt, who said he wasn't informed of his company's decision, said the $500,000-plus over-all cost of exhibiting was too expensive.

Kenneth Lim, an analyst with DataQuest, San Jose, Cal., believes Atari's decision to drop out of the June CES may be based on concern it might suffer by comparison with rival Commodore Business Machines, West Chester, Pa.

Atari has no new products to exhibit, but Commodore may unveil the Amiga, its newest personal computer, at the show.

The "no-show" decision apparently was made by Atari chairman Jack Tramiel himself. Mr. Tramiel was attending a computer show in Hanover, West Germany, at the time the decision was disclosed and could not be reached for comment.

A spokesman for the the Electronics Industry Assn., which sponsors the CES, confirmed that Atari told the association earlier this month that it didn't plan to participate.#

HBO has no place for soft-sell ads

By SUSAN SPILLMAN

NEW YORK—Home Box Office has temporarily shelved its image-building "There's no place like HBO" commercials for a more aggressive $10 million campaign that it hopes will reverse a declining sales chart.

Starting this week and running through mid-June, the pay tv network will hype its upcoming programing with the new theme "HBO all-star summer."

Broadcast tv and cable commercials, page newspaper ads and direct-mail pieces will saturate 35 markets, including Atlanta, Miami, Denver and Houston.

During the six-week period, HBO aims to deliver its message to 45 million households.

While HBO is buying $10 million worth of media, the most it has ever spent in so short a period, the cable network expects participating affiliates to chip in with another few million for this effort.

Between August and mid-October, HBO will wage another acquisition-oriented campaign that may exceed $10 million.

The "HBO all-star summer" and last year's "There's no place like HBO" both were created by BBDO.

The new commercials, with their action movie and concert clips set to fast-paced music and a hard-sell pitch, represent a radical departure from HBO's most recent network tv campaign, in which couples and families were pictured as they cuddled in front of the tube to watch cable.

"Let's face it: We're in a maturing phase of our life cycle. It's harder to get new subscribers now," said John Billock, HBO senior vp-marketing.

"No longer can we count on new markets. We've got to go deeper into the markets where we are already distributed."

HBO netted only 776,000 new subscribers in 1984, compared to 2.2 million in 1983, according to Kagan Associates. Still, Mr. Billock said the company's 1984 campaign was successful in that it improved public awareness of HBO.

"But this year we've been squirreling away our resources for a strong product promotion. You can't do image advertising in a vacuum."

Now we're looking to close the sale."

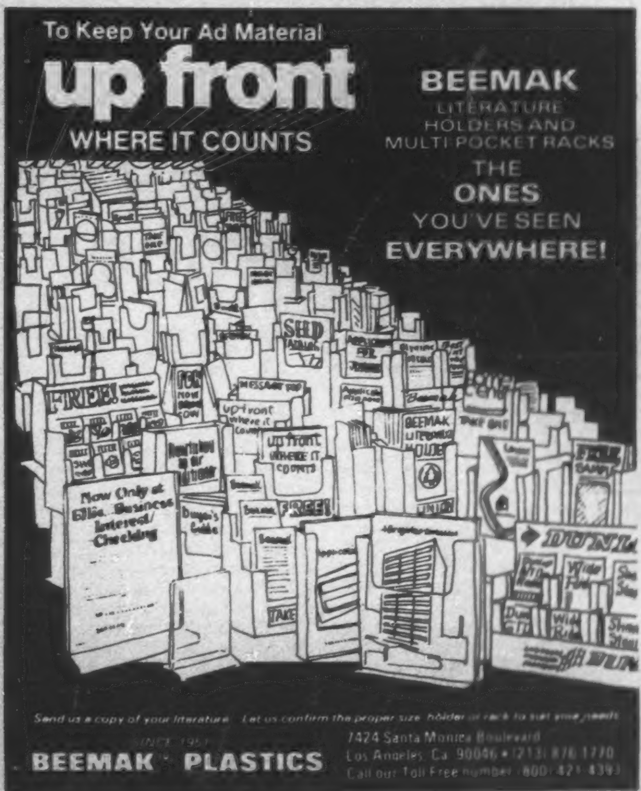
How many sales is he hoping for? Mr. Billock would not reveal a number, except to say that of the 10 million direct-mail pieces it will distribute, HBO was expecting a 2.5% return, or 250,000.

The campaign precedes the summer, traditionally the period in which both pay tv viewing and disconnecting are at their highest.

Mr. Billock believes the latter phenomenon may be a self-fulfilling prophecy, since cable companies seldom market heavily in the summer.

The "There's no place like HBO" campaign won't be completely bagged.

It may turn up again at a later date or be combined somehow with the new hard-sell strategy, said Mr. Billock.#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BBDO to sharpen Visa's edge

By RUTH STROUD

Visa USA hopes BBDO, the agency that glamorized Pepsi as "the choice of a new generation," will lend similar sparkle to its familiar, but slightly shopworn, blue, white and tan card.

San Mateo, Cal.-based Visa last week named BBDO, New York, to handle its $20 million domestic account (AA, April 18). Visa, which for 10 years has been handling the advertising in-house, is trying to defend its leading position in the bank card industry against the onslaught of new—and old—competitors by creating a new image.

The four-month review whittled an initial list of more than 25 agencies to five. The other finalists were all New York shops: Benton & Bowles; Dancer Fitzgerald Sample; Foote, Cone & Belding, and Young & Rubicam.

"Where BBDO stood out," explained Visa senior vp-marketing John Bennett, "their [ideas were] strategically more practical and their creative work was more unique."

The agency's potential to create "compelling or breakthrough advertising was really the one-two" that won it the account, as well as the "people fit" between the two parties, Mr. Bennett added.

Visa also was impressed with BBDO's work for PepsiCo and Chrysler Corp.'s Dodge division, he said, noting that there are certain similarities between the dealer organizations for these clients and Visa's relationship with its member banks.

Several key people working on the account have worked on Pepsi, including Gary de Paolo, exec vp-senior management representative, and Bill Katz, vp-management supervisor.

Phil Dusenberry, vice-chairman and executive creative director, also will be involved in the Visa account.

BBDO/West, San Francisco, will play a "significant support role" in maintaining day-to-day contact with Visa on the West Coast, said Allen Rosen-

(Continued on Page 129)

AA builds up staff in Detroit, Chicago

R. Serafin

P. Strnad

S. Stern

CHICAGO—Raymond Serafin has joined ADVERTISING AGE as a reporter in the Detroit bureau. He previously was a columnist for the *Daily Tribune*, Royal Oak, Mich., a Detroit-area newspaper.

In 11 years at the *Tribune*, Mr. Serafin also served as entertainment editor and a reporter covering politics, police, education and government.

He was graduated cum laude from the University of Notre Dame in 1970 with a bachelor's degree in communication arts.

Also in the Detroit bureau, Patricia Strnad has been promoted to reporter from editorial assistant. Ms. Strnad joined AA last year from Maritz Communications Co., Southfield, Mich. She was graduated Phi Beta Kappa from Wayne State University 1983 with a bachelor's degree in English literature.

In AA's Chicago office, Sara E. Stern has joined as an editorial assistant.

Ms. Stern most recently was a creative assistant at Tatham-Laird & Kudner. She is a 1984 graduate of Syracuse University.#

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CORRECTIONS & CLARIFICATIONS

- A story about Penelope Hawkey joining Bloom Agency (AA, March 25, P. 44) incorrectly described an agency she earlier co-founded, Dillon Gordon Hawkey Shortt, as now defunct. In fact, it is in business, under the name Gordon & Shortt, with offices in New York and Detroit.
- The telephone number listed in a profile on Los Angeles-based Ray Coen Co. should have been (213) 477-4583 (AA, March 28, P. 109).
- JanklowBender, a New York-based ad agency with gross income in 1984 of an estimated $1.1 million on billings of $7.5 million, was left out of the Agency Profiles issue (AA, March 28). The agency, recently renamed from Ferber Janklow Chimbel Bender, can be reached at (212) 475-8030.
- Media Records has supplied the following corrected figures for the newspaper advertising data for January (AA, April 1, P. 70): Baltimore *Sun* (M), 1985 full run—101,061; 1985 full run grand total—357,116; Fort Lauderdale *Sun-Sentinel* (Sat), inches are included with the morning data and should not have been shown separately; 1985 full run grand total—388,562; *Sun-Sentinel* (M), 1984 full run—310,913; Honolulu *Advertiser* (M), 1984 full run—111,440; 1984 full run grand total—301,461; Houston *Chronicle* (S), 1985 full run—113,702, 1985 full run grand total—587,309, *Chronicle* (S) 1985 part run—17,629, 1985 part run grand total—100,939; Los Angeles/San Fernando Valley *News* (M), 1985 full run—160,128, part run—31,128; *San Francisco Examiner & Chronicle* (S), 1985 part run—23,954; part run grand total—132,745.
- Actor Sorrell Booke does not portray the copyrighted Boss Hogg character from the "Dukes of Hazzard" in his role as Stop N Go spokesman as earlier reported (AA, April 15, P. 8). Also, the spot airs in Texas and Las Vegas, not in 11 Sunbelt states.
- In a story about former ad executive Allan Wikman (AA, April 18, P. 55), the Weist-Barron company incorrectly was identified as Dwight Barron.#

14 of 16 categories up in January

Ad Age revises monthly Flash Report

NEW YORK—ADVERTISING AGE has revised its monthly Flash Report of Newspaper Advertising Investments to more accurately reflect the spending patterns of the industry's largest advertisers.

The changes are effective with the report covering last January's spending. The reports are prepared by Media Records Inc., based on actual measurements of ads in 29 daily and 23 Sunday newspapers in 15 major markets: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington, D.C. and Youngstown, O.

Seven new categories

Seven new categories, two each in the national and financial classifications and three in the retail classification, have replaced seven categories that in recent years had shown little or relatively minor spending activity in newspapers.

The new national categories are: Computers, equipment and services, including marketers of hardware, software, system peripherals and services, and public service utilities and communications, including telephone companies, public electric and gas utilities and providers of long-distance telecommunications services.

The new financial categories: Banks and trust companies and Stock, bond and investment houses.

The new retail categories are: Amusements, including movie and entertainment advertisers; computer stores and supplies, and general merchandise stores, a category that includes several of the nation's largest retailers.

The seven categories no longer covered are: Coffee and tea; beverages: Soft drinks, diet and nondiet; soaps, cleansers and polishes; cough, cold and sinus remedies; headache remedies and sedatives; sporting and leisure time equipment, and cosmetics, make-up and manicure products.

Gains in 14 of 16

Advertiser investments in the measured markets increased in 14 of 16 categories in January from the same month last year, with food stores, new passenger cars and radio-tv-phonographs-records retailers leading in dollar increases.

The food store category rose 21.1% to $27.03 million; passenger cars-new grew 33.3% to $13.81 million, and radio-tv-phonographs-records increased 28.1% to $13.91 million. Among the largest gainers were alcoholic beverages, up 63.3% to $643,278, and computers, equipment and services, up 58.8% to $2.86 million.

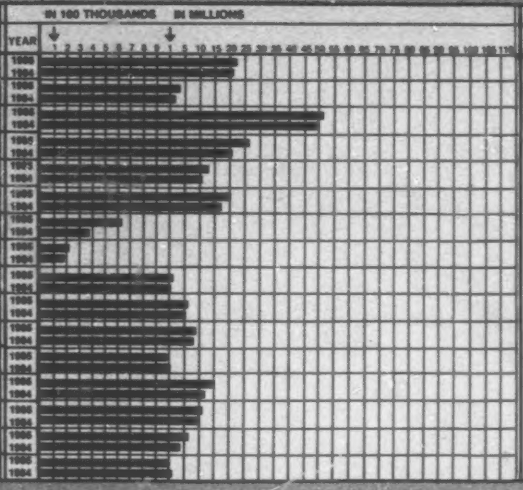
Computer stores and supplies, in the retail category, was up 28.7% to $4.3 million.

Among the other national classifications, cameras-photo supplies and services rose 15.8% to $222,936; public service utilities and communications rose 2.6% to $5.53 million; publishing and media rose 11.5% to $9.3 million, and airlines rose 22.5% to $15.2 million. The only declining category in the national class was cigarets, off 32.7% to $4.3 million.

Among the retail classifications, amusements gained 6.4% to $23.5 million; department stores gained 2.8% to $52.3 million, and general merchandise stores gained 15.3% to nearly $21 million.

In the financial categories, banks and trust companies increased 34.9% to $6.6 million, and stock, bond and investment houses, the other January decliner, fell 32.7% to $1.3 million.#

FLASH REPORT: Newspaper advertising investment for January



January 1985 CATEGORIES	YEAR	DOLLARS 1985	DOLLARS 1984	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	1985 1984	$23,561,841	$22,136,148	+1,425,693	+6.4
Computer stores & supplies	1985 1984	4,336,434	3,369,092	+967,342	+28.7
Department stores	1985 1984	52,292,665	50,877,115	+1,415,550	+2.8
Food stores	1985 1984	27,034,742	22,325,810	+4,708,932	+21.1
Radio, tv, phonographs, records	1985 1984	13,917,138	10,861,301	+3,055,837	+28.1
General merchandise stores	1985 1984	20,982,106	18,197,510	+2,784,596	+15.3
Alcoholic beverages	1985 1984	643,278	393,980	+249,298	+63.3
Cameras, photo supplies & services	1985 1984	222,936	192,547	+30,389	+15.8
Computers, equipment & services	1985 1984	2,866,593	1,805,441	+1,061,152	+58.8
Public service utilities & communications	1985 1984	5,533,273	5,390,946	+142,327	+2.6
Publishing & media	1985 1984	9,299,992	8,337,624	+962,368	+11.5
Cigarettes	1985 1984	4,302,411	6,384,431	−2,082,020	−32.7
Airlines	1985 1984	15,193,384	12,407,640	+2,785,744	+22.5
Passenger cars-new	1985 1984	13,818,864	10,369,746	+3,449,118	+33.3
Banks & trust companies	1985 1984	6,672,250	4,944,471	+1,727,779	+34.9
Stock, bond & investment houses	1985 1984	1,370,927	2,037,647	−666,720	−32.7

This Flash Report of newspaper advertiser investment, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 35 dailies and 24 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Audit Bureau scraps Zip rule

By WILLIAM F. GLOEDE

The Audit Bureau of Circulations' board of directors quietly has dropped a rule that would have required newspapers to report circulation by Zip code areas.

The board also voted to waive temporarily its prohibition against same-day promotion of the value of all cents-off coupons in a newspaper.

The Zip code rule, which would have taken effect next spring, was opposed fiercely by ABC's newspaper industry members. It was the subject of an unusually harsh debate, most recently during the ABC's annual meeting (AA, Nov. 5).

Newspaper publishers contended reporting circulation by the Zip code in which a paper was delivered would pose serious and costly administrative problems, and that the ABC never had devised an acceptable method of reporting single-copy sales by Zip codes.

The publishers argued that simply reporting a sale in the Zip code where the paper was purchased would not reflect accurately where the reader lived, thereby reporting sales of papers being taken to upscale areas as sales to readers in downtown, urban areas.

Large metropolitan dailies particularly were concerned with the Zip code rule, because they traditionally have large street sales. They feared an unrealistic portion of their circulation would be reported in city zones.

They also were apprehensive that their household coverage within suburban Zip codes with demographics attractive to advertisers would compare unfavorably with smaller, suburban dailies, circulation of which is concentrated in these communities.

Lifting the prohibition on the coupon promotion will enable the newspaper industry to test the effects of such promotion on circulation, coupon redemption rates, product movement and, indirectly, misredemption.

The test is to be conducted next month in four paired markets.

One of the test pairs is Louisville, Ky. (*Courier-Journal* and *Louisville Times*) and Raleigh, N.C. (*Raleigh News & Observer* and *Raleigh Times*).

The other is two Florida cities, Orlando (*Orlando Sentinel* and *Florida Times-Union*) and Jacksonville (*Jacksonville Journal*).

The test will be monitored by the ABC, the Newspaper Advertising Bureau, New York, and the American Newspaper Publishers Assn., Reston, Va.

The industry hopes to convince ABC's advertiser members that same-day promotion of coupon values will increase newspaper circulation, but not redemption or misredemption rates.#

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Y&R passes Dentsu as top shop

By DENNIS CHASE

Young & Rubicam supplanted Dentsu as the biggest advertising agency in the world—a position Dentsu has held since 1973.

According to ADVERTISING AGE's annual Foreign Agency Income survey of 892 agencies in 72 countries, in 1984 Y&R's gross income, measured in U.S. dollars, rose to $480.1 million, or 16% more than 1983. The agency's billings rose to $3.2 billion during that period.

Dentsu's gross income, also measured in U.S. dollars, rose to $468.4 million, or 6% more than 1983, while its billings rose to $3.48 billion.

Gross income for all agencies in the survey reached $4.34 billion, or 17% more than 1983, when 895 agencies reported their results.

One reason Y&R was able to usurp the No. 1 position was a strong U.S. dollar compared with other currencies, particularly the Japanese yen.

Because of the strong dollar, Y&R has been cutting into Dentsu's lead for several years.

If Dentsu's and Y&R's gross income this year had been restated at the 1981 exchange rate, Dentsu would have retained its No. 1 position.

However, observers point out that when Dentsu nudged aside J. Walter Thompson Co. as the largest agency in the world in 1973, it benefited from a strong yen relative to the U.S. dollar.

Dentsu also may have suffered because its gross income was calculated as 13.5% of its over-all billings, while Y&R uses a higher percentage—15%—to calculate gross income from billings. Y&R executives say income figures come first, not billings, which are capitalized. Dentsu remains the worldwide billings leader.

Both Y&R and Dentsu benefited from the strong showing of their 50-50 joint venture, DYR Worldwide. With $36.9 million in 1984 gross income, compared with $29.4 million in 1983, DYR ranked No. 41. It did not make the top-50 ranking in 1983.

The DYR venture helped Y&R grow faster in Asia than in Europe. In the U.K., Y&R fell from No. 4 in 1983 to No. 8 in 1984; in Germany, from No. 5 to No. 7; in Italy, from No. 3 to No. 5, and in Switzerland, from No. 1 to No. 7.

Part of this tumble is attributed to the removal of the Marsteller agencies from Y&R's totals in each of those countries, because Marsteller has become part of HCM—a joint venture with Havas Conseil in France and Y&R's Marsteller. HCM's financial totals will be included in Y&R's over-all totals next year.

In other changes, McCann-Erickson fell from No. 6 to No. 8 in the world, and was overtaken by BBDO and Saatchi & Saatchi Compton Worldwide. Ogilvy & Mather moved from No. 5 to No. 4.

Those agencies which have most of their business in the U.S. suffered less because of the strong U.S. dollar than those which have big international businesses.

Agencies with heavy overseas billings sustained a double whammy because growth in U.S. advertising—like the U.S. economy—is outstripping foreign growth.

In a separate AD AGE questionnaire, agencies were asked to pinpoint problems in their markets:

- In Japan, taxes on advertising continue to be the major worry of Japanese agencies.
- In France, the major change expected this year is the growth in private commercial tv.
- In the U.K., inflation and its impact on salaries and media costs is widely viewed as a problem. Also, the growth of independent media-placement companies and erosion of the full-service concept are putting pressure on the commission system there.
- In Germany, some agencies believe growing unemployment and the demand for a 35-hour work week will inhibit the advertising business this year.
- In South Africa, a possible increase in the general sales tax, inflation and the falling value of the rand are cited as problems. Also, marketers with exportable products are positioned better than purely domestic marketers, agencies say.
- In Australia, restrictions on advertising of cigarets, alcoholic beverages, automobiles and advertising to children are cited as problems, along with global campaigns that take business from local agencies.#

Mr. Chase is the international editor of ADVERTISING AGE.

1973 Rankings

1. Dentsu Advertising
2. J. Walter Thompson Co.
3. McCann-Erickson
4. Young & Rubicam Intl.
5. Leo Burnett Co.
6. Ted Bates & Co.
7. SSC&B Inc.
8. Ogilvy & Mather Intl.
9. BBDO
10. Masius & D'Arcy-MacManus

Source: compiled by Advertising Age.

AGENCY INCOME REPORT

World's top 50 ad agencies in 1984

Rank*		Agency	Gross income	Billings
1.	(2)	Young & Rubicam[1]	480.1	3.20 bill.
2.	(1)	Dentsu Inc.	468.4	3.48 bill.
3.	(3)	Ted Bates Worldwide[2]	424.4	2.84 bill.
4.	(5)	Ogilvy & Mather Intl.[3]	421.0	2.89 bill.
5.	(4)	J. Walter Thompson Co.[4]	405.8	2.71 bill.
6.	(7)	BBDO International[5]	340.0	2.28 bill.
7.	(8)	Saatchi & Saatchi Compton Worldwide[6]	337.5	2.30 bill.
8.	(6)	McCann-Erickson	325.2	2.17 bill.
9.	(10)	Foote, Cone & Belding Communications[7]	268.5	1.80 bill.
10.	(9)	Leo Burnett Co.	253.5	1.73 bill.
11.	(13)	Grey Advertising	224.2	1.50 bill.
12.	(11)	Doyle Dane Bernbach[8]	218.3	1.51 bill.
13.	(14)	D'Arcy MacManus Masius	198.6	1.34 bill.
14.	(15)	Hakuhodo International	197.7	1.50 bill.
15.	(12)	SSC&B:Lintas Worldwide	182.9	1.23 bill.
16.	(16)	Benton & Bowles	159.4	1.13 bill.
17.	(17)	Marschalk Campbell-Ewald	140.3	935.6
18.	(22)	Needham Harper Worldwide	114.7	775.0
19.	(19)	Dancer Fitzgerald Sample	110.4	758.0
20.	(21)	N W Ayer	104.7	751.7
21.	(18)	EUROCOM/Univas	104.3	706.2
22.	(23)	Wells, Rich, Greene	96.3	632.0
23.	(26)	Bozell & Jacobs	94.2	671.0
24.	(25)	Publicis International	78.3	525.0
25.	(24)	William Esty Co.	78.0	520.0
26.	(20)	HCM[9]	75.3	502.0
27.	(29)	Ketchum Communications	60.9	406.1
28.	(28)	Daiko Advertising	59.5	475.9
29.	(34)	Backer & Spielvogel	59.3	395.7
30.	(33)	Dai Ichi Kikaku	58.6	416.8
31.	(27)	Kenyon & Eckhardt	56.4	376.2
32.	(32)	Tokyu Advertising	53.9	434.5
33.	(30)	Cunningham & Walsh	53.3	370.0
34.	(36)	Campbell-Mithun	45.0	300.3
35.	(42)	Scali, McCabe, Sloves	44.6	307.0
36.	(35)	HBM/Creamer	44.2	294.8
37.	(37)	Yomiko Advertising	43.5	260.1
38.	(43)	TBWA	40.5	270.0
39.	(44)	Ross Roy Inc.	37.8	252.0
40.	(41)	Roux Seguela Cayzac & Goudard[10]	37.5	250.2
41.	(—)	DYR Worldwide	36.9	246.0
42.	(45)	Della Femina, Travisano & Partners	33.0	220.0
43.	(49)	Leber Katz	32.4	279.3
44.	(—)	Tracy-Locke	32.4	239.8
45.	(48)	Laurence, Charles & Free	32.3	215.0
46.	(46)	Belier Group	32.2	214.5
47.	(38)	MPM Propaganda	32.1	128.2
48.	(50)	George Patterson[11]	32.0	204.0
49.	(—)	Asatsu	31.5	246.0
50.	(—)	Wunderman, Ricotta & Kline	31.2	256.8

Included in figures:

[1] **Young & Rubicam:** Hutchings/Y&R; Sive Associates; Young & Rubicam/Zemp; Creswell, Munsell, Fultz & Zirbel; Rives, Smith, Baldwin & Calberg/Y&R; Burson-Marsteller (including Cohn & Wolfe and Rogers Merchandising); Cato Johnson, CYB; Chapman Direct Marketing; Stone & Adler; Sudler & Hennessey; Wunderman, Ricotta & Kline; Y&R Entertainment Division; DYR (joint venture); Marsteller.

[2] **Ted Bates Worldwide:** William Esty; AC&R Advertising; Campbell-Mithun; Diener/Hauser/Bates; McDonald & Little; Sawdon & Bess Advertising; Stern Walter/Earle Ludgin.

[3] **Ogilvy & Mather International:** O&M Direct Response; Dudley-Anderson Yutzy; O&M Washington OR; A. Eicoff & Co.; O&M Promotions; O&M Recruitment; O&M Special Markets; Scali, McCabe, Sloves; Cole & Weber; Graphic Services; O&M Hispanic, Partners, Presents; Rolf Werner Rosenthal; Sussman & Sugar; O&M Yellow Pages and O&M Hawaii.

[4] **J. Walter Thompson Co.:** Brouillard Communications; J. Walter Thompson USA; Thompson Recruitment Advertising; Market Behavior.

[5] **BBDO International:** BBDO Chicago, Direct, West; BDA/BBDO; Blair Advertising; Caravetta Allen Kimbrough/BBDO; Doremus & Co.; GM DuBois; Hannaford Co.; Quinn & Johnson/BBDO; Marcoa Direct Advertising; RC Communications; Franklin Spier; Tracy-Locke; Waring & LaRosa; Frank J. Corbett; Lavey/Wolff/Swift; Telerx Marketing.

[6] **Saatchi & Saatchi Compton Worldwide:** Irv Koons Associates; Rumrill-Hoyt; Fairfax Inc.; Cochrane Chase, Livingston; Kleminer Advertising; Mayo Infurna Design; Cadwell Davis Partners; Hoffman York; McCaffrey & McCall, Kleid Co.; the Hay Group; Dorland Advertising.

[7] **Foote, Cone & Belding Communications:** Lewis Gilman & Kynett; Albert Frank/Guenther Law; Deutsch, Shea & Evans; Carl Byoir & Associates; North Castle Partners; Smith-Hemmings-Gosden; VICOM Associates.

[8] **Doyle Dane Bernbach:** Cargill, Wilson & Acree; Fletcher/Mayo/Associates; Bernard Hodes Advertising; Keller, Philips, Rose; Milici Valenti Advertising; Rapp & Collins.

[9] **HCM:** joint venture between Havas Conseil (51% EUROCOM/Univas) and Marsteller Intl. (49% Young & Rubicam).

[10] **Roux Seguela Cayzac & Goudard Group:** Includes offices in the U.K., Netherlands, Belgium, Germany, Switzerland, Italy, Spain, Saudi Arabia, Lebanon, Ivory Coast, Gabon, Reunion, Guadeloupe and Martinique.

[11] **George Patterson** part of Ted Bates Worldwide.

*Parentheses indicate 1983 rank. Figures, in millions ($), are based on total equity interest in foreign shops.

Source: compiled by Advertising Age.

ARGENTINA

Exchange rate: 0.0289 peso

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
J.Walter Thompson Argentina	Buenos Aires	12,655.8	3,323.4	N/A	84,376.4	22,157.0	Ps437,917.6	Ps2.92 bill.	137	135	1.0	1
Ricardo de Luca Publicidad	Buenos Aires	7,803.0	4,203.3	N/A	52,020.0	13,668.0	270,000.0	1.80 bill.	105	107	– 2.0	1
Casares, Grey & Asociados	Buenos Aires	6,358.0	2,073.2	N/A	25,014.2	7,970.2	220,000.0	865,542.0	76	70	9.0	2
Gowland Publicidad	Buenos Aires	6,358.0	2,149.1	N/A	24,565.0	8,596.6	220,000.0	850,000.0	82	75	9.0	1
David Ratto S.A.	Buenos Aires	4,702.0	1,955.0	N/A	20,259.0	9,265.0	162,700.0	701,005.0	79	75	5.0	1
Solanas Ayer	Buenos Aires	4,043.1	1,223.8	N/A	16,643.7	6,919.5	139,900.0	575,907.0	42	44	– 5.0	1
McCann-Erickson S.A. de Publicidad	Buenos Aires	3,728.0	1,000.6	N/A	24,866.0	6,674.1	128,982.0	860,310.0	63	50	26.0	N/A
Ortiz Scopesi y Cia.	Buenos Aires	3,642.2	1,520.8	N/A	20,370.9	8,551.8	126,029.2	704,873.8	91	86	6.0	1
Pragma/Foote, Cone & Belding	Buenos Aires	2,590.1	944.6	N/A	17,276.3	2,142.2	89,624.4	597,794.9	62	62	0.0	1
Verdino-Funes-Straschnoy	Buenos Aires	2,546.3	651.4	N/A	10,350.8	2,713.9	88,107.0	358,161.0	40	30	33.0	1
Lintas Argentina	Buenos Aires	2,451.5	883.7	N/A	19,755.0	2,493.4	84,826.0	683,558.0	46	46	0.0	1
Leo Burnett-Argentina	Buenos Aires	1,865.0	675.0	N/A	12,433.0	4,502.0	64,533.0	430,435.0	39	47	– 17.0	1
Young & Rubicam de Argentina	Buenos Aires	1,640.0	174.0	N/A	10,939.0	1,161.0	56,744.0	378,489.4	19	26	– 27.0	1
Cicero/Ted Bates Publicidad	Buenos Aires	1,473.9	501.2	N/A	5,990.0	3,698.0	51,000.0	501,413.0	48	40	20.0	N/A
Lautrec Publicidad	Buenos Aires	1,445.0	329.4	N/A	5,780.0	4,479.0	50,000.0	200,000.0	75	70	7.0	1
Johnson/Benton & Bowles	Buenos Aires	380.2	521.9	N/A	2,050.5	3,072.0	13,155.8	70,950.7	28	33	– 15.0	1

*With Argentinian agencies, AA altered its procedure of determing an agency's "real growth" (applying 1984 exchange rate to 1983 returns) because it primarily shows the impact of inflation in that economy. Dollar figures for 1983 are based on the average annual exchange rate for that year.

AUSTRALIA

Exchange rate: 0.8892 A dollar

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
George Patterson	Sydney	32,000.0	28,500.0	12.0	204,000.0	171,800.0	A$36,000.0	A$230,000.0	442	420	5.0	4
Clemenger Australia	Melbourne	28,504.2	23,691.1	20.0	178,151.6	158,019.5	32,056.0	200,350.0	484	472	3.0	12
Monahan Dayman Adams Group	Melbourne	21,382.1	16,037.3	33.0	133,637.9	100,232.3	24,046.4	150.290.1	413	332	24.0	16
Ogilvy & Mather (Australia)	Melbourne	17,784.0	14,543.8	22.0	118,678.9	97,006.4	20,010.0	133,467.0	418	358	17.0	8
McCann-Erickson (Australia)	Sydney	15,887.0	13,002.0	22.0	105,966.0	86,723.0	17,867.0	119,173.0	347	293	18.0	N/A
Young & Rubicam Australia	Sydney	15,464.0	7,467.0	107.0	103,145.0	49,805.0	17,375.0	115,522.4	250	130	92.0	4
Leo Burnett Ltd.	Sydney	12,425.0	11,457.0	8.0	82,832.0	76,418.0	13,973.0	93,200.0	277	277	0.0	6
Schofield Sherbon Baker Ltd	Sydney	6,402.2	4,890.6	31.0	35,568.0	31,122.0	7,200.0	40,000.0	110	105	5.0	4
Saatchi & Saatchi Compton	Sydney/Melbourne	5,487.3	3,962.3	38.0	36,768.4	26,734.7	6,171.0	41,350.0	62	52	19.0	2
Neville Jeffress Advertising	Sydney	5,343.6	4,178.3	116.0	35,624.0	27,855.1	6,009.5	40,063.0	132	138	– 4.0	N/A
Mojo	Sydney	5,249.6	3,751.5	40.0	36,144.6	24,713.5	5,903.7	40,648.5	53	42	26.0	2
Connaghan & May Ayer	Sydney	4,253.0	4,164.6	2.0	24,520.1	24,181.8	4,783.0	27,575.5	65	66	– 2.0	3
Doyle Dane Bernbach	Sydney	4,113.0	3,660.0	12.0	23,818.0	21,363.0	4,626.0	26,786.0	77	71	8.0	5
The Campaign Palace	Sydney	3,716.9	2,544.9	46.0	24,453.0	16,005.6	4,180.0	27,500.0	51	40	28.0	N/A
The Weston Co.	Sydney	3,521.2	1,431.6	146.0	18,040.0	9,990.0	3,960.0	22,000.0	65	29	124.0	3
Dancer Fitzgerald Sample Australia	Sydney	3,467.9	1,485.0	134.0	18,040.0	9,990.0	3,900.0	22,000.0	54	28	93.0	2
Forbes, Macfie, Hansen	Sydney	3,112.2	2,614.2	19.0	25,786.8	21,785.4	3,500.0	29,000.0	41	41	0.0	N/A
William Roberts Advertising	Sydney	3,069.0	N/A	N/A	20,459.9	N/A	3,451.4	23,009.3	23	N/A	N/A	N/A
Magnus Nankervis & Curl	Sydney	2,983.3	2,588.5	15.0	18,645.4	16,178.1	3,355.0	20,968.8	45	45	0.0	2
Grey & Murray Evans	Sydney	2,598.1	2,315.9	12.0	17,329.7	15,446.7	2,921.9	19,489.1	43	45	– 4.0	1
Buchanan Bullpitt & Grey	Sydney	2,285.0	2,445.2	– 7.0	15,240.9	16,309.5	2,569.7	17,139.9	32	37	– 14.0	1
Hertz Walpole Campbell-Ewald	Sydney	2,094.0	2,453.0	– 15.0	13,967.0	16,362.0	2,355.0	15,708.0	24	27	– 11.0	N/A
Hammond Advertising	Sydney	2,080.7	1,200.4	73.0	10,660.0	7,270.0	2,340.0	13,000.0	45	27	67.0	2
Pope & Kiernan & Black	Sydney	1,970.2	1,931.9	2.0	13,521.5	13,019.0	2,215.7	15,206.3	28	29	– 3.0	1
Dalziel, Harper & Grey	Melbourne	1,960.7	1,703.7	15.0	13,077.9	11,363.7	2,205.0	14,707.4	36	N/A	N/A	2
Harris Robinson Courtenay	Sydney	1,818.2	1,422.2	28.0	11,417.3	9,416.0	2,044.8	12,840.0	31	32	– 3.0	1
Yared Perry Paton	Melbourne	1,584.6	1,300.9	22.0	9,145.4	7,684.5	1,782.0	10,285.0	29	24	21.0	2
Scali, McCabe, Sloves	Melbourne	1,526.8	1,058.1	44.0	8,980.9	6,224.4	1,717.0	10,100.0	25	23	9.0	1
DYR Pty. Ltd.	Melbourne	100.4	N/A	N/A	670.0	N/A	112.9	753.5	6	N/A	N/A	1

AUSTRIA

Exchange rate: 0.0509 schilling

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
GGK Wien	Vienna	2,407.6	1,684.8	43.0	16,058.9	11,248.9	Sch47,300.0	Sch315,500.0	42	31	35.0	1
Lintas Werbeagentur	Vienna	2,384.6	2,231.7	7.0	17,572.2	16,482.0	46,848.0	345,230.0	41	42	– 2.0	1
McCann-Erickson	Vienna	2,232.0	2,090.0	7.0	14,887.0	13,940.0	43,843.0	292,433.0	43	44	– 2.0	N/A
Demner & Merlicek	Vienna	2,050.3	1,503.1	36.0	13,946.6	10,027.3	40,280.0	274,000.0	35	29	21.0	1
Werbeagentur Wirz	Vienna	1,530.0	1,150.0	33.0	10,190.0	9,430.0	30,000.0	200,100.0	15	15	0.0	1
MMS-Werbeagentur	Linz	1,500.0	1,400.0	7.0	10,600.0	10,078.0	29,700.0	208,000.0	26	26	0.0	1
Die Sieber Saatchi & Saatchi Compton	Vienna	1,338.7	866.9	54.0	8,933.0	8,174.1	26,300.0	175,500.0	23	25	– 8.0	1
Team Austria Werbeagentur	Vienna	1,333.6	1,155.4	15.0	8,856.6	7,685.9	26,200.0	174,000.0	23	22	5.0	1
J. Walter Thompson	Vienna	1,319.0	1,457.0	– 9.0	8,793.0	9,713.0	25,913.0	172,761.0	37	39	– 5.0	1
Ogilvy & Mather Wien	Vienna	1,261.1	1,183.0	7.0	8,411.7	7,890.5	24,776.5	165,259.3	32	30	7.0	2
Young & Rubicam	Vienna	1,205.0	1,019.0	18.0	8,037.0	6797.0	23,678.0	157,927.1	27	24	13.0	1
Ernst Haupt-Stummer Werbeagentur	Vienna	1,170.0	936.0	25.0	9,110.0	7,646.0	23,000.0	179,000.0	15	12	25.0	1
Dr. Puttner & Ted Bates Worldwide	Vienna	1,100.0	800.0	38.0	7,600.0	5,400.0	21,610.6	149,309.6	26	18	44.0	2
R.W. Eggert	Vienna	992.6	880.6	13.0	6,606.8	5,044.2	19,500.0	129,800.0	16	14	14.0	1
Dorland Advertising	Vienna	977.3	839.9	16.0	6,617.0	4,886.4	19,200.0	130,000.0	11	10	10.0	1
Intermarco Farner Publicis	Vienna	960.0	756.0	27.0	7,950.0	6,286.0	18,860.0	156,188.0	21	20	5.0	1
D'Arcy MacManus Masius	Vienna	922.0	875.0	5.0	6,150.0	5,913.0	18,116.0	120,830.0	19	20	– 5.0	1
Grey Austria	Vienna	763.5	600.0	27.0	6,515.2	4,988.2	15,000.0	128,000.0	20	19	5.0	1
Marketing Studio/FCB	Vienna	630.0	N/A	N/A	4,203.0	N/A	12,380.0	82,575.0	18	N/A	N/A	1
Dr. Kossdorff & Partner	Vienna	351.0	336.0	4.0	2,340.0	2,240.4	6,897.0	46,000.0	8	8	0.0	1
Campbell-Ewald Werbeagentur	Vienna	26.0	57.0	– 54.0	173.0	380.0	509.0	3,395.0	0	1	–100.0	N/A

BARBADOS

Exchange rate: 0.4618 B dollar

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Corbin Compton Ltd.	Bridgetown	431.9	345.3	25.0	2,855.3	2,482.0	B$935.2	B$6,183.0	18	19	– 5.0	5
Smith & Oxley Advertising	Belleville	391.6	390.4	0.0	2,958.4	3,048.5	847.9	6,406.2	22	22	0.0	1

BELGIUM

Exchange rate: 0.0176 B franc

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employees 1984	Employees 1983	Employees Per cent change	Number offices
McCann-Erickson S.A.	Brussels	4,789.2	4,164.1	15.0	31,943.0	27,774.0	BF272,114.0	BF1.81 bill.	125	113	11.0	N/A
HHD Ogilvy & Mather	Brussels	4,385.1	4,003.5	10.0	29,248.4	26,703.3	249,151.2	1.66 bill.	93	99	– 6.0	N/A
Lintas:Brussels	Brussels	3,878.1	3,600.2	8.0	25,867.0	24,014.0	220,348.0	1.47 bill.	77	77	0.0	1
Young & Rubicam Belgium S.A.	Brussels	3,296.0	2,962.0	11.0	21,984.0	19,757.0	187,279.0	1.25 bill.	71	63	13.0	3
Benton & Bowles S.A.	Brussels	3,187.0	3,176.3	0.0	21,255.0	21,186.0	181,059.0	1.21 bill.	85	85	0.0	1
J. Walter Thompson S.A.	Brussels	2,906.9	2,642.6	10.0	19,380.3	17,618.5	165,165.0	1.10 bill.	50	52	– 4.0	1
D'Arcy MacManus Masius S.A.	Brussels	2,851.5	2,547.6	12.0	19,019.5	16,922.7	162.017.0	1.81 bill.	72	62	16.0	2
Ted Bates Belgium	Brussels	2,829.4	2,651.5	7.0	14,446.0	12,698.0	160,760.0	820,803.0	64	63	2.0	2
Troost Campbell-Ewald S.A.	Brussels	2,808.0	2,614.0	7.0	18,729.0	17,435.0	159,525.0	1.06 bill.	62	60	3.0	N/A
HCM Dechy Univas	Brussels	2,786.4	2,587.2	8.0	18,585.6	17,256.6	158,320.0	1.06 bill.	71	64	11.0	1
VVL/BBDO-Brussels	Brussels	2,505.6	2,399.2	4.0	16,704.7	16,055.0	142,362.0	949,128.0	60	56	7.0	1
Impact-FCB Belgium	Brussels	2,404.0	2,071.0	16.0	16,036.0	13,817.0	136,605.0	911,156.0	57	49	16.0	1

Notes to individual listings

GENERAL

- **Young & Rubicam** does not report billings. Figures listed for Y&R billings throughout the charts are AA estimates.
- **Dorland Advertising**, part of the Saatchi & Saatchi Compton Worldwide network, has not yet finalized the terms of the equity buyout of DFS International's European agency network, and therefore the agencies in the network still are referred to as being part of DFS Intl.

ARGENTINA

Ortiz, Scopesi y Cia. part of Ogilvy & Mather Intl.

David Ratto part of BBDO Intl.

Lautrec Publicidad part of DFS Intl.

AUSTRALIA

George Patterson part of Ted Bates Worldwide.

Clemenger Australia part of BBDO Intl.

Monahan Dayman Adams Group consists of offices in Victoria, New South Wales, Western Australia, two in New Zealand, one in Tasmania and Singapore. Also, MDA Mattingly, MDA Direct, MDA Recruitment, Yardley Logan, MDA Maher, Chandler Hambleton Mier and Foster Nunn Loveder.

Young & Rubicam figures include Burson-Marsteller.

Saatchi & Saatchi Compton formerly Gough Waterhouse.

Neville Jeffress Advertising 1983 gross income AA estimate.

Forbes, Macfie, Hansen 1983 gross income AA estimate.

The Campaign Palace is 25% owned by George Patterson. Gross income figures are AA estimates.

The Weston Co. part of Fortune Communications Holdings.

William Roberts Advertising 1984 gross income and figures for 1983 AA estimates.

Magnus Nankervis & Curl part of BBDO Intl.

Pope & Kiernan & Black part of Kenyon & Eckhardt Intl.

Hammond Advertising part of Fortune Communications Holdings.

Scali, McCabe, Sloves part of Ogilvy & Mather.

DYR Ltd. incorporated November, 1984.

AUSTRIA

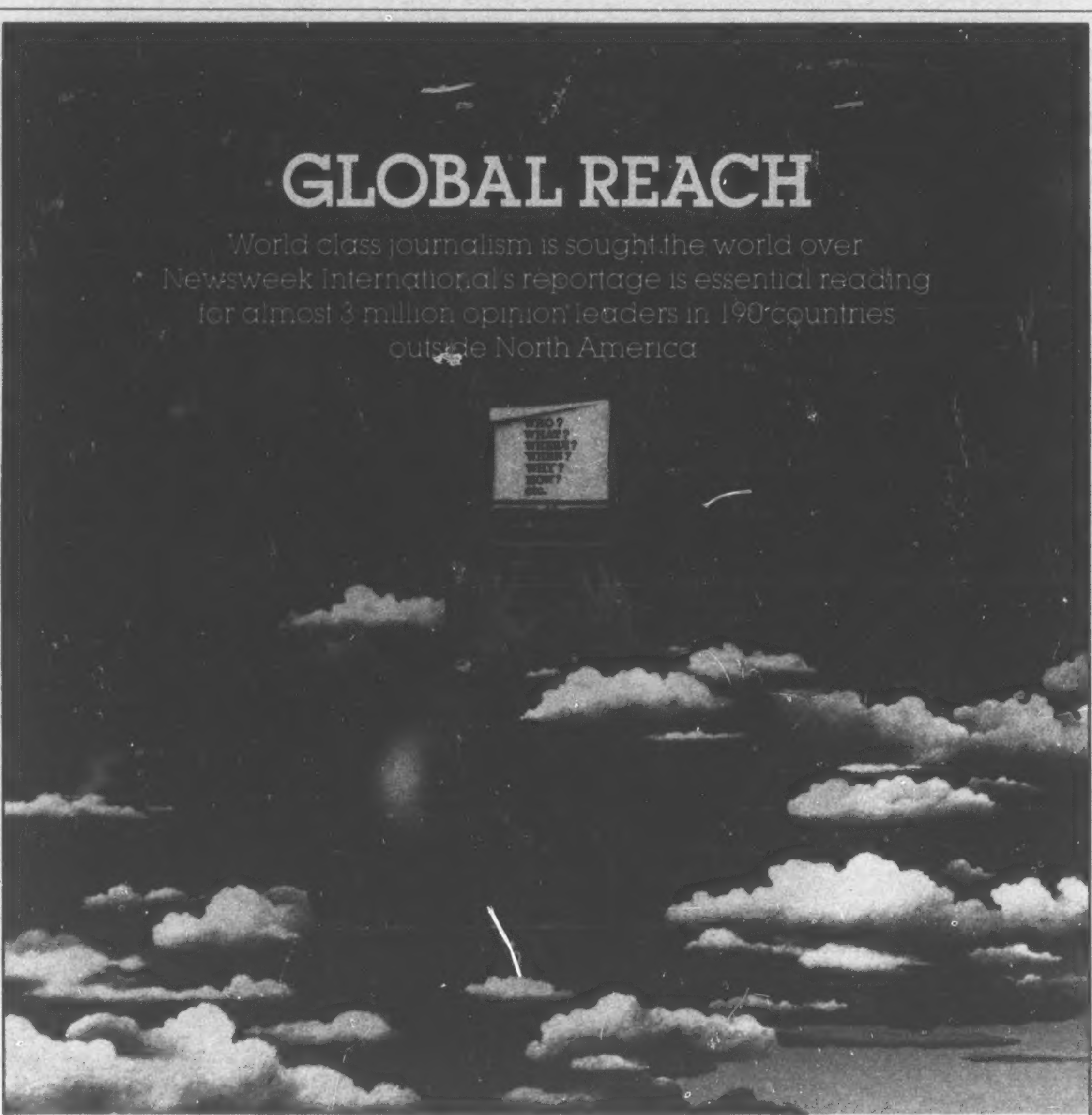
Team Austria part of BBDO Intl.

Dorland Advertising part of Dorland/-DFS Intl.

Marketing Studio/FCB formerly NCK/-Austria.

Dr. Kossdorf & Partner part of Needham Harper Worldwide.

(Continued on Page 63)



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Executive/professional	88%	92%	96%
Average hours spent reading Newsweek	2.2	3.0	2.6

NewsweekInternational

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Agency	City	Gross income		Per cent	Billings		Gross income	Billings	Employes			Number
		1984	1983	change:	1984	1983	1984	1984	1984	1983	Per cent	offices
			($000)	income		($000)	($000; national currency)				change	
Intermarco-Publicis	Brussels	2,350.0	2,048.0	15.0	15,674.0	13,660.0	133,519.0	890,569.0	54	50	8.0	1
HCM Brussels	Brussels	2,236.0	1,459.0	53.0	14,914.0	9,731.0	127,053.0	887,444.0	46	39	18.0	N/A
Grey Belgium	Brussels	2,071.5	1,701.9	22.0	13,816.0	11,352.0	115,000.0	785,000.0	47	44	7.0	1
Doyle Dane Bernbach S.A.	Brussels	1,988.0	1,706.0	17.0	13,265.0	11,386.0	112,974.0	753,663.0	43	35	23.0	N/A
L.V.H./Alliance	Brussels	1,547.7	1,171.8	32.0	9,792.2	7,887.6	87,938.7	556,372.9	38	31	23.0	1
Leo Burnett S.A.	Brussels	1,498.0	678.0	121.0	9,987.0	4,525.0	85,116.0	567,724.0	34	15	127.0	1
Partner S.A.	Brussels	1,451.3	1,295.8	12.0	9,680.0	8,643.0	82,460.0	550,000.0	48	45	7.0	N/A
M&CW	Brussels	844.8	616.0	37.0	5,843.2	4,083.2	48,000.0	332,000.0	N/A	N/A	N/A	1
TBWA Belgium	Brussels	726.0	625.0	16.0	4,840.0	3,819.2	41,250.0	275,000.0	16	15	7.0	1
MarkCom S.A.	Brussels	663.9	588.7	13.0	4,428.2	3,926.9	37,721.0	251,600.0	20	17	18.0	1
Moussault Ayer	Antwerp	493.0	440.9	12.0	3,286.7	2,941.0	28,011.5	186,743.6	14	14	0.0	1
Publiart S.A.	Brussels	435.6	494.6	− 12.0	2,904.0	3,291.2	24,750.0	165,000.0	15	14	7.0	1

BERMUDA

Exchange rate: 1.00 B dollars

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Per cent change	Number offices
Advertising Associates-Compton	Hamilton	354.0	396.6	− 11.0	2,360.3	2,644.3	354.0	2,360.3	19	19	0.0	1

BOLIVIA

Exchange rate: .0025 peso

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Per cent change	Number offices
J. Walter Thompson (Bolivia)	La Paz	244.3	20.0	112.2	1,628.9	133.4	Ps97,731.7	Ps651,577.5	10	10	0.0	1

BRAZIL

Exchange rate: 0.0007 cruzeiro

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Per cent change	Number offices
MPM Propaganda	Sao Paulo	32,060.0	37,609.6	N/A	128,240.0	150,438.4	Cr45.80 bill.	Cr183.20 bill.	927	904	3.0	13
Alcantara Machado, Periscinoto Comunicacoes	Sao Paulo	30,696.4	36,393.3	N/A	122,785.6	145,585.2	43.90 bill.	175.40 bill.	442	467	− 5.0	3
Salles/Inter-Americana de Publicidade	Sao Paulo	25,584.0	25,249.0	N/A	102,335.0	100,996.0	36.55 bill.	146.19 bill.	487	483	1.0	3
DPZ-Duailibi Petit Zaragoza	Sao Paulo	16,590.0	20,608.0	N/A	66,500.0	82,432.0	23.70 bill.	95.00 bill.	366	351	4.0	4
J. Walter Thompson Publicidade Ltda	Sao Paulo	15,892.8	21,818.7	N/A	105,957.3	145,465.4	22.70 bill.	151.37 bill.	378	371	2.0	2
Norton Publicidade	Sao Paulo	15,750.0	19,320.0	N/A	63,000.0	77,280.0	22.50 bill.	90.00 bill.	393	354	11.0	7
Standard, Ogilvy & Mather	Sao Paulo	14,940.0	10,828.0	N/A	59,147.0	40,951.0	21.34 bill.	84.50 bill.	355	321	11.0	4
McCann-Erickson Publicidade	Sao Paulo	13,581.0	19,244.2	N/A	90,585.0	128,225.3	19.40 bill.	129.41 bill.	348	336	0.0	N/A
Denison Propaganda	Sao Paulo	12,040.0	15,456.0	N/A	53,303.6	61,824.0	17.20 bill.	76.15 bill.	303	317	− 4.0	3
CBBA/Propeg	Sao Paulo	8,295.0	7,213.0	N/A	31,780.0	32,200.0	11.85 bill.	45.40 bill.	336	236	36.0	5
Artplan	Rio de Janeiro	7,075.8	8,772.4	N/A	28,303.1	35,089.6	10.11 bill.	40.43 bill.	N/A	N/A	N/A	N/A
Young & Rubicam do Brasil	Sao Paulo	6,052.0	1,700.0	N/A	40,367.0	11,339.0	8.70 bill.	57.67 bill.	150	129	16.0	2
Assessor Comunicacao Social Integrada	Sao Paulo	5,646.7	7,742.1	N/A	28,233.6	38,710.7	8.07 bill.	41.33 bill.	200	243	− 18.0	N/A
SGB Publicidade e Promocoes	Rio de Janeiro	4,557.0	5,090.2	N/A	22,785.0	19,577.6	6.51 bill.	32.55 bill.	173	162	7.0	5
Lage, Stabel/BBDO	Sao Paulo	4,515.0	6,020.1	N/A	18,511.5	16,636.6	6.45 bill.	26.44 bill.	89	85	5.0	1
SSC&B:Lintas Brasil	Sao Paulo	4,033.1	6,876.6	N/A	17,231.1	28,139.3	5.76 bill.	24.62 bill.	155	185	− 16.0	1
Leo Burnett Co.	Sao Paulo	3,407.0	2,491.2	N/A	22,713.0	16,616.0	4.87 bill.	32.46 bill.	80	70	14.0	1
Proeme Campbell-Ewald	Sao Paulo	2,737.0	4,513.5	N/A	18,256.0	30,104.8	3.91 bill.	26.08 bill.	128	130	− 2.0	N/A
Esquire Propaganda	Rio de Janeiro	1,918.9	1,756.8	N/A	6,850.0	7,058.2	2.74 bill.	9.79 bill.	49	56	− 13.0	2
Nucleo/FCB Publicidade	Sao Paulo	1,717.5	3,076.6	N/A	11,456.0	20,520.7	2.45 bill.	16.37 bill.	81	81	0.0	1
GTM&C	Sao Paulo	1,605.1	1,517.4	N/A	9,431.2	8,891.1	2.29 bill.	13.47 bill.	61	48	27.0	1
GGK	Sao Paulo	1,540.0	1,403.9	N/A	10,269.0	9,363.8	2.20 bill.	14.67 bill.	35	30	17.0	1
Oliveira, Murgel Comunicacoa	Rio de Janeiro	1,285.2	1,579.1	N/A	5,485.2	5,409.6	1.84 bill.	7.84 bill.	26	25	4.0	1
Siboney Publicidade	Sao Paulo	933.8	3,173.6	N/A	6,228.6	21,167.0	1.33 bill.	8.90 bill.	61	N/A	N/A	1

*With Brazilian agencies, AA altered its procedure of determining an agency's "real growth" (applying 1984 exchange rate to 1983 returns) because it primarily shows the impact of inflation in that economy. Dollar figures for 1983 are based on the average annual exchange rate for that year.

BRITAIN

Exchange rate: 1.3774 poundu

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Per cent change	Number offices
Saatchi & Saatchi UK Group	London	82,000.0	65,977.5	24.0	550,960.0	440,079.0	£59,000.0	£400,000.0	1500	1150	30.0	14
J. Walter Thompson Co.	London	35,290.0	31,940.0	10.0	235,278.0	212,943.0	25,620.0	170,808.0	689	667	3.0	2
D'Arcy MacManus Masius	London	27,316.2	25,167.9	9.0	189,020.8	165,210.3	19,832.0	137,230.0	540	540	0.0	2
Charles Barker Group	London	25,206.4	20,700.0	22.0	170,300.0	136,400.0	18,300.0	123,700.0	651	600	9.0	8
Ted Bates Holdings	London	23,694.0	18,182.0	30.0	151,078.0	110,774.0	17,202.0	109,684.0	341	329	4.0	3
Ogilvy & Mather	London	21,000.9	18,091.2	16.0	135,119.2	117,035.4	15,246.8	98,097.3	342	323	6.0	1
Dorland Advertising	London	21,000.0	10,836.0	94.0	140,490.0	83,195.0	15,246.0	102,000.0	365	275	33.0	1
Young & Rubicam Holdings	London	20,674.8	19,374.5	7.0	138,162.0	129,471.0	15,010.0	100,305.6	460	443	4.0	2
Royds Advertising Group	London	19,214.7	15,909.0	21.0	128,098.2	106,059.8	13,950.0	93,000.0	576	481	20.0	12
McCann-Erickson	London	16,729.0	15,316.0	9.0	111,582.0	102,158.0	12,145.0	81,007.0	343	320	7.0	N/A
Boase Massimi Pollitt	London	15,880.4	12,706.5	25.0	105,992.0	84,710.0	11,529.2	76,900.0	204	189	8.0	1
Foote, Cone & Belding	London	15,515.0	11,771.3	32.0	103,485.0	78,515.0	11,264.0	75,131.0	339	318	7.0	2
IMAA/Rex Stewart & Associates	London	15,358.0	12,768.5	20.0	76,335.5	66,115.2	11,150.0	55,420.0	676	589	15.0	19
Davidson Pearce Limited	London	13,842.9	11,362.5	22.0	92,285.8	75,750.0	10,050.0	67,000.0	205	199	3.0	1
Geers Gross Advertising	London	13,500.0	12,534.1	8.0	85,600.0	75,925.7	9,801.0	62,145.6	311	335	− 7.0	3
Collett, Dickenson, Pearce	London	13,390.9	12,489.8	7.0	93,906.7	86,919.2	9,721.9	68,176.8	N/A	220	N/A	N/A
Allen, Brady & Marsh	London	13,254.0	15,860.2	− 16.0	88,360.2	105,729.2	9,622.5	64,150.0	277	349	− 21.0	1
Doyle Dane Bernbach	London	12,603.2	9,115.9	38.0	84,021.0	60,772.0	9,150.0	61,000.0	244	231	6.0	3
Leo Burnett Co.	London	12,600.5	11,052.3	14.0	84,003.0	73,718.4	9,148.0	61,017.0	242	245	− 1.0	1
Grandfield Rork Collins	London	12,493.0	8,636.3	45.0	83,310.0	57,620.0	9,070.0	60,480.0	330	250	32.0	7
Lowe Howard-Spink Campbell-Ewald	London	11,927.0	10,358.0	15.0	79,553.0	73,032.5	8,659.0	57,756.0	N/A	148	N/A	N/A
Benton & Bowles Ltd	London	11,364.0	9,782.0	16.0	91,046.0	75,413.0	8,250.0	66,100.0	255	249	2.0	1
Grey Advertising	London	10,614.4	9,628.0	10.0	70,763.9	64,166.8	7,706.2	51,375.0	153	147	4.0	1
Lintas London	London	8,600.5	7,114.3	21.0	62,593.0	51,204.0	6,244.0	45,443.0	177	174	2.0	4
McCormick Publicis	London	8,333.3	6,749.3	23.0	55,509.0	45,454.0	6,050.0	40,300.0	177	158	12.0	3
Wight Collins Rutherford Scott	London	8,024.9	6,088.1	35.0	60,330.1	44,765.5	5,956.8	43,800.0	120	100	20.0	1
AAP Ketchum Ltd.	London	7,303.7	5,599.1	30.0	48,691.1	37,327.5	5,302.5	35,350.0	101	84	20.0	1
Abbott, Mead, Vickers/SMS	London	6,009.6	4,135.1	45.0	43,416.9	24,351.3	4,507.7	32,565.9	106	86	23.0	1
BBDO	London	5,922.8	5,234.1	13.0	56,750.0	48,200.0	4,300.0	41,200.0	86	91	− 5.0	2
TBWA Great Britain	London	5,392.5	4,835.0	12.0	35,950.1	32,245.0	3,915.0	26,100.0	67	70	− 4.0	1

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employes 1984	Employes 1983	Employes Per cent change	Number offices
KMP Partnership	London	5,288.5	5,137.7	3.0	38,429.5	42,740.7	3,839.5	27,900.0	82	92	− 10.0	1
Gold Greenlees Trott	London	5,165.3	3,099.2	67.0	34,435.0	20,661.0	3,750.0	25,000.0	75	56	34.0	N/A
Reeves Robertshaw Needham	London	5,100.0	4,132.2	23.0	34,000.0	23,415.8	3,700.0	24,684.0	82	60	37.0	2
The Leagas Delaney Partnership	London	4,969.1	4,440.7	12.0	38,222.9	34,159.5	3,607.5	27,750.0	93	70	33.0	1
BDG/K&E	London	4,607.4	4,194.2	10.0	30,731.3	28,787.7	3,345.0	22,311.1	80	76	5.0	1
Chetwynd Haddons	London	4,172.1	2,968.3	41.0	26,442.6	20,170.6	3,029.0	19,197.5	95	72	32.0	1
ARC-Everetts	London	3,424.9	N/A	N/A	22,830.4	N/A	2,486.3	16,575.0	75	N/A	N/A	1
Garratt Baulcombe Associates	Nottingham	3,021.0	3,052.0	− 1.0	20,146.0	20,357.0	2,193.0	14,626.0	125	130	− 4.0	2

Notes

(Continued from Page 61)

BELGIUM

HHD Ogilvy & Mather billings are AA estimates.
Young & Rubicam figures include Wunderman and Burson-Marsteller.
Ted Bates Belgium figures include S.A. Coerten.
HCM Dechy formerly Dechy Univas.
HCM Brussels formerly Marsteller Intl.
L.V.H. part of Alliance International Group.
Partner part of Saatchi & Saatchi Compton Worldwide.
MarkCom part of Saatchi & Saatchi Compton Worldwide.
M&CW 33⅓% owned by Bozell & Jacobs.

BERMUDA

Advertising Associates-Compton gross income figures for 1984 and 1983 are AA estimates.

BRAZIL

Salles/Inter-Americana affiliated with Benton & Bowles Intl.
Norton Publicidade affiliated with EUROCOM/Univas. 1984 gross income figures are agency estimates.
Denison Propaganda part of Ted Bates Worldwide.
CBBA/PROPEG is the result of a merger of the two agencies in March, 1984.
Young & Rubicam includes figures for Cato Johnson and Burson-Marsteller.
SGB Publicidade is part of Saatchi & Saatchi Compton Worldwide.
Esquire Propaganda part of DFS Intl.
Oliveira, Murgel and GTM&C part of Kenyon & Eckhardt Intl.
Siboney Publicidade part of Foote, Cone & Belding Communications.

BRITAIN

Saatchi & Saatchi Group UK includes Saatchi & Saatchi Compton, Downton, Crawford Halls Harrison Cowley, Acme Media, RPG Gloucester, Sales Promotion Agency, Dorland Advertising, Saatchi Manchester, O'Kennedy Brindley, KMP Partnership.
J. Walter Thompson Co. offices in London and Manchester.
Charles Barker Group partner in Ayer Intl.
Ted Bates Holdings includes Fletcher Shelton Delaney and Moxon Dolphin Kerby.
Dorland Advertising 100% owned by Saatchi & Saatchi Group UK.
Young & Rubicam Holdings includes Wunderman, Cato Johnson, Sudler & Hennessey, Burson-Marsteller.
Davidson Pearce gross income figures are AA estimates.
Geers Gross Advertising figures cover the two London offices but not the Geers Gross New York office.
Doyle Dane Bernbach gross income figures are AA estimates.
Lowe Howard-Spink Campbell Ewald is 30% owned by The Interpublic Group of Cos.
KMP Partnership part of Saatchi & Saatchi Compton Worldwide.
Chetwynd Haddons member of Affiliated Advertising Agencies Intl.
ARC-Everetts merged in 1984. Everetts Intl. was part of Grey Advertising.

(Continued on Page 65)

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UPHEAVAL IN LIFE INSURANCE
NEW PRODUCTS BOLSTER A LAGGING INDUSTRY?
DYNAMICS: THE TANGLED TALE OF TAKI VELIOTIS
ASSESSING 900 COMPANY BALANCE SHEETS
IN POWER IN THE PHILIPPINES

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Primary Contact Ltd.	London	2,300.0	2,070.0	11.0	15,330.0	13,800.0	1,670.0	11,130.0	56	56	0.0	1
Kirkwood & Partners	London	2,114.9	3,360.9	– 37.0	12,514.0	20,205.1	1,535.4	9,085.2	36	46	– 22.0	1
MWK&P	London	1,983.5	N/A	N/A	13,209.3	N/A	1,440.0	9,590.0	N/A	N/A	N/A	1
Ogilvy & Mather Partners Ltd.	London	1,865.3	1,446.7	21.0	13,445.4	10,363.0	1,354.2	9,761.4	32	35	– 9.0	1
Ogilvy & Mather Direct	London	1,616.8	1,331.4	21.0	10,719.0	8,842.6	1,174.5	7,782.1	40	40	0.0	1
Ogilvy & Mather (Scotland)	Glasgow	1,364.6	1,342.1	2.0	8,499.9	8,383.1	990.7	6,171.0	36	40	– 10.0	1
HCM London	London	1,208.0	1,164.0	4.0	8,057.0	7,764.0	877.0	5,850.0	27	26	4.0	N/A
SSC&B:Lintas Overseas	London	997.0	1,031.0	– 4.0	6,631.0	6,881.0	724.0	4,814.0	26	27	– 4.0	1
Foster Turner & Benson	London	843.6	765.8	10.0	5,334.9	5,058.4	612.5	3,873.1	22	22	0.0	1
Halton Advertising Ltd.	Scotland	600.0	300.0	100.0	3,000.0	2,000.0	500.0	2,500.0	30	26	15.0	N/A
Ogilvy & Mather Public Relations	London	480.5	289.3	66.0	3,205.0	1,929.5	348.9	2,326.8	12	9	33.0	1
McCann-Erickson/Photo-Video	London	467.0	306.0	53.0	3,115.0	2,041.0	339.0	2,261.0	6	6	0.0	N/A
Kingsway Media Services	London	381.6	388.9	– 2.0	2,908.0	3,186.5	277.0	2,110.6	11	12	– 8.0	1
CANADA												**Exchange rate: 0.78 C dollar**
J. Walter Thompson	Toronto	19,502.0	17,495.0	11.0	130,019.8	116,639.2	C$25,002.0	C$166,688.0	417	371	12.0	4
McKim Advertising	Toronto	17,550.0	15,288.0	15.0	152,438.1	136,500.0	22,500.0	195,433.4	390	376	4.0	5
Foster Advertising	Toronto	16,358.1	15,657.4	4.0	109,108.4	104,434.7	20,971.9	139,882.6	N/A	N/A	N/A	4
Ogilvy & Mather (Canada)	Toronto	15,175.0	12,026.0	26.0	101,166.0	80,215.2	19,455.0	129,763.0	274	230	19.0	8
Young & Rubicam	Toronto	11,859.0	9,581.0	24.0	79,100.0	63,905.0	15,204.0	101,248.0	225	211	7.0	3
Baker Lovick	Toronto	11,628.6	9,764.7	19.0	77,562.7	65,130.7	14,908.5	99,439.4	223	211	6.0	5
McCann-Erickson	Toronto	10,805.0	8,143.0	33.0	72,069.0	54,314.0	13,852.0	92,393.0	205	181	13.0	N/A
Vickers & Benson	Toronto	10,644.0	8,277.4	29.0	69,435.0	53,452.6	13,646.0	89,018.0	277	250	11.0	3
Ronalds-Reynolds & Co.	Toronto	9,750.0	7,761.0	26.0	61,183.0	45,774.0	12,500.0	78,440.0	206	202	2.0	3
Cossette Communication-Marketing	Montreal	9,571.0	7,197.5	33.0	63,811.8	47,958.3	12,271.5	81,010.0	225	170	32.0	3
Saffer Cravit & Freedman	Toronto	8,190.0	7,020.0	17.0	73,320.0	49,140.0	10,500.0	94,000.0	N/A	N/A	N/A	N/A
Hayhurst Advertising	Toronto	8,034.0	8,736.0	– 8.0	66,300.0	70,200.0	10,300.0	85,000.0	182	192	– 5.0	3
Leo Burnett Co.	Toronto	7,770.0	7,443.0	4.0	51,797.0	49,647.0	9,961.0	66,440.0	146	141	4.0	2
Ted Bates	Toronto	6,997.4	4,769.7	47.0	46,961.0	31,268.0	8,971.0	60,207.0	141	122	16.0	2
Grey Advertising	Montreal	5,772.0	4,806.8	20.0	38,499.0	32,061.4	7,400.0	49,358.0	114	99	15.0	2
Foote, Cone & Belding	Toronto	5,449.8	3,594.7	52.0	36,350.1	23,977.0	6,986.9	46,602.7	115	86	34.0	1
Grant Tandy	Toronto	4,253.8	3,849.3	11.0	28,358.4	25,662.0	5,453.5	36,356.9	77	75	3.0	3
Goodis-Wolf	Toronto	3,510.0	3,200.0	10.0	23,010.0	21,100.0	4,500.0	29,500.0	43	41	5.0	2
Scali, McCabe, Sloves Canada	Montreal	3,507.5	2,646.5	33.0	23,636.2	15,030.8	4,496.8	30,302.8	64	50	28.0	2
Carder Gray Advertising	Toronto	3,447.6	3,237.0	7.0	24,726.0	20,430.0	4,420.0	31,700.0	57	47	21.0	1
R.T. Kelley	Hamilton	3,354.0	3,126.2	7.0	20,603.9	18,356.4	4,300.0	26,425.3	90	89	1.0	2
Needham Harper of Canada	Toronto	3,146.1	2,619.0	20.0	21,608.0	17,989.0	4,033.4	27,702.0	53	53	0.0	1
Benton & Bowles Canada	Toronto	2,895.2	2,024.1	43.0	28,050.1	19,073.9	3,711.8	35,961.7	62	46	35.0	1
Kert Advertising	Toronto	2,574.0	2,145.0	20.0	18,720.0	17,550.0	3,300.0	24,000.0	46	46	0.0	3
Ambrose, Carr, Deforest & Linton	Toronto	2,470.7	2,132.5	16.0	16,925.2	14,219.4	3,167.5	21,699.0	40	40	0.0	1
Enterprise Advertising Associates	Toronto	2,338.0	2,108.0	11.0	15,587.4	14,054.0	2,998.0	19,987.7	30	27	11.0	1
Ian Roberts	Toronto	2,141.6	1,648.8	30.0	14,547.8	11,302.9	2,745.7	18,651.0	46	44	5.0	4
SSC&B:Lintas Canada	Toronto	1,500.0	1,284.2	17.0	10,002.0	8,565.6	1,922.5	12,823.0	32	29	10.0	1
Grey Ronalds Smith	Toronto	1,496.4	718.2	N/A	9,981.2	4,790.0	1,918.5	12,796.4	24	31	– 23.0	2
D'Arcy MacManus Masius	Toronto	1,465.0	1,485.7	– 1.0	9,767.0	9,904.0	1,878.2	12,521.8	31	40	– 23.0	1
Leveille, Benton & Bowles	Montreal	1,330.7	1,319.0	1.0	9,275.7	9,014.3	1,706.0	11,405.0	32	32	0.0	1
Base Brown & Partners	Toronto	1,287.0	936.0	38.0	8,580.0	6,240.0	1,650.0	11,000.0	N/A	20	N/A	1
Campbell-Ewald (Canada)	Toronto	904.0	814.0	11.0	6,030.0	5,429.0	1,159.0	7,731.0	14	11	27.0	N/A
Bozell, Jacobs & Partners	Toronto	875.2	N/A	N/A	5,850.0	N/A	1,122.0	7,500.0	N/A	N/A	N/A	3
Bleau, Duperrey, Giguere & Associes	Quebec City	281.9	146.9	92.0	1,719.5	713.3	361.5	2,204.5	7	6	17.0	1
CHILE												**Exchange rate: 0.0139 peso**
J. Walter Thompson Chilena	Santiago	3,196.4	2,580.9	24.0	21,310.1	17,207.1	Ps229,953.2	Ps1.53 bill.	109	90	21.0	1
Publiart/BBDO	Santiago	1,890.4	1,153.7	64.0	12,609.0	7,695.2	136,000.0	907,120.0	52	31	68.0	1
McCann-Erickson S.A. de Publicidad	Santiago	1,702.0	1,075.0	58.0	11,352.0	7,170.0	122,440.0	816,675.0	57	51	12.0	N/A
SSC&B:Lintas Worldwide Chile	Santiago	1,614.0	1,644.0	– 2.0	10,763.0	10,960.0	116,094.0	774,347.0	61	65	– 6.0	1
Azocar, Morrison, Walker	Santiago	1,502.7	1,018.5	48.0	10,018.4	6,790.6	108,106.3	720,744.7	35	28	25.0	1
Promoplan	Santiago	1,404.2	1,044.4	34.0	9,365.7	6,966.2	101,018.0	673,790.1	61	34	79.0	1
Grey Chile	Santiago	1,054.9	790.8	33.0	7,035.9	5,274.6	75,889.5	506,182.6	42	47	– 11.0	1
Unitros Chile	Santiago	889.6	778.4	14.0	5,933.6	5,191.9	64,000.0	426,880.0	34	46	– 26.0	1
Young & Rubicam de Chile	Santiago	800.0	472.0	69.0	5,336.0	3,148.0	57,552.0	383,658.4	33	24	38.0	1
Publicitaria Epoca/Ted Bates	Santiago	750.8	487.1	54.0	5,008.0	3,244.0	54,016.6	360,290.7	27	22	23.0	1
Northcote & Associados a Ogilvy & Mather	Santiago	683.2	N/A	N/A	4,556.8	N/A	49,150.0	327,830.5	30	N/A	N/A	1
Israel & DeBianchi	Santiago	667.8	431.2	55.0	4,453.9	5,073.9	48,040.0	320,426.0	28	27	4.0	1
Matte y Mendez, Saatchi & Saatchi Compton-Chile	Santiago	580.9	397.5	46.0	3,874.9	2,651.4	41,794.3	278,767.8	38	28	36.0	1
Leo Burnett Co.	Santiago	552.0	542.0	2.0	3,679.0	3,615.0	39,700.0	264,799.0	33	26	27.0	1
Hermosilla, Zegers y Cia.	Santiago	501.1	347.5	44.0	3,843.4	2,711.7	36,050.0	276,503.5	26	18	44.0	1
Porta Publicidad Ltda.	Santiago	461.5	257.8	79.0	3,078.1	1,719.8	33,200.0	221,444.0	18	12	50.0	1
Baumlis Publicidad	Santiago	154.0	104.1	48.0	769.0	1,093.7	11,077.0	55,325.4	12	10	20.0	1
COLOMBIA												**Exchange rate: 0.0107 peso**
Leo Burnett Colombia	Bogota	3,615.0	3,109.0	16.0	24,099.0	20,736.8	Ps337,836.0	2.25 bill.	131	129	2.0	1
McCann-Erickson Colombia	Bogota	2,554.1	2,061.0	24.0	17,035.9	13,747.2	238,701.0	1.59 bill.	88	93	– 5.0	N/A
Puma-Compton Colombia	Bogota	2,183.1	1,679.3	30.0	9,923.1	7,633.1	204,026.0	927,388.8	65	65	0.0	2
Atenas/BBDO	Bogota	1,860.0	1,735.7	7.0	10,801.3	9,642.8	173,836.1	1.01 bill.	81	93	– 13.0	N/A
Centrum Publicitario/Ogilvy & Mather	Cali	1,500.0	1,391.0	8.0	8,025.0	6,074.8	135,000.0	750,000.0	85	80	6.0	2
Contacto Publicidad	Cali	1,160.0	1,054.0	10.0	7,730.0	7,010.0	108,300.0	722,000.0	60	69	– 13.0	2
Ponce de Leon Publicidad	Bogota	1,118.9	964.6	16.0	4,554.5	4,052.2	104,572.5	425,657.2	45	65	– 31.0	1
Jaime Uribe & Asociados	Medellin	1,073.5	876.3	23.0	7,156.7	5,842.2	100,327.5	668,850.0	45	43	5.0	1

Agency	City	Gross income 1984	1983 ($000)	Per cent change: income	Billings 1984	1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employees 1984	1983	Per cent change	Number offices
Publicidad Artefilme	Cali	691.7	1,087.1	− 36.0	4,613.5	7,251.1	64,643.0	431,169.0	18	N/A	N/A	1
McCann-Erickson/Harrison Publicidad	Bogota	10.1	42.2	− 76.0	67.0	280.0	948.0	6,323.0	N/A	20	N/A	N/A
COSTA RICA									**Exchange rate: 0.0232 colon**			
McCann-Erickson Centroamericana	San Jose	836.0	474.0	76.0	5,576.0	3,162.0	C36,039.0	C240,380.0	38	35	9.0	N/A
Publicidad Siboney	San Jose	353.4	212.9	66.0	2,357.1	1,419.3	15,232.0	101,597.0	23	N/A	N/A	1
CURACAO									**Exchange rate: 0.5514 florin**			
R.J. Dovale Advertising	Willemstad	202.0	279.6	− 28.0	1,364.1	1,825.6	FL366.3	FL2,441.8	15	15	0.0	1
CYPRUS									**Exchange rate: 1.78 C pound**			
Impact/BBDO International	Nicosia	3,600.0	3,200.0	13.0	28,200.0	25,000.0	C£2,016.0	C£15,792.0	115	110	5.0	5

Notes

(Continued from Page 63)

Garrett Baulcombe Associates part of Foote, Cone & Belding Communications.
Primary Contact part of Ogilvy & Mather.
Kirkwood & Partners part of Alliance International Group.
MWK&P is owned 30% by Bozell & Jacobs.
HCM London formerly Marsteller Ltd.
Foster Turner & Benson part of Ogilvy & Mather.
Halton Advertising part of Dorland/DFS Intl.
Kingsway Media Services part of Ogilvy & Mather.
Allen, Brady & Marsh; Gold Greenlees Trott and The Leagas Delaney Partnership figures for these three agencies are AA estimates.

CANADA

Young & Rubicam includes figures for Wunderman and Burson-Marsteller.
Ronalds-Reynolds part of DFS Intl.
Grant Tandy part of BBDO Intl.
Enterprise Advertising Associates part of J. Walter Thompson Group.
Grey Ronalds Smith part of Grey International. 1983 figures are only for six months.
Bozell, Jacobs & Partners is owned 70% by Bozell & Jacobs Inc.

CHILE

Azocar, Morrison, Walter part of J. Walter Thompson Co.
Promoplan part of Ogilvy & Mather Intl.
Israel & DeBianchi part of DFS Intl.

COLOMBIA

Contacto Publicidad part of DFS Intl.
Jaime Uribe gross income for 1984 and 1983 AA estimates.
Publicidad Artefilme part of Foote, Cone & Belding.
Harrison Publicidad, part of McCann-Erickson, suspended operations during 1984.
Ponce de Leon Publicidad part of Affiliated Advertising Agencies Intl.

COSTA RICA

Publicidad Siboney part of Foote, Cone & Belding.

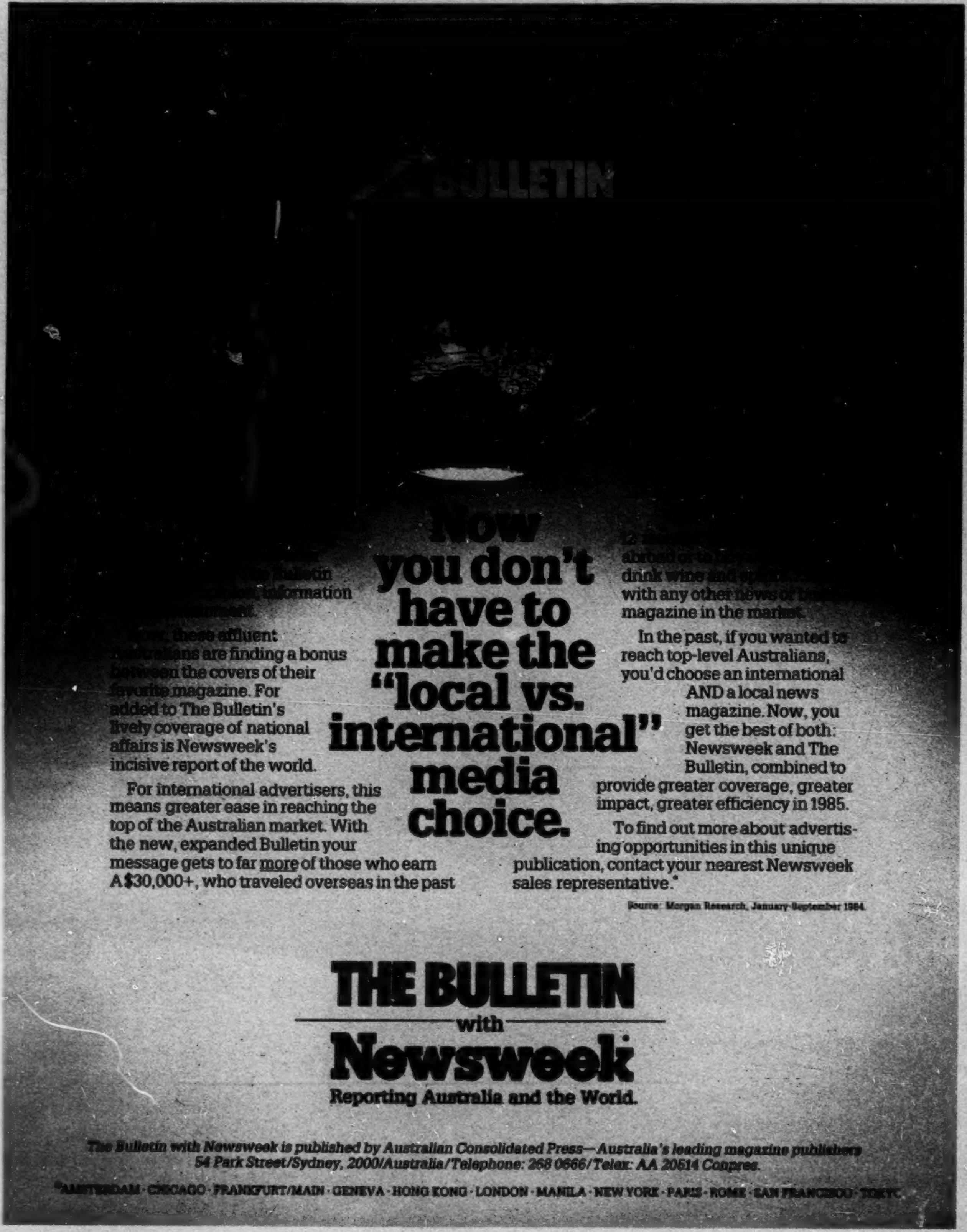
CURACAO

R.J. Dovale Advertising 1984 gross income is AA estimate.

DENMARK

Young & Rubicam Copenhagen includes figures for Cato Johnson and Wunderman.
Promedia part of the Publicis International network.
Bergenholz & Arnesen part of DFS Intl.
Egeberg:Denmark part of Lintas:Denmark since 1984.
Berg & Lyhne Reklamebureau member of Affiliated Advertising Agencies Intl. Gross income for 1984 and 1983

(Continued on Page 68)



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Source: Morgan Research, January-September 1984.

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Agency	City	Gross income		Per cent change: income	Billings		Gross income	Billings	Employees			Number offices
		1984	1983 ($000)		1984	1983 ($000)	1984 ($000; national currency)	1984	1984	1983	Per cent change	
DENMARK	**Exchange rate: 0.0984 kroner**											
Ted Bates A/S	Copenhagen	4,704.0	3,759.0	25.0	29,967.0	23,867.0	DKr47,804.0	DKr304,545.0	94	91	3.0	1
scan-ad reklamebureau a/s	Aarhus	3,062.0	1,963.0	56.0	11,407.0	7,500.0	31,116.0	115,929.0	110	88	25.0	6
Young & Rubicam	Copenhagen	2,420.0	1,686.0	44.0	16,141.0	11,246.0	24,587.0	163,992.6	59	46	28.0	1
Lintas:Denmark	Copenhagen	2,403.0	1,564.0	54.0	12,495.0	11,020.0	24,421.0	126,982.0	37	41	– 10.0	1
Ogilvy & Mather Gruppen A/S	Copenhagen	2,371.0	1,816.0	31.0	15,133.0	13,330.0	24,092.0	153,791.0	65	56	16.0	4
Thomas Bergsoe AS	Copenhagen	2,312.4	1,928.6	20.0	14,464.8	12,654.2	23,500.0	147,000.0	56	50	12.0	1
Lyre & Valbo Reklamebureau A/S	Copenhagen	1,384.0	1,137.0	22.0	8,635.0	7,295.0	14,066.0	87,758.0	33	36	– 8.0	1
D'Arcy MacManus Masius A/S	Copenhagen	1,228.0	1,066.0	15.0	9,371.0	7,871.0	12,478.0	95,237.0	38	34	12.0	1
Lockey NCK A/S	Copenhagen	1,180.5	980.0	20.0	7,873.7	6,535.7	11,996.6	80,017.3	28	25	12.0	1
Leo Burnett-Denmark	Copenhagen	1,155.0	1,091.0	6.0	7,703.0	7,277.0	11,742.0	78,319.0	27	24	13.0	1
Promedia	Copenhagen	1,126.4	1,038.1	9.0	7,509.0	6,921.0	11,447.0	76,309.0	24	24	0.0	1
J. Walter Thompson Co. A/S	Copenhagen	1,105.2	903.4	22.0	7,368.2	6,022.8	11,231.5	74,880.1	22	22	0.0	1
Bergenholz & Arnesen	Copenhagen	954.4	825.9	16.0	5,040.1	4,375.8	9,699.1	51,220.2	29	26	12.0	1
NP/Grey	Ega (Aarhus)	922.3	808.3	14.0	6,151.7	5,391.1	9,373.0	62,517.9	23	16	44.0	1
McCann-Erickson A/S	Copenhagen	894.0	678.0	32.0	5,963.0	4,522.0	9,083.0	60,584.0	25	23	9.0	N/A
Grey Denmark	Copenhagen	829.5	862.8	– 4.0	5,532.8	5,754.9	8,430.0	56,228.0	20	20	0.0	1
Gorm Larsen, Benton & Bowles A/S	Copenhagen	822.6	607.5	35.0	5,551.3	4,697.3	8,360.0	56,415.7	20	18	11.0	N/A
Innovation Compton	Copenhagen	789.7	630.7	25.0	10,691.3	8,539.7	8,025.0	108,651.0	23	21	10.0	1
DMM Ipsen & Parmo	Copenhagen	729.0	N/A	N/A	5,847.0	N/A	7,407.0	59,406.0	13	N/A	N/A	1
Egeberg:Denmark	Copenhagen	591.0	551.8	7.0	4,589.0	4,245.0	6,008.0	46,633.0	20	21	– 5.0	1
weber & sorensen reklamebureau a/s	Aarhus	564.3	566.9	– 1.0	3,640.0	3,624.6	5,735.0	36,998.0	23	23	0.0	1
Berg & Lyhne Reklamebureau	Copenhagen	515.1	360.1	43.0	3,434.2	2,401.0	5,235.0	34,900.0	16	14	14.0	1
Foote, Cone & Belding	Copenhagen	420.9	398.2	6.0	2,807.5	2,655.7	4,277.5	28,531.2	11	13	– 15.0	1
Ervaco Kobenhavn A/S	Copenhagen	226.3	206.6	10.0	1,505.5	1,377.6	2,300.0	15,300.0	N/A	7	N/A	1
DOMINICAN REPUBLIC	**Exchange rate: 1.00 dollar**											
Young & Rubicam Damaris	Santo Domingo	2,025.0	2,224.0	– 9.0	13,507.0	14,834.0	2,025.0	13,507.0	76	96	– 21.0	1
McCann-Erickson Dominicana	Santo Domingo	870.0	585.0	49.0	5,803.0	3,902.0	870.0	5,803.0	25	16	56.0	N/A
Leo Burnett Co.	Santo Domingo	300.0	252.0	19.0	2,167.0	1,681.0	300.0	2,167.0	19	12	58.0	1
Publicidad Siboney	Santo Domingo	211.2	131.8	60.0	1,408.5	879.0	211.2	1,408.5	16	N/A	N/A	1
ECUADOR	**Exchange rate: 0.0171 sucre**											
Norlop Thompson Asociados	Guayaquil	1,746.0	1,256.9	39.0	11,646.0	6,799.0	S102,107.0	S681,054.5	92	90	2.0	2
McCann-Erickson (Ecuador)	Guayaquil	1,105.0	714.0	55.0	7,370.0	4,762.0	64,637.0	431,1[illegible]9.0	46	43	7.0	N/A
Veritas Publicitaria/Ogilvy & Mather	Guayaquil	755.1	429.7	76.0	4,691.7	3,072.6	44,160.1	274,367.6	36	38	– 5.0	1
Publicidad Artefilme	Guayaquil	740.1	450.5	64.0	4,936.4	3,003.6	43,280.0	288,677.0	35	28	25.0	2
EGYPT	**Exchange rate: 1.3611 E pound**											
Americana Advertising Agency	Guiza	844.7	702.7	20.0	5,631.7	4,684.6	E£620.6	E£4,137.6	94	72	131.0	1
Advertising & Marketing Associates, Leo Burnett	Cairo	411.1	318.5	29.0	2,740.0	2,231.0	302.0	2,014.0	N/A	N/A	N/A	1
EL SALVADOR	**Exchange rate: 0.40 colon**											
McCann-Erickson (El Salvador)	San Salvador	369.0	374.0	– 3.0	2,461.0	2,495.0	C923.0	C6,156.0	22	20	10.0	N/A
ACPU de El Salvador	San Salvador	240.0	225.0	8.0	1,600.0	1,500.0	600.0	4,000.0	8	8	0.0	1
FINLAND	**Exchange rate: 0.1693 markka**											
Oy Liikemainonta-McCann AB	Helsinki	5,266.0	4,792.0	10.0	35,124.0	31,963.0	Fmk31,102	Fmk207,450.0	103	104	– 1.0	N/A
Mainosyhtyma Oy	Helsinki	5,008.6	3,848.2	30.0	37,948.0	31,081.0	29,584.0	224,143.0	162	150	8.0	4
Turkama & Kumppanit Oy Mainostoimisto	Helsinki	4,317.2	3,470.7	24.0	30,253.9	22,674.1	25,500.0	178,700.0	107	93	15.0	1
Markkinointi Viherjuuri Oy	Helsinki	4,012.0	3,207.0	25.0	27,193.0	20,879.0	23,700.0	160,624.0	87	79	10.0	1
Oy Mainos Taucher Reklam	Helsinki	3,974.3	3,254.1	22.0	30,257.2	25,104.7	23,475.0	178,719.0	138	117	18.0	2
Oy Sek AB	Helsinki	3,760.0	3,440.0	9.0	33,670.0	26,980.0	22,200.0	194,900.0	102	103	– 1.0	1
Finnad-Bates Advertising	Helsinki	3,161.2	2,708.7	17.0	21,085.0	18,293.5	18,672.0	124,542.0	81	78	4.0	5
Creator Oy	Helsinki	2,898.3	1,489.8	95.0	24,152.6	12,951.4	17,119.4	142,662.0	23	20	15.0	1
Mainosrengas Oy	Helsinki	2,858.4	2,539.5	13.0	20,417.5	17,592.4	16,883.9	120,599.0	109	98	11.0	1
Lintas Oy	Helsinki	2,662.4	2,335.6	14.0	16,984.8	16,509.8	15,725.7	100,323.7	65	64	2.0	1
MK-mainos oy	Helsinki	1,828.0	1,749.0	8.0	21,276.0	19,726.0	10,800.0	125,669.0	75	70	7.0	2
Tehomainos Advertising	Helsinki	1,716.3	1,699.0	1.0	11,442.2	11,326.0	10,137.8	67,585.1	70	69	1.0	1
Varis Poteri Veistola Oy	Helsinki	1,710.0	1,520.0	13.0	20,250.0	18,640.0	10,100.0	119,600.0	40	41	– 2.0	1
Oy AC-mainos Ab	Helsinki	1,661.8	1,528.3	9.0	12,589.5	11,997.1	9,816.0	74,362.0	57	44	30.0	1
Suomen Ilmoituskeskus Oy Ilmo	Helsinki	1,585.2	1,479.9	7.0	13,554.3	10,208.0	9,363.0	80,061.0	48	39	23.0	2
Kauppamainos Oy	Helsinki	1,506.8	1,032.7	46.0	13,864.0	9,023.7	8,900.0	76,142.0	25	24	4.0	1
Markkinointi Topitorma Oy	Helsinki	1,473.0	1,100.5	34.0	10,646.0	7,705.0	8,700.0	62,880.0	39	33	18.0	1
Ogilvy & Mather Oy	Helsinki	1,365.0	1,247.3	9.0	10,612.5	9,747.4	8,062.9	62,684.6	43	42	2.0	1
Oy Interplan Ab	Helsinki	1,316.4	1,180.8	11.0	10,970.3	9,865.8	7,775.6	64,797.9	45	44	2.0	1
Mainoskentta Oy	Tampere	1,265.9	1,133.0	12.0	8,345.4	7,370.0	7,477.0	49,293.5	37	34	9.0	1
Oy Valotorni Ab	Helsinki	1,173.3	1,130.9	4.0	10,685.9	9,371.2	6,930.2	63,118.3	37	36	3.0	N/A
Oy Ervaco Ab	Helsinki	965.0	778.8	24.0	6,399.5	5,197.5	5,700.0	37,800.0	27	22	23.0	1
Juniormainos Oy	Helsinki	933.9	1,100.5	–15.0	6,070.4	8,126.4	5,516.0	39,400.0	45	43	5.0	1
Mainostoimisto LSM Oy	Turku	869.2	895.0	– 3.0	5,373.0	5,667.0	5,134.0	31,736.0	29	28	4.0	1
D'Arcy MacManus Masius Oy Ab	Helsinki	796.0	617.0	29.0	5,310.0	4,112.0	4,703.0	31,366.0	20	17	18.0	1
Markkinamainos Oy	Helsinki	481.2	336.0	43.0	3,208.0	2,240.0	2,842.5	18,950.0	20	20	0.0	1
Oy Goodwill Ab	Helsinki	378.0	358.6	5.0	2,687.0	2,663.3	2,230.0	15,869.0	10	9	11.0	1
Liikekonsultit Oy	Helsinki	296.2	282.0	5.0	2,769.0	2,392.6	1,749.3	16,355.4	8	7	14.0	1
Mainos H&K Oy	Oulu	199.7	173.8	15.0	1,331.1	1,158.6	1,179.4	7,862.5	16	16	0.0	1

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Ajan Mainos Oy	Helsinki	193.3	287.1	−33.0	1,256.1	1,996.0	1,141.5	7,419.6	7	8	– 13.0	1
Mainos Kunnas Oy	Helsinki	186.2	N/A	N/A	948.1	N/A	1,100.0	5,600.0	N/A	N/A	N/A	1
FRANCE								**Exchange rate: 0.1169 franc**				
Publicis Conseil	Paris	42,877.0	32,270.0	33.0	286,059.0	214,103.0	FF366,787.0	FF2.45 bill.	1009	776	30.0	11
Belier	Neuilly	32,160.0	25,905.0	24.0	214,507.0	172,789.0	275,100.0	1.83 bill.	653	548	19.0	25
HCM France	Paris	25,299.0	13,835.0	N/A	168,744.0	92,279.0	216.416.0	1.44 bill.	352	348	1.0	N/A
Roux Seguela Cayzac & Goudard	Paris	23,964.5	19,873.0	21.0	160,153.0	132,097.0	205,000.0	1.37 bill.	N/A	N/A	N/A	N/A
Young & Rubicam France	Paris	13,548.0	14,256.0	– 5.0	90,365.0	95,088.0	115,835.0	772,620.8	340	438	– 22.0	15
Lintas Paris Group	Paris	13,513.2	12,173.7	11.0	92,553.0	82,972.2	115,596.0	791,728.0	197	198	– 1.0	5
Doyle Dane Bernbach S.A.	Paris	13,467.0	11,785.9	14.0	94,106.0	78,618.0	115,200.0	805,016.0	237	247	– 4.0	3
Ecom/Univas	Paris	12,297.9	9,824.3	25.0	82,027.0	65,522.5	105,200.0	701,685.0	229	193	19.0	1
Boulet Dru Dupuy Petit	Paris	8,767.5	3,507.0	150.0	54,943.0	23,380.0	75,000.0	470,000.0	213	80	166.0	N/A
Dupuy Saatchi & Saatchi Compton	Paris	8,709.1	7,540.1	16.0	60,876.3	52,710.2	74,500.0	520,755.0	150	150	0.0	4

Notes

(Continued from Page 65)

is AA estimate.

DOMINICAN REPUBLIC

Publicidad Siboney part of Foote, Cone & Belding Inc.

ECUADOR

Publicidad Artefilme part of Foote, Cone & Belding Inc.

EGYPT

Americana Advertising gross income for 1984 and 1983 is AA estimate.

FINLAND

Turkama & Kumppanit affiliated with Benton & Bowles.
Oy Mainos Taucher Reklam 1984 gross income figures are estimates.
Mainosrengas Oy 1984 gross income figures are AA estimates.
Tehomainos Advertising 1984 gross income figures are AA estimates.
Oy AC-mainos part of DFS Intl.
Oy Interplan 1984 gross income figures are AA estimates.
Topitorma associated with the Publicis international agency network.
Creator Oy 1984 gross income figures are AA estimates.
Markkinamainos Oy gross income figures for both years are AA estimates.
Mainos H&K Oy gross income figures for both years are AA estimates.

FRANCE

Publicis Conseil includes figures for B.C.A., Beverly-Markagri, De Bonneville Orlandini, C.L.V., Edico, Media-System, Mundoprint Topologies, Orexa, Oscar Intermarco, Projectis, Siquier Courcelle and Success.
HCM France is the result of the merger of Marsteller Inc. with Havas Conseil, EUROCOM's lead agency, in September, 1984. The large difference between 1984 and 1983 figures is the result of the acquisition by HCM in 1984 of the Polaris regional network, with offices in Lyon, Lille, Bordeaux, Strasbourg, Toulouse, etc. In 1983 this regional network came under the business responsibility of Futurs Groupe, another EUROCOM group.
Belier Group consists of Belier Conseil, Alice, Taurus, INF.14, Business, Bombe, Stratege, five specialized and five provincial agencies and Promostyl. Belier has an affiliation agreement with Foote, Cone & Belding.
Roux Seguela Cayzac & Goudard figures include Racines, Chevassus Vadon, Glad, Seven, and Motivente.
Young & Rubicam France totals include figures for Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller.
Boulet Dru Dupuy Petit opened in May, 1984.
EUROCOM Group includes Futurs Groupe, Bazaine, Fusion, Unicom, Capricorn, Publi-Est, Uniconseil, D-10, Eldorado, Novation, O.P.F., Campagnes and Optima.

(Continued on Page 73)

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75% Attend/Graduate from college.

79.4% Male. & 20.6% Female. (Median Age 39) = 35-49 are 44%

75% Total business & Industry.

NOTE: These statistics are based on market demographics throughout the world.

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Agency	City	Gross income		Per cent change:	Billings		Gross income	Billings	Employes			Number offices
		1984	1983 ($000)	income	1984	1983 ($000)	1984 ($000; national currency)	1984	1984	1983	Per cent change	
Futurs Groupe	Neuilly	8,300.0	7,014.0	18.0	55,177.0	46,760.0	71,000.0	472,000.0	185	170	9.0	N/A
Homsy Delafosse & Associes	Paris	8,183.0	5,950.2	38.0	62,703.0	45,637.8	70,000.0	540,000.0	45	44	2.0	8
Ogilvy & Mather	Paris	7,493.1	6,059.2	24.0	49,098.0	42,084.0	64,098.2	420,000.0	134	118	14.0	N/A
O.D.I.C.	Paris	7,306.3	7,949.2	– 8.0	48,732.7	52,955.7	62,500.0	416,875.0	N/A	N/A	N/A	N/A
GEMAP	Paris	7,248.0	4,629.2	57.0	30,610.0	18,587.0	62,000.0	258,000.0	155	113	37.0	15
Ted Bates France	Puteaux	7,220.9	5,859.0	23.0	N/A	N/A	61,770.0	N/A	156	149	5.0	4
Crehalet Foliet Recherches et Publicite	Paris	7,014.0	5,728.1	22.0	46,993.8	38,226.3	60,000.0	402,000.0	85	80	6.0	1
McCann-Erickson	Paris	6,568.0	6,483.0	1.0	43,809.0	43,242.0	56,184.0	374,747.0	123	130	– 5.0	N/A
TBWA France	Paris	6,312.6	5,366.0	18.0	42,084.0	35,187.0	54,000.0	360,000.0	96	99	– 3.0	1
J. Walter Thompson	Paris	5,961.0	5,377.0	11.0	39,742.0	35,848.5	51,000.0	340,017.0	112	100	12.0	1
Synergie Kenyon & Eckhardt	Paris	5,786.0	4,313.0	34.0	46,760.0	35,070.0	49,500.0	400,000.0	107	102	5.0	1
FCB	Paris	5,634.3	4,786.0	18.0	37,581.0	31,923.0	48,198.0	321,481.0	125	94	33.0	2
Bazaine/DFS	Paris	5,280.4	4,231.4	25.0	35,220.0	28,223.2	45,170.0	301,283.0	102	97	5.0	1
Grey	Paris	5,203.8	4,401.2	18.0	34,224.0	29,355.8	44,515.0	292,763.0	101	90	12.0	1
Impact	Paris	5,002.0	5,083.2	– 2.0	33,360.0	33,905.0	42,785.0	285,376.0	100	119	– 16.0	1
CLM/BBDO	Paris	3,898.8	2,755.2	42.0	26,068.0	18,353.3	33,352.0	223,000.0	83	61	36.0	1
D'Arcy MacManus Masius	Paris	3,166.0	3,138.0	1.0	21,106.0	20,924.0	27,081.0	180,549.0	62	68	– 9.0	1
Fusion	Paris	3,086.2	2,536.7	22.0	20,584.7	16,920.0	26,400.0	176,088.0	93	82	13.0	1
GGK International	Paris	2,901.0	2,414.0	20.0	19,350.0	16,100.0	24,803.6	165,442.5	29	20	45.0	2
Leo Burnett Co.	Paris	2,757.0	1,930.7	43.0	18,377.0	12,877.9	23,580.0	157,279.0	64	57	12.0	1
Maime Arnodin, Fayolle International, Associes	Paris	2,747.2	2,454.9	12.0	18,323.5	16,378.0	23,500.0	156,745.0	46	48	– 4.0	1
M.A.O.	Paris	2,583.5	2,279.6	13.0	20,235.4	17,476.6	22,100.0	173,000.0	39	37	5.0	1
R&D Campbell-Ewald	Paris	2,338.0	N/A	N/A	15,594.0	N/A	20,000.0	133,400.0	N/A	N/A	N/A	N/A
Ogilvy Defrenois Direct	Paris	2,310.0	1,558.0	48.0	15,400.0	10,387.0	19,757.0	131,713.0	38	25	52.0	1
Unicom	Cesson Sevigne	1,987.3	1,695.1	17.0	13,255.3	11,306.0	17,000.0	113,390.0	60	60	0.0	3
Benton & Bowles Publicite	Paris	1,873.0	1,543.0	21.0	12,491.0	10,274.0	16,020.0	106,853.0	38	31	23.0	1
Capricorne	Lyon	1,870.4	1,321.0	42.0	12,475.6	8,810.9	16,000.0	106,720.0	48	44	9.0	N/A
Roumagnac & Associes	Paris	1,788.6	1,426.2	25.0	16,950.5	13,092.8	15,300.0	145,000.0	24	24	0.0	N/A
Publi-Est	Metz	1,753.5	1,695.1	34.0	11,695.8	11,306.0	15,000.0	100,050.0	50	58	– 16.0	1
Uniconseil	Lyon	1,636.6	1,461.3	12.0	10,916.1	9,746.5	14,000.0	93,380.0	41	43	– 5.0	1
CPV	Paris	1,620.0	1,300.0	25.0	11,940.0	9,950.0	13,860.0	102,100.0	27	27	0.0	1
D.10	Latresne	1,402.8	1,052.1	33.0	9,356.7	7,017.5	12,000.0	80,040.0	40	40	0.0	2
EDIP	Paris	1,402.8	1,474.2	– 5.0	9,352.0	9,827.7	12,000.0	80,000.0	28	27	4.0	1
Eldorado	Paris	1,402.8	1,192.4	18.0	10,754.8	8,884.4	12,000.0	91,953.0	21	21	0.0	1
Dassas Jaglin Walhain-Needham	Paris	1,344.4	1,110.5	21.0	8,966.2	7,411.5	11,500.0	76,700.0	27	17	59.0	1
Novation	Marseille	1,285.9	724.8	77.0	8,577.0	4,834.3	11,000.0	73,370.0	26	24	8.0	N/A
O.P.F.	Paris	975.0	852.0	14.0	5,202.0	4,734.0	8,340.0	44,500.0	25	22	14.0	1
GMC Ayer, Brains Ayer	Paris	951.3	951.0	0.0	4,919.7	3,950.0	8,138.0	42,085.0	22	26	– 15.0	1
Compar	Neuilly	876.7	709.1	24.0	5,961.9	4,863.0	7,500.0	51,000.0	N/A	13	N/A	N/A
Publi Matignon	Paris	818.3	759.9	8.0	5,459.2	5,061.8	7,000.0	46,700.0	N/A	N/A	N/A	N/A
McCann-Erickson Universal Media	Paris	787.0	N/A	N/A	5,249.0	N/A	6,732.0	44,902.0	10	N/A	N/A	N/A
McCann-Erickson Joannis Schneider Conseil	Paris	517.0	488.0	6.0	3,448.0	3,255.0	4,420.0	29,481.0	10	8	25.0	N/A
Campagnes	Lyon	502.7	444.2	13.0	3,352.8	2,962.9	4,300.0	28,681.0	10	9	11.0	N/A
OCERP	Paris	467.6	420.0	11.0	2,340.0	2,200.0	4,000.0	20,000.0	10	10	0.0	N/A
Optima	Marseille	409.2	379.9	8.0	2,729.0	2,534.1	3,500.0	23,345.0	9	10	– 10.0	N/A
Domino Ketchum	Paris	305.8	246.4	24.0	1,406.5	1,726.0	2,615.7	12,031.8	8	8	0.0	1
Campbell-Ewald Publi-Service	Paris	81.0	72.0	13.0	540.0	480.0	697.0	4,649.0	1	3	– 67.0	N/A
GERMANY									**Exchange rate: 0.3583 mark**			
Team/BBDO Group	Duesseldorf	24,175.2	21,919.0	10.0	161,249.0	146,200.0	DM67,472.0	DM450,038.0	410	385	6.0	6
SSC&B Lintas:Germany	Hamburg	23,361.2	23,217.8	1.0	155,896.3	154,749.8	65,200.0	435,100.0	415	445	– 7.0	3
J. Walter Thompson	Frankfurt	23,152.4	20,788.0	11.0	154,356.7	138,593.7	64,617.2	430,803.1	424	394	8.0	8
McCann-Erickson (Germany)	Frankfurt	19,553.0	19,026.0	3.0	130,419.0	126,903.0	54,572.0	363,995.0	374	395	– 5.0	N/A
Grey Duesseldorf	Duesseldorf	14,067.0	12,458.0	13.0	93,825.0	83,054.0	39,260.0	261,862.0	239	220	9.0	4
Ogilvy & Mather Germany	Frankfurt	14,000.0	12,397.2	13.0	93,500.0	82,624.0	39,100.0	260,900.0	252	249	1.0	5
Young & Rubicam	Frankfurt	13,282.0	12,616.0	5.0	88,591.0	84,149.0	37,057.0	247,168.9	256	254	1.0	4
Doyle Dane Bernbach	Duesseldorf	12,376.8	9,951.4	24.0	82,553.0	66,376.0	34,543.0	230,402.0	238	223	7.0	3
D'Arcy MacManus Masius	Hamburg/Frkft	9,494.0	9,966.0	– 5.0	63,338.0	66,470.0	26,503.0	176,775.0	201	215	– 7.0	2
William Wilkens Werbeagentur	Hamburg	9,371.3	9,334.0	0.4	62,508.0	62,259.0	26,155.0	174,457.0	159	161	1.0	3
Werbeagentur R.W. Eggert	Duesseldorf	9,219.4	8,778.0	5.0	61,493.6	65,330.5	25,731.0	171,626.0	175	175	0.0	N/A
GGK Duesseldorf Werbeagentur	Duesseldorf/Frkft	8,921.0	8,527.5	5.0	59,477.8	56,790.6	24,900.0	166,000.0	152	149	2.0	2
Saatchi & Saatchi Compton	Frankfurt	8,336.0	7,578.0	10.0	55,573.0	50,520.0	23,265.0	155,103.0	144	132	9.0	2
Luerzer, Conrad & Leo Burnett	Frankfurt	8,216.2	7,394.6	11.0	54,775.0	55,034.0	22,931.0	152,950.0	137	134	2.0	1
Publicis Intermarco Farner	Frankfurt	7,262.0	7,118.0	2.0	48,442.0	47,475.0	20,269.0	135,200.0	139	143	– 3.0	5
Ted Bates Werbeagentur	Frankfurt	6,598.0	5,943.5	11.0	44,007.0	39,643.0	18,414.0	122,821.0	124	117	6.0	1
Heye, Needham & Partner	Unterhaching	6,267.0	5,969.3	5.0	41,814.0	39,807.1	17,491.0	116,700.0	115	110	5.0	3
Troost Campbell-Ewald	Dueseldorf	6,155.0	7,557.0	– 19.0	41,054.0	50,405.0	17,178.0	114,577.0	160	177	– 10.0	N/A
FCB Deutschland	Frankfurt	5,896.6	5,642.0	5.0	39,330.5	37,632.0	16,457.2	109,769.7	122	124	– 2.0	3
Scholz & Friends	Hamburg	5,804.5	4,686.6	24.0	38,696.0	31,244.0	16,200.0	108,000.0	65	80	– 19.0	1
Baums, Mang und Zimmermann	Duesseldorf	5,718.5	4,980.4	15.0	38,120.0	32,910.0	15,960.0	106,400.0	83	74	13.0	1
TBWA Germany	Frankfurt	5,659.0	4,855.0	17.0	37,728.0	32,820.0	15,795.0	105,297.0	81	79	3.0	1
Von Mannstein Gruppe	Solingen	5,543.6	4,469.4	24.0	36,976.6	29,810.6	15,472.0	103,200.0	85	67	27.0	4
Intensiv Marketing	Nuernberg	4,872.9	4,729.6	3.0	32,426.2	31,530.4	13,600.0	90,500.0	72	73	– 3.0	3
MWI Markenwerbung International	Hamburg	4,837.1	4,908.7	– 1.0	32,263.0	32,748.0	13,500.0	90,045.0	96	114	– 16.0	1
Copartner Ayer Werbeagentur	Hamburg	4,173.8	3,872.9	8.0	27,839.9	25,833.4	11,649.0	77,700.0	82	78	5.0	2
DFS&R	Munich/Dsldrf	3,727.8	3,654.8	2.0	24,851.7	24,376.6	10,404.0	69,360.0	78	78	0.0	2
HCM/MPW	Duesseldorf	3,650.0	3,400.0	7.0	41,205.0	37,263.0	10,200.0	115,000.0	85	80	6.0	1
Benton & Bowles	Frankfurt	3,590.2	5,387.4	– 33.0	23,946.3	35,933.9	10,020.0	66,833.0	76	125	– 39.0	1
Hildmann Simon Rempen & Schmitz	Duesseldorf	3,332.2	3,009.7	11.0	22,215.0	20,064.8	9,300.0	62,000.0	47	44	7.0	1
Konsell Partners	Frankfurt	3,222.9	3,045.6	6.0	23,935.2	22,752.1	8,995.0	88,802.0	54	56	– 4.0	1

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Durana Ketchum Werbeagentur	Frankfurt	2,156.2	1,902.6	13.0	14,384.3	12,683.8	6,018.0	40,146.0	22	26	−15.0	1
IMAA/Die Gilde Werbeagentur	Hamburg	1,850.0	1,784.0	4.0	12,439.0	11,902.0	5,205.0	34,717.0	25	24	4.0	1
Springer Nicolai Jacoby	Hamburg	1,682.2	924.4	82.0	11,214.8	6,162.8	4,695.0	31,300.0	N/A	N/A	N/A	1
Schoen Werbeagentur	Duesseldorf	1,040.0	970.0	7.0	6,920.0	6,450.0	2,900.0	19,300.0	11	12	−8.0	1
E & P Erdmann & Partner	Duesseldorf	1,932.1	1,861.3	4.0	12,880.9	12,415.1	5,392.5	35,950.0	29	29	0.0	1
McCann-Erickson Universal-Kommunikations	Frankfurt	772.0	513.0	50.0	5,149.0	3,422.0	2,155.0	14,374.0	15	16	−6.0	N/A
Kastner & Partner	Frankfurt	642.4	543.9	18.0	4,283.0	3,660.0	1,793.0	11,959.0	10	12	−17.0	1
HCM Frankfurt	Frankfurt	604.0	815.0	−26.0	4,029.0	5,436.0	1,685.0	11,239.0	13	16	−19.0	1
Wirz & Hafner Werbeberatung	Frankfurt	470.0	450.0	4.0	3,260.0	3,730.0	1,300.0	9,100.0	9	9	0.0	1
Marcom Advertising	Duesseldorf	161.2	183.0	−12.0	2,744.2	1,719.0	450.0	4,000.0	4	3	33.0	1

GHANA

Exchange rate: 0.0338 cedi

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Lintas Ghana	Accra	103.3	53.0	95.0	627.0	333.0	C3,057.0	C18,560.0	16	16	0.0	1

GREECE

Exchange rate: 0.0093 drachma

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Spot/Thompson Advertising	Athens	1,567.0	1,265.0	24.0	13,020.0	9,765.0	Dr168,445.0	Dr1.40 bill.	57	51	12.0	1
Bold Advertising	Athens	1,348.5	952.3	42.0	9,486.0	6,696.0	145,000.0	1.02 bill.	48	45	7.0	1
Ted Bates	Athens	1,062.0	687.9	54.0	7,947.0	4,324.0	114,000.0	757,734.0	50	50	0.0	2
IKON/DD/BBDO	Athens	935.0	944.3	−1.0	6,236.6	6,407.4	100,540.4	670,604.2	54	60	−10.0	1
Adel Compton	Athens	808.9	678.9	19.0	5,466.4	4,631.4	86,979.0	587,790.0	37	36	3.0	1
Olympic Advertising	Athens	799.3	590.6	35.0	5,331.6	3,939.0	85,950.0	573,286.5	27	30	−10.0	1
Alector Advertising	Athens	776.6	662.8	17.0	5,533,5	5,022.0	83,500.0	595,000.0	36	40	−10.0	1
Euro-Advertising	Athens	766.3	734.7	4.0	5,356.8	5,273.1	82,400.0	576,000.0	49	49	0.0	1
McCann-Erickson (Hellas)	Athens	691.0	436.0	58.0	4,609.0	2,908.0	74,315.0	495,681.0	35	31	13.0	N/A
Lintas Athens	Athens	643.3	527.0	22.0	4,661.6	3,813.0	69,173.0	501,250.0	27	25	8.0	N/A
Gnomi/FCB	Athens	637.2	564.2	13.0	4,250.3	3,763.1	68,519.0	457,022.0	39	43	−9.0	1
Lamda Alpha Advertising	Athens	522.4	372.2	40.0	2,932.0	2,570.0	53,168.1	315,267.7	21	21	0.0	3
J.N. Leoussis Advertising	Athens	516.2	483.6	7.0	3,255.0	2,976.0	55,500.0	350,000.0	30	28	7.0	N/A
Producta	Athens	502.0	446.2	13.0	3,367.0	2,976.0	54,000.0	362,000.0	N/A	N/A	N/A	1
Leo Burnett Advertising	Athens	439.0	412.6	6.0	2,926.0	3,182.2	47,194.0	314,784.0	34	34	0.0	1
IN Ltd.	Athens	394.1	213.9	84.0	3,219.4	2,059.1	42,378.0	346,172.0	32	28	14.0	1
D'Arcy MacManus Masius, Ergon	Athens	357.6	234.7	52.0	2,232.0	1,655.4	38,450.0	240,000.0	22	22	0.0	1
Grafis Advertising	Athens	308.8	297.6	4.0	2,059.4	2,034.0	33,200.0	221,400.0	22	20	10.0	1
Epsilon-Epsilon	Athens	183.2	152.6	20.0	1,460.1	1,186.3	19,700.0	157,000.0	15	15	0.0	1
Sigma	Athens	166.5	139.4	19.0	1,110.4	929.5	17,900.0	119,393.0	14	17	−18.0	1
Geo II Advertising	Athens	118.6	N/A	N/A	967.3	N/A	12,753.0	104,015.0	12	N/A	N/A	1
Giad Advertising	Athens	102.5	99.0	4.0	712.1	710.2	11,018.6	76,565.6	16	17	−6.0	1

GUATEMALA

Exchange rate: 1.00 dollar

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
APCU Thompson Asociados	Guatemala City	825.0	800.0	3.0	5,500.3	5,333.6	$825.0	$5,500.3	42	42	0.0	1
Publicidad McCann-Erickson	Guatemala City	668.0	741.0	−10.0	4,456.0	4,942.0	668.0	4,456.0	39	29	34.0	N/A
Publimerca S.A.	Guatemala City	396.5	335.0	18.0	1,927.0	1,675.0	396.5	1,927.0	20	21	−5.0	1
Publicidad Siboney	Guatemala City	354.2	222.9	59.0	2,362.9	1,487.0	354.2	2,362.9	29	N/A	N/A	1

HONDURAS

Exchange rate: 0.4992 lempira

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
McCann-Erickson Centroamericana	Tegucigalpa	401.4	269.1	49.0	2,675.0	1,794.0	L804.0	L5,363.0	21	17	24.0	N/A

Top 15 agency world groups

	Agency	Gross income	Billings
1.	Interpublic Group of Cos.[1]	$671.3	$4.48 bill.
2.	JWT Group[2]	528.3	3.52 bill.
3.	Young & Rubicam	480.1	3.20 bill.
4.	Dentsu Inc.	468.4	3.48 bill.
5.	Saatchi & Saatchi PLC	426.2	2.39 bill.
6.	Ted Bates Worldwide	424.4	2.84 bill.
7.	Ogilvy & Mather Intl.	421.0	2.89 bill.
8.	BBDO Intl.	340.0	2.28 bill.
9.	Foote, Cone & Belding	268.5	1.80 bill.
10.	Leo Burnett Co.	253.5	1.73 bill.
11.	Grey Advertising	224.2	1.50 bill.
12.	Doyle Dane Bernbach Intl.	218.3	1.51 bill.
13.	D'Arcy MacManus Masius	198.6	1.34 bill.
14.	Hakuhodo Intl.	197.7	1.50 bill.
15.	EUROCOM Network[3]	195.5	1.28 bill.

[1] **Interpublic Group of Cos.** a holding company for McCann-Erickson Worldwide, SSC&B:Lintas, Marschalk Campbell-Ewald and Dailey Intl. Group. [2] **JWT Group** a holding company whose principal subsidiary is J. Walter Thompson Co. [3] **EUROCOM Network** includes the EUROCOM group and four affiliated agencies. Gross income figures are given in millions ($).

Source: compiled by Advertising Age.

John Wolfe, assistant international editor, and Ilse Cermak, international copy editor, coordinated the International Agency of the Year and Foreign Agency Income reports, along with Ellen Mardock, a free-lance designer.

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AUSTRALIAN BUSINESS

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Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
APCU de Honduras	Tegucigalpa	250.0	225.0	11.0	1,665.0	1,500.0	500.0	3,330.0	14	13	8.0	1

HONG KONG

Exchange rate: 0.1279 HK dollar

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Leo Burnett Ltd.	Hong Kong	3,688.0	2,922.3	26.0	24,589.0	19,491.4	HK$28,838.0	HK$192,349.0	123	120	3.0	1
Ogilvy & Mather (HK)	Hong Kong	3,549.9	2,705.5	31.0	23,677.9	18,046.0	27,755.4	185,128.6	111	98	13.0	1
DYR Ltd.	Hong Kong	2,699.0	N/A	N/A	18,002.0	N/A	21,102.8	140,775.6	95	N/A	N/A	2
Ted Bates	Hong Kong	2,600.0	2,284.2	14.0	17,000.0	15,348.0	20,500.0	135,000.0	96	88	9.0	1
McCann-Erickson Ltd.	Hong Kong	2,197.0	1,997.0	10.0	14,654.0	13,320.0	17,177.0	114,571.0	92	94	– 2.0	N/A
Far East Advertising	Hong Kong	1,320.0	1,559.0	4.0	9,473.0	9,393.0	12,669.0	74,065.0	108	108	0.0	3
J. Walter Thompson Co.	Hong Kong	1,434.4	931.3	54.0	9,563.4	6,208.8	11,215.3	74,772.7	52	49	6.0	1
Meridian Hong Kong	Hong Kong	1,421.6	994.3	43.0	9,447.2	6,632.0	11,114.8	74,098.4	28	28	0.0	1
Tse, Needham & Standard Advertising	Hong Kong	1,302.0	1,250.5	4.0	8,684.0	8,340.7	10,180.0	67,900.0	64	58	10.0	1
People & Grey Advertising	Hong Kong	1,231.7	924.3	33.0	8,211.2	6,162.2	9,630.0	64,200.0	45	40	13.0	1
Doyle Dane Bernbach HK Ltd.	Hong Kong	1,158.3	886.2	31.0	6,311.6	4,384.6	9,056.0	49,348.2	47	45	4.0	1
Saatchi & Saatchi Compton	Hong Kong	1,027.3	457.3	125.0	6,848.6	2,950.3	8,032.0	53,546.7	32	32	0.0	1
Far East-Ketchum Advertising	Hong Kong	768.0	761.0	1.0	4,461.9	4,710.2	6,005.0	34,886.0	35	30	17.0	1
D'Arcy MacManus Masius	Hong Kong	766.0	582.0	32.0	5,655.0	4,146.0	5,992.0	44,219.0	38	38	0.0	1
Modern Advertising	Hong Kong	760.0	670.0	13.0	5,100.0	4,500.0	5,950.0	39,780.0	31	29	7.0	1
Foote, Cone & Belding	Hong Kong	756.8	701.4	8.0	5,047.5	4,678.3	5,916.8	39,464.8	41	38	8.0	1
3A Publicity 'N Promotions	Hong Kong	716.0	355.0	102.0	4,090.0	2,370.0	5,590.0	31,900.0	25	N/A	N/A	N/A
SSC&B:Lintas	Hong Kong	701.0	460.0	52.0	5,124.0	3,092.0	5,479.0	40,062.0	23	19	21.0	1
Kenyon & Eckhardt	Hong Kong	610.6	774.5	– 27.0	4,072.4	5,166.0	4,773.7	31,840.6	44	51	– 16.0	N/A
Results Ltd.	Hong Kong	598.5	489.8	22.0	3,992.0	3,267.3	4,679.4	31,211.6	27	24	13.0	1
BBDO Hong Kong Ltd.	Hong Kong	553.1	597.6	– 7.0	3,946.5	4,051.9	4,324.1	30,856.4	33	32	3.0	1
Chuo Senko Advertising	Hong Kong	517.0	402.8	28.0	3,843.4	2,716.9	4,042.0	30,050.0	18	19	– 5.0	1
Laykin Communications	Hong Kong	240.0	N/A	N/A	303.0	N/A	N/A	N/A	4	N/A	N/A	2

ICELAND

Exchange rate: 0.0345 kroner

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Olafur Stephensen Advertising	Reykjavik	669.4	565.8	18.0	1,522.4	879.3	IKr19,402.9	IKr44,126.3	25	24	4.0	2

INDIA

Exchange rate: 0.0905 rupee

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Hindustan Thompson Associates	Bombay	4,315.5	3,780.2	14.0	28,771.4	25,202.5	Rs47,685.0	Rs317,915.9	676	633	7.0	5
Lintas India Ltd.	Bombay	3,219.4	2,935.0	10.0	21,474.0	19,576.0	35,573.0	237,272.0	234	216	8.0	4
Ogilvy Benson & Mather	Bombay	1,992.0	1,702.3	17.0	13,283.0	11,352.7	22,006.0	146,778.0	281	283	– 1.0	5
Rediffusion Advertising Ltd.	Bombay	1,677.9	1,086.0	55.0	11,222.0	7,240.0	18,540.0	124,000.0	113	94	20.0	5
Advertising & Sales Promotion Co.	New Delhi	1,633.8	1,426.6	15.0	9,080.7	7,783.0	18,053.0	100,339.0	297	284	5.0	7
Ulka Advertising	Bombay	1,493.3	1,221.8	22.0	9,955.0	8,145.0	16,500.0	110,000.0	264	237	11.0	4
R.K. Swamy Advertising Associates	Madras	1,360.0	950.0	20.0	9,050.0	6,335.0	15,000.0	100,000.0	196	190	3.0	5
Jaisons Advertising	Bombay	1,359.1	1,021.9	33.0	8,586.7	6,441.5	15,017.4	94,880.5	161	148	9.0	8
Everest Advertising	Bombay	1,292.9	1,128.2	15.0	8,623.8	7,525.1	14,286.5	95,291.0	186	180	3.0	4
Grant Kenyon & Eckhardt	Bombay	824.9	836.4	– 1.0	5,499.5	5,575.8	9,115.0	60,766.7	114	143	– 20.0	4
daCunha Associates	Bombay	660.0	520.0	27.0	4,160.0	3,380.0	7,293.0	45,968.0	46	43	7.0	N/A
IMAA/Newfields Advertising	New Delhi	327.5	314.9	4.0	2,183.6	2,099.6	3,619.2	24,128.0	77	75	3.0	5

INDONESIA

Exchange rate: 0.0009 rupiah

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Lintas Jakarta	Jakarta	1,855.0	1,233.1	52.0	12,373.0	8,158.0	Rup2.06 bill.	Rup13.75 bill.	72	65	11.0	1
P.T. Bates Mulia Indonesia	Jakarta	990.0	900.0	10.0	6,930.0	6,300.0	1.10 bill.	7.70 bill.	50	54	– 7.0	1
Matari Inc.	Jakarta	874.0	900.0	– 3.0	5,826.6	6,014.9	971,108.1	6.47 bill.	174	172	1.0	8
P.T. Perwanal Dinamika Mulya Mandiri	Jakarta	394.0	244.0	61.0	2,300.7	1,525.6	437,734.1	2.56 bill.	36	34	6.0	1
UMM-Thompson	Jakarta	368.8	162.8	127.0	2,459.1	1,085.2	409,826.0	2.73 bill.	34	27	26.0	1
Relata Publika	Jakarta	144.0	216.0	– 33.0	1,500.0	1,400.0	160,000.0	1.67 bill.	51	33	55.0	2

IRELAND

Exchange rate: 1.105 pound

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
McConnells Advertising	Dublin	2,439.2	2,008.1	21.0	16,261.5	15,386.5	I£2,207.4	I£14,716.3	98	86	14.0	2
Arks Ltd.	Dublin	1,576.3	1,404.8	12.0	10,508.5	9,404.8	1,426.5	9,510.0	48	50	– 4.0	1
O'Kennedy-Brindley	Dublin	1,503.7	N/A	N/A	8,353.8	N/A	1,360.8	7,560.0	50	N/A	N/A	1
Wilson Hartnell Advertising & Marketing	Dublin	1,444.4	1,467.5	– 2.0	7,785.8	8,247.8	1,307.1	7,048.7	59	63	– 6.0	1
Doherty Advertising	Dublin	1,365.0	1,674.3	– 18.0	9,100.0	11,161.9	1,515.2	10,101.3	N/A	N/A	N/A	N/A
Bell Advertising	Dublin	1,225.7	1,111.0	10.0	6,890.2	6,235.5	1,109.2	6,153.9	41	46	– 11.0	1
Hunter Advertising	Dublin	1,153.6	N/A	N/A	6,409.0	N/A	1,044.0	58,000.0	31	N/A	N/A	1
Brian Cronin & Associates	Dublin	1,096.1	1,048.5	5.0	7,307.1	6,990.2	991.9	6,612.8	23	25	– 8.0	1
O'Keeffes	Dublin	1,062.5	1,030.3	3.0	6,418.3	5,952.3	961.6	5,808.4	27	28	– 4.0	2
Young Advertising	Dublin	862.0	696.0	24.0	5,746.0	4,641.0	780.0	5,200.0	32	32	0.0	1

ISRAEL

Exchange rate: 0.006 shekel

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Bing Linial Advertising	Tel Aviv	1,031.0	1,268.8	N/A	6,860.0	8,458.4	171,840.8	1.15 bill.	40	56	– 29.0	2
May-Tal Associated Advertising Services	Tel Aviv	337.5	1,031.0	N/A	2,250.0	6,873.0	Sh56,250.0	Sh375,000.0	14	25	– 44.0	1

*With Israeli agencies, AA altered its procedure of determining an agency's "real growth" (applying 1984 exchange rate to 1983 returns) because it primarily shows the impact of inflation in that economy. Dollar figures for 1983 are based on the average annual exchange rate for that year.

ITALY

Exchange rate: 0.006 lira

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
McCann-Erickson Italiana	Milan	14,893.0	12,388.0	21.0	99,336.0	82,628.0	IL24.82 bill.	IL165.56 bill.	250	236	6.0	N/A
J. Walter Thompson Italia	Milan	12,144.8	9,268.9	31.0	80,969.6	61,795.8	20.24 bill.	134.95 bill.	194	176	10.0	2
Foote, Cone & Belding	Milan	9,992.6	6,857.2	46.0	67,267.7	45,737.3	16.65 bill.	112.11 bill.	183	162	13.0	2
Armando Testa	Turin	9,900.0	7,140.0	39.0	69,600.0	48,360.0	16.50 bill.	116.00 bill.	189	166	14.0	3
Young & Rubicam Italia	Milan	9,454.0	7,175.0	32.0	63,058.0	47,857.0	15.80 bill.	105.10 bill.	153	124	23.0	2
Italia/BBDO	Milan	8,640.0	6,840.0	26.0	57,600.0	45,600.0	14.40 bill.	96.00 bill.	92	97	– 5.0	7

ITALY

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Ata Univas	Milan	8,112.9	6,697.1	21.0	54,113.1	44,669.9	13.52 bill.	90.19 bill.	105	107	− 2.0	3
TBWA Italia	Milan	6,750.0	5,346.0	26.0	45,000.0	38,400.0	10.20 bill.	75.00 bill.	104	104	0.0	2
SSC&B:Lintas Worldwide Italy	Milan	5,800.0	5,363.3	8.0	40,788.1	38,478.2	9.67 bill.	67.98 bill.	116	113	3.0	1
Livraghi, Ogilvy & Mather	Milan	5,473.2	2,824.8	94.0	36,307.2	18,704.0	9.12 bill.	60.51 bill.	104	71	46.0	2
Benton & Bowles Italy	Milan	5,428.1	3,921.5	38.0	36,205.7	26,156.1	9.05 bill.	60.34 bill.	108	99	9.0	3
Milano & Grey	Milan	5,344.0	3,816.0	40.0	36,660.0	27,271.2	8.89 bill.	61.10 bill.	81	73	11.0	2
Consumer Benefit Communication	Milan	4,776.0	3,451.2	38.0	31,860.0	23,010.0	7.96 bill.	53.10 bill.	67	62	8.0	2
Saatchi & Saatchi Compton Italia	Milan	4,769.8	3,663.0	30.0	31,800.0	24,420.0	7.95 bill.	53.00 bill.	90	75	20.0	2
Canard Advertising	Turin	4,200.0	3,666.0	15.0	30,000.0	25,800.0	7.00 bill.	50.00 bill.	N/A	N/A	N/A	1
Leader Pubblicita & Marketing	Florence	3,360.0	2,820.0	19.0	21,000.0	17,580.0	5.60 bill.	35.00 bill.	56	58	− 3.0	2
P&T Needham	Milan	3,060.0	2,520.0	21.0	19,800.0	15,480.0	5.10 bill.	33.00 bill.	43	40	8.0	3
Ted Bates & Co.	Milan	3,045.0	1,743.0	75.0	24,037.0	12,821.0	5.07 bill.	40.06 bill.	52	34	53.0	1
Publinter Ayer	Milan	2,823.6	2,496.0	13.0	21,294.0	16,641.6	4.71 bill.	35.49 bill.	44	61	− 28.0	2
Leo Burnett Co.	Milan	2,816.0	1,965.9	43.0	18,776.0	13,110.8	4.69 bill.	31.31 bill.	56	47	19.0	1

Notes

(Continued from Page 69)

Homey Delafosse & Associes consists of Decider's, Paradise, Publi Matignon, O.D.I.C. (an agency in which Homey Delafosse acquired a majority interest in 1984), Synecom Conseil, Profilco, Synecom Media, Inter Promotion.
GEMAP consists of 15 regional agencies and a Zurich, Switzerland, office.
Ted Bates S.A. does not provide billing figures.
Impact part of Foote, Cone & Belding.
R&D Campbell-Ewald. Interpublic Groups of Cos. has 25% equity.
CPV affiliated with Kenyon & Eckhardt Intl.
Compar part of Saatchi & Saatchi Compton Worldwide.
McCann-Erickson Universal Media was newly formed in 1984.
Ocerp part of Affiliated Advertising Agencies Intl.

GERMANY

Team/BBDO Group includes figures for BBDO/Telecom, IMPARC, Koenigsteiner Gruppe, Selection, Eiler & Riemel/BBDO and Team Direct.
J. Walter Thompson GmbH includes figures for JWT Frankfurt, Duesseldorf, Hamburg, ProService, T&A Werbeagentur and Basisresearch Institut fuer Marketing, Motiv und Werbeforschung in Frankfurt and Duesseldorf and JWT Corporate Communications in Frankfurt.
Ogilvy & Mather Germany includes figures for Heumann, Ogilvy & Mather, Ogilvy & Mather Direkt, Frankfurt and Hamburg and O&M Focus and O&M, Duesseldorf.
Young & Rubicam includes figures for Wunderman, Cato Johnson, Sudler & Hennessey and Burson-Marsteller.
Doyle Dane Bernbach includes figures for DDB Munich and Duesseldorf and Drescher, Heine, Rapp & Collins.
R.W. Eggert signed a nonequity agreement with DYR in November, 1984.
GGK Duesseldorf includes figures for its Frankfurt office.
Heye, Needham & Partner includes figures for its Duesseldorf and Hamburg offices.
Von Mannstein Gruppe includes Von Mannstein advertising, medical innovation and political communication. Offices also in Duesseldorf, Munich and Paris.
MWI Markenwerbung part of Foote, Cone & Belding.
HCM/MPW formerly M.P.W. Univas.
Kastner & Partner part of Kenyon & Eckhardt Intl.
HCM Frankfurt formerly Marsteller Intl.
Wirz & Hafner Werbeberatung part of Wirz Holding, Zurich.
Marcom Advertising part of Kenyon & Eckhardt Intl.

GREECE

Producta part of the EUROCOM/-Univas agency network.
Geo II Advertising opened on Sept. 1, 1984.

GUATEMALA

APCU Thompson Asociados, Guatemala City, part of the JWT Group, and head office of the APCU Group with offices in six Central American countries.
Publicidad Siboney part of Foote, Cone & Belding Inc.
Publimerca affiliated with N W Ayer.

HONG KONG

DYR Ltd. opened July 1, 1984.
Meridian Hong Kong part of Ogilvy & Mather Intl.
Results Hong Kong part of Ogilvy & Mather Intl.

INDIA

Everest Advertising affiliated with Saatchi & Saatchi Compton Worldwide.

INDONESIA

P.T. Perwanal Dinamika Mulya Mandiri affiliated with D'Arcy MacManus Masius.
Relata Publika part of Grey Advertising.

IRELAND

McConnells Advertising gross income figures for 1984 and 1983 are AA estimates.
Arks Ltd. member of Alliance International Group. Gross income figures for 1984 and 1983 are AA estimates.
O'Kennedy-Brindley part of Saatchi & Saatchi Compton Worldwide.
Wilson Hartnell Advertising 1984 figures are for an 11-month period ending Dec. 31, 1984.
Doherty Advertising includes figures for Padbury Advertising. Gross income for 1984 and 1983 is AA estimate.
Bell Advertising 1984 figures are for an 11-month period ending Dec. 31, 1984.
Hunter Advertising part of Saatchi & Saatchi Compton Worldwide.
Brian Cronin gross income for 1984 and 1983 is AA estimate.

ITALY

Young & Rubicam Italia figures include Cato-Johnson and Burson-Marsteller.
Consumer Benefit Communication part of D'Arcy MacManus Masius.
P&T Pubblicita e Marketing part of Needham Harper Worldwide.
B Communications part of Dorland/-DFS Intl.
INTHA-HCM formerly INTHA Univas.
Pubbli Dan Wirz part of Wirz Holding, Zurich.

JAPAN

Asatsu affiliated with BBDO Intl.
J. Walter Thompson Japan Group includes figures for Japan Market Research and Enterprise Agency Japan.
Yomiko Advertising member of Affiliated Advertising Agencies Intl.
Meitau Advertising part of Kenyon & Eckhardt Intl.
Standard Advertising affiliated with Needham Harper Worldwide.
Dai-Ichi Tsushin-Sha gross income for 1984 and 1983 is AA estimate.

LEBANON

Intermarkets S.A.L. local currency figures are not given because returns from eight Middle East offices—Bahrain, Kuwait, Dubai, Egypt, Jordan, Syria, Qatar and Oman—and London are dollar-consolidated at the corporate level.

MALAYSIA

Wings Creative Consultants affiliated with BBDO Intl.
Flagbearer Meridian Advertising part of Ogilvy & Mather Intl.
Grant Advertising affiliated with Kenyon & Eckhardt Intl.

MALTA

BPC International gross income for 1984 and 1983 is AA estimate.

MEXICO

Noble y Asociados part of Benton & Bowles.
Iconic part of DFS Intl.
Maqueda, Gibert/Publicidad part of Foote, Cone & Belding Inc.

NETHERLANDS

Ogilvy & Mather (Nederland) figures include O&M Direct, O&M Rotterdam and GDR/O&M.
Young & Rubicam includes in gross income figures for Wunderman, Cato Johnson and Burson-Marsteller.
Prad B.V. part of the Alliance International Group.
Prins, Meijer, Stamenkovits & van Walbeek is part of Y&R, which holds 40% equity.
Saatchi & Saatchi Compton includes figures for Recla Janssens.
PPGH/Moussault part of BBDO Intl.
HCM NPO formerly NPO Univas.
Foote, Cone & Belding includes figures for Hammerschmidt/FCB and the former NCK/Netherlands.
Paradies Advertising part of BBDO.
Push B.V. became part of Grey network in 1984.
Allick B.V. member of Affiliated Advertising Agencies Intl.

NEW ZEALAND

Colenso Communications part of BBDO Intl.
JIW Needham (J. Inglis Wright) part of Needham Harper Worldwide.
MDA Mackay King Advertising part of Kenyon & Eckhardt Intl.
Rialto Advertising part of BBDO Intl.
Atelier Advertising part of BBDO Intl.

NORWAY

Bates-gruppen a/s figures include AB Bates, Heltberg Creative Service, BAB Bates, Birkelid & Lunde, Bates Sor, Samfunnskontakt, Selektiv Markedsforing, Ottesen Bates, Ekko-Bates and Bates Direct Marketing.
Lund & Lommer part of DFS Intl.
Scaneco-Young & Rubicam is 50% owned by Y&R.
Klar Tale part of Saatchi & Saatchi

(Continued on Page 75)

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Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
MAC S.p.A.	Milan	2,806.7	2,445.5	15.0	18,720.0	19,879.9	4.68 bill.	31.20 bill.	45	36	25.0	1
CPV, Kenyon & Eckhadt Italiana	Milan	2,738.3	2,499.0	10.0	18,120.0	17,340.0	4.56 bill.	30.20 bill.	55	60	– 8.0	3
B Communications	Milan	2,672.2	2,226.7	20.0	21,175.8	17,541.4	4.45 bill.	35.29 bill.	40	41	– 2.0	1
D'Arcy MacManus Masius	Milan/Rome	2,425.7	2,649.7	– 8.0	16,287.4	17,673.5	4.04 bill.	27.15 bill.	48	49	– 2.0	2
Intha-HCM	Turin	2,016.0	1,848.0	9.0	14,580.0	13,380.0	3.36 bill.	24.30 bill.	43	40	8.0	2
Troost Campbell-Ewald	Milan	1,664.0	2,214.0	– 25.0	11,099.0	14,767.0	2.77 bill.	18.50 bill.	25	43	– 42.0	N/A
Publicis Milano	Milan	1,377.0	1,194.0	15.0	9,795.0	7,964.0	2.30 bill.	16.33 bill.	26	23	13.0	1
GGK Milano	Milan	947.4	748.2	27.0	6,930.0	4,980.0	1.58 bill.	11.55 bill.	9	1[illegible]	– 10.0	1
Doyle Dane Bernbach Italia	Milan	883.0	1,153.0	– 23.0	5,884.0	7,686.0	1.47 bill.	9.80 bill.	17	20	– 15.0	1
Dorland Italiana	Milan	750.0	618.0	21.0	5,000.0	4,120.0	1.25 bill.	8.33 bill.	31	30	3.0	2
Emmer	Rome	720.0	529.2	36.0	4,801.8	3,923.3	1.20 bill.	8.00 bill.	14	15	– 7.0	1
Pubbli Dan Wirz	Milan	660.0	642.0	3.0	4,620.0	4,500.0	1.10 bill.	7.70 bill.	13	19	– 32.0	4
CCP Milano	Milano	450.0	300.0	50.0	4,200.0	3,400.0	750,000.0	7.00 bill.	14	11	27.0	1
CGSS, Kenyon & Eckhardt	Turin	288.0	179.2	61.0	11,155.0	10,500.0	480,000.0	18.59 bill.	25	N/A	N/A	1

IVORY COAST

Exchange rate: 0.0024 CFA franc

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Lintas Abidjan	Abidjan	108.1	N/A	N/A	481.1	N/A	CFA45,035.0	CFA200,461.0	12	N/A	N/A	1

JAMAICA

Exchange rate: 0.305 J dollar

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Paisley, Kelly, Kenyon & Eckhardt	Kingston	858.4	654.2	31.0	5,722.4	4,361.2	J$2,814.3	J$18,761.9	28	25	12.0	1
Dunlop Corbin Compton Associates	Kingston	858.2	554.3	55.0	5,724.1	3,697.3	2,813.7	18,767.4	34	31	10.0	1
McCann-Erickson (Jamaica)	Kingston	802.0	501.0	60.0	5,349.0	3,342.0	2,630.0	17,542.0	36	39	– 8.0	N/A
Lindo/Foote, Cone & Belding	Kingston	339.6	250.0	36.0	2,264.9	1,666.6	1,113.3	7,425.8	26	22	18.0	1

JAPAN

Exchange rate: 0.0042 yen

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Dentsu Inc.	Tokyo	468,355.0	440,384.0	6.4	3.48 bill.	3.23 bill.	Y111.51 bill.	Y828.28 bill.	5,582	5,582	0.0	37
Hakuhodo Inc.	Tokyo	197,651.0	181,316.0	9.0	1.50 bill.	1.36 bill.	47.06 bill.	357.45 bill.	2,805	2,685	4.5	18
Daiko Advertising	Osaka	59,482.0	59,419.5	0.1	475,856.0	475,356.0	14.16 bill.	113.30 bill.	1,397	1,436	– 2.7	37
Dai-Ichi Kikaku	Tokyo	58,609.0	49,472.0	18.5	416,767.0	364,596.0	13.95 bill.	99.23 bill.	531	507	5.0	11
Tokyu Advertising Agency	Tokyo	53,908.5	50,855.3	6.0	434,538.7	391,645.7	12.84 bill.	103.46 bill.	694	657	5.6	5
Yomiko Advertising	Tokyo	43,463.8	39,347.2	10.4	260,103.5	241,232.7	10.35 bill.	61.93 bill.	710	700	1.4	15
McCann-Erickson Hakuhodo	Tokyo	32,125.0	29,819.0	8.0	214,274.0	198,893.0	7.65 bill.	51.02 bill.	486	494	– 2.0	N/A
Asatsu, Inc.	Tokyo	31,500.0	29,383.0	7.2	245,956.2	226,144.8	7.50 bill.	58.56 bill.	530	490	8.2	12
Asahi Advertising	Tokyo	30,058.0	30,235.0	– 1.0	193,496.0	195,190.0	7.16 bill.	46.07 bill.	855	890	– 4.0	29
Dai-Ichi Advertising	Tokyo	25,540.0	25,410.0	1.0	184,069.0	177,568.0	6.08 bill.	43.83 bill.	523	513	2.0	10
DMM/Man Nen Sha	Tokyo	24,019.0	N/A	N/A	160,376.0	N/A	5.72 bill.	43.81 bill.	480	N/A	N/A	3
Chuo Senko Advertising	Tokyo	23,600.0	22,700.0	4.0	153,000.0	146,400.0	5.62 bill.	36.44 bill.	320	310	3.0	9
Orikomi Advertising	Tokyo	18,607.9	19,344.0	– 4.0	168,580.6	168,731.0	4.43 bill.	40.14 bill.	364	374	– 3.0	5
Man-Nen-Sha	Osaka	17,563.7	16,730.2	5.0	233,373.1	226,281.4	4.18 bill.	55.57 bill.	498	489	2.0	12
Kyodo Advertising	Tokyo	17,016.1	16,052.4	6.0	113,440.3	107,016.0	4.05 bill.	27.01 bill.	388	370	5.0	9
Nihon Keizaisha Advertising	Tokyo	16,440.8	14,504.7	13.0	100,541.8	88,083.9	3.91 bill.	23.94 bill.	431	393	10.0	10
J. Walter Thompson Japan Group	Tokyo	16,272.5	15,418.4	6.0	108,488.7	102,794.3	3.87 bill.	25.83 bill.	319	291	10.0	4
Meitsu Advertising	Tokyo	13,217.0	11,827.0	12.0	85,294.0	73,462.0	3.15 bill.	20.31 bill.	265	255	4.0	7
Nippo Marketing & Advertising	Tokyo	13,167.0	10,496.0	25.0	87,780.0	69,972.0	3.14 bill.	20.90 bill.	230	N/A	N/A	5
DYR K.K.	Tokyo	11,934.0	11,153.0	8.0	79,605.0	74,391.0	2.84 bill.	18.95 bill.	227	211	8.0	1
Tokyu Agency International	Tokyo	11,091.6	11,130.4	– 1.0	87,863.3	88,066.3	2.64 bill.	20.92 bill.	214	188	14.0	2
Osaka Yomiuri Advertising	Osaka	10,543.9	10,454.7	1.0	63,826.7	63,493.4	2.51 bill.	15.20 bill.	300	300	0.0	N/A
Standard Advertising	Tokyo	9,366.0	9,667.1	– 3.0	81,440.0	84,476.0	2.23 bill.	19.39 bill.	165	167	– 1.0	2
Nippon Design Center/DFS	Tokyo	7,116.0	6,389.0	11.0	24,501.0	25,241.0	1.69 bill.	5.83 bill.	180	180	0.0	1
Grey-Daiko Advertising	Tokyo	6,657.0	6,182.0	8.0	45,351.0	41,227.0	1.59 bill.	10.80 bill.	137	118	16.0	1
Nambokusha	Tokyo	5,544.0	5,267.0	5.0	45,300.0	41,100.0	1.32 bill.	10.80 bill.	159	147	8.0	5
Dai-Ichi Tsushin-Sha	Tokyo	4,161.6	3,914.1	6.0	27,743.7	26,094.0	990,847.5	6.61 bill.	101	100	1.0	3
Asia Advertising Agency	Tokyo	2,486.0	2,478.0	1.0	11,830.0	10,560.0	592,000.0	2.96 bill.	60	56	7.0	1
Leo Burnett-Kyodo	Tokyo	2,069.0	1,549.0	34.0	13,791.0	10,329.0	492,525.0	3.29 bill.	40	31	29.0	1
Orikomi Bates	Tokyo	1,226.9	884.3	39.0	10,331.5	7,328.0	292,120.0	2.46 bill.	22	20	10.0	1
Ketchum Advertising (Japan)	Tokyo	1,222.1	1,498.9	– 18.0	8,341.2	9,987.6	290,987.0	2.00 bill.	26	26	0.0	1
International Ad Co.	Osaka	514.1	519.7	– 1.0	5,264.4	5,558.4	122,411.3	1.25 bill.	10	10	0.0	1
Yomiko DFS International	Tokyo	303.0	328.6	– 8.0	2,135.3	1,848.9	72,152.7	508,410.9	14	14	0.0	1
FCB (Japan) Co.	Tokyo	82.5	19.2	330.0	550.6	128.1	19,653.0	131,086.0	7	7	0.0	1

KENYA

Exchange rate: 0.073 shilling

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Ogilvy & Mather (Eastern Africa)	Nairobi	840.1	722.7	16.0	3,744.8	2,693.7	KSh11,507.7	KSh51,299.2	47	43	9.0	1
McCann-Erickson (Kenya)	Nairobi	589.0	498.0	18.0	3,929.0	3,322.0	8,072.0	53,840.0	34	31	10.0	N/A

LEBANON

Exchange rate: 0.1721 L pound

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Intermarkets S.A.L.	Beirut	8,384.6	7,200.0	16.0	53,000.0	46,100.0	Leb£N/A	Leb£N/A	198	210	– 6.0	8
H&C Leo Burnett	Beirut	2,210.6	1,791.2	23.0	18,185.0	11,947.4	12,845.0	85,676.0	N/A	N/A	N/A	1

MALAWI

Exchange rate: 0.82 kwacha

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Graphic:Lintas (Malawi)	Blantyre	177.9	159.4	12.0	1,146.0	1,027.7	Mkwa217.0	Mkwa1,397.5	23	18	28.0	1

MALAYSIA

Exchange rate: 0.4317 M dollar

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Ted Bates (Malaysia)	Kuala Lumpur	2,500.9	2,300.0	9.0	16,800.0	15,000.0	M$5,800.0	M$39,000.0	74	74	0.0	1
PTM Thompson Advertising	Kuala Lumpur	2,290.0	2,160.0	6.0	15,267.4	14,400.7	5,300.0	35,335.1	110	117	– 6.0	2
SSC&B:Lintas	Kuala Lumpur	2,196.0	1,711.7	28.0	14,647.1	11,417.3	5,086.8	33,928.8	73	68	7.0	2
Leo Burnett Co.	Kuala Lumpur	1,981.1	1,773.0	12.0	13,207.0	11,824.0	4,589.0	30,609.0	86	89	– 3.0	1
KHK Needham Standard	Kuala Lumpur	1,793.9	1,241.6	44.0	12,967.0	9,354.6	4,155.3	30,037.0	82	62	32.0	1
Ogilvy & Mather (Malaysia)	Kuala Lumpur	1,564.5	3,630.2	– 57.0	10,435.1	24,213.0	3,624.0	24,172.0	133	159	– 16.0	1
DYR	Kuala Lumpur	1,261.6	839.0	50.0	8,415.0	5,596.0	2,922.5	19,489.1	41	29	41.0	1

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
McCann-Erickson (Malaysia)	Kuala Lumpur	1,207.0	1,394.0	− 13.0	8,051.0	9,298.0	2,796.0	18,649.0	41	57	− 28.0	N/A
Wings Creative Consultants	Kuala Lumpur	1,154.4	900.7	28.0	6,914.4	5,266.7	2,674.2	16,016.7	54	50	8.0	1
AP Compton Malaysia	Kuala Lumpur	1,074.3	810.5	33.0	7,045.2	5,423.2	2,448.5	16,319.6	52	47	11.0	N/A
Grant Advertising	Kuala Lumpur	209.0	N/A	N/A	3,982.0	N/A	485.0	9,225.0	12	9	33.0	1
MEXICO												**Exchange rate: 0.0055 peso**
Noble & Asociados	Mexico City	4,279.0	2,173.0	97.0	29,150.0	14,165.9	Ps778,000.0	Ps5.30 bill.	291	278	N/A	2
McCann-Erickson (Mexico)	Mexico City	3,894.2	2,152.4	81.0	25,973.0	14,354.0	708,043.0	4.72 bill.	162	159	2.0	N/A
Walter Thompson de Mexico	Mexico City	3,777.4	1,789.2	111.0	25,181.0	11,927.0	686,803.0	4.58 bill.	188	147	28.0	1
Publicidad Ferrer	Mexico City	3,626.4	3,087.6	17.0	35,107.7	20,595.0	659,337.0	6.38 bill.	145	110	32.0	2
Garcia Patto y Asociados	Mexico City	3,547.5	1,732.5	105.0	23,650.0	11,550.0	645,000.0	4.30 bill.	N/A	N/A	N/A	N/A
Panamericana Ogilvy & Mather	Mexico City	2,982.8	1,390.7	114.0	19,358.1	9,276.2	542,335.2	3.52 bill.	113	93	22.0	1
Young & Rubicam	Mexico City	2,064.0	1,108.0	86.0	13,767.0	7,390.0	375,276.0	2.50 bill.	96	90	7.0	1
Leo Burnett Co.	Mexico City	1,932.0	1,115.6	67.0	12,877.0	9,250.0	351,193.0	2.34 bill.	97	92	5.0	1
Dieste Merino/BBDO	Mexico City	1,489.5	742.4	101.0	9,935.1	5,061.4	270,823.0	1.81 bill.	44	45	− 2.0	1
Iconic	Mexico City	1,485.0	577.5	157.0	9,900.0	3,850.0	270,000.0	1.80 bill.	80	70	14.0	1
Doyle Dane Bernbach	Mexico City	1,430.8	752.7	90.0	9,725.9	5,107.3	260,149.9	1.77 bill.	81	76	7.0	1
Publicidad D'Arcy MacManus Masius	Mexico City	1,328.0	863.0	54.0	8,996.0	6,477.0	241,415.0	1.64 bill.	90	81	11.0	1
Campbell-Ewald	Mexico City	1,008.0	508.0	98.0	6,723.0	3,388.0	183,315.0	1.22 bill.	66	45	47.0	N/A
Kenyon & Eckhardt de Mexico	Mexico City	996.2	570.0	75.0	5,777.8	3,692.6	181,129.0	1.05 bill.	42	41	2.0	1

Notes

(Continued from Page 73)

Compton Worldwide.

Viking Reklamebyra member of Affiliated Advertising Agencies Intl.

Bj. Kverneland gross income for 1984 and 1983 AA estimates.

PAKISTAN

D.J. Keymer gross income for both years AA estimates.

Orient Advertising offices in Karachi, Islamabad, Lahore, Peshawar and Quetta.

PANAMA

Boyd, Barcenas affiliated with Kenyon & Eckhardt Intl.

Campagnani, Aleman Publicidad part of Leo Burnett Co.

PARAGUAY

McCann-Erickson (Paraguay) suspended operations during 1984.

PHILIPPINES

AMA Consolidated Group member of Alliance East group of advertising agencies.

Philprom Inc. gross income for both years AA estimates.

PORTUGAL

Sistema is part of Saatchi & Saatchi Compton Worldwide.

PUERTO RICO

Marti, Flores, Prieto, Comunicaciones part of [illegible]WT Group.

J.R. Marquina & Associates part of DFS Intl.

Publicidad Siboney part of Foote, Cone & Belding Inc.

Young & Rubicam Puerto Rico includes figures for Burson-Marsteller.

SINGAPORE

Batey Ads part of BBDO Intl.

Asian Ad Group part of Alliance East group of advertising agencies.

Meridian Advertising part of Ogilvy & Mather Intl.

SOUTH AFRICA

BBDO Intl. Holdings figures include 11 offices.

Grey Holdings includes figures for Grey Financial; Grey-Phillips Bunton, Mundel & Blake; Grey Advertising & Marketing; Grey Sandton; Grey Action; Grey Set; Grey Recruitment, and Grey Mann & Associates.

Bates Wells & Associates Holdings includes figures for Bates Wells Pty.; Bates Wells (Cape); Bates Wells Retail Decisions; Bates Wells Hickman & Associates; Bates Wells Medical Advertising & Communications; Cerca; Adgraphics Pty.; Adgraphics (Cape), and Diagram.

Young & Rubicam Intl. eight offices in Capetown and Johannesburg.

Ogilvy & Mather Rightford Searle-Tripp Makin 1984 figures for gross income and billings are AA estimates. O&M acquired RS-TM in 1984.

G. de Villiers & Co. was acquired by McCann-Erickson in 1984.

Mortimer Tiley part of BBDO Intl.

SOUTH KOREA

Gross income, at 10% of billings, which is the Korean percentage, is estimated by AA for the following agencies: LG Advertising; Korad; Dongbang Advertising; Seoul Agency; Diamond Advertising; Samhee Advertising.

Dongbang, Diamond and Samhee Advertising opened offices in 1984.

SPAIN

Tandem/DDB, Madrid, is 100% owned by DDB while the agency has 50% equity in Tandem/DDB/Campmany Guasch, Barcelona.

Ted Bates/Delvico Group combination of Ted Bates Espana and Delvico Madrid, Delvico Barcelona and Central Media. The latter three shops were acquired by Ted Bates from Dancer Fitzgerald Sample March 31, 1984.

Bassat, Ogilvy & Mather figures include Prieto, Bassat. O&M in Madrid, but not O&M Direct.

Distribuidora CID de Publicidad is a media-buying shop, with another office in Barcelona.

B.C.K., Barcelona and Madrid, is part of the Alliance International Group.

Clarin Publicidad was acquired by McCann-Erickson in 1984.

Campbell-Ewald Espanola was newly formed in 1984.

Kenyon & Eckhardt de Espana opened its office April, 1984.

HCM Madrid formerly Marsteller Intl. 50% of the agency is owned by Kurt Schmidt, chairman, Unitros Group for Spain and Portugal.

GGK Barcelona/Madrid 1983 figures apply only to Madrid office.

Young & Rubicam Espana includes Cato Johnson and Burson-Marsteller.

SWEDEN

Hans Brindfors Annonsbyra figures calculated according to financial year September-August.

Young & Rubicam includes figures for Cato Johnson, Wunderman and Burson-Marsteller.

Ehrenstrahle International part of BBDO Intl. Figures combine the Stockholm and London offices.

Ogilvy & Mather Group includes figures for Stockholm, Malmo, Gothenburg offices and O&M Direct.

Blomquistbyraerna 1984 gross income figure is AA estimate.

Gothus Annonsbyra gross income figures are AA estimates.

AB Olof Isacsons Annonsbyra gross income figures are AA estimates.

SWITZERLAND

Adolf Wirz Inc. also offices in Vienna, Milan and Frankfurt.

Farner Advertising formerly Dr. Rudolf Farner Werbeagentur, part of the Publicis Intl. network.

Young & Rubicam AG includes figures for Burson-Marsteller.

)Kloeti Advertising part of Saatchi & Saatchi Compton Worldwire.

Unicom part of EUROCOM/Univas

HCM Geneva formerly Marsteller Intl.

BEP S.A. part of the Publicis Intl. network.

Quadri & Partner affiliated with Needham Harper Worldwide.

T.C. Mettler part of DFS Intl.

TAIWAN

United Advertising gross income figures for 1984 and 1983 are AA estimates.

Kuo Hua Advertising gross income figures for 1984 and 1983 are AA estimates.

Needham Standard International office opened in 1983.

Leo Burnett Co.-Taiwan office opened in 1984.

THAILAND

Meridian Advertising part of Ogilvy & Mather Intl.

Paterson & Partners Thailand affiliated with D'Arcy MacManus Masius.

Redford International part of Saatchi & Saatchi Compton Worldwide.

Needham Standard International opened for business April 1 last year.

TURKEY

Reklam Moran affiliated with Ogilvy & Mather Intl. in November, 1984.

Informant Advertising owned 68% by Rota Advertising.

Park Advertising owned 30% by Rota Advertising.

URUGUAY

Corporacion Publicitaria figures for gross income for 1984 and 1983 AA estimates.

VENEZUELA

Corpa-Corporacion Publicitaria Nacional part of Ogilvy & Mather Intl.

Publicidad Siboney part of Foote, Cone & Belding Corp.

International Marketing Communications part of Young & Rubicam.

Rafael Vegas & Asociados affiliated with Grey Advertising.

ZAMBIA

McCann-Erickson (Zambia) agency was sold during 1984.#

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Agency	City	Gross income		Per cent change: income	Billings		Gross income	Billings	Employes			Number offices
		1984	1983 ($000)		1984	1983 ($000)	1984 ($000; national currency)	1984	1984	1983	Per cent change	
Maqueda, Gibert/Publicidad	Mexico City	990.0	612.8	62.0	6,603.3	4,085.3	180,000.0	1.20 bill.	70	70	0.0	1
Scali, McCabe, Sloves de Mexico	Mexico City	632.5	330.0	92.0	4,224.0	2,200.0	115,000.0	768,000.0	43	33	30.0	1
Foote, Cone & Belding de Mexico	Mexico City	614.1	184.8	232.0	4,096.2	1,232.9	111,659.8	744,770.8	35	29	21	1
Ideas y Hechos/Grey	Mexico City	541.8	187.0	190.0	3,613.8	1,265.0	98,500.0	657,000.0	32	27	19.0	1
Alcazar Montenegro/Compton	Mexico City	366.8	223.9	64.0	2,445.3	1,492.6	66,690.7	444,604.4	31	31	0.0	1
La Compania Bozell & Jacobs	Mexico City	319.8	221.7	44.0	2,133.2	1,477.9	58,150.0	387,860.0	N/A	24	N/A	1
Lintas Mexico	Mexico City	261.2	149.6	75.0	1,480.4	847.0	47,500.0	269,170.0	21	16	31.0	N/A

NAMIBIA

Exchange rate: 0.7948 rand

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Employes per cent change	Number offices
SSC&B:Lintas Namibia	Windhoek	26.7	22.6	18.0	146.2	127.1	R33.6	R184.0	1	1	0.0	1

NETHERLANDS

Exchange rate: 0.3184 guilder

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Employes per cent change	Number offices
FHV/BBDO	Amstelveen	6,323.0	5,365.0	18.0	41,497.0	35,110.0	Dfl19,859.0	Dfl30,330.0	109	99	10.0	1
Ogilvy & Mather (Nederland)	Amsterdam	6,272.8	5,172.9	21.0	41,840.0	34,503.1	19,701.3	131,407.5	138	126	10.0	4
SSC&B:Lintas Advertising	Rotterdam	5,542.0	5,546.6	0.0	39,049.4	38,915.2	17,405.6	122,642.5	118	122	– 3.0	2
Young & Rubicam	Amsterdam	5,076.0	4,244.0	20.0	33,857.0	28,307.0	15,939.0	106,311.0	105	100	5.0	2
Prad B.V.	Amsterdam	4,938.0	4,547.0	9.0	32,923.0	30,312.0	15,510.0	103,400.0	68	59	15.0	1
McCann-Erickson (Nederland)	Amsterdam	4,695.0	4,594.0	2.0	31,316.0	30,642.0	14,746.0	98,356.0	89	95	– 6.0	N/A
J. Walter Thompson Co.	Amsterdam	4,676.6	3,637.7	29.0	31,192.1	24,252.7	14,694.1	97,965.3	85	85	0.0	2
Noordervliet & Winninghoff/Burnett	Amsterdam	4,489.0	4,139.0	8.0	29,930.0	27,608.5	14,100.0	94,047.0	76	72	6.0	1
Prins, Meijer, Stamenkovits & van Walbeek	Amsterdam	4,488.0	3,921.0	14.0	29,900.0	26,200.0	14,030.6	93,886.0	60	54	11.0	1
Publicis-Intermarco	Amsterdam	4,392.0	3,509.0	25.0	29,293.0	23,402.0	13,793.0	92,000.0	84	78	8.0	2
Saatchi & Saatchi Compton	Amsterdam	4,298.4	1,967.7	118.0	28,656.0	13,118.1	13,500.0	90,000.0	80	43	86.0	1
PPGH/Moussault	Amsterdam	3,893.0	3,166.0	23.0	25,790.0	21,014.0	12,227.0	81,000.0	57	44	30.0	1
HCM/NPO	The Hague	3,850.0	3,820.8	1.0	25,630.0	25,470.0	12,100.0	80,500.0	66	68	– 3.0	N/A
D'Arcy MacManus Masius Result	Amsterdam	3,678.0	3,945.0	– 7.0	24,529.0	26,313.0	11,550.0	77,039.0	68	72	– 6.0	1
Benton & Bowles Advertising	Amsterdam	2,707.4	2,403.9	13.0	18,049.0	16,026.1	8,503.0	56,686.7	53	49	8.0	1
HVR Advertising	Amstelveen	2,689.0	2,420.0	11.0	17,926.0	16,143.0	8,446.0	56,300.0	48	49	– 2.0	2
TBWA Netherlands	Amsterdam	2,625.7	891.5	195.0	17,505.0	6,686.0	8,247.0	54,978.0	28	22	28.0	1
Geudeker Oerlemans & Needham	Amstelveen	2,612.8	1,984.0	32.0	17,427.3	13,232.9	8,206.0	54,734.0	42	42	0.0	1
Foote, Cone & Belding	Amsterdam	2,461.0	1,148.0	114.0	16,410.0	7,661.0	7,727.0	51,539.0	64	22	191.0	2
DDB Amsterdam	Amsterdam	2,417.3	2,517.2	– 4.0	18,485.0	19,831.0	7,592.0	58,057.0	42	48	– 13.0	1
Marketwinning Ayer	Wierden	2,206.5	1,811.4	22.0	14,710.1	12,067.4	6,930.0	46,200.0	26	26	0.0	4
GGK Amsterdam/KVH	Amsterdam	1,882.4	1,437.3	31.0	12,618.2	9,698.4	5,912.0	39,630.0	30	28	7.0	1
Allick B.V.	Amsterdam	1,676.0	1,447.0	16.0	11,176.0	9,648.0	5,265.0	35,100.0	33	28	18.0	1
Grey Advertising	Amsterdam	1,564.0	1,496.3	5.0	11,494.3	10,559.9	4,912.0	36,100.0	30	25	20.0	1
BBDO/Industrieel	Amsterdam	1,553.0	1,021.0	52.0	9,394.0	6,811.0	4,876.0	29,506.0	25	20	25.0	1
Dorland DFS Holland	Amsterdam	1,433.0	1,369.0	5.0	14,487.0	13,468.0	4,500.0	45,500.0	58	60	– 3.0	2
Ted Bates Reclame-Adviesbureau	Amsterdam	1,293.4	1,285.1	1.0	10,106.9	9,994.0	4,062.0	31,742.8	33	34	– 3.0	1
De Bussy Reclame	Amsterdam	1,224.2	1,151.0	6.0	8,071.4	7,569.0	3,845.0	25,700.0	28	32	– 13.0	1
Campbell-Ewald Nederland	Amsterdam	870.2	692.2	26.0	5,803.0	4,616.0	2,733.0	18,229.0	20	22	– 0.0	N/A
Van Lieshout/FCB	Rotterdam	689.9	928.0	– 26.0	4,601.9	6,189.7	2,166.9	14,453.1	18	20	– 10.0	1
Paradies Advertising	Amsterdam	590.3	638.1	– 7.0	3,935.1	4,252.9	1,854.0	12,359.0	11	15	– 27.0	1
Push	Gorinchem	402.8	396.4	2.0	2,686.7	2,644.0	1,265.0	8,437.6	10	N/A	N/A	1
Kastelein Adviesbureau	Soest	198.5	193.9	2.0	1,369.1	1,337.3	623.5	4,300.0	7	7	0.0	1

NEW ZEALAND

Exchange rate: 0.6117 NZ dollar

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Employes per cent change	Number offices
Colenso Communications	Auckland	4,719.1	3,781.9	25.0	23,595.4	18,710.0	NZ$7,714.7	NZ$38,573.5	N/A	N/A	N/A	2
Campaign Advertising Group	Wellington	3,599.0	2,849.9	26.0	17,234.0	14,209.8	5,885.0	28,175.0	86	92	– 7.0	3
JIW Needham	Wellington	3,350.3	2,601.0	29.0	17,345.9	15,583.3	5,477.1	28,356.8	87	80	9.0	3
D'Arcy MacManus Masius	Auckland	2,836.0	2,165.0	31.0	15,081.0	11,246.0	4,637.0	24,654.0	79	59	34.0	2
Ogilvy & Mather (NZ)	Wellington	2,302.1	1,451.3	59.0	15,346.9	9,680.2	3,763.4	25,089.0	68	68	0.0	3
MDA Mackay King Advertising	Wellington/Auckland	2,119.2	1,904.1	11.0	10,141.8	8,952.7	3,464.4	16,579.7	55	53	4.0	2
Leo Burnett Co.	Auckland	1,957.0	1,415.5	38.0	13,056.0	9,441.0	3,200.0	21,344.0	N/A	N/A	N/A	1
J. Walter Thompson New Zealand	Wellington	1,851.0	1,468.1	26.0	12,340.6	9,787.7	3,026.0	20,174.3	50	44	14.0	2
Rialto Advertising	Auckland	1,697.2	1,279.6	33.0	8,486.1	6,470.3	2,774.6	13,872.9	N/A	N/A	N/A	2
SSC&B:Lintas	Wellington	1,292.0	1,108.4	17.0	6,689.0	5,398.0	2,112.0	10,936.0	36	36	0.0	2
Ward & Grey Advertising	Auckland	776.0	692.0	12.0	5,175.9	4,615.6	1,268.6	8,461.6	11	11	0.0	1
FCB/Mainstream Advertising	Auckland	581.0	N/A	N/A	3,876.0	N/A	950.0	6,336.0	14	N/A	N/A	1
Atelier Advertising	Auckland	574.4	414.0	39.0	2,871.8	2,069.9	938.9	4,694.7	N/A	N/A	N/A	1

NICARAGUA

Exchange rate: 0.091 cordoba

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Employes per cent change	Number offices
APCU de Nicaragua	Managua	20.0	30.0	– 33.0	135.0	200.0	Cor21.9	Cor148.4	2	3	– 33.0	1

NIGERIA

Exchange rate: 1.45 naira

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Employes per cent change	Number offices
Lintas Ltd.	Lagos	2,957.1	3,521.6	– 16.0	16,647.8	23,270.8	N2,039.4	N11,481.2	118	165	– 40.0	1

NORWAY

Exchange rate: 0.1259 kroner

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employes 1984	Employes 1983	Employes per cent change	Number offices
Bates-gruppen a/s	Oslo	14,454.0	12,088.9	20.0	100,005.0	82,279.3	NKr114,802.0	NKr794,323.0	396	349	13.0	11
Ervaco Oslo AS	Oslo	4,255.4	3,827.4	10.0	28,440.8	25,535.5	33,800.0	225,900.0	N/A	60	N/A	N/A
Ogilvy & Mather Norway	Oslo	3,273.3	3,034.1	8.0	21,833.1	20,237.3	25,999.5	173,416.4	60	60	0.0	2
Scaneco-Young & Rubicam	Oslo	2,841.0	2,357.0	21.0	18,949.0	15,721.0	22,558.0	150,455.1	60	62	– 3.0	1
Benton & Bowles H/O	Oslo	2,832.8	2,547.0	11.0	20,181.8	18,259.3	22,500.0	160,300.0	66	63	5.0	2
Reklamens Hus/McCann A/S	Oslo	1,900.0	1,710.0	11.0	12,673.0	11,406.0	15,093.0	100,670.0	37	33	12.0	N/A
Klar Tale	Oslo	1,528.8	N/A	N/A	8,857.1	N/A	12,143.0	70,350.0	N/A	N/A	N/A	N/A
Lintas Oslo	Oslo	1,176.4	1,157.4	2.0	17,851.0	16,072.5	9,344.0	141,787.0	67	72	– 7.0	N/A
Vikingreklamebyra A/S	Oslo	1,126.0	836.0	35.0	6,807.0	4,913.0	8,945.0	54,070.0	19	18	6.0	1
Foote, Cone & Belding A/S	Oslo	970.4	681.1	42.0	6,473.0	4,543.0	7,708.0	51,412.0	17	16	6.0	1

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employes 1984	Employes 1983	Employes Per cent change	Number offices
D'Arcy MacManus Masius A/S	Oslo	890.7	564.3	58.0	6,071.5	3,749.4	7,075.0	48,225.0	14	17	– 18.0	1
Jensen-Grey A/S	Oslo	809.0	797.8	1.0	5,396.0	5,321.3	6,426.0	42,861.4	21	20	5.0	1
Bj. Kverneland A/S	Oslo	352.9	339.9	4.0	2,329.2	2,266.2	2,775.0	18,500.0	21	20	5.0	1
J.T. Kallevig A.S.	Oslo	276.4	210.3	31.0	1,972.8	1,478.0	2,195.0	15,312.0	9	7	29.0	1
PAKISTAN												**Exchange rate: 0.0729 rupee**
Orient Advertising	Karachi	541.0	363.6	49.0	3,665.1	2,242.2	R7,421.2	R50,275.5	125	106	18.0	5
International Advertising	Karachi	414.6	167.4	148.0	2,925.0	1,124.7	5,687.4	40,123.9	61	61	0.0	1
D.J. Keymer & Co.	Karachi	300.1	277.6	8.0	2,000.0	1,850.0	4,116.0	27,440.0	30	25	20.0	1
Prestige Advertising	Karachi	235.0	182.0	29.0	1,567.1	1,272.9	3,224.1	21,495.9	51	42	21.0	2
PANAMA												**Exchange rate: 1.00 dollars**
Boyd, Barcenas, S.A.	Panama City	1,480.0	1,346.5	10.0	6,200.0	5,300.0	$1,480.0	$6,200.0	41	40	3.0	1
Campagnani, Aleman Publicidad	Panama City	1,148.0	1,042.0	10.0	7,653.0	6,950.0	1,148.0	7,653.0	44	41	7.0	1
McCann-Erickson de Panama	Panama City	1,122.0	1,248.0	– 10.0	7,484.0	8,324.0	1,122.0	7,484.0	42	45	– 7.0	N/A
APCU de Panama	Panama City	195.0	180.0	8.0	1,300.0	1,200.0	195.0	1,300.0	14	12	2.0	1
PARAGUAY												**Exchange rate: 0.0068 guarani**
J. Walter Thompson Paraguay	Asuncion	248.0	171.5	45.0	1,653.1	1,143.6	G36,464.8	G243,110.5	9	9	0.0	1
McCann-Erickson (Paraguay)	Asuncion	31.0	146.0	–79.0	207.0	974.0	4,608.0	30,735.0	0	10	N/A	N/A
PERU												**Exchange rate: 0.0004 sol**
J. Walter Thompson Peruana	Lima	1,678.8	966.4	74.0	11,192.6	6,443.0	S4.20 bill.	S27.98 bill.	90	95	– 5.0	1
McCann-Erickson Publicidad	Lima	1,542.0	799.0	93.0	10,285.0	5,329.0	3.85 bill.	25.71 bill.	84	76	11.0	N/A
Publicistas Asociados	Lima	1,080.0	440.0	145.0	5,586.8	2,280.0	2.70 bill.	13.97 bill.	63	56	13.0	1
CNP & Grey	Lima	573.7	313.7	83.0	3,826.6	2,092.4	1.43 bill.	9.57 bill.	68	71	– 4.0	1
Intercom de Publicidad	Lima	494.0	482.0	2.0	3,293.4	3,213.4	1.24 bill.	8.23 bill.	38	34	12.0	1
PHILIPPINES												**Exchange rate: 0.0649 peso**
J. Walter Thompson (Philippines)	Manila	2,174.3	1,805.0	20.0	14,496.0	12,033.7	Ps33,502.2	Ps223,359.5	195	210	– 7.0	1
Bates Alcantara (Philippines)	Manila	1,362.9	973.5	40.0	9,086.0	6,490.0	21,000.0	140,000.0	120	118	2.0	1
McCann-Erickson (Philippines)	Manila	1,308.0	1,167.0	12.0	8,724.0	7,784.0	20,157.0	134,447.0	118	128	– 8.0	N/A
AMA Consolidated Group	Manila	1,282.2	1,475.0	– 13.0	9,434.6	10,810.6	19,755.8	145,370.7	175	234	– 25.0	2
Ace-Compton	Manila	902.1	887.9	2.0	6,013.9	5,919.4	13,899.2	92,664.1	107	132	– 19.0	1
Lintas	Manila	618.7	371.5	67.0	1,183.0	2,504.0	9,533.1	64,452.7	48	44	9.0	1
Hemisphere-Leo Burnett	Manila	471.0	300.0	57.0	3,138.0	2,001.2	7,253.0	48,378.0	66	45	47.0	1
Philprom Inc.	Pasay City	315.4	332.1	– 0.0	2,102.8	2,214.2	4,860.0	32,399.9	58	88	– 34.0	2
PORTUGAL												**Exchange rate: 0.0071 escudo**
McCann-Erickson/Hora Publicidade	Lisbon	1,381.2	962.0	44.0	9,211.0	6,417.0	Esc194,540.0	Esc1.30 bill.	70	60	17.0	N/A
Ciesa-Norman, Craig & Kummel	Lisbon	1,255.8	974.4	29.0	8,375.9	6,508.0	176,868.0	1.18 bill.	80	79	1.0	1
Intermarco-Espiral	Lisbon	1,108.0	956.0	16.0	5,275.0	4,835.0	156,030.0	743,000.0	66	66	0.0	1
Lintas Lisbon	Lisbon	756.5	591.7	28.0	4,971.1	4,188.5	106,544.0	700,155.0	53	56	– 5.0	1
Sistema-Tecnica e Gestao Publicitaria	Lisbon	706.9	632.4	12.0	3,448.4	3,162.0	99,565.4	485,685.0	44	44	0.0	2
Foote, Cone & Belding Publicidade	Lisbon	523.0	277.2	89.0	3,490.0	1,849.0	73,691.0	491,519.0	35	29	21.0	1
HCM Unitros	Lisbon	298.2	255.6	17.0	1,895.7	1,420.0	42,000.0	267,000.0	12	10	20.0	1
J. Walter Thompson Publicidade	Lisbon	248.2	171.7	45.0	1,654.9	1,144.7	34,960.7	233,083.2	23	18	28.0	1
PUERTO RICO												**Exchange rate: 1.00 dollars**
Badillo/Compton	San Juan	7,800.0	4,500.0	73.0	52,000.0	30,000.0	$7,800.0	$52,000.0	130	93	40.0	4
Marti, Flores, Prieto, Communicaciones	San Juan	6,872.7	6,780.7	1.0	45,840.9	45,227.0	6,872.7	45,841.0	123	122	1.0	5
Young & Rubicam Puerto Rico	San Juan	4,033.0	3,654.0	10.0	26,900.0	24,372.0	4,033.0	26,900.0	83	79	5.0	1
J.R. Marquina & Associates	Santurce	3,900.0	N/A	N/A	26,000.0	N/A	3,900.0	26,000.0	72	N/A	N/A	2
Leo Burnett Co.	San Juan	1,982.0	1,624.0	22.0	13,213.0	10,832.0	1,982.0	13,213.0	42	39	8.0	1
McCann-Erickson (Puerto Rico)	San Juan	1,970.0	1,576.0	25.0	13,140.0	10,512.0	1,970.0	13,140.0	45	44	2.0	N/A
Publicidad Siboney	Isla Verde	1,828.4	1,900.2	– 4.0	12,195.7	12,668.2	1,828.4	12,195.7	34	N/A	N/A	1
FCB/Espasas Advertising	San Juan	1,741.2	1,354.7	29.0	11,613.8	9,035.9	1,741.2	11,613.8	42	36	17	1
SINGAPORE												**Exchange rate: 0.4702 S dollar**
Batey Ads	Singapore	2,624.0	2,445.0	7.0	23,259.0	21,415.0	S$5,581.0	S$49,466.0	63	62	2.0	1
Ogilvy & Mather	Singapore	2,206.0	2,502.0	– 12.0	14,712.0	16,697.0	4,673.0	31,169.0	74	81	– 9.0	N/A
Asian Ad Group	Singapore	2,000.0	1,800.0	11.0	8,000.0	7,700.0	4,200.0	16,800.0	60	58	3.0	1
DYR Ltd.	Singapore	1,842.3	N/A	N/A	12,280.0	N/A	3,918.1	26,156.4	54	N/A	N/A	1
McCann-Erickson (Singapore)	Singapore	1,817.0	1,512.0	20.0	12,119.0	10,085.0	3,864.0	25,773.0	54	52	4.0	N/A
Leo Burnett Ltd.	Singapore	1,792.0	1,684.0	6.0	11,946.0	11,230.0	3,811.0	25,419.0	54	56	– 4.0	1
Grant Kenyon & Eckhardt	Singapore	1,780.0	1,582.0	13.0	11,803.0	11,755.0	3,785.0	25,100.0	75	76	– 1.0	1
Gartshore Kerr & Lim/BBDO	Singapore	1,545.3	1,225.3	26.0	6,215.1	5,842.8	3,286.4	13,217.9	56	54	4.0	1
Meridian Advertising	Singapore	1,250.6	632.5	98.0	8,341.4	4,218.9	2,659.7	17,740.2	47	22	114.0	1
SSC&B Lintas S.E. Asia	Singapore	1,183.0	1,124.0	5.0	8,505.0	7,978.4	2,516.0	18,088.0	35	32	9.0	1
Ted Bates	Singapore	1,020.0	850.0	20.0	6,800.0	5,700.0	2,175.0	14,500.0	48	44	9.0	1
Quantum:FCB Advertising	Singapore	973.6	1,392.1	– 30.0	6,493.8	9,285.5	2,070.6	13,810.6	66	70	– 6.0	3
Adcom & Grey	Singapore	969.8	833.2	16.0	6,468.6	5,557.4	2,062.5	13,756.9	40	33	21.0	1
J. Walter Thompson	Singapore	923.8	730.9	26.0	6,159.2	4,873.0	1,964.8	13,099.1	39	34	15.0	1
Needham Standard	Singapore	827.9	940.9	– 12.0	4,687.4	6,025.4	1,760.7	9,968.9	35	41	– 15.0	1
Saatchi & Saatchi Compton	Singapore	797.9	749.0	7.0	5,078.3	4,466.9	1,696.9	10,800.2	34	34	0.0	1
Tom Tan Associates	Singapore	545.4	568.0	– 4.0	2,285.0	2,459.0	1,160.0	4,860.0	21	19	– 11.0	3

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984 ($000; national currency)	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Adsell-D'Arcy MacManus Masius	Singapore	311.0	258.0	21.0	2,363.0	1,988.0	661.0	5,027.0	18	16	13.0	1
Doyle Dane Bernbach	Singapore	247.9	N/A	N/A	1,601.8	N/A	527.2	3,406.7	14	N/A	N/A	1
Chuo Senko Advertising	Singapore	148.2	N/A	N/A	1,333.0	N/A	315.2	2,835.0	5	N/A	N/A	1
SOUTH AFRICA												**Exchange rate: 0.7449 rand**
BBDO Intl. Holdings	Johannesburg	14,155.0	14,255.0	– 1.0	94,411.0	95,034.0	R19,002.0	R126,743.0	N/A	N/A	N/A	11
Grey Holdings Ltd.	Johannesburg	11,945.7	10,927.2	9.0	79,637.8	72,824.4	16,036.4	106,910.8	313	311	1.0	12
Bates Wells	Johannesburg	10,455.4	10,028.6	4.0	55,443.0	50,884.9	14,036.0	74,430.0	302	352	– 14.0	10
Young & Rubicam-McKinstry Schonfeldt	Capetown	8,423.0	6,990.0	20.0	56,181.0	46,623.0	11,382.0	75,282.5	350	309	13.0	8
Lindsay Smithers-FCB Holdings	Sandtown	8,153.0	6,718.3	21.0	54,380.0	44,811.0	10,945.0	73,003.0	274	270	1.0	5
Ogilvy & Mather Rightford Searle-Tripp Makin	Johannesburg	6,529.6	5,882.5	11.0	41,542.6	36,778.7	8,765.7	55,769.4	N/A	N/A	N/A	2
J. Walter Thompson Co. South Africa	Johannesburg	5,950.7	4,388.2	36.0	39,673.1	29,256.4	7,988.5	53,259.6	175	151	16.0	2
SSC&B:Lintas Worldwide South Africa	Johannesburg	5,156.0	4,697.3	10.0	33,181.6	29,292.2	6,921.7	44,545.0	152	142	7.0	3
KMP-Compton	Johannesburg	3,850.7	3,487.8	10.0	23,335.4	21,549.9	5,169.5	31,326.9	139	142	– 2.0	4
D'Arcy MacManus Masius	Johannesburg	3,473.0	3,360.0	3.0	23,167.1	22,411.4	4,662.8	31,101.0	103	110	– 6.0	2
Barker, McCormac Advertising & Marketing	Johannesburg	3,174.8	2,780.9	14.0	18,902.5	16,506.0	4,262.1	25,375.8	107	103	4.0	4
McCann-Erickson South Africa	Johannesburg	2,434.0	3,562.0	– 32.0	16,235.0	23,759.0	3,268.0	21,798.0	66	71	– 7.0	N/A
IMA Ltd.	Capetown	2,287.8	2,245.0	2.0	13,865.2	13,606.0	3,071.3	18,613.5	86	85	1.0	1
McCann-Erickson/G. de Villiers & Co.	Johannesburg	2,227.0	N/A	N/A	14,854.0	N/A	2,990.0	19,943.0	151	N/A	N/A	N/A
Campbell-Ewald	Johannesburg	2,079.0	1,434.0	45.0	13,867.0	9,565.0	2,791.0	18,616.0	55	52	6.0	N/A
Mortimer Tiley (Transvaal)	Johannesburg	2,003.4	2,259.2	– 11.0	12,140.4	13,650.6	2,689.5	16,298.1	56	65	– 14.0	1
Steinmann Wilsenach	Johannesburg	1,700.0	1,500.0	13.0	10,300.0	8,800.0	2,300.0	13,800.0	42	35	20.0	2
SOUTH KOREA												**Exchange rate: 0.001203 won**
Korea First Advertising Co.	Seoul	12,651.2	9,690.6	31.0	78,248.7	59,620.5	W10.52 bill.	W65.04 bill.	310	261	19.0	N/A
Oricom Inc.	Seoul	12,078.3	8,480.3	42.0	66,991.9	48,148.5	10.04 bill.	55.69 bill.	354	286	24.0	1
Daehong Advertising	Seoul	5,309.5	3,105.3	71.0	43,591.8	26,025.8	4.41 bill.	36.24 bill.	128	92	39.0	1
LG Advertising	Seoul	4,940.0	3,770.0	31.0	49,400.0	37,700.0	5.95 bill.	59.52 bill.	N/A	N/A	N/A	1
Union Advertising	Seoul	3,633.1	3,127.8	16.0	39,458.4	34,887.0	3.02 bill.	32.80 bill.	138	96	44.0	1
Korad	Seoul	3,010.0	2,080.0	45.0	30,100.0	20,800.0	3.63 bill.	36.26 bill.	100	96	4.0	1
Dongbang Advertising	Seoul	2,170.0	N/A	N/A	21,700.0	N/A	2.61 bill.	26.11 bill.	70	N/A	N/A	1
Seoul Agency	Seoul	1,310.0	1,300.0	1.0	13,100.0	13,000.0	1.58 bill.	15.78 bill.	50	N/A	N/A	1
Diamond Advertising	Seoul	1,080.0	N/A	N/A	10,800.0	N/A	1.30 bill.	13.01 bill.	70	N/A	N/A	1
Samhee Advertising	Seoul	870.0	N/A	N/A	8,700.0	N/A	1.05 bill.	10.48 bill.	45	N/A	N/A	1
SPAIN												**Exchange rate: 0.0063 peseta**
J. Walter Thompson S.A.	Madrid	7,063.6	5,503.9	28.0	47,093.3	36,694.8	Ptas1.21 bill.	Ptas7.48 bill.	139	128	9.0	2
Ted Bates/Delvico Group	Madrid	5,576.2	1,158.6	381.3	37,193.2	7,938.0	885,110.0	5.90 bill.	143	45	217.8	4
Lintas S.A.	Madrid	5,367.4	3,990.7	34.0	38,237.2	27,560.3	851,976.0	6.07 bill.	97	88	10.0	3
Tiempo/BBDO	Barcelona	4,794.3	4,086.8	17.0	42,441.8	36,156.3	761,000.0	6.74 bill.	92	79	16.0	2
McCann-Erickson	Madrid	4,600.0	4,144.0	11.0	30,682.0	27,640.0	730,158.0	4.87 bill.	99	97	2.0	N/A
Cid S.A. Publicidad	Barcelona	4,488.8	3,442.0	30.0	29,925.0	24,469.2	712,500.0	4.75 bill.	110	110	0.0	5
Tandem/DDB S.A.	Madrid	4,420.8	3,061.8	44.0	29,472.2	20,393.1	701,718.0	4.68 bill.	94	83	13.0	2
MMLB	Madrid	4,252.5	N/A	N/A	28,350.0	N/A	675,000.0	4.50 bill.	N/A	N/A	N/A	1
NCK Espanola de Publicidad	Madrid	4,047.0	2,589.0	56.0	26,992.0	17,269.0	642,352.0	4.28 bill.	78	N/A	N/A	1
Unitros Spain	Madrid/Barcelona	3,931.2	3,162.6	24.0	30,113.0	24,223.5	624,000.0	4.78 bill.	91	93	– 2.0	2
Bassat, Ogilvy & Mather/Prieto, Bassat, Ogilvy & Mather,	Barcelona/Madrid	3,283.5	2,715.2	21.0	21,900.7	18,110.5	521,184.0	3.48 bill.	91	82	11.0	2
Danis Benton & Bowles	Barcelona	3,276.0	2,772.0	18.0	25,200.0	21,237.3	520,000.0	4.00 bill.	92	91	1.0	3
Young & Rubicam Espana	Madrid	2,655.0	2,426.0	9.0	17,709.0	16,181.0	421,428.0	2.81 bill.	75	80	– 6.0	2
Distribuidora Cid de Publicidad	Madrid	2,394.0	2,428.7	– 1.0	119,700.0	121,910.0	380,000.0	1.90 bill.	70	71	– 1.0	2
Contrapunto S.A.	Madrid	2,356.2	2,230.2	6.0	15,687.0	14,175.0	374,000.0	2.49 bill.	N/A	N/A	N/A	1
Los Tiroleses	Madrid	2,255.4	1,650.0	37.0	17,545.0	14,507.0	358,000.0	2.79 bill.	28	28	0.0	1
TAPSA	Madrid	2,211.3	1,127.8	96.0	14,742.0	8,745.4	351,000.0	2.34 bill.	41	34	21.0	1
Inter-Alas, D'Arcy MacManus Masius	Madrid	2,191.0	1,947.0	13.0	13,456.8	10,697.0	347,700.0	2.14 bill.	73	72	1.0	4
Leo Burnett S.A.	Madrid	2,153.0	1,970.9	9.0	14,356.0	13,145.9	341,800.0	2.28 bill.	54	53	2.0	1
GDD Ayer	Barcelona	1,856.0	1,609.8	15.0	12,379.4	9,476.7	294,600.0	1.96 bill.	30	30	0.0	1
BCK S.A.	Barcelona	1,600.0	1,510.0	6.0	10,625.0	10,100.0	253,920.0	1.69 bill.	24	22	9.0	N/A
McCann-Erickson/Clarin Publicidad	Madrid	1,555.0	N/A	N/A	10,372.0	N/A	246,764.0	1.65 bill.	106	N/A	N/A	N/A
Saatchi & Saatchi Compton, S.A.	Madrid	1,514.4	1,162.3	30.0	10,407.6	7,560.0	240,382.0	1.65 bill.	40	38	5.0	2
Tandem/DDB/Campmany Guasch	Barcelona	1,354.5	919.8	47.0	11,655.0	9,009.0	215,000.0	1.85 bill.	N/A	N/A	N/A	1
Carvis Needham	Madrid/Barcelona	1,180.0	760.0	55.0	7,380.0	5,400.0	188,000.0	1.17 bill.	33	31	6.0	2
R.C.P.	Barcelona	1,159.0	957.6	21.0	7,717.5	6,375.6	184,000.0	1.23 bill.	17	18	– 6.0	1
Intermarco-Publicis	Madrid	958.3	665.0	44.0	6,565.0	4,286.0	152,106.0	1.04 bill.	25	21	19.0	2
Grey Espana	Madrid	951.3	869.4	9.0	6,000.0	5,798.5	151,000.0	1.01 bill.	25	23	9.0	1
Foote, Cone & Belding, S.A.	Madrid	815.3	1,449.9	– 44.0	5,438.1	9,670.8	129,414.0	863,191.0	30	43	– 30.0	2
TBWA Espana	Madrid	677.6	926.1	– 26.0	4,517.1	6,174.0	107,550.0	717,000.0	20	27	– 26.0	1
Ogilvy & Mather Direct, S.A.	Barcelona/Madrid	555.2	413.9	34.0	3,703.1	2,760.9	88,125.0	587,793.0	20	11	82.0	2
GGK Barcelona/Madrid	Barcelona/Madrid	529.9	129.2	310.0	3,533.0	861.2	84,100.0	560,800.0	27	6	350.0	2
Campbell-Ewald Espanola	N/A	317.0	N/A	N/A	2,114.0	N/A	50,316.0	335,608.0	10	N/A	N/A	N/A
Kenyon & Eckhardt de Espana	Madrid	221.4	N/A	N/A	3,874.5	N/A	35,150.0	615,000.0	7	N/A	N/A	1
Slogan, S.A.	Barcelona	142.0	107.0	32.0	750.0	540.0	22,539.0	119,047.0	30	28	7.0	1
HCM Madrid	Madrid	133.0	N/A	N/A	887.0	N/A	21,185.0	141,304.0	9	N/A	N/A	N/A
SRI LANKA												**Exchange rate: 0.0422 rupee**
Grant Kenyon & Eckhardt (Lanka)	Colombo	452.1	358.0	26.0	2,351.5	1,933.4	SLr10,713.0	SLr55,722.0	130	122	7.0	4
HTA Thompson Lanka	Colombo	221.6	189.9	17.0	1,477.1	1,266.1	5,250.0	35,001.8	38	38	0.0	1

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employees 1984	Employees 1983	Employees Per cent change	Number offices
SWEDEN												Exchange rate: 0.1227 kroner
Ted Bates AB	Stockholm	7,377.0	5,939.4	24.0	55,294.0	47,660.0	SKr60,122.0	SKr450,644.0	158	146	8.0	3
AB Ervaco	Stockholm	6,184.1	5,472.4	13.0	41,247.4	36,503.3	50,400.0	336,165.0	N/A	140	N/A	N/A
Grey Svenska AB	Stockholm	5,695.7	5,011.7	14.0	41,110.0	35,347.8	46,420.0	335,045.0	130	120	8.0	8
Annonsbyran Svea	Stockholm	5,360.9	4,771.9	12.0	53,111.4	47,258.5	43,691.0	432,856.0	171	160	7.0	1
Hans Brindfors Annonsbyra	Stockholm	4,270.0	2,638.0	62.0	30,675.0	24,540.0	34,800.0	250,000.0	51	36	42.0	3
Young & Rubicam AB	Stockholm	3,929.0	3,596.0	9.0	26,206.0	23,985.0	32,021.0	213,578.9	67	89	– 25.0	4
Hanser, Larsson & Roestlund/BBDO	Stockholm	3,063.1	2,698.9	13.0	23,483.6	20,691.6	24,964.0	191,390.7	48	46	4.0	1
Ehrenstrahle International	Stockholm/London	3,026.0	2,710.2	12.0	20,181.0	18,077.0	24,659.0	164,475.5	52	50	4.0	2
Ogilvy & Mather Group	Stockholm	2,729.0	2,687.0	2.0	19,284.0	17,547.0	22,242.0	157,160.0	67	70	– 4.0	6
Intermarco-Farner AB	Stockholm	2,699.4	2,430.2	11.0	18,005.0	16,209.0	22,000.0	146,740.0	56	53	6.0	3
Blanking	Malmoe	2,210.0	1,595.0	39.0	15,950.0	12,883.0	18,000.0	130,000.0	42	33	27.0	2
Lintas	Stockholm	2,108.3	1,756.5	20.0	11,586.3	10,755.5	17,182.7	94,427.7	47	45	4.0	1
Annonsbyran Landis AB	Stockholm	1,634.0	1,951.0	– 16.0	11,776.0	15,580.0	13,325.0	95,979.0	42	44	– 5.0	2
McCann-Erickson AB	Stockholm	1,554.0	1,328.0	17.0	10,365.0	8,858.0	12,664.0	84,469.0	39	43	– 9.0	N/A
Foote, Cone & Belding AB	Stockholm	1,535.2	744.0	106.0	10,240.0	4,961.0	12,512.0	83,455.0	30	19	58.0	2
Blomquistbyraerna AB	Stockholm	1,445.6	1,472.4	– 2.0	11,119.0	11,439.0	11,781.3	90,625.0	43	43	0.0	1
Perceptum Needham AB	Stockholm	1,472.4	1,161.0	27.0	9,820.0	10,370.1	12,000.0	80,040.0	22	22	0.0	1
D'Arcy MacManus Masius AB	Stockholm	1,463.0	1,410.0	4.0	17,283.0	14,261.0	11,920.0	140,854.0	40	40	0.0	1
J. Walter Thompson AB	Stockholm	1,195.0	1,164.0	27.0	7,967.1	7,760.4	9,741.0	64,943.2	21	24	– 13.0	1
Welinder Information AB	Stockholm	858.9	711.7	21.0	6,221.0	5,000.0	7,000.0	50,700.0	18	15	20.0	1
Nedeby Ayer	Stockholm	803.7	785.3	2.0	6,704.1	6,505.2	6,550.0	54,638.5	19	21	– 9.0	1
DFS Pihlstrom AB	Stockholm	402.8	348.8	15.0	4,197.6	3,312.9	3,283.0	34,210.1	8	7	14.0	1
IMAA/AB Olof Isacsons Annonsbyra	Gothenburg	216.4	288.7	– 25.0	1,442.8	1,924.8	1,763.9	11,759.0	13	16	– 19.0	1
Gothus Annonsbyra AB	Gothenburg	158.4	169.9	– 7.0	1,056.1	1,132.5	1,291.1	8,607.0	15	22	– 32.0	1
SWITZERLAND												Exchange rate: 0.4368 S franc
Advico AG	Zurich	4,325.6	3,996.7	8.0	38,852.0	26,657.9	SF9,903.0	SF66,053.0	63	63	0.0	1
GGK Basel Werbeagentur	Basel/Zurich	4,237.0	3,800.0	11.0	28,304.6	25,334.4	9,700.0	64,800.0	69	61	13.0	2
Adolf Wirz Inc.	Zurich	4,180.0	4,140.0	1.0	27,890.0	27,580.0	9,570.0	63,850.0	59	61	– 3.0	4
McCann-Erickson S.A.	Geneva/Zurich	4,051.0	3,134.0	29.0	27,020.0	20,904.0	9,275.0	61,864.0	70	60	17.0	N/A
Farner Advertising	Zurich	3,874.4	3,673.5	5.0	25,837.0	24,504.0	8,870.0	59,150.0	68	68	0.0	1
Gisler& Gisler/BBDO	Zurich	3,663.9	3,495.7	5.0	24,438.1	23,316.4	8,388.0	55,948.0	61	64	– 5.0	2
Young & Rubicam AG	Berne	3,495.0	2,882.0	21.0	23,312.0	19,223.0	8,004.0	53,384.5	68	61	11.0	4
Doyle Dane Bernbach AG	Zurich	3,208.6	3,145.0	2.0	21,401.6	20,976.9	7,345.8	48,996.2	49	48	2.0	1
HCM CSWH	Zurich/Bienne	2,490.0	2,040.0	22.0	16,608.0	13,620.0	5,700.0	38,019.0	68	53	28.0	3
SSC&B:Lintas/Lintas:Zurich	Zurich	2,401.4	2,190.0	10.0	16,017.3	14,606.6	5,497.7	36,669.7	46	41	12.0	1
Zutter Sommer Marketing	Basel	2,192.7	1,970.0	11.0	15,340.4	13,119.3	5,020.0	35,120.0	25	27	– 7.0	1
Schellenberg, Ogilvy & Mather	Zurich	2,175.0	1,821.0	19.0	14,502.0	12,175.0	4,980.0	33,200.0	35	30	17.0	1
Seiler Zurich Werbeagentur	Zollikerberg	2,155.2	2,028.1	6.0	14,414.4	13,527.3	4,934.0	33,000.0	N/A	N/A	N/A	1
Kloeti Advertising	Zurich	2,061.7	1,820.1	13.0	15,820.9	13,963.2	4,720.0	36,220.0	31	31	0.0	1
Dieter Jaeggi AG	Berne/Zurich	1,934.8	1,856.4	5.0	12,973.0	12,361.4	4,450.0	29,700.0	N/A	N/A	N/A	1
J. Walter Thompson AG	Zurich	1,895.0	1,790.0	6.0	12,634.0	11,933.9	4,339.0	28,928.1	30	29	13.0	1
Barlogis und Jaeggi	Zurich	1,638.0	1,546.3	6.0	10,925.7	12,143.0	3,750.0	25,013.0	N/A	N/A	N/A	1
Aebi und Partner	Zurich	1,528.8	917.3	67.0	10,046.4	5,241.6	3,500.0	23,000.0	N/A	N/A	N/A	N/A
TBWA Switzerland	Zurich	1,437.8	1,387.0	4.0	9,585.6	9,251.0	3,292.0	21,945.0	22	23	– 4.0	1
Unicom SA	Geneva	1,315.2	1,529.0	– 14.0	8,779.7	10,177.4	3,011.0	20,100.0	27	39	– 31.0	2
HCM Geneva	Geneva	1,247.0	1,804.0	– 31.0	8,317.0	12,033.0	2,854.0	19,036.0	20	26	– 23.0	1
BEP S.A.	Lausanne	1,245.0	1,317.0	– 5.0	8,299.0	8,784.0	2,850.0	19,000.0	24	24	0.0	1
D'Arcy MacManus Masius AG	Zurich	1,116.0	1,265.0	– 12.0	7,469.0	8,431.0	2,555.0	17,100.0	19	20	– 5.0	1
Grey Switzerland	Geneva	793.2	765.4	4.0	5,290.7	5,105.1	1,816.0	12,112.4	15	12	25.0	1
Quadri +Partner	Zurich	541.6	520.7	4.0	3,670.0	3,472.6	1,240.0	8,400.0	10	10	0.0	1
Agence Pubaco	Bienne	524.2	436.8	20.0	2,830.5	2,402.4	1,200.0	6,480.0	14	13	8.0	1
Leo Burnett Co.	Geneva	268.2	255.1	5.0	1,788.0	1,701.3	614.0	4,095.0	10	5	100.0	1
T.C. Mettier	Zurich	231.0	210.0	10.0	1,100.0	1,000.0	530.0	2,600.0	6	6	0.0	N/A
Rogivue Consulting	Zurich	87.0	82.0	6.0	590.0	550.0	198.8	1,350.0	2	2	0.0	1
TAIWAN												Exchange rate: 0.00 T dollar
United Advertising	Taipei	2,924.6	2,461.5	19.0	19,497.5	16,410.5	T$116,985.0	T$779,900.0	150	150	0.0	1
Shin Shin Communications	Taipei	1,750.0	1,500.0	17.0	11,000.0	10,000.0	70,000.0	440,000.0	75	75	0.0	1
Kuo Hua Advertising	Taipei	1,467.5	1,159.7	27.0	9,783.6	7,731.5	58,701.8	391,345.0	123	112	10.0	1
United Communications (Unicom)	Taipei	1,318.1	842.2	57.0	8,743.1	5,897.0	52,722.0	349,722.0	46	38	21.0	1
Target Advertising	Taipei	388.1	169.1	130.0	2,727.3	1,193.4	15,525.1	109,092.7	27	21	29.0	1
Needham Standard International	Taipei	169.0	N/A	N/A	1,130.0	N/A	6,747.0	45,000.0	15	N/A	N/A	1
Leo Burnett Co.	Taipei	81.0	N/A	N/A	540.0	N/A	3,194.0	11,504.0	N/A	N/A	N/A	1
THAILAND												Exchange rate: 0.0434 baht
SSC&B:Lintas Thailand	Bangkok	4,099.0	3,550.0	15.0	29,100.0	24,174.0	Bht94,437.0	Bht670,506.0	152	138	10.0	2
Ogilvy & Mather (Thailand)	Bangkok	2,808.3	2,389.5	17.0	18,080.2	14,856.3	64,707.9	416,593.8	126	120	5.0	1
Ted Bates	Bangkok	1,822.0	1,605.8	14.0	12,152.0	10,850.0	42,000.0	280,000.0	115	103	12.0	1
Leo Burnett Ltd.	Bangkok	1,632.0	1,388.0	18.0	10,879.0	9,256.0	37,600.0	250,792.0	N/A	N/A	N/A	1
McCann-Erickson (Thailand)	Bangkok	1,581.0	1,487.0	6.0	10,545.0	9,918.0	36,437.0	243,035.0	84	80	5.0	N/A
Far East Advertising	Bangkok	1,434.9	1,445.5	– 1.0	9,630.0	8,547.0	33,062.0	221,893.0	140	133	5.0	1
Chuo Senko (Thailand)	Bangkok	1,367.1	1,100.0	24.0	10,199.0	7,700.0	31,500.0	235,000.0	42	43	– 2.0	
Prakit & Associates	Bangkok	891.9	792.9	12.0	5,945.8	5,286.1	20,550.0	137,000.0	63	65	– 3.0	1
Amex & Grey Advertising	Bangkok	775.7	570.0	33.0	5,040.7	3,801.9	17,413.0	116,145.0	51	52	– 2.0	1
Meridian Advertising (Thailand)	Bangkok	625.6	497.9	26.0	4,002.0	3,162.5	14,413.8	92,211.9	31	23	35.0	1
Kenyon & Eckhardt (Thailand)	Bangkok	558.7	645.7	–13.0	3,552.0	3,781.6	12,873.8	81,843.3	53	55	– 4.0	1
Thai Image Advertising	Bangkok	516.5	383.0	35.0	3,689.0	2,859.0	11,900.0	85,000.0	51	43	19.0	1

Agency	City	Gross income 1984	Gross income 1983 ($000)	Per cent change: income	Billings 1984	Billings 1983 ($000)	Gross income 1984 ($000; national currency)	Billings 1984	Employees 1984	Employees 1983	Employees Per cent change	Number offices
Paterson & Partners Thailand	Bangkok	379.6	268.7	41.0	2,528.4	1,862.6	8,746.0	58,258.0	33	34	–3.0	1
J. Walter Thompson Co.	Bangkok	370.8	129.2	19.0	2,472.3	861.2	8,544.4	56,965.5	26	18	44.0	1
Redford International	Bangkok	334.4	281.1	19.0	1,796.7	1,405.4	7,705.0	41,398.1	34	27	26.0	1
Needham Standard International	Bangkok	240.8	N/A	N/A	1,606.1	N/A	5,548.3	37,007.2	26	N/A	N/A	1
TRINIDAD												**Exchange rate: 0.4153 T dollar**
McCann-Erickson (Trinidad)	Port of Spain	2,658.0	2,350.0	13.0	17,729.0	15,675.0	T$6,399.0	T$42,681.0	78	75	4.0	N/A
Corbin Compton	Port of Spain	1,074.4	1,040.5	3.0	6,329.9	6,418.3	2,587.0	15,241.7	41	43	–5.0	5
Foote, Cone & Belding/Trinidad	Port of Spain	875.5	702.3	25.0	5,839.1	4,694.6	2,108.0	14,060.0	30	30	0.0	1
Kenyon & Eckhardt/Caribbean Advertising	Port of Spain	595.4	570.4	4.0	3,980.0	3,804.6	1,433.6	9,550.0	25	25	0.0	1
TURKEY												**Exchange rate: 0.0031 T lira**
Pars/McCann	Istanbul	1,711.0	756.4	126.0	10,230.0	4,594.2	TL552,000.0	TL3.30 bill.	59	54	9.0	1
Reklam Moran A.S.	Istanbul	893.0	585.9	53.0	6,209.8	4,295.1	289,000.0	2.00 bill.	48	49	–2.0	1
Rota Advertising	Istanbul	686.3	459.6	49.0	6,028.9	3,470.9	221,400.0	1.94 bill.	50	38	32.0	3
Informant Advertising	Istanbul	178.3	N/A	N/A	1,122.8	N/A	57,526.0	362,190.0	N/A	N/A	N/A	1
Park Advertising	Istanbul	97.7	N/A	N/A	651.0	N/A	31,500.0	210,000.0	N/A	N/A	N/A	1
URUGUAY												**Exchange rate: 0.0201 peso**
Impetu Organizacion Publicitaria	Montevideo	749.9	381.9	96.0	2,895.1	2,547.4	Ps37,310.5	Ps144,035.2	52	37	15.0	1
Corporacion Publicitaria	Montevideo	364.8	215.8	69.0	2,432.1	1,439.2	18,150.0	121,000.0	35	30	17.0	1
Grey-Uruguay	Montevideo	217.4	200.8	8.0	1,450.1	1,339.3	10,816.0	72,142.7	17	18	–6.0	1
McCann-Erickson (Uruguay)	Montevideo	200.0	151.0	32.0	1,334.0	1,007.0	9,952.0	66,380.0	14	14	0.0	N/A
J. Walter Thompson Uruguaya	Montevideo	133.1	72.8	83.0	887.4	485.4	6,620.0	44,135.5	10	12	–17.0	1
VENEZUELA												**Exchange rate: 0.0763 bolivar**
J. Walter Thompson de Venezuela	Caracas	3,813.5	3,672.9	4.0	25,424.7	24,487.3	Bs49,980.5	Bs333,220.0	142	111	28.0	1
CORPA-Corporacion Publicitaria Nacional	Caracas	3,649.1	3,473.8	5.0	24,339.3	23,170.1	47,825.3	318,994.5	162	142	14.0	3
Leo Burnett Venezuela	Caracas	1,416.0	1,184.6	20.0	9,440.0	7,901.5	18,558.0	123,782.0	68	60	13.0	1
Publicidad Siboney	Caracas	1,227.2	830.0	48.0	8,185.5	5,533.0	16,084.0	107,280.0	50	N/A	N/A	1
JMC Creatividad Orientada	Caracas	953.8	767.6	24.0	6,358.7	5,117.5	12,500.7	83,338.0	40	36	11.0	1
AW/Compton	Caracas	711.1	420.7	69.0	4,265.2	2,523.2	9,320.0	55,900.0	34	22	55.0	1
Grey Advertising de Venezuela	Caracas	685.1	496.6	38.0	4,569.6	3,312.3	8,979.0	59,889.9	32	38	–16.0	1
International Marketing Communications	Caracas	600.0	568.0	6.0	4,002.0	3,789.0	7,871.0	52,466.2	N/A	N/A	N/A	1
BU/FCB	Caracas	568.1	469.2	21.0	3,789.0	3,129.4	7,445.2	49,659.3	36	32	13.0	1
Rafael Vegas & Asociados	Caracas	251.8	N/A	N/A	1,679.5	N/A	3,300.0	22,011.0	20	N/A	N/A	1
YUGOSLAVIA												**Exchange rate: 0.00735 dinar**
Ozeha Marketing & Advertising	Zagreb	970.6	656.9	48.0	4,338.3	2,844.5	D132,000.0	D590,000.0	122	129	–5.0	6
ZAMBIA												**Exchange rate: 0.825 kwacha**
Young & Rubicam Zambia	Lusaka	442.0	434.0	2.0	2,948.0	2,895.0	Zk535.0	Zk3,567.1	18	17	6.0	1
McCann-Erickson (Zambia)	Lusaka	366.0	433.0	–15.0	2,441.0	2,888.0	444.0	2,961.0	0	17	N/A	1
ZIMBABWE												**Exchange rate: 0.98 Z dolla**
Michael Hogg & Young & Rubicam	Harare	1,248.0	1,076.0	16.0	8,324.0	7,177.0	Z$1,273.0	Z$8,490.5	67	64	5.0	1
SSC&B:Lintas (Zimbabwe)	Harare	714.4	787.3	–9.0	2,956.5	3,092.8	729.0	3,016.9	35	33	6.0	1

How 12 global ad agencies rank around the world

Note: this table makes no distinction between a wholly-owned subsidiary, a joint venture or any other legal arrangement that an agency may have with a host nation. It shows how selected agencies rank by gross income within the national advertising industry.

	YOUNG & RUBICAM	J. WALTER THOMPSON	McCANN-ERICKSON	OGILVY & MATHER	LEO BURNETT	TED BATES	BBDO	SSC&B:LINTAS	FOOTE, CONE & BELDING	D'ARCY Mac-MANUS MASIUS	GREY ADVERTISING	SAATCHI & SAATCHI
Argentina	13	1	7	8	12	14	5	11	9		3	
Australia	6		5	4	7	1	2			11		8
Austria	11	9	3	10				2		17	18	7
Brazil	12	5	8	7	17	9	15	16	20			14
Britain	6	2	10	5	19	4	29	24	12	3	23	1
Canada	5	1	7	4	13	14	17	28	16	29	15	
Chile	9	1	3	11	14	10	2	4			7	13
Colombia			2	5	1		4		9			3
Dom. Republic	1		2		3				4			
Ecuador			2	3					4			
Finland			1	19		7		10		25		
France	5	20	18	13	30	16	26	5	22	27	24	10
Germany	7	3	4	6	14	16	1	2	19	9	5	13
Greece		1	9		15	3	4	10	11	17		5
Hong Kong	3	7	5	2	1	4	21	18	16	14	10	12
India		1		3				2				9
Italy	5	2	1	10	20	18	6	9	3	24	12	14
Japan	20	17	7		29		8		34	11	25	
Malaysia	7	2	8	6	4	1	9	3				10
Mexico	7	3	2	6	8		9	21	17	12	18	19
Netherlands	4	7	6	2	8	27	1	3	19	14	24	11
New Zealand		8		5	7		1	10	12	4	11	
Norway	4		3	3		1		8	10	11	12	7
Singapore	4	14	5	2	6	11	1	10	12	18	13	18
South Africa	4	7	12	6		3	1	8	5	10	2	9
Spain	13	1	5	11	19	2	4	3	29	18	28	23
Sweden	6	19	14	9		1	7	12	15	18	3	
Switzerland	7	16	4	12	27		6	10		23	24	14
Thailand		14	5	2	4	3		1		13	9	15
Venezuela	8	1		2	3				9		7	6

Source: compiled by *Advertising Age.*

Atari

(Continued from Page 4)

buying in the fourth quarter of last year. (For the entire year, Commodore ranked second behind Apple based on dollars spent.)

Mr. Tramiel gained further advantage after joining Atari by taking the company private, slipping out of the spotlight that has followed most of the larger computer companies through their most difficult times. Without public scrutiny of his books, observers and competitors can only speculate about the health of the "new" Atari.

The company began life in 1972 as a coin-operated videogame manufacturer, and by 1981 accounted for about 70% of the burgeoning, $1.1 billion videogame industry. When the "game over" sign flashed for that industry, Atari graduated to home computers but never regained its former position; when Mr. Tramiel took over in July, Atari was the cinder of a falling star. The company that once generated annual profits of more than $200 million was losing about $4 million a week.

Pruning at the "campus"

The staff size now is stable at around 205 people, down from the approximately 1,200 on staff before Mr. Tramiel began cutting overhead and personnel. The new Atari "campus" in Silicon Valley is comprised of five buildings, down from 25. Mr. Tramiel also pruned Atari's existing lines, narrowing the company's products to two models: The 800XL home computer and the 2600 videogame player. His actions apparently succeeded. Today, Atari is operating at a small profit, according to James Copland, Atari vp-marketing.

At the same time, Atari began charting its future by developing two new lines of computers designed to carry the company into the next generation of technology.

The XE line, offering what has become a small-potatoes memory of 64 kilobytes, uses the same 8-bit microprocessor technology employed by the original Apple II, Commodore's Vic-20, the Commodore 64 and Atari's own 800XL. Atari will price the XE line at less than $100, tapping the lowest end of the home-computer market.

"We realize there is a definite retreat from the 64K market and at this point in time, that's the only baby we've got," Mr. Copland said almost cavalierly during a recent interview in his cluttered office. "The XE line is as important as the consumer wants it to be. If the consumer doesn't want an XE product, we won't have an XE product out for very long."

Atari began shipping the XE line last month with little fanfare and no advertising. Mr. Copland discounted the importance of advertising during the first half of the year, traditionally a slow period for home-computer sales.

Higher stakes with ST

The company's forthcoming ST line of computers, however, represents a different story—and higher stakes.

"If the consumer doesn't want an ST version, I don't believe there's a personal computer market," declared Mr. Copland, who headed Commodore's operation in his native Canada and helped establish Commodore as the best-selling computer there.

The ST, nicknamed "Jackintosh" by the industry, is Atari's effort to match Apple's sophisticated Macintosh computer. Atari plans to offer the machine in two configurations, differing only in the amount of memory each model carries. Model 130ST, featuring 128K of memory, and Model 520ST, with 512K, mimic the two basic Macintosh configurations. In addition, the ST computers borrow some of the innovations incorporated in the Mac, such as icons or on-screen picture messages and the optional "mouse" pointing device, which is used instead of the traditional keyboard.

There the supposed similarities end, and Mr. Tramiel begins. He will price the ST at less than $800. Apple's Mac sells for $2,195 to $2,795.

The next round of home-computer battles is not expected until the last quarter of the year, when consumers buy a disproportionate number of home computers. Market researcher Future Computing, Richardson, Tex., estimates that 39% of all home-computer sales in 1984 were in the final quarter.

That's the fight Atari is girding for. By then, the company expects to have its manufacturing and distribution operations in place, and Mr. Tramiel will put his price-driven marketing plans to the test by trying to cloud Apple's highly polished shine.

"When we go out with our ST machine for $779 at retail, we'll ask Apple to justify how they can go out and sell their machine for $4,000," Mr. Copland said. (Apple's so-called Fat Mac, a Macintosh with 512 kilobytes of memory, lists at $2,795, but add-ons can increase the price.)

Mr. Copland said 10% of gross sales will be devoted to advertising, with the majority of ad dollars going to tv. "We start from zero dollars and work up, versus [telling an agency] 'Here's a million [dollar] budget—can you do it?' "

Atari's product ads will carry simple variations on the company's internally developed "Power without the price" slogan. However, the ads also will be called upon for a much tougher task: Selling Atari as a financially stable operation in an unstable market. Since Coleco abandoned the home-computer market early this year and, more recently, IBM ceased production of its PCjr, consumers may be unwilling to purchase a computer, regardless of its price/performance value, from a financially struggling company.

Big job for small agency

The job of selling both the company and its products falls to Goodby, Berlin & Silverstein, a small San Francisco creative shop founded less than two years ago by Ogilvy & Mather alumni (AA, Feb. 18).

Atari surprised no one with its choice of a small agency ($8 million in billings) to handle what it says will be a $100 million account. Both the old Atari and Mr. Tramiel, while at Commodore, clashed with major New York agencies over creative direction and payment, and few full-service agencies expressed interest in pitching the new Atari account unless Mr. Tramiel would agree to sign an irrevocable letter of credit.

Although all other Atari computers will be sold through mass merchandisers, the company plans to sell its top-of-the-line ST models through computer dealers. Customers of the higher-price 520ST, the company believes, will be more likely than other consumers to purchase an entire system, including extra disc drives, printers, monitors and telecommunications equipment. This kind of buy calls for more personal sales attention than a mass merchandiser is likely to offer and the dealer network will be necessary.

But here, Mr. Tramiel's past may haunt him.

Mr. Tramiel revolutionized the home-computer market when he took Commodore in precisely the opposite direction, broadening the company's distribution channels to include mass merchandisers. By doing so, he angered many dealers who carried Commodore computers but could not afford to compete against the low margins on which mass merchants thrive. The experience could hinder Atari's efforts to find receptive dealers, especially at a time when even full-service computer dealers are feeling the pinch of slow sales.

Mr. Copland conceded that dealer reaction has been "mixed" to date. He added, however, that several dealers have collected deposits from potential customers for the unreleased ST line, and several cut-rate mail-order houses already are including the new Atari lines in their catalogs.

The sophisticated nature of the ST may pose yet another problem for Mr. Tramiel's born-again Atari: A perceived lack of software. Even though more than 400 Mac programs exist, the same perception stalks Apple's Macintosh, a situation not helped by Lotus Development Co.'s apparent delays in bringing to market its long-heralded Jazz multifunctional software package for the Mac (AA, March 25). And unlike Atari, Apple has curried the support of independent software developers.

Hope from Spinnaker

But there may be hope for Atari from at least one source. Spinnaker Software, Cambridge, Mass., now is converting some of its best-selling software to the ST operating system and said it expects to demonstrate its ST-compatible software during the summer Consumer Electronics Show in June. It will begin shipping in August.

Spinnaker president William Bowman believes Atari's ST line will allow software publishers to create much more powerful programs.

"The frustration for home software developers has been the need to tame programs down [because of the machines' limited capabilities]," he said. "The ST has warped us [developers of home-computer software] into a new world. Now we have to take advantage of the new power."

What are Atari's chances for success? Apple declined to comment, but a source at Commodore was less reticent—predicting that Atari will file for bankruptcy before the end of the year. "Atari going out of business will be a benefit to the industry," he said, noting that a period of price stability will follow. Atari's biggest problem, according to the source, will be financing the operation and locating a market for its machines.

Nevertheless, Mr. Tramiel may be a hard man to count out. He is, after all, the survivor of many wars.#

Dial's promotion dunked by Salton

By JULIE FRANZ

North Chicago, Ill.—Salton Corp., marketer of Wet Tunes waterproof radios, is confident it one day will be singing "Aren't you glad you sued Dial," says its president, Al Finesman.

Salton sued Armour-Dial, Phoenix, for patent infringement after the soap marketer began a promotion offering a waterproof radio for $12.95 and three Dial wrappers.

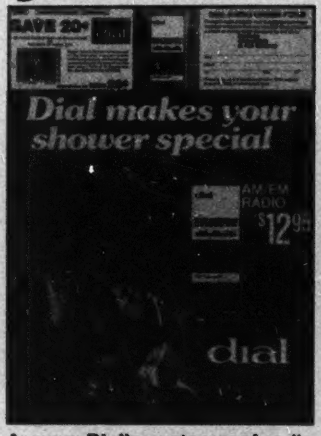
The offer, via freestanding inserts in newspapers April 7, went to 47 million consumers. Point-of-purchase displays also pushed the offer. The promotion was designed in-house.

Salton filed suit April 8, charging Armour-Dial with patent infringement and unfair competition. The damages Salton seeks will be set when the company determines how many radios Armour-Dial shipped, how many orders Salton may lose due to the offer and other factors, said Ronald A. Sandler, partner, Epton, Mullin & Druth Ltd, Salton's Chicago law firm.

Salton won an injunction stopping Armour-Dial from shipping more radios or placing promotional ads until a hearing April 22.

A spokeswoman for Armour-Dial wouldn't say where it's getting the radios or comment on the suit.

Once the supplier is known, Salton said, it may sue that company as well.



Armour-Dial's waterproof-radio promotion, via freestanding newspaper inserts, has landed the soap marketer in court. Salton Corp. contends that Dial violated patent law by offering a waterproof radio by a different maker.

Salton already has successfully filed suit against six importers of waterproof radios, Mr. Sandler said.

Salton has sold 350,000 waterproof Wet Tunes since last May. The line has three items: The original Wet Tunes, selling for $24 to $30; a stepped-up version with a built-in digital clock for $34, and the Beachcomber, a $59 model with built-in cassette tape player, storage compartment and tan timer all in a scuba-yellow, water-resistant case. The company expects to sell 750,000 units this year, Mr. Finesman said.

Salton concentrates on co-op advertising with department stores. Its ads are produced in-house.#

Gurrier moves office

Hampton, N.H.—The Gurrier Co., an agency specializing in banking, industrial and high-tech accounts, has moved its offices to 1 Park Ave., P.O. Box 788, 03842.

WHY?

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CNN / HEADLINE NEWS

Survey bad raps media

WASHINGTON—Newspaper editors and reporters rank below their tv counterparts, but ahead of advertising executives and used-car salesmen, according to a new survey dealing with media credibility.

Commissioned by the American Society of Newspaper Editors and released during the group's annual meeting here recently, the nationwide survey said both newspapers and tv have credibility problems. Many people choose tv news over daily newspapers for many areas of coverage. Local news is an exception.

In talking to focus groups in five cities and analyzing responses to questionnaires from more than 1,000 persons, the survey sought to rate the "honesty and standards" of members of several professions.

Members of the clergy got the highest mark, with 53% of those responding giving them a "high" rating.

Doctors received 48%, police 41%, tv anchors 40%, public school teachers 39% and tv reporters 28%.

Newspaper editors were scored 27% in the "high" classification, followed by newspaper reporters with 18%, advertising executives 12% and used-car salesmen at the bottom with 3%.

Asked about "opinions" expressed in several sections of the daily newspaper, the survey revealed that 24% of readers would like to see more opinion in paid advertisements, 62% thought the degree of opinion in ads was about right and 14% would like to see less. Fifty-two per cent of readers surveyed wanted more opinion on the editorial page, 31% felt the same about the sports pages but only 23% wanted more opinion on the front page.

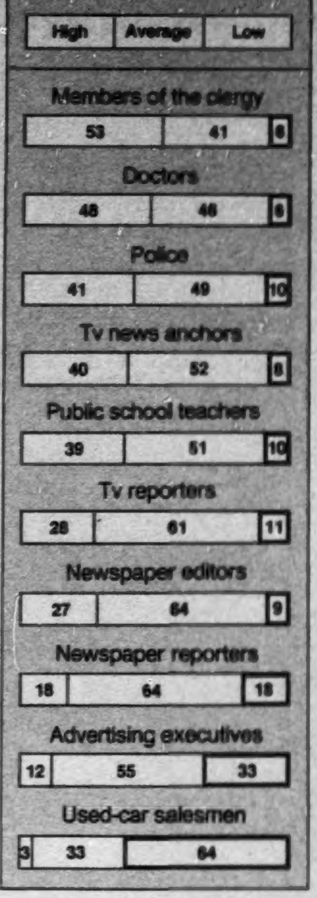
One respondent among the 39% who believed advertisers influence daily newspapers said, "They [newspapers] make a profit from advertising, and the people who advertise are not people like me who are working for $10 an hour. They're people who are taking out $100,000 in advertising.

"And if there's anyone who we [the newspapers] don't want to make mad," he added, "it's somebody who's taking out $100,000 in advertising."

Media Opinion Research, Minneapolis, conducted the survey for ASNE. Single copies are available for $6.50 from ASNE, P.O. Box 17004, 20041.#

Rating honesty

Question: Please rate the honesty and ethical standards of people in each of these occupations. Source: ASNE.



NCS roots around for more shoppers

By JENNIFER LAWRENCE

HOUSTON—National Convenience Stores, owner and operator of more than 1,100 convenience stores, mainly under the Stop N Go name, is going whole hog in a major new advertising effort that mirrors the company's strategy to promote fast-foods.

Last week NCS launched a 30-second tv spot in major Texas markets and Las Vegas featuring Sorrell Booke, better known as Boss Hogg in the "Dukes of Hazzard" tv show now in syndication, swilling down Stop N Go's branded 46-oz. drink called the "Hawg."

Besides this "Boss compares" spot, which is the first time NCS has used tv, the new campaign introduced the company's "neighborstore" positioning in a 60-second radio spot that will be used consistently in key markets throughout the year. A jingle with the theme "We're neighbors—We're Stop N Go" debuted and will be used in all broadcast spots.

The neighborstore spot backs up NCS' new logo, new store design and shift in product mix.

The spring campaign marks the beginning of NCS' greater commitment to advertising, according to Bob Landsdowne, president of GSD&M/Houston, which handles the account.

He noted that initial advertising begins with product ads and positioning, while later ads will be directed toward women to help broaden Stop N Go's customer base.

Although budget was not disclosed, Jerry Welch, NCS senior vp-stores, last fall said he expected the annual ad budget to double to $8 million in the coming fiscal year (AA, Dec. 3).

Dave Mitchener, NCS corporate director of marketing/merchandising, said store sales are expected to increase by 10% by yearend as a result of the new ad push, which also includes direct mail, outdoor and point-of-purchase.

NCS' sales volume of $819 million for fiscal 1984, ending last June 30, places the retailer third in the $28.3 billion industry, behind Dallas-based Southland Corp.'s 7-Eleven chain and Phoenix-based Circle K Corp. NCS operates in 11 Sunbelt states.

In the first wave of product spots, which feature Mr. Booke in both tv and radio, the 46-oz. Hawg soft drink at 99¢ is compared to two 22-oz. McDonald's drinks selling for about $1.40. Besides the cost advantage, Mr. Booke is told the Hawg comes in a reusable plastic container shown with its design of the sporty pig known as the Hawg.

While Mr. Booke does not actually play the part of Boss Hogg, a copyrighted character, the radio and tv spots play off recognition of Mr. Booke as Boss. The humorous spots are intended to inject "some fun," since Mr. Booke is cast in the unlikely role of a serious thirsty jogger, according to Mr. Mitchener, who added the spots promote the value and convenience of buying the Hawg as the soft-drink season gets under way.

The next wave, to air in May, also will feature Mr. Booke in spots that focus on the fast-food segment of the business, while a third wave will be a combination of the first two spots. The campaign will shift gears in summer with other talent while neighborstore spots continue. Specific plans were not disclosed.#

Your G od Neighb Store

New tv spots for Stop N Go stores play on the popularity of Sorrell Booke, who played Boss Hogg in the "Dukes of Hazzard." Mr. Booke is featured as a jogger who quenches his thirst with the chain's branded 46-oz. drink called the "Hawg." GSD&M/Houston handles the account.

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Otc products key drug ad spending

By JULIE FRANZ

CHICAGO—Ad agencies looking for new prescription-drug advertising dollars should look instead to drug substances given the government's green light for over-the-counter sales, said speakers at an industry meeting here April 11.

While the Food & Drug Administration has approved only 34 prescription-drug ingredients for over-the-counter use in the last five years, these ingredients are found today in literally hundreds of brand-name otc drugs, according to the Proprietary Assn., the industry's trade group in Washington.

As the number of approved ingredients rises, so competition and the need for advertising rise also, industry sources said.

Sales of otc drugs rose to $7 billion in 1983 (the last year for which figures are available) from $5 billion in 1980. Drug advertising that year was $1.4 billion, industry sources said.

While prescription-drug marketers still are not likely to begin advertising directly to consumers, they do need to change the way they reach physicians, according to William Castagnoli, Medicus Intercon International, New York, a Benton & Bowles company, who addressed the Midwest Pharmaceutical Advertising Council meeting.

Physicians have created a comfortable liability buffer between manufacturers and consumers. Manufacturers' drug-accident liability would increase dramatically if that buffer were removed, he said.

Successful prescription-drug ads should show physicians how a drug will improve their practices as they face mounting pressures from the government, hospitals, third-party payers and patients to reduce costs, Mr. Castagnoli explained.

Prescription drugs that truly reduce costs as opposed to other drugs or advanced medical procedures should trumpet those claims, he said. A drug with fewer side effects can reduce the length of a patient's hospital stay, not to mention patient complaints.#

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

April	Current month		Year-to-date	
	1985	1984	1985	1984
— Art & antiques —				
American Artist	66.6	69.9	268.8	252.7
Antiques	142.8	153.4	609.8	609.4
Antique Monthly	26.1	30.9	108.1	126.6
Art in America (11X)	124.0	162.0	453.0	530.0
Southwest Art	64.2	73.8	293.2	302.0
Total Group	423.7	490.0	1,732.9	1,820.7
% change		−13.5%		−4.8
— Auto/cycle/rec. vehicles —				
AutoWeek (52X)	164.6	152.5	489.5	457.4
Car & Driver	124.7	107.9	419.0	320.0
Car Collector & Car Classics	18.2	22.6	77.3	84.5
Car Craft	88.1	88.2	261.0	233.8
Cycle	80.0	74.7	211.8	218.0
Cycle Guide (11X)	62.1	71.0	162.5	184.4
Cycle World	76.1	88.3	229.2	239.3
Dune Buggies & Hot VWs	85.5	75.5	325.5	305.6
Family Motor Coaching	128.8	137.5	610.1	587.4
4 Wheel & Off-Road	84.9	84.6	270.6	247.3
Four Wheeler	90.7	73.7	322.9	252.1
Hot Rod	86.0	72.4	230.1	192.0
Motorcyclist	63.3	59.0	149.4	157.0
Motor Trend	100.7	64.8	302.1	209.0
Motorhome Life	105.0	97.2	382.6	345.8
Pick-Ups & Minitrucks	47.6	33.1	127.2	103.5
Road & Track	130.9	106.1	419.2	358.3
3 Wheeling	61.5	33.6	206.3	108.9
Trailer Life	143.9	142.0	495.9	494.4
Total Group	1,742.6	1,584.7	5,692.2	5,098.7
% change		+9.9%		+11.8%
— Boating & yachting —				
Boating	172.2	167.1	644.2	642.8
Chesapeake Bay	39.8	32.3	123.9	114.7
Cruising World	145.9	153.3	540.5	563.2
Lakeland Boating (10X)	74.0	69.3	275.5	233.6
Motor Boating & Sailing	171.4	174.6	781.4	732.8
Sail	162.0	158.4	600.2	596.5
Sea & Skipper	60.1	67.8	218.3	242.8
Small Boat Journal (6X)	61.5	55.8	103.5	98.4
Trailer Boats (11X)	45.5	50.0	157.2	162.6
Western Boatman (6X)	49.5	20.3	103.6	59.6
Yachting	178.8	191.1	745.2	758.9
Total Group	1,160.7	1,139.6	4,293.5	4,205.9
% change		+1.8%		+2.1%
— Canadian —				
L'Actualite	87.0	90.7	209.8	240.2
Chatelaine:				
English Edition A.	102.9	130.4	378.9	391.6
French Edition	82.0	105.5	301.7	326.1
City Woman (5X)	42.2	43.3	93.9	86.5
Equinox (6X)	29.0	50.5	48.8	80.3
Financial Post A.	38.7	67.8	126.5	169.4
Flare A.	71.9	70.2	241.5	183.0
Homemaker's (10X)	65.9	75.6	182.7	251.6
Madam Au Foyer (10X)	50.5	67.3	150.8	223.3
Macleans (52X) A.	163.7	170.0	476.2	463.0
Montreal Calendar	44.0	32.0	79.8	74.0
Montreal Ce Mois Ci	50.5	41.0	86.3	88.0
Reader's Digest:				
Canadian-English A.	96.6	114.5	228.7	237.8
Canadian-French A.	82.0	99.0	174.5	206.6
Toronto Life	102.2	115.3	299.8	324.9
Vancouver	69.5	58.2	254.8	237.8
Total Group	1,178.6	2,361.8	3,334.7	3,584.1
% change		−50.1%		−7.0%
— Civic/fraternal —				
American Legion	23.2	21.6	118.8	116.4
Elks (10X)	19.5	23.3	89.2	106.3
Kiwanis (10X)	15.3	11.6	60.0	49.9
Lion (10X)	3.0	6.6	19.2	31.7
Rotarian	9.0	15.1	47.7	62.5
V.F.W. (11X)	24.1	24.9	105.6	120.3
Total Group	94.1	103.1	440.5	487.1
% change		−8.7%		−9.8%
— Comics —				
Archie Comic Group (6X)	10.0	10.0	20.0	20.0
DC Comics	6.0	6.5	27.5	32.5
Marvel Comics Group	7.0	8.5	34.5	37.5
Total Group	23.0	25.0	82.0	90.0
% change		−8.0%		−8.9%
— General —				
American Health (10X)	44.7	48.4	—	—
American West (6X)	52.2	26.3	77.7	48.8
The Atlantic A.	77.0	75.3	207.9	187.2
Audubon Magazine (6X)	31.4	—	—	—
Bon Appetit A.	86.9	93.8	318.3	300.6
Changing Times	45.6	42.8	154.8	184.9
Connoisseur	87.8	78.1	227.4	199.5
Consumers Digest (8X)	37.5	15.5	83.5	33.0
Ebony	98.9	90.0	343.3	312.5
Fifty Plus	33.8	40.5	133.3	154.8
Food & Wine	39.6	35.5	154.4	138.1
Games	18.9	24.2	67.9	92.3
Gourmet	108.5	96.9	362.6	290.3
Home Entertainment (8X)	33.5	32.5	72.0	66.5
Harper's Magazine A.	30.8	26.2	108.0	100.6
Life	66.4	63.2	233.3	215.4
Modern Maturity (6X)	48.9	34.1	98.9	79.3
Money	119.1	149.7	457.3	467.4
Moneysworth (4X)	—	—	24.8	27.0
Mother Earth News (6X)	41.5	51.0	94.5	113.7
Mother Jones (10X)	16.7	17.3	45.7	52.2
National Geographic	22.4	24.3	80.4	82.1
Prevention	51.9	66.7	233.7	279.9
Reader's Digest A.	85.9	83.5	301.2	321.0
Saturday Evening Post (9X)	33.7	34.7	96.6	122.3
Signature	65.7	61.1	220.4	231.3
Smithsonian	107.3	99.8	372.2	357.3
Success	29.7	34.8	115.2	138.9
Sylvia Porter's Personal				
Finance (6X)	38.8	29.8	118.3	89.3
Town & Country	147.9	160.4	487.2	513.9
Travel	63.2	58.9	211.6	219.5
Travel & Leisure	133.3	144.5	446.5	447.6
Vanity Fair	25.3	21.5	117.5	93.4
Writers Digest	21.4	19.9	86.5	103.5
Yankee	72.1	77.2	275.5	338.1
Total Group	2,018.3	1,958.4	6,345.1	6,402.2
% change		+3.0%		−0.9%
— Home —				
Americana (6X)	47.5	46.5	87.8	81.0
Architectural Digest A.	141.2	162.7	469.3	468.4
Better Homes & Gardens	117.2	128.8	423.4	406.7
Colonial Homes (6X)	62.0	72.8	108.2	130.8
Country Journal	29.2	28.9	131.1	150.5
Country Living	70.9	66.7	253.7	233.8
Dallas/Ft. Worth				
Home & Garden	61.0	81.6	228.0	255.9
Family Handyman (10X) A.	70.6	97.1	253.6	305.6
Flower & Garden (6X)	45.3	43.1	92.6	103.5
Home	57.9	87.1	205.0	226.0
The Homeowner (10X)	27.8	23.6	91.5	75.8
Horticulture	48.0	34.0	101.0	90.5
House Beautiful	97.6	120.6	297.3	343.6
House & Garden	112.4	106.7	373.9	306.8
Houston Home/Garden	86.0	115.5	323.5	361.5
Metropolitan Home	103.3	57.2	274.6	218.2
New Shelter (9X)	41.0	41.7	215.3	194.2
1001 Home Ideas	40.5	45.0	162.6	148.9
Organic Gardening	64.8	71.0	264.1	331.4
Phoenix Home/Garden	80.7	58.0	280.8	233.7
San Diego Home/Garden	57.5	65.2	240.1	237.3
South Florida Home/Garden	49.8	—	149.5	—
Southern Accents (6X)	—	—	165.1	130.8
Southern Living	154.9	174.6	490.7	511.6
Sunset Magazine A.	188.9	179.7	549.2	524.8
Texas Homes	76.8	70.2	301.6	294.5
Workbench (6X)	—	—	115.9	130.7
Total Group	1,932.8	1,978.3	6,649.4	6,496.5
% change		−2.3%		+2.3%
— In-flight & other passenger —				
Alaska Airlines	55.9	51.6	181.8	174.5
American Way (26X)	175.7	114.7	499.0	411.7
East/West Network:				
Eastern Review	97.8	114.5	409.8	468.2
Northwest Orient	42.7	34.8	149.5	123.5
Ozark	45.7	55.5	148.2	180.4
PSA Magazine	81.0	107.2	296.1	363.6
Pan Am Clipper	69.3	69.5	230.5	233.2
Republic Scene	55.3	73.8	178.2	238.7
Southwest	88.8	100.0	345.5	352.2
United	107.8	110.2	425.0	424.5
USAir	53.7	66.8	229.4	242.5
Western's World	49.3	72.3	223.0	239.0
Halsey Publications:				
Air Cal	49.3	57.0	186.4	191.6
Delta Sky	85.2	78.3	289.3	306.6
Frontier	22.5	30.8	99.1	131.5
Skylite	15.3	19.3	83.7	76.3
Hawaii (6X)	26.0	21.0	99.5	86.4
Pace	64.4	88.3	215.4	166.1
Spirit of Aloha (6X)	25.7	20.5	98.7	82.8
Total Group	1,211.4	1,286.1	4,388.1	4,493.3
% change		−5.8%		−2.3%
— Men's —				
Esquire A.	102.5	103.0	354.5	323.5
Firehouse Magazine (13X)	48.1	45.5	167.8	163.0
Gentlemen's Quarterly A.	175.0	197.0	555.6	568.2
M Magazine	63.2	57.0	206.5	239.7
Penthouse A.	43.8	47.1	154.8	180.7
Playboy A.	70.4	77.9	270.8	269.2
Total Group	503.0	527.5	1,610.0	1,744.3
% change		−4.6%		−7.7%
— Metropolitan —				
Aloha (6X)	38.6	26.5	66.8	51.7
Atlanta	61.8	50.2	198.1	198.6
Baltimore	83.4	69.7	294.1	226.8
Boston	151.2	139.9	567.3	496.6
California	68.3	67.5	260.8	222.0
Charlotte (10X)	23.0	20.0	69.0	56.0
Chicago	163.0	151.1	481.3	488.7
Chicago's North Shore	77.0	83.5	300.5	314.1
Cincinnati	48.4	43.4	214.4	172.3
Cleveland	75.7	69.0	311.6	266.7
Coast (38X)	296.1	422.5	798.1	774.1
Columbus Monthly	73.4	68.5	249.8	231.6
Connecticut	96.0	90.3	341.1	306.8
D/Magazine, Dallas/Ft.				
Worth	133.9	141.9	455.3	435.8
Denver	33.8	25.5	112.1	88.0
Grand Rapids	51.7	47.0	189.0	192.3
Gulfshore Life (10X)	57.2	75.5	283.1	380.9
Honolulu	66.0	67.0	241.3	228.7
Houston City	80.2	87.3	279.1	289.2
Indianapolis	39.4	39.0	138.4	129.7
Kansas City	35.3	34.4	127.1	124.5
Los Angeles	185.3	199.0	642.3	699.0
Louisiana Life (6X)	61.9	65.0	132.2	124.4
Madison	46.0	45.0	235.0	233.0
Metropolitan Detroit	53.0	107.5	205.5	—
Miami Mensual	41.1	37.9	168.9	152.9
Miami/South Florida	91.2	122.6	342.8	343.0
Milwaukee	45.3	35.4	232.6	141.7
Minneapolis/St. Paul	85.8	104.5	387.2	298.1
Monthly Detroit	47.9	77.0	176.8	174.4
New Jersey Monthly	56.3	50.1	218.6	195.8
New Mexico	40.0	30.6	150.7	129.9
Ohio	56.0	56.9	237.3	199.0
Oregon	39.5	17.2	119.6	81.7
Orlando	126.3	115.0	410.1	341.3
Palm Beach Life	90.5	106.8	443.4	443.4
Palm Springs Life	121.8	118.6	587.7	572.0
Philadelphia	140.3	153.0	512.8	476.4
Phoenix	93.3	89.4	420.1	353.7
Pittsburgh	73.2	73.0	214.6	234.4
St. Louis	58.0	66.5	218.5	227.0
San Diego	163.7	171.3	612.3	539.8
San Francisco	62.3	66.7	307.0	239.0
San Francisco Focus	97.0	64.5	323.7	194.0
Texas Monthly	132.7	152.8	420.6	460.7
Twin Cities	58.7	74.0	198.9	237.2
Ultra	84.1	86.9	366.8	366.2
The Virginian (6X)	—	—	120.0	81.0
Washington Dossier (11X)	50.0	62.0	198.0	193.0
The Washingtonian	144.0	149.0	592.0	539.0
Total Group	4,097.6	4,766.1	15,174.3	13,501.7
% change		−14.0%		+12.4%
— Movie/romance/radio/tv —				
Macfadden's Women's Group:				
Modern Romances	25.6	25.6	78.6	100.9
Secrets	25.6	25.6	78.6	100.9
True Confessions	25.6	25.6	78.60	100.9
True Experience	25.6	25.6	78.6	100.9
True Love	25.6	25.6	78.6	100.9
True Romance	25.6	25.6	78.6	100.9
Sterling Women's Group:				
Daytime TV	29.5	27.5	115.0	109.0
Modern Screen	17.5	20.5	29.5	41.0
Movie Mirror (6X)	25.5	20.5	46.0	61.5
Soap Opera Stars	21.5	16.5	39.0	56.5
TV Movie Screen (6X)	7.0	5.0	13.0	5.0
TV Picture Life (6X)	7.0	20.5	13.0	61.5
Total Group	261.6	264.1	727.1	939.9
% change		−0.9%		−22.8%
— Music/entertainment —				
American Film (10X)	24.0	24.0	78.0	88.0
Audio	65.0	57.0	309.0	226.0
Circus Magazine	51.5	41.6	185.6	141.7
Dance Magazine	65.7	71.0	243.3	257.1
Musician	57.9	59.3	229.3	244.5
Playbill D.	52.5	825.0	194.0	228.6
Record	27.8	31.3	91.0	88.5
Stereo Review	30.2	50.4	143.6	174.6
Video Magazine	64.7	64.3	302.5	261.1
Video Review	85.2	47.8	256.9	213.7
Total Group	524.5	1,271.7	2,033.2	1,723.8
% change		−58.7%		+5.7%
— National Sunday magazines —				
Family Weekly (52X) A.	38.7	58.2	198.6	233.2
Parade (52X)	52.9	53.3	215.3	229.5
Total Group	91.6	111.5	413.9	462.7
% change		−17.8%		−10.5%
— Outdoor & sport —				
Alaska	65.3	43.0	201.8	163.8
The American Handgunner (6X)	35.0	35.0	293.0	293.0
American Hunter	14.5	12.9	65.4	62.6
American Rifleman	22.9	25.7	95.1	102.0
Backpacker (6X)	—	—	61.0	74.2
Bass Master (9X) A.	62.7	62.5	296.3	251.4
Bicycling (9X)	108.4	105.8	299.2	315.1
Field & Stream	103.0	106.5	364.4	353.8
Fins & Feathers A.	59.6	73.4	144.6	166.6
Florida Sportsman	125.0	114.8	499.9	416.6
Flying	48.1	41.8	168.9	155.7
Fur-Fish-Game	15.3	23.2	86.3	94.1
Golf Digest	102.6	129.3	416.4	412.1
Golf Magazine	58.7	77.4	376.8	421.8
Guns	25.0	28.0	402.0	394.0
Guns & Ammo	40.8	48.1	157.7	161.4
In-Fisherman (6X)	133.0	126.0	322.5	309.0
Muscle & Fitness	102.0	103.0	428.3	422.6
Outdoor Life	81.0	92.1	319.7	350.8
Outside Magazine	65.5	53.6	179.1	137.1
Petersen's Hunting	36.7	31.0	131.7	120.1
The Runner	61.2	57.4	146.2	170.0
Runner's World (13X)	43.2	49.2	137.5	182.1
Salt Water				
Sportsman	108.2	95.2	386.7	345.1
Shooting Times	27.4	28.7	119.4	144.8

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. D. Includes anniverary issue. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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April

	Current month		Year-to-date	
	1985	1984	1985	1984
Ski (8X) A.	29.3	32.2	215.4	249.2
Skiing (7X)	—	—	203.3	215.3
Skin Diver	76.9	81.6	307.9	319.6
Southern Outdoors (8X)	45.6	52.6	133.1	147.5
Sport	45.6	54.2	163.0	180.7
Sports Afield	92.6	112.2	349.7	368.7
Tennis	102.3	113.6	287.4	293.4
Western Outdoors (10X)	68.3	45.5	202.9	184.3
Total Group	**1,925.7**	**2,572.1**	**7,962.6**	**7,978.7**
% change		**−25.1%**		**−0.2%**

—— Photography ——

American Photographer	43.8	43.7	161.7	156.1
Petersen's Photographic	25.0	36.4	101.8	125.5
Popular Photography	90.7	89.3	356.7	368.2
Total Group	**159.5**	**169.4**	**620.2**	**649.8**
% change		**−5.8%**		**−4.5%**

—— Religious ——

BBI Jewish Monthly (10X)	24.4	28.4	90.9	93.1
Christian Herald (11X)	28.8	30.5	129.7	132.0
Christian Life	29.8	28.4	104.2	112.2
Christianity Today (18X)	79.0	69.7	282.8	261.2
Inside (4X)	82.8	90.5	82.8	90.5
Moody Monthly (11X)	57.8	57.9	222.3	216.8
Today's Christian Woman (6X)	50.0	41.6	89.7	65.8
Total Group	**352.6**	**347.0**	**1,002.4**	**971.6**
% change		**+1.6%**		**+3.2%**

—— Science/electronic/mechanic ——

Compute	61.0	80.0	238.0	378.0
Compute's Gazette	60.0	78.0	293.0	346.0
Computers & Electronics	32.7	47.7	144.3	189.1
Creative Computing	62.2	118.9	327.5	542.5
Discover	30.9	32.5	132.9	154.5
Family Computing	33.9	51.8	188.3	218.4
Home Mechanix	75.5	88.1	280.9	285.6
Info World (52X)	180.0	205.0	614.0	815.0
Natural History	61.3	55.4	182.3	194.7
Omni	61.9	62.5	222.8	225.6
Personal Computing	135.9	132.9	577.3	647.4
Popular Mechanics	104.0	110.3	371.3	381.3
Popular Science	84.8	100.7	262.4	348.5
Science Digest	22.8	31.5	111.2	107.1
Science 85 (10X)	25.0	31.0	98.9	122.3
Scientific American	56.0	73.5	186.6	252.5
Spectrum	99.8	98.7	429.1	378.0
Total Group	**1,153.8**	**1,398.5**	**4,660.8**	**5,586.5**
% change		**−17.5%**		**−20.2%**

—— Women/fashion/service ——

Bride's Magazine (6X) A.	—	—	740.3	737.5
Cosmopolitan A.	209.9	235.8	722.9	771.9
Essence	158.9	162.5	301.8	307.7
Family Circle (24X) A.	215.8	109.7	615.4	516.9
Family Magazine	38.7	46.5	169.3	132.3
Glamour	212.2	226.4	662.8	655.9
Good Housekeeping A.	150.1	198.1	584.4	603.2
Harper's Bazaar	154.1	151.9	578.9	566.3
Health	35.5	28.2	149.1	128.3
Ladies' Home Journal	114.3	92.6	418.6	391.9
Ladycom (10X)	26.5	33.3	136.2	146.8
Mademoiselle	465.4	178.5	465.4	519.4
McCall's	94.3	84.4	357.5	333.9
Modern Bride (6X)	—	—	704.9	624.7
Ms.	52.7	41.2	189.4	171.1
New Woman	53.7	48.3	203.9	181.0
Parents Magazine A.	93.1	83.2	347.3	280.7
Playgirl	30.8	35.0	144.7	144.7
Redbook	84.8	83.5	356.9	332.9
Self	126.1	113.8	393.8	354.0
Seventeen	132.8	151.8	459.9	474.5
Shape	74.6	60.0	255.1	214.0
Soap Opera Digest (26X)	29.2	22.8	83.9	89.8
'Teen Magazine	49.9	55.8	165.0	171.4
True Story A.	69.1	69.1	199.3	225.8
Vogue	258.3	250.2	1,078.7	995.7
W Magazine	84.6	94.6	476.0	472.0
Weight Watchers	29.8	26.9	105.1	118.9
Woman's Day (16X) A.	209.9	207.3	476.9	484.9
The Workbasket (10X)	32.4	32.6	163.0	155.5
Working Mother	72.3	64.3	281.0	256.6
Working Woman	114.5	107.2	394.1	356.2
Total Group	**3,474.3**	**3,095.5**	**12,381.5**	**11,916.4**
% change		**+12.2%**		**+6.4%**

—— Youth ——

Boys' Life	18.3	17.2	76.0	67.7
Campus Life (10X)	35.6	37.6	211.3	194.0
Total Group	**53.9**	**54.8**	**287.3**	**261.7**
% change		**−1.6%**		**+9.8%**

March

—— Business ——

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Business Gazette (52X) D.	37.3	32.5	88.6	73.1
Atlanta Bus.Chronicle (6X)	44.0	52.3	128.6	129.3
Austin Business Journal (52X)	45.7	—	110.6	—
Barron's (52X)	202.1	189.4	547.5	568.7
Black Enterprise	38.9	41.2	226.8	181.4
Boston Business Journal (52X)	137.4	81.7	374.0	239.5
Business Atlanta	76.6	46.8	168.5	133.2
Business Week (52X) A.	422.6	426.7	970.8	1,013.9
California Business	92.0	97.1	273.4	298.8
Capital District Business Review (25X)	80.0	60.0	127.0	119.9
Corporate Report/Kansas City	55.6	63.2	153.7	196.3
Corporate Report/Minnesota	103.3	89.3	256.7	235.8
Crain's Chicago Bus. (52X)	140.1	131.2	397.0	375.8
Crain's Cleveland Bus. (52X)	75.7	64.0	207.8	176.6
Dallas/Ft. Worth Bus. (52X)	52.0	47.6	137.6	116.3
Dun's Business Month	60.0	61.0	151.0	183.0
Financial World (24X)	38.0	34.0	99.6	86.8
Florida Trend (13X)	77.1	79.8	254.2	242.3
Forbes (26X)	317.7	287.1	744.9	773.2
Fortune (26X)	273.6	262.1	608.6	642.9
Frequent Flyer	67.9	60.2	164.8	151.1
Futures (13X)	54.0	54.0	151.6	159.0
Hawaii Business	43.7	45.0	120.9	124.8
High Technology	31.8	29.8	94.8	80.5
Houston Bus. Journal (52X)	—	—	—	—
Inc. Magazine A.	115.5	100.4	266.6	297.5
Income Opportunities	55.8	52.2	124.9	118.7
Indianapolis Business Journal (52X)	110.4	91.2	341.8	301.8
Industry Week (25X) A.	141.4	100.1	249.6	281.5
Kansas City Business Journal	131.4	114.0	—	—
Milwaukee Business Journal (52X)	108.93	79.7	303.1	207.5
Minnesota Business Journal	49.7	53.8	146.7	143.4
Nation's Business A.	55.0	27.2	125.0	85.5
New England Bus. (20X) B.	111.2	81.9	242.3	184.1
New York Citibusiness	15.4	14.0	69.5	40.5
Pacific Business News (52X)	99.0	110.1	281.7	295.3
Philadelphia Business Journal (52X)	116.9	87.4	283.8	244.4
Pittsburgh Bus. Times (52X)	—	—	—	—
San Jose Business Journal	99.8	56.6	302.0	106.6
Savvy	48.9	54.7	172.2	183.0
South Florida Business Journal	78.8	65.8	226.0	152.1
St. Louis Business Journal (52X)	149.9	121.0	371.7	374.4
Texas Business	75.9	81.8	282.1	252.5
Venture	61.8	71.3	163.1	182.1
Total Group	**4,408.6**	**3,699.2**	**10,508.2**	**9,753.1**
% change		**+19.1%**		**+7.7%**

—— Newspaper Sunday magazines* ——

Arizona Republic	73.7	59.6	165.9	175.7
Boston Globe	159.0	164.6	325.0	311.6
California Living	98.8	63.8	147.6	155.5
Chicago Tribune	168.8	69.3	283.5	174.9
Cincinnati Enquirer	—	—	—	—
Cleveland Plain Dealer	58.3	47.1	118.7	123.0
Columbus Dispatch	66.9	55.1	121.5	125.9
Denver Post	—	—	—	—
Detroit News	108.0	148.0	484.0	572.0
L.A. Times Home Magazine	85.0	82.3	192.7	238.8
Louisville Courier-Journal	97.2	98.9	198.0	209.7
Miami Herald	—	—	—	—
New York News	—	—	—	—
New York Times Magazine	641.7	671.7	1,074.6	1,123.7
Philadelphia Inquirer	64.8	75.7	142.0	127.0
Toledo Blade Magazine	39.5	47.3	94.4	111.9
Washington Post	85.2	89.9	140.6	161.6
Total Group	**1,746.9**	**1,673.3**	**3,489.8**	**3,611.3**
% change		**+4.4%**		**−3.4%**

—— Weeklies/bi-weeklies ——

The Advocate (26X)	89.3	128.9	235.9	293.8
Army Times Military Group:				
Air Force Times (52X)	146.3	146.8	414.0	407.5
Army Times (52X)	143.5	140.4	402.3	391.1
Navy Times (52X)	156.6	156.8	447.0	446.8
The Times Magazine	14.3	21.8	31.2	35.8
The Blood-Horse (52X)	478.3	506.2	1,515.8	1,719.8
Capper's Weekly (26X)	25.9	25.6	91.9	99.4
Commonweal (22X)	8.5	9.9	23.3	26.0
Golf World (43X)	81.6	85.8	257.0	212.6
Grit (52X) A.	22.5	22.2	70.6	85.5
National Journal (50X)	62.0	31.5	137.0	78.0
National Review (25X)	27.8	26.7	60.5	75.0
New Republic (48X)	30.3	28.5	69.3	81.9
New York Magazine (50X)	287.2	270.3	625.1	585.4
New Yorker (52X)	262.3	302.5	636.1	769.5
Newsweek (52X) A.	212.1	240.8	557.5	621.1
People (52X)	281.2	326.1	802.4	781.0
Rolling Stone (25X)	110.1	97.2	240.6	252.9
Sporting News (52X)	36.4	44.6	90.6	143.8
Sports Illustrated (52X) A.	187.1	187.8	574.4	592.1
Time (52X) A.	214.7	214.9	606.1	586.6
Travelhost (52X) C.	297.2	292.7	842.9	824.2
TV Guide (52X) A.	351.4	338.9	1,061.9	1,023.5
Us Magazine (26X)	26.1	40.7	77.3	117.1
U.S. News & World Report (52X) A.	143.1	131.7	367.9	338.2
Total Group	**3,695.8**	**3,819.3**	**10,238.6**	**10,588.6**
% change		**−3.2%**		**−3.3%**

—— Foreign ——

	Current month		Year-to-date	
	1985	1984	1985	1984
Good Housekeeping Foreign Editions:				
Australia	18.7	25.0	93.7	89.7
Japan	58.3	58.6	109.3	181.4
Great Britain	124.7	111.4	252.7	230.9
Geomundo:				
Central America	3.5	3.0	12.5	8.8
Chile	5.5	3.0	12.5	7.8
Colombia	8.0	4.0	20.5	14.0
Ecuador	2.0	2.0	7.0	6.0
Mexico	4.5	6.0	16.0	10.8
Peru	3.5	3.0	14.5	7.8
Puerto Rico	4.5	2.0	14.0	5.8
U.S.	6.5	4.0	21.3	8.5
Venezuela	5.0	10.5	26.0	24.3
Hombre De Mundo:				
Central America	2.0	4.0	11.0	12.0
Chile	5.0	6.0	11.0	13.0
Colombia	6.0	9.0	15.0	18.0
Ecuador	3.0	—	11.0	13.0
Mexico	7.0	8.5	19.0	17.5
Peru	3.0	5.0	8.0	12.0
Puerto Rico	6.0	5.0	9.0	11.0
U.S.	7.5	4.0	26.3	7.0
Venezuela	10.0	10.0	32.0	30.0
Ideas Para Su Hogar:				
Chile	—	—	—	—
Colombia	7.0	11.0	20.0	26.0
Ecuador	4.0	3.0	10.0	11.0
Mexico	2.2	5.2	10.8	11.5
Peru	2.5	4.0	4.5	11.5
Puerto Rico	2.0	—	3.0	0.5
Venezuela	14.5	10.2	32.5	24.2
Mecanica Popular:				
Argentina	3.2	8.2	9.5	18.8
Central America	10.5	13.7	32.7	35.2
Chile	5.5	6.8	14.2	14.8
Colombia	12.0	12.8	34.0	32.5
Mexico	10.7	9.5	31.0	26.0
Peru	12.0	16.3	37.7	39.7
Puerto Rico	11.5	15.8	35.5	39.0
Venezuela	13.7	15.0	36.5	39.0
The Ring en Espanol:				
Mexico	—	—	1.0	—
Puerto Rico	—	—	—	—
U.S.	6.6	3.0	17.5	6.3
Venezuela	2.0	1.0	2.0	2.0
Vanidades Continental:				
Central America	2.8	0.8	14.2	7.5
Chile	2.3	—	8.0	—
Colombia	48.7	20.8	103.3	72.7
Dominican Republic	—	—	—	—
Ecuador	14.7	8.7	40.0	28.0
Mexico	56.3	70.5	117.8	138.5
Peru	7.7	13.2	25.0	29.5
Puerto Rico	21.7	23.0	78.5	60.7
U.S.	30.7	31.5	94.0	98.3
Venezuela	35.8	25.2	95.8	68.2
Business Week Int'l. (52X)	133.9	127.9	296.5	284.5
Cosmopolitan Foreign Editions:				
Australia	36.8	39.3	131.8	118.7
Brazil	40.0	27.0	114.5	81.0
France	127.6	197.2	239.2	372.2
Germany	101.2	123.5	204.3	215.9
Great Britain	97.0	99.0	225.0	232.2
Greece	52.0	44.0	203.3	110.0
Holland	47.7	49.0	124.3	84.0
Italy	61.6	58.0	105.6	101.7
Japan	26.0	21.3	77.0	76.6
Cosmopolitan en Espanol:				
Central America	0.3	—	2.3	—
Colombia	5.3	5.0	13.3	8.2
Ecuador	—	—	—	—
Mexico	34.5	36.5	67.7	73.6
Peru	—	1.0	2.0	1.0
Puerto Rico	20.0	22.2	52.0	44.5
U.S. (Spanish language)	18.5	17.0	57.2	50.5
Venezuela	13.8	9.0	39.3	24.0
International Communications:				
African Business	19.5	18.3	51.3	51.7
New African	17.5	18.3	51.9	51.3
The Middle East	22.2	18.3	44.1	54.9
International Management:				
Africa	11.5	14.0	25.7	32.8
Europe	47.2	37.0	116.8	81.8
Latin America	9.2	5.0	22.2	19.3
Middle East	17.5	10.0	61.5	40.2
Pacific	19.5	13.8	41.2	31.2
Johnston International:				
Alam Attijarat	54.2	44.0	144.5	134.3
Ejecutivo (6X)	8.3	4.2	17.0	10.5
Modern Africa (6X)	14.0	20.0	26.3	32.7
Modern Asia (11X)	21.7	19.0	73.6	39.0
Newsweek International A.:				
Atlantic (52X)	57.4	87.0	165.6	197.6
Latin America (52X)	16.9	27.2	44.6	66.5
Pacific (52X)	47.7	55.9	131.3	157.5
Reader's Digest:				
Arabic	8.0	7.0	30.0	23.0
Asian	136.0	170.0	495.5	413.0
Australian	66.0	71.3	154.8	203.1
Belgian-Flemish	97.5	83.0	178.5	155.5
Belgian-French	67.5	62.5	133.5	124.0
British	38.9	39.3	120.7	129.1
Chinese B.	50.5	71.0	308.0	275.5
Danish	36.8	53.5	88.6	108.1
Dutch	43.0	36.5	108.0	89.0
Finnish	44.0	66.0	81.8	139.0
French	44.3	50.0	126.0	119.0
German	67.2	72.1	185.1	194.6
Iberian	4.5	14.0	23.5	32.0
Indian-English	104.0	106.0	305.5	243.0
Indian-Hindu	8.5	6.0	29.5	13.0
Italian	33.0	46.0	85.5	102.5
Japanese	39.7	40.2	131.5	104.1
Korean	24.0	33.0	70.5	78.0
Latin American:				
Argentina	14.0	14.0	52.0	46.5
Brazil	4.5	2.0	10.0	6.0
Central American	8.0	8.0	23.0	23.0
Chile	5.5	9.5	27.5	37.0
Colombia	24.0	—	59.0	47.0
Ecuador	7.0	8.0	21.0	24.0
Mexico	33.6	56.3	70.6	111.7
Peru	8.0	8.0	26.0	25.0
Puerto Rico	6.0	8.0	14.0	25.0
U.P.B.	5.0	8.0	18.0	18.0
U.S. Spanish	10.5	4.5	24.5	18.5
Venezuela	5.0	9.0	19.5	22.0
New Zealand	48.0	83.5	130.5	204.0
Norwegian	21.5	41.5	44.0	95.1
Portugal	26.5	36.6	59.5	75.6
South African	86.5	81.5	234.5	223.8
Swedish	16.5	13.5	38.0	53.5
Swiss-French	34.0	33.3	59.6	70.6
Swiss-German	46.0	45.6	96.1	95.8
Time International:				
Time-Asia	100.4	91.5	194.2	203.4
Time-Atlantic	102.2	103.4	211.1	221.4
Time-Canada	196.7	185.9	439.3	448.6
Time-Latin America	26.1	38.4	79.7	89.7
Time-South Pacific	124.6	108.3	284.1	248.4
Visao (52X)	97.0	109.5	197.2	225.5
Vision/Latin America (26X) A.	18.1	17.3	30.3	28.1
Progresso	115.3	6.5	15.3	6.5
Total Group	**3,837.1**	**4,369.6**	**9,758.6**	**9,689.7**
% change		**−12.2%**		**+0.7%**

Highest-paid public-agency execs, 1984

The six top-paid executives at BBDO International last year each earned more than $500,000 in cash compensation, putting them among the 25 best-paid public-ad-agency execs. Source: Advertising Age, agency proxy statements.

Executive	Agency	Title	Cash Compensation
1. Edward Meyer[1]	Grey Advertising	chairman	876,802[1]
2. Philip Geier	Interpublic	chairman	860,513
3. Bruce Crawford	BBDO	chairman[2]	783,750
4. Charles Goldschmidt	Mickelberry's Laurence, Charles & Free	chairman	706,000
5. Don Johnston	JWT Group	chairman	628,906
6. Allen Rosenshine	BBDO	president[2]	645,000
7. Steve Kahler	BBDO	exec vp (chairman, Doremus)	576,000
8. Willi Schalk	BBDO	exec vp (president, int'l)	532,500
9. Denis Lanigan	JWT Group	vice-chairman	532,394
10. William Phillips	Ogilvy	chairman	529,300
11. Tom Clark	BBDO	president (BBDO Inc.)	516,250
12. Phil Dusenberry	BBDO	vice-chairman (BBDO Inc.)	516,250
13. Norman Brown	Foote, Cone & Belding	president	490,000
14. Norman Berry	Ogilvy	president (O&M/NY[3])	485,400
15. Kenneth Roman	Ogilvy	president (O&M Worldwide[3])	475,900
16. William Weithas	SSC&B:Lintas	chairman	463,401
17. Michael Ball	Ogilvy	vice-chairman	435,000
18. Graham Phillips	Ogilvy	chairman (O&M/U.S.[3])	399,300
19. Leo-Arthur Kelmenson	Lorimar's Kenyon & Eckhardt	chairman	393,499
20. Barry Loughrane	Doyle Dane Bernbach	president	376,538
21. Roy Grace	Doyle Dane Bernbach	vice-chairman	374,936
22. J. Donald McNamara	Interpublic	president	368,707
23. Eugene Beard	Interpublic	exec vp-finance	361,203
24. Jack Young	Foote, Cone & Belding	president (FCB/East)	335,455
25. Emine Messiqua	Foote, Cone & Belding	president (FCB/Europe)	323,743

[1] Grey's 1985 proxy statement not yet released; figure is from 1983 for Mr. Meyer.

[2] Reflects BBDO compensation for 1984 titles, since changed, when Mr. Crawford was president-ceo and Mr. Rosenshine exec vp/pres. of BBDO Inc. subsidiary

[3] Reflects Ogilvy compensation for 1984 titles, since changed, when Mr. Roman was president of O&M/U.S., Mr. G. Phillips', now president of O&M/U.S. was managing director of O&M/NY while continuing as chief financial officer; and Mr. Berry, now president of O&M/NY, was creative director of O&M/NY while continuing as creative head worldwide.

It pays to run BBDO, Ogilvy

By STEWART ALTER

New York—Being one of the top six at BBDO International or in the top five at Ogilvy Group was the way to get on the list of best-paid public ad agency executives last year.

All but one of the proxy statements for the publicly owned agencies covering 1984 now have been released. The exception is Grey Advertising, but Grey chairman Edward Meyer's 1983 cash compensation of $876,802 tops the 1984 cash compensation of all others in this year's field. Under Mr. Meyer last year, Grey became the 10th-ranked agency (in terms of world gross income), up from 12th in Advertising Age's 1984 ranking of ad agencies.

First place in stock ownership goes to Maurice and Charles Saatchi, each of whom received the relatively low salary of about $215,000 last year. But the company stock each owns is worth about $17.5 million. Not far behind are former BBDO chairman Tom Dillon, Mickelberry Corp. president James Marlas (also relatively low-paid at $190,000 in 1984) and Mr. Meyer.

Most of those listed among the top-paid in the accompanying chart (in which only cash compensation is included) are top officers, top financial officers and top subsidiary officers of the largest ad agencies.

The most obvious exception is Charles Goldschmidt, chairman of the $215 million agency Laurence, Charles & Free, whose $200,000 base salary was supplemented by a $506,000 bonus. Carl Nichols and Anthony Chevins, agency heads at another, even larger Mickelberry shop, Cunningham & Walsh, received $275,000 each and no bonus. Leo-Arthur Kelmenson, who heads Lorimar's Kenyon & Eckhardt, also was one of the top paid agency executives in 1984, receiving $393,499.

Some agency creative chiefs were listed, too, including BBDO's Phil Dusenberry ($516,250), Ogilvy & Mather's Norman Berry ($485,500), and Doyle Dane Bernbach's Roy Grace ($374,936). Michael Tesch, exec vp-associate creative director of Ally & Gargano, also was among that agency's top five most highly compensated executives: He received $216,058, while president Amil Gargano received $292,916.

FCB had the most unusual grouping of the top five, although that was partly explained by a residential expense equalization allowance for FCB/East president Jack Young, who moved from Chicago to New York, and by payments "in lieu of retirement benefits normally payable to U.S. executives" to FCB/Europe president Emine Messiqua.

James Marlas' 35.1% interest in Mickelberry is the largest single chunk owned by any individual in terms of percentage, though not dollars. He owns about $13.3 million of Mickelberry, while Grey's Ed Meyer owns about $13.5 million worth of his shop. Former ceo Tom Dillon owns about $15.4 million worth of BBDO stock at current market value. Other former executives who own valuable stock are DDB's ex-copywriting great Robert Gage, who owns about $6.2 million worth, and co-founder Ned Doyle, whose ownership comes to $4.5 million.

Other active executives with large stock holdings include A&G's Amil Gargano ($3.6 million); FCB's Norman Brown ($2.7 million); Emine Messiqua and chairman John O'Toole (both $1.7 million); JWT's Don Johnston ($1.9 million) and Denis Lanigan ($1.3 million); Ogilvy's Kenneth Roman ($2.1 million) and William Phillips ($1.9 million), and DDB's Joseph Daly, chairman ($1.9 million), Roy Grace ($1.6 million) and Barry Loughrane ($1.2 million).#

Chrysler

(Continued from Page 3)

heading up a new International Business Operations group, charged with finding less expensive auto parts.

Chrysler has been preparing for these moves for months while publicly continuing to battle the General Motors-Toyota joint venture. In an interview with Advertising Age last fall, vice-chairman Gerald Greenwald said Chrysler was "poised for a massive swing" to imported cars and parts (AA, Oct. 1).

Continuing to rail against U.S. trade policy, deficits and antitrust "laxity," Mr. Iacocca harrumphed that the federal government had, in effect, forced Chrysler overseas by not stopping GM's joint venture and import strategy.

Chrysler cleared the way for its own joint venture by settling a long-standing suit against GM and Toyota. GM and Toyota agreed to end active cooperation after eight years instead of 12.

When Chrysler was under orders from the U.S. government to seek merger partners, Mr. Iacocca used to speak of a "Global Motors" big enough to compete with GM head-on. It would combine "Japanese manufacturing, European technology and American marketing know-how" through mergers.

Chrysler talked to French auto maker Peugeot (of which Chrysler owns 15%), West Germany's Volkswagen AG, Mitsubishi and others, including Ford Motor Co. But nothing came of any of it.

Now that Chrysler is healthier, its executives prefer joint ventures or parts purchases over full mergers.

They remember Chrysler's disastrous 1960s global expansion drive, when it tried to match GM and Ford worldwide efforts with thinly financed acquisitions of marginal producers.#

Late Broadcast News

Movie moves mark NBC-TV's May play

New York—**NBC-TV** has switched the air dates for two May movies. "Alfred Hitchcock Presents" advances to May 5 (opposite ABC's "Lace II" opener), and the theatrical "First Blood" settles in May 12 (versus the openers of CBS' "Malice in Wonderland" and ABC's "A Death in California").

New York—**CBS-TV's** latest May sweeps moves include the slating of "Going for the Gold: The Bill Johnson Story" as its May 7 movie. Mr. Johnson is the maverick gold medalist from the 1984 Winter Olympics. That tv movie bumps "The Lady from Yesterday," a General Foods Corp.-sponsored "Golden Showcase" drama, to May 14.

New York—**ABC-TV**, meanwhile, will preempt its Friday series from 9 p.m. to 11 p.m. (ET) May 3 for a repeat of "Dr. No," the first James Bond film starring Sean Connery. ABC's next two-hour "Battle of the Network Stars," taped in Mexico, will air May 23 at 8 p.m.

New York—**ABC Sports'** "Wide World of Sports" on May 18 will focus on 1984 Summer Olympics medalist Carl Lewis, and his pursuit of Bob Beamon's world long-jump record, at the UCLA Invitational Track & Field Meet.

New York—**NBC** is the only tv network to improve in virtually every major category in this season's A.C. Nielsen Co. demographic breakouts (through March 24), compared with last season. Its gains came at the expense of ABC and CBS. NBC on May 2 will be the first of the Big 3 networks to unveil its new fall prime time schedule. ABC will follow on May 6 and CBS on May 10.

New York—**CBS Sports** plans prime time coverage of the National Basketball Assn.'s World Championship Series, starting 9 p.m. May 30. The June 5 and 7 games also will be prime timers, as will games six and seven on June 11 and 13, if those are necessary.

New York—**NBC Sports** has set a May 12 "SportsWorld" air date for the "Cannonball One-Lap of America," a seven-day auto endurance race around the circumference of the continental U.S. Millsport, Doyle Dane Bernbach's sports marketing subsidiary, sold the tv event to NBC.

Hollywood—**Metromedia Producers Corp.'s** 1985-86 "Metroprime" package of miniseries will, according to some sources, include "Mussolini & I." Meanwhile, NBC is planning "Mussolini: The Untold Story" for next season, starring George C. Scott. Home Box Office this May will show "Mussolini," starring Anthony Hopkins. Orbis Communications, New York, is handling station and ad sales on "Metroprime."

New York—**Television Program Enterprises**, a division of Tele-Rep, will air "Star Search Junior," a two-part special with a May-to-June telecast window. Like "Star Search," the special (featuring only contestants ages 17 or younger) is produced by Bob Banner Associates, Los Angeles.

New York—In **daytime**, NBC plans to slate "Silver Spoons" repeats in the 10 a.m. time slot, starting in July. "Spoons" will follow reruns of "Facts of Life," which replaces "Time Machine."#

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Crain's International Newspaper of Marketing

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Buyout bug bites at Gannett

By WILLIAM F. GLOEDE

Financier Carl Lindner's American Financial Corp. reportedly has joined with media entrepreneur Karl Eller in preparing a takeover bid for the $4.5 billion Gannett Co.

Mr. Lindner's company already has more than a 5% stake in Gannett, and *Mr. Eller, formerly a top* executive at Gannett, also has a substantial holding in the Rosslyn, Va.-based company.

Meanwhile, top executives from Gannett on April 25 met with Turner Broadcasting System chairman Ted Turner at TBS headquarters in Atlanta. Sources speculated that the Gannett officials discussed joining Mr. Turner in his $5.4 billion bid to take over CBS Inc., New York.

In his filing with the Securities & Exchange Commission on the CBS takeover bid, Mr. Turner said he would pay off the stock purchases largely with the proceeds from pre-sales of CBS nontelevision assets.

Gannett has previously stated that it is interested in acquiring more radio and tv stations (it currently owns six tv stations, including WXIA-TV, an NBC affiliate in Atlanta, and 16 radio stations), and sources speculated Gannett's role now may be as a partner to the pre-sell arrangements Mr. Turner is pursuing.

Gannett, which owns *Family Weekly*, also could be interested in pre-buying CBS Magazines, but experts in the magazine field say Gannett has not previously been keen on the magazine business.

TBS and Gannett spokesmen declined comment on the reports.

A knowledgeable source also said that Mr. Turner is preparing to start up another company separate from TBS. It was not known, however, whether that anticipated move was directly linked to Mr. Turner's CBS takeover bid.

Mr. Lindner last week issued a public statement calling on Gannett shareholders to reject several anti-takeover measures currently proposed by Gannett management. American Financial Corp., Cincinnati, had no comment on whether Mr. Lindner was preparing a takeover bid for Gannett.

Mr. Eller, former chairman of Combined Communications Co. and now chairman of Circle K Corp., a Phoenix-based convenience store chain, when contacted by ADVERTISING AGE, said, "So that's

(Continued on Page 98)

How McCann kept the Coke secret

Reformulation team tells all

Coke '85
I was in the Bunker!

"The bunker" on buttons now sported by McCann-Erickson execs was the code name of the places where the project could be discussed openly.

By NANCY GIGES

Behind the marketing plans for reformulated Coca-Cola is a fascinating tale of intrigue that saw McCann-Erickson executives leading dual lives, holding super-secret meetings, resorting to paper shredders and even a bizarre, frantic search of a London hotel's trash bins.

When the secret group was finished with its advertising work, the result, somewhat surprisingly, is more of the same rather than a totally new approach for the 99-year-old Coke *(see story on Page 101)*.

Fearful during the past three months that word of the reformulation would leak out, Coca-Cola and McCann-Erickson took precautions that could be likened to those for national security. Because of the number of people involved at the end—possibly more than 500—executives still marvel that the secret didn't leak until days before Coke announced it last week (AA, April 22).

"When we were officially notified on Jan. 3, to a man, we were stunned," said Bill Thompson, exec vp, McCann-Erickson Worldwide, New York, and key account man on Coke. "We had no notion they were going to do anything like this."

Coca-Cola says it discovered the improved formula while trying to come up with Diet Coke some four years ago, and has spent time since then perfecting the "sweeter, rounder, less harsh" taste. Others close to the company say the late Paul Foley and others at McCann who had worked with Coke had urged that a sweeter mix be developed—to attract young people—as far back as 20 years ago.

After last Jan. 3, McCann was told to proceed as if the change was inevitable, although checkpoints would occur along the way. The plan still had to be approved by the corporation and the board.

The nature of the assignment called for the best talent McCann could provide. At the same time, "we were very much interested in keeping it to a small group," Mr. Thompson noted.

The first cut brought in as the working group Mr. Thompson, Ira Madras and Bruce Nelson, both exec vps-creative directors, McCann, New York; Barry Day, vice-chairman, McCann Worldwide; Marcio Moreira, exec vp, McCann Worldwide, and John Bergin, president, McCann USA.

Heavily involved from Coca-Cola were Ira Herbert, exec vp-director, corporate marketing, and Sergio Zyman, senior vp-marketing, Coca-Cola USA. Brought in as a business review group—"our conscience," said Mr. Thompson—were Phil Geier, chairman of

(Continued on Page 101)

Last Minute News

Mennen may cut into paper products

MORRISTOWN, N.J.—Mennen Co. is expected to announce next week that it has reached an agreement in principle to acquire Indianapolis-based Paper-Art, a paper supplies company that reportedly will mark Mennen's first venture outside toiletries. Mennen officials could not be reached for comment, and a Paper-Art spokesman had no comment.

Bloom may get some Bully news

ROCHESTER, N.Y.—R.T. French Co.'s Bully and Swish toilet bowl cleaners, with combined billings of about $8 million, reportedly will move to Bloom Agency, New York, from J. Walter Thompson USA. The move would ensue from the imminent completion of French's acquisition of Airwick Industries, Carlstadt, N.J., and the consolidation of French's household line with Airwick's. Bloom is an Airwick agency. Airwick

(Continued on Page 8)

NEWSPAPER

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GM finds shop ties complex

By JESSE SNYDER

DETROIT—General Motors is having second thoughts about making sweeping changes in its relationship with advertising agencies, sources close to a major review project said last week.

The GM Media Council, formed last fall to seek new efficiencies in the auto marketer's advertising (AA, Sept. 17), is instead broadening the scope of its inquiry and starting to explore what else agen-

(Continued on Page 100)

BBDO, Hill land Polaroid jobs

By GAY JERVEY

Polaroid Corp.—which last summer made headlines by moving some $30 million worth of amateur photography business from Doyle Dane Bernbach to Ally & Gargano—has quietly assigned project work to both BBDO and Boston-based Hill, Holliday, Connors & Cosmopulos.

Hill, Holliday has produced an ad for Polaroid's amateur instant system that is currently being tested in Tulsa. A Polaroid spokesman confirmed that Hill, Holliday, whose headquarters are across the Charles River from Polaroid's Cambridge, Mass., complex, had completed a "one-time" assignment for Polaroid.

In addition, BBDO is doing direct-response and sales promotion work for Polaroid, again on a project basis. Over the last decade, BBDO has made no secret of its desire to snare a camera account and has had several discussions with Polaroid.

Polaroid says such moves are not new. "We give out assignments

(Continued on Page 100)

Durfee next in line for Nadler linkup?

By STEWART ALTER

Nadler & Larimer, New York, the smallest of Mickelberry Corp.'s three agency subsidiaries, may be close to acquiring Durfee & Solow, according to sources.

D&S, with billings of $10 million and such accounts as Melitta Inc. and Rossignol Skis, would not be a large Mickelberry acquisition.

But it would be a significant attempt to infuse new creative blood into an agency that has been hard-hit by a string of account losses (CBS Toys in 1983 and Consolidated Cigar and Faberge in 1984), and now finds one of its two largest remaining clients—the estimated $6 million Austin, Nichols & Co. business—under review (AA, April 25).

"We talk to a lot of people about selling, but nothing is happening," said Martin Solow, president of D&S and a onetime copy chief at Kenyon & Eckhardt.

His partner, Jim Durfee, was formerly chairman of Carl Ally Inc., which later became Ally & Gargano. Mr. Durfee is credited with developing many of that agency's well known campaigns in the 1960s and 1970s.

Ricardo Calvillo, president of Nadler since he joined six months ago from Marsteller, has acknowledged he is pursuing acquisitions (AA, April 8) and said he is close to several things, but would not confirm that D&S is a target.

Even if that acquisition did go through, it's questionable whether those well respected creative names would be enough to revitalize the agency. "We creative directors are overrated that way," said one well known creative name. "We can only work in certain environments where there is enough support or energy, and not in frightened or difficult atmospheres."

The Austin review, which is using the Advertising Agency Register to screen agencies, is the latest jolt for Nadler, though not necessarily an actual loss.

Austin has the following brands housed at the agency: Wild Turkey bourbon, liqueur and rye, which account for the bulk of the billings; Paddy & Murphy's Irish whiskies; Wedding Veil German wine; Remy Pannier French wines; Montesquiou Armagnac; and King's Ransom & Abelour Glenlivet scotch whiskies.

Mr. Calvillo, who believes the agency will keep Austin following the review, disputed the widely held view that the agency was in trouble.

But he acknowledged that bill-

(Continued on Page 100)

Highlights

General Mills' Cheerios is using a new ad campaign that boasts of the cereal's buoyancy. Tv spots from Dancer Fitzgerald Sample highlight "the unsinkable taste of Cheerios." *See Page 6.*

A REVOLUTION IN HOME DIAGNOSTIC TESTS
FIRST RESPONSE
FIRST RESPONSE

Tambrands is introducing its first product outside the sanitary-protection market, a line of home diagnostics. *See Page 10.*

The Advertising Council may lose its annual $3 million in federal government ad contracts unless it begins bidding competitively against for-profit ad agencies. *See Page 12.*

Affluent young buyers are receptive to the idea of buying Oldsmobiles—and will do so, if offered a few non-Oldsmobile-like options, according to Olds' chief engineer. *See Page 34.*

D'Arcy MacManus Masius, Chicago, won the Obie Award for most creative design of the year for an outdoor board for Amoco Oil Co. That outdoor board and other 1984 Obie winners are displayed on *Pages 50 and 51.*

CORPORATE CLOSEUP

Entering the U.S. car market just 15 years ago, American Honda Motor Co. has become the nation's fifth-largest auto marketer by following a strategy that is in some ways typically Japanese and in other ways not. *See Page 4.*

FORUM

Global brands—yes; global village—no. That's the view of one chief executive of a U.S. new- business development company. *See Page 20.*

Corporate America needs to train its marketing managers better, says Edward Stone, president of Dallas Marketing Group. *See Page 20.*

INTERNATIONAL

Saatchi & Saatchi's aggressive acquisition strategy is getting mixed reviews in the U.S. While Wall Street analysts are applauding the London-based agency's actions, the subject stirs some skepticism, a little sniping and a lot of grim silence on Madison Avenue. *See Page 54.*

The controversy over whether U.S. companies in South Africa should divest themselves of their interests there because of that country's apartheid policies is having indirect, but potentially severe, effects on South Africa's business relations with the rest of the world. *See Page 54.*

New Zealand media companies are racing to get involved in a lucrative new market following the announcement of plans to establish a new, private, ad-supported tv channel in the country. *See Page 57.*

CATEGORY REVIEW

The specter of electronic imaging—the brave new world that is expected eventually to replace conventional silver-halide photography—has cast a strong shadow over the camera market. *See Page 60.*

DIRECT MARKETING

American Telephone & Telegraph's Opportunity Calling promotion, an effort to give callers an added reason to continue using the long-distance carrier, is gaining acceptance and will receive backing at least through yearend. *See Page 80.*

COMING THURSDAY

SPECIAL REPORT

When comparing budgets, promotion comes across like a Superman to advertising's Clark Kent. However, in terms of image, it's advertising that comes out of the phone booth in the blue suit and red cape. Now, industry experts even are questioning whether promotion has the bulk of budgets it claims to have.

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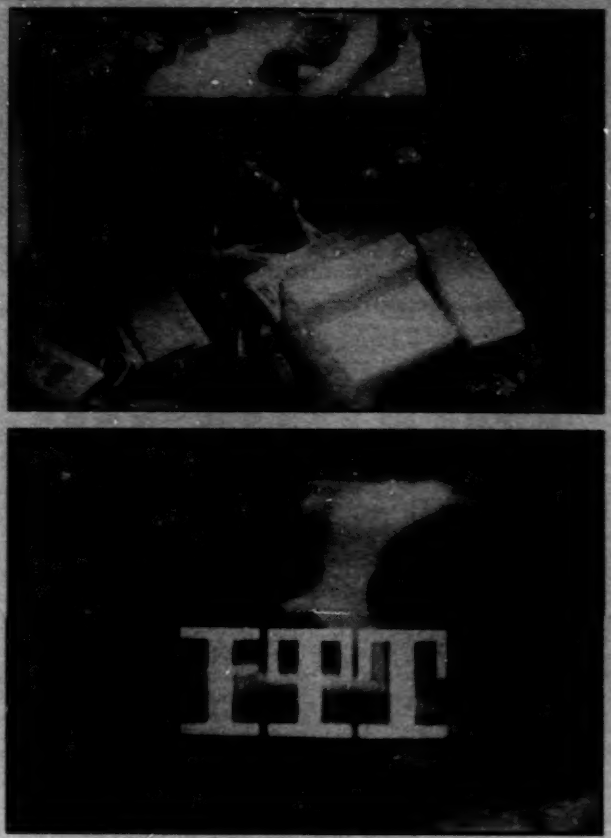


For ITT, bark's as good as byte

ITT Corp.'s tv spots for a new "talking" version of its Xtra personal computer feature a boy and his St. Bernard dog operating the machine by speaking (and barking) into it. Biederman & Co., New York, handles. *See Page 6.*

A-B makes pitch for ballpark beer

By STEVEN W. COLFORD

WILLIAMSBURG, VA.—With the over-all market for low-alcohol beer still in question, Anheuser-Busch is plumping for the right of Major League Baseball fans to grab the brew of their choice at the old ballpark.

Dennis Long, president and ceo at Anheuser-Busch, says the Busch-owned St. Louis Cardinals and Peter Ueberroth, Major League Baseball commissioner, are working "to see if there is some program to be constructed for baseball involving either alcohol-abuse awareness or distribution of reduced-alcohol beer."

"Our preference would be for the consumer to get the beer of his choice and not abuse it," he said. "But if there is continued abuse, something else has to be done, and the question will be which is better —a moderation program versus complete abolition of higher alcohol beer."

Either way, as the nation's largest brewer, A-B is not expected to suffer. Paced by Budweiser, with a 24% market share, A-B has nine beers to choose from, including low-alcohol LA.

While the rest of the industry

(Continued on Page 98)

Prime time commitments mounting

Nets filling sked

By JAMES P. FORKAN

NEW YORK—With the shaping of the new fall prime time season only days away, the Big 3 tv networks have made no fewer than seven, and perhaps as many as 14, series commitments for 1985-86.

By Dancer Fitzgerald Sample's count, NBC has ordered four series without pilots, ABC two and CBS one, with those seven commitments—drawn from a pool of 90 pilot projects—more than double those made a year ago. Young & Rubicam USA, meanwhile, said there are nine series commitments, five of them NBC's. Several other industry sources, however, put the commitment tally higher: Four shows ordered by ABC, four for CBS and six for NBC.

In any case, agency sources stressed, commitments do not guarantee fall premieres. Those that turn out to be disappointments will be held over to air in midseason or to languish until summer. A couple may never get into the race.

Why, then, make such commitments? Said Paul Isacsson, Young & Rubicam's exec vp-director, network programing and purchasing, it is "not necessarily by choice. Often it is the only way to lock up

(Continued on Page 98)

CORPORATE CLOSEUP

Honda ready to break from pack—again

By BOB MARICH

Entering the U.S. car market just 15 years ago, American Honda Motor Co. has become the nation's fifth-largest auto marketer by following a strategy that is in some ways typically Japanese and in other ways not.

The company's boldest stroke, a major departure from other Japanese importers, came in 1980 when it began building Accord automobiles at Marysville, O.

Nissan Motor Corp. USA, Toyota Motor Sales USA, Mazda Motors and Mitsubishi are belatedly following Honda's lead with U.S. assembly plants of their own or joint ventures with U.S. car makers. Nissan built its first U.S. Sentra March 25; a Toyota-GM joint venture is shooting for a Chevy Nova production start in June at Fremont, Cal., and Mazda plans to start U.S. production in 1987 in an old Ford plant at Flat Rock, Mich. By late 1988, Mitsubishi will be producing cars in the U.S. under a joint-venture agreement with Chrysler.

But Honda's early start already has paid big dividends. The Marysville plant provided Honda with 130,000 quota-exempt autos last year, enabling Honda to pass Nissan in car sales for the first time. By 1988, Honda's U.S. production is projected to reach 300,000 cars.

Now, Honda is preparing to break from the pack once again.

The Gardena, Cal.-based importer will begin marketing a new, upscale line of cars next year independently of the existing Honda brand, and will sell them through a separate dealer network—another first for a Japanese automobile importer.

Made in Japan and called Acura (pronounced *ak-YOU-rah*), the new line will compete directly against other Japanese luxury cars and European imports, particularly Germany's BMW and Audi lines, and be priced between $10,000 and $20,000. The first two models will be sedans: The Integra and a car code-named Ajax. Unlike Honda's current dependence on four-cylinder motors, the Ajax will be powered by a V-6 engine.

Honda estimates it will sell 50,000 Acura cars in 1986, when they are introduced here, and 250,000 cars by 1989.

"Everybody is going upscale because competition is fierce at the bottom end," said Maryann Keller, an auto industry analyst at Vilas-Fischer Associates, New York. "This is a smart move because there is a limit to what they can do with the Honda brand alone."

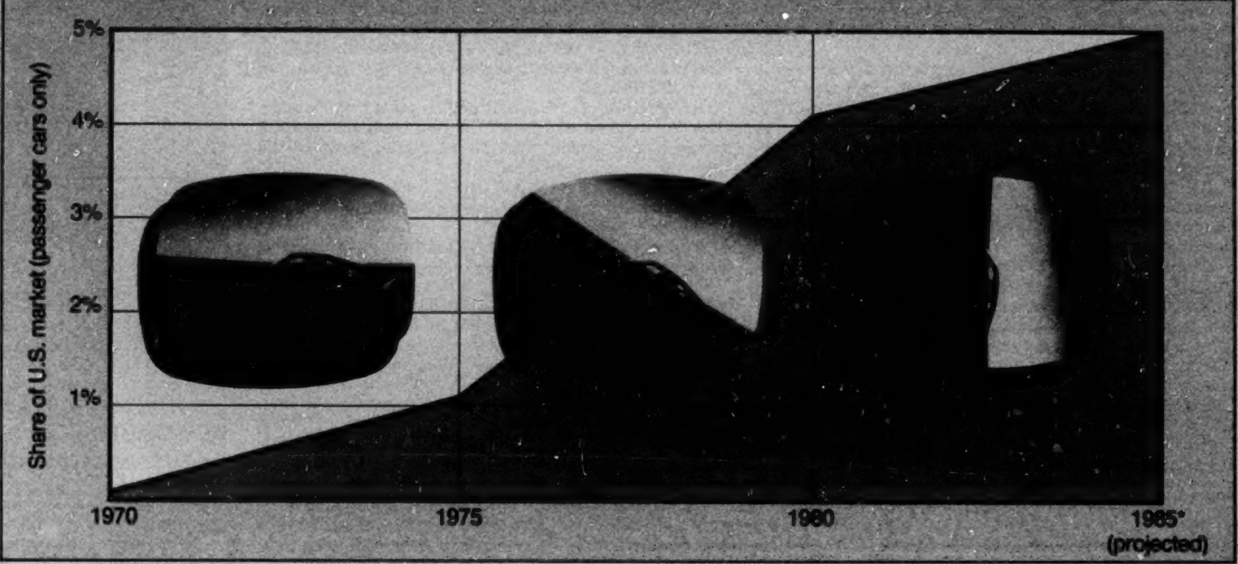
For a company that already outpaces its Japanese competitors in innovative engineering and research and development, the Acura holds the promise of helping Honda make even more giant strides against its competition.

In many ways, however, Honda's experience has been typical of other Japanese importers. It took losses in the early days and stuck by its long-term commitment to the

(Continued on Page 70)

Honda's dramatic climb in the U.S.

Honda's dramatic climb in passenger car sales has made it the fifth-largest auto marketer in the U.S. in only 15 years. Solid value and product-as-star advertising are two keys to the company's success, but so is the boldness with which Honda has moved in the U.S. market. Coming next year: A new luxury import to challenge BMW and Audi. Source of data: J.D. Power & Associates, Westlake Village, Cal., and American Honda.



ADWATCH

Lionel roars for Pepsi

By SCOTT HUME

Instead of changing its formula for Coke, a smarter move for Coca-Cola might have been to lure Lionel Richie away from Pepsi.

The singer/spokesman can't take all the credit, but is it a coincidence that some flashy new executions in Pepsi's "Choice of a new generation" campaign featuring Mr. Richie began airing on the Feb. 26 Grammy Awards telecast and top-of-mind awareness of Pepsi's advertising rose a whopping nine percentage points in March? Coke spokesman Bill Cosby is one of the country's most popular performers, but even he didn't move the needle like Mr. Richie has.

According to ADVERTISING AGE's monthly adWatch survey of advertising awareness, brand Pepsi last month moved back ahead of brand Coke in the hardball soft-drink advertising war. Advertising for Pepsi came to mind first from among all soft-drink advertising for 32.6% of the 1,251 adults surveyed (compared with 23.6% in February). Coke's share of first mentions in March was 31.3%, a slight decrease from its 32.7% share during the previous month.

That meant that Coca-Cola's highly touted reformulation of its Coke brand last week (AA, April 22) comes when it still holds the leadership in cases sold, but has fallen behind in getting its message across and making it stick.

Soft-drink industry observers have speculated that Coke's reformulation move was a response to Pepsi's growing popularity among younger consumers. That trend appears to be true, at least of Pepsi's advertising. Although the two brands' top-of-mind awareness is nearly dead even among respondents ages 18 to 24 (35% recalled Pepsi's advertising, 34% named Coke's), Pepsi led by significant margins last month in the 25-to-34 and 35-to-44 age groups. Coke advertising came to mind more often than Pepsi's for consumers 45 and older.

The question facing Coca-Cola in what is suddenly an underdog position is whether advertising touting the new Coke formula can make a greater top-of-mind impression than Mr. Richie and Pepsi's "New generation" pitch.

Before too much emphasis is put on the value of celebrity spokespeople, however, the awareness scores for Diet Coke and Diet Pepsi should be noted. Despite launching advertising featuring last year's Democratic vice-presidential candidate Geraldine Ferraro and Super Bowl quarterbacks Joe Montana and Dan Marino, Diet Pepsi's share of first mentions dipped a bit last month.

In March, 3.3% of respondents said Diet Pepsi's advertising came to mind first, a little worse than the 3.5% share it received in February. Perhaps Ms. Ferraro made an impression in Minnesota.

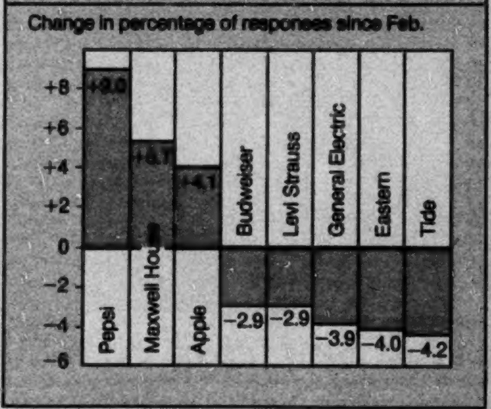
There's nothing in that for Coca-Cola to gloat about, though. The new Diet Coke advertising featuring actor Martin Mull and other celebrities didn't do anything for that brand, either. Diet Coke's share of first mentions was 3.5% in March, down from 4.4% the month before.

Then there's 7UP. Rather than join the derby to sign megabuck celebrities, the No. 3 soft drink brought

(Continued on Page 99)

March winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



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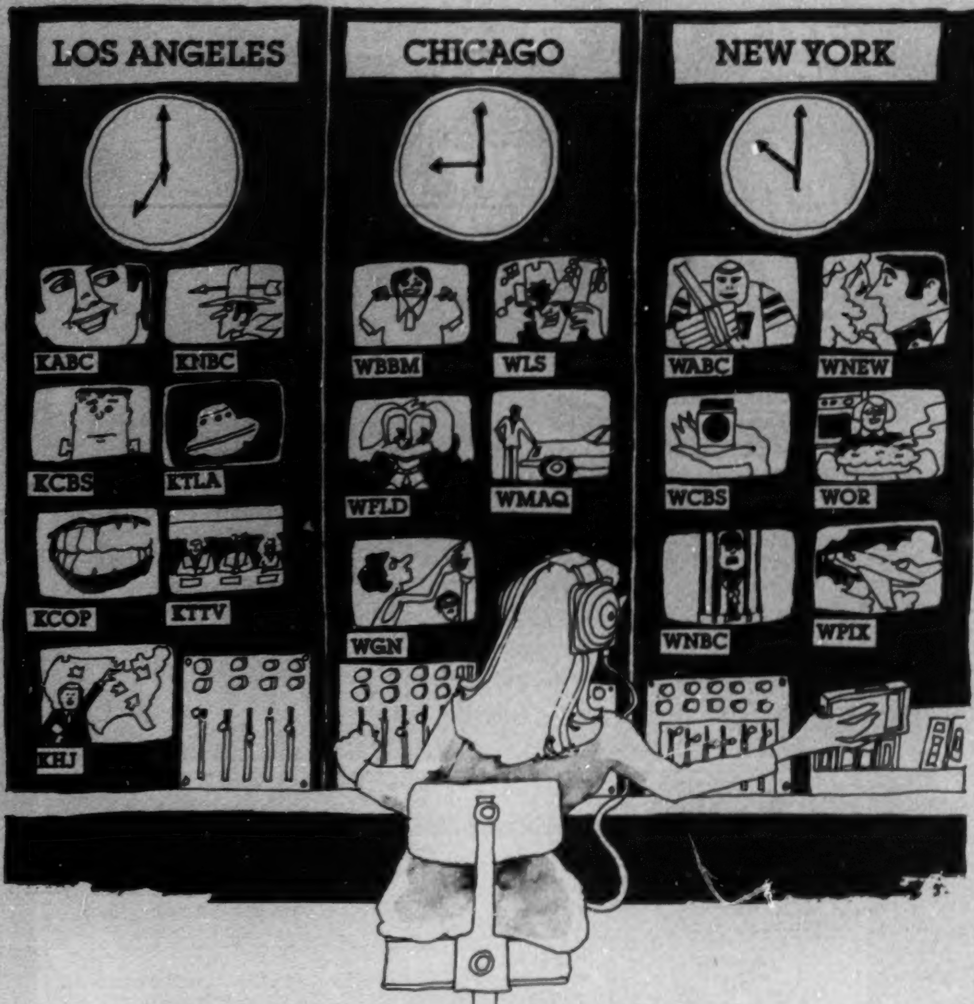
Correction: *Due to a computer error, six agencies were dropped from the top 15 in Australia, listed in the Foreign Agency Income Report (AA, April 22, Page 60). Shown below are the 15 leading agencies in Australia in the order they should have appeared. Exchange rate: 0.8892 A dollar.*

Agency	City	Gross income		Per cent change: income	Billings		Gross income	Billings	Employees			Number offices
		1984	1983 ($000)		1984	1983 ($000)	1984 ($000; national currency)	1984	1984	1983	Per cent change	
George Patterson	Sydney	32,000.0	28,500.0	12.0	204,000.0	171,800.0	A$36,000.0	A$230,000.0	442	420	5.0	4
Clemengor Australia	Melbourne	28,504.2	23,691.1	20.0	178,151.6	158,019.5	32,056.0	200,350.0	484	472	3.0	12
Monahan Dayman Adams Group	Melbourne	21,382.1	16,037.3	33.0	133,637.9	100,232.3	24,046.4	150,290.1	413	332	24.0	16
Ogilvy & Mather (Australia)	Melbourne	17,784.0	14,543.8	22.0	118,678.9	97,006.4	20,010.0	133,467.0	418	358	17.0	8
D'Arcy MacManus Masius	Sydney	17,671.0	16,592.7	6.0	117,454.0	111,964.7	19,872.9	132,089.5	295	317	– 7.0	5
USP Needham Australia	Sydney/Melbourne	16,564.6	14,324.3	16.0	110,574.9	95,574.2	18,628.7	124,353.3	249	257	3.0	5
Fortune Communication Holdings	Sydney	16,539.1	11,281.8	45.0	93,366.0	66,690.0	18,600.0	105,000.0	304	215	41.0	5
McCann-Erickson (Australia)	Sydney	15,887.0	13,002.0	22.0	105,966.0	86,723.0	17,867.0	119,173.0	347	293	18.0	N/A
Young & Rubicam Australia	Sydney	15,464.0	7,467.0	107.0	103,145.0	49,805.0	17,375.0	115,522.4	250	130	92.0	4
Leo Burnett Ltd.	Sydney	12,425.0	11,457.0	8.0	82,832.0	76,416.0	13,973.0	93,200.0	277	277	0.0	6
J. Walter Thompson Australia	Sydney	10,451.6	9,064.9	15.0	69,680.6	60,436.0	11,753.9	78,363.3	195	194	1.0	4
Foote, Cone & Belding Ltd.	Sydney	7,918.8	6,510.2	22.0	52,818.6	43,423.2	8,905.6	59,400.1	111	101	10.0	2
SSC&B:Lintas Australia	Sydney	7,245.0	6,118.0	18.0	47,437.0	39,700.0	8,148.0	53,348.0	117	101	16.0	1
Schofield Sherbon Baker Ltd.	Sydney	6,402.2	4,890.6	31.0	35,568.0	31,122.0	7,200.0	40,000.0	110	105	5.0	4
Saatchi & Saatchi Compton	Sydney/Melbourne	5,487.3	3,962.3	38.0	36,768.4	26,734.7	6,171.0	41,350.0	62	52	19.0	2



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Bates the latest shop to try brand, film links

By BOB MARICH

Los Angeles—Ted Bates Co. is the latest agency to open a unit to place brand-name products in movies and tv shows.

Through its movie unit, Diener/-Hauser/Bates, the agency this month created a national promotion and product-placement division.

In addition to placing products in movies and tv shows, the division will arrange joint promotions for specific films.

Scott Dorman, associate director-promotions, and national sales director of MFM Corp., a New York placement company, was named national promotions director of the new Bates unit here.

Chiat/Day and Ogilvy & Mather recently hired an independent product-placement company, Youngblood, Levine & Bladd, to place client products in movies and tv shows.

Chiat is seeking exposure for California Cooler, Porsche Cars North America and Home Savings of America.

Hollywood sources say until recently, marketers have handled product placement directly. Agencies are stepping into the process because, in some instances, ad campaigns may play off prominent brand exposure in hit movies.

Brand-name products are even popping up in advertising. Norm Marshall Associates, North Hollywood, got three motorcycles from client BMW of North America in a tv commercial for Slice, the new PepsiCo soft drink. The motorcycles are on screen longer than the beverage.#

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AdWatch

(Continued from Page 4)

back actor Geoffrey Holder—who owes some of his celebrity to the 7UP spots he has done off and on over the past decade or so—and the "Uncola" theme line.

The result? Seven-Up Co. also should have tried to hire Mr. Richie. But the new "Uncola" campaign did manage to move 7UP's ad awareness up, if only slightly. In March, 6% of respondents said 7UP advertising came to mind first, compared with 5.3% in February.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name advertising in a variety of product categories that first comes to mind from all seen, heard or read in the last 30 days.

In March, 1,251 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Among other significant changes in the March survey:

- There were some surprises in last month's list of the **top 10** ad campaigns (*i.e.*, those that came to mind first when consumers were asked to name the advertising they recalled from among *all* they had seen, heard or read, regardless of category). The first surprise is that, on an unaided basis, more people recalled Coke's ad than Pepsi's. The other surprises came at the end of the list.

In descending order, last month's 10 most memorable advertisers were Coke, Pepsi, Wendy's, McDonald's, Miller/Miller Lite, Ford, Burger King, Pizza Hut, Chevrolet and Coors. Last month's appearances were firsts for Pizza Hut and Coors, both of which recently broke campaigns.

Pizza Hut (a unit of high-flying PepsiCo) broke new advertising featuring the unscripted testimonials of such celebrities as Martin Mull (Say, wasn't he doing Coke commercials, too?), the mercifully fictitious MacKenzie Brothers, Rita Moreno and others (AA, Feb. 4).

Adolph Coors Co. also launched new advertising that was a departure from past efforts and a gamble. Its "Coors is the one" campaign (AA, Feb. 11) features actor Mark Harmon calmly extolling what the brewer believes are Coors' virtues.

- The new campaign and an expanded marketing/advertising category helped keep Coors in the No. 2 spot in the **beer** category. But the big news was a drop in awareness for Budweiser advertising. Bud's ads came to mind first for 12.5% of the sample, good enough to keep first place, but a 2.9 percentage-point decline from February's 15.4% share. That was only the second decline for Bud's awareness share in the nearly three years of adWatch tracking.

Miller High Life, backed by the new "American made" campaign, was in the No. 3 spot, close behind Coors, with a 10.5% share. Miller Lite moved back to No. 4 with 8.6%, ahead of Bud Light's 4.3%.

- General Foods' Maxwell House brand is making its move on **coffee** category leader Folgers at the same time GF is moving to broaden its coffee line. Maxwell House advertising came to mind first for 24.3% of last month's sample, a 5.7 percentage-point increase over February's 18.6% and only a demitasse below Folgers 25.2% March share. Sanka was third with a 5.4% share.
- Apple Computer continues to put the squeeze on competitors in the **computer** category. Its share of first mentions last month rose 4.1 percentage points to 39.2%. Some of that came at No.2 IBM's expense, as its share dipped to 12.9% compared to 15.4% in February. Commodore was third last month with 5.4%.
- The initial awareness gains in the **laundry products** category for liquid Tide appear not to have been too solid. Top-of-mind awareness of Tide's advertising jumped nearly 10 points in February after the rollout of its liquid version, but some of that gain fell away last month. Tide's ads came to mind first for 32.9% of the sample last month, a decline of 4.2% percentage points from February's 37.1%.

All moved up to the No. 2 spot with a 3.6% share. Era was third with 3.6%.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 63506. Phone: (402) 489-0351.

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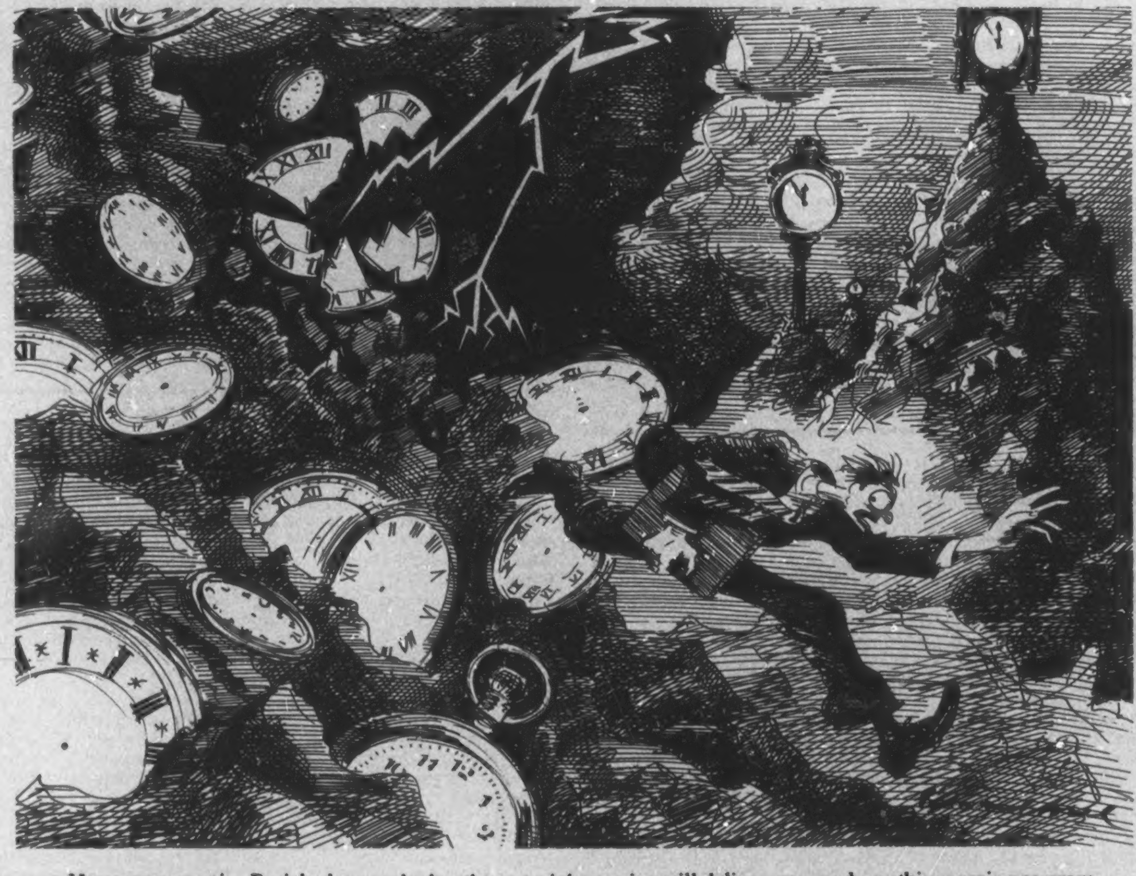

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Advertising Age

Thursday

INSIDE

Special Report: Premiums and Promotions—Deemphasizing the discount, looking in new directions

Cliff Robertson Advertising Age's Star Presenter

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In the news

Getting personal

How old do you think personal ads are? A little research has turned up a 1799 novel called "Advertisement for a Husband," about a fair young maiden who placed just such an ad. What kind of responses did she get? *See Page 4.*

Unbelievably believable

Believable is what Cliff Robertson, Ad Age's Star Presenter of 1985 for his work for AT&T, seems to be. Although he has had a long and distinguished career as an actor, writer and director in motion pictures, he's never been associated with the head-turning aspects of Hollywood. "I've never embraced this life style," said the 59-year-old actor. *See Page 5.*

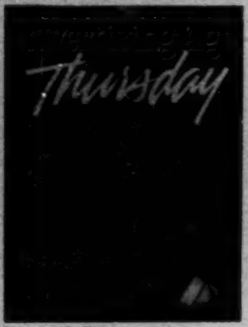


Photo by Hal Fisher

Job hunt

John Sweeney, a former Foote, Cone & Belding associate creative director who now teaches advertising, offers some concrete tips for aspiring copywriters on how to land a job. *See Page 50.*

This ad packs a wallop

Filming a recent Glidden paint commercial was an electrifying experience for actor Jim Frederick. The spot featured him with his hair standing on end at the thought of having to repaint next year, and the effect was produced by a brief jolt of more than 1 million volts of static electricity. *See Page 52.*

Special Report

Premiums & promos

When comparing budgets, promotion comes across like a Superman to advertising's Clark Kent. But in terms of image, advertising comes out of the phone booth in the blue suit and red cape. *In Special Report, starting on Page 15.*

Presstime

Hancock thins field to 4

Boston—John Hancock Mutual Life Insurance Co. has narrowed the review for its $16 million account to four finalists. They are incumbent Arnold & Co.; Cabot Advertising; Hill, Holliday, Connors, Cosmopulos, and Ingalls Associates.

O&M rises, M'berry dips

New York—Ogilvy & Mather International reported increased revenues and net income for the first quarter of 1985, while Mickelberry Corp. saw earnings decline. O&M said revenues were $106.3 million, up 11.7% over the same quarter last year. Net income was up 13.9% to $3.6 million. Mickelberry's revenues rose 28% to $34.7 million, though the gain also reflected the revenues of two companies acquired last year. Net income for the quarter dropped 12.7% to $711,000.

HBM/Creamer perks up

White Plains, N.Y.—Nestle Co. has assigned its $20 million Taster's Choice freeze-dried coffee account to HBM/Creamer, Pittsburgh. Leo Burnett USA, Chicago, resigned the Taster's Choice account earlier this year to take on a substantial part of the M&M/Mars business (AA, Feb. 25).

Allen buys C&W in Frisco

San Francisco—Allen & Dorward, this city's largest independent agency, is buying troubled Cunningham & Walsh here. The move is reminiscent of C&W's actions in Chicago, where its office merged with BBDM (AA, April 4, *et seq.*).

Storer dissidents press on

New York—Coniston Partners (AA, April 29), the dissident group of shareholders trying to liquidate Storer Communications, continues soliciting proxies despite a recent Connecticut district court decision. That decision said the partners must file an application with the state's department of public utility control for the approval of their acquisition.

DDB hooks Sea World

San Diego—Sea World has named Doyle Dane

(Continued on Page 55)

First anniversary

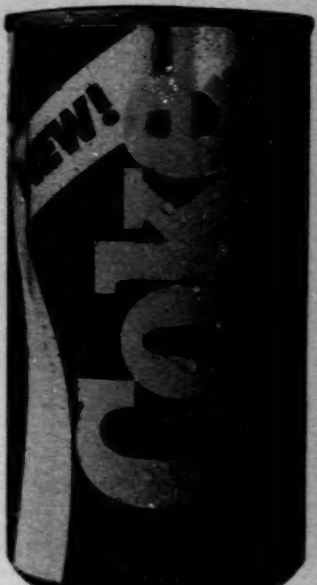
Advertising Age begins its second year of twice-a-week frequency with today's *Thursday*. Following its debut on April 26, 1984, AA's midweek edition has been shaped to serve as a weekly booster shot for the creative side of agency, advertiser and media activity, the support systems they utilize and young people embarking on careers in this business. Reader response to *Thursday* and its unique format clearly tells us we have a hit on our hands, that each week we are filling their needs. So encouraged and appreciative are we that we resolve to continue, in our second year, to add lively, engaging and informative new columns, features and articles to the many that already define *Thursday's* role as "Crain's Magazine of the Creative Process."

The Editors

McCann chefs secretly mixed skills on Coke

By Nancy Giges

McCann-Erickson execs who weathered the Coca-Cola "new taste" shock wave (AA, April 29) speak of the experience well beyond the advertising they created.



The top secret, high-pressure project was also a high-stakes experiment in how super-egos deal with one another—and remain friends—while developing one of the most important campaigns of their careers.

Never before had the top five creative execs at McCann-Erickson's New York office been thrown together into one group—working on the same project.

But there was no doubt about who would be on the team. The nature of the project demanded the best talent McCann could provide.

The secrecy mandated by the nature of the assignment meant that as few people as possible know about the work.

While some of the team members might have anticipated some friction at first, Ira Madris, exec vp, put it into perspective: "The enemy happens to be in Purchase, [N.Y.]," a reference to rival Pepsi-Cola's headquarters.

On Jan. 3, when McCann was officially notified of the super-secret job, two vice-chairmen and three exec vps—each of whom usually runs his own group—were named to the secret team that held clandestine meetings in special offices, fondly dubbed "the bunker."

Commented team member Marcio Moreira, exec vp, "We had all been in new-business meetings together and in presentations. And we all acknowledge each other's strengths, but we hadn't been thrown into the kitchen together. They say too many chefs spoil the broth, but in this case it didn't."

For some two months, these five men—Mr. Moreira; Barry Day and John Bergin, vice-chairmen; Ira Madris and Bruce Nelson, exec vps—essentially carried the creative load on their own. The team also included Bill Thompson, exec vp, as the account man, and two representatives from Coca-Cola Co.

Only after clear direction had been established did McCann expand the team and add other staffers that would carry out the day-to-day work. Even at the end of the project, only about 30 McCann people

(Continued on Page 55)

The secret McCann-Erickson team that worked on advertising for Coca-Cola's new formulation appears for the first time together outside "the bunker," code name for places where the project could be discussed openly. They are (l. to r.) Bruce Nelson, exec vp-creative director, McCann/New York; Ira Madris, exec vp-creative director, McCann/New York; Barry Day, vice-chairman, McCann Worldwide; Bill Thompson, exec vp, McCann Worldwide, and Marcio Moreira, exec vp, McCann Worldwide. Missing from this photo is John Bergin, vice-chairman, McCann Worldwide. *Photo by Arnie Adler.*

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ABP ABC ANPA

Budgets

(Continued from Page 45)

Ms. Schochow says the most mileage will be achieved by running a multifaceted campaign.

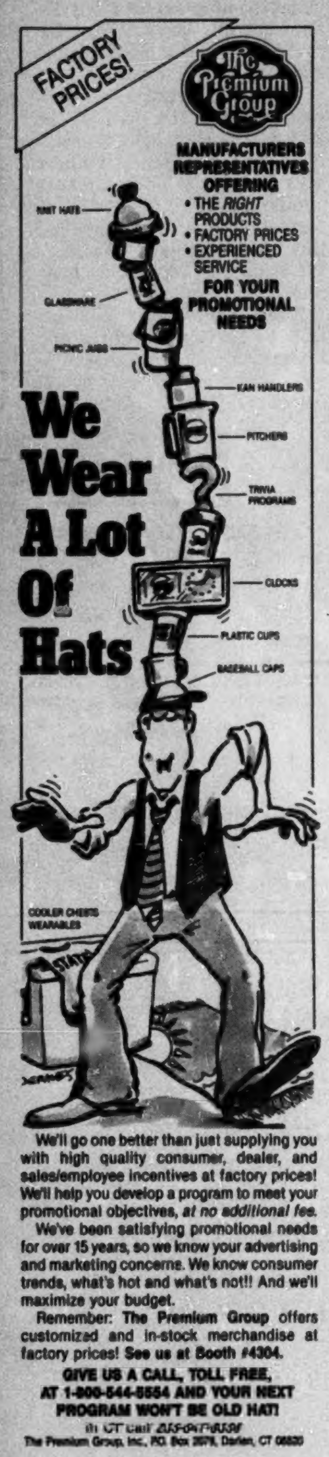
The reason promotion experts don't recommend diverting dollars into general advertising is simple: "A spot on the Super Bowl costs $1 million to place and $600,000 to produce. You could take that $1.6 million and give away samples of your products and measure its effect," Mr. Robinson says. "Advertising is measured by awareness; promotion is measured in the hard numbers of success or failure."

There it is: The industry's No. 1 selling point. "Promotional budgets are increasing because promotions are measured to sales to a defined audience over a defined period of time," says Jeffrey McElnea, president, Einson-Freeman, Paramus, N.J.

Jeffrey Feinman, president, Ventura Associates, New York, says promotions' general appeal is another reason companies are investing in them. "Promotion is a psychographic concept, not demographic; it works for everyone."

"Budgets will continue to swing toward promotions," Mr. McElnea says, "because advertisers and retailers are demanding them and consumers are responding to them." Ms. Schochow says the industry is growing because "every product must be promoted properly or it won't succeed in today's market."

The key words are "promoted properly." Until marketers bring the estimated 48% of their advertising-promotion budgets into the spotlight and out of the back rooms, dollars will continue to vault down the vortex unchecked, unmeasured and not doing a thing to build brand credibility and long-term sales. Perhaps it's time Atlas shrugged a bad habit—or at least recognized he has one.



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Promoting an international network

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Largely because of the efforts of Gerry Postlethwaite, managing director, KLP International, London, and Jeffrey McElnea, president, Einson-Freeman, Paramus, N.J., some sales promotion companies will speak more than one language.

Messrs. Postlethwaite and McElnea helped to establish a network of eight companies in eight countries, each speaking the language of sales promotion in their native tongues. Represented countries include the U.K., the Netherlands, France, Spain, Brazil, Sweden, West Germany and the U.S., through Einson-Freeman.

"Promotion finally goes international," Mr. McElnea says. The network "was formed en masse, instigated by ourselves and KLP. It shows a commitment to create the critical mass needed to operate on a global scale without having to be bought out by an international agency," he says, citing the lack of major independent promotion agencies in the U.S. and abroad.

Mr. McElnea says companies that wished to run international promotions had only one option: "To use an advertising agency network, which doesn't have a commitment to promotions and works more on a piecemeal basis." The sales promotion network, on the other hand, is made up of companies whose primary business is promotion.

The group will operate as a unit only on international business, handling domestic accounts independently. Each company will buy some stock in KLP, which will purchase some of each member company's stock. KLP will coordinate the network's activities.

"The strategy for each international campaign will be universal," Mr. McElnea says. "But the creative approach will be tailored to each locale, as will the legal elements, which are so important in this business."

How much business is the new consortium counting on receiving? "Well, we weren't so much responding to demand, as anticipating demand," Mr. McElnea says. "We hope to create demand that should have been there. It's there for the international advertising agencies; we're assuming it's there for sales promotion as well." *—E.F.*

Prizes become more sophisticated

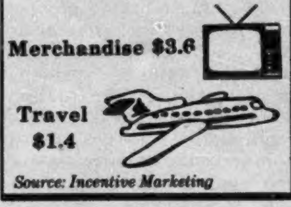
The days are gone when you could pull into the Sinclair station, buy a tank of gas and walk out with enough inflatable dinosaurs to keep the kids happy for a week. Even if Sinclair hadn't closed the pumps, Dino the Sinclair dinosaur and the potpourri of purchase prizes hanging in the gas station probably wouldn't be around today.

"Premiums and incentives are changing as rapidly as people's needs and desires change," says Peggy Schochow, editor of Minneapolis-based *Potentials in Marketing.* "They want current, up-to-date, hot products. Before, pens and pencils were okay, now you have to have cracker-jack incentives—things people want to win, but not necessarily buy for themselves."

What this means is that the numbers involved in offering premiums—whether products or cash—have inflated tremendously. The premium business is now a $4 billion industry, says Bernard Rosten, president, Allied Premium Co., New York, "a good part of which is spent on inexpensive items."

Mr. Rosten recommends using products rather than money as incentives because "you can take a $1 cash prize and convert it into a product prize with a perceived value of $3." Cash usage is on the decline, he says, because "you can get more for your bucks from gifts."

However, even the value of cash prizes has escalated. "To give away $25,000 used to be a big deal," says Jeffrey Feinman, president, Ventura Associates, New York.



Products soar over flights

Sales and dealer incentives ($ billions)

Source: Incentive Marketing

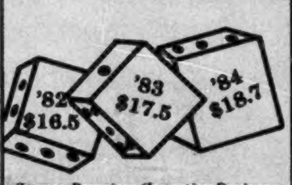
"Now American Family Publishing is going to award $10 million to one person. The same type of thing is happening in the products being offered to consumers," Mr. Feinman says.

Exit Dino, enter high-grade clothing and consumer electronics. "Quality apparel is always a big incentive. And anything in consumer electronics—particularly pocket tvs and credit card-size radios—are hot premiums today," Ms. Schochow says. "The latter can have companies' names printed on them, and they are going to become more popular with companies" —largely because they have become more popular with consumers.

"Everybody's logo crazy," says Mark Kaufman, president, 3 Strikes Custom Design, New York. "The companies are just jumping on the bandwagon the retailers have been on for a while with designer jeans and all.

"This has helped because it's not taboo to wear someone's label, whether it's a designer's or a company's, on your clothes."

Companies are leaning toward labeling everything with their logos because they "are interested in copying the Japanese style of rah-rah, family-type company structures, and giving away corporate clothing fits in well with this," he says. "But now companies have realized that consumers are willing to spend money to get clothing with their logos on it. The number of company store programs has really boomed."



Prizes on a roll

Premiums and incentive growth ($ billions)

Source: Premium/Incentive Business

Ms. Schochow says that for sales and dealer incentives, nothing works like a vacation.

Another area that's really booming, she says, is advertising specialities—where a prize is given away without the salesperson, dealer, distributor or consumer really having to do anything to receive it. "They're perceived as good-will builders and are becoming incredibly popular," she says. After all, everybody likes something for nothing. *—E.F.*

Associate editor Ed Fitch coordinated this report on Premiums and Promotions.

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Next week ADVERTISING AGE's Special Report will focus on Marketing to Affluents.

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Monday, May 6, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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DDB/West's Edler leads Westerners

Richard Edler (l.), incoming president of the Western States Advertising Agencies Assn., says he'll continue the course set by his predecessor, Gerrold Rubin (r.), to try to win greater national recognition for western agencies. *(See story on Page 102.)*

Upscale cigaret brands smokin' for Morris, RJR

By WILLIAM F. GLOEDE

Philip Morris USA, New York, is about to try out the new-product marketing and testing strategy it embraced earlier this year by experimenting in the upscale cigaret market segment with a new brand and a line extension of its Players brand. Also, rival R.J. Reynolds will repackage its upscale entry, Sterling.

PM on June 3 begins testing Dunhill, a low-tar smoke in both 85mm and 100mm styles, in Atlanta and Phoenix. PM has licensed the Dunhill name from Alfred E. Dunhill Ltd. of London, which will continue to market its premium-price and flat box-package cigarets in U.S. hotels and shops.

PM's Dunhill will be made in this country from a "premium" tobacco blend and will use traditional U.S. box packaging. It will sell for the same price as traditional brands. Wells, Rich, Greene, New York, handles.

Also on June 3, PM will begin testing the value-added concept with an extension of its Players line. Players Lights 25s will roll into test in Denver and Des Moines at the same suggested price as 20-unit cigaret packages. Leo Burnett USA, Chicago, handles.

"We've been watching the value-added category for some time, and it's established itself as a franchise," explained a PM spokes-

(Continued on Page 100)

Murdoch to sell 'Voice'; visits FCC

By VERNE GAY
and WILLIAM F. GLOEDE

Rupert Murdoch's bankers prepared to put his *Village Voice* on the selling block last week while Mr. Murdoch himself called on the Federal Communications Commission in Washington to discuss his efforts to buy several tv stations from Metromedia.

Informed sources reported Mr. Murdoch directed Allen & Co., a New York investment banking company, to draw up a prospectus for the sale of the *Voice* for a minimum price of $55 million. Neither Allen & Co. nor Mr. Murdoch's spokesman would comment on the proposed sale. Mr. Murdoch acquired the *Voice*, New York's alternative newspaper, in early 1977.

As to Mr. Murdoch's broadcasting aspirations, Howard Rubenstein, a Murdoch spokesman, issued the following statement: "Negotiations are in progress among Metromedia, Rupert Murdoch, News America, Marvin Davis and 20th Century Fox concerning the transfer of certain Metromedia properties."

Late Friday, it was learned that Mr. Murdoch, an Australian national, will apply for U.S. citizenship to circumvent U.S. law that would otherwise have prevented more than a 25% ownership of any U.S. tv properties.

John Kluge, chairman of Metromedia, Secaucus, N.J., and something of an empire-builder himself, reportedly has wanted to sell off at least some of the Metromedia stations to amortize the $1.3 billion debt he incurred in taking his company private last year. Few envisioned Mr. Murdoch as a possible buyer, because of his foreign birth. The six stations could sell for perhaps $1.8 billion, exactly double their value when Mr. Kluge and associates bought them in 1984, according to some observers.

Observers had speculated Mr. Murdoch wouldn't challenge the strict foreign-ownership rules the FCC imposed on would-be tv purchasers since 1934. Rather,

(Continued on Page 102)

Last Minute News

Metromedia rumors fuel talk of CBS buyout role

New York—Metromedia offices here were abuzz at press time with rumors that chairman John Kluge *(see related story above)* will sell WCVB-TV, its Boston ABC affiliate, to Hearst Corp. for $450 million. It would be the biggest tv station sale in history. That rumor fueled further speculation at Metromedia that Mr. Kluge would use the proceeds from the WCVB sale, plus the sale of other Metromedia broadcast and communications properties, to join Gannett Co., Rosslyn, Va., in a cash tender offer for CBS Inc. (AA, April 29). Mr. Kluge could not be reached for comment. CBS would not comment on what it called "speculation." Neither John Conomikes, vp-general manager at Hearst Broadcasting, nor Gannett chairman Allen Neuharth could be reached.

New owners plan ad incentives for 'Us'

New York—*Us* plans special advertising incentive programs under new owners Straight Arrow Publishers and Telepictures Corp. (AA, April 11). The new partners will spend about $28 million to buy *Us* and make improvements to boost circulation and advertising. Jann Wenner, chairman

(Continued on Page 8)

NEWSPAPER

AA
DC2001◆CONGL1 FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Trimmer ABP is renamed

By STUART J. ELLIOTT

Phoenix—American Business Press is making the most sweeping changes in its 20-year history, from adopting a new name to eliminating its presidency and reducing dues.

Some of the changes, detailed during ABP's 1985 spring meeting here, take effect immediately, such as limiting the operating budget, which was $2.2 million in 1984-85, to $1.75 million. Others, such as rechristening the trade publishing organization as the Assn. of Business Publishers—with ABP still as its acronym—require the full

(Continued on Page 104)

All-out assault on Big Blue turf

Xerox, Compaq pcs bow

An Advertising Age roundup

Despite IBM Corp.'s move to corner yet another niche in the personal computer market by challenging the Japanese with its own line of printers, Big Blue's competitors are fighting back on the home front.

Xerox Corp., a pioneer in the pc market during the early 1980s but a latter-day dropout, bounced back with its first desktop personal computers compatible with IBM's PC.

Houston-based Compaq Computer Corp., which toyed with IBM last year in tv ads featuring British actor John Cleese as a bumbling businessman who made the "wrong decision," is launching an estimated $25 million ad campaign on behalf of its new Compaq Deskpro 286 and Compaq Portable 286 computers.

And software publisher Microsoft, the company that provides the operating system for the IBM PC, is back in the news on the other side of the fence with its announcement of a forthcoming multifunction program for Apple Computer's Macintosh.

The new Compaq computers, coming from the leader of the "IBM

(Continued on Page 102)

Chevy's California limited

General Motors' Chevrolet division is rolling out "designed-for-California" limited-edition cars. The Cavalier (above) is getting a bigger engine, and both the Cavalier and Camaro IROC-Z will be clad in more toned-down styling. Chevy is looking to lure older (40-plus) upscale buyers. The move is part of Chevy's California-only marketing effort to reap a bigger share of the nation's largest automobile market. Vic Olesen & Partners, Los Angeles, is handling a $1.5 million tv and print campaign.

Landau snipes at Miller

Claims promo bucks not misused

By ROBERT RAISSMAN

New York—Sports marketing executive Robert Landau has lashed out at Miller Brewing Co., Milwaukee, disputing the brewer's allegations that he diverted money ticketed for Miller promotions in order to buy cocaine, racehorses and luxury apartments.

The counterattack is contained in a deposition filed in Milwaukee federal court to support a motion seeking dismissal of Miller's $19 million suit against Mr. Landau (AA, Feb. 28).

The deposition is but one development in Mr. Landau's ongoing difficulties. Last week, the California commission of labor standards filed 11 criminal misdemeanor charges against Mr. Landau's former company, Robert Landau Associates.

Nine of the charges were related to allegations of issuing insufficient-funds checks to employes who worked for the company's catering operation during the 1984 Summer Olympics. The other two involved allegations of violation of the child labor laws, said Roger Miller, a California labor commission regional manager. Mr. Landau is scheduled to be arraigned on those charges May 16 in Los Angeles.

However, Mr. Landau has begun to regroup. In an interview with Advertising Age, he said he has formed a new company, International Marketlink, which will be based in Westchester County, N.Y. The company will be involved in business areas similar to those in which RLA was involved.

RLA is in liquidation proceedings and under the jurisdiction of a trustee of the bankruptcy court.

Mr. Landau said he is being backed by an investor group but declined to name his backers until the incorporation process is finished. He said he has begun work on a new-business consulting project for Nadler & Larimer, a Mickelberry Corp. agency. Nadler president-ceo Ricardo Calvillo confirmed the Landau assignment. Mr. Calvillo added that neither he nor the agency nor Mickelberry were involved as investors in Mr. Landau's new venture.

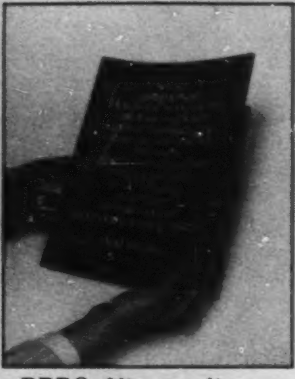
Mr. Landau said Miller's lawsuit has no merit. "I'm totally confident that the Miller suit is totally unfounded and untrue," he said. "It's not something that I'm going to be concerned or worried about. I'm certainly going to address it until it gets decided upon or thrown out of court."

Barry Fredericks, Mr. Landau's attorney, said he has not been made aware by authorities of the charges filed by the California labor commission and could not comment on them.

In his deposition concerning the Miller suit, Mr. Landau said the brewery has chosen to pursue "a vendetta against me personally" by filing charges relating to racketeering and drug dealing. He said Miller filed

(Continued on Page 100)

Highlights



BBDO, Minneapolis, next month gives a new definition of advertising that "pops off the page" with a four-page, pop-up corporate ad for client Honeywell. *See Page 6.*

The on-again, off-again relationship between Merle Norman Cosmetics and its longtime agency, Liebowitz, Olshever, Vogel & Baruch, was off again last week. The marketer of cosmetics and personal care products hired Doyle Dane Bernbach/West to handle its estimated $5 million account. *See Page 12.*

Real dollar growth in advertising spending in 1984 was the second highest since World War II ended. Advertising grew by about 12% in 1984. *See Page 47.*

Everyone is creative, but that creativity differs in quality and quantity. Author John Keil examines some myths about creativity in "The Creative Mystique." *See Page 48.*

CORPORATE CLOSEUP

After recording a 49% increase in net income last year, Tribune Co. is squeezing an even higher 66% earnings increase out of first-quarter revenues this year. It's also plunging ahead with plans to get the most from a wide range of complementary businesses while protecting against any potential takeover bids. *See Page 4.*

INTERNATIONAL

The use of videocassette recorders is growing so rapidly in Australia it could reach a 60% penetration rate by 1990, according to research for McCann-Erickson. *See Page 56.*

No one outside Vancouver knows his name, but it's impossible to stroll down Canadian streets without turning a profit for Jim Pattison. *See Page 56.*

G.D. Searle & Co. has launched a new ulcer-treating drug called Cytotec on the Mexican market that has yet to be approved by the U.S. Food & Drug Administration. *See Page 57.*

VIDEOTECH

LBS Communications is enjoying yet another hefty upfront barter-syndication season, especially in children's programing and prime time ad sales, says a chief exec. *See Page 60.*

CATEGORY REVIEW

Seasonal concerns last year helped boost suntan product sales 13%. But protection should neither be limited to four months of the year, nor even to the outdoors, says the $2 billion cosmetics industry. *See Page 70.*

DIRECT MARKETING

GRI Corp.'s S.A.V.E., at 10, is doing about $35 million worth of business a year. Since shipping its first carton of samples in January, 1976, about 750 million products have been shipped. *See Page 82.*

AT&T is seeking regulatory permission to reimburse high-volume users to establish and promote their own 900-number programs. *See Page 86.*

COMING THURSDAY

SPECIAL REPORT

Appealing to the affluent takes special positioning and careful references to fantasies, status, emotion and other abstract qualities. Some tactics marketers use to reach this audience are studied in the Special Report on Marketing to the Affluent.

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$1.25 a copy, $55 a year, $100 two years. Add $143 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, vp-circulation; ROGER DI GREGORIO, fulfillment director; HEIDI SCHULTZ, senior circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to circulation department, Advertising Age, 740 Rush St., Chicago, Ill. 60611 (312) 649-5200.

Cable, Seagram taking ads where nets fear to tread

By GAY JERVEY

New York—Several cable networks reportedly have assured Joseph E. Seagram & Sons they would accept the company's controversial equivalency messages the three major tv networks have rejected.

They reportedly include Cable News Network, MTV: Music Television, the USA Network and Financial News Network, plus Atlanta superstation WTBS.

"We're waiting for the budget to be approved" by Seagram, said John Meskil, exec vp-media & administration at Warwick Advertising, which is handling the campaign. "Then we will be able to run a representative cable schedule."

Sources in the cable industry indicate a great deal will depend on the strength of Seagram's dollar commitment. "This isn't just any run-of-the mill ad," said one cable executive. "Along with it could come a lot of headaches, so we're all pretty insistent that they're in here to stay, not just as a one-shot deal to get some attention."

The campaign, which equates the alcohol content of beer, wine and distilled spirits, has caused a stir among critics who feel it is a veiled attempt to sell hard liquor on the airwaves.

ABC, CBS and NBC all refused to carry the commercial, saying it violates their policies banning distilled spirits advertising (AA,

(Continued on Page 102)

Diet Coke back for a second 'taste'

By NANCY GIGES

Coca-Cola USA's return to the "Just for the taste of it" campaign for Diet Coke is going almost unnoticed with so much attention devoted lately to flagship brand Coke.

The highly successful earlier theme is back in new Diet Coke commercials breaking this week via SSC&B, New York. Officials had said earlier spots introducing the theme, and replaced in December, "had served their purpose," giving the impression that the theme was gone forever. But now they deny there was any intention to drop the campaign.

Observers at odds over Coke's "big gamble"—Page 100.

Coca-Cola USA, Atlanta, shifted last December to a new theme, "It's one of a kind," when Diet Coke was reformulated with 100% NutraSweet from a saccharin/NutraSweet blend.

Sergio Zyman, senior vp-marketing, Coca-Cola USA, said that burst of comparative advertising is over: "We wanted to make a major statement about the brand when it switched to 100% NutraSweet." Now, he said, it is time to go back to the strategy of "indulgence, fun and lightness."

The new spots feature a host of celebrities, including rock star Chuck Berry, dancer Gene Anthony Ray, rock band Devo, actress Andie McDowell, wrestler Sergeant Slaughter, comedians

(Continued on Page 100)

Who's winning in newspaper wars

Audit Bureau of Circulations' FAS-FAX report for the six months ended March 31 showed gains among major-market newspapers—generally in the 2% range—from average circulations of a year earlier. Below are figures in fact report compiled from publisher's statements. *Denver Post, Baltimore News American* and *Houston Post* figures not available to ABC, making comparisons in their cities unavailable. ¹*The New York Post* does not publish on Sunday. ²Sunday figures for the *San Francisco Chronicle* and *Examiner* are combined. Source: Audit Bureau of Circulations.

Newspaper	Daily circulation 3/31/85	Change	Sunday circulation 3/31/85	Change
New York				
Daily News	1,380,955	+ 1.2%	1,773,676	− 2.2%
Post	901,313	− 6.4%	None[1]	None[1]
Times	1,013,211	+ 4.4%	1,623,562	+ 1.9%
Los Angeles				
Herald Examiner	237,424	+ 0.3%	213,896	− 0.3%
Times	1,059,564	+ 1.1%	1,332,136	+ 0.8%
Chicago				
Sun-Times	630,187	+ 1.7%	690,904	+ 0.5%
Tribune	775,894	+ 1.8%	1,165,605	+14.4%
Detroit				
Free Press	646,476	+ 2.4%	778,176	− 1.2%
News	666,949	+ 1.5%	884,763	+ 2.7%
Boston				
Globe	510,987	+ 0.1%	802,891	+ 1.2%
Herald	368,027	+13.2%	308,823	+11.8%
San Francisco/Oakland				
Oakland Tribune	150,396	+ 1.5%	148,033	+ 0.5%
S.F. Chronicle	554,979	+ 2.8%	717,426[2]	+ 1.6%[2]
S.F. Examiner	151,758	− 0.4%	717,426[2]	+ 1.6%[2]
Dallas				
News	368,683	+10.2%	476,004	+10.2%
Times Herald	241,065	− 6.3%	345,932	− 1.1%

FAS-FAX has good reading for big dailies

By WILLIAM F. GLOEDE
and GARY LEVIN

The Pulitzers of St. Louis and Rupert Murdoch appear the biggest winners, while Gannett Co. and Rupert Murdoch look like the biggest losers in the March 31, 1984, FAS-FAX report on newspaper circulation.

The FAS-FAX report, released last week by the Audit Bureau of Circulations, generally augurs well for major-market daily newspapers. The larger, more marketing-oriented dailies, such as the *New York Times*, reported circulation gains, with several showing particularly healthy increases. However, in competitive markets, these increases often came at the expense of the second newspaper.

In Boston and Chicago, the ABC figures showed that newspaper readership over-all is up, a development that can only bring smiles to the faces of publishers in an industry that has seen circulation remain generally flat for two decades. Nationwide, newspaper circulation is reported at an all-time high, and with newspapers focusing more and more on product marketing, those figures are likely to continue rising.

Combined circulation results for the major dailies were up slightly in New York (plus 0.2% over the year-ago period), Chicago (plus 1.7%) and Los Angeles (plus 1.2%).

Gannett's *USA Today's* circulation fell 9.4% from March 31, 1984, and the same date in 1985. However, 1984's 1,284,613 figure was a three-month average for the 13-week period ending March 30, while this year's 1,162,606 is a six-month average. The figure contained in the ABC's initial audit of *USA Today*, based on the 13-week period ending Dec. 31, 1983, was 1,138,030.

Meanwhile, the Pulitzer-owned *St. Louis Post-Dispatch* gained a whopping 7.6% in daily circulation, to 273,784, while posting a smaller percentage gain of 1.2% on Sundays, to 495,111.

The competing (and financially troubled) *Globe-Democrat's* figures were not approved for release by the ABC.

Rupert Murdoch's *New York Post*, which had been showing strong

(Continued on Page 94)

Squabble in Louisville

Members of the Bingham family, the owners of the Louisville Courier-Journal & Times Co., forced Sallie Bingham (r.) off the board of directors in 1983. It was not an amicable parting and may lead to the sale of one of the last major-market, family-owned newspapers in the country. *(See story on Page 94.)*

Chicago Fair sets $44 million for ads

By PAT McGEEHAN

The proposed 1992 Chicago's World's Fair could be worth as much as $44 million for the agencies involved, ADVERTISING AGE has learned.

The fair's organizers also hope to take some lessons from last year's financially successful Olympic Games in Los Angeles—including using off-site venues and selling worldwide tv packages.

The preliminary operating budget the Chicago World's Fair 1992 Authority is expected to release this week indicates that advertising represents about 42% of the proposed over-all marketing allocation of $104 million. Much of the remaining $60 million will be spent lining up international participants and corporate sponsors and for booking sporting and cultural events.

The decision to appropriate nearly 30% of the fair's total budget for marketing reflects the fair planners' philosophy: Get the word out early and often.

John Kramer, the authority's general manager, said he thinks "previous world's fairs have not done an adequate marketing job." He cited as an example the 1984 fair in New Orleans, which began running ads about three months before it opened, and characterized the effort as "too little, too late."

The authority's financial director, Mark Gordon, stressed that the working budget is "very preliminary." But, he added, the marketing allocation shows that "we don't want to repeat the mistakes of smaller fairs like New Orleans."

The authority's ability to convince critics it can avoid the red ink of past fairs is seen as crucial to getting necessary funding from the Illinois legislature. That body will decide next month whether to provide funding to proceed with the fair.

Three Chicago agencies—Foote, Cone & Belding, Leo Burnett USA and Needham Harper Worldwide—have done some *pro bono* work for the authority since its inception in 1978. Most of the work involved preliminary market research and attitudinal studies. While Mr. Kramer said selection of an agency to handle attendance advertising is "a few years down the road," he expects a marketing effort targeted to potential exhibitors to begin by

(Continued on Page 101)

CHICAGO 92
Age of Discovery

Tartikoff sees 'incredibly tight' ratings race

NBC aims for No. 1

By JAMES P. FORKAN

NEW YORK—NBC Entertainment president Brandon Tartikoff, first out of the gate with a new fall prime time tv schedule, predicted "an incredibly tight race" for the 1985-86 prime time A.C. Nielsen Co. ratings crown.

Ignoring ABC, the ratings-plagued also-ran that is to announce its lineup today, Mr. Tartikoff told several hundred agency buyers at a Waldorf-Astoria breakfast that NBC and CBS will be "fierce" competitors this fall. NBC's "balanced menu of programing" will, he said, build on the turnaround success of last season, when NBC gained on every night. "Clearly, the momentum is with us."

NBC, as expected, is replacing four hours from last year's schedule (four dramas, two comedies)—"the least amount of change NBC's had in 15 years," he boasted. A year ago, NBC had to ax 7½ hours. Five of last fall's nine freshmen shows are being renewed, he added. A Ted Bates Advertising/New York report said NBC could have gone as high as 5½ new hours for fall.

CBS, to announce its new slate May 10, remains confident of victory in the 1985-86 Nielsen households battle. CBS, having taken its sixth straight Nielsen ratings title, largely on the strength of its weekly series, needs to replace only three hours, although agencies such as Dancer Fitzgerald Sample; Foote, Cone & Belding, and Young & Rubicam USA agreed that could swell to five hours, if it replaces its disappointing Wednesday movie.

Shortly before NBC's schedule announcement, David Poltrack, vp-research, CBS/Broadcast Group, forecast that CBS would win the 1985-86 season by 1.1 ratings points over NBC, a greater margin than last season.

ABC, coming off its worst season in a decade, needs at least five hours of new product, according to a fall analysis from FCB's FCB/Telecom, Chicago. Others, such as Y&R and Bates, felt ABC should replace as many as eight or nine hours.

Stressing "stability, momentum and innovation," Mr. Tartikoff said 15 of NBC's 18 returning series will remain in their current slots—including "Hunter" and all its other 10 p.m. (ET) incumbents. NBC's strong Monday, Tuesday and Thursday shows will remain

(Continued on Page 100)

Dairies to wean D'Arcy?

By JULIE FRANZ

MADISON, WIS.—A $5 million piece of the dairy business handled by D'Arcy MacManus Masius, Chicago, has been put up for review by the Wisconsin Milk Marketing Board.

WMMB said last week D'Arcy enters the review for its cheese-promotion assignment a clear front-runner after having held the account for the past year. D'Arcy-produced spots promoting Wisconsin cheese break next month.

"Anyone who wants to replace D'Arcy will have to be very, very

(Continued on Page 101)

World News Roundup

SYDNEY—**United Airlines' announcement** that it will purchase Pan American's Asia/Pacific routes has raised the client-conflict issue here. United's local agency, Lawrence Burnett Pty., may find its sister agency here, Leo Burnett Pty., has a conflict with client Cathay Pacific. Pan Am is handled here by Garland Farwagi Stewart, a local agency.

LONDON—**General Mills** is introducing Jump moist granola bars in the U.K. with a $3 million campaign via Humphreys Bull & Barker.

BRASILIA—**The Brazilian government** has asked the justice ministry to draw up a bill "as soon as possible" to prohibit firearm ads.

PARIS—**Cable tv** is expected to reach 100,000 Parisian households by the end of next year, says Paris Mayor Jacques Chirac, who predicts 1.2 million hookups by 1992.

ROME—**The use of children** in tv commercials is expected to increase dramatically now that state-run broadcasting company RAI has relaxed its prohibition against children being the focus of tv spots.

SAO PAULO—**Paramount Pictures** and Universal Studios are providing the first alternative to pirated videocassettes in Brazil by signing with an exclusive videotape distributor, CIC Video. CIC is introducing an 11-film package directed at video clubs.

BRUSSELS—**The European Economic Community** has asked the Dutch government to drop restrictions preventing "advertise-

(Continued on Page 56)

A total of 550 people labored for six months to produce Honeywell's pop-up corporate print ad. The hand-assembled, die-cut insert—which is scheduled to make its first and only appearance in the June 3 issue of *Business Week*—cost approximately $1 million. The ad was created by BBDO, Minneapolis.

SCRATCH PADS
Volume manufactured custom pads for great reminder advertising.
pci, Paper Conversion Inc.
6761 Thompson Rd. N. Dept. P
Syracuse, NY 13211 (315) 437-1641

NOTE CUBES
Edge-printed cubes sell products & services via a unique 4-color process
ICC, International Cube Corp.
6759 Thompson Rd. N. Dept. C
Syracuse, NY 13211 (315) 437-8812

Honeywell pops for $1 million ad

By SCOTT HUME

BBDO, Minneapolis, next month gives a new definition of advertising that "pops off the page" with a four-page, pop-up corporate ad for client Honeywell.

Guaranteed to make admakers' eyes pop is the approximately $1 million cost for the labor-intensive ad, the first and only appearance of which will be in the June 3 issue of *Business Week*.

The first of the four pages contains this rather copy-heavy introduction against a black background: "So our customer said, 'How in the world can we automate six different kinds of manufacturing, create one database for 2,603 users, control everything from energy to security in 120 buildings and then tie it all together under one complete system?' And we said. . ."

When the reader turns the page to the color spread, up pops a 6-in.-high, five-story glass headquarters for a mythical paper-products company. Surrounding the headquarters building is a corporate park that includes a paper-products mill and manufacturing and distribution center (minus roofs so that activities inside the buildings can be seen in surprising detail). Across the top is the theme "Together with Honeywell."

"This is the first time we've done corporate advertising that stresses the integration of all Honeywell's divisions," said Jim Read, senior vp-advertising director for the Minneapolis-based company. "In the past we've advertised the information, building controls and communications divisions' products separately, but not the interfacing of those systems."

The ad will appear in the full run of *Business Week*, with its 856,000 circulation. With overage allowances for copies spoiled in printing and Honeywell's desire to have several thousand to use for internal projects and a direct-mail campaign later, about 1 million copies of the four-page ad have been produced.

What backed up the schedule was the need for *each* pop-up spread to be hand-constructed, a process requiring 20 different glue points.

"For what we're spending, we could have bought two 30-second spots on the Super Bowl," Mr. Read said, "but I doubt that would have had more impact than this."

"I certainly wouldn't want to have to rationalize this ad on a cost-per-thousand basis," said Tom Wolf, BBDO vp-management supervisor on the account. "But we needed to do something that would draw attention to our message, and on that basis I'm confident we've succeeded."

Returning to the drawing board in November, art director Rich Nead and copywriter Ann Olson saw creative use of pop-ups in a children's book and suggested that approach. The agency created a solid mockup of the proposed ad. Mr. Wolf, senior vp-creative director George Hermelink and account supervisor Jennifer Grismer then ran it by Honeywell executives.

"They loved it, which I think was a pretty gutsy move by a conservative company—and I mean that as a compliment," Mr. Hermelink said. "They're a company that is well known and respected in its niche, but which has kept a fairly low mass-market profile. But they supported the idea from the start."

The agency brought in illustrators Dave Olmstead (who worked on the tower) and Jan Wellem Boer (who concentrated on the mill buildings) to do the artwork, which took 3½ weeks. Production manager Emmett Morgan took it from there, working with Intervisual Communications, Los Angeles, the design and assembly supplier.

The BBDO team said it considered using a microchip in its print ad, an approach competitor IBM Corp. recently used in France to create an ad that lights up and plays music (AA, April 25). They rejected it, Mr. Wolf said, because it was "too great a 'stretch.' It didn't tie constructively to what our client produces. I'm not sure that ad ties to what IBM does, either."

IBM's musical ad cost $2 apiece to produce; Honeywell's, about $1.#

Smart, Buick!

Smart, Cadillac!

Smart, Ford!

Smart, Jaguar!

You know that 35.3% of our almost one million readers own three or more late model cars. They can afford to; they earn [illegible] than the readers of [illegible]

HANG TOUGH!
Create a 5th panel using our line of plastic HANG TABS to hold your packages on pegboard hooks

Another place to get your product up at the point-of-sale!

CALL OR WRITE FOR SAMPLES
BROCHURES OF ENTIRE LINE OF DISPLAY HARDWARE AVAILABLE AT NO CHARGE

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(216) 473-6919

CORRECTIONS & CLARIFICATIONS

- Minnesota Opinion Research Inc., Minneapolis, conducted the media credibility survey for the American Society of Newspaper Editors (AA, April 22, P. 118). An article misidentified the company as Media Opinion Research. Clarifying another aspect of the report, the survey found 24% of respondents said paid ads contained more opinion than the rest of the daily newspaper with which they were most familiar, 62% said the paid ads carry "about the same" degree of opinion and 14% found them to contain "less opinion." The article incorrectly attributed those percentages to readers who wanted more, about the same and less opinion, respectively, in paid ads.#

Final figures: 1984 ad spending up 16%

By ROBERT J. COEN
Senior vp,
McCann-Erickson

Final figures for 1984 U.S. advertising confirm what had been expected ever since the current economic expansion started two years ago.

A year ago it was apparent that with 1984 being an election and Olympic year following immediately after the beginning of a strong economic recovery, we could be assured of excellent ad spending increases. In terms of advertising revenues, this resulted in a $12 billion-plus surge for this industry, representing 16% growth.

A year ago, the only caution about 1984 related to the possibility of a slackening in the economy and a moderation of some ad budget increases after the exceptional gains posted in 1983, but we still expected a very healthy growth of 14%. The final returns now show an increase that exceeds 16%, which is even more outstanding in light of last year's relatively low inflation rate.

Therefore, the real dollar growth in advertising spending in 1984 was the second-highest since the end of World War II. In constant dollars, advertising grew by about 12% in 1984, compared with the record, in recent history, of slightly more than 13% in 1976, also an Olympic year and a year of strong economic recovery, which was also our country's bicentennial.

The slight hesitation in the economy in one quarter of 1984 had practically no influence on ad budgets, except for a few isolated cases. Established national marketers increased their activity in '84 and new products and new marketers appeared to add more steam to the expansion.

Local retailers returned to much heavier promotional activity last year as their business optimism improved in direct relation to better consumer sales levels.

New media breakouts

This year, for the first time, an advertising spending figure for the cable tv medium is shown separately in the advertising volume table. Previously, any money spent for advertising on cable feeds was included in the miscellaneous category. Although cable ad revenues are still relatively small and reporting on them is still limited, it is felt they will grow significantly in the next few years and, therefore, should be monitored and reported separately.

Another media sector that has been gaining significant advertising is barter-syndication. The producers of certain syndicated programs retain some commercial time slots in return for reduced program charges to the carrying stations.

Essentially, spot tv commercial time on a station is bartered for tv program material. The syndicated program's producers sell the retained commercial time directly to national advertisers. These barter-syndicated ad dollars were not previously reported by the stations as spot tv advertising revenue, and they were assumed to be covered by our miscellaneous estimate. Now we have developed estimates of the ad revenues that are spent in this sector, and the figures are reported separately.

Barter-syndication is a significant new development on the media scene, and it is growing quite rapidly. The reported estimates have been derived from extremely limited hard-data sources, and they can hardly be described as much more than horseback guesses.

It's hoped that interested professionals involved with barter-syndication will finance the development of more objective measurements of the true dimensions of this new sector so that we can track its development accurately.

However, there is an upper limit to the amount of station time available for bartering and, if reliable measurements cannot be provided, it will be fairly easy to adjust the miscellaneous category estimate to accommodate its approximate size.

Post-Olympics broadcasting

As 1985 unfolds, many of the broadcast media are being forced to compare their ad growth with last year's exceptional performance. Post-Olympic broadcast advertising traditionally slows down simply because of the exceptional performance in the previous year.

Although it was expected that last year would turn out to be a good year for the broadcast media—especially network tv—because of the Olympics and the election campaign, the performance of all sectors of tv far outpaced expectations.

In dollar terms, this meant a 21.5% increase in revenues for the network tv medium. That's the best yearly performance since 1976, when advertising figuratively exploded after stagnating in the early half of the 1970s due to various economic and political conditions. In contrast, the exceptional performance for net tv in 1984 came on top of a string of very good prior growth years.

Local ads and the consumer

Before 1983, local retail advertising and classified volume performed sluggishly but then turned upward in '83 and '84. The excellent performance in terms of local newspaper and local broadcast advertising in 1984 is explained by the strong consumer economy and the reappearance of intense competition for the consumer's personal spending in the local marketplace.

In 1985, consumer spending should be up in real terms. The stronger sector in total ad spending in '85 probably will result from the continued momentum in advertising promotions at the local level combined with further growth in classified-help-wanted and real estate activity.

Caution for national ads

National marketers have increased their budgets at an exceptional pace for the last two years. The total economy in 1984 rose nearly 7% in real terms and in current dollars by close to 11%, but advertising continued to take on a more important role in the marketing process as it again far outpaced economic performance.

However, a more cautious outlook is suggested for this year.

The economic recovery, which got under way more than two years ago, is beginning to show signs that it is running out of steam. In 1985, many national marketers are beginning to anticipate waning profit expectations, and they are viewing their ad budget increases with growing concern.

Nevertheless, we probably shall experience some unanticipated new advertising demand, as we have nearly every year for almost a decade.

New-product plans and introductions already on the drawing boards are not likely to be affected by a gradual moderation in the rate of economic expansion. Much of last year's momentum will continue this year, and advertising growth should still manage to outpace economic growth.

In summary

The final figures for 1984 prove that it was one of the best growth years for U.S. advertising since the end of World War II. Ad spending rose by $12.2 billion to $88.08 billion—an increase of 16.1% over 1983. Although the increase is well below the record gain of 19.4% in 1976, the differential nearly disappears when we adjust for a much lower rate of inflation in '84 than in '76. Last year was definitely a boom year for advertising, and a more moderate growth rate must be expected for 1985.

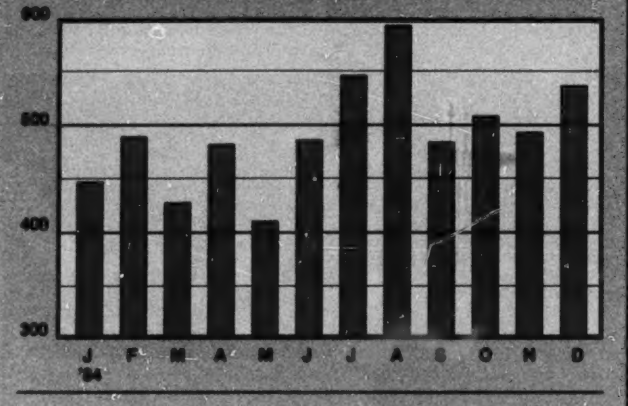
We do not expect last year's boom to be followed by a bust, but we look for a much closer relationship between economic growth and advertising growth.

In spite of these cautions, it appears very likely that advertising growth will still manage to outpace the expected growth of 7.5% to 8% for the gross national product in 1985.

Ad spending probably will rise by close to 10% in 1985, with the grand total for all media rising to more than $96 billion. In 1986, the U.S. ad industry will pass the $100 billion level.#

National advertising index - 1984

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of net tv, spot tv, magazines and newspaper expenditures by national advertisers, and 1967=100. *Source: McCann-Erickson*



Month	General Index	Net TV	Spot TV	Mags.	News.
January	477	502	559	361	347
February	489	653	534	365	338
March	435	512	520	365	308
April	473	545	570	393	351
May	403	551	567	365	334
June	482	548	617	386	351
July	543	656	613	470	374
August	589	841	625	410	376
September	481	587	590	389	308
October	506	572	621	433	365
November	484	550	582	386	397
December	528	588	625	447	431
Average	486	592	585	398	357
Change over 1983	+18%	+23%	+21%	+17%	+11%

U.S. advertising volume

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of net tv, spot tv, magazines and newspaper expenditures by national advertisers and they are all based on the year 1967, which is equal to 100. *Source: Robert J. Coen, McCann-Erickson Inc.*

	1983		1984		
Medium	Millions of dollars	Per cent of total	Millions of dollars	Per cent of total	Per cent change
Newspapers					
National	2,734	3.6	3,007	3.4	+10.0
Local	17,848	23.5	20,737	23.5	+16.2
Total	20,582	27.1	23,744	26.9	+15.4
Magazines					
Weeklies	1,917	2.5	2,224	2.5	+16.0
Women's	1,056	1.4	1,209	1.4	+14.5
Monthlies	1,260	1.7	1,499	1.7	+19.0
Total	4,233	5.6	4,932	5.6	+16.5
Farm publications	163	0.2	181	0.2	+11.0
Television					
Network	7,017	9.3	8,562	9.7	+21.5
Spot	4,796	6.3	5,453	6.2	+13.7
Syndicated barter	300	0.4	400	0.5	+33.3
Cable (national)	320	0.4	400	0.5	+25.0
Local	4,323	5.7	5,055	5.7	+17.0
Cable (local)	30	0.0	40	0.0	+33.3
Total	16,786	22.1	19,874	22.6	+18.4
Radio					
Network	296	0.4	316	0.3	+ 7.5
Spot	1,038	1.4	1,197	1.4	+15.3
Local	3,876	5.1	4,300	4.9	+11.0
Total	5,210	6.9	5,813	6.6	+11.6
Direct mail	11,795	15.6	13,800	15.7	+17.0
Business papers	1,990	2.6	2,270	2.6	+14.0
Outdoor					
National	512	0.7	552	0.6	+ 9.8
Local	282	0.4	310	0.4	+ 9.8
Total	794	1.1	872	1.0	+ 9.8
Miscellaneous					
National	7,331	9.6	8,546	9.7	+16.5
Local	6,966	9.2	8,048	9.1	+15.5
Total	14,297	18.8	16,594	18.8	+16.1
Total					
National	42,525	56.1	49,590	56.3	+16.6
Local	33,325	43.9	38,490	43.7	+15.5
Grand total	75,850	100.0	88,080	100.0	+16.1

'SI' gets Vedder award

CHICAGO—*Sports Illustrated* continued the Time Inc. "tradition" by winning the second annual Blair Vedder Award sponsored by Needham Harper Worldwide.

The company's flagship magazine—*Time*—won the award last year.

The award honors magazines offering advertisers "the most innovative, flexible and imaginative" way to match marketing needs with the publication's editorial environment.

Mike White, senior vp-media director at Needham here and one of seven judges in the competition, cited *SI's* Olympics preview issue as one example of advertiser tie-ins: Those who bought space in the issue also were given trips and tickets to the Olympic Games for clients and salesmen.

Sports Illustrated has chosen Northwestern University's Medill School of Journalism, Evanston, Ill., as the recipient of its $1,000 award money.

Other finalists were *Bon Appetit*, *Parade* and *Southern Living*.#

Newspaper Advertising MRCS/SAU Inches

February 1985 vs. February 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	76,507	—	93,790	—
Beacon Journal (S)	61,516	—	60,078	—
Grand Total	138,023	—	153,852	—

NOTE: Part run figures not available.

ATLANTA, GA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Constitution (M)	152,371	37,407	149,790	33,907
Journal (E)	150,253	31,430	156,399	46,727
Journal & Constitution (S)	121,415	34,220	113,958	43,542
Journal & Constitution (Sat)	33,931	—	31,538	—
Grand Total	457,970	103,086	451,685	124,176

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News-American (S)	29,720	5,477	30,336	1,438
News-American (E)	31,805	4,553	43,580	6,667
Sun (M)	93,080	6,176	107,902	8,888
Sun (E)	74,752	6,176	90,902	7,121
Sun (S)	135,011	30,573	120,173	22,900
Grand Total	364,408	52,955	392,893	47,015

NOTE: Sun Morning and Sun Evening started publication of a combined Saturday edition effective March 24, 1984. The activity is shown only in the Sun Morning listing.

BERGEN COUNTY, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Record (E)	127,933	16,740	130,145	19,955
Record (S)	136,408	20,003	126,231	19,970
Grand Total	264,341	36,743	256,376	39,925

NOTE: Record Evening published five days a week only.

BOSTON, MA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	42,337	—	38,610	—
Herald (S)	19,129	18,768	26,144	3,165
Globe (M)	116,554	4,329	125,425	6,164
Globe (S)	153,022	13,182	156,106	10,822
Grand Total	331,042	36,279	346,285	20,151

NOTE: Globe changed from All Day publication to Morning publication effective April 2, 1984.

BUFFALO, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (AD)	87,578	18,366	98,989	13,809
News (S)	40,504	19,289	42,788	14,353
Grand Total	128,082	37,655	141,777	28,162

CAMDEN, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier-Post (E)	88,400	16,096	98,961	14,966
Courier-Post (S)	51,044	1,832	50,503	—
Grand Total	139,444	17,928	149,464	14,966

CHARLOTTE, NC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (E)	65,610	—	71,648	—
Observer (M)	102,932	—	101,369	—
Observer (S)	60,556	—	58,237	—
Grand Total	229,098	—	231,254	—

NOTE: News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Sun Times (M)	111,495	53,389	120,346	53,910
Sun-Times (S)	51,538	24,597	55,019	26,303
Grand Total	163,033	77,986	175,365	80,213

CINCINNATI, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Enquirer (M)	127,031	5,216	132,673	9,825
Enquirer (S)	90,320	6,049	90,343	1,272
Post (E)	55,333	15,950	61,419	10,765
Grand Total	272,684	27,215	284,435	21,862

CLEVELAND, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Plain Dealer (M)	116,746	15,808	126,645	21,111
Plain Dealer (S)	75,617	4,540	78,482	4,657
Grand Total	192,363	20,348	205,127	25,768

DALLAS, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	251,924	12,720	261,429	11,654
News (S)	154,498	7,035	146,006	14,123
Times-Herald (AD)	202,427	14,740	235,737	13,398
Times-Herald (S)	110,488	7,067	117,568	22,340
Grand Total	719,337	41,562	760,740	61,515

DENVER, CO

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Rocky Mt. News (M)	250,146	920	251,862	528
Rocky Mt. News (S)	78,055	897	67,039	401
Post (M)	146,900	5,063	147,460	12,440
Post (S)	105,181	1,785	115,327	38
Grand Total	580,282	8,665	581,688	13,407

DETROIT, MI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Free Press (M)	79,681	27,071	84,436	33,919
Free Press (S)	35,701	23,912	36,401	13,316
News (AD)	119,091	29,561	106,947	25,004
News (S)	77,952	19,667	76,236	13,134
Grand Total	312,425	100,211	304,020	85,373

****FORT LAUDERDALE, FL***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News & Sun Sentinel (S)	111,584	33,950	116,966	27,611
Sun Sentinel (M)	306,400	61,542	331,830	55,479
Grand Total	417,984	95,492	448,796	83,090

NOTE: 1985 part run and 1984 full run and part run figures supplied by publisher to Media Records. Morning figures include the Saturday Edition.

FORT WAYNE, IN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal Gazette (M)	56,826	—	66,094	—
Journal Gazette (S)	53,153	—	46,486	—
News Sentinel (E)	66,668	—	76,776	—
Grand Total	176,647	—	189,356	—

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Time (E)	67,262	—	70,777	—
Time (S)	46,338	—	41,452	—
Advocate (E)	82,631	1,861	92,058	—
Advocate (S)	47,579	—	43,235	—
Grand Total	243,810	1,861	247,522	—

HARTFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courant (M)	119,158	24,394	123,191	22,850
Courant (S)	71,794	73,319	71,777	65,840
Grand Total	190,952	97,713	194,968	88,690

HONOLULU, HI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Advertiser (M)	101,295	—	128,725	—
Star-Bulletin (E)	104,277	—	115,953	—
Star-Bulletin & Advertiser (S)	64,101	—	66,506	—
Grand Total	269,673	—	311,184	—

HOUSTON, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (AD)	250,725	32,733	307,666	32,196
Chronicle (S)	122,531	32,675	129,534	24,242
Post (M)	157,910	33,206	196,600	20,950
Post (S)	59,604	29,718	68,377	23,768
Grand Total	590,770	128,331	702,177	101,156

LONG BEACH, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Press Telegram (M)	93,314	—	97,878	—
Press Telegram (S)	45,906	—	46,995	—
Grand Total	139,220	—	144,873	—

NOTE: Part run figures not available.

LONG ISLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Newsday (E)	140,824	38,129	147,372	35,745
Newsday (S)	79,272	79,156	90,240	53,229
Grand Total	220,096	117,285	237,612	88,974

LOS ANGELES, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	256,513	239,298	267,458	190,566
Times (S)	163,549	75,725	160,359	77,042
Herald-Examiner (M)	51,417	10,261	46,163	13,819
Herald-Examiner (S)	11,077	3,337	13,337	6,318
Grand Total	482,556	328,471	487,317	287,745

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	171,210	23,203	161,106	14,093
News (S)	72,256	7,639	65,759	3,344
Grand Total	243,466	30,842	226,865	17,437

****LOS ANGELES/TORRANCE, CA***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Breeze (E & S)	171,927	—	167,739	—
Grand Total	171,927	—	167,739	—

NOTE: Figures supplied by publisher to Media Records.

****LOUISVILLE, KY***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier Journal (M)	78,604	30,208	68,844	40,271
Times (E)	80,190	45,352	72,637	67,951
Courier Journal (S)	51,031	38,409	51,592	38,925
Grand Total	209,825	113,969	193,073	147,147

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	162,966	—	170,703	—
Herald (S)	100,568	—	95,653	—
News (E)	61,333	—	63,044	—
Grand Total	324,867	—	329,400	—

NOTE: Part run figures not available.

MINNEAPOLIS, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star & Tribune (AD)	86,964	16,396	89,050	18,565
Star & Tribune (S)	120,870	2,366	110,276	686
Star & Tribune (Sat)	20,893	—	21,070	—
Grand Total	228,727	18,762	220,396	19,251

****NASHVILLE, TN***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Banner (E)	83,922	—	87,327	—
Tennessean (M)	82,726	—	84,379	—
Tennessean (S)	65,810	—	62,131	—
Grand Total	232,458	—	233,837	—

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Home News (E)	72,571	87	—	—
Home News (Sun)	59,681	379	—	—
Grand Total	132,252	466	—	—

NOTE: 1984 figures not available.

NEW YORK, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	137,708	13,037	144,507	19,598
Times (S)	169,763	85,638	162,686	85,418
News (M)	51,612	87,951	59,786	68,581
News (S)	36,720	75,825	32,024	74,582
Post (AD)	53,320	890	57,362	—
Grand Total	449,123	263,341	456,377	248,180

NEWARK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Ledger (M)	173,866	4,930	180,928	5,627
Star Ledger (S)	168,690	22,954	153,963	23,080
Grand Total	342,556	27,884	334,891	28,707

OAKLAND, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (M)	69,043	40,309	86,956	12,722
Tribune (S)	44,899	30,308	50,363	21,338
Grand Total	113,942	70,617	137,319	34,060

ORANGE COUNTY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Register (AD)	256,887	57,187	255,936	43,748
Register (S)	118,203	1,754	111,038	7,146
Grand Total	375,090	58,941	366,974	50,894

PHILADELPHIA, PA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Inquirer (M)	133,956	45,363	138,407	49,101
Inquirer (S)	115,950	39,402	107,582	24,912
News (E)	62,819	5,986	68,134	3,183
Grand Total	312,725	90,751	314,123	77,196

****PHOENIX, AZ***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Arizona Republic (M)	218,444	8,586	207,462	11,953
Arizona Republic (S)	141,905	—	125,901	—
Gazette (E)	206,382	8,769	202,364	12,048
Grand Total	536,457	17,355	535,727	24,001

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Democrat & Chronicle (M)	71,974	8,784	81,651	11,948
Democrat & Chronicle (S)	63,764	9,234	57,290	5,067
Times Union (E)	59,576	14,541	71,179	9,911
Grand Total	195,314	32,559	210,120	26,926

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Bee (M)	189,458	11,850	190,105	11,173
Bee (S)	93,879	8,084	89,974	3,403
Grand Total	283,337	19,934	280,079	14,576

****ST. LOUIS, MO***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post Dispatch (M)	77,118	27,086	68,069	14,100
Post Dispatch (S)	98,082	—	93,647	—
Grand Total	175,200	27,086	161,716	14,100

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Pioneer Press Dispatch (AD)	74,812	—	70,258	—
Pioneer Press Dispatch (S)	86,191	—	82,208	—
Dispatch (E)	—	—	76,515	—
Grand Total	161,003	—	228,980	—

NOTE: Part run figures not available. Pioneer Press morning and Dispatch evening combined to one edition, Pioneer Press Dispatch all day effective January 2, 1985. The Pioneer Press morning activity is shown in the Pioneer Press Dispatch all day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press morning and Dispatch evening had a combined Saturday edition with the activity shown only in the Dispatch evening.

SAN ANTONIO, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Express-News (AD)	114,004	10,187	111,466	21,112
Express-News (S)	84,060	7,006	70,976	14,296
Express-News (Sat)	35,086	—	35,640	—
News (E)	—	—	109,650	19,165
Light (AD)	98,559	26,772	98,863	23,533
Light (S)	77,994	12,584	68,587	16,545
Light (Sat)	31,897	—	25,859	—
Grand Total	442,180	56,549	520,852	94,651

NOTE: Express Morning and News Evening combined to one edition, Express News all day effective September 10, 1984. The Express Morning activity is shown in the Express News all day listing. Prior to September 10, 1984, Express Morning and News Evening published five days a week only.

Light all day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Union (M)	182,822	13,932	184,136	9,196
Union (S)	109,575	—	106,269	—
Tribune (E)	189,818	15,966	204,082	11,290
Grand Total	482,215	29,898	494,487	20,486

SAN FRANCISCO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (M)	114,393	49,477	115,132	57,815
Examiner (E)	111,246	48,882	112,919	55,277
Examiner & Chronicle (S)	68,392	39,870	67,202	34,783
Grand Total	294,031	138,229	295,253	147,875

SAN JOSE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Mercury News (AD)	243,826	27,019	255,958	38,083
Mercury News (S)	139,974	840	132,248	—
Grand Total	383,800	27,859	388,206	38,083

SHREVEPORT, LA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal (E)	68,766	3,199	69,256	5,946
Times (M)	87,811	10,869	87,510	14,276
Times (S)	55,537	7,873	51,539	7,752
Grand Total	212,114	21,941	208,305	27,974

****STATE COLLEGE, PA***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Centre Times (E)	60,146	542	70,764	1,060
Centre Times (S)	22,978	—	10,019	—
Grand Total	83,124	542	80,783	1,060

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald Journal (E)	72,000	18,868	68,468	23,785
Herald American (S)	44,804	17,851	41,292	14,624
Post-Standard (M)	66,964	18,763	63,866	24,318
Grand Total	183,568	55,482	173,626	62,727

****TAMPA, FL***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (AD & S)	253,789	84,918	240,456	52,641
Grand Total	253,789	84,918	240,456	52,641

NOTE: Figures supplied by publisher to Media Records.

****TOLEDO, OH***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Blade (E)	73,457	—	74,401	—
Blade (S)	77,758	—	68,437	—
Grand Total	151,215	—	142,838	—

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	244,799	39,276	253,662	43,276
Post (S)	128,226	19,622	123,385	27,090
Grand Total	373,025	58,898	377,047	70,366
Alexandria Journal (M)	50,627	—	51,271	—
Prince George's Journal (M)	45,057	—	44,351	—
Montgomery Journal (M)	45,486	—	46,231	374
Fairfax Journal (M)	52,442	—	51,832	374
Arlington Journal (M)	50,688	—	51,221	—

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

****WEST PALM BEACH, FL***

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	207,162	37,016	202,665	28,547
Times (E)	175,872	3,402	182,687	754
Post (S)	141,061	16,052	137,379	12,280
Grand Total	524,095	53,068	522,731	41,581

NOTE: Figures supplied by publisher to Media Records.

Times evening published five days a week only.

WESTCHESTER ROCKLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Reporter Dispatch (E)	59,923	10,254	72,606	9,733
Reporter Dispatch (S)	74,466	7,604	58,349	18,056
Grand Total	134,389	17,858	130,955	27,789

WICHITA, KS

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Eagle-Beacon (M)	90,992	—	97,256	—
Eagle-Beacon (S)	65,569	—	65,656	—
Grand Total	156,561	—	162,912	—

NOTE: Part run figures not available.

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page.....
   Width and Depth in Inches.
2. Determine Square Inches of Page.....
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page.....
   Divide the Square Inches by 2.0625 (SAU inches).
4. Measure the Total Lines of the Page.....
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches.....
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

Bingham battle rattles Louisville media

By WILLIAM F. GLOEDE

In Kentucky, a land of grace, gentility and gender gaps, Sallie Bingham does not fit in.

Though she is graceful and something of an aristocrat by birth, she's also a feminist. When her father and brother forced her and her sister off the boards of directors of the family publishing, broadcasting and printing companies in 1983, she deplored the ousters as sexist and decided to act, regardless of the kinships or the future of the family businesses.

The result has been a genteel but bitter family squabble over the Bingham companies that Ms. Bingham's broker believes could lead to the sale of one of the last major-market, family-owned newspapers in the country. Ms. Bingham is trying to sell her approximately 18% share in the family companies, though no buyers have yet come forth.

Others, however, believe none of the other family members would even entertain offers to purchase the family companies.

The Bingham family owns the Louisville Courier-Journal & Times Co., which publishes the *Courier-Journal* and *Louisville Times*; WHAS Inc., which operates WHAS-TV and WHAS (am and fm), and Standard Gravure Co., a major printing company in the Southeast. All of the holdings are based in Louisville.

"I made it clear to everybody in the family that I was not going to take this lying down," she said in an interview with ADVERTISING AGE.

She hired Shearson Lehman/American Express to evaluate her holdings shortly after she was voted off the board of directors in late 1983. She believes she was voted off the board in a sexist maneuver that was designed to strengthen the board of directors—with men. The men in the family, she believes, look upon their female relatives as "the girls" who "are interested only in money."

Shearson, after evaluating her holdings, came in with a figure of $21 million, discounted 60% because it represented a minority position, she said.

Ms. Bingham, 48, considered that too low. More recently, she hired John Morton, newspaper analyst with Lynch Jones & Ryan, Washington, to reevaluate the worth of her holdings. He put a figure of $42 million on her stake.

"I assumed the family would buy me out," she says. But the Binghams did not. They rejected her offer, and posed none of their own. This was, she says, "a gross error in judgment."

The three companies, by the estimate of Ms. Bingham's broker, Henry Ansbacher Associates, New York, are worth between $420 and $470 million.

Her 18% stake, as a minority position in the companies, includes only 5% of the voting stock and would not necessarily be worth the $82 million-to-$92 million price tag Ansbacher has attached to her holdings, unless someone else in the Bingham family—or the lawyers that control stock that is held in trust for fourth-generation Bingham progeny—follows her lead and sells. That's what Ansbacher and Ms. Bingham believe may happen. Others who are close to the family, however, believe it is Ms. Bingham's impossible dream.

Ms. Bingham said she believes "it's a possibility" that her sister, Eleanor Bingham Miller of Louisville, may be willing to sell her 18% stake, portions of which also are in trust. Ms. Miller could not be reached for comment.

Ms. Bingham said when Barry Bingham Sr., the 79-year-old chairman of the companies, acted earlier this year to consolidate the voting shares in the company in a trust he controlled, Ms. Miller "made it perfectly clear she would not sign it if she couldn't sell."

That trust, however, controls only the election of members of the board of directors. Ms. Bingham's sister-in-law, Joan Bingham, the publisher of *Washington Weekly*, controls another 18% of the companies' stock in a trust set up for her children. Her husband, Robert Worth Bingham, was Barry Bingham Sr.'s heir apparent until he died in an auto accident in the early '60s. Joan Bingham is not likely to sell, according to Sallie Bingham. Sallie said Joan wants her children to participate in the family companies.

"I very much want to keep this a family [owned] newspaper," said Joan Bingham in a telephone interview. She said she believes Sallie and Ansbacher have "skewed" information regarding the manner in which the Bingham family trusts are set up. And she believes a price of between $82 million and $92 million "is a laugh. I think it's just preposterous."

Barry Bingham Jr., who at 50 is the publisher of the newspapers and holds another 18% of the family companies, also with portions in trust, has been on educational sabbatical in New England since September. Mr. Bingham "doesn't like newspapers," according to Sallie Bingham. Mr. Bingham could not be reached for comment.

"He's been carrying an enormous load," she said. "I think there's a chance he may look at this as a way out, [but] he'd have to get my father to agree."

And that may not be possible, she concedes. "My father is deeply committed to keeping it a family newspaper. His hope is to preserve the company for his seven grandchildren."

However, there are parents and lawyers who are charged with the duty of watching out for those grandchildren, and they're bound by fiduciary responsibility to run the trusts in the manner most beneficial for the trustees. That's what Ansbacher is counting on in its bid to get between $82 million and $92 million for Ms. Bingham's stock.

As explained by Christopher Shaw, managing director of Ansbacher, Ms. Bingham's 18% stake now generates $300,000 a year in pretax dividends. If she got her price, and paid roughly $25 million in tax, the $60 million or so that she would net would generate nearly $6 million annually in simple interest. That's a return 20 times greater than the stock is now producing, and Mr. Shaw believes the lawyers and family members who control the trusts are bound to consider that if a media company or other party makes an offer of $420 million to $470 million for the Bingham family holdings.

George Gill, president of the Courier-Journal & Times Co., explained that Mr. Bingham Sr. controls 77% of the voting stock in the companies (minus only Sallie's share), but that voting stock is applicable only to the election of the board. Another 18% of the voting stock is in a trust set up in 1937 upon the death of Mr. Bingham Sr.'s father, Robert Worth Bingham, also controlled by Mr. Bingham Sr.

Mr. Gill would not comment on the trusts set up by individual family members. He also would not comment on the possibility that an outsider could acquire the Bingham family companies.

Ms. Bingham believes that if a "white, middle-aged male" were to come to the Binghams with an offer, "I think there would be at least a chance that my father and brother could deal."

METRO EDITION
The Courier-Journal
Fifth artificial-heart patient dies 10 days after implant
Class act
A Derby Calendar

Sallie Bingham, rejected by her family as a director, may exact revenge if her broker can muster a $420 million-plus offer for the three Bingham family companies, including the flagship *Louisville Courier-Journal*.

Therein lies the base of the family feud.

"There is a profoundly sexist bias," said Ms. Bingham. "I don't think there's any other way to look at it."

The entire "ruckus," as she calls it, "has to do with the way families malfunction. I think nepotism doesn't work very well."

She does regret what the business battle has done to her family.

"The family stopped communicating," she said. "There's a silent acrimony. My family, like a lot of southern families, does not argue verbally.

"All my father said to me is he's heartbroken. He didn't want to have to choose among the children."

But that doesn't mean he will yield, she said. "I think he will fight tooth and nail."#

Dailies

(Continued from Page 3)

circulation gains since his News America Corp. bought the paper in the mid-'70s, experienced its largest circulation loss to date in the April 1, 1984, through March 31, 1985, period. The paper lost more than 60,000 daily sales during that period, a drop of 6.4%, to 901,313 daily sales.

The *New York Daily News*, the *Post's* primary competitor, posted a 1.1% increase in circulation between March 31 last year and the same date in 1985. The paper's circulation was up by roughly 15,000, to 1,390,955. The Sunday *News*, however, lost 2.2% of its circulation, now at 1,773,676.

The *New York Times* posted healthy increases in both daily and Sunday sales, with the daily figure up 4.4% to 1,013,211 and the Sunday figure up 1.9% to 1,623,562.

Times-Mirror Corp.'s Long Island *Newsday*, which also sells newspapers in New York, gained roughly 9,000 daily sales, a 1.6% increase, to 542,073 from the March, 1984, FAS-FAX report, and added about 3,000 sales on Sundays, a 0.4% gain to 611,403.

In Chicago, the *Tribune* and *Sun-Times* each gained 1.7% in daily circulation from the year-ago period, with the *Tribune* reaching 775,664 and the *Sun-Times* hitting 639,187. Despite circulation promotion contests begun under the stewardship of Mr. Murdoch, who bought the paper in November, 1983, the *Sun-Times'* daily circulation still is below that posted two years ago, though it has increased in the last year.

On Sundays, the *Tribune* widened its lead with a 1.8% gain, to 1,165,605. while the *Sun-Times'* numbers were up 0.5%, to 690,904.

All three Los Angeles-area dailies posted small percentage circulation gains with the exception of the *Herald Examiner*, which lost 2.7% in Sunday circulation (now at 213,898), though gaining 0.3% daily, to 237,424.

The Times-Mirror flagship *Los Angeles Times* gained 1.1% daily, to 1,069,564, and 0.8% Sundays, to 1,332,138. Tribune Co.'s *Daily News* gained 2.7% daily (to 145,523) and 1.4% Sundays (165,119).

Mr. Murdoch's *Boston Herald* circulation was up 13.2% daily to 368,027 and up 11.7% Sundays to 308,823. The *Boston Globe*, owned by Affiliated Publications, posted a slight daily circulation increase to 542,073 daily and a 1.2% increase to 802,891 on Sundays.

In Washington, the *Washington Post* gained slightly in daily sales, now 771,253, and gained 2% on Sundays, now 1,065,782. The *Washington Times*, owned by the Unification Church, appeared in the audit report for the first time with a daily sales figure of 83,962.

The hotly contested Detroit paper wars saw Knight-Ridder's *Free Press* catching up with the rival *News* in daily circulation but suffering Sunday losses, in part due to a January price increase from 50¢ to 75¢. (The *News* followed suit in April, after the latest circulation reporting period.) The *News* gained 2.7% in Sunday numbers, to 884,763, while the *Free Press* lost 1.1% Sundays, to 778,178.

Free Press numbers were up 2.4% daily, to 646,476, while the *News* also gained 1.5%, to 666,949. The *News* sells for a nickel more than its rival daily.

Newspapers in Texas markets showed combined net readership gains.

The *Dallas Morning News* dramatically widened its circulation lead over the Times-Mirror owned *Dallas Times-Herald*, with daily circulation at 368,683 and Sunday circulation at 476,004, showing 10% gains in both categories. The *Times-Herald*, meanwhile, lost 6% daily and 1% Sundays, finishing the March 31 period at 241,055 and 345,932, respectively.

In Dallas County circulation, the *News* overtook the *Times-Herald* on Sundays for the first time. (Previous-year numbers for both Dallas papers were adjusted by the ABC to reflect audited figures.)

The *Houston Post* did not report its figures by ABC's deadline, nor did the *Baltimore News-American* or the *Denver Post*.

The *Houston Chronicle*, however, gained 1.4% in daily circulation, to 433,580, and 1.2% on Sundays, to 536,585.

The Scripps Howard-owned *Rocky Mountain News* in Denver showed greater increases of 3.2% daily (to 329,381), and 4.6% Sundays, to 385,807. (Like Dallas, the March, 1984, averages for Denver also were adjusted to the ABC's audit.)

The *Baltimore Sun* posted a 4.8% increase in morning daily sales, now 194,426; a 5% loss in afternoon daily sales, now 155,475, and a 1.6% Sunday increase to 414,330.

The joint operating agreement between Chronicle Publishing Co. and Hearst Corp. in San Francisco registered gains at the morning *Chronicle*, up 2.8% to 554,979; a slight loss at the afternoon *Examiner*, now 151,758, and a 1.5% increase in the Sunday *Chronicle & Examiner*, now 717,426.

Across the bay in Oakland, publisher Robert Maynard posted the first circulation increase in years at the *Oakland Tribune*, which was up 1.5% daily to 150,336 and up slightly on Sundays to 156,944.#

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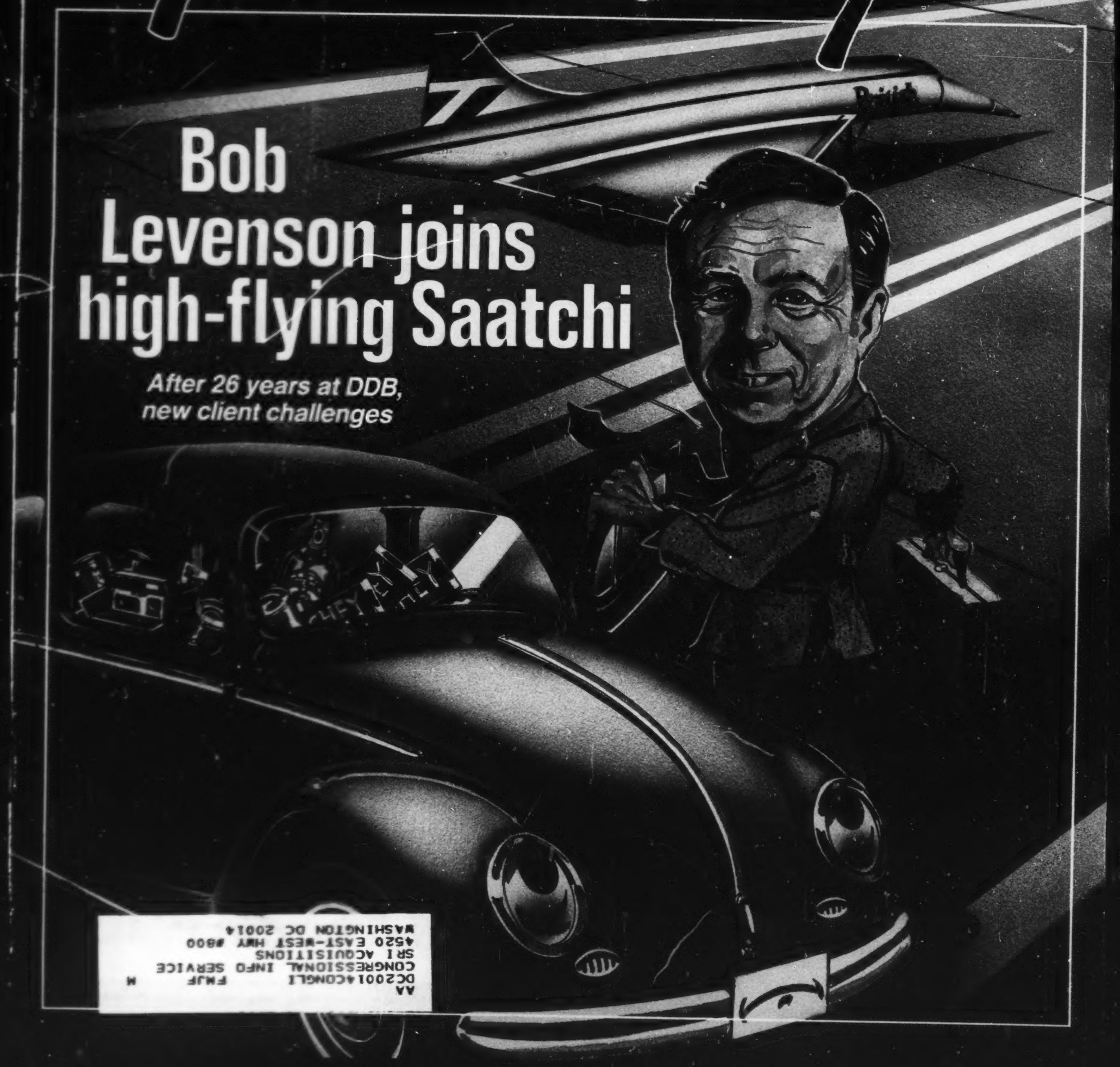
Advertising Age

Thursday



Bob Levenson joins high-flying Saatchi

After 26 years at DDB, new client challenges

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In the news

Defending themselves

Grunts and groans at Campbell-Mithun, Chicago, aren't coming from overworked artists or noontime aerobics instruction. They come from women employes taking self-defense classes from veteran copywriter Mike Vassolo. *See Page 4.*

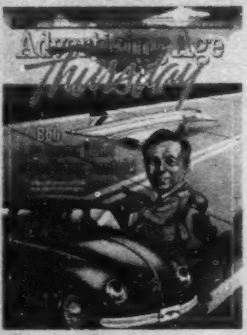

Illustration by Steve Boswick

A big move

No recent ad agency job change has been as highly charged symbolically as Robert Levenson's move this month to Saatchi & Saatchi Compton, New York. After 26 years, Mr. Levenson left Doyle Dane Bernbach International, where he not only was one of the agency's great copywriters, but also the creative executive most identified with the late William Bernbach. *See Page 5.*

Bless you, Saatchis

Saatchi & Saatchi Compton is turning its Detroit account-service outpost into a full-service agency to coincide with client Jeep Corp.'s fall *launch of Comanche, a pivotal effort to enter the* two-wheel-drive pickup market. *See Page 11.*

Advertising that's kosher

Adman J.J. Gross is a black sheep turned shepherd. With his knowledge of the New York Orthodox Jewish community, having been a rabbinical student, plus fluency in Yiddish and Hebrew, he handles some tricky accounts. *See Page 52.*

Special Report

The affluent market

Appealing to the affluent takes special positioning and careful references to status, emotion and other abstract qualities. Tactics marketers use are studied in the Special Report on Marketing to the Affluent, starting on *Page 15.*

Presstime

Nadler to absorb LCF&S

New York—Nadler & Larimer reportedly will absorb LCF&S, another Mickelberry Corp. agency, and rename the agency to reflect the new management. Thus, it is expected to be called Calvillo, Goldberg & Shevack for Nadler president Rick Calvillo, exec vp Irwin Goldberg and LCF&S president Brett Shevack. LCF&S had functioned as a unit of Mickelberry's Laurence, Charles & Free agency.

Christian Dior tags Chiat

New York—Christian Dior has named Chiat/Day to its $3 million account (AA, April 15). Chiat/Day reportedly has the option to continue working with photographer Richard Avedon, who is responsible for the current Dior campaign. Chiat/Day did not present specific creative ideas; sources said agency chairman Jay Chiat was "impressed with the previous 'Three Diors' campaign," also by Mr. Avedon. Sources said the next campaign will likely be more like "Three Diors" than the current product campaign. J. Walter Thompson USA previously handled.

Kliger suits 'GQ'

New York—*Gentlemen's Quarterly* will name Jack Kliger as its publisher, effective later this month. Mr. Kliger is associate publisher at *California*, Beverly Hills, and a former *GQ* West Coast advertising manager. At *GQ*, he will succeed Steven Florio, who is now exec vp at The New Yorker Magazine Inc., and publisher, *The New Yorker*, new posts created following shareholders' approval May 7 of the company's acquisition by Advance Publications (AA, May 6).

Seafood gets $12 million

Camden, N.J.—Campbell Soup Co.'s Mrs. Paul's Kitchens has set an ad budget between $10 million and $12 million for the rollout of Seafood En-Croute, a five-product line of frozen fish-in-pastry entrees. The line has been testing for four months in Albany, Atlanta and New York and may roll national within nine months, a spokesman said. Needham Harper Worldwide, Chicago, handles. The company also has begun testing a five-item line of individually quick-frozen raw fish fillets in Chicago, Dallas and Detroit.

Haagen-Dazs into sorbet

Minneapolis—Pillsbury Co.'s Haagen-Dazs unit next month introduces nationally Sorbet & Cream, creating a new dessert category combining ice cream and sorbet products. McCann-Erickson, New York, handles.

Le San*wich ads move up

Deerfield, Ill.—Kitchens of Sara Lee on May 27 breaks tv spots for its Le San*wich line of filled croissants (AA, Jan. 21). A freestanding coupon insert supports on June 9. Sara Lee says it has moved up the campaign from its originally planned July kickoff because of high retailer interest. Foote, Cone & Belding, Chicago, handles.

Nissan account splits

Los Angeles—Nissan Datsun Dealers Assn. of Southern California has split its $5 million ac-

(Continued on Page 55)

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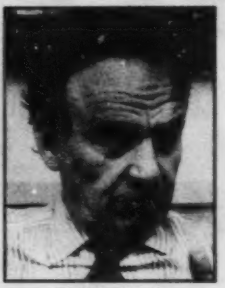
Murdoch move sets stage for fourth network

By Verne Gay

New York—Rupert Murdoch did not simply sneak into the tv business; he pounced.

The Australian publisher and his partner, oilman Marvin Davis, with their $2 billion acquisition of Metromedia's tv stations became—overnight—the biggest group broadcasters this side of the network-owned station groups.

That is no small feat in itself, but its consequences are enormous. There was immediate talk that Mr. Murdoch would seek the longtime dream of Metromedia: The formulation of a viable fourth tv network. There were insurmountable stumbling blocks for Metromedia in that quest, and those same problems no doubt will beset Messrs. Murdoch and Davis. But owning the Metromedia station group and being able to forge a synergy with other entertainment properties such as 20th Century Fox, gives the newcomers leverage that most in the tv business will never acquire.



R. Murdoch

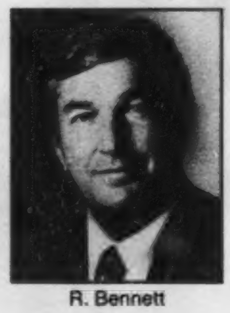
There will be no first-run syndication scheme that won't have to clear Mr. Murdoch's forces to have a fighting chance to succeed. If knowledge be power, Mr. Murdoch will be a very powerful tv force indeed. And the station group, with its nearly 20% U.S. tv household clearances in six major markets, will provide the financial underpinnings for any original tv project Mr. Murdoch believes has a chance to attract and hold a mass audience.

J. Kluge

If his record in newspaper publishing has proven nothing else, it has shown Mr. Murdoch is a master at understanding and exploiting all those things that appeal to the masses. Some observers fret that Mr. Murdoch will treat tv as he treated the print media. But there is something those observers have overlooked. In newspapers, Mr. Murdoch was hit by critics from the medium who felt the Australian was downgrading a proud and noble forum for information.

At the *New York Post*, the story goes, upscale retailers balked at his pitches for advertising.

Bloomingdale's allegedly told one of his executives, "Your readers are our shoplifters." Now, with his tv clout and reach, Mr. Murdoch can tell Bloomingdale's, "Your shoppers are our video pirates."



R. Bennett

Mr. Murdoch appears to be gravitating toward the realization that tv, not publishing, is his true home. Tv is purely the selling of tonnage. People are rewarded for delivering high audience numbers, and even someone as noble as NBC's entertainment president Brandon Tartikoff, who stuck by "Hill Street Blues" and "Cheers" and "St. Elsewhere's," will admit that it was the "A-Team" that started to turn things around for the network.

Mr. Murdoch understands such things without remorse. He can be expected to excel in tv as an idea man, and the leverage in the industry that he purchased for that $2 billion merely insures that he will have the power to execute that instinct for mass appeal which he has so finely honed in print.

Mr. Murdoch's interest in tv was demonstrated by Skyband, a U.S. direct broadcast tv venture now on hold. But now he's apparently become convinced regular broadcast is the way to go.

There can be little doubt of Mr. Murdoch's determination. He will seek U.S. citizenship to comply with U.S. policy barring foreign control of tv and radio stations (AA, May 6), a step likely to complicate his status as owner of Australian tv interests. *(See related story on Page 55.)* And by seizing the chance to acquire tv stations in New York and Chicago, he runs the risk—a high risk, say many—of being forced by the U.S. government to sell or close his flagship U.S. newspapers—the *Post* and the *Chicago Sun-Times*. Federal Communications Commission policy aimed at insuring local media diversity bars common ownership of tv stations and newspapers in the same market.

Already, Murdoch bankers have been directed to find a buyer for another of his print properties, New York's *Village Voice*.

Another Murdoch paper, the *Boston Herald*, is safe from a government-ordered sale. The seventh Metromedia station in the deal, Boston's WCVB-TV, will be sold by Messrs. Murdoch and Davis for $450 million to Hearst Corp., from whom Mr. Murdoch acquired the *Herald*.

(The newspaper-tv combinations of a major Murdoch competitor, Chicago-based Tribune Co. [the *New York Daily News* and WPIX-TV, and the *Chicago Tribune* and WGN-TV], predate the cross-ownership ban and are allowed to operate under a "grandfather" clause).

Murdoch has yet to announce his intention to build a fourth network to rival NBC, CBS and ABC, but many believe he has the compo-

(Continued on Page 55)

Auto makers use soft sell to move soft ride

By Ralph Gray

In the battle for dollars from the affluent, luxury cars compete against condominiums, boats, vacations and other expressions of the wealthy life style. Despite the competition, the sell is as soft and elegant as some of the vehicles, with the genteel tone of the marketing masking a brawl for sales and share.

Ralph Gray is a longtime automotive expert, a former ADVERTISING AGE *Detroit bureau chief and currently a relaxed free lance writer.*

Some mass media advertising is used, but the emphasis is on a sharpshooter target marketing. Cadillac is the volume leader in hitting the small bull's-eye, yet it accounts for only 2.9% of total U.S. sales. Import luxury cars account for less than 1% of all U.S. car sales.

The buyers of luxury cars are well past the need for just a set of wheels. "Nobody needs to buy a Porsche," says John Cook, president-chief executive officer of Porsche Cars North America, Reno, Nev.

While *need* may not be the motivating factor behind a purchase, luxury auto marketers are working hard to convince consumers they *want* a certain model. The marketing shots are being fired from both sides of the Atlantic. Ford Motor Co.'s battle tactics include bringing over cars made by its European affiliates.

General Motors' Cadillac division, Detroit, will offer about a $50,000 convertible in the fall of 1986 that will have a distinct European influence. The convertible's body (termed coachwork at those prices) comes from Pinifarina of Italy and will be mated to Cadillac underpinnings.

Cadillac named the car Allante, thinking the word sounded like a nice combination of sporty and elegant.

"Allante is targeted at the European imports, but we are not looking for high volume," says John Grettenberger, general manager of Cadillac and a General Motors vp.

"Allante is not designed to move Cadillac's market share as a result of its presence," Mr. Grettenberger says. "The idea is to bring European craftsmanship from the body-builder side to the high-tech world of the new Detroit plant."

In another move to compete against the power of imports, Cadillac installed a V-6 engine in the Cimarron subcompact, which was designed to appeal to BMW buyers. But until the new engine was installed, the Cimarron was underpowered against that rival.

> **"We have a wave of the affluent—not only yuppies, but people who represent gold plate."**
>
> ***—Hans Riedel BMW***

"That package equals some of the high-price imports, like BMW, that we wanted to compete with," Mr. Grettenberger says.

Cadillac's conquest rate for Cimarron and the Seville, the highest price Cadillac, is rising from 2% to about 9% in some parts of the nation, he says. A conquest is when a Cadillac buyer turns in a competitor's car in trade.

While BMW is considered by some to be the ultimate yuppiemobile, BMW says it isn't limited to those buyers. "We have a wave of the affluent—not only yuppies, but people who represent gold plate," says Hans Riedel, vp-marketing BMW of North America, Montvale, N.J.

BMW raised its sights on a bigger potential market by offering larger, more powerful cars in its 600 and 700 series. Sales in February ran 25% ahead of the year-earlier period. Many of those sales came from the top of the line.

Ford's Lincoln-Mercury division, Detroit, has found its Lincoln customers, in general, are "people who reward and indulge themselves and who want to be seen having youthful, contemporary and responsible values," says Mary Ann Roberts, L-M media coordinator.

Lincoln recorded sales of 82,035 for the first half of the 1985 model year, up 36% from the previous year, and Ms. Roberts knows who bought what.

Buyers of the Continental, an intermediate luxury car, have annual incomes of about $50,000 and are about 50 years old. The Mark VII aerodynamic coupes attract buyers 15 years younger than the Continental's buyers. The Mark VII buyers have about the same earnings. About 60% of Lincoln buyers are male.

To reach these buyers, Lincoln uses a personalized direct mail program, Ms. Roberts says. For the past three years, Lincoln has sent 500,000 direct mail

(Continued on Page 22)

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Soft

(Continued from Page 20)

pieces to domestic and import luxury car owners.

"The response has been tremendous. Upwards of 17% have bought Lincolns," Ms. Roberts says. "That's three times the buy rate of a control group which did not receive mailings."

The direct mail campaign, prepared by Young & Rubicam, Detroit, seeks to address specifics such as that in followup mailings. "We suggest you question the myth of European supremacy in automotive engineering," one brochure is titled. Other brochures address quality and warranties, luxury touches and technology. By the third mailing in the series, the prospects are getting information on specific cars.

Lincoln sales are up and so is market share for the early months of 1985, rising to 1.6% from 1.2% for the similar period in 1984. "Lincolns have shown the greatest gains in the luxury segment over the past two years. The Mark VII has retained the two-door business, and the Continental is setting new records in the midsize luxury market," says L. Ray Windecker, market analyst with Ford.

"The Town Car serves the traditional Lincoln market so all the bases are covered," he says.

That kind of closely disciplined target marketing is typical of the way luxury car marketers slot their efforts.

"Media for luxury cars is often regionally based. We want to place media in the pockets of affluence," Ms. Roberts says. That includes financial, life style and some automotive enthusiast publications.

Lincoln's biggest departure from traditional car advertising is its tie to classical music through the Lincoln's Music in America radio series. The weekly program, distributed by the Concert Music Network, New York, previews coming music events ranging from opera to symphonies and the opening of new concert halls.

Auto advertising on Concert Music Network, a subsidiary of Concert Music Broadcast Sales, has increased along with the prices of new cars, says Peter Besheer, exec vp, Concert Music Broadcast Sales, New York.

> **"Media for luxury cars is often regionally based. We want to place media in the pockets of affluence."**
>
> *—Mary Ann Roberts*
> *Lincoln-Mercury*

"We're seeing a greater volume of spot advertising on classical stations. We are more valuable to them as a format than 10 years ago," Mr. Besheer says.

The demographics of classical music listeners are especially favorable to luxury cars marketers, he says. Compared with the average radio listener, classical listeners are 50% more likely to have bought a car in the past year, Mr. Besheer says. They are more than twice as likely to own an imported car and four times as likely to have bought a BMW or Porsche than other listeners. Income levels are generally more than $50,000, and most classical radio listeners are college graduates.

Mr. Besheer says the yuppies "are just a new word for the segment that has always been there."

In addition to classical radio stations, luxury car marketers use sports to strike a chord with affluent consumers. Lincoln-Mercury uses network tv golf coverage. Other marketers get directly involved.

"Our whole sports involvement is driven by research. We've identified the sports our people participate in," says Robert Owens, general marketing manager of Mercedes-Benz of North America, Montvale, N.J.

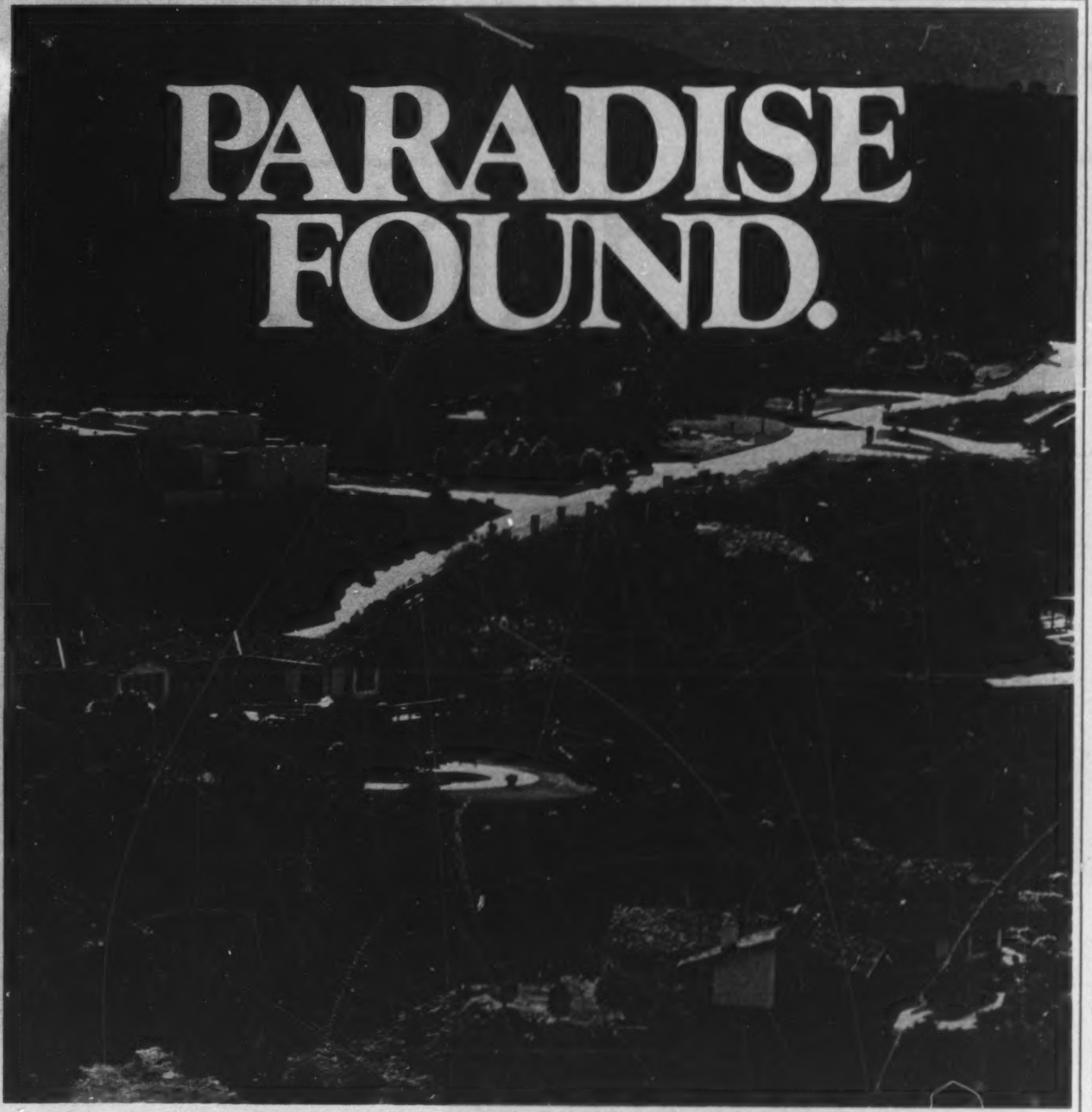
"We know from research that more of our people run than play any other single sport. We also know a high percentage of owners are into horses from the ownership side," Mr. Owens says.

So Mercedes-Benz participates in the American Grandprix Assn.'s horse jumping competitions. Mercedes-Benz is a presenting sponsor in the Mercedes Grandprix Circuit, awarding a car to the top rider and horse owner.

Mercedes-Benz was the sole automotive sponsor for the New York Marathon in 1984 and is in the same position for 1985. College basketball also attracts its tv dollars. Magazine spending equals tv expenditures because Mr. Owens believes it takes long copy to get the message across.

Mercedes-Benz used radio to launch the roadside service program, which provides just that to stricken Mercedes. "So far that program has been enor-

(Continued on Page 24)



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Soft

(Continued from Page 22)

mously successful. People say that's what they would expect Mercedes-Benz to do," Mr. Owens says.

Cadillac has been using horses of only a slightly different color. It sponsors polo. "It helps create awareness," says Frank Cadicamo, director-merchandising, of the sponsorship. The Seville is the official car of Palm Beach Polo.

BMW sponsors polo and tennis matches and is "embarking on cultural events like ballet that are geared to upmarket people," Mr. Riedel says. "We sponsored the first airing on cable [Arts & Entertainment network] of the finding of an undiscovered Mozart symphony."

Tv is mostly limited to news and events like tennis. BMW, through Bozell & Jacobs, New York, is interested in perpetuating its image through targeted efforts, such as direct mail.

But the targeting isn't limited to direct mail. BMW and Jaguar buy spots on a Dallas tv station because the station convinced them that tv, despite its wide appeal, could deliver upscale viewers.

WFAA-TV, serving Dallas-Fort Worth, developed what it calls a Lifestyle Locater to zero in on demographic groups using PRIZM, a method of defining consumer life styles created by the Claritas Corp.; A.C. Nielsen Co. ratings, and data from the Simmons Market Research Bureau, Media Market Research and R.L. Polk & Co., which provides information on car registrations.

"We use the Polk data to analyze and profile the affluent car customer against the PRIZM life-style groups," says Terry Pittman, director-research and marketing for WFAA-TV.

"The 10 p.m. news is the real key. News programs are excellent vehicles for targeting to the affluent," Mr. Pittman says. "The Dallas-Fort Worth area has more of those type of life styles than most markets. We have a 9% greater concentration of households earning over $25,000; we're younger with 75% of adults in the key 18-to-54 age group and better educated—half either graduated from college or attended," Mr. Pittman says, making comparisons with the whole nation.

"Our late news delivers more than twice the number of affluentials [the combination of four PRIZM clusters: Money and brains, furs and station wagons, pools and patios, young influentials] than do the other network affiliates here," Mr. Pittman says. WFAA is an ABC affiliate.

"Our mission here is to explain how tv can be used to target. Doing it on a cost per rating point overlooks the subtleties of the market when you want to reach upscale," he says.

To attract the upscale market, quality of product is paramount for luxury car marketers. "You need to reek of quality and not just in the car," says Michael Dale, vp-sales and service for Jaguar Cars Inc., Leonia, N.J.

He speaks from experience. Quality was Jaguar's Achilles' heel. "We've gone from sales of 3,000 in 1981 to a record 20,000 in the last calendar year. It took 13 months—a year's lag—between the establishment of quality and its perception," Mr. Dale says.

Jaguar used a quality tracking system to accelerate the process. Long telephone conversations were held with customers 45 days, 8 months, 18 months and 32 months after purchase.

"Every time there was a complaint we pushed it back through the field and got service managers to call and cure the complaint," he says. "Very quickly the cocktail circuit was talking about how well Jaguar owners were looked after. We reversed the cocktail conversation that you need two Jaguars—one for the road and one for the shop.

"The market is responsive to doing things right. Promotional efforts are not really the secret of selling high-price car lines; you have to take the long view and satisfy the customer."

FEB IL 83

1983 new German luxury car registrations

Sample market	% of all new 1983 car registrations
New York	12.24
Los Angeles-Palm Springs	10.68
San Francisco-Oakland	6.13
Dallas-Fort Worth	3.55
Washington, D.C.	3.44
Houston	3.26
Miami-Ft. Lauderdale	3.06

Source: Claritas LP and R.L Polk & Co.

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How to get inside the homes of the very rich.

No other leading market in America has such a concentration of affluence as metropolitan Washington, D.C. It leads the top ten SMSAs with an average household income of more than $37,000.

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Toasting wealth with sparkling wines

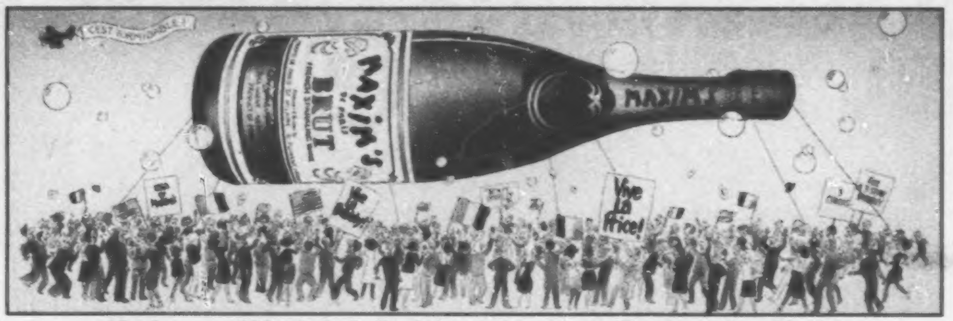
By Len Strazewski

"My God! I'm drinking stars!" With this exclamation, legendary French monk Dom Perignon allegedly discovered the process by which champagne is made.

He probably didn't know that it wasn't only wine he was making, but also a life style for the rich and famous—and aspirants.

Today, Dom Perignon is recognized as the name of the most famous of prestige sparkling wines made in the tiny Champagne area in the north of France and a cousin to such other prizes as Cristal, Fleur de Champagne, Comtes de Champagne and Cordon Rouge.

The American market has learned these names so well that champagne sales have increased more than 30% in each of the past two years, jumping from 7 million cases in 1982 to about 9.7 million in 1983 and 12.8 million cases last year.



Marketers of Maxim's de Paris hope the name will attract the affluent.

Image and price are spurring the growth, says Marvin R. Shanken of M. Shanken Communications, New York. The prestigious image of champagne always has been attractive to the affluent, and the strength of the U.S. dollar abroad has put the highest quality products within the reach of a larger market.

"Sparkling wines are a major growth area," says Mr. Shanken, editor and publisher of New York-based *Market Watch* and *Impact*, publications for wine marketers and the *Wine Spectator*, a newspaper for sophisticated wine consumers. "Sparkling wine has grown faster than any other wine category except wine coolers."

In 1980, sparkling wine shipments in the U.S. totaled 30.1 million gals. and by 1983 had increased to 43.6 million gals., a jump of 45%. For the first nine months of 1984, sparkling wine shipments were up 4.9% over the similar period a year earlier, says Frank Walters, director-research for M. Shanken Communications. Unpublished full-year results indicate substantially more growth, he says.

"We've never had to advertise Dom Perignon," says Clint Rodenberg, vp-group product director at Schieffelin & Co., New York, importer of Moet & Chandon champagnes, including top-of-the-line Dom Perignon. "The market built slowly over many years and we sell on allocation all we can import.

"Dom Perignon has come to be synonymous with the ultimate in luxury. James Bond drank it in movies. Elizabeth Taylor, when she was drinking, drank it exclusively. It became known as the drink of royalty," Mr. Rodenberg says.

Those aspiring to the ultimate luxury status sought out the product, which for many years held a retail price point of about $50.

However, the strength of the U.S. dollar has dropped Dom Perignon to as low as $39 in some areas, but that hasn't hurt sales. Moet & Chandon retains its place as the biggest champagne seller in the U.S. with 375,000 cases in 1984, up 21% from the previous year and up an average of 16% a year since 1979.

Moet does actively promote products other than Dom Perignon, spending about $1 million in spot tv advertising and $1 million in pr. Cunningham & Walsh, New York, manages the advertising.

The next largest champagne label in the U.S. is Mumm, marketed by Seagram Classic Wine Co., New York. For many years, Mumm's vintage and nonvintage Cordon Rouge, named after the French Legion of Honor medal, has been the label's hallmark, priced from $15 to $30 a bottle. If Dom Perignon was the wine a maven drank as a dinner aperitif, Cordon Rouge was what one drank for a seaside lunch at the Cote D'Azur.

"Because of Dom Perignon, we and other high quality champagnes were able to get on the wine list," says John Agate, Seagram's senior product manager. "Then it was up to us to create our own business with aggressive marketing."

The Mumm label has done well, selling 175,000 cases in the U.S. last year, up 17% from 1983, according to Shanken's Mr. Walters. The label has grown so strong that Mumm is taking on Dom Perignon directly this year with a prestige champagne, Renee Lalou, priced comparably. Only about 700 cases will be available for U.S. consumption this year, compared with several thousand cases of the competition.

Seagram's advertises the Mumm's label in publications such as *Architectural Digest*, *Smithsonian* and *Town & Country*. Doyle Dane Bernbach manages the $500,000 ad budget.

Behind these big two champagne sellers are three other competitors, each less than half the size of Mumm and less than one fourth the size of Moet & Chandon.

Final case figures for 1984 are as yet unavailable from M. Shanken Communications, but Mr. Walters places Piper-Heidsieck, marketed by Renfield Importers, New York, as third largest and Perrier-Jouet, marketed by Seagram Chateau & Estate Wines Co., New York, and Taittinger, marketed by Kobrand Co., New York, in "a virtual horse race," for fourth.

Another famous name, Roeder's prestige Cristal, is imported by several companies, but in very small amounts.

Piper-Heidsieck markets three vintage and nonvintage bruts in the U.S. in the $15-to-$30 price range and a very limited prestige champagne, Piper Rare.

Piper-Heidsieck also operates a joint venture with Sonoma Vineyards, Sonoma, Cal., to make two Piper-Sonoma sparkling wines that compete with U.S. sparkling wines such as Domaine Chandon.

Renfield is promoting labels during the 200th anniversary of the winery this year with personal appearances by the winery's founding family and sponsorship of equestrian events around the country. A small print ad budget earmarked for upscale publications, such as *Town & Country*, is managed by Brain Reserve, New York.

Perrier-Jouet also targets affluent publications, with William Esty, New York, managing a $500,000 ad budget, Seagram vp-marketing, John Laird says.

Known for its enameled floral design on the bottle, Fleur de Champaign undersells Dom Perignon by a few dollars and is also available in gift sets with enameled champagne glasses.

Sales were up about 20% to about 50,000 cases for all Perrier-Jouet champagnes in 1984, Mr. Laird says.

Closing in on the leaders with sales of nearly 50,000 cases is Kobrand's Taittinger label. Like Moet & Chandon, Taittinger has carved out a prestige reputation with Comtes de Champagne, which wine critics rank with Dom Perignon.

A rose Comtes de Champagne is also available in limted quantities, usually priced about $55. The rose is developing a strong following among wealthy champagne drinkers who continue in their search for another distinctive wine, senior vp-marketing Richard Shriner says.

(Continued on Page 32)

Len Strazewski is Features/-Special Report wine expert and associate editor.

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Sparkling

(Continued from Page 30)

The Comtes de Champagne and other Taittinger wines, which include the usual second-tier price ranges of about $10 to $30 a bottle, are advertised in upscale publications such as *Bon Appetit, Institutional Investor, Town & Country* and *Travel & Leisure*. Jordan, Case, McGrath, New York, manages an undisclosed ad budget.

The premium French champagnes, however, do not have a stranglehold on affluent consumers and aspirants. From the low end of the price spectrum, $4 to $8, Italian asti wines under the Fontana Candida, Gancia and Martini & Rossi labels and Spanish sparkling wines such as Freixnet, Cordiniu and Paul Cheneau compete for everyday consumption.

At the low to medium price points, the champagnes also are getting competitive pressure from nonchampagne French sparkling wines from the Loire Valley and other wine regions.

New this year, for example, is Maxim's de Paris, a Loire Valley product, marketed by Dreyfus, Ashby & Co., New York.

Dreyfus, which has an exclusive license to the name of the famous Parisian restaurant for wine, hopes an affluent and aspirant market will respond to the name and the price point of about $7, marketing director Steve Sarle says.

The strongest competition for the affluent market comes from California wineries, some of which, such as Domaine Chandon and Piper-Sonoma, are owned or partly owned by French companies. But there is some strong competition from U.S.-owned wineries, too.

One of the several California wineries attempting to compete with French champagnes and their U.S. clones is Chateau St. Jean, Kenwood, Cal. Chateau St. Jean introduced two 1980 vintage sparkling wines in 1983.

In the first year, the wine sold a modest 12,000 cases at $13 a bottle, according to winery president Allan Hemphill, but last year the 1981 vintage sold about 21,000 cases.

Chateau St. Jean sparkling wine is distributed nationally, but the winery is emphasizing promotion and distribution in "neglected" urban markets, Mr. Hemphill says.

"There are so many competing products in New York, Los Angeles and Chicago, that the reception for a relatively new label is generally unenthusiastic. But there are many important urban markets such as Minneapolis and Tampa-St. Petersburg that have been neglected by wine marketers and are very open to trying new products."

Chateau St. Jean does not advertise the sparkling wines, but it actively promotes products with special tastings held in remodeled rail cars, which the winery takes to new markets. The rail cars were rebuilt at a cost of about $100,000.

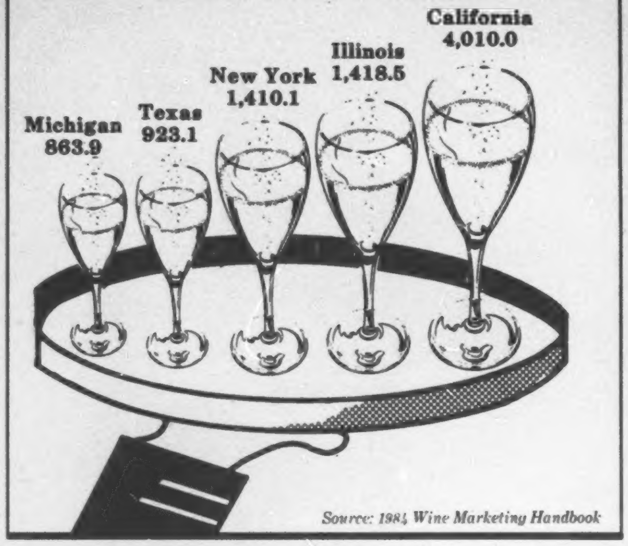
Another relatively new competitor among California sparking wines is Sebastiani Vineyards Brut Three Star. The Sonoma, Cal.-based winery introduced the wine in 1982, shipping "several thousand" cases to local consumers. Since then, sales have increased an average of 60% a year, according to director-marketing William T. Harper IV.

Sebastiani advertises its Three-Star Brut in prestige publications such as *Bon Appetit, Food & Wine, Gourmet, Metropolitan Home* and *Smithsonian*.

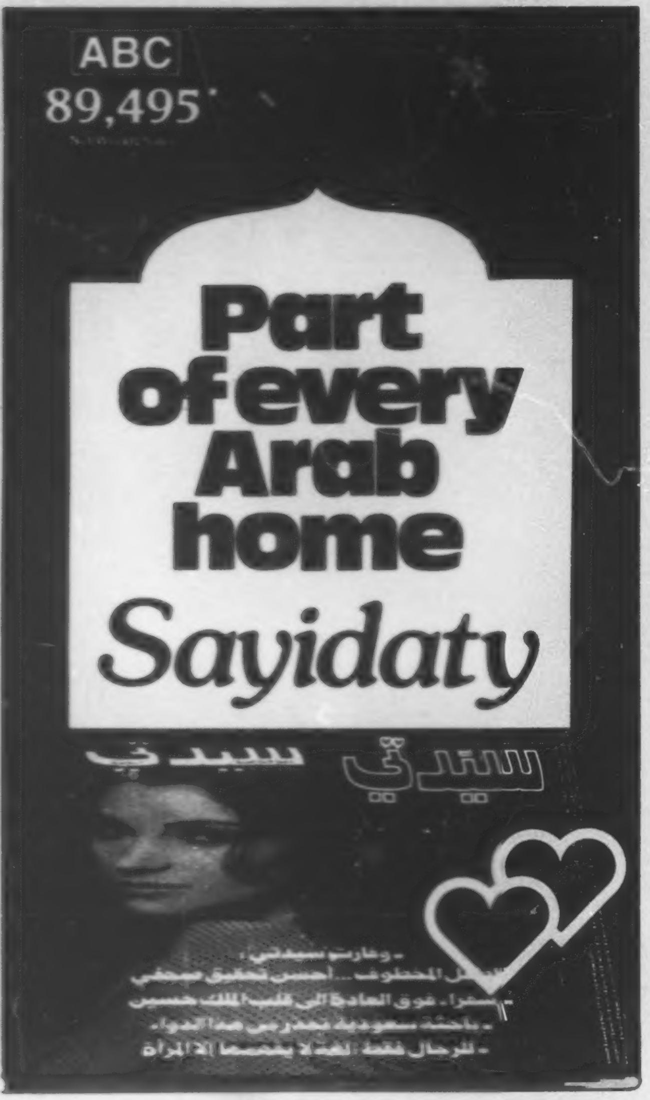
The market for the sparkler tends to be somewhat affluent. "This isn't the kind of wine sold to a general audience in supermarkets. At our price [$12 a bottle], the average consumer would pass it up for something cheaper," Mr. Harper says. ■

Champagne anyone?

Number of cases sold by state, 1983 (in thousands)



Source: 1984 Wine Marketing Handbook



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• July-December 1984 ABC

Dressing up an image

What catches the eye of the affluent buyer?

That's the question Blau/Bishop Ltd., Chicago, asked as it set out last year to design packaging for two new imported sparkling wines aimed at competing with French nonvintage champagnes and top-end California sparklers.

"The champagne product category appeals to an affluent market, and if you want to compete in that market, you've got to give the feeling of richness," says Meredith Blau, senior vp, Blau/Bishop. "The packaging must clearly express that the product is in a separate category—a category that is affluent and tasteful."

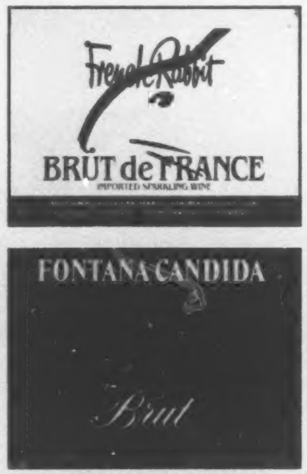
Blau/Bishop's assignment covered two sparkling wines imported and distributed by Crosse & Blackwell Vintage Cellars, San Francisco. Both wines were part of a well known and respected, though not particularly upscale, line of table wines.

Fontana Candida Brut is an Italian sparkling wine made in Alba, by one of the largest makers of frascati, a dry and crisp table wine that is a dinner standard in Italian restaurants in the U.S. and Europe.

The sparkling wine is aimed at an affluent market and priced at $9 a bottle—about twice the price of the table wine. C&B predicts sales of 20,000 cases this year.

The design problem, according to Ms. Blau, was maintaining the product line continuity while distinguishing the product for an affluent market. The redesign answer was practically a reverse of the label's black-on-white label.

"We chose a very sophisticated gold on black design—a very serious and rich statement about the product," she says. "Gold, of course, always conveys richness, and the black clearly distinguishes the label from the table wines."



Blau/Bishop used black and gold on labels to convey the feeling of richness.

To keep within the line continuity, designers retained the red winery seal that appears on all Fontana Candida products. The seal fit nicely with the new color scheme, Ms. Blau says.

Gold also fits the demands of the other wine design project for Crosse & Blackwell—a new French sparkling wine under the French Rabbit label that of which the company predict it will sell 50,000 cases this year.

Blau/Bishop was instrumental in the 1984 introduction of the line, devising the distinctive name and the contemporary abstract label of the two French Rabbit table wines.

With a mandate to design a wine line that would penetrate the volume-price ($6 a bottle) import wine market, Blau/Bishop chose an "American cognitive," the rabbit, as the primary symbol for the wine to convey a casual and inexpensive position of the product. The addition of "French" as a modifier clearly identified the imported character of the product.

"The name conveyed all the feeling we wanted, it identified the imported character and had the added benefit of being easy to pronounce—which underlines the accessibility of the wine," Ms. Blau says. The designers further emphasized the youthful and casual appeal of the product with a contemporary, almost abstract rabbit label and a very modern script logo. Red graphic highlights identified the red table wine and green graphics identified the deep-straw colored white wine.

In modifying the label for the sparkling wine, Blau/Bishop again emphasized the richness of the product with gold against a white backdrop and black type. Fontana Candida and French Rabbit lines are supported by regional radio and tv spots produced by Allen & Dorwood, San Francisco. —L.S.

PEOPLE PATTERNS

Researchers, businesses strike gold with data

By PETER FRANCESE

When I moved to Ithaca, N.Y., (population 28,000) 20 years ago, there were no suburban shopping malls and no fast food restaurants. The first mall developer didn't need any data to tell him this was a good market. His big parking lots were full from opening day.

The first McDonald's restaurant opened shortly thereafter and required help from the police to control the crowds.

The police no longer are required and the big crowds are gone from both places because now there are six suburban centers, a downtown shopping mall, three McDonald's restaurants and about a dozen other similar eating places. The story of intense retail development during the past two decades can be told in every town of 25,000 or more inhabitants across this nation.

Twenty years ago, the U.S. population was growing almost everywhere, and there were lots of untapped markets. Today, a number of major states and metropolitan areas have little or no population growth and most communities are saturated with malls and restaurants.

To be successful in the retail or restaurant businesses today it takes research and lots and lots of data. This is because it is now much cheaper to buy data than risk a failure.

In 1965, a detailed demographic report for a proposed shopping center cost at least a couple of thousand dollars. Then the data from the 1970 census came out in computer-readable market reports, costing about $50 each.

Market research data simply had become too cheap not to use. So most developers began using it, bankers began demanding it, and an industry that processed census data into reports for potential retail or restaurant sites had been born.

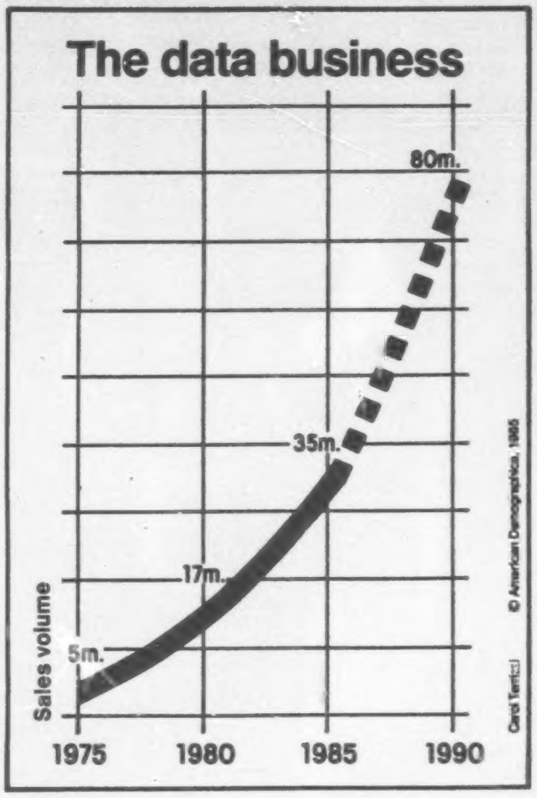
In 1975 there were perhaps five small companies providing about $5 million worth of data on population and housing for many market research purposes. When the 1980 census was taken, this industry had more than tripled in size, with 15 to 20 companies selling data for an estimated $17 million. This year, about 45 companies say they are in the data business; it is estimated they will gross about $35 million.

Considering the high risk in starting almost any kind of consumer business and the difficulty in maintaining the growth of an existing one, it is no surprise that the market-research industry is flourishing.

Not to use consumer market data in business planning today is to invite disaster; there are enough empty and half-empty shopping centers and boarded-up stores around as reminders of that.

Given the high demand for such products and services, it would not be surprising to see the consumer data business become an $80 million to $100 million industry by 1990.

A few big companies with substantial marketing expertise have entered the business, and some of the smaller companies have been bought by foreign investors eager to get in early at the high-growth stage.



There already have been a few business failures and near-failures by people who did not understand how to market data.

But there still is immense opportunity and growth potential in the business of providing people with statistics that they can use to increase their success and profits in providing consumer products and services.

Of course, some of today's most valuable data sources are virtually free for the asking.

Some semiliterate prospector in 1849 was supposed to have said, "There's gold in them thar hills." If he were alive today, he might say, "There's more gold in this here book than in them thar hills," in reference to the 105th edition of the "Statistical Abstract of the United States."

Compiled and published by the Bureau of the Census, this fact-filled publication has nearly 1,000 pages of data on American social, economic and political trends.

This 1985 edition's 119 new tabulations give us some fresh trend data on such diverse topics as the number of lawyers (more than 500,000 and growing about five times faster than the population), the trends in church attendance (up slightly), the use of individual retirement accounts (highest among people aged 45 to 64), the number of robots (more than 50,000 worldwide), alcohol consumption (one-third of us claim that we abstain) and membership in Health Maintenance Organizations (more than 12 million, double the number six years earlier).

One important fact that cannot be found anywhere in this book is its price. For the 2 lbs., 4 ozs. of abstracted statistics, the U.S. Government Printing Office charges $19 for paperback and $23 for the hardbound edition. Virtually all libraries have a copy, but if you want your own and have a credit card you can dial 202-783-3238 and order one by phone.

Unless you are naturally fascinated with facts you might ask why this book is so valuable. We have been told often enough that this is the information age, so the data in this book are coin of the realm.

Many of the tables also have a demographic component such as age or income that gives us clues as to how that activity will change as the population gets older or wealthier.

Reference books, like people, usually have an appendix, but this book has five of them. One is a 40-page guide to other sources of data, including where to get statistical abstracts for each of the 50 states. Another appendix ranks states according to many different demographic and economic indicators.

There is no copyright on this book. Almost all of its data tables can be copied freely in any form. In the past, enterprising publishers have photocopied the entire thing and sold it in bookstores with a slightly different cover. Yet this immense collection of statistics has never been put into any computer-readable form.

This 105th "Statistical Abstract" no doubt will sell more copies than any previous edition because of our growing appetite for data about people and how we live. An industry now has emerged that serves our desire for that data.

Peter Francese is publisher of American Demographics.

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Parting Shot / *BY RANCE CRAIN*

New logo will solve P&G rumor trouble

What does poor Procter & Gamble have to do to shake a rumor?

P&G, of course, is the Cincinnati-based company best known for soaps and detergents, and, as we all know, cleanliness is next to godliness. And P&G has been unsparing in its support of such religion-oriented tv mini-series as "Jesus of Nazareth," "Peter and Paul" and, most recently, "A.D."

But still, the rumor refuses to die that P&G is linked, through its man-in-the-moon logo, with Satan. Actually, the rumor has to do with the way the stars in the logo—the ones the man in the moon is reaching for—are said to form three sixes (a biblical reference to Satan) when they are connected.

By mid-1982, when the rumors were drawing some 12,000 calls a month to P&G headquarters, the company launched a vigorous, highly publicized campaign—involving endorsements by Jerry Falwell and lawsuits against rumor propagators when they were found—to squelch the devilish problem.

I was inclined to believe that P&G's efforts would help spread the rumor. I thought the company would be better off taking a devil-may-care attitude about the whole thing instead of giving the rumors national publicity. A survey Advertising Age took at the time seemed to verify that line of thinking. So Ad Age suggested in an editorial that P&G made a big mistake by publicizing the rumor. We said it would have run its course if the company had laid low.

Most companies that are the targets of such rumormongering don't call attention to themselves. When McDonald's Corp., for instance, was the subject of whispers that its hamburgers had worms in them, McDonald's dispatched representatives to local community groups to put down the rumor. But the reps didn't put anything in writing, and they certainly didn't go on tv.

P&G has decided to remove its logo from packages. But the question that keeps occurring to me is why P&G persists in using its out-of-date logo at all?

P&G normally is pretty tight-lipped about its operations, so the world doesn't really know why the company chose the approach it took. Some speculate that chairman John Smale, who was then newly in place and considered by some to have injected a new aggressiveness into the place, wanted it that way. Others point out that the rumors surfaced at a time when P&G was attempting to boost consumer identification of its corporate name for new product introductions ("new" from Procter & Gamble).

At any rate, it's safe to say the company's tactics haven't worked. The Satan rumor has surfaced again, this time in the Big Apple and environs. This time around, though, the company is trying to exorcise the problem on a regional basis rather than beaming its publicity across the nation.

P&G has decided to remove its logo from packages. But the question that keeps occurring to me is why P&G persists in using its out-of-date logo at all? Wouldn't it be the better part of valor for P&G to say a design consultant recommended that Procter adopt a new corporate symbol, using the stylized P&G letters? I'll bet not one person out of ten can identify the man in the moon reaching for the stars as the P&G logo now, so the company's argument that it has poured millions of dollars into promoting it doesn't wash.

I realize that those intent on spreading the rumor probably would seize on P&G's move and say that the devil is just going undercover. Or the logo change could be considered capitulation to the purveyors of the rumors.

But all that soon would be forgotten. P&G's spiffy new logo would conjure up better brand identification, and that sure beats the hell out of the company's present dilemma.

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GM's media buying shuffled

Shifts are worth $250 million

By VERNE GAY

General Motors, Detroit, has reassigned network tv media negotiating for all its divisions. The juggling among GM shops makes them agencies of record for negotiating according to daypart, cutting across the previously rigid divisional lines. The new assignments affect the placement of about $250 million.

Leo Burnett USA, Southfield, Mich., will now handle network prime time entertainment negotiations for all GM divisions, while maintaining its creative assignment for Oldsmobile.

Network sources said GM divisions spend more money in prime time than any other daypart. Broadcast Advertisers Reports lists 1984 GM spending as $114 million in prime time, $88.4 million in weekend sports, $25.3 million in news and $3.7 million in daytime.

The prime time figures include GM divisional buys on ABC's "Monday Night Football," which is now part of the sports buy, and network prime time news shows such as ABC's "20/20."

D'Arcy MacManus Masius, Bloomfield Hills, becomes agency of record for news. DMM also continues as creative agency for the Cadillac and Pontiac divisions.

Warren-based Campbell-Ewald is agency of record for sports and remains creative agency for Chevrolet.

N W Ayer, Detroit, will handle the GM corporate public relations account, the smallest piece of the GM media pie. The corporate pr account, however, is charged with production of GM's network specials and miniseries. Ayer helped produce GM's "George Washington" miniseries that was telecast in 1984. A sequel is in the planning stages.

GM late Friday confirmed the assignments, adding, "Our individual agencies will continue to place the network orders." Sources said GM had yet to name agencies to handle negotiations for tv syndication, newspapers, radio and outdoor. GM said magazine responsibilities had been assigned, but declined to identify the agency.

McCann-Erickson is the only GM divisional agency (Buick, GMC trucks) yet to be publicly named to a media-negotiating assignment.

The agency-of-record assign-

(Continued on Page 118)

GM eyes "package goods" strategy for Saturn. See Page 2.

Juicy product for Seven-Up

Seven-Up Co.'s Foods unit today breaks national advertising for its five-item JuiceUp line of frozen lemonade and lemon-limeade concentrates (AA, May 6). The campaign, themed "A big squeeze in every can," includes network and spot tv, and couponed print advertising. Doyle Dane Bernbach, Los Angeles, handles.

Buyout pitch goes to board

Boston Ventures, execs want more of their MTV

By SUSAN SPILLMAN

New York—Top executives at MTV Networks Inc. and Boston Ventures Limited Partnership have made an offer to buy out Warner Amex Cable Communications' two-thirds ownership of MTV.

The MTV Networks board of directors is considering the proposal made by MTV Networks president David Horowitz, exec vp Bob Pittman and other MTV Networks executives, along with Boston Ventures. It is not known when the board will announce its decision.

While the price that the group has offered for Warner's share of MTV Networks is not known, Wall Street sources have placed the total company value at $370 million. It was not known at press time whether the management group also would bid for the one-third that is publicly held. Since not all of the MTV managers participating in the offer are known, it is not possible to calculate how much MTV Networks stock the participants hold.

MTV Networks went public last summer, selling at $15 a share. The stock is trading over-the-counter in the $25 range.

MTV posted a profit of $4.5 million on revenues of $34.5 million in the fourth quarter of 1984. For the year, the company reported a profit of $11.9 million on revenues of $109.5 million.

MTV Networks includes three cable services: The popular MTV: Music Television; Nickelodeon, a channel for children, and the 6-month-old VH1, an MTV spinoff.

Regarding the plan, an MTV spokesperson said, "We do not comment on speculation." Boston Ventures principal Anthony Bolin likewise refused comment.

Boston Ventures is the venture-capital group that in 1984 helped insiders at Metromedia Inc. take that company private. Boston Ventures played a similar role earlier this year when Billboard Publications' top management bought out Billboard.

Boston Ventures is comprised of five principal partners, including

(Continued on Page 121)

Last Minute News

Ponderosa cuts McCann, gives stake to K&E

Dayton, O.—Ponderosa has moved its $15 million-plus account to Kenyon & Eckhardt, New York, a mere four months after awarding it to McCann-Erickson (AA, Jan. 24). The "mutual" split was ascribed to potential conflict over the steak house chain's long-term growth plans. McCann recently won McDonald's Corp.'s accounts in Brazil and Mexico (AA, April 8), and was a finalist for Big Mac's U.K. account that went to Saatchi & Saatchi. Ponderosa has two stores and great expectations in the U.K. Avrett, Free & Ginsberg handled the account before McCann.

B&B firings follow account losses

New York—Benton & Bowles has let go two of its top creative executives and dissolved one of its creative groups as part of a series of cutbacks brought on by the Hardee's Food Systems and Nabisco Brands account

(Continued on Page 8)

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Murdoch sale fires up rumors

By WILLIAM F. GLOEDE

The pending sale of Rupert Murdoch's *New York Post* and *Chicago Sun-Times* is attracting the attention of just about everyone in the newspaper business and some outsiders, too.

Sun-Times publisher Robert Page May 9 announced in a letter to the staff that the paper was for sale. In a related statement from Mr. Murdoch, read by *Sun-Times* editor Frank Devine, the Australian media baron said, "We are

(Continued on Page 121)

Nestle's 'big bite' gobbles MJB

By GAY JERVEY
and JENNIFER PENDLETON

Nestle Co.'s acquisition last week of MJB Co., a family-owned-and-operated West Coast coffee marketer with sales of about $150 million, is the latest indication of the Swiss-based company's determination to create a formidable presence in the U.S.

Financial terms for the deal were not disclosed. MJB will report to Nestle Holdings, Solon, O. Nestle and MJB officials could not be reached for comment.

The MJB move is the fourth major acquisition by Nestle in the last 18 months, and reflects the company's plan to make the U.S. its biggest money-maker and most exciting growth vehicle.

It also further illustrates Nestle's "big bite" policy of growth predominantly through acquisition, rather than internal development of new business arenas (AA, Jan. 9, '84, *et seq.*).

In addition, the sale of MJB is another indication of the difficulty smaller roasters face in staying independent in the face of industry

(Continued on Page 118)

Saturn borrows package tactics

By JESSE SNYDER

Detroit—General Motors' pioneering Saturn Corp. will break tradition by marketing its cars as package goods. That may give package-goods specialist agencies an advantage in the selection process, but Saturn executives refuse to rule out any of the dozens of agencies that already have contacted them.

GM is determined to rewrite the rules on how cars are made, marketed and advertised with its new subsidiary, and then spread Saturn concepts rapidly throughout the company.

Saturn Corp., expected to introduce its first model in 1988 or later, doesn't have a full sales/marketing staff and is still generating new marketing proposals internally. But several key concepts are forming a working framework, say sources both inside and outside Saturn. Most of the sources requested anonymity because of a news blackout imposed by Saturn president William Hoglund.

Among the new principles:

- Saturn will be sold as a package. Buyers will purchase not just the car, but a complete "transportation contract" package that includes financing through General Motors Acceptance Corp., a service contract either through the dealer or a GM service center, collision insurance through GM's Motors Insurance subsidiary and an optional extra-cost provision that would entitle the buyer to a loaner during repairs or maintenance. The entire transaction will be made on a GM-issued general purpose credit card good for repairs, parts and accessories—and eventually other non-auto financial and communications services. Instead of the extensive choice of options common on domestic cars, Saturn will come as a complete package with the only choices being color and dealer-installed options such as sound systems and sunroofs.
- Saturn will be treated more like an appliance than machinery—much the way tvs became appliances when printed circuits and modular construction replaced vacuum tubes and hand wiring. Repairs on Saturn cars will be done by replacing modules—body panels,

(Continued on Page 118)

"Water's for teardrops.
Dickel's for drinkin'."
Dick

Haggard takes a sip

Country singer Merle Haggard is one of the featured celebrities in new ads for Schenley Distillers' George Dickel Tennessee sippin' whisky. Merle's testimonial to the virtues of drinking Dickel straight-up appears on outdoor boards and southern regional editions (85% of the brand's market is in 14 southern states) of national news, sports and outdoor magazines. Leo Burnett USA, Chicago, handles for Dallas-based Schenley.

Highlights

Enter the World of
Beatrice
Treasure Hunt

Beatrice Cos. this fall will invite consumers to "Enter the world of Beatrice" with a multibrand couponed insert and sweepstakes. *See Page 10.*

Marketing on the road: Ads for midsize family cars may not spell excitement, but the segment's market-share growth, up 6.7 percentage points in four years, may be exciting U.S. auto makers. *See Page 62.*

The future of advertising is being written in today's creative-award books, says Fallon McElligott Rice vp-creative director Tom McElligott. *See Page 100.*

CORPORATE CLOSEUP

The founder of Royal Silk Ltd., the catalog company that has put silk shirts and other diaphanous goodies on the backs of thousands of women at prices thousands can afford, is planning to open 100 stores by 1990. *See Page 4.*

FORUM

Consultant Nancy Salz has some advice on how to win the account. *See Page 18.*

Atlantans want it all. Virginia Rockwell tells how to do the "Big Apple of the South." *See Page 18.*

INTERNATIONAL

Parker Pen Co. has abruptly ended its unified global-marketing campaign by firing the top two marketing executives who had been spearheading the effort. *See Page 66.*

The 1986 World Soccer Cup has sparked a storm of controversy in Mexico over the choice of an official mascot for the upcoming event, which, according to experts, will be the largest media event in the world. *See Page 66.*

To capitalize on the worldwide popularity of Julio Iglesias, a marketing consultant in Switzerland has teamed up with the singer's own licensing company to produce a Julio Iglesias perfume for women. *See Page 67.*

The Hyundai Pony, an Italian-designed Korean car, has shown itself to be a mighty competitor in the tough Canadian auto market, and now is making plans to invade the U.S. market. *See Page 68.*

VIDEOTECH

Home Box Office said it would begin selling both HBO and Cinemax pay-tv services to the country's 800,000 backyard earth-station owners who now pick up the signals for free. *See Page 80.*

All season long the folks at CBS-TV were told NBC-TV owed a great deal of its Nielsen ratings comeback to the so-called "yuppie" audience. Now a CBS exec says, "They can have the yuppies!" *See Page 84.*

DIRECT MARKETING

Direct marketing may be the wave of the future in Europe, but speakers at the 17th Montreux Direct Marketing Symposium say competition for the advertising dollar is going to get tougher. *See Page 90.*

COMING THURSDAY

SPECIAL REPORT

The automotive aftermarket, which now is shifting from its distribution-driven past, is racing into the consumer marketing arena with specialty service chains, auto-parts stores and manufacturers of high-tech add-ons—cellular phones, sound systems and the like—leading the pack.

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Bigger Whopper lets BK throw its weight around

By BRIAN MORAN
and SCOTT HUME

The focus in fast-food marketing is about to return to the scales.

Burger King Corp. in a few weeks will attempt to flatten its big-burger competition with a new, larger Whopper that packs more beef than McDonald's Quarter Pounder or Wendy's Single.

The "new" Whopper's beef patty will weigh in at 4.2 ozs., compared with its current 3.6 ozs. As a result, it will outclass not only McDonald's 3.2-oz. Big Mac and 4-oz. Quarter Pounder sandwiches but also Wendy's 4-oz. Single hamburger.

BK will crown its new champion with a kaiser roll (the current Whopper is couched in a plain burger bun), and the item will receive a slightly different mix of toppings.

And to make sure that burger eaters make no mistake about which burger has the most beef, BK will shrink the diameter of the Whopper roll from 5 ins. to 4.5 ins., according to industry sources. Reports conflict over whether the newfound beef will make the Whopper patty wider or thicker.

Wendy's, of course, made its cash registers sing last year when its "Where's the beef?" campaign trumpeted the Single's weight superiority over both the Whopper and Big Mac (conveniently ignoring the parity of the Quarter Pounder).

And how will Burger King announce that it's found the beef? Could Clara Peller's quest for more tv burger work finally be over?

Executives at BK headquarters were mum last week, but a source close to the company's ad and mar-

(Continued on Page 118)

Who will join new 'control' group?

Bates looks outside

By STEWART ALTER

Ted Bates Worldwide, New York, will create a corporate control and development group, staffed by six new top-level executives reporting to Robert Jacoby, chairman-ceo.

Mr. Jacoby, with characteristic flair, disclosed the news in a memo in which he said his "current guess is that I will have to go outside" to fill the posts and that "it is quite possible that my eventual successor may emerge from an alumnus of this group." The memo was released May 6 at the agency's annual meeting.

The new group will represent Bates' first major effort to coordinate functions such as new business and training among all of its agencies on a worldwide basis. It also will represent an effort to

(Continued on Page 120)

CURRENTS

It's so informative and so much fun, we decided to double its frequency. Yes, Currents goes weekly in Advertising Age *Thursday*, starting May 16.

Software makers cool to IBM's bundling up

By BRIAN MORAN

ATLANTA—IBM Corp.'s temporary offer of free software with models of its PC XT personal computer is not expected to send independent software marketers scurrying for cover, say industry analysts and software publishing executives.

Those attending the Comdex computer trade show here last week downplayed the long-term impact of IBM's latest promotion effort.

Observers pointed out that so-called "bundling" of software with computers is common and has not cut deeply into third-party marketers' sales.

Most bundling promotions involve hardware companies packaging their machines with programs from software developers, so IBM's plan to throw in its own software initially raised some eyebrows here.

But other leading computer hardware companies—including Apple Computer, Hewlett-Packard Co., Kaypro Corp. and Tandy Corp.—have bundled their own programs with computers, with mixed success.

"The software market is a lot more fragmented than the hardware market—there are many more niches to target," said William Gates, chairman, Microsoft Corp., the Bellevue, Wash.-based software giant.

"You don't need to be No. 1 in this business to do well," Mr. Gates added.

Until the end of July, Armonk, N.Y.-based IBM is sending dealers two free software programs with each model of the PC XT. Retailers are to decide whether to pass along the free programs to customers, so the 90-day promotion is not getting ad support.

Despite IBM's massive marketing muscle, consumers are likely to continue to cast a wary eye on Big Blue's software offerings, said Philippe Kahn, president, Borland International, a Scotts Valley, Cal., marketer of application programs.

"Customers will still look for a better product, for an upgrade of what IBM is offering," Mr. Kahn said. "If software companies can come up with better technology, they're still going to make it."

Although IBM is positioning the offer as a boost to its PC XT sales, many observers here viewed the move as a tactic to pump up IBM's lackluster pc software sales.

Few software executives saw the giveaway as a desperation move, but Albert Vezza, chief executive officer at Infocom, Cambridge, Mass., quipped in reference to IBM's ill-fated PCjr: "The last time [IBM] ran a promotion like this, they ended up discontinuing the product."

IBM gave away software last Christmas in an attempt to revive the PCjr before halting production earlier this year.

Tandy, Fort Worth, Tex., has bundled its own Deskmate integrated applications program with the Tandy 1000 pc since the marketer introduced that machine last November.

Deskmate—which features word processing, spreadsheet, filing and communications functions—is included in the $1,199 suggested retail price of the IBM-compatible 1000.

Apple, Cupertino, Cal., bundles MacWrite, an Apple word-processing program, and MacPaint, a graphics program, with every Macintosh pc.

The free software, with a retail value of $500, originally was a limited promotion when Mac was introduced, at a time when only a handful of independently published Macintosh programs was available.

Apple has decided to continue giving away the software, even though more than 500 Mac programs currently are on the market.

Hewlett-Packard, Palo Alto, Cal., until recently bundled two of its own applications software programs, MemoMaker (a word processor) and Personal Card File (a limited database) with its Touchscreen pcs.

H-P's latest Touchscreen model does not come with free software. H-P's original personal computer, the HP-150, came with Lotus Development Corp.'s 1-2-3 integrated package.

Kaypro Corp., Solano Beach, Cal., and Osborne Computer Corp., Fremont, Cal., both pioneers in the portable computer segment, bundle extensive amounts of software as part of their "total solution" marketing strategies.

All the free programs, which are published by third-party developers, are licensed to the computer marketers.#

Also contributing to this story was reporter Cleveland Horton in Los Angeles.

CORRECTIONS & CLARIFICATIONS

- Gross income for agency Howard Miller Associates, Lancaster, Pa., was $1,260,619 in 1984 and $880,404 in 1983, instead of the figures the agency reported in the Agency Income Report (AA, March 28, P. 80).
- Manhattan Design, not Fred Seibert and Alan Goodman, conceived and designed the MTV logo (AA, April 25, P. 9). Likewise, Corey & Co.: Designers created the new Nickelodeon logo. Messrs. Seibert and Goodman, now operating as Fred/Alan, New York, acted as creative directors and producers on these projects.
- A late-news item about Nabisco Brands point-of-purchase promotion (AA, May 6, P. 8) incorrectly stated that the fourth item was Twix cookie bars rather than Twigs snack sticks. Twix cookie bars is a product of Mars Inc.
- McKesson Corp.'s Armor All Products unit is advertising its protectant, not its cleanser as reported (AA, April 4, P. 39).
- A story on newspaper circulation figures incorrectly listed the date of the Audit Bureau of Circulations' most recent FAS-FAX report (AA, May 6, P. 3). Figures were averages for the six months ending March 31, 1985.
- Leo Burnett USA, Chicago, art director Mary Martin should have been credited for creating the Obie Award-winning outdoor ad for United Airlines (AA, April 29, P. 50).
- Kenneth Hieronymus' name was misspelled in an earlier issue (AA, April 23, P. 94). Mr. Hieronymus is the new president of Kenrick Advertising, St. Louis.#

FINALLY A COUPON VEHICLE WITH REDEEMING QUALITIES.

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At last there's a coupon vehicle that offers you efficiency, security and reliability: The Coupon Counter®

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The Coupon Counter machine instantly delivers your coupon right inside the store. Which means shoppers don't have to hunt for it through a cluttered newspaper. Or clip it. Or remember to bring it. Your coupon is always right there where decisions are made.

Triples your redemption rates
Our 1984 results prove that shoppers who use the Coupon Counter are three times more likely to redeem your coupon. Which means you get three times the power to stimulate trial. In fact, shoppers are so likely to redeem Coupon Counter coupons, many of our clients tell us they can lower the face amounts and still get impressive results.

Tightens security
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1st quarter not bad omen

By STEWART ALTER

NEW YORK—The first quarter, during which most of the publicly held ad agencies already have reported net income declines from last year, looks worse than it actually is.

JWT Group, Interpublic Group of Cos., BBDO International, Doyle Dane Bernbach International and Mickelberry Corp. all reported drops in their net income in the first three months of 1985 compared with the similar period in 1984.

Ogilvy & Mather International and Ally & Gargano, both of which gained a lot of new business last year, reported increases.

Grey Advertising also reported a very strong first quarter, with net income up about 50%, from $1 million to $1.5 million.

But the picture has been colored a bit by how strong the U.S. dollar has been recently and by how strong advertising spending was in the first quarter of 1984. The Winter Olympics and telephone deregulation were major contributors to the 1984 boom.

There also were some unusual circumstances. DDB's net income dropped 16% from $1.3 million to $1.1 million.

The company explained that "comparative earnings were affected by the reversal of previously accrued compensation costs of $2,115,000 in the 1984 first quarter." Without that, net income would actually be up 228%.

Similarly, JWT's net income drop from $3.8 million to $209,000 included a $2.8 million tax writeoff from disposing of its E-A International network, a move that has been generally praised. Moreover, there's no real money loss here; good will from the previous acquisition of E-A was being written off over an extended period, but with the E-A divestiture all the remaining good will has to be written off all at once.

JWT earnings still would have declined, but that's compared with the first quarter of 1984 in which its net income leaped an amazing 254% to $3.8 million.

O&M had a very good first quarter, with net income up 13.9% to $3.6 million, owing to its many new-business gains in 1984 that have started billing.

The story is similar for Ally & Gargano, which earned $400,000 in the first quarter, compared with a loss of $160,000 in the year-ago quarter.

BBDO's net income dropped 18% to $4.2 million.

Also Mickelberry Corp., whose Cunningham & Walsh unit lost its huge Brown & Williamson account last year, suffered a 12.7% net income drop, to $711,000, in spite of having made a direct-marketing agency acquisition last year that should have boosted 1985 results.

So there is a bit of a slowdown. "The general impression is that business is a little bit softer than expected," said Alan Gottesman, an analyst at L.F. Rothschild, Unterberg, Towbin. "It looks like the typical first-quarter blahs may be a little longer lasting than usual, but I would say it's normal first-quarter malaise."

The one figure Mr. Gottesman does consider important to look at is rate of growth of expenses. "If expenses are kept under good control, any increase in revenues can produce a disproportionately large gain in income," he said.

He considered BBDO's 9% increase satisfactory. Interpublic Group of Cos. had only a 3% increase in expenses.

IPG also had a net income drop of 22% to $3.8 million. Eugene Beard, exec vp-finance, explained three reasons for the drop. "We had an incredibly strong first quarter last year," he said, noting also the disadvantages of a very strong U.S. dollar relative to other currencies.

Additionally, "The economy of European countries, especially Germany, is still soft."

IPG picked up $202 million in net new business in the first quarter, which it expects will improve second-quarter results.

Part of the decline affecting IPG, JWT and BBDO was due to the strength of the dollar. BBDO, which had a 10% increase in domestic revenue, would also have had a non-U.S. revenue increase of 11%, instead of a 10% decrease.

Mr. Gottesman said he has "a difficult time getting excited or upset about the strength of the dollar" because it doesn't tend to change an agency's competitive situation.

Revenues are generated and expenses incurred in whatever the local currency is, he said, so one agency's situation in a country is the same as another's.#

Agency financial results

The first quarter for the public ad agencies proved to be mixed. Some agencies reported declines in net income, while others reported impressive gains. NM means not meaningful. Source: Advertising Age.

	Income ($000)			Revenues ($000)		
Agency	1984	1985	(%)	1984	1985	(%)
First quarter						
Ally	(160)	400	NM	4,257	6,327	+49
BBDO	5,172	4,219	−18	71,861	75,818	+ 6
DDB	1,310	1,106	−16	46,672	51,180	+10
FCB	2,016	1,220	−39	63,333	59,436	+ 6
Grey	1,014	1,454	+43	40,371	49,6[illegible]3	+23
Interpublic	4,844	3,777	−22	146,410	148,149	+ 1
Mickelberry	801	711	−11	27,069	34,660	+28
Ogilvy	3,127	3,563	+14	95,180	106,297	+12
JWT	3,754	209	−94	120,795	125,993	+ 4

Mickelberry backs shops despite losses

By STEWART ALTER

Mickelberry Corp. earnings were down in 1984 and again in the first quarter of 1985. And Mickelberry does not expect a quick recovery in its advertising agency businesses.

But chairman James Marlas said at the company's annual meeting May 7 that the holding company for such ad agencies as Cunningham & Walsh, Laurence, Charles & Free and Nadler & Larimer is in the agency business to stay.

Several times during his speech, Mr. Marlas emphasized Mickelberry is the boss in running its shops, even though it is not involved in the daily management of the agencies. Mr. Marlas appeared to be responding to criticism that he has maintained too passive an approach toward the agencies.

"We at Mickelberry are in the advertising and related marketing-service business because we *chose* to be here," he said. "We decided to invest in this business over an array of other opportunities that were available to us. As we have become more involved in the business, we are convinced we made a good decision."

The loss by C&W/Chicago of the huge Brown & Williamson Tobacco account was a big blow to the company last year. Combined with other account losses, including Faberge by Nadler & Larimer, the company's net income declined last year to $1.3 million from $2.6 million in 1983. In the first quarter of 1985, earnings dropped to $711,000 from $801,000 in the first three months of 1984.

"Margins fell and we were forced to do some restructuring," Mr. Marlas said of the effect of the account losses. "Although a number of steps were taken to strengthen our advertising businesses during 1984, the reduced margins there will continue to affect our results in 1985," he said.

Mr. Marlas maintained the company would look for long-term growth, not short-term improvements in margins.

He also emphasized Mickelberry has been making changes. "We have looked very hard at our business over the last six months. We found some weaknesses, and we are working to fix them," he said.

Those changes are clearly C&W's acquisition of BBDM in Chicago and the sale of its San Francisco agency office to Allen & Dorward. Nadler & Larimer, which brought in Ric Calvillo as its new ceo, also has been reported to be making a change, involving absorbing the LCF&S subsidiary of Laurence, Charles & Free.

"A degree of constructive innovation is taking place at Mickelberry's units through a stimulating process of self-analysis," he said.

Until late last year, Mickelberry's track record had been an impressive one, although most of that was through acquisitions. The revenues for the advertising agency sector of its business rose from $11.8 million in 1980 to $71.9 million in 1984. The marketing-services sector rose from $14.7 million in 1980 to $52.4 million last year.

Also, as the company's annual report indicates, Mickelberry continued as a reasonably aggressive acquirer last year, though not of ad agencies. It spent $8.4 million to buy three companies last year: Ventura Associates, a sales promotion company, for $1.8 million in cash and stock worth $647,000; $2.8 million for Caribiner, a producer of business conferences, and the Direct Marketing Agency, for $3.2 million in cash.

Mr. Marlas said the growth trend and the financial dynamics of the ad agency business were good. "Average margins in the industry exceed 10% of revenues, capital requirements are low, cash flow is positive and returns on capital are favorable," he said.

"It is a fundamentally sound business, and the degree of success you achieve is directly related to how well management performs," Mr. Marlas added.#

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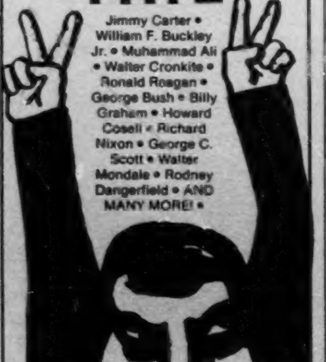

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Silicon Valley agencies tied to high tech

Three agencies may record growth of more than 50% during 1985, but most top agencies estimate that they'll experience mediocre growth or even a decline in billings. ¹Projected. ²Capitalized billings. Source: Advertising Age

Agency	City	Year founded	'85 billings¹ ($ millions)	'84 billings ($ millions)	Per cent change	Major accounts	Per cent of computer-related billings
Tycer-Fultz-Bellack	Palo Alto	1973	35.0²	35.2²	− 0.5	Digital Research, Racal-Vadic, Xidex/Dysan, Jacuzzi	95
Austin Associates	Santa Clara	1982	22.0	12.0	+83.3	Fujitsu Microelectronics (semiconductors), Triad Systems, Corvus Systems, Eaton	75
Imahara & Keep	Sunnyvale	1979	18.7	19.6	− 4.5	Hyundai Electronics, Candela Electronics, Coherent, Xerox Office Systems (collateral)	96
Battenberg, Fillhardt & Wright	San Jose	1969	17.0	13.1	+29.7	Bank of the West, Wyse Technology, E+E DataComm, Ungermann & Bass	85
Reiser Williams DeYong/C&W	Santa Clara	1975	16.0	11.5	+39.1	NCR (personal computers and oem), Siliconix	100
Winston Advertising	Palo Alto	1971	16.0	10.0	+60.0	Nelson Analytical, Telco Systems, Aztec USA, Microbar	100
Winkler Tawa McManus	Santa Clara	1973	15.0	12.5	+20.0	LSI Logic, Digital Microwave, Cohesive Network, Fischer Imaging	100
Livingston/Sirutis Advertising	Belmont	1980	14.4	9.2	+56.5	Fujitsu Microelectronics, ISC Systems, Impell, National Transaction Systems	50
The Coakley Heagerty Cos.	Santa Clara	1961	12.0	12.8	− 6.2	Wm Lyon Development, Redwood Shores, Ampex (data systems), Seiko (business systems)	22
Carter Callahan Advertising	San Jose	1974	12.0	12.0	—	The Money Store, ICOT, ATI, Silicon Valley Financial Center	33
Cortani/Brown/Rigoli	Mountain View	1969	10.0	12.8	−21.8	Applied Materials, Dolch Logic Instruments, Novell, Scientific Micro Systems	100
Ebey, Utley & Co.	Mountain View	1961	9.5	8.5²	+11.7	Fujitsu America, Amaray International, Boschert	70

Silicon Valley shops seek injection of hope

By CLEVELAND HORTON and JENNIFER PENDLETON

A national slump in personal-computer sales, already afflicting computer marketers and suppliers in California's Silicon Valley, also is having an impact on ad agencies that serve those companies.

Hard times have hit the estimated 50 full-service agencies and at least 100 assorted creative boutiques and design studios that built their business on once-booming high-tech accounts. Several agencies have cut personnel during recent months. Many are bracing for what may be a long recession, and others are predicting the trend will intensify.

"A lot of people are feeling it now, and I expect they'll be feeling it a lot more by the third quarter," said George Parker, vp-creative director, Coakley Heagerty Companies Ltd., Santa Clara, Cal., the area's fourth-largest ad agency.

Tycer-Fultz-Bellack, Palo Alto, Cal., the largest of the Valley's high-tech agencies with $35 million in billings, is one recent victim. TFB's spectacular growth ground to a halt in the last quarter of 1984, and the agency last month dropped 14 staff members from its payroll (AA, April 22).

Most Silicon Valley people view TFB's cutbacks with the attitude of "There but for the grace of God go I." Said Robert McManus, senior vp, Winkler Tawa McManus, Santa Clara, an agency that represents several technology accounts, "Realistically, when you look around the Valley, it could happen to any one of us."

Agencies representing computer-chip manufacturers—which have seen their business decline drastically during the past year—have been particularly hard-hit. National Semiconductor, a leader in the chip business, stopped advertising for two months earlier this year. Foote, Cone & Belding, San Francisco, is the agency.

Likewise, Intel, one of the area's larger business-to-business advertisers with an $8 million ad budget, reportedly has cut its budget by 15%. Chiat/Day, San Francisco, handles.

To cut costs, some high-tech companies are moving their advertising in-house. TFB was pinched earlier this year when two of its accounts, NEC Electronics, San Mateo, Cal., and Cromemco, Mountain View, Cal., did just that with their combined $4 million business.

Meanwhile, agencies are finding fewer new-business prospects in high-tech, and some are turning to consumer accounts.

Livingston/Sirutis, Belmont, Cal., formerly technology specialists, recently added two new pieces of business outside their usual area—the Four Seasons Clift Hotel, San Francisco, and a portion of Saga Corp., Menlo Park, Cal.

TFB recently added its first consumer account, Jacuzzi Whirlpool Bath, Walnut Creek, Cal. The agency hopes it will be the first of several nontechnical pieces of business in its future.

Reiser Williams DeYong/Cunningham & Walsh, Santa Clara, the northern California arm of the Irving, Cal.-based high-tech agency, says it isn't actively seeking business outside the technology field. But, says senior vp-general manager John Pagliaro, the agency won't turn down any consumer accounts that come its way.

Battenberg, Fillhardt & Wright president Curtis Wright said his San Jose-based agency is working to broaden its client base, but not because high-tech is dead. "It's not prudent for any agency to rely solely on one industry," Mr. Wright observed.

"Agencies have to make drastic changes with their mix [types of accounts] or be content to remain much smaller," said Doug Gotthoffer, president of Doug Gotthoffer Co., San Francisco, a recent emigre from Palo Alto. Mr. Gotthoffer recently closed his full-service agency in Silicon Valley.

Mr. Parker of Coakley Heagerty said his agency has avoided personnel layoffs by sticking to a long-practiced policy that no more than 40% of its business be high-tech.

One reason many agencies have been hard-hit is that they took on undercapitalized accounts in hopes they would become "the next Apple," according to Mr. Parker. That rarely happened.

Livingston/Sirutis president Tom Livingston contends many high-tech startups are less than candid about their financial position. "The Valley startups lack a certain integrity," lamented Mr. Livingston, whose agency had to go to court to collect an $80,000 payment from Cogito Systems Corp., Santa Clara, a disc-drive marketer.

Mr. Pagliaro of RWDY/C&W said success in the Silicon Valley ad business requires prudent selection of clients and knowledge of the high-tech marketplace.

"There were a lot of consumer agencies that went into the high-tech field not attuned to the extreme competition and rapid pace of this market," he declared. "Many found out the hard way how volatile this industry can be." Mr. Pagliaro said his agency just experienced the best month in its history, a performance he attributes to agency expertise and, he admits, luck.

While some agencies are developing consumer accounts as a way to sustain their business, some are sticking with the high-tech business they know best. John Brown of Cortani/Brown/Rigoli, Mountain View, believes the current downturn is cyclical and will end. "This occurs every three years," said the agency president.

Mr. Brown believes the consumer advertising business is incompatible with the high-tech ad business, but he hopes other high-tech agencies dilute their business by going after consumer accounts. "We'll hang in and end up the better for it," he said.

Winston Advertising, Palo Alto, is another agency with an upbeat look at the downturn. Despite a flat year, the agency is adding senior personnel and reaffirming its commitment to high-tech. "We see this [the recession] as an outstanding opportunity for growth," said exec vp John Wickett. "We're doing what we tell our clients to do—steal market share when the industry's weak." ∮

Shop saw high-tech as past, not future

By CLEVELAND HORTON

The first signs of trouble in Silicon Valley for ad agencies as well as high-tech advertisers could be seen more than a year ago, according to Tom Livingston, president of Livingston/Sirutis Advertising, Belmont, Cal.

While most computer magazines remained thick and appeared to be thriving, close observation revealed that "as many companies were dropping out as were coming in [and] we weren't seeing the growth anymore," Mr. Livingston said.

Mr. Livingston decided in August to steer his 5-year-old agency away from high-tech work and point it toward consumer-oriented accounts. Since then, many other agencies have followed suit.

But making the change may be easier said than done.

With a reputation as a high-tech agency, L/S had to deal with the perception that computer-related advertising is only business-to-business advertising, and that the skills of that discipline are not easily transferrable to consumer accounts.

The $10 million agency was fortunate. Most of its senior management began their careers in consumer advertising, a background that helped L/S land its initial high-tech accounts and that now helps the agency pitch consumer business.

High-tech accounts grew to represent more than 80% of the agency's billings, even though "the idea wasn't to be totally high-tech" when the agency was formed, Mr. Livingston said.

He now considers the computer industry off limits for new business. "We will continue to avoid high-tech with a vengeance." ∮

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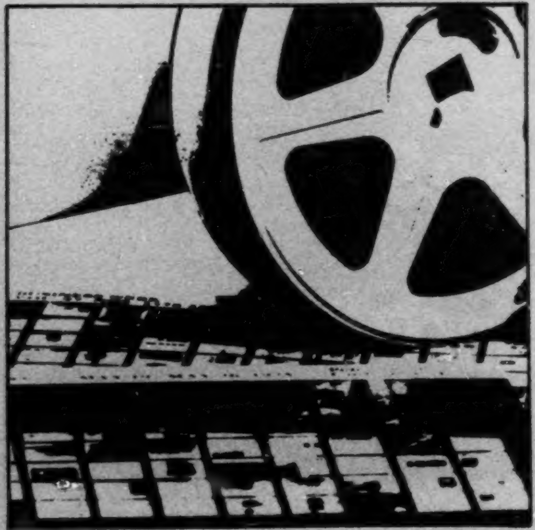

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CONSUMER WATCH

Outlook brightened by boomers' babies

By LEO J. SHAPIRO
and DWIGHT BOHMBACH

If it weren't for sex, business wouldn't be as good as it's been lately. Love not only "makes the world go 'round," it also moves merchandise. ADVERTISING AGE National Poll data for the first four months of 1985 show how and where.

We have more than 78 million "baby-boom" generation members between age 20 and 39 among us. They are all of an age to make the most expensive investment most of us ever make—having babies. One-fifth of the 1,344 households we talked with are planning for babies. In homes in which the adults are under age 40, 45% expect to have babies.

The differences in attitudes, income, buying plans and active shopping between these tens of millions of prospective parents and the population in general have major sales implications.

For contrast, let's first look at how consumers viewed the world and their own situation during the first four months of 1985.

First-quarter 1985 saw relatively few sharp or drastic changes in the way consumers perceived the specific problems facing the nation. With the U.S. and U.S.S.R. finally getting ready to "reason together," Americans' concern about foreign affairs/war cooled a bit, with 40% mentioning foreign affairs/war as a major national problem in January and 37% in March and April. Concern about possible recession/unemployment grew during the quarter, from 24% in January to 29% in March—then sank back to 24% again in April. Only 13% of consumers considered inflation a major national problem in January; this dipped midquarter, then rose to 12% in April.

Generalized uneasiness

But while Americans worried less about specific national problems, there were signs of a generalized uneasiness that grew month to month.

The year began with half the population feeling "things are getting better for the country." However, this enthusiasm waned to 44% in March and April. Currently, 37% of Americans say they think "things are getting worse"—up five points since January.

What seems to be making people uneasy is the economic environment. Most Americans (52%) thought the economy was improving in January; but this per cent has fallen to 47% in April. The per cent who expect the economy to get worse has ticked upward each month since January and now stands at 26%.

So far, this uneasiness doesn't seem related to recent employment difficulties. Eight in ten households report no layoffs or reductions in hours or pay during the past year.

This ratio has been steady since January. However, even though seven in ten tell us they expect no job problems during the coming months, this ratio has drifted down from 72% in January to 68% in April.

Four in ten households (38%) report that it is "easier to pay bills and get by" this year than last and slightly more (41%) find it *harder* to do so. The proportion finding it easier to make ends meet dropped just one point since January; those finding it harder increased three points. The balancing change is a two-point gain in those who see no change in their ability to pay bills and get along.

At the end of each month in 1985, more people tell us they've had money left over for saving. Nevertheless, most don't expect to increase savings next year. Since January (when 45% reported having cash to save at the end of the month), this proportion inched up to 51% in April.

At the same time, there was a steady downtrend (44% in January to 38%) in the per cent who expect to increase savings next year. It looks as if people may be saving money now that they expect to spend later this year.

We make the protein of lean meats easy for Terry to enjoy.
Gerber

Marketers such as Gerber have recognized that about 45% of the baby-boomer families expect to have babies.

The proportion of consumers who tell us they expect to increase their total debts in the next year has climbed from 17% in January to 24%. This sounds like as many as one in four households expects to make some major purchases in coming months.

Spending selective

Day-to-day spending for consumable goods remained quite steady through the first quarter, with 71% of consumers reporting spending freely for consumables in January and 68% in April. But consumers have become increasingly selective. Most continue to buy food freely, but, as gasoline prices rose at the pumps during the quarter, the per cent reducing their driving to cope with higher gasoline costs promptly went up five points to 30%. Americans are sensitive to price shifts these days. They can change buying plans and shopping behavior overnight to cope with price changes.

This could affect big-ticket purchases in months ahead. At the beginning of the year, just 38% of consumers expected financing rates on housing or a new car to rise in months ahead; now 45% expect this. The per cent expecting housing prices to go up was just 48% in February; now it's up 11 points to 59%. The per cent expecting higher prices for new cars was down to 56% in February; now it is 63%. How may all this affect future buying? We may already be seeing some indications: The number of consumers planning to borrow money or use credit for major purchases was 39% in February, but has dropped to 34% in April. Borrowing plans for new cars remain high (19% in April) but are down a point since December-January.

Plans to buy housing, furniture, appliances, color tvs, used cars and air travel all declined between January and April. Plans to buy a new car, carpeting and hotel/motel accommodations either remained steady or moved up a bit. As we move further in 1985, one gets an impression that consumers still feel secure about work, and although fewer expect their income to go up in the coming year (47% vs. 52% in January), they still feel cautiously confident about managing to get by. But it's as if most people are waiting to see what happens next before making big moves.

Sex

Now here is where sex rears its profitable head. Let's take a look at the buying plans and shopping behavior of all those young Americans now planning to invest in a baby. (And what an investment that becomes!) Government estimates show that just raising a child through the first five years, with one parent at home, costs more than $20,000. (This may be why almost half of all new mothers now go back to work outside the home within the first year after their baby is delivered.)

As the new child grows, so do the dollar outlays. A recent *Wall Street Journal* estimate placed the cost of raising a child born in 1980 to age 22 at just under $215,000. And that doesn't include college costs. It does include food, housing, transportation, healthcare, clothing and other miscellaneous costs—with practically every area in American marketing sharing in the expenditures.

In a household with a new baby, the parents change diapers—but the baby changes everything. Beginning with housing. During first-quarter 1985, 11% of all consumers who were *not* planning to have a baby expected to buy housing during the year ahead. But (get this), 27% of those planning to have a baby also were planning to buy housing. These baby-planners also are the most active housing-shoppers. Only 8% of those Americans not planning for a baby were shopping actively for housing (studying ads, comparing prices and visiting the housing sites) during first-quarter 1985—but more than twice that proportion of those planning for a baby (17%) were shopping actively.

The average first-time home buyer in 1984 saved money for almost two years to get the down payment together. No wonder these baby-planners were more likely to plan on increasing their savings in the coming year and much more likely to have saved money during the past month than Americans who were not planning for a baby. Baby-planners collect dollars the way birds collect twigs—to build a nest.

In fact, baby-planners are the prime prospects for major goods of all kinds. During first-quarter 1985, we found baby-planners across the nation *twice* as likely to be planning to buy and twice as likely to be actively shopping for new cars, used cars, furniture and color tvs. They were also more likely to be shopping actively for appliances and air travel and to be spending freely for medical services, food and gasoline.

Baby-planners are much more likely to report higher income this past year and expect higher income next year than are people not planning for a baby. They have the wherewithal to be prime prospects and customers for most of whatever you sell, not only now but in the future. And they are uniquely impelled toward spending because such a high proportion of this generation's babies (more than 40% last year) are firstborns. The "hand that rocked the cradle" may steady and support your sales picture for a long time to come.#

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Private-label, generic food sales drop

NEW YORK—Price brands offered by food retailers have fallen to 14.6% of sales, down from 16.8% in 1982 when the country was in the midst of a recession, according to a new study by Selling Areas-Marketing Inc.

SAMI, a subsidiary of Time Inc., reported that regular private-label and generics both have recorded losses.

The downward trend has continued during the full year ended March 29, 1985, and for the 12-week period ending on the same date.

The only product department measured by SAMI showing any gain was health & beauty aids of regular private-label for the most recent 12-week period.

The dollar share rose from 3.03% of sales to 3.06%, but for the year the share declined to 2.93% from 3.05%.

Other departments measured by SAMI are dry grocery-food, dry grocery-nonfood, frozen and refrigerated.

Despite the downward trends, several specific product categories showed some gains.

These included canned spinach, coffee filters, international-style prepared vegetables, refrigerated apple juice/cider and baby oils, creams and lotions.#

Private label share trends

Source: SAMI

Department	Current dollar share	Share point change
Dry grocery, food	11.07%	−0.63
Dry grocery, non-food	8.88%	−0.02
Total dry grocery	10.47%	−0.47
Frozen	16.00%	−1.67
Refrigerated	23.14%	−1.24
Frozen & refrigerated	20.01%	−1.48
Health & beauty aids	2.93%	−0.12
Grand total	12.47%	−0.67

Generic label share trends

Source: SAMI

Department	Current dollar share	Share point change
Dry grocery, food	2.12%	−0.32
Dry grocery, non-food	3.11%	−0.37
Total dry grocery	2.39%	−0.33
Frozen	1.14%	−0.23
Refrigerated	1.17%	−0.20
Frozen & refrigerated	1.16%	−0.21
Health & beauty aids	0.78%	−0.06
Grand total	1.98%	−0.29

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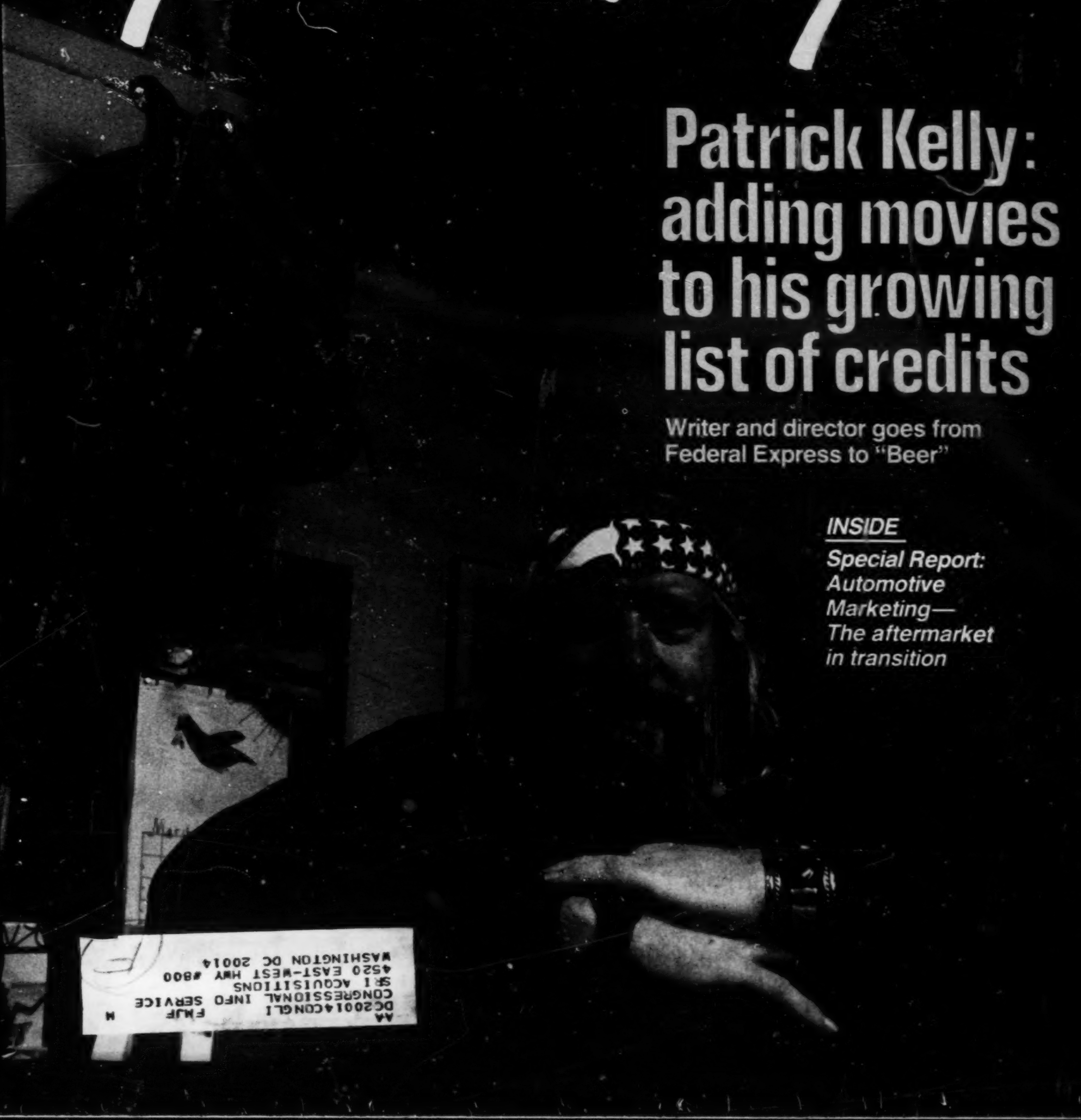
May 16, 1985

Advertising Age Thursday



Patrick Kelly: adding movies to his growing list of credits

Writer and director goes from Federal Express to "Beer"

INSIDE

Special Report: Automotive Marketing— The aftermarket in transition

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In the news

She'll show you how to act

To Joan See, commercial acting is serious business. She is director of Actors in Advertising, a school for commercial actors on the fringe of Manhattan's Chelsea district. *See Page 4.*

Advertising Age
Thursday
Patrick Kelly

Photo by Arnie Adler

Kelly's hot

Patrick Kelly is appreciated mainly for his comic skills on the multi-award-winning Federal Express commercials ("Absolutely, positively has to be there overnight"). His latest venture, though, is directing a film spoof, "Beer," about an ad agency threatened with the loss of a major beer account. Made by Orion Pictures, it takes Kelly down the alluring celluloid path so successfully trodden by fellow ad directors such as Alan Parker and David Puttnam. *See Page 5.*

A well bread twosome

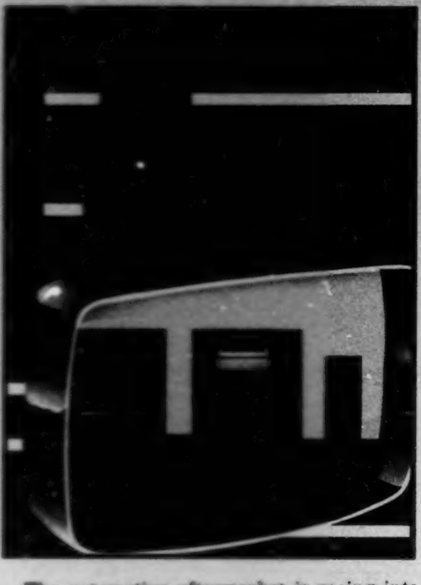
You'll probably never see the names of Jean-Michel Savoca and Boyce Brawley emblazoned on a marquee, even though the duo has played some of the best known theaters in New York. Savoca and Brawley are creative caterers. They design intimate dinners for 10 and huge galas for 2,000. *See Page 46.*

He's got a reel-y neat job

Jim Byerley watched 500 movies last year—and got paid for it. He helps Home Box Office pick its movies. *See Page 48.*

Special Report

Automotive Marketing



The automotive aftermarket is racing into consumer marketing, with specialty service chains, auto-parts stores and high-tech add-ons. A profile of the issues facing this industry appears in Special Report, *starting on Page 13.*

Presstime

Agency sought to chip in

Los Angeles—Famous Amos Chocolate Chip Cookie Corp. is looking for an ad agency to handle its $1 million cookies account. Until now, Famous Amos had relied solely on public relations for support. The company is now developing an ice-cream line, a chocolate milk and is working with White Rock Beverages, New York, on a line of diet chocolate soft drinks, says recently named Famous Amos president Donald Sawyer.

BK beefs up Whopper ads

Miami—Burger King Corp. will spend $30 million on an eight-week tv effort backing introduction of its new, beefier Whopper sandwich (AA, May 13). The campaign, via J. Walter Thompson USA, New York, will break in early June.

Hyundai narrows search

Garden Grove, Cal.—Hyundai Motor America, which will begin marketing South Korean-built automobiles in the U.S. later this year, has narrowed its agency search to three finalists: Backer & Spielvogel, Benton & Bowles and Jordan, Case & McGrath, all New York. The decision on the $25 million account will be made July 1.

Canon develops new ads

New York—Canon USA will back its two latest entries to the amateur photography market—the Snappy S and the Canon Sprint—with an estimated $7 million consumer network tv and print campaign, beginning this month. The cameras, priced at $90 and $160, respectively, will be available in late June. Grey Advertising handles.

AHP signs NBC deal

New York—American Home Products Corp., network tv's fifth-largest advertiser, has cut a major three-year upfront deal with NBC-TV Network (AA, March 11). AHP is coming off a three-year, multi-daypart buy with NBC worth $250 million.

Cap Cities ponders sales

New York—Capital Cities Communications says it would sell four tv stations, 15 radio stations and 54 cable systems to meet Federal Communications Commission requirements in its proposed $3.5 billion takeover of ABC Inc. Cap Cities, however, says it will seek an FCC waiver to keep WPVI-TV, its Philadelphia station. WPVI and WABC-TV, the ABC flagship in New York, have overlapping coverage areas, a violation of FCC rules. If the waiver is granted, Cap Cities says, it

(Continued on Page 51)

CURRENTS

It's so informative and so much fun, we decided to double its frequency. Yes, Currents goes weekly in Advertising Age *Thursday* starting with this issue. *(See Pages 10 and 11.)*

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ABP ANPA

Chiat/Day's Nike sportswear ads dominated the One Club for Art & Copy's One Show awards program this week with work like this (above). Art directors Gary Johns and Jeff Gorman and photographer Mark Coppos are credited for the ad, winner of the One Club gold award for a magazine color page.

Chiat golden at One Show

By Stewart Alter

Who would think an ad campaign that glorifies agony and uses sweaty, out-of-breath people to extol the "play is work" ethic would emerge as the campaign of the year? But that's just what has happened with Chiat/Day's campaign for Nike sportswear.

Chiat/Day's work for Nike, previously picked as the Magazine Publishers Assn.'s best magazine campaign of the year (AA, March 25), has gone on to grab more kudos, dominating the One Club for Art & Copy's One Show awards program May 14 in New York.

Los Angeles-based Chiat/Day took away five gold awards (all for Nike), two more than the next-highest gold award winner, Ally & Gargano three. Nike also accounted for two of Chiat's six silver awards and its one bronze. The agency's total of 12 awards was by far more than any other agency's. Winners of two golds each were Fallon McElligott Rice; Levine, Huntley, Schmidt & Beaver; Livingston & Co., and Scali, McCabe, Sloves.

In a way, Nike's victory is not so strange. For if 1984 was, in *Newsweek's* phrase, the "Year of the yuppie," Nike is clearly the campaign most in touch with what the yuppie phenomenon is about, at least insofar as it affects marketing.

ONE OF THE DRAB HOMEBODIES
WHO READS McCALL'S.

This McCall's campaign won a One Club gold for Levine, Huntley, Schmidt & Beaver, New York.

Various pieces of research on young urban professionals show the "work hard, play hard" generation is conscious of and very serious about brands. They're shown to be status-conscious without wanting to admit it. And with distinctions being blurred between work and play, symbols of leisure can become the substitutes for leisure.

Marketers, who might once have been thrilled just to know consumers were brand loyal, have in yuppies a transcendent quality: Brand passion. And the Nike campaign benefits from this by embodying such yuppie tenets as "achievement is worth the agony," "be serious about yourself" and "there's no room for any play that isn't work."

The No. 2 winner of One Show gold awards turned that last statement inside out. Federal Express, and its humor-rich approach, seems to say, "There's no room for any work that isn't play." Federal, accounting for two of New York-based Ally & Gargano's three gold awards, has, of course, been winning awards for years.

But Federal has been more than just a funny campaign. It has been on target not just in its message but in its insights about the environment in which its service is sold.

Its sensibility parallels the same brilliant format that characterized "The Mary Tyler Moore Show" in the world of tv programing: It recognizes that the sitcom of office life is both funnier and more neurotic than anything that goes on at home—at least as depicted on tv.

In terms of total One Show awards, the second-highest number, after Nike, went to BMW of North America. It won five awards (one gold, three silver, one bronze) for Ammirati & Puris, New York, which has been turning out first-class work for BMW ever since the agency opened for business more than a decade ago.

In fact, there were many other long-running campaigns in the One Show's latest awards program. Perdue Inc., the poultry marketer, and Volvo of America, won two gold awards for Scali, McCabe, Sloves, New York, which also won a silver and a bronze award. Campaigns for Lite beer from Miller and Pepsi-Cola won one gold each for Backer & Spielvogel and BBDO, both New York, respectively.

There also were some new, relatively unfamiliar client names.

(Continued on Page 51)

Muffler shops search for golden touch

By Len Strazewski

Once upon a time there was a king whose touch turned everything to gold and whose domain extended from shore to shore.

The king was a great success, taking over more and more territory and even expanding into foreign lands. However, the more attention he gave foreign campaigns, the greater the risk that competitors would win the hearts of his people.

A familiar fairy tale? In the muffler division of the automotive aftermarket, it's more like a market report as everyone keeps one eye on their image and the other on the industry kingpin, Midas International.

Midas dominates the installed replacement muffler field with 1,415 franchised shops in the U.S. and more than 400 more outside the country. That's more than three times the size of its nearest competitor.

Part of Chicago-based IC Industries, 29-year-old Midas generated record revenues of $298 million in 1984, up 10% from the previous year, according to the parent company's annual report. Midas franchisees also generated record revenues—$649 million, up 19% from 1983.

Midas opened 74 service shops in the U.S. last year and completed a major expansion of its muffler manufacturing facility in Hartford, Wis. The company currently supplies 98% of all exhaust components installed by its franchisees.

Midas International would not discuss its marketing strategy with ADVERTISING AGE, but industry observers say the future of Midas and the muffler specialty shop business, including the rapidly expanding regional muffler chains, is limited only by the imagination and skill of its managers.

"There's still plenty of room for growth and competition in the muffler specialty business," says Jim Wilder, editor of *Muffler Digest*, a Springfield, Mo.-based industry trade publication. "Midas is a leader, of course, but there are plenty of other competitors. It by no means has a stranglehold on the business."

A market study sponsored by *Muffler Digest* and released early this year reveals that the nation's 11,000 muffler specialty shops control about 43% of the muffler/exhaust system replacement market. The specialty shop portion is up 50% over six years ago, the study says.

The remaining 57% of the market is split over many other competing outlets including jobbers (15%), service stations (10%), repair garages (8%), mass merchandisers (7%), car dealers (5%), discount department stores (4%) and miscellaneous outlets (8%).

"The trend has been for the business to move from service stations and repair garages toward specialty stores, and there's no particular reason for that trend to change," Mr. Wilder says.

"And, of course, these specialty shops aren't just selling mufflers; they are into brakes, shocks, suspensions and front-end service and that business has much more room to grow."

Among the specialty store portion of the exhaust replacement market, Midas, with about 12.9% of the outlets, has about 25% of the business, according to industry observers. But the market, they say, hardly is saturated.

"Market saturation is always a question people ask, but as long as there is an opportunity to grow, there's no saturation," says Barry Zeigler, vp and analyst with Tucker, Anthony & R.L. Day, New York. "One way for Midas to grow is by offering other services—which it has done. Another way to grow is for it to continue what it has been doing: A good product, good service and good advertising."

Another industry observer, Lee Tawes, senior vp and analyst with Oppenheimer & Co., New York, agrees. "Sure there's a lot of competition, but there is still room for greater market penetration, both in the U.S. and overseas."

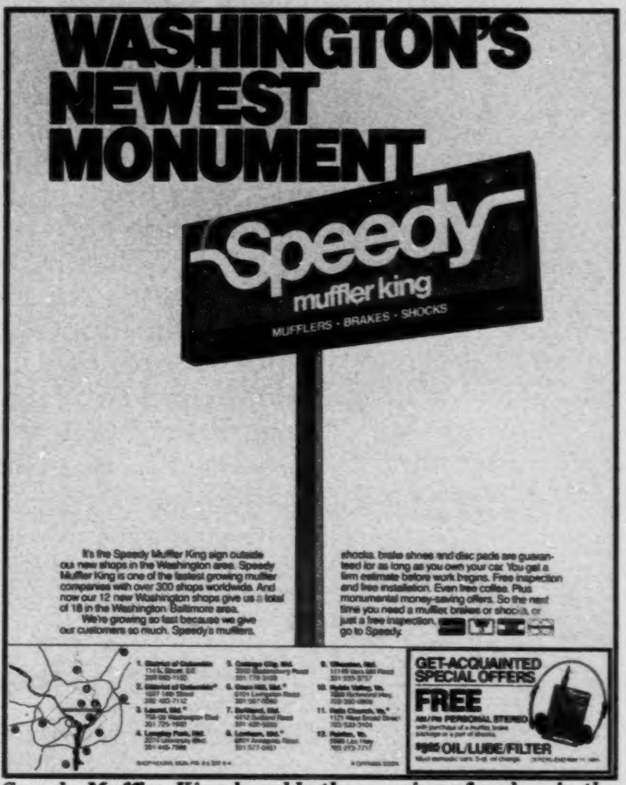
Midas is also a marketing dynamo and that can't hurt either, the analysts say. According to the IC Industries 1984 annual report, Midas International and its franchisees invested more than $46 million in advertising, primarily spot tv.

Although the Midas agency, Wells, Rich, Greene, Chicago, would not discuss ad strategy, automotive advertising insiders and industry observers note that in the past couple of years, Midas set the industry on its ear by marketing a lower-priced "economizer" muffler with a one-year guarantee, a maneuver soon imitated by its competition.

This year, however, the "Trust the Midas touch" series slowly is abandoning price to focus on reliability and product quality.

"There was no real trend to price marketing," says Myron P. Gordon, executive director of the National Midas Dealers Assn., an Irvine, Cal.-based trade group representing the Midas franchisees. "Midas does what it has to to respond to market needs. People wanted a lower priced muffler option and so it was provided."

The "Trust the Midas touch" campaign is the more traditional approach, he says.


Speedy
muffler king
MUFFLERS · BRAKES · SHOCKS

WASHINGTON'S NEWEST MONUMENT

It's the Speedy Muffler King sign outside our new shops in the Washington area. Speedy Muffler King is one of the fastest growing muffler companies with over 300 shops worldwide. And now our 12 new Washington shops give us a total of 18 in the Washington Baltimore area.

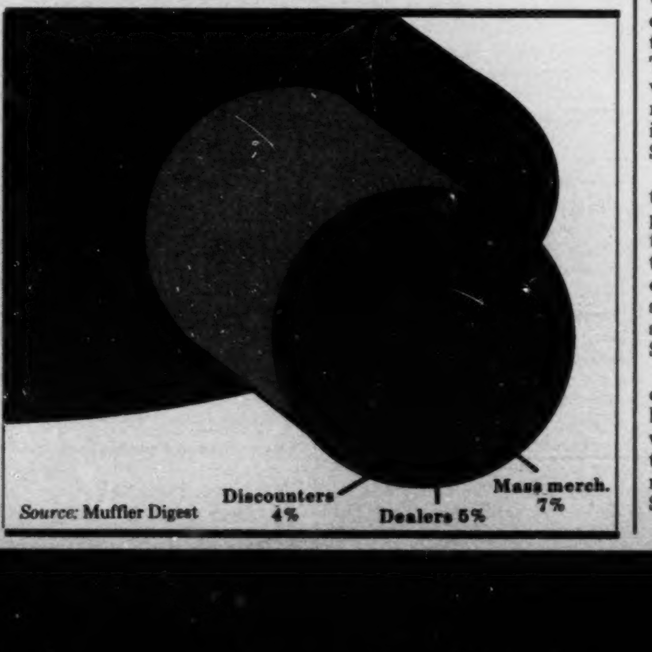
We're growing so fast because we give our customers so much. Speedy's mufflers, shocks, brake shoes and disc pads are guaranteed for as long as you own your car. You get a firm estimate before work begins. Free inspection and free installation. Even free coffee. Plus monumental money-saving offers. So the next time you need a muffler, brakes or shocks, or just a free inspection, go to Speedy.

GET-ACQUAINTED SPECIAL OFFERS

FREE AM/FM PERSONAL STEREO with purchase of a muffler, brake package or a pair of shocks.

OIL/LUBE/FILTER

Speedy Muffler King heralds the opening of a shop in the District of Columbia as "Washington's newest monument."



Source: Muffler Digest

Other muffler specialty competitors are taking a similar approach. Toronto-based Tenneco, marketer of Walker mufflers, controls two major chains, Car-X and Speedy Muffler King, whose combined 434 shops in the U.S. and Canada rank it a distant second behind Midas. Both chains are marketing reliability and security to a marketplace hungry for those qualities.

"People are still looking for the same things: Service, speed and a quality product," says Fred Karp, senior vp-general manager of Tenneco Automotive Retail. "That's what we are marketing. Automotive service consumers are extremely value-conscious and generally feel that the credibility of dealers is very low. We are trying to establish and improve that credibility."

In Canada, the company-owned Speedy Muffler King chain emphasizes a corporate theme, "At Speedy you're a somebody," in tv spots and last summer promoted the dealerships with a "Scratch and Win" sweepstakes offering a one-in-ten chance to win free repair work or a cash prize.

In the U.S., where the chain opened 26 stores last year for a total of 136, tv and radio advertising created by Bozell & Jacobs, New York, echoed the corporate theme within spots titled "That Speedy feeling."

"Awareness is most important for Speedy Muffler King in the U.S.," says Vic Kaminoff, vp-account supervisor at B&J. "And that continues to be our target." The 30-second tv spots featured vignettes of consumers with bad mufflers receiving personal and informed service from their Speedy Muffler King dealer.

This year, the tv campaign is taking a more aggressive approach. In a 30-second spot, titled "Next time, go to Speedy," the company takes a shot at the competition by showing a consumer who had received poor service from a rival coming to Speedy for new repairs.

"We are assuming that the consumer has had some kind of bad service—bad product, poor work, lousy service or just poor treatment as people," Mr. Kaminoff says. "We are saying that Speedy is the exact opposite."

The spot is running in 18 northeastern and midwestern areas of dominant influence in prime time and sports programing. The company would not disclose the ad budget for the Speedy Muffler King chain.

The agency also prepared print advertising to herald new dealers in Washington and Detroit. One print ad features a new Speedy Muffler King store in the District of Columbia with the headline "Washington's newest monument."

Tenneco's other retail muffler operation is the Car-X Service Systems chain, purchased in August. Car-X has about 100 dealers in the U.S. that run 47 company-owned stores in Chicago, Indianapolis, Milwaukee, Cincinnati and Tampa, Fla., and 53 franchised stores throughout the Midwest.

Car-X continues its "Rattle, rattle, thunder, clatter, boom, boom, boom," musical tv spots in 11 major midwestern markets and parts of Florida during news, sports and late-night programing. The current annual budget is $2.5 million.

"The average consumer who doesn't know much about cars is always of the opinion that he or she is not always being treated fairly in the automotive aftermarket. That's the feeling we are trying to counter with these spots," says Robert Kaplan, exec vp of Dawson, Johns & Black, Chicago, agency for Car-X. "We are trying to show that the guys who operate the Car-X shops are dedicated operators who try to relieve your fears and are willing to show you what needs to be done. They are reliable."

The punch line of the jingle, "Don't worry, call the Car-X man," emphasizes that reliability.

The Tenneco operations are not the only competitors eyeing Midas' success.

Meinecke Muffler Co., Houston, ranks as the third largest muffler shop chain in the nation, according to industry sources, with about 400 locations primarily in the South and Midwest. Meinecke would not discuss its marketing plans with ADVERTISING AGE, but the company is known to be abandoning its price-oriented advertising in favor of a stronger image presentation.

Meinecke's spot tv ads, "Meinecke Muffler shatters prices," which have been running for the past two years, still are playing in some Midwest markets courtesy of local operators. But new ads, produced by M&N Advertising, Houston, follow the industry trend of image over pricing.

Another strong regional competitor is Tuffy Muffler Shops, Saginaw, Mich. Founded about 10 years ago by several disgruntled Midas dealers in Michigan, Tuffy now has about 65 franchised shops in the upper Midwest.

Will these pretenders ever come close to the Midas throne? Probably not soon, but when it comes to marketing, everyone has their eye on the king. ■

Len Strazewski is an associate editor of ADVERTISING AGE.

Mass-outlet retailers gear up automotive sections

By Faye Brookman

Although aspirin and motor oil usually do not mix, many mass marketers are finding the combination a profitable one.

During the past few years, mass-outlet retailers—drugstores, supermarkets, discount retailers and convenience stores—have been scurrying to enrich their automotive selection as a vehicle for tapping into the $30 billion auto parts and accessories market.

Faye Brookman is a free lance reporter specializing in retail topics.

The product mix, according to Margaret Kelch, managing editor of *Home & Auto*, a Harcourt Brace Jovanovich publication based in Cleveland, has ballooned from just oil and waxes to so-called "hard" parts and ignition systems. Today it is not uncommon to find a mini specialty auto shop housed under a drugstore or discount store roof.

It is not surprising that mass retailers plunged into this lucrative market.

With automotive items carrying gross profit margins as high as 45%, the market offers retailers much higher profits than traditional fare. Those margins in a typical drugstore, for example, hover between 25% and 30%. Then, too, the automotive department produces net profit of 5%, compared with the traditional 2% to 3% produced by drugstores and discount retailers.

Although mass retailers' sales of automotive products have slowed somewhat since the early 1980s, growth is pegged by Fairfield, N.J.-based market researcher C.H. Kline & Co. at 8.9% a year through 1988—a rate outpacing growth in many other product categories sold through mass outlets.

At the same time, there has been a 13% decline in the number of U.S. service stations, according to the Lanham, Md.-based Automotive Parts & Accessories Assn. That little shop around the corner where a customer used to get his car fixed may no longer exist. If it does, it probably does not do repair work. The result is an increase in the number of do-it-yourselfers—often looking for the best price on auto parts and chemicals.

Mass operators are not blind to trends. In fact, the number of nonauto retailers selling auto items jumped 9.6% last year, according to *Home & Auto*. The magazine reports that nonauto operators now account for about $2.83 billion of total auto aftermarket sales.

Although mass retailers' sales of automotive products have slowed somewhat since the early 1980s, growth is pegged by C.H. Kline & Co. at 8.9% a year through 1988.

The growth is perhaps strongest in drugstores, where industry publication *Drug Store News* reports that auto product volume rose 8.5% last year to $170 million. "Drugstores have not been sleeping. They represent a great growth opportunity for us," says a spokesman for STP Corp., Fort Lauderdale, Fla.

The first drugstore chain to charge into a full-line auto department was Pontiac, Mich.-based Perry Drug Stores. In

(Continued on Page 24)

YOU
WILL NEVER HAVE
TO PAY FULL PRICE
FOR AUTO PARTS
AGAIN
AUTO WORKS
DISCOUNT AUTO PARTS
YOU WILL NEVER
PAY FULL PRICE FOR
AUTO PARTS AGAIN
AUTO WORKS
PARTS

Two years ago, Perry Drug Stores started Auto Works, free-standing auto stores.

Soar In The Atmosphere.

Of all the magazines available to your high-flying audience on major airlines, which is the most read? Put your money on a member of Air Group One every time! It's the perfect environment for your advertising. Why? Because 47.7% of Air Group One's readers own luxury vehicles, 78.8% have rented cars in the past 12 months, 38.6% own mid-size cars, and 77.2% own two or more cars. And remember...studies show business fliers often use auto rentals to test-drive the car they ultimately buy for themselves! To find out more about how you can stand out with Air Group One, call our Vice President for Sales, Alan Winter, today at (305) 893-1520.

**1984 Mendelsohn Media Research*

HALSEY PUBLISHING CO.
12955 Biscayne Boulevard
North Miami, Florida 33181

For further information, call Alan Winter (305) 893-1520.

Retailers

(Continued from Page 22)

1976, the chain started sprinkling more auto items into its product mix. The philosophy was that auto departments would help bring in more male shoppers; drugstores traditionally attract three women to every one man.

Perry's strategy proved so successful that the 338-store chain started opening large, drug/auto combination stores equipped to produce 25% more sales than the traditional prototype.

Now the company operates 65 of these combos, which devote anywhere from 1,500 to 8,000 sq. ft. to auto items, ranging from Perry private-label filters to foreign car parts.

Just two years ago, Perry drove even harder into the auto business when it began opening free-standing auto stores called Auto Works. Combined, these two auto-store formats accounted for 22% of Perry's 1984 sales of $372 million.

Along the way, Perry discovered other perks associated with the automotive business. "While drugstores enjoy the highest sales and earnings during Christmas—our first quarter—auto sales hit their peak in the second quarter," says Alvin Wander, exec vp-treasurer. Auto retailing, in other words, is at least a partial cure for the cyclical nature of the drugstore business.

PERRY GASKET HEADQUARTERS
8

Perry Drug Stores, Pontiac, Mich., operates 65 drug/auto combination stores.

Because auto sales are so strong in the spring, Perry and others tend to sock their promotional dollars into ads aired or printed in April and May. According to Bev Lyons, media representative, Perry promotes its auto selection via 22 circulars (used for the free-standing auto stores) and 28 full-page newspaper ads during the year. Some spot tv is used in Michigan, especially to launch a new store.

Price is a key factor in the ads, as it is in most mass retailers' messages. Motor oil is the primary ad item and chains usually sell it at cost.

"Sure, we don't make any money on the advertised loss leaders," says Don Gross, vp-marketing for Genovese Drug Stores, Melville, N.Y., "but the ads help bring in customers who will buy other items."

Genovese hopes so; it recently opened a 3,000-sq.-ft. auto section in the basement of a new 12,000-sq.-ft. store in Jackson Heights, N.Y. To herald the opening, Genovese took out full-page ads in the *New York Daily News*—an unusual tack for a one-store auto department.

The chain expects the inventory—which totaled $70,000 at opening—will turn over eight times a year, and the auto department will produce annual sales of between $500,000 and $700,000.

That is on top of the sales amassed in the conventional part of the store, which will be about $3 million a year, sources estimate.

"We really feel the auto aftermarket is burgeoning," Mr. Gross says, "and we'll open more Genovese Auto Warehouses in the 10 to 12 units we open this year."

Troy, Mich.-based K mart Corp. also is testing the automotive waters. Although the retailer always has offered a wide selection of batteries, accessories and chemicals, it most recently unwrapped four test units in Mobile, Ala., featuring separate auto service centers, averaging 4,500 sq. ft. to 6,700 sq. ft.

The K mart centers include two features generally lacking in mass marketers' auto stores: Trained personnel and a catalog through which out-of-stock parts, even some foreign and obscure ones, may be ordered.

To launch the four test stores, K mart devoted 75% of its ad budget for the openings to print, with the rest split between tv and radio. The chain will not comment on further plans for the auto departments.

Local sources, however, report that the system is working well, especially because K mart does not butt heads with any of the strong specialty auto parts chains in its Mobile market.

Another drugstore chain seizing the opportunity to fill a niche in its marketing area is Liverpool, N.Y.-based Fay's Drug Co. Late last year, Fay's introduced Wheels, its entry into the auto aftermarket. Wheels, according to chain president Dan Herrmann, was conceived based on the chain's success with automotive products in its super-drugstores.

Fay's plans to open two more free-standing Wheels units in Albany and Syracuse, N.Y., this year.

"It is not surprising that drug chains are branching out to add free-standing auto store chains, because the margins are so much better," says Dan Barry, vp, Kidder Peabody & Co., New York.

He cites Shiremanstown, Pa.-based Rite Aid Corp. with its ADAP auto stores and Pay 'n Save Corp. in Seattle with Schuck's as prime examples.

Even Perry, Ms. Lyons says, will open free-standing auto units in the future rather than combination drug/auto stores. "We'll probably open more auto units side-by-side with a drugstore," she says.

The obvious reason for the split, sources say, is that it keeps the product categories separate, yet attracts both the shopper who wants toothpaste and the one who wants exhaust pipes. Drugstore chains pursuing this route include Harco Drug, Northport, Ala., with its Carport units and Malone & Hyde, Memphis, with its Auto Shack Stores.

It is both the image problems—motor oil next to shampoo—and space restrictions that have kept some retailers from jumping into the fray.

"We stick to the basics in our sections," says Joe Pollard, vp-advertising for Alexandria, Va.-based People's Drug Stores. "We try to carry what our customer might need as a convenience."

Then, too, J.C. Penney Co., New York, withdrew from the business when it repositioned itself as a department store. "Auto just does not cut it in Penney's new image," a company spokesman says.

Other mass marketers believe the do-it-yourself repair business has peaked. Many home centers, according to trade newspaper *National Home Center News*, are leaving the automotive market. Busy Beaver in Pittsburgh, Lloyd Lumber in Danbury, Conn., and Mr. How Warehouse in Margate, Fla., head the list of home centers cutting the department because they believe the business is leveling off.

Yet there's no denying the success achieved by retailers that really pursue the business, says one retail analyst who follows the industry. "Auto retailing is very similar to running drugstores. If anything, the addition of auto just makes better economies of scale."

Concludes a spokesman for Rite Aid, "With the drugstore industry maturing and consolidating, auto retailing promises better long-term growth." ■

Parts proliferation

Number of outlets selling auto products (% of total)

	1983	1980
Auto repair/service	156,400 (100%)	137,800 (100%)
Gasoline	130,100 (95%)	150,100 (95%)
Grocery	85,100 (53%)	83,600 (50%)
Auto parts	38,000 (100%)	28,600 (100%)
New car dealer	26,700 (100%)	29,800 (100%)
Hardware	18,200 (61%)	17,800 (61%)
Drug	15,000 (30%)	13,400 (27%)
Tire	12,200 (100%)	14,800 (100%)
Discount	7,000 (97%)	6,900 (99%)
Variety	5,300 (35%)	5,900 (34%)
Department	2,500 (45%)	2,700 (50%)

Source: Automotive Parts and Accessories Assn.

"Why I read the Herald Examiner."

Jean Craig

K CARS
KIT 'N' CABOODLE
KIWANIS CLUB
KING CRAB
KING CAB
KC JONES
KIMBERLY CLARK
KOSHER CHICKEN
AND NOW, KRESSER CRAIG.

JEAN CRAIG/PRESIDENT and CREATIVE DIRECTOR
KRESSER/CRAIG

"I find the Herald Examiner to be a faster, easier, livelier read. It gives you a richer view of the news."

LOS ANGELES HERALD EXAMINER

L.A.'s most readable morning newspaper

Do-it-yourselfers build parts market

By Cathy Curtis

"I once had a manager put his arm around me when I said we had no competition," says Schuck's Auto Supply president Ron Weinstein. " 'Everybody who sells spark plugs is competition,' he told me."

Once the province of the warehouse distributor—who was generally too busy selling to service stations to bother with the lone retail customer—automobile parts retailing has become a highly competitive and increasingly consumer-driven field in recent years.

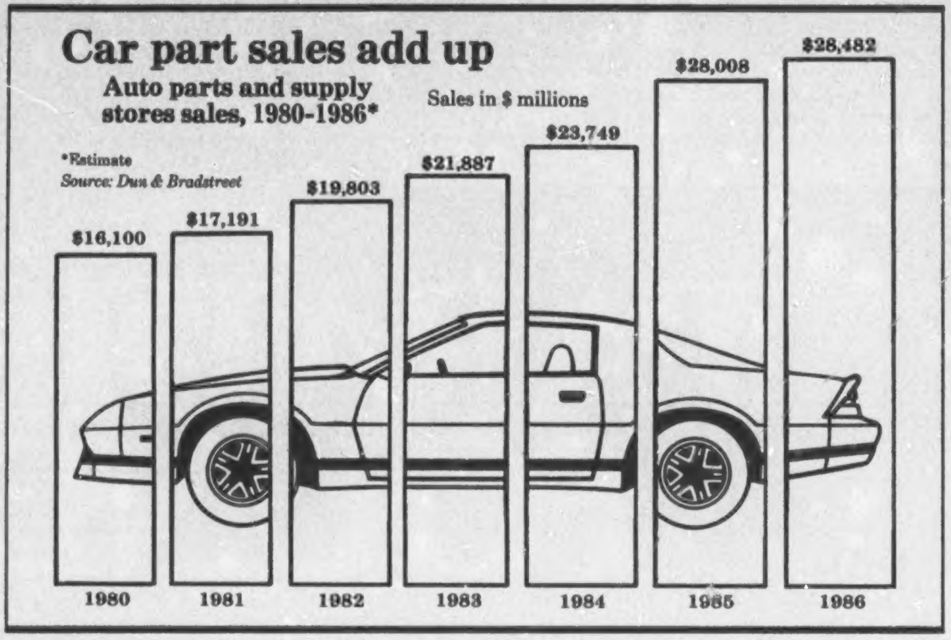
More than 2,600 retail companies, most operating 10 or fewer stores in specific geographic regions, are fighting for their share of the over-the-counter parts and accessories market, which climbed to $30 billion last year, according to Ed Kaufman, president of Lindsey-Kaufman Co., Tenafly, N.J.

The so-called "traditional" parts aftermarket consists of the independents with fewer than five locations, the warehouse distributors and the jobber-retailers—whose walk-in retail trade has expanded to 35% of their sales, Mr. Kaufman says. (Sarah Frankson, publisher of *Automotive Marketing*, a Chilton Co. trade publication, puts this figure at 28% to 30%.)

The other, larger and faster growing chunk of the parts aftermarket is the turf of the volume retailers—the high-volume auto chains, mass merchandisers, hardware-home centers and discount retailers.

The market everyone wants to reach is the do-it-yourselfer. According to the *Automotive Marketing* 1984 Vehicle Maintenance Study, 71% of car owners think of themselves as do-it-yourselfers, even if they do little more than change their own oil—without bothering to replace the filter.

But the hard-core do-it-yourselfer is the man (the market is 85% male) in his late 30s who owns a single vehicle and whose income is less than $30,000.



Car part sales add up

Auto parts and supply stores sales, 1980-1986*

Sales in $ millions

*Estimate

Source: Dun & Bradstreet

Selling products that may or may not encompass hard (replacement) parts, chemicals, accessories, "performance" products and tires, the volume retailers already control about 84% of the do-it-yourself market, according to Lindsey-Kaufman estimates.

Ms. Frankson says the field is "filled with very successful entrepreneurs . . . even when they go into a public company, they're so small a part of a much larger fish."

One of the new breed of professional managers, Fran LaBrecque of Avon, Mass.-based ADAP (American Discount Auto Parts), was profiled last December in *Esquire's* 1984 Register of superachievers younger than 40. Mr. LaBrecque, a former car salesman, started his company on borrowed money, saw it grow at an average rate of 37.5% for five years, and sold its 62 New England area stores in 1984 to Rite Aid, a drugstore chain, for $28 million.

Acquisitions by mass retailers of free-standing parts store chains are increasingly common. Perry Drug's acquisition of Auto Works and Fleenor (now the 163-unit FAS/Auto Works chain, with 1984 sales of $80.7 million) and Dart Drug's takeover of Trak Auto were both cases of chains with strong auto departments gaining more clout in the aftermarket.

Other similar arrangements include Pay 'N Save Corp.'s takeover of Schuck's Auto Parts (65 stores in the Northwest), Auto Shack (a Memphis-based division of Malone & Hyde), Chief Auto Parts (a 435-store division of Dallas-based Southland Corp.) and Lucky LKS Automotive (a 379-unit, Phoenix-based subsidiary of Lucky Stores).

The diverse nature and ownership of these parts outlets, however, makes it almost impossible to come up with an over-all reading of market share.

Some chains sell mainly home and hardware items; auto parts account for only 8% of 250-unit, Tulsa, Okla.-based OTASCO's $325 million in 1984 retail sales, for example.

Others focus on specific aspects of the aftermarket; Super Shops, San Bernardino, Cal., sells only high-performance products in its stores, which registered about $75 million in 1984 sales.

Market share varies by product line, Ms. Frankson says. The nonautomotive stores tend to sell fast-moving, high-volume products such as chemicals, wax, polish and antifreeze. Although the discount stores "probably

Cathy Curtis is a free lance business writer who most recently wrote for ADVERTISING AGE *about used computer retailers.*

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Print is 'backbone'

Auto parts store advertising traditionally has been funded by a co-op allotment from product suppliers. Historically, says Ed Kaufman of Lindsey-Kaufman Co., the aftermarket hasn't always made the best use of advertising.

But things are changing. Ron Weinstein speaks for many when he says his company, Schuck's Auto Supply, has "tried virtually all forms of media—sides of buses, billboards—but print appears to be the backbone of our business." Schuck's blankets the 31 newspapers in its market with page ads, generally featuring a single item. With direct mail, Schuck's reaches some 2.2 million prospective customers—"the universe," according to Mr. Weinstein.

R&S Strauss Stores, Union, N.J., has been running tv spots for the past three years, using mostly co-op funds. "Those suppliers with whom we do sufficient business to pay for tv time are few and far between," says Joe Kratka, exec vp for the 48-store chain, which had 1984 sales of more than $50 million. "It's expensive for us, making new commercials every year." Currently, the company's focus is on drive-time radio, metropolitan newspapers and shoppers in the outlying suburban areas.

One auto parts company executive, who wishes to remain anonymous, says, "When you're on tv you reach all the motoring public, male and female. In the newspaper, buried in the sports pages, we feel we're reaching the male customer only."

On the other hand, he says there is "an immediate aspect when you're on television, but the consistent customer base seems to come from the newspaper." —*C.C.*

have a predominant share of the chemical business," Ms. Frankson says, the jobber will sell heavy-duty engine parts the chains won't touch.

One of the jobber's advantages over the volume retailer is a broader selection, including items that aren't sufficiently profitable for the chains. The jobber also has more space and in-depth product knowledge, Mr. Kaufman says.

But what the jobber can't do is compete with the chains in pricing.

The current trend among the volume retailers is toward a supermarket-style store in which the motto is self-service. Stores run anywhere from 1,800 to 15,000 sq. ft., with the average between 10,000 and 12,000 sq. ft. There is a growing awareness of the importance of appearance.

At Pep Boys, Los Angeles (there is also a Philadelphia-based division), Chuck Fox, vp-advertising and sales, stresses "cleanliness . . . sparkle . . . an atmosphere of excitement" in his company's 150 stores.

The chain, which chalked up 1984 sales of $350 million, looks for properties near discount stores and other automotive dealers.

Super Shops, which is adding to its 70-store count at a breakneck pace—three to five a month—currently is locating in shopping mall areas vacated by Kinney Shoe Stores.

Pricing manager Wayne Osburn says Super Shops "don't have to put stores in what most people think is a desirable area . . . since 1963 [the founding year], we've never closed down a store."

Mr. Osburn emphasizes the cleanliness and eye-catching displays in the Super Shops stores. "Our windows aren't all cluttered up with gobbledygook," he says.

Certain auto chains haven't joined the rush toward the superstore idea, however. Action Auto's Jim Sabo, one of three brothers who own the chain, was quoted in an *Automotive Marketing* story last year as saying many smaller stores in the right locations are infinitely preferable to one giant store.

The catch is that this Flint, Mich.-based chain of stores—which average 1,800 to 3,000 sq. ft.—all sell gas. Action takes over abandoned gas stations, fills the store area with parts, chemicals and accessories, and requires customers to come inside to pay for filling the tank, thus exposing the consumers to the merchandise.

Schuck's Auto Supply, Tukwila, Wash., also sees its 5,000-sq.-ft. stores as marching to a different drummer. The units, which together had 1984 sales of $70 million, are "a throwback to yesterday and part of tomorrow," Mr. Weinstein says. "Self-service? By every definition I could come up with, no . . . ideally, we would like to make personal contact with every customer."

That includes helping with needs the do-it-yourselfer may not even know he has.

But there are other ways to reach the do-it-yourself market, if high-tech promises can be believed. Just as in-store computerization has made significant inroads in auto parts chains, by connecting the cash register with the stockroom and the warehouse with the network of stores, computer access is affecting the customer directly, too.

Both Crown Auto, Minneapolis, and its major competition, Champion Auto Stores, New Hope, Minn., use a system developed by ARIS (Automated Retail Information Services) in which information the do-it-yourselfer supplies about his car is encoded on a magnetic card. When the card is read by a computer, it yields information on the kind of products the car owner needs.

Crown, which registered 1984 sales of about $36 million, is testing Autofax in half of its 51 midwestern stores, while Champion is experimenting with this costly (more than $250,000, according to Dean Billbe, vp-sales and marketing) venture in 30 Twin Cities area stores. (Champion operates 115 stores in nine states.)

Other signs of the times include videotaped aids for the perplexed consumer. Lucky Automotive is using videotapes to steer the do-it-yourselfer to the right product.

At the videotext center at Champion stores, videodiscs extol the virtues of products, explain how they are used and how they will suit the do-it-yourselfer's needs.

"We give away knowledge," Mr. Billbe says.

Despite new ways of reaching the consumer and increased attention to the mood and look of the chain stores, some aspects of the parts aftermarket probably never will change. As surely as spring is in the air, the tuneup special will make its comeback, and when the icy blasts of winter are just around the corner, it's time to crank up the annual antifreeze promotion.

Still, the future does hold some major questions for the auto parts retailers. On a nuts-and-bolts level, because the market share held by the volume retailers is already so high, continued growth will be a matter either of expansion of the do-it-yourselfer base (its share of the total parts market is expected to reach 25% to 40% by the 1990s, according to Ford Motor Co. spokesman Mike Davis, as quoted in a January *Automotive Marketing* article)—or of slicing up the existing pie in different ways.

With the emphasis on a quantitative, analytical approach to the market favored by today's managers and increasing retail activity on the part of the warehouse distributors and jobbers, creative answers might be in the offing.

The announced goal on the part of car manufacturers of a "maintenance-free" automobile also may have a profound impact on parts retailers.

During the past 12 years, Ford

(Continued on Page 32)

THE FAST TRACK

Motor Magazine is moving up fast. According to the 1984 Folio 400, it is the 37th largest U.S. business publication in subscription revenue, and, with a 100% paid circulation of 125,439*, it is 41st in average circulation and 24th in average subscription circulation. And it keeps growing faster than the competition. Motor is the magazine that reaches the

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MOTOR
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*Source: ABC Statements, June, 1984

Parts

(Continued from Page 31)

has eliminated 22 former maintenance operations.

Such bolt-on parts as water pumps, fuel pumps, alternators, starters and generators may not be needed in the car of tomorrow.

At the same time, the trend toward electronically controlled systems—expected to be a major feature in cars from 1987 onward—is likely to make the do-it-yourselfer increasingly leery of doing some work he used to take in stride.

The flip side of this innovation is that some of it (such as automatic warnings that it's time to change the oil) might encourage more product sales. The kind of tasks that most do-it-yourselfers perform probably won't be affected much, despite the increasingly cramped design of engine compartments.

In addition, while amateur mechanics who grew up working on the old jalopy may be dismayed by the mysterious workings of their new cars, children born of the electronic age take high-tech innovation for granted.

Finally, there's a time lag involved. In 1995, according to Predicasts, a Cleveland-based research company, two-thirds of the cars on the road will be 1987-and-later models. But most people still will be working on 1986-and-earlier cars.

The forecast for parts sales, according to a 1983 Dun & Bradstreet Credit Services report, "Automotive Aftermarket Retailing," is an "optimistic" 4.2% annual growth rate, in constant dollars, for the next three years.

With that short-term view and a glimpse of the innovation ahead for the next decade or so, it seems that most signs point to a revved-up future for the do-it-yourselfer and the parts chains that serve him.

Independents pitch quality to outrun chains

The caller dialing Thrifty Auto Parts in Santa Barbara, Cal., who happens to be put on hold is not left listening to elevator music. Instead, the store uses the time to make a pitch for its services. "Now your foreign parts headquarters, with over 1,000 parts," the recording says.

It's all part of being a small fish in a pond of barracudas—the situation today's independent auto parts retailers face.

Thrifty partner Scott Campbell says his business is basically retail, although he does sell to gas stations. Thrifty's two stores—the other in Carpinteria, a town of 10,000 halfway between Ventura and Santa Barbara—feature open-aisle merchandising in 2,300 and 2,800-sq.-ft. locations. The emphasis is on quality brands, Mr. Campbell says. "The first thing we look at is the quality of the line; price is second."

He says that, while Pep Boys is "clear at the other end of town," Trak Auto is "now really running roughshod." But he's not worried about Trak cutting into his business.

"I know people . . . when Pep Boys or Trak came in right near them, their business went up," he says.

His own business increased 10% in the first month the local Pep Boys opened in Santa Barbara, where Thrifty has been since 1965 and chalks up annual sales of $1 million.

"They really rely on fast-moving chemicals," he says of Pep Boys. On so-called "hard" parts, "their prices are different and they don't have the selection we do."

Patrick Mahoney, owner of Mike's Auto Parts, Portland, Ore., gets off the line in the middle of a brief conversation to confer with a customer. ("Oh, okay, what size engine?") His two stores in the Portland area began on a small scale in 1972 "in my mama's basement."

Although "a lot of people are out here selling auto parts," he says, Mr. Mahoney believes there's plenty of room for stores such as his that emphasize customer service and price.

Although he believes hard parts sell best through newspaper ads, there's nothing like the radio for responding swiftly to weather conditions.

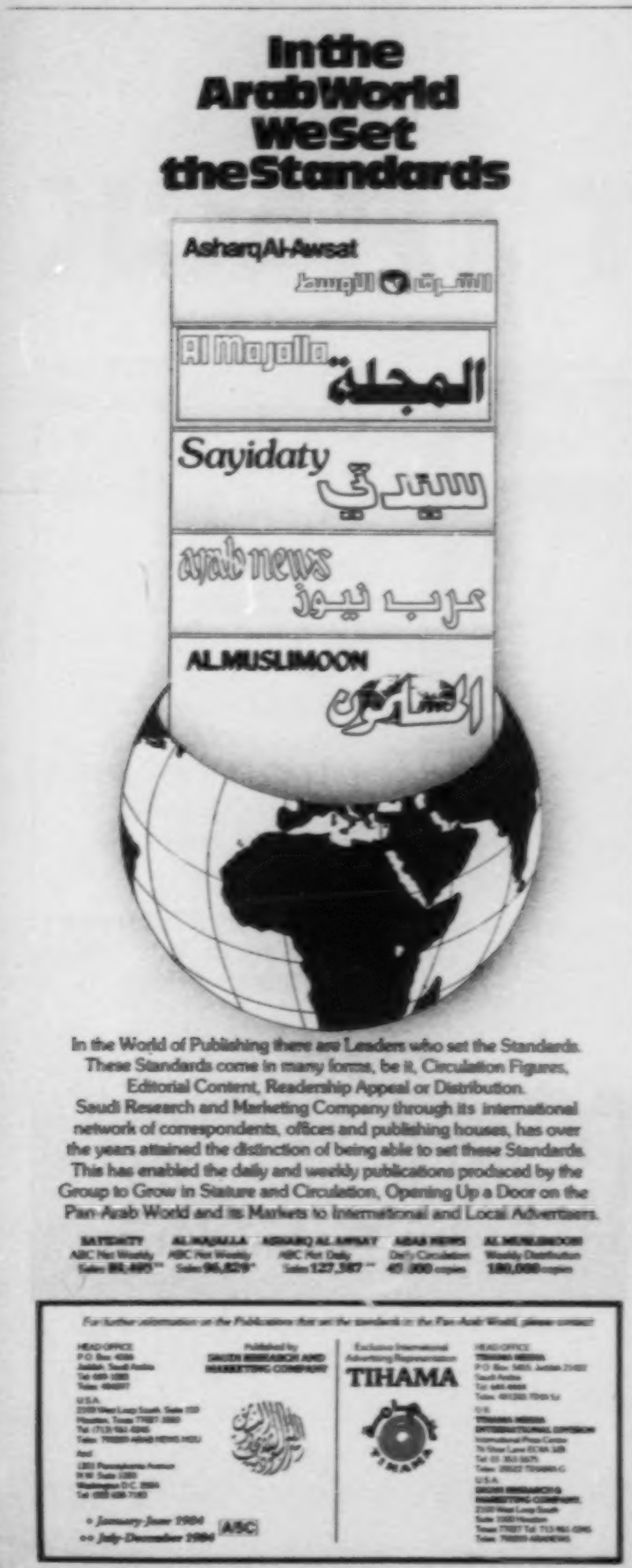
If there's a sudden snowstorm, "I hurry and buy radio time . . . with newsprint you're looking at a minimum of a week's lag time," he says.

At Phil's Home & Auto Store, Wintersville, O., owner Alan Silberman says, "Our forte is stocking just brand-name parts."

An independent merchant associated with Ace Hardware Assn., Phil's was founded in 1961. In a self-service atmosphere catering mainly to the do-it-yourselfer, with some dealer business, Mr. Silberman says he does a "high volume" of business but won't reveal sales figures.

Although Nationwide Auto Parts and Sears, Roebuck & Co. offer major competition, Mr. Silberman says the difference of $1 or $1.25 between branded and off-branded merchandise makes little difference to his primary consumer.

Someone who takes the time off to work on his car "wants to do it right the first time," he says. "Statistically, I think we were ahead of the industry—we realized this years ago." —C.C.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Competition fuels service bays

Service is one of the biggest competitive variables—and one of the potentially biggest growth areas—for the nation's automotive parts chains. Some retailers offer service across the board, others dabble in it and still others have ruled it out, at least for now.

Pep Boys stores, for instance, always have contained between four and ten service bays. "We do a very big business in service," says Charles Fox, vp of the Los Angeles-based company.

R&S Strauss stores contain between six and eight bays; Champion Auto Stores typically offers about 30. "It has not been a strong suit in the past," says Champion vp Dean Billbe, but with "electronics in the future," he can see the possibilities for expansion of service facilities.

In the wake of gas station closings, and with today's increasingly sophisticated automotive engineering scaring off many do-it-yourselfers, demand for service is high.

Still, Schuck's Auto Supply and Lucky LKS Automotive stores offer no service at all. Auto Works services only brake drums, and Action Auto finds that its service department, offered in only a few of its stores, accounts for just 4% of sales.

From the perspective of "dry" stores—those with no service—the outlay for equipment, trained personnel and space may not be worth the return.

"The cost of equipping a facility of seven to ten bays is about $100,000—and climbing," says Ed Kaufman of Lindsey-Kaufman Co.

According to the most recent statistics available through Lindsey-Kaufman, auto supply stores with service bays account for 2.5% of the auto service market. The Foundation for Aftermarket Industry Research, a part of the Auto Parts & Accessories Assn., Lanham, Md., reports that 7,600 parts stores are service-equipped, with an average of four bays an outlet.

Mr. Kaufman says that whereas conglomerate-owned auto parts chains primarily are concerned with growth over a broad geographic area, service-oriented retailers are more interested in cultivating every possible segment of their existing markets—from the serious do-it-yourselfer to the consumer who shuns any form of car repair and service.

In such cases, the availability of service facilities may make the difference between succumbing to competition from the dry stores and fighting to hang on to an existing customer base. —C.C.

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Security marketers strive for lock on awareness

By Frank Vizard

When car security marketers go to bed at night they don't pray for more stolen vehicles. Instead, they pray to a god that lives somewhere in Detroit. If their prayers are heard, that god may persuade the city's auto makers to get into the security business.

The people on their knees work for aftermarket car-security companies. It is their belief that the advertising clout that could be brought to bear by the auto makers would increase dramatically public awareness of their product.

"General Motors' involvement would probably be a plus, if only to increase consumer awareness of auto security," says Stu Sharenow, president of Primary Security, Mineola, N.Y.

Ultimately, it is likely their prayers will be answered. Car makers are taking more notice of car theft and have offered security devices as options on a few models. However, Detroit's advertising muscle is not likely to be felt for some time.

In the meantime, national attention for auto security will come at the largess of Alpine Electronics of America. The Torrance, Cal.-based company, known principally for its car audio products, has diversified into auto security and cellular phones. Alpine is positioning itself as a mobile electronics company; a $5 million ad campaign this year, using sports and news tv programing and a variety of men's magazines, will feature all three product categories.

Alpine believes auto security is a solid category, according to Jim Sala, ad manager for Alpine. "We've noticed a great response from our dealers."

Other companies from the consumer electronics arena soon may be adding to the over-all ad impact. Pioneer Electronics, Long Beach, Cal., is beginning an ad schedule with an undisclosed car buff magazine this month. Panasonic Co., Secaucus, N.J., looms on the horizon, but its security product is still being tested.

The entry of electronics giants such as Pioneer and Panasonic is welcomed by most other auto security marketers. "They realize that auto security is a viable product category," says Sheldon Kirschner, president of Anes Electronics, a Marina del Rey, Cal.-based manufacturer. "When companies like that get into the business, their advertising and marketing clout increases consumer awareness."

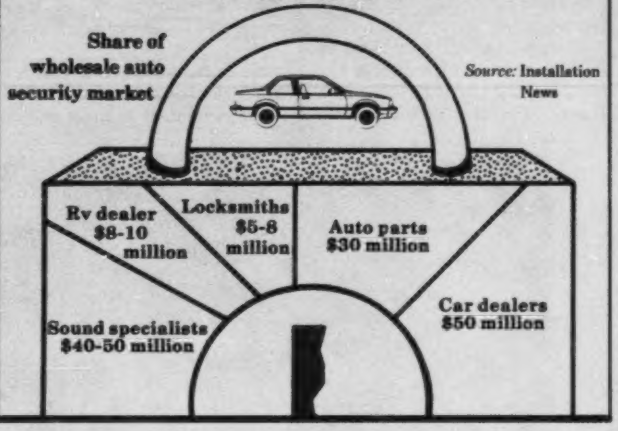
Among those that manufacture car security systems exclusively, only Techne Electronics of Palo Alto, Cal., has developed any real brand name awareness nationally, using a regular print schedule in *Car & Driver*.

And that's about where it ends for car security on a national basis.

About 80 companies are in the automotive security business. That's up somewhat from a year ago; in April, 1984, *Auto Sound & Communications*, a New York-based trade publication owned by International Thomson Co., listed 70 companies involved in auto security.

"New companies are starting up in local markets every day," Mr. Sharenow of Primary says. All this entrepreneurial activity makes tracking the auto security business very difficult, says Ron Berger, national sales manager of the auto products division of Panasonic.

All 80 of these companies carve up a market estimated between $155 million and $200 million at wholesale, according to industry executives and John Runnette, editor-publisher of *Installation News*, a Los Angeles-based trade magazine for auto security installers. Market penetration is minimal.



Locking up profits

Source: Installation News

The type of product sold can be defined somewhat by distribution channels, with lower-priced items sold mostly through automotive parts stores and higher-priced electronic alarms the province of consumer electronic dealers. Car dealers generally sell both types.

At the car dealer level, Elk Grove Village, Ill.-based Chapman Industries Corp. may have as much as 50% of the market. Audiovox Corp., Hauppauge, N.Y., a major car audio company that has created a separate auto security division within its $100 million-plus company, is also a strong presence.

Within consumer electronics stores, Chatsworth, Cal.-based Crimestopper and Torrance, Cal.-based Auto Page have gained significant shares although the specter of electronics giants Alpine, Pioneer and Panasonic promises to make this segment very competitive. Alpine reports that 45% of its dealer base already is involved with its car security product.

In the do-it-yourself area, made up of automotive parts stores and similar outlets, Anes Electronics owns more than 50% of the market. Anes recently has spun off a new company, Senaco, aimed at penetrating the consumer electronics market.

While some companies have specialized successfully within a certain distribution channel, many others have specialized in marketing their product in specific geographic areas, mostly urban.

Most ad campaigns by auto security companies, therefore, are regional in nature. Chapman recently spent $50,000 on advertising in Chicago, Cleveland and Los Angeles. Code-Alarm/Tacco of Troy, Mich., last month began a radio campaign in Detroit that is being augmented by dealer advertising in local newspapers. Crimestopper has met with success in advertising in West Coast regional magazines.

The growth rate for the auto security industry is about 30% a year, according to industry consensus. That and the desirable target market—males between the ages of 29 and 55 years—are attracting the interest of many. But most of the new companies and a large portion of the older players do suffer from the same two problems: Lack of money and product negativity.

Auto security is a need-driven product rather than one desired by consumers. Often the purchase is made after a bad experience. Insurance companies offering up to 15% discounts to owners of cars equipped with security devices probably spur more sales than any advertising the industry has done.

"It's time for a real smart marketer to come in and build awareness," says Mr. Runnette of *Installation News*.

That smart marketer may be an auto maker. An amendment adopted by Congress, mandating that car security devices be offered as options in 1987, will bring the car companies into the business in a big way. As a result of this "black box amendment," as it is called in the industry, the size of the aftermarket easily could triple as consumers discover the alternatives available.

Marketing muscle also may come from a major national retail account, says Mr. Kirschner of Anes.

A national retail chain with installation facilities could provide the push an auto security product would need. Such a scenario could happen at any time, he says, putting auto security at the forefront of auto aftermarket purchases.

Frank Vizard writes for a variety of consumer and trade magazines, specializing in the auto security and consumer electronics industries.

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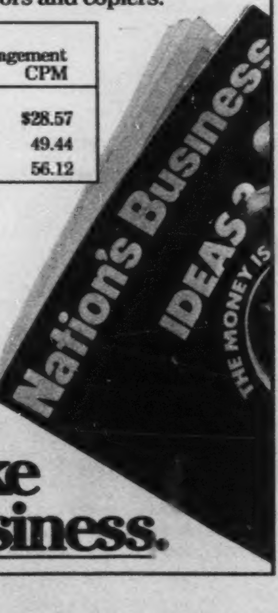

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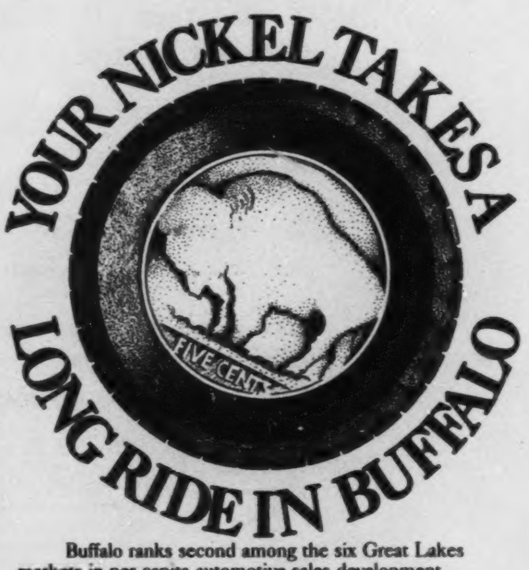
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4A's seeks advertisers' respect

Four A's president Len Matthews (l.) and his wife, Dottie (r.) flank outgoing association chairman John O'Toole (center) of Foote, Cone & Belding, and his wife, Phyllis, and incoming chairman Lou Hagopian of N W Ayer. The change took place at the Four A's annual meeting. *(Staff photo by Mary Herlehy.)*

Group will honor innovative clients

By STEWART ALTER

White Sulphur Springs, W. Va.—Advertisers found themselves both chastised and lionized at the American Assn. of Advertising Agencies' 67th annual meeting at the Greenbrier here last week. They were chastised by Four A's chairman Len Matthews for, among other things, encouraging speculative presentations, and in another speech for not fully appreciating the creative nature of advertising.

Yet advertisers will be the recipients of a new honor that will become a regular feature of future Four A's annual meetings. And the crowd of 720 agency executives and wives found each session punctuated with short, videotaped case histories in which different advertisers talked about campaigns their agencies had developed.

The Four A's new Advertiser Recognition Program, unveiled here, is at the heart of a new direction the association is taking. Last year it began an effort aimed at improving advertising's image to the general public. This year the focus is being narrowed to improve the attitudes of the general business community—the world of agency clients—toward agencies and the work they do.

Last year's effort included an ad campaign developed by Fallon McElligott Rice, Minneapolis. This year there will also be a campaign developed by Jim Johnston Advertising, New York, to which publishers will be asked to contribute space. But the new element in the Four A's strategy is the recognition program.

Matthews raps some client, agency practices. Page 106.

Hagopian sets his program as 4A's chairman. Page 106.

"There is evidence that American business, including major advertisers, does not place the same importance on advertising as we do," said John O'Toole, outgoing chairman of the Four A's in a speech Saturday morning announcing the program. "There is evidence that they regard it as playing a relatively minor role in increasing their volume and profit. . .and that they look upon it as too unpredictable, too ambigu-

(Continued on Page 107)

Ban on 'unfair' rules expected in FTC bill

By STEVEN W. COLFORD

Washington—Congress is nearing a consensus on a Federal Trade Commission bill that gives advertisers continued security against industrywide regulation aimed at "unfair" ads.

Though FTC bills that cleared key Senate and House committees this month are at odds on this point, observers believe Congress will ultimately adopt Senate provisions that bar the commission from writing industrywide bans on "unfair" ad practices.

The eventual final bill is also expected to include congressional language, first proposed by the FTC, clarifying what's meant by "unfairness." But an additional, more controversial, definition of "deception" that had been sought by Republican FTC chairman James Miller and the major ad industry trade associations, was rejected by both Senate and House panels.

The Senate and House bills fall far short of the ad industry's desire for a total exemption from the Federal Trade Commission Act ban on "unfair" practices.

Instead, FTC would retain the freedom to challenge individual ads on fairness grounds on a case-by-case basis, even if the claims made in the ad are truthful.

Such fairness cases have been very uncommon in

(Continued on Page 107)

Will sell L.A. daily, cable systems

Tribune gets its KTLA link

By GARY LEVIN and JENNIFER PENDLETON

Los Angeles—The Tribune Co., having forged the final link in a chain of independent tv stations that now stretches from New York to California, will not fight a federal rule that obliges it to sell its *Los Angeles Daily News* and neighboring cable systems.

With the Tribune Co.'s successful $510 million cash bid to acquire KTLA-TV, the leading independent tv station here, the Chicago-based communications company owns major tv stations in Atlanta, Chicago, Denver, New Orleans, New York and—now—L.A.

The purchase price is the highest ever to be paid for any tv station, beating the $450 million offered by Hearst Corp., New York, for Metromedia's WCVB-TV in Boston (AA, May 9).

If approved by the Federal Communications Commission, the deal will bring the company's tv stations into 19.6% of U.S. tv households, roughly the same percentage as the six Metromedia stations being sold to Rupert Murdoch. (Tribune Co. stations now reach

(Continued on Page 104)

NEWSPAPER

AA
DC20014CONGLI FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Last Minute News

NBC sets Super Bowl price of $550,000 per 30

New York—NBC-TV is charging Super Bowl XX sponsors $550,000 per 30-second spot, says Robert Blackmore, senior vp-sales. The event, NBC's first Super Bowl in two years, is due Jan. 26 from the New Orleans Superdome. Last season, ABC charged early-bird clients $500,000, which later rose to $520,000 per 30.

California Cooler pours into Japan

Stockton, Cal.—California Cooler is introducing its wine cooler in Japan, making it the first U.S. cooler to sell outside the country. Tv, radio and print ads, in a joint effort with CC's Japanese distribution partner, POKKA Corp., Nagoya, will start soon. POKKA's agency, Dentsu, Tokyo, will handle. Chiat/Day handles California Cooler domestically.

Gitano on binge, adds 12 licensees

New York—Gitano, marketer of jeans, sportswear and swimwear, is adding 12 new licensees, including Gitano pantyhose (to be made by L'eggs). The pantyhose are being tested in St. Louis and will be handled by Long, Haymes & Carr, Winston-Salem, N.C. All other products, including shoes, socks and underwear, will be handled by Gitano's new in-house agency, Ad Group; Kolker & Gill is previous agency of record for Gitano. Budget will be doubled to almost $12 million.

United ads fly as pilots walk

Elk Grove Village, Ill.—United Airlines had a campaign rolling less than seven hours after 5,000 pilots struck the nation's largest airline late last week. Radio and tv spots, as well as newspaper support, in 11 major United markets said "Flying is our job. And we're staying on the job." Leo Burnett USA, Chicago, handles.

Just 8 of top 30 Four A's shops see profit hike

White Sulphur Springs, W. Va.—Only eight of the 30 largest American Assn. of Advertising Agencies members are forecasting an increase in 1985 profit margins, says 4A's chairman Len Matthews. Of those 30, 22

(Continued on Page 8)

GM's media revamp crafted for efficiency

By VERNE GAY

New York—The dramatic changes in the magazine and network tv negotiating assignments for all General Motors division agencies (AA, May 13) are designed to maximize the giant advertiser's leverage in getting lower media prices; better tv positions and outdoor boards, and to take immediate advantage of magazine rate discounts, according to sources.

GM's Media Council, which set up the changes, also is consulting with the GM divisions to standardize guidelines for sponsoring tv programs with varying degrees of sex and violence. The sources said GM was concerned since the parent company generally receives public complaints about such sponsorships, rather than the division.

In another twist, each agency has been given responsibility for a specific group of magazines. Before this, each agency would buy for its own division account. Now, each will negotiate prices and contracts with its group of magazines for all divisions. Billings still will be handled by the divisions' agencies.

For now, the Media Council has assigned three GM agencies to handle network negotiations for specific dayparts. However, the commission fees for GM's five agencies remain intact, and the negotiation assignments are in effect only for the 1986 model year beginning this fall.

A GM spokesman confirmed that the agency tv assignments outlined by Advertising Age last week are "essentially correct." Asked whether the assignments were a test, the spokesman replied: "Not a test, but a first step."

The GM division agencies tapped for specific network negotiating duties are D'Arcy MacManus Masius, Bloomfield Hills, Mich., for news; Campbell-Ewald, Warren, Mich., for sports, and Leo Burnett USA, Southfield, Mich., which will negotiate upfront prime time buys for all GM divisions. Each agency is responsible for the production of its own tv specials.

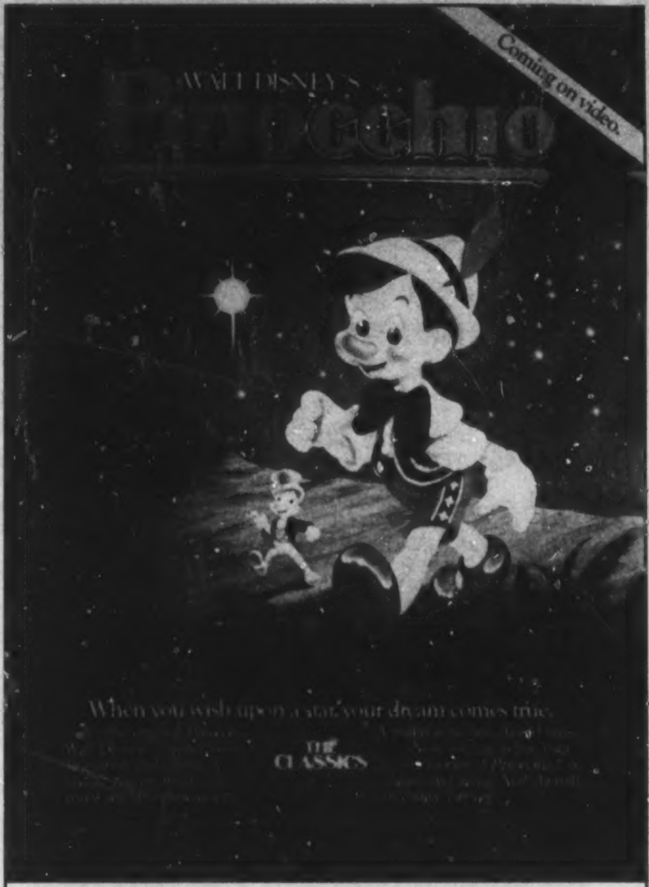
McCann-Erickson, Troy, Mich., and N W Ayer, Detroit, GM's other top shops, were not assigned negotiating responsibilities. Sources said that while they could get other duties later, the prestige jobs clearly have been spoken for.

Negotiations for network radio, national spot radio, tv syndication and cable continue to be handled by each agency. Also, each GM agency will keep responsibility for its own network tv scatter buys.

GM's roster of agencies includes Ayer (corporate pr), Burnett (Oldsmobile), D'Arcy (Pontiac and Cadillac), McCann (Buick and GMC trucks) and C-E (Chevrolet).

Under the new system, Burnett, for example, will ascertain the total amount all divisions will

(Continued on Page 104)



Wishing on a star

Walt Disney Home Video, Burbank, Cal., set to release the 1940 animated feature classic, "Pinocchio," on videocassette, will promote the film with a $1 million-plus campaign on tv, radio and in magazines (above) in June. Chickering, Michaelian & Newman, Los Angeles, is the agency.

Highlights

Whether lightning will strike a third time for Time Inc. is the question being asked by media, agency and marketing figures as they peruse prototype issues of *Picture Week* circulated by the company's magazine development group. *See Page 6.*

The decision to buy an agency requires careful thought and preparation. Some steps to help make that critical move are outlined: *See Page 54.*

II
POINT BY POINT
HEWLETT PACKARD

Hewlett-Packard Co. has begun promoting its Touchscreen line of personal computers as integral parts of larger office-automation systems, rather than single-purchase items. *See Page 104.*

CORPORATE CLOSEUP

The most serious problem Seven-Up, the leader in the lemon-lime soft-drink market, faces in long-term growth is simple: It's a cola-drinking world, and Coke and Pepsi have divided that world between them. *See Page 4.*

FORUM

An expert in commercial production cost management applauds efforts to deflate the price of production. *See Page 20.*

Writer Michele Willens applies "high concept" theory to statesmanship. *See Page 20.*

VIDEOTECH

Nickelodeon, MTV Networks' parttime cable network for children, will expand to a 24-hour schedule next month, offering family-oriented programing during the late-evening hours. *See Page 74.*

It's not often that a local tv show gets a shot at national exposure, but that's whats happening to Detroit's "Kelly & Company." *See Page 74.*

DIRECT MARKETING

More than 5,000 consumers have asked that their names be added to the Direct Marketing Assn.'s Telephone Preference Service, in hopes of avoiding unsolicited telephone sales calls. *See Page 84.*

The DMA has approached the seven regional telephone operating companies to determine whether they are willing to provide directory information in computer-readable form directly to marketers rather than forcing them to use directory information services. *See Page 84.*

COMING THURSDAY

SPECIAL REPORT

Worldwide revenues increased 13.7% in 1984 for the nation's top research companies. Advertising Age profiles the top 40 marketing/advertising/public opinion research organizations.

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ABP
RED TAG
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ANPA

Ritz Group calls to 'child of '60s'

By PAT SLOAN

New York—After all the talk of aging baby-boomers, yuppies and musical blasts from the past in advertising, Squibb Corp.'s Charles of the Ritz Group has come up with a campaign targeted squarely at that part of the population that was born in the '50s and grew up in the '60s.

Entitled "Confessions of a child of the '60s," the campaign is for Charles of the Ritz skincare products and is the first effort by Lord, Geller, Federico, Einstein. That agency succeeded Advertising To Women on the Ritz account last fall.

Charles of the Ritz has cast model Maria Holve to play the part of the now grown-up flower child. She will be associated with Ritz products in much the same way that Karen Graham's face became almost synonymous with Estee Lauder.

The national print and spot tv campaign is Ritz' first major effort for its skincare products since 1981, when the brand was introduced under the umbrella Prescribed Skin Care (a tag line that has since been dropped), said Ritz senior vp-marketing worldwide Sherry Baker. She estimated fourth-quarter spending alone at a national rate of $4 million.

For all of 1984, Leading National

(Continued on Page 107)

Ads must ID celeb doubles: Judge

Send in the clones

By JAMES P. FORKAN

New York—It looks like look-alikes will remain a popular category of advertising, so long as those celebrity clones are clearly identified as such in the ads.

That was the gist of the verdict handed down here May 16 by Manhattan federal Judge Constance Baker Motley. Woody Allen had sued look-alike Phil Boroff and Ron Smith Celebrity Lookalikes, Hollywood, seeking $10 million in damages for violating his privacy and allegedly misleading the public that he was endorsing National Video, a Portland, Ore.-based home video retail chain. In a magazine ad that ran in home video publications, Mr. Boroff was shown renting videocassettes, including two of Mr. Allen's films.

In her decision, Judge Motley awarded no damages, but she said that the ad could no longer run. She added that Mr. Boroff should

(Continued on Page 107)

CORPORATE CLOSEUP

Seven-Up stands up to cola's challenge

By SCOTT HUME

On April 25, Coca-Cola Co. announced it would reformulate the world's best-selling soft drink, Coke. The merits of that move still are being discussed and debated by marketers around the world.

Seven-Up Co. chose the same week to announce it would reformulate its Like and Sugar Free Like colas. Only Seven-Up's bottlers seemed to care.

Obviously, Like is not St. Louis-based Seven-Up Co.'s flagship product, but the contrasting receptions for those two announcements reflect the most serious problem Seven-Up faces in long-term growth: It's a cola-drinking world, and Coke and Pepsi have divided that world between them.

Seven-Up, the No. 3 soft-drink company, operates in the No. 2 soft-drink market—lemon-lime—of which its 7UP and Diet 7UP command better than a 50% share. That category grew 7.8% in 1984 compared to a 5.6% increase in shipments of colas, according to figures from Furman Selz, New York, analyst John Maxwell in *Beverage Industry*.

While industry analysts credit the company's management with intelligent marketing efforts to keep that share high and growing, they also see Coca-Cola and Pepsi starting to put the squeeze on other players in the soft-drink industry. The main target of that squeeze, they say, is Seven-Up.

Seven-Up has been battling Coke and Pepsi with the well capitalized vigor characteristic of Philip Morris, which acquired Seven-Up in 1978 for $520 million. In the past year alone, Seven-Up has made several important marketing moves in its fight to at least keep up with its rivals, if not get ahead of them:

- To bolster the 7UP brand, it returned to the aggressive and comparative "Uncola" advertising positioning it first used in 1968 and backed the return with a five-week network tv campaign via N W Ayer, New York.
- It reformulated Diet 7UP and Sugar Free Like cola to be sweetened 100% with NutraSweet shortly after PepsiCo made a similar move for its diet drinks, but before Coca-Cola followed suit.

To further buttress Diet 7UP's growth, it launched advertising that borrowed a favorite ploy of Coke and Pepsi, citing taste-test results in its favor.

- Its newly formed Foods Group began testing a line of freeze-dried soups under the Nouvelle name and this month introduced nationally a five-item line of frozen lemonade and lemon-limeade concentrates called JuiceUp. The line includes the first "diet" versions of juice concentrates to be offered.
- It expanded its line of budget-price Howdy brand soft drinks to give its bottler network additional flavors to distribute.
- It purchased Country Club Soda, a Springfield, Mass.-based bottler of mixers, as a means of getting a foothold in that potentially significant market.

"When I came to the company six years ago, I said we're going to try to make Seven-Up a full-line company, and that's what we're doing," explained Ed Frantel, whom PM moved from its Miller Brewing unit to become Seven-Up's president. "Anybody who thinks we've stopped thinking about expansion and new products hasn't been watching us very closely.

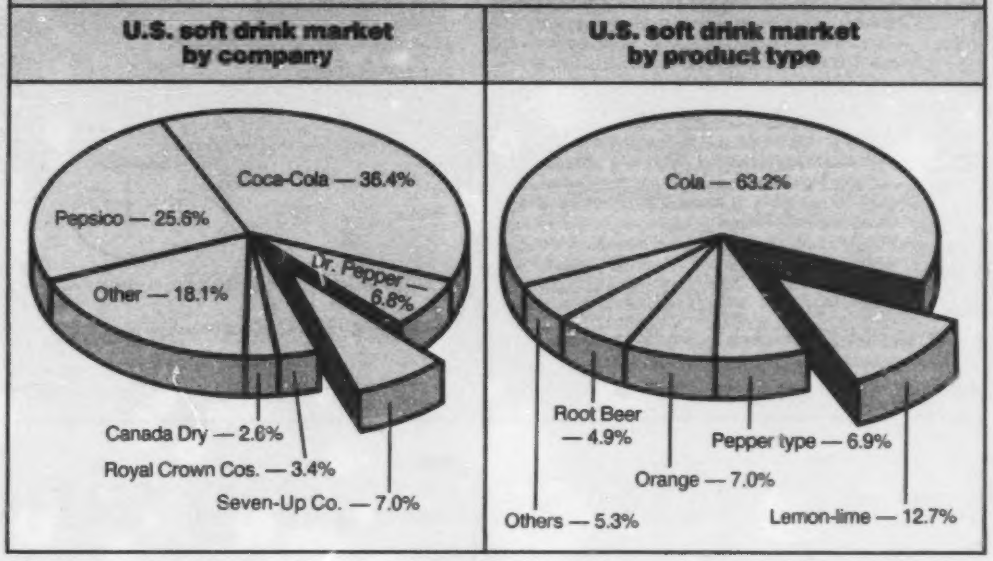
"But there's no question that soft drinks, which used to be called a 'mature and stable' business, has become more dynamic lately. Our job is to stay close enough to the leaders to feel the heat, but not so close that we get burned."

The good-news result of Seven-Up's PM-backed investments in such areas as new products, more aggressive marketing and research is that its revenues rose from

(Continued on Page 92)

The battle to satisfy America's passion for soft drinks

An Uncola company in a cola world, Seven-Up Co.'s corporate share of the U.S. soft drink market is dwarfed by competitors Coca-Cola Co. and PepsiCo. Seven-Up expects its future growth to come primarily through continued expansion of the lemon-lime category it dominates. Source: John Maxwell/*Beverage Industry*


U.S. soft drink market by company | U.S. soft drink market by product type

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AMERICAN HEALTH
The magazine that's changing people's lives.

For more information call John Caldwell, 242-2460.

*PIB

Cherry Coke hits fountains. . .

By NANCY GIGES

Coca-Cola USA, Atlanta, is continuing to pour on "new and improved" beverages with the national introduction of a fountain version of Cherry Coke.

Lawrence Cowart, senior exec vp-general manager, fountain sales, predicted May 19 at a Chicago press conference that Cherry Coke will put his company even farther ahead of Pepsi-Cola USA, Purchase, N.Y., in fountain sales.

Coca-Cola says its brands now lead Pepsi's in fountain sales by an over-all margin of 2.4 to 1.

The cherry-flavor cola has been testing for several months in the retail market in Atlanta, Charlotte, N.C., Denver and Hartford.

The fountain rollout, expected to be completed by fall when the retail test results will be evaluated, will be supported primarily by in-store materials and promotion. No agency is involved, the company said. SSC&B, New York, handles advertising for the retail version of Cherry Coke.

The Denny's, Hardee's and What-a-Burger fast-food chains have committed to selling the new drink on at least a test basis, Coca-Cola said.

The target market for Cherry Coke is males and females, aged 12 to 29, who drink sugar-cola products and want an alternative cola taste.

The company says Coca-Cola is the No. 1 fountain product, outselling Pepsi 2 to 1. Diet Coke, the No. 2 soft drink in foodservice over-all, is the No. 1 diet cola at soda fountains, outselling Diet Pepsi 2.5 to 1. Sprite, the No. 1 lemon-lime, is the third-largest-selling soft drink in fountain sales.

Of the chains that have agreed to test Cherry Coke, only one—Hardee's—is among Coca-Cola's top 10 fountain accounts, which also include Kentucky Fried Chicken, McDonald's, Southland Corp. (7-Eleven stores) and Wendy's International.#

. . .as diet colas hit road to Rio

By JULIA MICHAELS

Sao Paulo—Brazilians may get their first taste of Diet Coke and Diet Pepsi next year if Brazil's new government goes ahead with plans to lift its ban on diet soft drinks.

A Brazilian agriculture ministry official said the ban could be lifted within months.

Brazil ranks fifth among world soft-drink and cola markets. The U.S.S.R. is the only other major country that bans diet drinks.

In the past, a powerful sugar lobby convinced the previous military government to hold out against diet soft drinks. But the agriculture ministry official noted that sugar producers now have a relatively new market: Sugar-cane alcohol fuel for the country's growing fleet of alcohol-fueled cars.

Coca-Cola Refrescos, which claims more than half of the 4.2 billion-liter soft-drink market, has been lobbying for permission to manufacture and sell diet soft drinks in Brazil for four years.

"This is the light at the end of the tunnel," says Luis Lobao, Coca-Cola Refresco's administrative director.

Coca-Cola said it would need 8-to-12 months to put its diet products on Brazilian supermarket shelves.

Pepsi-Cola, which has just relaunched its flagship brand in Rio de Janeiro and has a much smaller over-all market share, said it would need more time.

Opinions differ on the potential size of the diet soft-drink market.

Mr. Lobao said it would come to about 2.5% of current annual volume, taking total volume up to about 4.3 billion liters a year.

Coca-Cola claims diet soda drinkers are a totally untapped market here, and thus wouldn't take market share away from sales of sugared Coca-Cola.

In the health-conscious Rio de Janeiro market, diet soft drinks could account for as much as 10% of the total market, according to Edward Moerk, president of Pepsi-Cola do Brasil.

Advertising expenditures would increase substantially, with gains for Coke's agency, McCann-Erickson Publicidade, and Pepsi's J. Walter Thompson Publicidade, sources speculate.

Mr. Moerk said a Diet Pepsi launch would cost about $1 million to cover Rio de Janeiro and Sao Paulo, the principal markets.

The one hitch in a Brazilian diet soft-drink launch is that G.D. Searle & Co.'s NutraSweet isn't produced here and the government isn't likely to permit its importation.

But marketers say a saccharin/cyclamate mixture has worked well elsewhere in Latin America.#

Time Inc. readies snappy 'Picture Week'

By STUART J. ELLIOTT

NEW YORK—Whether lightning will strike a third time for Time Inc. is the question being asked by media, agency and marketing figures as they peruse some 3,000 prototype issues of *Picture Week* being circulated by the company's magazine development group (AA, May 16).

Twice before, Time Inc. had the idea to bring out a news and human-interest photo weekly with editorial copy in b&w only.

But the prototype suggests that, were Time Inc. to make *Picture Week* its eighth magazine early next year, it would be trying to reinvent the photo-weekly concept for the '80s. Or perhaps more, for the *PW* prototype is to the traditional definition of a magazine what *USA Today* is to the traditional definition of a newspaper.

The 88-page prototype depicts *PW* as a slick version of the *New York Daily News'* centerfold, the quickest of quick reads, a print product for members of a generation whose exposure to 30-second commercials and MTV: Music Television has shortened their attention spans.

After reading *Picture Week*, *People* reads like *The New Yorker* or the *Atlantic*.

Of course, it must be added the *PW* prototype is, as the saying goes, subject to change without notice. The concept could be modified between now and July, when *PW* is slated to begin tests in 13 markets nationwide *(see related story, Page 82)*. One change already being made: Richard Burgheim, assistant managing editor, *Life*, and formerly managing editor of *TV-Cable Week*, is joining the *PW* project in the No. 2 editorial post behind managing editor Richard Stolley.

Yet the prototype follows closely the appearance and approach it took during earlier direct-mail testing (AA, March 4). It carries the date May 13 and a cover price of 95¢. The cover story is "Having babies for cash"—surrogate mothers. The cover photo, like all other photos in the magazine, is b&w. The cover logo, headlines and other art work are in a bright yellow and a *Life*-type red.

Inside are one and two-page photos, accompanied by easy-to-read captions ranging in length from about 50 to 135 words. They are arranged by departments given titles such as Breakthrough, Luck, Guts, New Look, Heroes, Sneak, Tears, Wheels, Off Guard, Friends, Odd Job, Animals and Tasteless. All copy and logos inside are b&w save for occasional splashes of red.

These are not *Life*-style photo essays or *People*-style illustrated interviews. Almost every *PW* department in the prototype consists of one or two photos with a short caption—then it's on to the next one. In its focus on photos, sparcity of text and wide variety of subjects, *Picture Week* resembles *Newlook*, Daniel Filipacchi's French magazine recently introduced in the U.S. by Penthouse International. The major differences: *Newlook's* editorial is all color, it includes nudity and it costs $3.50.

PICTURE WEEK
Having Babies for Cash

The **prototype** issue of *Picture Week* being circulated by Time Inc.'s magazine development group features a cover story on surrogate mothers. The cover photo, like all editorial inside, is b&w; logo, headlines and other cover art are red and yellow.

A handful of *Picture Week* prototype departments carry more text or run beyond two pages: The Big Picture, an opening section (five photos, five captions); Essay, the cover story (seven pages, seven photos); 7 Days, a review of the week; a page apiece for book, tv and movie reviews, and a photo quiz.

The prototype issue includes ads from marketers such as Borden, Ford, General Foods, J.C. Penney, L'Eggs, Lorillard, Philip Morris, R.J. Reynolds, Sony and Toyota—for package goods and mass consumer items.

This jibes with opinions expressed by Madison Avenue observers that Time Inc. would have to position *Picture Week* as a mass-market magazine.

A related observation they make is that for *PW* to succeed, it must be, as one put it, "priced low enough to make it attractive, strictly an economic proposition." This means *PW* must offer marketers a high circulation, perhaps 1 million, and a low cpm. As a result, the magazine is being planned with relatively low editorial costs—b&w photos picked up from outside sources, a small staff—to help make it feasible for Time Inc., which analysts say could spend $20 million to introduce *Picture Week* if the test results are judged satisfactory. Young & Rubicam here will handle promotion for the tests, for which Time Inc. is considering different campaigns at different spending levels, in the 13 test markets.#

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NOTE CUBES
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ICC, International Cube Corp.
6759 Thompson Rd. N. Dept. C
Syracuse, NY 13211 (315) 437-9612

AA sales names Holm

CHICAGO—Deborah Holm has been named to handle classified advertising sales in the Chicago office of ADVERTISING AGE. She succeeds Louise Durfee, who left the company.

D. Holm

Ms. Holm, a graduate of Indiana University, was previously classified advertising production manager for AA. She joined the company in August, 1984.#

CORRECTIONS & CLARIFICATIONS

- Jack Marks, director of marketing communications worldwide, Parker Pen Co., Janesville, Wis., is leaving the company at the beginning of June, not May as reported in "Parker Pen dropping its global plans" (AA, May 13).
- Micro Mart, an Atlanta-based computer retail chain, has not awarded Smith Burke & Little its $3 million account, as was earlier reported from incorrect information from SB&L (AA, May 6, P. 8). Micro Mart says SB&L will handle advertising for the June 3 opening of its Atlanta store. Micro Mart says it is considering SB&L, incumbent Bleichner Bonta Martinez & Brown, Atlanta, and several other agencies and will choose an agency of record within 30 days.
- The following additions and corrections refer to the recently published Foreign Agency Income report (AA, April 22).

Ogilvy & Mather (Malaysia) figures were listed incorrectly by the agency and should read as follows: Gross income, 1984—$3,639,000; 1983—$3,630,000. Billings, 1984—$24,274,000; 1983—$24,213,000, which puts O&M in first place in Malaysia.

Ogilvy & Mather, Singapore, figures were reversed by the agency and should read as follows: Gross income, 1984—$2,502,000; 1983—$2,197,200 Billings, 1984—$16,697,000; 1983--$14,655,700.

Teran Publicidad, Mexico City. Figures received too late for inclusion. Gross income 1984—$1,502,600; 1983—$719,400 Billings, 1984—$7,925,500; 1983—$3,561,300.

Ogilvy & Mather's affiliation in Chile is with Northcote & Asociados, Santiago, not with Promoplan, as stated in a footnote.

Needham, Harper of Canada's 1984 gross income should have been $2,592,000 instead of $3,146,100. Needham is agency of record in Canada for Kraft Ltd. and figures for 1984 for Kraft were not included in the agency's gross income total.

Feldman Calleux Associes, Paris, showed gross income of $8,900,800 and $6,362,000 for 1984 and 1983, respectively, and billings of $59,338,400 and $42,434,800 for the same years, putting the agency in ninth place in the French rankings. Figures for 1984 are AA estimates. FCA figures include FCA Lyon, FCA Mediterranee, LK and Marketware.#

Smart, Buick!
Smart, Cadillac!
Smart, Ford!
Smart, Jaguar!

You know that 35.3% of our almost one million readers have three or more late model cars.* They can afford to; they earn more and spend more than the readers of almost any other magazine.

You're on the right target because we're on the right course.

MOTOR BOATING & SAILING

*Source: 1984 Mendelsohn.

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Seven-Up's stand

(Continued from Page 4)

$274.8 million in 1978 to $734 million in 1984. The bad news is that operating profits, which were $40.3 million the year PM acquired the company, were $5.3 million in 1984 (and that was the first year since 1979 that Seven-Up finished a year in the black).

Despite the Uncola company's unprofitability, PM chairman Hamish Maxwell repeatedly and vehemently has denied rumors that Seven-Up will be unloaded.

"Seven-Up's losses don't mean anything to Philip Morris," said Kidder Peabody analyst Roy Burry, who notes that the parent's total operating revenues last year were $13.8 billion. "Sure, they'd like Seven-Up to make a profit, but PM is looking at the potential of the market more than Seven-Up's bottom line."

Mr. Frantel doesn't sound like an executive who is getting heat from his superiors.

Pushing, probing, prying

"The corporation realizes this is a long-term business," he says. "We could have made a lot of money in the past six years if we weren't pushing, probing and prying. But you have to do that unless you want to be a parasite."

Still, one industry observer speculates that PM eventually will spin off the company to its shareholders. "That's what you do with a division nobody else wants to buy," he said.

Even with the heavy influx of cash from PM, Seven-Up's over-all share of the soft-drink market essentially has been unchanged for the past several years. Its ad expenditures and case sales have grown, but so, too, have Coke's and Pepsi's.

One explanation of why Seven-Up has been running in place is that it's suffering from the same ironic backlash afflicting Miller Brewing, its sister company in the Philip Morris stable. With PM's backing, both Seven-Up and Miller came on strong as serious marketers—and woke up their slumbering competition.

Seven-Up's advertising resurgence in the past few years "has had a substantial effect on making Coca-Cola as tough [a marketer] as it is," said Prudential-Bache analyst George Thompson. "Coke saw what happened with Miller [which dramatically increased ad spending after PM acquired it] and got going."

$15 million in '77

In 1977, $15 million was spent on measured-media advertising for brand 7UP, according to Leading National Advertisers. Coca-Cola spent $24 million for brand Coke. By 1979, 7UP spending was up to $25 million, but Coke's media spending had increased to $42 million.

Last year, Coca-Cola spent about $50 million for its flagship brand. Seven-Up spent $23 million for its primary brand (having put additional emphasis on Diet 7UP).

While increasing support for their primary products, Coca-Cola and Pepsi also have been building their secondary brands into stronger competitors and exploring new products.

They want new worlds to conquer and divide.

Coca-Cola has reformulated grapefruit-flavored Fresca and appears poised to rebuild that brand's declining market share. Its Sprite and Diet Sprite brands, the strongest competitors for 7UP, also are receiving new attention and stronger marketing and advertising support from Coca-Cola. Waiting in the wings for rollouts are Cherry Coke and Minute Maid orange soda.

The testing that produced Cherry Coke also encompassed vanilla and chocolate versions, raising the possibility of Coca-Cola developing a completely new category of flavored colas.

Pepsi's near-term focus apparently is the with-juice category. Its Slice brand, which contains 10% fruit juice, is being readied for a rollout that means another competitor for 7UP.

Mr. Frantel isn't worried about the brand proliferation, seeing it instead as a dilution of Coke's and Pepsi's consumer franchise that can only help 7UP stand out as what it always was meant to be: A cola alternative.

But Seven-Up's critics wonder how long it can withstand the cola giants' concerted challenges.

Philip Morris spent like crazy

"Philip Morris has spent like crazy for Seven-Up, but it's going to get more difficult for it to increase its market share," Mr. Thompson said. "Philip Morris admittedly is one of the great marketers in American business. But it takes more than marketing in the soft-drink industry. It takes distribution, and that is Seven-Up's problem."

Its bottler and distribution networks long have been Seven-Up's bottleneck. The question is whether that problem is going to worsen.

Seven-Up Co. in the past has not represented enough volume annually to support a complete national network of bottlers whose top priorities are producing 7UP, Diet 7UP and the rest of its product line. The company has had to hook up with a Coke bottler here, a few Pepsi bottlers there and many smaller independent bottlers in between to fill out its system.

That setup has worked fairly well for producing and distributing the 7UP line. But Like cola, introduced in 1982, still is not available nationwide because bottlers affiliated with Coke, Pepsi or Royal Crown can't touch it.

Despite being coupled in advertising with 7UP, Like has had trouble catching hold; it commands approximately a 0.5% share of the total market.

Even flagship 7UP may be facing trouble from the same bottler system, observers say.

As vulnerable as anyone

"If Coke says to a bottler, 'We know you have 7UP, but we'll give you the chance to carry Minute Maid orange soda instead,' Seven-Up's in trouble," Mr. Thompson said. "People talk about the small companies getting caught in a squeeze [between Coke and Pepsi]. But Seven-Up's as vulnerable as anyone."

"Rubbish," Mr. Frantel said. Establishing a third major bottler network is one of the goals Seven-Up has worked hardest to achieve, he said, and the expansion of its own product line will help realize it. Fewer than 25% of its bottlers now are affiliated with Coke or Pepsi.

"There's no question there's some leveraging against bottlers, distributors and retailers going on out there," he added. "But our bottlers realize that they're going to have to fight and be strong."

"Don't count Seven-Up out," insists one of those independent bottlers, who asked to remain anonymous. "They've shown me that they can respond to Coke and Pepsi. And they're bringing back the 'Uncola' theme at the right time. If the new Coke tastes like Pepsi and Pepsi tastes like new Coke, there's all the more reason for people to try something else."

"Uncola" hit airwaves in '68

The first "Uncola" campaign hit the airwaves in 1968, developed by Seven-Up's agency at the time, J. Walter Thompson USA, Chicago. Different from anything that had been done in soft-drink advertising before, the campaign put 7UP on the marketing map.

For one thing, it was "negative": The product was positioned as being "unlike" its competitors. And its spokesman was a little-known, Trinidad-born actor named Geoffrey Holder, with a shaved head and deep, booming voice and laugh that were, well, un-forgettable.

"We took a product that was largely known as a digestive aid out of the medicinal field and into the soft-drink business with that campaign," recalled Orville Roesch, then Seven-Up's advertising manager. "Everyone else [in the soft-drink market] only had these cutesy little jingles for their products. We went with Geoffrey Holder and Milton Glaser-designed outdoor boards."

He credits the campaign's success to the JWT creative team that, after first resisting the Uncola idea, he claims, went all-out with the offbeat positioning. Among the team members were Bill Ross, now managing partner at Tatham-Laird & Kudner, Chicago, and Charles Martell, now executive creative director, JWT/West, San Francisco.

Despite the cleverness of the original campaign, Mr. Roesch doubts it can be resurrected to the same effect.

"The best advertising is written for a time as well as a market," he said. " 'Uncola' was perfect for 1968, what with the hippies and Woodstock. It was the perfect anti-establishment campaign for its time. But you say 'Uncola' today and what does it mean?"

Mr. Frantel believes that, given Coke's reformulation as well as all the other changes in the cola category, the phrase means even more than before.

"Bringing back 'Uncola' now is a tremendous opportunity for us," he said. "For one thing it has the word 'cola' but it says 'un-cola.' It's unique. It's us and it has been for all these years, even though we haven't reinforced it.

With all the changes in formula and categories, 'Uncola' is something traditional. People know what it means."

Another element of "Uncola's" strength is that it can't be absorbed by competitors, as was the daring "No caffeine" marketing campaign launched by Seven-Up and Ayer in 1982, and for which Mr. Holder returned as spokesman. Their gamble in raising the specter of questionable ingredients hit a responsive chord among consumers, but was like a stick in the side of its competitors.

Coca-Cola responded with its own uncaffeinated Sprite, Caffeine Free Coke and Caffeine Free Diet Coke. PepsiCo rolled out Pepsi Free.

"Seven-Up simply did no-caffeine testing for Coke and Pepsi and [when it proved to be a popular attribute] they put their own products on the opposite end of the grocery-store aisle and cleaned Seven-Up's clock," said Mr. Thompson.

More rubbish, Mr. Frantel said. Sales of 7UP jumped after the "No caffeine" campaign. "If you're the leader with the most shelf space, why incur the expense and hard work" of innovating, he asks rhetorically of Coke's response. "Besides, the 'No caffeine' campaign stimulated the whole industry to rethink the opportunities in this business."

With "Uncola" positioning protecting its primary soft-drink products once again, Seven-Up is confident enough to take an even bigger gamble: Building its fledgling Foods Group.

One of that group's units, Albany, Ore.-based Freeze Dry Foods, is test-marketing the Nouvelle line of freeze-dried soups. Chef Master, Irvine, Cal., produces flavorings.

Citrus Products most promising

But the Food Group's largest and most promising unit is the Citrus Products division, based in Ventura, Cal. Known as Ventura Coastal Corp. when it was purchased by Seven-Up in 1973 to be a supplier of lemon extract for its soft drinks, the company last year processed and packaged more than 60% of all frozen concentrate for private-label lemonade.

Now Seven-Up plans to get a bigger piece of what the company estimates is the $125 million lemonade market. It showed last week that it was serious by introducing nationally the JuiceUp line of frozen lemonade and lemon-limeade concentrates (with fresh lemon juice added).

And it backed the rollout with network tv spots from Foods Group agency Doyle Dane Bernbach, Los Angeles, supported by local tv, couponed print ads, point-of-purchase tags and in-store sampling programs.

Even more significantly, the technology involved in producing the concentrates easily could be adapted to producing juice-based soft drinks, a la PepsiCo's Slice.

Unlike the soups, the juice line prominently carries the 7UP logo. "When your parent has a name as widely known as 7UP's, you can clear a lot of hurdles quickly by riding on that name," said Citrus Products division general manager Dean Ulrich. "7UP signifies everything we want to be in the juice category—natural ingredients and top quality."

The product was tested with and without the 7UP Foods name, he said, and it tested consistently higher with the logo.

During initial test-marketing in Erie, Pa., and Phoenix, the product garnered an 18%-to-20% share of sales.

The move from the aisle to the freezer case is a major one, but that only changes the playing field, not the game. Even if JuiceUp gets all the space it needs in grocers' freezers, it still will pace its old rival, Coca-Cola, whose own foods division makes the Minute Maid line.

"Minute Maid is the No. 1 frozen-food product in American stores," Mr. Thompson said. "Coke has been kicking Seven-Up in soft drinks and it will be worse in frozen foods."

Ed Frantel doesn't believe that for a minute. Taste tests tell him JuiceUp has a competitive edge, and his gut tells him that Seven-Up can't be run out of the business.

"Every company is trying to do all it can to be dominant in every segment," he said. "But we're a pretty stubborn cat. And I can assure you we'll do whatever is necessary to protect our position wherever we operate."#

SOLUTIONS FOR THE NEW INDUSTRIAL REVOLUTION

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Raymond Corp., Greene, N.Y., is broadening its business-to-business marketing horizons with a print campaign breaking this month in *Electronic Business, Grocery Distribution, Materials Handling Engineer* and *Modern Materials Handling*. The ad, themed "Raymond—Solutions for the new industrial revolution," was created by Eric Mower & Associates, Syracuse. Raymond markets materials-handling products and flexible manufacturing systems.

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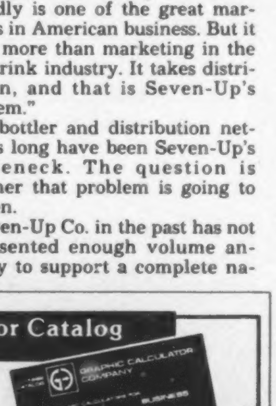
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May

Art & antiques

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Artist	107.6	103.2	376.4	356.0
Antiques	165.3	165.3	775.1	774.7
Antique Monthly	—	—	—	—
Art in America (11X)	120.1	125.4	572.5	659.3
Southwest Art	112.3	122.3	405.5	424.3
Total Group	**505.3**	**516.2**	**2,129.5**	**2,214.3**
% change		**−2.1%**		**−3.8%**

Auto/cycle/rec. vehicles

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
AutoWeek (52X)	157.8	130.6	647.3	587.6
Car & Driver	131.0	117.0	550.0	437.0
Car Collector & Car Classics	17.1	18.2	94.9	102.7
Car Craft	94.6	87.8	355.6	321.6
Cycle	68.8	55.8	280.6	273.8
Cycle Guide (11X)	55.4	44.8	279.3	292.6
Cycle World	95.0	82.4	324.2	321.7
Dune Buggies & Hot VWs	104.7	84.2	430.2	389.8
Family Motor Coaching	148.4	139.8	758.5	727.2
4 Wheel & Off-Road	87.3	87.5	357.8	334.8
Four Wheeler	100.5	92.5	423.5	346.8
Hot Rod	81.5	83.1	311.6	275.1
Motorcyclist	56.0	55.9	205.5	212.9
Motor Trend	85.4	73.4	386.5	282.3
Motorhome Life	96.9	95.8	479.5	441.6
Pick-Ups & Minitrucks	36.7	39.0	163.8	142.5
Road & Track	130.6	122.2	549.8	480.5
3 Wheeling	60.7	36.3	267.0	145.2
Trailer Life	156.7	150.9	652.6	645.3
Total Group	**1,765.1**	**1,597.2**	**7,518.2**	**6,761.0**
% change		**+10.5%**		**+11.2%**

Boating & yachting

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Boating	131.4	158.0	775.6	800.8
Chesapeake Bay	39.8	29.0	163.7	143.7
Cruising World	126.7	145.7	667.2	708.9
Lakeland Boating (10X)	79.0	72.6	354.5	306.2
Motor Boating & Sailing	165.4	176.2	946.8	909.0
Sail	129.4	136.6	729.6	733.1
Sea & Skipper	52.7	70.7	271.2	314.5
Small Boat Journal (6X)	—	—	103.5	98.4
Southern Boating	64.3	63.9	369.9	340.6
Trailer Boats (11X)	46.1	44.8	203.3	207.4
Western Boatman (6X)	45.2	23.4	148.8	83.0
Yachting	169.2	169.6	914.4	928.5
Total Group	**1,049.2**	**1,090.5**	**5,648.5**	**5,574.1**
% change		**−3.8%**		**+1.3%**

Canadian

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
L'Actualite	90.8	78.7	300.6	318.9
Chatelaine:				
English Edition A.	90.6	118.2	469.5	509.8
French Edition	80.9	105.9	382.6	432.0
City and Country Home	57.3	49.8	151.2	136.3
City Woman (5X)	—	—	—	—
Equinox (6X)	29.7	47.5	78.5	127.8
Financial Post A.	38.5	54.9	165.0	224.3
Flare A.	82.0	82.2	323.5	265.2
Homemaker's (10X)	—	—	—	—
Madam Au Foyer (10X)	—	—	—	—
Macleans (52X) A.	152.6	185.5	624.5	648.5
Montreal Calendar	—	—	—	—
Montreal Ce Mois Ci	—	—	—	—
Toronto Life	94.0	98.9	393.7	423.8
Vancouver	71.4	75.9	326.2	313.7
Total Group	**787.8**	**897.5**	**3,215.3**	**3,400.3**
% change		**−12.2%**		**−5.4%**

Civic/fraternal

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Legion	26.4	19.7	145.2	136.1
Elks (10X)	14.4	16.7	103.6	123.0
Kiwanis (10X)	14.9	11.9	74.9	61.8
Lion (10X)	5.5	5.0	24.7	36.7
Rotarian	10.8	7.4	58.5	69.9
V.F.W. (11X)	24.8	25.9	130.4	146.2
Total Group	**96.8**	**86.6**	**537.3**	**573.7**
% change		**+11.8%**		**−6.3%**

Comics

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
DC Comics	7.0	9.0	34.5	41.5
Marvel Comics Group	6.0	10.0	40.5	47.5
Total Group	**13.0**	**19.0**	**75.0**	**89.0**
% change		**−31.6%**		**−15.7%**

General

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Health (10X)	46.2	55.1	200.8	166.0
American West (6X)	24.5	15.2	102.2	64.0
The Atlantic A.	40.7	47.1	248.5	234.3
Audubon Magazine (6X)	51.2	31.5	112.5	85.5
Bon Appetit A.	93.2	93.8	412.6	399.5
Changing Times	35.5	40.3	190.3	225.3
Connoisseur	74.1	75.8	301.5	275.3
Consumers Digest (8X)	16.6	20.4	99.7	53.3
Ebony	112.1	112.3	455.4	424.8
Fifty Plus	24.5	32.7	157.7	187.5
Food & Wine	48.9	44.4	203.3	182.5
Games	12.8	20.2	80.7	112.6
Gourmet	94.7	101.8	457.3	392.1
Home Entertainment (8X)	29.0	—	101.0	66.5
Harper's Magazine A.	24.3	24.2	132.2	124.8
Life C.	95.7	69.9	329.0	285.3
Modern Maturity (6X)	48.9	34.1	98.9	79.3
Money	135.7	138.2	593.0	546.7
Moneysworth (4X)	—	—	24.8	27.0
Mother Earth News (6X)	45.3	47.2	139.8	161.0
Mother Jones (10X)	16.8	17.6	62.5	69.8
National Geographic	32.1	27.8	112.5	109.9
Prevention	65.8	71.7	304.5	351.6
Psychology Today	24.7	28.3	132.6	121.4
Reader's Digest A.	120.7	114.2	421.6	435.2
Saturday Evening Post (9X)	38.4	41.4	134.9	163.7
Signature	64.3	70.9	284.7	302.2
Smithsonian	87.8	89.3	460.0	446.5
Success	27.8	37.6	143.0	178.8
Sylvia Porter's Personal Finance (6X)	38.8	29.8	118.3	89.3
Town & Country	159.8	195.9	647.0	709.8
Travel	51.7	52.0	263.2	271.5
Travel & Leisure	113.2	141.3	559.7	588.9
Vanity Fair	36.8	18.5	154.3	111.9
Writers Digest	33.8	23.6	120.3	127.1
Yankee	69.5	73.8	345.0	412.0
Total Group	**2,008.1**	**2,000.3**	**8,562.3**	**8,404.1**
% change		**+0.3%**		**+1.9%**

Home

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Americana (6X)	23.1	39.1	110.9	119.6
Architectural Digest A.	157.1	191.6	626.0	660.1
Better Homes & Gardens	141.8	169.2	566.1	575.9
Colonial Homes (6X)	79.5	76.7	187.7	206.5
Country Journal	29.9	32.6	161.1	182.9
Country Living	75.4	77.4	329.1	311.2
Dallas/Ft. Worth Home & Garden	80.6	81.9	308.6	337.8
Family Handyman (10X) A.	81.6	97.5	335.2	403.1
Flower & Garden (6X)	—	—	92.6	103.5
Home	49.7	59.8	254.7	285.8
The Homeowner (10X)	29.5	27.2	121.1	102.9
Horticulture	48.0	39.0	224.0	164.0
House Beautiful	86.1	96.3	383.4	439.9
House & Garden	121.8	122.6	495.7	429.3
Houston Home/Garden	116.0	111.0	439.5	471.5
Metropolitan Home	52.5	162.4	327.3	378.5
New Shelter (9X)	55.2	41.5	270.5	235.7
1,001 Home Ideas	74.2	45.1	236.8	194.0
Organic Gardening	60.1	60.3	324.2	391.7
Phoenix Home/Garden	58.0	52.5	338.8	286.2
San Diego Home/Garden	105.8	104.3	345.9	341.6
South Florida Home/Garden	24.8	—	174.4	—
Southern Accents (6X)	105.1	83.5	270.2	214.3
Southern Living	174.5	193.5	665.2	705.1
Sunset Magazine A.	188.6	179.9	737.8	704.7
Texas Homes	121.7	90.9	423.3	385.4
Workbench (6X)	55.8	61.3	171.7	192.0
Total Group	**2,196.4**	**2,297.1**	**8,921.8**	**8,823.2**
% change		**−4.4%**		**+1.1%**

In-flight & other passenger

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Alaska Airlines	42.2	50.3	224.0	224.8
American Way (26X)	115.8	105.2	614.8	516.9
East/West Network:				
Eastern Review	95.3	137.7	505.1	605.9
Northwest Orient	35.3	27.3	184.8	150.8
Ozark	35.5	54.5	183.7	234.9
PSA Magazine	76.7	122.5	372.8	486.1
Pan Am Clipper	54.8	75.3	285.3	308.5
Republic Scene	42.5	70.5	220.7	309.2
Southwest/Spirit	89.3	100.8	434.8	453.0
United	81.3	130.2	437.2	554.7
USAir	49.0	76.2	278.4	318.7
Western's World	44.7	76.2	267.7	315.2
Halsey Publications:				
Air Cal	33.5	46.5	219.9	238.1
Delta Sky	73.5	91.8	362.8	398.5
Frontier Skylite	17.8	21.2	101.6	90.5
Hawaii (6X)	23.8	22.7	123.3	109.2
Pace	80.5	74.2	295.8	240.3
Spirit of Aloha (6X)	23.7	23.3	122.4	106.6
TWA Ambassador	61.2	57.1	301.3	355.9
Total Group	**1,076.4**	**1,363.2**	**5,536.4**	**6,017.8**
% change		**−21.0%**		**−8.0%**

Men's

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Esquire A.	111.2	100.2	469.0	423.7
Firehouse Magazine (13X)	31.0	33.0	200.0	196.0
Gentlemen's Quarterly A.	129.1	131.7	687.2	700.0
M Magazine	55.0	51.0	261.5	290.7
Penthouse A.	38.6	54.9	193.5	235.6
Playboy A.	77.9	83.7	348.8	352.9
Total Group	**442.8**	**454.5**	**2,160.0**	**2,198.9**
% change		**−2.6%**		**−1.8%**

Metropolitan

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Aloha (6X)	35.4	27.3	101.6	79.0
Atlanta	75.0	73.9	273.1	272.5
Baltimore	73.3	74.0	367.3	300.8
Boston	166.6	158.3	733.8	654.9
California	65.5	73.9	327.0	293.9
Charlotte (10X)	—	—	—	—
Chicago	135.5	146.8	616.8	635.5
Chicago's North Shore	80.7	93.3	381.2	407.4
Cincinnati	53.5	66.4	268.0	283.7
Cleveland	71.8	89.2	383.4	355.8
Coast (38X)	304.7	284.2	1,070.2	1,058.3
Columbus Monthly	70.1	70.2	319.9	301.8
Connecticut	94.6	84.5	435.2	390.3
D/Magazine, Dallas/Ft. Worth	193.2	151.8	648.0	587.6
Denver	29.3	30.0	141.5	118.1
Grand Rapids	63.2	54.0	252.2	246.3
Gulfshore Life (10X)	35.8	42.2	318.9	423.1
Honolulu	60.5	70.2	301.8	298.9
Houston City	85.9	96.8	364.9	386.0
Indianapolis	—	—	—	—
Kansas City	30.5	38.8	154.6	163.3
Los Angeles	203.0	227.0	845.3	926.0
Louisiana Life (6X)	49.0	86.7	165.8	210.6
Madison	84.0	46.0	319.0	251.0
Metropolitan Detroit	120.0	64.4	361.2	—
Miami Mensual	35.1	44.4	204.0	197.3
Miami/South Florida	93.2	91.8	436.0	427.6
Milwaukee	76.0	40.1	320.3	181.8
Minneapolis/St. Paul	90.4	100.1	477.6	432.6
Monthly Detroit	89.0	85.3	266.3	259.7
New Jersey Monthly	69.8	59.3	288.4	255.1
New Mexico	38.3	37.3	189.0	167.2
Ohio	77.0	81.1	314.3	280.1
Oregon	38.0	32.3	157.5	114.2
Orlando	95.8	80.0	505.9	421.3
Palm Beach Life	40.2	36.3	483.6	479.7
Palm Springs Life	—	—	—	—
Philadelphia	150.8	120.1	663.6	596.5
Phoenix	94.7	73.1	514.8	426.8
Pittsburgh	60.9	55.8	275.6	290.2
St. Louis	67.0	63.5	285.5	290.5
San Diego	178.4	173.3	788.6	720.5
San Francisco	63.0	66.3	310.0	305.3
San Francisco Focus	95.5	66.8	419.2	260.8
Texas Monthly	138.8	157.3	559.3	618.1
Twin Cities	66.5	70.3	265.4	307.5
Ultra	84.1	87.0	366.9	366.2
The Virginian (6X)	60.0	45.5	180.0	126.5
Washington Dossier (11X)	57.6	40.5	255.6	233.5
The Washingtonian	168.0	170.0	760.0	709.0
Total Group	**4,097.6**	**4,766.1**	**15,174.3**	**13,501.7**
% change		**−14.0%**		**+12.4%**

Movie/romance/radio/tv

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Macfadden's Women's Group:				
Modern Romances	23.2	27.0	91.7	127.9
Secrets	23.2	27.0	91.7	127.9
True Confessions	23.2	27.0	91.7	127.9
True Experience	23.2	27.0	91.7	127.9
True Love	23.2	27.0	91.7	127.9
True Romance	23.2	27.0	91.7	127.9
Sterling Women's Group:				
Daytime TV	29.5	27.5	144.5	136.5
Modern Screen	—	—	29.5	41.0
Movie Mirror (6X)	—	—	46.0	61.5
Soap Opera Stars	—	—	39.0	56.5
TV Movie Screen (6X)	—	—	13.0	5.0
TV Picture Life (6X)	—	—	13.0	61.5
Total Group	**168.7**	**189.5**	**835.2**	**1,129.4**
% change		**−11.0%**		**−26.0%**

Music/entertainment

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Film (10X)	14.6	17.2	93.0	105.5
Audio	84.0	62.0	393.0	288.0
Circus Magazine	48.2	26.6	234.0	168.5
Dance Magazine	76.0	91.8	319.3	348.9
Musician	55.7	57.7	282.0	302.2
Playbill D.	62.1	71.0	256.1	299.1
Record	25.6	25.1	116.7	113.6
Stereo Review	45.2	45.4	188.8	220.0
Video Magazine	80.3	57.0	337.2	270.7
Video Review	46.2	50.9	305.7	264.6
Total Group	**537.9**	**504.7**	**2,525.8**	**2,381.1**
% change		**+6.6%**		**+6.1%**

National Sunday magazines

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Family Weekly (52X) A.	49.8	53.3	248.4	285.5
Parade (52X)	52.3	48.2	267.6	277.7
Total Group	**102.1**	**101.5**	**516.0**	**563.2**
% change		**+0.6%**		**−8.4%**

Outdoor & sport

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Alaska	53.9	44.5	255.7	208.3
The American Handgunner (6X)	34.0	37.0	327.0	330.0
American Hunter	11.7	15.5	77.1	78.3
American Rifleman	20.7	27.3	115.7	129.3
Backpacker (6X)	43.8	49.4	104.8	123.6
Bass Master (9X) A.	62.8	62.8	359.1	312.2
Bicycling (9X)	114.5	107.8	413.7	422.9
Field & Stream	110.3	110.8	474.7	464.5
Fins & Feathers A.	53.2	68.3	197.8	234.9
Fishing World	46.3	50.8	160.6	167.1
Florida Sportsman	108.2	91.1	608.1	507.7
Flying	53.8	52.1	222.7	207.8
Fur-Fish-Game	11.1	18.8	97.5	112.9
Golf Digest	91.6	105.8	507.9	517.9
Golf Magazine	59.4	92.6	436.1	514.4
Golf World	97.4	111.2	352.4	323.8
Guns	21.0	22.0	414.0	426.0
Guns & Ammo	45.9	40.2	203.4	195.7
In-Fisherman (6X)	133.0	126.0	322.5	309.0
Muscle & Fitness	108.5	104.0	536.8	526.6
Outdoor Life	—	—	—	—
Outside Magazine	48.1	44.8	227.3	181.9
Petersen's Hunting	42.7	38.0	174.4	158.2

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B.Includes special World War II edition. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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May

	Current month		Year-to-date	
	1985	1984	1985	1984
The Runner	38.8	49.4	185.0	219.4
Runner's World (13X)	43.9	53.9	181.4	242.0
Salt Water Sportsman	94.9	86.6	481.6	431.8
Shooting Times	26.1	28.8	148.1	—
Ski (8X) A.	—	—	—	—
Skiing (7X)	—	—	203.3	215.3
Skin Diver	93.1	91.9	401.0	411.5
Southern Outdoors (8X)	46.3	52.4	179.4	199.9
Sport	—	—	—	—
Sports Afield	—	—	—	—
Tennis	—	—	—	—
Western Outdoors (10X)	54.0	46.2	256.9	230.5
Total Group	**1,734.2**	**1,685.7**	**8,274.0**	**8,403.4**
% change	**+2.9%**		**−1.5%**	

— Photography —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Photographer	45.0	45.0	206.7	201.1
Petersen's Photographic	34.9	36.9	136.7	162.4
Popular Photography	95.6	98.5	452.3	466.7
Total Group	**175.5**	**180.4**	**795.7**	**830.2**
% change	**−2.7%**		**−4.1%**	

— Religious —

	Current month		Year-to-date	
	1985	1984	1985	1984
BBI Jewish Monthly (10X)	22.9	29.4	113.8	122.5
Christian Herald (11X)	29.0	29.2	158.7	161.2
Christian Life	26.7	24.5	130.9	136.7
Christianity Today (18X)	51.7	70.3	334.8	331.5
Inside (4X)	82.8	90.5	82.8	90.5
Moody Monthly (11X)	48.5	53.0	270.8	269.9
Today's Christian Woman (6X)	38.7	38.0	128.4	103.8
Total Group	**300.3**	**334.9**	**1,220.2**	**1,216.1**
% change	**−10.3%**		**+0.3%**	

— Science/electronic/mechanic —

	Current month		Year-to-date	
	1985	1984	1985	1984
Compute	44.3	79.5	280.6	456.0
Creative Computing	49.0	122.8	376.5	665.3
Discover	31.3	35.4	164.1	189.9
Family Computing	24.7	50.2	213.0	268.6
Home Mechanix	83.1	94.2	364.0	379.9
Info World (52X)	147.0	235.0	761.0	1,051.0
Natural History	41.1	45.1	223.4	239.8
Omni	50.6	63.6	273.4	289.2
Personal Computing	148.9	147.9	726.2	795.3
Popular Mechanics	127.4	135.0	498.7	516.3
Popular Science	66.7	110.6	329.1	459.1
Science Digest	25.8	37.7	137.1	144.7
Science 85 (10X)	36.7	29.0	135.6	151.3
Scientific American	52.5	73.4	239.1	325.8
Total Group	**929.1**	**1,259.4**	**4,721.8**	**5,932.2**
% change	**−26.2%**		**−20.4%**	

— Women/fashion/service —

	Current month		Year-to-date	
	1985	1984	1985	1984
Bride's Magazine (6X) A.	257.1	268.1	997.4	1,005.6
Cosmopolitan A.	234.3	270.2	957.2	1,042.1
Essence	133.3	99.0	435.6	407.4
Family Circle (24X) A.	133.3	199.1	748.7	716.0
Family Magazine	35.5	34.3	182.2	169.6
Glamour	195.3	220.6	858.1	876.5
Good Housekeeping A.	281.5	164.7	865.9	767.9
Harper's Bazaar	117.1	145.9	696.1	712.2
Health	47.0	46.1	196.1	174.4
Ladies' Home Journal	123.4	113.4	542.0	505.4
Ladycom (10X)	28.8	40.2	165.0	187.0
Ladies Circle	—	—	—	—
Mademoiselle	151.7	168.3	616.6	687.8
McCall's	98.0	110.4	455.5	444.3
Modern Bride (6X)	245.4	218.5	950.3	843.2
Ms.	69.8	77.4	259.2	248.5
New Woman	58.5	55.1	262.4	236.1
Parents Magazine A.	103.5	80.5	450.8	361.2
Playgirl	30.3	31.3	174.7	174.2
Redbook	88.3	110.6	445.2	443.5
Self	92.7	116.3	486.5	470.3
Seventeen	123.1	127.9	582.9	602.4
Shape	57.5	60.0	312.6	274.0
Soap Opera Digest (26X)	49.6	31.6	143.5	140.7
'Teen Magazine	71.0	68.8	236.0	240.2
True Story A.	57.2	56.5	231.1	282.3
Vogue	219.4	255.7	1,299.0	1,251.4
W Magazine	95.2	64.8	571.1	536.8
Weight Watchers	30.2	33.2	136.5	152.2
Woman's Day (16X) A.	89.7	115.6	565.8	600.5
The Workbasket (10X)	28.1	30.6	191.1	186.2
Working Mother	85.5	84.8	366.5	341.4
Working Woman	98.9	128.8	493.0	485.0
Total Group	**3,539.2**	**3,628.3**	**15,874.6**	**15,566.3**
% change	**−2.5%**		**+2.0%**	

— Youth —

	Current month		Year-to-date	
	1985	1984	1985	1984
Boys' Life	15.9	20.3	90.9	88.0
Campus Life (10X)	38.6	30.1	249.9	224.1
Total Group	**52.5**	**50.4**	**340.8**	**312.1**
% change	**+4.2%**		**+9.2%**	

April

— Business —

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Business Gazette (52X)	23.6	24.2	111.7	97.3
Atlanta Bus. Chronicle (6X)	62.7	67.9	191.3	197.2
Austin Business Journal (52X)	61.9	—	214.0	—
Barron's (52X)	175.6	239.8	723.1	808.5
Black Enterprise	34.3	55.7	262.2	234.2
Boston Business Journal (52X)	158.4	111.7	532.4	351.2
Business Atlanta	62.0	41.9	296.3	223.1
Business Week (52X) A.	408.0	455.7	1,378.8	1,469.6
California Business	—	—	—	—
Capital District Bus. Review (25X)	50.0	48.0	176.9	168.4
Corporate Report/Kansas City	45.7	69.1	199.4	265.4
Corporate Report/Minnesota	118.3	94.5	375.0	330.3
Crain's Chicago Bus. (52X)	172.1	157.8	569.1	533.6
Crain's Cleveland Bus. (52X)	86.9	68.7	294.7	248.4
Dallas/Ft.Worth Bus. (52X)	—	—	—	—
Dun's Business Month	78.0	77.0	229.0	260.0
Financial World (24X)	60.0	39.0	159.6	125.8
Florida Trend (13X)	68.9	83.3	489.5	463.5
Forbes (26X)	261.6	303.3	1,428.8	1,470.9
Fortune (26X)	457.4	454.8	1,096.2	1,097.7
Frequent Flyer	76.1	70.1	308.9	286.2
Futures (13X)	—	—	—	—
Hawaii Business	—	—	—	—
High Technology	41.2	32.4	135.7	112.8
Houston Bus. Journal (52X)	140.9	168.5	519.5	571.5
Inc. Magazine A.	119.7	147.4	386.2	444.9
Income Opportunities	—	—	—	—
Industry Week (25X) A.	100.1	132.1	349.7	413.6
Indianapolis Business Journal (52X)	118.0	114.9	459.8	416.7
Kansas City Business Journal	149.5	131.9	531.5	480.1
Minnesota Business Journal	52.6	49.2	199.3	192.6
New Orleans Citibusiness	20.0	20.4	89.5	60.9
Nation's Business A.	31.9	32.5	156.9	126.4
Pacific Business News (52X)	116.3	129.0	398.0	424.3
Philadelphia Business Journal (52X)	115.9	105.4	399.7	351.5
Pittsburgh Bus. Times (52X)	90.6	63.9	241.9	227.8
Savvy	31.8	—	—	—
St. Louis Bus. Journal (52X)	154.8	150.1	526.4	524.5
South Florida Business Journal	101.3	85.3	327.3	236.6
Texas Business	75.6	84.8	280.9	253.8
Venture	100.1	116.3	319.6	385.3
Washington Bus. Journal	65.1	25.3	197.8	123.7
Total Group	**4,256.0**	**4,155.5**	**1,5025.3**	**1,4289.4**
% change	**+2.4%**		**+5.1%**	

— Newspaper Sunday magazines* —

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Republic	44.40	95.00	210.3	270.7
Boston Globe	192.0	203.0	769.6	733.5
California Living	53.4	63.3	201.0	218.8
Chicago Tribune	130.9	120.5	414.5	295.4
Cincinnati Enquirer	—	—	—	—
Cleveland Plain Dealer	46.0	91.0	165.7	236.4
Columbus Dispatch	50.5	63.0	172.0	188.9
Denver Post	—	—	—	—
Detroit News	—	—	—	—
L.A. Times Home Magazine	208.0	99.3	588.0	748.0
Louisville Courier-Journal	63.8	75.8	261.8	285.5
Miami Herald	34.3	66.7	166.6	210.6
New York News	—	—	—	—
New York Times Magazine	390.4	434.3	1,465.0	1,558.0
Philadelphia Inquirer	53.7	63.0	195.7	190.0
Toledo Blade Magazine	—	—	—	—
Washington Post	123.4	145.5	429.5	449.0
Total Group	**1,390.8**	**1,330.4**	**5,039.7**	**5,384.8**
% change	**+4.5%**		**−6.4%**	

— Weeklies/bi-weeklies —

	Current month		Year-to-date	
	1985	1984	1985	1984
The Advocate (26X)	135.1	128.8	370.9	422.6
Army Times Military Group:				
Air Force Times (52X)	175.9	173.0	589.9	580.5
Army Times (52X)	170.9	167.0	573.2	558.1
Navy Times (52X)	195.5	185.0	642.5	631.8
The Times Magazine	30.5	37.2	61.7	81.0
The Blood-Horse (52X)	—	—	—	—
Capper's Weekly (26X)	20.9	21.1	112.8	120.5
Commonweal (22X)	—	—	—	—
Golf World (43X)	—	—	—	—
Grit (52X) A.	—	—	—	—
National Journal (50X)	—	—	—	—
National Review (25X)	22.5	32.0	83.0	107.0
New Republic (48X)	—	—	—	—
New York Magazine (50X)	255.1	250.3	880.2	835.7
New Yorker (52X)	316.8	392.0	952.9	1,161.5
Newsweek (52X) A.	272.4	311.5	830.6	932.6
People (52X)	386.2	370.9	1,103.6	1,088.2
Rolling Stone (25X)	72.2	72.1	312.8	325.0
Sporting News (52X)	53.1	64.8	143.7	208.6
Sports Illustrated (52X) A.	297.9	257.0	872.7	848.8
Time (52X) A.	—	—	—	—
Travelhost (52X)	—	—	—	—
TV Guide (52X) A.	252.1	245.5	1,314.0	1,268.9
Us Magazine (26X)	—	—	—	—
U.S. News & World Report (52X) A.	182.6	176.2	550.5	516.4
Total Group	**2,541.8**	**2,886.4**	**9,398.0**	**9,687.2**
% change	**−11.9%**		**−3.0%**	

— Foreign —

	Current month		Year-to-date	
	1985	1984	1985	1984
Good Housekeeping Foreign Editions:				
Australia	—	—	—	—
Japan	—	—	—	—
Great Britain	—	—	—	—
Geomundo:				
Central America	8.0	7.0	20.5	15.8
Chile	9.0	7.0	21.5	14.8
Colombia	8.0	13.0	28.5	27.0
Ecuador	8.0	4.0	15.0	10.0
Mexico	8.0	8.0	24.0	18.8
Peru	8.0	8.0	24.0	18.8
Puerto Rico	3.0	4.0	17.0	9.8
U.S.	—	—	—	—
Venezuela	10.0	12.0	36.0	36.3
Hombre De Mundo:				
Central America	3.0	6.0	14.0	18.0
Chile	5.0	7.0	16.0	20.0
Colombia	4.0	7.0	19.0	25.0
Ecuador	5.0	5.0	16.0	18.0
Mexico	9.0	15.5	28.0	33.0
Peru	4.0	5.0	12.0	17.0
Puerto Rico	6.0	6.0	15.0	17.0
U.S.	—	—	—	—
Venezuela	15.0	15.5	47.0	45.5
Ideas Para Su Hogar:				
Central America	—	—	—	—
Chile	—	—	—	—
Colombia	12.0	16.0	32.0	42.0
Ecuador	4.0	5.0	14.0	16.0
Mexico	6.7	9.0	17.5	20.5
Peru	3.5	5.0	8.0	16.5
Puerto Rico	—	1.5	3.0	2.0
Venezuela	14.0	16.0	46.5	40.2
Mecanica Popular:				
Argentina	4.2	4.2	13.7	23.0
Central America	9.7	14.3	42.3	49.5
Chile	2.3	7.5	16.5	22.3
Colombia	10.7	13.5	44.7	46.0
Mexico	10.3	12.2	41.3	38.2
Peru	13.0	18.5	50.7	58.2
Puerto Rico	9.0	15.0	44.5	54.0
Venezuela	10.2	14.7	46.7	53.7
The Ring en Espanol:				
Mexico	3.0	—	4.0	—
Puerto Rico	—	—	—	—
U.S.	8.2	5.0	25.7	11.3
Venezuela	—	1.0	2.0	3.0
Vanidades Continental:				
Central America	8.8	12.0	23.0	19.5
Chile	2.3	3.0	10.3	3.0
Colombia	122.0	101.2	225.3	173.8
Dominican Republic	—	—	—	—
Ecuador	30.0	32.5	70.0	60.5
Mexico	135.5	116.8	253.3	255.3
Peru	23.3	40.5	48.3	70.0
Puerto Rico	65.0	89.0	143.5	149.7
U.S.	50.5	61.2	144.5	159.5
Venezuela	78.8	67.5	174.7	135.7
Business Week Int'l. (52X)	145.2	163.7	441.7	448.2
Cosmopolitan Foreign Editions:				
Australia	55.8	69.1	187.6	187.6
Brazil	—	37.0	—	118.0
China	18.0	—	69.0	—
France	139.8	178.0	379.1	550.2
Germany	140.5	117.1	355.2	333.0
Great Britain	147.0	130.0	372.0	362.3
Greece	76.0	90.0	279.3	200.0
Holland	84.0	72.0	208.3	156.0
Italy	93.0	81.0	198.6	182.7
Japan	37.3	30.0	114.3	106.7
Cosmopolitan en Espanol:				
Central America	0.3	—	2.7	—
Colombia	11.0	12.2	24.3	20.3
Ecuador	—	1.0	—	1.0
Mexico	53.7	45.5	121.3	119.0
Peru	5.0	4.0	7.0	2.0
Puerto Rico	26.8	42.5	78.8	86.8
U.S. (Spanish language)	—	—	—	—
Venezuela	31.8	28.2	71.2	52.2
International Communications:				
African Business	—	—	—	—
New African	—	—	—	—
The Middle East	—	—	—	—
International Management:				
Africa	9.7	15.5	35.3	48.3
Europe	54.0	53.3	170.8	135.2
Latin America	3.5	12.8	25.7	32.2
Middle East	8.7	10.5	70.2	50.7
Pacific	15.7	16.5	56.8	47.7
Johnston International:				
Alam Attijarat	—	—	—	—
Ejecutivo (6X)	—	—	—	—
Modern Africa (6X)	—	—	—	—
Modern Asia (11X)	—	—	—	—
Newsweek International A:				
Atlantic (52X)	102.5	122.9	268.1	320.5
Latin America (52X)	37.2	30.7	81.8	97.2
Pacific (52X)	62.7	76.6	194.0	234.2
Reader's Digest:				
Arabic	8.5	14.0	38.5	37.0
Asian	155.0	168.5	650.5	581.5
Australian	48.3	86.8	203.1	289.9
Belgian-Flemish	75.0	76.5	253.5	232.0
Belgian-French	70.0	54.5	203.5	178.5
British	48.1	83.3	168.8	212.4
Chinese B.	118.5	105.5	426.5	381.0
Danish	38.8	29.8	127.4	137.9
Dutch	64.3	71.3	172.3	160.3
Finnish	76.5	46.0	158.3	185.0
French	44.3	53.8	170.3	172.8
German	88.8	99.2	273.9	293.8
Iberian	5.0	30.5	28.5	62.5
Indian-English	80.0	69.5	385.5	312.5
Indian-Hindu	5.0	4.0	34.5	17.0
Italian	59.0	62.0	144.5	164.5
Japanese	49.5	46.5	181.0	150.6
Korean	25.0	30.0	95.5	108.0
Latin American:				
Argentina	23.0	14.5	75.0	61.0
Brazil	5.0	3.0	15.0	9.0
Central American	8.5	8.0	31.5	31.0
Chile	2.5	8.5	30.0	45.5
Colombia	31.0	42.0	90.0	89.0
Ecuador	8.5	5.5	29.5	29.5
Mexico	59.5	56.3	130.1	168.0
Peru	11.5	6.0	37.5	31.0
Puerto Rico	6.0	5.0	20.0	21.0
U.P.B.	11.0	6.5	29.0	24.5
U.S. Spanish	5.0	12.5	29.5	24.5
Venezuela	26.5	12.5	96.0	34.5
New Zealand	46.5	70.0	177.0	274.0
Norwegian	35.5	44.0	79.5	139.1
Portugal	—	—	—	—
South African	82.0	69.0	316.5	292.8
Swedish	14.0	7.0	52.0	60.5
Swiss-French	38.0	38.0	97.6	108.6
Swiss-German	40.0	35.0	136.1	130.8
Time International:				
Time-Asia	—	—	—	—
Time-Atlantic	—	—	—	—
Time-Canada	—	—	—	—
Time-Latin America	—	—	—	—
Time-South Pacific	—	—	—	—
Visao (52X)	135.0	183.5	445.4	535.8
Vision/Latin America (26X) A.	29.8	27.6	80.1	79.7
Progresso	—	8.3	24.6	18.1
Total Group	**3,609.9**	**4,037.8**	**11,338.1**	**11,150.5**
% change	**−8.8%**		**+1.7%**	

Crain's Magazine of the Creative Process $1.25 a copy. $55 a year
May 23, 1985

Advertising Age

Thursday

VLI's Mary George— Grappling with the challenge of marketing contraceptives

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Mary George with the Today contraceptive
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Tampa is tops

AA poll ranks Florida airport best in U.S., while Chicago's O'Hare leads list of losers

By Robert Goldsborough

Tampa, si, Chicago, no!

That was one verdict of Advertising Age readers who responded to the Going Places questionnaire (AA, March 21) that asked air travelers to rate their favorite and least favorite U.S. airports.

Tampa International was the over-all winner, edging out Washington's Dulles, while O'Hare International in Chicago was the runaway "worst" choice among the almost 200 ballots received.

We asked readers to base their ratings on "accessibility to the central city; parking; rental cars and taxicabs; ease of moving through the terminals; sign clarity; pleasantness of surroundings; speed of claiming baggage; quality and placement of restaurants and bars, and quality and variety of shops and other facilities."

We also asked respondents to name their three favorite airports, in order, and give a single "least favorite" nomination.

Ballots came from 30 states, the District of Columbia and Canada; those responding average 44 flights per year.

Tampa International, ranked No. 1 on ballots from 13 states, was praised most often for its cleanliness, ease of movement within the terminal and the friendliness of employes. The food quality in the terminal also was praised, and one respondent added that "the restaurant at the Tampa Airport Marriott [hotel] is probably the best in the U.S."

The Tampa terminal, which also has finished first in other surveys of air travelers, was built in 1971 and pioneered a people-mover system in which transit-like trains carry passengers from the terminal to the aircraft on an elevated track. Similar systems have been constructed since at other airports.

Dulles International, located south of Washington in Virginia, finished in the runner-up spot, largely because of a write-in campaign from members of the Washington Dulles Task Force, a nonprofit, tax-exempt organization made up of some 400 companies in the Washington area. A major purpose of this group, according to its president, Thomas Morr, is to attract more passengers and more service to the facility.

AA readers rate U.S. airports

Advertising Age asked our readers to rate the nation's airports. The results, listed below, were derived from totaling three points for each first-place vote; two points for second; one point for third. First-place votes are listed in parentheses. Total points are at right.

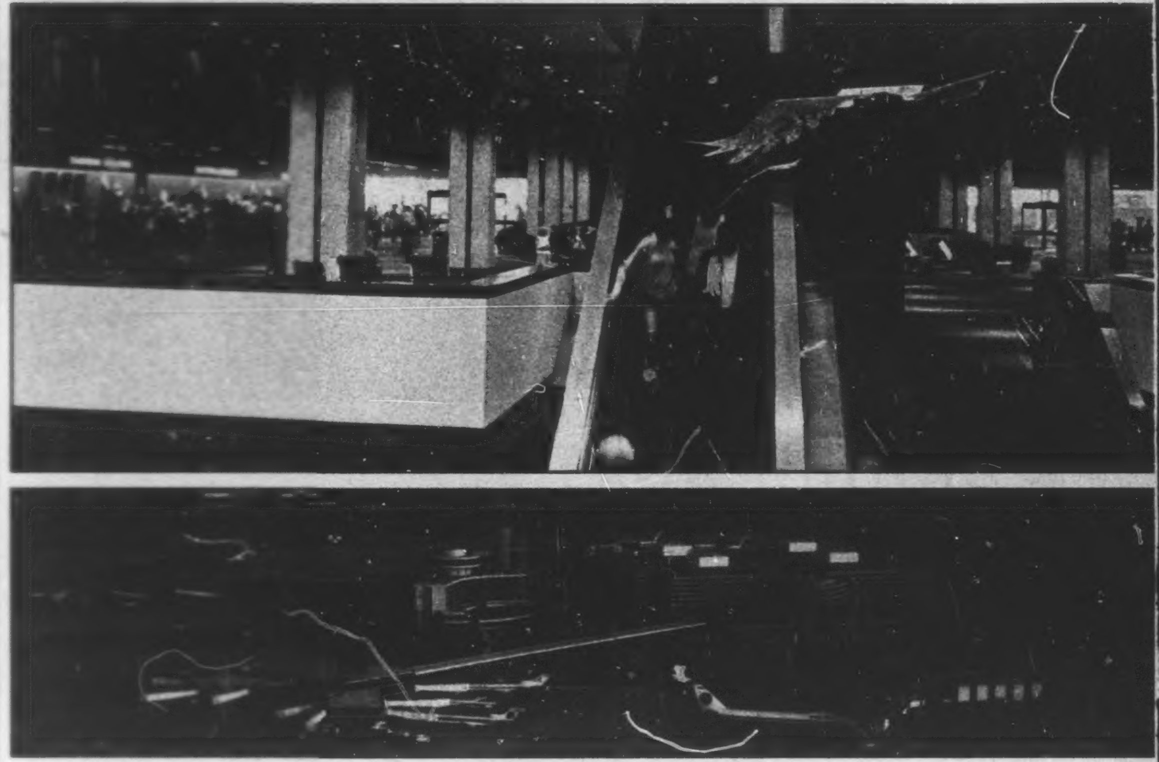
10 favorite U.S. airports	
1. Tampa (23)	125
2. Dulles—Washington (31)	108
3. Hartsfield—Atlanta (21)	93
4. Kansas City (12)	54
5. Dallas/Fort Worth (5)	45
6. Newark (9)	39
7. Seattle/Tacoma (7)	34
8. Orlando (5)	30
9. Baltimore (4)	29
10. LaGuardia—New York (3)	28

Least favorite U.S. airports	Votes
1. O'Hare—Chicago	43
2. National—Washington	25
3. JFK—New York	20
4. Hartsfield—Atlanta	19
5. Dallas/Fort Worth	15

Mr. Morr sent a memo to task force members along with a photocopy of our ballot, suggesting that they might like to participate in the survey. "But," he said when called by Advertising Age, "I didn't tell people who to vote for."

Nonetheless, most of the photocopied ballots mailed in listed Dulles as their favorite airport and competing Washington National as their least favorite.

Indeed, Dulles actually received more first-place votes than Tampa, but with our graduated scoring system (three points for favorite, two points for second favorite and one point for third), Tampa easily outdistanced the Virginia airport. (Dulles' first-place votes, incidentally, came from respondents in only three states.) The Tampa and Kansas City airports had the distinction of receiving no "least favorite" votes. As a favorite, Kansas City finished fourth.



Tampa International Airport offers an aesthetically pleasing interior and easy access to arriving and departing flights.

Our readers unleashed most of their venom on Chicago's O'Hare International Airport, which consistently duels with Atlanta's Hartsfield to be the world's busiest airport. O'Hare far outdistanced Washington National and New York's John F. Kennedy in the least-popular category.

Respondents from 18 states named O'Hare their "worst" airport, citing such factors as long delays, the difficulty in making interline connections, a lack of moving sidewalks or other people-moving devices, overcrowding, poor restaurants and, mentioned numerous times, rude personnel. A lack of cleanliness also was cited on several ballots.

"Filthy," "a pit," "a nightmare of delay," "disgusting" and "confusing" were among the comments, and one Chicago-area reader said that "world's busiest [airport] translates as 'too crowded for passengers but good for public relations.'"

O'Hare's rival for the "world's busiest" title, Atlanta's Hartsfield Airport, had the distinction of getting a high ranking in both categories, finishing a strong third on the "favorite" list and landing a fourth-place slot in the "worst" balloting. Similarly, Dallas-Fort Worth finished fifth on both sides of the ledger.

The three New York-area airports had generally low profiles. Newark finished sixth in the favorite category, while LaGuardia was tenth. John F. Kennedy received no first-place votes, and only one second and two thirds. Los Angeles International was 11th in the "favorite" balloting.

In all, 66 airports in 33 states were mentioned. And while most respondents made their selections for such basic reasons as ease of movement, cleanliness, food and the demeanor of the terminal personnel, a few had unusual reasons for their picks:

- "Great access to the bars" was why one Kansan prefers the Greensboro-Winston-Salem (N.C.) airport.
- A Clevelander says of Milwaukee's Mitchell Field: "Friendly. The employes remember me from trip to trip, even after long absences."
- And a North Carolinian likes the Casper, Wyo., airport because it has "antelope on the runways and great kitsch in the gift shop."#

What is your favorite domestic airline? See Going Places on Page 7 for the latest Ad Age poll and cast your ballot for the carriers you like best—and least.

The traffic jams outside O'Hare International Airport add to travelers' frustrations.

In the news

Looney (car)toons

Roz Chast, the 30-year-old cartoonist for *The New Yorker*, takes real-life absurdity to its cosmic cartoon conclusion. Since age 5 all she really wanted to be was a cartoonist, so even though "it didn't seem practical" she decided to give it a shot. *See Page 4.*

The lady and the sponge

Mary George, a woman who has helped sell more than 35 million contraceptive sponges to 2 million-plus American women, hasn't yet told her Catholic parents what she does for a living. For the past year she has been vp-marketing of VLI Corp., marketer of the Today contraceptive sponge. *See Page 5.*

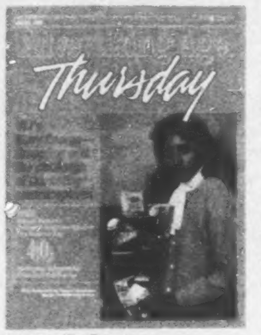


Photo by Tim Petros

Jingle hits

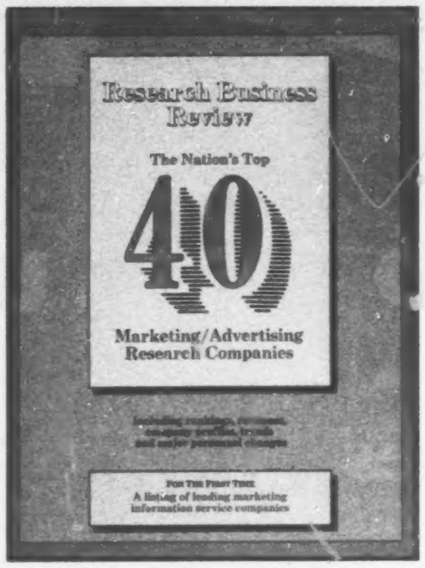
On any given day, Frank Gari tunes are played in almost every city and small town in the country. And his mini-songs receive perhaps more airplay than any other recording artist. The 40-year-old president of Frank Gari Productions is a 1960s minor heartthrob turned tv station jingles writer and performer. *See Page 48.*

A five-letter word for good

To the yuppies, yumpies, guppies, bumpies and other demographically desirable market segments, *Redbook* is introducing the yummy—young upwardly mobile mommy. *See Page 51.*

Special Report

Research Business Review



Research Business Review

The Nation's Top

40

Marketing/Advertising Research Companies

FOR THE FIRST TIME

A listing of leading marketing information service companies

Worldwide revenues increased 13.7% in 1984 for the nation's top research companies. ADVERTISING AGE profiles the top 40 marketing/advertising/public opinion research organizations in Special Report, *starting on Page 15.*

Presstime

Swedish shop gets SAS

NEW YORK—Scandinavian Airlines System has awarded its $4 million North American account to Hans Brindfors, Stockholm, Sweden. It previously was at Ally & Gargano here (AA, May 20). The Brindfors agency, which handles SAS' corporate account, plans to open an office here.

Roman Meal for Ketchum

TACOMA, WASH.—Roman Meal Co. is consolidating its estimated $4 million-to-$8 million account at Ketchum Advertising/San Francisco. Cole & Weber, Seattle, previously handled Roman Meal Whole Grain breads. DYR, Los Angeles, had Roman Meal cereals and baking mixes. Those three agencies, as well as J. Walter Thompson USA, San Francisco, and McCann-Erickson, Seattle, pitched the account.

Indy tv sponsors lineup

NEW YORK—ABC-TV's Indianapolis 500 coverage, set for a same-day, tape-delay basis from 9 p.m. to midnight (ET) May 26, will have Chevrolet, Goodyear and Miller as major sponsors.

ABC Radio wins Derby

NEW YORK—ABC Radio Networks has obtained the live radio rights to the May 27 Jersey Derby, the horse race featuring Spend A Buck. Garden State Park, Cherry Hill, N.J., will pay Spend A Buck's owners $2.6 million (including bonuses for winning the Cherry Hill Mile, Garden State Derby and Kentucky Derby) if the horse wins the Jersey Derby. ABC will offer stations one-hour coverage as of 4:30 p.m. (ET). ESPN also is covering the event.

Holmes rings up 18.7 rating

RENO, NEV.—The Larry Holmes-Carl (The Truth) Williams heavyweight championship bout May 20 on NBC had a 10-market weighted average Nielsen overnight rating of 18.7 and a 29 share. The rating was down slightly from previous prime time boxing title fights but still proved the strength of the heavyweight champion Holmes as a tv draw.

Danish smoke lands in U.S.

LOS ANGELES—Scandinavian Tobacco International, Albertslund, Denmark, is bringing Prince cigarets to the U.S. The smoke has a 43% share of the Danish tobacco market. Ads in Scandinavian language publications will start in July. Richard Somers Associates, Fairfax, Cal., handles.

'Runner's World' to Rodale

EMMAUS, PA.—Rodale Press is buying *Runner's World* from Runner's World Magazine Co., Mountain View, Cal. Terms were not disclosed.

'NY' to move account

NEW YORK—*New York* is moving its trade advertising account, estimated at $500,000-plus, from Levine, Huntley, Schmidt & Beaver. Publisher Carolyn Wall says three agencies are being considered after the incumbent, which had the account for 7½ years, was asked to participate but declined. There is speculation one contender is

(Continued on Page 51)

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Creativity isn't right & wrong, it's right & left

By Stewart Alter

In the desire to free the creative spirit from the chains of rationality and analysis, what's the best technique? Trickery, at least of a special sort: One has to trick one's own mind.

This became stunningly evident in a speech given by Betty Anne Edwards, author of the book, "Drawing on the Right Side of the Brain," at the American Assn. of Advertising Agencies' annual meeting last week at the Greenbrier, White Sulphur Springs, W. Va.

The professor of art at California State University, Long Beach, spoke about the different characteristics of the right and left sides of the brain. The left side, which is usually dominant, is the verbal, analytic, rational side, explained Ms. Edwards. The right side is the pro-verbal, emotional, intuitive side. But the key problem with tapping into the creative, right side is that the left side of the brain is always eager to jump in, she said. It will leap in to render things in familiar symbols. Visual complexity will be sacrificed for the fast processing of data.

Therefore, to give the right side freer rein, she advised, "It is necessary to present the brain with a job that the left mode will turn down. You cannot go up directly against the left mode. It is dominant, accounts for 95% of waking hours, is competitive and aggressive and tends not to want to give up dominance."

"But the left brain is amenable to being tricked out of the task." And, she continued, "I feel I should say this quietly, the left side never learns."

This was one of those examples in a lecture in which a demonstration was much more powerful than explanation of the theory. Ms. Edwards had given an assignment to non-art students to reproduce a famous Pablo Picasso line drawing of Igor Stravinsky, the composer. She showed a slide of what one student, working totally from the analytic left side of his brain, had produced. It looked nothing like the Picasso original. For the factual data of a man in glasses sitting in a chair is the information that the left side of the brain had processed and reproduced. The left side of the brain, although it did not have the skills for the drawing, jumped into the task anyway, Ms. Edwards said.

This is the typical reaction of the left side, said Ms. Edwards. But in order to release the right-hand side, a trick was necessary. In this case, Ms. Edwards asked the students to draw the picture upside down. When the student who previously had done a second-grade job did just that, he reproduced the Picasso drawing in amazing likeness.

Indeed, this was only one set of the amazing before-and-after slides that Ms. Edwards showed.

Ms. Edwards claimed that these amazing differences could be accomplished in five days through training in perception. "It's not something you learn over time. It's something you own right now," she said of the quality that turned seemingly untalented people into artists. The training, which she did not go into, involved improving perception of edges, of spaces, of relational angles and proportion, of lights and shadows and of the whole.

Although not pretending to be familiar with advertising, she gave an example that seemed to ring true for admen. "A creative art director wants to work something out in its full complexity. But the client may say, 'That's good enough. Let's slap it together,' " she said.

But is there a real value in a business like advertising to giving the right-hand side more leeway?

The answer to this came with another set of slides Ms. Edwards flashed on the screen. These were pictures in which people were asked to draw things without reference to symbols, only in lines or abstract forms. One person started out drawing a calm person, but instead found himself drawing "a block of ice or granite without knowing it," Ms. Edwards said. "You start to draw and allow it to tell you what you didn't know you knew."#

Photo by Mary Herlehy

Prof. Betty Anne Edwards told the Four A's, "The left brain is amenable to being tricked. . .the left side never learns."

Special Report

Research Business Review

The Nation's Top

40

Marketing/Advertising Research Companies

Including rankings, revenues, company profiles, trends and major personnel changes

FOR THE FIRST TIME

A listing of leading marketing information service companies

Top research companies' revenues rise 13.7%

By Jack J. Honomichl

The U.S. marketing/advertising/public opinion research industry's top companies increased worldwide revenues 13.7% in 1984—a year characterized by changes in ownership—over 1983, according to ADVERTISING AGE's 11th annual review of industry performance.

The 1984 listing, expanded to the 40 leading U.S.-based research organizations, differs from the 1983 listing in that one company, Audits & Surveys, is not included because of lack of data, and six companies have been added: Decision/Making/Information, Ad Factors Marketing Research, Kapuler Marketing Research, Oxtoby-Smith, Response Analysis and Decision Research Corp.

Also new this year is input from the Council of American Survey Research Organizations, providing revenues of 54 survey research companies that are members of CASRO and reveal revenues on a confidential basis but are not among the top 40.

Analyzing this data from the 94 research companies shows healthy revenue growth throughout the industry.

U.S. revenues were up 17.4% in 1984 over 1983 for the top 40 research companies. For the 54 other CASRO members, U.S. and worldwide revenues both increased 12.5%. U.S. revenue growth for the top 40 and the others combined was 16.9% and worldwide growth was 13.6%.

Two huge international research companies, A.C. Nielsen Co. and IMS International, heavily weight the worldwide volume. In recent years, both have been hampered by the strong U.S. dollar, and in 1984 their combined non-U.S. revenues of $339.2 million were up only 3.4% over 1983.

The U.S. inflation rate in 1984 was 4.3%, according to the U.S. Department of Labor Consumer Price Index-U, monthly average, making the total industry's 1984 "real growth" 12.6%. For worldwide revenues, real growth was 9.4%.

For the top 40 companies, the U.S. growth rate of 17.4% compares to 17.3% for U.S. ad agencies (AA, March 28). However, these numbers are not perfectly comparable because growth attributable to acquisitions among the top 40 research companies has been calculated out.

For example, if a research company purchased another during 1984, revenues of the two companies for all of 1983 and 1984 were used to calculate growth. If that weren't done, the industry's growth rate would appear higher than is the fact. It was impossible to do that for the ad agencies, so their growth rate probably is inflated by acquired revenues.

The factoring out of growth through acquisition was important because, since this analysis was published last year, there has been an unprecedented number of ownership changes. Among the top 40 companies:

- Dun & Bradstreet Corp. acquired A.C. Nielsen Co. (No. 1 on the list) for about $1.1 billion.
- Harte-Hanks Marketing Services Group (No. 25) divested two research properties. TRIM Inc. was sold to MAJERS Corp. and the MARKETRAX service in Los Angeles and St. Louis was sold to the NPD Group (No. 10).
- ASI Market Research (No. 17) acquired Teaman/Lehman Associates, Norwalk, Conn.
- Arbitron Ratings Co. (No. 4) bought about a 40% interest in Burke Marketing Services (No. 5), with an option to purchase the balance by 1990.
- Admar Research Co. (No. 27) was acquired in January, 1985, by Sprigg Lane Investment Co.
- Information Resources Inc. (No. 8) signed a letter of intent to acquire Management Decision Systems, Waltham, Mass. (No. 31).
- YSW Group (No. 15) was acquired by Saatchi & Saatchi, the British ad agency.
- Data Development Corp. (No. 23) divested its interest in Central Location Testing, a subsidiary.
- IMS America (No. 2) acquired Pipeline Research in the fourth quarter of 1984.

The 94 research organizations had gross worldwide revenues of $1.566 billion in 1984; $1.22 billion—or 78%—was from U.S. operations. It is estimated that number accounts for more than 85% of the commercial market for marketing, advertising and public opinion research (excluding nonprofit research organizations, survey work done in-house by agencies of the federal government, and research done in-house by marketers and ad agencies). So the size of the total market is still left to estimation, as is the industry growth rate.

The 1984 figures dramatize again the degree to which the U.S. research industry is big business. Ownership is in the hands of large nonresearch corporations, such as Control Data Corp., Dun & Bradstreet, Time Inc., Maritz, Equifax, Saatchi & Saatchi, American Broadcasting Co., IDC Services, Gannett Co., Arthur D. Little, JWT Group, Harte-Hanks Communications, Booz Allen & Hamilton, Temple, Barker & Sloane and Mills & Allen International.

Of the $1.449 billion in 1984 revenues from the top 40 companies, only 13% is controlled by privately held corporations. That percentage should be significantly lower next year.

Profiles of each of the top 40 research organizations follow, with a summary of changes they made in 1984—and intend to make in 1985.

Jack J. Honomichl writes a regular column on research in ADVERTISING AGE.

Research Business Review
The Nation's Top
40
Marketing/Advertising Research Companies

1 A.C. Nielsen Co., Northbrook, Ill. Founded in 1923; since late 1984 a wholly owned subsidiary of Dun & Bradstreet Corp. Research revenues in 1984 were $491 million, up 5.9% from 1983.

For the 12 months ended Nov. 30, the world's largest marketing/advertising research organization had research revenues of $491 million, about 52% of which is estimated to have come from Nielsen operations in 24 countries outside the U.S. (Total revenues for all Nielsen operations are no longer public because of the acquisition, but in 1983, research operations accounted for 67% of the total.)

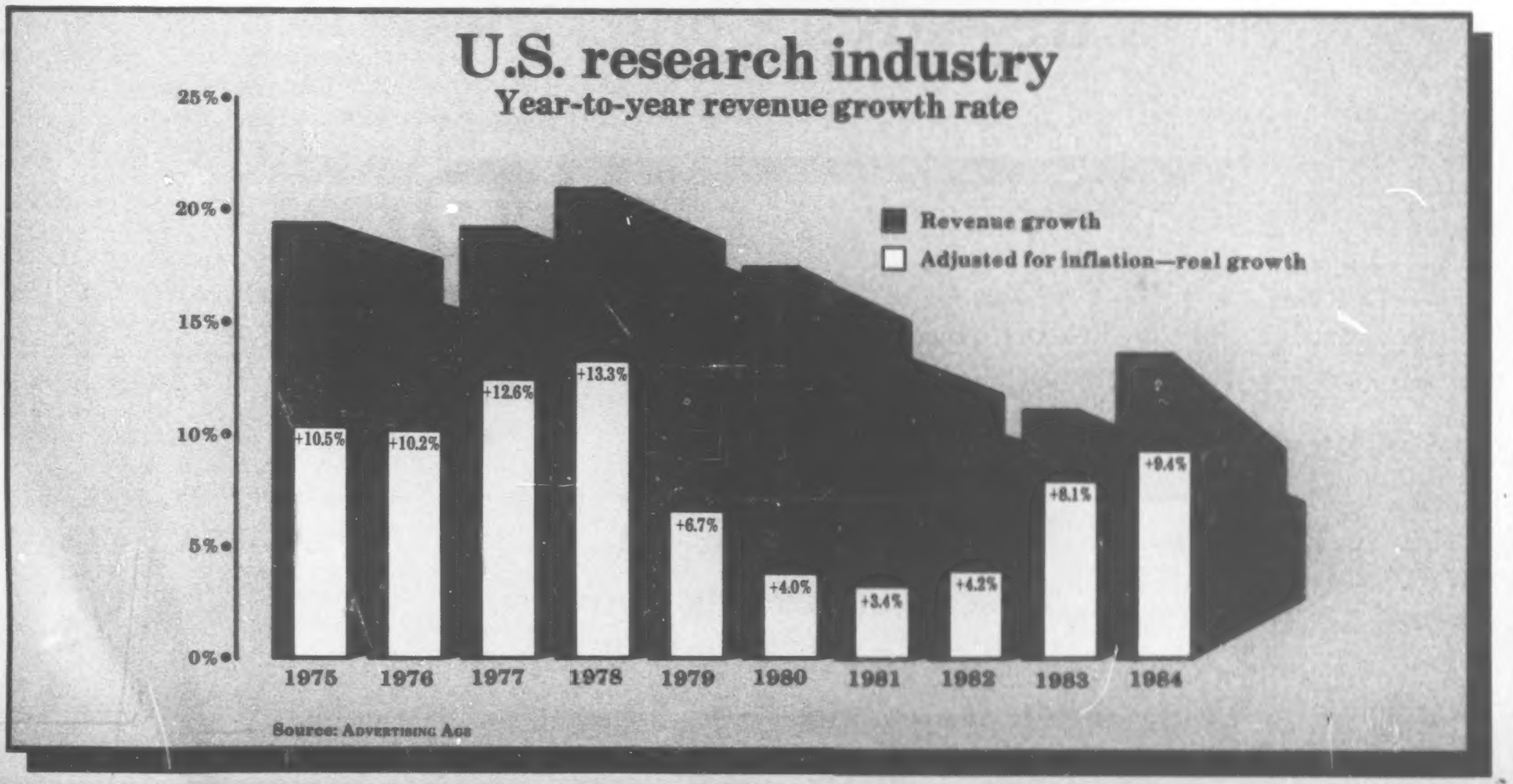
Of the $491 million, 79% was accounted for by Nielsen's Marketing Research Group; the $388 million was an increase of 5.3% over 1983. The Media Research Group accounted for $103 million, an increase of 8.2% over 1983.

The Marketing Research Group basically provides custom and syndicated measures of product movement on both a national and local market level. This group does about 65% of its business outside the U.S. and continues to be hurt by foreign currency exchange problems.

In 1984, the Test Marketing Services unit of Marketing Research Group USA set up a profit center called ERIM to develop a new, single-source product/advertising exposure measuring service called Testsight. It now is in two markets—Sioux Falls, S.D., and Springfield, Mo.—and several more markets are planned to come on line through 1985 and 1986. The Testsight system can make tv commercial cut-ins to specific households (in Testsight consumer panels of 2,500 households per market) on-air, bypassing cable transmission on which other such systems are dependent.

Media Research Group in the U.S. during 1984 continued its expansion of local tv meter measured markets, opening up Washington, Dallas and Boston, bringing the total so-equipped to 10; Miami and Denver will come on line this fall. The Media Group also has expanded its national people meter test to 300 households, and further expansion is planned for later in 1985.

Nielsen chairman-chief executive officer Henry Burk, 58, also is a member of D&B's board.



Source: ADVERTISING AGE

Mr. Burk studied at the Universities of Zurich, St. Gallen and Freiburg in Switzerland and has a degree in economics. N. Eu-

Henry Burk
A.C. Nielsen Co.

gene Harden, 50, is president-chief operating officer; he is a graduate of Lawrence University. Richard W. Vipond, 57, is president of the Marketing Research Group, and James D. Lyons, 50, is president of the Media Research Group. Arthur C. Nielsen Jr. is now a member of the D&B board.

2 **IMS International**, New York. Public corporation traded over the counter; founded in 1954. Research revenues in 1984 were $151.4 million, up 10.1% from 1983. (Revenues do not include Pipeline Research, which IMS America acquired in the fourth quarter of 1984.)

Of this worldwide conglomerate's total revenues of $223 million, about 68% were from its marketing research operations in 60 countries. Of the research revenues alone, 44.6%—or $67.5 million—was from the IMS subsidiary in the U.S., IMS America, headquartered in Ambler, Pa.

IMS U.S. revenues in 1984 were up 30.6% over 1983, and international research revenues

Robert Dreyfus
IMS International

were down 2%, in part because of the same currency exchange problems besetting the other big international on this list, A.C. Nielsen Co.

IMS market research activities are divided into pharmaceutical audits, reports on the sale of ethical (and in some cases, proprietary) pharmaceuticals collected from panels of drugstores (which account for 21% of total research volume); medical reports based on information collected from panels of practicing physicians who report on the diagnosis and treatment of patients (12%); other syndicated audits of purchases made by hospitals, and cosmetiscs and toiletries (13%); sales territory reports—customized geography started in the U.S., now being expanded to other countries—(34%); custom ad hoc surveys and studies in such industries as cosmetics, veterinary pharmaceuticals, medical supplies and equipment, office equipment and agriculture. Some IMS data are available in numerous countries via an on-line database network.

The IMS marketing research operation has 2,300 fulltime salaried employes.

In 1984, Robert Louis Dreyfus, 38, became president-ceo of IMS International, succeeding Lars H. Erickson, who became chairman. Mr. Dreyfus has an M.B.A. from Harvard University, and his office is in London. Serge Y. Okun, 38, is president of the U.S. subsidiary and also a vp of the parent company. He is a graduate of the National School of Statistics and Economic Administration in Paris.

3 **Selling Areas-Marketing Inc.**, New York. Wholly owned subsidiary of Time Inc.; founded in 1966. Revenues in 1984 are estimated at $118.4 million, up 19% from 1983.

SAMI's main service amalgamates warehouse withdrawal data on thousands of package goods items sold through food stores and produces 13 reports a year separately for each of 51 marketing areas representing about 86% of the U.S. all commodity volume. Spinoffs of this main service produce customized reports on stores servicing minority segments of the population and product availability (SARDI service).

In March, 1985, SAMI added three market areas—Portland, Me./Concord, N.H.; Shreveport,

Carlyle Daniel
SAMI

La./Jackson, Miss., and Green Bay, Wis., bringing the total system to 54 markets representing 88.4% ACV.

In addition, SAMI operates three minimarkets, each with 2,500-household panels, where purchases can be recorded via UPC scanner at checkout and then related to individual households. Sales and service of this system, called SAMSCAN, are handled by the BMSI Test Marketing Group (No. 5).

Starting this year, SAMI will operate a drugstore reporting system comparable to its basic grocery store service, beginning in Chicago, New York, Los Angeles and San Francisco. Ten market areas will be on-line by the end of 1985, and 18 by mid-1986, SAMI says.

SAMI has 344 fulltime, salaried employes in three offices.

Carlyle C. Daniel, 54, is president of SAMI; he is a graduate of Lynchburg College. Mr. Daniel also is a vp of Time Inc.

4 **Arbitron Ratings Co.**, New York. Founded in 1949; since 1967 a wholly owned subsidiary of Control Data Corp. Revenues in 1984 were $105.8 million, up 12.3% from 1983.

During 1984, Arbitron purchased about 40% of Burke Marketing Services Inc. (No. 5) and an option to purchase the balance by 1990.

Arbitron produces radio, tv and cable tv audience studies at the local market level using mail diaries or panels of meter-equipped households. Surveys in 210 tv markets account for 52.7% of Arbitron revenues; 47.2% comes from measurement of 261 radio markets. Customers include radio and tv stations, advertisers and agencies. There are 1,020 fulltime employes in eight U.S. offices. A phone interviewing center with 55 stations

(Continued on Page 18)

How they rank

1984 revenue record*
40 leading U.S. research organizations

Rank 1984	Rank 1983	Organization	Research revenues* (millions)	% change vs. 1983**	Research revenues from outside U.S. (millions)
1	1	A.C. Nielsen Co.	$491.0	5.9%	$255.3 est.
2	2	IMS International	151.4	10.1	83.9
3	3	SAMI	118.4	19.0	—
4	4	Arbitron Ratings Co.	105.8	12.3	—
5	5	Burke Marketing Services	66.0	9.8	1.7
6	8	M/A/R/C	37.6	39.8	—
7	7	Market Facts	35.9	26.7	—
8	12	Information Resources	35.8	69.7	—
9	9	NFO Research	29.5	10.1	—
10	10	NPD Group	29.2	17.7	—
11	13	Maritz Market Research	24.7	24.3	—
12	11	Westat	24.5	3.8	—
13	14	Elrick and Lavidge	23.3	21.4	—
14	16	Walker Research	19.4	21.7	—
15	19	YSW Group	17.0	13.3	.85
16	18	Chilton Research	16.5	23.1	—
17	15	ASI Market Research	16.4	20.0	—
18	17	Louis Harris and Associates	15.3	13.3	4.0
19	23	Opinion Research Corp.	14.5	34.3	—
20	20	Ehrhart-Babic Group	13.2	5.6	—
21	22	Winona Research	12.9	9.0	—
22	25	Simmons Market Research Bureau	12.5	21.4	—
23	21	Data Development Corp.	10.5	16.7	—
24	26	Decisions Center	10.2	15.9	—
25	24	Harte-Hanks Marketing Services Group	9.7	25.0	—
26	27	McCollum/Spielman Research	9.4	10.6	—
27	28	Admar Research	9.3	8.0	—
28	32	Custom Research	8.6	34.3	—
29	29	National Analysts	7.9	8.2	—
30	—	Decision/Making/Information	7.8	100.0	—
31	30	Management Decision Systems	7.7	8.1	—
32	31	Gallup Organization	7.7	14.9	—
33	33	Starch INRA Hooper	7.5	19.6	—
34	35	Mediamark Research	7.2	23.0	—
35	34	Market Opinion Research	6.8	13.6	—
36	—	Kapuler Marketing Research	6.0	34.0	—
37	—	Ad Factors Marketing Research	5.9	66.1	—
38	—	Response Analysis	5.6	44.6	—
39	—	Decision Research Corp.	5.5	36.0	—
40	—	Oxtoby-Smith	5.0	18.0	—
		Sub total, top 40	$1,449.1	+13.7%	$345.8
		All other (54 CASRO companies not listed in top 40)	117.2***	+12.5%	—
		Total	$1,566.3	+13.6%	$345.8

*Total revenues that include nonresearch activities, for some companies, are significantly higher. This information is given in the individual company profiles in the main article.

**Rate of growth from year to year has been adjusted so as to not include revenue gains from acquisition. See main article for explanation.

***Total revenues of 54 survey research firms—over and beyond those listed in top 40 list—that provide financial information, on a confidential basis, to CASRO.

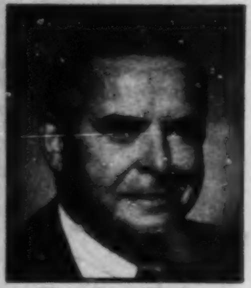
Source: Advertising Age

Research

(Continued from Page 17)

is located in Laurel, Md.

During 1984, Arbitron completed a long-range meter-market expansion program, and meter service is now on-line in 11 major markets. Also in 1984, Arbitron introduced a number of microcomputer systems to help stations manage and analyze radio and tv ratings. Product Target Aid, a new service, uses life style cluster information to help tv stations plan a commercial schedule to target customers of a product or service.



Theodore Shaker
Arbitron Ratings Co.

In 1984, Arbitron and BMSI jointly started to develop an advanced market measurement service—linking tv viewing with purchases of specific package goods—called ScanAmerica. A pilot panel of households in Denver is equipped with special equipment that enables the consumer to scan, via wand, the UPC code on products purchased. That information then can be accessed via telephone lines along with viewing data. First data from Denver are expected in late 1985.

Arbitron chairman-ceo Theodore F. Shaker, 63, attended Colgate, Northwestern and New York universities. A.J. (Rick) Aurichio, 48, is president-chief operating officer. He has an M.B.A. from Fairleigh Dickinson University. Both are Control Data vps.

5 **Burke Marketing Services Inc.**, Cincinnati. Privately held corporation founded in 1947. Revenues in 1984 were $66 million, up 9.8% from 1983.

In the fall of 1984, about 40% of BMSI was purchased by Arbitron Ratings Co., a wholly owned subsidiary of Control Data. Arbitron holds an option to buy the balance of BMSI. Infratest, a German research company, owns 5% of BMSI, and BMSI owns 5% of Infratest.

The BMSI conglomerate consists of: Burke Marketing research, which specializes in custom survey research and pre and post-tv copy testing; Test Marketing Group, a unit consisting of what was AdTel and Market Audits, which operates six controlled test markets and which, through a joint venture, markets and services SAMI's three test market SAMSCAN service; BASES, which specializes in market modeling; Burke Institute, which conducts seminars and courses for students of marketing/advertising research; Burke Canada, a wholly owned subsidiary, which accounts for about $1.7 million in revenue; Burke International, a joint venture with Infratest, and COMTEC, a joint venture with the Gartner Group, to operate a panel of 8,[illegible]00 business establishments that report on their intention to buy a variety of computer and telecommunications products.

Starting in 1984, BMSI entered a joint venture with Arbitron to develop a new electronic market/advertising measurement system, ScanAmerica *(see above)*.

Burke has 475 fulltime employes in 42 offices in the U.S. A central WATS phone center has 200 stations, 140 of which are cathode ray tube-equipped.

This month, about 1,000 BMSI employes now located in five office sites in Cincinnati will move to one headquarters building, a 21-story structure in the downtown area.

Jack Brown
Burke Marketing Services

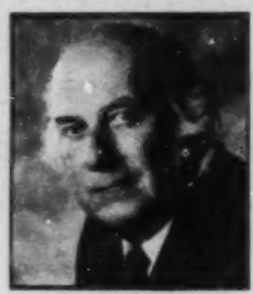
Also, in early 1985, Burke plans to add a seventh market to its AdTel system.

Jack E. Brown, 41, is BMSI chairman. He attended the University of Cincinnati.

6 **M/A/R/C Inc.**, Dallas. Publicly held corporation traded otc; founded in 1965. Research revenues in 1984 were $37.6 million, up 39.8% from 1983.

Total M/A/R/C revenues for the fiscal year ended March 31, 1985, were $41.4 million. (Excluded from the revenue trends above are nonresearch activities.)

1984 was an eventful year for M/A/R/C. The company's name was changed (from Allcom Inc.), and in December, it filed with the Securities & Exchange Commission for a public offering, which since has occurred. Also, M/A/R/C broke ground for a new six-story corporate hadquarters near Dallas-Fort Worth airport, and early in 1984, it constructed a new 144-station, CRT-equipped central interviewing facility in Denton, Tex.



Cecil Phillips
M/A/R/C Inc.

M/A/R/C, with 314 fulltime, salaried employes and 162 hourly staff workers in 10 U.S. offices, has the following divisions: Corporate Group, which supplies support services such as personnel, marketing and accounting to the operating groups; Marketing Research Group, which provides syndicated buyer studies, computer software systems, interviewing and marketing research consumer panels; Marketing Services Group, which develops and maintains databases of prime users of products and develops, executes and fulfills promotion efforts, and operates the Promotion Test Lab. (About 67% of this group's revenues are from research activities.)

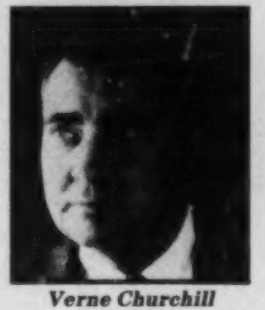
Plans for 1985 include expanding the LMN network to 30 markets, consolidating the New York and Boston client service groups into a Westport, Conn., facility, and bringing on-line an IBM 4381 to handle large databases.

M/A/R/C chairman-president-ceo Cecil (Bud) Phillips, 60, is a graduate of Southern Methodist University. President of M/A/R/C's Corporate Group is E.L. (Jack) Taylor, 58; he has an M.B.A. from the University of Texas.

7 **Market Facts Inc.**, Chicago. Public corporation traded otc; founded in 1946. Revenues for 1984 were $3[illegible]9 million, up 26.7% from 1983.

Market facts revenues do not include those of Market Facts-Canada ($5.7 million in 1984), which is 50% owned by MF.

MF's U.S. operations include: Consumer Mail Panel, a fixed mail panel of more than 220,000 households; Consumer Opinion Forums—six uniform shopping mall interviewing facilities; Marketest, a store auditing and controlled store testing service in seven permanent markets; focus group facilities, and two WATS telephone interviewing centers with a total of 104 stations, about 65 of which are CRT-equipped. The survey research activities at MF are separated into operating groups—consumer, public sector and financial services.



Verne Churchill
Market Facts

During 1984, MF introduced a new system for evaluating tv commercials. Called PEAC, the system utilizes microprocessors to obtain moment-to-moment reaction to commercial messages and other advertising stimuli.

There are six client service offices and 16 other field organization offices in the U.S. (four others are located in Canada). Market Facts has 520 fulltime, salaried employes.

President-ceo Verne B. Churchill, 52, received his M.B.A. from Indiana University. Chairman David K. Hardin, 57, received his M.B.A. from the University of Chicago and is past president of the American Marketing Assn.

8 **Information Resources Inc.**, Chicago. Public company traded otc; founded in 1977. Revenues in 1984 were $35.8 million, up 69.7% from 1983.

The main business of this much-publicized company is the BehaviorScan system, a network of eight minimarkets equipped for advertising and control store testing.

In each BehaviorScan market, the service does several things: It captures consumer purchase behavior of a wide variety of package goods via UPC scanner equipment in major grocery stores; collects purchase data from a panel of about 2,500 households via the use of plastic identification cards that tie in panel households with point-of-sale scanner data; alternates tv advertising over cable tv to groups of preselected households that are meter-equipped, and collects other measures of in-store merchandising/promotions.

During 1984, BehaviorScan added drugstores to its system in two more markets, making a total of six so equipped.

Another service, Marketing Fact Book, provides access to a database of consumer purchasing activity on a large number of package goods. During 1984, IRI added data from selected neighborhoods in Chicago, Los Angeles and New York to the Marketing Fact Book system.

Gian Fulgoni
Information Resources Inc.

Also in 1984, IRI introduced a new service called TV Buying Guide, which provides media planning information based upon integrated scanner-collected purchase data and metered by tv viewing data for a sample of 7,000 households. In another 1984 development, IRI introduced FASTRAC, a system for evaluating the volume potential of new products before test marketing.

IRI has 496 fulltime employes, and most of them were consoli-

(Continued on Page 22)

How the top 40 U.S. research companies compare with the top 40 U.S. advertising agencies

	Top 40 U.S. advertising agencies*	Top 40 U.S. research companies**
Revenues—1984 (in millions)		
Worldwide	$5,779.2	$1,449.1
U.S. only	3,876.1	1,104.3
Revenue growth rate—(1984 over 1983)		
Worldwide	+16.3%***	+13.7%
U.S. only	+17.3%***	+17.4%

*Source: ADVERTISING AGE U.S. Agency Profiles, 3/28/1985.

**Top 40 (see accompanying article). These figures account for marketing/advertising research operations only. In fact, many of the companies listed have larger total revenues, as is explained in individual company profiles.

***These percentages are not perfectly comparable to the top 40 research growth rates in that some of the agencies may reflect revenue growth in '84 attributable to acquisitions. In the top 40 research list, this has been corrected for by using the two (company plus acquisition) total revenues for both '83 and '84 to calculate growth rate. It was not possible to do this for the advertising agencies.

Research

(Continued from Page 18)

dated into a 150,000-sq.-ft. corporate headquarters building during 1984.

In a letter of intent signed in February, IRI announced its plans to purchase for stock worth about $30 million research/marketing information company Management Decision Systems, Waltham, Mass. (No. 31).

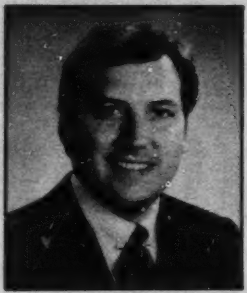
During 1985, IRI plans to add drugstores to its BehaviorScan system in two more markets and selected neighborhood data from 10 additional major cities to its Marketing Fact Book database.

Chairman-ceo of IRI is one of the founders, John Malec, 40, a graduate of the University of Wisconsin. President-chief operating officer Gian Fulgoni, 37, has a master's degree from Manchester University in England.

9 NFO Research, Toledo, O. Founded in 1946; since 1982 a wholly owned subsidiary of AGB Research. Revenues in 1984 were $29.5 million, up 10.1% from 1983.

NFO, with 675 employes (340 of whom are fulltime, salaried), has offices in Toledo, O.; New York; Chicago; St. Louis, Mo.; San Francisco; Newark, N.J.; Greensboro, N.C., and an executive headquarters recently relocated to Greenwich, Conn.

The main business of NFO is a fixed mail panel, which was expanded to 320,000 households in 1984. Multi-client Services Division of NFO offers TRAC syndicated research based on diary-type purchase panels to report on consumption of beverages, men's tailored apparel and the personal home computer and videogame market.



William Lipner
NFO Research

NFO operates two telephone interviewing facilities with more than 200 interviewing stations with interactive interviewing capabilities in both locations.

In 1984, NFO formed a new company, NFO International Research, in New York to specialize in European research for American multinational companies. Also in 1984, NFO entered into a joint venture with MMSL (an AGB Research subsidiary in London) to form Patient Searchlight, a New Jersey-based unit specializing in research for the pharmaceutical industry.

NFO president-ceo William E. Lipner, 38, is a graduate of the University of Toledo.

10 NPD Group, Port Washington, N.Y. Privately held corporation; founded in 1953. Revenues in 1984 were $29.2 million, up 17.7% from 1983.

NPD Group, which has 560 employes, 320 of whom are full-time salaried, has these divisions: NPD Research, a 14,500-household national diary purchase panel specializing in package goods and more than 25 local-market panels with about 40,000 households; NPD Special Industry Services, purchase diary and mail panels specializing in such product classes as toys/games, textile/apparel, petroleum products, sports equipment, and records/tapes; GDR/CREST Enterprises, a panel reporting on meals eaten away from home and also providing custom research and consulting to the food service industry, and Home Testing Institute, a fixed mail panel of 175,000 households. A new unit, Marketing Models Division, which specializes in proprietary models such as ESP (for pre-test marketing, new product forecasting) and PSA (for Preference Structure Analysis), was created in 1984.

Tod Johnson
NPD Group

New in 1984: Special Industry Services Division started a jewelry tracking service, and an apparel point-of-sale tracking service was added to the toy p.o.s. database.

The Packaged Goods Division introduced a behaviorally derived nutritional segmentation system, a joint venture in the apparel diary panel area was established with Kurt Salmon Associates, and the HTI Division established a 150,000-household syndicated survey regarding insurance and related financial products. NPD's Chicago office was relocated into a new 24,000-sq.-ft. facility, and a new office was opened in Los Angeles.

In early 1985, NPD purchased the Marketrax scanner-based consumer panels in St. Louis and Los Angeles from TRIM, a Harte-Hanks subsidiary. This service, used to analyze consumer response to promotional activities, will be expanded to other major markets this year.

NPD Group president-ceo Tod Johnson, 40, holds an M.S.I.A. degree from Carnegie-Mellon University. Founder,

(Continued on Page 24)

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a Control Data Company

Research

(Continued from Page 22)

chairman and joint owner is Henry Brenner, 70.

11 **Maritz Market Research**, Fenton, Mo. Founded in 1973; wholly owned subsidiary of Maritz Inc. Revenues in 1984 were $24.7 million, up 24.3% over 1983.

The Maritz organization includes: Full-service divisional offices in six cities (Parsippany, N.J., was new in 1984); CRT-aided WATS survey centers in three cities (totaling 115 stations); single client, dedicated interviewing and data processing centers in three cities, and a network of field interviewing facilities (phone, focus group, central location and mall studies) in 16 major cities.

The company's Econo-Net Interviewing system grew in 1984 to a network of 12 cities utilizing a total of 200 microcomputers for telephone and mall interviewing. Each city's system communicates with any one of three HP mainframes. Maritz's Agricultural Research Division, with annual revenues of nearly $2 million, is one of the largest specializing in that market.

Maritz has 150 fulltime, salaried, exempt employes and about 2,500 parttime interviewers and supervisors.

In 1985, Maritz will open new client service offices in Dallas and Atlanta and plans two new services: MAPPS for product planning and positioning and MIVIS for interactive videodisc interviewing.

William Lewellen
Maritz Market Research

Maritz Market Research president William H. Lewellen, 54, has an M.S. from St. Louis University.

12 **Westat Inc.**, Rockville, Md. An employe-owned corporation founded in 1961. Revenues in 1984 were $24.5 million, up 3.8% from 1983.

Revenues include Crossley Surveys, a wholly owned subsidiary. Westat specializes in survey research, and about 85% of the work is done for the U.S. government.

Staff includes 240 salaried, exempt professionals and an average of 60 salaried, nonexempt, plus about 350 employes involved in telephone interviewing, support and survey processing, and national field studies. There is an office in New York in addition to the headquarters in Rockville. Phone facilities include 75 dialing stations, half of which are equipped for CRT interviewing.

Joseph Hunt
Westat Inc.

President-ceo Joseph A. Hunt, 49, has an M.S. from Massachusetts Institute of Technology. Edward C. Bryant, 69, the founder of Westat, is chairman; he has a Ph.D. from Iowa State University.

13 **Elrick & Lavidge**, Chicago. Founded in 1951; a wholly owned subsidiary of Equifax Inc. since 1980. Revenues in 1984 were $23.3 million, up 21.4% from 1983.

Revenues include those of Quick Test Opinion Centers, a separate operating unit within E&L, with a network of 18 shopping mall interviewing sites, plus a new one in Manhattan devoted to focus groups.

Robert Lavidge
Elrick & Lavidge

E&L, which specializes in survey research for consumer and business-to-business clients, operates six telephone interviewing centers, two dedicated to the TELSAM/PULSE system for Bell operating companies. The other four have a total of 144 interviewing stations, 112 of which are CRT-equipped.

There are 163 salaried, exempt employes at E&L, plus 55 salaried, nonexempt and 761 hourly paid in-office, located in 29 offices throughout the U.S.

During 1985, E&L plans to relocate and expand its San Francisco facility, which will include 24 CATI interviewing positions. New Quick Test Opinion Centers are being added in the San Francisco area and Denver, and the one in the Tampa Bay area is being doubled in size. Plans also call for two new full-service offices, one on the West Coast and one on the East Coast.

(Continued on Page 28)

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the right people,

the right facilities...

in the right locations

At Elrick and Lavidge, our professional staff has the marketing experience and know-how to plan, implement, and analyze a research project. But the work of even the best people is only as good as the interviewers, facilities, and locations to which they have access. That's why we've developed our own network of research facilities in more than 20 locations, so one local contact can provide you with the best facilities and field staff possible.

Elrick and Lavidge facilities include mall interviewing centers throughout the U.S. equipped for computer-assisted face-to-face interviewing, computer-assisted telephone survey (CATS) centers for nationwide and local telephone interviewing, focus group facilities, and more (see chart). Our staff of over 500 full and part-time employees, assures you of uniformly trained and supervised interviewers, even when a project involves many locations.

These extensive resources mean we can handle all, or any part of your research project. And one Elrick and Lavidge representative, in any of our full-service offices, coordinates everything, from start to finish.

METROPOLITAN:	FULL-SERVICE OFFICES	TELEPHONE CENTERS	COMPUTER-ASSISTED TELEPHONE SURVEYS	MALL OPINION CENTERS	COMPUTER-ASSISTED PERSONAL SURVEYS	FOCUS GROUP FACILITIES	CENTRAL LOCATION TESTING CENTERS
ATLANTA	•	•	•			•	•
SAN FRANCISCO	•	•	•	•	•	••	•
CHICAGO	•	•	•	••	•	•••	•
NEW YORK		•		•	•	••••	•
PHILADELPHIA				••	•	••	•
TAMPA				•	•	•	
NASHVILLE		*		•	•	•	•
MADISON		*					
MINNEAPOLIS				•			
OKLAHOMA CITY				•		•	
HOUSTON				•	•	•	•
SAN ANTONIO				•		•	
PHOENIX				•		•	•
SAN JOSE				•		•	•
LOS ANGELES				••	•	••	•

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THE OPINION CENTER

Research

(Continued from Page 24)

President-ceo Robert J. Lavidge, 63, received his M.B.A. from the University of Chicago.

14 **Walker Research,** Indianapolis. Privately held corporation; founded in 1964. Revenues in 1984 were $19.4 million, up 21.7% from 1983.

Walker, a survey research company, has these divisions: Custom Research Division, which provides traditional ad hoc marketing research services through client service offices in six U.S. cities; Operations Division, which offers data collection and data processing services through a network of six offices and interviewing via telephone, mall intercept, prerecruited central location and direct mail. Walker has more than 240 telephone interviewing stations, the majority of which are outfitted for CATI.

During 1984, Walker started two new marketing divisions: Performance Measurement Systems, which specializes in ongoing service industry measurement research, and Market-PULSE Measurement Systems, which offers syndicated research programs to the healthcare industry. Also in 1984, Walker established a Marketing Science Group, which provides advanced conceptual and analytical consulting services.

Frank Walker
Walker Research

In 1984, Walker started constructing a 90,000-sq.-ft. corporate headquarters building, which will be ready for occupancy in October. Also in 1985, Walker plans additional client service offices in Cincinnati and Winston-Salem, N.C., and a new telephone center in Cincinnati. Walker employs 128 fulltime salaried, 152 fulltime hourly and 476 parttime workers.

Chairman-ceo Frank D. Walker, 50, is a graduate of DePaul University. President-chief operating officer James E. Sammer, 46, received his M.B.A. from Michigan State University.

15 **YSW Group,** New York. Founded in 1958; since 1984, a wholly owned subsidiary of Saatchi & Saatchi. Research revenues in 1984 were $17 million, up 13.3% from 1983.

YSW Group includes what was Yankelovich, Skelly & White and McBer & Co., a research-based consulting company. (McBer's research revenues only are reflected.) YSW was acquired by Saatchi & Saatchi in late 1984.

This multifaceted organization consists of: Consumer Marketing Group, which includes, among others, TRAC Forecasting models, LTM simulated test marketing system, Monitor tracking study and custom surveys; Corporate Communications Group, corporate image studies, corporate advertising assessments; Policy Planning Group, public policy, corporate priorities, multiclient studies; Industrial Marketing Group; Human Resources Group, work force attitudes, and McBer & Co., selection, training, rewards, key employes. There are 195 fulltime, salaried employes in three offices.

Florence Skelly
YSW Group

About 5% of YSW revenues come from operations outside the U.S. In 1984, YSW inaugurated three new multiclient studies under the "Viewpoint" name (Architect Viewpoint, European Viewpoint and Hispanic Viewpoint), and during 1985 it plans to add a Small Business Viewpoint.

YSW Group chairman Daniel Yankelovich, 60, is a graduate of Harvard University. President-ceo Florence R. Skelly is a graduate of Hunter College.

16 **Chilton Research Services,** Radnor, Pa. Founded in 1957; since 1979 a wholly owned subsidiary of American Broadcasting Co. Revenues in 1984 were $16.5 million, up 23.1% from 1983.

This survey research organization does custom, ad hoc marketing and social science studies for industry and the federal government. While a significant number of CRS surveys use mail or face-to-face interviewing, the majority are conducted via telephone on one of the industry's largest and most sophisticated CATI systems, which has on-line sample control and interactive cross-tabulations. This system

(Continued on Page 30)

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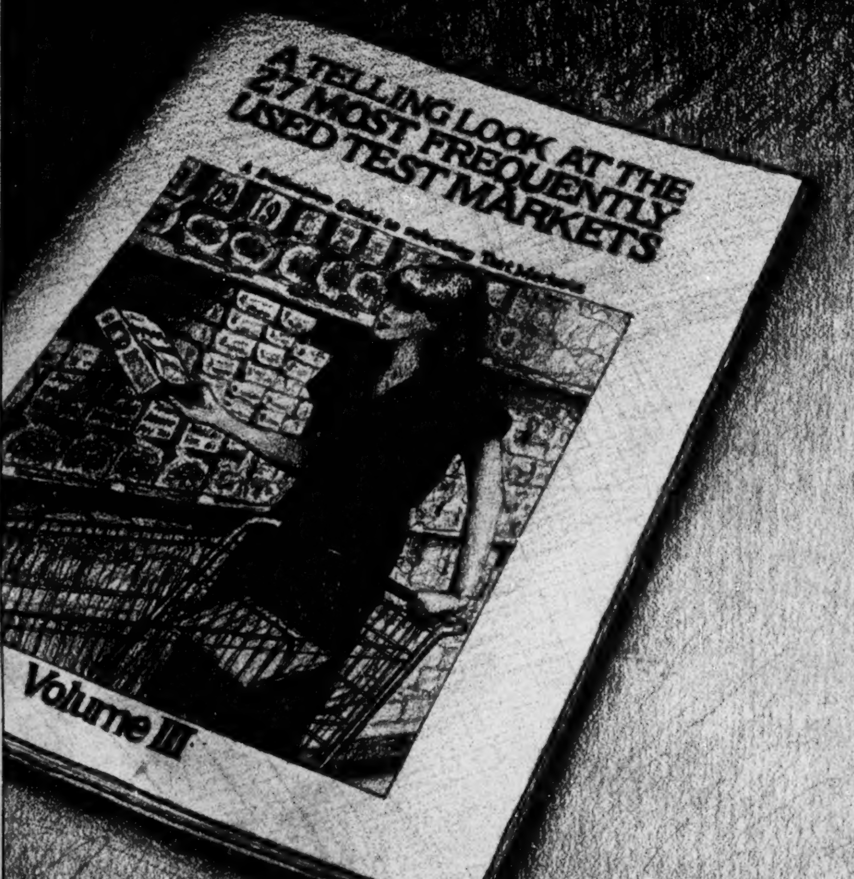

A TELLING LOOK AT THE 27 MOST FREQUENTLY USED TEST MARKETS
A Reference Guide to selecting Test Markets
Volume III

If you have been [illegible] reports of the "best" test markets, [illegible] the paper work and research necessary to select your own test market, we may have the solution.

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- [illegible] the experts.
- How to evaluate and select a test market based on:
  1) Population
  2) Demographics
  3) Effective Buying Incomes
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Research

(Continued from Page 28)

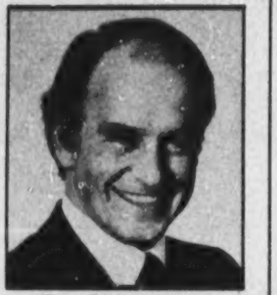
Gilbert Barrish
Chilton Research Services

has 185 interviewing stations and is linked to Chilton's twin IBM 4341 computers.

CRS has 142 fulltime, salaried employes. Director Gilbert Barrish, 45, is a graduate of Temple University.

17 ASI Market Research, New York. Founded in 1962; a wholly owned subsidiary of IDC Services since 1983. Research revenues in 1984 were $16.4 million, up 20% from 1983.

Revenues include those of Teaman/Lehman Associates, a full-service survey research company, Norwalk, Conn., which ASI acquired in January, 1984. Also during 1984, ASI divested some of its properties. The gross revenues for both years have been adjusted accordingly to a common base to calculate growth rate.



Gerald Lukeman
ASI Market Research

ASI, which represents about 90% of the total, is organized into two divisions: Advertising Research, which specializes in controlled audience pretesting and on-air testing of tv commercials, testing of print ads and evaluation of entertainment projects, including pilots for tv and movie films; and Marketing Research Division (more than $5 million), which conducts custom, ad hoc surveys, focus groups and—in 1984—set up a qualitative division in New York. The Marketing Research Division operates central telephone interviewing facilities with 120 stations, 20 of which are CRT-equipped.

During 1984, Advertising Research Division launched Apex, a new tv copy testing system that provides on-air recall, on-air persuasion and diagnostics, with all exposure occurring naturally within the home.

President-ceo Gerald Lukeman, 53, is a graduate of Dartmouth College. He is also exec vp of IDC Services.

18 Louis Harris & Associates, New York. Founded in 1956; a wholly owned subsidiary of Gannett Co. since 1975. Revenues in 1984 were $15.3 million, up 13.3% from 1983.

Twenty-six per cent of Harris revenues come from subsidiaries outside the U.S.: Louis Harris International, headquartered in London; Louis Harris France, headquartered in Paris, and Louis Harris International Medical Surveys in London.

The U.S. operation is made up of seven divisions, five of which are located in New York, one in Washington and one in San Francisco. They specialize in public opinion and attitude research in the following markets: Telecommunications, computers, healthcare, banking and financial services, automobiles, public policy and corporate public affairs. Multiclient surveys track corporate, financial, public and leadership opinion.

Louis Harris
Louis Harris & Associates

A CATI-based telephone interviewing facility with 52 stations (34 CATI-equipped) is located in New York. There are 137 fulltime, salaried employes.

Company founder, chairman-ceo Louis Harris, 64, whose syndicated column appears in 170 newspapers, is a graduate of the University of North Carolina at Chapel Hill. President-chief operating officer Humphrey Taylor, 50, is a graduate of Cambridge University in England.

19 Opinion Research Corp., Princeton, N.J. Founded in 1938; since 1975, a wholly owned subsidiary of Arthur D. Little Inc. Revenues in 1984 were $14.5 million, up 34.3% from 1983.

ORC provides survey research, analytical and consulting services, with emphasis on: Market research, modeling and simulation, corporate relations, cable and video, financial services, telecommunications, healthcare, government research, employe relations and public opinion research.

In addition, ORC periodically conducts several shared-cost surveys—the Financial Relations Image Assessment Pro-

(Continued on Page 32)

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Research

(Continued from Page 30)

Irwin Miller
Opinion Research Corp.

gram, the Corporate Reputation Survey, the Executive Corporate Image Survey, the Business and the Media Survey, the Public Opinion Index and Caravan Omnibus Surveys. There are more than 200 fulltime, salaried employes in Princeton and four branch offices.

In early 1985, ORC opened a new 100-station (30 equipped with CRT) telephone center in Somerset, N.J., in addition to its 25-station facility in Princeton.

Chairman-ceo Irwin Miller, 56, has a Ph.D. from Virginia Polytechnic Institute. Vice-chairman Harry O'Neill, 56, has a master's degree from Pennsylvania State University. President Andrew Brown, 40, has an M.B.A. from Temple University.

20 **Ehrhart-Babic Group**, Englewood Cliffs, N.J. Privately held corporation; founded in 1959. Revenues in 1984 were $13.2 million, up 5.6% from 1983.

Louis Babic Jr.
Ehrhart-Babic Group

The Ehrhart-Babic Group, with 110 fulltime, salaried employes, specializes in "in-store" research through the following four groups: E-B Custom Research, which executes sales measurement studies including minimarkets, controlled store tests, sales audits for projections and the spotting of trends, weekend audits and product purchases; National Retail Tracking Index, which conducts regularly scheduled syndicated retail observation studies in 110 major markets, including all SAMI areas (see No. 3)—a total of 8,000 retail outlets, including food, drug, mass merchandisers, convenience and hardware/home centers; National Liquor, Wine & Beer Index, which provides comprehensive distribution information quarterly in more than 2,600 off-premise outlets and semi-annually in more than 3,100 on-premise outlets, and—new in 1984—Measurement of Trade Cooperation, a syndicated survey of weekly in-store promotional support by chain supermarkets for all or selected brands within a category. About 1% of E-B revenue comes from outside the U.S.

Chairman Thomas A. Ehrhart, 60, a graduate of Pace University, and president Louis J. Babic Jr., 52, a graduate of Boston University, are Ehrhart-Babic co-founders.

21 **Winona Research**, Minneapolis. Privately held corporation; founded in 1953. Revenues in 1984 were $12.9 million, up 9% from 1983.

Richard McCullough
Winona Research

This full-service survey research company has 125 fulltime, salaried employes in four offices—Dallas, Minneapolis, New York and Phoenix. The Phoenix site houses a WATS phone interviewing facility with 160 stations, 120 of which are CRT-equipped.

In addition to large-scale telephone interviewing, Winona also does product testing and custom retail store audits of product movement.

President-ceo Richard McCullough, 41, is a graduate of the University of Minnesota. He is the immediate past chairman of the Council of American Survey Research Organizations.

22 **Simmons Market Research Bureau**, New York. Subsidiary of JWT Group; founded in 1978. Revenues in 1984 were $12.5 million, up 21.4% from 1983.

Frank Stanton
SMRB

This survey research/database organization was created in 1978 through the merger of W.R. Simmons & Associates (founded in 1952) and Axiom Market Research Bureau.

Each year, SMRB creates a database from a survey of 19,000 adults. Through several interviews with each respondent, data are obtained on: Purchase and use of products and services in 800 categories, including some 3,900 brands; media exposure; demographics, and lifestyle orientation in terms of VALS classifications.

The data are merged with a Donnelley Marketing Information Service database to create a service called ClusterPlus and with the Claritas Corp.'s PRIZM system to pinpoint geodemographic market segments. Clients are offered on-line access to this database, which also is used by SMRB in conjunction with pro-

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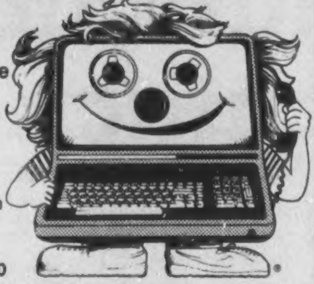

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prietary marketing research and media surveys conducted for individual clients.

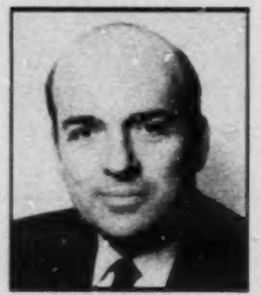
During 1984, SMRB started a joint venture with Scarborough Research Corp. to provide syndicated newspaper audience measurement in major markets; data from the first survey will be released in June.

Also in 1984, SMRB launched Trade Magazine Total Audience Studies and announced a tie-in with A.C. Nielsen Co.'s Media Research Group through which ClusterPlus data were related to local broadcast audience ratings. In another 1984 development, Teen Study, a study of product and service usage and media exposure among 2,000 teen agers, was published.

SMRB has 125 fulltime, salaried employes.

President-ceo Frank Stanton, 55, has an M.A. from the University of Pennsylvania.

23 **Data Development Corp.**, New York. Privately held corporation founded in 1960. Revenues for 1984 were $10.5 million, up 16.7% from 1983.



Joseph Goldstein
Data Development Corp.

DDC revenues for both 1984 and 1983 have been adjusted to reflect the sale of DDC's equity position in Central Location Testing, a subsidiary.

This full-service, custom survey organization, which has 100 fulltime, salaried employes in three offices, includes DDC, New York Conference Center and Telephone Center, which has 70 interviewing stations, 45 of which are CRT because of installation of a larger computer (HP-3000-48) during 1984.

DDC emphasizes strategic research and its proprietary services include COMBO (product testing); COPY II (copy strategic development), and ADOPTER (pretest market measurement system), which is a joint venture with Edward Tauber, University of Southern California.

During 1984, DDC opened an office in San Francisco, and three offices in Connecticut, New Jersey and Rye, N.Y. were consolidated into one facility in New Rochelle, N.Y.

Jerry Rosenkranz is chairman and Joseph Goldstein is president-ceo. Both are 49 years old and graduates of the City College of New York.

24 **Decisions Center Inc.**, New York. Privately held corporation founded in 1965. Revenues in 1984 were $10.2 million, up 15.9% from 1983.

Bernard Ruderman
Decisions Center Inc.

DCI, which has 115 fulltime, salaried employes, includes Decisions Center, Qualitative Decisions Center, Analytic Insights, DCI International, Murray Hill Center (three focus group conference rooms) and Facts Center, a 94-station telephone interviewing facility.

DCI specializes in custom survey research—large-scale market and strategy studies, tracking and trade studies, copy research, concept testing and product testing.

In 1985, DCI will launch Express Data Center, which features computerized transmission of survey data from a network of locations around the U.S. to the company's mainframe in New York. Tabulation is instantaneous, and clients will be able to access the data through their own computers.

DCI is managed by three partners: Bernard Ruderman, 53, who has an M.S. from Pennsylvania State University; Bernard Levine, 59, and Steven Roth, 39, both of whom received their M.B.A.'s from New York State University.

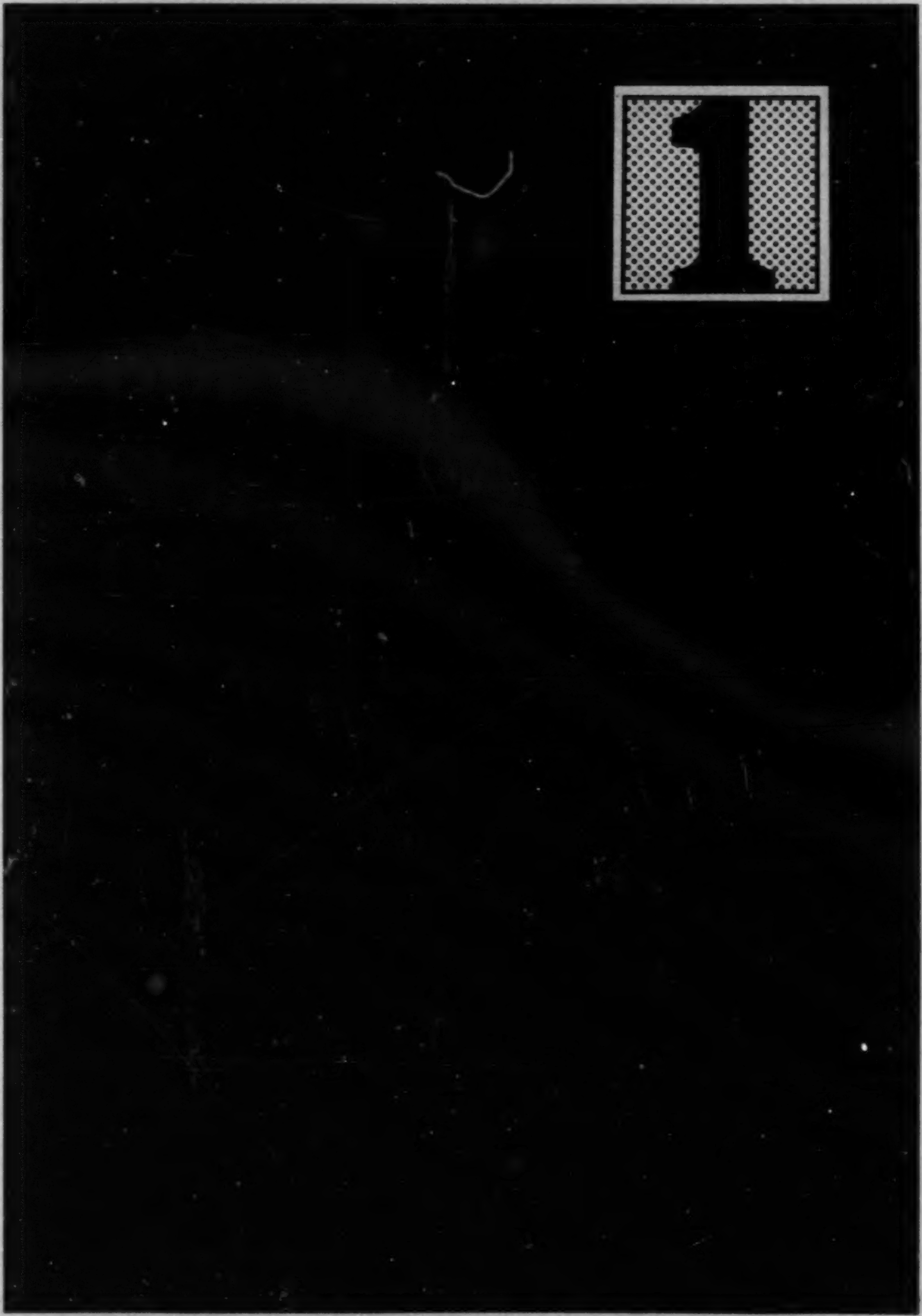
25 **Harte-Hanks Marketing Services Group**, River Edge, N.J. Wholly owned division of Harte-Hanks Communications; founded in 1975. Revenues in 1984 were $9.7 million, up 25% from 1983.

During 1984, Harte-Hanks sold two research units: Tele-Research, a tv copy testing operation, and TRIM, which specialized in controlled store tests.

Richard Hochhauser
Harte-Hanks Marketing

Revenues for both 1983 and 1984 have been adjusted accord-

(Continued on Page 34)



Research

(Continued from Page 33)

ingly to calculate growth.

This conglomerate, put together by a large Texas-based publishing company—which went private in 1984—consists of RMH Research, a full-service survey company specializing in communications/media research; National WATS Service, a telephone interviewing facility with 60 stations, 12 of which are CRT-equipped, and Urban Data Processing, a Burlington, Mass.-based EDP service company specializing in custom processing of census data for marketing uses.

There are about 100 fulltime, salaried employes in three offices.

Harte-Hanks's Marketing Services Group president Richard Hochhauser, 40, holds an M.B.A. from Columbia University.

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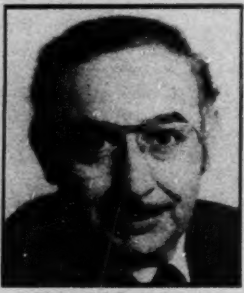
26 McCollum/Spielman & Co., Great Neck, N.Y. Privately held corporation; founded in 1968. Revenues in 1984 were $9.4 million, up 10.6% from 1983.

M/S activities are divided into two groups: Communications Division, which does quantitative/qualitative—effectiveness/diagnostic testing of tv and radio commercials and print advertising using closed-circuit, theater-like interviewing facilities in 12 cities, and custom studies in the communications area; and Associates Division, including child research services, which tests children's (and frequently parents') reactions to commercials, programs, packaging, products and concepts, as well as custom studies in ad tracking, corporate image and syndicated services.



Harold Spielman
McCollum/Spielman & Co.

In 1984, the Communications Division introduced two new services: STEP ONE, an early, primarily diagnostic service for advertising development, and AC-T/SP (a joint service with NPD Research), which predicts sales volume for new products and is based on NPD's ESP model combined with AC-T advertising information. Some M/S services are available in Japan, the U.K., Canada and West Germany through affiliates.

M/S has sales/servicing representation in four U.S. cities, and there are 90 fulltime, salaried employes.

Ceo Harold S. Spielman, 58, received his B.S.S. from City University of New York. President Donald H. McCollum, 62, received an M.A. from the University of Denver.

27 Admar Research Co., New York. Founded in 1960; since January, 1985, a wholly owned subsidiary of Sprigg Lane Investment Corp. Revenues in 1984 were $9.3 million, up 8% from 1983.

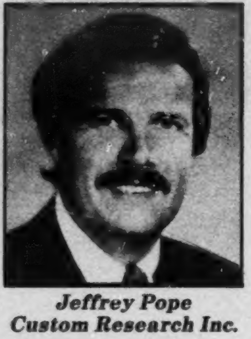
Revenues include three subsidiaries: Market Trends, Amherst Research Group and Consumer Interviews (a central WATS phone facility with 28 stations in Floral Park, N.Y.). There are 60 fulltime, salaried employes.

Henry Ostberg
Admar Research Co.

Admar specializes in tracking surveys, product testing and advertising studies, employing research programs copyrighted by the company. A central phone facility has 22 stations.

Founder, chairman-ceo Henry D. Ostberg received his Ph.D. from Ohio State University. President William J. Battison, 38, joined the company in early 1985. He received an M.B.A. from the University of Virginia.

28 Custom Research Inc., Minneapolis. Privately held corporation founded in 1974. Revenues in 1984 were $8.6 million, up 34.3% from 1983.



Jeffrey Pope
Custom Research Inc.

This custom survey company has the following divisions: Consumer Research; Medical Research Bureau; Custom Business Research; Custom Research Telephone (central telephone WATS interviewing facility, CRT-equipped, with 50 stations), and Corporate Services. There are 70 fulltime, salaried employes and branch offices in Union, N.J., and Chicago.

During 1984, CRI introduced "The System," a new product development system that consolidates all the research steps a company normally goes through into one system.

CRI is managed by two partners: Jeffrey L. Pope, 44, who received his M.B.A. from the Kellogg School of Management, Northwestern University, and Judith S. Corson, 42, a graduate of the University of Minnesota.

29 National Analysts, Philadelphia. Founded in 1943; a division of Booz Allen & Hamilton since 1970. Revenues in 1984 were $7.9 million, up 8.2% from 1983.

National Analysts, with 81 fulltime, salaried employes in Philadelphia and New York, conducts custom qualitative and quantitative studies in support of its strategic research and consulting services, and commercial clients account for about 80% of its business.

The balance is accounted for by the federal government, universities and other not-for-profit institutions.

National Analysts' professional staff specializes in such fields as telecommunications, financial services, pharmaceuticals and medical equipment, automotive, package goods and litigation support. During 1984, National Analysts converted to a new integrated EDP system to support its specialized work in market segmentation, tradeoff analysis and other multivariate modeling.

Marshall Greenberg
National Analysts

President Marshall G. Greenberg, 49, received his Ph.D. from the University of Michigan.

30 Decision/Making/Information, McLean, Va. Privately held corporation; founded in 1969. Revenues in 1984 were $7.8 million, up 100% from 1983.

This survey company, with 65 fulltime employes (34 of whom are salaried and exempt), is divided into two divisions: Marketing Research and Political/Public Affairs. One major reason for the extraordinary revenue gain in 1984 was D/M/I political work for the Reagan-Bush '84 Committee and numerous other Republican candidates. D/M/I's nonpolitical business grew considerably too.

Richard Wirthlin
D/M/I

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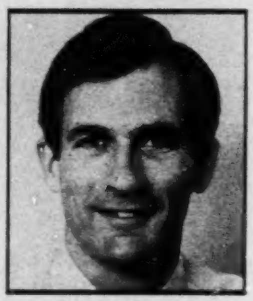
Ana, Cal., and Provo, Utah, where the company's phone interviewing facility (100 stations, 40 of which are part of a PC-driven computerized interviewing system) is being centralized.

Founder-chairman Richard B. Wirthlin, 52, holds a Ph.D. from the University of California at Berkeley. He is best known as President Reagan's pollster. Vincent J. Breglio, 44, rejoined D/M/I in early 1985 as president and head of the Political/Public Affairs Division. He holds a Ph.D. from Brigham Young University.

31 Consumer Research Division, Management Decision Systems, Waltham, Mass. Privately held corporation; founded in 1967. Research revenues were $7.7 million in 1984, up 8.1% from 1983.

Of total MDS revenues of $25 million, about 31% are attributable to the Consumer Research Division.

CRD's primary research service is the ASSESSOR simulated test market system, which predicts the probable market performance of a new product before market introduction. ASSESSOR's predictions are based on consumer response to advertising, shopping in a simulated store and repurchase after in-house use. Although originally developed for consumer package goods, modifications of the ASSESSOR system have been used for automobiles, other consumer durables and services.



James Findley
Consumer Research Div.

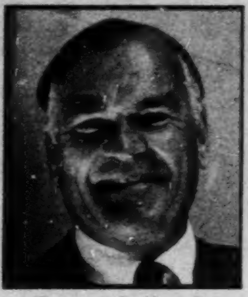
CRD also provides a wide range of research and consulting services to support early opportunity identification and positioning stages. DEFENDER, CRD's newest service, is a model and market measurements system for determining the best response to a competitor's new product.

In February, 1985, Information Resources Inc. (No. 8) signed a letter of intent to purchase Management Decision Systems.

There are 34 fulltime, salaried employes in CRD offices in Waltham, Chicago and Los Angeles.

CRD manager James J. Findley, 40, has an M.S. from the Sloan School of Management, M.I.T. He is a vp of MDS.

32 Gallup Organization, Princeton, N.J. Privately held corporation; founded in 1935. Revenues in 1984 were $7.7 million, up 14.9% from 1983.



George Gallup Jr.
Gallup Organization

This survey research organization was founded by the late George H. (Ted) Gallup Sr., who died in 1984. The company's syndicated newspaper column, Gallup Poll, appears in 100 newspapers, specializes in quantitative attitude and public opinion research. About one-half of this work is custom, ad hoc, and the balance comes from syndicated surveys in the area of financial services, package goods and video products.

Data collection is through face-to-face interviewing (national sample, 360 primary sampling units, and about 50,000 interviews a year) and a WATS telephone facility with 72 stations located in a facility outside Princeton. There are 115 full-time, salaried employes.

During 1985, Gallup announced a joint venture with SRI Research Center to conduct hospital market research.

Acting chairman George H. Gallup Jr., 56, is son of the founder. He is a graduate of Princeton University. Joint ceos are Andrew Kohut, 42, a graduate of Seton Hall University, and Leonard A. Wood, 45, who has an M.B.A. from Rider College.

33 Starch INRA Hooper, Mamaroneck, N.Y. Public corporation traded otc; founded in 1923. Revenues in 1984 were $7.5 million, up 19.6% from 1983.

William Wilson
Starch INRA Hooper

Revenues for this survey research organization, best known for print ad and print media audience studies, include those of a wholly owned subsidiary, the Roper Organization, New York, the newly resurrected Hooper Telephone Interviewing Service

(Continued on Page 36)

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- **Nuclear plants find out if tone alert works**
  CRS is currently conducting a three-year series of surveys to determine the effectiveness of nuclear power plant alert systems. Within 2 hours of the tone alert, CRS completes all interviews with a sample of representative households in the alert area to find out whether the siren was heard. Specific areas are then identified for siren enhancement.
- **Industrial survey determined size of market for 30 products**
  Employing a two-phase approach, CRS conducted 3,000 CATI interviews in the United States and Canada to determine brand share and market size for 30 products used by craftsmen and manufacturers in 60 end-user classifications.

  A custom-designed program, based on incidences determined in phase one, was used to allocate optimal sample sizes for the second interview phase. This two-step procedure ensured greater reliability of results within each industry grouping.
- **Insurance survey probes needs of older Americans**
  To determine the perceived coverage shortcomings of Medicare, 1000 CRT interviews were conducted with Americans over 65 about supplemental health insurance coverage. Results are being used to design health insurance programs that better meet the needs of the elderly.

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Research

(Continued from Page 35)

(more than 30 stations), and revenues derived from being part of the INRA network of affiliate companies in 31 countries. There are 165 fulltime employes, 51 of whom are salaried, exempt.

Starch's oldest service, Starch Ad Readership, hit an all-time high in revenues and profits in 1984, and the company launched two new services: STARS (Starch Travel Agent Readership Study), offered on a biannual basis with first reports due in June, and a large-scale pilot study with male elites in four South American countries, which it is hoped will lead to a full-scale audience research project in Latin America later this year.

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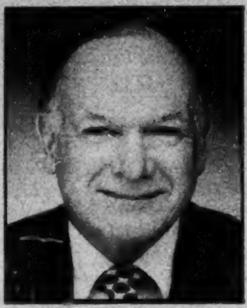
President-ceo William J. (Jay) Wilson, 48, is a graduate of Yale University.

34 Mediamark Research Inc., New York. The company, founded in 1979, is 80% owned by Mills & Allen International and 20% owned by its principal officers. Revenues in 1984 were $7.2 million, up 23% from 1983.

Mediamark operates a syndicated media/product research service based on personal interviews with 20,000 adults each year regarding their exposure to advertising media and, via a leave-behind questionnaire, purchase data on a broad line of products and services. There is online access to this databank, and ad agencies, advertisers, broadcasters and cable networks subscribe to MRI's 25 reports.



Timothy Joyce
Mediamark Research Inc.

MRI also produces three special reports each year based on a two-year database: A business-to-business report and the Upper Deck (affluent market), as well as reports related to the Top 10 local markets, including data on newspapers and broadcast stations. Also, in 1984 MRI produced a report on Consumer Innovators, describing the purchasing behavior, demographics and media exposure of those people identified as innovators and their propensity to try new products. In January, MRI set up a custom studies division.

The company has 24 fulltime, salaried employes.

Chairman-ceo Timothy Joyce, 51, has a Ph.D. from Cambridge University. President-chief operating officer Alain J. Tessier, 51, has an M.A. from the University of Notre Dame.

35 Market Opinion Research, Detroit. Privately held corporation; founded in 1941. Research revenues in 1984 were $6.8 million, up 13.6% from 1983.

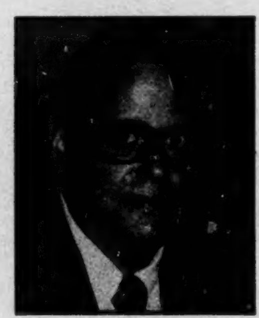
About 81% of this company's revenues are derived from research-related activities. This survey research organization has the following divisions: Consumer and industrial marketing research; media studies; social and public research; information systems, and political. Because Robert N. Teeter, MOR's president, is prominent as a political pollster/consultant and MOR has as clients numerous Republican congressional and gubernatorial candidates, 1984 was a boom year.

Robert Teeter
Market Opinion Research

MOR has 80 fulltime employes (48 of whom are salaried, exempt) located in five offices, one of them in Toronto. The Washington office opened in January. A central phone survey facility includes 86 stations, 20 of which will be CATI-equipped by mid-year.

Chairman-ceo Frederick P. Currier, 61, received his M.A. from the University of Illinois. President Robert N. Teeter, 46, received his M.A. from Michigan State University.

36 Kapuler Marketing Research, Arlington Heights, Ill. Privately held corporation, founded in 1974. Revenues in 1984 were $6.0 million, up 34% from 1983.



Stanley Kapuler
Kapuler Marketing Research

Kapuler, through branch offices in Los Angeles and Dallas and a fulltime, salaried staff of 51, offers a complete array of marketing research services and consultation.

Quantitative services are based on telephone surveys through the Kapuler Survey Center, a 120-station facility with 28 CRT-equipped. Qualitative research is centered in Uni-Focus, a system that completes more than 3,000 one-on-one in-depth interviews a year to obtain data on life style, social trends, benefit-value structures, new product development and diagnostics for advertising creative.

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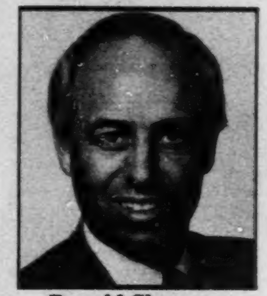
- New Product/New Formulation Tests
- Promotion/Display Tests
- Matched & Paired Replicate Design
- Scanner Panel

Retail Research Division

President Stanley J. Kapuler, 44, has an M.B.A. from the University of Chicago.

37 **Ad Factors Marketing Research**, Glen Ellyn, Ill. Privately held corporation; founded in 1975. Revenues in 1984 were $5.9 million, up 66.1% from 1983.

Primary business is custom, ad hoc surveys, both consumer and industrial, through continuous market measures, tracking studies, test market evaluations, product in-home use tests, and general opinion/attitude/viewership studies. Services include computer generated national-local samples, questionnaire development, interviewing, data processing and analysis. In-house WATS telephone facilities include 240 monitored dialing stations, 100 of which are CRT-equipped.


Donald Chapman
Ad Factors Marketing

Ad Factors employs about 300 people, 44 of whom are fulltime, salaried, exempt. There are branch offices in Montrose, Conn., and Cinnaminson, N.J. During 1984, the company installed fully interactive CRT/DP computer system with data transmittal capabilities linking all offices.

President Donald B. Chapman, 43, is a graduate of Portland State University.

38 **Response Analysis**, Princeton, N.J. Privately held corporation; founded in 1969. Research revenues in 1984 were $5.6 million, up 44.6% from 1983.

Herbert Abelson
Response Analysis

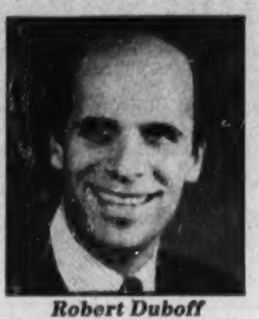
Revenues do not include RA's ARRO Division in Bethesda, Md., which specializes in human factors and performance evaluation/skill testing procedures.

This survey research organization, which specializes in large-scale projects for the U.S. government, nonprofit organizations and private sector commercial clients, has 99 fulltime, salaried staff members.

RA mainatins a central telephone interviewing facility with 40 stations, 15 of which are CRT-equipped.

Ceo Herbert I. Abelson, 59, received his Ph.D. from the University of Maryland. He is past president of American Assn. for Public Opinion Research and past chairman of Council of American Survey Research Organizations.

39 **Decision Research Corp.**, Lexington, Mass. Wholly owned subsidiary of Temple, Barker & Sloane; founded in 1971. Revenues in 1984 were $5.5 million, up 36% from 1983.


Robert Duboff
Decision Research Corp.

This full-service marketing research company specializes in custom, ad hoc survey work for consumer goods and business-to-business marketers. In addition, DRC does jury simulation work for legal clients, running mock trials during which various arguments and appeals are rated. There are 40 fulltime, salaried, exempt employes, and a phone center has 30 interviewing stations.

During 1984, DRC opened an office in Palo Alto, Cal.

General manager Robert S. Duboff, 36, received his J.D. degree from Harvard Law School.

40 **Oxtoby-Smith**, New York. Privately held corporation; founded in 1956. Revenues in 1984 were $5 million, up 18% from 1983.

This survey research company, which has 70 fulltime, salaried employes, is distinctive in

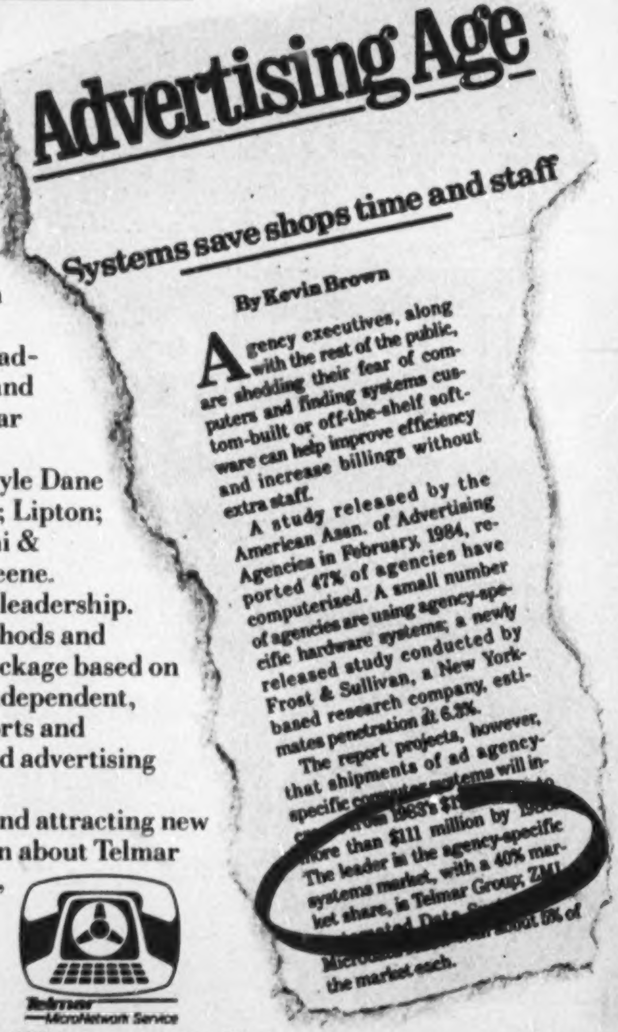
Joseph Smith
Oxtoby-Smith

(Continued on Page 38)

WHO IS THE LEADING ADVERTISING COMPUTER SERVICE FIRM?

ADVERTISING AGE REPORTS:

TELMAR.


Advertising Age

Systems save shops time and staff

By Kevin Brown

Agency executives, along with the rest of the public, are shedding their fear of computers and finding systems custom-built or off-the-shelf software can help improve efficiency and increase billings without extra staff.

A study released by the American Assn. of Advertising Agencies in February, 1984, reported 47% of agencies have computerized. A small number of agencies are using agency-specific hardware systems; a newly released study conducted by Frost & Sullivan, a New York-based research company, estimates penetration at 6.3%.

The report projects, however, that shipments of ad agency-specific [illegible] will in[illegible] from 1983's $1[illegible] more than $111 million by 19[illegible] The leader in the agency-specific systems market, with a 40% market share, is Telmar Group; ZMI [illegible] about 5% of the market each.

In fact Telmar has *always* been the leader. We pioneered marketing and media computers and software nearly two decades ago. We've made quite a difference. As you can see in the Advertising Age article, Telmar has 40% of the total information systems market.

Today, Telmar serves over 900 advertisers, broadcasters, advertising agencies, publishers, research and educational organizations here and abroad. This year alone, Telmar has added over 150 new users of its MicroNetwork services. Among them: ABC TV; Doyle Dane Bernbach; HCM (Marsteller); Kenyon & Eckhardt; Lipton; National Geographic; North Castle Partners; Saatchi & Saatchi Compton; TDI Winston and Wells, Rich, Greene.

There are several reasons for this continuing leadership. Telmar is on the cutting edge—introducing new methods and technology. Telmar alone offers a fully integrated package based on the personal computer for all media. Telmar is an independent, objective and privately-held company; Telmar's reports and formulas are accepted throughout the marketing and advertising world.

If you are responsible for profit, productivity and attracting new business, Telmar can help you. For more information about Telmar and its services, write to Stanley P. Federman, CEO, Telmar Group Inc., 902 Broadway, New York, New York 10010. You can also call him at (212) 460-9000 or toll free at 1-800-367-3655. Do it now, while it's on your mind.

Telmar
MicroNetwork Service

Telmar is IBM's largest personal computer VAD for the advertising/marketing industry.

Marketing information service business growing

By Jack J. Honomichl

They don't look like research companies, they don't talk like research companies, and they don't walk like research companies.

A large, fast-growing genre of marketing information service companies is increasingly competitive with the traditional marketing/advertising research companies in providing decision-making data.

Because of that growing presence, ADVERTISING AGE is publishing profiles of such marketing information service companies in conjunction with its annual list of the top U.S.-based marketing/advertising research companies.

The six organizations profiled—Claritas L.P., EPSILON, Interactive Market Systems, MAJERS, Management Decision Systems and SPAR—had combined revenues of $115.7 million in 1984, up 30% from 1983. Their activities are becoming more intertwined with the traditional marketing research companies, and their business sprawls around the world.

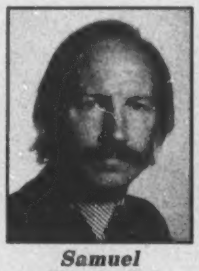
Because most of the companies that fit naturally into this category are privately owned or subsidiaries of large, public corporations, they are not accustomed to making their revenue data public. Donnelley Marketing Information Services, a Dun & Bradstreet corporate unit; American Demographics Inc., a subsidiary of Dow Jones & Co., and the Market Analysis Division of C.A.C.I., marketers of the Acron Market Segmentation & Targeting System, are not allowed by their parent companies to reveal revenue data.

Other privately held companies, such as National Decision Systems and Marketing Intelligence Service, when invited by AD AGE to participate in this listing, replied in essence, "Not this year, but probably next." Others, including Telmar, declined. And others—notably, Urban Decision Systems, Data Resources and National Demographics & Lifestyles—didn't acknowledge AD AGE's request.

Marketing information service organizations probably represent between $300 million and $400 million in annual revenues, and judging from the six organizations listed below, they are growing much faster than most marketing research companies.

Following, in alphabetical order, are profiles of some leading members of the marketing information service category.

Claritas L.P., Alexandria, Va. Founded in 1971; since 1984 a partnership that includes Claritas senior management and a noncontrolling interest held by VNU Amvest, the U.S. subsidiary of VNU (United Dutch Publishing Co.). Revenues in 1984 were $6.2 million, up 41% from 1983.


Samuel Barton III Claritas

Thomas Jones EPSILON

Richard Makely IMS

Adrian Scribante MAJERS

John Wurts MDS

Robert Brown SPAR

A specialist in market segmentation and target marketing, Claritas is best known as the developer of PRIZM, a neighborhood classification model that assigns each census block group and tract, postal carrier route and Zip code to one of 40 lifestyle groups.

The PRIZM Interlock concept permits marketers to cross-correlate PRIZM profiles drawn from nearly 25 PRIZM-coded survey research databases and services, including Arbitron, Birch, Home Testing Institute and NPD, Market Facts, Accountline, Scarborough/LNR, Simmons Market Research Bureau, SRI/VALS and SRI/Financial, and TRW.

Claritas' software and databases are used in support of its analytical project services, and they also are distributed under license to end users for operation on their own computers.

A key resource is the Claritas GeoBase, an integrated database of census demographics, geographic code systems and mapping boundaries, used for retail trading area analysis, sales potential studies and computer mapping applications.

During 1984, Claritas launched a new service for targeting the affluent market.

The 75 members of Claritas' professional staff are located in its central r&d production facility in Alexandria, Va., and four regional client service offices. Two more regional offices will be opened in 1985.

President-ceo Samuel G. Barton III, 42, has an M.B.A. from Stanford University.

EPSILON, Burlington, Mass. Public company, traded NASDAQ; founded in 1969. Revenues in 1984 were $44.7 million, up 34% from 1983.

EPSILON, which refers to itself as "The Database Marketing Company," was founded by four graduates of Harvard University's Business School. In 1979, the company went public, and today more than half its revenues come from commercial clients.

EPSILON provides a full range of data management and direct marketing services, including marketing database management; market research and analysis; direct response/direct mail creative and production; inquiry fulfillment; inbound and outbound telemarketing; sales lead management, and strategic consulting.

Research

(Continued from Page 37)

that about one-half its revenues come from clients for whom Oxtoby-Smith assumes responsibility for all, or almost all, of the consumer research functions, filling the role of both "internal" department and "outside" research supplier. Among such clients are American Motors, Block Drug and Coca-Cola Foods.

The balance of Oxtoby-Smith volume comes from custom, ad hoc survey projects and, of growing importance, consultation, research and testimony relating to legal regulatory matters, among them trademark litigation and advertising claim substantiation.

On-site facilities include a central telephone interviewing facility with 20 stations, all of which are being CRT-equipped this year and a focus group facility.

President-ceo Joseph Smith, 58, received his Ph.D. from the University of Iowa. He is one of the company's founders.

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CASRO
The Council of American Survey Research Organizations

The Council of American Survey Research Organizations (CASRO), the national trade association of survey research firms, has started an EMPLOYMENT REFERRAL SERVICE for professionals in the research industry.

This service is designed to provide CASRO member-firms—currently numbering well over 100 companies—with the names and resumes of experienced research industry professionals who are looking for new jobs or career advancements.

There is no fee to the job-searcher for this service.

If you're in the market for a job change in the research industry and would like more information about CASRO's EMPLOYMENT REFERRAL SERVICE, please send a **stamped, self-addressed envelope,** along with your resume, including job and salary history, educational background, current career plans, etc. to **Diane Bowers, Executive Director, CASRO, 3 Upper Devon, Belle Terre, Port Jefferson, NY 11777.**

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Advertising Age®

Crain's International Newspaper of Marketing
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Apple shifts execs, slashes ad budget

Apple II, Mac get new chiefs

By CLEVELAND HORTON

Apple Computer, seeking to end infighting among its separate Macintosh and Apple II divisions and spur new growth, has brought in two new executives to reshape its senior marketing team.

The changes, confirmed last week by Apple, bring Jean-Louis Gassee, a French Apple exec with a hot sales record, and Michael Lorelli, a former top marketing hand at International Playtex, into key slots. The corporate moves come as sources predicted Apple will slash 1985 ad spending to as little as $50 million, half the company's 1984 ad spending pace. Chiat/Day, Los Angeles is the Apple agency.

Apple declined to comment last week on the size of its ad budget cuts. Top execs had previously conceded that sales growth rates at Apple have slowed, prompting a bout of cost-cutting that includes not only ad cutbacks but plant closings and employe layoffs.

An Apple spokesperson said the management changes are designed to develop strategic plans to "grow Apple's markets." Industry observers, however, see the shuffle as an effort to quell internal wrangling between the Apple II and Macintosh divisions.

Apple created separate divisions last year for each product line to better address its respective markets. Sales of the lines, however, drifted into each other's markets, and the divisions reportedly began accusing each other of cannibalizing their sales.

Sources close to Apple believe the company is considering ways to sell products from both lines to the same markets. For example, Macintoshes may be sold to schools,

(Continued on Page 91)

Photo by Todd Benson

Eastern's Moonlight Special is a hit, but when Ad Age rode along, it discovered, not yuppies and designer suits (a la EAL's commercials at left), but wailing children and bag lunches.

The Moonlight Special: It's no flight of fancy

By BRIAN MORAN

When Eastern Air Lines announced plans last February for the Moonlight Special—a gimmick offering passengers low fares on middle-of-the-night cargo flights—most airline and marketing people scoffed.

To many observers, the Miami-based carrier couldn't have picked a more inopportune moment to unfurl a wild new marketing ploy. Eastern was teetering toward bankruptcy, reeling from five years of losses and fighting a bruising battle with its unions.

But the airline directed its agency, Campbell-Ewald, to come up with a tv campaign pitching its slow-boat-to-the-coast flights to a target audience of college students, backpackers and yuppies who wouldn't mind switching planes in Houston at 2:30 a.m.

The Warren, Mich.-based agency's resulting pool of commercials feature a well-heeled, air-guitar-playing singles crowd high-stepping into an Eastern terminal to get on board.

The message was clear: Eastern's Moonlight riders were in for an all-night, cross-country party for only $98, a buck cheaper than People Express. (Eastern raised Moonlight fares $10 to $20 last week.)

Advertising Age got the message. Curious about the rousing success of Eastern's creative new marketing program—Moonlight has

(Continued on Page 90)

NEWSPAPER

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Bosee leaves after 'disagreement' with Newhouse

First fallout at New Yorker

By STUART J. ELLIOTT

New York—The departure of J. Kennard Bosee as president of The New Yorker Magazine Inc. follows disagreements with new owner S.I. Newhouse Jr. about business operations, say magazine-industry sources.

Mr. Bosee is "retiring," effective June 1, according to a memo from chairman Peter Fleischmann. But these sources said Mr. Bosee resigned after meeting with Mr. Newhouse, chairman-president of Advance Publications, May 21—two weeks after Advance's acquisition of the magazine company took effect (AA, Feb. 14, *et seq.*).

Sources said Mr. Bosee and other New Yorker executives have been unhappy with situations in which they believed Advance's Conde Nast Publications was getting involved in internal New Yorker business matters, such as personnel, printing and insurance coverage.

Under the agreement reached before the buyout, Advance pledged to operate New Yorker as a separate, stand-alone company.

There are reports other top business-side executives have resigned, or are about to, including Mr. Fleischmann, whose father, Raoul, 60 years ago helped found the company and its flagship weekly, *The New Yorker*. He was out of town and could not be reached for com-

(Continued on Page 88)

Angry over CBS suit against Ziff, 'Car & Driver' publisher David E. Davis quits. Page 2.

New Coke word gets 'round fast

Chicago—More than eight in ten Americans (83%) already know that Coca-Cola, the beverage once described by a top company official as "the most American thing in America," is in the process of changing its flavor. More crucial for Coke: Of consumers who now call Coca-Cola the brand they drink most, only one in four feels absolutely sure he or she will continue to drink Coke once the new formulation arrives.

These facts emerge from research with consumers across the country conducted for Advertising

(Continued on Page 86)

Last Minute News

Marsteller may lose Spanish car maker

Madrid—Marsteller Co. here appears to be on the verge of losing the $20 million pan-European SEAT car account, reliable sources say. Spain's leading auto maker will hear presentations from Ted Bates Advertising; BBDO; Benton & Bowles; Kenyon & Eckhardt; Saatchi & Saatchi, and TBWA, sources add. Marsteller denied the report.

Supercuts shears WRG from account

San Rafael, Cal.—Supercuts, a national hair-cutting chain, is soliciting bids for its $10 million account after firing Wells, Rich, Greene/West, Los Angeles. The move ended a stormy two-year agency-client relationship. WRG/West could not be reached for comment.

Dansk Int'l Designs reviews agencies

Mount Kisco, N.Y.—Dansk International Designs, a marketer of tabletop products, reportedly is reviewing agencies for what is estimated to be a $3 million account. J.R. Flanagan Inc., New York, currently handles media placement for Dansk.

O&M sex bias suit resumes

White Plains, N.Y.—Ogilvy & Mather Worldwide will go back to court here June 18 in a sexual discrimination case first filed several years ago (AA, Oct. 17, '83, *et seq.*). The individual claims by two O&M employes

(Continued on Page 8)

Davis angered by CBS suit

'Car & Driver' chief peels off

By JESSE SNYDER

ANN ARBOR, MICH.—David E. Davis, long considered the personification of car-buff magazine publishing, has resigned as editor-publisher of *Car & Driver*. His departure stems from the bitter lawsuit between CBS Inc. and Ziff Corp.

CBS bought *C&D* and 11 other publications from William Ziff late last year. Since the deal was completed, a virtual barrage of memos from CBS headquarters and other lingering transition problems were making Mr. Davis restive. But staffers weren't overly concerned until the CBS suit was filed, characterizing as fraudulent Mr. Ziff's statement of operating profits for the publications and demanding a $40 million refund on the selling price of $362.5 million (AA, May 20).

Mr. Davis fired off a telegram to CBS the same day the suit was filed, May 15, resigning in protest of the characterization of his mentor.

Mr. Davis described Mr. Ziff as "the man who made me what I am" when he quietly called together the magazine staff the following day to explain. He said he felt an obligation to take a stand.

CBS magazines execs reportedly spent several unsuccessful days in Ann Arbor attempting to change Mr. Davis' mind. He will leave July 31.

Mr. Davis was in California last week on assignment and unavailable for comment.

A former adman and race driver, Mr. Davis is one of Detroit's most recognizible faces in automotive and publishing circles. Even competitors in the close-knit circle of car-buff writers acknowledge him one of the last writer personalities to completely dominate a

(Continued on Page 88)

He likes Bach.
She likes Rock.
But there's one taste they agree on.
Benson & Hedges

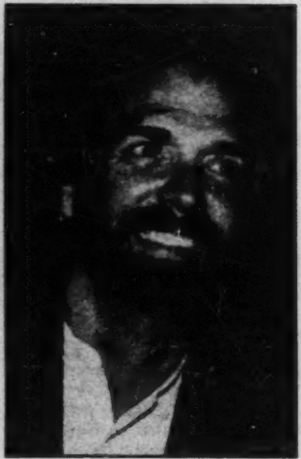
B&H says opposites attracted

New ad campaign, set to break in July for Benson & Hedges, pairs folks with opposite tastes in other areas—including Bach vs. rock—who agree on the taste of B&H, touted as "America's favorite 100." Wells, Rich, Greene, New York, is agency for the Philip Morris brand.

Highlights

McDonald's has become a chain with $10 billion in sales by sticking to its long-term growth plans and ignoring what "the other guys" do, and executives of the world's largest restaurant company last week gave its shareholders no sign that they plan to change. *See Page 6.*

Foreign correspondents in Moscow encounter their own set of hardships, whether it be waiting 13 hours to get a call through to the U.S. or getting information from officials. But there are other factors that make the struggle worthwhile. *See Page 28.*



While other radio networks are reducing their entertainment content, Westwood One is stepping up its array of pop music formats. "We are the new direction of network radio," says 42-year-old Norm Pattiz, whose operation offers stations 30 regularly scheduled programs and upward of 40 special events a year. *See Page 54.*

CORPORATE CLOSEUP

In three years at the helm at Carillon Importers, Michel Roux has brought a strategy, progressiveness and style that have spearheaded the company's double-digit growth. In 1981, the year before he took over, Carillon's sales were $52 million; this year the company estimates that figure will exceed $100 million. During the same period, profits have quadrupled. *See Page 4.*

FORUM

Tony Wainwright, president, Bloom Cos., offers tips on keeping talented people. *See Page 20.*

Consultant Joel Baumwoll writes about brand loyalty. *See Page 20.*

INTERNATIONAL

Henkel, the giant, multinational consumer-products marketer based in Germany, is beefing up its multinational agency roster and TBWA Advertising is the big winner. *See Page 48.*

Israeli advertising finds itself in a perennial dilemma trying to combine advertisers' extremely limited budgets with the fact that they have to reach a population that hails from cultures and linguistic backgrounds as diverse as those of Ethiopia and the Soviet Union. *See Page 48.*

President Reagan's recent controversial visit to Bitburg's military cemetery, where members of Hitler's infamous Waffen SS are buried, may have affected Bitburger Brauerei's U.S. business. *See Page 49.*

DIRECT MARKETING

Last year, Barry Blau & Partners reported $5.7 million in gross income on billings of $30.8 million. That made it the 145th-largest advertising agency (or the 12th-largest direct-marketing agency), improving from number 216 the year before. That was the single best improvement in standing among all agencies with income between $5 million and $15 million. *See Page 72.*

COMING THURSDAY

SPECIAL REPORT

Cable tv used to be considered the be-all and end-all in home entertainment, but now it is seen only as a component in today's home media center.

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Lorimar among three wooing Bozell & Jacobs

By STEWART ALTER

NEW YORK—Bozell & Jacobs has stepped up sale or merger conversations in the last few weeks, talking to as many as three agencies.

Talks have been revived with two suitors, including Lorimar, the Culver City, Cal.-based entertainment company that acquired Kenyon & Eckhardt a few years ago. Talks between Lorimar and B&J had been terminated previously (AA, Dec. 3).

"We've talked to Lorimar off and on going back eight or nine months now, and we have in the last couple of weeks talked to them as well as to a few others," said Charles Peebler Jr., B&J president-ceo, confirming the discussions.

Mr. Peebler, however, emphasized that Lorimar was only one of three potential buyers he has talked to recently, one other of which is also a revived conversation. He would not disclose who they were, but did deny that either D'Arcy MacManus Masius, or any of the French agencies, some of which have previously pursued B&J, were involved.

Other sources indicated neither Saatchi & Saatchi nor Interpublic Group of Cos. was among those would-be buyers either.

"It appears that Bozell & Jacobs' number has come up on the dance card," said Mr. Peebler. "If you look at the track record of what we've done, I doubt you'll find any agency that is going to be more attractive than ours."

But he cautioned against con-

(Continued on Page 88)

Chicago printer faces indictment

Probe print bribes

By KEVIN DWYER
Crain News Service

CHICAGO—A federal grand jury is expected to indict Earl Lee Co., a commercial printer here, and its president, Norman Karel, next month in an alleged kickback scheme.

The scheme reportedly involved employes of such Chicago-based companies as Walgreen Co., Wm. Wrigley Jr. Co. and First National Bank of Chicago. An employe of Young & Rubicam/Zemp, St. Petersburg, Fla., also has been questioned (AA, April 15).

According to divorce documents filed on Mr. Karel's behalf in Cook County circuit court, "numerous financial setbacks" and "personal difficulties" experienced in recent months by Earl Lee and Mr. Karel "are expected to culminate in [his] indictment."

Mr. Karel, through his attorney, declined comment.

The coming indictment, which the Federal Bureau of Investigation would neither confirm nor deny, follows a six-month investigation by the FBI and the U.S. attorney's office here into Earl Lee's business practices.

Privately held Earl Lee, which employs about 40 people and operates 10 subsidiary businesses out of

(Continued on Page 91)

SSC&B revamp frees up Weithas

By STEWART ALTER

The reorganization revealed by SSC&B:Lintas Worldwide last week, folding nine divisions into two, is the culmination of a plan by SSC&B chairman-ceo William Weithas to free himself from direct operational responsibilities.

The changes revived speculation that Mr. Weithas, 56, is in line to succeed J. Donald McNamara as president of the Interpublic Group of Cos., SSC&B's parent. Mr. Weithas dismissed such talk last week.

The restructuring at SSC&B, the second-largest of the Interpublic agency networks, leaves the agency with a U.S. and an international division.

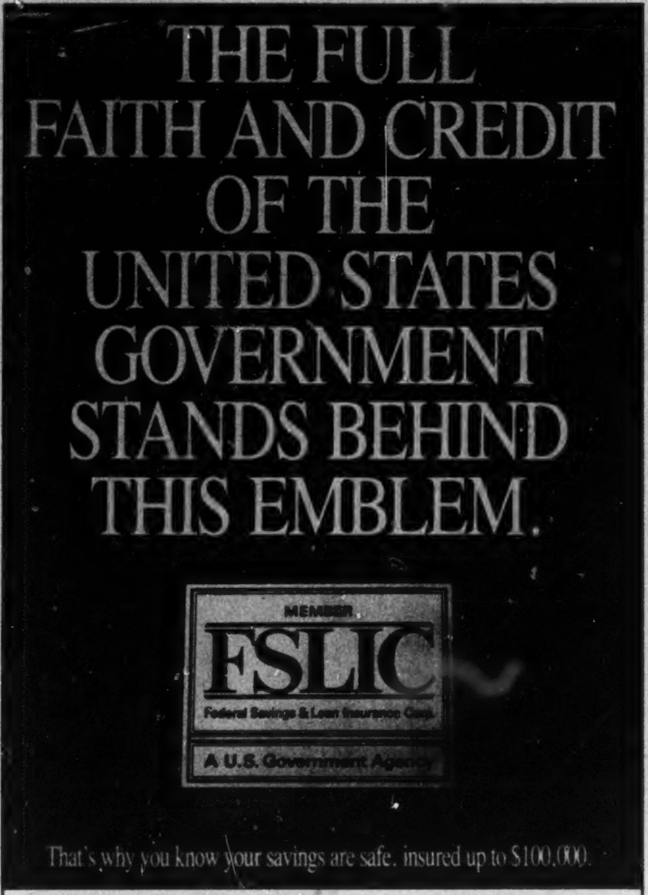
Previously divided into nine regions, of which the U.S. was one, all the regional directors had been reporting to Mr. Weithas, who will remain based in London.

The agency is now divided into a U.S. division and an international division, which includes eight of the previously distinct regions.

The two executives heading those divisions are Spencer Plavoukos and Kenneth Robbins, respectively.

Mr. Robbins, 49, will be moving to London from New York (AA,

(Continued on Page 85)



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Semper fidelis

On the heel of several savings & loan crises, the Foundation for Savings Institutions June 4 breaks a color print campaign in *USA Today* emphasizing federal deposit insurance (AA, May 23). Backer & Spielvogel, New York, handles.

Nestle yanks Burnett from foreign jobs

By DENNIS CHASE

Nestle is firing Leo Burnett Co. shops around the globe, resulting in millions of dollars in business losses for the agency.

Burnett recently lost Nestle accounts in Brazil, Hong Kong, Malaysia, Puerto Rico and Singapore.

Most of the business has been given to the other two major Nestle agencies—J. Walter Thompson Co. and McCann-Erickson.

In Europe, Burnett lost $3 million-to-$4 million worth of Nestle business in France (AA, May 13). There are rumors that Burnett's Nestle account in the U.K.—one of the biggest international Nestle accounts in the agency's lineup, with $9.8 million in billings—is on shaky ground.

Burnett already has lost more than 33% of its international Nestle business, following the Chicago-based agency's decision to resign $40 million worth of Nestle U.S. business earlier this year.

The agency resigned Nestle in the U.S. after gaining U.S. business from M&M/Mars (AA, Feb. 21, *et seq.*), but some sources contend that the two moves were unrelated and that Burnett resigned the Nestle business because it was neither growing nor profitable.

The agency, which still has Nestle accounts in Argentina, Australia, Mexico, Thailand and the U.K., may lose some of those accounts.

The moves by Vevey, Switzerland-based Nestle surprised some Burnett executives who guessed that the marketer's philosophy of decentralization, where local Nestle companies get wide latitude to choose agencies and creative strategies, would permit Burnett to keep the international business.

But Nestle broke precedent and moved quickly to punish Burnett for resigning the U.S. business by ordering its foreign companies to fire the agency, sources said. The agency has been notified by letter from Nestle each time it gets the ax.

So far, Burnett has not moved aggressively to gain Mars international business but is thinking about it.

The agency's tack is to do impressive work for Mars in the U.S. and then go after the client's foreign accounts.#

Nestle fends off European critics. See Page 85.

Planned Parenthood pitch goes national

By PAT SLOAN

NEW YORK—Its first national pro-abortion advertising campaign positions the Planned Parenthood Federation of America as an organization of compassion and concern, in counterpoint to what the federation sees as a continuing trend toward violence by anti-abortionists.

Newspaper ads running in New York, San Francisco, Los Angeles, Chicago and Washington broke last week and will be followed up this fall with a national magazine campaign themed "The decision is yours." The Public Media Center, San Francisco, is agency for the $1 million effort.

The first of the two current ads gives "Nine reasons why abortions are legal," including: "Laws against abortion kill women"; "legal abortions protect women's health"; "a woman is more than a fetus"; "being a mother is just one option for women"; "outlawing abortion is discriminatory"; "compulsory pregnancy laws are incompatible with a free society"; "outlaw abortion, and more children will bear children"; "every child [should be] a wanted child," and "choice is good for families."

That ad also notes the more than 30 arsons and bombings of family planning and abortion clinics in the last 17 months and the announcement by some anti-abortionist leaders that 1985 will be a "year of fear and pain" for both women seeking abortions and those who would give them.

As a result, a portion of the Planned Parenthood's newspaper campaign includes a coupon addressed to Attorney General Edwin Meese III charging that the call for a "year of fear and pain" constitutes a conspiracy to violate the civil rights of women seeking legal abortions and asking the Justice Department's civil rights division to investi-

(Continued on Page 87)

World News Roundup

SYDNEY—**The High Court of Australia** ruled last week that children's tv programs no longer have to be censored by the government before going on the air. The Australian Broadcasting Tribunal has been prescreening the shows since 1978.

DUESSELDORF—**DYR** is expected to announce in several months it is acquiring a minority stake in R.W. Eggert, Germany's 11th-largest agency and a DYR affiliate for one year. The deal, which would give DYR its first stake in a European agency, may be structured so DYR can buy more shares of Eggert over several years, sources here say.

LONDON—**Greyhound Lines** is talking with merchandisers about introducing its greyhound logo on clothing in Europe.

JAKARTA—**J. Walter Thompson Co.** will announce within several months that it has dropped its affiliation with United Multimedia here in favor of a new agency whose name has not been disclosed.

LONDON—**Satellite Radio Europe**, a U.S. and Dutch-owned company based here, this year plans to start the first radio station to broadcast by satellite to the European continent. The 24-hour music station will carry six minutes of advertising per hour.

MADRID—**The Spanish Cultural Ministry** has launched a nationwide outdoor campaign featuring six paintings by Spanish painter Salvador Dali via Grupo Barro, a local shop. This is the first in a series of

(Continued on Page 48)

Murdoch's foreign moves — P. 38

ADWATCH

Survey: Coors is the one

'Beer talk' scores

By SCOTT HUME

It's agreed that sex, glamor, emotion and patriotism sell. Apple's "1984" commercial also proved that an enormous budget coupled with a creative execution can get you noticed. But it also still is possible to cut through the clutter without invoking any of those tools.

Consider Adolph Coors Co., for example.

In February, Golden, Colo.-based Coors replaced its "Best of the Rockies" advertising campaign, which marketing vp Rob Klugman called "good, middle-of-the-road beer advertising," with a decidedly out-of-the-ordinary campaign carrying the "Coors is the one" tag line (AA, Feb. 11). The new spots feature actor Mark Harmon calmly discussing a series of product attributes while walking on a hilltop or through the Coors brewery. "There's no hoopla here," brewing division president Peter Coors told ADVERTISING AGE in a recent interview. "There are no bar scenes, no macho postures. This is just plain old beer talk."

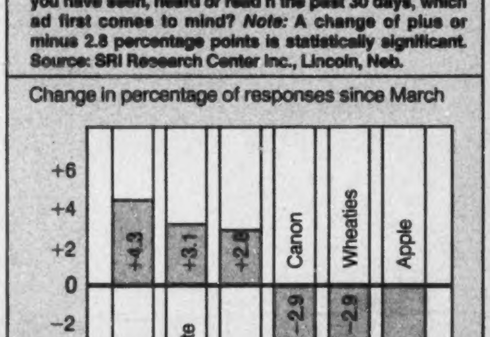
Perhaps so, but "beer talk" apparently gets listened

(Continued on Page 87)

April winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.

Change in percentage of responses since March



After strong '84, Big Mac stays on track

By SCOTT HUME

McDonald's Corp. has become a chain with $10 billion in sales by sticking to its long-term growth plans and ignoring what "the other guys" do, and executives of the world's largest restaurant company last week gave its shareholders no sign that they plan to change.

McDonald's came through 1984, a relatively tough year for many fast-food chains, in very good shape, and company executives' reports were full of good news and upbeat projections. Systemwide sales last year rose 15% to $10 billion, and international sales were up 20% to nearly $2 billion. Even average-unit sales, which had been flat for the past few years and a source of concern, showed a solid gain, rising 8% from $1.169 million to $1.264 million.

With the tone of the meeting set by those positive numbers and references to last year's successful ties to the Summer Olympics and this year's celebration of the chain's 30th anniversary, McDonald's execs felt no need to comment on moves made by competitors.

"We don't spend our waking hours thinking about the industry. We spend our waking hours on ourselves," explained chairman Fred Turner during a brief post-meeting press conference.

Mr. Turner added that the talk of "Burger wars" neglects the fact that sales are up for all of the Big Three hamburger chains. "Our share of the total pie is up. Theirs are up. The total pie is up."

So positive and confident was Mr. Turner that he declined even to be critical about other industries. Asked about Coca-Cola's reformulation of Coke, he replied rhetorically, "Who is McDonald's to second-guess the marketing acumen of the market leader?"

However, he said McDonald's has no interest in adding Cherry Coke, which several other chains soon will begin testing (AA, May 20), at its 8,300 restaurants.

President Michael Quinlan said that while McDonald's advertising presence during prime time network programing will continue to expand, it represents no real shift in policy.

"Last year we changed the way our national advertising budget is spent to skew more toward national tv and away from local buys," Mr. Quinlan said. "However, the amount of network kids' tv available is limited, and we already are pretty well represented there. As a result, the overage goes to more adult programs. We'll up the ante in prime time buys, but it's not a policy shift."

McDonald's spent approximately $600 million, or 6% of systemwide sales, on advertising and marketing worldwide last year. About 80% of that is spent domestically.

International growth continues to be a high priority for the company despite currency fluctuations that cut its overseas earnings last year. Vice-chairman Edward Schmitt told shareholders that the chain, which last year opened its first stores in Taiwan, Andorra and Finland, hopes to enter Argentina and Macao next year and is looking at South Korea and Indonesia.

Shrugging off questions about "saturation" in the fast-food industry, Mr. Turner said there remains more than enough room for growth, although new stores will not all be on traditional sites. As an example, he noted that 10 McDonald's restaurants were opening simultaneously on the Connecticut Turnpike as the meeting opened.#

GAME TICKET PROMOTIONS
10 YEARS EXPERIENCE
in State Lotteries and Commercial Games
Contact: P.A. Smith Enterprises, Inc.
(404) 355-0138

McGeehan promoted; Webster takes AA spot

Chicago—Pat McGeehan has been promoted from assistant regional editor to regional reporter for the Chicago bureau of Advertising Age. He will contribute regional stories and cover the national housewares beat.

A 1984 graduate of Northwestern University, Mr. McGeehan joined Ad Age in August.

Nancy Webster has been named to succeed him as assistant regional editor.

N. Webster

P. McGeehan

A 1983 graduate of Indiana University, Ms. Webster most recently was the Life Styles editor of the *Daily Calumet*, a newspaper serving Chicago's southeast suburbs. She also has worked on the copy desk of the *South Bend Tribune*.#

CORRECTIONS & CLARIFICATIONS

- Associate creative director for Dancer Fitzgerald Sample's new Molson Golden ad was Stephen Dolleck, while Peggy Gregerson was the copywriter. Joe Loconto was art director. They were omitted from Global Gallery (AA, May 9, P. 10).
- Young & Rubicam/Dentsu, Los Angeles, is the agency for Tomy Corp.'s Popoids and for that toy's tie-in with McDonald's, not Keye/Donna/Pearlstein and Leo Burnett USA, as reported (AA, May 9, P. 55).
- Zachary & Front, New York, is agency for Bertolli USA's packaged tomatoes. The agency name was misspelled earlier (AA, May 16, P. 51).
- Gillette Co., Boston, markets Dipity-Do styling gel, not Dep Corp., as reported (AA, May 20, P. 60).
- *Spectrum* was inadvertently omitted from the May consumer magazine linage report (AA, May 20, P. 93). Updated figures are: May, 1985, 118.4 pages; May, 1984, 115.3; Year-to-date 1985, 547.6; Year-to-date 1984, 491.9.
- Henson Associates, New York, said Hanes Knitwear is adding "Fraggle Rock" to its children's wear line, not "Muppet Babies" as reported recently (AA, May 20, P. 100).#

FINALLY
A COUPON VEHICLE
WITH REDEEMING
QUALITIES.

CouponCounter

At last there's a coupon vehicle that offers you efficiency, security and reliability: The Coupon Counter®

The incredible in-store Coupon Counter
The Coupon Counter machine instantly delivers your coupon right inside the store. Which means shoppers don't have to hunt for it through a cluttered newspaper. Or clip it. Or remember to bring it. Your coupon is always right there where decisions are made.

Triples your redemption rates
Our 1984 results prove that shoppers who use the Coupon Counter are three times more likely to redeem your coupon. Which means you get three times the power to stimulate trial. In fact, shoppers are so likely to redeem Coupon Counter coupons, many of our clients tell us they can lower the face amounts and still get impressive results.

Tightens security
With misredemption on the rise, the Coupon Counter offers virtually fool-proof security. Your coupon can only be validated when the shopper enters a personal code.

Delivers demographics
Because every Coupon Counter cardholder is listed in our data bank, we know exactly who redeems your coupon. This vital tracking information is now available for the first time…just ask and find out exactly how our research capabilities can help you.

Join the revolution
If you're not getting these kinds of results from your current coupon vehicle, it's time to try the Coupon Counter. You'll join a long list of top companies who've had remarkable success with us.

Just call 1-617-329-5800.

It could be the most redeeming thing you've done for your couponing effort.

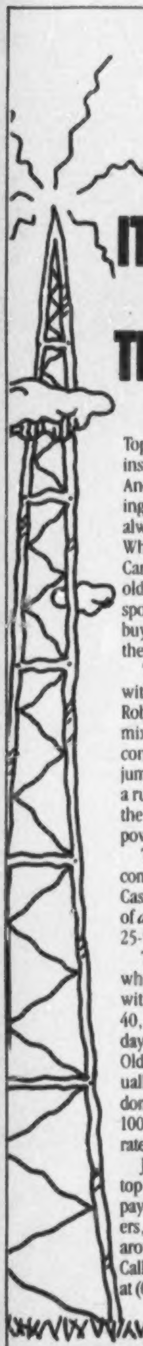
the CouponCounter®

BPAC picks new officers

New York—Business Publications Audit of Circulation has elected new officers. Its new chairman is Karl Kaufmann, corporate advertising manager and international marketing communications manager in 3M Co.'s staff marketing services. He succeeds Raymond McArdle, senior vp-media director, D'Arcy MacManus Masius, who becomes immediate past chairman.

Mr. Kaufmann is succeeded as first vice-chairman by Wilma Epstein, senior vp-associate media director, Ogilvy & Mather. Glen Peterson, director-corporate communications, Foxboro Co., becomes second vice-chairman.

Other new officers: Secretary—Jerome Neff, publishing vp, Penton/IPC; treasurer—John Wrede, president, McGraw-Hill Publications Co., and assistant treasurer—Bernard Rogers, president, healthcare division, Harcourt Brace Jovanovich.#


IT'S FUN AT THE TOP.

Top of the morning insanity with Joe and Andy. Refreshing, relaxing, ridiculous. And always entertaining. Where everyone from Cardinal Law to 12 year old Kelly Michelle on sports have the 25-54 buyers on the edge of their dials.

Top of the mid-day, with Bill Silver and Jim Roberts. Just the right mix of involved adult contemporary that's jumped WROR 50% to a runaway #1 among the 25-54, purchase-power women.

Top of the afternoon commute with Sean Casey–the fastest rising of *all* Boston stations in 25-54 and #3 overall.

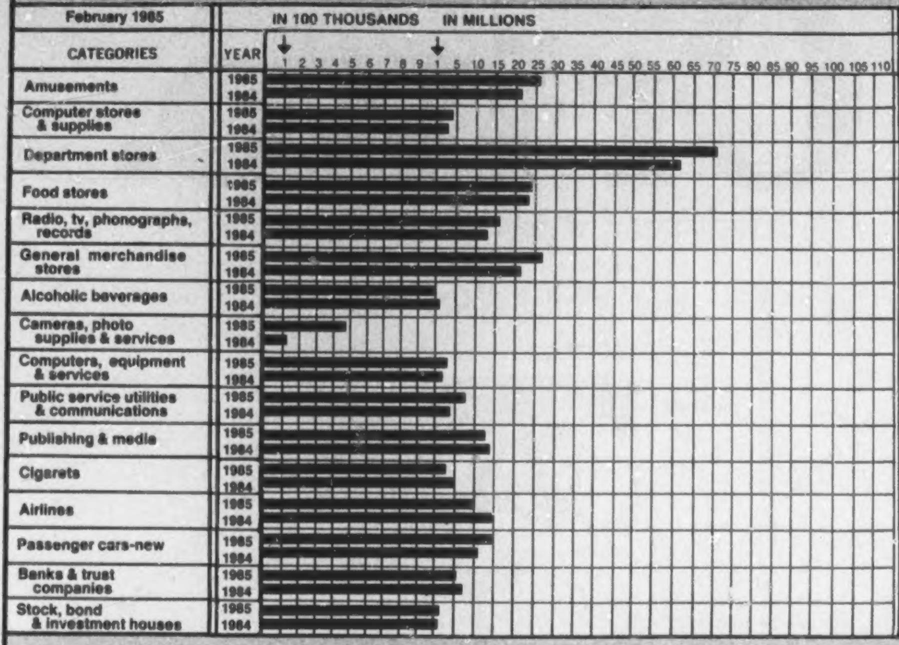
Top of the weekend, where it's *no contest* with Casey Kasem's Top 40, Joe Martelle's "Saturday Night Live at the Oldies," Dr. Ruth's "Sexually Speaking," and dominance of up to 100% over the next-rated station!!

Join the fun. And the top family in town. It's paying off for advertisers, from Boston and around the country. Call Jay Sterin today at (617) 236-6898.

Buy Boston.
98.5 WROR-FM
Join the Family!

Winter, 1985 Arbitron.

FLASH REPORT: Newspaper advertising investment for February



CATEGORIES	DOLLARS 1985	DOLLARS 1984	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	$25,824,325	$22,902,522	+2,921,803	+12.8
Computer stores & supplies	4,908,059	3,327,872	+1,580,187	+47.5
Department stores	71,175,344	62,628,765	+8,546,579	+13.6
Food stores	24,481,292	23,006,084	+1,475,208	+6.4
Radio, tv, phonographs, records	15,499,154	12,767,613	+2,731,541	+21.4
General merchandise stores	27,209,723	21,352,877	+5,856,846	+27.4
Alcoholic beverages	998,484	1,072,300	−73,816	−6.9
Cameras, photo supplies & services	461,096	153,296	+307,800	+200.8
Computers, equipment & services	3,288,200	2,160,546	+1,127,654	+52.2
Public service utilities & communications	7,226,332	4,226,357	+2,999,975	+71.0
Publishing & media	13,025,965	13,899,039	−873,074	−6.3
Cigarets	2,466,724	4,820,690	−2,353,966	−48.8
Airlines	9,501,690	13,553,574	−4,051,884	−29.9
Passenger cars-new	13,957,614	10,391,922	+3,565,692	+34.3
Banks & trust companies	5,681,708	6,238,469	−556,761	−8.9
Stock, bond & investment houses	1,521,698	1,675,515	−153,817	−9.2

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Stores, autos top latest Flash Report

By WILLIAM F. GLOEDE

New York—If advertiser spending were a reliable indicator of current consumer spending, it would appear Americans in 15 major markets spent much of February driving new cars to shopping malls, all the while withdrawing money from the bank.

The Advertising Age Flash Report of Newspaper Advertising Investments for February shows department stores, general-merchandise retailers and marketers of new cars leading an over-all increase of $25 million in advertiser investments in daily newspaper advertising in 16 selected categories in 15 major markets.

The Flash Report is prepared for Advertising Age by Media Records Inc. based on linage measurements in 29 daily and 23 Sunday newspapers in 15 cities.

Department stores, newspapers' biggest advertisers, led in dollar gains with a 13.6% jump to $75.1 million, $8.5 million more than February, 1984. General merchandise store spending ros)e 27.4% to $27.2 million.

The passenger cars-new category, which tallies all factory, dealer association and dealer ad spending, posted a 34.3% increase to $13.9 million.

Banks & trust company spending, however, was off 8.9% to $5.7 million.

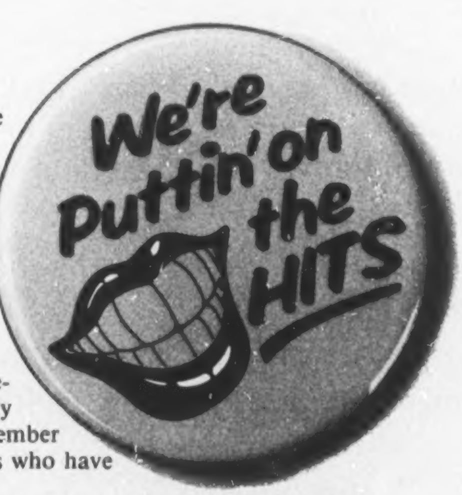
Among the categories showing the highest percentage gains over February, 1984, were cameras, photo supplies & services, up 200% to $461,000; public service utilities and commissions, up 71% to $7.2 million; computers, equipment and services (general classification) up 52.2% to $3.3 million; computer stores & supplies (retail classification), up 47.5% to $4.9 million, and radio, tv, phonographs & records, up 27.4% to $27.2 million.

The largest percentage decreases between February, 1984, and this February were in the cigaret category, down 48.8% to $2.5 million, and the airlines category, down 29.9% to $9.5 million.

Other losers were stock, bond & investment houses, down 9.2% to $1.5 million; alcoholic beverages, down 6.9% to $998,000, and publishing & media, down 6.3% to $13 million.

Other gainers included: Amusements, up 12.8% to $25.8 million, and food stores, up 6.4% to $24.5 million.

The Flash Report is based on measurements of newspapers in Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#



In shopping malls across the country. Big, splashy, crowd-filled events. Like the auditions we're currently running for the hit TV show, "Puttin' On The Hits"*.

And, the national search for Mother and Daughter Pageant candidates.

We've got "The Gumby Show", with the popular goggle-eyed character and his pals ready to entertain the adults who remember the original show, and the teens who have made him a cult figure.

In fact, we've got the right entertainments and exhibits to showcase your products in the selling environment of shopping malls. Turn-key events, complete with merchandising packages, that deliver more exposure than you thought you could get from your local marketing program.

So call 213-546-2528 and we'll put on a hit for you!

ae
anne estes promotions incorporated
2100 north sepulveda boulevard, suite 12
manhattan beach, california 90266

*Sponsored by Chewels sugarless gum, a product of Warner-Lambert Company. "Puttin' On The Hits" is the number one new syndicated show from Chris Bearde in association with Dick Clark Television Productions, Inc., and distributed exclusively by MCA TV.

H&K adds two execs

Atlanta—With merger mania rivaling Trivial Pursuit as a national pastime, Hill & Knowlton's Atlanta office has added two senior executives with first-hand experience from the corporate takeover battlefields.

Thomas Latimer, the new vp-general manager in Atlanta, spent long hours working on the Gulf Oil/Chevron merger in his position as senior director of advertising and corporate communications for Gulf Oil Corp., Pittsburgh.

He will be joined by Joel Goldberg, former chairman-ceo of Rich's, the regional department store chain based in Atlanta. Mr. Goldberg, who was head of Rich's when it was purchased by Federated Department Stores, Cincinnati, several years ago, will be a parttime senior consultant.

Recruited to Hill & Knowlton by an executive search company, Mr. Latimer thinks the expanding southeastern corporations represent an untapped pr gold mine.

Mr. Latimer replaces Dwayne Summer, the former vp general manager, who left the agency several months ago.#

Galen sets up new shop

New York—Galen & Asssociates Productions is a newly formed production facility located at 25 W. 43rd St., 10036. The shop is headed by Paul Galen, former corporate officer and executive producer/-production director at Gateway Productions here, a division of Gannett Co.

Smokeless tobacco sales up during '84

By JOHN C. MAXWELL

In 1984 the total smokeless tobacco industry was up 2%, led by moist snuff and loose leaf in particular. It is believed some of this relates to a switch from cigarets.

The moist-snuff area growth continues to be led by U.S. Tobacco, Greenwich, Conn., with volume up 7%. As this was the bottom-line growth of the total category, the company maintained share. The category's biggest grower was the Copenhagen brand, up a bit over 8%.

The Skoal group now has six products, which run from the basic Skoal product to Skoal Bandit, Skoal Bandit Mint, two Skoal long-cut items and the Copenhagen product. It would appear that Skoal Bandits are growing due to some cannibalization of the basic Skoal product, though that area has shown some modest over-all gains.

Memphis-based Conwood Corp.'s Kodiac brand helped the company move up a few tenths of a per cent of the market share, to the detriment of Helme Tobacco Co., Wheeling, W. Va.

The other growth area was loose leaf, up some 3%. Conwood was the only company to show growth in the division, up some 15% in units and up four share points.

On an over-all basis, Conwood kept its No. 1 position with a 27.4% share, closely followed by U.S. Tobacco with 26.2%. The other companies lost some share, but there was no change in their rankings.

The main concern in the industry relates to the probability of a health label some time this year. Already six states: Illinois, Utah, Delaware, Oregon, Massachusetts and New York, have bills on the table to address this problem. The industry would prefer to have one label rather than 50 labels. A national bill is expected to be proposed. A label might affect consumption trends adversely within the industry, though obviously the strength of the label will be a consideration.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Total smokeless tobacco

Paced in part by a consumer switch in smoking habits, the over-all smokeless tobacco market recorded a 2% increase last year. Pounds figures are listed in thousands. *Source: John C. Maxwell.*

Brand	1982 Lbs.	1982 Share	1983 Lbs.	1983 Share	1984 Lbs.	1984 Share
Conwood	33,554	25.4	34,608	26.2	37,026	27.4
U.S. Tobacco	31,182	23.6	33,070	25.0	35,341	26.2
Pinkerton	30,070	22.8	29,070	22.0	28,690	21.3
Lorillard	12,648	9.6	11,900	9.0	11,914	8.8
Helme Tobacco	10,680	8.1	10,850	8.2	10,694	7.9
R.J. Reynolds	11,151	8.5	10,050	7.6	8,411	6.5
Brown & Williamson	1,899	1.4	1,858	1.4	1,754	1.3
R.C. Owen	811	0.6	782	0.6	751	0.6
Total	131,845	100.0	132,206	100.0	134,921	100.0

Smokeless tobacco sales

Moist-snuff (up 7%) and loose-leaf (up 3%) were the only growth segments in the smokeless tobacco industry last year. Pound figures in thousands; shares may not total 100 due to rounding. *Source: John C. Maxwell, Furman Selz Mager Dietz & Birney.*

Company/Brand	1982 Lbs.	1982 Share	1983 Lbs.	1983 Share	1984 Lbs.	1984 Share
Plug						
R.J. Reynolds	6,955	67.9	6,261	65.5	5,701	65.6
Conwood	1,825	17.8	1,910	20.0	1,696	19.5
Brown & Williamson	1,099	10.7	1,065	11.1	1,000	11.5
Pinkerton	370	3.6	320	3.4	290	3.4
Total	10,249	100	9,578	100	8,687	100
Moist plug						
Pinkerton						
Redman Moist Plug	1,560	31	1,300	30	1,200	30
R.J. Reynolds						
R.J. Gold	1,136	22	824	19	518	13
Conwood						
Taylors Pride	1,103	22	1,020	23	1,070	27
Levi Garrett Plug	1,274	25	1,210	28	1,168	30
Total	5,073	100	4,357	100	3,956	100
Dry snuff						
Conwood	4,833	43.2	4,590	43.0	4,335	42.5
Helme Tobacco	3,580	32.0	3,500	32.8	3,344	32.8
U.S. Tobacco	1,985	17.7	1,800	16.8	1,785	17.5
Brown & Williamson	800	7.1	793	7.4	735	7.2
Total*	11.2*	100	10.7*	100	10.2*	100
Moist snuff and fine cut						
U.S. Tobacco	29,200	89.3	31,300	89.3	33,478	89.3
Helme Tobacco	1,100	3.3	1,000	2.9	950	2.6
Conwood	2,500	7.6	2,730	7.8	3,050	8.1
Total*	32.7*	100	35.0*	100	37.5*	100
Twist/roll						
Conwood	956	54	918	54	865	53
R.C. Owen	811	46	782	46	767	47
Total	1,767	100	1,709	100	1,632	100
Loose leaf						
Pinkerton						
Redman	25,029	35	25,100	35	24,800	34
Total	28,140	40	27,450	39	27,200	37
Conwood						
Scotten, Dillon	1,264	2	1,100	2	1,000	1
Levi Garrett	17,620	25	18,840	27	21,669	30
H.B. Scott	—	—	1,390	2	2,050	3
Red Fox	—	—	900	1	900	1
Total	21,058	30	22,230	31	25,619	35
Lorillard						
Beech-Nut	11,359	16	10,907	15	11,116	15
Total	12,648	16	11,929	17	11,914	16
Helme Tobacco						
Chattanooga Chew	2,550	4	2,700	4	2,550	3
Total	5,980	8	6,350	9	6,050	8
R.J. Reynolds						
Work Horse	3,060	4	2,965	4	2,193	4
Total	70,886	100	70,923	100	72,974	100

*Millions of pounds

Workshop to see Abel's bag of tricks

New York—Which comes first, the creative "chicken" or the technological "egg"?

With breakthroughs in modern technology and daily strides in visual and audio equipment, a new kind of creativity is emerging. A creativity centered on daring special effects, exciting visual stimulation and unprecedented musical and auditory presentations. But how does this affect the creative process?

"Ultimately, the key is creative, not technical," according to Robert Abel, president of Robert Abel & Associates and a pioneer in special-effects technology.

Mr. Abel will be one of the featured speakers at the Advertising Age Creative Workshop to be held Aug. 25 to 28 at the New York Hilton Hotel.

"Our medium is not one of special effects, but one of visualization" says Mr. Abel. "We've been called a 'state of the art' company because we've always been on the leading edge of technology. But creative visions are realized only when that technology is applied through carefully thought out, ingenious solutions.

"The ability to get a creative vision on film or tape is really just a mechanical process, however complicated. The most creative part is having the vision in the first place," Mr. Abel explains.

In Mr. Abel's opinion, the best visions are the products of collaboration between the production company, the agency and the client, and ultimately rests on their ability to take chances. "The marketplace commands us to keep exploring because the tricks of two years ago simply don't work anymore," he says. He also points out that the audience of today has a much higher level of visual sophistication, which necessitates "being unique."

"It's been demonstrated often that the benefits of being different far outweigh the risks. I don't think that will ever change. What is changing is the way we're going about meeting that challenge," he adds.

For example, the make-up, role and scope of the production company is changing.

"The old way of thinking required that a production company have one 'people' director, one 'tabletop' director, one 'slice of life' director, one 'humor' director and one 'automobile' director. That was a complete staff. Now we're seeing a whole new kind of synergy," he says.

Evidence Mr. Abel's studio, which consists of three or four directors whose primary responsibility is live action, at least six art directors and a number of support people who can provide miniatures, computer graphics, opticals and other special effects.

"Bringing together a variety of people under one roof is a definite catalyst for creativity," Mr. Abel believes.

Additional changes are technological innovations.

In Mr. Abel's estimation, technology has evolved to such an advanced state that no problems are unsolvable in American tv today. This climate allows for exciting experimentation.

Recent "experiments" by Robert Abel & Associates include an animated American flag and set design used by CBS-TV during their presidential election coverage, a project for RCA using live-action miniatures, blue screen, "Paint Box" motion and motion control and a spot for TRW featuring the planet Jupiter that utilized a digital image wrapped around a surface.

At the workshop, Mr. Abel will illustrate some of these principles and techniques and will demonstrate "case histories" of new special-effects projects.

For more information, write Advertising Age Creative Workshop, 220 E. 42nd St., 10017, or call toll-free 1-800-233-3435. In New York state, call (212) 210-0296. Telex: 64-0207.#

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E.T. lands Hardee's in court

Universal City, Cal.—The long finger of Universal Pictures' E.T. is pointing to Roy, Utah (population 15,000), where a local Hardee's restaurant staged an opening-day promotion featuring the extraterrestrial cutie, sans permission from the studio.

Universal filed suit May 9 in federal district court in Salt Lake City against Hardee's Food Systems, Rocky Mount, N.C., as well as Titus Foods (the Utah franchise holder) and its agency, Thomas Phillips Clawsen. It alleges violation of copyright and trademark law.

The studio acted swiftly on a tip before the April 19 opening. It warned the franchisee and its agency that the upcoming promotion violated Universal's rights.

When the E.T. imposter made his appearance anyway, Universal sued.

A local theater owner tipped off the studio about the promotion. Universal said it is particularly sensitive to any unauthorized use by a restaurant of the Steven Spielberg creation because of its ongoing E.T. licensing agreement with McDonald's Corp., Oak Brook, Ill., for the Special Olympics benefit.#

Survey

(Continued from Page 3)

to, enough to make Coors' the best-recalled beer advertising in last month's adWatch survey.

Asked to name the first beer advertising that came to mind, 156 persons, or 12.5% of the monthly sample, named Coors. Anheuser-Busch's Budweiser, which had been tops in top-of-mind recall for 25 straight months, in April found itself in an unaccustomed second place with 10.8% of first mentions.

In fact, Coors' move into the top spot was helped in large measure by a decline in awareness for Budweiser, which dipped from 12.5% in March to last month's 10.8%, while Coors rose from 10.8% to 12.5%.

Miller Brewing captured the third and fourth spots. Miller High Life was close behind Bud with a 10.2% share, slightly—but not significantly—less than the 10.5% share it received in March. Advertising for Miller Lite was recalled by 8.3%, also about the same share it held in March.

Coors has expanded distribution in the Midwest and New England since the first of the year, so a greater awareness for its advertising was expected. But the biggest gain in awareness for Coors' advertising came not in those areas—where the "Coors is the one" campaign has not aired yet—but in Coors' so-called traditional markets in the West. Its share of first mentions in that area rose from 14% in March to 21% in April.

Last month's biggest single gain—and perhaps its biggest surprise—was turned in by General Electric, which threatens to run away from the pack in the home-electronics category. Awareness of its advertising rose 4.3 points in April, from 6.7% of first mentions to 11%. The company, best known until recently as a lighting products manufacturer, has been heavily advertising its line of under-cabinet home appliances.

That advertising has been successful enough to push its awareness past such home electronics stalwarts as RCA (3% of first mention last month), Sony (2.9%), Sears (2.3%) and Whirlpool (2.3%).

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name advertising in a variety of product categories that first comes to mind from all seen, heard or read in the previous 30 days.

In April, 1,251 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Among other interesting results from the April survey:

- What had been a neck and neck awareness race between Gallo and Riunite in the **wine** category is being won by Riunite. Its share of first mentions was up 3.1 points last month, from 9% to 12.1%.

Gallo, which in January had been deadlocked with Riunite at 10%, continued its decline. Gallo advertising came to mind first for 5.8% of respondents last month, compared with 7.2% in March. Paul Masson was third with 3%.

- The up-and-down fortunes of **computer** category leaders continued in April. Awareness of No. 1 Apple's advertising dropped 5.3 points (from 39.2% of first mentions to 33.9%), while IBM's advertising picked up 2.8 points (rising from 12.9% to 15.7%). Commodore remains No. 3 with 4.6%.

In March, it had been Apple's turn to rise and IBM's to decline.

- The **top 10** best-recalled advertisers in April (in response to the initial question "Of *all* advertising you have seen, heard or read in the past 30 days, which first comes to mind?") were, in descending order: Coke, Pepsi, McDonald's, Miller/Miller Lite, Wendy's, Burger King, Ford, Budweiser/Bud Light, Chevrolet and Pizza Hut.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Planned

(Continued from Page 3)

gate.

Other coupons in both campaigns are supplied for the support of the proposed Reproductive Health Equity Act, contributions to Planned Parenthood and position statements to congressmen.

The second ad that ran last week offers "Five ways to prevent abortion [And one way that won't]."

Nine Reasons Why Abortions Are Legal:

The $1 million Planned Parenthood national effort kicked off in newspapers and moves to national magazines in the fall.

The one way that will not prevent abortions, the ad says, is to make them illegal. "Offering a better teacher than experience," "making America friendlier to children" and "creating new birth-control methods" are preventive means, the ad says, that even right-to-lifers can support.

While Planned Parenthood's local affiliates have run advocacy campaigns in the past, the national arm has restricted itself to public service announcements.

But acts of violence by anti-abortionists and the restriction of their right-to-life argument to concerns of the fetus, thereby obscuring the concerns of women, prompted the national organization to create the new campaign.

Planned Parenthood's affiliates will be able to support the national campaign by running the ads in their own communities with their own funds, he said.

Kay James, director of public affairs, National Right to Life Committee, Washington, denied last week that anti-abortion groups care only about the unborn child and not about the woman. At a Washington press conference following the appearance of the first Planned Parenthood ad, the committee cited support structures for pregnant women, including housing, financial assistance, career counseling and also counseling for women who had abortions. She said NRLC condemned violence. NRLC has no plan for an advertising response, she added.#

Are mounting deadlines giving you "Overnightmares"?

Edward Sorel

It's happening again, isn't it? Clients, bosses, schedules, deadlines. They're all bearing down on you. And you're lying awake, wondering if the important parcel you sent on the overnight delivery will get there in time. Or whether it will get there at all.

You could be resting easy right now if you had called American Airlines Priority Parcel Service. That's because we can deliver parcels, door to door, *in hours!* Get your package on American's next flight, or any flight you specify. Just call **(800) 638-7320**. In Maryland, call (301) 269-5503.

So the next time you feel the deadlines starting to mount, call American. We'll get your package delivered in hours. And on time.

AmericanAirlines Priority Parcel Service

We deliver in hours.

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C-2710-1

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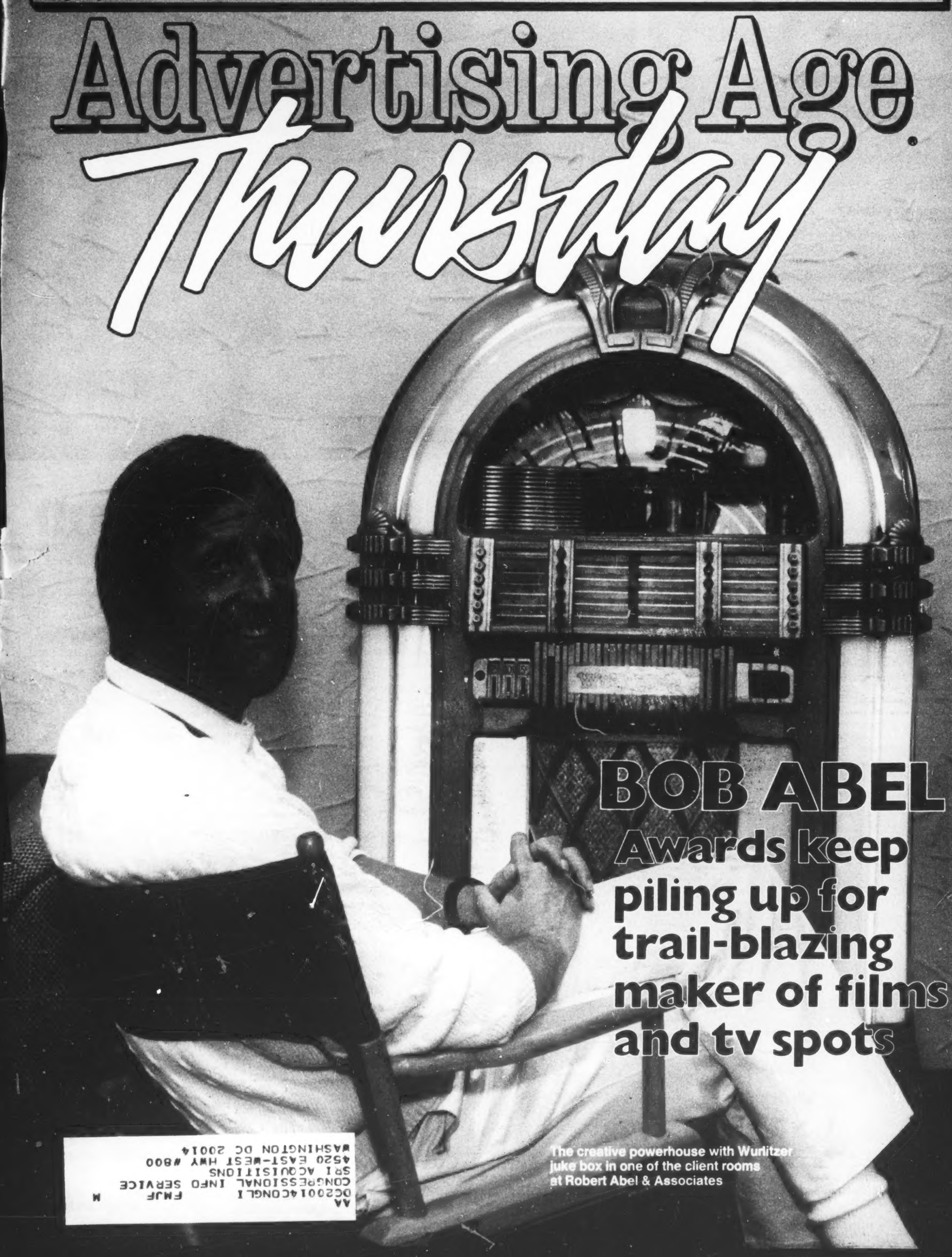
May 30, 1985

Advertising Age Thursday



BOB ABEL

Awards keep piling up for trail-blazing maker of films and tv spots

The creative powerhouse with Wurlitzer juke box in one of the client rooms at Robert Abel & Associates

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WASHINGTON DC 20014

In the news

Abel soars with Eagles

Advertising Age
Thursday

Photo by Hal Fisher, Vanguard Photography

In June, Robert Abel will be the joint recipient of the Golden Eagle Award for outstanding contributions to the visual communications profession—and he will probably add it to the 21 Clios already arranged in his office. But it is only the latest honor bestowed upon a man who has helped to change the way advertising looks, and upon the company he created, Robert Abel & Associates. *See Page 5.*

Creating creative

Clifford Einstein, president-creative director of Dailey Associates, has some tips on encouraging great creativity in agencies. *See Page 6.*

Looking good

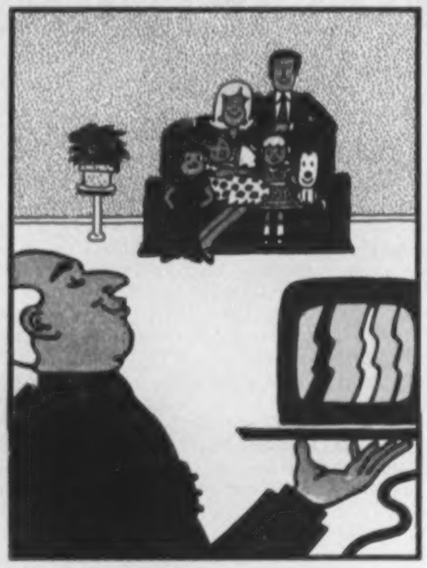
Manhattan advertising stylist Rochelle Weithorn primps executives so they will look good for their pictures in company annual reports. "Many executives simply don't know how to dress properly," she says. *See Page 6.*

He'll clue you in

Renowned fictional detective Nero Wolfe's back, and AA's Robert Goldsborough's got him. An agreement with the heirs of author Rex Stout means Wolfe and Archie Goodwin will ply their trade once again. *See Page 35.*

Special Report

Cable Television



Cable tv used to be considered the be-all and end-all in home entertainment, but now it is seen only as a component in today's home media center. In Special Report, starting on *Page 13.*

Presstime

ND assigns brands

New York—National Distillers Products Co., in dividing its $20 million account equally between BBDO and its newest agency, Laurence, Charles & Free, has identified the brands both will handle. BBDO gains Old Grand-Dad bourbon, formerly at Young & Rubicam, and retains the Gilbey's line, Old Taylor, Old Crow, DeKuyper cordials, CocoRibe coconut liqueur, Kamchatka vodka and the Bellows line. LC&F gains Windsor Canadian and Canada House (both from Y&R), Sauza tequila (from BBDO), Keller-Geister German wine (from Ally & Gargano), Vat 69 and King George IV scotches (both from Y&R) and previously unassigned Talisker scotch.

Time bids on Warner Amex

New York—Time Inc. and TeleCommunications Inc., Englewood, Colo., reportedly have joined forces in a $750 million bid for Warner Amex Cable Communications Inc., the country's sixth-largest cable systems operator. Other parties said to be seeking control of WACCI include Viacom International and WACCI chairman Drew Lewis, who reportedly plans a leveraged buyout (AA, May 13). A Time Inc. spokesman would not comment on the reports. Time Inc./TCI is said to have topped Viacom's bid by $50 million.

'VF' names publisher

New York—Guy Douglas Johnston, advertising director at *Vanity Fair*, has been named *Vanity Fair's* third publisher. He succeeds David O'Brasky, who was dismissed May 28 by S.I. Newhouse Jr., chairman, Conde Nast Publications. Mr. O'Brasky, who served since December, 1983, reportedly resigned at Mr. Newhouse's request because of "differing management styles."

BBDO to be picket site

New York—BBDO's offices here are scheduled to be the site of a demonstration May 31 by trade union workers employed at Black & Decker's Allentown, Pa., plant. The demonstrators plan to protest the proposed closing of their facility by Black & Decker (AA, April 8). BBDO handles B&D's $100 million housewares account.

ISL to market Olympics

Lausanne, Switzerland—ISL Marketing, the Lucerne-based international sports marketing company, this week signed an agreement with the International Olympic Committee to handle a worldwide coordinated marketing program for the 1988 Olympics.

RC begins $10 million push

New York—Royal Crown Cola, Rolling Meadows, Ill., admitting its No. 3 spot in the cola market, broke an aggressive three-week $10 million campaign May 29 via newspapers, radio and network tv. Ten and 30-second spots, themed "Some people will go out of their way for a taste of RC," will continue running after the initial spurt. Dancer Fitzgerald Sample handles.

American holds ads

Dallas—American Airlines has held back normally scheduled advertising in unspecified mar-

(Continued on Page 35)

Photo by Michael A. Marcotte

Advertisers are looking for vivid colors for corporate identification, says Pantone Inc. president Lawrence Herbert, shown here in the Pantone Carousel of Colors during the recent Print '85 Expo in Chicago.

Corporate colors going 'hue-whee!'

By Laurie Freeman

Design

Cyndi Lauper, clothed in crackling yellows and oranges, and Prince, clad in his royal purples, have helped ignite the fashion world as well as pop music.

And now rock stars' flair for whacked-out, vibrantly hued clothes seems to be showing up in the corporate world, too, with companies' logos starting to pop up in a wider range of colors.

Red—any kind of red—still seems to be most companies' color of choice. But close behind as new corporate favorites are bright yellow and orange. Violet and purple also are popular choices today.

Most corporations are not known for following fashion's whims. To the contrary, the majority of marketers tends to rely on the old standbys—reds, deep blues and violets.

"We're finding that those colors are preferred by banks and other financial, more conservative institutions," says Lawrence Herbert, president of Pantone Inc., Moonachie, N.J. "But sometimes. . .they go wild."

He wouldn't elaborate on which companies are planning to take color chances.

It was Mr. Herbert's color communications company that developed the Pantone Color Matching system, which is used internationally by printers to identify specific colors.

The colorful Ms. Lauper.

"Once companies decide on their colors, our only concern is that we can reproduce them on any number of surfaces," he explains. "The deep blues, greens and reds are hard to reproduce because there's a limit on how thick you can lay on the ink."

A company's color selection for its product advertising and packaging is still "pretty much a primitive response," Mr. Herbert says.

The range of colors available now is amazingly varied, making what was once an easy choice a tough one.

Each printer or ink manufacturer also has its own color standards, and colors differ widely from shop to shop.

Yes, roses are red and violets are blue, but it's not always that simple. For example, Anheuser-Busch's logo is a certain Pantone color-coded red, white and blue, which can be easily reproduced by printers nationwide. St. Louis-based A-B turned to Pantone several years ago to standardize its corporate colors.

Poor color reproduction or variations can reflect badly on a company's image, no matter how superior its product may be.

Various organizations, including Pantone, the Assn. of Business Publishers and the U.S. Bureau of Standards, have developed standards for color-coding, injecting some sanity into the confusion.

The need for color standardization is spilling over slowly from the graphic arts and printing industries into the environmental industries—architecture, beauty, fashion and interior design.

"We got 8,000 color samples from designers and, based on their frequency and use, that number quickly dwindled to 1,000 colors, which are 90% of the colors used," Mr. Herbert says.

"Each designer has slight nuances that are really not that necessary—they're whims," he says. "You can't control color reproduction exactly; those nuances are just a waste of time."

Those nuances also can make consumers feel terribly ignorant, Mr. Herbert says, adding, "I'm reminded of the true story of a woman who told her interior designer she wanted buttercup yellow for her kitchen. The designer told her it was bright yellow that she wanted. She just wanted control over what those colors really were."#

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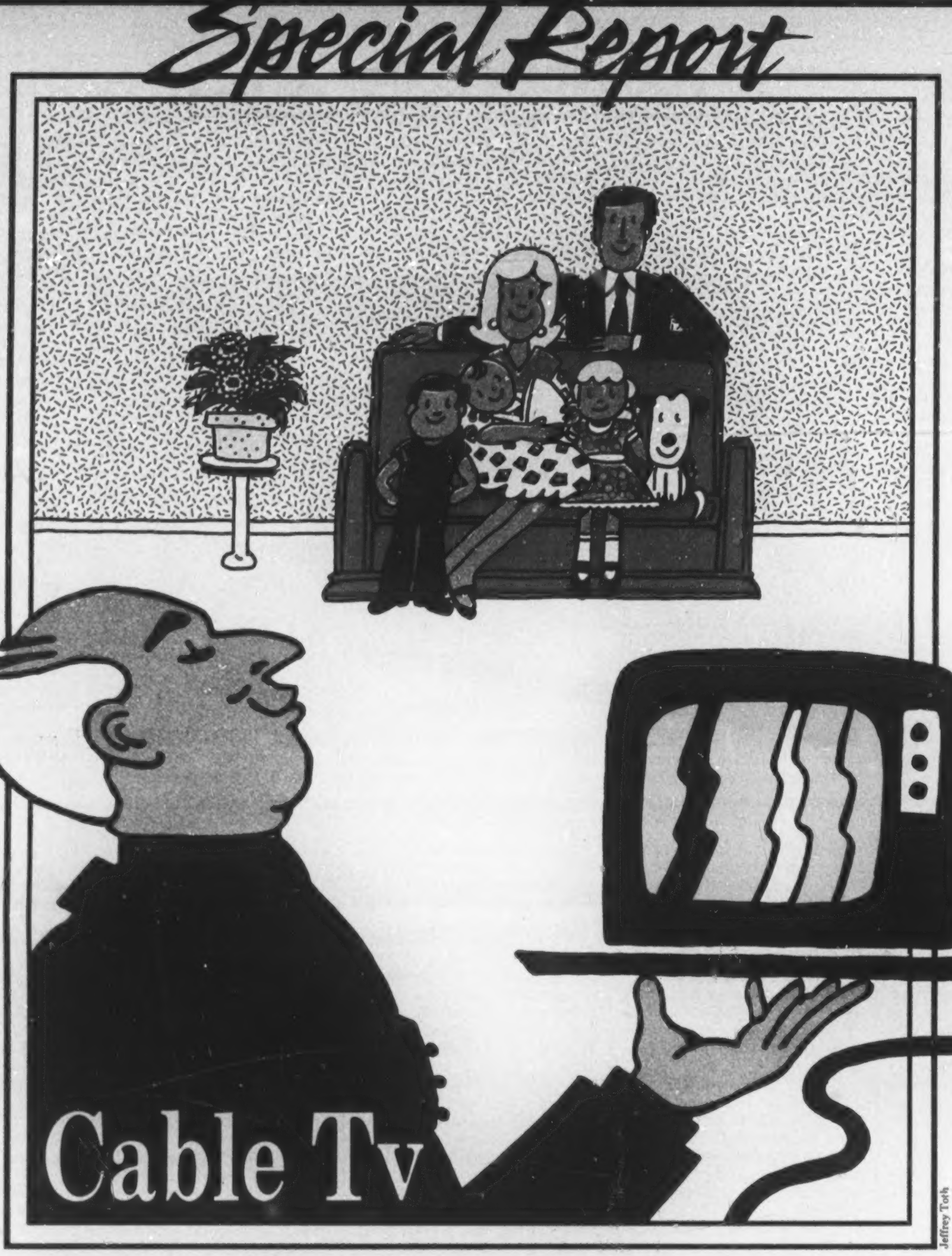


Serving varied home entertainment menu

By Mark Trost

For the past 10 years, cable tv has been the filet mignon on the home entertainment menu. But recently, the main course has begun to be overshadowed by a variety of electronic side dishes to enhance and expand cable and video service.

The growth of videocassette recorders even has begun to outstrip the growth of cable subscribers. Vcr units in operation are expected to increase 10 million this year, from 7.3 million units in operation in 1984. Basic cable subscribers are expected to increase from 32.9 million in 1984 to about 36.1 million by the end of this year, according to electronics industry and cable industry sources.

As a result, the wired medium's movers and shakers have realized a set-top 54-channel converter no longer is considered the be-all and end-all in home entertainment. Rather, it now is seen as a component in today's burgeoning home media center.

Today's "liberated viewer," as cable insiders have labeled the multiple-video component owner, has more choices than Aaron Spelling has programs on ABC. From the stereo and cable-ready tv set down to the black box capable of excising commercials unattended, the decision is in the consumer's hands, and cable rates only among the top choices.

The component most responsible for enhanced home entertainment choices is the vcr. The time-shifting marvel is expected to become as common in U.S. tv homes as the tv receiver or cable box.

According to the Electronic Industries Assn., the trade group for consumer electronics marketers, videocassette recorder sales should exceed 10 million units this year—a tally that will result in almost 20 million consumers owning devices that can preserve a Gallagher performance on Showtime or replace a Saturday night Home Box Office movie with one from the local video store.

While the cable industry once shuddered at such numbers and thoughts, they now embrace the rival medium for its ability to maintain subscribers.

Studies from Showtime/The Movie Channel and major multiple system operators have shown a strong supportive relationship between cable and vcr use.

The surveys suggest vcr owners are less prone to cable tv disconnection and more interested in multipay subscribership than non-vcr owners.

The Showtime/TMC survey revealed that 35% of all vcr owners subscribe to pay compared with 21% of nonowners. Among those who receive pay tv, vcr owners averaged 1.7 pay services compared with 1.4 services for nonowners.

Of vcr owners who did not subscribe to pay tv, 28% considered themselves likely to subscribe in the future compared with 16% of nonowners.

Pay tv subscribers with vcrs recorded an average of 1.5 movies a week compared with 1.1 for nonsubscribers. Two-thirds of the movies taped by pay subscribers come from pay channels.

Even the availability of prerecorded cassettes doesn't dim vcr owners' desire to maintain a cable connection. More than half the sample in the study planned to subscribe to pay tv services or rent prerecorded tapes. Of those, 20% leaned toward just subscribing to pay tv,

(Continued on Page 14)

Mark Trost is a free lance writer specializing in consumer electronics and a frequent contributor to Special Report.

Home movie theaters receive bigger billing

By Michael J. Kaplan

Saturday night always has been a weak night for tv viewing. It's a date night, a party night, a night to go out on the town.

But that's changing. With the arrival of cable tv and premium movie channels and the explosion of videocassette recorder sales and tape rentals, Saturday night at the movies is taking on a new importance.

The living room is once again a Saturday night entertainment option.

Even as broadcast executives fret about declining audience ratings, cable networks are jumping at the chance to win these new viewers. Although original programing has taken on greater importance at most cable channels, conventional feature films are still the cornerstone of the peak weekend viewing hours.

At least 10 national cable channels program movies on Saturday nights, including giant Home Box Office with 14.5 million subscribers, the Christian Broadcasting Network, the Disney Channel and American Movie Classics, a new premium channel with just 230,000 subscribers.

To make their films stand out amid the cable clutter and home video options, these networks have evolved a variety of programing and marketing tactics that owe as much to the techniques of local radio and tv outlets as to the formulas of the Big Three commercial networks.

The youngest and smallest of the cable competitors is American Movie Classics, launched in November, 1984, and running on 88 cable systems.

The service is one that concentrates on programing artistically significant films released at least 15 years ago. This programing includes an exclusive arrangement for several hundred RKO films.

During the week, AMC programs its film library by themes. Monday is mystery night, comedy on Tuesday, musicals on Wednesday, and so on. On the weekends, the channel presents the "Hollywood Gold" package, the 10 best films from the preceding week.

"A lot of people miss the old values. They miss films made the old way," says Richard Ballenger, vp-programing for Rainbow Services, operator of both American Movie Classics and Bravo, a premium channel of foreign films with 300,000 subscribers. Both services are based in Woodbury, N.Y. "We try to educate people to appreciate films. That's a part of our appeal."

Mr. Ballenger takes his programing responsibilities seriously.

A five-member screening committee selects the titles and writes brief, historical introductions delivered by an on-camera host.

Audience requests, though

PLUS: Tex • Tank
Rick Springfield
Police Academy
HBO Premiere Films
Reunion at Fairborough
USA for Africa
Firestarter
HBO and cinemax May 1985

Home Box Office is promoting its weekend movie lineup through on-air promos and cable guide ads, so "people know where they can find the biggest movies of the month."

Michael J. Kaplan is an editor of Video Times.

Serving

(Continued from Page 13)

only 12% expected to just rent cassettes, and 21% planned to do both.

Vcr marketers knew of cable's appeal to their customers long before the Showtime study was released in March. When vcrs began hitting their sales stride in 1980 and 1981, marketers began producing cable-ready models, which could attach directly to the cable wire and receive unscrambled transmissions without a special converter.

This feature made it possible to time-shift among multiple cable channels. Prices for units carrying the feature once topped $800, but the cost for cable compatibility has dropped and capability now is considered almost standard. Cable-ready recorders from Panasonic, Quasar, Sharp, Mitsubishi and others retail for as little as $400. While all do not work with every cable system, standards committees on both video manufacturer and cable industry levels continue to work out specifications so the cable-ready vcr can live up to its billing.

For the true upscale cable consumer, recorders outfitted with high-fidelity playback and recording capacities also are increasing in popularity and dropping in price. Sanyo offers a high-fidelity vcr for about $500, and most suppliers are expected to follow in the marketer's footsteps.

The move is sure to cement the vcr-cable relationship because most recorders have yet to be equipped with additional stereo circuitry allowing them to tape over-the-air transmissions.

Once the vcr is in place, consumers often find it necessary to replace their old tv set with a state-of-the-art receiver.

Most of the high price models being pitched to cable subscribers are high-tech monitor-receivers. These 19-in. and 25-in. glass-fronted monoliths feature over-the-air broadcast stereo reception, an internal stereo system with two side-mounted speakers to allow for direct reception of dual-channel stereo broadcasts and, of course, cable-ready tuning that allows direct access to nonscrambled broadcasts.

Some units also feature a built-in switch that can accommodate both direct cable and cable converter inputs so nonscrambled basic and scrambled pay channels can be selected via the wireless remote control. Most of the sets priced between $800 and $1,200 also include a full range of direct audio-video inputs allowing for connection of a vcr, videodisc player, stereo system, computer and whatever else the engineers can dream up.

Tv sets, vcrs and cable aren't alone on the home entertainment menu. The other selections are each capable of supporting rather than detracting from the interest in cable.

Among the add-ons, stereo systems are one of the first supplementary components the cable subscriber-vcr owner usually places beside his stereo tv. Although his gleaming new set and recorder might have all the internal circuitry needed to render a stereo signal, cable only delivers dual-channel audio for the Nashville Network and Superstation WTBS via fm adapters.

Unlike stereo tv broadcasts, cable stereo broadcasts are not offered over the same wire that attaches to the tv. Thus, the need for a stereo system is inescapable, a fact cable operators are viewing as a means to increase revenues by selling and renting fm adapters.

Slowly rising in acceptance, but far from the critical mass of the vcr, is the videodisc player.

Microwave offers alternative

The next development for cable tv could be no cable.

That's right. The latest home entertainment add-on is wireless cable, a concept some veteran cable tv executives may find a bit upsetting.

Unlike other consumer electronics rivals-turned-friends of the cable industry, wireless cable—multichannel multipoint distribution service, as promoted by New York-based mds supplier Microband—is positioned as a cable alternative.

Currently rolling out in abbreviated form throughout the uncabled areas of New York and its surrounding environs, with Milwaukee, Washington and the lower San Francisco bay area to follow, Microband's "Urbanet" is designed to be everything a cable system is and more.

The technology combines over-the-air broadcast signals with a slate of microwave delivered pay and basic satellite networks to form an ad hoc 33-channel service.

Microband chairman Mark Foster says the system also can deliver many features missing from most of the nation's cable systems, including remote control of impulse pay-per-view, digital stereo, audio, data and two-way communications.

Urbanet, he says, eventually will be offered in the top 30 unwired urban regions where 30 million or so tv viewers least likely to obtain cable tv reside.

Through a variety of joint ventures, Microband has acquired the rights to multiple microwave channels throughout the country, Mr. Foster says, and also holds title to 33 microwave frequencies in the top uncabled markets.

"It's a fact that most of the nation's rural areas and densely populated urban centers will not see traditional cable service due to high construction costs," Mr. Foster says. "Our system meets the needs of many unwired consumers by providing the most popular channels via microwave at a fraction of cable's per-subscriber cost."

Microband has contracted with M/A-COM, broadcast engineers, to design an addressable wireless cable box. The set-top receiver, now being field tested, uses M/A-COM's VideoCipher scrambling technology currently being used by Home Box Office and Showtime. Like these pay giants, Microband wants to make certain only those paying Urbanet its $20 to $30 monthly programing fee plus initial installation charge of $40 to $50 see and hear the programs.

Programing plans for Urbanet are still vague. About the only network expected to be carried on the wireless system is HBO, which Microband has been distributing to uncabled homes for 15 years. In addition to that service, Mr. Foster says the average Urbanet system will carry whatever over-the-air channels are available via standard aerials and a mix of the most popular cable channels.

Despite Urbanet's high flying promises, multiple system operators may want to think twice before selling their systems or halting construction plans for New York's boroughs or Chicago's neighborhoods. Urbanet still has some technological obstacles to overcome.

Multiple mds users with videocassette recorders wishing to tape one mds channel while watching another will not be able to do so. But viewers can tune in a regular over-the-air channel via the vcr while watching an mds network.

Many of the system's advanced features are still to be perfected by M/A-COM engineers. The system currently offered in New York is unscrambled and has no stereo, pay-per-view or data downloading capability. "Late summer or early fall is a more likely target date for these features," Mr. Foster says. And it will be 1986 before Urbanet begins pitching subscribers in most of its markets.

—M.T.

considered, hold relatively little weight.

"People ask for films they've seen and enjoyed as children," Mr. Ballenger says. "Quite frankly, a lot of these films just don't hold up. They're very arcane."

"I'm a movie buff, and I was trying to re-create the feeling of one of those revival movie theaters."

—Betty Cornfeld
Arts & Entertainment Network

The ad-supported Arts & Entertainment Network, New York, owned jointly by Hearst Corp. and ABC/RCTV, also programs for the discerning movie buffs among its 12.5 million viewers.

The Saturday night "Double Feature," the network's only weekly prime-time movie feature, packages a pair of compatible films with cartoons, travelogs and other short subjects.

"I'm a movie buff, and I was trying to re-create the feeling of one of those revival movie theaters," says Betty Cornfeld, programing manager for the "Double Feature" series.

"We put two really good films together, and try to fill it out like the old double bills you would have seen," Ms. Cornfeld says.

The films are picked not only on their individual merits, but also on how well they combine. "We try to put things together in interesting ways," Ms. Cornfeld says. "The films have to play off each other in some interesting way, either thematically or because of the stars."

The four-hour "Double Feature" block, repeated early Sunday morning, is among A&E's highest-rated shows, Ms. Cornfeld says, though she would not disclose the block's ratings. A second four-hour movie block runs Thursday afternoon and is repeated on Friday.

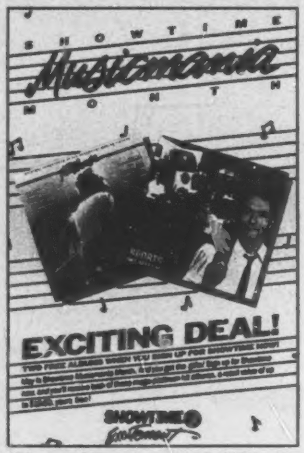
"We're trying to capitalize on Saturday night being a good movie night," she says. "Having a movie on Saturday night is perfect. Most people don't have the time, patience or endurance to sit through two films during the week."

The program is supported by advertising in *TV Guide*, cable guides, newspaper tv listings and Sunday supplements, as well as heavy on-air promotion during A&E's usual fare of series, specials and arts programing.

The advertising generally is keyed to the particular film, rather than the "Double Feature" concept.

"We look for films with star value," Ms. Cornfeld says. "People will watch a movie they don't know if they like the stars."

But what if the film has no stars worth mentioning? That's the problem frequently faced at USA Cable Network, New York, a broad-based ad-supported network with 29.7 million subscribers whose highest ratings come from cartoons and professional wrestling.



Showtime created "Music Mania" package for the premiere of "Footloose."

THE NEW RAINBOW SERVICE!

Rainbow Service offers viewers American Movie Classics and Bravo, featuring foreign films.

With severely limited resources to acquire a film library, Monia Joblin, USA Cable's director of programing, has created several umbrellas featuring films for the not-so-discriminating film fan.

"The more popular film packages just aren't available to us for one reason or another," Ms. Joblin says.

Instead, lesser films are packaged as "Kung Fu Theatre" (martial arts movies on Sunday afternoon), "Saturday Nightmares" (Saturday night horror and suspense), and a new addition, "Commander USA's Groovy Movies" (Saturday afternoon monster movies).

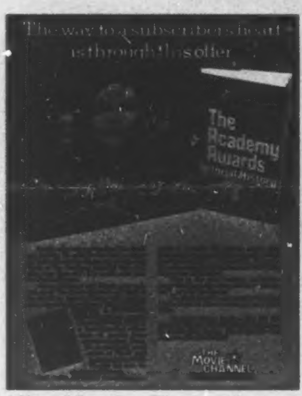
"It's just dressing up block programing, which every programer does," Ms. Joblin says. "But it aggressively packages it as part of the USA network."

The packages also help viewers get accustomed to seeing certain programing at certain times.

"In our advertising, we try to promote the whole block," says Andy Besch, a USA Cable marketing executive. "The movies are a secondary part of the ads. The concept is what we're trying to sell."

The approach works. Since

(Continued on Page 16)


The way to a subscriber's heart is through this offer
The Academy Awards
THE MOVIE CHANNEL

The Movie Channel uses contests and promotions to attract viewers.

With RCA and its defunct CED player all but out of the running, only Pioneer's laser-based unit remains a viable consumer choice for those who like to collect movies and specials.

Industry estimates place 1985 disc player sales at 130,000 units, creating a total disc player population of about 1 million.

The consumer who doesn't want to buy these cable aids separately has his choice of complete audio-video packages. Sony, Sanyo, Panasonic, JVC and others offer soup-to-nuts home entertainment systems featuring stereo-ready monitors/receivers, high-fidelity vcrs and stereo systems complete with state-of-the-art compact disc players all packed in a high-tech rack and ready for action via a single remote control keypad. Prices on such systems begin about $2,000 and escalate to more than $5,000.

Another addition to the media mix not seen in prepackaged systems is the home computer. Despite decreasing interest on the part of cable systems to supply software, the home computer is still thought to have a future as a supporting cable player. According to the EIA, home computer sales (generally those retailing for less than $1,000) will exceed 6 million in 1985, adding to the 11 million already in consumer's hands.

Many electronics industry experts say home computers often wind up as a closet fixture soon after the children tire of Pac-Man. Still, some cable entrepreneurs continue to believe that just as cable can feed the vcr, it also can feed the home computer—someday.

While not true components, video accessories known as "black boxes" also are assisting the cable cause.

Some models can turn a standard tv into a stereo-ready model, improve the picture and sound quality on an incoming signal and even turn a noncable-ready vcr into one that will change channels for unattended recording.

Among the most talked about black boxes of late is the Vidicraft Zapper. The unit, which the company claims to have spent $200,000 developing, is said to be 95% effective in detecting the beginning and end of a commercial. It's currently priced at $400 (a tag that may leave most consumers more than willing to speed through the commercials manually), Vidicraft chief executive officer Alan Guggenheim says an expected price decrease to about $200 will mean a $1 million market for the Portland, Ore.-based company.

This device and others that simplify off-air and cable taping might be blessings in disguise. Although they might not sit well with an advertiser-hungry cable executive looking to assure sponsors that the cable-vcr connection is good for them, they do give more reasons for vcr buyers to remain cable consumers.

Yet another tv add-on rankling cable executives, but one that also may have hidden advantages, is the home satellite antenna.

With more than 1 million backyard earth station receivers in place, mostly in rural areas where cable is unavailable, the $2,000 to $3,000 systems capable of receiving any unscrambled feed from an orbiting domestic satellite, are beginning to invade wired suburban and even urban cable markets.

Cable operators are attempting to get a piece of the action by selling and renting private dishes to customers who would rather get cable programing without the middleman. However, a study by Channel Master, one of the leading suppliers of such equipment, suggests there isn't much to worry about.

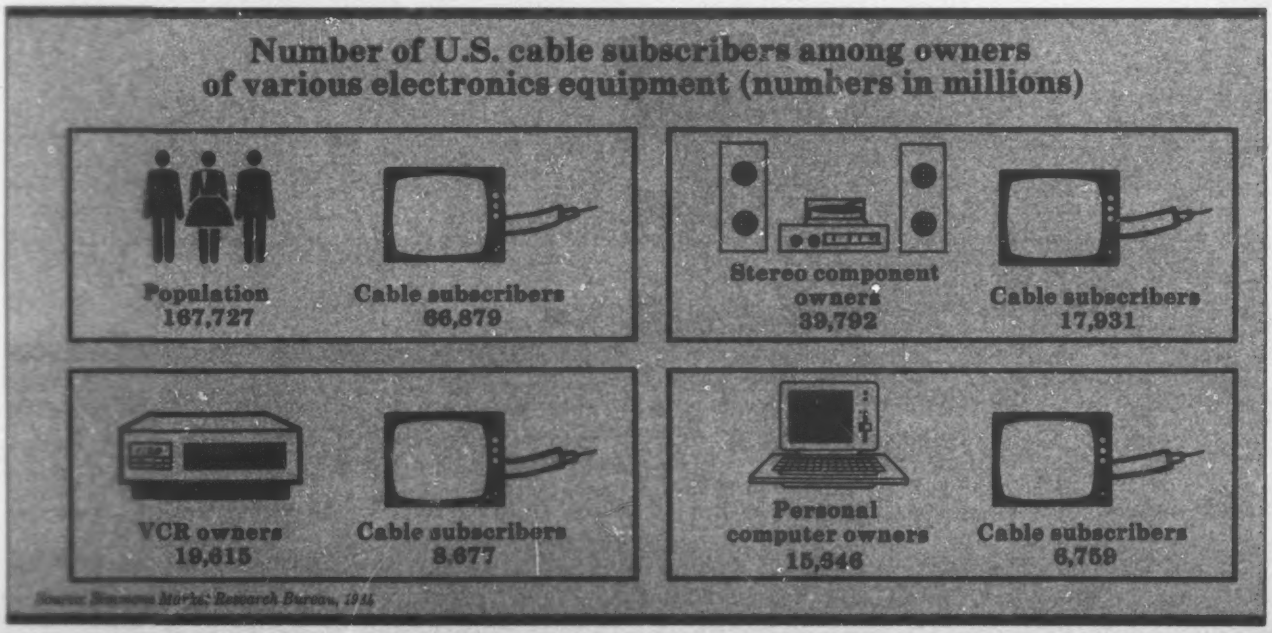
Like the vcr, the black box, the cable-ready vcr and home computer, the satellite dish might be more friend than foe.

"Last year, only 11% of our buyers had access to cable," says Channel Master sales and marketing vp Don Berg. "Today it's 21%. Surprisingly, we've found only a handful of cable buyers said they discontinued service after getting the dish."

Mr. Berg presumes cable retention is because of the superior reception cable gives to over-the-air stations. If that's so, it's a serendipitous twist to the mix because improved reception of local outlets was the original intention of the medium.

Despite the growth of additions to the home entertainment menu, no one believes cable will slip from its position as the main course. After all, the entire notion of an audio-video system, like the idea of a good meal, is compatibility, not competition.

Number of U.S. cable subscribers among owners of various electronics equipment (numbers in millions)



Source: Simmons Market Research Bureau, 1984

Videocassette recorders in operators' arsenals

By Sharon Donovan

Compatiblity—it's a new marketing tactic.

To remain competitive with the growing array of home electronic equipment, cable tv operators are developing technical strategies designed to strengthen the compatibility between their product and home entertainment centers, especially videocassette recorders.

A number of cable operators also are finding that marketing compatibility is increasing their sales.

According to Catherine Rutkowski, director-technical services for the Washington-based National Cable Television Assn., cable operators always have recognized that cable service must be compatible with whatever other electronic equipment subscribers have in their homes. But as new, more affordable generations of vcrs have been marketed, the need for clear-cut compatibility has become essential.

According to research compiled by the Cabletelevision Advertising Bureau, New York, cable subscribers are generally more affluent than nonsubscribers; they are much more likely to purchase electronic equipment for the home than nonsubscribers, and they expect the equipment to be compatible with their cable service.

Studies project that this year, consumers will spend $900 million to rent videocassettes for home viewing, according to Bradley Johnston, vp-engineering, Group W Cable, a division of Westinghouse Broadcasting & Cable, New York. Group W Cable is the third largest multiple system operator in the country with about 2 million subscribers.

So consumers obviously are willing to make a hefty investment that they don't want devalued by a maze of incompatible equipment, industry experts agree.

At the same time that the vcr industry is expanding, the market for basic, advertiser-supported cable is also.

Daniel L. Ritchie, chairman-chief executive officer, Westinghouse Broadcasting, says advertiser-supported cable was, in 1984, "the only sector in all of television to grow in audience share—up by no less than 30%."

One important force behind this increase is the spreading penetration of cable.

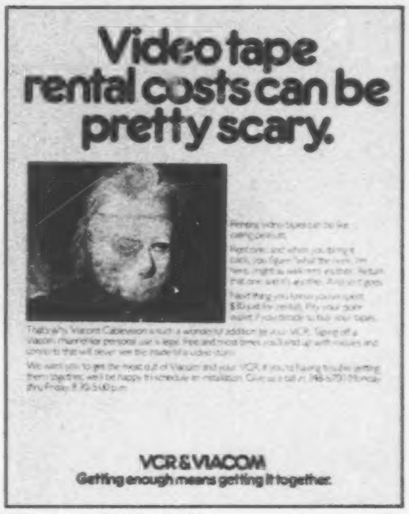
Nearly 44% of U.S. tv households had cable service in 1984. At the current rate, cable services are adding about 300,000 households a month, which means penetration by 1990 could reach 58% of all tv households.

As cable companies realize that their subscribers' entertainment centers invariably will contain vcrs, they are realigning marketing strategies.

According to Group W's Mr. Johnston, current cable marketing trends lean toward how easily cable services work with a consumer's other home entertainment equipment.

Otherwise, he says, "Group W would be seeking to make itself compatible with other manufacturers' products. But we're not in that business; our business is satisfying our customer, whatever sort of equipment he has. It's a subtle difference, but important, because it keeps our attention focused on our customers."

At American Television & Communications Corp., the second largest mso with about 2.4 million subscribers, a similar emphasis is evident in the evolution of its own ad tag lines. Until recently, ATC was very product-oriented, says Steven St. Marie, vp-marketing and programing.



Video tape rental costs can be pretty scary.

VCR & VIACOM
Getting enough means getting it together.

Viacom Cablevision encourages subscribers with videocassette recorders to tape movies off the channel.

To illustrate, he quotes a former ATC marketing tag: "Television is worth watching," a slogan that clearly highlights tv as a product, he says.

"But compare that to the new tag, 'Everybody loves something about cable,'" which he says is intended to emphasize cable as a service.

"We're marketing ourselves as retailers of a service, not retailers of a product. So as a service industry, we're trying to serve our customers as well as we can, and that includes making sure our services are compatible with what our customers need," he says.

This philosophy is also present at Warner Amex Cable Communications, New York, which has 1.2 million subscribers. Warner Amex assists consumers in connecting new vcrs, according to John Charlton, senior vp-sales and programing.

Like many of his colleagues, Mr. Charlton stresses the need to be "customer friendly."

Warner Amex's marketing strategy is designed to demonstrate that "we're not [viewers'] adversaries in any way, and that no matter how complicated their own setup is, we still want to be sure they're getting high-quality viewing pleasure unimpeded by technical difficulties," he says.

The simplest way to do that, he seys, is to eliminate the problem before it begins by offering technical assistance to customers in their homes.

According to David Wilson, vp-marketing and customer services for Viacom Cablevision, Denver, his company is taking similar, basic steps toward heading off customers' potential problems. Viacom is the nation's 10th largest mso with about 785,000 subscribers.

For example, Mr. Wilson says, Viacom Cablevision of Long Island offers a videotape that

Sharon Donovan is a frequent contributor to Special Report on cable tv and other topics.

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Then, the minute you're back in the shop, call us at Cable Adnet. We're the exclusive advertising contact for MTV, ESPN, USA, CNN and the Nashville Network – here in the Harrisburg/Lebanon/Lancaster/York DMA. Through us, you can reach well over 150,000 upscale, free-spending households. In a vibrant, growing market.

Then sit back, take a deep breath, and smile. Once again, you're a genius.

Call Eric Lund, Executive Director (717) 533-5544

CABLE ADNET
P.O. Box 458, Hershey, PA 17033
Represented Nationally by Cable Networks, Inc.

explains wiring techniques. Viacom Cablevision of Cleveland offers written material covering the same subject, he says.

But efforts such as this will be unnecessary in the future if the hopes of the NCTA are realized, Ms. Rutkowski says. Four years ago, the NCTA and the Electronic Industries Assn., the trade association for manufacturers of electronic equipment, agreed to set up a task force to investigate the technical problems underlying compatibility.

"Engineers and research-development people from both associations have been meeting on and off for about the past four years now," Ms. Rutkowski says. Reports on some of their findings will be released at the NCTA conference June 2-5 in Las Vegas.

The task force's main target is to get marketers and system operators to agree on a single interface design to make connection simpler.

Because these technical problems have not been ironed out, the NCTA and the EIA also are co-sponsoring a task force whose goal will be a statement to be attached to merchandise in stores, advising consumers to consider the capabilities of their local cable systems and their current equipment before purchasing new equipment, she says.

Compatibility encompasses more than technical issues. Perception is also important.

"Consider a subscriber who has just bought a vcr and doesn't realize that he can't watch one premium channel at the same time he wants to record off another premium channel, without paying for two connections," Group W's Mr. Johnston says.

After spending a lot of money for a vcr, the subscriber will not feel he's getting his money's worth from his cable, he says.

So according to cable executives, the task is to show the public that cable service and vcrs go hand in hand. A number of cable operators are working to convey this concept.

ATC, for example, has introduced the "cable store" in Shreveport, La., and Orlando, Fla. Located in major malls, the nearly 2-year-old stores offer cable-related merchandise such as MTV: Music Television t-shirts and ESPN baseball caps. A subscriber may also pay a bill there and change service.

In addition to these cable services, the store also offers prerecorded vcr movie tapes for purchase or rental, as well as a line of vcrs for rental only. Prices are reduced for subscribers.

Mike Hugunin, president of Cablevision of Shreveport, an ATC subsidiary, says the cable store is designed to enhance customer service.

"There was some concern, not just here, but in industry generally, that vcr and tape rental would erode demand for cable service," he says. "But this has not occurred. A high percentage of those who belong to the store's video club are also cable subscribers."

Another company testing the perceptual compatibility of vcrs and cable is Denver-based Jones Intercable, the 18th largest operator in the nation with more than 460,000 subscribers.

As of May 1, Jones offers new service in four test markets: Oxnard, Cal.; Jefferson County, Colo.; the Cedarburg and Grafton areas of Wisconsin, and Wapauca, Wis.

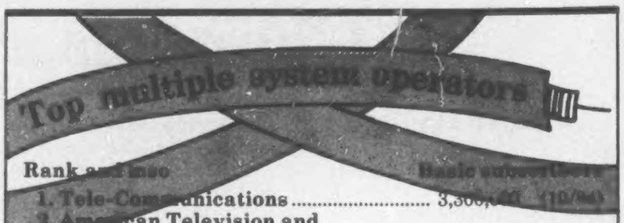
For $44.95 a month, the new service offers basic cable, a choice of two premium channels (out of HBO, Cinemax, Showtime, the Movie Channel and the Disney Channel) and a vcr.

Jones Intercable will offer General Electric vcrs, model 6010, normally retailing for $499, with this new service. After three years, the subscriber will own the vcr.

"This test is an aggressive step to respond to the current demands of the home-entertainment marketplace," says Glenn Jones, Jones Intercable president.

"Our decision to go forth with this test marketing comes after lengthy research and integrates both the current popularity of vcrs and our desire to bolster pay service retention."

However, Jones officials have no clear-cut expectations as to how the marketing of vcrs and cable will increase sales. But, like many other cable companies searching for ways to capitalize on the compatibility of cable and vcrs—and improve profit ratios—Jones executives believe such pilot projects are needed if the cable industry is to carve itself an even larger niche on the shelf of consumers' home entertainment centers. ■



Rank and mso	Basic subscribers	
1. Tele-Communications	[illegible]	[illegible]
2. American Television and Communications Corp.	2,400,000	(12/83)
3. Group W Cable	2,013,000	(10/84)
4. Cox Cable Communications	1,540,533	(10/84)
5. Storer Cable Communications	1,459,000	(10/84)
6. Warner Amex Cable Communications	1,230,000	(10/84)
7. Times Mirror Cable Television	9[illegible]3,789	(11/84)
8. Continental Cablevision	939,000	(10/84)
9. Newhouse Broadcasting	873,198	(11/84)
10. Viacom Cablevision	785,000	(10/84)

Source: Cabletelevision Advertising Bureau

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Channels answer interactive call

By Sallie Rose Hollis

Lifetime network's "Hot Properties" host Richard Belzer gets involved with guests on his cable tv talk show—so much so that a bout with wrestler Hulk Hogan resulted in a concussion and eight stitches in his head. For Mr. Belzer, that is.

He used the incident to his ultimate advantage, and in a subsequent show conducted a poll posing this basic question: Is wrestling sleaze or sport? Eighteen thousand viewers responded. The consensus was it was sleaze.

Sallie Rose Hollis is an associate professor of journalism at Louisiana Tech University in Ruston, La., and a contributor to a previous Special Report on cable tv.

The 18,000 viewer call-ins demonstrates another consensus as well: There's a new entertainment form that's taking off with gusto. It started years ago as the radio talk show, but it has taken on a new dimension. It's talk tv, a marriage of cable tv and the telephone that offers viewers a high level of tv intimacy.

The premise is simple. Viewers call in to offer opinions or to question hosts and guests, using either an 800 (toll-free) or 900 (toll call) number. Such involvement breeds program loyalty, network executives reason.

Cable channels employing this programing strategy run the gamut—Cable News Network, C-SPAN, Financial News Network, MTV: Music Television and, at the top of the list in sheer volume of such programing, Lifetime.

For some it's old news. "We've been doing it since we signed on in 1980," a CNN spokeswoman says. "It's kind of a matter of fact, a way of life around here, we've been doing it so long."

CNN shows promoting call-ins include an hourlong nightly in-depth interview show "Freeman Reports," a two-hour morning show called "Take Two" and the one-hour "Sports Sunday" on weekends. Viewer calls occupy only a small portion of these shows' airtime, the spokeswoman says.

At Lifetime, viewer calls are often the show's reason for being. No calls, no show. But with more than 3,000 people trying to get through to "Good Sex!" host Ruth Westheimer each night, there's apparently no need to fret about that possibility.

Lifetime, New York, was formed Feb. 1, 1984, through a merger of two struggling cable enterprises, Daytime and the Cable Health Network. Its revamped weeknight prime-time programing (77% of the existing 6 p.m. to midnight schedule was replaced) now features what Lifetime president Thomas F. Burchill calls "famous faces or outrageous personalities."

Mr. Burchill says Lifetime's interactive concept "had its genesis in some research that we did where people felt that if they could participate on the phone, the programing would have more impact."

Dr. Westheimer went on the air as a test case in August. The therapist previously had hosted a popular New York radio show. Lifetime merely adopted the concept to tv, "with a lot of caviar," Mr. Burchill says.

Since "Good Sex!" was introduced, it has doubled the network's previous 10 p.m. audience; more than 1.6 million viewers tuned in during a single week in February. In the week after the new lineup was introduced in January, Lifetime's average prime-time audience rose from 67,500 viewers to 112,500, network officials say.

That apparently was no fluke. According to the network, numbers are holding their own, with about 110,000 people leaving their dial set on Lifetime each night—still tiny numbers in the cable world, but a step upward for Lifetime.

The network's shows are designed to touch important facets of viewers' personal lives. "America Talks Back," with Stanley Siegel, cashes in on current issues. "Hot Properties," as the title implies, looks at "what's hot and what's not" in such areas as films, fashions and funseeking.

"Regis Philbin's Lifestyles" examines self-improvement techniques for feeling and looking better. And "Smart Money" hosts Fran Tarkenton and Kathleen Campion clue viewers in on how to handle their dollars and make more of them.

The interactive talk show concept has been so successful for Lifetime that the network is discussing adding even more shows that promote this close viewer relationship.

Financial News Network also is looking at enlarging its offerings in the talk tv realm. The channel began using this format with a one-hour weekday program called "Money Talks." Investment experts are interviewed on the program, and the public "is invited to call in with questions or argue with them," a FNN spokesman says.

Without the reciprocal relationship of call-ins, he says, "You may admire the program, but you're not pals." With the personal contact, viewers "become a part of us," he says.

The popularity of "Money Talks" is obvious, according to producer Debby Everett. "There are always people waiting on the line," she says. When the network aired a 13-hour special on Memorial Day in 1984, some viewers watched the entire program. FNN's current talk tv plans center on the May debut of "Sports Talk."

Viewers' potential impact is illustrated perhaps most graphically on MTV.

Friday night video contests, in which two popular recording artists are pitted against each other in phone-in popularity polls, are an MTV staple. But stakes are even higher for the unknown musician in a program titled "The Basement Tapes," aired the second Sunday of each month.

An MTV spokeswoman says network officials screen submissions from musicians with no recording contract and select six videos for each show. "Basement Tapes" viewers phone in their favorites, and the poll winner gets $5,000 worth of recording equipment and a chance to compete with five other semifinalists in six months. The ultimate winner receives a recording contract and $30,000 worth of recording equipment.

Viewers can profit monetarily from participating in the MTV call-ins, too. Last New Year's Eve, a four-hour giveaway show awarded $10,000 to one caller each hour.

So for both viewers and program hosts, this viewer-cable meshing is big business. That thought extends into advertising as well.

Lifetime vp-sales Andrew H. Feinstein says that because the viewer is involved, "that helps the advertiser to get his message better received." Lifetime kicked off a $5 million marketing campaign in the spring, and Mr. Feinstein says the channel is experiencing a substantial increase in advertiser commitments.

Top 10 cable advertisers*

Company	1984
1. Procter & Gamble Co.	$17,914,387
2. Anheuser-Busch Cos.	13,171,018
3. General Foods Corp.	10,124,011
4. General Mills	7,482,672
5. Ford Motor Co.	5,601,576
6. Time Inc.	5,493,922
7. Bristol-Myers Co.	5,290,405
8. Toyota Motor Sales Co.	4,861,676
9. Thompson Medical Co.	3,608,438
10. Eastern Airlines	3,334,286

*In the first nine months of 1984, the top 10 advertisers increased their commitment to cable by 24%. These figures are for the four cable networks measured by Broadcast Advertiser Reports (CNN, ESPN, USA, WTBS) and do not reflect other advertiser-supported networks.

Source: Cabletelevision Advertising Bureau

Mr. Feinstein would not reveal specific advertising results or revenue gains, but he did say Procter & Gamble had renewed, among others, indicating solid advertiser support.

"Several of our advertisers have taken advantage of 'Lifetime Minutes,' which are 60-second informational tips on topics that are compatible with an advertiser's product," Mr. Feinstein says.

One Lifetime advertiser using this device is General Foods. In 90 seconds, the GF "Shortcuts" offer meal-preparation tips for people on the run.

Mr. Feinstein also says General Foods often will forgo the regular midsegment commercial and merely feature a toll-free phone number offering a free booklet for all such GF recipes.

The toll-free number makes it possible to have a sort of interactive commercial. This idea has been around for some time, but now—with the emergence of the viewer call-in phenomenon on regular programing—some advertisers are asking for their direct response lines to be included strictly within that format. *USA Today*, for example, takes that approach on Lifetime.

Whether the concept of interactive programing as a whole is the wave of the future remains to be seen.

Maybe the caller on "America Talks Back" described the public's sentiment best during a show focusing on the question of whether tv is worthwhile. He said he didn't watch much tv as a rule. Then why was he watching this show, host Stanley Siegel wanted to know.

"People get to speak their opinions," the faceless voice replied. "And I think we should have more of these kinds of shows so you can get the public's opinion. I would call this show 'the entertainment of reality.' "

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Industry's deregulated forecast is rosy

By Don Veraska

In the five months since the Cable Communications Policy Act of 1984 took effect Dec. 29, cable officials have not wavered in their belief that the legislation has ensured the industry's health, wealth and security.

Cable fees will rise, offset only by a temporary slip in subscribers, and ad revenue may increase as cable companies improve their stability and marketability, cable industry experts say.

"Over time, deregulation will mean literally hundreds of millions of dollars in earnings to the cable industry," says Edward W. Dooley, vp-public affairs, National Cable Television Assn.

Higher subscriber fees is the first effect of deregulation. Previously, local authorities in franchised areas controlled fees for basic service, and cable companies complained that they were not allowed to increase charges to cover inflation.

The law now allows a 5% increase in basic service price in each of the first two years and total price deregulation as of Dec. 29, 1986, for about 90% of the industry. Local authorities retain price control only in areas serviced by fewer than three over-the-air stations.

"What you've got now is a strengthening of the industry through the establishment of national ground rules for cable instead of a patchwork of local regulations," says Ken Lerer, vp-corporate affairs, Warner Amex Cable Communications, New York.

"We looked at each system individually," Mr. Lerer says of Warner Amex's 104 systems, "and where financially justified, we raised our rates by that 5%. I think maybe it affected about 50% of our subscriber base."

Bruce Clark, vp-director of operations, Colony Communications, Providence, R.I., which serves 54 communities, says Colony generally increased rates by 5% in communities in which rate increases had been denied during the past 18 to 20 months, or by the difference in communities that allowed less than 5% within that period.

What will happen to fees after total deregulation?

First Boston Institutional Investors, an investment banking company, urged investors to purchase cable stocks in a November report. "With deregulation we foresee aggressive price increases in basic service rates that will result in cash flow margin expansion even if pay television revenues erode from current levels," the report said.

Stock prices of publicly owned cable tv companies during the first quarter of 1985 already have increased almost 30%, more than six times the rate of the Dow Jones average, reports Paul Kagan Associates, Carmel, Cal.-based industry consulting and publishing company that tracks cable ad revenues.

Colony's Mr. Clark says that although cable services are undervalued, he believes basic rates will increase by 30% to 50% over a three-to-five-year period.

NCTA's Mr. Dooley says competition for the consumer's entertainment dollar from other tv services will prevent cable companies from pricing themselves out of the market.

Another important effect of rate deregulation will be increased innovations in marketing techniques, such as tiering levels of service offered by cable companies, Mr. Dooley says.

Although the spokesmen for Warner Amex and Colony say they plan no wholesale retiering, Mr. Dooley predicts substantial moves in that direction by many cable systems, including the packaging of cable services into several separate tiers of programing—sports, music and family entertainment.

Robert Alter, president of the Cabletelevision Advertising Bureau, New York, says that as cable is deregulated, marketing will have to be emphasized.

Mr. Alter says the CAB has set up an audience promotion committee to explore how cable networks and systems can work more closely to promote cable service.

"With larger audiences, the systems can charge more for advertising. There's a synergism at work there which can only benefit advertising."

Little consensus appears on how important advertising will be to a deregulated cable industry. Only about 1,000 of the nation's 6,500 cable systems now carry advertising, and in most of those 1,000, advertising amounts to a maximum of 5% to 10% of revenues.

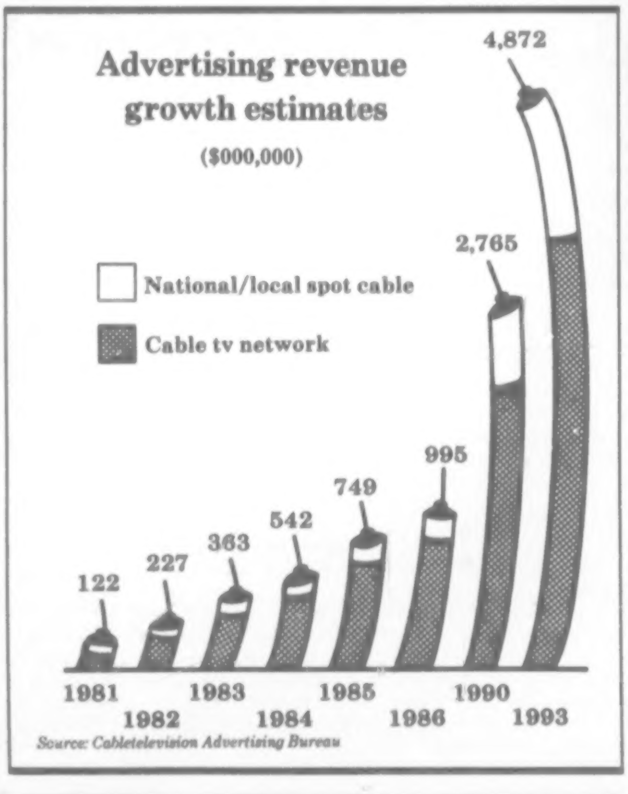
Paul Kagan Associates predicts cable revenue will rise fivefold in the next decade, but no one is suggesting it will make serious inroads into commercial tv ad revenues.

Don Veraska is a Washington-based free lance writer who has been following cable deregulation for Special Report for several months.

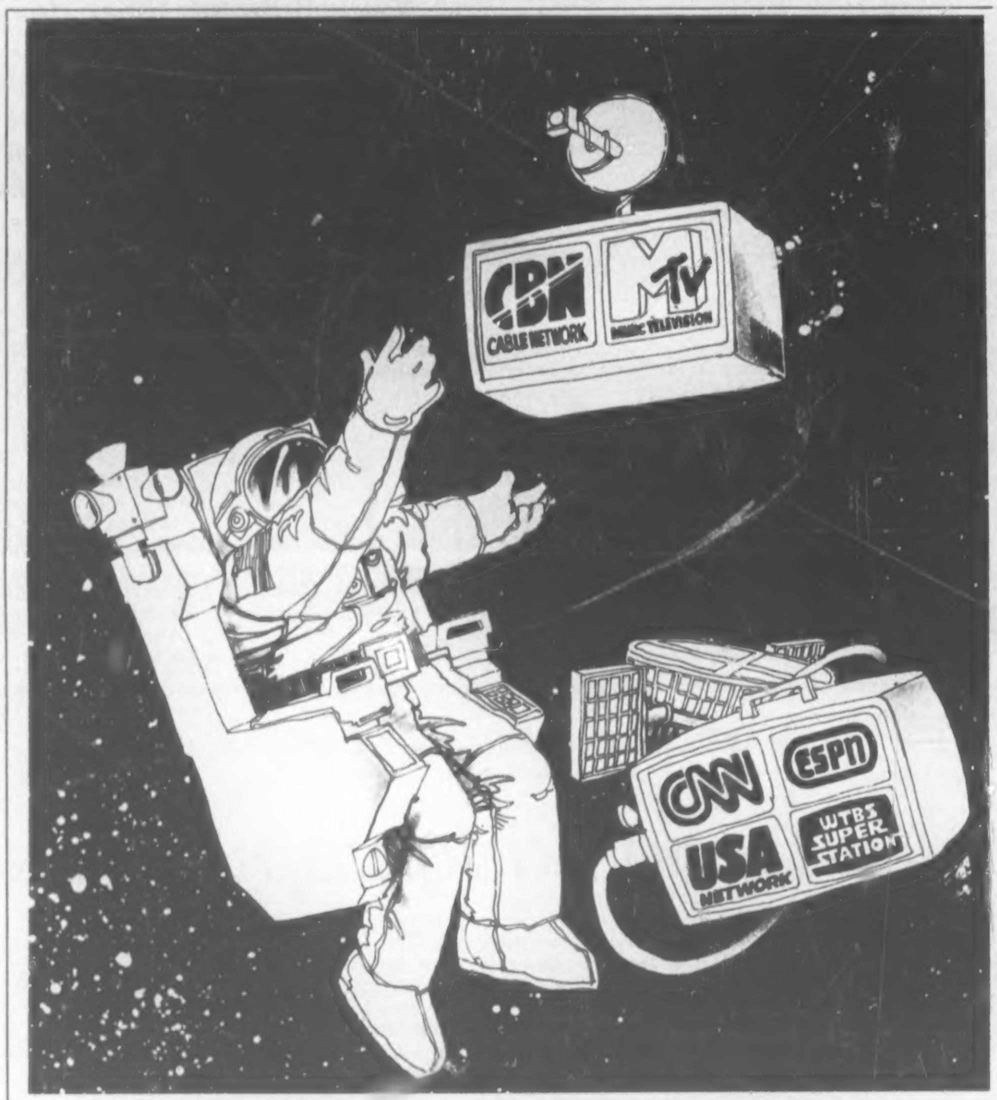
Associate editor Len Strazewski coordinated this report on Cable Television.

Coming

Next week ADVERTISING AGE's Special Report will focus on Licensing.



Source: Cabletelevision Advertising Bureau



BAR adding CBN and MTV to cable TV network service

BAR videotapes are capturing 24-hour satellite activity on the CBN and MTV cable networks, every day of the year, starting with 1985 service. Along with CNN, ESPN, USA, and WTBS, the BAR service includes the big six advertiser-supported cable TV networks.

Each week BAR publishes logs of all program and commercial activity on the monitored networks. The data is also arranged by parent company and by individual brands, products and services advertised.

Monthly and quarterly summaries apply rates to each commercial. This produces estimated expenditures, which are compiled by brand, by parent company and by product classification. All estimated expenditures are cumulated year-to-date.

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Monday, June 3, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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RJR/Nabisco would top ad list

By WILLIAM F. GLOEDE

New York—If Nabisco Brands is betrothed to R.J. Reynolds Industries, Procter & Gamble, long the nation's leading national advertiser, would find itself a distant No. 2 to a $19 billion company spending more than $1 billion a year in advertising and promotion.

P&G, according to Advertising Age estimates for 1983, spent $773.6 million in measured and nonmeasured advertising, while RJR spent $593.5 million and Nabisco spent $367.5 million.

Nabisco, based in Parsippany, N.J., confirmed last week that buyout talks with Winston-Salem, N.C.-based RJR had taken place. RJR reportedly would acquire Nabisco for what analysts estimate would be about $5.25 billion. Both companies declined further comment.

If this megamerger—the largest non-oil-industry merger in U.S. history—goes through, industry sources believe Nabisco Brands' stable of ad agencies would continue business as usual, at least for the near term. However, sources believe RJR eventually would begin looking at Nabisco's agencies, placing special emphasis on whether they fit RJR agency criteria concerning image, the way the shop does business, its international potential and, to some extent, brand assignments that are competitive with RJR products.

"Reynolds does not Reynolds-ize its acquisitions," said one source. "There are no Reynolds agencies licking their chops right now, or at least there shouldn't be."

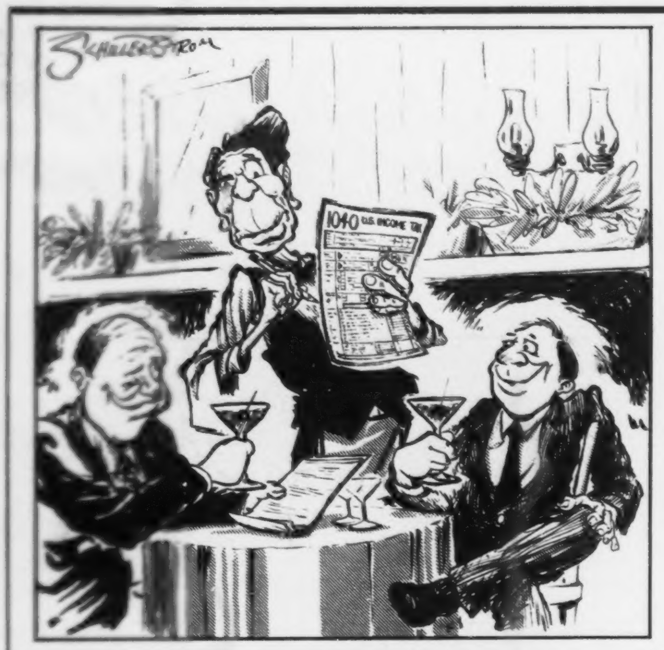
The source noted it took some six years for Del Monte to switch agencies after it was acquired by RJR and, similarly, Heublein waited 2½ years before it changed shops.

A spokesman for RJR said there is "no written policy" regarding agencies. "Each and every relationship with an ad agency is considered on its own particular merits."

Despite the absence of a written policy, sources say RJR indeed has a policy by which it evaluates its agencies. While its agency roster includes shops that handle products competitive with its own, it is widely believed in the agency business that Reynolds likes shops that avoid conflicts.

There are several direct account conflicts between Nabisco's agency roster and RJR's, and a raft of indirect conflicts that together

(Continued on Page 102)



Reagan plan taxes shops' imagination

An Advertising Age roundup

Ad agency executives and industry spokesmen are greeting President Reagan's tax reform proposals as a mixed blessing.

Most seem willing to take their medicine when it comes to reduced write-offs for business entertainment.

Everyone embraces the proposal to slash corporate tax rates. But some are reaching for the distress flares—not the check.

Among aspects of the President's proposals expected to gore the advertising ox: A change in accounting methods that will oblige large agencies, in many cases, to pay taxes on income before it's actually received, and the elimination of state and local tax deductions, expected to make it more difficult for agencies to attract and keep talent in high-tax areas such as New York and California.

The biggest boon for agencies, according to an Advertising Age survey of industry leaders across the nation, is the proposed reduction in the corporate tax rate from 46% to 33%.

Not only would this ease the anguish in agency accounting departments, it could free up money for new-product development and marketing on the part of noncapital-intensive clients like Procter & Gamble or Colgate-Palmolive that also will benefit from a reduced corporate tax rate.

New products mean more advertising, a plus for agencies. And if industry in general has more "discretionary" funds because of a corporate tax break, that, too, could translate to larger ad budgets.

"Basically, I think most ad agencies look on the tax proposals as pretty favorable," said Don Ambuhl, senior vp at the American Assn. of Advertising Agencies. Proposed restrictions on deductions for business entertainment and travel expenses will be "a little bothersome to agencies, but that's secondary com-

(Continued on Page 102)

Bergin in line for own shop?

By JOHN J. O'CONNOR

New York—McCann-Erickson USA president John Bergin and Philip H. Geier Jr., chairman of parent Interpublic Group of Cos., have been talking about establishing a separate agency bearing Mr. Bergin's name.

Mr. Bergin, the key creative person on McCann's Coca-Cola account, insisted last week the dialog still is in the "truly nebulous stage" and "may not happen." He added that while he has been "hankering" for such an arrangement for some time, circumstances simply have made it "impossible" to make any headway.

Mr. Bergin, also vice-chairman, McCann-Erickson Worldwide, said he and Mr. Geier initially have envisioned "a SWAT team concept, or tactical creative group."

Owing to the preliminary nature of the discussions, Mr. Bergin said he hadn't the "vaguest idea" about what accounts or creative people might be reassigned to such a unit.#

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Last Minute News

D'Arcy may now have eye on N.Y. agency

Bloomfield Hills, Mich.—D'Arcy MacManus Masius Worldwide's management has decided to buy out a "major, strong, New York-based agency" within the next 30 days, sources say. Meanwhile, a D'Arcy spokesman denied a published report in London that a merger would be announced within the next two weeks, as well as reports that Saatchi & Saatchi very recently has approached D'Arcy about a buyout.

Chiat's Hayden heading for Tracy-Locke office

Los Angeles—Chiat/Day vp-associate creative director Steve Hayden will leave the agency to join Tracy-Locke when it opens an office here Aug. 1 (AA, April 1), reliable sources say. Mr. Hayden refused comment.

Dentsu nominates new president today

Tokyo—Dentsu's board today will nominate Gohei Kogure as the agency's next president. He will succeed Hideharu Tamaru, who is expected to retire. Mr. Kogure, one of four senior managing directors at the agency, had been considered a "dark horse" (AA, April 22).

BK musters Mr. T, others to tout Whopper

Miami—Burger King Corp.'s network tv blitz for its beefed-up Whopper sandwich (AA, May 13) will feature a cast of celebrities including Mr. T, actress Loretta Swit, Los Angeles Raiders football star Lyle Alzado and "Webster" star Emmanuel Lewis. J. Walter Thompson USA, New York, handles.

Apple's shakeup jostles founder Jobs

Cupertino, Cal.—Apple Computer, continuing its management shakeup (AA, May 27), on May 31 stripped founder Steven Jobs of his day-to-day

(Continued on Page 8)

Group fights for old Coke

By PAUL EDWARDS
and LISA PHILLIPS

If you think the old Coke was it, you're in agreement with Frank Olson, a Seattle promoter who has founded Public Response Corp. in an effort to force Coca-Cola Co. to bring back the original formula. PRC last week established a 900 telephone number message to take its case nationwide.

The 2½-minute recorded message produced by Studio Five, Seattle, tells callers in part, "We think the old Coca-Cola is the best Coca-Cola. For the last 99 years, Coke had the taste, well, of Coke. There was nothing like an ice-cold Coca-Cola. The old Coke. That was

(Continued on Page 104)

Net news prices log in under 10%

By VERNE GAY

New York—Network tv news started selling last week in the upfront market for next season with prices rising 8% to 9%, about half the increases clocked last season.

The networks also are expected to finish pricing daytime inventory this week and, agency sources said, increases are expected to be less than 10%. Price increases in daytime last year were between 14% and 15%.

The pricing action in news and daytime is being seen as an indicator that prime time upfront sales (which could begin as early as next week) will also garner the smallest percentage increases in several years. Last season, the prime time upfront market was a $2.4 billion bonanza for the networks, with cost-per-thousand rates climbing about 9%. In recent years, prime time rate increases have trailed other dayparts, especially news and daytime.

Also, sources suggested that because the total prime time market is expected to grow by only $150 million—or possibly less—this year, price increases will continue to be moderate. The networks, however, expect the market to grow by as much as $240 million.

An expected slowdown in the economy also could dampen the market.

Sources said Paul Schulman, president of the Gardner Advertising subsidiary Paul Schulman Co., New York, will begin placing prime time upfront orders for clients this week. Along with Leo Burnett USA, Chicago, Mr. Schulman is usually the first to make upfront buys in prime time.

A key factor guiding the current moderation continues to be the total audience share loss across all network dayparts except early-morning news. Also, there appears to be a growing resolve by most advertisers to keep upfront increases below 10% this year. "I didn't get a 10% raise in my salary this year," complained one package-goods advertiser. "Why should the networks get one?"

Advertisers, however, have expressed the same resolve to hold down network pricing every year. The nets, for their part, have routinely said pricing has never been tied to inflation and certainly has nothing to do

(Continued on Page 106)

Great names pop up everywhere.

Gone but not forgotten

Sunkist Growers is promoting products bearing its name—soft drinks, fruit rolls, fruit gems, vitamins and fruit juice—in a first-ever umbrella ad campaign. In July, Sherman Oaks, Cal.-based Sunkist will begin the campaign with an ad that highlights Sunkist soft drinks. The ad shows the last few drops of the orange drink trickling out of a crushed can—in a two-page spread exclusively in *Life* magazine. Foote, Cone & Belding, Los Angeles, is Sunkist's agency.

Highlights

Edward Pfister's resignation as president of the Corporation for Public Broadcasting last month opens the door for creation of a new public broadcasting hierarchy that would accept advertising outright on public tv and radio. *See Page 10.*

State restrictions on the right to advertise truthfully continue to collapse as they reach the U.S. Supreme Court. *See Page 12.*

CORPORATE CLOSEUP

Far from the glamor of national media buys and multi-million-dollar ad budgets, Perry Drug Stores Inc. has become an unusual but highly profitable combination of 180 drugstores, 163 discount auto-parts stores and three healthcare companies. *See Page 4.*

Only one patient in 20,000 will need this device. That's why we carry it.

FORUM

J.C. Louis laments the loss of Coca-Cola's 7-X. *See Page 20.*

Bruce Silverglade of the Center for Science in the Public Interest says Federal Trade Commission oversight is in advertising's best interest. *See Page 20.*

INTERNATIONAL

Industrial and high-technology products such as computer hardware, airlines and photographic equipment are more appropriate for global marketing than confections, clothing, food and toiletries, according to a survey commissioned by Peterson Blyth Cato Associates, New York. *See Page 56.*

In France, a nation that redefines sophistication almost every day, advertising has been loosened from its crass, commercial roots and officially elevated to the rarified realm of the arts. *See Page 58.*

Shocked executives at GRC International, a new pan-European agency network, learned early this month they had lost the $25 million-to-$30 million Federal Express Corp. European account by reading it in a trade magazine. And they still are shocked that the account—gained earlier this year—was lost to McCann-Erickson. *See Page 58.*

VIDEOTECH

Discovery Channel, a new advertiser-supported cable tv network, plans to kick off on June 17 with programing covering science, technology and history from Canada, England, France and Australia. *See Page 60.*

CATEGORY REVIEW

Much as Johnson & Johnson's Tylenol nonaspirin analgesic swept aside aspirin in the 1970s, Burroughs Wellcome has rushed to lead the $750 million cold-remedy category. *See Page 65.*

DIRECT MARKETING

Bert O'Malley, vp of Honeybee catalog house, thought a package insert distributed by direct mailers would be an effective way to market USA for Africa merchandise and raise money for famine relief. *See Page 80.*

COMING THURSDAY

SPECIAL REPORT

Licensing is gaining prominence as a marketing tool, but the sailing isn't smooth for everyone. A shakeout is expected in the crowded arenas of toys, children's items, designers and entertainment, but corporate licensing still is expanding, observers say.

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ABP RED TAG ABC MPA ANPA

P&G adds Zest to JC&M roster

By STEWART ALTER
and JULIE FRANZ

Procter & Gamble, true to its reputation for secrecy, had Jordan, Case & McGrath pitch for some of its business without knowing for which brand—or even which P&G division—was involved.

Just before New York-based JC&M learned it had joined the stable of P&G agencies, the agency discovered it was being considered for Zest deodorant soap. The account, estimated to be worth between $9 million and $11 million, had been at Benton & Bowles, New York.

Losing the Zest account certainly won't break B&B, which still has more than $100 million in P&G business. Cincinnati-based P&G wanted to give JC&M an established brand, a pattern it has followed in the past with new agencies, the company said.

Benton & Bowles remains a major P&G agency handling such leading brands as Bounce, Charmin, Crest, Ivory Snow, Pampers, Scope and others.

For JC&M, which is projecting billings of $200 million for this year, getting into the privileged P&G stable ends a four-year quest. One year after Case & McGrath merged with the shop run by former BBDO president and creative director Jim Jordan, "We felt we were of a caliber and a quality where we could handle Procter &

(Continued on Page 102)

Toy account stays in L.A.

Tyco opts for B&J

By JAMES P. FORKAN

Tyco Industries, a Moorestown, N.J.-based toy marketer, is heading for its fourth agency change in nine years, as Bozell & Jacobs/Pacific is named to replace Scott Lancaster Mills Atha, both Los Angeles.

Billings for the marketer of toy electric trains and auto racing sets were estimated by various sources as within the $6 million-to-$11 million range.

The toy marketer had begun its agency review in March, after having fired Scott Lancaster (AA, March 21). Tyco executives maintained the change was being made because it had "expanded beyond its traditional business and required an agency to handle its new growth," while agency ceo Steve Scott blamed "sharp differences" over creative strategy as the key reason.

Robert Lurie, Tyco's vp-advertising and communications, indicated he had considered "several agencies in New York, the Midwest and Los Angeles," though he named none of the other finalists.

The decisive factor in B&J's selection seemed to have been Cy Schneider, the agency's chairman, who had worked on the Mattel Toys account from 1954 until 1978 while at Ogilvy & Mather and, before that, Carson/Roberts. Mr. Schneider will "personally oversee" the Tyco account, both companies said, with the agency now

(Continued on Page 104)

Ad Age's Dallas bureau moves

Advertising Age's Dallas bureau office has moved to One NorthPark East, Suite 114, 8950 North Central Expressway, Dallas 75231. The bureau's new telephone number is (214) 692-9744. The telecopier number is (214) [illegible]-1936.

Cigar sales decline across board during 1984

By JOHN C. MAXWELL JR.

In 1984, the cigar industry reversed the previous year's unit gain, with all three categories showing declines. The large category fell a slight 2.4%, while smaller cigar sales were down 20% in units. Little cigars (cigarillos) posted a 7.5% unit decline.

Dollar sales, however, improved for two out of three categories, with the greatest increase coming from large cigars, up 2.2%. It should be noted that some of the growth was attributable to price increases.

Swisher this year took the No. 1 position from Consolidated, with 26.3% of the large-cigar market. Consolidated moved into second place with 24.2% of the market, while General Cigar retained its third-place position despite a decline in market share from 18.9% to 17.8%.

In the little-cigar category, Consolidated closed the gap on No. 1 R.J. Reynolds, moving up 12 percentage points. Reynolds lost some share, but managed to retain the lead position, while third-place Lorillard was about flat for the year.

In terms of pricing, there was an increase in the sales of mid and premium-price cigars, now accounting for 55.1% and 37.9%, respectively, of the total market. Cigars priced at 8¢ or less have fallen to 7% of total sales.

As noted above, removals of large cigars posted a decline in units, something that has been occurring for quite some time now.

Total taxable removals of large cigars, which include small cigars or cigarillos, were down 3.9% year-to-year. Total unit sales of large cigars were 3,427 million units versus 3,567 million in 1983. It should be noted, however, that the actual sales decline at the consumer level may not be as heavy as indicated by the government taxable removal numbers. In 1983, a cigar company closed a bonded warehouse, which meant it had to pay taxes on all inventories immediately. This continued until 1984, when the company opened a new bonded warehouse, causing an immediate decline in taxable removals as some of the inventory was put on bond and no longer taxed until actually removed.

The cigar industry hopes to partially stem its decline with a continuation of its national advertising campaign. In the past, the campaign has promoted the cigar as a symbol of success and masculine achievement. Unlike the previous campaign, however, the newer ads will promote cigars as a form of relaxation. The campaign is entitled "Relax, have a cigar." Men traditionally begin smoking cigars when they hit 35 to 45, and as more baby-boomers enter "the cigar years" they are trying cigars for the first time.

This influx of first timers should help cigar sales.

The antitobacco propaganda surrounding smokeless tobacco and cigarets has not really affected this group. Dollar sales should continue to rise, both as a result of pricing and unit sales, despite a decline in units. As we become a generally more affluent society, more and more people are trading up to premium-price cigars, the only growth category in terms of total sales dollars. On the flip side of the coin, cigars, particularly little cigars or cigarillos, also are being perceived by some as an economical alternative to other forms of tobacco. In 1984, the average price of a cigar was 20¢.

Many in the industry believe the decline in cigars has bottomed out, and should stabilize over the next few years. The 1985 outlook is for the industry to be flat to down slightly.#

Mr. Maxwell is with Furmann Selz Moger Dietz & Birney Inc., New York.

Cigar market shares

Although unit sales declined for all three categories of the $705 million cigar market last year, dollar sales improved for large and small cigars. Swisher captured the large-cigar segment with a 26.3% share, while Consolidated closed the gap on R.J. Reynolds in the little-cigar category. The industry hopes to light up sales with a new ad campaign pitching cigars as a form of relaxation. Large and small cigars are combined in this table for industry reporting purposes. *Source: John C. Maxwell.*

	1982		1983		1984	
Brand	Units	%	Units	%	Units	%
Large and small cigars						
John H. Swisher & Sons						
King Edward	750	20.7	750	21.2	740	21.6
Others	122	3.4	150	4.2	160	4.7
Total	872	24.0	900	25.4	900	26.3
Consolidated Cigar						
Muriel	316	8.7	300	8.5	288	8.4
Dutch Masters	290	8.0	280	7.9	256	7.5
El Producto	181	5.0	175	4.9	158	4.6
Backwoods	80	2.2	43	1.4	41	1.2
Others	94	2.6	95	2.7	86	2.5
Total	961	26.5	893	25.4	829	24.2
General Cigar						
White Owl	195	5.4	195	5.5	176	5.1
Robert Burns	143	3.9	135	3.8	119	3.5
Tijuana Smalls	70	1.9	65	1.9	58	1.7
William Penn	138	3.8	125	3.5	101	2.9
Garcia y Vega*	102	2.8	100	2.8	110	3.2
Others	40	1.1	50	1.4	47	1.4
Total	688	19.0	670	18.9	611	17.8
American Cigar						
Roi-Tan	75	2.1	64	1.8	50	1.5
Antonio y Cleopatra	167	4.6	164	4.6	148	4.3
La Corona	18	0.5	25	0.7	35	1.0
Casa Silva	—	—	—	—	11	0.3
Others	2	0.1	2	0.1	1	—
Total	262	7.2	255	7.2	245	7.1
Havatampa						
Havatampa	165	4.5	176	5.0	186	5.4
Phillies**	182	5.0	174	4.9	166	4.7
Total	347	9.6	350	9.9	352	10.3
Lorillard						
Erik Filter Natural	69	1.9	67	1.9	62	1.8
Erik Filter Menthol	33	0.9	32	0.9	30	0.9
Erik Filter Cherry	19	0.5	19	0.5	18	0.5
Total	121	3.3	118	3.3	110	3.2
U.S. Tobacco						
House of Windsor	72	2.0	73	2.1	73	2.1
M&N Cigar Mfrs.						
Cuesta-Ray	22	0.6	22	0.6	23	0.7
Rigoletto	33	0.9	35	1.0	36	1.0
Total	55	1.5	57	1.6	59	1.7
Universal Cigar						
Optimo	64	1.8	62	1.8	60	1.8
Corral Wodiska y Co.	32	0.9	33	0.9	34	1.0
Others	155	4.3	156	4.4	154	4.5
Grand total	3,629	100.0	3,567	100.0	3,427	100.0

**Garcia y Vega was sold to General Cigar on March 15, 1982.*

***Phillies was sold to Havatampa June 1, 1982. Units are for full year.*

	1982		1983		1984	
Brand	Units	%	Units	%	Units	%
Little cigars						
Reynolds						
Winchester	686.0	53.9	654.0	48.8	575.0	46.4
Consolidated Cigar						
Dutch Treats	380.0	29.9	515.0	38.4	556.0	44.8
Lorillard						
Omega Natural 85s	14.1	1.1	13.1	1.0	11.3	0.9
Omega Natural 100s	36.5	2.9	35.1	2.6	34.1	2.8
Cherry 100s	5.0	0.4	4.4	0.3	4.0	0.3
Menthol 100s	3.7	0.3	3.4	0.3	3.1	0.2
Total Omega	59.3	4.7	56.0	4.2	52.5	4.2
Between the Acts (90mm)	40.5	3.2	39.9	3.0	37.9	3.0
Madison (80mm)	26.9	2.1	26.1	1.9	24.4	2.0
Total	126.7	10.0	122.0	9.1	114.8	9.2
American Cigar						
Roi-Tan (85mm, 100mm-F)	12.0	0.9	10.0	0.7	7.0	0.6
Antonio y Cleopatra (100mm-F)	16.0	1.3	18.0	1.3	10.0	0.8
Total	28.0	2.2	28.0	2.1	17.0	1.4
Change in inventory	51.3	4.0	22.0	1.6	(22.8)	(1.8)
Grand total	1,272	100.0	1,341	100.0	1,240	100.0

New theme from s&l's: Trust us

By JANET MEYERS

WASHINGTON—The financial panic that infected Ohio and Maryland savings institutions is spawning a revision by financial institutions in their advertising. The thrust is switching from traditional services to reassuring customers.

With tv news cameras panning across long lines of irate customers demanding to withdraw their nest eggs, savings & loans are trying to win back the public's shaken confidence.

"Confidence" is the new buzzword at the Foundation for Savings Institutions, the trade association representing federally insured s&ls. FSI next month will start a tv blitz emphasizing federal deposit insurance (AA, May 23).

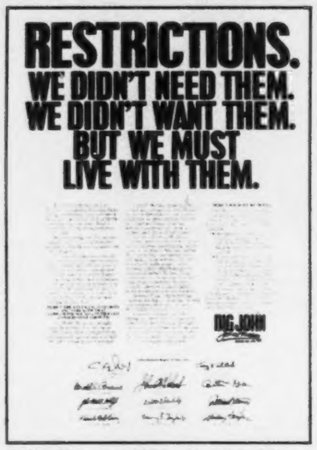
The association, which represents 2,000 s&ls, is buying $2 million of network news time over 60 days, starting June 2, to offset the imagery damage inflicted by the failures of three privately insured institutions and the continuing shaky status of others undergoing financial reorganization.

FSI's tv ads zero in on the U.S. Capitol as a symbol of permanence and federal solidity. The Federal Savings & Loan Insurance Corp. logo, which resembles a building cornerstone, also appears prominently, especially in FSI's page ads for *USA Today* (AA, May 27).

"I wish we could put a stamp on it—'new and improved,'" FSI president Mike Stevenson said of the FSLIC logo.

FSI's 30-second tv spot underlines U.S.-insured security, saying FSLIC "has the full faith and credit of the United States government standing behind it. Your money is safe. Not only because it's insured but because of who insures it." Backer & Spielvogel, New York, handles the campaign.

Banks and s&ls here and in Maryland are using their own tactics for stressing their strength and federal protection.



RESTRICTIONS.
WE DIDN'T NEED THEM.
WE DIDN'T WANT THEM.
BUT WE MUST
LIVE WITH THEM.

John Hanson S&L, the third-largest privately insured s&l in Maryland, produced an ad resembling the Declaration of Independence soon after the crisis in that state. Weitzman Dym, Greenbelt, Md., handles.

Soon after Maryland imposed a $1,000-a-month withdrawal limit at privately insured s&ls, Beltsville-based John Hanson Savings & Loan, the third-largest privately insured s&l in the state, ran a page ad signed by its board.

The ad was designed to resemble the Declaration of Independence and was headlined "Restrictions. We didn't need them. . .but we must live with them."

Future ads for John Hanson will stress that "we've been strong all along," said advertising director Stuart Clode.

If Hanson gets federal approval to be covered by FSLIC, its new campaign will emphasize an "additional layer of security is afforded by the federal insurance" and customers "can rely on our stability," Mr. Clode said.

Weitzman Dym, Greenbelt, Md., handles Hanson's advertising.

In the District of Columbia, Washington Federal Savings & Loan's ads show a "security blanket" made from the FSLIC logo.

Other s&ls and banks are featuring the word "federal" prominently in their advertising, emphasizing the U.S. government backing of all deposits and securities up to $100,000.

Washington Federal foresaw problems with "over-all image" last year, said Thomas Riley, senior vp and corporate secretary. Initially, it dropped the words "savings & loan" from its letterhead and advertising, replacing them with the slogan "Banking with confidence."

The s&l handles its advertising in-house.

It was the problems in Maryland that moved FSI into a new direction in its advertising, turning away from promoting "products," such as Individual Retirement Accounts, and embracing a confidence theme.

Mr. Stevenson said he had hoped in March that "Ohio might be just a fluke," but events proved him wrong. After two s&ls insured by the privately owned Maryland Savings Share Insurance Corp. went into conservatorship in early May, Mr. Stevenson realized something had to be done quickly.

"Let's face it, our customer base is not the most sophisticated investor," he said. "In monitoring the situation, our research showed panic was on the horizon."

The American Banking Assn., however, plans no special advertising, noting that its research says consumers are confident if financial institutions have FSLIC or FDIC (Federal Deposit Insurance Corp.) emblems on the door.

Most Maryland s&ls have applied for federal backing. Privately insured s&ls in other states—Massachusetts, North Carolina and Oklahoma—also are seeking federal insurance and plan to focus on that new affiliation in advertising.

"We'll get ad campaigns about federal insurance to the point of boring people to death," said Kevin O'Keefe, president of Gilbert Sandler & Associates, Baltimore, which handled advertising for the now defunct MSSIC.#

CATEGORY REVIEW: COLD REMEDIES

Ill wind blows drug marketers good

COMTREX
WE KEEP AMERICA ON ITS FEET.
CONTAC
VICKS NYQUIL THE NIGHTTIME SNIFFLING SNEEZING COUGHING ACHING STUFFY HEAD FEVER SO YOU CAN REST MEDICINE
NyQuil
ACTIFED
AVAILABLE WITHOUT A PRESCRIPTION

Burroughs Wellcome, with its successful Actifed, is shaking up the fight for space in the home medicine cabinet.

By NANCY GIGES

Much as Johnson & Johnson's Tylenol nonaspirin analgesic swept aside old aspirin pain killers in the 1970s, Burroughs Wellcome has rushed to market leadership in the $750 million cold-remedy category.

Long known as a marketer of prescription drugs, Burroughs has dislodged faltering Dristan to capture close to 20% of the market with its brands, Actifed and Sudafed. Just 10 years ago, Dristan alone claimed a 22% share of the cold-remedy market; today, it claims about 7%.

Even more remarkable, Burroughs made its big move into the over-the-counter cold-remedy market during some of the category's leanest years. Starting last year with Actifed and following this year with Sudafed, the Research Triangle Park, N.C.-based company began putting heavy media dollars behind the two brands. This year, the company invested an estimated $12 million each in measured media to promote the cold remedies via Rumrill-Hoyt, New York.

They appear to have hit the market right on the nose.

For some years now, makers of cold remedies have been complaining—with some embarrassment—of a relatively low incidence of colds, flu and other respiratory diseases. This year, when areas all across the country began reporting more such ailments, especially the flu, the same marketers knew they had a chance for good gains despite heavy competition in the category. (Based upon laboratory diagnoses, the incidence of flu during the past cold and flu season was about 2½ times what it was in 1982, according to the federal government's Centers for Disease Control, Atlanta.)

Unit sales of cold remedies rose about 8% over-all, compared with a normal 1% to 2%. The January/February period was unusually strong, with 10% gains. Marketers also were pleased that the kinds of illness going around produced a variety of symptoms and encouraged consumers to purchase multisymptom products.

In the cold-remedy category, where the biggest brands usually hold less than a 15% market share, a greater incidence of illness alone does not guarantee success. Every year, several new entries and line extensions join this category as well as the separate $300 million cough segment.

In this regard, the winter of 1984-85 has been good not only for newcomers to the over-the-counter category, such as Actifed and Sudafed, but also for some brands banking on rejuvenation—such as SmithKline Beckman's Contac. Bristol-Myers, New York, and Schering-Plough, Kenilworth, N.J., also said they were pleased with the performances of their cold-remedy products this season.

"We are very satisfied with our growth and with our new ad campaign," said Victor Galef, vp-marketing, SmithKline Beckman, Philadelphia. "We experienced period-to-period growth of significance that we haven't seen for some time."

In addition to shifting to a more upbeat ad campaign for Contac, SmithKline introduced another cold remedy, called Congestac. Although not expected to grow into a major brand, Mr. Galef said it obtained a respectable share. The Contac campaign by BBDO, New York, features singing and dancing, essentially depicting "wellness" instead of illness.

Leading players

Backed by major ad campaigns and prescription-only pedigrees, Actifed and Sudafed have moved to positions of market leadership in the crowded ranks of over-the-counter cold remedies. Marketers report unit sales of cold remedies rose about 8% over-all during the recent flu season, a big increase compared with the normal 1%-2% rise. *Source: Advertising Age.*

Manufacturer	Brand	Share (%)	Agency
Burroughs Wellcome	Actifed	10	Rumrill-Hoyt
SmithKline Beckman	Contac	10	BBDO
Richardson-Vicks	NyQuil	10	Benton & Bowles
Burroughs Wellcome	Sudafed	9	Rumrill-Hoyt
American Home Products	Dristan	7	William Esty Co.
Miles Laboratories	Alka-Seltzer Plus	6	Wells, Rich, Greene
Bristol-Myers	Comtrex	5	Laurence, Charles & Free
Schering Corp.	Drixoral	5	(no consumer ads)
Johnson & Johnson	Co-Tylenol	3	Saatchi & Saatchi Compton
Procter & Gamble	Head & Chest	2	Leo Burnett USA

Actifed, which soared to compete among the category leaders a year ago when the company began advertising the former prescription-only product, continued to perform well. The brand is tied with Richardson-Vicks' NyQuil and Contac to lead the category, each with about a 10% market share. (NyQuil is the only liquid among the cold-remedy leaders.)

Just behind the leaders, at 9%, is Burroughs' Sudafed, which made its move when the company increased its marketing investment in the product this year.

Burroughs continued to use former astronaut Wally Schirra in advertising for Actifed. The astronaut explains in tv commercials that "in zero gravities, sinuses don't drain and noses don't run, so cold tablets really have to work." He says Actifed worked for him. "No wonder it was the cold tablet specified most by doctors for 10 years before becoming available over the counter." For Sudafed, Burroughs simply hammered home the message that it doesn't make you drowsy and "goes to work in just 22 minutes."

While not especially creative, these were new claims to the category, one source noted.

R-V maintained its NyQuil business with new executions of the campaign that shows NyQuil users resting peacefully while those trying other brands toss and turn through the night. Benton & Bowles, New York, handles.

The conversion from prescription to otc sales, which requires Food & Drug Administration approval, is not always as easy as Burroughs makes it appear.

Schering-Plough, which had a string of successful conversions under its belt in other drug categories, moved Drixoral into the otc market in the fall of 1982 with the hope of leading the category. Executives predicted that Drixoral would upset the whole market even without any consumer advertising. Drixoral certainly has attained a respectable market share at 5%, but is not pushing the market leaders now. The brand's share goes as high as 13% in drug outlets but falls dramatically in food outlets, which account for somewhat more than half of total category sales.

Howard Schwartz, senior brand manager, Schering's otc products, said the company is "looking seriously" at consumer advertising to boost the brand's share.

"We are very happy with the results we've achieved," said Mr. Schwartz. "To get that sort of share without any advertising is remarkable. But because of the size of the category and the noise level, we have to take a close look at consumer advertising."

Another struggling brand is Procter & Gamble's Head & Chest, whose 2% share of last year weakened even more this season. A spokesman said the company still is learning about the category. Pharmacraft's effort to enter the category with Cold Factor 12, a liquid 12-hour remedy, also had a dismal showing, and there are reports that the brand will be dropped.

While a 7% market share would be sweet music to most product managers, it's painful to executives at American Home Products, whose Dristan dominated the cold-remedy category during the 1960s and 1970s. Newer entries and upgrading of claims for old ones have cut into this brand's share heavily. While AHP has added the new entries to its comparative advertising in making superiority claims for Dristan, the company has stuck to its story of offering more ingredients than other brands. William Esty Co., New York, handles. AHP declined to comment.

Other brands in the middle of the fray include Miles Laboratories' Alka-Seltzer Plus with a 6.5% share, Bristol-Myers' Comtrex with a 5.5% share and Johnson & Johnson's Co-Tylenol with a 3% market share.

But as consumer interest in self-medication continues, remedies such as Actifed, Sudafed and Drixoral may have a decided advantage. Not only do they build upon their strengths as former prescription-only drugs, they come into the market with positive backing from doctors, pharmacists and health-care professionals. In an already crowded category, that may be the best prescription for success.#

NU probes media planning

EVANSTON, ILL.—Northwestern University will sponsor a two-day symposium June 26 and 27 entitled "New Directions in Media Planning."

The conference is open to media planners and other advertising professionals. It is being organized by the advertising department in NU's Medill School of Journalism.

Conference fee is $175, including seminars and meals. For more information, call (312) 491-2060.#

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Newspaper Advertising MRCS/SAU Inches

March 1985 vs. March 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	88,297	22,469	100,005	23,356
Beacon Journal (S)	91,527	12,142	64,604	8,918
Grand Total	179,824	34,611	164,609	32,274

NOTE: Part run figures supplied by publisher to Media Records

ATLANTA, GA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Constitution (M)	179,143	39,311	185,307	43,680
Journal (E)	176,962	39,315	174,473	38,630
Journal & Constitution (S)	159,276	69,697	119,336	50,418
Journal & Constitution (Sat)	47,416	—	42,753	—
Grand Total	562,797	148,323	521,869	132,728

NOTE: Constitution Morning and Journal Evening published five days a week only

BALTIMORE, MD

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News-American (S)	37,929	10,595	26,794	2,798
News-American (E)	36,436	5,245	42,739	5,485
Sun (M)	109,863	3,366	116,552	4,108
Sun (E)	84,874	3,366	94,165	4,107
Sun (S)	166,718	39,348	123,167	23,615
Grand Total	435,820	61,921	403,417	40,113

NOTE: Sun Morning and Sun Evening started publication of a combined Saturday edition effective March 24, 1984. The activity is shown only in the Sun Morning listing.

BERGEN COUNTY, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Record (E)	142,432	19,606	138,139	20,325
Record (S)	168,025	36,480	117,912	17,976
Grand Total	310,457	56,086	256,051	38,301

NOTE: Record Evening published five days a week only

BOSTON, MA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	45,131	—	42,147	—
Herald (S)	19,912	31,809	23,660	10,733
Globe (M)	130,058	8,959	133,687	10,859
Globe (S)	203,723	25,021	157,788	17,591
Grand Total	398,824	65,789	357,282	39,183

NOTE: Globe changed from All Day publication to Morning publication effective April 2, 1984.

BUFFALO, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (AD)	98,224	21,478	104,856	18,345
News (S)	56,707	38,423	42,959	23,281
Grand Total	154,931	59,901	147,815	41,626

CAMDEN, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier-Post (E)	109,966	20,245	113,333	18,535
Courier-Post (S)	63,131	5,771	48,349	—
Grand Total	173,097	26,016	161,682	18,535

CHARLOTTE, NC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (E)	72,721	—	73,262	—
Observer (M)	119,382	—	110,045	—
Observer (S)	81,784	—	58,614	—
Grand Total	273,887	—	241,921	—

NOTE: News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Sun Times (M)	121,274	60,824	140,820	53,125
Sun-Times (S)	72,139	50,077	51,792	36,266
*Tribune (AD)	128,745	220,109	125,251	184,210
*Tribune (S)	132,511	88,049	115,967	96,362

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 3/4/85 through 3/31/85

CINCINNATI, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Enquirer (M)	151,227	6,539	142,677	12,701
Enquirer (S)	156,200	8,092	105,759	5,010
Post (E)	73,001	33,005	62,448	11,174
Grand Total	380,428	47,636	310,884	28,885

CLEVELAND, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Plain Dealer (M)	132,549	23,519	134,238	25,228
Plain Dealer (S)	135,269	6,693	93,407	10,320
Grand Total	267,818	30,212	227,645	35,548

DALLAS, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	310,604	13,778	311,413	17,842
News (S)	210,145	11,430	157,954	15,915
Times-Herald (AD)	259,296	16,807	265,843	15,163
Times-Herald (S)	157,565	14,949	120,013	19,740
Grand Total	937,511	56,964	855,223	68,660

DENVER, CO

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Rocky Mt. News (M)	294,117	1,456	290,298	—
Rocky Mt. News (S)	108,569	1,219	75,858	—
Post (M)	172,216	11,262	165,011	7,657
Post (S)	137,224	3,770	113,120	556
Grand Total	712,126	17,707	644,287	8,213

DETROIT, MI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Free Press (M)	94,557	33,041	92,015	41,740
Free Press (S)	53,536	33,786	40,293	14,267
News (AD)	131,416	34,311	112,755	76,950
News (S)	106,259	26,860	80,549	14,828
Grand Total	385,768	127,998	325,612	97,785

FORT LAUDERDALE, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News & Sun Sentinel (S)	151,244	41,659	128,667	31,623
Sun Sentinel (M)	341,129	66,397	353,814	63,849
Grand Total	492,373	108,056	482,481	95,472

NOTE: 1985 part run and 1984 full run and part run figures supplied by publisher to Media Records. Morning figures include the Saturday Edition.

FORT WAYNE, IN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal Gazette (M)	63,724	—	68,020	—
Journal Gazette (S)	72,620	—	46,369	—
News Sentinel (E)	74,419	—	76,029	—
Grand Total	210,763	—	190,418	—

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Time (E)	78,348	548	80,475	—
Time (S)	69,198	—	39,934	—
Advocate (E)	101,763	1,667	106,755	—
Advocate (S)	71,122	—	41,973	—
Grand Total	320,431	2,215	269,137	—

HARTFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courant (M)	135,127	24,588	134,909	25,537
Courant (S)	94,112	128,153	73,257	111,982
Grand Total	229,239	152,741	208,166	137,519

HONOLULU, HI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Advertiser (M)	111,127	—	125,614	—
Star-Bulletin (E)	101,455	—	114,845	—
Star-Bulletin & Advertiser (S)	88,235	—	74,072	—
Grand Total	300,817	—	314,531	—

HOUSTON, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (AD)	291,553	34,325	360,430	36,267
Chronicle (S)	164,432	43,484	130,653	28,413
Post (M)	182,484	36,919	224,837	29,401
Post (S)	88,312	55,488	67,364	23,946
Grand Total	726,781	170,216	783,284	118,027

LONG BEACH, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Press Telegram (M)	93,507	—	110,532	—
Press Telegram (S)	66,539	—	44,851	—
Grand Total	160,046	—	155,383	—

LONG ISLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Newsday (E)	175,371	46,637	164,256	47,487
Newsday (S)	112,978	85,361	82,309	47,307
Grand Total	288,349	131,998	246,565	94,794

LOS ANGELES, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	301,321	282,905	310,650	237,002
Times (S)	209,733	100,506	162,496	84,717
Herald-Examiner (M)	57,718	12,903	53,262	15,302
Herald-Examiner (S)	15,372	10,466	13,573	6,585
Grand Total	584,144	406,780	539,981	343,606

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	191,571	25,757	189,519	15,235
News (S)	98,751	10,324	69,823	7,404
Grand Total	290,322	36,081	259,342	22,639

***LOS ANGELES/TORRANCE, CA**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Breeze (E & S)	203,699	—	182,074	—
Grand Total	203,699	—	182,074	—

NOTE: Figures supplied by publisher to Media Records

***LOUISVILLE, KY**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier Journal (M)	98,426	36,932	89,909	44,327
Times (E)	95,086	53,840	89,404	53,249
Courier Journal (S)	72,507	82,964	56,638	59,298
Grand Total	266,019	173,736	235,951	156,874

NOTE: Figures supplied by publisher to Media Records

MIAMI, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	173,986	—	192,992	—
Herald (S)	119,885	—	97,881	—
News (E)	67,103	—	76,927	—
Grand Total	360,974	—	367,800	—

NOTE: Part run figures not available

MINNEAPOLIS, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star & Tribune (AD)	102,506	19,561	100,441	25,145
Star & Tribune (S)	159,130	2,404	117,605	641
Star & Tribune (Sat)	30,058	—	28,224	—
Grand Total	291,694	21,965	246,270	25,786

***NASHVILLE, TN**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Banner (E)	106,218	—	97,148	—
Tennessean (M)	109,348	—	101,751	—
Tennessean (S)	108,280	—	64,942	—
Grand Total	323,846	—	262,841	—

NOTE: 1985 figures supplied by publisher to Media Records

NEW BRUNSWICK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Home News (E)	79,679	—	—	—
Home News (Sun)	79,057	2,209	—	—
Grand Total	158,736	2,209	—	—

NOTE: 1984 figures not available

NEW YORK, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	163,297	14,255	164,900	15,901
Times (S)	242,909	110,048	197,889	95,455
News (M)	58,782	106,989	65,328	90,123
News (S)	37,415	92,293	27,985	60,680
Post (AD)	55,886	1,145	58,352	—
Grand Total	558,289	324,730	515,454	262,159

NEWARK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Ledger (M)	189,535	5,531	190,643	5,568
Star Ledger (S)	208,403	31,060	142,674	26,222
Grand Total	397,938	36,591	333,317	31,790

OAKLAND, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (M)	80,710	47,590	92,359	20,253
Tribune (S)	59,542	41,167	45,495	21,595
Grand Total	140,252	88,757	137,854	41,848

ORANGE COUNTY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Register (AD)	293,967	71,981	294,828	49,729
Register (S)	152,796	6,638	109,270	9,943
Grand Total	446,763	78,619	404,098	59,672

PHILADELPHIA, PA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Inquirer (M)	159,600	49,313	160,758	49,945
Inquirer (S)	142,626	54,273	108,285	32,268
News (E)	77,309	8,095	80,253	2,881
Grand Total	379,535	111,681	349,296	85,094

***PHOENIX, AZ**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Arizona Republic (M)	282,028	15,953	270,062	16,132
Arizona Republic (S)	189,528	—	175,366	—
Gazette (E)	268,619	18,752	262,015	15,721
Grand Total	740,175	34,705	707,443	31,853

NOTE: Figures supplied by publisher to Media Records

ROCHESTER, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Democrat & Chronicle (M)	85,131	11,314	90,216	9,966
Democrat & Chronicle (S)	82,860	20,232	58,365	12,740
Times Union (E)	68,735	13,521	77,909	9,233
Grand Total	236,726	45,067	226,490	31,939

NOTE: Times Union Evening published five days a week only

SACRAMENTO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Bee (M)	217,690	11,436	214,922	13,884
Bee (S)	128,530	13,830	87,320	3,138
Grand Total	346,220	25,266	292,242	17,022

***ST. LOUIS, MO**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post Dispatch (M)	94,455	32,362	89,088	30,109
Post Dispatch (S)	144,275	—	97,091	—
Grand Total	238,730	32,362	186,179	30,109

NOTE: Figures supplied by publisher to Media Records

ST. PAUL, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Pioneer Press Dispatch (AD)	91,719	—	79,154	—
Pioneer Press Dispatch (S)	117,749	—	89,080	—
Dispatch (E)	—	—	83,223	—
Grand Total	209,468	—	251,457	—

NOTE: Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition, Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Express-News (AD)	131,636	11,483	128,129	19,069
Express-News (S)	120,664	14,955	74,109	16,976
Express-News (Sat)	49,409	—	49,752	—
News (E)	—	—	125,752	13,719
Light (AD)	118,516	26,514	112,862	21,357
Light (S)	100,429	25,385	73,064	19,457
Light (Sat)	43,384	—	38,569	—
Grand Total	564,238	78,337	602,237	90,578

NOTE: Express Morning and News Evening combined to one edition, Express News All Day effective September 10, 1984. The Express Morning activity is shown in the Express News All Day listing. Prior to September 10, 1984 Express Morning and News Evening published five days a week only.

Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Union (M)	217,340	20,048	212,168	13,597
Union (S)	150,102	—	110,435	—
Tribune (E)	215,546	25,569	218,147	9,912
Grand Total	582,988	45,617	540,750	23,509

SAN FRANCISCO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (M)	127,677	52,986	127,469	49,924
Examiner (E)	124,178	54,614	124,525	49,316
Examiner & Chronicle (S)	88,373	55,284	70,165	31,836
Grand Total	340,228	162,884	322,159	131,075

SAN JOSE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Mercury News (AD)	274,309	26,569	272,792	31,503
Mercury News (S)	181,425	1,260	125,193	—
Grand Total	455,734	27,829	397,985	31,503

SHREVEPORT, LA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal (E)	79,247	4,047	77,821	7,121
Times (M)	106,292	12,218	102,005	17,418
Times (S)	79,673	9,703	54,693	6,991
Grand Total	265,212	25,968	234,519	31,530

***STATE COLLEGE, PA**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Centre Times (E)	84,607	9,080	68,108	794
Centre Times (S)	35,912	542	22,991	—
Grand Total	120,519	9,622	91,099	794

NOTE: Figures supplied by publisher to Media Records

SYRACUSE, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald Journal (E)	82,198	22,928	81,061	17,006
Herald American (S)	61,149	29,872	44,772	18,641
Post-Standard (M)	74,968	28,163	70,375	21,196
Grand Total	218,315	80,963	196,208	56,843

***TOLEDO, OH**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Blade (E)	84,261	—	83,333	—
Blade (S)	96,371	—	71,578	—
Grand Total	180,632	—	154,911	—

NOTE: Figures supplied by publisher to Media Records

WASHINGTON, DC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	273,367	41,762	280,180	28,108
Post (S)	183,852	31,238	134,649	35,075
Grand Total	457,219	73,000	414,829	63,183
Alexandria Journal (M)	66,352	—	53,602	59
Prince George's Journal (M)	57,822	1,668	48,139	—
Montgomery Journal (M)	56,175	1,668	48,694	59
Fairfax Journal (M)	68,835	870	56,358	—
Arlington Journal (M)	66,552	518	53,682	59

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

***WEST PALM BEACH, FL**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	220,883	45,526	225,881	33,030
Times (E)	182,359	4,523	181,648	812
Post (S)	191,936	20,108	151,128	12,872
Grand Total	595,178	70,157	558,657	46,714

NOTE: Figures supplied by publisher to Media Records.

Times Evening published five days a week only

WESTCHESTER ROCKLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Reporter Dispatch (E)	77,073	14,044	82,672	18,257
Reporter Dispatch (S)	84,233	21,002	55,134	11,255
Grand Total	161,306	35,046	137,806	29,512

WICHITA, KS

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Eagle-Beacon (M)	115,934	—	113,190	—
Eagle-Beacon (S)	84,295	—	65,871	—
Grand Total	200,229	—	179,061	—

NOTE: Part run figures not available

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS/SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

Crain's Magazine of the Creative Process
$1.25 a copy. $55 a year
June 6, 1985

Thursday

Special Report: Licensing—gaining in popularity as a marketing tool

Three you'll be seeing more of: Renata Vackova (top), Stephanie Seymour (left, above) and Roseann Apodaca.

THE HOT FASHION MODELS

Yasmine: At 20, she combines good looks, personality and the ability to move well before the camera.

AA
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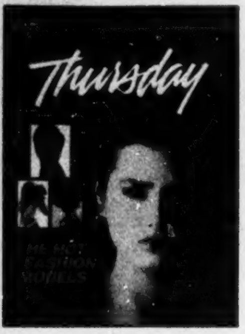
WASHINGTON DC 20014

In the news

The Continental touch



Moving into the elite ranks of modeling isn't easy. A European tour is nearly as de rigueur for young models today as it once was for emerging socialites, and only a few escape the trek. Agencies, model editors and photographers have cut a handful of classic beauties and exotic faces from the pack and put them in line as successors to the throne of superstardom. *See Page 5.*

On hold

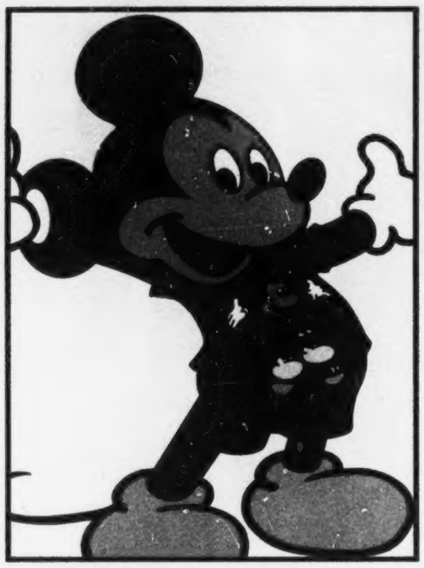
Twin Cities ad executive Gene Okerlund went to the mat to promote the World Wrestling Federation—and got stomped in the back by 320-lb. Hulk Hogan for his efforts. Proving that pro wrestling wasn't a safe place for a 42-year-old adman in black tights, Mr. Okerlund returned to his job as WWF announcer, where he is known as "Mean Gene Okerlund," a man who wears black suits, interviews sweating behemoths and earns more than $100,000 a year. *See Page 6.*

Diet Sun shine

Grey Advertising faced no easy task in creating commercials for General Foods' new Diet Sun powdered soft drink. Though it is a drink mix, Diet Sun essentially competes with other refreshment beverages in general. Agency executives developed a theme—"It's a 10"—hoping the number would suggest a range of meanings. "A delicious ambiguity" is how Richard Karp, exec vp-creative director, describes it. *See Page 37.*

Special Report

Licensing



Licensing is gaining prominence as a marketing tool. Some licenses that have found long-lived success and others that are getting started are profiled in Special Report, *starting on Page 15.*

Presstime

'U.S. News' reviews shops

New York—*U.S. News & World Report* is conducting an agency review for its $1.5 million trade advertising account, now at Foote, Cone & Belding. The incumbent, which has had the account nearly three years, is participating in the review. The weekly expects to introduce a new campaign in the fall.

Western eyes Chiat, others

Los Angeles—Western Airlines is talking to Chiat/Day; Foote, Cone & Belding, and Dailey & Associates, plus several other agencies, in a review of its approximately $20 million account. The business currently is at Doyle Dane Bernbach/West. Western was dissatisfied with the fall campaign DDB created, reliable sources say.

Swensen in 'Goonies'

New York—Warner Bros.' "The Goonies," a Steven Spielberg film to bow June 7 (AA, May 9, *et seq.*), includes product placement for Swensen's Ice Cream Co. and Yamaha Motor Corp. USA, via Krown Inc., Beverly Hills.

Praising Pioneer spirit

Long Beach, Cal.—Pioneer Electronics (USA) breaks a $9 million corporate-image campaign June 17 on MTV: Music Television. Themed "Catch the spirit of a true pioneer," the spots also will run on network and spot tv and in movie theaters. Five testimonial print ads, themed "I'm a pioneer and I'm proud of it," support in July consumer magazines. The campaign is the first work for Pioneer from Dancer Fitzgerald Sample, Torrance (AA, March 18).

Toshiba teases for CES

Wayne, N.J.—Toshiba America this week broke a $10 million effort for its videocassette recorder line with teaser tv spots in Chicago during the Consumer Electronics Show. Toshiba introduced its first VHS-format machines at the show. Calet, Hirsch & Spector, New York, handles.

CBS seeks FCC aid

New York—CBS Inc. has asked the Federal Communications Commission to reject Ted Turner's proposed $5.4 billion bid for the company. CBS claims the merger would be financially devastating to the network. Separately, the CBS affiliates advisory board and nearly 100 affiliates have filed their own petitions with the FCC, which mostly echoed CBS' position.

Viacom still wants WACCI

Las Vegas—Sources at Viacom International attending the National Cable Television Assn. convention here say the New York-based company is considering sweetening its $700 million bid for Warner Amex Cable Communications Inc. Such a move would follow the $750 million joint offer by Time Inc., New York, and TeleCommunications Inc., Englewood, Colo., the country's two largest cable system operators (AA, May 30, *et seq.*). Sources also say officials at Showtime/Movie Channel—which is owned by Viacom, WACCI and Warner Communications—are worried a Time/TCI buyout would hurt the

(Continued on Page 43)

REGULAR FEATURES

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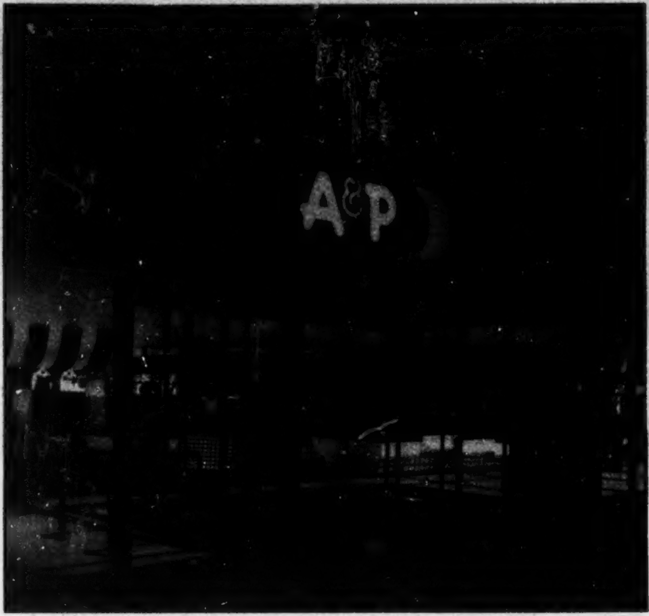


Black glass, cafe-style windows studded with reproductions of A&P's successive logos front the company's "futurestore" in Allendale, N.J.

No gray areas in A&P future

By Judann Dagnoli

The bold design of A&P's prototype "futurestore" in Allendale, N.J., is drawing raves—and greenbacks—from grocery shoppers.

"When I come in here, I'm on sensory overload," one customer said recently. "It's like Christmas shopping at Bloomingdale's. My rods and cones go crazy."

Dusting off its old image, the Great Atlantic & Pacific Tea Co. has used an ultramodern style and contrasting black-and-white color scheme in its store of the future, and it already has paid off in the present. Sales have doubled, according to Michael Rourke, vp-marketing and corporate affairs.

The futurestore, with a facade of black glass cafe windows, seems incongruous in this snug New Jersey community. The store's tunnel-like entry gives way to a deceptively minimalist interior. Stark graphics, the use of only two contrasting colors and an unusually spacious layout give grocery shopping the feel of an odyssey.

Design

The aisles are few: Attention is drawn to freestanding displays labeled with enormous pictographs—cutout representations of merchandise—all, of course, in black-and-white. The store directory, in luminous ebony, lists foodstuffs and their locations alphabetically. The mirrored courtesy desk also serves as a kiosk, flashing blue neon messages to customers.

Individual departments are stressed. Attention is flagged to the deli department by its black-and-white canopy. The eye is drawn to the produce department by oversize black representations of bananas, grapes and artichokes. Likewise, the meat department sports graphics of pigs; the frozen-food department, huge ice-cream cones.

The futurestore seems a radical departure for the 125-year-old A&P, which long has been considered behind the times by other retail food chains. The Montvale, N.J.-based company, however, struggling to recover from heavy financial losses in the 1970s, is putting on a new face for the '80s. Mr. Rourke sees the futurestore as a logical progression for the company.

"It's a contemporary look, but the black-and-white maintains the traditional feel of A&P," he says. "The colors reflect back to the turn of the century, when black-and-white graphics were often used."

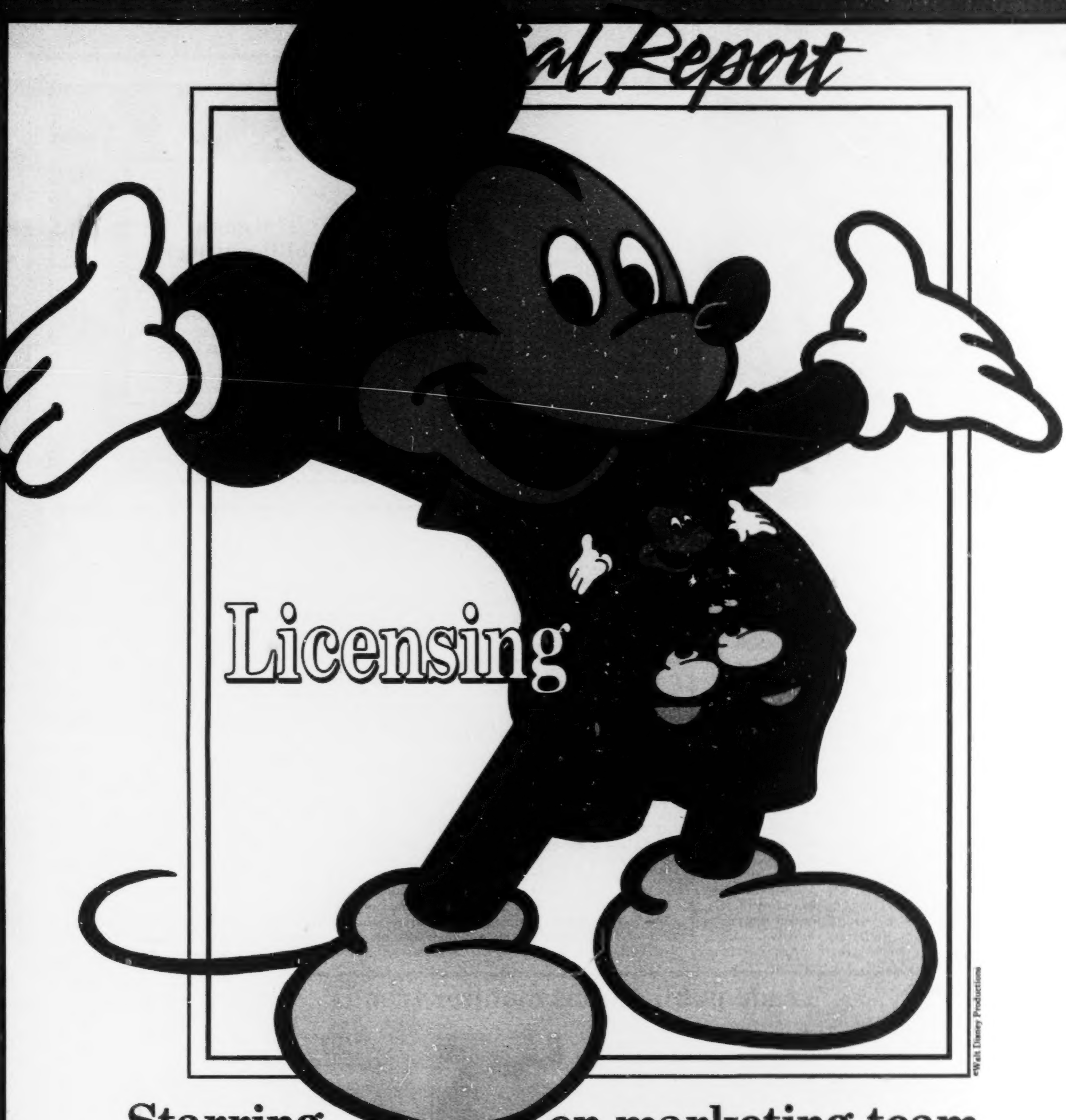
This blend of modern and traditional is the result of a three-year joint effort by the company's property development department and the Manhattan industrial design company, Robert P. Gersin Associates. The cost, Mr. Rourke maintains, is "proprietary information."

The store is attracting a more eclectic shopper than average. Scattered among the standard canned goods, dairy products and the company's hallmark coffee, one finds fresh floral arrangements, wicker furniture, tureens of hot soup, a salad bar, live lobsters and made-to-order pizza. The concept, says Mr. Rourke, is "a boutique atmosphere.

"We are envisioning the future look of our superstores," he states. And the wave of the future, as the company sees it, is specialty products and services. The futurestore capitalizes on that trend by incorporating "many little stores in one big store." Each A&P branch will carry different products, the offerings to be determined by demographics.

The futurestore in a suburban upper-middle-class community therefore will cater to more yuppie tastes than would a contemporary in a low-income environment. The main unifying element will be the color scheme, which A&P hopes to make its trademark.

Plans call for 60 futurestores by 1989, depending on customer reaction. So far, Mr. Rourke claims the reaction is overwhelmingly positive—and he has the receipts to prove it.#



©Walt Disney Productions

Licensing

Starring on marketing team

By Joanne Y. Cleaver

Unless you've been locked in a consumer time capsule, you'll recognize such licensed properties as Mickey Mouse, Snoopy, Gloria Vanderbilt, the New York Mets, Garfield, Coke and Care Bears.

Before the year is out, you likely will be familiar with Mirthworms, United States Basketball League, Henri Mouse, Harve Benard, Stompers, SweetSea, Kindles, Shagg E. Dawg and—no kidding—Runny Nose.

New launches such as these are crowding the licensing seas, but instead of smooth sailing, they're likely to find turbulent waters in the 1980s. Industry insiders are unanimous in their opinion that a shakeout is under way. The licensing field is crowded in most categories, including toys and children's items, designers and entertainment. Only corporate licensing still is gaining momentum, industry observers say.

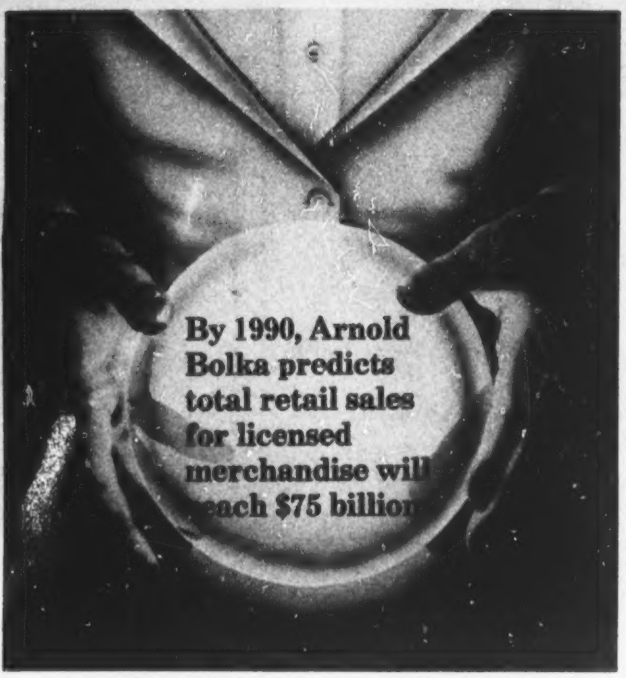
Even as the stars continue to rise and fall, licensing is becoming entrenched as a marketing tool. Competition is forcing marketers to develop sophisticated plans for advertising and to sell whole licensing programs, rather than single-shot products.

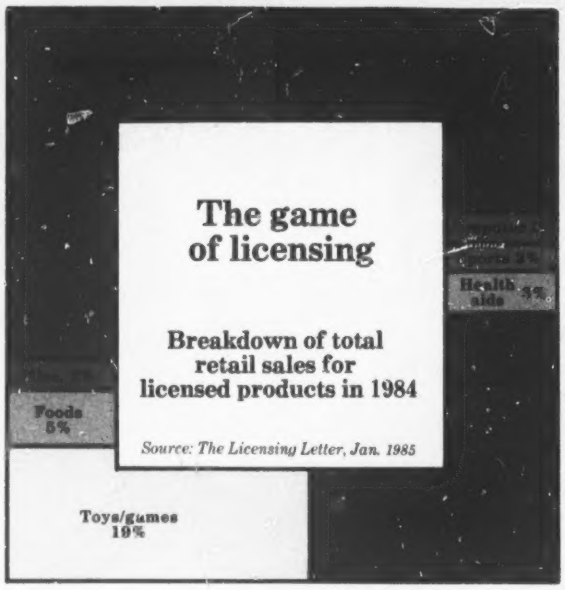
Licensing is not new. In 1904, Brown Shoe Co. purchased rights to use the name of Buster Brown, a popular turn-of-the-century comic strip character, to promote its line of children's shoes at the St. Louis World's Fair. The 1930s saw the inception of such classics as Mickey Mouse, Donald Duck and other Disney properties, and a handful of marketers and entertainers lent their names to others' products.

But in those days, the creator or owner of the licensed property considered it a fair trade when he granted the licensee permission to apply the image or design to the licensee's product. The creator got free publicity and wider recognition of his property; the licensee was able to benefit from the presumed

(Continued on Page 16)

Joanne Y. Cleaver is a frequent contributor to Special Report.


By 1990, Arnold Bolka predicts total retail sales for licensed merchandise will reach $75 billion


The game of licensing

Breakdown of total retail sales for licensed products in 1984

Source: The Licensing Letter, Jan. 1985

Starring

(Continued from Page 15)

popularity of the property and take sales and market share from competitors with generic products.

In the 1950s and 1960s, licensing started to emerge as a stronger marketing tool, but it wasn't until the late 1970s that it mushroomed, thanks to a sugary-sweet character born to be licensed.

"Strawberry Shortcake really broke the barrier," says Michael Sisson, a licensing consultant and president of Sisson Associates, New York. "Then other manufacturers looked at what Strawberry Shortcake had done and said, 'If they can do it, I can too.'"

With that realization came another revelation—licenses could be money makers. Licensers that had been granting permission for others to use their properties without a fee no longer were satisfied with the intangible good will brought by the exposure. They wanted cash—and they got it. Virtually overnight, properties were transformed from marketing afterthoughts to prime prospects for marketing in their own right, says Arnold Bolka, publisher of "The Licensing Letter," a Scottsdale, Ariz.-based trade newsletter.

In 1977, licensing was a $4 billion industry in the U.S.; last year, retail sales exploded to an estimated $40 billion—50% more than in 1983, according to "The Licensing Letter." In 1985, sales are expected to increase another 50%. By 1990, Mr. Bolka predicts total retail sales for licensed merchandise will reach $75 billion.

Such growth indicates licensing has infiltrated virtually every type of product category. Clothes and accessories claim 38% of all licensing sales, with toys and games second at 19%, as tracked by "The Licensing Letter" 1984 yearend industry survey. The paper goods category follows with 12% and gifts and novelties with 11%.

Despite their enthusiasm, survey respondents agree the growth can't last forever. Most say sales of licensed products will even out during the remainder of the decade. However, the respondents—all licensers—also say sales of their own products will increase at least 40% this year.

Therein lies the dilemma for today's licenser and licensee. Unarguably, licensing is here to stay. What isn't known is how the long-haul survivors will meet that demand.

Some basic rules of licensing have been broken already. Historically, licensed concepts evolved from a variety of sources—books, comic strips, entertainment media, people, sports teams, name brands or thin air.

In 1977, Strawberry Shortcake broke that mold. The licensing property was a pioneer effort of Those Characters From Cleveland, now a division of American Greetings. The company drew a character using all the qualities a specially commissioned survey found were most appealing to young girls. Most other properties have stemmed from popular demand, as in a winning sports team, or from the pens of designers, such as Charles Schulz, who created the Peanuts characters.

However, since about 1981, power and influence in the licensing industry have been shifting from the creators to the marketers. Two camps are gaining control—toy companies and retail management. The net effect is "fewer properties will control more of the market," says Murray Altschuler, president of the Licensing Industry Assn., New York.

Retailers have only so much space and often use that space for boutiques, in which all products with a given license are displayed together. But retailers face an even greater dilemma in predicting consumer tastes.

"Management at the retail level will become much more involved in philosophical licensing decisions," Mr. Altschuler says. "Up until now, all the decisions were being made by the buyer. But licensing is a very important percentage of retail goods sold, so it behooves management to consider it in their strategic planning." Consequently, licensing now has its own trade journals, all of which are crowded with ads and articles extolling the ad plans and budgets of various properties.

"Licensers are having meetings with large retailers before they even launch their programs," says Milton Schulman, editor of The Licensing Book, a New York-based trade publication. "The retailers are looking for key elements before they commit—exposure to the age groups, a major toy company [as a licensee] if it's in the child's area—to create a major advertising effort to pull the products along."

The toy category tends to be in the forefront of changes in the developing and licensing of properties. More than half of all toys sold last year were licensed in some way, estimates Frank Reyson, editor of New York-based *Playthings.*

The growing importance of corporate licensing could have a calming effect on the industry. Having spent years building up good will and recognition, corporations are very careful about how they license their trademarks, industry consultants say.

Corporations won't put up with slapdash applications of their logo on just any product, says Steven Levitt, president of Marketing Evaluations/TVQ, Port Washington, N.Y. The "marriage" of product and license has to make sense, and that attitude is expected to keep corporate license growth gradual and steady.

"It's silly to take Noxzema and put it on something that makes no sense—like a wastepaper basket. But they should be very interested in beach towels, because Noxzema is used for sunburn," he says.

Almost everyone agrees the corporate category will be the next big growth area in licensing. More difficult to discern are the product categories and sources of properties that are being overlooked. Housewares and food are categories that haven't been swamped by licenses.

Personality and life style concepts—exemplified in the success of products affiliated with ABC-TV's nighttime soap opera "Dynasty" and the belated entrance of "Dallas" as a licenser—could take off in the next couple of years, says Pat Upton, president of New York-based Pat Upton & Associates and author of the book "Make Millions in the Licensing Business" (Monarch Press, New York, 1985). Institutions such as museums and special interest groups such as the National Audubon Society could be next in line to try to cash in on their concepts and designs.

Regardless of the category, product or type of property, licensing quickly is becoming ingrained in both the habits of marketers and the expectations of consumers.

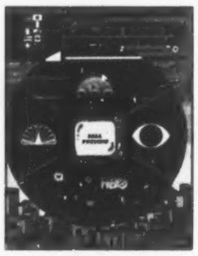
"The licensed property today has become the brand name," says Nancy Bailey, president of Nancy Bailey Associates, Miami, Fla. "Companies are known not for themselves, but for the property."

Trade publications monitor trends

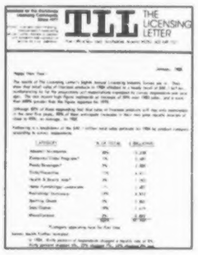
Chain Store Age
VALUE

Chain Store Age*
Lebhar Friedman, New York
Circulation: 30,000
Frequency: Monthly
Ad pages: 5,200 b/w
6,600 4-color
Start-up: 1979

Licensing Book
Advertising Publishing Group
Circulation: 20,000
Frequency: Monthly
Ad pages: 4,960 b/w
5,475 4-color
Start-up: 1983



Licensing International
Hobby Publications,
Englishtown, N.J.
Circulation: 17,000
Frequency: Every-other-month
Ad pages: 2,415 b/w
3,450 4-color
Start-up: 1984



"The Licensing Letter"
The Licensing Letter,
Scottsdale, Ariz.
Circulation: N/A
Frequency: Monthly
Ad pages: N/A
Start-up: 1977

LICENSING SCOPE
Playthings

Plaything Licensing Scope*
Geyer McAllistar
Publications, New York
Circulation: 13,000
Frequency: Monthly
Ad pages: 2,400 b/w
3,325 4-color
Start-up: 1983

Toy & Hobby World

Toy & Hobby World, Licensing Today*
U.S. Business Press
Circulation: 19,000
Frequency: Monthly
Ad pages: 4,312 b/w
5,667 4-color
Start-up: 1983

*Supplement Note: Circulation figures are from publishers' statements.

Source: Advertising Age

This issue $3.00, $55 a year

June 13, 1985 C2710-1 **Special Issue**

Advertising Age

Crain's International Newspaper of Marketing

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Leading National Advertisers

mpanies ranked 101 to 200

NEWSPAPER

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WASHINGTON DC 20014

June 13, 1985 Special Issue

Advertising Age®

Crain's International Newspaper of Marketing

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Second 100 chart 26.7% ad growth

By R. CRAIG ENDICOTT

The nation's second 100 leading national advertisers continued to cut a deep swath through U.S. media activity by spending $2.78 billion in measured media in 1984, up 26.7% from 1983.

Those advertisers, ranked from 101 to 200 in this report on the basis of measured spending in nine advertising media, opened with No. 101 Matsushita Electric Corp. of America, spending $42.6 million, and ended with No. 200 Avon Products, spending $19.8 million.

The sheer volume of advertising that runs deeper than the 100 leading advertisers—the 100 are covered on an annual basis by ADVERTISING AGE—prompted a deeper probe into the advertising community this year and resulted in this special report.

(The 30th annual 100 leaders report will be issued Sept. 19. For the companies to be profiled in that issue, see Page 8.)

The nine-media totals of the second 100 leaders represent 11.2% of total national spending in these media, up from 10.3% in 1983.

As a composite group, the second 100 leaders contributed 5.6% of total national newspaper spending; 9% of magazine spending; 6.2% network cable; 17.1% spot tv; 11.2% network tv; 13.7% spot radio; 10.7% network radio; 4.9% outdoor, and 12.4% farm publications.

The biggest increase in traditional media among the second 100 was in magazines, with aggregate spending increasing 36% to $439.5 million in 1984.

Network cable, as might be expected, was the year-to-year growth winner with an increase of 100% to $24.4 million.

The big spending, however, was in network tv and spot tv, with network increasing 26.6% to $951.4 million, and spot tv increasing 26.7% to $931.8 million. National newspaper increased 5.4% to $166.9 million; spot radio went up 38% to $163.9 million; outdoor increased 16% to $41.9 million; farm publications improved 12.1% to $22.3 million, and network radio dropped 11.3% to $33.7 million.

The companies that begin and end the list are symbolic of the breadth of the marketing drama being played out among the second 100.

Leading National Advertisers
Profiles of companies ranked 101 to 200

Cover graphics by Avalon Studio

Matsushita, the 67-year-old Japanese company that blossomed from a marketer of adapter light sockets to a confident marketer of Panasonic, Technics and Quasar brands, is producing innovative new products that helped the company increase earnings and sales and that demanded an increase in ad spending in 1984 of 49.4% over the previous year.

Avon Products is struggling to find its corporate identity through a more compatible business mix. The door-to-door sales company increased measured spending 11.8% during 1984 in building its first earnings increase in five years.

An increase in advertising was more the rule than the exception among the list. Advertising at only 16 of the second 100 dropped from the previous year. A decline in spending generally was associated with the discontinuation of a heavily advertised product line, the divestiture of a major line of business, or poor sales and earnings performance.

ADVERTISING AGE also made a number of editorial decisions in arriving at the companies profiled. One of the big spenders that showed up on the advertising charts obtained from monitoring services used to rank the companies (see how ADVERTISING AGE got its data on Page 68) was excluded because it was a one-time event. That was the 1984 presidential campaign represented by the Reagan for President Committee, spending $21.9 million, all in network tv. The Reagan camp outspent the Mondale for President Committee by $5.3 million.

Another marketer appearing within the ranks, Paramount International, will be dissolved into U.S. government ad expenditures in the upcoming 100 leaders issue. Paramount was the marketing arm for U.S. government-issued commemorative Olympic coins. It spent $21.3 million in this enterprise, $17.1 million in network tv and $4.2 million in spot tv.

In analyzing the data obtained in this report on the nation's second 100 leading advertisers, the drug and entertainment companies and toiletries and cosmetics companies were more advertising driven than other categories.

Thompson Medical Co. had a 20.7% advertising-to-U.S. sales percentage; Block Drug, 19.5%; Orion Pictures, 15.9%; Tambrands, 10.8%; Carter-Wallace, 9.5%; Helene Curtis, 9%.

Expansion-minded Ceji-Revell, with advertising equal to 62.4% of its U.S. sales, had the highest percentage on the list among companies whose U.S. sales were known. Jeffrey Martin no doubt had a higher percentage, with $36.8 million in advertising on worldwide sales of $58.5 million (a 62.9%); its U.S. sales were not known. Twenty had ad/sales ratios higher than 3 to 100.

Given the fact that the aggregate measured advertising of all second 100 leading advertisers increased 26.7% from year to year, it was not unusual to find many that boosted their measured spending 50% in

(Continued on Page 2)

R. Craig Endicott is ADVERTISING AGE profile issues editor.

The second 100 leading national advertisers by rank ($000)

Rank	Company	Advertising
101	Matsushita Elec. Corp.	$42,572.5
102	Hallmark Cards	40,333.0
103	Estee Lauder Inc.	39,600.6
104	Thompson Medical Co.	39,302.9
105	G.D. Searle & Co.	39,271.0
106	Dayton-Hudson Corp.	37,947.2
107	Mercedes-Benz of N. America	37,940.1
108	Southland Corp.	37,027.5
109	Dow Chemical Co.	36,943.9
110	Jeffrey Martin Inc.	36,775.2
111	MCI Communications Corp.	36,084.1
112	Hattori Corp. of America	35,572.5
113	A.H. Robins Co.	35,544.0
114	Ciba-Geigy Corp.	35,303.5
115	Federal Express Corp.	34,866.9
116	Brown-Forman Distillers	34,667.5
117	Whirlpool Corp.	34,256.8
118	Commodore International	34,244.4
119	Triangle Publications	33,326.6
120	Helene Curtis Industries	33,265.7
121	20th Century-Fox Film Corp.	33,163.5
122	E&J Gallo Winery	32,887.7
123	Imasco U.S.A.	32,554.5
124	Household International	32,366.9
125	Sony Corp. of America	32,285.7
126	Citicorp	31,970.1
127	Tambrands	31,832.6
128	Rapid-American Corp.	31,284.9
129	Polaroid Corp.	31,260.2
130	State of Florida	31,008.0
131	Mennen Co.	30,971.4
132	Block Drug Co.	30,894.5
133	United Biscuits Ltd.	30,748.0
134	Hiram Walker Resources	30,483.5
135	Federated Department Stores	$30,279.0
136	North American Philips	29,965.6
137	MGM/UA Entertainment Co.	29,771.5
138	Black & Decker Corp.	29,533.7
139	National Distillers & Chemical	29,200.4
140	ConAgra	29,190.3
141	American Dairy Assn.	29,112.1
142	SmithKline Beckman Corp.	28,841.3
143	Scott Paper Co.	28,547.0
144	American Stores Co.	28,251.2
145	Borden	28,116.8
146	Southwestern Bell Corp.	27,877.8
147	MasterCard International	27,845.9
148	Pan American World Airways	27,644.3
149	Chevron Corp.	27,040.1
150	Shell Oil Co.	26,499.0
151	Reynolds Metal Co.	26,048.5
152	Subaru of America	25,997.2
153	Exxon Corp.	25,591.3
154	Prudential Insurance Co.	25,405.2
155	BMW of North America	25,371.2
156	Transworld Corp.	25,085.5
157	Ceji-Revell	24,947.5
158	Chesapeake Financial Corp.	24,837.1
159	Texas Instruments	24,831.7
160	Safeway Stores	24,527.9
161	Geo. A. Hormel & Co.	24,448.0
162	Texaco	24,320.9
163	NCR Corp.	24,244.1
164	Wang Laboratories	24,035.5
165	Carter-Wallace	23,822.5
166	Republic Airlines	23,818.4
167	Castle & Cooke	23,734.0
168	Denny's Inc.	23,724.0
169	DeBeers Consolidated Mines	$23,703.7
170	Atlantic Richfield Co.	23,538.5
171	Anderson, Clayton & Co.	23,449.3
172	Hewlett-Packard Co.	23,247.0
173	Sandoz	23,245.6
174	Lucky Stores	23,115.0
175	Kroger Co.	22,991.1
176	G. Heileman Brewing Co.	22,981.3
177	Texas Air Corp.	22,947.3
178	Alberto-Culver Co.	22,864.6
179	Volvo Cars N.A.	22,722.8
180	BellSouth Corp.	22,329.3
181	Pacific Telesis Group	22,184.5
182	Sharp Electronics Corp.	22,112.0
183	Cadbury Schweppes	21,986.7
184	Coleco Industries	21,679.2
185	May Department Stores Co.	21,598.8
186	Atari Corp.	21,159.7
187	Blue Bell Inc.	21,101.3
188	Visa International	21,039.7
189	F.W. Woolworth Co.	20,977.5
190	Marriott Corp.	20,756.1
191	Monsanto Co.	20,616.5
192	Walt Disney Productions	20,246.5
193	Jerrico Inc.	20,200.8
194	Amoco Corp.	20,078.5
195	Orion Pictures Corp.	20,057.9
196	Transamerica Corp.	20,043.3
197	NYNEX	20,011.1
198	Blue Cross & Blue Shield	19,984.6
199	Firestone Tire & Rubber Co.	19,881.5
200	Avon Products	19,821.5

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28 Citicorp
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30 ConAgra
30 Helene Curtis Industries
30 Dayton-Hudson Corp.
31 DeBeers Consolidated Mines
32 Denny's Inc.
32 Walt Disney Productions
33 Dow Chemical Co.
36 Exxon Corp.
36 Federal Express Corp.
37 Federated Department Stores
38 Firestone Tire & Rubber Co.
38 State of Florida
39 E&J Gallo Winery
40 Hallmark Cards
40 Hattori Corp. of America
40 G. Heileman Brewing Co.
41 Hewlett-Packard Co.
41 George A. Hormel & Co.
42 Household International
43 Imasco Ltd.
43 Jerrico Inc.
44 Kroger Co.
44 Estee Lauder Inc.
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56 Rapid-American Corp.
56 Republic Airlines
56 Ceji-Revell
57 Reynolds Metals Co.
57 A.H. Robins Co.
57 Safeway Stores
58 Sandoz Ltd.
58 Scott Paper Co.
58 G.D. Searle & Co.
59 Sharp Electronics Corp.
59 Shell Oil Co.
59 SmithKline Beckman Corp.
60 Sony Corp. of America
60 Southland Corp.
60 Southwestern Bell Corp.
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Second

(Continued from Page 1)

1984 over the previous year. Nineteen of the second 100 did this; 10 even hiked their spending 100%.

Ceji-Revell, known for its intricate toy models, entered the play toy business in a big way, transporting its *schtroumpfs* from the playrooms in France to the backyards of the U.S., and in the process increased its 1983 spending by 2,722% in taking year-to-year advertising growth honors among the second 100 leading advertisers.

New acquisitions often meant sizable spending increases. Gaines line of dog food acquired from General Foods pushed Anderson, Clayton & Co.'s ad budget for measured media up 158.6%; Black & Decker Corp. increased advertising 136.2%, most on its own power tool line, as it purchased General Electric's housewares division and Elu tools from Switzerland.

New product introductions also stimulated spending as in the case of Shell Oil Co., its introduction of SU2000 and RU2000 gasoline priming the ad pump by 126.9%; Ciba-Geigy Corp. boosted advertising 100.2% in part to peddle new products, Softcontact lenses and Acutrim 16-hour time release appetite suppressant.

Atlantic Richfield Co. built up its ad budget by 243.1% in measured spending in pushing its petroleum products and service stations nationwide only to undo its marketing shift by ridding itself of nearly 2,000 service stations/AM PM Mini Marts at locations east of the Mississippi in early 1985.

A number of companies faced with declining sales and earnings attempted to revive lost fortunes through advertising. Castle & Cooke boosted its advertising by 203.3% in 1984 as it stressed fresh, packaged and branded products in advertising slugged: "A sunny place called Dole." By its third quarter, it seemed to be recovering when debt restructuring was foisted upon the company and an outside buyer took over.

Advertising often was increased just to stay abreast with the competition, particularly in the computer industry, where reduced sales and lower profit margins are taking their toll. Wang Laboratories increased ad spending 184.4%, NCR Corp., 120.9%; Hewlett-Packard Co., 58.2%; Sharp Electronics Corp., 26.5%.

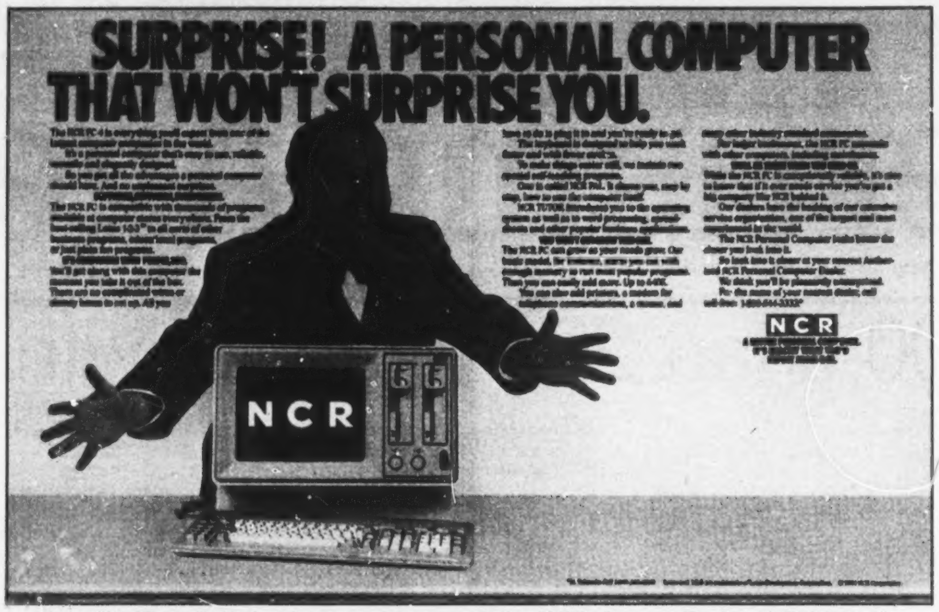
The breakup of the Bell System produced some big ad spenders. Four former Bell units made the second 100 list.

Sixteen advertisers cut measured spending in 1984, and two reasons stick out: The shelving of a product line, and an over-all corporate loss for the year.

Texas Instruments, for example, canned its heavily advertised TI 99/4A computer in late 1983, and advertising was not picked up elsewhere in the budget as ad spending in 1984 dropped 63.6% for TI, among the 100 leading advertisers in 1983. With the computer games business in a seemingly bottomless depression, Coleco Industries and Atari Corp. pulled out of those businesses; dropped ad spending 53.1% in the case of Coleco and 68.5% at Atari.

Polaroid Corp. faced a similar problem in its instant photography market where intense price competition and low sales cut into earnings and the ad budget, sliced 7.5% from 1983.

A number of players in the wine and spirits industry, reeling under the double whammy of reduced demand and increased public pressure against drunken driving, went low key with their ad budgets in 1984. Brown-Forman Distillers dropped its advertising 13%, but promised to toss $1 million into a public service trade campaign this year. E&J Gallo Winery siphoned off 5.5% of its ad budget from 1983, and G. Heileman Brewing Co. reduced its spending 7.2%.


SURPRISE! A PERSONAL COMPUTER THAT WON'T SURPRISE YOU.
NCR
NCR

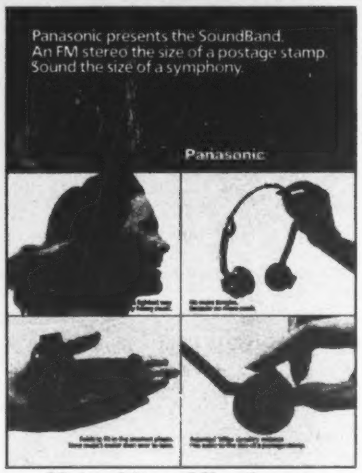
Comedian Dom DeLuise charms new prospects for NCR. Agency: Backer & Spielvogel.

Jantzen
Store Name

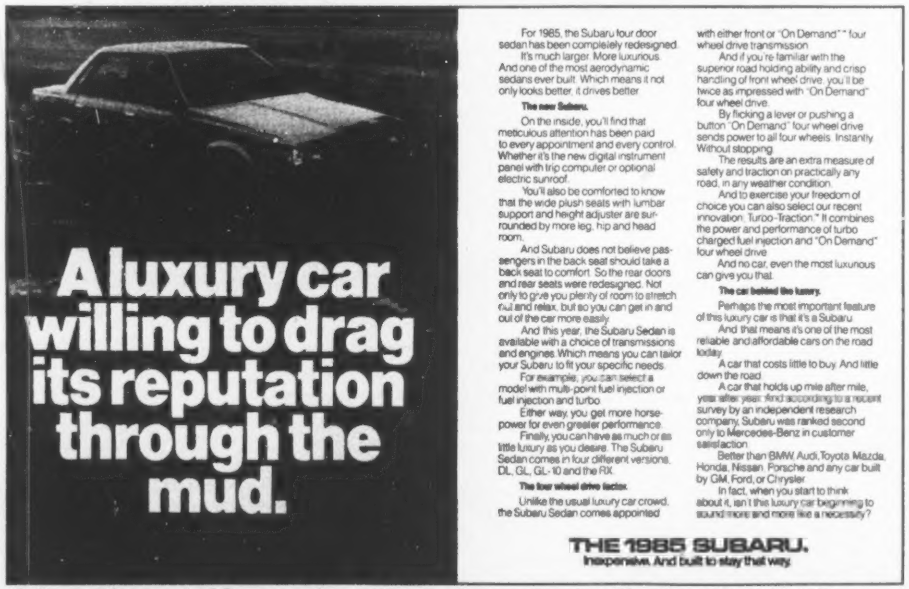
Jantzen sportswear helps secure Blue Bell's place in the marketing sun. Agency: In-house.

COME BACK WITH PICTURES
INSTEAD OF HOPES.
Polaroid

Polaroid frames the eye, as . . .


Panasonic presents the SoundBand.
An FM stereo the size of a postage stamp.
Sound the size of a symphony.
Panasonic

. . . Matsushita coddles the ear.


A luxury car willing to drag its reputation through the mud.

For 1985, the Subaru four door sedan has been completely redesigned.

It's much larger. More luxurious. And one of the most aerodynamic sedans ever built. Which means it not only looks better, it drives better.

The new Subaru.

On the inside, you'll find that meticulous attention has been paid to every appointment and every control. Whether it's the new digital instrument panel with trip computer or optional electric sunroof.

You'll also be comforted to know that the wide plush seats with lumbar support and height adjuster are surrounded by more leg, hip and head room.

And Subaru does not believe passengers in the back seat should take a back seat to comfort. So the rear doors and rear seats were redesigned. Not only to give you plenty of room to stretch out and relax, but so you can get in and out of the car more easily.

And this year, the Subaru Sedan is available with a choice of transmissions and engines. Which means you can tailor your Subaru to fit your specific needs.

For example, you can select a model with multi-point fuel injection or fuel injection and turbo.

Either way, you get more horsepower for even greater performance.

Finally, you can have as much or as little luxury as you desire. The Subaru Sedan comes in four different versions. DL, GL, GL-10 and the RX.

The four wheel drive factor.

Unlike the usual luxury car crowd, the Subaru Sedan comes appointed with either front or "On Demand"™ four wheel drive transmission.

And if you're familiar with the superior road holding ability and crisp handling of front wheel drive, you'll be twice as impressed with "On Demand" four wheel drive.

By flicking a lever or pushing a button "On Demand" four wheel drive sends power to all four wheels. Instantly. Without stopping.

The results are an extra measure of safety and traction on practically any road, in any weather condition.

And to exercise your freedom of choice you can also select our recent innovation: Turbo-Traction.™ It combines the power and performance of turbo charged fuel injection and "On Demand" four wheel drive.

And no car, even the most luxurious can give you that.

The car behind the luxury.

Perhaps the most important feature of this luxury car is that it's a Subaru.

And that means it's one of the most reliable and affordable cars on the road today.

A car that costs little to buy. And little down the road.

A car that holds up mile after mile, year after year. And according to a recent survey by an independent research company, Subaru was ranked second only to Mercedes-Benz in customer satisfaction.

Better than BMW, Audi, Toyota, Mazda, Honda, Nissan, Porsche and any car built by GM, Ford, or Chrysler.

In fact, when you start to think about it, isn't this luxury car beginning to sound more and more like a necessity?

THE 1985 SUBARU.
Inexpensive. And built to stay that way.

Subaru rides crest of Japanese import wave. Agency: Levine, Huntley, Schmidt & Beaver.

Often, reduced ad spending had more to do with the strength of the product "chestnut" built up by advertising in the past. Sony Corp. of America, which cut back 17.8% in advertising in measured media, did most of that in reduced spending for its Walkman radios, which dominate the market.

Pan American World Airways' advertising, which dropped 3.1%, continued to follow a pattern established several years ago: When business activity declines, drop advertising. But today, Pan Am marketing executives are singing another tune with the proposed divestiture of the airline's Pacific routes to United Airlines. Now Pan Am can concentrate on a less than global market, which it predicts will stimulate advertising.

During the time period covered by the profiles, several of the companies were subjects of buyouts. Royal Crown Cos. (which includes Arby's) was purchased by the Posner Group and renamed Chesapeake Financial Corp. Ceji-Revell is a marriage of Revell and the Drancy, France-based Ceji. Castle & Cooke was purchased by Flexi-Van Corp., which pulled it out of economic straits. Shell Oil was bought by Royal Dutch-Shell, which owned two-thirds of the company before tendering the rest beginning last year. Atari Corp. was taken private by Jack Tramiel. Blue Bell Inc. was bought out by its management.

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Trouble keeps brewing among the leaders. Geo. A. Hormel & Co. continues to have a running warfare with its unions at its home plant in Minnesota. This may usher in a new era for Hormel, which threatens to head south to Atlanta if things don't get better.

A.H. Robins Co. has had to pay out $314.6 million in damages to users of its Dalkon Shield IUD. Robins marketed the intrauterine device in the early 1970s. Some 3,800 claims still are pending. The company has spent more than $7 million in campaigns since October, 1984, warning women against continued usage of the shield. A team from Burson-Marsteller is handling the campaign.

The Burson-Marsteller heavy-hitters also handled the salmonella troubles besetting Jewel Cos., a new acquisition of American Stores Co.

The disastrous freeze at the end of last year that cut deeply into citrus production in Florida will bring about higher advertising spending in 1985. The reduced supply means higher prices and consumer resistance, and that translates into bigger ad outlays, say officials connected with advertising for the State of Florida, which spent $31 million in advertising to rank 130th in 1984.#

Profiles of the second 100 advertisers

Rankings based on measured ad spending from $19.8 million to $42.6 million; select group increases advertising 26.7% to $2.8 billion

RANK
178

Alberto-Culver Co.

Melrose Park, Ill.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	348.6	313.7	11.1
Net income	4.5	3.9	15.8
U.S.			
Sales	272.1	263.7	3.2
Operating profits	14.2	14.5	-2.1
Advertising	22.9	18.8	22.0
Division sales			
Personal prods.	205.1	196.7	4.3
Industrial products	81.7	68.2	19.8
Other	66.9	55.0	20.2

Alberto-Culver Co., Melrose Park, Ill., the 178th largest national advertiser with 1984 measured ad spending increasing 22% over 1983 to $22.9 million, had a strong 1984 spurred on by sales from new business activities.

Total sales for fiscal 1984 were up 11% to $348.6 million, with about 15%, or $52 million, of that total coming from new business—new products, the acquisition of Indola Cosmetics B.V. in the Netherlands and an increase in the number of beauty stores owned by Sally Beauty Co., a division of Alberto-Culver.

The company increased spending (including measured spending) in all advertising and promotion activities during 1984 to $65 million, up 11% from the previous year. About $3 million more went for market research.

Alberto-Culver is popularly known as a consumer haircare and toiletries company, but it is much more. Ten company units deal with consumer and professional goods, food and clothing products, construction maintenance materials and advertising services.

Much of the increase in measured ad spending in 1984 is attributed to backing Alberto Mousse European styling foam, a new product type (introduced to the U.S. by L'Oreal) in the $3 billion U.S. retail haircare market. The product, which had been in use in European hair salons, quickly become one of Alberto-Culver's best sellers. The company also introduced the same type of product for men, Alberto VO5 Mousse for Men. The company spent $5 million in measured advertising, according to Leading National Advertisers, for its largest product outlay in 1984 for women's mousse.

Other Alberto-Culver toiletries division products entering the heavily competitive 1984 haircare market as line extensions were Alberto VO5 shampoo with essence of citrus, for oily hair, and Alberto VO5 shampoo with essence of aloe, for dry or damaged hair. Also new in 1984 were additional formulas of Alberto VO5 shampoo, conditioner and spray for the 50 million U.S. women (60% of the population) with permed or colored hair.

Alberto-Culver's professional division introduced to the salon trade the new foam mousse product lines under the TRESemme label, including TCB mousse, one of the first hair styling foams for black consumers, and TRESemme TRES Gelee gel fixative to capitalize on popular shorter hair styles.

The household/grocery products division in 1984 built up its Mrs. Dash salt-free seasoner franchise by introducing Mrs. Dash steak sauce and Mrs. Dash crispy coating mix, both low-sodium products, and a reformulated Mrs. Dash seasoning with no garlic and 50% less pepper. Spending in measured media as a result increased 40.6% to $4.5 million, according to LNA. Measured spending for the remaining household/grocery products division—including Static Guard antistatic-cling spray, SugarTwin nonsugar sweetener, Baker's Joy antistick oil and flour spray for baking pans—remained unchanged as a whole.

In the international division, Alberto-Culver's major change was the acquisition of Indola. Alberto-Culver markets in more than 100 nations, but the Indola addition makes Europe the international division's No. 1 market.

Overseas product rollouts include the Indola mousse reformulated as a coloring agent, Alberto VO5 styling mousse and Alberto VO5 Alive coloring in the U.K., and styling mousse in Puerto Rico, Australia and Hong Kong.

Fastest growing of Alberto-Culver's 10 divisions is Sally Beauty Co., a chain of self-service wholesale beauty supply outlets located in shopping centers in the South. Since 1980 the number of these cash-and-carry shops catering to barbers and beauticians has grown from 39 to more than 200.

A major change in ad strategy during the year was moving Consort beauty products from wholesale houses into salons and barbershops. Bozell & Jacobs is handling creative work for the new retail promotion of Consort men's haircare products.

Other agency decisions for the year included moving creative for the household/grocery products division to Stern Walter/Earle Ludgin, Chicago. D'Arcy MacManus Masius formerly handled the account. Alberto-Culver also shifted TCB ethnic haircare from Proctor & Gardner Advertising, Chicago, to Uniworld Group, New York.

Alberto-Culver's subsidiary advertising agency, Draper Daniels Media Service, Chicago, continues to handle all media buying and planning for Alberto-Culver in addition to other clients. It is just one of the companies Leonard H. Lavin, chairman-president-ceo, has added to the company since he acquired Alberto-Culver in 1955 when annual sales were $368,000. Since then, Alberto-Culver has grown to include the John A. Frye Shoe Co., Marlborough, Mass., producer of high-quality boots and shoes; Phillippe of California, producer of fine-quality linen and leather handbags; Sally Beauty Co., Denton, Tex., wholesaler of professional beauty products, and Masury-Columbia, supplier of building-maintenance products and services.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,160.2	2,510.1
Network cable	38.2	182.6
Spot tv	5,147.1	3,634.1
Network tv	12,680.8	11,519.3
Spot radio	1,794.4	882.2
Outdoor	43.9	15.8
Total measured	22,864.6	18,744.1

ALBERTO-CULVER CO.
2525 Armitage Ave.
Melrose Park, Ill. 60160
(312) 450-3000

Marketing Personnel

Malcolm R. Lloyd, group vp
P. Douglas McAuley, vp-domestic toiletries div
Mark Bornstein, mktg dir-domestic toiletries div
Russ Appleyard, dir of mktg operations-domestic toiletries div
Thomas J. Guinan, vp-household/grocery products div
Ray Jones, group prod mgr-household/grocery products div
Henry Wittemann, vp-advertising services

Advertising Agencies

Bozell & Jacobs, Chicago—Alberto VO5 hot oil treatment, Alberto VO5 conditioning hairdressing, Alberto VO5 hair spray, Alberto VO5 shampoo, Alberto VO5 Hot Protein Pac conditioner, Consort hair spray, Consort men's haircare, Phillippe handbags, Frye boots, Handsewns accessories, VO5 instant conditioner—Steve Gross, mgmt super.

Stern Walters/Earle Ludgin, Chicago-FDS feminine deodorant spray, Baker's Joy baking spray, Static Guard antistatic spray, SugarTwin artificial sweetener—Scott Schiave, mgmt super.

Uniworld Group, New York-TCB ethnic haircare products for black and Hispanic markets—Byron Lewis, ceo.

American Dairy Assn.

Rosemont, Ill.

RANK 141

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	44.0	34.9	26.1
Net income	N/A	N/A	N/A
Advertising	29.1	23.9	21.7

American Dairy Assn., Rosemont, Ill., the nation's 141st largest advertiser, made its largest ever push to increase consumption of dairy products in 1984 by raising total measured spending to $29.1 million, 21.7% over 1983 levels.

Financed indirectly by dairy farmers' self-imposed assessment of 15-cents per hundredweight of milk produced, enacted in 1984, the ADA boosted total ad spending between 15% and 20% for the year. Although LNA-measured spending was $29.1 million, the ADA says it spent $42 million, a level it hopes to maintain in 1985.

Whether the ADA is able to maintain current spending depends on approval of a national referendum of dairy farmers in July and August to extend the promotional assessment indefinitely. The assessment produced $190 million for local and national advertising as of April 30, 1985. Of that, a third goes to the National Dairy Promotion & Research Board, Washington, and two-thirds to local dairy associations, which fund the ADA.

The ADA is the marketing and advertising arm of the United Dairy Industry Assn., also headquartered in Rosemont, a coalition of 21 member and 33 affiliated dairy farmers. The ADA, the dairy board and the California-Oregon-Washington Milk Advisory Board, in turn, coordinate their national ad efforts.

The bulk of the ADA's spending increases in 1984 were in spot tv for programs featuring cheese, butter and fluid milk in selected markets. The ADA reports spending $20 million in 1984 on spot tv for its "Milk's got more" theme, in addition to $5 million in spot radio. (Measured figures show a drop in spot radio to $3.1 million in 1984 from $4.8 million in 1983.)

The milk program targeted adults, ages 18 to 34, in five new commercials designed to persuade milk drinkers to consume more each day. Children 6 to 12 were targeted in three rock-video format commercials presenting milk as a drink that fits children's life styles. Dance numbers set to popular music showed an older bcy urging young companions to "go for milk."

Cheese starred in four musical commercials with the theme "Make your meals sing with real cheese." Cheese received $7 million for network tv and $3 million for spot tv, the ADA says. "Cheese Jamboree," a fall promotion sponsored by the UDIA, the dairy board and various dairy groups, accounted for $3 million of the ADA's cheese budget. The jamboree theme was picked up by Nabisco Brands in its fall promotion for Premium crackers.

Butter took the spotlight in a new 30-second tv spot and in magazine ads with the theme: "America's coming home to the good taste of butter." The spots and ads showed butter's use in a home-cooked, family reunion meal. The ads reminded consumers of the superior flavor and natural goodness of real butter and were targeted at ages 20 to 49 with better than average incomes.

Butter advertising also is a part of the ADA's "REAL" Seal campaign, a certification program of food packagers, processors and retailers. In 1984, "REAL" Seal was budgeted for $4 million in spot tv and about $3 million in other media—spot radio, outdoor and magazines, the ADA says.

Tv and print ads featuring Vincent Price made up about $3.5 million of total "REAL" Seal spending. The ads reminded viewers that only "real" dairy foods have natural origins. The campaign had seasonal tie-ins with June Dairy Month, promotions for cheese, ice cream, cottage cheese and holiday food preparation.

The ADA also participated in cooperative promotional efforts with major food companies, including Nabisco, Nestle, Libby's, General Foods, Post and Hiram Walker.

In agency changes for 1984, TBWA gained ADA's butter account.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,300.0	1,000.0
Magazines	318.3	169.4
Spot tv	8,640.6	11,462.0
Network tv	13,792.2	4,531.9
Spot radio	3,103.6	4,834.3
Network radio	571.8	1,714.9
Outdoor	385.6	216.7
Total measured	29,112.1	23,929.2

AMERICAN DAIRY ASSN.
6300 N. River Rd.
Rosemont, Ill. 60018
(312) 696-1880

Marketing Personnel

Joe Kelsch, president, senior vp-mktg, United Dairy Ind. Assn.
Stephen Dohrmann, vp-mktg & planning
Grover Simpson, vp-mktg services
Jane Holmes, vp-dir food publicity
Donna Arcus, dir-adv services

Advertising Agencies

D'Arcy MacManus Masius, Chicago—fluid milk, cheese, REAL Seal, misc prod promos, such as ice cream, cottage cheese—Ben Bishop, senior vp-mgmt super; Bob Meuser, acct group super-dairy adv; Kim Gallagher, acct super-fluid milk, REAL Seal; Bruce Murdy, acct super-cheese; Dave Urbaniak, vp-acct group super-dairy, sales promo, field acct-operations.

Field account execs

Peter Bowers, West units
Andrea Dichter, Midwest units
Mark Ellis, Northeast units
Jeff Moore, Midwest units
Tina Demetris, acct exec-fluid milk, REAL Seal
Daryl Evans, field acct super-Southeast units
Irene Tee, Southeast units
Bill Danhoff, acct coord-field operations

Vickers & Benson/TBWA Advertising, New York, Chicago—butter—Jim Titus, senior vp; Len Hall, acct exec; Joan Franklin, media coord.

Norton & Associates, Chicago—food service programs—Dennis Kornaus, vp; Sharon Oldon, acct exec.

American Stores Co.

Salt Lake City, Utah

RANK 144

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	12,118.8	7,983.7	51.8
Net income	185.5	117.9	57.4
Advertising	28.3	20.2	40.1

The acquisition last year of Jewel Cos. has taught American Stores Co. how to take the bad with the good.

Within a year after acquiring Jewel, the normally low-profile American Stores found itself under intense media scrutiny when milk produced at a plant operated by its new Chicago subsidiary was linked to the largest salmonella outbreak in U.S. history.

The Salt Lake City-based food and drug retailer, known throughout the industry as a tight-lipped company that makes no apologies for its constant pursuit of profits, was forced to change its secretive ways.

James Henson, Jewel's president, went public in tv spots and print ads prepared by a team from Burson-Marsteller, Chicago, to assure consumers that all dairy products had been removed from the 217-store Jewel chain. The chain also contracted with another dairy supplier. Regular dairy product tv ads were yanked and other tv spots were moved away from news programs.

These were not the type of marketing decisions American Stores prefers to make.

The company ranked 144th among U.S. advertisers in 1984, spending $28.3 million in measured advertising. That amount, which represents an increase of 40.1% over 1983, was spent almost entirely on spot tv buys.

The acquisition of the Jewel chain accounted for the bulk of the increase in American Stores' sales. For the 53-week fiscal year that ended Feb. 2, the company reported sales of $12.1 billion, up from $8 billion in the previous year.

Net income was $185.5 million, up 57.3% from fiscal 1984.

To finance the $1.1 billion acquisition of Jewel, which was completed in November, American Stores divested several groups of stores.

In October, it sold 33 Alpha Beta grocery stores in Arizona for about $57 million. In November, it sold 11 Houston Sav-on drugstores for about $14 million.

In December it sold Rea & Derick, a drug chain, for about $90 million, and Jewel's 36.1% equity interest in Mexico's leading retailer, Aurrera, S.A. de C.V., for about $53 million. And in January, American Stores sold 22 Alpha Beta stores in California and related inventory and equipment for about $52 million.

The company also has sold Jewel's White Hen Pantry convenience store division and Park Corp., Jewel's manufacturing subsidiary. After all that activity, American Stores is left with 1,486 stores in 40 states.

The focus of the company's efforts now turns to creating a coast-to-coast drugstore chain, which will operate under the Osco Drug Co. name. This national network will consolidate three existing chains: Osco, Skaggs Drug Centers and Sav-on Drug.

The name change has begun with Skaggs units and when that is completed, Sav-on units will be renamed. As of May 31, there were 106 Skaggs and 176 Sav-on stores.

When the transition is completed—American Stores expects it to be done by yearend—there will be 648 Osco stores in more than 30 states.

The strategy behind the change is to develop a national umbrella from which American Stores can save money on advertising, purchasing and distribution.

The company believes the advantage of advertising the Osco name in conjunction with national name brands will serve as an incentive to manufacturers.

Over the longer term, the company intends to accelerate the development of larger units, both grocery stores and drugstores and combinations of the two.

On July 31, 1984, Thomas Field Jr. resigned as president of American Stores, Alpha Beta Co. and Skaggs Cos. Subsequently, three senior vps were named to a new office of the president: Victor Lund, financial accounting; Alan Stewart, human resouces, and Larry Hodges, merchandising and operations.

In other senior management developments, Joseph Bowman and Richard Gladden were named presidents of Skaggs and Alpha Beta, respectively. Lawrence Rogers was appointed president of Skaggs Alpha Beta, and Richard George, president of Osco Drug, was named to the additional post of president of Sav-on Drugs.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	0.0	19.5
Spot tv	26,762.8	17,872.0
Network tv	42.7	0.0
Spot radio	1,171.9	2,120.9
Outdoor	273.8	149.4
Total measured	28,251.2	20,161.8

AMERICAN STORES CO.
P.O. Box 27447
Salt Lake City, Utah 84127
(801) 539-0012

ACME MARKETS
Philadelphia, Pa.

Marketing Personnel

Thomas W. King, president-ceo
Dennis K. Eck, senior vp-mktg

Advertising Agency

Bozell & Jacobs, Union, N.J.—Acme Markets, Star Markets—Brian Haumersen, vp-mgmt super; Dick Berry, media planner; Ron Vrda, genl mgr.

ALPHA BETA CO.
La Habra, Cal.

Marketing Personnel

Richard Gladden, president
William Wade, senior vp-mktg
Terry Burnside, dir mktg-northern Cal.
Larry Cox, dir mktg-southern Cal.

Advertising Agency

Bozell & Jacobs, Los Angeles, Cal.—Alpha Beta Stores, Sav-On Drugs—Cindy Stalling, acct super; Richard Hamblin, president-Pacific div.

SKAGGS COS.
Salt Lake City, Utah

Marketing Personnel

Joseph Bowman, president
Warren Ivie, vp-adv
Afton Vanderlinden, dir adv productions

Advertising Agency

Bozell & Jacobs, Salt Lake City, Utah—Skaggs, Alpha Beta, Buttrey Food & Drug Stores, Skaggs Telecommunications Services Co.—Richard Hamblin, exec vp-dir retail div; Stan Merriman, senior vp-genl mgr.

JEWEL COS.
Chicago, Ill.

Marketing Personnel

James H. Henson, president
Marshall J. Collins, exec vp-stores
Philip Francis, vp-adv & nonperishable-merch
Robert A. Neslund, vp-mktg
Ronald W. Glass, vp-mktg-midwest stores
Jim Bach, dir-adv

Advertising Agencies

Bozell & Jacobs, Chicago, Ill.—Jewel Foods Stores, Osco Drugs—Mark Bean, vp-mgmt super.

OMAR, Chicago, Ill.—Spanish mkt—Marta Gerdes, acct super; Luis Salces, mktg & rsch dir; Paul Sierra, creative dir; Maggie Aguilar, media dir.

Proctor & Gardner, Chicago, Ill.—Black mkt—Barbara Proctor, president-ceo; Melody Bather-Gardner, vp-acct super; R. Weldon Woodruff, technical acct exec.

BUTTREY FOOD STORES
Great Falls, Mont.

Marketing Personnel

Ronald J. Floto, president
Eugene Koon, vp-sales & merch
Bob Bruskotter, dir-sales & adv

OSCO DRUG
Oakbrook, Ill.

Marketing Personnel

Richard E. George, president
Robert E. Braden, vp-adv
Haven Ready, vp-merch

The 100 leading national advertisers

American Brands
American Broadcasting Cos.
American Cyanamid
American Express Co.
American Home Products
American Honda Motor Co.
American Motors Corp.
American Telephone & Telegraph
AMR Corp.
Anheuser-Busch Cos.
Apple Computer
Batus
Bayer AG
Beatrice Cos.
Beecham Group plc
Bristol Myers Co.
Campbell Soup Co.
Canon Inc.
CBS Inc.
Chesebrough-Ponds
Chrysler Corp.
Clorox Co.
Coca-Cola Co.
Colgate-Palmolive Co.
Adolph Coors Co.
Cosmair
Cotter & Co.
CPC International
Dart & Kraft
Delta Air Lines
DuPont
Eastern Airlines
Eastman Kodak Co.
Ford Motor Co.
General Electric
General Foods Corp.
General Mills
General Motors Corp.
Gillette Co.
Goodyear Tire & Rubber Co.
GrandMet U.S.A.
Greyhound Corp.
GTE Corp.
Gulf & Western Industries
H.J. Heinz Co.
Hasbro Bradley
Hershey Foods Corp.
IC Industries
International Business Machines Corp.
ITT Corp.
Johnson & Johnson
S.C. Johnson & Sons
Kellogg Co.
Kimberly-Clark Corp.
K mart Corp.
Levi Strauss & Co.
Loews Corp.
Mars Inc.
Mattel
Mazda Motors of America
MCA Inc.
McDonald's Corp.
Mobil Corp.
Philip Morris Inc.
Nabisco Brands
Nestle Enterprises
Nissan Motor Co.
Noxell Corp.
J.C. Penney Co.
PepsiCo
Pfizer
Pillsbury Co.
Procter & Gamble Co.
Quaker Oats Co.
RCA Corp.
Ralston Purina Co.
Revlon
R.J. Reynolds Industries
Richardson-Vicks
Sara Lee Corp.
Schering-Plough Corp.
Jos. E. Seagram & Sons Co.
Sears, Roebuck & Co.
Sterling Drug Co.
Stroh Brewery Co.
Tandy Corp.
Time Inc.
Toyota Motor Sales, U.S.A.
Trans World Airlines
UAL Inc.
U.S. Government
Unilever U.S.
Union Carbide Corp.
Van Munching & Co.
Volkswagen of America
Warner Communications
Warner-Lambert Co.
Wendy's International
Wm. Wrigley Jr. Co.
Xerox Corp.

NOTE: These companies will be profiled in the Sept. 19, 1985, edition of Advertising Age's 100 leading national advertisers.

Media spending by the second 100

Rank		Company	Total measured advertising expenditures			Newspaper		Magazine		Network cable	
1984	1983		1984	1983	% chng	1984**	1983	1984	1983	1984	1983
101	123	**Matsushita Electric Corp. of America**	$42,572.5	$28,491.8	49.4	$1,817.6	$1,817.6	$18,690.3	$11,471.5	$646.9	$1,305.1
102	161	**Hallmark Cards**	40,333.0	21,074.4	91.4	0.0	0.0	11,047.7	508.8	83.2	173.0
103	117	**Estee Lauder Inc.**	39,600.6	31,575.1	25.4	3,307.2	3,307.2	15,572.9	10,285.1	0.0	2.3
104	107	**Thompson Medical Co.**	39,302.9	35,884.3	9.5	0.0	0.0	6,024.6	3,681.1	4,456.0	1,016.2
105	113	**G.D. Searle & Co.**	39,271.0	33,530.4	17.1	0.0	0.0	6,443.2	5,345.5	546.7	109.1
106	120	Dayton-Hudson Corp.	37,947.2	30,338.3	25.1	0.0	0.0	3,097.8	2,599.5	0.0	0.0
107	103	Mercedes-Benz of North America	37,940.1	39,036.2	(2.8)	6,594.9	6,594.9	14,404.3	14,180.4	271.7	148.4
108	129	Southland Corp.	37,027.5	27,509.9	34.6	0.0	0.0	794.2	285.5	17.7	11.2
109	126	Dow Chemical Co.	36,943.9	27,778.4	33.0	1,941.8	1,941.8	6,018.1	1,628.8	176.9	69.8
110	101	Jeffrey Martin Inc.	36,775.2	46,022.5	(20.1)	0.0	0.0	0.0	6.9	827.5	1,845.6
111	109	**MCI Communications Corp.**	36,034.1	34,627.7	4.2	0.0	0.0	2,519.1	1,833.1	0.0	0.7
112	132	**Hattori Corp. of America**	35,572.5	27,254.1	30.5	13,099.2	8,732.8	2,686.0	2,627.7	1,525.3	0.0
113	111	**A.H. Robins Co.**	35,544.0	33,819.4	5.1	0.0	0.0	3,228.5	3,603.8	84.5	525.4
114	186	**Ciba-Geigy Corp.**	35,303.5	17,630.9	100.2	0.0	0.0	4,659.4	1,358.3	13.8	0.0
115	142	**Federal Express Corp.**	34,866.9	24,274.8	43.6	0.0	0.0	3,051.8	1,429.9	710.5	0.8
116	84	Brown-Forman Distillers Corp.	34,667.5	39,835.2	(13.0)	3,840.5	3,840.5	18,477.1	20,875.8	0.0	13.4
117	162	Whirlpool Corp.	34,256.8	21,032.6	62.9	1,947.9	1,947.9	8,682.1	5,354.7	305.2	0.0
118	110	Commodore International	34,244.4	33,872.5	1.1	2,383.4	2,383.4	7,997.7	2,794.2	0.0	58.5
119	118	Triangle Publications	33,326.6	31,539.2	5.7	4,505.3	4,505.3	91.5	158.7	411.2	147.4
120	139	Helene Curtis Industries	33,265.7	25,128.4	32.4	0.0	0.0	1,637.1	0.0	0.0	0.0
121	104	**20th Century-Fox Film Corp.**	33,163.5	37,962.0	(12.6)	0.0	0.0	1,003.6	1,343.2	0.0	0.0
122	108	**E&J Gallo Winery**	32,887.7	34,817.2	(5.5)	0.0	0.0	746.6	2,355.0	0.0	0.0
123	171	**Imasco U.S.A.**	32,554.5	19,131.8	70.2	0.0	0.0	13.7	11.7	145.8	0.0
124	141	**Household International**	32,366.9	24,601.5	31.6	2,854.2	2,854.2	4,201.2	5,571.7	260.4	112.6
125	70	**Sony Corp. of America**	32,285.7	39,288.8	(17.8)	11,619.7	11,619.7	5,235.1	9,497.0	148.2	5.6
126	198	Citicorp	31,970.1	15,747.8	103.0	0.0	0.0	5,687.1	4,262.5	175.2	0.0
127	125	Tambrands	31,832.6	27,969.6	13.8	0.0	0.0	7,076.5	6,605.7	0.0	0.6
128	137	Rapid-American Corp.	31.284.9	25,940.5	20.6	4,427.2	4,427.2	12,095.9	14,977.9	455.8	15.3
129	112	Polaroid Corp.	31,260.2	33,802.1	(7.5)	1,923.1	1,923.1	6,746.0	4,638.1	887.3	0.0
130	N/A	State of Florida*	31,008.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
131	133	**Mennen Co.**	30,971.4	27,248.3	13.7	0.0	0.0	2,448.5	1,491.6	609.3	359.3
132	144	**Block Drug Co.**	30,894.5	24,199.6	27.7	0.0	0.0	183.0	291.7	589.6	593.8
133	152	**United Biscuits**	30,748.0	22,630.1	35.9	0.0	0.0	1,106.8	1,497.1	0.0	55.4
134	121	**Hiram Walker Resources**	30,483.5	29,243.6	4.2	1,643.5	1,643.5	21,080.2	20,041.5	0.0	0.0
135	124	**Federated Department Stores**	30,279.0	28,364.6	6.7	0.0	0.0	2,748.0	2,385.9	0.0	0.0
136	131	North American Philips Corp.	29,965.6	27,280.8	9.8	0.0	0.0	8,962.4	2,475.4	682.0	478.2
137	163	MGM/UA Entertainment Co.	29,771.5	20,773.3	43.3	0.0	0.0	251.8	758.9	287.0	0.0
138	224	Black & Decker Corp.	29,533.7	12,505.9	136.2	0.0	0.0	8,221.0	1,579.6	391.9	157.7
139	136	National Distillers & Chemical Corp.	29,200.4	25,980.3	12.4	1,192.9	1,192.9	12,531.9	13,803.5	11.4	0.0
140	192	ConAgra	29,190.3	16,572.1	76.1	0.0	0.0	3,709.4	853.4	0.0	0.0
141	151	American Dairy Assn.	29,112.1	23,929.2	21.7	2,300.0	1,000.0	318.3	169.4	0.0	0.0
142	145	SmithKline Beckman Corp.	28,841.3	23,848.8	20.9	0.0	0.0	3,846.5	2,444.6	96.6	5.4
143	149	Scott Paper Co.	28,547.0	23,651.6	20.7	0.0	0.0	1,492.9	1,272.8	2.0	69.0
144	166	American Stores Co.	28,251.2	20,161.8	40.1	0.0	0.0	0.0	19.5	0.0	0.0
145	148	Borden	28,116.8	23,744.4	18.4	1,293.3	1,293.3	8,621.5	6,490.6	572.8	343.8
146	N/A	Southwestern Bell Corp.	27,877.8	N/A	N/A	0.0	N/A	783.4	N/A	0.0	N/A
147	172	MasterCard International	27,845.9	18,928.2	47.1	0.0	0.0	3,547.7	2,022.7	386.3	61.9
148	122	Pan American World Airways	27,644.3	28,526.8	(3.1)	19,202.2	19,202.2	3,868.5	2,846.0	63.5	186.5
149	167	Chevron Corp.	27,040.1	19,845.3	36.3	1,755.8	1,755.8	4,680.4	1,161.0	677.3	1.0
150	232	Shell Oil Co.	26,499.0	11,680.0	126.9	0.0	0.0	2,288.4	20.0	8.0	166.4
151	143	**Reynolds Metal Co.**	26,048.5	24,234.3	7.5	1,221.2	1,221.2	2,239.4	1,360.4	0.0	31.9
152	146	**Subaru of America**	25,997.2	23,813.6	9.2	2,692.2	2,692.2	4,557.0	3,291.5	264.7	340.1
153	138	**Exxon Corp.**	25,591.3	25,449.9	0.6	3,442.7	3,442.7	4,804.3	3,320.7	0.0	28.8
154	130	**Prudential Insurance Co. of America**	25,405.2	27,338.0	(7.1)	0.0	0.0	2,708.7	7,298.0	880.1	89.6
155	187	**BMW of North America**	25,371.2	17,507.8	44.9	4,760.5	4,760.5	9,013.5	6,558.8	116.6	108.7
156	157	Transworld Corp.	25,085.5	21,370.4	17.4	0.0	0.0	2,975.8	2,730.9	0.0	1.3
157	292	Revell	24,947.5	883.9	2,722.4	0.0	0.0	0.0	20.6	44.9	47.2
158	114	Chesapeake Financial Corp.	24,837.1	33,237.8	(25.3)	1,800.0	2,109.9	5.7	404.0	4.1	0.0
159	51	Texas Instruments	24,831.7	68,270.5	(63.6)	16,871.6	16,871.6	4,019.7	11,695.2	324.6	391.7
160	159	Safeway Stores	24,527.9	21,217.6	15.6	0.0	0.0	1,414.0	941.8	0.0	0.0
161	170	**Geo. A. Hormel & Co.**	24,448.0	19,185.9	27.4	4,388.5	4,388.5	4,651.0	4,324.9	0.0	0.0
162	180	**Texaco**	24,320.9	18,121.4	34.2	4,692.7	4,692.7	2,690.6	1,609.1	1.7	0.8
163	241	**NCR Corp.**	24,244.1	10,973.3	120.9	0.0	0.0	4,100.1	580.6	58.5	0.0
164	271	**Wang Laboratories**	24,035.5	8,450.2	184.4	0.0	0.0	3,466.6	1,965.4	367.1	126.6
165	182	**Carter-Wallace**	23,822.5	17,918.6	32.9	0.0	0.0	2,257.9	955.3	189.0	415.1
166	134	Republic Airlines	23,818.4	27,148.0	(12.3)	11,659.9	11,659.9	394.1	1,785.3	0.8	127.3
167	281	Castle & Cooke	23,734.0	7,825.2	203.3	0.0	0.0	3,897.8	3,191.7	293.2	50.5
168	153	Denny's Inc.	23,724.0	22,403.5	5.9	0.0	0.0	0.0	0.0	0.0	0.0
169	160	DeBeers Consolidated Mines	23,703.7	21,167.0	12.0	0.0	0.0	13,115.8	11,883.6	34.2	0.0
170	286	Atlantic Richfield Co.	23,538.5	6,861.2	243.1	0.0	0.0	534.4	287.4	9.0	14.1
171	263	**Anderson, Clayton & Co.**	23,449.3	9,069.1	158.6	0.0	0.0	4,993.9	1,413.6	596.8	0.0
172	205	**Hewlett-Packard Co.**	23,247.0	14,693.8	58.2	4,110.1	4,110.1	11,363.1	7,597.0	110.5	0.0
173	155	**Sandoz**	23,245.6	21,971.6	5.8	0.0	0.0	7,136.7	5,589.7	1.4	0.0
174	150	**Lucky Stores**	23,115.0	23,431.3	(1.3)	0.0	0.0	18.4	67.1	0.0	0.0
175	154	**Kroger Co.**	22,991.1	21,998.8	4.6	0.0	0.0	5.8	246.0	11.2	84.6
176	140	G. Heileman Brewing Co.	22,981.3	24,771.1	(7.2)	0.0	0.0	0.0	0.0	61.0	0.0
177	191	Texas Air Corp.	22,947.3	16,600.0	38.2	12,390.4	12,390.4	49.1	96.0	0.0	21.9
178	173	Alberto-Culver Co.	22,864.6	18,744.1	22.0	0.0	0.0	3,160.2	2,510.1	38.2	182.6
179	185	Volvo Cars N.A.	22,722.8	17,714.1	28.3	3,767.3	3,767.3	8,594.3	7,619.7	178.4	116.0
180	N/A	BellSouth Corp.	22,329.3	N/A	N/A	0.0	N/A	4,069.8	N/A	0.0	N/A
181	N/A	**Pacific Telesis Group**	22,184.5	N/A	N/A	0.0	N/A	4,143.7	N/A	0.0	N/A
182	188	**Sharp Electronics Corp.**	22,112.0	17,480.2	26.5	1,311.5	1,311.5	4,813.2	1,978.5	226.3	89.3
183	168	**Cadbury Schweppes**	21,986.7	19,696.0	11.6	0.0	0.0	2,687.7	1,886.8	125.9	10.0
184	98	**Coleco Industries**	21,679.2	46,256.5	(53.1)	272.5	272.5	1,242.8	1,773.9	101.6	384.1
185	212	**May Department Stores**	21,598.8	14,341.5	50.6	0.0	0.0	188.1	392.4	0.0	0.0
186	N/A	Atari Corp.	21,159.7	67,038.3	-68.5	N/A	N/A	2,052.6	5,894.4	80.2	471.0
187	183	Blue Bell Inc.	21,101.3	17,902.1	17.9	1,200.0	0.0	3,502.0	1,318.2	128.5	268.7
188	213	Visa International	21,039.7	14,313.1	47.0	0.0	0.0	6,232.5	3,198.8	254.7	226.8
189	189	F.W. Woolworth Co.	20,977.5	17,361.0	20.8	0.0	0.0	2,452.4	2,112.2	225.0	6.7
190	194	Marriott Corp.	20,756.1	16,410.3	26.5	0.0	0.0	1,855.4	1,895.3	0.0	17.6
191	179	**Monsanto Co.**	20,616.5	18,131.9	13.7	0.0	0.0	4,953.6	3,440.5	0.0	0.0
192	216	**Walt Disney Productions**	20,246.5	13,786.4	46.9	0.0	0.0	3,542.8	1,431.1	362.2	204.4
193	178	**Jerrico Inc.**	20,200.8	18,257.2	10.6	0.0	0.0	0.0	0.0	0.0	0.0
194	211	**Amoco Corp.**	20,078.5	14,381.1	39.6	0.0	0.0	3,366.7	698.6	6.2	0.0
195	196	**Orion Pictures**	20,057.9	15,836.0	26.7	0.0	0.0	760.8	477.2	82.6	182.2
196	229	Transamerica Corp.	20,043.3	12,184.9	64.5	3,141.9	3,141.9	4,212.2	3,860.8	149.8	46.7
197	N/A	**NYNEX**	20,011.1	0.0	N/A	0.0	N/A	3,775.3	N/A	0.0	N/A
198	249	**Blue Cross & Blue Shield Assns.**	19,984.6	10,300.0	94.0	0.0	0.0	1,053.9	661.3	0.0	0.0
199	233	**Firestone Tire & Rubber Co.**	19,881.5	11,659.8	70.5	0.0	0.0	3,796.0	2,387.6	413.4	491.0
200	184	**Avon Products**	19,821.5	17,781.9	11.5	0.0	0.0	4,051.9	4,702.6	0.0	3.0
		Total for Second 100	2,775,889.6	2,192,062.5	26.7	166,972.7	158,616.2	439,529.0	322,477.5	24,422.4	12,148.7

Source: See where Advertising Age got this data, Page 68.

*** Source: State of Flordia and its agencies**

leading national advertisers ($000)

Spot tv		Network tv		Spot radio		Network radio		Outdoor		Farm publications	
1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
$13,816.8	$8,738.0	$1,859.8	$1,404.7	$5,201.9	$2,415.4	$294.3	$1,202.2	$244.9	$137.3	$0.0	$0.0
1,387.6	1,381.4	27,812.9	18,668.2	1.6	66.7	0.0	276.3	0.0	0.0	0.0	0.0
19,927.0	17,413.7	0.0	0.0	793.1	566.8	0.0	0.0	0.4	0.0	0.0	0.0
9,812.5	5,501.5	18,485.0	25,685.5	524.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
875.3	6,553.7	30,566.3	20,257.3	0.0	353.4	837.4	911.0	2.1	0.4	0.0	0.0
31,076.4	24,936.9	0.0	0.0	3,604.2	2,566.5	0.0	0.0	168.8	235.4	0.0	0.0
486.5	2,299.1	13,818.0	13,677.1	2,354.2	2,136.3	0.0	0.0	10.5	0.0	0.0	0.0
14,054.0	13,001.8	8,669.3	1,560.3	12,479.4	12,479.4	0.0	0.0	1,012.9	171.7	0.0	0.0
2,878.3	1,036.2	22,673.8	19,628.5	891.2	600.4	103.9	430.8	2.7	5.0	2,257.2	2,437.1
5,484.0	7,087.5	21,518.2	15,351.7	0.0	0.0	8,945.5	21,730.8	0.0	0.0	0.0	0.0
32,829.3	29,259.9	0.0	1,710.9	714.6	1,743.1	0.0	0.0	21.1	80.0	0.0	0.0
17,753.9	12,796.8	426.6	3,049.3	0.0	0.0	0.0	0.0	81.5	47.5	0.0	0.0
27,869.8	26,303.6	3,845.0	3,234.7	324.7	0.0	0.0	0.0	0.0	0.0	191.5	151.9
5,012.9	4,585.9	18,310.4	5,570.7	643.2	528.6	34.0	0.0	0.0	0.0	6,629.8	5,587.4
6,959.0	2,765.5	23,674.8	20,005.3	448.4	41.7	0.0	0.0	22.4	31.6	0.0	0.0
4,085.9	4,667.2	3,209.5	2,835.1	0.0	1,421.1	0.0	0.0	5,054.5	6,182.1	0.0	0.0
1,030.6	953.2	14,377.1	12,768.9	1,788.8	0.0	2,477.0	0.0	3,648.1	7.9	0.0	0.0
1,446.4	806.4	22,407.3	26,600.4	9.6	1,229.6	0.0	0.0	0.0	0.0	0.0	0.0
21,613.9	21,423.6	30.0	0.0	1,447.0	2,727.7	5,227.7	2,576.5	0.0	0.0	0.0	0.0
969.6	731.6	30,606.9	24,388.5	51.9	8.3	0.0	0.0	0.2	0.0	0.0	0.0
8,722.9	10,977.7	22,019.8	24,266.3	441.9	1,035.5	652.8	122.8	322.5	216.5	0.0	0.0
1,312.6	2,836.6	30,614.5	28,798.3	0.0	313.1	0.0	0.0	214.0	514.2	0.0	0.0
23,760.2	18,457.8	6,990.3	0.0	0.0	0.0	0.0	0.0	1,644.3	662.3	0.0	0.0
20,228.6	12,762.0	4,724.8	2,879.0	35.4	68.8	0.0	0.0	62.3	353.2	0.0	0.0
7,474.7	9,775.5	7,316.3	8,087.7	486.0	290.6	0.0	0.0	5.7	12.7	0.0	0.0
20,495.1	8,092.8	3,845.1	3,131.7	1,558.4	191.7	0.0	0.0	209.2	69.1	0.0	0.0
1,094.8	1,547.6	22,643.6	19,815.7	38.8	0.0	978.9	0.0	0.0	0.0	0.0	0.0
6,046.4	2,448.7	4,506.8	0.0	39.0	0.0	0.0	0.0	3,713.8	4,071.4	0.0	0.0
2,980.1	999.4	17,336.9	25,855.6	1,386.8	385.9	0.0	0.0	0.0	0.0	0.0	0.0
3,478.0	N/A	10,556.0	N/A	15.4	N/A	0.0	N/A	0.0	N/A	0.0	N/A
1,559.6	103.7	26,342.2	25,293.7	11.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8,465.9	6,154.2	19,524.1	15,630.7	2,131.9	1,529.2	0.0	0.0	0.0	0.0	0.0	0.0
8,779.5	5,607.6	20,861.7	15,442.3	0.0	27.7	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,759.8	7,558.6	0.0	0.0
26,216.6	24,569.9	0.0	0.0	1,251.6	1,394.6	0.0	0.0	62.8	14.2	0.0	0.0
3,027.1	3,821.2	17,145.0	20,449.7	98.5	16.3	0.0	0.0	50.6	40.0	0.0	0.0
3,629.1	7,966.5	22,764.8	11,120.0	2,791.3	782.8	0.0	0.0	47.5	145.1	0.0	0.0
4,912.0	3,721.0	15,454.6	7,047.6	0.0	0.0	542.3	0.0	11.9	0.0	0.0	0.0
1,743.0	5,584.8	4,868.1	195.6	0.0	0.0	3,183.6	0.0	5,669.5	5,203.5	0.0	0.0
6,431.6	8,794.9	16,148.9	4,725.5	10.8	0.0	2,871.3	2,146.2	18.3	52.1	0.0	0.0
8,640.6	11,462.0	13,792.2	4,531.9	3,103.6	4,834.3	571.8	1,714.9	385.6	216.7	0.0	0.0
1,855.8	1,925.6	22,871.4	19,258.1	1.7	86.7	0.0	0.0	0.0	0.0	169.3	128.4
20,923.8	18,646.0	5,448.8	3,304.0	593.6	356.3	0.0	0.0	85.9	3.5	0.0	0.0
26,762.8	17,872.0	42.7	0.0	1,171.9	2,120.9	0.0	0.0	273.8	149.4	0.0	0.0
7,590.6	8,190.6	7,289.2	6,693.0	1,644.5	699.5	1,089.2	0.0	15.7	33.6	0.0	0.0
19,460.5	N/A	0.0	N/A	7,405.8	N/A	0.0	N/A	226.1	N/A	0.0	N/A
4,961.6	2,918.1	18,948.4	13,923.1	1.9	0.0	0.0	0.0	0.0	2.4	0.0	0.0
798.8	2,329.2	0.0	0.0	1,406.2	2,457.9	31.2	0.0	2,273.9	1,505.0	0.0	0.0
11,992.5	10,322.6	411.9	303.3	5,920.3	4,947.4	0.0	0.0	46.2	67.1	1,555.7	1,287.1
10,042.2	0.0	1,642.7	1,696.8	9,940.3	7,689.8	0.0	0.0	39.2	70.9	2,538.2	2,036.1
21,885.1	21,310.1	0.0	0.0	699.8	293.2	0.0	0.0	3.0	17.5	0.0	0.0
5,247.3	5,175.9	12,615.0	11,908.7	594.6	371.2	0.0	0.0	26.4	34.0	0.0	0.0
16,238.8	16,210.1	0.0	1,110.5	266.8	407.2	0.0	579.9	838.7	350.0	0.0	0.0
1,893.9	453.1	19,830.6	19,316.2	55.5	181.1	0.0	0.0	36.4	0.0	0.0	0.0
6,562.2	3,718.8	2,983.3	1,488.2	1,932.1	869.9	0.0	0.0	3.0	2.9	0.0	0.0
3,872.5	4,698.7	12,538.1	9,892.1	5,500.1	3,349.0	0.0	0.0	199.0	698.4	0.0	0.0
16,908.8	666.1	7,993.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18,105.9	22,685.2	4,423.7	6,270.4	0.0	1,386.5	0.0	0.0	497.7	381.8	0.0	0.0
2,764.3	18,080.0	283.4	17,808.4	568.1	3,423.6	0.0	0.0	0.0	0.0	0.0	0.0
20,348.1	18,469.5	0.0	0.0	2,623.9	1,721.5	0.0	0.0	141.9	84.8	0.0	0.0
5,548.0	3,433.8	2,847.1	3,321.2	4,850.6	2,120.7	1,972.8	1,398.9	190.0	197.9	0.0	0.0
8,824.1	3,447.6	5,870.1	4,824.7	2,218.4	3,512.5	0.0	0.0	23.3	34.0	0.0	0.0
2,813.5	87.1	17,272.0	10,302.4	0.0	0.0	0.0	0.0	0.0	3.2	0.0	0.0
4,507.6	1,909.6	14,740.4	4,329.3	953.8	119.3	0.0	0.0	0.0	0.0	0.0	0.0
4,339.8	2,756.2	17,033.4	13,792.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3,527.1	5,175.0	1,528.3	2,053.5	5,672.0	5,336.7	0.0	0.0	1,036.2	1,010.3	0.0	0.0
12,003.2	2,905.9	5,657.1	1,494.3	1,146.2	182.8	716.3	0.0	20.2	0.0	0.0	0.0
6,640.6	8,413.6	15,267.0	12,165.8	1,419.8	1,307.4	62.5	0.0	334.1	516.7	0.0	0.0
1,411.8	1,188.1	9,141.9	8,095.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10,437.9	4,080.2	10,020.0	182.4	2,536.4	2,229.7	0.0	0.0	0.8	67.4	0.0	0.0
8,575.1	1,282.7	9,279.9	5,913.2	3.6	453.0	0.0	0.0	0.0	6.6	0.0	0.0
5,307.6	2,373.8	2,328.4	0.0	26.1	612.9	0.0	0.0	1.2	0.0	0.0	0.0
3,325.3	6,033.4	12,631.4	10,261.1	5.4	0.0	0.0	0.0	145.4	87.4	0.0	0.0
20,237.8	19,244.4	0.0	0.0	2,771.3	4,068.1	0.0	0.0	87.5	51.7	0.0	0.0
22,703.6	19,609.0	0.0	0.0	11.1	1,379.5	0.0	0.0	259.4	679.7	0.0	0.0
11,187.3	12,225.6	3,793.5	4,602.8	6,483.3	5,983.9	0.0	0.0	1,456.2	1,958.8	0.0	0.0
2,133.3	1,026.7	0.0	0.0	7,729.3	2,537.2	0.0	0.0	645.2	527.8	0.0	0.0
5,147.1	3,634.1	12,680.8	11,519.3	1,794.4	882.2	0.0	0.5	43.9	15.8	0.0	0.0
6,975.6	4,274.5	331.7	225.3	2,875.5	1,704.3	0.0	0.0	0.0	7.0	0.0	0.0
12,699.3	N/A	0.0	N/A	5,507.0	N/A	0.0	N/A	53.2	N/A	0.0	N/A
17,494.6	N/A	0.0	N/A	545.8	N/A	0.0	N/A	0.4	N/A	0.0	N/A
1,139.2	1,604.7	14,229.7	12,309.9	0.0	0.0	0.0	0.0	392.1	186.3	0.0	0.0
7,970.1	7,342.7	10,999.2	9,660.2	27.5	24.7	89.3	672.7	87.0	98.9	0.0	0.0
13,651.3	14,331.3	4,600.4	29,488.5	1,810.6	6.2	0.0	0.0	0.0	0.0	0.0	0.0
18,382.7	13,460.7	2,618.7	352.5	403.1	111.1	0.0	0.0	6.2	24.8	0.0	0.0
937.0	9,641.1	18,027.5	50,035.4	0.0	14.2	62.4	972.6	0.0	9.6	0.0	0.0
1,920.1	1,375.0	12,223.1	13,095.5	1,515.7	1,551.7	514.4	290.1	97.5	2.9	0.0	0.0
0.7	263.7	14,550.1	8,729.1	0.0	553.3	0.0	1,331.8	1.7	9.6	0.0	0.0
12,950.0	10,497.5	143.2	1,030.6	5,206.9	3,714.0	0.0	0.0	0.0	0.0	0.0	0.0
13,197.3	10,278.1	87.8	38.0	4,873.1	3,545.3	0.0	0.0	742.5	636.0	0.0	0.0
4,639.6	3,527.6	0.0	921.5	1,477.9	1,203.3	520.0	700.0	29.0	50.8	8,996.4	8,288.2
12,096.4	6,464.7	3,686.9	4,848.1	471.0	809.4	0.0	0.0	87.2	28.7	0.0	0.0
19,951.3	18,091.7	0.0	0.0	98.9	130.7	0.0	0.0	150.6	34.8	0.0	0.0
11,587.1	12,055.9	0.0	0.0	4,619.1	1,264.0	0.0	0.0	499.4	362.6	0.0	0.0
4,754.0	2,961.1	13,160.3	10,946.4	1,300.2	922.8	0.0	346.3	0.0	0.0	0.0	0.0
845.0	406.2	11,642.6	2,956.5	2.7	145.5	0.0	1,585.2	49.1	42.1	0.0	0.0
14,536.2	N/A	0.0	N/A	1,654.4	N/A	0.0	N/A	45.2	N/A	0.0	N/A
8,106.6	7,546.8	3,831.0	0.0	5,702.7	2,091.9	1,062.3	0.0	228.1	0.0	0.0	0.0
3,159.0	4,081.8	12,152.7	4,622.7	334.4	41.7	0.0	0.0	26.0	35.0	0.0	0.0
369.4	307.3	14,491.2	12,618.7	10.4	150.3	898.2	0.0	0.4	0.0	0.0	0.0
931,818.8	734,425.6	951,381.2	751,342.0	163,892.5	118,813.3	33,739.1	38,816.4	41,895.8	36,106.6	22,338.1	19,916.2

**Newspaper figures for 1984 were not available. Where possible, updates were obtained from companies. Otherwise, 1983 figures were used.

Amoco Oil Co.
Chicago

RANK
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($ figures = 000,000,000)

Worldwide	1984	1983	% chg
Sales	29.0	29.5	-1.6
Net income	2.2	1.9	16.9
U.S.			
Sales	23.0	23.4	-1.8
Operating profits	1.3	1.2	4.8
Advertising	0.020	0.014	39.6
Division sales			
Refined prods.	12.0	12.90	-6.9
Crude	8.4	8.5	1.2
Natural gas	2.5	2.3	10.4
Chemical prods.	2.8	2.9	-4.8
Metals/minerals	0.6	0.58	4.7
Other	0.8	0.65	26.7

Amoco Corp., Chicago, strengthened its position as a leading U.S. gasoline marketer in 1984 while simultaneously taking steps to streamline other operations by spinning off money-losing mining operations.

The nation's fifth largest oil company, which this year changed its corporate name from Standard Oil Co. (Indiana), spent $20.0 million in measured media advertising last year, a 39.6% increase from 1983, ranking it 194th among U.S. advertisers.

Amoco earned a record $2.2 billion in 1984, a 17% increase from 1983, despite continuing erosion in oil-industry prices. Those earnings came from total revenues of $29 billion, a 2% drop.

Worldwide earnings from Amoco Oil Co.'s refining, marketing and transportation activities were $123 million in 1984, more than quadrupling the $28 million earned a year earlier. The increase was partially because of a $53 million gain from the sale of Australian refining and marketing operations to a unit of British Petroleum.

Heavy competitive pressures from excess refining capacity and lower prices, however, caused a severe downturn in first-quarter 1985 earnings for the company's refining and marketing operations. The unit earned only $2 million in the quarter, compared with $22 million a year earlier. Earnings from U.S. oil exploration and production fell 16% to $243 million, while foreign activities in the same sector dropped 20% to $189 million in the quarter. Earnings from chemical operations dipped 17% to $49 million.

In part to offset impending hard times for gasoline marketers, Amoco continued to reduce the number of its low-volume service stations in its 33-state marketing area, while expanding the number of metropolitan Certicare auto-service centers by 25% to 500.

The company distributes petroleum products to 15,700 service stations, 4,400 of which it owns or leases. The total number of stations was reduced last year by 2,300. Most current outlets are operated by independent dealers.

In January, Amoco Oil will streamline over-all U.S. marketing operations by closing three regional and five district offices and creating East and West zones to replace several regional marketing entities.

The company's gasoline market share in its metropolitan retail areas increased to 14.4% in 1984 from 13.3% a year earlier, and it claims a leading 11.7% market share in the 33-state region, including Midwest, East and Southeast markets.

Amoco used direct-mail advertising to reach 7 million prospects in 1984, leading to an 800,000 expansion of its credit-card base. D'Arcy MacManus Masius, Chicago, has been Amoco Oil's agency of record for 30 years, and despite an informal review of other agencies last spring, marketing officials there insist no agency change is imminent.

A major yearlong tv and radio campaign using the tag line, "Your car knows" began in April.

D'Arcy's estimated $20 million in Amoco Oil advertising makes up the bulk of Amoco Corp.'s ad budget, and includes ads for gasoline, service stations, tires, batteries and accessories.

Amoco does almost no corporate advertising, except for a short-term campaign apprising customers and shareholders of its name change. The company's chemicals division received less than $1 million in measured media advertising support last year.

After selling its foreign oil interests to Standard Oil Co. (New Jersey)—now Exxon Corp.—in 1932, the company in the past two decades has begun quietly rebuilding its overseas oil business. Last year, for example, it acquired drilling rights for Burundi, Mozambique and Tanzania.

The company's unprofitable Cyprus Minerals Co. division will be spun off to Amoco shareholders July 1 in a tax-free distribution.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,366.7	698.6
Network cable	6.2	0.0
Spot tv	11,587.1	12,055.9
Spot radio	4,619.1	1,264.0
Outdoor	499.4	362.6
Total measured	20,078.5	14,381.1

AMOCO CORP.
200 E. Randolph Dr.
Chicago, Ill. 60601
(312) 856-6111

Marketing Personnel

S.G. Van Sickle, vp-mktg
J.A. Stitzell, dir-adv
Jerry Cooper, mgr-public affairs, planning & admin

Advertising Agencies

D'Arcy MacManus Masius, Chicago—corp adv—John Breen, acct group super.

Kobs & Brady Advertising, Chicago—direct mktg—Charles Angela, vp-mgmt super; Timothy Trott, acct super.

AMOCO CHEMICALS CORP.

Marketing Personnel

A.F. Kirchner Jr., senior vp-mktg
R.M. Winters, vp-mktg & chemical intermediates
Frank G. Andruso, vp-mktg-olefins & polymers
S.C. Schulert, dir-mktg communications

Advertising Agency

BBDM/Cunningham & Walsh, Chicago—chemical prods—Steve Jareo, acct mgr.

Anderson, Clayton & Co.
Houston

RANK
171

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,524.5	1,390.4	9.6
Net income	38.5	21.6	77.8
U.S.			
Sales	897.4	780.9	14.9
Operating profits	47.2	39.3	20.1
Advertising	23.4	9.1	158.6

Anderson, Clayton & Co. took another step last month in bolstering its prosperous grocery products business by merging its Chiffon and Seven Seas brands into the newly formed Gaines Foods division.

The Houston-based company was the 171st largest U.S. advertiser in 1984 with total measured spending of $23.4 million, $19.1 million of which went to support Gaines and Gravy Train dog food brands acquired from General Foods in 1984. In 1983, Anderson, Clayton spent only $9.1 million in measured advertising, largely on its Igloo coolers and Seven Seas salad dressings.

The move to bring Chiffon and Seven Seas under the new grocery products umbrella bearing the Gaines Foods moniker consolidates all Anderson, Clayton's grocery products into a single unit. In 1984, Anderson, Clayton did not allocate monies for Chiffon in measured media, but backed Seven Seas with $2.4 million, nearly all in magazines, down 57.1% from 1983, and still short of the $3.5 million spent in 1982. Chiffon has received very little media support in the past few years.

By contrast, out of the $19.1 million in media spent by the Gaines division, $8.1 million went for network tv, $8.4 million for spot tv and $2.3 million for magazines. Gaines, while a division of General Foods in 1983, spent $9.9 million in measured media. Anderson, Clayton purchased Gaines, which had sales of about $300 million, on June 5, 1984, for $158 million cash.

As a result of moving Chiffon and Seven Seas to Gaines, the company split Gaines marketing into two groups: Foods, headed by Alan R. Koss, handling Chiffon and Seven Seas, and dog foods, headed by Bruce B. Bramen. Additional directors for dog foods include William C. Storey, logistics; Ralph D. Vogt, technical research, and Nancy Wong, marketing.

Both marketing groups report to Ralph L. Cobb, Gaines' president. Ernest E. Steinle directs sales for both divisions.

Gaines Foods, White Plains, N.Y., announced in late April, 1985, a switch in agencies for Gaines Burgers, Top Choice, Puppy Choice and Prime Variety soft-moist dog foods from Young & Rubicam, New York, to Benton & Bowles, New York. The change took effect in May, giving Benton & Bowles all Gaines dog food brands. The agency already handled Gravy Train and Cycle brand dog foods.

Y&R had been the agency for Gaines Burgers since the brand's inception in 1962 and for Top Choice over most of that brand's 19-year history. Benton & Bowles has been a Gaines agency for more than 30 years.

Anderson, Clayton recorded net income for the nine months ended March 31, 1985, of $13.1 million on sales of $1.39 billion. Sales for the fiscal year ended June 30, 1984, were $1.52 billion, up 9.6%, with net income of $38.5 million, up 78%.

In May, the company took a $10.8 million charge against third-quarter net income because of steep losses by its Ranger Insurance Co. affiliate. The charge resulted from increasing reserves for reinsurance losses due to heavy claims, lower interest income and a price war in commercial property and casualty insurance. Ranger had net losses in fiscal 1984 and 1983.

Considering Anderson, Clayton's recent problems in insurance and materials handling equipment, it is not surprising a pattern has developed of attempts to acquire profitable grocery product lines. In 1983, for example, the company bid $490 million for Norton Simon Inc., owner of Hunt-Wesson Foods and United Can. The bid failed when Norton Simon accepted an offer from Esmark, which later was acquired by Beatrice Cos.

In 1977, Anderson, Clayton bid on Gerber Products Co., a year after making a bid for Stokely-Van Camp. Both bids were rejected.

With Gaines firmly in hand, however, Anderson, Clayton executives say Gaines' experienced management and direct sales force fulfills a "real need" as it pursues the grocery products market.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,993.9	1,413.6
Network cable	596.8	0.0
Spot tv	8,575.1	1,282.7
Network tv	9,279.9	5,913.2
Spot radio	3.6	453.0
Outdoor	0.0	6.6
Total measured	23,449.3	9,069.1

ANDERSON, CLAYTON & CO.
Inter First Plaza
1100 Louisiana Ste. 3800
Houston, Tex. 77002
(713) 651-0641

GAINES FOODS
White Plains, N.Y.

Ralph Cobb, president, Gaines Foods
Bruce Bramen, dir-Gaines dog food bus. grp
Alan Koss, dir-foods bus. grp
Nancy Wong, mktg mgr-pet foods

Advertising Agencies

Bloom Cos., New York—Seven Seas, Chiffon—Jeff Fine, president; Steve McCloskey, senior vp-mgmt super; Nancy Rehling, vp-senior acct super.

Benton & Bowles, New York—pet foods including Gaines Burgers, Top Choice, Puppy Choice, Prime Variety, Cycle dog food—Mary Roche Garber, mgmt super; Carl Nichols, acct super; David Williamson, acct super; Lyman Casey, acct exec-Gravy Train; Andrea Cautela, acct exec-Cycle, Gravy Train.

IGLOO CORP.
Houston

Doug Grote, vp-mktg
Lee Steele, senior prod mgr
Jim Begley, creative services mgr

Advertising Agency

W.B. Doner, Houston—Igloo, Playmate, Tag-Along, Explorer ice coolers—Al Salter, exec vp, dir-operations; Jim Startz, senior acct exec; Jill Hoffman, acct exec.

Atari Corp.
Sunnyvale, Cal.

RANK
186

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	21.2	67.6	-68.6

Marketing and advertising in 1985 and beyond at Atari Corp. almost certainly will hinge on a key product, the 520ST home computer, designed to compete with Apple Computer's Macintosh at a third of the price. The Sunnyvale, Cal., marketer was the 186th largest U.S. advertiser in 1984 with $21.2 million in measured spending, off 68.5% from 1983.

Lately, Atari is producing as many questions as answers about its future in the troubled home computer market, following the announcement that the 520ST will not be available in the U.S. until July, 1985, three months later than originally intended.

The 520ST has the fancy graphics and easy-to-use features of a Macintosh, but it costs about $800, compared with the Macintosh, which goes for more than $2,000.

The new Atari unit is among the most highly touted machines. The product kicked off in Europe last month in order to test the waters in that less competitive market and build marketing foundation, a pattern Jack Tramiel, chairman, set while chief of Commodore International. U.S. distribution is expected to be in ComputerLand stores where the 520ST will compete directly with the more expensive IBM and Apple models.

Unlike Macintosh, the 520ST works in color, and analysts say it could be the machine that makes consumers excited about home computers again. Analysts say the low-end home computer market could use some help, especially after IBM's cancelation in 1985 of its PCjr.

Atari has a 16% share of the $6 billion home computer market dominated by Commodore (33%). Other leading players in the market are Tandy Corp.'s Radio Shack (18%) and Apple Computer (16%).

Strong sales of the 520ST could provide a much-needed boost in Atari's finances, which have been poor in recent years. While results of financial performance are not available from the privately held company, Mr. Tramiel has admitted to securities analysts that sales in Atari's current line are "very,

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Second 100 leading advertisers with U.S. sales

Primary business	Rank	Company	1984 U.S. adv. exp. ($000)	1984 U.S. sales ($000)	Adv. as % of U.S. sales	1984 worldwide sales ($000)	1984 worldwide earnings ($000)
FOOD	108	Southland Corp.	$37,027.5	N/A	N/A	$12,105,001.0	$160,252.0
	123	Imasco U.S.A.	32,554.5	$1,900,819.0	1.7	2,818,151.0	205,080.0
	133	United Biscuits	30,748.0	1,021.3	3.0	2,020.0	128.4
	140	ConAgra	29,190.3	3,301,524.0	0.9	3,301,524.0	65,208.0
	141	American Dairy Assn.	29,112.1	N/A	N/A	N/A	N/A
	144	American Stores Co.	28,251.2	12,118,793.0	0.2	12,118,793.0	185,525.0
	145	Borden	28,116.8	3,837,135.1	0.7	4,568,018.0	191,407.0
	158	Chesapeake Financial Corp.	24,837.1	N/A	N/A	N/A	N/A
	160	Safeway Stores	24,527.9	19,642,201.0	0.1	19,642,201.0	185,011.0
	161	Geo. A. Hormel & Co.	24,448.0	1,454,527.0	1.7	1,454,527.0	29,492.0
	167	Castle & Cooke	23,734.0	1,220,000.0	1.9	1,520,088.0	(76,667.0)
	168	Denny's Inc.	23,724.0	1,214,784.0	2.0	1,216,000.0	44,700.0
	171	Anderson, Clayton & Co.	23,449.3	897,382.0	2.6	1,524,541.0	38,508.0
	174	Lucky Stores	23,115.0	9,236,529.0	0.3	9,236,529.0	94,631.0
	175	Kroger Co.	25,143.6	15,900,000.0	0.2	15,900,000.0	156,600.0
	183	Cadbury Schweppes	21,986.7	669,416.4	3.3	2,777,113.9	49,861.9
	193	Jerrico Inc.	20,200.8	496,456.0	4.1	496,456.0	20,355.0
AUTOMOTIVE	107	Mercedes-Benz of North America	37,940.1	4,100,000.0	1.0	4,100,000.0	N/A
	152	Subaru of America	25,997.2	1,174,912.0	2.2	1,174,912.0	60,018.0
	155	BMW of North America	25,371.2	N/A	N/A	N/A	N/A
	179	Volvo Cars N.A.	22,722.8	N/A	N/A	N/A	N/A
	199	Firestone Tire & Rubber Co.	19,881.5	2,869,000.0	0.7	4,001,000.0	102,000.0
WINE, BEER & LIQUOR	116	Brown-Forman Distillers Corp.	34,667.5	1,146,343.0	3.0	1,146,343.0	73,554.0
	122	E&J Gallo Winery	32,887.7	N/A	N/A	N/A	N/A
	128	Rapid-American Corp.	31,284.9	N/A	N/A	1,815,899.0	8,356.0
	134	Hiram Walker Resources	30,483.5	914,940.0	3.3	2,867,280.0	191,100.0
	139	National Distillers & Chemical Corp.	29,200.4	2,182,700.0	1.3	2,244,900.0	51,400.0
	176	G. Heileman Brewing Co.	22,981.3	1,341,549.0	1.7	1,341,549.0	45,798.0
PETROLEUM & CHEMICALS	109	Dow Chemical Co.	36,943.9	5,293,000.0	0.7	11,418,000.0	585,000.0
	149	Chevron Corp.	27,040.1	18,701,000.0	0.1	27,830,000.0	1,534,000.0
	150	Shell Oil Co.	26,499.0	20,898,000.0	0.1	20,898,000.0	1,772,000.0
	153	Exxon Corp.	25,591.3	25,430,000.0	0.1	94,700,000.0	5,000,000.0
	162	Texaco	24,320.9	N/A	N/A	47,935,000.0	1,071,000.0
	170	Atlantic Richfield Co.	23,538.5	22,722,000.0	0.1	24,654,000.0	567,000.0
	191	Monsanto Co.	20,616.5	4,914,000.0	0.4	6,691,000.0	439,000.0
	194	Amoco Corp.	20,078.5	22,927,000.0	0.1	29,008,000.0	2,183,000.0
ELECTRONICS & APPLIANCES	101	Matsushita Electric Corp. of America	42,572.5	19,826,800.0	0.2	19,826,800.0	1,001,133.0
	112	Hattori Corp. of America	35,572.5	N/A	N/A	N/A	N/A
	117	Whirlpool Corp.	34,256.8	3,137,482.0	1.1	3,137,482.0	189,565.0
	118	Commodore International	34,244.4	761,200.0	4.5	1,267,200.0	143,800.0
	125	Sony Corp. of America	32,285.7	1,747,784.0	1.8	5,149,167.0	291,555.0
	138	Black & Decker Corp.	29,533.7	870,200.0	3.4	1,532,900.0	95,400.0
	136	North American Philips Corp.	29,965.6	4,325,900.0	0.7	4,325,900.0	130,500.0
	159	Texas Instruments	24,831.7	4,087,000.0	0.6	5,741,600.0	316,000.0
	163	NCR Corp.	24,244.1	2,255,573.0	1.1	4,074,327.0	342,640.0
	164	Wang Laboratories	24,035.5	1,555,200.0	1.5	2,184,700.0	210,200.0
	172	Hewlett-Packard Co.	23,247.0	3,527,000.0	0.7	6,044,000.0	665,000.0
	182	Sharp Electronics Corp.	22,112.0	N/A	N/A	4,561,848.0	170,717.0
	186	Atari Corp.	21,159.7	N/A	N/A	N/A	N/A
TOYS	157	Revell	24,947.5	40,000.0	62.4	40,000.0	N/A
	184	Coleco Industries	21,679.2	707,975.0	3.1	774,900.0	(79,800.0)
MISCELLANEOUS	102	Hallmark Cards	40,333.0	N/A	N/A	1,500,000.0	N/A
	115	Federal Express Corp.	34,866.9	1,436,305.0	2.4	1,436,305.0	115,430.0
	119	Triangle Publications	33,326.6	N/A	N/A	N/A	N/A
	129	Polaroid Corp.	31,260.2	743,500.0	4.2	1,271,500.0	25,700.0
	130	State of Florida	31,008.0	N/A	N/A	N/A	N/A
	143	Scott Paper Co.	28,547.0	2,536,558.0	1.1	2,847,300.0	187,921.0
	151	Reynolds Metal Co.	26,048.5	3,310,000.0	0.8	3,730,000.0	137,300.0
	156	Transworld Corp.	25,085.5	N/A	N/A	2,002,000.0	115,000.0
	169	DeBeers Consolidated Mines	23,703.7	N/A	N/A	1,613,000.0	166,000.0
	190	Marriott Corp.	20,756.1	3,326,837.0	0.6	3,524,937.0	139,765.0
AIRLINES	148	Pan American World Airways	27,644.3	1,039,431.0	2.7	3,684,838.0	(206,836.0)
	166	Republic Airlines	23,818.4	1,550,000.0	1.5	1,550,000.0	29,500.0
	177	Texas Air Corp.	22,947.3	1,371,702.0	1.7	1,371,702.0	50,337.0
FINANCIAL & INSURANCE	124	Household International	32,366.9	7,961,200.0	0.4	8,321,500.0	234,100.0
	126	Citicorp	31,970.1	3,657,000.0	0.9	6,619,000.0	890,000.0
	147	MasterCard International	27,845.9	N/A	N/A	101,688.0	(227.0)
	154	Prudential Insurance Co. of America	25,405.2	66,645,000.0	0.1	66,645,000.0	5,984,000.0
	188	Visa International	21,039.7	N/A	N/A	N/A	N/A
	196	Transamerica Corp.	20,043.3	4,922,000.0	0.4	5,399,103.0	171,548.0
	198	Blue Cross & Blue Shield Assns.	19,984.6	39,954,281.0	0.1	39,954,281.0	2,069,771.0
ENTERTAINMENT	121	20th Century-Fox Film Corp.	33,163.5	N/A	N/A	N/A	N/A
	137	MGM/UA Entertainment Co.	29,771.5	474,748.0	6.3	706,902.0	34,697.0
	192	Walt Disney Productions	20,246.5	1,507,060.0	1.3	1,655,977.0	97,844.0
	195	Orion Pictures Corp.	20,057.9	126,340.0	15.9	223,025.0	6,019.0
TELEPHONE SERVICE	111	MCI Communications Corp.	36,084.1	N/A	N/A	1,959,291.0	59,203.0
	146	Southwestern Bell Corp.	27,877.8	7,191,300.0	0.4	7,191,300.0	883,100.0
	180	BellSouth Corp.	22,329.3	9,519,000.0	0.2	9,519,000.0	1,257,000.0
	181	Pacific Telesis Group	22,184.5	7,824,300.0	0.3	7,824,300.0	870,000.0
	197	NYNEX	20,011.1	9,506,800.0	0.2	9,506,800.0	986,400.0
RETAIL	106	Dayton-Hudson Corp.	37,947.2	12,105,001.0	0.3	8,009,000.0	259,300.0
	135	Federated Department Stores	30,279.0	9,672,300.0	0.3	9,672,300.0	329,000.0
	185	May Department Stores	21,598.8	4,744,000.0	0.5	4,744,000.0	214,000.0
	187	Blue Bell Inc.	21,101.3	N/A	N/A	1,230,000.0	N/A
	189	F.W. Woolworth Co.	20,977.5	3,500,000.0	0.6	5,700,000.0	141,000.0
DRUGS	104	Thompson Medical Co.	39,302.9	189,804.0	20.7	197,244.6	21,207.5
	105	G.D. Searle & Co.	39,271.0	974,600.0	4.0	1,245,800.0	161,600.0
	110	Jeffrey Martin Inc.	36,775.2	N/A	N/A	58,540.0	5,676.0
	113	A.H. Robins Co.	35,544.0	490,400.0	7.2	631,900.0	461,600.0
	114	Ciba-Geigy Corp.	35,303.5	N/A	N/A	N/A	N/A
	132	Block Drug Co.	30,894.5	158,795.0	19.5	238,277.0	23,919.0
	142	SmithKline Beckman Corp.	28,841.3	2,098,300.0	1.4	2,949,200.0	503,600.0
	165	Carter-Wallace	23,822.5	251,789.0	9.5	323,051.0	18,444.0
	173	Sandoz	23,245.6	N/A	N/A	2,760,000.0	N/A
TOILETRIES & COSMETICS	103	Estee Lauder Inc.	39,600.6	N/A	N/A	N/A	N/A
	120	Helene Curtis Industries	33,265.7	370,300.0	9.0	370,300.0	2,700.0
	127	Tambrands	31,832.6	294,484.0	10.8	389,984.0	58,907.0
	131	Mennen Co.	30,971.4	N/A	N/A	150,000.0	N/A
	178	Alberto-Culver Co.	22,864.6	272,100.7	8.4	348,595.0	4,526.0
	200	Avon Products	19,821.5	2,086,100.0	1.0	3,141,300.0	181,700.0

Source: See where Advertising Age got this data, Page 68.
NOTE: Some private companies will not divulge sales figures.

very slow."

The company's XE mass-market product retailing for $149 has not been doing well, in fact, it may be phased out as the market builds for the 520ST.

Mr. Tramiel bought Atari from Warner Communications in 1984 after his ouster as ceo of Commodore International Ltd., West Chester, Pa. Warner retained a 32% stake in Atari, in a deal that involved no cash. Under Mr. Tramiel's guidance, however, Atari is being transformed into a company that barely resembles the former Warner unit.

Under Warner in 1983, $67.0 million in measured media was spent on Atari products. The major difference in spending in 1984 was in computer games and cartridges, which dropped from $49.5 million to $9.3 million in 1984, reflecting the depressed video games market. Most of the spending in both years was for network tv.

Mr. Tramiel has lured several key executives away from Commodore, and he is attempting to overhaul Atari's product line, which includes the Atari 600, Atari 800 and 800XL computers targeted at the low end of the market, educational and game software, and video systems that plug into the computers.

Network tv got $18 million of Atari's total measured spending in 1984; $5.7 million of the tv spending went for its combined video system and software, and $3.9 million for software. Atari software and game cartridges figured heavily in 1984 spending. Atari also spent about $1 million for spot tv and $2 million for magazines.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,052.6	5,894.4
Network cable	80.2	471.0
Spot tv	937.0	9.641.1
Network tv	18,027.5	50,035.4
Spot radio	0.0	14.2
Network radio	62.4	972.6
Outdoor	0.0	9.6
Total measured	21,159.7	76,038.3

ATARI CORP.
1265 Borregas Ave.
Sunnyvale, Cal. 94806
(408) 745-2000
ATARI GAMES CORP.
Marketing Personnel
Linda Benzler, prod mgr
Don Traeger, prod mgr
Mary Fujihara, dir-mktg research
Advertising Agency
(In-house)
ATARI PRODUCTS
Marketing Personnel
Jamie Copland, vp-mktg sales
Sig Schreyer, genl mgr
David Harris, exec vp-sales
Bryan Kerr, mktg mgr
Advertising Agency
Goodby, Berlin & Silverstein, San Francisco—Rebecca Holder, mgmt super, Andy Berlin, acct exec.

RANK 170

Atlantic Richfield Co.

Los Angeles

($ figures = 000,000,000)

Worldwide	**1984**	**1983**	**% chg**
Sales	24.7	24.9	-1.0
Net income	0.57	1.55	-63.4
U.S.			
Sales	22.7	23.1	-1.8
Operating profits	N/A	N/A	N/A
Advertising	0.024	0.007	243.1
Division sales			
Oil & gas	6.7	6.7	4.1
Minerals	0.39	0.39	0.8
Refining/mktg	19.9	20.5	3.2
Transportation	1.2	1.2	1.3
Chemicals	3.1	2.9	9.1
Other	0.023	0.011	109.1

A vast restructuring at Atlantic Richfield Co. in 1985, which involves a plan to sell or dispose of 2,000 service stations east of the Mississippi River, may dramatically change Arco's marketing efforts. Los Angeles-based Arco, the 170th largest U.S. advertiser in 1984, had total measured spending of $23.5 million, an increase of 243% over 1983.

As the nation's sixth largest oil company, Arco will own about 800 service stations and operate 1,200 leased dealer stations in the West after the restructuring, eliminating about 1,150 Arco-owned service stations and 870 dealer-owned and independent stations in the East. In addition, the company is attempting to sell its Philadelphia refinery, a sale that may be complicated by an overabundance of refining capacity in the U.S., where more than 100 refineries have been closed in the past five years.

Company executives say it is too early to determine the effect restructuring may have on ad spending. But in effect, it reverses the strategy that peaked in 1984 of building national brand recognition for Arco's gasoline and retail network.

In light of the changes, it is doubtful Arco will come close to maintaining its 1984 ad levels simply because of its greatly decreased market presence. For example, the company controls 7% of the retail gasoline market in New York state, 7% in New Jersey and 11% in Connecticut.

In addition, 1984 represented a break with ad spending patterns of previous years. Arco's 1984 measured spending for general petroleum product promotion included $10 million in network tv, an increase of 55 times over measured network tv spending of $182,000 in 1983.

Large spending increases also were measured in 1984 for spot tv ads featuring Arco gasoline and service stations, an increase of 155% to $10.4 million. Of the 1984 measured spending totals, $4.3 million was spot tv for dealer's service promotion, with an additional $4.3 million in spot tv for Arco's AM PM Mini Markets, and $1.2 million for MP&G Tune Up Centers.

For comparison, the largest measured spending categories in 1983 were $1.7 million in spot tv for gasoline and $1.2 million in measured spot tv for AM PM Mini-Markets.

The restructuring, analysts say, is intended to reduce Arco's overcapacity in gasoline refining and marketing, which had been eroding profit margins, and to rechannel company resources away from failed diversification efforts to improve both the bottom line and returns to shareholders. By allowing stock market values to rise to levels that more closely reflect the actual value of its assets, Arco becomes a less likely target for takeover, Wall Street analysts say.

News of the restructuring took the oil industry by surprise because, despite declining earnings, Atlantic Richfield was in sound financial shape. The company in 1984 recorded its second consecutive year of falling profits and revenues. Operating revenues totaled $24.6 billion, a decrease of 1% from 1983 and 6% from 1982. Net income in 1984 was $567 million, a decrease of 63% from 1983.

Net income in 1984, however, was affected by a $785 million writedown of Arco's remaining metals business and Anaconda Minerals Co. operations. Excluding the writedown, net income would have been $1.39 billion, a 12% decline from 1983.

In its restructuring, Atlantic Richfield Corp. is to undergo radical surgery in 1985, cutting away unprofitable mining and metals operations and stripping the company to its basics in oil and gas properties in Alaska, the Gulf of Mexico and western Texas.

As part of the plan, Arco announced plans to spend $4 billion through the end of 1986 on stock repurchases, stripped nearly $1 billion from planned exploration in 1985, and took $1.3 billion in 1985 writeoffs. The company also sold its huge Anaconda mining division, which lost $642 million between 1982 and 1984.

The $1.3 billion writedown includes divestiture of the gasoline stations and certain refining and petrochemicals operations, in addition to exploration property, and costs related to reducing its number of employes by 5,000 from the current figure of 39,500.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	534.4	287.4
Network cable	9.0	14.1
Spot tv	10,437.9	4,080.2
Network tv	10,020.0	182.4
Spot radio	2,536.4	2,229.7
Outdoor	0.8	67.4
Total measured	23,538.5	6,861.2

ATLANTIC RICHFIELD CORP. (ARCO)
515 S. Flower St.
Los Angeles, Cal. 90071
(213) 486-3511
ARCO PETROLEUM PRODUCTS CO.
Marketing Personnel
J.S. Morrison, pr
G.H. Babikian, senior vp-mktg
R. Moore, mgr-adv & sales promo
ARCO CHEMICAL CO.
Marketing Personnel
Harold A. Sorgenti, president
Jack Johnson, vp-mktg & intermediate-chemicals
Dennis Mulligan, mgr-adv
ARCO EXPLORATION CO.
Marketing Personnel
H.C. Jamison, pr
ARCO OIL & GAS CO.
Marketing Personnel
J.A. Middleton, president
ARCO INTL OIL & GAS CO.
Marketing Personnel
P. Ravesies, president
ARCO TRANSPORTATION CO.
Marketing Personnel
H.E. Bond, president
ANACONDA MINERALS CO.
Marketing Personnel
Curtis Burton, mgr-public affairs-Rocky Mountain region
PUBLIC AFFAIRS DIV.
Marketing Personnel
L.C. Bershon, mgr-corp adv
F.E. Laudonio, mgr-adv services
Steven J. Giovanucci, public affairs
Advertising Agencies

Foote, Cone & Belding, Los Angeles—Arco Corp.: Nancy Budd, senior vp-group mgmt dir; Craig Silver, acct dir; Betsy Saltzman, acct exec. Account management: Steve Blinn, mgmt dir; Steve Moses, acct dir; Gardner Stern, acct dir; John Prump, acct exec; Holly Washburn, acct sec. Media: Pam Lipschultz, senior vp media dir; Lynn Johnston, assoc media dir; Jan Wynn, Katie Lillard, media planners; Laura Larson, Denise Quon, asst media planner. Creative: Mike Wagman, Larry Tolpin, exec creative director; Mel Sant, art super; Tom Dunsmuir, senior copy writer; Daryl Shimazu, Jan Gurran, Tom Guttman, art dirs. Commercial production: Karen Linton, broadcast business affairs mgr.

DeVine & Partners, Norwell, Mass.—Tom DeVine, vp; Hugh DeVine, acct super; Kris Kuendig, acct super.

Lewis, Gilman & Kynett, Philadelphia—Phillip Peg, mgmt super; Robert Van Brott, acct super.

RANK 200

Avon Products

New York

($ figures = 000,000)

Worldwide	**1984**	**1983**	**% chg**
Sales	3,141.3	3,126.7	0.5
Net income	181.7	172.9	5.1
U.S.			
Sales	2,086.1	2,122.1	-1.7
Operating profits	213.9	286.7	-25.4
Advertising	19.8	17.8	11.5

Although highly diversified Avon Products did not have the total sales it was calling for in 1984, the 200th largest U.S. advertiser in 1984 with measured media expenditures of $19.8 million, up 11.5% from 1983, did generate its first earnings increase in five years and is taking steps to develop a more compatible business mix.

Total 1984 revenues of $3.14 billion were less than 1% above the 1983 figure. But 1984 net earnings of $181.7 million were up 5%, the first such increase since 1979 and said to be about what management expected.

Avon, New York, is more than just a cosmetic company and far more than the popular picture of doorstep vending. It is a diversified international company with six areas of business, broadly described as cosmetics, fashion jewelry, apparel, healthcare products, specialty chemicals and home healthcare supplies.

It is this same diversity, though, that is seen by some observers as a problem as well as a boon—a problem when it has Avon selling Tiffany's fine jewelry and disparate products such as jelly beans; a boon when it brings to Avon a profit-making division such as the new Foster Medical division, which sells and rents medical equipment and supplies for home use, and a chief executive such as Hicks Waldron.

Mr. Waldron, Avon's chairman-ceo, came to the company in 1983 from R.J. Reynolds Industries where he was chairman-ceo of subsidiary Heublein Inc. as well as a Reynold's exec vp. In his view, Avon needs a lot more strategic planning: "We have to acquire and enter growth businesses because there is a significant gap between our corporate financial objectives and what we can realistically expect from our current businesses."

At the same time, Mr. Waldron says bolstering performance of Avon's U.S. beauty business is the company's No. 1 short-term priority. Some industry observers would agree, including Diane Mustain, who follows Avon for Duff & Phelps securities analyst:

"Supposedly Avon was undervalued in its important skincare area, and they realize this has been their best area. And they have been overpriced in their gift and decorative area, which is not so strong for them. They sold Tiffany because it was not their main marketing area. It was a misfit. Maybe they will sell their gift and decorative areas, too. Fashion jewelry also is questionable."

Like many of its fellow U.S. businesses, Avon has been adding and subtracting from its corporate corpus in recent years to get the right, profit-turning mix. In 1982, for $711.5 million, it bought Mallinckrodt Inc. of St. Louis, producer of chemicals for the healthcare and food-processing markets.

On May 30, 1984, Avon merged with Foster Medical Corp. In October, 1984, Avon sold Tiffany & Co. for $135.5 million in a leveraged buyout by Tiffany's management.

Advancing its main cosmetic and personal-care line, Avon introduced multiple new products this year, including Pure Care Line for sensitive skincare and makeup; Age Protection System, a broad-spectrum sun screen that contains a new ingredient; the Imari fragrance line, and the Colorsparks youth makeup line (both scheduled for September). New marketing approaches are expected to be a part of Avon's new product emphasis this year, including the use of a toll-free number in tv advertising.

Striking a balance may be needed in the new-product process.

"Avon has to rebuild consumer loyalty, making fewer changes in the product line. Let customers know they can expect to find some of the same old reliable products," Ms. Mustain says.

In addition to its U.S. sales, Avon does business in Canada, Mexico and the rest of Latin America, Europe, Africa, Asia and Australia. International operating profits were up 11%, although local currency sales increases of 1% in Europe and 6% in the Pacific turned into sales decreases when converted to dollars.

Avon now markets about 700 products in the U.S. and a less varied array in some overseas areas. Its 1984 worldwide budget in a varied menu of media and nonmedia advertising is up 27% to $23 million in 1984.

Always critical to its success has been its army of door-to-door vendors. Avon would like to have 600,000 of these field sales reps, but reportedly hasn't been able to hire more than 400,000 because of some familiar realities of 1984 life: The demand for higher pay and for fulltime work with benefits, and the movement of more women into the workplace. To counter this problem, Avon is said to be hiking representative pay. Avon's selling mode continues to be a problem in some overseas areas, particularly

Top 25 magazine advertisers by % change

of the second 100 leading national advertisers

Rank	Advertiser	Magazine ad expenditures ($000) 1984	1983	% chng	1984 as % of co.'s ad total
1	**Hallmark Cards**	11,047.7	508.8	2,071.3	27.4
2	**Black & Decker Corp.**	8,221.0	1,579.6	420.4	27.8
3	**Dow Chemical Co.**	6,018.1	1,628.8	269.5	16.3
4	**North American Philips Corp.**	8,962.4	2,475.4	262.1	29.9
5	**Commodore International**	7,997.7	2,794.2	186.2	23.4
6	**Visa International**	6,232.5	3,198.8	94.8	29.6
7	**Thompson Medical Co.**	6,024.6	3,681.1	63.7	15.3
8	**Matsushita Electric Corp. of America**	18,690.3	11,471.5	62.9	43.9
9	**Whirlpool Corp.**	8,682.1	5,354.7	62.1	25.3
10	**Estee Lauder Inc.**	15,572.9	10,285.1	51.4	39.3
11	**Hewlett-Packard Co.**	11,363.1	7,597.0	49.6	48.9
12	**Polaroid Corp.**	6,746.0	4,638.1	45.4	21.6
13	**BMW of North America**	9,013.5	6,558.8	37.4	35.5
14	**Citicorp**	5,687.1	4,262.5	33.4	17.8
15	**Borden**	8,621.5	6,490.6	32.8	30.7
16	**Sandoz**	7,136.7	5,589.7	27.7	30.7
17	**G.D. Searle & Co.**	6,443.2	5,345.5	20.5	16.4
18	**Volvo Cars N.A.**	8,594.3	7,619.7	12.8	37.8
19	**DeBeers Consolidated Mines**	13,115.8	11,883.6	10.4	55.3
20	**Tambrands**	7,076.5	6,605.7	7.1	22.2
21	**Hiram Walker Resources**	21,080.2	20,041.5	5.2	69.2
22	**Mercedes-Benz of North America**	14,404.3	14,180.4	1.6	38.0
23	**National Distillers & Chemical Corp.**	12,531.9	13,803.5	(9.2)	42.9
24	**Brown-Forman Distillers Corp.**	18,477.1	20,875.8	(11.5)	53.3
25	**Rapid-American Corp.**	12,095.9	14,977.9	(19.2)	38.7

Source: Leading National Advertisers (farm publications not included)

Northern Europe, where doorstep selling is not socially acceptable.

Avon markets its six lines of products and services through four main divisions:

Avon's beauty products division recorded 69% of the company's 1984 sales while experiencing a 1% dip in its divisional sales, compared with 1983. Of these sales, 22% are fragrances and bath products; 23% are makeup and skincare; 6% men's toiletries; 7% personal care, children's, and teen products, and 11%, fashion jewelry. Sales and operating profits rose 5% at the Mallinckrodt division that sells healthcare products. Foster Medical sales contributed only 3% of Avon's total, but its sales were up 25% and operating profits 73%. The fashion division, which primarily markets clothing by mail order, had increased sales of 29%, but operating profits dropped 75%, primarily because of capital investments and unexpectedly high order fulfillment costs.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,051.9	4,702.6
Network cable	0.0	3.0
Spot tv	369.4	307.3
Network tv	14,491.2	12,618.7
Spot radio	10.4	150.3
Network radio	898.2	0.0
Outdoor	0.4	0.0
Total measured	19,821.5	17,781.9

AVON PRODUCTS INC.
9 West 57th St.
New York, N.Y. 10019
(212) 546-6015

Marketing Personnel

Michael Hagerty, mktg dir, sales planning
James Klein, group prod dir-gifts
Philip Leahey, group prod dir-makeup
Kurt Sanger, group mktg dir-skincare
Madeline Accardi, group prod dir-jewelry
Judith Roche, group prod dir-fragrance, special markets.

Advertising Agencies

Ogilvy & Mather, New York—corporate image enhancement, network tv—Brendan Ryan, group dir; Sharon McGavin, mgmt super; Holly Brookstein, acct super.

N W Ayer, New York—recruiting, color promotions and special projects (Statue of Liberty)—Ruth Salevouris, senior vp, exec acct dir; Ken McCarven, vp-mgmt super.

RANK **180**

BellSouth Corp.

Atlanta

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	9,519.0	10,724.0	N/A
Net income	1,257.0	1,372.0	N/A
Advertising	22.3	N/A	N/A

BellSouth Corp., Atlanta, is the 180th largest national advertiser, with $22.3 million in total measured ad spending in 1984, and constitutes the postdivestiture grouping of telephone companies providing Bell service from the Atlantic seaboard to Louisiana and from the Ohio River to the Gulf of Mexico.

Total revenues in 1984 were $9.5 billion, down 11% from predivestiture level in 1983, and net income was $1.26 billion, off 8% from 1983. Revenues dropped more than the company predicted and net income fell less than expected. Like all of the seven new regional Bell corporations, BellSouth consists of a corporate holding company, the telephone operating companies and additional subsidiaries.

BellSouth's two operating companies, Southern Bell and South Central Bell, are its biggest money makers, toting up more than 95% of corporate 1984 revenues. Viewed from another perspective, about 90% of BellSouth's 1984 revenues came from communications services and the balance from directory advertising and publishing, collection services, and renting its telecommunications shared network.

Advertising is handled separately for each of the operating companies and for BellSouth corporate, the latter totalling $4 million in measured and unmeasured spending, up 53.9%.

With assets of $23.7 billion and 13.6 million access lines, BellSouth is the largest of the seven new Bell Telephone regional companies. It is the 38th largest U.S. corporation in assets and 15th in net profits, according to *Fortune 500*.

A battery of new services is prime marketing material for BellSouth in 1984-85. Transtext, a new videotex system tested in Atlanta, lets residential subscribers with only a touchtone phone and standard tv set remotely control their home utility usage and take part in a range of other services such as electronic shopping, home banking, news and educational services, and household security.

On trial marketwide in Orlando, Fla., is the new TouchStar service, an enhanced type of custom-calling (also offered by Pennsylvania Bell) that gives customers eight special options. Among them: Block unwanted calls; redial busy numbers; choose calls the customer wants and selectively forward to another number; automatically make call traces; give an individualized ring to identify calls from specific numbers.

Both South Central Bell and Southern are offering two special services: MegaLink for high-speed simultaneous transmission of voice, data, facsimile and graphics; and SynchroNet for instantaneously transmitting digital data from one site to another. Working with Knight-Ridder Newspapers and AT&T in Miami, Southern Bell offered a "first" in its PulseLink service, which simultaneously carries voice and data on the same circuit, giving the customer both news and other information.

Working toward the modernization of its whole communications system, BellSouth has put the priority stamp on developing new fiber optic technologies, because the fiber cables carry higher signal loads on much smaller cables, cost less, reduce maintenance and eliminate the problems of electrical interference.

In the matter of giving federal court-mandated equal access to all common carriers—AT&T and its competitors for long-distance service—BellSouth is making progress. The divestiture decree requires that 33% of Bell's customers must have equal access by September, 1985, and a majority by September, 1986. BellSouth expects to give access to 54% by September, 1985. Specifically, two units, Southern Bell and South Central Bell, have taken steps to make it easier for customers to sign up a long-distance carrier by sending out a ballot listing the choices. Customers previously received information about the available choices but had to take other measures than a simple ballot to sign up.

With the fast growth of the Sunbelt, BellSouth sees a golden franchise for itself. While its two phone companies cover only about 47% of the land area in their region, they serve 70% of the nine-state population, including most of the South's fastest-growing metropolitan areas (229 other telephone companies serve the remaining territory).

The forerunner to BellSouth started as a single company 104 years ago and was later split into two enterprises, Southern Bell and South Central Bell. It now has a single corporate overseer again. Southern Bell does business in Florida, Georgia, North Carolina and South Carolina. South Central Bell serves Alabama, Kentucky, Louisiana, Mississippi and Tennessee.

BellSouth is organized into a parent holding company, two operating companies and three principal subsidiaries. The latter include BellSouth Advanced Systems, which markets phone equipment and services; BellSouth Advertising & Publishing Corp., which sells Yellow Pages advertising, and publishes 513 phone books in BellSouth territory, directories for rival phone companies in the Southeast U.S., and other specialized directories in the national market; and BellSouth Mobility, the cellular phone service operator in Miami, New Orleans, Atlanta and Louisville. By the end of 1985 it expects to be on-line with cellular in West Palm Beach, Orlando, Jacksonville, Nashville, Memphis, Chattanooga, Baton Rouge and Birmingham.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,069.8	N/A
Network cable	0.0	N/A
Spot tv	12,699.3	N/A
Network tv	0.0	N/A
Spot radio	5,507.0	N/A
Network radio	0.0	N/A
Outdoor	53.2	N/A
Total measured	22,329.3	0.0

BELLSOUTH CORP.
675 W. Peachtree St., N.E.
Atlanta, Ga. 30375
(404) 420-8600

Marketing Personnel

J.R. Gray, dir-corp info
M.T. Brandt, adv dir

Advertising Agency

Burton-Campbell, Atlanta—R.W. Scharbo, president, mgmt super; A.C. Burks, senior vp-acct group dir; E.D. Dreistadt, acct super.

SOUTHERN BELL

Marketing Personnel

D.B. Daves, vp-mktg
T.H. Lynn, adv mgr

Advertising Agency

Tucker Wayne & Co., Atlanta—S.L. Smith, exec vp-mgmt super; R.K. McReynolds, senior vp-acct super.

SOUTH CENTRAL BELL

Marketing Personnel

M.P. Greene, vp-mktg
J.E. Eberhart, adv mgr
F.H. Wiedmar, adv mgr

Advertising Agency

Luckie & Forney, Birmingham—F.M. Lee, president-mgmt super; M.T. Murphy, vp-acct super.

BELLSOUTH ADVERTISING & PUBLISHING CORP.

Marketing Personnel

M.T. Brandt, adv dir

Advertising Agency

Luckie & Forney, Birmingham—western div—F.M. Lee, president-mgmt super; J.E. Mizzell, acct super.

BELLSOUTH ADVANCED SYSTEMS

Marketing Personnel

R.D. Odom, options mgr-mktg
C.A. Wingo, adv mgr

Advertising Agency

Luckie & Forney, Birmingham—F.M. Lee, president-mgmt super; R.P. Grillo, acct super.

BELLSOUTH MOBILITY

Marketing Personnel

J.A. Thorpe, vp-mktg
D.J. Magraw, adv mgr

Advertising Agencies

J. Walter Thompson USA, Atlanta—K.A. McCormick, vp-acct group mgr; S.M. Ferguson, acct super.

RANK **138**

Black & Decker Corp.

Towson, Md.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,532.9	1,167.8	31.3
Net income	95.4	44.2	115.8
U.S.			
Sales	870.2	536.9	62.1
Operating profits	87.8	50.9	72.5
Advertising	29.5	12.5	136.2
Division sales			
Power tools	479.0	443.5	8.0
Accessories	151.1	155.5	-3.0
Outdoor tools	133.0	120.9	10.0
Home appliances	461.0	165.5	178.0
Professional tools	246.0	203.3	21.0
Service	93.0	87.7	6.0

Like a powerlifter preparing for a big heft, Black & Decker Corp. is positioning itself for growth by using its muscle and strategy.

The Towson, Md., company had impressive returns in 1984, accompanied by measured advertising spending of $29.5 million in 1984, ranking it the 138th largest national advertiser. Measured spending was up 136.2% over 1983.

Net earnings for the year leaped 116% to $95.4 million, following an almost $77 million loss for 1982. Total revenues rose 31%, to more than $1.5 billion in 1984. And for the first six months ended March 31, 1985, of the current fiscal year, revenues were up 34% to $906 million, although earnings fell 12% to $43.8 million.

Strategy at Black & Decker includes two main steps: Acquisition and innovation.

The company began its move in 1982 to concentrate on electrical appliances with the sale of its McCulloch chain saw business, a division in which losses had been mounting—after-tax losses in 1981 were $6.2 million, and in 1982, $23.3 million. By 1983, most of the assets of McCulloch had been sold.

During 1983, Black & Decker completed a worldwide corporate restructuring plan. Included were manufacturing reorganization (mostly in Europe), internal finance changes and management restructuring. In April, 1984, the company took a giant step forward by acquiring the General Electric housewares division for about $300 million. Included in this product group are toasters, ovens and appliances for beverage-making, food processing, personal care and garment care.

Other recent acquisitions also are expected to strengthen Black & Decker, each in a specific area:

Zenses, a German company acquired in 1983, produces power tool accessories that Black & Decker can use to broaden its markets. The purchase of Bayerisch Boherwerke (BBW) now allows Black & Decker to manufacture drill bits. Wanting to enter the fast-growing hobby tool market (20% to 30% annual growth rate), it purchased in 1984 the German Minicraft company, a hobby and precision-tool maker.

Buying some assets of Elu, a Swiss maker of quality power tools for the professional, Black & Decker can market routers and stationary miter saws, formerly a gap in the Black & Decker product line.

Most recently, the company made a strategic move in buying the assets of two "down under" appliance makers, Rank Electric Housewares Pty Ltd., Australia, and Rank Appliances New Zealand Ltd., both owned by Britain's Rank Organisation PLC. The new companies will give Black & Decker experience in manufacturing 240-volt electrical goods, because that is the standard service voltage in Australia and New Zealand. It is also standard in Europe, where Black & Decker plans major marketing.

Innovation is making the heart of this company beat faster today. Even without counting the former GE appliances, about one-third of 1984 sales came from products developed since 1979. Innovation is creating new products, reducing costs *and* producing profits.

Examples of Black & Decker innovation are the new lighter, smaller M47 tools and the cordless appliances. The tools' motor is only 1¾ ins. in diameter—25% smaller than standard, but delivering comparable power.

Cordless design, Black & Decker says, is an evolving technology. The company is working with battery makers toward improved designs. The goal is to produce and market tools and appliances that can be used widely by the homeowner and hobbyist, but also by the professional.

To support these production and marketing programs for its bigger household product line, Black & Decker entered fiscal 1985 saying it would launch "an unprecedented national advertising program" using print advertising to reach virtually every American household.

One source puts the total at $50 million. The stakes are high enough to warrant the cost. In 1983, GE estimated the year's total sales at $470 million for the housewares being sold to Black & Decker. And the Rank purchase may add $50 million to B&D houseware revenues.

Black & Decker wants its logo squarely on the new products it is promoting. By 1987, it will have replaced GE's monogram with its newly redesigned orange hexagonal logo, and the same changes will occur on other newly acquired product lines, although probably not on the Swiss Elu tools. Much of Elu's value to Black & Decker depends on its reputation in Europe.

To highlight the changes in its business, the company is dropping the "Manufacturing" tag in its name for a more streamlined corporate title—Black & Decker Corp.

Black & Decker operates in six product groups: consumer power tools, consumer accessories, outdoor, household, professional and service. The first four, grouped under the heading consumer products, make up 78% of Black & Decker's sales. Professional products account for 16%, and service (repair and maintenance of B&D products) accounts for 6%.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	8,221.0	1,579.6
Network cable	391.9	157.7
Spot tv	4,912.0	3,721.0
Network tv	15,454.6	7,047.6
Network radio	542.3	0.0
Outdoor	11.9	0.0
Total measured	29,533.7	12,505.9

BLACK & DECKER CORP.
701 E. Joppa Rd.
Towson, Md. 21204
(301) 583-3900

Marketing Personnel

Laurence J. Farley, president-ceo
John I. Leahy, senior-vp-mktg & prod devel
Kenneth E. Homa, vp-mktg, U.S. household prod
Ronald A. McDonald, vp-mktg, U.S. consumer power tools
Philip D. Ray, vp-mktg, U.S. professional prod
Russell Kennedy, dir of mktg, U.S. outdoor prod
Jerome Lindauer, dir of mktg, U.S. accessory prod

Advertising Agencies

Batten, Barton, Durstine & Osborn, New York—U.S. & Canada markets—Joseph Crowley, acct exec.

McCann-Erickson, New York—overseas—Michael Ferrier, acct exec.

RANK **132**

Block Drug Co.

Jersey City, N.J.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	238.3	219.0	8.8
Net income	23.9	21.3	12.5
U.S.			
Sales	158.8	140.8	12.8
Operating profits	23.2	19.2	21.0
Advertising	30.9	24.2	27.7
Division sales			
Dental	159.4	155.2	2.8
Consumer prods.	43.6	31.7	37.6
Pharmaceutical	35.3	32.1	10.0

Block Drug Co., which continued aggressive expansion of its products through internal development and acquisition, was the nation's 132nd leading advertiser in 1984 with measured spending of $30.9 million, up 27% over 1983.

The Jersey City, N.J.-based company is positioning itself in high growth areas of the hotly competitive consumer products arena, in addition to increased marketing emphasis on its successful dental care, oral hygiene and ethical pharmaceutical products.

Net income increased 12% to $23.9 million for fiscal 1984, ended March 31, 1984, on sales of $238 million, up 9% over 1983. Net income for the three quarters ended Dec. 31, 1984, was up 10% to $19.5 million on net sales of $188 million, up 6% from the corresponding period.

One of Block's most aggressive marketing thrusts in 1984 was $3.7 million in spending on network and spot tv for two products that it purchased from Flushco Inc., Passaic, N.J., including 2000 Flushes and Rainbowl 2000.

Block's entry in this $240 million automatic toilet bowl cleaner business has tough competition. R.T. French Co.'s Bully received $4.6 million in measured network and spot tv in 1984. Drackett's Vanish Bowl Brite received $4 million in measured network in 1984.

Bully and Vanish each hold more than 20% market shares, with most other brands trailing far behind.

The market does have strong smaller brands, however, such as Knomark's Ty-D-bol Double Action with $561,000 in measured spot tv in 1984. But there is room for growth in the automatic bowl cleaner segment, with projections that the category soon may top $350 million at retail.

Another key innovation in the company's proprietary consumer products was the introduction of Efficol Cough Whip. Measured media for Efficol in 1984 was $2.9 million, of which $2.3 million was network tv, and the rest spot tv and magazine.

Such spending is far behind the $11 million in spot tv A.H. Robins Co. spent for its Robitussin line of cough medicines. Robitussin advanced its leading market share in cough preparations in 1984 to 27.5%. Richardson-Vicks currently controls about 20% of the $300 million market for cough syrups, including its Formula 44D, the top-selling individual brand.

Block continued in 1984 with heavy network and spot tv support of its leading dental products, including its Polident line, which received $6.6 million in measured spending, $4.8 million of which was for Polident tablets, and $1.7 million for Polident Smokers denture cleaner.

This represented an increase of 22% for the line, and a 118% increase for the tablets over 1983 measured expenditures.

Unlike other Polident products, however, measured spending for the smokers denture cleaner dropped 53% in 1984. Smokers Polident has come up against heavy competition in the $100 million-plus category from Warner Lambert's Efferdent, with $7.2 million in measured tv spending, and Carter-Wallace's Pearl Drops Smokers tooth polish, with $4.5 million in measured spending, which was mostly in network tv.

Poligrip regular denture adhesive got $3.36 million in measured spending, up 3.4%, and the line of Dentu-Creme denture cleanser and toothpaste dropped 11.6% to $3.5 million.

Block's biggest advertised item is Tegrin medicated shampoo, which received $5 million in measured media, split between network and spot tv, down 6.6% from 1983. By 1987, shampoos could account for nearly one-third of total sales in the haircare product category, which by then is predicted to exceed $3.4 billion.

In the haircare products category, Tegrin will face heavy competition from Procter & Gamble, which already has a 22% share of the market with its Head & Shoulders, Prell and Pert brands.

Over-all, Block's outlays for network tv were up 25% in 1984, and spot tv, 37%.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	183.0	291.7
Network cable	589.6	593.8
Spot tv	8,465.9	6,154.2
Network tv	19,524.1	15,630.7
Spot radio	2,131.9	1,529.2
Total measured	30,894.5	24,199.6

BLOCK DRUG CO.
257 Cornelison Ave.
Jersey City, N.J. 07302
(201) 434-3000

Marketing Personnel

Donald Lesieur, exec vp-mktg
Peter Mann, senior vp-genl mgr-consumer prod div
John Perry, vp-mktg
Arthur Looney, vp-new prod
Mike Fink, vp-household prod
G. Andrew McMullen, vp-sales
James B. Purchell, vp-genl mgr-dental prod div
Ken Ballantyne, vp-mktg dental prod div
Edward Brady, vp-corp devel
Adam Kratochwill, dir-creative services
Avrum Geller, dir-mktg services

Advertising Agencies

Jordan, Case & McGrath, New York—TNT Insecticides, Dentrol Denture Adhesives, Nytol Sleep Aid—David Hauer, vp-acct exec.

The Bloom Agency, Dallas—B C Analgesic powders & tablets, Super Poli-grip denture adhesive—Paul MacMahon, president; Beth Mack, acct super.

Grey Advertising, New York—Polident powder & tablets, Smokers Polident, Tegrin medicated shampoo, Dentu-Creme, Dentu-Gel, Promise toothpaste, Dentrol Adhesive & new products—Jack Frantz, exec vp; George Ruthauser, acct super.

Oxtoby-Smith, New York—market research—Tom DuPont, acct dir.

Rosenfeld, Sirowitz & Lawson, New York—2000 flushes, Shower Dew—Ann Gary, acct super.

William Douglas McAdams Inc., New York—professional promotion of Mynol Dental prod, Polident denture cleanser, Poloris dental poultice, Pyco-Pay toothbrushes, Pycoprox, Sensodyne toothpaste, Wernet's denture adhesives, Wernet's Dentu Creme denture cleanser—Eugene Fine, mgmt super.

RANK
187

Blue Bell Inc.
Greensboro, N.C.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	N/A	1,229.0	N/A
Net income	N/A	47.6	N/A
U.S.			
Sales	N/A	991.5	N/A
Operating profits	N/A	117.1	N/A
Advertising	21.1	17.9	17.9

Management in 1984 took Blue Bell Inc. private as the company continued to fight a sluggish market, particularly for its Wrangler Brand division.

Product diversity has been Blue Bell's chief antidote for the slack in blue jean sales particularly affecting European operations where four plants were closed in 1984.

Greensboro, N.C.-based Blue Bell, the 187th largest advertiser with 1984 measured spending of $21.1 million, up 17.9% from 1983, makes products ranging from coveralls to bikinis, designer jeans to mountain gear. The company's marketing tactic is to play off media advertising with strong promotional activities.

Blue Bell is the No. 2 jeans marketer through its Wrangler Brands lines, a step ahead of BF Corp.'s Lee brand, but behind leader Levi Strauss & Co. More than half of Blue Bell revenues traditionally come from the Wrangler division, and about two-thirds of Wrangler still is jeans sales.

Sales in the Wrangler group in 1984 were expected to remain static, according to industry analysts. Blue Bell, which has shown virtually no movement in sales since 1979, is estimated to have recorded revenues of $1.2 billion in 1984.

During mid-1984, Levi Strauss presented its new $36 million jeans ad program, including highly stylized tv commercials that transported the viewer into a trend-setting world. Taking the lead, Wrangler dropped its Western-style commercials in the fall to pick up on an Indiana Jones theme telling viewers to "Live it to the limit in Wrangler." All network tv spending at Blue Bell supported Wrangler products and represented 57.8% of the company's total media tag.

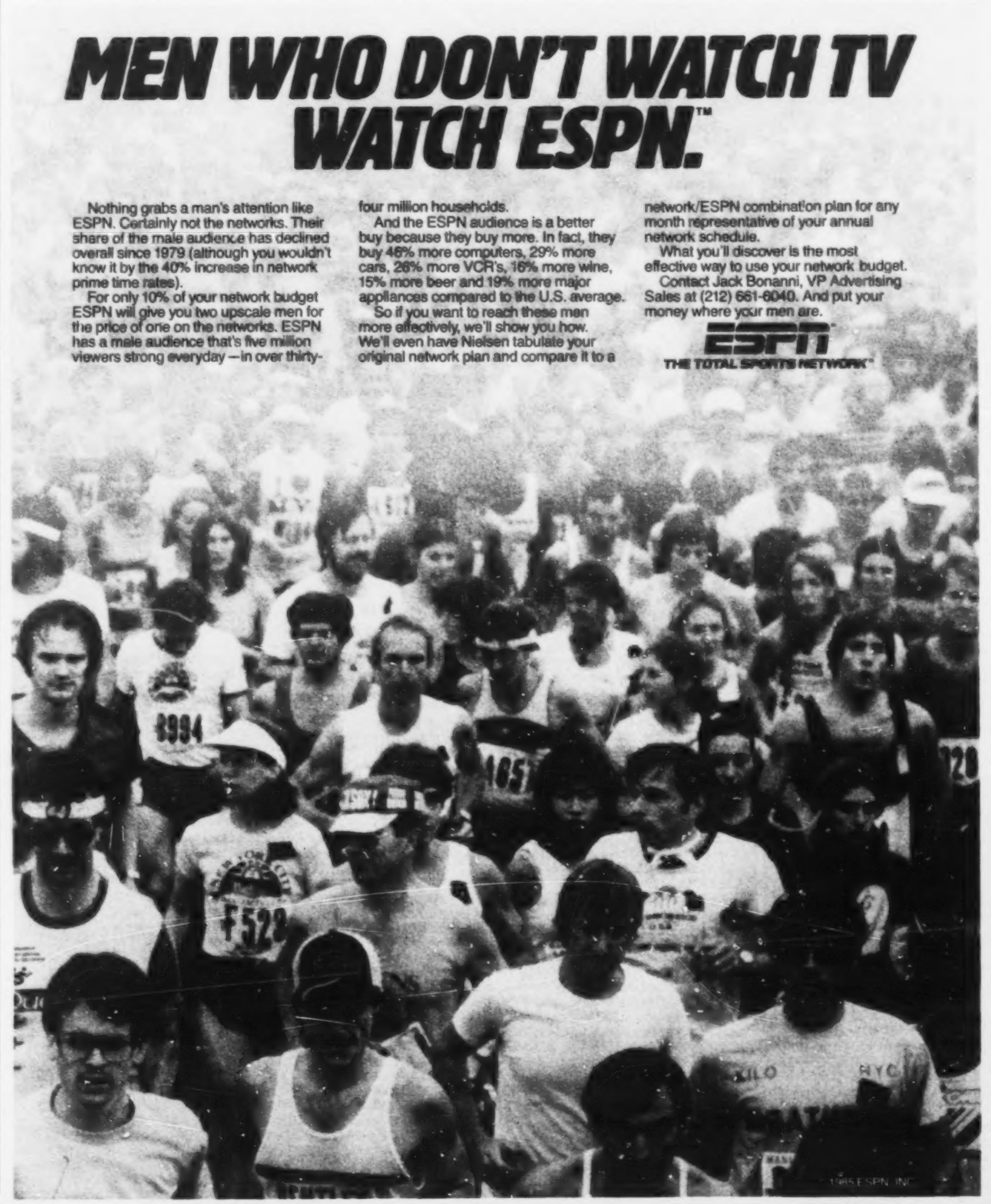
Wrangler Brand division covers the waterfront with Rustler, a mass-market brand carried in discount outlets; Maverick, an alternative brand for the small independent retailer; Sedgefield, sold in upper-tier outlets, and Wrangler, which comes in many types.

Jantzen, another division, is a devotee of mixing media advertising and special event promotion. Its two divisions, men's and misses, are both promoting vigorously this spring and summer. Men's bikini swim trunks provided heavy co-op dollars for retailers in 26 U.S. cities to support spot tv. Sponsor advertisers such as Kamen Airway snorkel equipment, Nikon cameras, Heuer Swiss underwater watches and Dacor underwater gear tied in to promotional efforts.

A sweepstakes run in each of the markets from November, 1984, to mid-June, 1985, brought Jantzen men's division a 20% sales increase for the period, the company says.

Jantzen men's division also is conducting the National Fast-Serve Challenge to boost tennis wear sales in which customers compete for prizes in stores equipped with "Radar" fast-serve guns. Other sponsors include American Airlines, Donnay rackets, Converse Shoes, *Tennis* magazine and Wailea Resort in Hawaii.

Major promotion for Jantzen's misses division in the first half of 1985



MEN WHO DON'T WATCH TV WATCH ESPN.™

Nothing grabs a man's attention like ESPN. Certainly not the networks. Their share of the male audience has declined overall since 1979 (although you wouldn't know it by the 40% increase in network prime time rates).

For only 10% of your network budget ESPN will give you two upscale men for the price of one on the networks. ESPN has a male audience that's five million viewers strong everyday—in over thirty-four million households.

And the ESPN audience is a better buy because they buy more. In fact, they buy 46% more computers, 29% more cars, 26% more VCR's, 16% more wine, 15% more beer and 19% more major appliances compared to the U.S. average.

So if you want to reach these men more effectively, we'll show you how. We'll even have Nielsen tabulate your original network plan and compare it to a network/ESPN combination plan for any month representative of your annual network schedule.

What you'll discover is the most effective way to use your network budget.

Contact Jack Bonanni, VP Advertising Sales at (212) 661-6040. And put your money where your men are.

ESPN
THE TOTAL SPORTS NETWORK™

1985 ESPN, INC.

is the "Come alive in Jantzen" advertising that includes a three-pronged, 10-week blitz, depicting six female swimsuited models. Circulars were first stuffed in store billings followed by two weeks of 30-second tv commercials showing models "coming alive from the direct mail pieces." Four weeks of outdoor boards capped the promo, concluding May 30.

Jantzen estimates it hyped sales 30% to 35%. Among media, Jantzen favors long-reach general magazines geared to a young, trendy audience, sports enthusiast titles, outdoor and newspaper co-op—misses spent about $1.2 million in the latter in 1984.

Blue Bell underwent a radical change in 1984, when its management took it private in a leveraged buyout. In a major staff change, David Boyd came from McCann-Erickson to become vp-mktg for Wrangler Brand.

The Blue Bell umbrella also encompasses JanSport, maker of sportswear; Red Kap Industries, maker of Red Kap uniforms sold to and rented out by laundries in particular, and Big Ben by Wrangler, which markets jeans to mass retailers.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,300.0	0.0
Magazines	3,502.8	1,308.2
Network cable	138.5	268.7
Spot tv	1,920.1	1,375.0
Network tv	12,223.1	13,095.5
Spot radio	1,515.7	1,951.7
Network radio	504.4	290.1
Outdoor	97.5	2.9
Total measured	21,101.3	17,902.1

BLUE BELL INC.
301 N. Elm St.
Greensboro, N.C. 27320
(912) 373-3400
Marketing Personnel

David Boyd, vp-adv & promo
Helen Zachar, dir-adv
William Green, dir-promo
David Allen, dir-special events
Craig Veazey, dir-retail adv
Charles Haugabrook, mgr-co-op adv

Advertising Agency

Dancer Fitzgerald Sample, New York—Wrangler Brands—Gary Hines, senior vp-mgmt super; William Hartnett, vp-acct super; Donald Carlin, acct exec; David Sherman, asst acct exec.

RED KAP INDUSTRIES
Marketing Personnel

Gilbert Karcher, senior vp-mktg
Barbara King, dir, mktg communications
Richard Butler, adv mgr-Red Kap line
Kim Zandt, adv mgr-Big Ben by Wrangler

Advertising Agency

Bill Hudson & Associates, Nashville—Michael McCrickard, acct super; Susan Andrews, pr-acct super.

JANTZEN INC.
Marketing Personnel

Robert Wirtz, adv & sales promo mgr-misses div
Roger Yost, adv & sales promo mgr-men's div

Advertising Agency

The Jantzen Ad Department Inc., Portland, Ore.—Jantzen mktg mgrs are acct execs.

JANSPORT
Marketing Personnel

James Salzenstein, vp-mktg
Skip Yowell, merch mgr-equipment & apparel

Advertising Agency

Janklow & Bender, New York—Joyce Crawford, acct exec.

Blue Cross & Blue Shield Assns. RANK 198
Chicago

($ figures – 000,000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	40.0	37.6	6.2
Net income	2.1	1.2	79.0
Advertising	0.02	0.01	94.0

The Blue Cross & Blue Shield Assns., Chicago, was the 198th largest advertiser in 1984, spending $19.9 million in measured ad spending, up 94% from 1983. Spot tv accounted for $8.3 million and network tv $3.8 million, mainly to encourage membership in local plans.

The jump in media spending is partly the result of stepped up joint ad efforts. Blue Cross & Blue Shield Assns. joined together in September, 1984, with local Blue Cross & Blue Shield plans to launch advertising bearing their first cooperative ad theme "Carry the caring card." The theme is being used in national and local advertising. In May, 1985, the national association and local plans broke a new campaign on "Managing the new healthcare," a series of educational print and tv ads targeted at presenting issues and options in healthcare to business decision-makers.

Blue Cross & Blue Shield Assns. are the names and symbols used by the 88 local, nonprofit community service organizations called Blue Cross & Blue Shield Plans, which contract with hospitals, physicians and healthcare organizations to provide prepaid healthcare to subscribers in the $400 billion health care industry.

Although they formed an association, sharing administrative costs and offices, Blue Cross & Blue Shield on the local level sometimes separate legal entities. The association is a nationwide federation of locally governed, autonomous corporations, each operating under state law as a nonprofit service organization. The association is needed, among other reasons, to create and place national advertising, and to coordinate insurance coverage in cases where group membership in the local plans crosses regional boundaries.

There are 66 Blue Cross and 66 Blue Shield plans nationwide, but because some are joint plans, the association is made up of 88 units. It is these local plans that footed the bill for national advertising in 1984 through contributions based on subscription volume. Each plan pays for its own local advertising. While the ad spending was allocated primarily to spot and network tv, local plans in 1984 also spent a measured total of $5.7 million for spot radio, up 63% over 1983, while the national association spent $1.1 million for network radio. There were no measured expenditures for network radio in 1983.

Blue Cross plans were founded primarily to cover hospital expenses, but in recent years have expanded coverage into outpatient care, other institutional services and homecare. Blue Shield plans were established primarily to cover physicians' services, although they too have expanded into other benefits, such as dental, vision and outpatient care.

The nationwide subscription income for the 88 plans in 1984 was $39.9 billion, up 6% over 1983. Claims expense in 1984 was $35.7 billion, an increase of 3% over the previous year. Operating expenses increased marginally. Net income was $2.69 billion, up 44% over 1983 income. A large portion of net income is used as a reserve against claims.

Reasons for the improved bottom line in 1984 were marketing efforts by Blue Cross & Blue Shield to promote membership in programs designed to control claims expense. In recent years, the national association has created various plans that encourage greater use of hospital outpatient services, preferred provider arrangements (PPAs) and health maintenance organizations.

PPAs provide incentives, by paying 100% of costs, for subscribers who use hospitals deemed by local Blue Cross plans to be cost-effective. Subscribers could pay up to 20% of costs when using nonpreferred hospitals. The first PPA contract was signed in 1982; however, most PPA activity took place in 1984. Thirty Blue Cross plans now have preferred provider arrangements.

Much of Blue Cross & Blue Shield's local advertising focused in 1984 on encouraging greater use of HMOs, which provide prepaid medical care for all health needs, including routine doctor visits. A total of 66 HMOs now are available through 45 Blue Cross & Blue Shield plans.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,053.9	661.3
Spot tv	8,306.6	7,546.8
Network tv	3,831.6	0.0
Spot radio	5,702.7	2,091.9
Network radio	1,062.3	0.0
Outdoor	228.1	0.0
Total measured	19,984.6	10,300.0

BLUE CROSS & BLUE SHIELD ASSNS.
676 N. St. Clair St.
Chicago, Ill. 60611
(312) 440-6000
Marketing Personnel

Duane R. Carlson, vp-communications
Thomas Mora Sr., consultant-communications

Advertising Agency

HCM, Chicago—Laurel Parr, senior vp-mgmt super; Andrew Taylor, acct super; Dale Landsman, exec creative dir; Jim Hyman, creative dir.

BMW of North America RANK 155
Montvale, N.J.

($ figures – 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	5,025.4	N/A
Net income	N/A	N/A	N/A
Advertising	25.3	17.5	44.9

BMW of North America spent $25.3 million in 1984 in measured media advertising for automobiles and motorcycles, making the Montvale, N.J.-based company the 155th largest national advertiser.

The rise in unit sales accompanied the 44.9% increase in measured ad spending from 1983. Sales climbed from 59,200 units in 1983 to 70,898 in 1984. A 14% increase anticipated for 1985 will put annual sales at or exceeding the 80,000 mark for BMW, which is fast becoming a symbol of "attainment" for many young professionals willing to pay between $16,430 and $41,315 for the satisfaction of arriving automotively.

While sales have increased an impressive 400% in its decade of marketing in the U.S., BMW probably has captured a share of the mind that is totally out of proportion to its share of market.

BMW's share of the luxury performance market, shared with Mercedes, Audi, Jaguar, Saab, Volvo and Porsche is 18%.

Importer BMW of North America is one of 17 foreign subsidiaries of parent company Bavarian Motor Works or Bayerische Motoren Werke AG in Munich. The U.S. is now the best foreign market for BMW. U.S. unit sales of 60,000 for 1983, for example, compared with 33,100 in France, 25,200 in the U.K., 14,800 in the Netherlands, 29,800 in Italy and 11,000 in Switzerland.

Marketing strategy for BMW in the U.S. has centered on "The ultimate driving machine" theme developed by BMW in the mid-1970s. Campaign emphasis is twofold: BMW is an alternative to the superficial opulence of large, so-called luxury cars, seeking coexistence with other expensive performance makes.

From BMW Munich's 17 models in four series, BMW Montvale sells seven models for U.S. consumers. Fewer models are available in the U.S. because of U.S. government mechanical regulations and BMW's own limited distribution capabilities. The motorcycle array is seven models of the eight produced in Germany, excluding only the smallest.

During 1985, auto marketing emphasis is shifting more to models priced about $25,000, according to Gunter Kramer, chairman-president, BMW of North America. BMW set the precedent for that shift by placing heavy advertising in 1984 on the less-pricey cars, such as the two-door 325e, a $20,970 car at retail that attracted $5.5 million in media spending in magazines and network and spot tv—the media mix for virtually all BMW cars.

That media allotment, however, was the second highest among the BMW cars, as the biggest expenditure of $6.8 million went for the 735i, a pricey four-door retailing at $36,800.

Prices for the more expensive models are increasing slightly. Prices of the less costly cars will stay the same, except that some formerly optional equipment is now standard.

The 535i four-door sedan has increased 2% to $30,760 in 1985; the 735i is up 1% to $36,880; the 635si is up 1% to $41,315. Prices are the same for the two-door 318i at $16,430, the four-door 528e at $24,565, and the two-door 325e.

Motorcycle prices range from $3,700 to $7,500.

A new car model scheduled for the first half of 1985 is the 524td, with six-cylinder turbocharge diesel power.

U.S. sales now account for about half the production capacity of 160,000-plus at the BMW factories in West Germany. BMW has set up major facilities across the U.S. and runs dealer services out of seven regional offices in Montvale; Atlanta; Reston, Va.; Chicago; Dallas; Los Angeles, and San Francisco. It distributes parts from centers in California, New Jersey and Texas.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,760.5	4,760.5
Magazines	9,013.5	6,558.8
Network cable	116.6	108.7
Spot tv	6,562.2	3,718.8
Network tv	2,983.3	1,488.2
Spot radio	1,932.1	869.9
Outdoor	3.0	2.9
Total measured	25,371.2	17,507.8

BMW OF NORTH AMERICA
Montvale, N.J. 07645
(201) 573-2109
Marketing Personnel

Hans Riedel, vp-mktg group
Carl Flesher, genl mgr-mktg strategies
Brian Richardson, mktg communications mgr
John Mitchell, dealer mktg mgr

Advertising Agency

Ammirati & Puris, New York—automobiles and motorcycles—Ralph Ammirati, chairman; Martin Puris, ceo; Edward Vick, coo; Duncan Pollock, Robert Burden, senior vp-mgmt supers; Robert Schultz, Bruce Buchanan, vp-acct supers; Ray Raber, vp-acct super-promo; Ted Hazard, exec vp; Michael Kennedy, acct super; Marilyn Crivello, senior acct exec-promo; Jenny Leahy, Clay Dedeaux, Robert Heissner, Henry Statts, Barry Wodd, acct execs.

RANK 145
Borden
New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	4,568.0	4,264.8	7.1
Net income	191.4	189.1	1.2
U.S.			
Sales	3,837.1	3,539.8	8.4
Operating profits	155.0	149.4	3.8
Advertising	28.1	23.7	18.4

Borden, which is focusing on reducing marketing expenses, was the 145th largest U.S. advertiser in 1984, with $28.1 million in measured spending, up 18.4% over 1983.

The Columbus, O.-based company, with executive offices in New York, in 1984 announced its plan to pursue distinctive patentable processes and products that would provide more marketing lead time.

Borden spent $252 million in 1984 on advertising and promotion, largely unmeasured media, an increase of 15% over 1983. Of the total, the company says advertising in all forms amounted to $65 million in 1984, up 12% over 1983.

Borden had net income in 1984 of $191 million, an increase of 1.2% over the previous year, on net revenue of $4.57 billion, up 7.1%. First-quarter 1985 profit rose 2.6% to $34.8 million on sales of $1.08 billion, a decline of 0.7% compared with the same period in 1984.

Most of the 1984 spending was for Borden's consumer products division, which brought in 64% of total sales, but spent 90% of the ad and promotion budget, nearly $228 million.

Borden's consumer products division is made up of two units, snacks/dairy foods and grocery/specialty products. Snacks/dairy accounted for 45% of the division's $220 million in 1984 operating income, with grocery and specialty products accounting for 55%.

Dairy is the largest unit accounting for nearly $1.2 billion in 1984 sales, and the unit is expected to increase in importance. In 1984, for the first time in 20 years, per capita consumption of whole milk increased, reflecting growth in the number of children aged 7 to 12. That age group is expected to increase 1% a year through 1995.

Grocery and specialty products is where Borden is throwing its heaviest ad weight. Items such as Cracker Jack popping corn in 1984 received $1.7 million in network tv and $865,000 in magazine.

Sugar-free beverage mixes received heavy spending in 1984 for network and spot tv, including Lite-Line with $2.6 million, and Wyler's, with $1.6 million. In frozen desserts, Borden put $2.6 million in magazines to promote its new ice cream made with its Eagle brand sweetened condensed milk. The company is testing flavored milk and other products in aseptic packaging.

In snack foods, Borden is No. 2 nationally, but still has only one-fourth of the dollar sales of Dallas-based Frito-Lay. Borden reaches 73% of the U.S. population with products under seven brand names. Borden's $376 million in snack food sales in 1984 is up 120% since 1979 and accounts for 12% of the consumer products division sales, compared with 7% in 1979.

On this front, Borden is on the attack. An example is Borden's Cottage Fries, similar to Frito-Lay's O'Grady's potato chips, both introduced in 1984. Although Borden's ad spending for Cottage Fries is a fraction of Frito-Lay's for O'Grady's, the products are generating similar sales even though Borden's has yet to reach the national distribution level of Frito-Lay.

Cottage Fries are expected to reach $100 million in annual sales in 1985. Borden also hopes to expand the market in 1985 with a companion product, Home Fries. Borden's Wise brand potato chips reached $100 million in sales in 1984.

Pasta is Borden's smallest, but fastest growing consumer product category, with No. 3 position and 11.9% market share under Creamette and Luxury brands. Borden trails Hershey Foods Corp.'s (American Beauty) 17.2%, and CPC International's (Mueller) 15.5%, but its pasta sales are gaining, having jumped 195% to $95.9 million since introduction in 1979.

Borden's home and professional products, including Elmer's adhesives, Krylon spray paints, car-care products, such as Rally and Rain Dance car waxes, among others, have boosted sales 220% since 1980 to $164 million in 1984.

Borden named Romeo J. Ventres, an exec vp-president of its chemical division, as new president and chief operating officer succeeding Eugene J. Sullivan, who remains as chairman-ceo. This places Mr. Ventres in line to become the next chairman.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,293.3	1,293.3
Magazines	8,621.5	6,490.6
Network cable	572.8	343.8
Spot tv	7,590.6	8,190.6
Network tv	7,289.2	6,693.0
Spot radio	1,644.5	699.5
Network radio	1,089.2	0.0
Outdoor	15.7	33.6
Total measured	28,116.8	23,744.4

BORDEN
277 Park Ave.
New York, N.Y. 43215
(212) 573-4000
BORDEN CONSUMER PRODUCTS DIV.
Columbus, O.
Marketing Personnel

Jon Hettinger, vp-grocery prod mgr
Herbert A. Southwell, vp-genl mgr
Rod Russell, vp-prod & mktg devel
Fred Schindler, mgr-adv services
Karen Johnson, vp-consumer affairs
Al Carfora, dir-mktg-refrigerated prods
Robert Culver, dir-mktg-main meals
Gordon Dutz, dir-mktg-Wyler's
John Dix, prod dir
Lee Arst, prod dir
Bill Burke, prod mgr-Bama
Don Burke, prod mgr-Eagle Brand
Valerie Cable, prod mgr-ReaLemon, Mincemeat
Jeff Campbell, prod mgr-Crackerjack
Alpha Collins, prod mgr-Crackerjack Popcorn
Jeanne Cousino, prod mgr-Kava
Pat Gabriel, prod mgr-aseptic dairy
Paul Gabriel, prod mgr-bouillon
Larry Jones, prod mgr-Lite-Line cheeses

Peg Jensen, prod mgr-aseptic juices
Joyce Brooks, prod mgr-Wylers Lite-Line drinks
Dennis Mentha, prod mgr-Snows
Bill Nelson, prod mgr-candies
Randy Wellert, prod mgr Cremora

Advertising Agencies

Grey, Lyon & King, New York—Elmer's Glue, Krylon paint & car care line—Dicky Szerko, Nancy Martin, acct supers.

Bozell & Jacobs, New York—Kava instant coffee, Drake Bakeries—Stacey Stevens, acct super.

Grey Advertising, New York—cheese prod, Cracker Jack, Snow prod, Wyler bouillon, None Such Mince Meat, Flavor House & Deran candies, Eagle brand, Cremora nondairy creamer—Stewart Hegleman, exec vp; Les Strauss, mgmt super.

Doyle Dane Bernbach, New York—Wylers drink mixes, ReaLemon lemonade flavor crystals, Orange Burst ReaLemon prod, Bama Foods Sippin Pak orange juice—Gordon Sleeper, acct super.

McDonald & Little, Atlanta, Ga.—Borden's Snack group—Lauren Genkinger, acct super.

Brown-Forman Distillers Corp.

RANK 116

Louisville, Ky.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,146.3	885.1	29.5
Net income	73.6	95.2	-22.7
Advertising	34.7	39.8	-13.0
Division sales			
Wine/spirits	895.8	885.0	1.2
Home furnishings	121.0	N/A	N/A
Personal prods.	129.5	N/A	N/A

Advertising expenditures at Brown-Forman Distillers Corp. continued to slip in 1984 as the Louisville, Ky.-based marketer of wine and distilled spirits fought slackening demand and a rising tide of antidrinking measures concerning the legal drinking age and drunken driving that are now before state legislatures.

The company that markets the nation's No. 1 Canadian whisky and No. 2 bourbon expects to face yet another barrier to its business growth later this year when a federal excise tax will be placed on distilled spirits.

Brown-Forman, ranked 116th in measured media ad expenditures in 1984 with $34.7 million, off 13% from the previous year, has been showing sales and earnings stability in the first three quarters of its current fiscal year.

Earnings for the nine-month period were $65.2 million, up 9.2% over the comparable period in 1984, on sales of $943.5 million, up 9.4%. A historical reading of the fourth quarter would bring sales of $1.2 billion, about 4.4% more than fiscal 1984. Net income should increase over the $73.6 million reported in fiscal 1984, a 23% decline from fiscal 1983 when net income was $95.2 million.

Brown-Forman is fine-tuning its marketing strategy to weather the 19% increase in excise tax on distilled spirits that takes effect Sept. 30, thereby increasing the average price of a bottle about 30¢. Company chairman-ceo W. L. Lyons Brown Jr. has noted that industrywide sales probably will drop 5% below the decline already predicted for 1986.

He has said the company will increase marketing investments with emphasis on the months before Oct. 1, and "after that date we will continue to enhance our aggressive programs . . . supplemented by a major public education campaign by DISCUS." (DISCUS is a trade organization, Distilled Spirits Council of the United States.) Mr. Brown says B-F is willing to invest $1 million in the trade effort.

Traditionally, B-F concentrates on supporting brands with attractive returns and the potential to increase market share because of weakened consumer demand for wine and spirits and heavy price discounting. The company is beginning to "look harder at directing its efforts toward markets which offer better possibilities for long-term profit growth," Mr. Brown says.

B-F's sales leader is its Canadian Mist whisky, ranked No. 4 by *Impact*, a newsletter that monitors the industry. That ranking translates to $351.9 million in retail sales. Canadian Mist is one of the few top brands of any liquor marketer to have shown steady growth in case depletions in the past three years. Canadian Mist had measured advertising of $4.9 million in 1984, down 24.6% from 1983.

The No. 6 ranked brand nationally according to *Impact* is the company's Jack Daniel's bourbon with case depletions of 3.7 million in 1984, off 1.6% from 1983. Advertising decreased 30.4% to $3.5 million for Jack Daniel's.

B-F's Early Times bourbon ranks 20th with 1.9 million case depletions for a 0.3% increase over 1983. Early Times attracted $353,600 in measured ad spending, down 70.9% from 1983. The company's last brand in the top 50 in the country is Southern Comfort cordial, whose case depletions of 1.2 million were up 0.8% in 1984 over 1983. Ad spending dropped 55.6% for the product to $1.7 million.

B-F, in translating case depletions into brand shares, in 1984 shows B-F brands as a whole increased the company's market share from 7.4% to 7.7%. Among individual brands, Canadian Mist increased its market share from 16.5% to 17.8% for Canadians; Jack Daniel's Black and Early Times increased their bourbon shares from 16.0% and 7.8%, respectively, to 16.6% and 8.3% in 1984.

Other brands and year-to-year changes in market shares: Old Forester from 2.2% to 2.3% among bourbons; Usher's from 2.6% to 2.9% among scotches; Southern Comfort from 7.1% to 6.9% and Bok from 2.1% to 2.2% in the liqueurs/cordial segment; Old Bushmills from 27.6% to 28.0% in Irish segment; Korbel from 5.5% to 4.7% and Martell from 3.4% to 3.9% in brandies; Pepe Lopez from 4.2% to 4.0% in tequilas.

A breakdown of B-F wine and liquor sales show American spirits contributing 35% of total sales, or $403.8 million; imported spirits contributing 22% or $249 million, and wines and specialties (includes Southern Comfort and Korbel), 21% of the total or $243.1 million. Advertising was de-emphasized for the two big wine brands, Cella, the second largest selling imported table wine, and Bolla, the fifth. Measured media advertising dropped 73.8% to $2 million.

In the face of declining demand, B-F has initiated modest price increases. Price hikes come at a time when five of B-F's top 10 distributors have experienced flat sales in 1983 and 1984, a composite decline of 2% in gross profits and a net profit drop of 19%, Mr. Brown told delegates at an April meeting of the Wine and Spirits Wholesalers of America.

B-F took steps in 1983 to soften its reliance on distilled spirits by acquiring Lenox Inc., known for its fine china tableware. Lenox, which contributes sales of more than $250 million annually, had measured media spending of $5 million, up 12.3% from 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,840.5	3,840.5
Magazines	18,477.1	20,875.8
Network cable	0.0	13.4
Spot tv	4,085.9	4,667.2
Network tv	3,209.5	2,835.1
Spot radio	0.0	1,421.1
Outdoor	5,054.5	6,182.1
Total measured	34,667.5	39,835.2

BROWN-FORMAN DISTILLERS CORP.
850 Dixie Highway
Louisville, Ky. 40210
(502) 585-1100
B-F SPIRITS LTD.
Louisville, Ky.

Marketing Personnel

Mktg dir position open

Advertising Agencies

MCA Advertising, New York—Canadian Mist, Southern Comfort, Early Times—Bob Lepre, exec vp; Warren Wiegand, vp-acct mgmt; Hal Tovin, acct super.

Burrell Advertising, Chicago—black con-

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A

sumer—Canadian Mist—Eugene Morris, senior vp-mgmt super.

JACK DANIEL DISTILLERY

Lynchburg, Tenn.

Marketing Personnel

Arthur S. Hancock, exec dir-mktg

Advertising Agencies

Simmons, Durham & Assoc., St. Louis—Jack Daniel's—Les Diveley, acct exec-super; Mindy Keyser, prod mgr.

Advanswers, St. Louis—media planning for Jack Daniel's, Korbel California champagne & brandy, Bols liqueurs & flavored brandies—Ray Rizicka, vp-assoc group dir; Coleman Steele, project associate; Gordon Hendry, senior vp-dir special projects.

Burrell Advertising, Chicago—black consumer for Jack Daniel's—Eugene Morris, senior vp-mgmt super; Julius Jones, vp-acct super.

BFV&L, St. Louis—creative for Jack Daniel's, Korbel, Bols—J. Mark Lashly, president; Carla Manning, acct exec; Tom Fraser, art dir.

JOS. GARNEAU CO.

Louisville, Ky.

Marketing Personnel

Raymond E. Dryden, senior vp-dir, brand mgmt

Advertising Agencies

Benton & Bowles, New York—Bolla, Cella, Old Bushmills—Rod Torrence, mgmt super; Tom Lentz, acct super; Fred Sawabini, acct super; Roberto Passariello & John Belzer, acct execs.

Burrell Advertising, Chicago—black consumer adv, Cella, Martell—Eugene Morris, senior vp-mgmt super; Robert Hinton, vp-acct dir; Alisa King, acct exec.

LENOX INC.

Lawrenceville, N.J.

Marketing Personnel

Frank Dallahan, senior vp-mktg, ArtCarved/Keepsake

Park H. Davis, vp-mktg, ArtCarved class rings

James W. McCormack, vp-sales & mktg, Lenox candles

Robert J. McCornack, div vp-promo & mktg, Hartmann luggage

Carlos Gonzales, mktg mgr, Lenox Mexicana

Advertising Agency

Leber Katz Partners, New York—Sam Eisnitz, exec vp-acct mgmt; Patricia Price, vp-acct group super; Marni La Rose, acct exec; Alex Mohtares, exec creative dir.

RANK 183

Cadbury Schweppes

London

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,777.1	2,345.4	18.4
Net income	49.9	25.1	98.9
U.S.			
Sales	669.4	516.2	29.7
Operating profits	50.8	37.1	37.2
Advertising	22.0	19.7	11.6
Division sales			
Confectionery	1,181.8	476.9	147.9
Drinks	1,022.7	323.4	216.3
Beverages/foods	485.5	381.0	27.5
Health/hygiene	87.1	87.1	0.0

For the past five years, Cadbury Schweppes has been looking inward, making capital improvements, modernizing plant operations and consolidating product lines in its confectionery and beverage divisions.

But 1984 signaled the start of a search for new marketing niches by the company, which is ranked 183rd among advertisers in measured media for 1984.

The Stamford, Conn.-based North American unit of Cadbury Schweppes Plc Ltd., London, spent $22.0 million in measured advertising, an increase of 11.6% over 1983.

Half of the company's outlay was for network tv for established products includign Cadbury Candy, Peter Paul Mounds, Almond Joy and York Peppermint Patties.

Cadbury Schweppes U.S. group had total sales in 1984 of $669.4 million, up from $516.3 million (U.S.$1.3774 37M £1 was the average annual exchange rate applied to both years), and trading profits of $50.8 million compared with $37 million in 1983. The U.S. group made up nearly a quarter of the parent's sales in 1984.

Cadbury Schweppes, whose divisions Peter Paul Cadbury, Duffy-Mott, Rose/Holland House and Schweppes USA, slug it out for brand dominance against names such as Canada Dry, Hershey Chocolate Co. and Mars in particular, is revamping its market strategies to increase market share in more targeted confectionery and beverage markets.

Examples of this strategy include introduction in 1982 of seasonal products, such as Creme Eggs, now the top-selling novelty Easter item at nearly 50 million units a year, and Mini Eggs. In 1984, Peter Paul Cadbury tested Wispa in upstate New York and parts of New England.

Wispa is an aerated chocolate bar introduced with success in the U.K. in 1984.

Ad spending for Wispa totaled $321,000 for spot tv ads featuring Buck Henry. The brand may roll out nationally as early as mid-1986. Peter Paul Cadbury also launched Fudge in the U.S. market in 1984, a popular brand in the U.K.

In beverages, Schweppes concentrated on replacing several of its independent bottling facilities in 1984 to improve production and distribution. Schweppes, which had measured ad spending of $4.4 million in 1984, mostly in spot tv, faces a tough challenge in the soft drink/mixer business from competitor Seagram mixers, a 2-year-old line marketed under a licensing agreement by Premium Beverages, Greenwich, Conn., which is a subsidiary of Coca-Cola Bottling Co. of New York.

Canada Dry has about 33% of the 390 million-case annual mixer business, which includes ginger ale, tonic water, club soda and seltzer.

Schweppes is estimated to have about 11% of the market, but is losing ground to Seagram.

Seagram, with main distribution in the western and eastern U.S., has an estimated 6% market share that continues to grow as the brand reaches national distribution.

Duffy-Mott, acquired in 1982, had measured spending of $3.5 million in 1984, mostly spot tv for Mott's apple juice, Mott's applesauce and Clamato, using a generic theme of "Mott's Appeal."

Following an agency switch in 1984 from Ted Bates Advertising, New York to Scali, McCabe, Sloves, New York, the division is developing a new theme and ad campaign.

Duffy-Mott U.S. product introductions in 1984 include single-serving asceptic containers of Mott's juices in four flavors.

The division also introduced apple-blended juices in 32-oz. and 64-oz. glass containers.

Rose/Holland House continued seeking new markets in 1984 through print media educational ads emphasizing everyday uses of Rose's lime juice, using the theme: "The uncommon denominator."

Measured spending totaled $300,000. Holland House Cooking Wine, introduced in 1984, will receive increased emphasis in 1985.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,687.7	1,886.8
Network cable	125.9	10.0
Spot tv	7,970.1	7,342.7
Network tv	10,999.2	9,660.2
Spot radio	27.5	24.7
Network radio	89.3	672.7
Outdoor	87.0	98.9
Total measured	21,986.7	19,696.0

CADBURY SCHWEPPES
1200 High Ridge Rd.
Stamford, Conn. 06905
(203) 329-0911

SCHWEPPES USA

Marketing Personnel

John Carson, president

Bruce McCall, vp-mktg

Marianne Daly, dir-adv & pr

Advertising Agency

Ammirati & Puris, New York—Edward Vick, coo; Mary Herrmann, senior vp-mgmt super; Howard Lesman, vp-acct super; Linda Livingston, acct exec.

PETER PAUL CADBURY

Marketing Personnel

Jim Hanlon, president

Denis Dawson, vp-mktg

Advertising Agencies

Young & Rubicam, New York—Cadbury brands, including Wispa candy bar distributed in New England—John Hatheway, group dir; John Stokes, senior vp-mgmt super; Garth Anderson, acct super; Jim Bogie, acct exec; John O'Brien, acct exec; Andrea Miller, acct coord.

Dancer Fitzgerald Sample, New York—Peter Paul brands—Allan Gavan, senior vp; Jack Mascola, vp-acct super; Ed Padin, vp-acct super.

DUFFY-MOTT

Marketing Personnel

Keith Jones, vp-mktg

Donna Driscoll, mktg mgr-new prod

Jim McCaffrey, mktg mgr-food prod

Tim Carroll, mktg mgr-info services

Advertising Agency

Scali, McCabe, Sloves, New York—Phil Cohen, senior vp-mgmt super; Judy Wright, vp-acct super; Jim Hoitsma, acct exec.

ROSE/HOLLAND HOUSE

Marketing Personnel

Lysa Randolf Kraft, mktg dir

Stewart Barcham, mktg mgr-Holland House

Ellen Kern, mkt mgr-Rose's, Coco Casa

Advertising Agency

Ammirati & Puris, New York—Howard Lesman, vp-acct super; Stephen Jacoby, vp-assoc media dir.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

WORKIN
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Glamour delivers over 5 million working women every month—

RANK 165

Carter-Wallace
New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	323.1	289.9	11.5
Net income	18.4	16.5	11.5
U.S.			
Sales	251.8	217.9	15.6
Operating profits	39.6	31.4	25.9
Advertising	23.8	17.9	32.9
Division sales			
Health care	152.3	134.6	13.2
Deodorants	101.7	96.7	4.6
Consumer prods.	69.1	58.6	18.0

Carter-Wallace, New York, which funneled most of its increased advertising spending into its Arrid product line in 1984, ranked 165th among U.S. advertisers in 1984 with measured media spending of $23.8 million, up 32.9% from 1983.

Most of the measured spending increase was attributed to a 19% increase in network tv, which brought that media total to $17 million, $11.7 million of which was used to back Carter Products division's Arrid antiperspirants and deodorants.

Carter-Wallace says Arrid has been the top-selling antiperspirant deodorant brand in the U.S. for the past three years. Arrid is believed to account for an estimated 12% unit sales of the domestic antiperspirant and deodorant market in 1984 and 1983.

Arrid antiperspirants continued steady growth in sales and product variety in 1984. A key factor was strong consumer demand for Arrid Extra Dry baby fresh scents. Arrid Extra Dry deodorants in 1984 were backed by measured expenditures of $6 million in network tv and $800,000 in spot tv.

The Arrid line also stengthened its leadership position among aerosol antiperspirant deodorants, while broadening its respective shares of the markets for solids, roll-ons and creams. Carter Products division backed Arrid Extra Dry solid with $4.5 million in measured network tv spending and Arrid Double X solid with $1.1 million in measured network tv.

Network tv also was used in the 1984 introduction of Pearl Drops Smokers tooth polish, with $3.6 million in measured network tv and $800,000 in spot tv. The product received nearly 18% of Carter-Wallace's 1984 measured advertising. Distribution of improved Pearl Drops with fluorride began in March, 1984, with $400,000 in measured spending, divided 60-40 between magazine and network tv.

Receiving $1 million in measured network tv was the Nair line of depilatories, which became the depilatory segment market leader in 1984. Nair products received another $500,000 in magazine spending, which included ads for a Nair sweepstakes in 1984.

The largest measured expenditure for spot tv was $1.6 million for Mischief Body Spray deodorant. The Mischief brand also was backed by magazine ads during 1984, including a premium offer.

Carter-Wallace more than doubled magazine advertising in 1984 to $2.3 million from 1983. The largest measured expenditure was $300,000 for seasonal ads for Block Out suntan products.

The company introduced Block Out waterproof clear lotion sunblock suntan lotion in 1984.

Carter Products division also reported substantial sales increases for Sea & Ski suntan products, introducing Sea & Ski aloe vera formula lotion. Sea & Ski products received $500,000 in measured network tv and $200,000 each in spot tv and magazine advertising.

A product to watch in 1985 is Rigident, a denture adhesive powder popular in the West and acquired in 1984 by Carter Products division from Wickman Pharmaceutical Co. Promotion and distribution efforts are expected to broaden market penetration nationally.

Carter-Wallace sales in the fiscal year ending March 31, 1985, were $348 million, up 8% over its 1983 sales. Net income was $20.7 million in fiscal 1985, up 12% over the previous year.

The company's major business segments account roughly for the following proportions of annual sales: Consumer products, 43%; healthcare products, 39%; international subsidiaries and branches, 18%.

Carter-Wallace manufactures consumer products at its New York-based Carter Products division; diagnostic specialties, proprietary drugs and prescription pharmaceuticals at its Cranbury, N.J.-based Wallace Laboratories and Wampole Laboratories divisions, and pet products at its Lambert Kay division in Cranbury.

In August, 1984, John Bridgen was named president of Wampole Laboratories division.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,257.9	955.3
Network cable	189.0	415.1
Spot tv	4,339.8	2,756.2
Network tv	17,033.4	13,792.0
Spot radio	2.4	0.0
Total measured	23,822.5	17,918.6

CARTER-WALLACE
767 Fifth Ave.
New York, N.Y. 10153
(212) 758-4500

Marketing Personnel

John D. Mack, president

Advertising Agencies

Ted Bates Advertising, New York—Arrid deodorants, antiperspirants and Carter's Little Pills, Sea & Ski, Mischief body spray—Mark Morris, exec vp; Renee Summer, mgmt rep; Lewis Hecker, media dir; Sharon Mathews, assoc media dir; Lorie Orlocsky, media planner.

Needham Harper Worldwide, New York—Pearl Drops tooth polish, Pearl Drops Smokers tooth polish, Answer pregnancy test kit—Bernie Newman, vp-media mgr; Paul Komporles, acct super; Geni Piciullo, super; John Hayes, junior planner; Laura Novacek, asst planner.

Avrett, Free & Ginsberg, New York—Nair depilatories, BrethGard Denture Breath Freshener, Rigident (denture adhesive), Soft All Over—Don Bandman, mgmt super; Miriam Cohen, acct super; Pat Wheatley, acct exec.

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INTERNATIONAL
Marketing Personnel
Miguel Fernandez, president
LAMBERT KAY
Marketing Personnel
Robert A. Cuthbert, president
Thomas Abrams, mktg mgr
Thomas McShane, vp-mktg
Advertising Agency

Thomas Abiams (in-house agency)—Fresh 'N Clean pet grooming prod, Linatone food supplements, Theralin vitamins for pets, Avitron vitamins and Avimin minerals for birds, Victory insecticides, shampoos, Lassie line of grooming, health products.

WALLACE LABORATORIES
Marketing Personnel
Herbert Sosman, president
Thomas G. Gerstmyer, vp-mktg
Thomas Halvorson, senior prod mgr
Richard Krukowski, dir mktg, planning & devel
Terry Brennan, senior prod mgr
Advertising Agency

Thomas G. Ferguson Assoc., Parsippany, N.J.—Depen, Organidin, VoSol, VoSol HC, Rondomycin, Ryna, Ryna C, Ryna CX, Rynatan, Rynatuss, Tussi-Organidan, Tussi-Organidin DM—John Szlasa, mgmt super; Bill Markowitz, acct exec.

WAMPOLE LABORATORIES
Cranbury, N.J.
Marketing Personnel
John Bridgen, president
Advertising Agencies

Thomas G. Ferguson Associates, Parsippany, N.J.—pharmaceutical products—John Szlasa, mgmt super; Bill Markowitz, acct exec.

MED Communications, Hopelawn, N.J.—John Eichert, acct super.

William Douglas McAdams, New York—Soma prods, Lufyllin, Depen—Joseph Carobene, senior vp-mgmt super; Irving Schwab, vp-acct super; Lloyd Wohlner, acct super.

Castle & Cooke
San Francisco

RANK
167

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,520.1	1,361.5	11.6
Net income	-76.7	-49.7	54.4
U.S.			
Sales	1,220.0	1,106.0	10.3
Operating profits	13.0	3.0	333.3
Advertising	23.7	7.8	203.3

The nation's 167th largest advertiser in 1984, Castle & Cooke, which began phasing out low-return commodities operations in favor of more profitable fresh, packaged and branded products in 1984, jumped from the 281st ad position in 1983 by spending $23.7 million in measured media, a 203.3% increase.

The San Francisco-based company, producer of such brand names as Dole and part owner of A&W Brands, entered 1985 in such poor financial condition it required a bailout via a merger with Flexi-Van Corp., a New York-based transportation equipment leasing company.

The company in the current fiscal year reported a net loss of $48.6 million for the three quarters ended March 23, 1985, compared with net income of $6 million for the similar period a year earlier.

The third quarter represented a marginal return to profitability, with net income from operations of $9 million, supplemented with $6.3 million net gain from the sale of assets. The company took a net loss of $76.6 million for fiscal 1984 ended June 16, 1984.

The proposed merger needs to be approved by regulatory agencies and shareholders from both companies this summer.

Castle & Cooke's financial troubles are the result of a string of economic factors, including the strong dollar, which hurt earnings on international operations, and problems with the company's branded fresh fruit and vegetable products.

Castle & Cooke's financial situation came to a boil when it was forced in March, 1985, to seek agreements with lenders on restructuring $260 million in private, unsecured debt.

David H. Murdock, chairman-ceo of Flexi-Van Corp., proposed a loan that was contingent upon Mr. Murdock serving as chairman-ceo of the newly merged company and on members of the board of Flexi-Van constituting a majority of the merged company's board of directors. C&C's president-ceo, Robert D. Cook, who speaks favorably of the offer, would be president-chief operating officer of the merged company.

The proposed merger remained had threatened, however, by a possible hostile takeover attempt by an investor group headed by Minneapolis financier Irwin L. Jacobs. The Jacobs groups acquired 14.1% of C&C's 25.7 million outstanding common shares by late May. But Mr. Murdock stepped in again, agreeing to buy the Jacobs group stock for about $57 million. He also received assurance from the group that it would not buy securities of C&C or Flexi-Van for five years.

There was a bright spot in Castle & Cooke's performance—the package goods segment—led by product additions to the Dole brands. In 1984, Castle & Cooke introduced Fruit 'N Juice bars. Advertising for Fruit 'N Juice bars now makes up the single largest category of measured spending, with $2.6 million in spot tv, $1.7 million in network, $1.1 million in magazine and $700,000 in network radio.

The largest jump in measured ad spending in 1984 was a 76% increase in outlays for spot tv, using the ad theme: "A sunny place called Dole," expanding the Dole trademark to cover such new products as a chilled pineapple breakfast juice; Dole Whip, a soft-serve dessert for food service, and Dole Fruit Sorbet, a blend of fruit, juice and sweeteners.

The ad campaign also boosted network tv spending, with measured outlays of $5.6 million, a 74% increase over 1983 spending.

Castle & Cooke has made an effort during the past year to dispose of certain fresh vegetable operations. On April 10, 1985, the company sold its mushroom businesses on the West Coast to Mushroom King, Santa Rosa, Cal. Terms of the sale were not announced.

In early 1985, Castle & Cooke agreed to sell its Bumble Bee Seafoods division to a group of investors, including four key managers: Patrick W. Rose, James T. McCarthy, Ernest W. Peterson and H. Kenneth Branson. Terms involve an initial payment of $40 million cash.

Bumble Bee is a $200 million producer and marketer canned tuna, salmon and other seafood products with headquarters in San Diego.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,897.8	3,191.7
Network cable	293.2	50.5
Spot tv	12,003.2	2,905.9
Network tv	5,657.1	1,494.3
Spot radio	1,146.2	182.8
Network radio	716.3	0.0
Outdoor	20.2	0.0
Total measured	23,734.0	7,825.2

CASTLE & COOKE
P.O. Box 7330
San Francisco, Cal. 94120-7330
(415) 986-3000
Marketing Personnel
H.B. Clark Jr., chmn
Ian R. Wilson, president-ceo
Robert D. Cook, senior exec vp, president-ceo-Castle & Cook Foods
William J. Crumb, senior vp-mktg-fresh foods
Al Vangelos, vp-mktg-fresh foods
John Porter, vp-mktg & sales-processed foods
Robert Urbain, vp-mktg-processed foods
Patrick Tighe, vp-new prod
John Filose, genl mgr-frozen desserts & snacks
Advertising Agency

Anderson/Miller Communications, San Francisco, Cal.—food service products—Norm Anderson, president; Shelley Roth, acct exec.

J. Walter Thompson, San Francisco, Cal.—Mike Barton, acct dir; Francis Fraser, assoc creative dir; Debbie Outland, assoc media dir; Patricia Juckett, mgmt super; Nancy Zackler, acct super.

Allen & Dorward Advertising, San Francisco, Cal.—fresh products—Fred Greene, senior vp-mgmt super; Ken Giebel, acct super.

Chesapeake Financial Corp.
Miami Beach, Fla.

RANK
158

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	24.8	33.2	-25.3

Revitalizing through new advertising strategy and product changes marks the current operations of Chesapeake Financial Corp., Miami Beach, Fla. This 158th largest national advertiser, which incorporates both Arby's Inc. and Royal Crown Cola Co., dropped 25.3% in measured national advertising spending, to $24.8 million in 1984.

Total revenues and profits are not reported by Chesapeake, which is privately held, but Arby's reports its revenues were $765 million in 1984.

In 1983, Chesapeake Financial's predecessor, Royal Crown Cos., predicted total Arby's revenues of more than $1 billion annually within five years. In 1983, then publicly held Royal Crown had net income of about $15 million on revenues of $491 million from its four Royal Crown divisions.

Chesapeake Financial Corp. is the product of negotiations between Peachtree Corp., an Atlanta, Ga., group including Royal Crown executive leadership, and the Victor Posner Group, a Miami financial-development organization. The Posner Group, early in 1984, took over Royal Crown.

The corporation now consists of Arby's Inc., Atlanta; Royal Crown Cola Co., Rolling Meadows, Ill.; Adams Packing Assn., a citrus-juice-products segment based in Auburndale, Fla., and a home furnishing segment that includes several companies—Frederick Cooper Lamps Co., Chicago; Couroc of Monterey Inc., Monterey, Cal. (serving trays); Athens Furniture Inc., Athens, Tenn. (bedroom and occasional furniture); National Picture & Frame Co., Greenwood, Miss. (decorative pictures and framing), and Hoyne Industries Inc., Chicago (mirrors).

Only the Arby's and Royal Crown units currently are significant advertisers.

Adams Packing spent $91,800 for spot tv to advertise its Adams and Texsun citrus juice brands in 1983, but the heavy freezes in December, 1983, in Texas and Florida had an adverse impact on the company and there was no measured advertising in 1984

Arby's measured advertising in 1984 was down 8.5% from 1983, to $13 million. Over-all, Royal Crown brands dropped 34% in ad expenditures for 1984, to a little more than $10 million. Some individual Royal Crown brands were up. Diet Rite salt-free cola quadrupled its advertising, going to $3.8 million in 1984 from $999,300 in 1983. Royal Crown Cola was up 2% to $4.1 million, and Nehi fruit-flavored pops jumped to a little more than $102,000 from no spending in 1983. But there was a big drop in ad spending for the RC100 line—only $522,300 in 1984 compared with $4.7 million in 1983.

A number of new marketing moves in 1984 were begun by Arby's, and it is embarking on a number of others in 1985. Arby's, which comprises 1,600 stores in 50 states, Canada and the Far East (200 company-owned and 1,400 franchised), has continued menu expansion and stressed quality in its advertising.

Additions to the Arby's breakfast line were the Croissant Basket Program, featuring both plain croissants and meat and cheese-stuffed. Last fall came the Super-Stuffed Potato. Arby's marketing premise was not to copy existing potato dishes but to match the quality of Arby's existing beef dishes with a bigger and fresher stuffed potato. Promotion was via an award-winning dancing-potato tv commercial created by Grey Advertising, New York.

Arby's is refocusing on its basic roast beef line in a campaign scheduled to break this July. According to Arby's president Robert McDowell, the 1984 program of product diversification was preliminary to this year's program for getting back to reinstating the excellence of Arby's roast beef product.

Biggest news for Royal Crown marketing efforts in a long time is its new full-assault campaign, priced at $10 million, to win new cola drinkers to Royal Crown cola—some perhaps former Coke drinkers unwilling to go to Pepsi.

RC has had some satisfactory results with its various brands recently, but it still has only an estimated 2.5% of the market, compared with a reported 22% for Coke and 19% for Pepsi-Cola. RC's market share is said to have dropped from 4.3% in 1980, but Royal Crown says its Diet Rite line "has had significant growth in the face of the introduction of diet Coke. Since its reformulation, [revenue for] the [Diet Rite] brand is up in the area of 25%." Royal Crown is the acknowledged pioneer in diet cola beverages, having introduced the first low-calorie cola, Diet Rite, in 1962; the first caffeine-free cola, RC100, in 1980, and the first salt-free, Diet Rite Salt-Free, in 1982.

The new ad campaign by Dancer Fitzgerald Sample which broke recently, tells viewers in a series of 10, 20 and 30-second tv commercials that "some people will go out of their way for the taste of RC." In this campaign, Royal Crown is making its first use of network and cable tv to air its message. Advertising sources say Royal Crown also will increase significantly its ad spending for Diet Rite and Nehi in 1985.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,800.0	2,109.9
Magazines	5.7	404.0
Network cable	4.1	0.0
Spot tv	18,105.9	22,685.2
Network tv	4,423.7	6,270.4
Spot radio	0.0	1,386.5
Outdoor	497.7	381.8
Total measured	24,837.1	33,237.8

CHESAPEAKE FINANCIAL CORP.
P.O. Box Drawer K
Miami, Fla. 33441
(305) 866-7771
COUROC OF MONTEREY
Monterey, Cal.
Marketing Personnel
Richard McDermott, president
John Hurley, controller
Sueree Conroy, mgr-customer service
Advertising Agency

Fingerote & Grauer, Monterey, Cal.—Paul Fingerote, acct exec; Ron Grauer, art dir.

ADAMS PACKING ASSN.
Auburndale, Fla.
Marketing Personnel
Ben R. Adams, president
Charles Thomas, genl sales mgr
FREDERICK COOPER LAMPS CO.
Chicago, Ill.
Marketing Personnel
Suzanne Loren, dir-prod devel
Leo Gershanov, president
Advertising Agency

Sander Allen, Chicago—Sander Allen, president.

ATHENS FURNITURE
Athens, Tenn.
Marketing Personnel
Basil Turbyfill, president
Richard Waddell, vp-sales
Advertising Agency
(In-house, handled by Mr. Waddell)
HOYNE INDUSTRIES
Rolling Meadows, Ill.
Marketing Personnel
Joseph A. George Jr, president
Steven Strasevicz, dir-sales & mktg
Advertising Agency

McKee Advertising, Elmhurst, Ill.—Cynthia Grant, acct exec; Ted McKee, president.

ROYAL CROWN COLA CO.
Rolling Meadows, Ill.
Marketing Personnel
J.M. Harrelson, exec vp
Ron Corin, vp-mktg
Advertising Agencies

Dancer Fitzgerald Sample, New York—

Top 25 network cable advertisers by % change
of the second 100 leading national advertisers

Rank	Advertiser	Network cable ad expenditures ($000) 1984	1983	% chng	1984 as % of co.'s ad total
1	Federal Express Corp.	$710.5	$0.8	88,712.5	2.0
2	Chevron Corp.	677.3	1.0	67,630.0	2.5
3	Rapid-American Corp.	455.8	15.3	2,879.1	1.5
4	Prudential Insurance Co. of America	880.1	89.6	882.3	3.5
5	MasterCard International	386.3	61.9	524.1	1.4
6	Castle & Cooke	293.2	50.5	480.6	1.2
7	G.D. Searle & Co.	546.7	109.1	401.1	1.4
8	Thompson Medical Co.	4,456.0	1,016.2	338.5	11.3
9	Wang Laboratories	367.1	126.6	190.0	1.5
10	Triangle Publications	411.2	147.4	179.0	1.2
11	Black & Decker Corp.	391.9	157.7	148.5	1.3
12	Walt Disney Productions	362.2	204.4	77.2	1.8
13	Mennen Co.	609.3	359.3	69.6	2.0
14	Borden	572.8	343.8	66.6	2.0
15	North American Philips Corp.	682.0	478.2	42.6	2.3
16	Block Drug Co.	589.6	593.8	.(0.7)	1.9
17	Firestone Tire & Rubber Co.	413.4	491.0	(15.8)	2.1
18	Texas Instruments	324.6	391.7	(17.1)	1.3
19	Matsushita Electric Corp. of America	646.9	1,305.1	(50.4)	1.5
20	Jeffrey Martin Inc.	827.5	1,845.6	(55.2)	2.3
21	Hattori Corp. of America	1,525.3	0.0	N/A	4.3
22	Polaroid Corp.	887.3	0.0	N/A	2.8
23	Anderson, Clayton & Co.	596.8	0.0	N/A	2.5
24	Whirlpool Corp.	305.2	0.0	N/A	0.9
25	MGM/UA Entertainment Co.	287.0	0.0	N/A	1.0

Source: Broadcast Advertisers Reports

—RC Cola, Diet Rite, Nehi beverages—Robert Week, exec vp-mgmt dir; Thomas Burke, senior vp-mgmt super; Reginald Pierce, vp-acct super (field bottlers); Steven Farley, vp-acct super (brand mktg).

ARBY'S INC.
Atlanta, Ga.
Marketing Personnel

Robert E. McDowell, exec vp-coo
Lawrence M. Krueger, senior vp-mktg
Thomas Y. Whitley Jr., vp-mktg

Advertising Agency

Grey Advertising Inc., New York—Arby's system advertising: Creative product used in network and spot tv for local availability—Jordan Rosuck, mgmt rep; Warren Fischer, vp-group mgmt super; Ken Brown, acct super; Mike Kalfus, acct exec.

RANK 149

Chevron Corp.

San Francisco

($ figures = 000,000,000)

Worldwide	**1984**	**1983**	**% chg**
Sales	27.8	28.4	-2.0
Net income	1.5	1.6	-3.5
U.S.			
Sales	18.7	17.1	9.3
Operating profits	0.6	0.8	-26.6
Advertising	0.027	0.020	36.3
Division sales			
Petroleum prods.	17.4	18.6	-6.6
Crude oil	7.4	7.0	5.0
Natural gas	1.4	1.3	15.0
Chemicals	1.1	1.06	3.9

The actions prompting Chevron to acquire Gulf Corp. in March, 1984, thereby becoming the largest U.S. gasoline marketer, reflect the dramatic changes sweeping the oil industry. Chevron ranked 149th among the nation's advertisers in 1984.

The acquisition, coming on the heels of Texaco's move to acquire Getty Oil and Mobil's buyout of Superior Oil Co., Houston, reflects a trend among oil companies to increase proven oil reserves through acquisition and at the same time make themselves less vulnerable to hostile takeover attempts by incurring huge debt. Undervalued stock has made the oil companies open to corporate raiders.

The $13.3 billion Gulf acquisition in March, 1984, the largest in U.S. history, besides boosting Chevron's retail power, builds up the company's strength, particularly in the sunbelt.

San Francisco-based Chevron, which changed its name in mid-1984 from Standard Oil Co. of California, had total measured spending (including Gulf's from May 1, 1984) of $27.0 million, an increase of 36.3% over 1983.

Excluding measured ad spending contributed by Gulf, Chevron's real spending increased in 1984 to $22.3 million, 11% over 1983 levels.

The majority of Chevron's 1984 measured spending was for its gasoline and service stations, with $4.3 million in spot tv for the company's "Yes" campaign, emphasizing gasoline quality, convenience and modern station facilities. Chevron continued as a heavy user of spot tv, particularly for its Ortho brand products (fertilizers and insecticides), with $6.6 million in measured spending, a 51% increase over 1983.

A major development in 1984 was the kickoff of a $500 million retail gasoline station modernization program to upgrade hundreds of stations and build new ones in growth areas. The program includes installation of computerized communications, accounting and inventory control that will improve Chevron's marketing network.

Nationwide, Chevron installed more than 600 integrated retail consumer systems in 1984 and plans to install 1,400 more during the next few years. Depending on the demographics of an area, the automated stations will offer self-serve and/or full-service gasoline, service bays, food marts and car washes.

The upgrade program is part of an aggressive plan to improve volume sales in the company's 11,000 retail service stations in 40 states and the District of Columbia. For the year, Chevron reported a 10% increase in sales of gasoline over 1983, compared with an estimated average industry improvement of 2.5%. Chevron is one of the leading marketers on the West Coast and in the Southeast. Domestic sales in 1984 were about 6% of total U.S. consumption. Worldwide sales, including Gulf from May 1, 1984, and affiliates represented about 5% of the free world's consumption.

Like Chevron, Gulf also is modernizing its retail operations, going to fewer, higher-volume stations. In 1984, Gulf was one of the top four marketers in 25 of 35 U.S. metropolitan areas.

Just how Gulf and Chevron's marketing operations will mesh on consolidation will not be known until the Federal Trade Commission permits the companies to share market information and join in formulating strategies.

Chevron Corp. posted net income in 1984 (including Gulf from May 1) of $1.53 billion, down 4% from 1983. Operating revenues in 1984 totaled $27.8 billion, down 2% from the previous year. Chevron recorded first-quarter net income of $354 million, down 6.3% from the first quarter of 1983. Revenues rose 73.0% in the first quarter to $12.6 billion, adding revenues from the Gulf unit. Excluding Gulf's results, Chevron's revenues fell about 5% to $6.9 billion.

Because Chevron borrowed heavily to purchase Gulf, the company plans to reduce its debt through divestiture of certain Chevron and Gulf assets. Early in 1984, Chevron sold its refining and marketing operations in Europe to Texaco, including 2,800 service stations and a 68% interest in a Netherland's refinery.

In May, 1985, Chevron agreed to sell 49% of Gulf Canada's operations (with option to buy an additional 11%) for about $2.49 billion to the Reichmann family of Toronto, which controls Olympia & York Developments Ltd., a Toronto company with considerable real estate holdings in the U.S. and Canada.

Chevron also agreed to sell the Gulf Oil Co. building in Pittsburgh to AGV Enterprises of New York. The company previously announced it would transfer Gulf headquarters to San Francisco. Currently, 600 Gulf employes remain in Pittsburgh.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,755.8	1,755.8
Magazines	4,680.4	1,161.0
Network cable	677.3	1.0
Spot tv	11,992.5	10,322.6
Network tv	411.9	303.3
Spot radio	5,920.3	4,947.4
Outdoor	46.2	67.1
Farm pubs	1,555.7	1,287.1
Total measured	27,040.1	19,845.3

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(415) 894-7700

CHEVRON CHEMICAL CO.
San Francisco, Cal.
Marketing Personnel

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Tom Graham, adv advisor-Ortho consumer prod div (home, lawn & garden chemicals)
Duane Dolney, adv specialist-Ortho agricultural chemicals div (pesticides)
Doug Gillis, mktg specialist-Ortho fertilizer div
Dana Newhard, promo specialist-Oronite additives div (lub & fuel additives)
Scott Kinderwater, admin asst-Petrochemicals div (bulk building block commodity chemicals)
Bill Shewry, merch mgr-consumer product div
Norm Angel, public affairs mgr
Roland Prideaux-Brune, senior vp-agricultural chemicals

Advertising Agency

McCann-Erickson, San Francisco, Cal.—all divisions—June Frapps, vp.

CHEVRON U.S.A. INC.
San Francisco, Cal.
Marketing Personnel

L. Lou Taigen, genl mgr mktg
Marion M. Smith, vp-mktg
H.R. Hammerman, adv mgr-Chevron U.S.A.

Advertising Agency

J. Walter Thompson, San Francisco, Cal.—John Briskey, acct super-retail; David Soblin, vp-acct super-public affairs; Michael Greene, vp-mgmt super-public affairs.

RANK 114

Ciba-Geigy Corp.

Ardsley, N.Y.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	5,800.0	N/A
Net income	N/A	N/A	N/A
Advertising	35.3	17.6	100.2

Ciba-Geigy Corp. in 1984 more than doubled its measured national advertising expenditures, catapulting it to 114th largest national advertiser from 186th in 1983. Spending was $35.3 million, up 100.2% from the previous year.

Ciba-Geigy Corp., Ardsley, N.Y., is the U.S. arm of Ciba-Geigy Ltd., the Basel, Switzerland, chemical giant that had total revenues of $6.4 billion worldwide in fiscal 1984, 10% more than 1983.

First-half 1985 revenues for the parent rose 18% to $3.9 billion over the year-earlier period.

The U.S. branch had 1984 U.S. revenues of about $1.9 billion, the lion's share of the returns, about $1.29 billion, coming from sales of fertilizers, insecticides and herbicides by its chemicals division. About $575 million came from pharmaceuticals.

Pharmaceuticals are 30% of Ciba-Geigy Ltd.'s worldwide business; agricultural chemicals and products, 24%; plastics, 20%; dyes, 15%, and a variety of consumer products, 11%.

The biggest media spending change in the year was for network tv, soaring 229%. Heavy spending in this medium was for Acutrim appetite suppressant and the new Softcolor soft contact lenses. Network tv totals were $18.3 million in 1984.

Farm publication spending was up 18.4% to $6.63 million to promote Ciba-Geigy's broad range of farm products.

Spot radio increased 21.7% to $643,200. Not used in 1983 but added in 1984 were modest amounts for network radio and network cable.

A major change for Ciba-Geigy in 1985 was the sale for $200 million of its Airwick Industries division to Reckitt & Colman, a British producer of food and other consumer products. Airwick had revenues of $180 million in 1983, off 28.6% from 1983. Its products include Airwick air fresheners, Binaca breath freshener, Chore Boy scouring pads, Drain Power drain cleaner, Carpet Fresh, Glamorene and Spray 'N Vac carpet products.

During 1984, several new health and diet products came to the U.S. market. Early in the year the company introduced a new weight-loss entry, Acutrim 16-hour time release, that gained a 12.7% share of the $200 million diet-aid market by midsummer. This compares with the 52.8% share of category leader, Dexatrim, produced by Thompson Medical Co. Dexatrim, however, dropped in market share from 60% in 1983. All of Thompson's diet aids combined have nearly 64% of the market. Thompson countered the erosion in its Dexatrim market share by introducing a version of the product formulated to last 15 hours.

Other products introduced by Ciba-Geigy during the year included:

- Slow FE, a once-a-day iron supplement, allowing slower absorption to avoid some of the less desirable effects of dietary iron, was introduced with advertising assigned to Sudler & Hennessey, New York.
- A transdermal product as yet unnamed for treating menopausal symptoms was assigned to Dugan/Farley Communications, Montvale, N.J., for advertising.
- Proflex brand of ibuprofen, the nonaspirin pain reliever, which Ciba-Geigy bought from International Laboratories.

A major marketing area for Ciba-Geigy in recent years has been its Vision Care soft contact lens business. It had captured 5% of the market from 1980 to early 1984 when it introduced its tinted Softcolors contacts in blue, green, aqua or amber.

To extend the reach and frequency of its color magazine advertising, Ciba-Geigy scheduled a $10 million radio campaign, handled by its agency for Softcolor, Bowles/Hanlon Advertising, Atlanta.

Ciba-Geigy, like other companies dealing in chemicals generally and pharmaceuticals specifically, has had some difficulties recently with government bureaus and citizen groups concerned about toxicity, side effects and environmental problems.

Questions by the Public Citizens Health Research Group raised about two of its arthritis and gout medications, Butazolidin brand of phenylbutazone and Tendril brand of oxylphenbutazone, originally threatened to ban the products from the market.

The U.S. Department of Health & Human Services finally ordered revised labeling instead to deal with the concern.

The Environmental Protection Agency banned Ciba-Geigy's Larvadex insecticide, fed to chickens to prevent the spread of Asian flu. Tests have shown it damages rabbit fetuses. The EPA took its action because of the possibility that Larvadex residues might remain in eggs and chickens sold for food.

During 1984, the Ciba-Geigy agricultural division moved its $2 million account from Dancer Fitzgerald Sample/Wegener Agricultural Group, New York, to Ketchum Advertising, San Francisco.

In September the company moved its $2.5 million Acutrim account from Sudler & Hennessey Consumer Group, New York, to Ally & Gargano, New York.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,659.4	1,398.3
Network cable	13.8	0.0
Spot tv	5,012.9	4,585.9
Network tv	18,310.4	5,570.7
Spot radio	643.2	528.6
Network radio	34.0	0.0
Farm pubs	6,629.8	5,547.4
Total measured	35,303.5	17,630.9

CIBA-GEIGY CORP.
Saw Mill River Rd.
Ardsley, N.Y. 10502
(914) 478-3131
PHARMACEUTICAL DIV

Paul Baehr, senior vp-mktg
Bill Hackett, exec dir-adv & sales promo

Advertising Agencies

C&G Advertising Agency (in-house), Summitt, N.J.—Bill Hackett, president.

William Douglas McAdams Advertising, New York—Lloyd Wohlner, acct super.

AGRICULTURAL DIV

Leo Bontempo, vp-mktg
Terry Walts, exec dir-prod mgmt
Phil Koch, dir-communications
Jim Palmer, dir-adv, promo & publicity

Advertising Agencies

Ketchum Advertising, San Francisco—insecticides, fungicides, herbicides—Jeff Manning, senior vp-group dir; Steve Pickford, vp-acct super; Norma Rivera, acct exec; Claudia Camp, acct coord.

Martin Williams, Minneapolis—herbicides, fungicides—Gerry Kleckner, vp-mgmt super; Tim Burke, acct super.

RANK 126

Citicorp

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	6,619.0	5,883.0	12.5
Net income	890.0	860.0	3.5
Advertising	32.0	15.8	103.0

Citicorp, New York, continued its aggressive expansion in 1984, seeking an increasingly larger share of the U.S. and international financial services market through new products and acquisitions. Citicorp also has made no secret of its desire to engage in interstate banking.

Citicorp, the nation's 126th largest advertiser in 1984, had $31.9 million in measured spending, up 103% over 1983. Nearly $20 million in measured spending was for spot tv for consumer-oriented, individual banking services group, which includes Citibank N.A., Diners Club, Citicorp Savings and Citicorp Person-to-Person.

Citicorp, which has three core business groups—individual, institutional and investment banking—had earnings in 1984 of $890 million, up 3% over 1983, on revenues of $6.62 billion, up 8% over 1983. Growth in earnings was lower than expected as a result of acquisitions, including the purchase of savings and loan associations in Florida and Illinois in 1984 and a number of Diners Club franchises around the world. Increasing activity in international markets also was a drag on corporate performance.

By far the largest measured spending was for a widening array of services through Citicorp's individual bank group. By yearend, the individual bank had developed relationships with one in every seven, or 12 million, households in the U.S.

This is the arena where Citicorp fights it out with American Express and other major banks over market-driven financial products, such as bank cards, travelers checks, loans, insurance and investment-type services.

Citicorp is the largest issuer of bank credit cards in the U.S. through Citibank Visa, Citibank MasterCard and Citibank Preferred Visa. In 1984, Citicorp had more than 16 million active card accounts, 13 million of which were in the U.S. Increased advertising and market spending produced 3 million new members for the year.

By comparison, there are 20 million members worldwide, 13 million of which are in the U.S., holding the American Express card, which is not a bank-issued card.

Measured spending for Citibank consumer services jumped from $930,300 in 1983 to $5.8 million in 1984—nearly $3.7 million for spot tv and $1.9 million for magazine. Citibank also spent a measured $9.5 million on spot tv promoting itself and its banking services. Over-all, measured spending for Citibank rose to $18.9 million, up 72% over 1983.

Measured spending for Diners Club credit card services ballooned from $1.6 million in 1983 to $7.4 million in 1984. Spending was $3 million each for network and spot tv, $1.3 million in magazines and the remainder outdoor.

In April, 1985, Diners Club launched a $17 million campaign in print and network tv promoting the club's introduction of charge-card and travelers check services, targeted at business users.

In this area, Diners Club will compete heavily with American Express, which spent more than $16 million to advertise its travelers checks in 1984, compared with $2.6 million by Citicorp. Another competitor is BankAmerica, the second largest U.S. bank, which claims a 10% to 15% share of the travelers check market. Chicago-based Diners Club has 5 million members worldwide.

The increased advertising for Citicorp services is the result of a corporate strategy that focuses not only on expanding Citibank's array of customer services but also building its market through acquisition.

The company acquired Citicorp Savings of Florida and Illinois in 1984, and in April, 1985, gained approval from the Maryland state legislature to establish 20 full-service branches within the next two years. In return, Citicorp promised to invest $25 million in the state and create at least 1,000 new jobs. In addition, Citicorp is lobbying for a regional banking bill that may set the pattern for a network of interstate banks.

Some of Citicorp's aggressive behavior may be traced to its new boss, John S. Reed, formerly vice-chairman in charge of individual banking, who was elected chairman in August, 1984, following retirement of Walter B. Wriston. Mr. Wriston was chairman for 17 years.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	5,687.1	4,262.5
Network cable	175.2	0.0
Spot tv	20,495.1	8,092.8
Network tv	3,845.1	3,131.7
Spot radio	1,558.4	191.7
Outdoor	209.2	69.1
Total measured	31,970.1	15,747.8

CITICORP
399 Park Ave.
New York, N.Y. 10043
(212) 559-1000
Marketing Personnel

James D. Farley, vice chmn-Citicorp & Citibank-international debt restructuring & special worldwide customer relations
Michael A. Callen, senior corp officer-Citicorp & Citibank-Caribbean, Central & South Africa
Richard J. Lehmann, senior corp officer-Citicorp & Citibank-Europe & Middle East
David S. Van Pelt, senior corp officer-Citicorp & Citibank-Asia & Pacific

CITICORP SAVINGS
Marketing Personnel

Philemon Hoadley, vp-adv & mktg

CITICORP MASTERCARD
Marketing Personnel

Larry Kopp, vp

CITICORP
VISA-
PREFERRED VISA
Marketing Personnel

Brad Agry, mgr-mktg & adv

DINERS CLUB
Marketing Personnel

Bruce Gooden, senior vp-mktg

CITICORP
TRAVELER'S CHECKS
Marketing Personnel

Don Porter, vp-dir mktg

Advertising Agencies

The Marschalk Co., New York—Citibank MasterCard, Visa card—John Oliver, senior vp-mgmt services dir; Scott Smith, vp acct super; Susan Muriel, senior acct exec; Jill Braufman, asst acct exec; Lynn Friedman, acct coord. Preferred Visa—Scott Smith, vp acct super; Scott Ryan, acct exec. Choice Card—Eric Doescher, acct super; Roger Stone, mgmt super; Jane Markell, acct exec. Citibank Financial account—Madigan Pratt, mgmt super; Jim Chandler, acct super; Rich Donahoe, Leslie Farrand, acct execs; Kevin Compagna, Carol Feldman, asst acct execs.

Foote Cone & Belding, New York—corp adv, institutional adv, electronic banking—John Howard, mgmt dir; Jerry Rossi, acct exec.

SSC&B, New York,—New York banking div, metro branch network—Lisa O'Connell, acct exec; Stephen Doyle, Les Sumner, acct super; James S. Coakley, mgmt super.

Doyle Dane Bernbach, New York—Citicorp travelers checks, Carte Blanche, Diners Club—Barbara Monty, senior vp-mgmt super; Richard DeNatale, acct super; Shelton West, acct exec.

Homer & Durham, New York—Citicorp industrial credit & capital mkt group, investment mgmt, private banking—Ray Fitzmartin, acct super-acct exec; David Bach, media buyer & planner.

Slater, Hanft & Martin, New York—focus acct, home base banking—Lily Li, acct super.

Penchina Selkowitz, New York—Sandy Maryniak, acct mgr.

Book salesman sniffs sweet smell of success

Avon Products was founded as California Perfume Co. in 1886 by a New York door-to-door book salesman, David H. McConnell. Mr. McConnell opted for the perfume business when he found that perfume premiums he gave away with his books often were more popular than the books.#

RANK 184

Coleco Industries

West Hartford, Conn.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	774.9	596.5	29.9
Net income	-79.8	-7.4	978.4
U.S.			
Sales	708.0	526.1	34.6
Operating profits	65.8	-17.5	476.0
Advertising	21.7	46.3	-53.1
Division sales			
Toys	676.3	192.6	251.2
Electronics	98.6	403.9	-75.6

Not even record sales from the success of Cabbage Patch Kids toys and accessories were enough to pull Coleco Industries into the black in 1984 after cancelation of its Adam family computer and writedowns on inventory.

The diminished importance of consumer electronics already is having a significant impact on sales, advertising and marketing in 1985 as toy products gain greater emphasis at West Hartford, Conn.-based Coleco, rated the 184th largest advertiser in measured media spending in 1984.

As a result of Adam's failure, Coleco sliced its ad spending in 1984 to $21.7 million, 53.1% below the previous year.

For the year, Coleco took a net loss of $79.8 million on net sales of $774.9 million, compared with a net loss of $7.4 million on sales of $596.5 million in 1983.

Dumping Adam cost Coleco $118.6 million in inventory sold at fire-sale prices and in other writedowns. Coleco also took big writedowns on its inventory of ColecoVision products, which it intends to sell off during 1985, thus eliminating its key product offerings in the depressed home computer and videogame markets. Coleco, like competitors Atari Corp. and Commodore International, suffered from the collapse of the videogame market and saturation in the home computer market in 1984.

Net sales of Coleco's consumer electronics division dropped 76% to $98.6 million for the year, creating an operating loss of $140 million. In the same period, sales from its toy division increased 251% to $676.3 million, creating an operating profit of $208.6 million.

Coleco's concentration on toy products, led by Cabbage Patch Kids, promises a healthier bottom line. Shipments in the first quarter of 1985 exceeded $150 million in CPK products, more than double sales for the line in 1984. Although net sales overall for the 1985 first quarter rose only 4%, to $194 million, net earnings (including tax loss carryovers) were $27.4 million, an 84% improvement over the same quarter in 1984. Wall Street analysts say Coleco is expected to post solid earnings for the rest of 1985.

The year 1985 may mark Coleco's biggest expansion of the CPK line, with introductions including CPK Playmates, limited edition products, such as CPK Twins, World Travelers, collectible Koosas Playmates, Playmates accessories, "purebred" Show Ponies with registration certificates and a variety of new CPK play accessories and clothing.

Coleco also is looking for new markets on boys' toys with its Sectaurs, Warriors of Symbion action figure line, which began shipping in March. Sectaurs is Coleco's first introduction in the male action figure category, which generated industrywide sales of $800 million in 1984, and may top $1 billion in 1985, according to analysts.

Sectaurs, however, will be hotly contested by Hasbro Bradley, which leads the market with its TransFormers robots and vehicles. TransFormers in 1984 was the leading boy's toy with sales of $105 million. The line is expected to exceed sales of $200 million in 1985. Possibly just as strong in 1985 is Hasbro's longstanding G.I. Joe line.

The marketing shift away from consumer electronics will have a major impact on ad spending at Coleco, which placed $19.4 million behind its consumer electronics in 1984, nearly $12 million of which was for Adam.

This year, the big ad and promotional campaigns are expected for Sectaurs and Cabbage Patch Kids. Cabbage Patch Kids received $6.2 million in measured spending in 1984, $5.9 million of which was for spot tv.

Licensing ventures may play an important role in the success of Cabbage Patch Kids and Sectaurs, however, as 50% of all toys on the market are licensed items. Coleco executives say a network prime-time cartoon special is in the works featuring the Koosas, the Cabbage Patch Kids' pets. ABC aired the first Cabbage Patch Kids animated special in 1984 during the Christmas season.

An animated Sectaurs cartoon series is scheduled for October prime time syndication. Sectaurs already has been featured in the first of a series of comic books published by Marvel Comics Group and is scheduled for a two-hour action tv special in the fall.

But possibly the most important factors that favor Coleco's long-term marketing strategy are demographics that indicate the number of children younger than 5 by 1990 will rise by 10.3% over 1982 levels, with half the babies being the first child. Marketing statistics show that parents and grandparents tend to spend substantially more on toys for the firstborn.

Coleco, like fellow competitors Atari and Commodore, underwent top management change when the company appointed J. Brian Clarke as president-chief operating officer earlier this month.

An exec vp since 1981 and formerly head of Coleco's Canadian toy company, he is the first Coleco president who has not been a member of the founding Greenberg family. With his appointment, Arnold C. Greenberg stepped up from president-ceo to chairman-ceo, and Leonard E. Greenberg moved from chairman to the executive committee.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	272.5	272.5
Magazines	1,242.8	1,773.9
Network cable	101.6	384.1
Spot tv	13,651.3	14,331.3
Network tv	4,600.4	29,488.5
Spot radio	1,810.6	6.2
Total measured	21,679.2	46,256.5

COLECO INDUSTRIES
Coleco Corp. Center
999 Quaker Lane South
West Hartford, Conn. 06110
(203) 725-6000

Marketing Personnel

Al Kahn, exec vp-mktg, toys
Jerry Wood, senior vp-creative devel
Harvey Zelman, vp-mktg, toys
Harvey Johnson, vp-mktg services
Cheryl Stoebenau, dir-licensing

Advertising Agency

Richard & Edward's Inc., New York—Dick Schwarzchild, president-acct super; Ed Mandell, exec vp-creative dir; Lloyd Fink, vp-creative dir; Shelly Hirsch, senior vp-media dir; Herb Kepke, art dir.

RANK 118

Commodore International
West Chester, Penn.

($ figures = 000,000)

Worldwide	**1984**	**1983**	**% chg**
Sales	1,267.2	681.2	86.0
Net income	143.8	88.0	63.4
U.S.			
Sales	761.2	500.6	52.1
Operating profits	79.5	44.1	80.3
Advertising	34.2	33.9	1.1

Commodore International, the 118th largest U.S. advertiser in 1984 with $34.2 million in measured media spending, made several critical changes during the year—a new president, new products and new agency—in an attempt to boost its fortunes, which continue to sag into 1985.

The Bahamas-based company with executive offices in West Chester, Pa., appointed Marshall F. Smith in February, 1984, as president-ceo, following the ouster of president, Jack Tramiel. The executive move was seen by analysts as a turning point in company fortunes.

Mr. Smith was a guiding force in developing the new Commodore 128 home computer, which is pegging the maintenance if not growth of its home computer market share on the 128 that shipped in May, 1985. Commodore machines currently account for about 33% of the U.S. home computer market, ahead of Tandy Corp.'s Radio Shack (18%), Apple Computer (16%) and Atari Corp. (16%).

The enthusiasm over the 128, however, needs to translate to the bottom line. Commodore posted a loss of $20.8 million in the fiscal third quarter ended March 31, 1985. Three-quarter cumulatives for net sales were $751.2 million compared with $966.9 million for the similar period a year earlier. The company announced it is expecting a loss for the fiscal year ending June 30, 1985, but will return to profitability by the fall.

The 128 is seen as a long overdue, more powerful extension of the Commodore line. The 128 was created to help bridge a critical gap between the saturated low-end home computer market and the market for upper-end home computers, such as the Apple IIc. It is being advertised as a "major breakthrough" with all the power of the Apple IIc and IBM PCjr but at half the price.

Commodore is positioning the 128 at a price point of $300, about midway between Atari and Apple home computers.

The standard 128 random access memory with expanding capabilities to 512K, color-monitor, and software compatability with the Commodore 64 should appeal to 64 owners who want to upgrade at a reasonable price. Analysts say this pricing level also provides sufficient profit margin to keep Commodore's base of mass merchants happy.

The 64, like most other home computers, has fallen from favor in recent times with retailers as a result of shrinking margins and declining demand. Commodore, however, is seen to have benefited in 1985 from the withdrawal of the IBM PCjr and problems with product introductions at Atari Corp., owned by Mr. Tramiel. In July, 1984, he bought the home computer and home videogame division bearing the Atari logo from Warner Communications.

Commodore needs a breakthrough in the low-end market to maintain the momentum generated by its successes in that market segment. As a result of more specific targeting, Commodore began cutting back in 1984 on mass media advertising for the 64. Total measured network tv spending was $22.4 million, a decrease of 16% from 1983.

Commodore also announced plans for a fall, 1985, introduction of the long-awaited Amiga computer, a machine that sports fancy graphics and easy-to-use features of such upper-end

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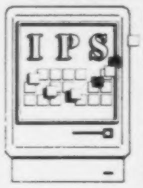

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products as the Apple Macintosh, but at a lower cost, from $1,000 to $1,500. The pricing, if at the lower end, would pit the Amiga directly against Atari's new 520ST, which will begin U.S. distribution this summer. The 520ST will retail for $800.

Commodore acquired Amiga Corp. in fall, 1984, primarily to bolster r&d. Amiga was working with Atari at the time it was picked up by Commodore, and the incident has been one of several to spark suits and countersuits between the two computer giants.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,383.4	2,383.4
Magazines	7,997.7	2,794.2
Network cable	0.0	58.5
Spot tv	1,446.4	806.4
Network tv	22,407.3	26,600.4
Spot radio	9.6	1,229.6
Total measured	34,244.4	33,872.5

COMMODORE INTERNATIONAL
1200 Wilson Drive
West Chester, Pa. 19380
(215) 666-7950

Marketing Personnel

Marshall F. Smith, president-Commodore Intl Ltd
Thomas Rattigan, president-Commodore N.A.
Jim Dionne, vp-Commodore Intl
Robert B. Trukenbrod, vp-mktg
Julie Bauer, dir-adv
Frank Leonardi, vp-sales, business systems
Jon Winters, vp-sales, consumer systems
Clive Smith, vp-corp planning, Commodore Intl Ltd

Advertising Agency

Ted Bates Advertising, New York—Mark Morris, exec vp; Ila Feld, senior vp-mgmt rep; Abe Gorelick, acct super; Cayley Shaffer, Jim Jenkins, acct execs.

ConAgra

RANK
140

Omaha, Neb.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	3,301.5	2,308.9	43.0
Net income	62.6	50.4	29.0
Advertising	29.2	16.6	76.1

ConAgra, an international agribusiness corporation with headquarters in Omaha, Neb., is committed to basic agriculture, but has begun to march into food marketing and merchandising.

For fiscal 1984, ended May, 1984, ConAgra produced revenue of $3.3 billion, up 43% from 1983, and net income of $62.6 million, up 31%. For the first nine months of fiscal 1985, through February, 1985, the increases are even sharper: Sales revenues rose 82% from the year-earlier period to $4.11 billion; net income was up 54% to $66.1 million.

ConAgra ranks 121st in size among the *Fortune* 500 industrials, and for 1984 is the 140th largest national advertiser. Its measured ad total made a steep climb of 76.1%, reaching $29.2 million in 1984.

ConAgra, which operates across the entire food chain, has three major segments—agriculture, grain and food. Its products and services range from hoof to household goods, from fertilizer to frozen premium-grade dinners, with an added array including herbicides, international grain shipping, fabrics, country general stores, pet supplies, flour and more.

Operating across the whole agricultural spectrum has its benefits. For example, anticipated low hog prices in 1985 will increase raw materials costs at ConAgra's Armour division, worth $2 billion in sales in 1984, but ConAgra's integrated poultry processors will benefit because historically reduced hog supplies have meant strong poultry prices.

Today in the U.S., ConAgra is the No. 1 company in frozen prepared foods, fresh poultry, prepared and packaged shrimp and catfish, flour milling, distribution of agricultural chemicals, and grain merchandising (among publicly held companies), and it is one of the leaders in branded processed meats.

In its new corporate strategy, announced in 1984, ConAgra intends to increase its marketing presence in the food business, from crop fields to store shelves. ConAgra, which bought the Armour Food Co. in 1983, is furthering its new marketing directions by backing the Armour label with substantial ad spending, $18 million this year.

For frozen dinners, Armour measured advertising is up 128%, to $13.8 million in 1984. Spending for the Banquet frozen entree line rose 44% in 1984, to $3.1 million. The popular Banquet Hot Bites chicken received more than an 11-fold increase, soaring to $7.7 million in 1984. The Armour processed meats (ham, turkey, franks, etc.) also were given good support, rising 44% to $3.1 million in 1984.

In its market-aggressive mood, ConAgra introduced 24 new products in 1984, mostly foods but including the Snoopy Santa and Snoopy Candy Cane pet toys of its ConAgra Pet Products Co.

The ConAgra Restaurant Company's 60 Taco Plaza Mexican fast food restaurants (58 franchised) continued unprofitable in 1984, but the company is planning a new restaurant concept, Taco Plaza Cafe.

During the year, ConAgra also acquired 17 new companies and divested its Pet Foods Division in Rolla, Mo.; several flour mills in Utah and Montana; distribution facilities in three California cities; 21 farm stores in Canada, and 23 building supply centers in five states.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,709.4	853.4
Spot tv	6,431.6	8,794.9
Network tv	16,148.9	4,725.5
Spot radio	10.8	0.0
Network radio	2,871.3	2,146.2
Outdoor	18.3	52.1
Total measured	29,190.3	16,572.1

CONAGRA INC.
ConAgra Center
1 Central Park Plaza
Omaha, Neb. 68102
(402) 978-4000

Marketing Personnel

Charles M. Harper, chairman-ceo
L. James Kennedy, vp-corp dir mktg

AGRIBASICS CO.

Marketing Personnel

B.J. Farmer, president
Floyd A. Johnson, dir mktg

Advertising Agency

John M. Rose, Knoxville, Tenn.—Ken Canup, vp-creative dir.

ARMOUR DAIRY PRODUCTS CO.

Marketing Personnel

Bob J. Powdrill, president
Glen M. Harless, natl sales mgr
James W. Gardiner, mktg mgr

ARMOUR FROZEN FOOD CO.

Marketing Personnel

William H. Heintz, exec vp-gm
Chet Eten, natl sales mgr
Gerald McCann, dir mktg
Joseph Sizer, senior prod mgr, prepared foods
John Bozeman, prod mgr, Classic Lite
Robert Wangerien, senior prod mgr, new prods
Paul Blanchard, prod mgr, new prods
Len Gerkin, senior prod mgr, food service

ARMOUR PROCESSED MEAT CO.

Marketing Personnel

Thomas J. Smith, president
Francis X. Tobin, vp-natl accts
W. Donald Wallen, vp-mktg
Donald W. Tamsen, dir-mkt services
P. Lin Gupton, senior prod mgr, smoked meats/sliced bacon
Jimmy C. Clemmons, senior prod mgr, frozen convenience foods
Ray Engelhardt, prod mgr, dry sausage
Frank Hollister, prod mgr, semi-dry and dry sausage
Bill Keenan, mgr, military sales and mktg
Crague Canion, genl mgr, refrigerated canned meats and dry sausage
Michael Rook, prod mgr, refrigerated canned meats
Dick Macartney, senior prod mgr, hot dogs

Advertising Agency

Bozell & Jacobs, Dallas—Henry Lewczyk, senior vp/group acct director-frozen; Paul Gold, senior vp/ group acct director-processed; Ashley Shomaker, vp/mgmt rep-processed; Dick Nye, senior vp/mgmt rep-frozen.

BANQUET FOODS CO.

Marketing Personnel

Scott Rahn, exec vp-genl mgr
Don Granneman, president, Banquet Foods Sales Co.
Tom Studer, mktg dir, core prods
Tom Anderson, prod mgr, meat pies, desserts
Greg Huebner, prod mgr, regular & Extra Helping dinners
Ken Colnar, prod mgr, Cookin' bags, Family Entrees
Dennis Dahl, mktg dir-prepared chicken prods
Wayne Altschul, senior prod mgr, fried chicken
John Butorac, senior prod mgr, boneless chicken
Tani Wolff-dir, new prods mktg
Steve Moore, Darrel Bailey, senior prod mgrs
Pat Quarles, dir, consumer affairs
Gene Powell, dir, adv services

Advertising Agency

D'Arcy MacManus Masius, St. Louis—Jerry Hall-vp-acct group super; Steve Nollau, acct super; Ken Rodgers, vp-acct super; Steve Kempf, acct super; Terry Lucas, acct exec; Jim Chastain, acct exec; Pam Kaucher, acct exec.

CONAGRA FLOUR MILLING CO.

Marketing Personnel

C. Robert Stephenson, vp-general sales mgr

Advertising Agency

Bozell & Jacobs, Omaha—Mark Stevens, acct super; Leslie Berkshire, acct coordinator.

CONAGRA PET PRODUCTS CO.

Marketing Personnel

Patrick K. Stewart, president
Michael R. Leinen, exec vp
Julie M. Hedlund, prod mgr

Advertising Agency

Bozell & Jacobs, Omaha—Mark Stevens, acct super; Leslie Berkshire, acct coordinator.

CONAGRA POULTRY CO.

Marketing Personnel

George R. Haefner, president
Tom Daw, vp-sales
Jerry Nelson, vp-mktg
Stewart Bridgforth, mktg mgr
Doug Knotts, new prods mgr

Advertising Agency

John Malmo Advertising, Memphis—Bob O'Conner, acct exec; John Malmo, creative director; Linda Roberts, media director.

COUNTRY SKILLET CATFISH CO.

Marketing Personnel

John R. Hammond, president

Advertising Agency

Louis Benito Advertising, Tampa—Bruce McTague, acct exec.

HOME BRANDS CO.

Marketing Personnel

George Egon, prod mgr

Advertising Agency

Paragon Cos., Minneapolis—Jim Mayer, acct super; Dick Green, art director.

NORTHWEST FABICS

Marketing Personnel

L. Paul Cherrier, president
Dave Stai, exec vp-mktg & business devel
Warren Weise, dir adv

Advertising Agency

Hiebing Group, Madison, Wis.—Roman Hiebing, pres/acct super; Wendy Meyers, acct exec.

PFAELZER BROS CO.

Marketing Personnel

Harry V. Hull, vp-gen/mgr
Anne E. Wright, mktg mgr

Advertising Agency

Cramer-Krasselt, Chicago—Chris Mundell, acct exec.

SEA-ALASKA PRODUCTS CO.

Marketing Personnel

William P. Woods Jr., vp-sales, mktg & strategic planning
Gordon L. Thomas, mgr, frozen seafood sales
Bill Kuklenski, sales mgr, canned salmon
Gary Thor, mgr, new prods & natl accts

SINGLETON SEAFOOD CO.

Marketing Personnel

Jesse Gonzalez, president
Dan Davis, vp-sales
Bill Henry, vp-retail mktg
Bill Lantz, dir mktg

UNITED AGRI PRODUCTS COS.

Marketing Personnel

Dean C. Moore, mktg mgr

Helene Curtis Industries

RANK
120

Chicago

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	370.3	330.4	12.1
Net income	2.7	10.4	-74.1
U.S.			
Sales	288.3	207.9	38.7
Operating profits	29.9	10.5	184.8
Advertising	33.3	25.1	32.4
Division sales			
Beauty/hair care	291.6	215.4	35.4
Sealing/adhesives	38.8	27.8	39.6

Helene Curtis Industries, in tangling with competitors in 1984 for a greater share of the market for shampoos, conditioners and other personal care products, increased its measured ad spending 32.4% to $33.3 million.

The Chicago-based company, ranked 120th among U.S. advertisers in 1984 on the basis of its measured spending, put most of its emphasis on its new Atune brand shampoo and conditioner launched in summer of 1984.

The product is formulated for consumers whose hair is colored, permanently waved or damaged. Total measured spending in 1984 for Atune was $5.3 million—$4.3 million of which was network tv and $1 million magazine. The campaign, bearing an estimated $15 million advertising and promotional budget, continues in 1985.

Analysts say Atune has picked up less than 1% of the market share in its niche as a result of stiff competition. The brand competes with Procter & Gamble's new Lilt shampoo and conditioner, which takes its name from the well-established Lilt line of home permanents. Another competitor is Perma Soft shampoo by La Maur, Minneapolis, which has gained an estimated 2.2% market share since introduction early in 1984.

The need to advertise and promote personal care products heavily in 1984 as a result of increased competition and new product offerings by competitors dampened profit margins in 1984. Net earnings tumbled in the year ended Feb. 28, 1985, to $2.7 million, compared with net earnings of $10.4 million in 1983. Total revenues for the year were up 12% to $370.3 million.

Although sales in Helene Curtis' consumer products division increased for the year, the division's contribution to earnings actually declined from a year earlier because of higher marketing costs. Both the Suave and Finesse brands were up in terms of dollar sales, while the new Atune brand did not grow as rapidly as expected, executives at the company say.

Spending for Finesse products in 1984 increased to $20.3 million for the year, up 10% over 1983. Spending for Suave products increased 14% to $7.6 million in 1984. More than 90% of measured spending for both product lines was for network tv.

Suave, a line of lower-priced shampoos and conditioners, has an estimated 7% share of the $1.3 billion U.S. shampoo market. Finesse shampoo, a higher-priced line, maintains market share in the 3% to 4% range, although Finesse conditioner is estimated to have an 11% share of a $700 million market.

Line extensions for both Suave and Finesse brands continued early in 1985 with Finesse mousse, Curtis' third entry into the rapidly expanding category, which could exceed $100 million in retail sales in 1985. In 1984, the company introduced La Forme mousse for salon use, and Suave mousse for the mass merchandise market. Also in 1985, Curtis introduced Suave Soft Highlights shampoo and conditioner.

International sales increased in the fiscal year primarily as a result of successful introduction of Finesse products in Canada and Sweden in 1984. The company's industrial coatings division, Protective Treatments Inc., reported increased profits over 1983, because of a continued economic recovery in the automotive market.

Helene Curtis also moved late in 1984 into a newly renovated headquarters building near Chicago's Merchandise Mart.

In April, 1985, Klein/Richardson, Beverly Hills, Cal., was assigned the national business of Helene Curtis Beauty Distribution division.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,637.1	0.0
Spot tv	969.6	731.6
Network tv	30,606.9	24,388.5
Spot radio	51.9	8.3
Outdoor	0.2	0.0
Total measured	33,265.7	25,128.4

HELENE CURTIS INDUSTRIES
325 N. Wells St.
Chicago, Ill. 60610
(312) 661-0222

CONSUMER PRODUCTS DIV

Marketing Personnel

Robert M. Thomas, vp-mktg
Lynda Robleski, group brand mgr
Kim Rue, group brand mgr

Advertising Agency

Backer & Spielvogel, New York—Suave, Finesse—Peter Hurley, senior vp-mgmt super-Suave, Finesse; Joseph Bruce, vp-acct dir-Suave; Mary Oratz, acct exec-Finesse; David Stein, acct dir-Finesse; Kathy Peckham, acct super; Bernard Desmarais, acct exec.

Dancer Fitzgerald Sample, New York—Atune—Bob Weeks, mgmt dir; John Daiser, mgmt super; Linda Corbin, acct super; Jane Davis Hottensen, acct exec.

PROFESSIONAL PRODUCTS DIV

Marketing Personnel

V. James Marino, vp-mktg & sales
Phil Kash, dir-mktg
Dan Schmitt, dir-mktg services
Bob Seidl, group prod mgr

Advertising Agency

Albert J. Rosenthal & Co., Chicago.—Albert J. Rosenthal, chmn; Si Dordick, president; Joe Foreman, vp; Debbie Lawrence, acct exec.

INTERNATIONAL DIV

Marketing Personnel

Michael Goldman, president
Margaret Bertrand, vp-mktg

Dayton-Hudson Corp.

RANK
106

Minneapolis

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	8,009.0	6,963.3	15.0
Net income	259.3	245.5	5.6
Advertising	37.9	30.3	25.1
Division sales			
Target	3,550.1	3,118.4	13.9
Mervyn's	2,141.1	1,688.9	26.8
Department stores	1,547.8	1,438.9	7.6
Specialty merch.	770.0	672.1	14.6

Dayton-Hudson Corp., whose discount store business continues to wag the tail of the Minneapolis-based retailer, ranked as the nation's 106th largest advertiser in 1984 on measured media spending of $37.9 million, a 25.1% increase from 1983 when it held the 120th spot.

Dayton-Hudson earned net income of $259.3 million in fiscal 1984, ending February 2, 1985, up 6% from the year earlier, on revenues of $8 billion, a 15% increase. Growth came mostly from improved performance at two of its discount retail chains, Target and Mervyn's, while general department store profits were down.

The company's business consists exclusively of retail operations, of which the flagship is 36-store Dayton-Hudson Department Store Co. Detroit-based Hudson and Minneapolis-based Dayton saw reduced operating profits last year, mostly because of lower margins and merchandise consolidation resulting from the merger of the two retail units. They produced 1984 revenues of $1.4 billion, up 12%. Operating profit, however, declined 31% to $107 million.

Dayton sold two smaller chains—John A. Brown and Diamond's—because of what it called geographic and strategic disadvantages, leaving combined Dayton-Hudson with 20 Hudson's and 16 Dayton's stores, all in the Midwest.

Mervyn's, perhaps the company's most promising new venture, is a 126-store Southwestern chain now in nine states that offers discounted private label and brand-name clothing. Seventeen new stores were opened in 1984, including eight in Houston and one in Dallas, part of the chain's new South Central territory. Current expansion plans call for 21 more openings this year, including 13 in that region. The company plans for Mervyn's to become a national chain.

Mervyn's had $223 million in operating profit, a 21% increase, on revenues of $2.1 billion, up 27%.

The company also operates 215 Target discount stores in 22 states. The fast-growing segment saw 1984 revenues climb 14%, to $3.6 billion, while operating profits grew 33%, to $236 million. Target introduced an "Honors" line of private-label sportswear last year, but sees its biggest growth potential in sales of electronics and toys, where the chain has implemented an "everyday low price" strategy. Target plans to open 13 new stores in 1985, including five in Los Angeles.

Combined, Target and Mervyn's now contribute 71% of corporate revenues, up from 52% in 1979, and constitute 74% of operating profit, up from 53%. In contrast, the department store unit's contribution to corporate revenues declined from 35% to 19%, and its percentage of operating profits dropped from 38% to 17%, respectively, since 1979.

The company's specialty merchandising division includes B. Dalton Booksellers' 729 stores, the 22-store Pickwick Discount Bookstores in Columbus, O., Denver and Minneapolis/St. Paul, and Lechmere, a hardlines retailer in New England.

B. Dalton's revenues were up 10% in 1984. to $490 million, while operating profits declined 6%. The chain began a "Best Value" discount pricing strategy, offering 20% to 40% discounts on 10 best-selling books. It also has expanded space devoted to computer software and will expand to more than 20 stores from test sites a "store-within-a-store" software category. Pickwick opened 18 new stores last year, while Lechmere added two outlets.

Last year, the company closed Plums, a four-store experiment in off-price retailing, because of lower-than-expected returns on investment. The company said this termination had an insignificant impact on its earnings, but its costs were reflected in 1983 results.

In personnel changes, Boake Sells was promoted from vice-chairman to president of the company in July, 1984, succeeding Kenneth Macke, who became chairman and retained his title as ceo. Gerald Gallagher replaced Mr. Sells as vice-chairman from his role as vice-chairman of Mervyn's.

The company had a 12.1% return on investment last year, down from 13% in 1983. Dayton-Hudson expects each store to achieve a 14% return within five years of startup operations.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,097.8	2,599.5
Spot tv	31,076.4	24,936.9
Spot radio	3,604.2	2,566.5
Outdoor	168.8	235.4
Total measured	37,947.2	30,338.3

DAYTON-HUDSON CORP.
777 Nicollet Mall
Minneapolis, Minn. 55402
(612) 370-6948
Marketing Personnel
John Pellegrene, senior vp-mktg
Fran Davis, dir-adv accts
Jack Mugan, dir-adv services
Advertising Agency
Grey Advertising, Minneapolis—Janice Apple, vp-acct super; Sheri Hermanson, acct exec; Lynn Bergman, acct exec.
B. DALTON BOOKS
Minneapolis
Wallace Bohach, vp-adv, sales promo
Susan Barefoot, vp-adv, sales promo
Advertising Agency
Bozell & Jacobs, Minneapolis—Bob Newmark, vp-mgmt super; Dick Howell, acct super; Bill Hellkamp, Peter Boosalis, acct execs.
LECHMERE
Woburn, Mass.
Warren Feldberg, exec vp-mktg
Howard Benidt, vp-sales promo & adv
Advertising Agency
Saffer, Cravit & Freedman, Toronto—David Cravit, exec vp-creative services; Biz Bourque, acct super.
MERVYN'S
Hayward, Cal.
Chuck West, vp-sales promo
Advertising Agency
(In-house).
TARGET STORES
Minneapolis
Sonja Larsen, senior vp-adv, sales promo & merch presentation
Paul Higham, vp-adv
Karen Singer, dir-sales promo
Advertising Agency
Haworth Group (a buying service), Minneapolis—broadcast placement—Tom Siqveland, Brenda Swanson, vps.
Chuck Ruhr Advertising—broadcast creative—Chuck Ruhr, president; John Kemp, acct super; Rosemary Svenpladsen, acct exec.
(In-house)—print.
PICKWICK DISCOUNT BOOKS
Minneapolis
Jim Kelly, vp-mktg
Glenna Dibrell, adv mgr
Advertising Agency
Kauffman Stewart, Minneapolis—John Kauffman, vp-acct super; Jay Turkbas, acct exec.
R.G. BRANDEN'S
Minneapolis
Duff Reiter, adv mgr
Advertising Agency
Kauffman Stewart, Minneapolis—John Kauffman, vp-acct super; Jay Turkbas, acct exec.

DeBeers Consolidated Mines
London
RANK 169

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,613.0	1,590.0	1.4
Net income	166.0	500.0	-66.8
Advertising	23.7	21.2	12.0

DeBeers Consolidated Mines Ltd., Kimberley, South Africa, the 169th largest U.S. advertiser, increased measured ad spending 5.9% in 1984 to $23.7 million in its continuing effort to create additional demand for diamonds in the U.S., the world's biggest gem diamond market.

DeBeers, which controls four-fifths of the world's trade in rough diamonds through its London-based subsidiary, Central Selling Organisation, backed its total U.S. marketing and promotional effort with $34 million. Of the measured amount, about 55% went into print and 45% to tv.

DeBeers' marketing strategy is geared to five marketing categories for gem diamonds in the U.S. where jewelry sales were $7.7 billion on 15.6 million pieces of jewelry in 1984, an 18.1% increase in value over $6.5 billion on 14.4 million pieces in 1983.

The categories and their assigned weights in terms of total ad spending: 30% were traditional quality gifts; 25%, diamonds of one carat or more; 20%, diamond anniversary rings; 13%, diamonds for men; 12%, diamond engagement rings. These weights are based on percentages supplied by NW Ayer, New York, DeBeers' U.S. advertising and promotion agency for the past 46 years.

The primary marketing shift in 1984 was a 50% increase in outlays for print advertising targeted at men. The men's category now receives about half the ad weight of gift diamonds, but its proportion is expected to grow with the category in 1985.

DeBeers boosted print spending over-all in 1984 by 11% over 1983 to $13.1 million. The men's print campaign, "Diamonds for Men," launched in 1980, has been credited with revolutionizing a previously untapped market. In 1984, DeBeers continued its strategy of male personality endorsements. Pro golfer Ben Crenshaw was presenter of a line of sports-oriented tie tacks. Male spokesmen in the past have included Australian tennis player John Newcombe and pro golfer Arnold Palmer.

In 1985, DeBeers is touting its men's theme "Gift of Success" in addition to themes added in 1984, including "Diamonds from a woman to a man." The print lineup for 1985 includes design collection ads, "The Man's Diamond," and the "State of the Art" campaign, a three-page magazine insert launched in February, 1985, and designed to show a wide variety of jewelry and accessories.

The company also has a 16-page color brochure for men. Ads for men's jewelry were national but skewed to the South, Southwest and West, where attitudes are less conservative about men's jewelry.

DeBeers spent $9.1 million on net-

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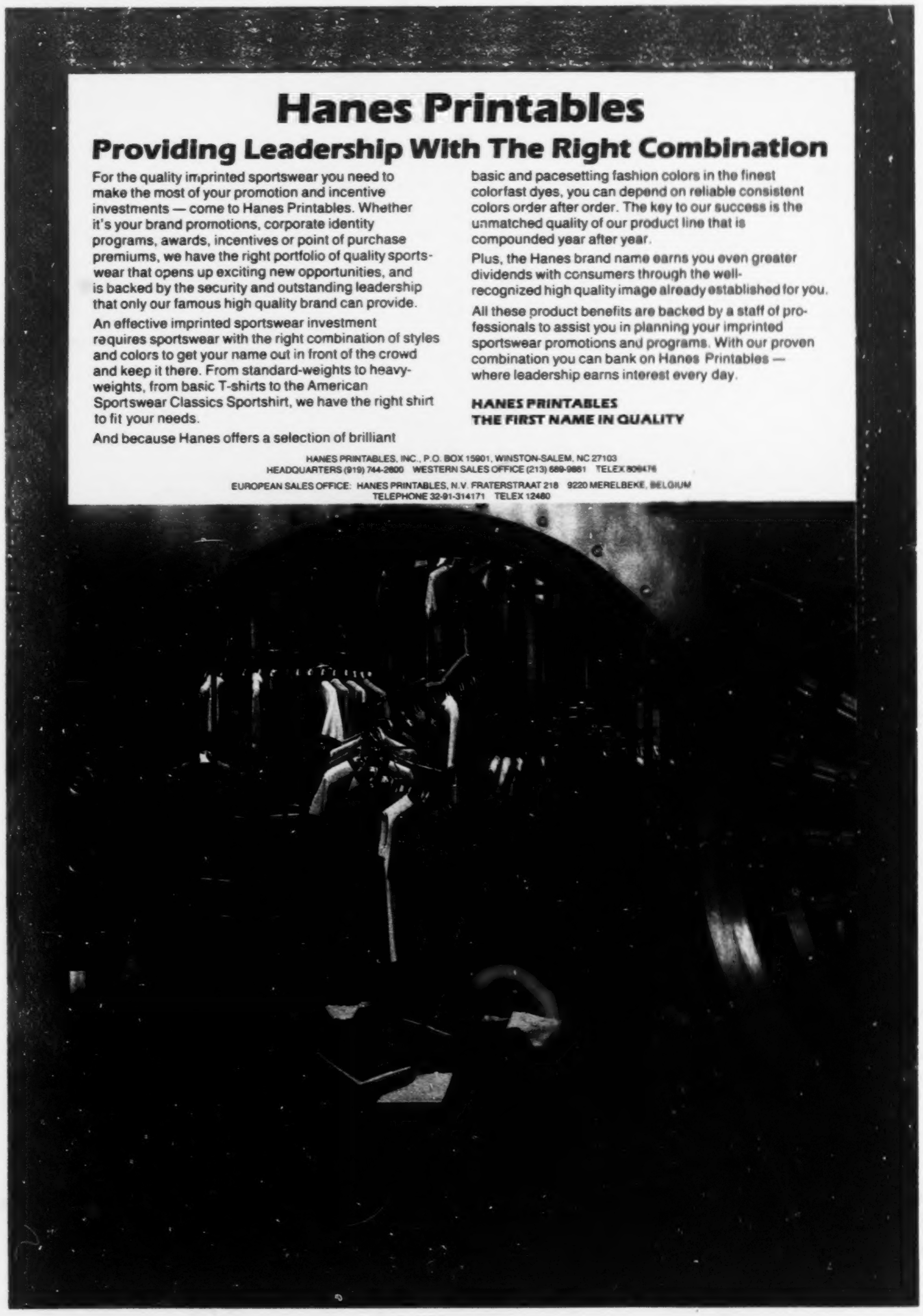
NEW YORK, NEW YORK 10019
(212) 245-2828



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work and $1.4 million on spot tv in 1984 for its other diamond categories. Creative themes for tv emphasized romance, beauty and fashion. Anniversary rings in 1984 showed a mother and daughter admiring mom's new anniversary ring. In 1985, the scene shifts to a couple celebrating their anniversary in a hotel. A "skywriting" diamond gift ad introduced in May, 1985, shows messages of love written in skywriting, fireworks and on outdoor boards before the presentation of a diamond. Fashion was featured in 1984 in ads showing a sleek panther with cutaways to women wearing diamonds.

In February, 1985, DeBeers introduced "Splinters of Stars," a series of vignettes showing beautiful women wearing larger stones.

Buy quality was the message of a DeBeers print campaign for diamonds in 1984. The company continued its parallel ad placement strategy, where DeBeers buys a full-page ad that discusses diamond quality and arranges with a diamond jewelry marketer to buy adjoining space to showcase its jewelry products.

In 1985, print ads will discuss the four Cs of buying a diamond—color, cut, clarity and carats. DeBeers expanded its cooperative ad program with independent retail jewelers in 1984 to include 50% of the U.S. market, primarily the South, Southwest and West, spending about $1.5 million. The co-op program, which has been tested since 1981, is an effort to encourage greater use of DeBeers national themes in spot tv, local magazines, radio and newspapers.

Markets for precious gems and metals have been relatively stable in recent years. DeBeers had net operating income of $338.8 million in 1984, down 22% from 1983 operating income of $434.8 million. Revenues in 1984 were $1.61 billion, up 1% from revenues of $1.59 billion in 1983. Operating income was affected by fluctuations in foreign exchange rates.

DeBeers Central Selling Organisation seeks to support gem prices by regulating the flow of diamonds to the market. It maintains relationships with other international producers, primarily Botswana and the Soviet Union. DeBeers buys all rough diamonds, and these nations compete only in polished stones. In 1984, the market for polished stones was upset when the Soviets began selling large numbers of cheap polished stones on the Antwerp market.

A potential problem for DeBeers is its huge mining operation in South West Africa (Namibia), a territory that is seeking independence from South Africa.

These problems are now the concern of Julian Ogilvie Thompson, 51, who was appointed chairman of DeBeers Consolidated Mines in February. Mr. Thompson replaced Harry Frederick Oppenheimer, 76, whose family has controlled DeBeers for generations. Mr. Oppenheimer is one of South Africa's most prominent business executives and reputedly one of the world's 10 richest individuals.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	13,115.8	11,883.6
Network cable	34.2	0.0
Spot tv	1,411.8	1,188.1
Network tv	9,141.9	8,095.3
Total measured	23,703.7	21,167.0

DEBEERS CONSOLIDATED MINES
c/o NW Ayer Inc.
1345 Avenue of the Americas
New York, N.Y. 10105
(212) 768-5000
Advertising Agency/Marketing Personnel

N W Ayer, New York-George Eversman, senior vp-exec acct dir
Harkness Cram, senior vp-mgmt super
Judy Laughran, vp-acct super
Nancy Robey, senior acct exec-diamond engagement rings/one carat or more
Rachel Treitelman, senior acct exec-diamonds as gifts
Maria Priggen, senior acct exec-men's diamonds, diamond anniversary rings
Margherita Blanc, acct exec-diamond anniversary rings
Joan Parker, senior vp-dir pr (diamond information center)
Elizabeth Dolan, mgr-diamond info center
Earl Lynch, vp-diamond promo services.

Denny's Inc.
La Mirada, Cal.

RANK
168

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	1,216.0	1,054.6	15.3
Net income	44.7	40.2	11.2
U.S.			
Sales	1,214.8	1,053.5	15.3
Operating profits	44.5	40.1	11.2
Advertising	23.7	22.4	5.9
Division sales			
Denny's	960.4	832.3	15.4
Winchell's	182.1	163.3	11.6
El Pollo Loco	4,712.0	N/A	N/A
Distribution	63.6	54.7	16.3

Facing increased competition in the $45 billion purchase-meal industry, Denny's Inc., taken private this January in a leveraged buyout, is aggressively expanding through acquisition and store conversion, and for the first time in 15 years, the company is back in the franchising business.

Denny's is now owned by a group comprised of 50 from existing management at the time of the buyout, and investors put together by Merrill Lynch Capital Markets. Essentially, management has remained intact.

Denny's was the 168th largest national advertiser in 1984, with $23.7 million in total measured spending, up 6% from 1983. The bulk of the ad spending increase is accounted for by a 25% hike to $15.2 million in measured spending for network tv for Denny's restaurants. Spot tv for Denny's fell 32% to $3 million. Spot tv also fell 23% for Winchell's Donut Shops, owned by Denny's Inc.

Since 1978, Denny's has pursued an aggressive policy of expansion through new openings and acquisition. In fiscal 1984, 95 Denny's were added to the chain, mainly through purchase of existing restaurants and conversion to Denny's. The most recent market share data rank Denny's No. 8 among the top 10 restaurant chains with a 2.1% share of industry sales.

In October, 1983, the chain acquired El Pollo Loco, a quick service charbroiled chicken chain. On acquisition, El Pollo had 20 locations, but Denny's announced plans to open about 22 more in selected areas of the Southwest.

Chicken restaurants hold a 10% market share nationwide of the purchase meal industry, and with gains of nearly 20% per year, they had the second largest, year-to-year gains in sales in 1983, the most recent year for which statistics are available.

Record sales, operating income and earnings were reported by Denny's for the fiscal year ended June 30, 1984. Net income was $44.7 million, up 11% over 1983. Revenues were $1.21 billion, up 15%. For the first half ended Dec. 28, 1984, net income was $39.6 million, up 63% over the same period a year earlier. Revenues for the two quarters were $645 million, up 5% over 1983.

Denny's Inc. operated 1,132 Denny's restaurants as of the close of the 1984 fiscal year, 36 of which were franchises, although the company announced in April, 1985, it intended to build up its franchise business. The company operated 865 doughnut houses under the Winchell's trademark.

Denny's restaurants accounted for about $960 million in total revenues and $94 million of operating income in fiscal 1984. Winchell's division accounted for $182 million in total revenues, and $14.7 million in operating income for the year.

Top 25 spot tv advertisers by % change

of the second 100 leading national advertisers

Rank	Advertiser	Spot tv ad expenditures ($000) 1984	1983	% chng	1984 as % of co.'s ad total
1	Revell	16,908.8	666.1	2,438.5	67.8
2	Citicorp	20,495.1	8,092.8	153.3	64.1
3	Household International	20,228.6	12,762.0	58.5	62.5
4	American Stores Co.	26,762.8	17,872.0	49.7	94.7
5	Hattori Corp. of America	17,753.9	12,796.8	38.7	49.9
6	May Department Stores Co.	18,382.7	13,460.7	36.6	85.1
7	Imasco U.S.A.	23,760.2	18,457.8	28.7	73.0
8	Dayton-Hudson Corp.	31,076.4	24,936.9	24.6	81.9
9	Kroger Co.	22,703.6	19,609.0	15.8	90.3
10	Estee Lauder Inc.	19,927.0	17,413.7	14.4	50.3
11	Scott Paper Co.	20,923.8	18,646.0	12.2	73.3
12	MCI Communications Corp.	32,829.3	29,259.9	12.2	91.0
13	Jerrico Inc.	19,951.3	18,091.7	10.3	98.8
14	Safeway Stores	20,348.1	18,469.5	10.2	83.0
15	Southland Corp.	14,054.0	13,001.8	8.1	38.0
16	Federated Department Stores	26,216.6	24,569.9	6.7	86.6
17	A.H. Robins Co.	27,869.8	26,303.6	6.0	78.4
18	Lucky Stores	20,237.8	19,244.4	5.2	87.6
19	Reynolds Metal Co.	21,885.1	21,310.1	2.7	84.0
20	Triangle Publications	21,613.9	21,423.6	0.9	64.9
21	Exxon Corp.	16,238.8	16,210.1	0.2	63.5
22	Chesapeake Financial Corp.	18,105.9	22,685.2	(20.2)	72.9
23	Southwestern Bell Corp.	19,460.5	N/A	N/A	69.8
24	Pacific Telesis Group	17,494.6	N/A	N/A	78.9
25	NYNEX	14,536.2	N/A	N/A	72.6

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers Inc.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Spot tv	6,640.6	8,413.6
Network tv	15,267.0	12,165.8
Spot radio	1,419.8	1,307.4
Network radio	62.5	0.0
Outdoor	334.1	516.7
Total measured	23,724.0	22,403.5

DENNY'S INC.
16700 Valley View Ave.
La Mirada, Cal. 90637
(714) 739-8100
Marketing Personnel

Barry Krantz, vp-mktg-Denny's
John Hatch, vp-mktg-Winchell's
Margaret Jenkins, mktg dir

Advertising Agency

Foote Cone & Belding, Los Angeles—Winchell's and Denny's—Larry Jones, vp/mgmt dir; Fred Walti, Bill Marks, Craig Silver, acct dirs; Michelle Christiansen, Kristi Brunig, acct execs.

EL POLLO LOCO
Marketing Personnel

Margaret Jenkins, dir-mktg.

Advertising Agency

McCann-Erickson, Los Angeles—El Pollo Loco—John Fielder, mgmt rep; John Thompson, acct exec.

Walt Disney Productions
Burbank, Cal.

RANK
192

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	1,656.0	1,307.4	26.7
Net income	97.8	93.2	5.0
U.S.			
Sales	1,507.1	1,166.6	29.2
Operating profits	N/A	N/A	N/A
Advertising	20.2	13.8	46.9
Division sales			
Recreation	1,097.4	1,031.2	6.5
Films	244.6	165.5	47.8
Community develop.	204.4	N/A	N/A
Consumer prods.	109.7	110.7	-1.0

Two hostile takeover attempts, a proxy fight (an attempt by Roy E. Disney Jr., now board vice-chairman, to block greenmail payments) and a resulting turnover in top management helped Walt Disney Productions create its own national entertainment in achieving record revenues and income.

As the nation's 192nd largest advertiser, the Burbank, Cal., studio spent $20.2 million in measured advertising in 1984, up 46.9% from the previous year.

The company's new management guided the company to net income of $97.8 million, up 5%, on sales of $1.7 billion in fiscal 1984, up 27%. Six months into the new fiscal year, Disney had net income of $67.2 million, up 67%, on record revenues of $878 million, an increase of 24%.

Disney's new executives attribute the gains to a dramatic turnaround in the filmed entertainment segment. These execs are quite familiar with the film industry: Michael D. Eisner, elected chairman-ceo, was president-chief operating officer of Paramount Pictures Corp.; Frank G. Wells, elected president-chief operating officer, was vice-chairman of Warner Bros.

In March, 1984, the movie "Splash" helped launch the company's Touchstone films label. An advertising investment of more than $2.5 million, mostly in spot tv, paid off by establishing a Disney record of $69 million in box office revenues in initial domestic release.

Touchstone's second release, "Country," starring Academy Award winner Jessica Lange and playwright/actor Sam Shephard helped establish the new management's "new priorities," including "using the industry's finest writing, directing and producing talent."

In their first year, the priorities seem to be working. Filmed entertainment revenues increased 48% to $244.6 million, reversing a drop in revenues recorded in 1983. Similarly, operating income for the division increased 107% to $2.2 million, reversing 1983's disastrous showing, a slide of 270% from 1982.

Disney executives consider the company's film library a major asset and plan to release film reissues of each, along with a stated goal of 10 to 12 Touchstone productions a year. Ad support for such releases as "Pinocchio" and "The Jungle Book" topped $4.9 million.

But executives say Touchstone was formed to develop a new image because the Disney name had a negative connotation among teen agers who might say, "Hey, that's a Disney movie."

Teen agers have become a major movie market, so Touchstone was formed.

Another large part of filmed entertainment's success stems from the first-time profitability of the 1.4 million-subscriber Disney Channel. The channel takes 40% of its programing from the Disney Library. Another 40% is original programing, higher than all other pay cable services. Disney spent $2.4 million advertising the cable channel.

Disney's largest single source of revenues is its entertainment and recreation segment. Walt Disney World, Disneyland and Tokyo Disneyland had combined revenues of $1.1 billion in 1984, up 6%.

Advertising expenditures for the U.S. parks reached nearly $5 million, mostly in spot tv. The parks received national publicity during the 30th anniversary of Disneyland, including coverage on "Good Morning America," "Today," "Donahue" and "Merv Griffin." NBC presented a two-hour special, "Disneyland's 30th Anniversary," in February 1985.

But the company received other publicity as well.

In 1984, Disney purchased Arvida Corp., a Florida-based real estate development company for $200 million in stock—partially, in an attempt to block a takeover bid by Saul Steinberg.

The attempt failed, resulting in nearly a $71-a-share greenmail payment to Mr. Steinberg and finally in a restructuring of the board of directors.

With this purchase Disney entered the property development market. Ad expenditures barely topped $320,000, but Disney has plans for many Arvida holdings throughout the Southeast, including expanded shopping malls, new corporate offices and more planned communities.

Other plans include the possibility of selling pavilions in Disneyland and Walt Disney World, with the option of leasing the space back, in an attempt to boost earnings.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,542.8	1,431.1
Network cable	362.2	204.4
Spot tv	12,096.4	6,464.7
Network tv	3,686.9	4,848.1
Spot radio	471.0	809.4
Outdoor	87.2	28.7
Total measured	20,246.5	13,786.4

WALT DISNEY PRODUCTIONS
500 S. Buena Vista St.
Burbank, Cal. 91521
(213) 845-5000
Marketing Personnel

Barton K. Boyd, exec vp-consumer prod & merch
Richard A. Nunis, exec vp-Walt Disney World & Disneyland
Luther R. Marr, vp corp & stockholder affairs
Peter F. Nolan, vp-rights & business affairs, consumer prod
Erwin D. Okun, vp-corp communications

Advertising Agency

Young & Rubicam, Los Angeles—Hilbie Newman, mgmt super.

WALT DISNEY WORLD CO.
Lake Buena Vista, Fla.
Marketing Personnel

Tom Elrod, vp-mktg
Tom Garrison, mktg dir
Bernie Bullard, mgr-adv

Advertising Agency

Vista Advertising (in-house), Orlando, Fla.—Jane Williams, media buyer.

CHARACTER MERCHANDISING DIV.
New York, N.Y.
Marketing Personnel

Joe Pellegrino, dir-U.S. licensing
Tom Hess, mktg mgr
Kim Meth, adv & pr super

Advertising Agency

Young & Rubicam, New York—Gordon Weaver, president-Y&R Entertainment; Steve Rose, exec vp-Y&R Entertainment, Richard Kahn, vp-Y&R Entertainment, Bob Jahn, creative dir-Y&R Entertainment.

Dow Chemical Co.
Midland, Mich.

RANK 109

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	11,418.0	10,951.0	4.3
Net income	585.0	334.0	75.1
U.S.			
Sales	5,293.0	5,225.0	1.3
Operating profits	379.0	219.0	73.1
Advertising	36.9	27.8	33.0

Dow Chemical Co., Midland, Mich., the second largest U.S. producer of chemicals after Du Pont, continued on the acquisition trail in 1985 that will extend its business franchise further into household products and pharmaceuticals.

Sales in 1984 were up 4% to $11.42 billion, with 1984 net income sharply higher at $585 million, an increase of 75% over the previous year. Dow is the 109th largest national advertiser, with 1984 measured media spending of $36.9 million, 33% ahead of 1983.

Dow acquired in January, 1985, the Texize division of Morton Thiokol, Chicago, for about $300 million. Texize had sales in 1984 of $259 million, up 13% from 1983, and profits rose 4% to $27 million. Texize household brands include Fantastik, Spray 'n Wash, Yes, Glass Plus, KZr, Vivid and Spray 'n Starch.

In the first quarter of 1985, Dow bought entry into the huge Japanese market by acquiring about 20% of Funai Pharmaceuticals. Market watchers also are looking at a possible linkup between Dow and Upjohn.

To package this new activity, Dow launched a new corporate ad program, themed "Dow lets you do great things."

Created by D'Arcy MacManus Masius, Bloomfield Hills, Mich., the campaign was released in Dow manufacturing cities this spring, to be followed by a national launching this fall.

The Texize addition more than doubles the $1.7 billion in revenues currently generated by Dow's consumer specialties group. Revenues of the other three segments in 1984 were: Basic chemicals, $5.34 billion; basic plastics, $1.7 billion, and industrial specialties (proprietary and other special formulations of plastics and chemicals), $2.6 billion.

A harder push for ad promotion on Dow consumer products began in 1984. Spending in six measured media increased 38% to $29.9 million in 1984 to advertise the company's most heavily produced brands, including Dow bathroom cleaner, Handi-Wrap, Saran Wrap and Ziploc bags.

Bathroom cleaner spending increased to $9.2 million in 1984 from $1.6 million in 1983. Handi-Wrap spending jumped 61% to $5.3 million; Saran Wrap dropped 50% to $1.9 million.

Ziploc bag spending was up 5% to $13.6 million. Network tv took the lion's share at $22.7 million, and magazines, $6.02 million.

Although Ziploc spending was down 8.8% to $11 million in 1984 in network tv, magazine spending for Ziploc bags increased 124% to $8.5 million.

In its emerging heavy-industrial changes, Dow is moving to produce materials that will have applications in products where consumer growth rate is 10% to 15% annually, compared with basic chemicals' flat performance.

As if to capsule its new directions, Dow abandoned the natural brine deposits in Midland, which gave the company its start.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,941.8	1,941.8
Magazines	6,018.1	1,628.8
Network cable	176.9	69.8
Spot tv	2,878.3	1,036.2
Network tv	22,673.8	19,628.5
Spot radio	891.2	600.4
Network radio	103.9	430.8
Outdoor	2.7	5.0
Farm pubs	2,257.2	2,437.1
Total measured	36,943.9	27,778.4

DOW CHEMICAL CO.
Marketing Personnel

Paul F. Oreffice, president-ceo
Andrew J. Butler, commercial vp
Keith R. McKennon, group vp
David T. Buzzelli, vp-govt & public affairs
Manson C. Carpenter, dir-communications, Dow Chemical Co.
Robert C. Spears, mgr-mktg communications

Business Group Marketing Personnel
Agricultural Products

John L. Hagaman, genl mgr, vp-Dow Chemical U.S.A.
Gary G. Jones, mgr-mktg resources

Coating & Resins

Anthony J. Carbone, genl mgr
Pete D. Swan, mgr-mktg resources

Consumer Products

Jack R. Lee, vp-Dow Chemical U.S.A.
Ed H. Kiernan, mgr-mktg services

Inorganics

Donald S. Pirkle, genl mgr-vp-Dow Chemical U.S.A.
Art R. Link, mgr mktg resources

Organics

James H. Gowell, genl mgr-vp-Dow Chemical U.S.A.
Harry J. Ignatowski, mgr-mktg resources

Plastics

Peter R. Lehman, vp-Dow Chemical U.S.A.
Jim R. Stoppert, field sales mgr

Specialty Chemicals & Fabricated Products

Mike Parker, genl mgr-specialty chemicals
Chuck McCoy, genl mgr-membranes

Texize

Jack F. Mayer, president
Mike Browner, dir-mktg services

Urethanes

Tom K. Smith, genl mgr

Merrell Dow-Pharmaceutical

David B. Sharrock, genl mgr

Advertising Agencies
Agricultural Products

Bader Rutter, Milwaukee, Wis.—Dursban, Garlon, Vikane, Tandem, Verdict, Tordon, Lontrel, Grazon—John Sargent, acct super.

Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Ia.—Lorsban insecticides, Telone, Plictran—F.C. Baker, vp-acct super.

Vitt Media Intl, New York, N.Y.—media consultants—F. Richard Olsen, vice chmn.

Coatings & Resins

Misamore Advertising & PR, Grand Rapids Mich.—epoxies, resin intermediates, latex—Robert Cook, vp.

Consumer Products

Della Femina, Travisano & Partners, Grand Rapids, Mich.—all consumer products except Microfreez—Ed Tedeschi, David Sparks, mgmt supers; Joann Tilove, acct exec.

Workshop West, Los Angeles, Cal.—Ziploc Microfreez—Elliot Uberstine, Mike Lindsay.

Vitt Media Intl, New York—media consultants—F. Richard Olsen, vice-chmn.

Inorganics

Misamore Advertising & PR, Grand Rapids, Mich.—solvents and magnesium—Robert Cook, vp.

Organics

Sefton Associates, Grand Rapids, Mich.—organic prods—Gary Petertyl, senior vp.

Plastics

Alexander Marketing Services, Grand Rapids, Mich.—all plastic prods—Thomas J. Kreuger, exec vp.

Specialty Chemicals & Fabricated Products

Alexander Marketing, Grand Rapids, Mich.—films, foams, energy water and process prod, plastic lined pipe, brine chemicals, industrial specialties—Richard Hill, vp-acct super; Thomas J. Kreuger, exec vp; Robert Milroy, vp-acct group super.

Jayme Organization, Cleveland, O.—all Styrofoam prods—Mark Crowley, acct exec; Dan Smith, acct mgr.

Sefton Associates, Grand Rapids, Mich.—gas spec—Gary Petertyl, senior vp.

Scott & Miller, Saginaw, Mich.—support agency for SCFP business—Tom Leinberger, president-creative dir.

AMPM, Midland, Mich.—support agency for SCFP business—Leslie Parsons, vp.

Urethanes

Bowes & Hanlon, Atlanta, Ga.—carpet backing prod—Ken Bowes.

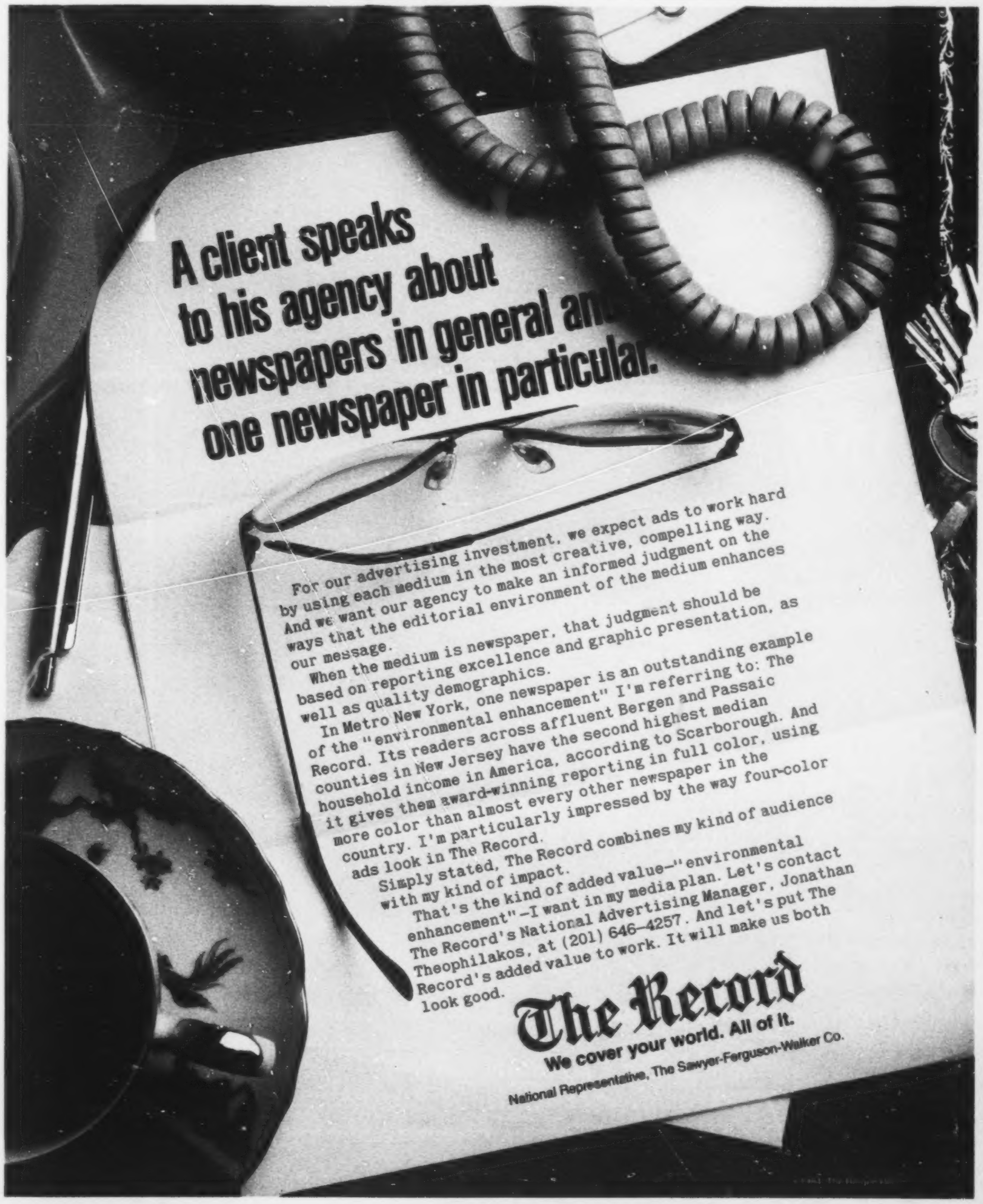
Sefton Associates, Grand Rapids, Mich.—Spectrim, Voranol, Voranate—Gary Petertyl, senior vp, Greta Bolger, acct exec.

Merrell Dow Pharmaceutical

Medicus Intercon (div of Benton & Bowles), New York, N.Y.—Nicorette, Seldane—Jennifer Greenblatt, acct super.

Healthmark Communications, New York—Lorelco—Michael Nassoff, acct exec.

Shaller, Rubin & Winer Inc., New York—all otc prod including Cepacol, Cepastat and Novahistine cough and cold preparations—Mel Rubin, president; Ben Garrett, acct exec.



A client speaks to his agency about newspapers in general an one newspaper in particular.

For our advertising investment, we expect ads to work hard by using each medium in the most creative, compelling way. And we want our agency to make an informed judgment on the ways that the editorial environment of the medium enhances our message.

When the medium is newspaper, that judgment should be based on reporting excellence and graphic presentation, as well as quality demographics.

In Metro New York, one newspaper is an outstanding example of the "environmental enhancement" I'm referring to: The Record. Its readers across affluent Bergen and Passaic counties in New Jersey have the second highest median household income in America, according to Scarborough. And it gives them award-winning reporting in full color, using more color than almost every other newspaper in the country. I'm particularly impressed by the way four-color ads look in The Record.

Simply stated, The Record combines my kind of audience with my kind of impact.

That's the kind of added value—"environmental enhancement"—I want in my media plan. Let's contact The Record's National Advertising Manager, Jonathan Theophilakos, at (201) 646-4257. And let's put The Record's added value to work. It will make us both look good.

The Record
We cover your world. All of it.
National Representative, The Sawyer-Ferguson-Walker Co.

RANK

153

Exxon Corp.

New York

($ figures = 000,000,000)

Worldwide	1984	1983	% chg
Sales	94.7	97.3	-2.7
Net income	5.0	5.5	-9.1
U.S.			
Sales	25.4	24.4	4.4
Operating profits	8.4	8.1	3.3
Advertising	0.0256	0.0254	0.6
Division sales			
Petroleum/nat. gas	85.4	83.6	2.2
Chemical prods.	6.9	6.4	7.5
Other	3.6	3.4	4.6

The world's largest oil company, Exxon Corp., continued scaling back refining and marketing operations and selling unprofitable operating units in 1984 as it aggressively countered difficult economic conditions forcing a restructuring of the oil industry. Exxon's success, however, is measurable in record earnings for the year despite intense competition in the markets for oil, natural gas and chemicals.

New York-based Exxon was the 153rd largest U.S. advertiser in 1984 with total measured spending of $25.6 million, up less than 1% from 1983.

Motor oil was one category in 1984, however, where Exxon substantially increased its measured ad spending compared with 1983. National rollout of Exxon Uni-Flo 10W-30, a high-performance motor oil for cars and light trucks, spurred an increase in measured spending to nearly $6 million in 1984, up from less than $500,000 1983. Spending was divided 70% spot tv, 29% magazine and 1% outdoor.

The majority of Exxon's measured spending, $11.7 million, was allocated to spot tv for gasoline products, a 4% increase over 1983.

Exxon's net income in 1984 was up 12% to $5.5 billion. Sales and operating revenues for 1984 were $95 billion, up 3% from 1983. Improved earnings, for the most part, were the result of efficiency measures and greater production of crude oil and natural gas at the well. Profits from oil exploration and production in 1984—where the real money always has been made—were up 17% to $4.8 billion. In the first quarter of 1985, they were up 4.4% over 1984 levels.

Profits tumbled 10% for the first quarter of 1985, although per-share earnings fell just 2.3% as a result of stock repurchases. Revenue dropped 7.2% for the year to $23.1 billion. The results reflected slower economic growth, industry overcapacity in downstream operations and a strong U.S. dollar.

Excess industry capacity in refining and marketing continues to squeeze profit margins. That trend picked up strength during the second half of 1984 when the industry began drawing on stocks of crude oil accumulated earlier in the year, combined with a slowing of the U.S. economy. (Fears of attack on shipping in the Persian Gulf caused a buildup of crude in the spring of 1984.) Profits for Exxon's downstream operations in 1984 fell 68% below 1983 levels to $357 million. For the first quarter of 1985, worldwide refining and marketing earnings dropped 84%.

Because most analysts are predicting about 1% growth a year in demand for oil, Exxon has taken drastic steps to cut back on its refining and marketing operations. Consequently, Exxon is shrinking. As it scales back operations, it is improving the efficiency of its core business in oil, natural resources, chemicals, electrical equipment, refining and marketing.

Since 1979, when the Organization of Petroleum Exporting Countries doubled the price of a barrel of oil, Exxon has scaled back refining capacity by 30%, selling or closing 14 refineries. In 1984, Exxon closed its refinery on the Caribbean island of Aruba.

Without further reductions in refining and marketing capacity, however, limited growth in demand will not permit the oil industry to grow out of its problems in the foreseeable future, Exxon executives say. As a result, the company continues to upgrade its retail outlets by consolidating volume in fewer and larger sites. In 1983, Exxon withdrew from portions of five states where it was not able to compete effectively, selling about 800 stations in parts of New England, Kentucky and Ohio.

Since 1979, the company has cut 2,000 low-volume service station units, 25% of its worldwide chain, and at the same time increased gasoline volume sold per station by an average of 30%. It has been redesigning the appearance of the stations, completing 7,500 since 1981.

In addition, Exxon is divesting unprofitable business units. In January, 1985, Olivetti agreed to acquire the non-U.S. assets of Exxon Office Systems. A month later, a similar agreement was made with Lanier Business Products covering U.S. operations. Measured advertising for Exxon office systems in 1984 totaled $1.9 million, a 44% drop from 1983.

The selling of its office systems unit marked the end of a hard-fought battle to gain increased market share for its Vydec, Qyx and Quip products. Exxon is believed to have sunk hundreds of millions of dollars into the office systems venture, taking a loss of about $30 million on the sale.

But dumping the office systems unit fits with Exxon's over-all strategy, as outlined by chairman Clifton C. Garvin: "Our goal is clear: To be the most efficient competitor in each of our businesses—in oil and gas, in chemical, and in every other activity."

The line of succession at Exxon was firmed up in May, 1985, when Lawrence G. Rawl was elected president succeeding Howard C. Kauffmann, who retired. Mr. Garvin is expected to retire in 1986 when he reaches 65.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,442.7	3,442.7
Magazines	4,804.3	3,320.7
Network cable	0.0	28.8
Spot tv	16,238.8	16,210.1
Network tv	0.0	1,110.5
Spot radio	266.8	407.2
Network radio	0.0	579.9
Outdoor	838.7	350.0
Total measured	25,591.3	25,449.9

EXXON CORP.
1251 Avenue of the Americas
New York, N.Y. 10020
(212) 333-6900

Marketing Personnel

S. Stamas, vp-public affairs

Advertising Agency

McCaffrey & McCall, New York—William Vieser, senior vp-group acct dir; John Collins, senior vp-mgmt super; Sheilah Walker, acct super.

McCann-Erickson, Houston—J.W. Collins, acct dir.

EXXON CO. USA.

Marketing Personnel

R.P. Larkins, vp-mktg

Advertising Agency

McCann-Erickson, Houston—corporate—J.W. Collins, acct dir; Eric Herbst, acct exec-gasoline; Al Kehr, acct exec-motor oil.

EXXON CHEMICAL
Houston, Tex.

Marketing Personnel

R.W. MacDonald, mgr-public affairs
G.W. Laird, mgr-mktg services
D.R. Grant, mktg services coordinator
B.B. Demby, mktg services senior coordinator
H.R. Irvine, mgr-govt relations
R.L. Fornshell, dir-automotive
J.J. Costolnick, vp-aromatics
K.A. Fulton, mktg mgr-aromatics
E.S. Gangluff, vp-olefins
L.L. Luntz, mktg mgr-olefins
M.H. Mayer, vp-plasticizers and intermediates
A.R. Schimmenti, mktg mgr-plasticizers and intermediates
M.R. Schimmenti, vp-solvents and agricultural chemicals
R.E. Mantler, mgr-fertilizer
B.F. Newton, mgr-sulfur
J.M. Roll, mktg mgr-solvents and agricultural chemicals
R.F. Humphreys, vp-specialties
G.P. Ahearn, mgr-performance chemicals
G.T. Magee, mgr-adhesion prods
J.L. Hamaker, vp-Paramins
J. Monte Smith, mktg mgr-Paramins
J.R. Eagle, vp-polyethylene
S.A. Perlman, mktg mgr-polyethylene
G.A. Rizzo, vp-polypropylene
F.J. Steininger, mktg mgr-polypropylene
C.J. Jankowski, vp-ElasTomers
A.F. Cody, mgr-Vistalon polymers
E.J. Merkel, mgr-Butyl polymers
N.R. Roux, vp-fabricated prod
T.S. Grant, mgr-film div
W.O. Crabtree, mgr-industrial textiles div

Advertising Agency

(In-house)

RANK

115

Federal Express Corp.

Memphis

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,436.3	1,008.1	42.5
Net income	115.4	88.9	29.8
Advertising	34.9	24.3	43.6

Federal Express Corp., with its Superhub operations and headquarters in Memphis, Tenn., continues to heavily advertise its fast delivery services, making it the 115th largest national advertiser in 1984. Total measured ad expenditures for 1984 were $34.9 million, up 43.6% from the previous year.

Net income for 1984 increased 30% to $115.4 million on revenues of $1.44 billion, up 44% from the previous year. Since the end of the fiscal year in May, 1984, total revenue has continued to rise but earnings have dropped. For the first three quarters of fiscal 1985,

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ending in February. Federal Express recorded net income of $34.2 million, off 60%, on revenues of $1.438 billion, up 40%.

Income was hurt by startup costs of Federal Express' electronic ZapMail service, but income also benefited from the sale of some of the company's smaller Dassault aircraft used in feeder line service and from a $6.5 million tax credit.

New for Federal Express this year were ZapMail, a modest but strategic move into foreign express service and the addition of order expediters.

Heaviest ad spending was for ZapMail, which at $14.2 million got more than 40% of the total, and for the fast delivery service, which still gets the biggest piece of the ad pie, $19.5 million in measured spending.

ZapMail, introduced in July, 1984, is a fast-delivery service that electronically transmits letters and documents over terrestrial telephone and satellite transmission circuits. Standard delivery time is two hours and can be cut to one hour if transmission is directly from sender to recipient instead of via a Federal Express Business Service Center. The company has some 300 of these walk-in centers, each offering a full range of Federal Express services.

At the heart of ZapMail is facsimile transmission equipment developed by NEC Electronics and so far, exclusive with Federal Express. The company says it has orders for 6,000 of these sending/receiving systems for placement at customer locations and have installed nearly 700. Charges are by monthly lease fees and a per-page tariff.

ZapMail has not come cheaply for Federal Express. So far in fiscal 1985, it has cost the company $90 million in pretax operating losses. Also, Federal Express has run into competition from MCI Mail, Western Union Easy Link and facsimile equipment makers including Xerox and Panafax.

Heaviest measured advertising for ZapMail has been tv, both network and spot, which totaled about $12 million for the year.

Federal Express made numerous other technical, logistic and equipment changes during the year. It is now using DADS (Digitally Assisted Dispatch System), a hand-held electronic instrument that receives and records dispatch information even when the driver is not in the van.

Also, Federal Express is improving its electronic COSMOS system for finding a customer's shipment anywhere in transit; buying 11 big McDonnell Douglas and Boeing jets and 30 smaller Cessna turboprops for feeder line service; expanding its Superhub facilities at Memphis International Airport, and planning to expand the concept of regional sorting—instead of feeding every piece through the Memphis Superhub—by emulating the Newark, N.J., Metroplex Center in Boston, Chicago, Oakland and Los Angeles.

Federal Express expects that by June, 1985, about 25% of its volume will go directly through such regional sorting centers instead of all funneling through Memphis. Annual package volume jumped to 67 million pieces in 1984, compared with 43 million in 1983 and 32 million in 1982.

Looking to expand beyond the U.S., the company in 1984 acquired Gelco Express International, a worldwide courier service, and will fold it into the Federal Express organization and identity.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,051.8	1,429.9
Network cable	710.5	0.8
Spot tv	6,959.0	2,765.5
Network tv	23,674.8	20,005.3
Spot radio	448.4	41.7
Outdoor	22.4	31.6
Total measured	34,866.9	24,274.8

FEDERAL EXPRESS CORP.
Memphis International
Airport
2990 Airways Blvd.
Memphis, Tenn. 38131
(901) 369-3600
Marketing Personnel
Thomas R. Oliver, sr vp-mktg
Carole Presley, vp-corp mktg
David Schoenfeld, vp-electronic mktg

Advertising Agencies

Ally & Gargano, New York—Dennis Visich, acct exec.

McCann-Erickson, Atlanta—international service—Neil Howard, senior vp, genl mgr (handling before appointment of an acct exec).

Federated Department Stores

Cincinnati

RANK 135

($ figures = 000,000)

Worldwide/U.S.	**1984**	**1983**	**% chg**
Sales	9,672.3	8,689.6	11.4
Net income	329.3	338.3	-2.7
Advertising	30.3	28.4	6.7
Division sales			
Department stores	6,566.6	5,970.3	10.0
Mass merchandising	1,059.9	991.1	7.0
Supermarkets	1,711.3	1,473.7	16.2
Other	334.5	254.5	31.5

Federated Department Stores, Cincinnati, the 135th largest U.S. advertiser with measured media spending in 1984 of $30.3 million, made new and revised growth strategies in the face of mounting price competition and softening consumer demand.

Federated units also attempted to stimulate sluggish consumer demand through advertising, increasing the measured total by 6.7%.

Most of 1984's spending increases resulted from a 7% increase in spot tv to $26.2 million. Federated divisions used spot tv for the bulk of advertising, supplemented by small measured spending in magazine, newspaper and spot radio.

Increased advertising, however, failed to offset decreasing margins, affected by an overly aggressive inventory buildup in the department store segment that led to extensive merchandise markdowns, further dampening profits.

Net earnings for the fiscal year ended Feb. 2, 1985, were $286.7 million, excluding the sale of equity interests in two shopping centers, an 8% decrease from 1983, also excluding unusual items. Sales for the year were $9.67 billion, an increase of 11.3% over the previous year.

The same sales-earnings pattern carried over into the first quarter of the current fiscal year. Sales rose about 8% to $2.17 billion from the year earlier, but earnings of $706.6 million increased only 4.2%. As a result of weak earnings, Moody's Investors Service in May, 1985, reduced the senior debt rating of Federated to double A-2 from triple-A.

Moody's analysts say Federated has been "slow in reacting to merchandising changes in department and specialty-store retailing" and has allowed a portion of its customer base to slip away. Moody's expects the retailer's profitability to improve as it installs cost-containment and computerization systems, disposes of unprofitable divisions and changes inventories.

In 1984, Federated began implementing strategic changes in its department store segment with the aim of improving return on investment through increased market share.

New store openings and remodeling for more efficient use of merchandising space were keys to growth for the year, with the opening of 45 new stores.

Federated store divisions include Abraham & Straus, Bloomingdale's, Bullock's, Burdines, Filene's, Filene's Basement, Foley's, Gold Circle Goldsmith's, Lazarus, I. Magnin, MainStreet, Ralph's grocery, Rich's, Richway, Sanger Harris/Levy's, Shillito-Rikes stores and The Children's Place.

Significant 1984 investments included big outlays for MainStreet, a new family department store for moderate-income customers, which opened Nov. 1, 1984, with three stores in Chicago. Six more MainStreet stores are scheduled to open in 1985-86.

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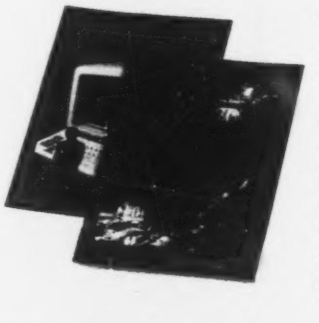

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MIAMI: 7600 Red Road, Miami, FL 33143; (305) 665-6263
ATLANTA: 1447 Peachtree Street, N.E., Suite 804, Atlanta, GA 30309; (404) 874-5700
TORONTO: 501 Eglinton Avenue, East, Suite 202, Toronto, M4P 1N4 Ontario; (416) 482-6288
LONDON: 33A Station Road, North Harrow, Middx, HA2 7SU, England; (01) 427 9000

The Rotarian
Advertising Department
1600 Ridge Avenue
Evanston, Illinois 60201

Substantial funds also were spent in 1984 to continue Bloomingdale's national growth, now totaling six stores, including an opening in Miami, and remodeling of the Manhattan flagship. In March, 1985, Federated disposed of Boston Stores, which included eight units in Wisconsin, for $80 million to P.A. Bergner Co., Peoria, Ill.

Federated announced plans to spend $649 million through 1989 on new stores, down from $971 million in 1980-84. Of this total, 41% is planned for department stores, 7% mass merchandising stores, 14% supermarkets and 38% other stores. As Federated opens new outlets, its five-year growth strategy has been to gradually expand from its base in upscale department stores into mass merchandising, grocery and other forms of retail.

Net sales from department stores have fallen from 72.5% of total sales in 1980 to 67.9% of total in 1984. During the same period, net sales from mass merchandising, supermarket and other retail outlets increased from 27.5% to 32.1%, a net change of 4.6% with each 1% of net sales in 1984 worth $96.7 million.

Department stores continued to contribute the majority share of operating profits, however—89.3% ($619.8 million) in 1984 compared with 8% ($73.9 million) for all other retail outlets. Operating profits from other retail units were offset by the cost of expansion and startups.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,748.0	2,385.9
Spot tv	26,216.6	24,569.9
Spot radio	1,251.6	1,394.6
Outdoor	62.8	14.2
Total measured	30,279.0	28,364.6

FEDERATED DEPARTMENT STORES
7 West Seventh St.
Cincinnati, O. 45202
(513) 579-7000

ABRAHAM & STRAUS
Brooklyn
Marketing Personnel
Doris Shaw, senior vp-sales promo & adv
Francisco Cantarella, senior vp-dir pub affairs
Nancy Ryan, vp-adv
Advertising Agency
(In-house)

FILENE'S
Boston
Marketing Personnel
John Ward, senior vp-mktg
Charlotte Brewer, vp-adv & rsch
Advertising Agency
Direct advertiser

FILENE'S BASEMENT
Wellesley, Mass.
Marketing Personnel
Sam DePhillippo, vp-mktg & planning
Advertising Agency
Direct advertiser.

GOLDSMITH'S
Memphis
Barbara Blumenfeld, vp-sales promo
Dorothy Stanton, adv dir
Advertising Agency
Direct advertiser.

I. MAGNIN
San Francisco
Marketing Personnel
Wilmer Weiss, senior vp-communications
Virginia Ferrand, adv dir
Advertising Agency
Direct advertiser.

SANGER HARRIS
Dallas
Marketing Personnel
Linda Knight, vp-mktg & sales promo
Wayne Franks, vp-adv
Brenda Fellows, vp-mktg
Barbara Haskett, vp-pr
Advertising Agency
Pacific Advertising (in-house)

FOLEY'S
Marketing Personnel
Myrna Phillips, vp-adv & sales promo
Shelby Cochran, operating vp-creative dir
Kay Kent, dir-sales promo business & broadcast
Ed Smith, dir-special events
Advertising Agency
Taylor, Brown & Barnhill, Houston—Don Brown, president; Linda Hine, acct super; (much of the adv work is done in-house)

RALPH'S SUPERMARKETS
Compton, Cal.
Marketing Personnel
Patrick Collins, president
Al Marasca, exec vp-mktg
Frank Chessman, vp-sales & adv
Advertising Agency
DJMC, Los Angeles—Jim McKenna, vp-mgmt super

BLOOMINGDALE'S
Marketing Personnel
Gordon Cooke, exec vp-sales promo
Mary Joan Glynn, vp-mktg
John Jay, vp-creative dir
Advertising Agency
Grey Advertising, New York—John G. Marder, exec vp; Herb Lieberman, senior vp; Judy Owens, mgmt super

BURDINE'S
Miami
Marketing Personnel
David Dyer, senior vp-dir mktg
Linda Frankel, operating vp-dir ads
Jorge Lopez, operating vp-adv admin & prod
Jane Smiley, operating vp-special events & publicity
Advertising Agency
(In-house)

RICH'S
Atlanta
Marketing Personnel
Donald Van Suilichem, senior vp-dir of mktg
Alma Freedman, div vp-dir of adv
Roger Nullman, div vp-visual merch
Advertising Agency
(In-house)

LAZARUS
Columbus, O.
Marketing Personnel
Don Oscarson, senior vp-mktg
Robert Goldsmith, vp-adv
Advertising Agency
Ron Foth Retail, Columbus, O.—broadcast only (print is in-house)—Ron Foth, president-acct super; Jennifer Lyon, acct exec

RICHWAY
MASS MERCHANDISING
Marketing Personnel
Ann Bergstrom, div vp-adv & sales promo
Advertising Agency
W.B. Doner, Southfield, Mich.—Tom Hirschauer, senior vp-mgmt super; Glenda Cole, acct super; Marcia Bumler, asst acct exec

SHILLITO-RIKES
Cincinnati
Marketing Personnel
Tim Worcester, senior vp-mktg & sales promo
Bob Rogers, operations vp-adv dir
Herbert Frager, operations vp-creative
Rich Colvin, mktg rsch dir
Advertising Agency
(In-house)

BULLOCK'S
Los Angeles
Marketing Personnel
Jack Macauley, vp-public affairs
William Carroll, vp personnel
Judy Farris, vp-sales promo & mktg
Advertising Agency
(in-house)

Firestone Tire & Rubber
Akron, O
RANK 199

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,001.0	[illegible]	9.0
Net income	102.0	[illegible]	-8.1
U.S.			
Sales	2,869.0	[illegible]	8.8
Operating profits	29.0	[illegible]	-76.4
Advertising	19.9	[illegible]	70.5
Division sales			
Tires auto parts	3,569.0	[illegible]	6.4
Diversified prods	432.0	[illegible]	38.1

Firestone Tire & Rubber Co., Akron, in a major marketing change in 1984, is pushing to develop a nationwide chain of MasterCare service centers for complete auto servicing to complement tire sales.

Firestone, the 199th largest national advertiser, looked to be on its way to securing acceptance of its new retail centers by Jan. 31, 1985, the end of its first quarter of fiscal 1985. Operating income from tire and automotive-service retailing activities in the U.S. totaled $3 billion in the quarter, compared with a loss of $3 million a year earlier.

Total net income for the company was down 19% to $17 million, and net sales were off 3.7% to $903 million primarily because of depressed international conditions.

For fiscal 1984, ended Oct. 31, 1984, net income was $102 million, down 8.1%, on revenues of $4 billion, up 9% from the previous year. Advertising expenditures, signaling the new MasterCare program, jumped 70.5% to $19.9 million in 1984. Of that total, about $15 million was for Firestone's auto centers, quadrupling 1983's spending of $3.7 million. The company's only network tv spending in 1984 was for auto centers—$12.2 million, the largest network tv campaign in the company's history.

Other Firestone 1984 advertising was a good deal smaller, by comparison, including $2.2 million for auto tires, up 75%, and $1.25 million for truck tires, 10 times 1983's spending. Battery spending, however, was off 65% to $307,200.

Firestone believes that its centers will build tire sales, an area in which it is in good shape competitively.

With its Firestone, Dayton, Road King brand tires and many private labels, it is one of the five largest tire makers in the world, and the second largest in North America with 17% share of the U.S. and Canadian markets. Goodyear is first with about 30%. It's the largest supplier to Ford and a principal source for General Motors, Deere & Co. and other agricultural implement makers.

To further cut inefficiency and assure better profitability, Firestone has sold rubber plantations, closed tire manufacturing plants and sold its auto passenger-restraint and foam products businesses because of their ties to the auto-production industry that made return on investment too long term.

The kinds of businesses it has kept are the rubber roofing production because demand for that type of roofing is growing about 20% a year. It also is holding on to those related areas close to its basic tire business—steel wheels, air-bag suspension, synthetic rubber and tire cord.

At work on the tire-auto store project for about three years, Firestone has made numerous market research findings that helped boost its MasterCare launch. The total U.S. auto services market is worth $65 billion annually, increasing at a rate of $3 billion to $4 billion a year; the average car owner visits an auto service center 14 times between tire purchases; the average age of cars on the road in the U.S. now is seven years, the highest since World War II, but the number of gas stations and auto dealers with repair shops is dropping.

Convinced by these findings, Firestone has set out to put together its chain, buying 250 of J.C. Penney Co.'s free-standing auto centers when Penney left that field, and revamping many of the existing Firestone-owned and dealer-owned Firestone tire stores.

Firestone is marketing the resulting chain of nearly 1,600 MasterCare Centers by advertising, "Come in America, drive on down to Firestone." Goal of the campaign is to depict the MasterCare center as a place to sell the Firestone stores as a brand.

ADVERTISING EXPENDITURES

	1984	1983
Magazines	3,796.0	2,387.6
Network cable	413.4	491.0
Spot tv	3,159.0	4,081.8
Network tv	12,152.7	4,622.7
Spot radio	334.4	41.7
Outdoor	26.0	35.0
Total measured	19,881.5	11,659.8

FIRESTONE TIRE
& RUBBER CO.
1200 Firestone Pkwy.
Akron, O. 44317
(216) 379-7000
Marketing Personnel
Benjamin G. Ammons, exec vp-mktg
Gerald R. Kerr, vp-adv
Anthony J. Pence, creative dir
Charles M. Kosich, retail adv mgr
Terry L. Gould, prod coord
Advertising Agencies
Saffer, Cravit & Freedman, Toronto—Firestone retailers, tires & service—Terry Morgan, senior vp-acct services; Dave LaFerle, acct super; Gary Strong, senior acct super

Advanswers, St. Louis, Mo.—Firestone retailers, tires & services, network tv—John Marlow, senior vp-mktg dir; Fred Webber, senior vp-project group dir; Vern Mottert, assoc group dir.

Brubaker, Cole & Associates, Hudson, O.—commercial tires and performance tires—Dave Cole, chmn; Dave Ferry, vp.

Karis Advertising, Cleveland, O.—Dayton tires—Pete Karis, president.

State of Florida
Tallahassee
RANK 130

($ figures = 000,000)

Worldwide U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	30.0	N/A	N/A

The State of Florida, ranked the 130th largest national advertiser in 1984, spent $30 million in measured media to promote citrus fruit, scenery, healthy business climate and even specialized technical courses at the Florida Institute of Technology.

The big citrus program is handled by the Florida Citrus Commission, an arm of the State of Florida, and funded by the citrus growers through an excise tax on every box of fruit. The commission gets no other financial support. The 50-year-old commission is responsible for regulation, research and promotion of the Florida citrus industry.

Spending directed by the commission totaled about $26 million in 1984, including $20 million for frozen orange juice, $2.5 million for grapefruit juice, $2.5 million for fresh grapefruit, and $1 million for fresh oranges, tangerines, tangelos and Temple oranges. The great bulk of the spending on orange juice was for tv. About $3 million went for print, including magazine, inserts and newspaper supplements.

Increased spending by the citrus industry is already in the works following the disastrous freeze that blanketed the state earlier this year. The freeze effected higher than usual price hikes, a fact the industry will attempt to offset by pushing product quality.

Florida state advertising for tourists comes in two varieties: Out-of-state to attract tourists, and in-state to convince Floridians of the value of the big tourist influx. Total tourism spending in 1984 was $4.3 million, according to state officials, heavy on spot tv and print, timed for different periods of the year and aimed at various market segments.

The summer campaign is designed to bring in tourists during that slack season and is aimed at 21 markets in the Midwest, Northeast and Southwest. The winter campaign marries familiar theme lines, such as "When you need it bad, we've got it good," with print and tv images that show singles, couples and families laughing in the sand and surf.

Targeted for this advertising are the coldest states of the North, populous parts of the Southwest and Canada. The Florida Commerce Department estimates that at the height of the winter season, 8% of the population of Canada is in Florida.

In-house, Florida's Commerce Department runs a public service campaign to show Floridians how important tourism is to the state. Images in this campaign include the Orange Bowl at night with lights going on one-by-one, signifying arrival of tourists. Another spot used in a commercial paid for by Chevron Corp. and Hertz Corp. shows visitors hugging on arrival in Florida. The spot is distributed by the state's Commerce Department.

Some local Florida communities—such as Palm Beach, Orlando, Miami and Panama City—do their own tourism promotion, paying for it with local option taxes, however, this spending is not covered in the state's measured advertising.

The Commerce Department's Office of Economic Developments spent about $500,000 in 1984 media advertising on its ad campaigns that had

Top 25 network tv advertisers by % change

of the second 100 leading national advertisers

Rank	Advertiser	Network tv ad expenditures ($000) 1984	1983	% chng	1984 as % of co.'s ad total
1	ConAgra	$16,148.9	$4,725.5	241.7	55.3
2	Ciba-Geigy Corp.	18,310.4	5,570.7	228.7	51.9
3	MGM/UA Entertainment Co.	22,764.8	11,120.0	104.7	76.5
4	NCR Corp.	17,272.0	10,302.4	67.7	71.2
5	G.D. Searle & Co.	30,566.3	20,257.3	50.9	77.8
6	Hallmark Cards	27,812.9	18,668.2	49.0	69.0
7	Jeffrey Martin Inc.	21,518.2	15,351.7	40.2	58.5
8	MasterCard International	18,948.4	13,923.1	36.1	68.0
9	United Biscuits	20,861.7	15,442.3	35.1	67.8
10	Helene Curtis Industries	30,606.9	24,388.5	25.5	92.0
11	Block Drug Co.	19,524.1	15,630.7	24.9	63.2
12	Carter-Wallace	17,033.4	13,792.0	23.5	71.5
13	SmithKline Beckman Corp.	22,871.4	19,258.1	18.8	79.3
14	Federal Express Corp.	23,674.8	20,005.3	18.3	67.9
15	Dow Chemical Co.	22,673.8	19,628.5	15.5	61.4
16	Tambrands	22,643.6	19,815.7	14.3	71.1
17	E&J Gallo Winery	30,614.5	28,798.3	6.3	93.1
18	Mennen Co.	26,342.2	25,293.7	4.1	85.1
19	Prudential Insurance Co. of America	19,830.6	19,316.2	2.7	78.1
20	20th Century-Fox Film Corp.	22,019.8	24,266.3	(9.3)	66.4
21	Commodore International	22,407.3	26,600.4	(15.8)	65.4
22	North American Philips Corp.	17,145.0	20,449.7	(16.2)	57.2
23	Thompson Medical Co.	18,485.0	25,685.5	(28.0)	47.0
24	Polaroid Corp.	17,336.9	25,855.6	(32.9)	55.5
25	Atari Corp.	18,027.5	50,035.4	(64.0)	85.2

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers three main themes: Attracting industry in general, assisting Florida industry in its overseas programs and attracting the movie industry.

The U.S. industrial promotion effort is primarily a vertical market print program in major business journals. Its aim is to lure industries in high technology, pharmaceuticals and professionally staffed fields. The movie campaign bears the theme: "Here is Hollywood weather without Hollywood overhead."

Florida's third big area of advertising—education—reflects a demographic change in college and university life. The schools now must compete for students because of the shrunken size of the available student pool and the many appealing specialized programs available to students who are able to be choosy academically and economically.

For the Florida Institute of Technology this means recruitment advertising for two of its programs, flying and ocean diving.

The flying program, at the Melbourne campus, is based on traditional engineering education, leading to degrees ranging from associate (two years) to doctorate. The ocean diving program, at the Jensen Beach campus, is in hands-on applied technology. The degrees range from associate to master's. The institute spends more than $200,000 a year for its recruitment ads in print media, including *Skin Diving* and *Flying* magazines, the *New York Times*, "College Guidance" directory, "Talbot's Guide" and "College Outlook."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	5,322.7	N/A
Network cable	97.8	N/A
Spot tv	1,478.0	N/A
Network tv	10,586.0	N/A
Spot radio	15.4	N/A
Network radio	0.0	N/A
Outdoor	0.0	N/A
Total measured	11,808.0	0.0

STATE OF FLORIDA
DEPARTMENT OF COMMERCE
DIVS OF TOURISM AND ECONOMIC
DEVELOPMENT
107 W. Gaines St.
Tallahassee, Fla. 32301
(904) 334-4200

TOURISM DIV

Marketing Personnel

Dean Cosner, dir-mktg

Advertising Agency

Beber Silverstein & Partners Advertising, Miami (effective July 1, 1985)—Chuck Roedema, senior group acct super.

ECONOMIC DEVELOPMENT DIV

Marketing Personnel

Steve Mayberry, dir-mktg

Advertising Agency

Beber Silverstein & Partners Advertising, Miami—Chuck Roedema, senior group acct super; Dan Abramson, acct exec; Doris Borakove, acct asst.

FLORIDA CITRUS COMMISSION
P.O. Box 148
Lakeland, Fla. 33802-0148
(813) 682-0171

Marketing Personnel

Ben Hill Griffin III, chairman
Dr. W. Bernard Lester, exec dir
William P. Grodem, dir-mktg
Fred S. Fosse, intl mktg dir

Advertising Agency

Dancer Fitzgerald Sample, New York—Robert K. Eagen, mgmt super.

FLORIDA INSTITUTE
OF TECHNOLOGY
Office of Admissions
150 W. University Blvd.
Melbourne, Fla. 32901
(800) 352-8324

School of Aeronautics

Robert Kirkland, dir-admissions

School of Underwater Technology & Oceanographics

Robert Cristadoro, dir-enrollment mgmt

Advertising Agency

University Advertising (in-house), Melbourne, Fla.—flying and oceanographic programs—Charlie Hutchins, acct super.

E&J Gallo Winery
Modesto, Cal.

RANK 122

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	675.0	N/A
Net income	N/A	N/A	N/A
Advertising	32.9	34.8	-5.5

E&J Gallo Winery, weathering a flat to poor year for California wine marketers in 1984, lowered its measured media ad spending in 1984 by 5.5% to $32.9 million.

The Modesto, Cal.-based winery, which has developed a business to cater to most wine tastes, ranked as the nation's 122nd advertiser on the basis of its measured spending, a drop from 108th place in 1983.

Revenues for the privately held Gallo are estimated at $673 million. Gallo is now the largest selling single brand category in the wine and distilled spirits field, based on total dollar volume, number of cases shipped and market share.

Included under this family name is Carlo Rossi wine, E&J California brandy, Andre champagne, a number of novelty wines such as Boone's Farm and Thunderbird, vermouth and liqueur.

The newest addition, Bartles & Jaymes wine cooler, is improbably advertised in a recently introduced tv commercial showing two rustics on a porch.

Gallo's major advertising theme, "All the Best. From Ernest and Julio Gallo," covers a range of wines, including the Gallo branded and the Gallo varietal wines labeled "From the cellars of Ernest and Julio Gallo." This includes such varieties as Chenin Blanc, Ruby Cabernet and Gewurztraminer.

Gallo introduced the Carlo Rossi brand, separately labeled, when it elevated the quality image of the Gallo line to the "Cellars" label and needed a lower price brand to fill the void. Now the company offers wines at three levels: The lower and medium priced jugs and the more costly varietals.

Gallo branding on more expensive varietal line is not a first for the Gallos. Reportedly, they were inspired by the Italian Swiss Colony (now Colony) wine operations in offering a broad range in a popularly priced line, but they began offering in the 1940s more costly varietals.

Today, according to *Impact*, the wine and spirits newsletter, the three Gallo still table wine brands have a 1984 combined U.S. market segment of 36%—up nearly a full market share from 1983. Included in this total is a 17.8% share of the market for the generic Gallo brand including Hearty Burgundy and Chablis Blanc, 16% for Carlo Rossi, the fastest growing brand at Gallo, and 2.2% for Gallo Varietals. Almaden is third with 9.4% of the market.

A first for Gallo was the introduction in 1984 of its first dated varietal wine, a 1982 Cabernet Sauvignon.

Gallo brand media ad spending was down 37%, to $16.4 million in 1984. Of the 1984 total, $16.2 million was network tv.

Andre brand spending, all for network tv, more than doubled, rising to $6.9 million in 1984 from $3.35 million in 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	746.6	2,355.0
Spot tv	1,312.6	2,836.6
Network tv	30,614.5	28,798.3
Spot radio	0.0	313.1
Outdoor	214.0	514.2
Total measured	32,887.7	34,817.2

E&J GALLO WINERY
600 Yosemite Blvd.
P.O. Box 1130
Modesto, Cal. 95353
(209) 579-3111

Corporate Personnel

Ernest Gallo, chmn
Julio R. Gallo, president

Advertising Agency

Ogilvy & Mather, San Francisco—E&J Gallo corp, Gallo varietal—Samuel Hershfield, acct super; Martin Wenzell, acct exec.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

The 1985 Ad Dollar Summary lists 35,000 Brands and how much they spent in 7 Media.

You can't buy this complete listing anywhere else.

These are the official industry figures. If you want to know who's spending what on advertising, BAR/LNA's Ad Dollar Summary is the reference tool you need.

Because only in this one volume will you find a complete summary of ad dollars from the PIB Magazine and Newspaper Supplement Service, from BAR's Broadcast Services and from the LNA Outdoor Advertising Service.

These are the very same figures LNA prepares for major media organizations like MPA, TVB, RAB, and OAAA. They're used by leading advertisers and their agencies. The trade journals also turn to LNA for media data.

The 1985 Volume now includes cable TV. The Ad Dollar Summary tells you how much each of 35,000 brands is spending in consumer magazines, newspaper supplements, network and spot television, network radio, outdoor advertising, and now, for the first time, in cable TV.

Brands are listed in alphabetical order along with their parent company identifications and the media used.

And that's not all. For the first time we've added listings that show the top 100 companies ranked by expenditures in each of the media.

Top 1000 Companies by total ad dollars. The Ad Dollar Summary includes other vital reference data.

For instance, there's a convenient listing of Top 1000 Companies ranked in order of total media expenditures and broken out in each of the seven media.

There's also a section in the year-end edition showing the top 10 brands in 275 product categories, with a category total.

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- Company/Brand—an alphabetical listing of companies and how much is spent on each brand in seven media.
- Class/Brand—compares competitive brands within 275 product categories. This enables you to see not only how much each brand spent in specific media, but also who the major spenders are in each category.

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Send me ______ 1985 Ad $ Summary Quarterly Service at $250
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Enclosed is my check or money order for $______
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Signature
Name and Title
Company
Address
Phone

Leading National Advertisers
136 Madison Avenue 5th Fl
New York, NY 10016
(212) 725-2700

BAR LNA

Hallmark Cards

RANK 102

Kansas City, Mo.

($ figures - 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,500.0	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	40.3	21.1	91.4

Hallmark Cards, Kansas City, Mo., which terms its principal field of business "social expression," ranked as the 102nd largest advertiser in 1984 with measured media spending of $40.3 million, a 91.4% increase over 1983.

Big changes at privately held Hallmark, which had total revenues of an estimated $1.5 billion in 1984, colored the company's advertising picture during 1984. In its dramatic boost of expenditures, the amount for network tv rose nearly 50% to $27.8 million; spending for print rose sharply to more than $11 million in 1984 from only $508,800 in the previous year.

In a major agency shift, Hallmark removed its more than $40 million ad account from Young & Rubicam in May, 1984, because it perceived a conflict between its own needs and those of American Telephone & Telegraph, whose $25 million account Y&R won in early 1984. Hallmark said the conflict came because it and AT&T both required "highly motivational" advertising and promoted themselves as "the best way to share love and affection." Hallmark turned over its account to Ogilvy & Mather, New York.

The company's two card brands, Hallmark and Ambassador, control 40% of the U.S. greeting card market, followed by American Greetings Corp., Cleveland, and Gibson Greetings Cards Inc., Cincinnati, acquired by Walt Disney Productions in early 1984. Hallmark brand cards reach the public through 22,000 retail outlets, half of them gift and stationery shops, and the rest department and drugstores. About 250 of the shops are Hallmark-owned.

The Ambassador line, started in 1959, is sold through 15,000 chain groceries and other mass-market outlets. A separate staff produces and markets Ambassador cards, which Hallmark describes as the third biggest greeting card seller with annual sales exceeding $250 million.

Hallmark's answer to this is a market-expanding multifold strategy: new licensed doll and cartoon characters, toys and gifts that can be marketed in tie-ins with cards, acquisitions of new companies, and investment in other industries.

Yet, a Hallmark spokesman stresses that the company is not veering from its main business: "A lot of media attention has focused on our acquisitions," he says, "but diversification is not where our energies are being spent. Social expression is still 90% of Hallmark."

Social expression was at the core of the company's reorganization in November, 1984, when it created a Social Expression Group to combine marketing and administration of all products in this category into one major management unit. Group vp Robert L. Stark, promoted to senior vp, directs the group.

Advanced card technology also shows Hallmark's continuing emphasis on its main business. A microchip gave Hallmark a new musical card in 1983. Further refinement produced a harmony musical card, first available for Christmas, 1984. In 1983, the company first used lasers to create intricate card designs, and in 1984 developed its "Perspectives" series of six cards bearing 3-D holograms.

Scheduled for completion in late 1985 is the new 170,000-sq.-ft. Technology & Innovation Center, where Hallmark plans for its artists, engineers, technicians and scientists to work together.

In content, Hallmark's cards in 1984 began reflecting sociological changes in U.S. society through its "new relationships" approach—cards for single parents, for homes with an absent father or a step-parent, a Mother's Day greeting that regards a mother not exclusively as a female parent but as someone who cares for children.

New products for 1984, created by the Hallmark Properties subsidiary, are story and doll characters Rainbow Brite and Rose-Petal Place. Mattel Inc. is licensed to make the doll versions. For 1985, there are Hugga Bunch, licensed to General Mills Toy Group, and new photo albums, paper partyware, gift wraps and fancy bags for wine, cookies or jewelry.

News of major acquisitions has come frequently the past few years from Hallmark's Crown Center headquarters, and 1984 was no exception. In March, 1984, Hallmark acquired a British maker of greeting cards and stationery, W.N. Sharpe Holdings, Bradford, England, for $52 million. In August, 1984, Hallmark bought Binney & Smith, Easton, Pa., the Crayola crayon maker, for $203 million. And Feb. 1, 1985, the company paid $50 million to take 30% equity in the textbook publisher and broadcaster SFM Cos. (formerly Scott Foresman & Co.), Glenview, Ill.

Over the years Hallmark has developed or acquired a number of companies, each with a distinctive line, including: Springbok, jigsaw puzzles (1967); Trifari, Krussman & Fishel, fashion jewelry, New York (1975); Charles D. Burnes Co., quality photo frames, Boston (1979); Litho-Krome, color printing, Columbus, Ga. (1979); and Heartline, its own designer-marketer of gifts, mostly plush toys (1983). The Hallmark International segment markets Hallmark products in 122 countries worldwide.

Hallmark employees own one-third of the company, with the remainder controlled by the Hall family. The late Joyce C. Hall at the age of 18 came to Kansas City from Nebraska 75 years ago to sell picture post cards. He stayed to found Hallmark Cards on Jan. 20, 1910. His son, Donald J. Hall, heads the company as chairman.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	11,047.7	508.8
Network cable	83.2	173.0
Spot tv	1,387.6	1,381.4
Network tv	27,812.9	18,668.2
Spot radio	1.6	66.7
Network radio	0.0	276.3
Total measured	40,333.0	21,074.4

HALLMARK CARDS INC.
2501 McGee
P.O. Box 580
Kansas City, Mo. 64141
(816) 274-5111

Marketing Personnel

Ed Dishorough, group vp-mktg
Homer Evans, corp vp-Hallmark sales
Clark Randall, corp vp-Hallmark Card prods
Joe Curran, corp vp-Hallmark specialty prods
Bob Firnhaber, corp vp-president, Ambassador Cards
Don Fletcher, corp prod dir-card prods
Joe Nesselhuf, corp prod dir-specialty prods
Brad Moore, dir-adv & tv programing
Bill Stacy, div vp-Ambassador sales
Rich Wadley, corp prod dir-Ambassador
Pat Cullinan, div vp-Ambassador sales devel
Stan Hamilton, president-Hallmark Intl div
Joe Curan, president-Hallmark Properties div
Lanny Julian, vp-genl mgr-Hallmark Properties div

Corporate

Christopher Clouser, corp vp-public affairs & communications
Charles Hucker, dir-corp communications
Nancy Matheny, mgr-mktg communications

Advertising Agency

Ogilvy & Mather, New York—social expression prod—Ken Roman, president; J. Brendan Ryan, senior vp-acct group dir; Linda Cornelius, vp-mgmt super; Stephen Harty, acct super.

BINNEY & SMITH
Easton, Pa.

Marketing Personnel

Jack F. Kofoed, chairman
Richard S. Gurin, president-coo
Lindley C. Scarlett, vp-mktg

Advertising Agency

Needham Harper Worldwide, New York—Crayola prods—James Kuras, president; Richard Murray, senior vp-mgmt rep; Susan Spohn, acct super.

CHARLES D. BURNES CO.
Newton Center, Mass.

Marketing Personnel

Stanely D. Greene, chairman
Charles Gordon, president

Advertising Agency

Jackson-Blum, Boston—picture frames—William Blum, president, acct super.

CROWN CENTER REDEVELOPMENT CORP.
Kansas City, Mo.

Marketing Personnel

Robert A. Kipp, president
James Dawson, vp-mktg

Advertising Agency

Valentine-Radford, Kansas City, Mo.—retail center—Robert Brooks, president; Maureen Gaynor, acct super.

GRAPHICS INTERNATIONAL
Kansas City, Mo.

Marketing Personnel

Alfred R. Sondern, president
Jerry Siebes, vp-Heartline
Keith Ellenberger, vp-trading co. div

LITHO-KROME CO.
Columbus, Ga.

Marketing Personnel

L. Lamar Powers, president-genl mgr

TRIFARI, KRUSSMAN & FISHEL
East Providence, R.I.

Marketing Personnel

Stanley D. Greene, chairman
Thomas H. Johnston, president
Robert D. Sangster, exec vp

Advertising Agency

AC&R Advertising Inc., New York—fashion jewelry—Stephen Rose, chairman; Sheldon Marks, exec vp-mgmt super; Joyce Kayhart, senior vp-acct super.

Hattori Corp. of America

RANK 112

New York

($ figures - 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	35.6	27.3	30.5

Hattori Corp. of America, New York, marketer of Seiko, Lorus and Pulsar watches, is the 112th largest advertiser in the U.S., spending 45%, or $9.5 million, of its total measured ad spending in 1984 on spot tv for Seiko watches.

Hattori is a subsidiary of the far-flung Hattori-Seiko Co. Ltd., one of the last family-run industrial empires in Japan. Hattori spent $35.6 million in measured ad spending in 1984, up 30.5% from the previous year. Because most companies in the group are private, including the U.S. subsidiary, consolidated financial results are not disclosed.

Analysts estimate total sales for the entire Hattori-Seiko group, in the fiscal year that ended March 31, 1984, were between $2.5 billion and $3 billion. The group is made up of five companies marketing a variety of watches, clocks, computer peripherals, electronic and high-tech products.

Seiko Time Corp., the New York-based subsidiary that imports and markets Seiko brand watches and clocks, is the flagship of U.S. operations. Other Hattori U.S. subsidiaries are Lorus and Pulsar, both of which market watches and clocks under the same brand names. They, too, are heavy users of spot tv.

In 1984, Lorus spent $3.6 million, 100% of its measured ad budget, on spot tv. Pulsar spent $4.3 million on spot tv for the year, 89% of its measured spending, with an additional $529,000 for magazine.

In terms of brand share, however, by far the most important subsidiary is Seiko. Of the 130 million watches sold in the U.S. each year, Seiko brand holds estimated market share of 2.5% in units.

It is the brand leader among watches priced $125 to $300. Worldwide, Hattori Seiko's has a 12% dollar volume market share. But demand for watches, after tremendous growth through the 1970s, is growing in the 1980s at a rate of only 4% a year. Robert Pliskin, president of Seiko Time, says U.S. net sales of Seiko timepieces in 1984 increased 12%.

Ads for the Seiko brand in 1984 featured two themes: Impeccable quality and beautiful styling. Seiko's longstanding tag line, "Someday all watches will be made this way," gave way late in the year to "Man invented time, Seiko perfected it." The reason for the switch was that Seiko's earlier prediction virtually came true, with other marketers introducing lower-priced knockoffs, Mr. Pliskin says.

Tv spots for Seiko continued focusing exclusively on the product in 1984. Two commercials introduced late in the year illustrate the advertising approach. In an ad slugged "red dot," the screen is filled with a red dot that gradually recedes to become the red indicator on an alarm wristwatch. Another spot, "geometric design," shows the individual pieces of a watchband joining together, emphasizing the geometric styling of the watch.

Print executions are spinoffs of tv ads. In 1984, Seiko spent a measured $2.1 million on magazine. Although newspaper spending figures were not available, Mr. Pliskin indicates newspaper spending for Seiko products increased about 50% in 1984. Measured newspaper spending in 1983 for Seiko, Pulsar and Lorus brands was $8.7 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	13,099.2	8,732.8
Magazines	2,686.0	2,627.7
Network cable	1,525.3	0.0
Spot tv	17,753.9	12,796.8
Network tv	426.6	3,049.3
Outdoor	81.5	47.5
Total measured	35,572.5	27,254.1

HATTORI CORP. OF AMERICA
640 Fifth Ave.
New York, N.Y. 10019
(212) 977-2900

Marketing Personnel

Robert Pliskin, president
Don Larsen, vp-sales
David Strausse, vp-adv, pr, Lorus, Pulsar

Advertising Agency

AC&R Advertising, New York—all Seiko products—Steve Rose, chmn; Constantine Pappas, senior vp-acct super; David Scofield, acct exec.

LORUS

Marketing Personnel

Mort Gershman, president
Joseph Unda, exec vp
Howard Fischer, gen mgr-mktg

Advertising Agency

AC&R Advertising, New York—Andrew Frothingham, acct vp-acct super.

PULSAR

Marketing Personnel

Arthur Cohen, president
Jerry Batt, exec vp
Jonathan Nettelfield, mgr-mktg & adv
Lee Middleton, adv mgr

Advertising Agency

Ammirati & Puris Inc., New York—Milly Massey, acct exec; L. DeLuca, acct coord; Mary Herrmann, Susan Byrne, acct supers.

G. Heileman Brewing Co.

RANK 176

La Crosse, Wis.

($ figures - 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,341.5	1,325.6	1.2
Net income	45.8	57.0	-19.6
Advertising	23.0	24.8	-7.2

A major realignment of G. Heileman Brewing Co.'s marketing strategy, based on brand acquisitions and heightened price competition in the beverage industry, added up to a rough year in 1984 for the La Crosse, Wis., company.

Earnings declined 20% to $45.8 million on sales of $1.3 billion. But Heileman is brewing up trouble for competitors with a new ad campaign for Old Style, its lead brand with national market share estimated at 2.8%, and aggressive marketing of newly acquired beverage, baked goods and snack food items.

Heileman was the 176th largest national advertiser in 1984 with $22 million in total measured spending, down 7.2% from 1983.

Old Style continued in 1984 to receive the largest single share of Heileman's measured brand advertising, with spot tv topping $4.7 million, and network and outdoor each at $600,000. Old Style lager beer received 87% of the brand's measured ad spending, and Old Style Light received the remainder.

Old Style's new campaign, created by newly hired Ogilvy & Mather, San Francisco, introduced in November, represents a return to beer advertising focusing on the product as "hero." Previously, Old Style ads stressed its brewing process. The new theme, "Brewed with water from when the earth was pure," still stresses Heileman's brewing process, but the creative strikes a sharp contrast with the fun-filled, people-oriented tv genre made popular by Miller Brewing Co. and Anheuser-Busch.

A strong brand identity is important for Old Style, which is aggressively seeking new markets as a means of improving brand share and becoming a national brand. In 1984, Old Style expanded into the southeastern U.S., in addition to certain Texas and Oklahoma markets, following the 1983 acquisition of Pabst Brewing Co. breweries in Perry, Ga., and Portland, Ore., and the Olympia Brewing facility in San Antonio.

In 1984 and early 1985, Heileman attempted to acquire Pabst Brewing Co., a move that was blocked by federal injunction after a lawsuit alleging unfair competition by Stroh Brewery, Detroit, and C. Schmidt & Sons, Philadelphia. Subsequently, S&P Co., owned by Paul Kalmanovitz, gained control of Pabst.

The only Heileman brand receiving relatively large measured network tv spending in 1984 was Colt 45, the nation's second-best selling malt liquor behind Stroh's Schlitz malt liquor. Receiving $1.4 million in network tv and $400,000 in spot tv, Colt 45 continued with its "Dynamite Taste" theme.

Acquired brands and new products will play an increasingly important role in Heileman's advertising through the 1980s. For example, Henry Weinhard beer in 1984 received $1.6 million in humorous spot tv commercials aimed at persuading West Coast consumers to "switch to Henry's." Rainier, the best-selling beer in Washington and Montana, received measured spending of $1.4 million in spot tv, promoting the "Mountain Fresh Rainier" theme.

Heileman also introduced in April, 1984, low-alcohol brands for Old Style, Blatz, Black Label, Schmidt, Lone Star and Rainier. Other new products include Country Cooler wine cooler in four flavors, September, 1984; Black Label 11/11 malt liquor, October, 1984; and Presidente Pilsner beer (imported from Dominican Republic), August, 1984.

Heileman is introducing in 1985 several flavored mineral waters, La Croix sparkling citrus and strawberry coolers. It also is test marketing the draft distribution of Mission Springs chablis, burgundy, rose and rhine wines.

Heileman is diversifying into baked goods and snack foods with the 1984 acquisition of trademarks, trade names and customer lists. Bake-Rite Baking Co., including the Mrs. Carter's family of products, joined Heileman Baking Co. in 1984. Heileman Baking sells a complete line of baked goods through a wholesale distribution system of 700 routes.

Bake-Rite's snack foods division in April, 1984, purchased Mrs. Howe's Chips, Milwaukee, adding to its Barrel O'Fun and Red Seal brands.

Agency changes in 1984 and early 1985 included Old Style and Special Export brands to Ogilvy & Mather, San Francisco, and Blatz brands to W.B. Doner & Co., Baltimore. O&M was selected for Heileman's leading Old Style brand because the company was pleased with its clever ads for Henry Weinhard Private Reserve.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Network cable	61.0	0.0
Spot tv	11,187.3	12,225.6
Network tv	3,793.5	4,602.8
Spot radio	6,483.3	5,983.9
Outdoor	1,456.2	1,958.8
Total measured	22,981.3	24,771.1

G. HEILEMAN BREWING CO.
La Crosse Wis. 54601
(608) 785-1000

Marketing Personnel

John Pedace, exec vp-mktg
Ron Rizzo, vp-national sales
Ray Flower, dir brand mgmt-north central div
Tom Myers, vp-brand mgmt, eastern div
Jim Martin, vp-mktg, western div
Larry Thomas, dir brand mgmt-south central div
Bryant Truitt, director of intl sales
Don O'Brien, dir adv-Old Style, Special Export, Blatz
Charles Simpson, dir adv-Schmidt, Lone Star, Wiedemann Special, Mickey's Malt Liquor
Syd Marcus, vp-adv-Colt 45, Carling Black Label, Tuborg, Malt Duck
Jim Foster, adv mgr-Rainier, Heidelberg
Gene Clark, adv mgr-Henry Weinhard Private Reserve

Advertising Agencies

Ogilvy & Mather, San Francisco—Old Style, Old Style Light, Weinhard's Ale, Special Export, Henry Weinhard Private Reserve, Henry Weinhard Private Reserve Dark—Jim Magill, mgmt super; Tom Bedecarre, acct exec; Barbara Trainor, acct coord.

Chuck Ruhr, Minneapolis—Schmidt beer, Stag, Sterling, Mickey's, Falls City, Weidemann—Gordy Simanton, acct mgr; Bob Thacker, vp-creative dir; Doug Lew, vp-art dir; Julie Moe, media planner.

W. B. Doner, Baltimore—Blatz, Lone Star—Howe Burch, acct super; Phil Lasalle, acct exec.

Hewlett-Packard Co. RANK **172**
Palo Alto, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	6,044.0	4,710.0	28.3
Net income	665.0	432.0	53.9
U.S.			
Sales	3,527.0	2,725.0	29.4
Operating profits	768.0	644.0	19.3
Advertising	23.2	14.7	58.2
Division sales			
Computer prods.	3,269.0	2,476.0	32.1
Electr. measurement	2,289.0	1,779.0	28.7
Medical equipment	378.0	355.0	6.5
Analytical instruments	229.0	184.0	24.5

Hewlett-Packard Co., thriving on the heavy competition in the computer/electronics industry, backed its products with $23.2 million in measured ad spending in 1984 as the company achieved a 54% increase in net earnings on a 28% increase in sales.

Palo Alto, Cal.-based Hewlett-Packard, the 172nd largest advertiser, created a new all-corporate divisional structure and marketing system in 1984, renewing its commitment to advertising, the measured portion of which increased 58.2% over 1983.

Sales, which have tripled since 1978, rose to $6.04 billion in 1984, while net earnings shot up to $665 million. The latter figure includes a one-time increase of $118 million caused by a change in government tax regulations covering overseas operations.

Hewlett-Packard has produced such financial returns on product innovation. The company, which introduced the first scientific hand-held calculator in 1972, has just stepped out with its new leaner-meaner marketing physique, one eye on the competition at home, including IBM, and one eye to the Far East.

During 1984, measured advertising increased across the board, up 50% for magazines, up 124% for spot tv, from zero to $2.4 million for network tv, and a first-time cable expenditure for HP of $110,500.

Other advertising indicators tell the same story. Total corporate spending for advertising, including a variety of marketing and promotional costs in addition to media advertising, rose 64.5% from 1983 to $153 million in 1984. The $93 million in 1983 was up 27% from 1982. Total media costs, including measured media plus substantial outlays for promoting to the technical and professional audiences, exceeded $40 million in 1984, according to HP.

HP buys coverages in a variety of outlets, including the broadest possible array of trade and professional journals, which are not monitored in measured spending totals by ADVERTISING AGE, enthusiast books, consumer magazines and prime-time tv.

HP says it is becoming convinced its prime computer market is the more sophisticated, more professional user. For example, introducing a new personal computer, the HP 150 in 1983, Hewlett-Packard gave it greater "user friendliness" for the business office by adding CRT Touchscreen control and supported the upgraded model, renamed HP Touchscreen, with heavy tv spending plus space in computer enthusiast magazines, news and business magazines, and newspapers.

The results were not what HP had hoped for, perhaps because content was too broad. HP as a result moved the account in late 1984 from J. Walter Thompson USA to Leo Burnett Co.

Under Hewlett-Packard's marketing reorganization, four former product sectors oriented to groupings of hardware were removed. In their place are three business sectors oriented to integrating systems of related instruments, computers and accessories, as indicated in joint consultation between customer and Hewlett-Packard's marketing team.

The new marketing group, called marketing and international, now works with the three new business sectors: Components, measurement and design system; information systems and networks, and manufacturing, medical and analytical systems.

As further testimony to the new emphasis on HP marketing, the percentage of net sales devoted to marketing has climbed steadily, reaching 17.6% in 1984, while the percentages to cost of product and r&d have remained static since 1982.

The company has given heavy advertising support to a number of the computer-segment products, including both tv and print for the 110 Portable, which is compatible with IBM, and the HP Touchscreen, still selling behind the IBM PC and the Apple brands.

Major print spending backs other, more technical Hewlett-Packard personal computers and the innovative new fast printers, ThinkJet and LaserJet.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,110.1	4,110.1
Magazines	11,363.1	7,597.0
Network cable	110.5	0.0
Spot tv	5,307.6	2,373.8
Network tv	2,328.4	0.0
Spot radio	26.1	612.9
Outdoor	1.0	0.0
Total measured	23,247.0	14,693.8

HEWLETT-PACKARD CO.
3000 Hanover St.
Palo Alto, Cal. 94304
(415) 857-1501

Marketing Personnel

Richard C. Alberding, exec vp-mkgt & intl
Arthur F. Dauer, dir-co-op mktg
Russell M.H. Berg, dir-mktg communications

Advertising Agencies

Dancer Fitzgerald Sample, New York—computers, calculators, info system networks, mfg systems (primarily print media)—David Dunn, acct exec.

Leo Burnett, Chicago—business computer systems—John Peterson, acct vp.

Ogilvy & Mather Direct Response, San Francisco—graphic systems plotters, peripherals—Gordon Kallio, mng dir.

Tallant & Yates, Denver—design systems and some measurement systems—Robert Koeper, acct exec.

Pinne, Garvin, Herbers & Hock, San Francisco—analytical and component group—Don Herbers, acct exec.

Giardini Russell, Watertown, Mass.—medical group—Richard Warden, acct mgr.

Geo. A. Hormel & Co. RANK **161**
Austin, Minn.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,454.5	1,417.7	2.6
Net income	29.5	27.9	5.8
Advertising	24.4	19.2	27.4

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Modern Healthcare
Pensions & Investment Age
City & State

Geo. A. Hormel & Co., beset with union troubles and rising pork prices, turned in a lackluster performance in 1984 while kicking up its measured media ad spending 27.4%. Ad spending levels elevated the Austin, Minn.-based meat processor nine places to become the nation's 161st largest advertiser.

Measured media spending hit $24.4 million in 1984. When including unmeasured advertising, the company's total marketing budget is expected to reach $52 million in 1985. The company splits that budget between BBDO and Chuck Ruhr Advertising, both Minneapolis.

Hormel turned in 1984 net earnings of $29.5 million, up 5.7%, on sales of $1.5 billion, up 7%—results falling short of corporate expectations. For the first half of its fiscal 1985, Hormel posted sales of $710.8 million, up 2.3% over the same period in 1984. The company has earned $15.2 million thus far in 1985, down 9% from $16.7 million last year.

During 1984, Hormel's spot radio spending jumped 128.7% to $4.9 million in 1984. The company spent 61.6% more on spot tv ($5.5 million), 41% more on network radio ($2.0 million) and 7.5% more on magazines ($4.7 million) in 1984 than in 1983.

Last year, Hormel bought Dold Foods, a Wichita, Kan.-based ham and bacon processor, and Aunt Yvonne's, a Fort Dodge, Ia.-based frozen foods company. Hormel was unsuccessful in a bid to buy Esmark's Swift & Co. unit, later swallowed in the Beatrice-Esmark merger. Hormel holds the top spot in the canned meat catagory, followed closely by Armour-Star meats and Libby, MacNeill, Libby. Hormel trails Armour-Star in the canned sausage and the potted meat categories.

In 1985, the company's Dinty Moore Stew and Spam luncheon meat will be given contemporary looks. The Dinty Moore character already has been redesigned. The product has been repositioned as a hearty meal for children. The company ran a promotion asking children to send in package labels to receive stickers of Dinty Moore and his Forestland Pals.

Preparing for Spam's 50th year on the market, BBDO designed a sweepstakes and recipe tips campaign aimed at moving the canned pork product from the lunch slot into the main meal category. Radio spots feature consumers being fooled by hors d'oeuvres and casseroles made with Spam. Consumers admit the food is "good."

In 1984, Hormel added Light & Lean Ham, with 60 calories a serving; Wrangler Smoked Bacon, a double smoked, thick-sliced product; Frank 'n Stuff hot dogs with a tunnel of chili inside; Old Smokehouse barbecue sauce, and Great Beginnings canned meat chunks in gravy.

Keeping the new product momentum going, the company has introduced in 1985 Broiled & Browned pork sausage, the company's first meat for the microwave market. To soften its reliance on the volatile pork market, Hormel introduced in January its Gold'n Lite breaded vegetables and Cheese frozen snacks, Chunky Chili with homemade texture and Catfish Bobbers bite-size nuggets of deep-fried, frozen catfish.

Hormel's labor problems began in October, 1983, when the company tried to impose a 23% wage cut at its Austin plant. Hormel needed the cuts, it said, to remain competitive when red meat consumption was down and nonunion companies were cutting into market share. While other Hormel plants accepted the cuts, the main plant in Austin would not.

Employes retaliated with pickets and a campaign aimed at arousing public pressure against Hormel and its major banker, First Bank System of Minneapolis.

Hormel, in this atmosphere of growing tension, for the first time in its 93-year history, held its annual stockholders meeting outside of Austin, selecting Atlanta. Hormel president-ceo Richard L. Knowlton told stockholders he may have to move the company's headquarters out of its, and his, hometown to remain competitive. Hormel reportedly pays the highest wage and benefits costs in the industry: $21 per employe per hour.

The company was unable to negotiate the wage cuts, so rate will remain in place until September, 1986, when the union contract expires.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,388.5	4,388.5
Magazines	4,651.0	4,324.9
Spot tv	5,548.0	3,433.8
Network tv	2,847.1	3,321.2
Spot radio	4,850.6	2,120.7
Network radio	1,972.8	1,398.9
Outdoor	190.0	197.9
Total measured	24,448.0	19,185.9

GEO. A. HORMEL & CO.

R.L. Knowlton, chairman, president-ceo
T.J. Purcell, director, adv & mktg services

MEAT PRODUCTS GROUP

Marketing Personnel

James A. Silbaugh, group vp
Stanley E. Kerber, senior vp-mktg
James DiNicola, vp-sales
Kim Jenkins Sr., dry sausage/deli direct mktg
Bob Tegt, prod mgr-Light & Lean prod, consumer pac dry sausage
Gary Esbeck, prod mgr-precooked prod, Broiled 'N Browned, Fast 'N Easy
Joe Swedberg, prod mgr-ham, smoked meats
Gary Jones, prod mgr-prepared sausage, Frank 'N Stuff
Kurt Mueller, prod mgr-pork, corned beef
Richard Johnson, prod mgr-food service
Tom Blumhardt, prod mgr-breakfast meats, Little Sizzlers pork sausage
Mike Grogan, assoc prod mgr-dry sausage/deli

PREPARED FOODS GROUP

Marketing Personnel

James Hall, group vp
Robert Patterson, vp
Jerry Figenskau, dir-grocery prod mktg
Robert Blevens, dir-grocery prod sales
Rick Bross, new prod mktg mgr, new prod devel
M.E. Burgstahler, prod mktg mgr-Dinty Moore, Great Beginnings, imported prod
Richard Crabe, prod mktg mgr-Spam, BBQ Sauce, dried beef
William Husk, mktg mgr-sales mgr-canned hams, bulk, pattie
Marc Johnson, assoc prod mgr-industrial-Mary Kitchen Hash, Private Label
Gary Prince, assoc prod mgr-pickled prod, bits prod
Larry Raskin, assoc prod mgr-Chili, Tamales, Deviled Spam, Spreads, Vienna Sausage
John Vrabel, prod mgr-chunk prod, short orders, vending
Jerry Whithaus, natl sales & mktg mgr-retail frozen foods

Advertising Agencies

BBDO Inc., Minneapolis—Wm. Weigold, exec vp-genl mgr; George Hermelink, senior vp-creative dir; Gary Lamaster, vp-assoc creative dir; Jim Lamaster, vp-assoc creative dir. Prepared Foods: Spam, Chili, Chunk canned ham, Mary Kitchen, Old Smokehouse, BBQ Sauce, Bacon Bits, Gold 'n Lite, Farm Fresh Catfish—Tom Keating, vp-mgmt super; Bob Jackson, vp acct super; Dennis Nustad, acct super. Meat prod: Cure/81 Ham, Light & Lean prod, Frank 'N Stuff, Wranglers Smoked Frank prod, Little Sizzlers Pork Sausage, Broiled 'N Browned prod, Fast 'N Easy prod, dry sausage/deli, food service—Bruce Nomick, senior vp-mgmt super; Wes Crawford, Jake Schroepfer, acct supers.

Chuck Ruhr Inc., Minneapolis—Dinty Moore prod, Great Beginnings—Chuck Ruhr, president; Doug Lew, Bob Thacker, vp-creative dirs; George Fulton, vp client services, Gordy Simanton, mgmt super.

Gioia Productions, Glen Head, N.Y.—Italian language advertising—Luisa Bianchi, president.

RANK 124

Household International
Prospect Heights, Ill.

($ figures – 000,000)

	1984	1983	% chg
Worldwide			
Sales	8,321.5	7,911.9	5.2
Net income	234.1	206.4	13.4
U.S.			
Sales	7,961.2	7,552.5	5.4
Operating profits	457.6	424.8	7.7
Advertising	32.4	24.6	31.6
Division sales			
Financial services	1,325.4	1,161.1	14.2
Merchandising	5,400.0	5,305.7	1.8
Manufacturing	897.9	807.6	11.2
Transportation	698.2	637.5	9.6

Household International top management, occupied with streamlining operations by restructuring the company's merchandising and manufacturing divisions in 1984, has spent recent months engaged in a legal battle over measures adopted to protect the diversified company, which recorded its best year ever, from being a takeover target.

The Prospect Heights, Ill.-based conglomerate was the 124th largest U.S. advertiser in 1984 with total measured spending of $32.4 million, a 32% increase from the previous year. With a beefed-up ad budget, the company placed more emphasis on tv, raising its network tv spending 64%, spot tv 59% and network cable 131%.

The antitakeover measure passed by the board without shareholder vote is on appeal before the Delaware Supreme Court. The suit has to do with a board member's objection that the board action—to allow shareholders to buy a new preferred stock if anyone buys 20% or more of the company's outstanding shares—abrogates a shareholder's fundamental right to sell his stock when he wants.

The restructuring helped Household International report improved results in merchandising and manufacturing, along with record results at its growing financial services and transportation divisions. Over-all, net income was up 13% to $234 million on a net sales gain of 5% to $8.32 billion for the fiscal year ended Dec. 31.

Restructuring moves in the merchandising division included the closing of unprofitable retail outlets and the divestiture of all furniture store operations, completed in December. The furniture retail outlets sold included Colby's in Chicago, Huffman-Koos in New Jersey, Barker Brothers in Los Angeles and American Furniture in El Paso, Tex.

During the past two years, Household closed 173 T.G.& Y. general retail stores and upgraded many others in an attempt to reduce costs and increase productivity within the chain. At yearend, the company was operating 743 T.G.& Y. stores in 26 states, with a concentration in the Gulf Coast region. The general retail segment posted income of $19.1 million for the year, compared with $5.3 million in 1983.

After a major price war in its Southern California market eroded its income base, Vons Grocery Co. pushed ahead with efforts to find a new niche and avoid future price battles. Vons, which operates 176 supermarkets in California and Las Vegas, is seeking to appeal to busy two-income families by opening new stores as "value centers" —37,000-to-40,000-sq.-ft. units combining food and drugstores. In selected locations, these larger stores make an even stronger appeal to yuppies by adding specialty departments such as delicatessens, bakeries and pharmacies.

Household also revamped its consumer products manufacturing business by consolidating production at some plants, closing others and introducing several new products. Backed by more than $2 million in network and spot tv, via BBDO/Chicago, Thermos introduced Coffee Butler—a stylish insulated carafe that will keep coffee hot for hours. Another new application of Thermos' insulation technology is Koolaroo, a portable cooler with side pockets to hold sunglasses, books and the like. National campaigns for both products were launched in the spring by BBDO, which Household International retained in April to handle its $1.5 million corporate ad program.

The largest portion of Household's ad monies was spent on Minneapolis-based National Car Rental System, whose record year in 1984 the company attributes to greatly increased air travel since the deregulation of the airline industry. National's advertising, handled by Campbell-Ewald, Warren, Mich., has shifted from predominantly print to more than half in tv.

The third-ranked car rental company, behind Hertz and Avis, National has been driving for a larger share of the weekend and vacation auto rental market. One tactic it has used is promotional tie-ins with vacation destinations such as Walt Disney World. To lessen its dependence on the cyclical air travel industry, almost all of the 109 new units National has opened since 1982 have been off-airport locations.

Household Finance Corp. has accelerated its move into the consumer banking category by acquiring savings and loan associations in Ohio, Illinois and Maryland. HFC has announced it intends to pursue acquisitions of other s&ls as well as "nonbank" banks. At yearend, HFC operated 45 Household Bank branches, including 10 Household Finance units that were converted to banks in 1984.

HFC's consumer lending operations will be marketed more extensively in 1985, including revolving credit and lending financing and variable rate financing. In early 1985, HFC expanded its international operations by acquiring an Australian consumer finance business, a move that added 75 offices to Household's 97 existing offices in that country.

Although Household International reduced ad spending for its financial services division from more than $5 million in 1983 to slightly more than $1 million last year, Household Finance Corp.'s income rose 4% to an alltime high of $153.3 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,854.2	2,854.2
Magazines	4,2[illegible].2	5,571.7
Network cable	260.4	112.6
Spot tv	20,228.6	12,762.0
Network tv	4,724.8	2,879.0
Spot radio	35.4	68.8
Outdoor	62.3	353.2
Total measured	32,366.9	24,601.5

HOUSEHOLD INTERNATIONAL
2700 Sanders Rd.
Prospect Heights, Ill. 60070
(312) 564-5000

Marketing Personnel

Donald C. Clark, chairman, president-ceo
Edward W. Boddy, corp communications dir

Advertising Agency

BBDO, Inc. Chicago-John Kittilsen, acct super; Bob Tingrey, senior vp-mgmt super; Bob Pankauskas, vp-assoc rsch dir.

THERMOS CO.
Norwich, Conn.

Marketing Personnel

Haynes Kelly, president
James E. Freeman Jr., vp-mktg sales

Advertising Agency

BBDO Inc., Chicago—John Kittilsen, Bob Tingrey, Bob Pankauskas.

HOUSEHOLD FINANCE CORP.

Marketing Personnel

William D. Hendry, president
Robert C. Bolster, vp-dir mktg & adv

Advertising Agency

Needham Harper Worldwide, Chicago—Henry F. DeBoest, vp-acct dir.

ALEXANDER HAMILTON LIFE INSURANCE
Detroit

Marketing Personnel

Richard H. Headlee, president-ceo
James Ponder, vp-mktg
Thomas Duggan, adv dir & dir communications services

Advertising Agency

LeBar Associates, Troy, Mich.—W. Leteau, acct exec.

NATIONAL CAR RENTAL SYSTEM
Minneapolis

Marketing Personnel

B.A. Rolfs, president-ceo
J. Sullivan, vp-car rental adv
John Hendrickson, adv mgr

Advertising Agency

Campbell-Ewald, Warren, Mich.—Dennis Connaughton, senior vp; Susan Hanson, acct super.

SCHWITZER N.A.

Marketing Personnel

Wayne Rockwell, president
Clifford Yee, vp-sales & mktg

Advertising Agency

Garrison, Jasper, Rose & Co., Indianapolis—Michael Glenn, acct exec.

ILLINOIS GEAR

Marketing Personnel

M.A. Weber, president
J.D. Wiggins, vp-mktg

Advertising Agency

McKinney MidAmerica, Chicago—Frank W. Callahan, president.

ELJER PLUMBINGWARE

Marketing Personnel

J.W. Deering
L.B. Dore, vp-mktg

Advertising Agencies

Marketing Support Inc., Chicago—David L. Weiner, pres.

Damart Advertising Associates, Minneapolis—Yellow Pages—Edward W. Rhodes, president; Shannon Atwill, acct rep.

SIMONDS CUTTING TOOLS
Fitchburg, Mass.

Marketing Personnel

Frank J. Martin, president
J.W. Hakanson, dir-sales

Advertising Agency

Askey Associates, Keene, N.H.—Robert Askey, acct exec.

G.C. ELECTRONICS
Rockford, Ill.

Marketing Personnel

Wayne Timpe, president
Robert Rieger, dir-mktg

Advertising Agency

West, Gentry & Morris, Rockford, Ill.—Robert West, president.

THORSON TOOL
Dallas

Marketing Personnel

Charles Douglas, president
Larry Adams, vp-sales

Advertising Agency

Walter Clark Agency, Dallas—Walter Clark, president.

ALMCO DIV

Marketing Personnel

Jerry N. Brandt, president
Keith A. Fligge, sales mgr

Advertising Agency

William Eisner & Associates, Baltimore—William Eisner, president.

STRUCTO DIV
Freeport, Ill.

Marketing Personnel

Steven J. Carletti, dir-mktg

Advertising Agency

Keller-Crescent, Evansville, Ind.—Frank Ferrara, acct exec.

KING-SEELEY DIV
Kendallville, Ind.

Marketing Personnel

Ted Hall, president
Carol Heyer, sales mgr
John Clark, human resources materials

Advertising Agency

Colburn Advertising, Ft. Wayne, Ind.—Robert Colburn, pres; Jack Collins, acct exec; Mark Manuszak, acct dir.

HALSEY TAYLOR

Marketing Personnel

Darryl J. Stearle vp-mktg sales

Advertising Agency

Loran Nordgren, Frankfurt, Ill.—Loran Nordgren, president.

HOUSEHOLD MERCHANDISING

Marketing Personnel

Bernard F. Brennan, president-ceo

BEN FRANKLIN STORES
Des Plaines, Ill.

Marketing Personnel

Michael J. McGinnity, president
Brad Beechen, vp-mktg
Bill J. Matlock, exec vp-mktg & regional operations

Advertising Agency

(In-house)

T.G.& Y. STORES
Oklahoma City

Marketing Personnel

Richard C. Rusthoven, president-ceo

Advertising Agency

Inter-Media Buying Corp, Sherman Oaks, Cal.—broadcast—Rick Feldman, acct super.

VONS GROCERY CO.
El Monte, Cal.

Marketing Personnel

Roger Strangeland, chairman
William S. Dawila, president, dir-mktg

Advertising Agency

Grey Advertising, Los Angeles—Carol Garris, acct exec.

COAST-TO-COAST STORES
Minneapolis

Marketing Personnel

Ralph Dillon, president
Rollie Carlson, vp-adv
Hardy Soderholm, vp-merch
Ken Hoffman, senior vp-customer relations

Advertising Agency

Carmichael Lynch, Minneapolis—Doug Holcombe, vp-acct super; Phil Waggoner, mgmt super; Ron Sackett, assoc creative dir.

Jerry's Restaurants rises, falls and rises

Jerome Lederer founded and lent his name to today's Jerry's Restaurants, run by Jerrico Inc., Lexington, Ky., the nation's 193rd largest advertiser.

Mr. Lederer started his chain—then called White Taverns—in Shelbyville, Tenn., in 1925 and by the early 1940s had built the chain to 13 outlets stretching from Kentucky to New York. Plagued by food shortages during World War II, only three remained by the end of the war.

Mr. Lederer began to rebuild in 1946 with help from Warren W. Rosenthal, who in 1963, purchased Mr. Lederer's interest in the company, and then took it public in 1969.#

Imasco U.S.A.

Rocky Mount, N.C.

RANK 123

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,818.2	2,713.9	3.8
Net income	205.1	161.6	26.9
U.S.			
Sales	1,900.8	1,706.2	11.4
Operating profits	N/A	N/A	N/A
Advertising	32.6	19.1	70.2

Imasco USA, the nation's 123rd largest advertiser, plowed $32.6 million in measured advertising into its marketing efforts to do its best at making the so-called "burger wars" a four-way race.

Rocky Mount, N.C.-based Imasco increased its advertising 70.2% over 1983 primarily to back its Hardee's Drive In Restaurants. It made its first network tv buys for Hardee's in 1984 with $7 million in measured spending. The burger chain spent an additional $18.5 million in measured spot tv, about the same level as 1983.

However, Imasco's Hardee's unit still trails measured network tv spending of the big three burger chains—McDonald's, Pillsbury's Burger King and Wendy's International—by a substantial margin.

McDonald's spent $162.5 million on network in 1984; Burger King, $51.3 million, and Wendy's, $34.7 million. Network spending by the three leading chains was up 84% in 1984 to a combined total of $248.5 million.

The largest dollar increase came from McDonald's, which doubled its network spending in 1984, making it one of the largest network advertisers.

Imasco moved its account and total measured spending in 1984 of $32.4 million to Ogilvy & Mather from Benton & Bowles, both of New York. The $700 million fast food chain is launching a new ad effort to kick off this summer.

Building restaurant traffic has become an important priority for the 2,200-plus Hardee's chain. Hardee's recently cut a deal with another Imasco unit, People's Drug, the nation's 10th largest drug chain with more than 600 units, to unveil "experimental" Hardee's in two People's outlets in Virginia and Maryland. The deal offers dual benefits for Hardee's and People's Drug.

Peoples' receives a franchise fee from Hardee's, and Hardee's eliminates the cost of constructing free-standing units. As an added plus, Hardee's is positioned to capture some of People's customer base.

A decision to expand the alliance is set for July, 1985. Hardee's has been aggressively expanding its units since acquisition in 1982 of Burger Chef Systems. About 200 Burger Chef restaurants converted to Hardee's in fiscal 1984, and another 33 will switch in fiscal 1985.

Through fiscal 1985, about 150 Burger Chefs will either close or become independent.

For fiscal 1984, the company opened 85 company-owned Hardee's and 154 franchised units. In fiscal 1985, the company has plans for another 65 company-owned restaurants and 150 franchised restaurants.

Imasco USA also operates Shoppers Drug Mart, the UCS Group, a chain of 457 tobacco and gift shops, and Tinder Box, a 200-unit chain of tobacco-gift shops.

Imasco USA's operating earnings for the year ended March 31, 1985, were $82.9 million, up 10% over fiscal 1984. Revenues were $2.19 billion, up 15% over fiscal 1984.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	13.7	11.7
Network cable	145.8	0.0
Spot tv	23,760.2	18,457.8
Network tv	6,990.5	0.0
Outdoor	1,644.3	662.3
Total measured	32,554.5	19,131.8

IMASCO
P.O. Box 1619
Rocky Mount, N.C. 27801
(919) 977-2000

HARDEE'S FOOD SYSTEMS
Rocky Mount, N.C.

Marketing Personnel

Spruill Bunn, president-restaurant div
Hugh Todd, president-fast food merch
Gene Arnold, president-specialty food div

Advertising Agency

Ogilvy & Mather, New York—Scott Lipitt, Peter Neiman, acct execs.

BURGER CHEF SYSTEMS
Indianapolis, Ind.

Marketing Personnel

Robert Haberkamp, president
Ronald Budreau, senior mktg dir

Advertising Agency

Direct advertiser.

Jerrico Inc.

Lexington, Ky.

RANK 193

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	496.5	454.1	9.3
Net income	20.4	21.2	-4.1
Advertising	20.2	18.3	10.6
Division sales			
Restaurant sales	397.5	367.0	8.4
Supplies/equip. sls	86.6	75.6	14.6
Franchise royalties	10.3	9.5	8.5
Other	2.1	1.9	10.6

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Made in U.S.A.

Jerrico Inc., the Lexington, Ky., parent of the Long John Silver fast food restaurant chain, is the nation's 193rd largest advertiser with measured ad expenditures of $20.2 million in 1984, up 10.6% from 1983.

Though the company did well enough in 1984, management has initiated a wide-ranging revamp, perhaps clued to the axiom that in fast food the treasure goes to those who appear to be fastest and slickest.

Jerrico's fiscal 1984, ended June 30, 1984, had total revenues of $496.5 million, up 9.3% in fiscal 1983. Total revenues for the nine months ended March 31, 1985, were $378.7 million, up 3.3% from the year earlier period.

Net earnings for fiscal 1984 were $20.4 million, down 4.1% from fiscal 1983. Net earnings for the nine months ended March 31, 1985, were $14.7 million, an increase of 8.3% from the similar nine months a year earlier.

Total ad expenditures for 1985 are scheduled to top $22 million.

In addition to the Long John Silver Seafood Shoppes, Jerrico also is the parent of Jerry's Restaurants, a regional coffee shop chain. Jerrico has corporate-owned and franchised units for both restaurant chains. It runs a motel, the Gantry Inn, Jackson, Tenn., near Nashville, and sells food, supplies and equipment to its franchisees.

Jerrico has performed well over-all this year. That performance can be traced to average sales per company-operated Long John Silver unit that were up 2.5% to $458,600 in 1984. But management is not satisfied with the returns. Average earnings for its own company-operated Long John Silvers dropped 6% to $72,000 in 1984, following a year-to-year drop of 15% from 1982 to 1983. Jerrico cites several reasons: Higher fish costs, "unsuccessful marketing" against fast food competition with "lower protein costs," and depressed economies in some areas where Long John Silver does business.

Such performance is unacceptable to Jerrico, which has been "used to tremendous growth in its Long John Silver unit," according to a company spokesman, since the restaurants were opened 15 years ago.

To get itself moving more effectively, Jerrico this year engaged in some corporate aerobics and introduced new dishes in both Long John Silver and Jerry's; picked a new agency, Foot Cone & Belding, Chicago, for new marketing strategies; redesigned its Long John Silver buildings; outfitted employes in new uniforms; introduced new state-of-the-art computer technology for vat cooking, and renewed consideration of launching a national chain of full-service Italian restaurants.

Menu firsts for Long John Silver are: Nonfried dishes such as three Chillers seafood salad plates; a breaded fish alternative to the chain's traditional batter-fried, and lemon meringue pie. Early in 1985, Long John Silver introduced Kitchen-Breaded fish and bigger french fries and in April rolled out all-white meat chicken nuggets.

Jerry's bill of fare is lightening and freshening with a new large Mexican salad, a seafood salad, seafood croissants and Apple Ole dessert, an open-face apple pie a la mode with shredded cheese.

Jerrico's employes are wearing new, brighter uniforms and are learning their skills through nine new training films. While still "Cape Cod" in flavor, the Long John Silver buildings are getting new designs, including a "lighter, brighter" feeling, multiple pickup points instead of a single cafeteria line and for many of the restaurants, a relocation of the present display cooking to the back of the building, out of sight. Other remodelings will assure faster movement of customers to boost per-restaurant income.

Jerrico Inc. moved in late fiscal 1984 toward new marketing strategies to continue protecting its dominance in fast food seafood. Aiming at increasing traffic by 5% in company-operated Long John Silvers, Jerrico introduced a value-added promotion campaign, "Freebee the Fish," intended to increase sales of seafood items by offering a free fish filet with any nonfish meal instead of discounting the fish, and hired Foote, Cone & Belding to handle advertising and promotion supporting the new thrust.

Jerrico is pushing hard to expand the Long John Silver chain, and according to a company spokesman, is "on target with remodeling plans and experiencing some real sales gains."

In mid-1984 there were 1,358 Long John Silver Seafood Shoppes in 36 of the continental U.S. states. Foreign operations—solely franchised units in Canada and the Far East—produce less than 1% of Jerrico's total revenues.

Of these U.S. outlets, 814 were company-owned, 544 franchised. The announced expansion goal for fiscal 1985 was 50 new company-operated units, but at the end of nine months, Long John Silver had only added seven company units. Development plans were revised downward to 25 company-owned in fiscal 1985 and 60 in 1986.

There are 72 Jerry's Restaurants, 42 company-owned and 30 franchised, in Illinois, Indiana, Ohio, Kentucky, Tennessee and Florida. Emphasis is on upgrading existing units in the system, an outgrowth of an earlier chain started in 1925 in Shelbyville, Tenn., by its namesake, Jerome Lederer. The restaurants then were named White Taverns, which were in the mode of White Castles, serving 5¢ hamburgers to customers behind an eight-stool counter.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Spot tv	19,951.3	18,091.7
Spot radio	98.9	130.7
Outdoor	150.6	34.8
Total measured	20,200.8	18,257.2

JERRICO INC.
101 Jerrico Dr.
Lexington, Ky. 40511
(606) 268-5211
Marketing Personnel
Anthony M. Lavely, exec vp-mktg
Advertising Agencies
Abbott Advertising, Lexington, Ky. (in-house)—Anthony M. Lavely, president.
Foote, Cone & Belding, Chicago—creative services and media buying—Mitch Engel, vp, mgmt super.

RANK
175

Kroger Co.
Cincinnati

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	15,922.9	15,236.0	4.6
Net income	156.6	127.1	23.2
Advertising	22.9	22.0	1.0

Division sales			
Food stores	14,473.0	13,931.0	3.9
Drug stores	859.0	789.0	8.8
Convenience stores	311.0	260.0	19.6
Other	280.0	256.0	9.4

A diversified approach to the food and drug retail business has led Kroger Co. to significantly improved earnings in the past year.

The Cincinnati-based company has taken a variety of approaches to its competition in markets from Minneapolis to Houston, waging price wars in some cities, opening grocery warehouse stores in others and playing hardball in negotiations with labor unions in a few, all the while maintaining slow growth in ad spending.

In the 1984 fiscal year, which ended Dec. 29, Kroger ranked 175th among U.S. advertisers, spending $22.9 million. That amount marked a 4.6% increase over the previous year. About 98% of Kroger Co.'s measured ad spending is allocated for spot tv.

In 1983, Kroger spent $246,000 in magazines and $680,000 on outdoor, and $85,000 on cable buys. In 1984, it put $11,000 into cable and $5,800 in magazines and $259,000 outdoor. The company did increase its spot tv spending 15.8% to $22.7 million.

In fiscal 1984, the company, which has 2,379 food, drug and convenience stores, reported earnings of $156.6 million, an increase of 23.3% over 1983 on over-all corporate sales of $15.9 billion, a 4.5% gain over the previous year. Performance improved in the first quarter of this year, when net income jumped 68% to $31.4 million on sales of $3.82 billion, up 5.2%.

In February, the company reasserted its commitment to the food and drug retail business by agreeing to purchase Hook Drugs of Indianapolis, a 302-store chain, for $161 million in cash and stock. Hook earned $8.1 million on sales of $351 million in 1984. Kroger projects profits of $12.6 million on sales of $493 million by 1987 for Hook.

The Kroger Food Stores chain was the company's most volatile in 1984. Despite the closing of 156 stores, either because they were unprofitable or because the company could not negotiate acceptable union contracts, Kroger Food Store sales reached $11.3 billion in 1984, 1.6% higher than in 1983. Early in the year, Kroger pulled out of the Pittsburgh market, closing 43 locations. Kroger has waged costly price wars in Memphis and Indianapolis, where discount retailers have moved in on its turf. In Cleveland, Kroger has opened four of its own warehouse grocery operations.

The best known marketing ploy Kroger has used is the development of 24-hour "super stores," which average only 45,000 sq. ft. but carry everything from frozen food to flowers.

Kroger operates 227 grocery stores in Arizona, California, Colorado, Kansas, Missouri and Oklahoma under the name Dillon Supermarkets. Sales from Dillon food stores rose to $3 billion in 1984.

Dillon Cos. also operates 443 convenience stores in seven states after the midyear acquisition of the 86-unit Tom Thumb chain in western Florida and southern Alabama from Junior Foods, Crestview, Fla. The company's convenience stores in Kansas, Nebraska and Iowa carry the name Kwik Shop, in New Orleans Time Saver and in northern California Quik Stop.

SupeRx drugstore sales rose 8.8% in 1984 to $860 million, spurred on by the chain's new drug-convenience store concept. SupeRx is adding a limited assortment of convenience foods to its larger stores, while in new and remodeled facilities, hundreds of grocery items are being offered in addition to the usual drugstore fare.

Kroger expects to open 48 new food stores and remodel another 146 in 1985. The majority of the new stores will be combination food-drugstores, averaging nearly 47,000 sq. ft. The company also expects to open 43 new convenience stores and remodel 46 others, open 24 new SupeRx Drug Stores and remodel about the same number.

All this growth will be backed by the company's ongoing corporate advertising campaign, which is themed "Feel the difference" and emphasizes the stores' convenience, value and service.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	5.8	246.0
Network cable	11.2	84.6
Spot tv	22,703.6	19,609.0
Spot radio	11.1	1,379.5
Outdoor	259.4	679.7
Total measured	22,991.1	21,998.8

KROGER CO.
1040 Vine
Cincinnati, O.
(513) 762-4000
Marketing Personnel
Richard Owens, vp-adv
Advertising Agency
Campbell-Mithun, Chicago—Bill White, acct super; Marv Goldsmith, dir client services; Jon Wylie, John Kroenig, acct mgrs.

RANK
103

Estee Lauder Inc.
New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	39.6	31.6	25.4

The latest wrinkle in marketing at Estee Lauder Inc., the nation's 103rd largest advertiser in 1984 with $39.6 million in measured ad spending, up 25.4% from 1983, is skincare supplies for men. At the same time, the company is introducing a variety of products for women, created to control the effects of sun and aging.

Four separate marketing divisions comprise Estee Lauder: Aramis, Clinique, Estee Lauder and Prescriptives. Each has overlapping product lines.

The Estee Lauder division opened a new market in May, 1985, with the launch of Lauder for Men, its first products geared to attract some of the $1 billion-plus men's grooming market. Lauder for Men includes a fragrance collection and a line of skincare items, including cleansing bar, face scrub, comfort lotion, antiperspirant, spray talc and skin repair complex. Ad themes emphasize the masculinity of the supplies, "scent matters" for fragrance items, and "serious treatment for men" for skincare items.

Although the Lauder for Men products compete directly against Aramis and Clinique products for men, the division is targeting women as its primary customers. The line is being sold through Estee Lauder cosmetics counters in boutiques and department stores, and through direct mail.

But the Lauder division is a few years behind intracompany rival Clinique, which introduced its Clinique for Men in 1976 and now offers 19 men's grooming products.

In 1984, Clinique continued expanding its men's line with the introduction of Tailoring for Men, the only fragrance item in its men's line. Clinique continued its consumer ad series in 1984 emphasizing a three-step skincare regimen: Cleansing, exfoliating and lubrication. The division concentrated on extending its line of men's grooming aids, adding two haircare products and a stick antiperspirant-deodorant.

Clinique relied almost exclusively on print in 1984 with measured magazine spending of nearly $6 million. Magazine spending in 1984 for the four divisions of Estee Lauder jumped 34% to $15.6 million.

Aramis chose to create a new image for its Aramis 900 line of men's fragrance and toiletries in 1984. The theme: "Tradition with a dash of the unexpected." Spot tv for Aramis cologne, fragrances and toiletries accounted for nearly $4 million in measured spending. Newspaper and magazine accounted for about $1 million in measured totals.

Aramis also expanded its hot-selling Maltplexx brand of products. Introduced in 1983 as Maltplexx hair gel, the line was expanded in 1984 to include hair conditioner, shampoo and, more recently, shave cream.

In women's products, the Estee Lauder division in 1985 introduced new makeups, skin treatments and lotions containing sunscreen agents aimed at preventing premature aging. Among the lead items for spring, 1985, is Estee Lauder Sportwear Tinted Day Creme. Analysts say 15% of the manufacturers' usage of sunscreen agents is now going into products other than those used for suntanning.

Not surprisingly, advances in age controlling lotions and creams received the greatest emphasis in 1984 measured spending by Estee Lauder Inc. Spot tv played an important role in several key areas with measured spending of $19.9 million, 53% of the company's $39.6 million in total measured spending.

Possibly the most heavily advertised product was Estee Lauder Night Repair, introduced in 1982, with $3.2 million in measured spot tv and $1.2 million in magazine advertising. The division also promoted its Swiss Age Controlling Skin Care program, which includes Swiss Performing Extract and Night Repair. These products received a good share of the division's $6.7 million in measured spot tv for multiproduct advertising.

Sunscreen and aftersun products also received increased emphasis in 1984 at Clinique with introduction of EYE Zone Sunblock crayon and After Sun balm with aloe.

Among Estee Lauder Inc.'s products in 1984, perfumes and fragrances received the greatest individual and over-all emphasis. Measured spending in 1984 for White Linen perfume, for example, was $3.8 million in spot tv and $1.2 million in magazine.

Although executives at Estee Lauder Inc. say sales are up dramatically over 1983, the private company declined to provide revenues and earnings.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,307.2	3,307.2
Magazines	15,572.9	10,285.1
Network cable	0.0	2.3
Spot tv	19,927.0	17,413.7
Spot radio	793.1	566.8
Outdoor	0.4	0.0
Total measured	39,600.6	31,575.1

ESTEE LAUDER
767 Fifth Ave.
New York, N.Y. 10022
(212) 572-4200
Marketing Personnel
Estee Lauder, chairwoman
Leonard Lauder, president-ceo
Evelyn Lauder, corp vp
Robert Barnes, president, Estee Lauder U.S.A.
Carol Phillips, president, Clinique Laboratories
Jack Wiswall, senior exec-corp vp-president Aramis
Robert Nielsen, exec vp-genl mgr, Prescriptives
Advertising Agencies
AC&R Advertising, New York—Estee Lauder Cosmetics and Treatments, Aramis, Clinique, Prescriptives—Alvin Chereskin, president; Lida Burpee, acct super-Estee Lauder Cosmetics (all brands including White Linen); Jane Van Gelder, asst acct exec-Estee Lauder Cosmetics; Cindy Colt, vp-acct exec-Clinique; Janet Budnick, vp-acct super-Aramis & Prescriptives.

RANK
174

Lucky Stores
Dublin, Cal.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	9,236.5	8,388.2	10.1
Net income	94.6	105.4	-10.2
Advertising	23.1	23.4	-1.3

Lucky Stores, the nation's third largest food retailer, was the 174th largest national advertiser in 1984 with $23.1 million in measured media spending, down 1.3% from 1983.

The Dublin, Cal.-based company, whose 1,590 stores at the end of 1984 placed it behind leading retailer Safeway Stores and Kroger Co., funneled 87.7%, or $20.2 million, of its measured media into spot tv and $2.8 million in spot radio. The tv outlay increased 5% over the previous year. The reason for the companywide drop in spending lay with spot radio, down 31.9% from 1983.

Lucky's advertising spending is likely to have increased in the first quarter of 1985. A war waged among food stores in the southern California area, Lucky's primary market, has been played out in newspaper ads and supported in other media. Lucky's, Ralph's and Von's all are firing shots on spot tv and spot radio at each others' low prices.

Likewise, Lucky continues to push its Five Star Meat ad program on spot tv in its markets centered around Southern California, Chicago, Phoenix and central Florida that show Lucky butchers rejecting hogs because their flanks do not bear the five stars connoting top quality.

Developments in the California market, where Lucky food stores generally have been considered the low-price leader and where the company has its heaviest business concentration, continued to be both bane and boon to Lucky Stores.

The company's first quarter, ending in May, 1985, showed some improvement in financial results over 1984. However, earnings, which increased 12% to $24 million, were hurt by slow sales gains for food stores and Gemco units, which the company credits to intense competition. Sales for the quarter were up 5% to $2.3 billion, from the comparable period in 1984.

Meanwhile, Lucky's specialty stores, auto parts units and newly acquired Minnesota Fabrics stores helped boost the earnings performance. Minnesota Fabrics was purchased Feb. 5, 1985, by a subsidiary of Lucky for $42 million. The company operates more than 100 retail fabric stores in the northeastern and north central part of the country.

In fiscal 1985, ended Feb. 3, the company reported net earnings of $94.6 million, off 10.2% from the previous year, on sales of $9.24 million, down 5.2%. Earnings for the year, too, were affected by Gemco, whose pretax earnings were down 52% primarily because of an 11-week strike in Southern California and disappointing holiday sales. Gemco stores are so-called membership food/department stores in which customers pay a yearly fee to take advantage of discount prices.

Lucky Stores is divided into food stores, which contributed $119.8 million in pretax earnings on $6.21 billion in sales; Gemco stores, which produced $22.8 million in pretax earnings on revenues of $2.33 billion, and specialty stores, which contributed pretax earnings of $30.8 million on sales of $703.7 million. Specialty stores, which included Yellow Front fabric stores and automotive stores in 1984, had the best profitability, accounting for 7.6% of sales but 17.8% of pretax earnings corporatewide.

Food store earnings during 1984 increased substantially because of strong sales and improved gross margins, despite the strike of Gemco stores.

Most of Lucky's advertising is in the food stores division bearing such regional titles as Lucky, Eagle, Food Basket and Kash n' Karry. Food stores recorded measured spending in 1984 of $9.7 million or 42% of the company total. Food store advertising dropped about 29% from the previous year.

This division also has gone through the greatest change this year. Lucky has sold 17 Eagle stores in and around Chicago, and 22 Eagle stores in Houston, in effect pulling out of that market. Part of the reason for the sale is to divert capital expenditures needed to build up these properties into more likely targets, probably closer to Lucky's home base in California.

The supermarket chain has scheduled a $1 billion capital expenditure program for the next five years to finance remodelings and increase use of new technology. The company is spending $215 million this year to upgrade stores.

The Gemco unit attracted the second largest ad expenditure, $5.5 million, in 1984, down 9% from the previous year. Virtually all advertising is in spot tv.

The auto-parts stores—Honey's and Kragen—attracted $1.6 million in 1985, up 45% from the previous year. In March, 1985, Lucky sold 77 of its automotive stores in Tennessee, Texas and Oklahoma, primarily because they were too far from the Phoenix distribution center.

A number of ad agency changes occurred during 1984 or early 1985. The Phoenix-based auto division switched its account to Bernstein-Rein Advertising, Kansas City, Mo., from Kenneth C. Smith & Associates, La Jolla, Cal. Eagle Food Centers in Rock Island, Ill., tapped Ogilvy & Mather for broadcast placement and special projects that previously were handled in-house. The Buena Park, Cal.-based Gemco named DYR, Los Angeles, as its first agency. DYR works with the chain's in-house agency, LuGem Advertising.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	18.4	67.1
Spot tv	20,237.8	19,244.4
Spot radio	2,771.3	4,068.1
Outdoor	87.5	51.7
Total measured	23,115.0	23,431.3

LUCKY STORES
6300 Clark Ave.
Dublin, Cal. 94568
(415) 833-6000
GEMCO DIV.
Buena Park, Cal.
Marketing Personnel
Stanley Brenner, president
Paul Hitzelberger, vp-sales support

SOUTHERN DIV. (Lucky Stores)
Buena Park, Cal.
Marketing Personnel
A. Gayle Paden, president
Dick Frederickson, vp-dir mktg
Advertising Agency
LuGem (in-house)—Larry Davis, vp-adv mgr.
NORTHERN FOOD DIV. (Eagle)
San Leandro, Cal.
Marketing Personnel
Jack A. Hoover, president
John Hogarth, vp-adv
Jerry Fahey, dir-mktg
Maria Schabbing, adv mgr
Advertising Agency
LuGem (in-house).
MIDWESTERN FOOD DIV. (Eagle)
Rock Island, Ill.
Marketing Personnel
Pasquale Petitti, president
Louis Gloyne, vp-dir mktg
Ray Myers, vp-adv mgr
Advertising Agency
LuGem (in-house).
FLORIDA FOOD DIV.
(Kash n' Karry)
Tampa, Fla.
Marketing Personnel
Richard Goodspeed, president
W.D. Peterson, vp-dir mktg
Michael Russell, vp-adv
Advertising Agency
(In-house).
HANCOCK TEXTILE DIV.
Tupelo, Miss.
Marketing Personnel
Morris Jarvis, president
Myron Morrison, adv mgr
Advertising Agency
Sky Advertising (in-house).
AUTOMOTIVE DIV.
Phoenix, Ariz.
Marketing Personnel
Thomas F. Herman, president
Larry Shkolnick, vp-dir sales & mktg
Mary Wilson, adv mgr-newspapers only-in-house
Advertising Agency
Bernstein/Rein, Kansas City—radio and tv—Mike Schreiber, vp-adv; Jane Stevens, media buyer.
YELLOW FRONT
Phoenix, Ariz.
Marketing Personnel
D.G. Cunningham, president
William Griffiths, vp-merch mgr
Brent Rosengreen, adv dir
Advertising Agency
(In-house).

RANK 190

Marriott Corp.
Washington

($ figures = 000,000)

Worldwide	**1984**	**1983**	**% chg**
Sales	3,524.9	2,950.9	19.5
Net income	139.7	115.2	21.3
U.S.			
Sales	3,326.8	2,768.2	20.2
Operating profits	N.A.	N.A.	N.A.
Advertising	20.7	16.4	26.5
Division sales			
Lodging	1,640.8	1,320.5	24.3
Contract food serv	1,111.3	950.6	17.0
Restaurants	722.9	679.4	6.5

Aggressive marketing in 1984 for two restaurant chains owned by Marriott Corp., the 190th largest advertiser with measured media of $20.8 million, signaled a renewed emphasis on restaurant operations among Marriott's

Hewlett-Packard: From Disney to the Olympics

In 1939, one of the first customers of Hewlett-Packard, then just formed by William Hewlett and David Packard, was Walt Disney Studios. Disney bought one of HP's first products, an audio oscillator, to make the sound track of the revolutionary classical music animated film "Fantasia."

In 1984, one of the better-known HP customers was the U.S. Olympic Committee, which used donated Hewlett-Packard instruments to test for drug use by athletes at the Summer Olympic Games in Los Angeles.#

GOOD GOT BETTER.
THEN IT GOT GREAT!

From an advertiser's point of view, good got great when all accredited CMESat program series for health-care specialists converted to videotape distribution as the primary means of reaching viewers in each specialty.

Just as each of our series was developed on the highly successful EyeSat® model to produce CME television programs of undisputed quality, the problems associated with our broadcast-based distribution system have been overcome by re-shaping the system to match its reach-oriented Canadian prototype. That Canadian prototype puts the reach of each CMESat program *above every professional journal serving its specialty as well as all other forms of continuing education*—annual meetings, symposia, foreign medical journals, audio tapes and other audio-visual services.

Delivering the Incomparable Reach You Need

When good got great, it brought with it eight kinds of results-oriented opportunities to put you in meaningful contact with specialists in the health-care professions through our:

- special videotape launches for each health-care specialty we serve
- 24 yearly accredited programs on videotape
- opportunities for new-product launches
- additional videotape programs (up to 12 annually)
- weekly television programs broadcast across the U.S.
- printed program index
- prime-time television programs
- residence-oriented mailing lists.

Of course, all advertising on CMESat programs is agency commissionable.

Now's the Time to Act

The following program series will be test-marketed and/or launched in videotape form by mid-summer:

- CardioSat (cardiology)
- EyeSat (ophthalmology)
- MedSat (internal medicine)
- SurgSat (general surgery)
- OrthoSat (orthopaedics)
- AnesthSat (anesthesiology)
- DentSat (dentistry)
- PedSat (pediatrics)

When good got great at CMESat, we began to deliver the incomparable reach you need. But, you can begin to take advantage of that reach only by advertising on one of our regular, accredited videotape program series. That's a *pre-requisite* for taking advantage of the other seven advertising vehicles our programs can deliver.

And, with only 60 minutes of time available yearly on each specialty series, we suggest you not hesitate too long. Some sponsors already have bought 60 seconds per program in several of our series. At that rate, each series will be able to accommodate only *a total of 10 advertisers*.

We're very excited about the new CMESat programs and hope you are, too. When you're ready to find out more about the extraordinary advertising opportunities associated with our programs, please call or write to arrange a no-obligation presentation:

tom hanson
President and Chief Executive Officer
CMESat, Inc.
444 Gulf of Mexico Drive
Longboat Key, Florida 33548

1-800-237-6550 (toll free)
1-813-383-9514 (in FL, AK, HI)

CMESat™
Continuing Education for Health-Care Professionals

three primary businesses: Lodging, food service and restaurants.

Media expenditures, which increased 26.5% over 1983, emphasized spot tv, particularly among Marriott's two restaurant chains. Roy Rogers Family Restaurants received $8.1 million backing in that medium, and Bob's Big Boy Coffee Shops got $3.5 million. Over-all, spot tv spending increased 22% for the Washington-based company.

Although restaurant operations in 1984 produced only 22% of Marriott's total sales and 23% of operating income, they accounted for the majority of measured ad spending.

Marriott has big plans for Roy Rogers, the fast-food chain based in mid-Atlantic and Northeast markets, and Bob's Big Boy, which has 871 franchise outlets in the U.S. and abroad. Roy Rogers in 1984 focused advertising on introduction of a breakfast menu, fried chicken and hot-topped potatoes. That division benefited from a 1982 acquisition of Gino's restaurants for $112.7 million, which was primarily to obtain prime sites for conversion into Roy Rogers restaurants. Thirty-one new units were opened in 1984.

An unusual campaign to develop a new image for the Bob's Big Boy franchise system began in 1984 with ads asking patrons to vote on whether the famous "Big Boy" sign should "stay or go." The key was to draw attention to refurbished restaurants, a new menu that included a breakfast bar and other changes. The company announced this May that it received 3.2 million votes (87%) in favor of keeping the image, and 500,000 against. Marriott and Bob's Big Boy franchises are planning a major ad campaign for 1986.

Marriott Corp. recorded strong growth and profitability during the year. Net income in 1984 was up 21.3% to $139.7 million on sales of $3.52 billion, up 19.5%. Marriott sales and profits have doubled since 1980. First-quarter results in 1985 showed continued strength in the three primary businesses. Corporate sales for the quarter ended March 22 rose to $874.2 million, an 18% increase over the year-earlier period, and net income jumped 20% to $27.7 million.

While Marriott Corp. is mainly known for its 142 full-service hotels and resorts, which accounted for nearly half its 1984 revenues, the year marked a transition in its lodging business. Marriott began by setting a goal of 20% growth annually through the 1990s based on development of specialized products, including Marriott Suites, all-suite upscale hotels; a network of convention hotels, and Marriott Courtyard, moderate-price lodgings. Marriott Courtyard is scheduled to be a national chain of 50,000-rooms by the early 1990s.

In addition to the 13 Marriott hotels completed in 1984 (more than 5,000 rooms), the chain plans to complete five "mega" convention hotels, totaling 7,400 rooms, during the next four years. Marriott plans to grow into a 100,000-room chain by 1990 from its current base of 60,000 rooms.

Measured advertising for lodgings in 1984 was $1.9 million, mostly in magazine spending, an increase for the category of 2% over 1983.

Marriott began test marketing vacation ownership resorts with the April, 1984, acquisition of the American Resorts Group, a time-share developer. The first project is a 122-unit resort on Hilton Head Island, S.C. Marriott also is developing lifecare retirement communities, with the initial community planned for opening in 1987 in suburban Washington.

Marriott's contract food service operations in 1984 accounted for 32% of corporate sales and 28% of operating income. This was aided by the acquisitions early in 1985 of Gladieux Corp. and Service Systems Corp., consisting of diversified contract food companies, for $64.4 million cash. Combined sales and operating income for the two in 1984 were $419.5 million and $15.2 million, respectively.

Marriott also sold its Marriott's Great America theme park in Gurnee, Ill., for $114.5 million to Bally Mfg. Co., while its Santa Clara, Cal., theme park, land and improvements are in the process of being sold for about $100 million. Marriott is disposing of theme parks, dinner houses and Mexican restaurants for a total of more than $310 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,855.4	1,895.3
Network cable	0.0	17.6
Spot tv	13,197.3	10,278.1
Network tv	87.8	38.0
Spot radio	4,873.1	3,545.3
Outdoor	742.5	636.0
Total measured	20,756.1	16,410.3

MARRIOTT HOTELS & RESORTS
Marriott Drive
Washington, D.C. 20058
(301) 897-9000

Marketing Personnel

Todd Clist, exec vp-mktg
Roger Dow, vp-mktg

Advertising Agency

Lewis, Gilman & Kynett, Philadelphia—Michael A. Loprete, mgmt super; Joseph S. Barone, acct super; Gail D. Zimmerman, acct exec.

RESTAURANT OPERATIONS

Marketing Personnel

Richard E. Marriott, exec vp
John Stockton, vp-mktg-Roy Rogers Restaurants
Tom Kempton, vp-mktg-Bob's Big Boy Coffee Shops
Vince Webb, dir mktg-Hot Shoppes Cafeterias

Advertising Agencies

Smith Burke Azzam, Baltimore—Roy Rogers—Jane Hickman, senior acct exec; Tom Burke, acct super; Liz Jackson, Lynn Till, acct execs, Thomas O'Dwyer, acct coordinator.

Earle Palmer Brown, Bethesda, Md.—Big Boy—Gerry Grosso, senior vp-acct services; Don Ratliff, vp-acct super; Andy Schacht, senior acct exec.

Wallerstein Associates, Bethesda, Md.—Hot Shoppes—Marilyn Wallerstein, acct exec & principal.

Jeffrey Martin Inc.

Union, N.J.

RANK 110

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	58.5	65.9	-11.2
Net income	5.7	8.1	-29.7
Advertising	36.8	46.0	-20.1

Jeffrey Martin Inc. in 1984 continued its policy of reviving time-honored products that other marketers may find expendable, backing them with $36.8 million in measured media advertising in becoming the 110th largest U.S. advertiser.

The Union, N.J., company picked up the $8.5 million tradition-bound mouthwash Lavoris from Richardson-Vicks in July, 1984, and is attempting to rejuvenate the brand through network and spot tv advertising.

Those two media are typical buys at Jeffrey Martin, known for its purchase of broadcast advertising in late-night slots and other economical forms of advertising.

Lavoris was backed with $2 million in media advertising in the limited period the company handled Lavoris.

While the company says Lavoris sales are showing strength, expenses associated with heavy advertising of Jeffrey Martin products and increased competition are proving costly. For the nine-month period ended April 30, 1985, net income was $3.9 million, down 20.5% from the similar period a year earlier. Net sales were $49.8 million, up 7.7%.

Losses were associated with heavy costs of advertising, according to the company.

The loss builds on a similar drop in income and revenue in 1984. Net income in fiscal 1984, for example, was $5.7 million, off 29.7% from the year earlier, on revenues of $58.5 million, off 11.2%.

Topol smoker's tooth polish and Bantron smoking deterrent tablets were particularly affected by encroachment from competitors, the company says. Topol felt pressure from Block Drug's Polident, Warner-Lambert's Efferdent and Carter-Wallace's Pearl Drops. Bantron sales declined partly because of competition from a new prescription smoking deterrent product.

Topol smoker's tooth polish, which is available in mint, fluoride and gel formulas, represents the largest contributor to the company's domestic sales volume. Jeffrey Martin backed Topol with $11.7 million in spending or 32% of its total advertising, although the outlay was down 32.7% from 1983 spending. Some $4 million of that decline came out of network radio.

A shift in spending for Topol from network radio to network tv was typical of Jeffrey Martin products taken as a whole. Jeffrey Martin, the nation's leading network radio advertiser in 1983, shifted its weight in media in 1984, dropping network radio spending 58.8% to $9 million and increasing network tv 39.6% to $21.5 million. Spot tv, the only other media receiving significant ad dollars, was $7.1 million, down 22.7% from 1983.

Jeffrey Martin's second leading product, Doans, the backache remedy, received $7.6 million in support, up 8.5% from 1983. Doans, in pill and spray form, experienced only a modest increase in sales in fiscal 1984. The spray was introduced nationally during the year. Company officials are encouraged by its initial response.

Ayds reducing candy was backed with $7.2 million, up 41.7%. Most of the remaining products, however, experienced declines in ad spending: Cuticura medicated soap at $3.7 million was down 24%; Pursettes premenstrual tablets dropped to $28,600 from $2.3 million in 1983; Bantron stop smoking tablets at $1.8 million was down 37.4%. Jeffrey Martin did not advertise seven products in 1984 that it advertised in 1983. None of these, however, received significant spending in 1983.

Benton & Bowles became the first agency of record for Jeffrey Martin during 1985 and will handle advertising for Ayds appetite suppressant candy, Compoz nighttime sleep aid and Porcelana fade cream.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	0.0	6.9
Network cable	827.5	1,845.6
Spot tv	5,484.0	7,087.5
Network tv	21,518.2	15,351.7
Network radio	8,945.5	21,730.8
Total measured	36,775.2	46,022.5

JEFFREY MARTIN INC.
410 Clermont Terrace
Union, N.J. 07083
(201) 687-4000

Marketing Personnel

Martin Himmel, chmn-president
Frank P. DiPrima, exec vp-genl counsel
Sid Lawrence, senior vp-adv & mktg
Joel Appel, senior vp-sales
Patrick Dwyer, vp-mktg
Gerald Baldwin, media dir

Advertising Agency

Benton & Bowles, New York—Ayds, Compoz, Porcelana, new prod assignments—Bill Levasseur, acct super.

MasterCard International

New York

RANK 147

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	27.8	18.9	47.1

MasterCard International, New York, the nation's 147th largest advertiser, spent about 70% of its $27.8 million measured advertising budget on network tv in 1984, building on its long-standing image campaign as well as showing creative uses for the card and services.

MasterCard's 1984 measured ad spending was up 47.1% from 1983.

MasterCard, which is a member-supported credit association with a membership of 27,000 financial institutions, introduced in early 1985 its silver corporate card and a worldwide travel voucher and began testing so-called "smart" cards with microchips, all of which should build ad spending in 1985. MasterCard reported total ad spending in 1984 of $35.5 million, a figure including unmeasured advertising costs.

With measured network spending in 1984 pegged at $19 million, up 27% from 1983, MasterCard broadened its "so worldly, so welcome" theme, introduced in 1981, with spots featuring actor James Coburn, actress Shari Belafonte Harper and other celebrities using the card for exotic vacations and purchases. Spot tv use of the campaign in 1984 also jumped 41% to $4.9 million, about 18% of total measured '84 outlays.

In March, 1985, MasterCard began adding a touch of warmth and humor to the commercials, showing interaction between celebrities and everyday card users. The purpose is to show that the card is used by everyone, not just the stars. One spot has model Christie Brinkley in a chance department store meeting with a woman, dressed in the same outfit, who also is making a purchase with MasterCard.

MasterCard's theme is growing in the same directions through innovative print advertising. MasterCard spent $3.5 million in 1984, about 12% of total measured spending, on magazine ads to introduce a series of new and enhanced products and services. The general goals are to attract business and affluent users and to expand the association's retail merchant coverage.

This strategy is best shown by the newest addition to the MasterCard family, the silver-colored corporate card, unveiled late in 1984 for rollout in 1985. The corporate card, like the gold, credit and debit cards, allows the issuing financial institution to place its logo prominently on the face. The card also carries a revolving line of credit. The product was designed to help banks control and evaluate the $85 billion their customers spend each year on travel and entertainment.

Tracking travel and entertainment expenditures also was the reason for the 1984 development of MasterCard's Worldwide Travel Voucher. The voucher, being rolled out in 1985, is used by the American Society of Travel Agents as its exclusive product and service provider. The travel voucher acts as proof of payment for various ground services—car, restaurant and hotel—and will be accepted and processed the same as credit card transactions.

MasterCard's print advertising for 1984 also focused on MasterCard Travelers Cheques, introduced in 1982, and on the gold card, introduced in 1981. The travelers checks featured actor Pierce Brosnan in print ads and 10-second tv spots, using the theme "double take," meaning take both the card and the checks. The '85 Travelers Cheque theme is: "No matter where you go, MasterCard Travelers Cheques are accepted and refundable."

The gold card continued in 1984 using the more image-oriented "the ultimate recognition from your banker" theme. MasterCard also is testing a variety of services, including "smart cards."

MasterCard's electronic services group continued to expand services available to financial institutions and retail merchants in 1984. Merchant coverage grew to 4.3 million outlets in 165 countries and territories worldwide, an increase of 9.3% over 1983. Gross volume on card purchases increased 26.7% over 1983 to $62.6 billion in 1984. Card users increased 18.4% to 103 million in 1984.

These statistics pit MasterCard neck in neck with Visa International,

Top 25 spot radio advertisers by % change

of the second 100 leading national advertisers

Rank	Advertiser	Spot radio ad expenditures ($000) 1984	1983	% chng	1984 as % of co.'s ad total
1	**Amoco Corp.**	4,619.1	1,264.0	265.4	23.0
2	**MGM/UA Entertainment Co.**	2,791.3	782.8	256.6	9.4
3	**Texas Air Corp.**	7,729.3	2,537.2	204.6	33.7
4	**Blue Cross & Blue Shield Assns.**	5,702.7	2,091.9	172.6	28.5
5	**Geo. A. Hormel & Co.**	4,850.6	2,120.7	128.7	19.8
6	**Matsushita Electric Corp. of America**	5,201.9	2,415.4	115.4	12.2
7	**Volvo Cars N.A.**	2,875.5	1,704.3	68.7	12.7
8	**Trans World Corp.**	5,500.1	3,349.0	64.2	21.9
9	**Safeway Stores**	2,623.9	1,721.5	52.4	10.7
10	**Dayton-Hudson Corp.**	3,604.2	2,566.5	40.4	9.5
11	**F.W. Woolworth Co.**	5,206.9	3,714.0	40.2	24.8
12	**Block Drug Co.**	2,131.9	1,529.2	39.4	6.9
13	**Marriott Corp.**	4,873.1	3,545.3	37.5	23.5
14	**Shell Oil Co.**	9,940.3	7,689.8	29.3	37.5
15	**Chevron Corp.**	5,920.3	4,947.4	19.7	21.9
16	**Atlantic Richfield Co.**	2,536.4	2,229.7	13.8	10.8
17	**Mercedes-Benz of North America**	2,354.2	2,136.3	10.2	6.2
18	**G. Heileman Brewing Co.**	6,483.3	5,983.9	8.3	28.2
19	**Republic Airlines**	5,672.0	5,336.7	6.3	23.8
20	**Southland Corp.**	12,479.4	12,146.3	2.7	33.7
21	**Lucky Stores**	2,771.3	4,068.1	(31.9)	12.0
22	**American Dairy Assn.**	3,103.6	4,834.3	(35.8)	10.7
23	**Texaco**	2,218.4	3,512.5	(36.8)	9.1
24	**BellSouth Corp.**	5,507.0	N/A	N/A	24.7
25	**Southwestern Bell Corp.**	7,405.8	N/A	N/A	26.6

Source: Radio Advertising Bureau

which had 114.7 million users billing $82.24 billion in 1984. American Express had 20.2 million members billing $47.6 billion at year-end. MasterCard's Automated Point-of-sale Program (MAPP) became operational during the second quarter of 1984. Based on an agreement with Tymshare Inc., a leading supplier of point-of-sale services, MAPP supports electronic cash register interfaces, dial-up and polled terminals. By yearend, 80 U.S. financial institutions had joined MAPP, and 11 million transactions a month were being processed through 23,000 participating terminals.

Another 1984 development was Banknet, a telecommunications network that allows for transmission of authorizations, settlement, point-of-sale and other types of information in self-contained electronic packets. MasterCard has placed packet switching centers in New York, Atlanta, Cleveland, St. Louis and San Francisco, to facilitate remote, instantaneous rerouting of data.

By the end of 1984, 36 financial institutions were using Banknet, and 52 were in various stages of installation. MAPP, Banknet and other electronic services primarily are advertised through trade publications.

With the development of Banknet, MAPP and sophisticated automated teller machine-type networks, MasterCard is poised for growth through the 1980s in the electronic payments industry. Expansion of services and products through better technology has been the key to MasterCard's operating strategy since Russell E. Hogg left American Express in 1980 and took over as president-ceo.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,547.7	2,022.7
Network cable	386.3	61.9
Spot tv	4,961.6	2,918.1
Network tv	18,948.4	13,923.1
Spot radio	1.9	0.0
Outdoor	0.0	2.4
Total measured	27,845.9	18,928.2

MASTERCARD INTERNATIONAL
88 Seventh Ave.
New York, N.Y. 10106
(212) 974-5700

Marketing Personnel

F. Alan Schultheis, senior vp-mktg, adv
Barbara J. Bromberg, vp-adv
John Dowd, exec vp-adv, president-Travelers Cheques

Advertising Agency

William Esty Co., New York—all adv for MasterCard and member services—James M. Stewart, senior vp-group head; Leonard Faupel, senior vp-mgmt super; Patricia Stewart, senior vp-mgmt super; Kathy Syms, acct exec, card and noncard prod; Kay Droppert, acct super, card prod; John Minett, acct super, noncard prod.

Matsushita Electric Corp. of America RANK **101**
Secaucas, N.J.

($ figures = 000,000,000)

Worldwide	**1984**	**1983**	**% chg**
Sales	19.8	16.8	18.4
Net income	1.0	0.77	30.4
U.S.			
Sales	3.5	2.8	25.0
Operating profits	N/A	N/A	N/A
Advertising	0.043	0.028	49.4

Matsushita Electric Corp. of America, the 101st largest U.S. advertiser in 1984 with measured ad spending of $42.6 million, up 49.4% from 1983, is out to fool its own product users in 1985 with the creation of zap-proof commercials for spot and network tv.

While color tvs and video-oriented items head the list of new and enhanced products to be advertised in 1985 by the Secaucus, N.J.-based company, corporate entity of Panasonic and Quasar divisions, Matsushita is attempting to field its own zap-proof tv spots, perhaps on those products.

Marketing executives say Matsushita supplies 20% of all videocassette recorders (vcrs) sold in the U.S., thereby adding to the zap problem. If Matsushita can circumvent the problem, it will enhance its own heavy spending in spot tv, which in 1984 was up 63% over 1983 to $13.8 million. Vcr owners zap commercials by fast-forwarding the taped program when the commercials appear.

Panasonic Co., the consumer electronics division, is planning innovative spot tv for lead product introductions: OmniMovie, an all-in-one video camera; VHS hi-fi, and a stereo color tv. The three products will receive the bulk of spot tv spending, mainly in spring and fall of 1985. Last year, OmniVision accounted for $5.4 million in measured spot tv, featuring baseball star Reggie Jackson as spokesman.

Based on the theme, "OmniMovie Magic Moments," 1985 tv spots show total freedom of the product. In one, a child visiting Universal Studios is caught on film watching "Conan" fight a fire-breathing dragon. The VHS hi-fi spots feature true-to-life sound, with one spot showing a woman watching a horror movie, except the hi-fi sound makes her think she's in one. Theme for the stereo color tv, "so life-like, you'll think you're a part of the action," focuses on the quality picture, showing spacecraft and other things coming out of the tv. Color tv in 1984 received $1.5 million in spot tv and $500,000 in print, with anticipated increases in 1985.

Panasonic in 1985 is promoting portable audio items with tv spots targeted at younger viewers, to air on video programs. Featured are Sound Band, a mini fm receiver; Sound Card, an ultra-thin am/fm radio, and Sound-To-Go, a small radio cassette recorder. Ad theme for portable audio in 1985 is "changing from school to cool." In 1984, "Doctor of the Future" educated preppies on being cool. In 1985, "Hair Cut" shows a boy having his head shaved in a strip to fit a 2-in. radio headband.

Quasar continues basing ads around the theme: "Out of our minds—into your hands," introduced in the fall of 1984. The division's flagship product, set for June introduction, is Delta, a cable-ready, stereo-capable color receiver/monitor with 26-in. screen. Quasar expects to begin shipping a prototype, portable VHS camera/recorder called "VHS Movie" in July, in addition to a variety of home and kitchen appliances.

Delta and other new products are being introduced with three-page inserts in slick consumer magazines, scheduled for late spring and fall.

In 1985 once again, magazine ads will account for the bulk of spending by Quasar, Panasonic and branded products, including Technics. In 1984, Panasonic spent $3.4 million on print ads for its hand-held, portable video system.

Magazine also accounts for the most measured spending by Panasonic Industrial Co., a separate division, which markets cameras, copiers and office automation equipment.

Magazine spending for video/audio equipment, home appliances, communication and industrial equipment, energy and kitchen-related products, and electronic components, all of which are produced and/or marketed by Matsushita's 11 U.S. divisions, jumped 61% to $18.7 million in 1984.

Now celebrating its 25th anniversary of doing business in the U.S., Matsushita is fast becoming a marketing powerhouse. It is the largest marketer of consumer electronics and electronic products in Japan.

The international economic recovery, while weaker than that of the U.S., is beginning to show some bright spots, particularly in industries such as electronics. The slogan, "Action '86," picked in 1984 to signal Matsushita's push for electronics of the future, never seemed more appropriate.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,817.6	1,817.6
Magazines	18,690.3	11,471.5
Network cable	646.9	1,305.1
Spot tv	13,816.8	8,738.0
Network tv	1,859.8	1,404.7
Spot radio	5,201.9	2,415.4
Network radio	294.3	1,202.2
Outdoor	244.9	137.3
Total measured	42,572.5	28,491.8

MATSUSHITA ELECTRIC CORP.
One Panasonic Way
Secaucus, N.J. 07094
(201) 348-7000

PANASONIC CO.

Marketing Personnel

Henry Yamanaka, coo
Ralph Wolfe, senior vp sales/mktg
Steve Asada, vp-planning/merch
Bob Greenberg, genl mgr communications
Stan Hametz, genl mgr-VHS products
Paul Adams, genl mgr-televisions
Dick Lovisolo, genl mgr-audio products, home information systems
Bill Kopp, asst genl mgr-home information systems
Mickey Torimoto, genl mgr-auto products
Mike Aguilar, Technics products

Advertising Agencies

Ted Bates Advertising, New York—Vito Mandato, mgmt rep; Robert Miller, acct super; John Noakes, exec vp; Kevin Scully, Jim Keenan, Jodi Ranson, acct execs.

Grey Advertising, New York—Robert Berenson, exec vp-admin.

QUASAR

Marketing Personnel

Jack Pluckhan, president-coo
James Yokoyama, vp
Alan Walter, asst genl mgr-sales admin
Bob Wiles, genl mgr-sales mgmt & distribution
John Fortino, asst genl mgr-adv & pr
Tony Mirabelli, genl mgr-tv div
Terry Yokoyama, asst genl mgr-Vcr div
Scott Shimizu, asst genl mgr-audio products
Wally Fraser, asst gen mgr-appliance div

Advertising Agency

Needham Harper Worldwide, Chicago—David Handelman, media super; Lynn Palmore, vp-assoc media dir; Fran Wager, Julie Fotos, media planners; Bob Bertolotti, acct super; Mike Zaremba, mgmt rep.

PANASONIC INDUSTRIAL CO.

Marketing Personnel

Ken Kurahashi, president-coo
Carl Lindquist, adv mgr
Frank Novak, gen mgr-adv div

Advertising Agencies

Grey Advertising, New York—Alan Rinfret, vp-mgr super.

Ted Bates Advertising, New York—John Noakes, exec vp-acct mgmt.

Sommer Inc., New York—Don Mauro, acct super.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

May Department Stores Co. RANK **185**
St. Louis

($ figures = 000,000)

Worldwide/U.S.	**1984**	**1983**	**% chg**
Sales	4,744.0	4,173.0	13.7
Net income	214.0	187.0	14.4
Advertising	21.6	14.3	50.6
Division sales			
Department stores	3,235.7	2,970.3	9.0
Venture	915.0	777.8	17.7
Volume Shoe	543.4	425.2	27.8

May Department Stores Co., St. Louis, which had record earnings and sales in 1984 as it continued to emphasize its discount retail units, was the 185th largest advertiser in measured media, spending $21.6 million in 1984.

The most significant change in measured spending—which increased 50.6% for all media from 1983—was an outlay of $5.7 million in spot tv for Payless Shoe Source, the single largest expenditure. Payless in 1983 had no measured spending for spot tv and only $232,000 in magazine.

The second largest expenditure backed Venture stores, which had

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And a good reason to call Lisa Ross (212/480-8031) to arrange a screening of our new reel.
Broad Street Productions
50 Broad Street
New York, NY 10004

measured spot tv spending of $3.5 million. There was no spot tv spending monitored for Venture in 1983.

These expenditures account for much of the increased spending in 1984, and parallel key areas of growth in May's mix of retail outlets. May is after a greater share of the discount retail market, pitting it increasingly against Detroit-based K mart Corp., the nation's second largest retailer.

Of May's five-year compounded growth in operating earnings, Venture contributed 43.5%, Volume Shoes 22.4%, department stores 8.3%, and real estate 9.6%. In 1984, Volume Shoes' operating earnings increased 31.9% over 1983, Venture increased 14.3%, department stores increased 10.5% and real estate 12.3%.

In 1984, May was the 16th largest local tv advertiser, spending $18.6 million on spot tv, an increase of 24% over 1983. K mart in 1984 was the 25th largest spot tv advertiser, spending $14 million. Sears, Roebuck & Co. was the sixth largest local tv advertiser and the largest retail spender in 1984 with spot tv outlays of $26 million.

The May unit with the fastest growth is Volume, which added a net 273 Payless outlets in 1984 and announced plans for a net 200 new stores in 1985. Volume's 1984-88 plan calls for gross capital investment of $500 million to add a net 1,000 stores. It had 1,663 outlets operating in early 1985.

Venture opened six stores in 1984 and plans to open five in 1985 for a total of 62. Expansion in 1984-88 calls for 32 new stores at a cost of $175 million.

Venture and Volume earnings continued to outperform those of the May's 11 department store companies, which include 145 units nationwide, including May Co., Hecht's, Famous-Barr and Kaufmann's, among others.

Better performance for the discount retail outlets is because of expansion and improved return on sales. Volume set a sales record of $543.4 million in 1984, up 27.8% over 1983, with earnings of $77.6 million, up 31%. It is one of the fastest growing retail chains in the U.S. Venture sales were a record $915 million in 1984, up 17.6% from 1983, with earnings of $49.8 million, up 14.3%.

May's corporate earnings were a record $214 million for the year ended Feb. 2, 1985, an increase of 14.5% over the previous year. Sales in 1984 were $4.7 billion, up 13.7%.

Despite growth in the discount segment, the department store units continued to generate the bulk of sales and earnings. Department store units brought in a record $3.2 billion in 1984, up 8.9% over 1983, with operating earnings of $338.1 million, up 10.5%.

The 1984-88 plan for growth in the department store segment calls for $300 million in capital outlays for 24 new department stores. An additional $200 million is being allocated for remodeling and expansion of existing units.

May is working to improve productivity in retail units through programs that reallocate space and programs that trim space in older stores. For example, in 1984, the company eliminated 2.7 million in square footage, reducing operating costs and adding revenues through leasing much of the vacated space.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	188.1	392.4
Spot tv	18,382.7	13,460.7
Network tv	2,618.7	352.5
Spot radio	403.1	111.1
Outdoor	6.2	24.8
Total measured	21,598.8	14,341.5

MAY DEPARTMENT
STORES CO.
611 Olive St.
St. Louis, Mo. 63101
(314) 342-6300

MAY CO.
North Hollywood, Cal.
Judith K. Hofer, president
Leonard Berliner, vp-mktg
Advertising Agency
(In-house)

HECHT'S
Washington, D.C.
Marketing Personnel
Robert Friedman, exec vp-merch
Steven Wishnow, senior vp-sales promo
Joe Langert, div vp
Don DeFabio, senior vp-mktg
Viki Rosenkoetter, vp-ad dir
Advertising Agency
Rosenthal, Green & Campbell, Bethesda, Md.—Judy Green, president

FAMOUS-BARR CO.
St. Louis, Mo.
Marketing Personnel
Mike Wolf, vp-ad director
Marcus Tully II, senior vp-mktg
Advertising Agency
Stolz Advertising Co., St. Louis, Mo.—Sheri McLafferty, acct exec; Lori Berman, media asst; Kelli Wease, media buyer.

KAUFMANN'S
Philadelphia, Pa.
Marketing Personnel
Jerry Eccher, senior vp-sales promo
Mark Humphrey, adv dir
Barbara Mihopulos, creative dir
Advertising Agency
(In-house)—LaRue Davis, broadcast dir

MAY CO.
Cleveland, O.
Marketing Personnel
Robert B. Cockayne, president
Stephen D. Thorpe, senior vp-sales promo
Ruben Arizte, dir adv
Advertising Agency
(In-house)

MAY D&F
Denver, Colo.
Marketing Personnel
Randall Barberis, senior vp-mktg
Gunda Kuga, adv dir
Advertising Agency
Maydia (in house)

VENTURE STORES
St. Ann, Mo.
Marketing Personnel
Julian Seeherman, president
Maxine Clark, exec vp-mktg
Advertising Agency
Grey-North, Chicago—Edwin Holzer, president; Ann Armbruster, vp-mgmt super.

VOLUME SHOE CORP.
Topeka, Kan.
Marketing Personnel
Richard Jolosky, president
Advertising Agency
Foote Cone & Belding, Chicago—John Murphy, acct dir; Dan Zigliuch, acct exec.

MCI Communications Corp.

Washington

RANK 111

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,959.3	1,073.2	29.0
Net income	59.2	170.8	-71.0
Advertising	36.1	34.6	4.2

MCI Communications Corp., the 111th largest national advertiser in 1984, depends heavily on advertising as part of its marketing strategies as it butts heads with AT&T. For 1984, total ad expenditures were up 4.2% over 1983, to $36.1 million.

Washington-based MCI in 1984 had total revenue of $1.96 billion, up 29% from 1983. Net income, at $59.2 million, was down 71%.

During 1984 the company switched to a calendar year, and in the new first quarter, ended March, 1985, income had made a sharp increase, more than sixfold, to $40.4 million from $5.9 million in the same quarter of 1984. First-quarter 1985 sales rose 20%, to $570.6 million, in the quarter ended March, 1984.

MCI serves its 2.4 million customers through four operating units: MCI Telecommunications, the MCI long-distance phone service; MCI International, the international long-distance service (including telex, leased-cable, and cablegram services); MCI Air-signal, the cellular phone, paging and message services, and MCI Mail, a high-speed electronic and printed paper message service in the U.S. and paper messages overseas.

Biggest current marketing development for MCI is the spread, this year, of Dial 1 service, aftr the beginning of Dial 1 in Charleston, W. Va. and its rollout in other cities across the U.S. In this development, long fought for by MCI and other fellow common carriers, the long-distance caller on a non-AT&T service no longer needs to enter an access number and authorization code.

In other new marketing pluses, MCI has discontinued its monthly fees. It now gives free service calls to its own operators (like AT&T) and charges 10% less than AT&T for its long-distance information service. Another marketing offer gives 60 free minutes of calling time to new customers.

A major breakthrough in attracting new customers came in 1984 with the opening of MCI International service to 18 countries that send and receive more than 50% of all international phone calls. By the end of 1985, the company expects to be serving 80% of that international market. For this service, MCI says it charges 30% less than AT&T.

Another MCI marketing nicety for 1984 is its provision for letting subscribers charge calls through their Sears, Roebuck & Co., American Express or Amway credit cards.

The promotional mountain that MCI and the other common carriers must climb in competition with AT&T is formidable—the phone giant has about 80% to 86% of the market, MCI 5% to 6% and Sprint about 4%.

For this promotional climb, MCI continues countering with a heavy ad budget. Included in its expenditures for 1984 were $32.8 million for spot tv, up 30% from 1983, and $2.5 million for magazine spending, up 37%.

MCI ad spending to advertise in the hotly contested long-distance field totaled $32.3 million in 1984, up 15%. Spending for MCI Mail was off 24%, to $2.9 million in 1984.

While MCI has not won in all of the campaigns it has waged, it has enjoyed some successes. Its electronic mail service via computer or telex machine—has not made profits nor has its cellular phone service now in 15 cities. And its May, 1985, award of $113.4 million in the long-standing damage suit against AT&T was far less than the $5.8 billion it had sought.

But on June 1, in response to efforts by MCI and other common carriers, the Federal Communications Commission ruled an end to the practice of automatically awarding to AT&T long distance all those subscribers who had not specifically chosen AT&T as their long-distance carrier. Under the new FCC ruling, the no-choosers would be awarded to the other carriers in the same percentage as those who *had* made choices. This could mean thousands of new subscribers for MCI.

Meanwhile, AT&T is fighting back with its own $40 million advertising campaign. It also will spend millions to replace its present more technologically limited and expensive copper-cable transmission system with the same fiber-optic transmission links that are a competitive edge for MCI and the other carriers. As the old Mississippi showboat captain used to say, "Ladies and gentlemen, this is only the beginning!"

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,519.1	1,833.1
Network cable	0.0	0.7
Spot tv	32,829.3	29,259.9
Network tv	0.0	1,710.9
Spot radio	714.6	1,743.1
Outdoor	21.1	80.0
Total measured	36,084.1	34,627.7

MCI COMMUNICATIONS
1133 19th St. NW
Washington, D.C. 20036
(202) 872-1600
Marketing Personnel
Howard Crane, senior vp-corp affairs

MCI TELECOMMUNCATIONS CORP.
Marketing Personnel
Judy Ranzer, vp-adv & sales promo

MCI INTERNATIONAL
Marketing Personnel
Michael Bart, mgr-adv & mktg

MCI Mail
Marketing Personnel
Edward Toussaint, vp-mktg

MCI AIR SIGNAL
(cellular telephone/
electronic paging)
Marketing Personnel
Timothy Donahue, vp-sales & mktg

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Asahi Shimbun New York Business Bureau, c/o Powers International, Inc.,
551 Fifth Avenue, New York, N.Y. 10176. Tel.: (212) 867-9582

*Information Development Institutes, 1982

Advertising Agencies

Benton & Bowles, New York—MCI Communicatons Corp.—Ray Marione, mgmt super; Paul Magier, acct exec; Mary Elizabeth Tuttle, asst acct exec.

Ally & Gargano, New York—MCI Telecommunications Corp.—Jim Feeney senior vp-group mgmt super; George Euringer-senior vp-creative group head; Tom Messner, senior vp-creative group head-copy chief; Helayne Spivak, senior vp-creative group head.

Wells, Rich, Greene, New York—MCI Mail—Dick Upson, acct group head; Allan Offenberg; acct super; Cindy Nachman, acct exec.

RANK 131

Mennen Co.

Morristown, N.J.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	150.0	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	31.0	27.2	13.7

Mennen Co., Morristown, N.J., seeking to build revenues estimated at $150 million in 1984, went outside its health and beauty aids field early this year to acquire a company requiring similar distribution patterns.

Mennen, ranked as the 131st largest national advertiser with $31 million in measured media in 1984, up 13.7% from 1983, spent largely on network tv —$26.3 million, up 4%. It funneled $1.6 million into spot tv, up from $103,700; $2.45 million into magazines, up 64%, and $609,300 into network cable, up 67.8%.

Innovation remains the key to the privately held company's marketing strategy in its drive to improve its share in the competitive health and beauty aids field and has taken on new dimension in 1985 through the acquisition of Paper Art Co., Indianapolis.

The acquisition was labeled by Mennen's chairman-ceo, L. Donald Horne, "as the first step in implementing . . . a more aggressive marketing strategy to broaden participation in consumer markets . . . this paves the way toward more acquisitions."

Paper Art Co. produces a line of paper tableware and decorative paper products, marketing the items through party departments and specialty stores. Mennen will broaden distribution of the paper products through food stores, drugstores and other mass-merchandising outlets. Paper Art, with sales of $30 million in 1984, will remain an autonomous operation, Mennen says.

Mennen's main product continues to be fragrances: Men's after-shave articles, antiperspirants and products for the care of skin, hair and feet. In this highly competitive field, product introductions and restaging are essentials.

The company in March, 1984, introduced Real antiperspirant, a soft paste concentrate delivered through a porous top. Budgeted for this new product, in a campaign by SSC&B Inc., New York, was $8 million via print and tv.

Antiperspirants/deodorants are a $1 billion-plus market. In the 1983-84 period, Procter & Gamble brands have commanded about 20% of the market; Gillette (Right Guard) about 20%; Carter-Wallace (Arrid) about 10-14%; Mitchum and Unilever (Impulse) each about 3%. Mennen's Lady Speed Stick brand had 1.2% of the market.

Industry sources put Mennen's Speed Stick and Real antiperspirant/deodorant line in fourth place behind Procter & Gamble's Secret and Sure, first and second respectively, and Carter-Wallace's Arrid, third, but ahead of Bristol-Myer's Ban line in fifth place.

Mennen boosted advertising spending for the Speed Stick and Real products 26%, to $18.6 million in 1984. Spending in 1984 was about $900,000 in print and the balance in network and spot tv.

Spending for the Baby Magic line of four products dropped about 7% to $2.14 million in 1984.

In a packaging refinement to capitalize on another specialized market segment, Mennen in 1984 added ridged sidewalls and a snap-on cap to its Smooth Legs shaving lotion to give women who shave in the shower an easier-handling, tighter closing package.

Ad agency changes were a significant factor for Mennen in the past year. In March, 1984, Mennen switched the advertising for its Baby Magic line ($2 million in magazines and tv in 1984) to Campbell-Ewald from Grey Advertising. A month later, it also moved Mennen Skin Bracer and the national introduction of Real to Campbell-Ewald. It also moved about $20 million in billings for Speed Stick and Lady Speed Stick and Afta aftershave lotion to McCann-Erickson, New York, from SSC&B, New York.

Mennen runs its group of 14 subsidiaries throughout the U.S. and world from its Morristown headquarters, where a major building expansion is under way.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,448.5	1,491.6
Network cable	609.3	359.3
Spot tv	1,559.6	103.7
Network tv	26,342.2	25,293.7
Spot radio	11.8	0.0
Total measured	30,971.4	27,248.3

MENNEN CO.
Hanover Ave.
Morristown, N.J. 07960
(201) 631-9000

Marketing Personnel

Dominic J. La Rosa, vp-mktg
Richard Zenco, vp-mktg services

Advertising Agencies

McCann-Erickson, New York—Speed Stick and Lady Speed Stick, antiperspirants and deodorants, Afta Aftershave—Gunnar Wilmot, sr vp-mgmt rep; David Ganz, vp-acct super; Kim Corrigan, acct exec.

Campbell-Ewald, New York—Baby Magic line, Mennen Skin Bracer, Real deodorant and new prods—Jeff Tarakajian, sr vp-mgmt rep; Steve Rosenblum, acct super; David Waxenberg, acct exec.

RANK 107

Mercedes-Benz of North America

Montvale, N.J.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	4,100	N/A	N/A
Net income	N/A	354.0	N/A
Advertising	37.9	39.0	-2.8

Mercedes-Benz of North America, Montvale, N.J., the sales subsidiary of Daimler-Benz AG of Stuttgart, West Germany, ranked 107th among advertisers in measured media in 1984 while recording estimated sales of $4.1 billion, up an estimated 10%.

Total measured ad spending of $37.9 million was 2.8% less than the 1983 level, dropping the privately held auto marketing subsidiary from its former 103rd slot.

Spot radio was the biggest gainer among media categories, increasing 10% to about $2.4 million. The big decrease in spending was in spot tv, dropping from $2.3 million in 1983 to $500,000.

The U.S., with total sales of 79,222 in 1984, is the biggest export market for Daimler-Benz AG, which produced 478,300 cars in 1984. U.S. auto sales represented $2.8 million of total revenues, the remaining $1.3 billion attributed to Daimler-Benz's sales from its U.S.-assembled diesel trucks and its Portland, Ore.-based Freightliner division.

Mercedes-Benz in 1984 held a healthy 20% to 23% market share of the luxury-performance category, virtually dominated by imports that included Audi, Jaguar, Saab, BMW, Volvo and Porsche. The company now offers this demanding clientele five basic Mercedes models in 11 styles.

Biggest ad support for the year was given to the new compact 190, backed by measured spending of more than $13 million. Also well backed was the larger 300D, receiving about $3 million in print and tv support. Healthy sales figures for these models are significant in light of the ad support. Both are the line's biggest sellers—23.013 for the 190 in 1984 and 33,552 for the four versions of the 300D. Totals for the models and their percentages of full Mercedes North American sales for 1984 are:

Model 190D, 5,309 sold for 6.7% of total sales; 190E, 17,704, 22.4%; 240D model, nominal sales, (phased out); 300D, 16,659, 21%; 300CD, 1,559, 1.9%; 300TD, 2,465, 3.1%; 300SD, 12,889, 16.3%; 380SE, 7,135, 9%; 500SEL, 4,557, 5.8%; 500SEC, 1,651, 2.1%; 380SL, 9,288, 11.7%.

Mercedes-Benz AG, 99 years in the business and selling in 170 countries, is well tuned to the various demographic characteristics of its marketplace, particularly the U.S.

The company divides the 50 states into seven sales zones: New York, serving the Northeast; Washington, the Middle Atlantic; Jacksonville, Fla., the Southeast; Chicago, the Midwest; Houston, the Southwest; Los Angeles, the southern Southwest and Arizona, and San Francisco, northern California.

Percentages of total U.S. sales by geographic zones include New York, 21.2%; Washington, 14%; Jacksonville, 12.7%; Chicago, 10.7%; Houston, 12.7%; San Francisco, 10.6%; Los Angeles, 18.1%.

A prime selling point added in the past two years is the emergency service offer for drivers stranded by car trouble. Mercedes can provide this service through its 412 U.S. full-line dealerships and service-only centers. The company ships parts from depots in or near Somerset, N.J.; Baltimore; Jacksonville; Chicago, and Los Angeles.

In addition to Mercedes-Benz of North America, the German parent company operates three other entities in the U.S.: Daimler-Benz of North America Holding Co., New York, a business-administration organization; Mercedes-Benz Credit Corp., Norwalk, Conn., and Freightliner Corp., Portland, Ore., a producer and marketer of medium and heavy-duty trucks and utility vehicles.

Daimler-Benz in 1969 made its first move toward a U.S. truck-marketing presence. An internal marketing study led it to start importing Mercedes diesel trucks from Germany. In 1981, Daimler-Benz bought the Freightliner Corp. truck builder started in 1939 as part of the Consolidated Freightways trucking line. In 1982, Daimler-Benz consolidated all its North American truck operations under the Freightline aegis.

Freightliner in 1984 sold 17,597 Class 8 (heavy-duty) cargo trucks. Advertising in 1984 for Freightliner totaled about $160,000, primarily in trucking magazines but also some in outdoor media.

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So if you really want to sell your product or service in Miami, here are two words of free advice: Buy Diario.

Diario Las Américas
The Spanish-language Daily Newspaper
Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street
Miami, Florida 33142-5193
(305) [illegible]

Represented nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc. (CWO&O).

Medium-duty diesel trucks bearing the Mercedes-Benz marque are manufactured in Germany, assembled in Hampton, Va., and distributed nationwide by Freightliner. Total 1984 sales of these Class 6/7 trucks were about 3,000. Freightliner claims a 4.5% share of the U.S. class 6/7 diesel market of 53,724 units, compared with 40.9% for International and 27.3% for Chevrolet.

Beginning this year Schmitt Engineering, Milwaukee, is handling marketing of the Mercedes Unimog, a short-wheel-base universal implement carrier that powers more than 100 different attachments used in construction, agriculture and road work.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,594.9	6,594.9
Magazines	14,404.3	14,180.4
Network cable	271.7	148.4
Spot tv	486.5	2,299.1
Network tv	13,818.0	13,677.1
Spot radio	2,354.2	2,136.3
Outdoor	10.5	0.0
Total measured	37,940.1	39,036.2

MERCEDES-BENZ
OF NORTH AMERICA
One Mercedes Dr.
Montvale, N.J. 07645
(201) 573-0600

Marketing Personnel

Hans Jordan, vp-mktg
Robert C. Owens, genl mgr-mktg communications
Gerd Klauss, genl mgr-mktg planning
Kevin Davison, dir-adv

Advertising Agency

McCaffrey & McCall, New York—all models, Mercedes-Benz automobiles—William Bieser, senior vp-acct dir.

MGM/UA Entertainment Co.

RANK 137

Culver City, Cal.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	706.9	723.0	-2.2
Net income	34.7	41.9	-17.1
U.S.			
Sales	474.7	507.6	-6.5
Operating profits	N/A	N/A	N/A
Advertising	29.8	20.8	43.3

Box office bombs in the first half of fiscal 1985 have soured the celebratory mood at MGM/UA Entertainment Co., Culver City, Cal., which last year observed its 60th anniversary.

For the first half of the 1985 fiscal year, the company posted $80.5 million in net losses, compared with $43.4 million earned in 1984's first half. Though potential hit movies have either just been released or are yet to come, the danger zone is by no means passed.

MGM/UA spent $29.8 million in measured advertising last year, a 43.3% increase in measured ad spending from 1983, and one that earns the company the 137th spot among national advertisers.

MGM/UA used network cable for the first time, which compensated in part for a two-thirds reduction in magazine spending and a 16% drop in network tv advertising.

The company earned a declining though respectable $34.7 million in net income for the fiscal year ended Aug. 31, 1984, on operating revenues of $706.9 million, down 2.2%. Although steady revenue increases have continued in home video, pay tv, tv distribution and film laboratory segments, the company has seen a steady and precipitous decline in theatrical film and tv program revenues since 1982.

MGM/UA chairman Frank Rothman attributed the first-half 1985 earnings decline to continued weak performance by the company's theatrical releases, despite increases in revenues from home video, film laboratory and tv programing divisions.

In a move that puzzled Hollywood executives, MGM/UA earlier this year sought to divide itself again, following the 1982 merger of the studios after financial difficulties. Alan Ladd Jr., a former president of 20th Century-Fox Film Corp. and founder of the Ladd Co., in January was named president of United Artists Corp., while former MGM/UA vice-chairman Frank Yablans was made head of MGM Films.

In March, Mr. Ladd was elevated again to the new post of president-chief operating officer at the parent company after the departure of Mr. Yablans, whose shift to MGM seemed to bode ill for his MGM/UA career. And more recently, Mr. Rothman announced that MGM/UA may sell one of its two studios.

Amid this corporate chaos comes an already beleaguered studio plagued by the unpopularity of many of its more ambitious movie projects.

The studio took writedowns on four recent releases, including "Mrs. Soffel," "Garbo Talks," "The Aviator" and "The Pope of Greenwich Village," and its only network tv series productions, "Jessie" and "Paper Dolls," were canceled by ABC-TV midway through their first season.

The company spent $2 million in measured media during 1984—via agency Wells, Rich, Greene, Los Angeles—to promote "Greenwich Village," and it spent $2.7 million on "Red Dawn" and $2.5 million on "Teachers," the latter a box office flop.

On the bright side, early grosses are encouraging for MGM/UA's 14th James Bond film, "A View to a Kill." And "2010," the sequel to "2001: A Space Odyssey" that the company called its "Christmas present to audiences everywhere," grossed $41 million after its release last December. The latter film cost $25 million to produce. Future projects include other sequels of successful films, among them "Rocky IV" starring Sylvester Stallone and "Poltergeist II: The Other Side."

In April, MGM/UA purchased the 15% stock it did not already own in its MGM/UA Home Entertainment Group, formed in 1982 to distribute theatrical films to the pay tv, home video and other markets. The company released 96 new videocassette titles during fiscal 1984. Aside from the two tv series canceled by ABC, MGM/UA produces first-run syndication episodes of "Fame," a musical drama, and "Kids Inc.," a children's variety show.

Tv program operating revenues in fiscal 1984 were $67 million, down 30%, while revenues from theatrical film distribution were down 15%, to $220.2 million. Tv distribution sales, however, were up 28% to $185.2 million, while home video and pay tv revenues reached $44.7 million, an 18% increase.

At fiscal yearend 1984, the company employed 2,600 workers.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	251.8	758.9
Network cable	287.0	0.0
Spot tv	3,629.1	7,966.5
Network tv	22,764.8	11,120.0
Spot radio	2,791.3	782.8
Outdoor	47.5	145.1
Total measured	29,771.5	20,773.3

MGM/UA ENTERTAINMENT CO.
10202 W. Washington Blvd.
Culver City, Cal. 90230
(213) 558-5000

Marketing Personnel

Irv Ivers, president-worldwide mktg
Gregory G. Morrison, senior vp-creative adv
Ted Hatfield, vp-field operations
Bud Filippo, vp-mktg admin
Terry Katz, vp-rsch
Edie Kelter, vp-media & co-op adv
William Minot, vp-natl merch
Ed Pine, vp-publicity

Advertising Agency

Wells, Rich, Greene, Los Angeles, Cal.—Larry Olshan, president-entertainment; Dick Porter, senior vp-mgmt super; Lisa Courtney, media dir; Janet Laird, acct coord; Kristy Frudenfeld, media planner.

When you care enough to send the very best

Rejecting the advice of most advertising "experts" of the day that nobody looked for brand names when buying greeting cards, Hallmark Cards founder Joyce C. Hall in 1928 wrote his own first ad, for publication in the *Ladies' Home Journal*, then went on to sponsor a popular radio program featuring Tony Wons reading verses.

Both were successful and led to a long-term advertising commitment expressed ultimately in the Hallmark Hall of Fame and today's greatly expanded print and tv campaigns.#

Monsanto Co.

RANK 191

St. Louis

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	6,691.0	6,299.0	6.2
Net income	439.0	402.0	9.2
U.S.			
Sales	4,914.0	4,596.0	6.9
Operating profits	477.0	434.0	9.9
Advertising	20.6	18.1	13.7
Division sales			
Agricultural prods.	1,256.0	1,167.0	7.7
Fibers	1,194.0	1,170.0	2.1
Polymer prods.	1,877.0	1,830.0	2.6
Other	2,364.0	2,132.0	10.9

Monsanto Co. continued positioning itself in 1984 to break into new markets in agriculture, healthcare, and engineered products and materials as time runs short on patents for its two leading products, Lasso and Roundup herbicides.

The St. Louis-based marketer of chemicals, plastics, fibers and various industrial products was the nation's 191st largest advertiser for the year, boosting total measured spending 14% to $20.6 million.

Monsanto's U.S. patents covering Lasso herbicide and its use expire in 1986 and 1987, while the U.S. patents covering Roundup herbicide and its use expire in 1991 and 2000. To prepare for the anticipated competition, Monsanto is developing improved products, which are now in advanced stages of the regulatory process. The company also is turning its vast technological resources to the job of creating new products in several key areas.

Emphasis is being placed on growth areas, such as agriculture, nutrition and healthcare, through biotechnology and genetic engineering. The company gradually is placing less emphasis on commodity products, such as fibers and chemicals, and more on value-added specialty products, such as genetically improved products, such as seeds, and engineered products.

Monsanto, the nation's No. 1 farm advertiser, increased measured spending of its most important proprietary products, Lasso and Roundup herbicides, among other products for agriculture, by 9% in 1984 to nearly $9 million. The ads appeared mainly in farm trade publications. In addition, Monsanto increased spot tv spending 47% to $4.4 million for Lasso and Roundup.

Sales of herbicides and other agricultural chemicals in 1984 increased 8% to $1.25 billion, accounting for about 20% of Monsanto's $6.7 billion in total revenue for the year, which was up 6%. Net income for 1984 was $439 million, up 9% over 1983. Monsanto's total sales divided roughly into eight categories: Agricultural, 20%; construction and home furnishings products (mostly fiber products), 19%; capital equipment, 13%; pharmaceuticals and personal products, 13%; products used in manufacture of motor vehicles, 9%; apparel, 7%; chemicals and hydrocarbons, 7%; other markets, 12%.

Measured ad spending for Monsanto's broad range of fiber products increased 10% in 1984 to $5.5 million, mostly for magazine.

U.S. sales of $4.5 billion accounted for 67% of Monsanto's total income in 1984, while international sales of $2.2 billion accounted for 33% of revenues.

Profits from sales of herbicides in 1985 may be squeezed by a worsening farm economy. Monsanto's first-quarter profits tumbled 50% to $87 million, compared with the same period in 1983. Operating profits from pesticide operations were down 21% to $121 million. With a strong dollar continuing to hurt U.S. agricultural exports and expectations of surplus crops in 1985, the prospects for 1986 herbicide sales also appear weak.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,953.6	3,440.5
Spot tv	4,639.6	3,527.6
Network tv	0.0	921.5
Spot radio	1,477.9	1,203.3
Network radio	520.0	700.0
Outdoor	29.0	50.8
Farm pubs	8,996.4	8,288.2
Total measured	20,616.5	18,131.9

MONSANTO CO.
800 N. Lindbergh Blvd.
St. Louis, Mo. 63167
(314) 694-1000

Marketing Personnel

S.E. Dowdy, dir-mktg communications & info
R.C. Isham, dir-adv & mktg info
R.F. Tripodi, corp adv programs dir
R.J. Williams, dir-production
J.M. Costello, dir-corp mktg & rsch
J.F. Hussey, vp-public affairs

MONSANTO AGRICULTURAL
PRODUCTS CO.
St. Louis, Mo.

Marketing Personnel

D.H. Swan, group vp

Advertising Agency

(In-house).

MONSANTO FIBERS &
INTERMEDIATES CO.
St. Louis, Mo.

Marketing Personnel

J.E. Springgate, president

Advertising Agency

(In-house)—James Peurrung, M.F.I. sales

MONSANTO INDUSTRIAL
CHEMICALS CO.
St. Louis, Mo.

Marketing Personnel

R.U. DeSchutter, vp-managing dir
L.H. Johnson, mgr-adv, sales promo, mktg rsch

Advertising Agency

Trout & Ries, New York—Steve Rivkin, exec vp

MONSANTO POLYMER
PRODUCTS CO.
St. Louis, Mo.

Marketing Personnel

Thomas J. Newcomb, dir adv & pr
Jane E. McKinney, mgr-adv
Donald T. Berns, pr mgr

Advertising Agency

Muller Jordan Weiss, St. Louis, Mo.—W. Rice, acct exec.

National Distillers & Chemical Corp.

RANK 139

New York

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	2,244.9	1,948.5	15.2
Net income	51.4	66.7	-22.9
U.S.			
Sales	2,182.7	1,885.9	15.7
Operating profits	N/A	N/A	N/A
Advertising	29.2	26.0	12.4

National Distillers & Chemical Corp., ranked the 139th largest advertiser in 1984, is battening down for the "Prohibition-type" climate emerging in the U.S. by decreasing marketing expenses while concentrating on major brands with a proven track record.

The New York-based company during 1984 increased measured media advertising 12.4% over 1983 to $29.2 million as it recorded net income of $51.4 million, down 22.9% from the previous year, on net sales of $2.25 billion, up 15.2%.

Sales and profits from the spirits and wines division declined in 1984 because of reduced volume of shipments, a less profitable mix of product sold and higher advertising and merchandising costs.

The company attributes the decline in spirits shipments to public attitude concerning perceived alcohol abuse, and reduced wine sales to encroachment by foreign wines benefiting from the strong U.S. dollar.

The company, rather down on the industry's future, reports, "There will not appear to be any significant improvement in profitability for distilled spirits operations in the immediate future" because of the social concern over alcohol abuse and the increase in the federal excise tax on distilled spirits to take effect Sept. 30. The excise tax, the first increase in 30 years, will add about 30 cents to the cost of a 750ml of distilled spirits.

The spirits and wine sector at National Distillers in 1984 accounted for $27.7 million in operating income, or 15.3% of the company total, on sales of $648.8 million, 28.9% of the total. Petrochemicals, oleochemicals and energy are the remaining divisions.

Not much change occurred in the first quarter ended March 31. National Distillers suffered a 45.6% decline in net income from the prior year to $19.9 million on a 3.2% decline in net sales to $574.2 million, results that prompted Drummond C. Bell, chairman-ceo, to relate today's social and legislative climate to the "dim dark days of Prohibition" when National Distillers was formed "against all odds."

However, the losses were suffered on the chemical side, rather than distilled spirits where profits were up because of a decrease in marketing expenses and improved volume and profitability for the DeKuyper line of cordials.

National Distillers places most of its distilled spirits advertising in magazines (43% of all advertising) and outdoor (20% of all advertising). Its Almaden wine adds a twist to the media mix by allocating most of its brand spending to network tv (17% of total advertising) and network radio (11%). The company also carries out aggressive point-of-sale advertising to support its products.

National Distillers has seven products ranked among the top 50 distilled spirits brands in the country, according to market rankings by John C. Maxwell Jr., Laidlaw Ansbacher, New York. Windsor Supreme heads the company list, ranking No. 6 nationally in 1984, up two notches from 1983. Windsor Supreme, a Canadian whisky, had a case sales increase of 8%. Ad support of $6.3 million—the most for any company distilled spirit—was up only slightly from 1983. Windsor was the subject of a multi-million-dollar ad campaign in 1984 that continues into 1985 that ties the product to the rugged Canadian Rockies.

Gilbey's gin, the top American-made gin, dropped a slot to No. 13 on the basis of a 4.8% drop in case sales. Gilbey's was supported with $4.8 million, down 5.9% from 1983. No. 16 Kamchatka vodka, which receives only modest ad support, fell two ranks on the basis of a decline of 2.9% in case sales. Advertising likewise dropped 16.2% to $320,300.

Old Grand-Dad bourbon rose one rank to No. 31 in 1984 on a 2% increase in case sales and Old Crow dropped three places to No. 32 with a decline of 10.3% in case sales. Old Grand-Dad advertising dropped 14.9% to $4 million, and another bourbon, Old Crow, received minimal ad support of $284,400, up from only $9,100 in 1983.

Almaden wine, the nation's third largest table wine with 10.3 million cases, was the only wine producer that grew, albeit 0.1%, in the top 10 in 1984, according to *Impact*, the wine-industry newsletter. Cause for the growth was its introduction of Golden Chablis. Almaden got a hefty $8.8 million in ad support during the year, up 46.7% from 1983. Only No. 1 Gallo and Carlo Rossi surpass Almaden in case depletions with 20 million and 17.7 million, respectively.

The only other distilled spirits brand receiving sizable support was DeKuyper cordials and liqueurs, $1.2 million, virtually the same as in 1983. DeKuyper posted a 40% sales increase, primarily because of one line, its Original Apple Barrel schnapps. Sales of the brand line have risen from 30,000 in 1983, the introductory year, to 420,000 in 1984. Original Peachtree schnapps and Mountain Strawberry schnapps are other DeKuyper products with sales strength.

During the year, the company sold Mallinckrodt, St. Louis, to Avon Products. Mallinckrodt produces chemicals for the healthcare and food-processing markets.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,192.9	1,192.9
Magazines	12,531.9	13,803.5
Network cable	11.4	0.0
Spot tv	1,743.0	5,584.8
Network tv	4,968.1	195.6
Network radio	3,183.6	0.0
Outdoor	5,669.5	5,203.5
Total measured	29,200.4	25,980.3

NATIONAL DISTILLERS
& CHEMICAL CORP.
99 Park Ave.
New York, N.Y. 10016
(212) 949-5000
Marketing Personnel
Drummond C. Bell, chmn
John H. Stookey, president
Todd S. Middleton, vp-mktg

NATIONAL DISTILLERS
& MUNSON SHAW CO. (Imports)
Thomas A. Coppini, mgr
Emil Pavone, pr dir
William B. Hewson, mktg group dir
Vincent Calenda, mktg group dir
Patricia Wiley, mktg group dir

Advertising Agencies

BBDO, New York—John Firestone, vp-mgmt super; Mark Romeny, acct super-all brands; Frank Buttitta, acct exec-DeKuyper cordials & liqueurs, Sauza Tequila, Coco Ribe; Denise DiMatteo, acct exec-Gilbey's gin, Gilbey's vodka, Gilbey's rum, Old Crow, Old Taylor.

Young & Rubicam, New York—Bonnie Goun, vp-acct super; Mort Lowenstein, group dir-mgmt super; Ann Dempsey, acct exec-Old Grand Dad, Windsor Canadian.

USI CHEMICALS
Cincinnati
Marketing Personnel
William F. McDonald, vp-genl mgr
Timothy H. Smith, vp-mktg
J.W. Schmid, adv-publicity mgr-plastics
R.E. Cuttforth adv-publicity mgr-chemicals
Art Fusaro, dir-communications

Advertising Agencies

Chemical Communication Group (in-house), Cincinnati, O.—USI Chemicals, Emery Chemicals—Art Fusaro

HCM—Robert Avena, acct exec.

EMERY CHEMICALS
Cincinnati
Marketing Personnel
Douglas L. Allen, vp-genl mgr
Art Fusaro, dir-communications

SUBURBAN PROPANE GAS CORP.
Morristown, N.J.
Marketing Personnel
Mark J. Anton, chmn-president
Joseph Arches, mgr-adv
Neil Carey, vp-mktg

ALMADEN VINEYARDS
San Jose, Cal.
Marketing Personnel
John D. Lethbridge, vp-spirits & wines
Robert G. Mutschler, dir-mktg
Ron Siletto, genl mgr-Almaden
Richard L. Carretta, vp-sales

Advertising Agency

BBDO, San Francisco, Cal.—Ray Hehman, senior vp-group mgmt super; Linda Roccia, acct coord; Alan Abrams, acct super; Maggie Bedecarre, acct exec.

NCR Corp.
Dayton

RANK 163

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,074.3	3,731.0	9.0
Net income	342.6	287.7	19.0
U.S.			
Sales	2,255.6	2,013.2	12.1
Operating profits	316.5	329.6	-4.0
Advertising	24.2	11.0	120.9

NCR Corp. is trying to spread the message that it is a producer and marketer of integrated information-processing systems, not of individual pieces of computer hardware, through its $24.2 million in measured media advertising.

The Dayton, O.-based company, ranked as the 163rd largest advertiser, had total revenue of $4.1 billion, an increase of 9% over 1983. Net income increased by 19% to 2.6 million in 1984. But for the first quarter of 1985, ending March 31, revenue dropped 4%, to $445 million from first quarter, 1984, and income fell 4% to $43.6 million. Sales suffered primarily from exchange rate translations. NCR in 1984 generated 47% of its operating income and 45% of its revenues from abroad.

The vigorous new marketing stance can be seen in the 120.9% increase in measured spending from 1983. Not all of NCR's individual products are marketed to consumers, but the corporation's approach to developing integrated systems of equipment does affect its full line, including personal computers, retail merchandising systems and office automation.

Three new personal computer products introduced by NCR this spring show the company's strong commitment to its personal computers as a basic product line for future marketing. NCR quotes studies showing that U.S. personal computer shipments, valued at $8 billion in 1984, will top $28 billion by 1989.

While NCR's new products are called "personal computers," they are microcomputers designed for use in the business environment, not the home. NCR is aiming at the business and professional market and knows it will not be an easy market to expand in primarily because of the dominance of IBM. IBM has 70% of the mainframe computer market and holds about 28% of the microcomputer market, followed by Apple with 13.8%; Commodore, 6.7%; Hewlett-Packard, 5.8%, and Tandy, 5.5%.

Among new products, NCR's PC8 is a high-end personal computer that is used as a stand-alone personal computer or a multiuser computer for as many as 16 operators with a price range of between $3,800 and $5,500.

The NCR PC6, a modular computer that can process information 38% faster than its competitors, according to NCR, competes with personal computers such as the IBM PC/XT. Pricing starts at about $2,600.

Retail Personal Computer is basically a personal computer with inventory control and related point-of-sale systems. It is priced at between $4,300 and $8,700. NCR also has personal computers priced about $2,000.

Reasons for the subtantial increase in measured media in 1984 were the addition of new category advertising in 1984, including $3.3 million for NCR computer systems, $8.04 million for personal computers, $7 million for the PC4 computer system, and $1.9 million for Tower computer system.

In systems or products advertised in both years, the product, as opposed to system, getting the most spending was the NCR Mentor at $445,000, up from $178,700 in 1983. Spending for the company's business computer systems as a class, was down sharply to $152,000 in 1984 from $8.1 million in 1983 as the company opted for "systems" spending. Corporate general promotion advertising rose 27% in 1984, to $3.31 million.

By media, the heaviest outlay went for network tv, up 68% to $17.3 million, as comedian Dom DeLuise plugged the personal computer. Quantum leaps were made in spending for magazine space, increasing by seven times to $4.1 million in 1984, and for spot tv, soaring to $2.8 million in 1984 from just $87,000 in 1983.

NCR's marketing strategy for its new computer products is to offer them for the broadest possible applications with designs that address the largest possible selection of software.

Computer technology, NCR says, is everywhere now, and that is where NCR Corp. is headed with its products and marketing programs.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,100.1	580.6
Network cable	58.5	0.0
Spot tv	2,813.5	87.1
Network tv	17,272.0	10,302.4
Outdoor	0.0	3.2
Total measured	24,244.1	10,973.3

NCR CORP.
1700 S. Patterson Blvd.
Dayton, O. 45479
(513) 445-5000
Marketing Personnel
Paul W. Lappetito, senior vp-U.S. data processing group
Rex M. Fleet, vp-financial systems div
Daniel J. McCarthy, vp-retail systems div
Johann Oosthuizen, vp-commercial, industrial, medical, education, govt systems div
S. Richard Reece, vp-finance & admin
Richard B. Reese, vp-customer services div

Advertising Agency

Kircher, Helton & Collet, Dayton, O.—Garry L. Day, acct super; James D. Hackworth, Michael J. Higgins, Robert F. Leetch, Melinda Dyer—acct execs.

Backer & Spielvogel, New York—Charles Decker, senior vp-mgmt supv; Ed Keating, vp-acct dir; Deborah Pawlik, acct super; Matthew Sawyer, acct exec; Thomas Cotton, acct super.

Reiser Williams DeYong/C&W, Santa Clara, Cal.—Gary Saucke, mgmt super; Greg Fullington, acct exec; Carol Elliott, assoc acct exec.

North American Philips Corp.
New York

RANK 136

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	4,325.9	3,799.8	13.8
Net income	130.5	95.7	36.4
Advertising	30.0	27.3	9.8
Division sales			
Consumer prods.	2,373.2	2,106.8	12.7
Electr. components	905.7	785.9	15.3
Professional equip.	1,047.0	907.1	15.5

Cresting a wave of consumer enthusiasm in the electronics business, North American Philips Corp., New York, earned record sales and net income in fiscal 1984. Now the company hopes to capitalize on its relationship with N.V. Philips of the Netherlands by integrating the parent company's production of color tv sets and related consumer products.

North American Philips, the 136th largest advertiser, spent nearly $30 million in measured advertising during 1984, a 9.8% increase over 1983. However, unmeasured advertising builds total ad spending to $44.9 million, according to the company, representing a 5.6% increase over 1983.

Noteworthy media shifts include a trebling of magazine advertising and a sixfold increase in spot radio. At the same time, North American Philips reduced slightly the level of network and spot tv buys for its many brands.

The company earned record net income of $130.5 million, up 36% from 1983, on record net sales of $4.3 billion, up 14%.

Consumer electronics products, manufactured under the Magnavox, Philco and Sylvania brand names, accounted for $1.2 billion in sales, making the Knoxville, Tenn.-based NAP Consumer Electronics Corp. the largest division in the company, constituting 29% of corporate sales.

The unit earned $11.3 million in 1984 operating income, compared with just $700,000 in 1983 and a $19 million loss the year earlier.

To counter increased price competition from Far East electronics sources, NAP has focused on improved tv chassis designs and increased factory automation as a means for improving profitability. Stereo tv and videocassette recorder products as well as improvements in picture-tube and projection tv systems position the company well for future competition in the segment. The unit earned operating income of $11.3 million.

Philips' Netherlands parent provides research and development capabilities and acts as a supplier to the U.S. company. An agreement forged last summer calls for the eventual integration of product development, engineering and manufacturing for audio and video products of both companies worldwide.

The Magnavox and Sylvania brands each received more than $6 million in measured media support, according to Leading National Advertisers, while the Philco brand received less than $1 million. NAP also offers co-op programs with dealers, although co-op dollars are not included in the measured totals.

Electrical consumer products accounted for $904 million in 1984 sales, a 14% jump due mostly to increased sales of lighting products and Genie garage-door openers. The company's 1983 purchase of Westinghouse's lamp division will result in the consumer introduction of "Westinghouse lamps by Philips" later this year.

Genie, a leader in the garage-door opener industry, increased its market share 28% last year, and introduced new products including metal detectors and expansions in home vacuum

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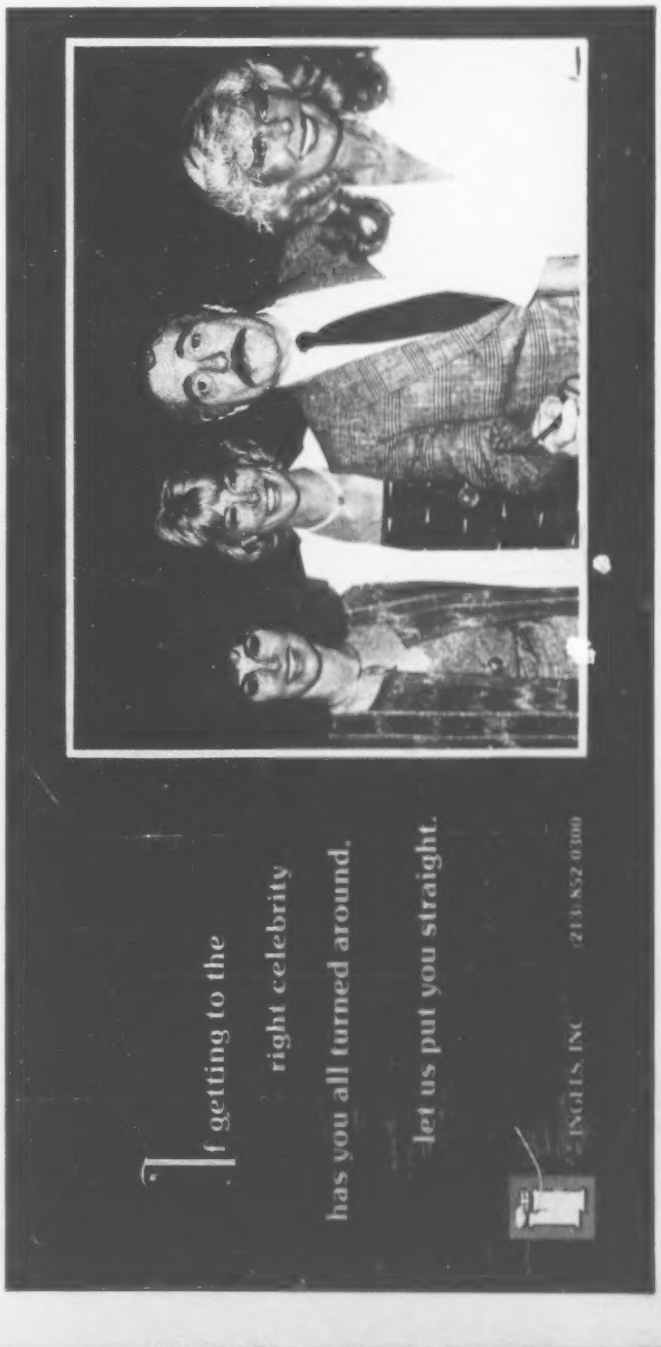

products.

The entire Genie line was supported by nearly $3 million in advertising last year, and more new product introductions are expected through 1985.

Unit sales of Norelco electric shavers increased 10% in 1984 with more than $10 million in measured ad spending, while a new tv spot for the company's Schick electric shavers "contributed importantly" to sales increases, the company said.

Other consumer products marketed by North American Philips include musical instruments sold under the Selmer, Glaesel and Ludwig brands, Norelco coffee makers, hair dryers, thermometers and other appliances, and Anchor Brush Co. toothbrushes and cosmetic packages sold to other companies.

North American Philips also makes diagnostic medical equipment, professional electronics instrumentation products, cable tv system hardware and professional dictation equipment.

The major executive change at the company during 1984 came when Pieter Vink retired as chairman last December, ending a 47-year career with the company and its Dutch parent. He is succeeded by company president Cees Bruynes, who added the chairman's title.

Fifty-eight per cent of North American Philips' common stock is held in trust by the Connecticut National Bank for N.V. Philips of the Netherlands. The trust was established during World War II to protect from seizure the assets of the American company.

The Dutch company's r&d budget—$1 billion in 1984—has led to the adoption by North American Philips of such products as Norelco razors and the Philips Compact Disc audio system.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	8,962.4	2,475.4
Network cable	682.0	478.2
Spot tv	3,027.1	3,821.2
Network tv	17,145.0	20,449.7
Spot radio	98.5	16.3
Outdoor	50.6	40.0
Total measured	29,965.6	27,280.8

NORTH AMERICAN PHILIPS
100 East 42nd St.
New York, N.Y. 10017
(212) 697-3600

NAP CONSUMER ELECTRIC CORP.

Marketing Personnel

Donald F. Johnstone, president-ceo
Gary Thorne, vp-sales, Magnavox
Ron Marsiglio, vp-color tv mktg
Lou Slangen, vp-audio video equip mktg

Advertising Agency

Doyle Dane Bernbach, New York—Tony Hagan, vp-acct super.

CONSUMER PRODUCTIONS DIV

Marketing Personnel

Richard Q. Kress, president
Robert E. Beasley, vp-mktg
John P. Rohmer, adv mgr

Advertising Agency

McCaffrey & McCall, New York—Ron Vavra, acct super.

GENIE HOME PRODUCTS

Marketing Personnel

John Gray, president
Michael Reilly, vp-mktg
Michael Fox, adv mgr
Bruce Thomas, vp-sales

Advertising Agency

Hesselbart & Mitten, Akron, O.—Tim Sweis.

PHILIPS MEDICAL SYSTEMS

Marketing Personnel

Dominick Protomastro, president
Howard Motter, mktg planning mgr
John Neugebhaur, mktg planning mgr
Anthony Lombardo, mktg planning mgr
Harry Freeman, mktg planning mgr

Advertising Agency

(In-house)

NAP LIGHTING CORP.

Marketing Personnel

Alan K. Hegedus, president
Steve Goldmacher, adv & sales promo mgr
William V. Attardi, vp-mktg

Advertising Agency

Gianettino & Meredith, Mountainside, N.J.—Marc Grossberg, acct super.

BAKER, KNAPP & TUBBS

Marketing Personnel

Robert Fernbacher, president
Bill Barborka, dir-adv
John Fowler, exec vp-sales & mktg

Advertising Agency

Aves Advertising, Grand Rapids, Mich.—Phil Van Suilichem, acct exec; John Aves, president, acct super.

SELMER CO.

Marketing Personnel

H.W. Petersen, president-ceo
Peter A. Ryan Jr., exec vp-adv

Advertising Agency

Wm. R. Biggs, Gilmore Associates, Kalamazoo, Mich.—Carolyn Barton, acct super.

PHILIPS BUSINESS SYSTEMS

Marketing Personnel

Arthur Hanrahan, president
Paul Dentone, exec vp
Timothy Holmes, dir-mktg

Advertising Agency

Greenstone & Rabasca, Melville, N.Y.—Richard D'Amico, acct exec.

RANK
197

NYNEX
New York

($ figures = 000,000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	9.5	10.1	-6.3
Net income	0.99	0.98	0.4
Advertising	0.02	N/A	N/A
Division sales			
Local service	5.0	5.5	N/A
Network access	2.6	N/A	N/A
Toll service	1.3	4.4	N/A
Other	9.5	10.1	N/A

Evolution in the Northeast to a service-oriented economy is the keystone of marketing efforts at NYNEX Corp., comprised of two main operating divisions, New York Telephone and New England Telephone & Telegraph.

New York City-based NYNEX, one of seven regional holding companies created in 1984 by the breakup of American Telephone & Telegraph, ranked the 197th leading advertiser based on measured media spending of $20 million.

The company devoted 73% of its measured spending to spot tv, almost $10 million promoting services of the two main subsidiaries, and another $4.7 million for business systems, information resources, and NYNEX mobile communications divisions.

NYNEX recorded strong earnings in its first year of $986.4 million on revenue of $9.5 billion. The company expects to build on those results by fall, 1985, with the addition of new services targeted at the telecommunications needs of large companies—where the company makes most of its profits.

Moves include introducing a packet switching network for sending high-speed computer data, direct digital connection for digital private branch exchanges, high-speed digital private line service in selected areas, a high-speed switched data transmission service, and new features on Centrex service.

These services are in addition to advertising and marketing developed in 1984 to attract business and residential users, and to stimulate increased use of the telephone network.

But in attempting to provide better service for business customers, NYNEX is facing market erosion from an unlikely competitor—AT&T. The competition surfaced this spring when AT&T Communications, the long-distance unit of AT&T, cut in on NYNEX "jurisdiction" to link up with Merrill Lynch & Co. in Manhattan. The service will bypass the local switching network, thereby saving Merrill Lynch from paying access charges to New York Telephone for long distance service.

Although AT&T executives say they do not seek to bypass regional phone companies, circumstances in the regulation and pricing of telephone services caused New York Telephone to turn down the Merrill Lynch account as unprofitable. Other direct linkups are being planned with several large New York corporations by AT&T.

One NYNEX source complains the company still is not free to compete on an equal footing with some service providers. Regulatory restrictions make the AT&T encroachment that much more worrisome for NYNEX, because such restrictions have meant that business service in effect subsidizes residential service.

Tv spots in 1984 covered the gamut of themes, including corporate identity, end-user and business-related campaigns. "New York lives on New York Telephone" was the general theme for tv and radio spots focusing on efforts to upgrade the telephone system through fiber optics, digital services and value campaigns discussing rate charges. "Be street smart" by using public phones was the theme of a tv and radio campaign.

Both New York and New England telephone companies engaged in heavy spot tv promoting telephone use by groups of all ages. Selected ads featured calls from a mother of the bride and from children at camp. New England telephone also focused heavily on value-oriented campaigns.

End-user and business-oriented advertising made up the bulk of $3.8 million in total measured spending for magazines. NYNEX started 1984 with a print-media corporate identity theme: "Tough demands breed tough minds." In 1985, the theme became "It pays to know us," as NYNEX focused on the better value of its services compared with AT&T and other providers.

NYNEX divisions in 1985 continue focusing on services, such as mobile communications (cellular radio), with a "Think of us as your mobile phone company" campaign theme.

NYNEX created a business information services group in 1984, promoted heavily on spot tv, to help business customers make sense of a bewildering array of equipment and service choices. A humorous "Alexander Graham NYNEX" theme explains the development of integrated voice and data systems and the availability of NYNEX "advisers" who can help with sales, service, installation and repair.

NYNEX Information Resources Co. received almost $3 million for the year in measured spot tv, and $276,000 in print, mainly to promote NYNEX Yellow Page ads to consumers, business-to-business and Hispanic markets. One ad theme, "Just looking," shows silly situations that are avoided by using Yellow Pages, including a couple "just looking" at a menu while sitting in a restaurant.

The primary focus of Yellow Page ads in 1985 is the end-user (business and consumer), with the theme: "It's a very important part of your life." The marketing strategy is to create a desire among end-users to use the product, thereby bringing in advertisers.

Another important development in 1984 was the opening of two Datago retail stores, which marks the entry of NYNEX in the business of selling office automation equipment.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,775.3	N/A
Spot tv	14,536.2	N/A
Spot radio	1,654.4	N/A
Outdoor	45.2	N/A
Total measured	20,011.1	0.0

NYNEX
335 Madison Ave.
New York, N.Y. 10017
(212) 370-7400

NYNEX CORP.

Marketing Personnel

James Hennessey, exec vp

Advertising Agency

Young & Rubicam, New York—Robert Moore, acct exec; Jim Martin, acct super.

Stone & Adler, New York—direct response—Judith Carpenito, acct super.

Healy Schutte, Comstock, Buffalo—collaterals—Stacey Fitzgerald, acct exec; Dick Walsh, senior vp, and Lohmeyer, Simpson Communications, Morristown, N.J.—collaterals—Richard Ricciardi, acct exec.

NEW YORK TELEPHONE

Marketing Personnel

Joseph M. Walsh Jr., vp-regulatory, planning & mktg

Advertising Agencies

Young & Rubicam, New York—Jim Martin, acct super; Robert Moore, acct exec.

Wunderman Ricotta & Kline, New York—direct response—Gloria Thurm, acct exec.

Chapman Direct Marketing, New York—direct mail—Richard Petrocy, vp-group mgmt super; Shelly Schidle, acct super; Lorraine Salta, acct exec; Usha Krishman, acct exec.

Conill Advertising, Manhattan—Hispanic markets—Gloria Tuero, acct exec.

Kenyon & Eckhardt, New York—public telephone—Noreen Palardy, dir-media; Valerie Ryan, super; Janine Hirshfield, planner.

NEW ENGLAND TELEPHONE

Marketing Personnel

Peter Haynes, vp-mktg

Advertising Agency

Harold E. Cabot, Boston—William H. Monaghan, exec vp.

NYNEX INFORMATION RESOURCES

Marketing Personnel

Joel Barber, vp-business devel

Advertising Agencies

Chiat Day, New York.

Conill Advertising, New York—Hispanic markets.

NYNEX BUSINESS INFORMATION SYSTEMS

Marketing Personnel

Charles Many, vp mktg

Advertising Agencies

Hill Holliday Connors Cosmopulos, Boston—media buying for DataGo retail outlets, Compact Systems—Angotti Thomas Hedge, (New York)-creative; Mark Murphy, adv mgr.

NYNEX Business Information Systems Agency (in-house).

NYNEX MOBILE COMMUNICATIONS

Marketing Personnel

Robert Martin, vp-mktg

Advertising Agency

Scali, McCabe, Sloves Direct, New York—Jerry Reitman, pres; Lee Graham, exec vp-genl mgr; Jane Solomon, vp-mgmt super; Roberta Weinstein, acct super; Laurette Pagano, acct exec; Robert Culver, copy writer; Michael Campbell, art dir.

RANK
195

Orion Pictures
Los Angeles

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	223.0	154.7	13.4
Net income	6.6	7.3	9.7
U.S.			
Sales	126.3	123.0	2.7
Operating profits	N/A	N/A	N/A
Advertising	20.1	15.8	26.7

Orion Pictures Corp., Los Angeles, the 195th largest advertiser with measured spending of $20.1 million in 1984, began enjoying the success of recent film releases and a tv series as its fiscal 1985 drew to a close.

Its slate of commercially successful new products augurs well for the company, which for fiscal 1985, ended Feb. 28, earned $6.6 million, a nearly 10% decline from the previous year, on revenues of $223 million, a 44% increase.

Substantial improvements in fourth-quarter 1985 earnings—directly traced to the box office popularity of Orion releases such as "Amadeus" and "The Terminator" in theaters and of the company's "Cagney & Lacey" CBS-TV series—carried over to the first quarter of the current fiscal year, however.

Orion earned net income of $2.8 million, a 141% leap, in the last three months ending Feb. 28, on revenues of $68.8 million, a 102% jump over the similar period in 1984.

Orion's measured spending in 1984 represented a 26.7% increase over 1983. Of that total, the company boosted magazine spending 59% to $760,800 and lowered network cable buys 55% to $82,600.

The company spent $2.3 million through December, 1984, promoting "The Terminator," a box office smash starring Arnold Schwarzenegger that as of Feb. 28 had earned $40 million in domestic theatrical rentals.

Orion backed Francis Coppola's "The Cotton Club," released in December, 1984, with $3.7 million in its first several weeks at theaters. But cost overruns and production delays led to a write-down on Orion's fourth-quarter 1985 balance sheet, partially offsetting gains from "The Terminator" and "Amadeus." The latter film received $440,000 in December support but went on to earn $49.8 million in box office rentals as of June 6 and sweep this year's Academy Awards with Oscars for best picture, best actor, best director, best adapted screenplay and others.

More recently, Orion's "Code of Silence," an action-adventure film starring Chuck Norris, topped movie grosses with $18 million in only five weeks of release. "Desperately Seeking Susan," an April Orion release starring Madonna has as of June 6 earned $22.4 million.

Other 1984 releases included Woody Allen's "The Purple Rose of Cairo" and John Schlesinger's "The Falcon and the Snowman."

The company releases an average of 12 to 16 films a year. It planned to distribute 14 films in fiscal 1985, compared with 12 released a year earlier.

Like many other film producers and distributors, Orion's strategy involves "preselling" rights for subsidiary distribution and exhibition before the film has been completed. For example, exclusive and nonexclusive licensing arrangements with Time Inc.'s Home Box Office grant it pay-cable privileges, deals for home-video, cable and broadcast tv rights, which help to minimize capital risk. With that strategy, a film conceivably could earn a profit before its initial theatrical release. Orion also seeks outside investor capital to limit its financial burden in film projects.

The company's only current first-run tv project, "Cagney & Lacey," was resurrected by CBS in an unusual move after its first-season cancelation in 1983. It stars Sharon Gless and Tyne Daly as a pair of police detectives. The series' popularity continues, and Orion may realize significant profits from syndication once enough episodes have aired to ensure its commercial viability.

Orion also holds syndication rights for 1960s series including "The Addams Family," "The Avengers," "Green Acres" and "Mr. Ed." In addition, it syndicates a half-hour version of NBC-TV's "Saturday Night" and has earned royalties from a revamped "Hollywood Squares" show, which aired for 14 years until its cancelation in 1981. Orion co-produced the latter series when the company was known as Filmways Inc., which was changed to Orion in 1982.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	760.8	477.2
Network cable	82.6	182.2
Spot tv	4,754.0	2,961.1
Network tv	13,160.3	10,946.4
Spot radio	1,300.2	922.8
Network radio	0.0	346.3
Total measured	20,057.9	15,836.0

ORION PICTURES CORP.
1875 Century Park E.
Los Angeles, Cal. 90067
(213) 557-8700

Marketing Personnel

Charles O. Glenn, exec vp-adv, publicity & promo
Michael N. Kaiser, vp-creative adv
Sue Taylor, vp-media services

Advertising Agency

Foote, Cone & Belding Communications Inc., New York, Los Angleles, Cal.—Steve Hayman, mgmt super, Los Angeles; Richard Uzzi, vp-acct mgr, New York; Lisa Pompan, acct exec, Los Angeles.

RANK
181

Pacific Telesis Group
San Francisco

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	7,824.3	8,132.6	-3.8
Net income	870.0	676.0	28.7
Advertising	22.2	N/A	N/A
Division sales			
Local service	2,525.3	3,019.7	N/A
Network access	2,493.7	N/A	N/A
Toll service	1,798.5	4,670.6	N/A
Other	1,006.8	442.3	N/A

Pacific Telesis Group, formed by the merger of one of the Bell System's largest and one of its smallest companies after AT&T's divestiture in December, 1983, has diversified while pulling a few marketing surprises such as winning new subscribers with boxes of chocolates.

The San Francisco-based Pacific Telesis—made up of Pacific Bell and Nevada Bell—had total measured advertising of $22.2 million in 1984, ranking it the 181st largest national advertiser.

Pacific Telesis, known by the diminutive PacTel, turned in results in 1984 off slightly from 1983, figures difficult to evaluate because they were consolidated under the AT&T umbrella in the comparable year.

PacTel had revenues of $7.8 billion in 1984, down 3.8% from 1983; net income was down 2.2% to $829 million. For the first quarter of 1985, revenues were up 10.5% to $2.1 billion and net income climbed 13.6% to $223.5 million.

Population of the California-Nevada PacTel area is 22 million. Most of it is in populous California, requiring stepped-up servicing. For example, PacTel sees a big market ahead in servicing many of the 3.5 million users of personal computers in the state, a number it expects to balloon to 16 million by 1990.

Nevada Bell is a marketing challenge because of the scattered population and heavy competition from independent phone companies. Nevada Bell, which heavily promotes its services through local media, recently offered subscribers a free box of locally popular Ethel M chocolates if they signed up for two or more custom calling services.

Nevada Bell competes with 10 other phone companies in Nevada and is 85% concentrated in the area around Reno-Sparks-Carson City.

Aiming to add muscle to its marketing, PacTel units acquired two companies in May, 1985. PacTel Info Systems agreed to buy Byte Shops Northwest of Portland, Ore., which has eight computer retail stores and two sales divisions in Washington and Oregon. PacTel will sell its business phone systems through the stores.

Also in May, PacTel contracted to buy for $431 million Communications Industries, Dallas, a specialist company involved in cellular telephone paging systems.

Suggestions were made by industry watchers that a prime target of PacTel's purchase of the Dallas company was the energetic management team, whose chairman-ceo Clayton E. Niles was a pioneer in the paging business.

PacTel has developed two types of advertising—usage and testimonial—aimed at business, using the campaign theme "The most successful business calls are personal," and at consumers, "Don't drift away."

By media, spending was highest for spot tv, $17.5 million, and magazine, $4.1 million. Pacific Bell spent $12.4 million, all on spot tv, for general system promotion and $2.5 million to sell its Yellow Pages, also on spot tv. PacTel did its corporate image-building advertising in magazines at a cost of $2.9 million.

In addition to the two phone companies, PacTel includes a separate white pages and Yellow Pages publisher, Pacific Bell Directory, and seven component companies: PacTel Mobile Cos. is a cellular phone group consisting of two companies, PacTel Mobile Access, serving California cities, and PacTel Mobil Services, operating in selected markets, including Dallas, Houston, San Francisco and metropolitan New York.

PacTel Communications Systems markets telecommunications and data systems to businesses. PacTel Info Systems supplies microcomputers, software and training programs to business.

Pacific Telesis International markets telecommunications systems outside North America. PacTel Finance and PacTel Properties, provide international services to PacTel.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,143.7	N/A
Spot tv	17,494.6	N/A
Spot radio	545.8	N/A
Outdoor	0.4	N/A
Total measured	22,184.5	0.0

PACIFIC TELESIS GROUP
140 New Montgomery St.
San Francisco, Cal. 94105
(415) 882-8000

PACIFIC BELL
Marketing Personnel

John Lockton, exec vp
Lee Camp, vp-mktg planning
Al Boschulte, vp-sales
Ray Haight, vp-prod mgmt

Advertising Agencies

Foote, Cone & Belding, San Francisco—general Pacific Bell system adv—Robert Imel, group mgmt super.

Ketchum Communications, San Francisco—collateral & direct mktg materials—Marty Brandt, assoc mgr-dir.

Impact, The Promotion & Design Company, San Francisco—sales promo materials—Scott Adams, acct super.

NEVADA BELL
Marketing Personnel

Rich Epifani, dir-mktg, external affairs
Don Van Epps, dir-mktg

Advertising Agency

Brodeur-Martin, Reno, Nev.—Bill Martin, acct mgr.

Pan American World Airways

New York

RANK 148

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	3,684.8	3,789.4	-2.8
Net income	-206.8	-60.0	-245.3
U.S.			
Sales	1,039.4	1,116.9	-6.9
Operating profits	-269.1	200.1	-34.5
Advertising	27.6	28.5	-3.1
Division sales			
Airline	3,304.2	3,447.2	-4.2
World services	380.6	342.2	11.3

In the midst of paring down worldwide operations to concentrate on core markets, Pan American World Airways, New York, the nation's 148th largest advertiser in 1984, is seeking to emerge as a leaner, marketing-oriented competitor.

Despite a 3.1% decline from 1983 to $27.6 million in total measured ad expenditures in 1984, Pan Am ad executives say there will be dramatic increases in print, spot tv and spot radio over the next few years. Pan Am is a big spender in newspapers nationwide, contributing $19 million to that medium in both 1983 and 1984.

Over-all ad spending (including unmeasured advertising) has been on the decline for several years. It dipped to $59 million in 1984, off 24.4% from the previous two years.

By casting aside its far-flung routes, Pan Am is bailing itself out of a deepening financial hole and freeing resources to concentrate on marketing its trans-Atlantic routes, which offer the prospect of profitability and growth. Pan American World Airways agreed in April to sell its Pacific division, with 18 jets and landing rights in 13 Asian and South Pacific cities, to UAL Inc.'s United Airlines, Elk Grove Village, Ill., for $750 million.

If regulatory agencies in the U.S. and overseas approve the deal, the sale will lop off a substantial portion of Pan Am's international destinations. The justice department, in a preliminary opinion, has said the sale may violate antitrust laws by harming competition primarily between the U.S., Japan and Hong Kong. The matter continues under the jurisdiction of an administrative law judge.

In addition, there are indications that Pan Am and United may dovetail domestic and European schedules. The two airlines already have some linkage through combined frequent flier programs.

Just how all of this will affect advertising and marketing at Pan Am remains unclear. Pan Am will shift its ad focus to its trans-Atlantic, Latin American and domestic routes.

Pan Am plans in 1985-86 to continue its year-round advertising emphasis on business travelers with seasonal emphasis on leisure travel. The over-all ad theme for both passenger groups will remain: "You can't beat the experience." In 1985, Pan Am also is introducing a new ad theme, "Pan Am in the '80s. We've got what it takes."

In 1984, Pan Am introduced Clipper Class service, primarily for business passengers, featuring six-abreast (instead of eight) seating, and more head and leg room. It introduced its refitted fleet of Boeing 747s with a "Million Dollar Baby" print campaign running from October, 1984, through March, 1985. Such close attention to the needs of business passengers has its rewards: Pan Am in 1984 signed on 100,000 frequent travelers to the ranks of WorldPass, its frequent flier program.

Top 24 network radio advertisers by % change

of the second 100 leading national advertisers

Rank	Advertiser	Network radio ad expenditures ($000) 1984	1983	% chng	1984 as % of co.'s ad total
1	20th Century-Fox Film Corp.	652.8	122.8	431.6	2.0
2	Triangle Publications	5,227.7	2,576.5	102.9	15.7
3	Blue Bell Inc.	514.4	290.1	77.3	2.4
4	Geo. A. Hormel & Co.	1,972.8	1,398.9	41.0	8.1
5	ConAgra	2,871.3	2,146.2	33.8	9.8
6	G.D. Searle & Co.	837.4	911.0	(8.1)	2.1
7	Monsanto Co.	520.0	700.0	(25.7)	2.5
8	Jeffrey Martin Inc.	8,945.5	21,730.8	(58.8)	24.3
9	American Dairy Assn.	571.8	1,714.9	(66.7)	2.0
10	Matsushita Electric Corp. of America	294.3	1,202.2	(75.5)	0.7
11	Dow Chemical Co.	103.9	430.8	(75.9)	0.3
12	Cadbury Schweppes	89.3	672.7	(86.7)	0.4
13	National Distillers & Chemical Corp.	3,183.6	0.0	N/A	10.9
14	Whirlpool Corp.	2,477.0	0.0	N/A	7.2
15	Borden	1,089.2	0.0	N/A	3.9
16	Blue Cross & Blue Shield Assns.	1,062.3	0.0	N/A	5.3
17	Tambrands	978.9	0.0	N/A •	3.1
18	Avon Products	898.2	0.0	N/A	4.5
19	Castle & Cooke	716.3	0.0	N/A	3.0
20	Black & Decker Corp.	542.3	0.0	N/A	1.8
21	Denny's Inc.	62.5	0.0	N/A	0.3
22	Atari Corp.	62.4	N/A	N/A	0.3
23	Ciba-Geigy Corp.	34.0	0.0	N/A	0.1
24	Pan American World Airways	31.2	0.0	N/A	0.1

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers Inc.
NOTE: Only 24 of the second 100 leading national advertisers used network radio in 1984.

A portion of the business-oriented advertising is reflected in the $19 million Pan Am says it spent on newspapers in 1984, the same spending level as 1983. Measured magazine spending for the year increased 26% over 1983 levels, to about $3.9 million. Outdoor was an important element in 1984, rising 34% to a measured $2.3 million over 1983.

Marketing and advertising at Pan Am increasingly is focusing on better service and quality. Since 1982, Pan Am has been restructuring its domestic route system to feed traffic from U.S. interior cities to coastal gateways—and from there to international routes. Likewise, a similar feeder system was created overseas through hub cities Tokyo, Frankfurt and London.

As part of the restructuring, Pan Am Corp., a holding company, was formed in September to separate Pan American World Airways from Pan Am World Services, a contract services company. The creation of a holding company permits greater financing flexibility.

In 1985, Pan Am Corp. is entering the final phase of its restructuring, focusing on cost containment through negotiations with labor unions and improved service to its newly limited core destinations. Pan Am again is expanding regular European service, adding short and long-haul flights to, within and from the Continent.

The carrier is using its improved route structure to market services to business and leisure travelers: In May, it began a five-week, $400,000 print campaign to promote its newly expanded presence at Dulles International, Washington. Page ads using the theme, "The most nonstops to Europe," appeared in local newspapers, and tv spots were planned for summer 1985. Spot tv buys in 1984 were hard hit by Pan Am's media cutbacks, dropping 66% from 1983 to $800,000.

For Pan Am, the return to profitability will depend on a host of factors, the divestiture being important in the short-term, analysts say. Pan Am has been weakened by heavy operating losses in previous years, totaling $1.4 billion from 1980 to 1984. The sale of its Pacific division will provide a much-needed cash infusion and eliminate the need to update its aging Pacific fleet.

But the road back promises to be a rocky one. Because of a monthlong strike by the Transport Workers Union in the first quarter of 1985, Pan Am Corp. is expected to lose money for the year. The quarterly loss was $140 million, about twice the size of its first-quarter loss in 1983. Although major concessions were obtained from the union, the strike sent many passengers to competitors.

In personnel changes at Pan Am, Gerald L. Gitner, 39, chairman of Pan Am World Services, was elected in April, 1985, to the additional posts of president-ceo, succeeding John J. Casey, who is retiring. Mr. Gitner continues as vice-chairman of Pan American World Airways and Pan Am Corp.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	19,202.2	19,202.2
Magazines	3,868.5	2,846.0
Network cable	63.5	186.5
Spot tv	798.8	2,329.2
Spot radio	1,406.2	2,457.9
Network radio	31.2	0.0
Outdoor	2,273.9	1,505.0
Total measured	27,644.3	28,526.8

PAN AMERICAN WORLD AIRWAYS
Church Street Station
P.O. Box 540
New York, N.Y. 10008
(212) 880-1234

Marketing Personnel
PAN AM CORP.

C. Edward Acker, chmn-ceo, Corp. & World Airways
Gerald L. Gitner, vice-chmn, Corp. & World Airways
Martin R. Shugrue Jr., vice-chmn, Corp. & World Airways

PAN AMERICAN WORLD AIRWAYS

C. Raymond Grebey, Jr., senior vp-industrial relations
John Krimsky Jr., senior vp-mktg

PAN AM WORLD SERVICES

Russell M. Barnes, senior vp-coo

Advertising Agency

Wells, Rich, Greene, New York—Andre zan Stom, exec vp-group dir; Eileen McKenna, senior vp/domestic; Diego Garrido, senior vp/intl; Robert Lazetera, acct super-western div; Ron Morris, acct super-northern div; Kathy Holmes, acct super-south/central div.

Polaroid Corp.

Cambridge, Mass

RANK 129

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,271.5	1,254.5	1.4
Net income	25.7	49.7	-48.3
U.S.			
Sales	743.5	730.1	1.8
Operating profits	28.5	55.0	-48.2
Advertising	31.3	33.8	-7.5

Measured media spending at Polaroid Corp., reflecting the anemic consumer market for instant photography, dropped 7.4% to $31.3 million in 1984 as the Cambridge, Mass.-based company took steps to rejuvenate its advertising in switching its 30-year-old U.S. consumer account to Ally & Gargano.

Earnings at Polaroid, the 129th largest advertiser, fell far short of company objectives: Net earnings were $25.7 million, down 48% from 1983, and worldwide sales were $1.27 billion, up only 1.6%. Heated price competition for products such as Polaroid Supercolor videocassettes dampened sales and earnings in 1984.

Although Polaroid continued its domination of the market for instant cameras and film, selling nearly 3.6 million cameras in 1984, off 5.6% from unit sales in 1983, annual unit sales of instant cameras have fallen dramatically from their peak of 9.4 million units in 1979. Analysts attribute the problem to the saturated market for instant cameras and consumer preference for better-quality photographs from 35mm cameras.

Polaroid, in an attempt to rejuvenate the ailing market with new creative, switched its account from Doyle Dane Bernbach to Ally & Gargano, both New York agencies. DDB continues to hold the account for Polaroid's growing line of industrial and professional products.

Falling sales have not halted the flow of new and improved products. In May, 1985, Polaroid introduced a high-quality instant developing color film that the company plans to incorporate into several new cameras. The film, still in the developmental stage, will be the backbone of a new generation in instant products due in the marketplace in early 1986.

In spring, 1985, Polaroid launched a campaign aimed primarily at business users for its new magnetic floppy diskettes, using the theme "Polaroid gets the data back." A new service by Polaroid can recover data from damaged, soiled, dog-eared diskettes. Polaroid hopes to corner a substantial share of the 600 million U.S. market for diskettes, which is dominated by 3M and Verbatim. Verbatim Corp. reached agreement in March, 1985, with Eastman Kodak Co., Polaroid's archrival, for a $174.9 million buyout. Verbatim has an estimated 18% of the floppy disc market. Both Kodak and Polaroid are high on the floppy diskettes business because the product increasingly will be used to store photographic images.

In 1984, Polaroid introduced a variety of new instant cameras equipped with integrated circuitry, which assures fast, automatic flash recharge.

Polaroid is changing the way it targets spending for its cameras and film. Traditionally, ads have been directed at broad-based audiences, but in 1984, Polaroid began selectively targeting ads at more specific groups, such as new parents, young households with children, Hispanics, technology-related uses, small business people, and other specialized market segments.

Consequently, measured ad spending in 1984 for Polaroid cameras and film in general circulation and specialized magazines increased 31% to $6.7 million, and spot tv increased 66% to nearly $3 million. Network tv has been cut 33% to $17.3 million. Polaroid continues to hammer home the message that "Polaroid cameras can do what no other camera can do," that is, deliver high-quality snapshots instantly.

Polaroid's push into business and technical markets was spurred by the introduction late in 1984 of products such as Palette, an electronic computer photo-imaging device, and Graphics Partner, a software enhancement for personal computers.

The new products fit into Polaroid's expanding array of camera and film products with highly specific uses. Among the list of new offerings in 1984 is Polaroid AutoFilms, instant films with larger image areas designed to capture images on computer screens.

Polaroid also introduced the Polaroid VideoPrinter Model 48 color film recorder with a new display system that transforms video signals into 8-by-10 or 4-by-5 instant prints, 8-by-10 overhead transparencies or instant or conventional 35mm slides.

Polaroid broadened its product line for the magnetic recording market in 1984, concentrating on three segments: Flexible diskettes, half-inch videocassettes in VHS and Beta formats, and 8mm home video recording devices. Polaroid's videocassettes are made to its specification by JVC and Sony. And Polaroid is introducing hi-fi videocassettes in 1985.

Polaroid also is committing more dollars to r&d and to acquisitions. In December, Polaroid purchased 11% of National Micronetics, San Diego, a leading manufacturer of recording heads for computer disk drives. The company continued investing resources in fiber optics, photovoltaics, biomedical diagnostics and diversified activities outside photography.

Polaroid also reached agreement in 1984 with Italian fashion house Benetton to produce a collection of sunglasses with Polaroid lenses.

Polaroid is coming up with creative premiums and sales promotions to boost its volume in cameras and film. For example, it teamed up with Trans World Airlines in the fourth quarter of 1984 through Jan. 31, 1985, to provide a 25% discount on fares with proof of purchase of a Polaroid camera or film. Airline analysts estimate more than 400,000 coupons may be redeemed. Pan American World Airways and Northwest Orient have indicated they are honoring the coupons.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,923.1	1,923.1
Magazines	6,746.0	4,638.1
Network cable	887.3	0.0
Spot tv	2,980.1	999.4
Network tv	17,336.9	25,855.6
Spot radio	1,386.8	385.9
Total measured	31,260.2	33,802.1

POLAROID CORP.
549 Technology Square
Cambridge, Mass. 02139
(617) 577-2000

Marketing Personnel

Carl Johnson, div vp-worldwide adv
Adrian Van Dorp, dir-industrial adv
Sys Morch, dir-intl adv
Peter K. Eichorn, vp-North American mktg operations
Joseph J. McLaughlin, group vp-worldwide mktg
Robert Dubiel, div vp-U.S. mktg

Advertising Agencies

Ogilvy & Mather, New York—magnetic media—Michael Vaughn, mgmt super; Elizabeth Stearns, acct super; Don McNaughton, acct exec.

Ally & Gargano, New York—cameras, consumer products—Peter Bates, group senior vp; David Sagarin, vp-acct super; Leslie Gaber, acct exec.

Doyle Dane Bernbach, New York—industrial & professional products—James V. McConnell, group senior vp; Mike Vana, acct super; Thom McCarthy, mgmt super.

Prudential Insurance Co.

RANK 154

Newark, N.J.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	66,645.0	65,854.0	1.3
Net income	5,984.0	5,113.0	17.3
Advertising	25.4	27.3	-7.1

Prudential Insurance Co. of America, consistently the nation's largest life insurer, spent $25.4 million in measured media in 1984 to rank as the 154th largest advertiser.

Media ad spending, which fell 7.1% from 1983, continues to stress homeowners' insurance products, although ad monies are being spread out to cover more insurance and investment products at Prudential.

Prudential, which has grown to become one of the nation's largest diversified financial services companies, issued a "mission statement" in 1984 supporting that change. It calls for Prudential to be a leader in the financial services industry.

In emphasizing that it is more than an insurance company, the company early in 1984 reorganized its investment operations into a subsidiary corporation, Prudential Investment Corp., which offers financial services through several operating units: Prudential Asset Management Co., which serves institutional investors; Prudential Equity Management Associates, which manages stock market and mutual fund investments, and Prudential Realty Group, which owns and manages commercial real estate including the Crocker Center complex in San Francisco and Gateway Three in Newark, N.J.

In its financial services sector, one of the company's leading ad spenders, Prudential-Bache Securities, ran into problems in 1984 and dropped its measured spending 39.5% to $6.6 million, most in network tv. The stock and bond fund marketer introduced several new products, including the Tax-Exempt Exchangeable Securities for the Port Authority of New York and New Jersey, but revenues of $965 million were flat in 1984 and the company took a $90 million operating loss because of poor stock market conditions.

Life insurance remains its mainstay since its founding in New Jersey in 1873 as "The Widows and Orphans Friendly Society." Though insurance industry market share figures are not yet available for 1984, Prudential ranked first in total life insurance in force among U.S. insurers in 1983 and second in new life insurance sales that year, behind New York Life Insurance Co. Industry observers expect Prudential's 1984 gains will produce similar if not improved results for 1984 when the financial results are available.

Last year, Prudential increased its total assets 15% to $97.5 billion and reached an industry-leading high in life insurance polices in force at more than $66.6 billion.

Homeowners' insurance products during 1984 received about $3.4 million in measured spending in 1984, up 13% from 1983. The company reduced spending in auto insurance advertising, which declined 26.9% to $1.9 million, and life insurance dropped 18.3% to $10.2 million.

Group life and health insurance, sold to employers and large associations, were also major product areas for the company, combining to generate new premiums of about $1.1 billion. Group health insurance accounted for $943 million, up 8% from 1983, and group life $125 million, down 6% because of improved life actuarial results.

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ucts was Pru-Med and other specialized plans designed to contain health costs and encourage lower utilization by consumers.

Prudential introduced a program that lowers premiums for groups of people with healthy life styles and offered an employe consultation service for those about to be hospitalized.

The company also insures one of the nation's largest group plans, the American Assn. of Retired Persons, which generated $613 million in premiums last year from its 3.1 million members.

Among its insurance products, the company also offers a variety of other personal lines of insurance including homeowners', auto and commercial property/casualty insurance and reinsurance.

The company paid out a record-breaking $2.1 billion in dividends to policyholders. As a mutual insurance company, Prudential has no capital stock and is owned and controlled by policyholders, who receive dividends from surplus earnings. The company, which recently studied the feasibility of going public—typically de-mutualizing provides greater access to the capital markets and allows the adoption of holding-company structure—announced in March, 1985, that it had rejected the idea.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,708.7	7,298.0
Network cable	880.1	89.6
Spot tv	1,893.9	453.1
Network tv	19,830.6	19,316.2
Spot radio	55.5	181.1
Outdoor	36.4	0.0
Total measured	25,405.2	27,338.0

**PRUDENTIAL INSURANCE CO.
OF AMERICA
Prudential Plaza
Newark, N.J. 07101
(201) 877-6000
Marketing Personnel**

William Tremayne, senior vp-public affairs
Joseph J. Melone, president-individual insurance: life, health, professional & casualty
Connie Sartain, vp-public affairs
John K. Kittredge, exec vp
Clarence F. Pease, senior vp for agencies (ordinary)
Pellegrino P. Porraro, senior vp for agencies (district)

Advertising Agency

Ted Bates Advertising/New York—Janis Abrams, asst acct exec-life insurance; Hugh Fanning, acct exec-life insurance, brokerage, institutional, college recruiting; Peter Harris, acct exec-auto, home, real estate, group pension, group legal; Elizabeth Halki, acct super, Scott Mason, acct exec.

Rapid-American Corp.

RANK 128

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,815.9	1,491.8	21.7
Net income	-8.4	56.4	-114.8
Advertising	31.3	25.9	20.6

Rapid-American Corp., a conglomerate whose operations encompass such names as Faberge, McGregor, Schenley, McCrory and Botany 500 in its constant reshuffling of properties, backed its products with $31.3 million in 1984, making it the 128th largest national advertiser.

Equally well known for its billionaire financial organizer, chairman, president and ceo, Meshulam Riklis (married to actress Pia Zadora), Rapid-American rid itself of one of its more familiar retail names—Lerner Stores—earlier this year, selling the 796-store chain to Limited Inc., the Columbus, O.-based women's and children's apparel chain.

That sale, the addition of the HRT West Coast discount chain in 1984, the sale of Otasco Inc. in 1984 and acquisition of Faberge Inc. in 1984 through its McGregor Corp. subsidiary are typical of the ebb and flow in the corporate mix at Rapid-America since Mr. Riklis began building Rapid into a conglomerate in 1981.

Its mix of companies in 1984 brought it total revenues of $1.8 billion, a 25% gain over the previous year, but a drop in net income of $8.4 million, down from $56.4 million. The decline in net income was principally because of extraordinary costs in acquiring Faberge, a subsidiary of Rapid's McGregor subsidiary.

The company, which spent 21% more in measured media in 1984 than in 1983, plowed much of the increase into tv, reaching $4.5 million for network in 1984 over no network spending in 1983, and $6 million in spot tv, up from $2.45 million.

Rapid's ad spending in 1984 included expenditures of $9.8 million for the personal-care line of Faberge; $16.6 million for Schenley, and $504,600 for Otasco Inc., a Southeast and Southwest chain of 288 automotive and home accessory stores that Rapid sold in 1984. In 1984, national ad spending for McGregor's was $159,000, off 39%.

Faberge used tv for its personal care line, such as Babe fragrances, Brut products for men and Faberge brand shampoos and deodorants. Total spending of $9.4 million was split $4.9 million for network tv and $4.5 million for spot tv.

Schenley Industries is the heaviest advertiser among the six Rapid business segments. While total expenditures for 1984 were down 9%, to $16.6 million from $18.2 million in 1983, the total number of individual brands advertised increased by 13 in 1984.

Schenley has about a 4.5% share of the distilled spirits market, according to *Impact*, the wine and liquor industry newsletter. Its lead brand is Dewar's White Label scotch whisky, 13th largest selling liquor brand in the U.S. with a 1.5% share of the total liquor market in 1984, up from 1.4% in 1983. Its share of the Scotch category is about 14%. Two other high-ranked Schenley liquors are Old Charter bourbon, No. 44, with 4% of the bourbon market, and MacNaughton Canadian, No. 47, also with 4% of its market segment.

Change has continued to be characteristic of Rapid-American in its relatively short history. McGregor, wholly owned in 1983, became a minority-owned company when Rapid took it public and kept minority interest. McGregor subsequently purchased Faberge, before the rest of the McGregor stock was repurchased by Rapid in March, 1985.

In March, 1984, Rapid's McCrory Corp. segment gained control for $25.8 million of HRT Industries, a western U.S. chain of 33 Zodys self-service discount department stores plus a women's apparel-making subsidiary, Jody-Tootique. Also, in 1984, McCrory sold the Otasco Inc. auto and home supply stores, and in April of this year, McCrory made the Lerner Stores divestiture.

Lerner's bottom line had been suffering since 1982 when it had operating income of $90 million on sales of $717 million. Lerner's subsequently recorded operating income decline of 19% in 1983 and 8.8% in 1984.

McCrory Corp., New York, is the biggest of the Rapid money makers and recently added Stephen L. Pistner as president-ceo. Mr. Pistner resigned from the presidency of Montgomery Ward to join McCrory. The position will pay him $2.5 million annually, including a $4,000 monthly housing allowance.

Mr. Pistner made Dayton-Hudson Corp.'s Target discount stores profitable in 1981, and, in 1983, he converted losses at Mobil Corp.'s Montgomery Ward & Co. subsidiary into a profit.

McCrory Corp. long has been a familiar part of Main St. across the country (37 states and the District of Columbia) with its various store names arrayed across the fronts of variety stores—names such as S.S. Kress, J.J. Newberry, H.L. Green, McLellan and McCrory.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,427.2	4,427.2
Magazines	12,095.9	14,977.9
Network cable	455.8	15.3
Spot tv	6,046.4	2,448.7
Network tv	4,506.8	0.0
Spot radio	39.0	0.0
Outdoor	3,713.8	4,071.4
Total measured	31,234.9	25,940.5

**RAPID-AMERICAN CORP.
888 Seventh St.
New York, N.Y. 10106
(212) 621-4500
Corporate Personnel**

Meshulam Riklis, chm, president, ceo

**FABERGE
Marketing Personnel**

Daniel J. Manella, chm-ceo
Henry O. Dow, exec vp-sales
William A. Tauriello, exec vp-mktg

**GILEAD MANUFACTURING
Marketing Personnel**

Aaron Jaffe, president
Bob Fink, vp-sales

**McCRORY CORP.
Corporate Personnel
New York**

Karl L. Margolis, vice-chm
Harold Divine, exec vp

**Marketing Personnel
York, Pa.**

Ben Litwak, chmn, McCrory Stores
Don Harvey, dir-personnel, McCrory Stores

**McGREGOR CORP.
Marketing Personnel**

Bing Broido, dir-mktg
Alan Ford, dir-adv

**SCHENLEY INDUSTRIES CO.
Dallas
Marketing Personnel**

Alexander Berk, vp-mktg
Philip Cohen, senior vp-asst natl sales mgr
Henry Yaris, mktg service mgr

Advertising Agencies

Leo Burnett USA, Chicago—Robert Hunderfund, acct super; Judi Phillips, Mark Levine, acct execs.

Geers Gross Advertising, New York—Barry Rumac, acct exec.

**WONDERKNIT
Marketing Personnel**

Robert Abeb, president
Ivan Garrett, vp-mktg

Advertising Agencies

Kenyon & Eckhardt, New York—McCrory Stores, McGregor Corp. (Anvil Knitwear Co., Botany Shirt Co., Botany 500, Cross Country Clothes, Gilead Mfg, McGregor Licensing, Wonderknit, Billy the Kid Industries), Faberge Inc. (Brut, Babe, Ceramic Glaze)—Barbara Lawrence, Pat Grant, Cary Stiber, acct execs; Tony O'Haire, media.

Nadler & Larimer, New York—Faberge organics—Gerald Karp, exec vp; Peter Tarnapoll, acct exec; Manny Sternshchein, senior vp-media dir; Irwin Goldberg, exec vp-co-creative dir.

Republic Airlines

RANK 166

Minneapolis

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,550.0	1,511.5	2.7
Net income	29.5	-111.0	-126.6
Advertising	23.8	27.1	-12.3

A top management shuffle in late 1983 resulted in changes in pricing, customer incentives and advertising plans in 1984, giving six-year-old Minneapolis-based Republic Airlines its first profitable year in the past four years.

Republic posted $29.5 million in 1984 earnings, up from a $111 million loss the year earlier. Sales for the carrier were up 2.7% in 1984 to $1.55 billion.

Republic maintained its earnings momentum with first-quarter results of $5.3 million compared with $4 million net loss a year earlier, on revenues of $380.9 million, down from $393.6 million in 1984. Traffic during March, 1985, was up on a year-to-year basis, the first rise in 15 months. Also that month, Republic registered a 31.7% increase in revenue passenger miles, third to leader Continental at 69% and Trans World Airlines, 50.6%.

Republic still carries a $650 million debt from the merger of North Central and Southern Airways in 1979 (to form Republic) and the acquisition of Hughes Airwest in the fall of 1980.

In October, 1984, Republic acquired 9.29% of Simmons Airlines, a profitable Michigan-based regional carrier. The acquisition provides additional feeder traffic into Detroit, Republic's largest hub. Remaining hubs are Minneapolis and Memphis, after the airline culled Atlanta and Phoenix in the last quarter. Head-on competition with Delta and Eastern made Atlanta and Phoenix unprofitable because of new cut-rate carriers, according to the airline.

In an effort to cut overhead to reduce the debt, Republic signed agreements with the Air Line Employees Assn. and other unions providing for wage cuts through 1986 for almost all the company's employes. The agreements also included employe stock ownership programs.

The company's measured media spending in 1984 dropped 12.3% from 1983 to $23.8 million, making the carrier the nation's 166th largest advertiser. Most significant were the drops in magazine and network cable advertising.

In 1983, Republic spent $1.8 million in magazines, but only $394,000 for that medium last year. On network cable, *Republic spent $800,000, down* 38.5% from 1983.

The addition of Stephen M. Wolf as Republic's ceo in April sparked a review of Campbell-Mithun, Minneapolis, the carrier's agency for 2½ years. Mr. Wolf had been president of the troubled Continental Airlines until September, 1983. After a six-week review, Dancer Fitzgerald Sample, New York, was named to handle the $30 million account.

Dancer changed Republic's ads from we-get-you-there-type ads typical of the airline industry to a plan aimed at business travelers and other special interest groups.

Republic introduced its Business First Class service last year. The program offers such perks as free drinks, wider seating in the front of the plane and separate check-in facilities to business travelers for only $15 more than regular coach service. In November, Republic's "Perks" campaign broke, aimed at getting business travelers to choose the carrier as their preferred airline for both business and pleasure flights.

The network tv and radio campaign began on Election Night, Nov. 6. Each ad offered a different perk for the business executive, who often dreads traveling. Republic told business travelers, "We make you feel like flying." Republic bought high-ticket airtime, including spots during ABC's "Monday Night Football" and "Good Morning America" and CBS' "60 Minutes."

The $8 million campaign included print, which broke Nov. 7. Individual ads spotlighted each perk and a three-page ad in major newspapers highlighted the whole program.

The airline now does about 55% of its business with the business traveler.

Republic's Frequent Flyer bonus plan was expanded in November to include miles flown on Pan American World Airways. Passengers taking connecting flights on Republic to any of Pan Am's 28 U.S. cities now earn mileage points in the combined program. Foreign visitors arriving in the U.S. on Pan Am are given the added incentive to fly Republic domestically because of the bonus miles they can earn. The program gives Republic wider international visibility, the company says.

Also in November, the company unveiled its new corporate logo and dropped its blue goose logo leftover from original airlines. The new logo is sleek lettering with blue underlining running the length of the plane and gave its 133 planes a new paint job.

As another perk for Midwest business travelers, Republic began mini-shuttle service between Chicago's O'Hare International Airport and Minneapolis-St. Paul International Airport, and between O'Hare and Detroit. Both cities offer the business traveler good connections to other Republic cities.

In September, Republic offered students returning to college a $99 one-way fare good only on Saturdays that month.

Republic also added service last year to Albany, N.Y.; Erie, Pa.; Fort Wayne, Ind.; Hartford, Conn.; Louisville; Oklahoma City; Rochester, N.Y.; Shreveport, La.; South Bend, Ind.; Syracuse, N.Y.; Watertown, Pa., and White Plains, N.Y.

As of April, 1985, Republic serves more than 100 cities on a 90,000-mile route system, including 34 states, Canada and the Cayman Islands in the Caribbean.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	11,659.9	11,659.9
Magazines	394.1	1,785.3
Network cable	0.8	127.3
Spot tv	3,527.1	5,175.0
Network tv	1,528.3	2,053.5
Spot radio	5,672.0	5,336.7
Outdoor	1,036.2	1,010.3
Total measured	23,818.4	27,148.0

**REPUBLIC AIRLINES
7500 Airline Dr.
Minneapolis, Minn. 55450
(612) 726-7411
Minneapolis**

A.B. Magary, senior vp-mktg
Arnold J. Grossman, vp-mktg systems
W. Thomas Lagow, vp-mktg planning

Advertising Agencies

Dancer Fitzgerald Sample, New York—business traveler prod, leisure program—Michael Keeshan, senior vp; Tom Zara, mgmt super; Jamie Holt, Beau Fraser, acct supers.

Kolesar & Hartwell, Minneapolis—travel trade programs, Republic Express, air cargo, meeting & convention services—David Kolesar, president; Mary Speagh, acct super; Sandy Pursley, acct exec.

Ceji-Revell

RANK 157

Venice, Cal.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	40.0	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	24.9	0.9	2,722.2

When France's *schtroumpf*-maker joins America's creator of Raygoth Goon of Doom, great things are bound to happen. Ceji-Revell, at the center of this happening, spurred much of it on with measured national ad spending of $24.9 million in 1984.

Venice, Cal.-based Ceji-Revell (former Revell Inc.), the 157th largest advertiser, ranked far above its position in 1983 when the company spent only $687,000 on advertising.

Value of total sales are $40 million for 1984, but income figures are not available for Ceji-Revell, which now is a subsidiary of the largest French toy maker, Compagnie Generale du Jouet, in Drancy, France. The French parent, which is identified by the Ceji, is best known in Europe for its new line of distinctively colored small plastic creatures called *schtroumpfs*. It is owned by La Campagnie Financiere Benjamin et Edmond de Rothschild S.A., Geneva.

With the expanded financial resources of its new ownership and the bigger toy market opening up in the U.S. and abroad, Revell sees big things ahead for its super-precision plastic toys, scale models, and anatomical and machinery models for science and education.

"We intend to commit major resources to product development, tooling and advertising in a manner that will make Ceji-Revell a formidable competitor in the toy industry," says Ceji-Revell president-ceo Sheldon Morick.

Revell believes it is in on a new trend among American youths, who have spurned videogames for toy basics. In a sense, Revell has reversed gears too. In 1983, it began producing toys to complement its mainstay—40 years of producing model kits. "The market for kits," Mr. Morick says, "is $100 million annually. The market for

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NCR Corp. cashes in

NCR Corp., the first U.S. business equipment marketer to enter its second century, has come a long way since the days it was called the National Cash Register Co. That is what John H. Patterson called the company in 1884 when he bought the National Mfg. Co. and renamed it.

toys is $8 billion."

For 1985, Ceji-Revell has introduced two major new product lines. One is Robotech Robolinks, an integrated system used to assemble robots and their futuristic outer-spatial world in an array of configurations. It's not unlike Lego, the difference being that instead of blocks, the pieces are robots —"the most transformable robots in the galaxy," says Revell literature. The system is based on an animated Robotech tv series and is manufactured in Japan.

The second big introduction for 1985 is Digger Dan, items of which bear the "Property of Digger Dan's Construction Co." slug.

A whole garageful of construction toys is included—a bulldozer, forklift, Jeep, cement mixer, rescue truck, construction site cranes and a self-propelled crane vehicle more than 2 ft. long, and others. Many are either manually operated or battery-powered. Others offer remote control. Battery power, for example, can be used to pump water from the rescue truck trailer and rotate the cement mixer. Even a full-scale bright construction-yellow hard hat is available for the young users.

Revell has other market entries, too. In the Fisher-Price and Playskool tradition is the Growing Ups line of locomotives, whimsical little buses, cranes and other vehicles driven by Mr. Bobbles figures who appear perpetually nonplussed by the toy world around them.

Revell is the world's largest model kit maker, and new products this year for the older Revell customer are kits for building the space shuttle and launching complex; a 1959 Chevrolet Impala convertible; the RMS Lusitania in intricate detail at 1/350th scale, and a 1/16th scale Rolls-Royce Phantom III saloon with steerable front wheels, opening doors, folding hood and tool box.

Revell is spending heavily for advertising now and backed the launch of its new products with heavy outlays in 1984. Biggest spending for a single product was $24.5 million for Digger Dan—$7.9 million for network tv and $16.6 million for spot tv. Measured spending for the new Robolinks in 1984 was just $2,300.

Ceji-Revell, which also carries a line of imported model kits, is linked to other Ceji companies in West Germany, the U.K., Canada, Australia and Hong Kong.

CEJI-REVELL
4223 Glencoe Ave.
Venice, Cal. 90292
(213) 870-7651
Corporate Personnel
Sheldon F. Morick, president-ceo
Pervais Ghuman, exec vp-operations
Myron Morris, vp-cfo
Marketing Personnel
Jeff Rogers, mktg mgr-toys
Tom West, mktg mgr-hobbies
Advertising Agency

Mendelsohn/Zien Advertising, Los Angeles—Richard Zien, president.

Reynolds Metals Co. — RANK 151
Richmond, Va.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	3,730.0	2,966.6	25.7
Net income	137.3	-99.1	-238.5
Advertising	26.0	24.2	7.5

Reynolds Metals Co., the nation's leading supplier of aluminum cans and maker of aluminum foils, is caught in a vice between a strong economy and its strong dollar and a flood of imports.

The Richmond, Va.-based company, the 151st leading advertiser with $26 million in measured media in 1984, recorded first-quarter net income of $7 million, down from $22.3 million in the corresponding period in 1984, on revenues of $835.2 million, off 12.9%.

The quarter, ended March 31, reflects the decline in the market that began in 1984's fourth quarter.

The results were caused by an oversupply of metal worldwide that has brought about excessive inventories, depressing the price of ingot and eroding fabricated product prices. The strength of the U.S. dollar further aggravates the problem because it allows more cheaply produced imports to flood the U.S. market. This translated in the first quarter at Reynolds into high inventories. Company aluminum shipments fell 18% in tonnage, and production capacity dropped to 71%. Capacity was 90% a year earlier.

Reynolds, nonetheless, is in a much better position than most aluminum producers because half of its business is in the manufacturing and marketing of finished products, apart from ingot or milled products.Reynolds boosted measured ad spending over-all by 7.5% in 1984, funneling most of the increase into two products—Reynolds plastic wrap and Reynolds wrap. Reynolds wrap got $11.2 million, up 22% from the previous year. Spot tv got 88% of the ad expenditure. Its brand holds a market share of at least 40%, says analyst William Siedenburg at Smith, Barney, noting its contracts for private label and nonbrand marketers boosts the percentage considerably.

Reynolds less dominant plastic wrap received $8.3 million in backing, down 15.5% from 1983. All the expenditure was in spot tv. The only other product receiving strong ad support in measured media was Reynolds oven cooking bags, which got $3.1 million, up from $642,100 in 1983.

Aluminum has 93% of the canned beer and soft drink markets, but less than 50% of the over-all beverage market, allowing substantial room for growth. This area is being addressed through new products introduced in 1984—the 32-oz. "King Kan" and the Trim/Line 200 can.

The company is seeking to further turn away from its reliance on the volatile commodities end of the business. Imported aluminum ingot is now 20% of the domestic market, and in 1984, imports consumed two-thirds of the 8% increase in domestic consumption. The oversupply basically was reflected in fourth-quarter results in which sales dropped 0.8% from the comparable quarter in 1983. Yearend results in 1984 showed net income at $137.3 million, up from a loss of $99.1 million in 1983, on sales of $3.7 billion, up 11.7%. Earnings loss of 1983 was associated with an aftertax writeoff of unprofitable operations and a LIFO inventory gain.

Instead of commodities, Reynolds is placing more emphasis on downstream fabrication, new applications and development of related businesses.

David P. Reynolds will stepdown as ceo but retain his chairmanship at the end of 1985, putting William O. Bourke, president-chief operating officer, in line for ceo succession.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,221.2	1,221.2
Magazines	2,239.4	1,360.4
Network cable	0.0	31.9
Spot tv	21,885.1	21,310.1
Spot radio	699.8	293.2
Outdoor	3.0	17.5
Total measured	26,048.5	24,234.3

REYNOLDS METALS CO.
6601 Broad Street Rd.
Richmond, Va. 23261
(804) 281-2000
CONSUMER DIV
Marketing Personnel
J. Douglas Mickle, div adv mgr
Paul W. Miltenberger, natl mktg mgr
Scott D. Wyllie, div gm
Advertising Agencies

J. Walter Thompson, New York—Reynolds wrap, Reynolds Rede-Pans, Reynolds freezer paper, Diamond foil, trade and military adv—Janet Kaufman, acct exec.

Lord, Geller, Federico, Einstein, New York—Reynolds Heavy Duty, plastic wrap and new products—Charles Lloyd, acct exec.

Tucker Wayne, Atlanta—Reynolds oven cooking bags—Barrett Boston, acct exec.

RE-CYCLING & RECLAMATION DIV
Marketing Personnel
Richard Bolling, vp-gm
Andrew H. McCutcheon Jr., natl mktg mgr
Advertising Agency

Martin Agency, Richmond, Va.—Dan Bartges, acct exec; Karen Nesmith, asst acct exec.

REYNOLDS METALS CO.
Marketing Personnel
Richard L. Krauss Jr., ad mgr of four divs: Reynolds Aluminum Supply Co, Mill Products, Extruded Products, Electrical divs.
Advertising Agency

Campbell-Ewald, Richmond—Barry Kearns, acct exec.

FLEXIBLE PKG DIV
Marketing Personnel
Richard C. Buell, div mktg devel mgr
John McGrath, adv mgr
Yale M. Brandt, div vp-gm
Advertising Agencies

Kaplan Advertising, Richmond—food service products, Reynolds Films—Lawrence Kaplan, president.

Campbell-Ewald, Richmond—food and beverage, nonfoods pkg—Barry Kearns, acct exec.

Lawlor Ballard, Richmond—foodservice prods—Lee Hall, acct exec.

A.H. Robins Co. — RANK 113
Richmond, Va.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	631.9	563.5	12.1
Net income	-461.6	58.2	693.1
U.S.			
Sales	490.4	421.2	16.4
Operating profits	N/A	N/A	N/A
Advertising	35.5	33.8	5.1

A reserve fund of $615 million to cover pending and future claims and expenses relating to the Dalkon Shield birth-control device, which A.H. Robins Co. stopped marketing a decade ago, directed an unwanted spotlight on the pharmaceutical company in 1984 as it turned in an otherwise strong financial performance.

The Richmond, Va.-based company, ranked the 113th largest advertiser in 1984, increased its measured spending 5.1% to $35.5 million, directing some of those ad dollars into network tv, newspapers and magazines to alert women using the Dalkon Shield, or who are unsure of the type of intrauterine device they are using, to call their doctor or clinic.

Cost of this public information campaign has been about $4.5 million, according to a company spokesperson, noting an additional $2.5 million-plus has been spent on legal, medical and fees for pr handled by Burson-Marsteller. The medical fees relate to expenses incurred by users in having the IUD removed. The "alert" campaign began Oct. 29, 1984.

Women using the plastic IUD have said they suffered pelvic disease, difficult pregnancies, spontaneous abortions and other problems. As of the close of 1984, Robins had settled about 8,300 claims, paying out $314.6 million, and faced 3,800 pending claims. Robins stopped marketing the product in 1975 after selling 4.6 million of the intrauterine birth-control shields.

The fund set up for Dalkon cut deep into financial results for 1984, bringing on a loss of $461.6 million in earnings, compared with earnings of $58.2 million in the previous year, on net sales of $631.9 million, up 12%. The company had operating earnings of $128.1 million, up 21% from the previous year.

Robins has maintained steady growth despite the special charges. For the first quarter ended March 31, 1985, net income was $29.97 million, up 88% from the year-earlier period, on sales of $166.4 million, up 6%. A key to the strong performance was strong growth from Micro-K Extencaps, the No. 2 solid potassium chloride supplement in the U.S. Sales of the supplement have leaped sixfold in the past two years.

Robins' leading advertised product line—Robitussin cough medicines, syrups and night relief colds formula —had measured spending of $11.7 million, up 7.3% from 1983. Spot tv claims virtually all Robitussin product advertising. Robitussin holds a leading 27.5% share for cough remedy sales in combined food and drug outlets.

The company maintained its measured support for Z-BEC vitamins and minerals at $6.8 million in 1984, spending largely in spot tv for the vitamin, the top-selling B-complex vitamins with zinc in the U.S.

Spending dropped 12% to $2.2 million for Chap Stick lip balm, the leading lip balm with market share of 56%. Spending for Extend 12 liquid cough medicine dropped 16.6% to $4.2 million, and 7.7% to $4.1 million for Sergeants Sentry flea & tick collar.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,228.5	3,603.8
Network cable	84.5	525.4
Spot tv	27,869.8	26,303.6
Network tv	3,845.0	3,234.7
Spot radio	324.7	0.0
Farm pubs	191.5	151.9
Total measured	35,544.0	33,819.4

A.H. ROBINS CO.
1407 Cummings Drive
P.O. Box 26609
Richmond, Va. 23261-6609
PHARMACEUTICALS DIV
Marketing Personnel
Gerald K. Wilburn, vp-mktg
PET CARE PRODUCTS DIV
Jack E. Francis, vp-sales & mktg
L. Paul Nelson, group prod mgr
CONSUMER PRODUCTS DIV
John E. Blutenthal, vp-mktg, healthcare prod
Gary James, group prod mgr-healthcare prod
Ron Gerhart, prod mgr-Robitussin brand
Scott Everett, prod mgr-Chap Stick lip balm & sunblock
Bob Levin, prod mgr-Dimetame antihistamines, vitamins
Doug Moore, prod mgr-Dimetapp tablets
Advertising Agencies

Campbell-Ewald, Richmond—pharmaceuticals div—Dave Livesay, vp-acct exec; George Woltz, acct exec.

Jordan, Case & McGrath, New York—pet care prod creative--Jack Taylor, exec vp-acct exec.

Mil-Mor Media, Richmond—pet care prod media buying—Carl D. O'Hallanan, president.

Popofsky Advertising, New York—cough & cold remedies, vitamins, antihistamines, Dimetame—Dick Wienbarg, acct exec.

Sweeney & Partners, Montvale, N.J.—cough & cold remedies, vitamins and antihistamines—Tom Sweeney, president-acct exec.

Safeway Stores — RANK 160
Oakland, Cal.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	19,642.2	18,585.2	5.7
Net income	185.0	183.3	0.9
Advertising	24.5	21.2	15.6

Safeway Stores in 1984 used its corporate sponsorship of the Olympic Games in Los Angeles to polish its image and build in-store traffic through store programs tied to the games. Oakland, Cal.-based Safeway was the nation's 160th largest advertiser in 1984 with $24.5 million in total measured spending, up 15.6% from 1983.

Safeway was one of 35 corporate sponsors of the summer and winter Olympic teams, acting as the official supplier for their training tables at the U.S. Olympic complex in Colorado Springs, Colo.

The chain spent a measured $20.3 million on spot tv, up about 4% from 1983, in addition to $1.4 million for magazine, up 49%. The ads were an extension of Safeway's long-standing theme: "America's favorite food store."

Examples of the Olympics tie-ins include ads in major newsweeklies and sport magazines for private label Lucerne ice cream. For every half-gallon purchased, Safeway made a contribution to the U.S. team. Safeway also was involved in a joint promotion with Alcoa, in which Alcoa made donations to the team based on Safeway's collection of recyclable aluminum cans.

For 1985, Safeway is increasing its emphasis on marketing to the changing demographics of its primary markets.

The chain is targeting its growth to Hispanics, working women, single males, the elderly and developing its international business.

Despite changing demographics, the nation's largest food chain has not forgotten that it is primarily a chain of small town, family grocery stores.

Safeway in 1984 had sales of $19.6 billion, up 5.7% over 1983, and net income of $185 million, up only 1% over 1983's record level. Kroger Co., the nation's second largest chain, had sales of $15.9 billion, up about 5% over 1983, and net income of $156 million, up 23% over 1983. Lucky Stores had sales of $9.2 billion in 1984, off 5.2% from 1983, and net earnings in fiscal 1985 of $94.6 million, off 10.2% from the previous year.

In 1984, Safeway opened a net 65 stores, including acquisitions, bringing its store count to 2,571, of which 583 are international.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,414.0	941.8
Spot tv	20,348.1	18,469.5
Spot radio	2,623.9	1,721.5
Outdoor	141.9	84.8
Total measured	24,527.9	21,217.6

SAFEWAY STORES
Fourth & Jackson Sts.
Oakland, Cal. 94660
(415) 891-3000
Marketing Personnel
John Prinster, senior vp-dir-mktg
Ronald Giglio, vp-mgr-adv & promo div
Art Patch, vp-mgr-grocery merch div
Rayburn D. Pearce, mgr-meat div
Robert G. Backovich, vp-mgr-produce div
Timothy J. Hopkins, vp-mgr-variety merch div
Wayne Leader, vp-mgr-specialty foods div
Floyd D. Crowe, vp-mgr-Safeway operations-mktg div
Advertising Agencies

The Sherrill Co., Dallas.—Dallas div—Webb Sherrill, president-acct person; Howard Riggs, adv mgr.

Doyle Dane Bernbach, Denver—Denver div—Dave Nusbaum, acct person; Rodger Anderson, adv mgr. Salt Lake City—Steve Gutherie, adv mgr.

Mithoff Advertising, El Paso, Tex.—El Paso div—Patrick Lowe, acct exec; Lilli Heinrich, adv mgr.

Taylor, Brown Barnhill, Houston—Houston div—Kathy May, Candice Goodwin, execs; Reed Campbell, adv mgr.

Fletcher/Mayo/Associates, Kansas City, Mo.—Kansas City div—Bud Bremson, acct exec; Jim George, adv mgr.

Frank J. Wills Co., Little Rock, Ark.—Little Rock div—Watty Wills, acct exec; Rex Chaney, adv mgr.

Advertising Inc., Oklahoma City, Okla.—Oklahoma div—Todd Van Every, vp-gm; Geri Srite, acct exec, Bill Sammons, adv mgr.

Boyd & Farmer Advertising/Marketing, Scottsdale, Ariz.—Phoenix div—Paul Deason, adv mgr.

Richardson Associates, Portland, Ore.—Portland div—Larry Bohnsack, adv mgr; Shirley Weber, acct & media exec.

Finnegan & Agee, Richmond, Va.—Richmond div—Dick Bradley, adv mgr; Pete Boiseau, Debora Logan, acct exec.

Craig & Hancock, Sacramento, Cal.—Sacramento div—Betty Lewis, adv mgr; Tom Craig, acct exec.

Girvin-Conrad & Girvin, Fremont, Cal. —San Francisco div—Dwight Becker, adv mgr; Al Neish, Ken Lombardo, acct execs.

Chuck Synder Inc., Seattle—Seattle div—Del Denker, adv mgr; Chuck Snyder, Bob Snyder, acct execs.

Ralph Kent Cooke Inc., Los Angeles—Southern Cal. div—Cal Gunnell, adv mgr; Jerry Hatto, Amy Luther, acct execs.

Phillips-Ramsey, San Diego—San Diego div—Kent Dial, Francine Miller, acct execs.

Pacific Advertising, Spokane, Wash.—Spokane div—Wayne Walters, adv mgr; Kim MacKelvie, acct exec, traffic & media.

Earle Palmer Brown, Bethesda, Md.—Washington div—Don Zettle, adv mgr; Harry Merrick Jr., Andy Shack, acct execs.

JanSport reaches top of the world

JanSport, a division of Blue Bell Inc., the nation's 187th largest advertiser, is getting advertising and promo mileage from Phil Erschler's climb of Mt. Everest in October, 1984. Mr. Erschler, the first American to scale the north wall of Everest, did so in JanSport equipment.#

RANK
173

Sandoz
East Hanover, N.J.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,760.0	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	23.2	22.0	5.8

Sandoz Ltd., Basel, Switzerland, which is putting greater emphasis on marketing ethical drugs, over-the-counter health aids and food products, increased measured advertising by 5.8% in 1984 from 1983 to become the 173rd largest national advertiser.

Ad spending of $23.2 million in 1984 was attributed to the Swiss company's U.S. subsidiary, Sandoz Inc., East Hanover, N.J., which contributed estimated revenues of $1 billion in 1984, up from $848 million in 1983, up 21% from 1982.

The parent revenues of $2.76 billion increased 14% over 1983 as profits rose 28% to $152 million. Sandoz Ltd. ranks as the world's 12th largest pharmaceutical producer in value of sales.

Among the big-budget promoters in measured media was Ex-Lax Pharmaceutical, a New York-based division, which got $6.8 million in 1984, up 6% from the previous year.

Spending of $2.1 million for Gas-X, an Ex-Lax division product, was off less than 1%.

Spending by the Dorsey Laboratories, Lincoln, Neb., to back its big Triaminic line of cold remedies increased 35% to $9.41 million. Magazines were the main media showcase for the Triaminic line, with spending of $4.7 million, but network tv also got $3.8 million.

Ovaltine spending was off 48%, to $1.3 million, while the Eclipse suntan products line, not advertised in 1983, received backing of $982,000.

Among Sandoz' major media vehicles, magazine was up 28% to $7.14 million in 1984, mostly for Ex-Lax and Triaminic, with some also for Calma arthritic pain relief, Dietene, Ovaltine and Densclenz dental cleaner.

Network tv was up 45% to $12.6 million mostly for Gas-X and Ex-Lax, but spot tv was down 45% to $3.33 million.

Sandoz' present broad product line results from two major dynamics confronting the company: Decline in its long-term dye business as a part of that industry's slower performance, and the risk in depending too completely on pharmaceuticals (48% of its business). Growing criticism of health costs, less government support for healthcare payments, an increasing antimedication trend in some sectors of society, greater use of generic drugs and trade protectionism all are making the market increasingly difficult.

An indication of Sandoz' diverse activities is subsidiary Zoecon Corp.'s research to eradicate roaches by using a roach's own hormones to trigger heart attacks because most other killing methods—even radiation—do not stop their development and spread.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	7,136.7	5,589.7
Network cable	1.4	0.0
Spot tv	3,325.3	6,033.4
Network tv	12,631.4	10,261.1
Spot radio	5.4	0.0
Outdoor	145.4	87.4
Total measured	23,245.6	21,971.6

SANDOZ
Route 10
East Hanover, N.J. 07936
(201) 386-7500

EX-LAX PHARMACEUTICALS

Marketing Personnel

Paul A. Scwamm, senior prod mgr-new-prod
Steve Francesco, dir-prod mgmt
George Varjan, dir-corp media services

Advertising Agency

Ogilvy & Mather, New York—John Blaney, senior vp-group dir; Stephanie Cosgrove, vp-mgmt super; Jonas Wagner, acct super; Adriana Evans, acct exec.

SANDOZ PHARMACEUTICALS DIV

Marketing Personnel

Robert Esner, dir-mktg, mktg planner
Archie Coker, vp-mktg
Tim Rothwell, exec dir-mktg planning
Phil Scherer, dir-promo

Advertising Agencies

Sieber & McIntyre, New York—Todd Mahony, exec vp; Duane Taylor, acct super.

Robert A. Becker, New York—mental health & geriatric prods (Mellacil, Hydergine, Restoril)—Edward Maitland, senior vp-mgmt super; Fred Scheel, vp-group super; Len Pepe, vp-acct super; Doug Cloyd, acct exec.

SANDOZ NUTRITION CORP.

Marketing Personnel

John Bendt, vp-mktg, consumer prod
Charles Perreault, vp-mktg, brand groups
William Rush, vp-mktg, clinical prod
John Fontana, vp-mktg, food services
Charles Bohem, vp-sales

Advertising Agency

Needham Harper Worldwide, New York—Ovaltine, Featherweight, Fiddle Faddle—Herbert Ehrenthal, senior vp-senior mgmt rep; William Dunn, vp-acct super; Philip Atkinds, acct super; Joan Sinopoli, acct exec.

DORSEY LABS

Marketing Personnel

Bob Fitzsimmons, vp-mktg
Dick Deer, vp-sales
Ernest Haskell, dir-business devel
Larry Rieke, dir-mkt rsch

Advertising Agencies

Needham Harper Worldwide, New York—Herbert Ehrenthal, senior vp-senior mgmt rep; Niland Mortimer, vp-acct super; Philip Atkinds, acct super; Ron Greenberg, acct exec; Linda LeSage, acct exec.

Sieber McIntyre, Chicago—professional adv—Lee Heiman, group acct super; Sophia Mass, acct super.

NORTHRUP KING CO.
Minneapolis, Minn.

Chase Cornelius, adv dir-agri prod
Duane Knops, mgr-adv & promo, consumer prod

Advertising Agencies

Colle & McVoy, Minneapolis—agricultural prods—Al Hietala, exec vp; Janet McGrath, vp-acct mgr; Duane Leach, vp-acct mgr.

DBK&O, Minneapolis—consumer prod, vegetable seeds, intl—Mike Dowell, vp-acct super; Dan Oberpriller, chief financial officer.

Scott Paper Co.
Philadelphia

RANK
143

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,847.3	2,707.6	5.2
Net income	187.9	123.7	51.9
U.S.			
Sales	2,536.6	2,452.8	3.4
Operating profits	336.8	215.8	56.1
Advertising	28.5	23.7	20.7
Division sales			
Sanitary paper	1,823.0	1,729.8	5.4
Printing/publishing	839.4	685.8	22.4
Pulp/forest prods.	184.5	170.7	8.1

Scott Paper Co. backed a number of products with additional ad spending in 1984 but the Philadelphia-based company, the nation's 143rd largest advertiser in 1984, came out with mixed results.

Scott spent $28.5 million in measured spending in 1984, an over-all increase of 20.7% from 1983, in raising spending for its major brands, but found market share gains in only one, ScotTissue.

Scott buttressed ScotTissue spending with $6.1 million in measured spot tv, up 41% from 1983, and helped beef up its market share from 12% to 14.3% in value-priced category. ScotTissue is holding its own against Procter & Gamble's White Cloud, which had a 7.8% share in 1984 compared with 7.7% in 1983.

Scott backed off its Waldorf brand tissue, however, with no measured spending.

In the higher-quality market, Scott raised spending for Cottonelle to $5.3 million, also in spot tv, up 42%, and slacked off on Soft 'n' Pretty, with $1.8 million in measured tv, down 14%.

Cottonelle lost share, dropping from 5.9% in 1983 to 5.4% in 1984, but is expected to regain share in 1985 as it makes adjustments in manufacturing. P&G's Charmin also lost share in 1984, from 19.7% to 18.7%.

James River Corp. challenged Scott in 1984 by rolling out Northern brand in the northeast where Scott generates some 75% of its consumer product sales. Northern brand has 10.7% of the market, according to a Salomon Bros. analyst.

Scott boosted combined spending 113% for ScotTowels, ScotTowels Junior, Scotties tissue and Scott Family napkins in 1984 to $1.5 million. It expanded on Wash a-bye Baby wipes with $2.2 million in measured tv, up from $219,000 in 1983, the year of introduction.

Scott also pushed higher-priced Baby Fresh wipes, with network tv spending of nearly $4 million, up 16% over 1983.

Job Squad and Viva disposable towels received greater emphasis with combined spot tv of nearly $3 million, up 13% over 1983. Scott is pushing Viva, which dropped from 9.4% to 8.6% share in 1984, in the face of heavy competition from P&G's Bounty and James River's Brawny. In that battle, Brawny gained from 4.5% to 5.3% and Bounty fell from 19.8% to 18.8% in 1984.

Scott Co.'s sales in the first quarter of 1985 were up 1.1%, to $696.2 million, while net income gained 23% to $42.1 million, compared with the same period in 1984. Sales in 1984 were $2.84 billion, up 5% over 1983. Net income was $187 million, up 51% over 1983.

Scott Co. products targeted at consumers had record sales of $1.5 billion in 1984, up 2% over 1983. Scott's two other operating divisions, printing and publishing, and pulp, forest products and minerals, generated revenues of $839 million and $184 million, respectively.

Since 1981, Scott has made strategic capital investments of $924 million in paper production, for raw materials, plant and equipment, and acquisitions of companies in related business areas. The goal has been to refine the company's vertical integration, producing consumer, commercial and industrial paper products at lowest cost. Through 1986, capital expenditures totaling $900 million are planned.

Scott also is buying companies in related product lines, for example, acquiring Sani-Fresh International in 1984 for $38.2 million and up to $20 million more based on projected 1985 earnings.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,492.9	1,272.8
Network cable	2.0	69.0
Spot tv	20,923.8	18,646.0
Network tv	5,448.8	3,304.0
Spot radio	593.6	356.3
Outdoor	85.9	3.5
Total measured	28,547.0	23,651.6

SCOTT PAPER CO.
Scott Plaza
Philadelphia, Pa. 19113
(215) 522-5000

Marketing Personnel

J. Richard Leaman Jr., exec vp, Scott Paper, president, package prod div
Paul N. Schregel, vp-package prod div-in-home business
James J. Cunningham, vp-package prod div—away-from-home business

Advertising Agencies

BBDO, New York—John Firestone, senior vp-mgmt super; Robert Wiesner, acct super; Debbie Hodes, acct exec-Viva, Cut Rite Wax Paper, Sofkins, Wash a-bye Baby, Cottonelle, Soft 'n' Pretty, Job Squad.

J. Walter Thompson, New York—Jack Morrissey, mgmt dir; Adele Finaly, vp-senior acct super; David Sass, senior acct super; Chris Bohjalian, Janet Coffman, Helen Pantuso, acct reps; Allison O'Shea, asst acct rep. ScotTowels, Scott Towels Junior, ScotTissue, Value Line, Baby Fresh.

Schaefer Advertising, Valley Forge, Pa.—Thomas O'Neill, vp-mgmt super; Gregory Gaul, acct super, away-from-home business prod.

SCOTT PAPER INTERNATIONAL

Marketing Personnel

William S. Wesson, exec vp-Scott Paper, pres-Scott Paper Intl.
John J. Butler, vp-Scott Paper, senior vp-services-Scott Paper Intl.

S.D. WARREN DIV
Boston

Marketing Personnel

Robert E. McAvoy, senior vp-Scott Paper, pres-S. D. Warren
James H. Frick Jr., vp-Scott Paper, div mgr-printing and publishing-S.D. Warren.

RANK
105

G.D. Searle & Co.
Skokie, Ill.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,245.8	946.0	31.7
Net income	161.6	151.2	6.9
U.S.			
Sales	974.6	670.1	45.4
Operating profits	237.2	118.7	99.8
Advertising	39.3	33.5	17.1

The phenomenal success of aspartame, the low-calorie sweetener, and the appointment of Donald Rumsfeld as chairman-ceo dominated news of G.D. Searle & Co. in 1984 and 1985.

The Skokie, Ill.-based company was the nation's 105th largest advertiser in 1984 with $39.3 million in total measured spending, a number sure to increase given the ad support now backing the aspartame brand, NutraSweet.

Searle announced a $40 million campaign in 1984 to create brand awareness for the sweetener, the first ever for a food ingredient that is not sold directly to consumers. Total measured spending for NutraSweet increased 112% in 1984 to $23.5 million, divided $19.7 million into network tv and $3.4 million into magazines.

Second on Searle's list of ad spending was Equal, the consumer product brand containing aspartame, with $8 million in total measured spending, up 51% from 1983. Equal spending was divided $6 million in network tv, $1.5 million in magazine. Equal replaced Cumberland Packing Corp.'s Sweet 'N Low (which contains saccharin) as the No. 1 tabletop sweetener in 1984.

Increased sales of products containing aspartame accounted for Searle's 32% increase in sales for 1984 to $1.25 billion, and a 7% increase in net earnings to $162 million. Sales of NutraSweet and Searle's consumer products increased 60% to $680 million in 1984.

NutraSweet has been a big winner with the soft drink industry. In November, 1984, Coca-Cola USA announced plans to begin using 100% NutraSweet in cans and bottles of diet Coke. The move followed similar announcements by Pepsi-Cola Co. and Seven-Up Co. to replace their current blends of NutraSweet and half saccharin in diet products. The change allows the companies to avoid placing a warning label on products with saccharin that it has been linked to cancer.

The product continued to boost profits in Searle's first quarter of the new fiscal year. Profits jumped 38% to $25.3 million on sales of $337.1 million, an increase of 20% over the same period in 1983. Combined worldwide sales of various forms of aspartame, marketed under four brand names, rose 34% in the first quarter to $176 million. Price breaks to soft drink makers hurt profits in the first quarter, as did the strong dollar and increased spending for r&d.

Soft drink makers have been openly critical of Searle's pricing of aspartame, which is 20 times as expensive as saccharin, and costs 50% more than sugar. PepsiCo has said its new contract for NutraSweet provided for a "major reduction" in costs. Coca-Cola isn't saying whether it received favorable pricing. Coca-Cola also says it has not yet abandoned saccharin, which it still uses in Tab, Sprite and other products. Coca-Cola has indicated the company may even begin using a blend

Top 25 outdoor advertisers by % change
of the second 100 leading national advertisers

Rank	Advertiser	Outdoor ad expenditures ($000) 1984	1983	% chng	1984 as % of co.'s ad total
1	Whirlpool Corp.	3,648.1	7.9	46,078.5	10.6
2	Southland Corp.	1,012.9	171.7	489.9	2.7
3	Imasco Ltd.	1,644.3	662.3	148.3	5.1
4	Exxon Corp.	838.7	350.0	139.6	3.3
5	Sharp Electronics Corp.	392.1	186.3	110.5	1.8
6	American Stores Co.	273.8	149.4	83.3	1.0
7	Matsushita Electric Corp. of America	244.9	137.3	78.4	0.6
8	American Dairy Assn.	385.6	216.7	77.9	1.3
9	Pan American World Airways	2,273.9	1,505.0	51.1	8.2
10	20th Century-Fox Film Corp.	322.5	216.5	49.0	1.0
11	Amoco Corp.	499.4	362.6	37.7	2.5
12	Chesapeake Financial Corp.	497.7	381.8	30.4	2.0
13	Texas Air Corp.	645.2	527.8	22.2	2.8
14	Marriott Corp.	742.5	636.0	16.7	3.6
15	National Distillers & Chemical	5,669.5	5,203.5	9.0	19.4
16	Hiram Walker Inc.	7,759.8	7,558.6	2.7	25.5
17	Republic Airlines	1,036.2	1,010.3	2.6	4.4
18	Rapid-American Corp.	3,713.8	4,071.4	(8.8)	11.9
19	Brown-Forman Distillers	5,054.5	6,182.1	(18.2)	14.6
20	G. Heileman Brewing Co.	1,456.2	1,958.8	(25.7)	6.3
21	Denny's Inc.	334.1	516.7	(35.3)	1.4
22	E&J Gallo Winery	214.0	514.2	(58.4)	0.7
23	Kroger Co.	259.4	679.7	(61.8)	1.0
24	Blue Cross & Blue Shield Assns.	228.1	0.0	N/A	1.1
25	Southwestern Bell Corp.	228.1	N/A	N/A	0.8

Source: Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America as supplied to Leading National Advertisers Inc.

that includes cyclamates, if the Food & Drug Administration permits its sale again.

The proportion of Searle's U.S.-international sales is changing as a result of the company's success with NutraSweet and Equal. U.S. sales accounted for 72% of the 1984 total, compared with 55% in 1982.

Searle is trying to lock up the market for aspartame before its patent expires in 1992 or other sweeteners regain popularity. The company is spending $150 million for a new factory, scheduled to begin making NutraSweet in 1985.

In late May, 1985, Searle appointed Mr. Rumsfeld as chairman, succeeding Daniel C. Searle. Mr. Rumsfeld is the first nonfamily member to run the company. There has been speculation that Mr. Rumsfeld, a former U.S. secretary of defense, is considering a bid for national office.

Succeeding Mr. Rumsfeld as president is John E. Robson, formerly exec vp-chief operating officer. Mr. Robson remains chief operating officer. James Denny, senior vp, succeeds Mr. Robson as exec vp.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	6,443.2	5,345.5
Network cable	546.7	109.1
Spot tv	875.3	6,553.7
Network tv	30,566.3	20,257.3
Spot radio	0.0	353.4
Network radio	837.4	911.0
Outdoor	2.1	0.4
Total measured	39,271.0	33,530.4

G.D. SEARLE & CO.
P.O. Box 1045
Skokie, Ill. 60076
(312) 982-7000

Marketing Personnel

Donald H. Rumsfeld, chmn of the board-ceo
William I. Greener, vp-corp relations
Marcel C. Durot, vp-gm-U.S. consumer prod div
Timothy J. Healy, vp-mktg-NutraSweet Group

Advertising Agency

Dimensional Marketing, Chicago—Jeannie Karanicolas, acct coord; Lee Colpi, acct exec.

Needham, Harper & Steers/USA, New York—Lee Landon, acct exec.

Ogilvy & Mather International, New York—Barbara Elnendorf, acct super; Brett Carver, acct exec; Ian Miller, mgmt super.

Tatham, Laird & Kudner, Chicago—Equal tabletop sweetener, Icy Hot, new products—Mary L. Baglivo, acct super; Melissa Connolly, acct exec; Tom Blim, asst acct exec; Brian Hurley, mgmt super.

Sutton Communications, New York—Kinton Hall, acct exec-Nitrodisc; Nancy Larsen, acct exec-Demulen 1/35, Demulen 1/50, IUD products (CU-7), Lomotil; Steve Spittel, acct exec-Norpace, Norpace CR.

Sharp Electronics Corp.

Paramus, N.J.

RANK 182

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,561.8	4,027.1	13.3
Net income	170.7	134.1	27.3
U.S.			
Sales	1,200.0	930.0	29.0
Operating profits	N/A	N/A	N/A
Advertising	22.1	17.5	26.5

Sharp Electronics Corp. made its strongest bid in 1984 for moderately priced electronic products targeted at the home and office. The Paramus, N.J.-based U.S. subsidiary of Sharp Corp. of Japan had $22.1 million in measured spending for the year, up 26.5% over 1983, making it the 182nd largest U.S. advertiser.

Sharp's heaviest measured spending in 1984 was for a new line of plain paper copiers, introduced early in 1984 with $6.3 million in measured spending: $5.1 million in network tv and $1.1 million in magazine. Ads for the copiers, as with all Sharp products, continue using the theme introduced in 1982, "From sharp minds come Sharp products."

Sharp's copiers are part of a growing line of office automation equipment that includes the PC 5000 personal computer, a line of electronic typewriters and a facsimile system, all introduced in 1984.

The PC 5000 received $3.2 million in measured media, including $2.3 million in tv, and $800,000 in magazine. Sharp's foray into personal computers means it will slug it out with more than 100 companies for the estimated 39% share of the personal computer market not controlled by IBM, Apple, Commodore, Hewlett-Packard and Tandy.

Sharp's office products previously were limited to calculators, of which Sharp controls 35% to 40% of the world market and is second only to Texas Instruments in the U.S. Calculators received $1 million in measured spending in 1984, down from $2.8 million in measured media in 1983. TI only spent half of that on its electronic calculators.

Sharp introduced extensions of its office automation line at the June, 1985, Consumer Electronics Show in Chicago, including Sharp's first console-size copier, model 9500, designed to compete with Xerox, IBM, Honeywell and other marketers of console units.

Sharp's strength in 1984 again was its home entertainment products and appliances, led by Sharp microwaves, which hold a 9% market share. Microwaves received $3.6 million in network tv and about $500,000 in magazine in 1984, up 3%.

Sharp's growing line of tv sets received $1.9 million in measured network and spot tv in 1984, up 73% from 1983. Sharp's videotape players received $673,000 in tv, down from $1.4 million in 1983.

Worldwide sales in 1984 for the fiscal year ended March 31, 1984, were $4.5 billion, up 13% over 1983. Net income was $117 million, a 45% increase over 1983.

U.S. operating income in fiscal 1984 was $1.2 billion, up 29% over 1983. U.S. operating income in 1985 is projected at $1.5 billion. Sharp holds about a 4% market share in tvs and 8% in videotape players in the U.S. market.

In January, 1986, Sharp Electronics will move to its new $37 million headquarters in Mahwah, N.J.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,311.5	1,311.5
Magazines	4,813.2	1,978.5
Network cable	226.3	89.3
Spot tv	1,139.2	1,604.7
Network tv	14,229.7	12,309.9
Outdoor	392.1	186.3
Total measured	22,112.0	17,480.2

SHARP ELECTRONICS CORP.
10 Sharp Plaza
Paramus, N.J. 07652
(201) 265-5600

Marketing Personnel

K. Kubo, president
Charles Daigneault, exec vp-consumer electronics
Ken Yamada, senior vp-industrial equipment
Joe Castrianni, vp-copier div
Dan Infanti, dir-corp communications & mktg
Jerry Orenstein, mktg communications mgr-consumer electronics
Don Osborne, mktg mgr-industrial equip
Perry Clay, gm-appliances
Ron Stoltenberg, gm-consumer video
Stan Wasser, gm-personal electronics
H. Kamatani, gm-audio products

Advertising Agency

Scali, McCabe, Sloves, New York—(all prods)—Larry McNaughton, vp-mgmt super; Tom Wynbradt, acct super; Cathy Ryan, acct exec; Andy Borden, Linda Salvatierra, asst acct execs.

Shell Oil Co.

Houston

RANK 150

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	20,898.0	19,883.0	5.1
Net income	1,772.0	1,633.0	8.5
Advertising	26.5	11.7	126.9

Shell Oil Co., Houston, in the process of being purchased by its largest shareholder, Royal Dutch, made its first foray into branded gasoline in building its measured media advertising to $26.5 million in 1984.

Shell, which ranked as the 150th largest advertiser, offered its first new gas product since 1975—SU2000 for super unleaded gasoline and RU2000 for regular unleaded gasoline.

In doing so, it took the route other gasoline marketers have taken—introducing a high octane product to support higher performance driving—but Shell tagged its products with the SU and RU brands. The octane rating of the product is 92, vs. 91.5 of the regular.

The company backed the new product introduction with most of the $20.5 million in measured spending it allotted for Shell gasoline, an expenditure that dwarfs the $1.3 million Shell spent on gasoline in 1983. Network tv got 47% of the spending and spot radio, 33.9%.

In the campaign, which bore the tag line: "The longer you use it, the better it can be for your engine," Shell wrapped its service station pumps bearing the SU2000 in black and gold graphics and those with RU2000 in a red and white pattern.

The campaign, staged by Ogilvy & Mather/Houston, sent Shell's ad spending for gasoline beyond spending levels of its major competitors and helped give Shell almost a 3% increase in gasoline sales, compared with the industry average of 2.5%.

Shell's $20.3 million ad support for gasoline compared with its competitors: Exxon, $11.7 million on gasoline; Amoco, $10.8 million; Texaco, $3 million for Getty and $7 million behind Texaco gasoline; Atlantic Richfield, $4.3 million for gasoline and $10.3 million for general petroleum promotion.

Gasoline sales remain a small percentage of total sales of Shell Oil, which had sales of $20.9 billion at yearend Dec. 31, up 5.1% from the previous year, and net income of $1.77 billion, up 8.5%.

The oil and gas exploration segment turned in earnings of $1.38 billion, basically unchanged from 1983, as crude oil production was up but average domestic prices down; oil products sector earnings were $223 million, off 6% from the previous year, again reflecting the squeeze on profits caused by high production and low prices; and the chemical products sector had net income of $132 million, up 110%, and largely because of higher operating rates because of a stronger economy and lower feedstock costs.

Shell, whose measured advertising increased 126.9% over 1983, continued its ad spending mix, although shifting percentages in some media. It placed 38% of its measured spending in spot tv, 37.5% in spot radio, 9.6% in farm, 8.6% in magazines, 6.2% in network tv, and small percentages for network cable and outdoor.

During the year, Royal Dutch continued to buy the nearly one-third of Shell Oil it didn't already own. It started out paying $55 a share but has increased that to $60 as various lawsuits attempting to thwart the buyout have raised the ante. The total purchase now is pegged at about $5.67 billion.

Royal Dutch management style is to permit is subsidiaries to operate autonomously.

Unresolved is current litigation in which shareholders, essentially holding out for more money per share, allege that Royal Dutch had inside information about the magnitude of a new oil find made by Shell Oil when Royal Dutch issued the tender offer. Shell answered the accusation, saying the worth of the find quoted by the disgruntled shareholders was grossly exaggerated.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,288.4	20.0
Network cable	8.0	166.4
Spot tv	10,042.2	0.0
Network tv	1,642.7	1,696.8
Spot radio	9,940.3	7,689.8
Outdoor	39.2	70.9
Farm pubs	2,538.2	2,036.1
Total measured	26,499.0	11,680.0

SHELL OIL CO.
One Shell Plaza
Houston, Tex. 77002
(713) 241-4083

Marketing Personnel

John Quinn, mgr-communications
John H. Haines, mgr-adv & sales promo
Ed T. Matthews Jr., adv rep
Ed O. Pierce, mgr-sales promo
J.R. Dowler, mgr-chemical adv & sales promo

Advertising Agencies

Ogilvy & Mather, Houston—consumer advertising, including SU2000 and RU2000—Kirk Walden, vp-mgmt super; Dave Ryan, acct super; Deb McDonald, acct super-gasoline.

Allen & Dorward, San Francisco—Shell chemicals—W.K. Manos, vp-acct super; Meg Montalvo, acct exec.

Black & Decker plugs into powerful growth

Black & Decker Mfg. Co., the world's largest power tool company and ranked 138th in U.S. measured ad spending, in 75 years has grown to take over General Electric's small appliance business.#

SmithKline Beckman Corp.

Philadelphia

RANK 142

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,940.2	2,835.4	4.0
Net income	502.6	489.5	2.9
U.S.			
Sales	2,098.3	2,009.7	4.4
Operating profits	500.2	494.9	1.1
Advertising	28.8	23.8	20.9
Division sales			
Theraputics	2,119.1	2,005.0	5.7
Diagnostic/analytical	830.1	830.4	-0.1

SmithKline Beckman Corp. in 1985 is counting on a new oral anti-arthritis drug to boost its pharmaceutical sales. The Philadelphia-based company was the 142nd leading national advertiser in 1984 with $28.8 million in measured spending, up 20.9% from 1983.

The drug, Ridaura, approved in May by the FDA, is the first oral version of gold salts, which are administered by injection to treat rheumatoid arthritis in adults. The company expects a steady increase in sales of the drug through the 1980s, possibly

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SmithKline could use another profit center as a result of growing competition for Tagamet, its anti-ulcer medication that accounted for most of the $906 million (in 1984) worldwide market for ulcer therapy drugs. The company introduced new dosages of Tagamet in 1984. The drug accounts for about 30% of SmithKline's annual sales and 50% of earnings.

SmithKline's sales for 1984 were $2.95 billion, up 4% over 1983. Net profits in 1984 were up 3% to $500.3 million. Worldwide sales have been affected by the 1983 introduction of Ranitidine, a direct competitor to Tagamet. Worldwide sales were adversely affected by unfavorable exchange rates resulting from a strong U.S. dollar. Sales would have been $75 million higher at 1983 average exchange rates.

SmithKline also faces heavy competition in consumer products for Contac cold remedies. The company undertook a revitalization of the brand in 1984 with a new ad campaign by BBDO Inc.: "We keep America on its feet." Measured spending for Contac was up 11% in 1984 to $14.3 million, with 90% network tv and 10% spot tv. SmithKline also introduced Congestac tablets, a brand extension, in the fall of 1984. Congestac received $2.6 million in measured network spending.

Ad spending for Ecotrin aspirin dropped 8% in 1984 to $5.9 million, mostly for network tv. Measured spending for SmithKline's Sine-Off products increased 30% to $2.8 million, mainly for network tv.

SmithKline Beckman and American Hospital Supply Corp. announced in January, 1985, that they are combining their clinical laboratory businesses in a new company, SmithKline Bio Science Laboratories. The combination involved no cash. Under terms of the agreement, SmithKline owns 72.5% of the new company, and American Hospital Supply 27.5%.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,846.5	2,444.6
Network cable	96.6	5.4
Spot tv	1,855.8	1,925.6
Network tv	22,871.4	19,258.1
Spot radio	1.7	86.7
Farm pubs	169.3	128.4
Total measured	28,841.3	23,848.8

SMITHKLINE BECKMAN CORP.
1500 Spring Garden St.
Philadelphia, Pa., 19101
SMITHKLINE & FRENCH LABORATORIES
Marketing Personnel
Alan J. Dalby, president, SK&FL, exec vp-therapeutic prod group
James H. Cavanaugh, president, SK&FL, U.S.
John F. Chappell, president, SK&FL, intl
William Pilling, vp-mktg admin-U.S.
Joseph Rutledge, vp-customer affairs, U.S.
Robert Cook, vp-sales mgmt, U.S.
Charles P. Lowman, vp-mktg communications, U.S.
Alan Klawans, dir-design, U.S.
A.L. Wright, dir-adv & sales promo, U.S.
Joseph M. Weaver, vp-intl mktg & business devel
MENLEY & JAMES LABORATORIES
Philadelphia
Marketing Personnel
William E. Learnard, president
Victor R. Galef, vp-mktg
Richard Novak, vp-sales
Richard E. Arnold, vp-prod & business services
Stephen Hartogensis, vp-finance and business planning
Advertising Agencies

BBDO, New York—Contac, Teldrin, Feosol, Hemoccult Home Test—Bob Forman, acct super; Bob Spofford, mgmt super; Jack Thorne, mgmt rep.

MCA, New York—Congestac, Sine-Off, Ecotrin, A.R.M.—Bill Bishop, pres; Steve Brounstein, mgmt super; Paul Basquin, acct super.

SMITHKLINE ANIMAL HEALTH PRODUCTS
Philadelphia
Marketing Personnel
Norman H. Blanchard, pres
Han van Veen, vp-industrial prod
Gerald Myers, dir-sales and mktg, U.S./Canada
Advertising Agency

Marketing Support Services, St. Joseph, Mo.—Kenneth Shearin, creative & mktg mgr.

NORDEN LABORATORIES
Lincoln, Neb.
Marketing Personnel
Daniel P. Hinnah, genl mgr
Beverly Blume, mgr-adv & promo support
Advertising Agency

Bozell & Jacobs, Omaha—Omar Dye, Wes Newhaus, Kurt Wullschleger, acct execs.

ALLERGAN PHARMACEUTICALS
Irvine, Cal.
Marketing Personnel
Gavin S. Herbert, chairman
William Shepherd, president Allergan U.S.
Richard Ulmer, senior vp-U.S. operations
David Bruns, president, Allergan intl
Thomas Bender, vp-domestic mktg
HUMPHREY INSTRUMENTS
San Leandro, Cal.
Marketing Personnel
M.J. Hansen, president
Keith Ignotz, vp-mktg
Nick Lurowist, mktg mgr
SMITHKLINE BIO-SCIENCE LABORATORIES
Philadelphia
Marketing Personnel
Harry C. Groome, president
Jane Nugent, dir-mktg
Robert Polege, vp-sales
BECKMAN INSTRUMENTS
Fullerton, Cal.
Marketing Personnel
Louis T. Rosso, president & exec vp-diagnostic/analytical group
John P. Wareham, vp-diagnostic systems group
James Quirk, div mgr-scientific systems group
Roger Novesky, mgr-Spinco div
Thomas E. Waller, vp-bioanalytical systems group
Robert R. Crittendon, mgr-mktg communications
Advertising Agency

Cochrane Chase, Livingston & Co., Irvine, Cal.—Frank Addis, vp-managing dir, med bioscience group; Gary Cunningham, vp-creative dir; Eileen Goodman, acct rep.

Sony Corp. RANK 125
Park Ridge, N.J.
($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	5,149.2	4,666.3	10.3
Net income	291.6	125.1	133.0
U.S.			
Sales	1,747.8	1,332.7	31.1
Operating profits	N/A	N/A	N/A
Advertising	32.3	39.3	-17.8

Sony Corp. of America, New York, aiming to make a comeback in the home video market as the market has shifted away from its Beta system, has pinned its hopes on an 8mm video camera recorder and videocassette recorder.

Success of the new products set for U.S. debut this year will hinge on the market's willingness to accept the small-scale camera recorders (the size of a paperback) as it once accepted Sony's Betamax before rejecting it for VHS-format products.

Sony, the 125th largest advertiser with measured media spending of $32.3 million, has not lost its market share for its Beta product from want of advertising. Sony spent $9.2 million on Beta products in 1984 in network and spot tv and magazines—the most for any product line—yet product sales remained sluggish especially among the popularly priced models in Europe and Japan.

First-quarter results at Sony indicate revenues from vcrs dropped 25% in the period, putting even greater pressure on the 8mm video camera products to pick up the slack. The products were introduced in the first quarter in Japan where they are now in back order. Total net income was $77.8 million, up 14.8% from the previous year, on vcr sales of $1.33 billion, up 9.4%.

Analysts report that Sony's share of the home video market has declined steadily from 18% in 1981 to 9% in 1984. Sony's troubles stem from consumer preference for the VHS-format products as opposed to Sony's Beta process. The Beta format accounts for about 35% of the world's vcr business. The two formats are incompatible.

Video equipment sales of $2.09 billion in 1984 accounted for 40.6% of corporate sales. Yearend results at Sony were sales of $5.15 billion, up 10.3% from the previous year, and net income of $291.6 million, up 133%.

During 1984, video equipment sales increased 12% over the previous year. The Betamax vcrs, 1-in. vcrs, videotapes and U-matic vcrs are included in this sector, which expanded largely because of sales expansion of video equipment for broadcast and institutional uses.

Sony was to deliver this spring its so-called "Super Slo Mo" for about $270,000. The equipment, consisting of a camera, base station and videotape recorder, was unveiled in ABC's coverage of the Summer Olympics.

Sales of audio equipment during fiscal 1984, including audiotapes, increased 10.4% over fiscal 1983, primarily because of the sales expansion of the Walkman. Walkman sales results, however, lacked strong ad support during the year. Advertising in measured media actually dropped from $5.3 million in 1983 to $148,000 in 1984, accounting for most of the company's total measured media decline of 17.8%.

Tv sets accounted for 23.6% of total net sales, with color tv sets accounting for 19.9% of total net sales, mainly through the acceptance of Trinitron color tvs. The company backed its color tv sets with $5.9 million in measured spending, the same as in 1983. During the Super Bowl in January, Sony introduced the Trinitron XBR high-tech model that is cable and computer-compatible and has stereo capacity with detachable speakers.

The series of 8mm home video products includes a video camera recorder and vcr. The series uses 8mm film and tapes, about half the size of the half-inch format that is the industry standard. The camera recorder weighs 3 lbs. and only records images. Sony is offering a lightweight portable deck for playback.

Sony expects the 8mm products to account for half the market by 1990, however, 8mm products generally have shorter recording times and less clear pictures, and there are few prerecorded movies on 8mm tapes—the reason many vcr owners buy the vcr.

During the year, Sony Corp. of America created Sony U.S. Marketing Group, an umbrella division for Sony Corp. of America's five major marketing companies—Sony Consumer Products Co., Sony Communications Products Co., Sony Broadcast Products Co., Sony Tape Sales Co. and Sony Consumer Service Co.

Sony made a number of agency shifts, opting for Waring & LaRosa, New York, for professional videotapes and floppy discs, and McCann-Erickson, New York, for audio/car stereo, and hi-fi. Both accounts were previously with Ammirati & Puris, New York. Marschalk Co. in New York also obtained the Betamax account, replacing Backer & Spielvogel, New York.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	11,619.7	11,619.7
Magazines	5,235.1	9,497.0
Network cable	148.2	5.6
Spot tv	7,474.7	9,775.5
Network tv	7,316.3	8,087.7
Spot radio	486.0	290.6
Outdoor	5.7	12.7
Total measured	32,285.7	39,288.8

SONY CORP. OF AMERICA
One Sony Dr.
Park Ridge, N.J. 07656
(201) 930-1000
SONY CONSUMER PRODUCTS CO.
Park Ridge, N.J.
Marketing Personnel
Ed Adis, senior vp-sales
Roland Martin, senior vp-communications
Allan Shevin, vp-special mkt sales
Osamu Naka, vp-Betamax sales & mktg
Jeff Brooks, dir-adv
SONY COMMUNICATIONS PRODUCT CO.
Park Ridge, N.J.
Marketing Personnel
J. Philip Stack, president-ceo
Robert Mueller, vp-genl mgr-video communications
Jason Farrow, dir-adv
SONY BROADCAST PRODUCTS CO.
Teaneck, N.J.
Marketing Personnel
William Connolly, president-ceo
William Powers, vp-sales
Anthony O'Connell, vp-mktg
Ron Petty, dir-mktg services
SONY TAPE SALE CO.
Park Ridge, N.J.
Marketing Personnel
John Hollands, president
John Bermingham, vp-sales & merch
Patrick Murray, dir-sales
Robert Basso, natl adv mgr
SONY CONSUMER SERVICE CO.
Park Ridge, N.J.
Marketing Personnel
Hisashi Sakae, president
Richard Wheeler, senior vp
SONY INDUSTRIES
Marketing Personnel
Michael P. Schulhof, president
Kevin Finn, vp-gm-component prod div
Advertising Agencies

Ammirati & Puris Inc., New York—non-consumer—Mary Herrmann-senior vp-mgmt super; Steve Hoechster, acct super; Tina Traster, media planner.

Marschalk Co., New York—Betamax (Beta movie, Beta hi-fi, Super Beta), Video 8—Roger Stone, acct dir; Jay Cossey, vp-media group head-print; Gertrude Bergen, media super-print; Art Tatnell, vp-assoc media dir-Betamax; Grace Schiraldi, media super; Louise Wolf, senior media planner.

McCann-Erickson, New York—audio, hi-fi, car stereo & video display products—Steve Hurwitz, senior vp-mgmt rep.

Waring & LaRosa, New York—magnetic tape products, consumer & industrial—Saul Waring, president; John Cassano, vp-acct super; Milt Herlich, media dir; Joe LaRosa, senior creative dir.

Southland Corp. RANK 108
Dallas
($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	12,105.0	8,805.0	37.5
Net income	160.3	131.8	21.6
Advertising	37.0	27.5	34.6
Division sales			
Retailing	7,707.3	6,820.7	13.0
Gasoline	3,882.0	1,554.7	149.7
Food processing	443.6	395.8	12.1
Other	70.1	32.9	112.9

Southland Corp., a highly vertical retail conglomerate with 7-Eleven convenience stores and Citgo gas stations, increased its measured advertising spending by 34.6% over 1983 to $37.0 million in 1984, making it the nation's 108th largest advertiser. More than half of that expenditure was in spot and network tv.

The Dallas-based company, the nation's sixth largest retailer, backed its 7-Eleven operations with $35.2 million of the total measured ad spending as the convenience store outlets tied into an image-building theme, "America likes the freedom of 7-Eleven," and the corporation's sponsorship of the Summer Olympics in Los Angeles.

The "freedom" theme, introduced late in 1981, is giving way to a new ad theme in 1985: "No one keeps you revvin' like 7-Eleven," a series of humorous tv spots that dramatize fast, friendly, convenient service at the nation's 7,494 7-Eleven stores. The national tv schedule is being supported by radio spots carrying the same theme couched in contemporary, country and rock musical themes.

Southland Corp. increased its 1984 measured network tv spending for 7-Eleven to $8.7 million, 86% more than the previous year. Much of this expenditure reflected Southland's Olympic sponsorship. Spot tv expenditures increased 7% to $14 million. Southland also was a heavy user of spot radio, spending a measured $12.5 million primarily on 7-Eleven, a level that remained unchanged from 1983.

Southland also spent $1.4 million on spot tv for Citgo Gasoline and $600,000 for Chief Auto Parts, a growing convenience store unit that has 337 stores nationwide.

Southland's vertically integrated business—it produces many of the products its stores carry—became even more so in August, 1983, when Southland acquired the refining, marketing and transportation businesses of Cities Service Co., Tulsa, Okla., a wholly owned subsidiary of Occidental Petroleum Corp. The Citgo subsidiary was bought with 9.35 million new shares of common stock and $519 million cash.

Southland in recent years has focused on expanding the number and geographic spread of its retail units, which include 7-Eleven, Quik Mart, Chief Auto Parts, Gristede's (food stores) and Super-7, high-volume gasoline outlets. In addition, Southland has focused on developing support services, such as food and dairy processing, distribution and manufacturing, and gasoline refining and supply.

Gasoline, for example, was available at more than 3,501 7-Eleven, Quik Mart and Super-7 outlets at yearend 1984. Total retail volume reached nearly 2 billion gals. This strengthens Southland's position as the largest independent gasoline retailer in the U.S. But the huge Citgo acquisition has not been easy for Southland Corp.

Although net revenues were up 37.5% to $12.11 billion in 1984, net earnings were up only 21.6% to $160.3 million, largely because Citgo results were hurt by the depressed market for petroleum products. In December, 1984, Southland took steps to limit the effects of the deteriorating market, by forcing a 46% cutback in refining operations and reducing the work force.

First-quarter 1985 results also were poor. Profits fell 93% to $1 million, compared with $14.3 million in the first quarter of 1984.

Revenues declined 3.5% to $2.8 billion in 1984. Over-all, Southland is in good financial shape, and continues to set the pace in the convenience store industry both in the U.S. and abroad.

Southland's international division includes 3,457 7-Eleven and other retail units operated by area licensees and affiliates in 11 countries. Ad spending for international operations is not included in Leading National Advertisers measured figures.

If Southland Corp.'s total measured ad spending continues to grow by about a 26% clip, the company could jump into the 100 leading national advertisers.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	794.2	285.5
Network cable	17.7	11.2
Spot tv	14,054.0	13,001.8
Network tv	8,669.3	1,560.3
Spot radio	12,479.4	12,479.4
Outdoor	1,012.9	171.7
Total measured	37,027.5	27,509.9

SOUTHLAND CORP.
P.O. Box 719
Dallas, Tex. 75221
(214) 828-7011
Marketing Personnel
J.W. Thompson, president-chmn of board
S. Richard Dole, exec vp-7-Eleven Stores
Frank McKeown, vp. mktg-retail
John Shanahan, mgr-adv & promo
John Antioco, natl mktg mgr-7-Eleven
Frank Byrley, natl sales mgr
John Drake, mktg devel mgr
Bill Wootten, vp-genl mgr-Chief Auto Parts
Ken Cason, natl adv mgr-Chief Auto Parts
Advertising Agency

Young & Rubicam, New York—Bob Gleckler, mgmt super; Sean Healey, acct super; Larry Nabatoff, staff asst.

Southwestern Bell Corp. RANK 146
St. Louis
($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	7,191.3	7,904.4	-9.0
Net income	883.1	892.7	-1.1
Advertising	27.8	N/A	N/A
Division sales			
Local telephone	2,838.0	3,678.0	N/A
Long distance	912.0	3,752.0	N/A
Network access	2,238.0	N/A	N/A
Other	1,203.0	474.0	N/A

Southwestern Bell Corp. aggressively began marketing products and services nationally and overseas in 1984, greatly expanding the profit potential of its service area. The St. Louis-based corporation, one of seven regional holding companies created in 1984 by the breakup of American Telephone & Telegraph, was the 146th leading national advertiser based on measured media spending of $27.9 million.

Southwestern Bell devoted 70% of its measured spending to spot tv, almost $13 million promoting services of Southwestern Bell Telecommunications and another $6.5 million promoting Southwestern Bell Publications, the two main operating subsidiaries.

Southwestern Bell's publishing subsidiary moved into the national market in 1984 with its Silver Pages, a directory product targeted at senior citizens. The directory lists government agencies and corporations providing services, discounts and special offers for seniors on a local and national basis. Comedian Bob Hope is national spokesman for the Silver Pages, which are scheduled for distribution in 110 major cities by the end of 1986.

The publications unit also landed a five-year contract in a joint venture with Volt Information Sciences to generate about $1.1 billion in advertising sales for Telecom Australia, the government-owned telecommunications agency.

Also in 1984, the company created Southwestern Bell Telecom, an equipment vendor outlet, and allotted $516,000 in measured spending for magazine. Former parent AT&T has asked the Justice Department to look into acquisitions by Southwestern Bell's Telecom subsidiary to find out whether the company is involved in the manufacture of telecommunications equipment, which is forbidden by a consent decree.

Southwestern Bell has said its acquisition of some assets of Comcoa Inc. and Electra Co., both makers of telecommunications equipment, are related to marketing and distribution of telephone equipment to business and consumers, not manufacturing.

The phone sales unit sold more than 11,000 systems in 20 states in 1984, generating more than $100 million in revenues.

Southwestern Bell Mobile Systems, a cellular mobile telephone service, also was launched in 1984 with $73,000 measured spending for outdoor. The mobile service was introduced in three cities, and, in 1985, expanded to three additional markets. Southwestern Bell serves Arkansas, Missouri, Oklahoma and Kansas.

Southwestern Bell recorded net income of $883 million on revenues of $7.19 billion. About 91% of 1984 total operating revenue was derived from communications services and the remainder was mostly from classified Yellow Pages directory advertising. About 73% of operating revenues from communications services were attributable to intrastate operations.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	0.0	0.0
Magazines	783.4	N/A
Network cable	0.0	N/A
Spot tv	19,460.5	N/A
Network tv	0.0	N/A
Spot radio	7,405.8	N/A
Network radio	0.0	N/A
Outdoor	228.1	N/A
Farm pubs	0.0	0.0
Total measured	27,877.8	0.0

SOUTHWESTERN BELL CORP.
1010 Pine St.
St. Louis, Mo. 63101
(314) 247-9800

Z.E. Barnes, chmn-president
J.H. Hunt, exec vp
Edgar Mayfield, vp-genl counsel
Gerald D. Blatherwick, vp-pr
Robert G. Pope, vp-corp devel
Donald Lottmann, asst vp-pr
Carol Crosthwaite, div mgr-corp relations

SOUTHWESTERN BELL TELEPHONE CO.
Marketing Personnel

Z.E. Barnes, president-ceo
James Gallaway, vp-mktg

SOUTHWESTERN BELL PUBLICATIONS
Marketing Personnel

A.C. Parsons, president-ceo
Martin R. Berg, asst vp-corp communications

Advertising Agency

Marketing handled by Southwestern Bell Media—Ronald M. Jennings, vp-genl mgr.

SOUTHWESTERN BELL TELECOMMUNICATIONS
Marketing Personnel

R. Scott Douglass, president-ceo
Dawn Callier, dir-pr & adv
D. Scott Pool, president-Southwestern Bell Information Systems Integrators
John M. Zalovdek, exec vp-business systems div
Peter Martin, vp-business devel div

SOUTHWESTERN BELL MOBILE SYSTEMS
Marketing Personnel

John H. Atterbury, president-ceo
Robert S. Campbell, vp-mktg
John T. Stupka, exec vp
Robert H. Digneo, dir-pr & adv

Advertising Agency

Bozell & Jacobs, Dallas—Henry Rosen, acct super.

Gardner Advertising Co., St. Louis—Bill Lahrman, vp-mgmt rep; Doug Herrman, vp-acct super; Greg Mauldin, acct exec-Yellow and Gold pages; Carol Perry, Bill Salzman, acct execs-Silver pages & recruitment.

D'Arcy MacManus Masius, St. Louis—Edward C. Barnidge Jr., senior vp-mgmt rep; William Mund, Gail Foster, vp-acct supers.

Subaru of America

RANK 152

Pennsauken, N.J.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,174.9	1,057.5	11.1
Net income	60.0	49.5	21.2
Advertising	26.0	23.8	9.2

Voluntary restraints are just about the only thing slowing Subaru of America from becoming a dominant force in selected niches of the U.S. market for imported cars. Subaru of America is the U.S. distributor for Fuji Heavy Industries Ltd. of Japan, with total measured ad spending of $25.9 million in 1984, up 9% over 1983.

The Pennsauken, N.J.-based importer, the 152nd largest advertiser, is riding near the crest of a wave of Japanese imports, which have seen significant improvements in market share in recent years. Analysts say Japanese imports are gaining an increasing share of the total import segment, approaching 80%, up from about 45% in 1973.

Subaru's market share of Japanese imports increased to about 8% in 1984 from about 3% in 1973. The Japanese segment is led, in order, by Toyota, Nissan, Honda, Mazda and Subaru. The market segment could change, however, if Fuji Heavy Industries decides to begin assembling small cars in the U.S. jointly with a domestic or Japanese company. Fuji, which has a business relationship with Nissan Motor Co., produces some 600,000 cars annually, exporting 200,000 small cars to the U.S. and about 90,000 to other countries.

In 1978, imports accounted for about 18% of unit sales in the U.S. auto market, according to Value Line. Their share rose to 26% in 1983 and held relatively steady in 1984 because of voluntary restrictions by the Japanese. Although the system of voluntary restraints expired in March, 1985, analysts say the Japanese are not likely to ship more than a 10% increase in 1985, to circumvent enactment of trade restrictions.

Subaru is targeting its market strategy at specific segments, such as passenger cars and trucks with front-wheel drive, and, on demand, front wheel/four-wheel drive.

Subaru passenger cars in 1984 were advertised under the theme "the Subaru difference." Passenger cars received most of the company's ad weight, with $17.6 million in measured media, up 9% over 1983. Media spending for passenger cars was divided 65% network tv, 27% spot tv, 8% magazine. Subaru's GL-10 model received $1.5 million in measured spending, divided 70% magazine, 30% tv.

Next on the list, in terms of measured spending in 1984, were Subaru wagons, with $2.4 million in measured media, divided 48% magazine, 30% network, and 22% spot tv.

In 1985, Subaru's theme becomes "The greater difference," with introduction of 1985 Subaru Coupe.

Subaru had net sales in 1984 of $1.17 billion, up 11% over 1983. Net income, however, was $60 million, up 22% over 1983. *Forbes* ranked Subaru No. 1 in terms of sales growth and profitability in its 37th annual report on autos and trucks.

Apparently, Subaru's marketing emphasis on quality, durability, performance and driveability is bringing strong results in customer satisfaction and in decisions to repurchase. A 1984 survey by J.D. Power & Associates measuring customer satisfaction levels of 31 imported and domestic cars ranked Subaru second only to Mercedes-Benz.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,692.2	2,692.2
Magazines	4,557.0	3,291.5
Network cable	264.7	340.1
Spot tv	5,247.3	5,175.9
Network tv	12,615.0	11,908.7
Spot radio	594.6	371.2
Outdoor	26.4	34.0
Total measured	25,997.2	23,813.6

SUBARU OF AMERICA
7040 Central Highway
Pennsauken, N.J. 08109
(609) 488-8500
Marketing Personnel

Robert L. Reich, exec vp-finance
Robert J. Whitehead, senior vp-prod services
T.D. Mahin, vp-corp communications
Eugene Egan, vp-sales
Paul Utans, vp-governmental affairs
Christopher B. Wackman, natl mgr-adv

Advertising Personnel

Levine, Huntley, Schmidt & Beaver, New York—Michael Elkisch, acct super; Bernie Lanigan, acct exec; Terry Bonaccolta, mgmt super.

Tambrands Inc.

RANK 127

Lake Success, New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	390.0	346.4	12.6
Net income	58.9	51.1	15.3
U.S.			
Sales	294.5	252.4	16.7
Operating profits	36.7	35.4	3.7
Advertising	31.8	28.0	13.8

Tambrands continues in 1985 to build on its successful transition to a diversified company with the introduction of its first products outside the sanitary protection market, a line of home diagnostics called First Response.

The Lake Success, N.Y.-based company, the nation's 127th largest advertiser in 1984 with $31.8 million in measured spending, introduced the products in April, 1985, into test market in California. The products include an ovulation predictor test and a home pregnancy test. Several other products will be added to the line in 1986.

The pregnancy test will face stiff competition from Johnson & Johnson's Daisy 2 and Advance products, as well as Warner Lambert's e.p.t. and e.p.t. Plus, which accounts for about 50% of sales in the category. The ovulation test is Tambrands' answer to the basal thermometer, which is capable under ideal conditions of recording whether ovulation has occurred through slight temperature variations.

The $250 million home-diagnostics market is a natural for Tambrands, whose Tampax tampons have an estimated 60% market share, or $190 million of the $315 million U.S. tampon market. It is estimated that Johnson & Johnson, Kimberly-Clark and Tambrands each account for 20% to 30% of unit sales for all feminine hygiene products, including sanitary napkins and tampons, and Beatrice and Procter & Gamble account for most of the remainder.

Tambrands' total measured spending in 1984 increased to $31.8 million, up nearly 14% over 1983. Most of the added spending was for brand extensions of the Maxithins line, including Maxithins panty shields, which received $6.7 million in measured spending in 1984, divided roughly $5.2 million in network tv and $1.5 million magazine. Maxithins received $10.7 million in measured network tv in 1984, with an additional $600,000 in spot tv and $3 million in magazines.

Despite sales improvements as a result of higher spending levels, Tambrands reported an 18% decline in earnings to $12.4 million for the first quarter of 1985. The decline resulted from placing $3 million in reserve to cover replacement of Tampax Super Plus tampons. Excluding the charge, net income increased 2%.

A recent study commissioned by Tambrands at Harvard Medical School showed that polyacrylate, a synthetic fiber used in the tampons, was linked to toxic shock syndrome. Tambrands stopped using polyacrylate in February, 1985. The Super Plus brand now contains a fiber blend of cotton, rayon and Aqualon, a material used in tampons mainly sold outside the U.S.

Tampax Tampons are expected to benefit in 1985 from Procter & Gamble's decision to discontinue its Rely tampons brand, whiich has been linked to toxic shock syndrome. P&G took a $75 million write off in abandoning the market. But P&G continues seeking new markets in the feminine hygiene category with Always, a maxi-pad.

Tambrands net sales in 1984 amounted to $390 million, up 12.6% over 1983. Net earnings were $58.9 million, up 15.3% over the previous year.

Foreign sales account for about 40% of Tambrands' total unit sales and about 25% of consolidated net earnings. Tambrands also faces highly competitive conditions in foreign markets.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	7,076.5	6,605.7
Network cable	0.0	0.6
Spot tv	1,094.8	1,547.6
Network tv	22,643.6	19,815.7
Spot radio	38.8	0.0
Network radio	978.9	0.0
Total measured	31,832.6	27,969.6

TAMBRANDS INC.
10 Delaware Dr.
Lake Success, N.Y. 11042
(516)-437-8800
Marketing Personnel

Douglas B. Fox, vp-mktg
Harry W. Rowe, vp-sales
Ronald Zwicke, vp-adv
Susan L. Coleman, mktg mgr
Brad Gay, mktg mgr
Barbara Mechlowitz, brand mgr-Tampax tampons
Jan Rock, brand mgr-Maxithins & panty shields
Edward Covell, brand mgr-First Response home diagnostic tests

Advertising Agencies

MCA Advertising, Westport, Conn.—Maxithins—Bob Lepre, exec vp; Jack McFaddin, acct dir.

William Esty Co., New York—Tampax—Marsha Arones, Sharon Moss, acct execs; Mark Miller, mgmt super.

Carrafiello Diehl & Associates, Irvington, N.Y.—First Response home diagnostic tests—Joanne Henshall, acct super; Peter Etray, group super.

Castor Spanish Intl, New York—domestic Hispanic market—Jorge Reynardus, acct super; Veronica Escala, acct services.

Texaco

RANK 162

White Plains, N.Y.

($ figures = 000,000,000)

Worldwide	1984	1983	% chg
Sales	47.9	41.1	16.5
Net income	1.1	1.2	-13.1
U.S.			
Sales	N/A	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	24.3	18.1	34.2

Texaco, the nation's 162nd largest advertiser, achieved greater access to raw materials through its Getty Oil Co. acquisition in 1984 and advanced its marketing and advertising strategies by reinforcing its image as a major international oil and gas company.

The White Plains, N.Y.-based oil giant, which had 1984 measured advertising expenditures of $24.3 million, up 34.2% from 1983, funneled $11 million of the measured total into spot and network tv to push its new, high-volume System 2000 retail outlets and back its Texaco brands of gasoline and Havoline Supreme motor oils. The tv spending breakdown was almost 50% each for spot and network.

Spot tv focused on brand awareness for the System 2000 stations, emphasizing construction of the outlets mainly in the Northeast, the Sunbelt and the West Coast. By yearend, more than 400 System 2000 stations were operating, averaging sales of more than 170,000 gals. a month each. That compares with Texaco's other company-owned stations, which averaged 86,000 gals. a month.

Gasoline products accounted for the largest portion of measured tv spending, $4.2 million spot and $2.8 million network, using the ad theme: "[Texaco gasoline] knocks out the knocks." Strong emphasis was for Super Unleaded, which increased 32% in sales during 1984.

Network tv expenditures were used to buy time for gas and motor oil products on Bob Hope tv specials. Measured spending for Havoline oil was $1.4 million network and $800,000 spot tv, using a combination of rebates and special case offers designed to promote volume sales.

Havoline motor oil also was the primary focus of magazine advertising, accounting for $1.4 million out of $2.7 million in measured spending companywide. Texaco industrial oil and lubrication products accounted for another $500,000 in measured magazine spending, and corporate identity ads accounted for the rest.

Texaco secured huge U.S. and international crude oil reserves through the $10.2 billion Getty Oil Co. acquisition, and Texaco strengthened its presence in Europe with the acquisition of selected portions of Chevron's European marketing assets. These developments indicate the direction Texaco is headed, in terms of marketing, as it responds to the political, economic and market forces that are reshaping the world's energy economy.

Texaco acquired all of the outstanding common stock of Getty Oil Co. in March, 1984. As part of the deal, Texaco agreed to a Federal Trade Commission order to sell Getty's marketing operations and certain refineries in the Northeast.

On Feb. 4, 1985, Texaco sold Getty Service Stations in the Northeast to Power Test Corp., Plainview, N.Y., for $95 million. Power Test also purchased the rights to use the Getty trade name. Included in the sale were 321 wholly owned service stations, 239 leased stations, and contracts to supply an additional 13,000 stations and nine marketing terminals.

Selling the Getty stations, however, will permit diversion of advertising funds to other Texaco products. Texaco spent a measured $3.5 million on spot tv for Getty gasoline and service stations in 1984.

Ironically, the Getty acquisition puts Texaco back in the Midwest, an area that it backed out of several years earlier because of low profit margins. In 1984, Texaco began converting Midwest Getty stations into Texaco stations. A Texaco executive says the economics have changed this time, however. Texaco recently acquired a Midwest refinery, in addition to Getty marketing terminals, which should improve the efficiency of Texaco's supply lines.

Texaco also sold Getty assets that did not mesh with existing market strategies, including Employers Reinsurance Co. and Entertainment & Sports Programming Network. Coastal Corp., Houston, is in the process of purchasing two oil refineries for an undisclosed sum.

Through May, 1985, Texaco had sold or was in negotiations on sales of Getty properties worth an estimated $2.5 billion. The changes at Texaco are expected to brighten its profit picture. Texaco's net income from worldwide operations through Dec. 31, 1984, was

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Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

$1.07 billion, down from $1.23 billion the preceding year. However, earnings improved through the second quarter of 1985.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,692.7	4,692.7
Magazines	2,690.6	1,609.1
Network cable	1.7	0.8
Spot tv	8,824.1	3,447.6
Network tv	5,870.1	4,824.7
Spot radio	2,218.4	3,512.5
Outdoor	23.3	34.0
Total measured	24,320.9	18,121.4

TEXACO U.S.A.
2000 Westchester Ave.
White Plains, N.Y. 10650
(914) 253-4000
Marketing Personnel
TEXACO U.S.A. HOUSTON
Richard R. Dickinson, senior vp-mfg, mktg, supply and distribution
Ellis W. Gunnels, vp-mktg
TEXACO EUROPE
Anthony J. Dalessio, vp-mfg & mktg
TEXACO LATIN AMERICA/ WEST AFRICA
Thomas B. Meadows, vp-mfg & mktg
TEXACO CHEMICAL CO.
West Africa
Joseph K. Goerner, vp-mktg
TEXACO LATIN AMERICA
Jean Poupeau, vp-mfg & mktg
Advertising Agencies

Benton & Bowles, New York—consumer products—Joseph Hannan, acct dir; Howard Thompson, acct exec.

Ross Roy/Colarossi Griswold, Inc., New York—industrial—Warren Rossell, acct super, Michael Turek, acct exec, art dir; Ben Colarossi, president, creative dir.

Texas Air Corp.

RANK 177

Houston

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,371.7	1,246.2	10.1
Net income	50.3	-177.9	120.3
Advertising	22.9	16.6	38.2

When Texas Air Corp.'s Continental Airlines unit was up and flying three days after filing for bankruptcy, industry experts scoffed. But Continental's move showed its determination to once again be considered one of the nation's leading airlines.

Continental spent 1984 methodically scraping its way out of the hole, adding routes, slashing fares and boosting its ad budget that makes its parent, Houston-based Texas Air, the 177th leading national advertiser, up from 191st in 1983.

Texas Air also is parent to New York Airlines and CCS Automation Systems, a Los Angeles-based unit providing computerized reservations, flight planning and other communications and data processing services to a number of commercial carriers.

Despite Continental's past financial failings, Texas Air earned $50.3 million in 1984, compared with a net loss of $177.9 million in 1983. Texas Air's consolidated 1984 revenues were up 9.6% to $1.4 billion.

Continental also earned $50.3 million, its first gain since 1980. New York Air posted a $6.8 million net loss, mostly because of fare wars in some of its key markets, costs associated with re-entering the Boston-New York shuttle markets and a larger marketing budget.

Texas Air's measured ad spending increased 38.2% to $22.9 million in 1984. The company increased spending in spot radio to $7.7 million from $2.5 million in 1983. Significant gains also came from a 107.8% increase in spot tv spending to $2.1 million. Texas Air's largest media expenditure, newspaper advertising, remained stable at $12.4 million.

Both Continental and New York Air boosted their measured media budgets in 1984. Newspapers and spot radio were their media mainstays as they are for most airlines, especially in a climate of quick-changing fares that require immediate media response. Continental spent an estimated $16.2 million and New York Air an estimated $6.7 million in media spending, increases of 38% and 45.7%, respectively, from 1983.

In spot radio, Continental increased its spending to $5.1 million, up from $1.4 million; New York Air spot radio went to $2.6 million from $1.1 million. Estimates in this issue for both airlines for 1984 are based on the same newspaper spending as recorded in 1983. But total spending in newspapers for the two airlines may have increased as much as 40% because of the discount fare wars played out in newspapers during the year. That would put Texas Air spending for that medium at $17 million.

During 1984, Continental's ad campaign, themed "Your money goes farther on Continental," brought protests to the Civil Aeronautics Board from Frontier and Western Airlines. The ads say the same fare on Continental that would get a passenger to New York or Los Angeles would get passengers on those two carriers to a swamp or the desert.

The ads also say a similar fare on United Airlines would only get a passenger to a cornfield, but United didn't file a complaint.

The campaign, running in newspapers and on radio and tv, claimed that what Continental charges to reach certain locations "won't get you very far on other major airlines."

Continental later added a tv, print and radio campaign showing passengers slapping themselves on the forehead when they realized they could have flown Continental. Scali, McCabe, Sloves in Houston handles Continental.

In May, 1985, Continental flew 1.4 billion revenue passenger miles and 2.1 billion available seat miles for a load factor of 68.7%. On a year-to-date comparison, Continental has risen 68% in revenue passenger miles, increased its available seat miles by 68.3%, but its load factor of 63.5% was off 0.5% from the preceding year—a figure affected by a record 16,249 flights.

Continental celebrated its 50th anniversary with events including charity ticket auctions in major cities. In October, it teamed-up with Thrifty Rent-a-Car System with an on-board "Presidential Sweepstakes." Grand prize was one year's use of a Chrysler Fifth Avenue President and First Lady editions, a trip to the presidential inauguration and a one-year Continental Airlines pass.

Also in October, Continental began the first part of its plan to upgrade its fleet, adding 12 new Boeing 737-300's leased from Texas Air. The plan includes an option to add 18 Boeing 737s by March, 1986, also through a lease agreement with its parent.

Continental's increase in passenger traffic has been sparked by a marketing plan that includes lower fares and higher frequency flight service. The carrier introduced nonstop flights between Houston and Salt Lake City and added flights into Cincinnati and Milwaukee.

Continental also added five daily nonstops between Dallas and Houston in July, aimed at undercutting American Airlines' business between the two Texas business hubs. In September, Continental applied for and subsequently received authorization to operate daily, nonstop service between Houston and London.

Continental also applied for and received authority to fly direct from Houston to Tokyo.

New York Air made its big move by starting a New York-Boston shuttle war with Miami-based Eastern Airlines, long the king of the air in that shuttle corridor. New York Air began offering food on shuttle flights to Boston. The carrier offers snacks on its New York-Washington flights, a segment also dominated by Eastern.

New York Air also hit the airwaves with ads aimed at differentiating its shuttle service from Eastern's, but the ads did not mention the other carrier by name. The carrier also used the sides of some New York double-decker buses to shout its shuttle fares. Bloom Agency, New York, handles the account.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	12,390.4	12,390.4
Magazines	49.1	96.0
Network cable	0.0	21.9
Spot tv	2,133.3	1,026.7
Spot radio	7,729.3	2,537.2
Outdoor	645.2	527.8
Total measured	22,947.3	16,600.0

TEXAS AIR CORP.
Capitol Bank Plaza No. 4040
333 Clay St.
Houston, Tex. 77002
(713) 658-9588
NEW YORK AIR
Marketing Personnel
Robert D. Gallaway, exec vp
Michael S. Leonard, vp-sales
Donna Cusano, mgr-adv
Advertising Agency

Bloom Agency, New York—Joseph Baldi, acct super; David Rutkin, senior vp.

CONTINENTAL AIRLINES
Marketing Personnel
Francisco A. Lorenzo, chmn-ceo
Philip J. Bakes, president
Tom Volz, vp-mktg services
Bruce Miller, dir-adv
Advertising Agency

Scali, McCabe, Sloves/Southwest, Houston—James O'Donnell, president.

CCS AUTOMATION SYSTEMS
Marketing Personnel
Richard Murray, president-ceo
James Goodlett, senior vp-data processing & communications
Jeffery McKnight, vp-sales & services
Jerome Gallant, vp-controller
Advertising Agency

In-house handled by Evie Palicz, corp communications mgr.

Texas Instruments

RANK 159

Dallas

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	5,741.6	4,579.8	25.4
Net income	316.0	-145.4	-317.0
U.S.			
Sales	4,087.0	3,295.0	24.0
Operating profits	312.0	-331.0	194.3
Advertising	24.8	68.3	-63.6
Division sales			
Components	2,660.0	1,704.0	56.2
Digital products	1,070.0	1,069.0	0.1
Gov't electronics	1,392.0	1,204.0	15.7
Metallurgic materials	174.0	152.0	14.5
Services trade	431.0	440.0	-2.1

At a time when Texas Instruments has run up record earnings, the bottom has dropped out of advertising expenditures at the Dallas-based company, the nation's 159th largest advertiser with total measured media expenditures of $24.8 million in 1984.

Even though the financial picture at TI has brightened, its failures over the past three years were believed to have forced the ouster in May, 1985, of J. Fred Bucy as president and chief executive officer. Replacing him was Jerry R. Junkins. Marketing strategies are not expected to be overhauled because the two have similar styles.

Mr. Junkins was executive vp of data systems, government electronics and industrial controls, the latter two areas being among the company's more profitable businesses.

The computer electronics company had spent $68.3 million in measured advertising in 1983 when the total still included advertising for TI's low-priced 99/4A home computer. The 99/4A went out of production Oct. 31, 1983. TI took a pretax loss of nearly $600 million at the time, and ended 1983 with a total loss of $145 million.

During 1984, network and spot tv spending were off 98% and 85%, respectively, from 1983 levels to a combined measured total of barely $3 million in 1984. In 1983, Texas Instruments spent a measured $18 million each on spot and network tv. Magazine spending also dropped 67% in 1984 to about $4 million.

The spending cuts point up how volatile the home computer market can be. TI's 99/4A, for example, with between 1 million and 1.5 million units sold during its lifetime, in 1983 was the second most widely owned home computer in the U.S. Heated price competition in the low-end market, however, forced TI to abandon the product, taking huge writedowns in 1983 on inventory. TI suffered a rare loss for that year of $145.4 million on sales of $4.58 billion.

Sales and earnings for 1984, however, were another story. Riding high on peak demand for its semiconductors, TI's net sales reached an all-time high of $5.7 billion with net income of $316 million, more than $100 million higher than earnings for any previous year.

Sales and earnings prospects for 1985 are less optimistic, however, because of a softening in demand for semiconductors that started in the second quarter of 1984 and became a virtual recession in the first quarter of 1985.

TI is forecasting a 15% drop to $22 billion for world demand in the semiconductor market in 1985. To help ride out the downturn, TI announced a 2,000-person reduction in its semiconductor work force in December, 1984, shortened workweeks in February, 1985, and expects a further 1,000-person work force reduction in the second quarter of 1985.

Concurrent factors in shaky earnings predictions for TI in 1985 are softness in several key areas where the company is very active, such as oil exploration and government electronics, and the on-going shakeout in the personal computer market.

Although poor retail sales of personal computers have created excess inventories and pricing pressures, TI prepared for the shakeout in 1984 by emphasizing value-added resellers as its main distribution channel for its growing family of Professional Computers.

For 1985, the bulk of TI's advertising will focus on its Business Pro personal computer, which begins shipping sometime in the summer. Ads will be mostly newspaper and magazine. In 1984, TI's Professional Computer line received $2.8 million in magazine spending. TI does not disclose newspaper figures, and measured spending figures for this medium were not available at press time.

The Business Pro's ad campaign, like that of TI's other business computer products, revolves on the concept of identifying a user and showing how the Business Pro has been tailored to his needs through a value-added reseller. Newspaper ads begin with clever headlines, "TI introduces the (Joe Smith, for example) computer system," and go on to explain that the system is perfect for vertical applications in such fields as real estate, medicine and other professions.

Complementing the shift in ad strategy is a sales strategy focusing on value-added retail outlets that are able to assist users in tailoring the system to their applications. As one TI executive put it, the company is selling applications, not hardware.

Although the drop in advertising expenditures for 1984 was partly in response to TI's marketing shift away from the mass market products, TI continues to produce and advertise consumer products. It is the largest supplier of calculators in the U.S., a category that in 1984 received $400,000 in measured spot tv and $200,000 in magazine spending.

TI also produces child learning aids, including Speak & Spell and Speak & Read, which received about $500,000 in measured spot tv in 1984, mostly in the fourth quarter. In early 1985, TI hired Bozell & Jacobs, Dallas, to handle all advertising for its worldwide data systems. McCann-Erickson, Dallas, continues as lead agency, handling all other accounts.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	16,871.6	16,871.6
Magazines	4,019.7	11,695.2
Network cable	324.6	391.7
Spot tv	2,764.3	18,080.0
Network tv	283.4	17,808.4
Spot radio	568.1	3,423.6
Total measured	24,831.7	68,270.5

TEXAS INSTRUMENTS
P.O. Box 225474
Dallas, Tex. 75265
(214) 995-2011
Marketing Personnel
Peter A. Field, vp-corp mktg
Jim Dukowitz, mgr, vp-worldwide mktg div (intl)
Donald Scharringhausen, merch mgr-world corp
Tom Ellis, vp-data systems div
Dana Houghton, merch mgr-data systems div
Bruno Tagliuca, mktg dir, senior vp-semiconductors div
Dave Huffman, merch mgr-semiconductor div
Gary Rado, mktg mgr, vp-consumer prod div
Ken Kessler, merch mgr-consumer div
Bruno Modica, mktg mgr, vp-industrial div
Edward Morrett, merch mgr-industrial div
Ed O'Neill, vp-corp staff, mgr-education, publications & industrial design
Frank Walters, merch mgr-creative services
Bob Graebner, vp-geophysical services
Harry MacIntosh, mktg mgr-metallurgy materials div, materials and control group
John Paster, mktg mgr-control prod div, materials and control group
Advertising Agencies

Bozell & Jacobs, Dallas—data systems, computers, printers, terminals (handles pr for the Digital Systems Group)—Berkley T. Cooke, exec vp; Ed T. Conlon, vp-mgmt rep; John Hofmeister, acct mgr.

McCann-Erickson, Houston and Dallas—international, consumer prod, semiconductors, education, publications, industiral design—Cormac Ryan, senior vp-worldwide acct dir; Ron Ragan, vp-acct dir—semiconductor/industrial; Don Bartholomew, acct exec; Mike Briggs, acct dir-Europe (London); John Pearce, acct dir-Asia/Pacific (Singapore).

Thompson Medical Co.

RANK 104

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	197.2	149.4	32.0
Net income	21.2	16.5	28.4
U.S.			
Sales	189.8	139.7	36.9
Operating profits	20.9	15.6	34.1
Advertising	39.3	35.9	9.5
Division sales			
Meal replacements	84.1	32.5	158.8
Appetite suppressants	94.8	86.1	10.2
Other health prods.	27.7	22.1	25.4

Heavy spending for brand extensions by Thompson Medical Co. in the appetite suppressant and nutritional meal replacement category propelled the company to a rank of 104 among U.S. advertisers as New York-based Thompson increased measured ad spending 9.5% in 1984 to $39.3 million.

The greatest increase in measured spending was for the Slim-Fast line of meal replacement products in response to introduction of two new flavors and Slim-Fast nutrition bars. Measured spending for the Slim-Fast line jumped 174% to $11.8 million in 1984. Spending was divided about 65% network tv, 35% spot tv. Ad spending for Slim-Fast is expected to continue rising as Thompson introduces additional brand extensions and continues test marketing Slim-Fast gourmet weight loss meals in 1985.

Drug Store News ranked Slim-Fast 16-oz. chocolate No. 1 in drugstore dollar volume, No. 1 in profits, but only No. 7 in unit sales in 1984 among the 100 top over-the-counter products. The publication ranked Slim-Fast vanilla No. 2 in gross profits, and No. 3 in dollar sales for the category.

The Slim-Fast line accounts for 77% of the market in meal replacement products. Dollar volume sales for Slim-Fast jumped 150% to $84 million in 1984, up from only $5 million in 1982, when Slim-Fast was reformulated and relaunched with intensive advertising.

Competition in the category surfaced in 1984 from the Carnation Do-It-Yourself diet plan, Dietene by Sandoz Co. and various meal replacement products sold door-to-door.

Measured spending for Thompson's appetite suppressants fell 28% in 1984, but figured heavily in the company's media purchases. Thompson controls an estimated 66% of the appetite suppressant market, with category sales of $86 million in 1984, down 10% from 1983.

Drug Store News ranks Dexatrim

Extra Strength, Thompson's flagship appetite control product, No. 17 in dollar sales, No. 21 in profits, and No. 26 in unit movement. Dexatrim captured about 56% of industrywide appetite control sales in 1984. Thompson's other products, Control, Prolamine and Appedrine, accounted for about 10% of the market. Thompson moved into a new market subsegment for long-lasting appetite control with Dexatrim 15-Hour in 1984.

Dexatrim measured spending dropped 35% to $12.7 million, divided 52% network tv, 29% spot tv, and 19% magazine. Over-all, measured spending for Thompson's appetite control products fell 34% to about $15 million. Thompson expects increased competition in the future from competitors such as SmithKline Beckman Corp., with Dietac, and from Ciba-Geigy Corp. with Acutrim.

Thompson is seeking new markets for diet products with test marketing of its Pritikin line of sodium reduced, low-fat food products, which include salad dressings, soups, sauces and rice.

Sales for the fiscal year ended Nov. 30, 1984, advanced 32% over 1983 to $197 million. Net income was up 28% to $21 million over 1983. The sales and earnings figures for 1984 and 1983 were at record levels, up from sales of $90.9 million and net income of $11.6 million in fiscal 1982.

However, first quarter, 1985, net income was down 46% to $3.6 million, compared with the same quarter in 1984. Net sales, which dropped an over-all 31% to $38.4 million, fell 52% in the company's nutritional meal replacement business to $11.9 million, compared with the same quarter a year earlier. Sales of appetite suppressant products also were down 15% to $20.4 million, while sales of other healthcare products were about even. Thompson says inventory adjustments, reduced pricing and lower consumer sales were causes for the slippage.

Second-quarter sales are expected to follow the same downward trend, but the company expects sales to improve somewhat in the second half of 1985. Over-all, Thompson Medical is predicting sales for the year ending Nov. 30, 1985, to be 25% below fiscal 1984. The estimate could be improved by new product introductions and by the success of new marketing programs planned for the second half of 1985.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	6,024.6	3,681.1
Network cable	4,456.0	1,016.2
Spot tv	9,812.5	5,501.5
Network tv	18,485.0	25,685.5
Spot radio	524.8	0.0
Total measured	39,302.9	35,884.3

THOMPSON MEDICAL CO.
919 Third Ave.
New York, N.Y. 10022
(212) 688-4420
Marketing Personnel
S. Daniel Abraham, chmn-ceo
Moses Ratowsky, president
Paul Craniotes, vp-creative
Ron Stern, vp-new prod & corp devel
Donald Lepone, vp-mktg
Julie Block, mktg asst
Ronald Wiley, vp-sales
Harold Verschlieser, dir-sales promo
Dean Siegal, dir-pr
Advertising Agencies

Saatchi & Saatchi/Compton, New York—Dexatrim, Control, Cortizone-5, SlimFast, Encare—Charlotte Glinka, Jane Burglass, acct exec.

Marschalk Co., New York—Apercreme, Sportscreme, Appedrine, Prolamine—Steve Bayer, vp-acct super; Stan Karp, acct super; Tom Heigl, acct exec.

Transamerica Corp.

San Francisco

RANK 196

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	5,399.0	4,701.0	1.5
Net income	171.5	199.3	-1.4
Advertising	20.0	12.1	64.5
Division sales			
Insurance	3,586.1	3,064.6	1.7
Finance	492.4	455.1	0.9
Manufacturing	401.0	397.2	0.1
Transportation	904.0	695.8	3.0

Earnings from Transamerica Corp.'s property and casualty insurance sector continued to slide in 1984, and the company in the notable pyramid headquarters could not generate enough energy from its other business units to halt a corporatewide drop in net income.

San Francisco-based Transamerica, which increased ad spending 64.5% mostly to build up its insurance services, was the nation's 196th largest advertiser in 1984 with $20.0 million in measured spending.

Insurance advertising, combined with $3.5 million in measured spending for general corporate promotion (up 15%) that included sponsorship of the U.S. Olympic Team, accounted for all of Transamerica's network tv ad spending of $11.6 million, boosting the medium's spending total by 294% on a year-to-year comparison.

The increase in insurance advertising was targeted mostly at Transamerica Occidental Life Insurance Co., which received $3.4 million in measured media, up from about $600,000 in 1983. Ad spending for Occidental was divided evenly between magazine and network tv.

Only $3,100 in measured spending went to boost the depressed property and casualty side, which has recorded operating profit losses of $18 million in 1982, $30.7 million in 1983 and $152.3 million in 1984. The company credits these losses to high claims costs reflected in high settlements and increases in loss reserves, and extensive price competition.

A more competitive rate structure and agent's incentive programs helped boost premium dollars written in the division by 26.8% to $833.1 million in 1984, but they did little to harvest the bottom line.

The company slashed ad spending for its Budget Rent-A-Car unit by 48% in 1984, to $2.5 million. But it increased ad spending for insurance services of all forms to $10.5 million, mostly in measured network tv, up from about $700,000 in 1983.

In terms of insurance in force as of Dec. 31, 1983, the latest figures available, Transamerica Occidental Life Insurance Co. ranks No. 6 with $79 billion, and Transamerica Assurance Co. ranks No. 7 with $77 billion. The companies follow Prudential Insurance Co. of America with $189 billion; New York Life, with $136 billion; Metropolitan Life, with $121 billion; Northwestern Mutual, with $92 billion, and General Reassurance Corp., with $87 billion in force.

Transamerica in 1984 was designated official insurer of the 1984 Olympics. Board member Peter V. Ueberroth was president of the Los Angeles Olympic Organizing Committee and is now commissioner of Major League Baseball.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,141.9	3,141.9
Magazines	4,212.2	3,860.8
Network cable	149.8	46.7
Spot tv	845.0	406.2
Network tv	11,642.6	2,956.5
Spot radio	2.7	145.5
Network radio	0.0	1,585.2
Outdoor	49.1	42.1
Total measured	20,043.3	12,184.9

TRANSAMERICA CORP.
600 Montgomery St.
San Francisco, Cal. 94111
(415) 983-4000
Marketing Personnel
David E. Gooding, senior vp-corp mktg & planning
Bern E. Deichmann, vp-mktg
John W. O'Brien, senior vp-mktg
Gerald Entman, exec vp-mktg-Budget Rent-A-Car
Richard J. Olsen, vp-corp relations
James B. Lockhart, vp-public affairs
Advertising Agency

Della Femina, Travisano & Partners, Los Angeles—Scott Martin, acct super; Denise Vomacka, acct exec.

BUDGET RENT-A-CAR
Chicago
Marketing Personnel
Gerald Entman, exec vp-mktg
R.J. Dixon vp-mktg services
Robert Chester, vp-sales
Judy Tomc, dir-corp communications
Sandra Hughes, dir-local adv
Advertising Agency

D'Arcy McManus Masius, Chicago—David Lauer, acct super.

TRANSAMERICA AIRLINES
Oakland Intl. Airport
Marketing Personnel
John W. O'Brien, senior vp-mktg
Eric Korth, vp-cargo sales & services
Frank Pratuch, dir-mktg services
Russell L. Irwin, dir-purchasing & materials surplus sales
Advertising Agency

Evans/Lynch Rockey, San Francisco—Terry Lynch, acct super.

TRANSAMERICA INSURANCE
Los Angeles, Cal.
Marketing Personnel
E.J. Cogan, mgr-mktg services
Advertising Agency

Brown, Keefe, Marine/Bowes, Los Angeles—Charlie Brown, acct exec.

Transworld Corp.

New York

RANK 156

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	2,002.0	1,899.0	6.0
Net income	115.0	8.0	1,337.5
Advertising	25.1	21.4	17.4

Transworld Corp., which spun off its airline business 16 months ago, has taken a further step to contain its holdings to food and lodging with the proposed sale of its profitable real estate subsidiary.

The subsidiary, Century 21 Real Estate Corp., with 6,500 franchisees selling 500,000 homes (one in every 10) in the U.S. in 1984, also is Transworld's largest advertiser, spending $18.2 million, or 72.5% of the parent's $25.1 million in measured media that ranked Transworld the 156th largest advertiser.

When Transworld chairman L. Edwin Smart announced the possible sale of Century 21 at the annual stockholder's meeting in May, 1985, he said the sale would "simplify our business mix and allow us to concentrate on opportunities in our food and lodging businesses."

The sale of Century 21 would leave Transworld with food service operations, Spartan Food Systems (including Hardee's restaurants and Quincy Steak Houses) and Canteen Corp.; hotel services including Hilton International and Vista International, and assorted food products, Milnot canned milk, Dairy Sweet canned milk and Chilli Man chili.

After the sale of Century 21, Transworld's primary business outside food and lodging would be Dunhill Personnel Agency, with 284 franchised permanent and temporary placement services nationwide.

Food service operations contributed 63% of Transworld's revenues in 1984 and 54% of operating income, while hotels contributed 33.7% of revenues and 36% of total operating income.

Transworld in 1984 reported total net income of $115 million, 91.7% above earnings from continuing operations in 1983, and consolidated operating revenues of $2 billion, up 6%.

Transworld, a mainstay among ADVERTISING AGE's 100 leading media companies because of its heavy support for Trans World Airlines, has pared its advertising in half since spinning off the unprofitable unit in February, 1984. Now, the major products backed by advertising are Century 21, and Hardee's fast-food and Quincy's Steak House restaurants.

Hardees, under the Spartan Foods division, spent all its $2.2 million in measured media on spot radio, the same as in 1983. Spartan Foods owns and operates 287 fast food restaurants as a franchisee of Hardee's Food Systems Inc. and 198 limited table service Quincy's Family Steak Houses—all in 10 states in the Southeast. Quincy's spent $1.5 million in measured media, all in spot radio, up 60% from 1983.

The company's Hilton International operates 89 hotels in 44 countries and provides food service in other locales. The chain reviewed agencies early this year and selected Henderson, Friedlich, Graf & Doyle, New York, to handle the account, which bills an esti-

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mated $6 million in mostly unmeasured spending. Hilton's operating profit increased 9% to $62.7 million on sales of $675 million despite foreign currency exchange problems. An additional 13 units will be opened this year. Some 60% of the Hilton trade is to business travelers.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,975.8	2,730.9
Network cable	0.0	1.3
Spot tv	3,872.5	4,698.7
Network tv	12,538.1	9,892.1
Spot radio	5,500.1	3,349.0
Outdoor	199.0	698.4
Total measured	25,085.5	21,370.4

TRANSWORLD CORP.
605 Third Ave.
New York, N.Y. 10158
(212) 557-5500
CANTEEN CORP.
Chicago
Marketing Personnel
Robert Kozlowski, president-ceo
Dan R. Krpan, vp-mktg
H. Kenneth Hatter, dir-mktg
Fred X. Nicholson, dir-sales & special mkts
Advertising Agency

New agency pending after Campbell-Mithun, Minneapolis, Minn., was dropped from account.

CENTURY 21 REAL ESTATE CORP.
Los Angeles
Marketing Personnel
Richard J. Loughlin, president-ceo
Gary Cooper, exec vp-coo
Bruce Oseland, senior vp-mktg & adv
Monte Helme, vp-publication & pr
Advertising Agency

McCann-Erickson, Los Angeles—Frank Mainero, gm; Jim Dorsey, vp-mgmt rep; Walter Zerbanic, vp-acct dir; Scott Franey, Kim Carlson, acct supers; Sherri Sprecher, senior acct exec.

HILTON INTERNATIONAL CO.
New York
Marketing Personnel
Curt R. Strand, president
Fred Ruoff, senior vp-mktg
Richard H. Braun, dir-adv, sales promo
Cindy Estis, dir-mktg info systems
Alan Gould, dir pr
Advertising Agency

Henderson, Friedlich, Graf & Doyle, New York—Bill Doyle, ceo; Brian Holland, acct services; Hubert Graf, creative dir; Rick Adams, acct dir.

SPARTAN FOODS
Spartanburg, S.C.
Marketing Personnel
Charles J. Bradshaw, chmn
Jerome Richardson, president-ceo
Loren M. Seager, vp-mktg
J. Wayne Selph, dir-mktg, Hardees
Stuart de Geus, dir-adv, Quincy's
Advertising Agencies

Benton & Bowles, New York—Quincy's—Roderick Torrence, mgmt super; Tom Lentz, acct super; Allen Bosworth, acct exec.

Advertising Inc., Greenville, S.C.—Quincy's—Herb Smith, president, acct super; Gordon Lake, art dir; Dan Haygood, acct exec.

HutchesonShutze, Atlanta—Hardee's—David Warden, group dir; Tom Schrode, mgmt super; Denise Johnson, acct super; Gerry Hart, dir-field mktg.

RANK

Triangle Publications 119

Radnor, Pa.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	33.3	31.5	5.7

A new president, the reintroduction of *Good Food* and movement back into the market for publication distribution marked key changes in 1984 at Triangle Publications, Radnor, Pa., the nation's 119th largest advertiser with measured media spending of $33.3 million.

The privately held company, which publishes *TV Guide, Seventeen* and *Daily Racing Form*, picked William Henrich Jr., 56, as its new president Jan. 1, 1985, to succeed Walter Annenberg, 77. Mr. Annenberg, who assumed the new position of chairman, holds majority interest in Triangle. Mr. Henrich had served as Triangle's outside counsel since 1958 with the law firm of Dilworth, Paxson, Kalish & Kauffman, Philadelphia.

Although it is too soon to tell what effects Mr. Henrich's leadership may have on marketing and advertising at Triangle, it is thought that his appointment represents a continuation of the course charted by Mr. Annenberg. Triangle has been reluctant to make substantial changes in *TV Guide*, fearing to tamper with so large and successful a product. However, the editorial focus gradually has expanded to include topics of tv viewer interest, such as a weekly videocassette recorder report and an "Insider" section of the magazine.

Triangle's total measured ad spending in 1984 was almost entirely for *TV Guide*, by far its largest publication, with circulation of 17,115,233 as of March 27, 1985. Total measured spending for the company represented a 5.7% increase over 1983. The largest single category of measured spending was for *TV Guide* subscriptions, with a $21.6 million outlay for spot tv, a 1% increase over 1983 levels. Next largest categories were network radio, $5.2 million, a 50% increase over 1983, and newspaper, $4.5 million, unchanged from the previous year.

Although revenues and earnings figures by the company's media properties are not publicly available, a company spokesman says *TV Guide* in 1984 passed the $304 million mark in total ad revenue (minus commission and discount). Estimated ad revenue for *Seventeen* in 1984 was $36.8 million. Ad page growth at *TV Guide* was up 4.6% and at *Seventeen*, 13.9%.

The company announced plans to resume publication of *Good Food*, a *TV Guide*-sized monthly, in February, 1986. A prototype issue is planned for September.

Good Food was suspended in April, 1974, after eight issues at a time of increasing publishing costs. It had subscription circulation of 300,000 and about 1 million newsstand circulation at its closure, according to Triangle. Executives at the media company now believe the decision to suspend was "hasty."

Several personnel changes were announced in March, 1985, as a result of the decision to restart *Good Food*. Frank G. Wolf, publisher of *Seventeen*, became group publisher of *Seventeen* and *Good Food*. Ira S. Garey, formerly associate ad director of *Seventeen*, was appointed publisher of *Good Food*. Robert S. Bunge, ad director at *Seventeen*, moved up to publisher of that publication. Arthur Brener, director of advertising and promotion at *TV Guide*, was appointed marketing director at *Good Food*.

Bozell & Jacobs, New York, was assigned to handle *Good Food*. The agency already had the account for *Seventeen*.

The year also marked Triangle's reentrance in the publication distribution business, picking up national newsstand distribution of *Newsweek, Reader's Digest, Soap Opera Digest, Woman's World* and the *Washington Post Weekly*, in addition to *TV Guide* and *Seventeen*.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,505.3	4,505.3
Magazines	91.5	158.7
Network cable	411.2	147.4
Spot tv	21,613.9	21,423.6
Network tv	30.0	0.0
Spot radio	1,447.0	2,727.7
Network radio	5,227.7	2,576.5
Total measured	33,326.6	31,539.2

TRIANGLE PUBLICATIONS
4 Radnor Corp. Center
Radnor, Pa. 19088
(215) 293-8500
Marketing Personnel
Eric G. Larson, publisher-*TV Guide*
Herb Zucker, mktg dir-*TV Guide*
Frank G. Wolf, group publisher-Good Food, Seventeen
Ira S. Garey, publisher-*Good Food*
Arthur Brenner, mktg dir-*Good Food*
Robert S. Bunge, publisher-*Seventeen*
Barbara Doljack, mktg dir-*Seventeen*
Advertising Agencies

N W Ayer, New York—TV Guide—Thomas Maxey, exec vp; George Malconson, mgmt super; Sue Caufman, assoc media dir; Steve Brown, media super; Louis Donato, group creative dir; Rees Behrendt, creative super; Janet Petkus, traffic super; Vic Soler, traffic planner.

Bozell & Jacobs, New York—*Seventeen, Good Food*—Gay Wasserman, senior vp-*Seventeen, Good Food*; Toby Wesson, vp-acct super-*Good Food*; Celia Rao Visconti, senior acct exec-*Seventeen*.

RANK

20th Century-Fox Film Corp. 121

Los Angeles

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	775.0	783.4	1.1
Net income	-89.7	-10.6	-946.3
Advertising	33.2	38.0	-12.6

A shakeup at 20th Century-Fox Film Corp., the 121st largest U.S. advertiser in 1984 with $33.2 million in total measured spending, is opening new options for the weakened studio in tv and motion pictures.

One of the emerging scenarios is that Fox could become the tv-movie production arm of its parent company, TCF Holdings, which has indicated a desire to create a "fourth programing entity."

The Los Angeles-based studio, whose measured ad spending dropped 12.6% from 1983, spent about $22 million in 1984 on network tv for its movie releases and $8.7 million in spot tv.

Rupert Murdoch and Marvin Davis, owners of TCF Holdings, made headlines in May, 1985, with an agreement to buy tv stations in New York, Boston, Chicago, Los Angeles, Dallas, Houston and Washington from Metromedia Inc., Secaucus, N.J., at a cost of $2 billion cash and $1.3 billion assumed debt. (Boston station WCVB-TV is to be sold to Hearst Broadcasting Group of Pittsburgh for $450 million.)

If the Metromedia sale is approved by regulatory agencies, the Fox owners would control independent stations in the U.S. reaching about 20% of the nation's 85 million tv households.

The acquisition's effect would be creation of a company with the ability to produce and broadcast its own programing. Mr. Murdoch says he intends to build a fourth programing entity, targeting young, more affluent and sophisticated viewers than ABC, NBC and CBS. He indicates. however, that Fox would be only one of many suppliers of programing.

Although a separate company is expected to be formed for the tv stations, the company will answer to Barry Diller, Fox chairman-ceo, who arrived in October, 1984, after 10 years at Paramount Pictures.

Mr. Diller has made extensive changes in the studio's operating and financial structure since his arrival, particularly in tv production, which contributed 31% of the studio's total revenues for the year ended Aug. 25, 1984, compared with 23% in 1983.

Mr. Diller split 20th Century-Fox Telecommunications into tv syndication and pay tv/home video divisions. Steve Roberts resigned as president, effective July 31, 1985, and Jonathan Dolgen, senior vp, took charge of tv syndication, with Robert Kreek, senior vp, taking charge of pay tv/home video.

To shore up revenues in its tv segment, Fox is rolling out new shows for tv syndication and placing renewed emphasis on current hits, including such shows as the "$100,000 Pyramid" and "Dance Fever."

Fox reported losses of $2 million from continuing operations for the six months ended Feb. 23, 1985, compared with earnings of $38.3 million for the similar period in 1983. For the fiscal year ended Aug. 25, 1984, Fox took a loss of $35.8 million, compared with earnings of $68.6 million in 1983.

Mr. Diller's top priority since coming to Fox has been development of major motion picture projects, searching for blockbusters to follow "Star Wars" and "Return of the Jedi." In October, 1984, he persuaded producer James Brooks, winner of three academy awards for "Terms of Endearment," to come over to Paramount.

The effect a blockbuster can have on ad spending is enormous. In 1983, for example, "Return of the Jedi" received more than $5 million in measured network and spot tv. Nothing produced for 1984 received measured spending close to that. The biggest budgets, each $3.6 million in measured spot and network tv, were for "Revenge of the Nerds" and "Unfaithfully Yours."

Studios traditionally plan their most aggressive marketing campaigns for summer, when box office receipts can account for up to 40% of the industry's annual revenue. Ticket sales for summer, 1984, exceeded $1.3 billion, analysts say.

Fantasy, sci-fi and adventure films are expected to dominate a crowded summer schedule in 1985 as they did in 1984, paced by Columbia's "Ghostbusters," which raked in $190 million between Memorial Day and Labor Day. "Ghostbusters" is being re-released in 1985.

But 1985 did not start with a bang. Box office revenues through May were down for the first time in four years. And before Labor Day, 50 films will be released, which means competition will be heavy.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,003.6	1,343.2
Spot tv	8,722.9	10,977.7
Network tv	22,019.8	24,266.3
Spot radio	441.9	1,035.5
Network radio	652.8	122.8
Outdoor	322.5	216.5
Total measured	33,163.5	37,962.0

20th CENTURY-FOX FILM CORP.
10201 W. Pico Blvd.
Los Angeles, Cal. 90035
(213) 277-2211
Marketing Personnel
David Weitzner, president-mktg
Tim Deegan, vp-adv
Neal Lemlein, vp-mktg & media services
Brenda Mutchnick, vp-creative services
Linda Goldenberg, vp-field operations
Elisabeth Landon, vp-publicity
Burt Messer, vp-mktg, worldwide admin
Mary Moore, dir-mktg admin
Ken Marshall, dir-co-op adv, settlements
Lorraine Hart, dir-co-op adv
Stan Kirchheimer, dir-media
Diana Widom, dir-natl magazine publicity
Geoffrey Ammer, dir-field operations
Anne Thompson, dir-natl publicity
Advertising Agency

J. Walter Thompson, Los Angeles, Cal.—Kenneth Markman, vp-acct super; Ann Cruchley, vp-dir mktg services; Michael Arkin, acct super-entertainment group, New York, N.Y.

RANK

United Biscuits Ltd. 133

London, U.K.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,020.1	1,962.4	2.9
Net income	128.4	64.9	113.3
U.S.			
Sales	784.8	810.2	33.5
Operating profits	N/A	N/A	N/A
Advertising	30.7	22.6	35.9
Division sales in U.S.			
Keebler	912.3	751.3	21.4
Specialty Brands	85.6	85.9	0.4
Other	34.4	42.0	-18.1

United Biscuits Ltd., a corporate complex mainly into baking, finds itself at mid-point 1985 in even more of a cookie combat with the newly assembled Goliath created in early June by the merger of Nabisco Brands and R.J. Reynolds Industries.

United Biscuits is the world's largest cookie and cracker producer outside the U.S. Keebler is its U.S. brand with an estimated 12% share of the $4.2 billion U.S. cookie market, ahead of Sunshine Biscuits (American Brands), 8%, and Grandma's (Frito Lay), 7% to 9%, but decidedly behind dominant Nabisco Brands, 40%, whose merger with RJR will allow it to tap greater cash resources. Together RJR and Nabisco have sales exceeding $19 billion.

United Biscuits, based in Isleworth, Middlesex, Greater London, is ranked as the 133rd largest national advertiser in 1984 with $30.7 million in measured advertising, up 35% from 1983.

Keebler drew the big advertising spending, however, to help build its sales in 1984 to $912.3 million, 45.2% of United Biscuits' 1984 total and 21.4% higher than Keebler's sales in 1983. Keebler profit was $43 million, the first decrease in a decade by the cookie maker, falling 22.7% from 1983.

The decline is said to result from stiff price competition and market strategizing over the cookie wars, in addition to Keebler's costs in readying for competition on the West Coast, including its 1982 purchase of a new bakery in Van Nuys, Cal.

Total revenues for the British company in 1984 were $2.02 billion, an increase of 22.3% over 1983, with trading profits (before taxes and other considerations) of $128.4 million, 11.5% over the previous year. (U.S.$1.16= £1 was the exchange rate used in the UB profile. It was the yearend conversion rate used by UB to convert Keebler U.S. sales to pound sterling.)

In early 1984, Keebler expanded its cookie marketing with the introduction of a host of new flavors in the $450 million soft-cookie category, including chewy Soft Batch cookies, chocolate chip, sugar, oatmeal raisin, peanut butter, walnut chocolate chip, fudge almond coconut, mint chocolate chip and peanut butter fudge chocolate chip. More flavors are due. Lined up to do battle with Keebler are a squad of soft cookie brands. Frito-Lay's Grandma's, Procter & Gamble's Duncan Hines, and Nabisco Brands' Almost Home.

Other Keebler product additions for 1984 were the salty snacks called Hearty Krunch Twists, including a new flavor, and a snack called Tato Skins. Keebler's Stone Creek crackers, in cracked wheat, hearty rye and sourdough flavors are available in all Keebler markets. Keebler also produces private label baked goods for Kellogg, McDonald's and other outlets.

Specialty Brands, which markets Spice Island herbs and spices, Marie's salad dressings, a refrigerated product line and Kosciusko gourmet mustard, had sales in 1984 of $85.6 million, off slightly from $85.9 million in 1983. Profit in 1984 also was only slightly changed, but up, to $9.5 million, from $9.4 million in 1983.

During 1984, Specialty sold its Aunt Millie's natural food spaghetti sauce business. The company, which employs 297, grows its own spices and herbs in California and manufactures products in its own Nevada and Illinois plants.

Shaffer Clarke, a small operation with 37 employes, is the U.S. importer/marketer of UB brands, including products such as Wasa brand Swedish crisp breads and Carr crackers from Britain. It sells Apollinaris mineral water from Germany and a separate division imports and sells Oriental foods and specialty frozen meats under several labels: House of Lawrence, Intersales and Kaufco. Shaffer Clarke's several brands of Scandinavian and German crisp breads are the U.S. sales leaders of their category, and Carr's Table Water cracker is the No. 2 imported cracker in U.S. sales. Other imports are tea, jams, rice and cereals. Shaffer Clarke sales totaled $23.3 million in 1984, a 21% rise from 1983. Profit also rose 24% to $2.6 million.

Moving strongly against its cookie competition in 1984, Keebler increased cookie advertising 56%, to $13.2 million in 1984 from $8.4 million. Spending for cookies was all on tv, divided between network, $7.9 million, and spot tv, $5.3 million.

Keebler's 1984 measured advertising for its cracker brands totaled $6.6 million, a contrast to 1983 when there was no media advertising.

The new salty snack Krunch Twists received ad backing of $7.6 million this year, in contrast to just $417,000 in 1983. Of this total, $6.3 million went to network tv and $1.3 million to spot tv.

Keebler's Ready Crust prepared pie crust, which was a new entry in 1983, reached broad distribution in 1984. It received $914,000 in ad backing, down 39% from 1983. All Ready Crust advertising ran in magazines.

Spice Island spending was off for 1984, dropping 17.5% to $2.39 million because of the loss of $697,000 in spending for the departed Aunt Millie's. Ad budgets from Marie's salad dressing were in a dead heat both years—about $1.92 million for both '84 and '83. All Spice Island advertising was in magazines; Marie's ran on spot tv.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,106.8	1,497.1
Network cable	0.0	55.4
Spot tv	8,779.5	5,607.6
Network tv	20,861.7	15,442.3
Spot radio	0.0	27.7
Total measured	30,748.0	22,630.1

UNITED BISCUITS (UK) LTD.
Syon Lane, Isleworth
Middlesex TW7 5NN
London
011-44-1-560-3131
KEEBLER CO.
Elmhurst, Ill. 60126
(312) 833-2900
Marketing Personnel

William T. Hanna, senior vp-mktg
Charles L. Shemely, senior vp-brokered prod & nonbiscuit devel
John H. Boord, vp-new biscuit devel
William L. Daniels, senior vp-sales & distribution
Jane B. Ferri, dir-nonbiscuit new prod devel
Roy E. Koeckrits, dir-merch & consumer services

Advertising Agency

Leo Burnett Co., Chicago—Keebler cookies & snack foods—Joe McGowan, vp-acct dir; Sadru Patei, super-salty snacks, brokered consumer prod & nonbiscuit new prod; Bob Hall, super-biscuit prod.

SHAFFER CLARKE & CO.
Old Greenwich, Conn.
Marketing Personnel

S. Desel, mgr

SPECIALTY BRANDS
San Francisco
Marketing Personnel

Randy Goldman, dir-mktg
Mike Pommer, mgr-mktg
Martha Edwards, mgr-mktg

Advertising Agency

Geers Gross, New York—Bob Robbins, mgmt super-senior vp; Jon Stoner, acct super; Laurie Sherman, asst acct exec.

VISA International
San Francisco

RANK
188

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	21.0	14.3	47.0

Moving to protect its volume leadership position in the bank credit card business, Visa USA in April, 1985, handed over its in-house account to BBDO in New York.

The reason was clear: Visa has about a 42% market share of the $146.5 billion spent with the so-called bank or third-party credit cards in the U.S. and wants to protect and enlarge that franchise. But there is a phalanx of competition, led by MasterCard, with a 28.2% market share, American Express, 26.1%, and Citicorp's Diners Club and Carte Blanche, with 3.9% combined.

Visa, San Francisco, claims a market share of 60% but bases that percentage on a market of only $100 billion.

Visa was the 188th largest national advertiser in 1984, moving up from the 213th position in 1983 with expenditures of $21 million, 47% higher than the previous year.

Visa USA's dollar card volume increased 30% in 1984 to $61.2 billion, which is 70% of the worldwide total for Visa. In number of member-issuing banks, Visa USA increased nearly 8%, climbing to 15,603 in 1984, which represents 93% of the issuing banks worldwide.

Visa USA is the U.S. regional unit of Visa International, one of five such units in the world. An autonomous board governs each of the regionals, which also include Canada, Latin America, Europe-Middle East-Africa, and Asia-Pacific. More than 160 countries are served.

Visa International's worldwide card dollar volume in 1984 increased 28%, moving up to $87 billion in 1983. Payment volume increased 27% in 1984, to more than $93.5 billion. Compared with 1983, other measures of Visa's worldwide performance in 1984 were a 16% increase in the total number of cardholders to 120 million; a 7% increase in the number of issuing bank members, to 16,724; an 11% increase in the number of merchants honoring Visa, to more than 4.3 million.

BBDO got the nod for the $20 million account from a short list of five once the field had been cut from 25. Visa Communications, an in-house agency, had handled the business the past 10 years. With its near 50% increase during 1984 in measured ad spending compared to 1983, Visa appears to have been girding for the card combat that decidedly is coming.

In February, 1984, a hefty kick in the pants was delivered to the card business when Sears, Roebuck & Co., Chicago, announced that it was going to issue its own new general-purpose credit card for purchase at other stores, meal, travel and entertainment outlets. It is Sears' sheer numbers invading the card market that concerns the credit card companies.

Sears says that by the end of 1985 it will begin issuing cards, at first on a pilot-market basis, to its 40 million credit customers. The scale of this entry can be seen in comparison to the other major cards: Nearly 115 million Visa cards, 103 million MasterCards, 20.2 million American Express, and Citicorp's Carte Blanche and Diners Club, 5 million together.

Measured advertising by Visa USA for the Visa charge card was up sharply, to $14 million in 1984 from just $1.2 million in 1983. And while Visa travelers cheque advertising dropped to $505,000 from $12.4 million in 1983, first-time spending was added for the Visa Premium charge card, at $1.7 million, and Visa USA general promotion at $4.6 million.

Visa USA increased its use of magazines for advertising by 48% in 1984 to $6.2 million. And use of network tv rose sharply by 67% to $14.6 million.

New developments by Visa USA in 1984 were the redesign of the Visa Classic charge card and the Visa Premium card. In 1985, the company launched its Visa Travel Voucher, a prepaid payment device assuring guaranteed payment to the recipient. An addition to the Visa USA family in 1984 was International Anasazi, which was acquired to give Visa members access to Anasazi's telecommunications.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	6,232.5	3,198.8
Network cable	254.7	226.8
Spot tv	0.7	263.7
Network tv	14,590.1	8,729.1
Spot radio	0.0	953.3
Network radio	0.0	1,331.8
Outdoor	1.7	9.6
Total measured	21,039.7	14,313.1

VISA USA
P.O. Box 8999
San Francisco, Cal. 94128
(415) 954-7000
Marketing Personnel

David L. Roberts, adv mgr
Francine Schall, vp-card prod
Robert Sanders, vp-class & premier cards
John H. Bennet, vp-mktg
Tom Cammarata, super creative services
R. Sanborn, media services mgr

Advertising Agencies

Visa Communications—(in-house).

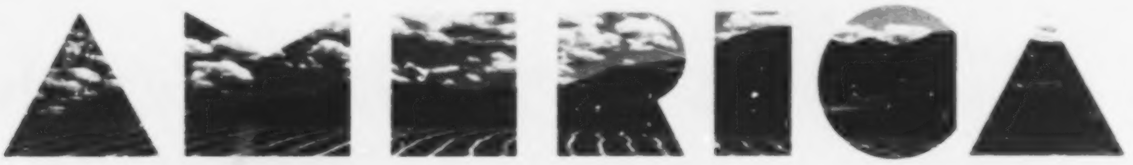
BBDO, New York—all products—Gary de Paolo, senior mgmt rep; Al Katz, mgmt super; Ann Billock, acct super; Mike Hedge, associate media dir; John Greenberger, Charles Miesmer, creative.

Volvo Cars N.A.
Rockleigh, N.J.

RANK
179

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	22.7	17.7	28.3



C E L E B R A T E

AMERICA

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1985 National Chairman
U.S. Savings Bonds
Volunteer Committee

Savings Bonds help you as well as your country.

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James F. Beré
Chairman and CEO
Borg-Warner Corporation

Ex-Officio General Chairman
James A. Baker, III
Secretary of the Treasury

William F. Andrews
Scovill Inc.
Dr. Charles M. Barrett
Western & Southern Life Insurance Co.
Kent M. Black
Commercial Electronics Operation
Rockwell International Corporation
W. Michael Blumenthal
Burroughs Corporation
William W. Boeschenstein
Owens-Corning Fiberglas Corp.
Oliver C. Boileau
General Dynamics Corporation
Paul Borman
Borman's Inc.
Robert J. Buckley
Allegheny International Inc.
David R. Clare
Johnson & Johnson
John J. Creedon
Metropolitan Life Insurance Company
John W. Culligan
American Home Products Corporation
Royce Diener
American Medical International Inc.
James L. Everett, III
Philadelphia Electric Company
William A. Franke
Southwest Forest Industries
A. Paul Funkhouser
CSX Corporation
David C. Garrett, Jr.
Delta Air Lines, Inc.
The Honorable W. Wilson Goode
Mayor, City of Philadelphia
T. Marshall Hahn, Jr.
Georgia-Pacific Corporation
James R. Harvey
Transamerica Corp.
Raymond A. Hay
The LTV Corporation
William N. Hulett
Stouffer Hotel Company
Ramon L. Humke
Indiana Bell Telephone Co., Inc.
Samuel Huntington
New England Electric System
Edward G. Jefferson
E.I. du Pont de Nemours & Co.
Kenneth L. Lay
Houston Natural Gas Corporation
Donald D. Lennox
International Harvester Company
H. William Lurton
Jostens Inc.
John W. Lynn
F.W. Woolworth Co.
William S. Manning
Bibb Co.
John F. McGillicuddy
Manufacturers Hanover Corporation
Robert E. Mercer
Goodyear Tire & Rubber Company
Richard M. Morrow
Standard Oil Company (Indiana)
Michael T. Nelligan
Ideal Basic Industries, Inc.
David F. Nelson
Wisconsin Bell, Inc.
James J. O'Connor
Commonwealth Edison Co.
Fred W. O'Green
Litton Industries, Inc.
Thomas G. Pownall
Martin Marietta Corporation
William J. Pruyn
Eastern Gas & Fuel Associates
Dr. Allen E. Puckett
Hughes Aircraft Company
Dr. W. Ann Reynolds
California State University
Walter V. Shipley
Chemical New York Corporation
Frank A. Shrontz
The Boeing Company
Richard P. Simmons
Allegheny Ludlum Steel Corp.
D. C. Staley
NYNEX Corporation
Eugene J. Sullivan
Borden, Inc.
Richard P. Sullivan
Easco Corporation
John W. Teets
The Greyhound Corporation
W. Reid Thompson
Potomac Electric Power Company
The Honorable Dick Thornburgh
Governor, Commonwealth of Pennsylvania
William R. Timken, Jr.
The Timken Company
William P. Vititoe
Michigan Bell Telephone Company
Harriett M. Wieder
Orange County Board of Supervisors
Charles J. Zwick
Southeast Banking Corporation

1985 U.S. SAVINGS BONDS VOLUNTEER COMMITTEE

Volvo Cars N.A., the newly created division of Volvo N.A., both of Rockleigh, N.J., was the 179th largest national advertiser in 1984. The division, which was called Volvo of America and included as subsidiaries all U.S. and Canadian Volvo companies, increased measured media 28.3% to $22.7 million in 1984.

Following a corporate shuffle April 30, 1985, all U.S. and Canadian Volvo companies became operating divisions of Volvo N.A., a corporate umbrella. The move was designed to separate car, truck, bus, industrial equipment and marine divisions, and put them into closer touch with their respective markets.

Advertising levels are not expected to vary as a result of the administrative restructuring. The car division, by far the largest share of U.S. and Canadian operations, again will account in 1985 for the lion's share of Volvo N.A.'s ad spending. In 1984, Volvo's big measured spending allotments were in tv, up 63% from 1983 to $7.3 million, and $8.6 million in magazines, up 43% in 1984, 85% of which was for various autos. (Spending figures do not include expenditures of dealer associations.)

Volvo was the only European luxury car (priced at more than $10,000) marketer to exceed import sales of 100,000 units in North America, with sales of 107,000 cars. Total sales volume for Volvo N.A., which includes all divisions, exceeded $2.4 billion in 1984, the best year ever. Sales in North America represented an important and growing share of Goteborg, Sweden-based AB Volvo's sales of $12.9 billion.

But Volvo car sales growth in the U.S. has come at a time of declining luxury car sales in Europe, which fell from 1.9 million units in 1979 to 1.2 million in 1984. In 1984, Volvo built an estimated 390,000 cars in that market, 100,000 of which were low-profit, compact cars.

Volvo N.A. will continue to face stiff competition in North America from European, Japanese and U.S. marketers, all of whom are seeking a share of the upscale import market. This market could reach sales of 500,000 units a year by 1990, depending on which models are included, analysts say. Japan, especially, is expected to be a growing force in the import market with the relaxation in 1985 of voluntary import quotas.

Volvo Cars N.A. is pinning its hopes for 1985 on the 740 and 760-series station wagons, introduced in March, the first models to be unveiled in the U.S. before introduction in Sweden. By emphasizing station wagons, Volvo is trying to avoid the heated market struggle here for European performance cars.

The wagons will get about 35% of Volvo Cars' estimated 1985 advertising budget of $15.7 million, which is up 17% from 1984 levels, according to the company. Sales are projected at 10,000 units for 1985. National ads accounting for about 40% of total weight broke in late March, mostly in high-demographic-category magazines.

Volvo also is attempting to broaden appeal of the 700-series beyond traditional family-type buyers, to include singles and others who need cargo space, but otherwise might prefer buying sedans. The theme line is, "Everything a station wagon was intended not to be."

Volvo is combatting the clumsy image of station wagons with a series of ads emphasizing drivability and handling. One ad says, "At last, a wagon meant to be enjoyed, not just endured."

The rest of Volvo Cars factory ad budget goes to local markets in support of dealer associations, with print and tv available. The tv ads build on the images of strength and safety, showing seven Volvos stacked atop one another. Volvo also is extending last fall's pilot local-market daily rental campaign "Test drive" around the clock, not the block. About 70% of overnight test drives resulted in purchases, the company discovered.

The new corporate structure is not expected to outwardly affect production and marketing of products made by Volvo N.A. Divisions, including: Volvo-Penta N.A., Rockleigh, N.J., maker of marine and industrial products; Volvo Canada Ltd., Willowdale, Ont.; Volvo Automated Systems, Sterling Heights, Mich., producer of factory automation devices; Volvo White Truck Corp., Greensboro, N.C., which manufactures and markets Volvo Trucks and Volvo White Trucks; Volvo Bus N.A., Chesapeake, Va., and Volvo Finance, N.A., Rockleigh, N.J., the corporate leasing operation.

The corporate shuffle at Volvo resulted in distribution of key individuals to various divisions. Bjorn Alstrom, president-ceo of Volvo N.A. Corp., was named chairman of all U.S. operating divisions.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,767.3	3,767.3
Magazines	8,594.3	7,619.7
Network cable	178.4	116.0
Spot tv	6,975.6	4,274.5
Network tv	331.7	225.3
Spot radio	2,875.5	1,704.3
Outdoor	0.0	7.0
Total measured	22,722.8	17,714.1

VOLVO CARS N.A.
1 Volvo Drive
Rockleigh, N.J. 07647
(201) 678-7300
Marketing Personnel
William J. Hoover, vp-mktg
Milt Gravatt, mktg mgr
Gerald Dudzik, natl ad mgr

VOLVO AUTOMATED SYSTEMS
Marketing Personnel
Cliff Angelwicz, president-ceo

VOLVO BUS N.A.
Marketing Personnel
Jan-Olof Rabe, president-ceo

VOLVO B.M. CONSTRUCTION
Marketing Personnel
Willie Romlid, vp-general mgr

VOLVO WHITE TRUCK
Marketing Personnel
Thage Berggren, president-ceo

VOLVO-PENTA OF AMERICA
Marketing Personnel
Robert Bridge, president-ceo

Advertising Agency

Scali McCabe & Sloves, New York, N.Y.—Jerry Sherman, vp-mgmt super; Gloria Wood, acct super; Bruce Weinreb, senior acct exec-N.Y.—N.J.; Ann Lambert, acct exec; Denise Aube, asst acct exec.

Hiram Walker Resources
Toronto

RANK 134

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	2,867.3	2,654.3	8.0
Net income	191.1	145.1	31.7
U.S.			
Sales	914.9	915.7	-0.1
Operating profits	87.4	72.5	20.4
Advertising	30.5	29.4	4.2
Division sales			
Distilled spirits	1,129.4	1,096.7	3.0
Natural resources	351.8	358.0	-1.8
Gas utility	1,386.1	1,199.6	15.6

Hiram Walker Resources was the 134th largest U.S. advertiser in 1984 with $30.5 million in total measured spending. Although spending is up a modest 4.2% over 1983, the Toronto, Ont.-based distilled spirits and natural resources concern is acting to preserve market share through introduction of new products, brand extensions and entrance into new markets.

In 1985, Hiram Walker also is taking aim against a rising tide of anti-drinking measures that threaten to affect the liquor industry's right to advertise in the U.S.

The company is introducing a "yield the keys" campaign to combat the problem of drunken driving, the subject of much anti-liquor advertising and grass-roots action and an issue that has contributed to continued declines in sales of spirits in general. The company plans to develop the campaign into a nonprofit organization to encourage drinking moderation.

Yet, Hiram Walker, which has six products that rank in the top 60 best-selling national liquor brands, including No. 11 Canadian Club whisky and No. 22 Kahlua, expects to face another barrier to its business growth Sept. 30 when a 19% increase in federal excise tax will be placed on distilled spirits.

Federal, state and local liquor taxes generated about $12 billion in 1984, accounting for nearly 45% of the average $7.13 retail price for a bottle of liquor. On Sept. 30, federal taxes will add an average 30 cents a bottle, which is expected to translate into a 3% to 5% drop in liquor sales for the year. The anticipated drop in consumption follows a 1% industrywide decline in 1984.

Hiram Walker in 1984 spent $8.6 million in measured media for Canadian Club, down 23% from 1983. The brand lost market share in 1984, with case sales dropping 4%, and brand rank among all liquors dropping from No. 9 to No. 11. Canadian Club underperformed the Canadian whisky category, which increased 0.4% in sales volume for the year, despite attempts to appeal to younger drinkers and women with HW's new "Be a part of it" ad campaign. The brand continued to lose ground in its category to Brown-Forman's Canadian Mist, which boosted sales 7.9% with its "misting" campaign, and Windsor Supreme, which increased sales 8% in 1984, mainly by comparative advertising with more expensive brands.

Hiram Walker introduced in October, 1984, Canadian Club Classic, a 12-year-old blended whisky, and Balblair, a single malt scotch.

January, 1984, marked HW's entry into the imported premium cream liqueur category with national rollout of Haagen-Dazs Cream Liqueur. Agency assignment is McCaffrey & McCall, New York. Projected 1984 sales were about $20 million. In addition, HW and a subsidiary acquired the 51% of Tia Maria Ltd. not already owned for $25 million.

Case sales of Hiram Walker's second leading brand in this sector, Kahlua, improved 4% in 1984, with backing of $5.9 million in measured media, including $4.4 million magazine and $1.4 million outdoor, with a small percentage newspaper. Kahlua received $5.5 million measured spending in 1983.

Spending for Courvoisier increased the most in 1984 to $3.6 million, up 22% over 1983. Case sales improved 5% from 1982 to 1984, jumping from No. 64 to No. 57 among all liquor brands in the same period.

Hiram Walker Resources had total net income of C$245 million, up 31.7%, on revenues of C$3.68 billion, up 8%. That translates to $191.1 million net income and $2.87 billion revenues in U.S. dollars, using the average annual rate of exchange in 1984 of U.S.$0.78= C$1.

For yearend 1984, Hiram Walker distilled spirits division had operating income of C$278 million on revenues of C$1.45 billion, both of which represented increases of 4.1% and 2.3%, respectively, from 1983. Distilled spirits represented 47.2% of corporate-wide operating income and 39.4% of total sales in 1983.

The company's other division results in 1984 include natural resources, 17.8% operating income and 12.3% total sales; and gas utility, 35% operating income and 48.3% operating revenues. For the first six months ended March 31, 1985, Hiram Walker's revenue from distilled spirits increased 5% to C$813 million over the same period in 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,643.5	1,643.5
Magazines	21,080.2	20,041.5
Outdoor	7,759.8	7,558.6
Total measured	30,483.5	29,243.6

HIRAM WALKER RESOURCES LTD.
1 First Canadian Place
P.O. Box 33
Toronto, Ont. M5X 1A9
(416) 864-3300
Marketing Personnel
Gerard C. Gianni, president
Stephen Nadelberg, senior vp-dir mktg
William R. Buesching, vp-dir mktg projects

Advertising Agencies

McCaffrey & McCall, New York—Canadian Club, Haagen Dazs Cream Liqueur—Norman S. Freeman, senior vp-genl acct super; Ted Pulton, vp-mgmt super; Lisa Decrane, Elise Knight, acct execs.

Simons Michelson Zieve, Troy, Mich.—Imperial, Walker's Deluxe Ten High bourbon, Lauder's scotch, Royal Canadian, Northern Light Canadian, Two Fingers tequilla, Canadian Club Classic—James A. Micholson, president.

Lockhart & Pettus, New York—Canadian Club: Black adv—Keith Lockhart, president; Theodore D. Pettus, exec vp-creative dir; Ronn D. Harris, vp-dir client services.

Sosa & Associates, San Antonio, Tex.—Candian Club: Hispanic adv—Lionel Sosa, president; Debra Gish, acct services; Howell D. Boyd, dir client services.

Wang Laboratories
Lowell, Mass.

RANK 164

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	2,184.7	1,538.0	42.0
Net income	210.2	152.2	38.3
U.S.			
Sales	1,555.2	1,103.4	40.8
Operating profits	178.4	128.9	38.4
Advertising	24.0	8.5	184.4

Wang Laboratories, Lowell, Mass., made a huge investment in 1984 in network tv spending for general coporate promotion as part of its continuing effort to change its image as a word processing equipment vendor to that of an office automation supplier.

Wang, the 164th largest U.S. advertiser in 1984, is "gunning for IBM" in the words of one tv spot, and fired its first volley by increasing total measured spending 184.4% to $24.0 million in 1984.

Office automation hardware and software provide the links that allow existing desktop, mini and mainframe computers to work together in a network. Office-automation systems are seen as key to companies such as Wang, Digital Equipment Corp., Data General, AT&T in their struggle to gain market share from International Business Machines.

Analysts estimate that office automation could double in sales to $9 billion this year and could reach $40 billion in 1988. IBM maintains a 75%-plus share of U.S. mainframe installations, has a similar share of desktop personal computers and commands a huge marketing-sales advantage.

The competition for Wang is expected to be tough. IBM's sales and marketing personnel outnumber Wang's 10 to 1. Wang, which has an installed base of about 300,000 word processors, is believed to be the leading worldwide producer of word processing equipment. Its reputation in this office equipment segment would make it a logical choice for office automation systems in many work places.

Wang's advertising focuses on its products' strengths in data, word, voice and image processing, combined with its versatility in communications. Wang also touts the introduction of about 300 new hardware and software products in 1984, including Wang Office, a software product that provides time and task management, communications and information management links for all Wang office systems.

Of Wang's measured ad spending totals in 1984 for "general promotion," $11.7 million was for network tv, up 172% from 1983; $2.3 million for spot tv, up 19%, and $1.5 million for magazine, down slightly from 1983. Overall, measured spending for spot tv jumped 136% in 1984 to $4.5 million. Magazine spending increased 76% to $3.5 million.

But Wang's measured spending totals in 1984 also were up significantly for specific products, led by $2.6

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million in measured media for the Wang Personal Business Computer, an increase of 52%, and $2.1 million for the Wang Word Processing System, up 117%.

Despite increased advertising, Wang has not been able to ward off a softening in the computer industry that began in the fourth quarter of 1984 and continues into 1985. Wang's profits fell 66% in its third quarter, ended March 31, 1985, to $17 million on sales of $552.7 million. The precipitous drop in profits was much worse than the 30% to 40% drop anticipated by analysts.

Wang has said it expects to take a loss in the important fourth quarter ending June 30, traditionally its strongest. The company plans inventory writedowns and dismissal of 1,600 employees, 5% of its workforce. Wang has said it expects to report profits in fiscal 1985.

Wang's record net earnings for the fiscal year ended June 30, 1984, were $210 million, up 38% over 1983. Revenues for the year were $2.2 billion, up 42%. For comparison, Wang's revenues and earnings in 1982 had just topped $1 billion and $100 million, respectively.

Wang's fast-track growth is partly responsible for its current financial bind. The company has grown to nearly 7,500 employes in sales, sales support and administration, and 8,600 in manufacturing. Analysts say Wang will be forced in 1985 to cut back on nonsales and marketing employment to maintain its level of growth.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	3,466.6	1,965.4
Network cable	367.1	126.6
Spot tv	4,507.6	1,909.6
Network tv	14,740.4	4,329.3
Spot radio	953.8	119.3
Total measured	24,035.5	8,450.2

WANG LABORATORIES
One Industrial Dr.
Lowell, Mass. 01851
(617) 459-5000
Marketing Personnel
An Wang, chmn
Harry H. S. Chou, vice chmn-cfo
John Cunningham, president-coo
Carl Masi, senior vp-worldwide sales & mktg
Advertising Agency

Hill, Holliday, Connors, Cosmopulos, Boston—Justin Harrington, senior vp; James Herendeen, Mark Minkin, vp-mgmt supers.

Whirlpool Corp.

RANK 117

Benton Harbor, Mich.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	3,137.5	2,667.7	17.6
Net income	189.6	167.0	13.5
Advertising	34.3	21.0	62.9
Division sales			
Laundry appliances	1,136.7	1,017.0	11.8
Refrigeration/air cond.	1,159.5	968.5	19.8
Other appliances	581.8	476.1	1.2
Other services	259.6	206.1	26.0

Whirlpool Corp., the nation's 117th leading advertising with measured spending of $34.3 million, is seeking to grow through a hotly contested purchase of the KitchenAid division of Hobart Corp., a move that would give the Benton Harbor, Mich.-based company nearly 75% of the U.S. dishwasher market.

But Whirlpool must overcome an antitrust suit filed by competitor White Consolidated Industries. The suit claims that acquisition of KitchenAid would add a 26% market share to what Whirlpool already commands. Whirlpool holds an estimated 50% of the market.

KitchenAid markets dishwashers, mixers, food processors, garbage disposers and hot water dispensers, a phalanx of products similar to those for which Whirlpool increased its 1984 measured media spending by 62.9% over 1983.

The biggest change in Whirlpool's ad strategy in 1984, besides heavier spending, was the use of a variety of media. In 1983, the company bought only print and tv, but last year it began to spread its money around.

In 1984 Whirlpool spent $3.6 million on outdoor advertising for its major appliances, compared with less than $8,000 a year earlier. The company's allocations for network radio and network cable jumped from zero to $2.5 million and $305,000, respectively. D'Arcy MacManus Masius, Bloomfield Hills, Mich., and Netedu Co., Benton Harbor, are Whirlpool's ad agencies.

Whirlpool set sales and earnings records in 1984. Its consolidated net sales rose 17.6% to $3.1 billion and net earnings increased 13.5% to $189.6 million.

Regardless of whether its acquisition of KitchenAid takes place, the company can be expected to continue its current trend of aggressive marketing. The company forecasts replacement of about 20% of existing home appliances in five years, which explains its decision to raise Whirlpool's profile by spreading its message around to various media.

To establish a greater international presence, the company in April formed Whirlpool Trading Co. to consolidate existing overseas activities and explore new ventures.

Last year's record shipments of home appliances should convince Whirlpool that it's research is on target. In 1984, home appliance marketers shipped more than 39.4 million units, the first time the industry had exceeded the 1973 record level of 35.8 million units, according to the Assn. of Home Appliances.

In November, Whirlpool began producing in volume what it considers a revolutionary product in the home appliance industry—the Design 2000 automatic clothes washer. The Design 2000 represnts a new approach to manufacturing home laundry machines. The machine, which looks like most other washing machines, contains 30% fewer parts, is cheaper to make and allegedly simpler to fix.

Along with the appliances it makes to sell under the Whirlpool name and the heating and air conditioning equipment it sells under the Heil name, Whirlpool is the principal supplier of home appliances to Sears, Roebuck & Co., the nation's largest retailer.

The laundry machines, refrigerators, air conditioners, trash compactors and vacuum cleaners it supplies to Sears are sold under the retailer's Kenmore brand name. Appliances marketed by Sears accounted for about 41% of Whirlpool's consolidated net sales in 1984, down from about 55% in 1977.

In December, the company announced plans to restructure its manufacturing operations as part of a five-year, $600 million capital expenditure program. Three new operations—a major appliance group, a kitchen and specialty products group and a centralized manufacturing planning function—will replace the existing laundry, refrigeration and kitchen products structure.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,947.9	1,947.9
Magazines	8,682.1	5,354.7
Network cable	305.2	0.0
Spot tv	1,030.6	953.2
Network tv	14,377.1	12,768.9
Spot radio	1,780.8	0.0
Network radio	2,477.0	0.0
Outdoor	3,648.1	7.9
Total measured	34,256.8	21,032.6

WHIRLPOOL CORP.
Benton Harbor, Mich. 49022
(616) 926-5000
Marketing Personnel
Robert L. Brintnall, exec vp-mktg
David R. Whitman, vp-Whirlpool sales
B. David Allen, div vp-mktg communications
Herbert A. Rose, natl adv mgr
Advertising Agencies

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—national product advertising—R. Monley, exec vp-mgmt super; Ken Brandt, vp-acct super; L. Seagram, acct exec; J. Stenger, asst acct exec.

The Netedu Company, Benton Harbor, Mich.—local dealer and national advertising—Mike Kosinski, vp-acct exec; Bill Sherrington, acct exec; Scott Patterson, acct exec; Mike Nitz, acct exec.

F.W. Woolworth Co.

RANK 189

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	5,700.0	5,500.0	3.6
Net income	141.0	118.0	19.5
U.S.			
Sales	3,500.0	3,200.0	9.4
Operating profits	235.0	184.0	27.7
Advertising	21.0	17.4	20.8

New York-based F.W. Woolworth Co., the nation's 189th largest advertiser with measured media spending of $21 million, is looking to stimulate better returns the next few years through creation of a new breed of specialty stores.

Woolworth anticipates such retail units will contribute 55% of total sales by 1988, but industry analysts are more conservative, estimating they will account for about 34%.

The emphasis on specialty stores was adopted during 1984 when Woolworth had a modest revenue increase of 5.1% to $5.7 billion and net income of $141 million, up 19.5%, for the company's most profitable year. The financial pattern continued into the first quarter of 1985, ended April 30, with sales rising 2.5% over the year-earlier period to $1.24 billion and net income increasing 50% to $6 million.

Woolworth took steps in 1985 to build on the specialty store area by extracting two of its strongest merchandising areas—stationery and greeting cards—in its current variety stores and making separate free-standing shops out of them called Herald Square Stationery shops. It also is creating Afterthoughts shops—boutiques offering costume jewelry, handbags and accessories.

Woolworth is entering a new merchandising area in launching its first deep-discount drug outlet, called the Rx Place, set to open in Philadelphia. All three new specialty areas were scheduled to debut this spring.

A large-scale renovation and remodeling program also is under way by Woolworth, which operates more than 5,500 stores worldwide.

Totals include 1,210 Woolworth stores in the U.S.; 318 in Canada; 225 in Germany; 3,282 Kinney Shoe Corp. stores, under 12 brand names, operating in the U.S., Canada and Australia; 310 Richman Brothers men's clothing stores and Anderson-Little ladies' and men's clothing/furnishing stores; 37 *J. Brannam brand name discount clothing stores, and 167 Little Folk and Kids Mart children's clothing stores.

The company derives 33%, or $1.9 billion, of its sales from U.S. Woolworth; 25%, or $1.4 billion, from Woolworth Canada; 11%, or $631 million, from Woolworth Germany; 24%, or $1.4 billion, from Kinney Shoe Corp.; 4.3%, or $247 million, from Richman Brothers, and 1.3%, or $75 million, from Little Folk Shop.

The company is set to renovate this year more than 300 U.S. Woolworths and nearly 80 Woolworths and Woolco stores in Canada. The Kinney division intends to open an outlet in each major new U.S. shopping mall opening in 1985 and 1986.

Woolworth discontinued its U.S. Woolco department store chain in 1984 and sold its 52.6% interest in British Woolworth.

To advertise its various units, Woolworth continues to rely heavily on spot tv and spot radio for its major advertising units, Foot Locker and Kinney Shoe Stores, which took about 87% of the 1984 ad budget in measured media. Spending for Foot Locker was up 66% to $4.2 million; spending for Kinney rose fivefold, to $9.3 million in 1984.

Other 1984 spending was $750,000 in spot tv for Anderson-Little, a first-time expense, $1.1 million in spot tv for *J. Brannam, down 32% from 1983, and $234,800 mostly in magazines for Woolworth variety stores, off about 37% from 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,452.4	2,112.2
Network cable	225.0	6.7
Spot tv	12,950.0	10,497.5
Network tv	143.2	1,030.6
Spot radio	5,206.9	3,714.0
Total measured	20,977.5	17,361.0

F.W. WOOLWORTH CO.
233 Broadway
New York, N.Y. 10279
(212) 553-2000
Marketing Personnel
John W. Lynn, chmn-ceo
Harold E. Sells, president-coo
C. Jackson Gray, vp-corp planning & devel
Joseph F. Carroll, vp-public affairs
U.S. WOOLWORTH
New York
Marketing Personnel
Robert L. Jennings, president-ceo
Jack R. McNutt, senior exec vp-coo
Gary Fuller, vp-adv
Advertising Agency

Sawdon & Bess, New York—John Hilz, acct exec; J. Hernesh, acct exec-Kinney; J. Jones, acct exec-Woolworth.

***J. BRANNAM**
New York
Marketing Personnel
Ted Bierman, president-ceo
Hy Leder, vp-sales, promo, adv
Vanetta Vancak, adv coord
KINNEY SHOE CORP.
New York
Marketing Personnel
Cameron I. Anderson, president
J.K. Aneser, vp-mktg communications
Mark Kurtz, adv dir
Mary Anne Vukovich, senior adv mgr
Marian Costello, senior adv mgr
Sherri Cannuli-Bender, adv mgr
Edward Pettersen, adv mgr
Advertising Agency

Sawdon & Bess, New York—Martin Mitchell, acct super-exec vp.

RICHMAN BROTHERS CO.
Cleveland, O.
Marketing Personnel
William H. Gaudreau, president-ceo
A. Carosella, vp-sales
Advertising Agency

Harold Cabot & Co., Boston—Joan Ojala, acct exec-Richman Brothers.

ANDERSON-LITTLE CO.
Fall River, Mass.
Marketing Personnel
William H. Gaudreau, president
Sidney Lewis, vp-sales
Advertising Agency

Harold Cabot & Co., Boston—Bobbie McGowan, vp-acct super-Anderson Little.

Second 100's ad spending by medium

Medium	Second 100 ad expenditures ($000)* 1984	1983	All advertisers' spending ($000)** 1984	1983	Second 100 adv. as % of all advertisers' 1984	1983
Newspaper	$166,872.7	$158,816.2	$3,007,000.0	$2,734,000.0	5.6	5.9
Magazine	439,529.0	322,477.5	4,932,000.0	4,233,000.0	9.0	7.7
Network cable	24,422.4	12,148.7	400,000.0	320,000.0	6.2	3.8
Spot tv	931,818.8	734,425.6	5,453,000.0	4,796,000.0	17.1	15.4
Network tv	951,381.2	751,342.0	8,562,000.0	7,017,000.0	11.2	10.8
Spot radio	163,892.5	118,813.3	1,197,000.0	1,038,000.0	13.7	11.5
Network radio	33,739.1	38,016.4	316,000.0	296,000.0	10.7	12.9
Outdoor	41,895.8	36,106.6	872,000.0	794,000.0	4.9	4.6
Farm pubs	22,338.1	19,916.2	181,000.0	163,000.0	12.4	12.3
Total	2,775,899.6	2,192,062.5	24,920,000.0	21,391,000.0	11.2	10.3

*Source: Leading National Advertisers Inc. **Source: Est. by Robert J. Coen, McCann-Erickson

Where Ad Age got its data

The second 100 leading national advertisers are selected on the basis of measured ad spending supplied by Leading National Advertisers Inc., Broadcast Advertisers Reports, Media Records (newspapers), Institute of Outdoor Advertisers, Outdoor Advertising Assn. of America, Radio Advertising Bureau and Agricultural Marketing Information Service (AGRICOM).

In addition to ad spending, this issue contains year-to-year financial data on the companies supplied either by annual reports, 10k reports, company sources or by analysts, especially when the company in question is privately held.

The upcoming 100 leading national advertisers are selected by their *measured* ad expenditures. They are listed in a chart on Page 8.

However, the 100 leaders will be ranked as usual by measured *and* unmeasured spending. (The 100 leading national advertisers report will be published Sept. 19, 1985.)

Unmeasured totals were not attempted in this first issue of the second 100 leaders.#

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C2710-1

$1.25 a copy; $55 a year

Monday, June 17, 1985

Advertising Age

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B&J gets creatives, K&E gets execs

Lorimar gets bigger

By STEWART ALTER

Bozell & Jacobs had been trying to hire a top creative leader, build an international network and increase the size of its New York and Los Angeles operations.

M. Adelson

Now B&J will accomplish all these goals at once, in a merger slated for next January with Kenyon & Eckhardt Advertising. It is generally being hailed as a perfect fit in terms of capabilities and accounts, as well as a smart move on the part of Lorimar, K&E's entertainment company parent.

Lorimar, for its part, reportedly was seeking to strengthen K&E's management, locate a next generation of top execs and expand into diversified communications. B&J brings all that to the party.

The merger was disclosed publicly June 12 by Merv Adelson, Lorimar chairman, and revealed to 90 senior B&J and K&E executives the night before at the Plaza Hotel in New York.

The combined agency will be called Bozell, Jacobs, Kenyon & Eckhardt and, based on 1985 billings projections for each agency, will have U.S. billings of $1.1 billion and another $100 million overseas.

B&J, with $671 million in billings last year, ranked 20th, and K&E, with $376.2 million in billings, ranked 25th in Advertising Age's 1984 list of ad agencies. Their combined gross income last year would have made it the 15th-largest agency worldwide, just behind Benton & Bowles and ahead of Marschalk Campbell-Ewald Worldwide. In U.S. income alone, it would rank 11th, just behind Doyle Dane Bernbach and ahead of McCann-Erickson.

Merger principals Leo-Arthur Kelmenson (l.) and Charles Peebler.

Thus Lorimar, a company that derives most of its income from outside the advertising business, will become the owner of one of the leading ad agencies. And the approximately $40 million that Lorimar, best known as the producer of "Dallas" and other top-rated tv shows, will pay for B&J—$25 million in cash, $15 million in notes—is not regarded as much of a strain on its coffers, leaving it free to continue pursuing either other ad agencies or broadcast properties.

Lorimar made an unsuccessful $1.1 billion bid for Multimedia recently and remains interested in broadcast acquisition, said Mr. Adelson.

Lorimar, which two years ago paid $20.9 million for K&E, reported revenues of $263.2 million and net income of $11.7 million in its fiscal year ended last August. This year, it is running 40% ahead in revenue and more than 200% ahead in net income. With B&J's addition, advertising revenues will rise to about one-third of Lorimar's total revenues, from about 20%. The company is expanding its agency holdings for financial reasons, Mr. Adelson said, and because it believes it knows how to manage a business that depends on creative talent.

Emerging as ceo of the combined agency is Charles Peebler Jr., 49, B&J's president-ceo who took over

(Continued on Page 84)

What'll ya have? P&G's Blue Ribbon

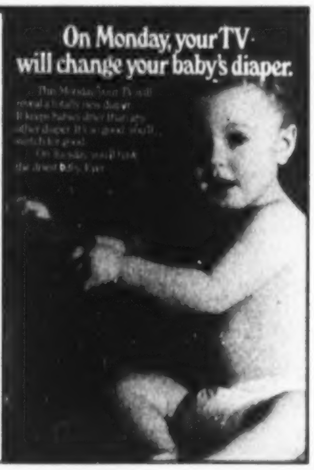
By LAURIE FREEMAN

Procter & Gamble and Kimberly-Clark Corp. are escalating their battle for supremacy in the $2.5 billion disposable-diaper market.

Cincinnati-based P&G has begun a national introduction of its thicker Blue Ribbon Pampers and is expanding availability of an upgraded version of its Luvs diaper line.

For the new Pampers, P&G has broken with its longstanding advertising tradition of not making announcements before the product reaches store shelves. P&G ran tv and print teaser ads *(at right)* a

(Continued on Page 82)



Winter Olympics push readied

ABC sells sans Seoul

By ROBERT RAISSMAN

ABC-TV will begin selling its 1988 Winter Olympics coverage shortly, without waiting to see if it can secure the tv rights to the 1988 Summer Olympics and possibly foregoing its chance to put together winter-summer Olympic packages for advertisers.

"I can't give an exact date," said J. Larre Barrett, vp-sports sales, ABC, "but I think we'll be on the street sometime this summer."

The traditional Olympics advertisers generally applauded the ABC decision to start moving the winter '88 inventory before the summer '88 rights are sold, saying that the Olympics are by far the most attractive sports property on the market right now. Because of the generally depressed conditions in tv sports now, advertisers said ABC could expect a favorable reception.

But ABC is taking some risks. By not having the summer '88 games in hand, it will have to strike contingency plans with advertisers wanting both, should it later win the summer rights. If another network wins the summer games, advertisers say the result

(Continued on Page 83)

Lipton's Sunkist Light challenges GF's drink

By GAY JERVEY

Thomas J. Lipton Inc. is introducing Sunkist Light in eastern and southern markets to battle General Foods in the NutraSweet-flavored powdered drink arena.

Crystal Light, the GF brand, is gaining popularity nearly as fast as Linda Evans, the "Dynasty" star currently featured in its ads. In addition to adding several new flavors, White Plains, N.Y.-based GF is increasing Crystal Light's ad budget substantially over the $20 million-plus it reached last year, a company spokesman said.

Agency is Benton & Bowles, New York.

Both Crystal Light—whose 1984 introduction helped to rejuvenate a

(Continued on Page 82)

Last Minute News

Bergin definitely will set up McCann unit

New York—John Bergin definitely is going ahead with plans to form his own agency within McCann-Erickson (AA, June 3), perhaps as soon as July 1, sources indicate. He will retain his title as president, McCann-Erickson USA, but might hire as many as four or five creative people to work with him in the separate special-assignments unit.

B&J asked to check out of Radisson account

Memphis—Holiday Inns will ask Bozell & Jacobs, Minneapolis, to resign its $3 million Radisson Hotel Corp. account in the wake of Lorimar's acquisition of B&J and plans to merge it with Holiday Inns agency Kenyon & Eckhardt, New York *(see related story above)*. A Radisson official, however, said that chain has no problem with the apparent conflict. HI also will ask that B&J, Houston, resign its Westin Oaks Hotel assignment. Holiday Inns spent $11.7 million in national advertising last year, says Leading National Advertisers.

P&G brushes up $37M intro for Tartar Control

Cincinnati—Procter & Gamble is mounting an estimated $37 million national introduction of Crest Tartar Control Formula toothpaste after a three-month test (AA, March 18). Ads from Benton & Bowles, New York, may repeat test-market theme of "It turns your toothbrush into a tartar-fighting tool." Separately, P&G is going national with a four-item line of Duncan Hines Quick Bread Mixes. Saatchi & Saatchi Compton handles.

(Continued on Page 8)

L-M will split ads by brand

By JESSE SNYDER

Detroit—More '60s music and an advertising focus on three separate brand names this fall are the next steps in Lincoln-Mercury division's effort to sharply increase market share.

The Ford Motor Co.'s upscale division has delayed until the 1990s plans to capture a full tenth of the total U.S. car market (AA, Feb. 25), but still intends to grow from the current 6%-plus to 8% "within three or four years," said Thomas Wagner, L-M general manager, at a Detroit Auto Writers Group

(Continued on Page 86)

NEWSPAPER

AA
DC20014CONGLI FMJF M
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WASHINGTON DC 20014

TCI/Time too big in cable?

Warner Amex sale stirs fear

By SUSAN SPILLMAN

New York—Though by no means a done deal, the possibility Tele-Communications Inc. and Time Inc. may buy Warner Amex Cable Communications, and with it gain mammoth industry control, has many cable tv executives panicking.

Last week American Express, which co-owns the sixth-largest cable company with Warner Communications, agreed to sell WACC to TCI and Time for $850 million in cash and the assumption of $500 million in debt. However, Warner Communications does not want to sell out, and under the terms of a "put call" clause in Warner and Amex's partnership, neither owner can sell before offering its share to the other at the same price being offered by the outsider.

Warner is said to be trying to join forces with another company to buy out Amex's interest. Among those rumored to be potential partners for Warner are Viacom International and Gulf & Western.

Industry executives are nervous about the increased industry dominance TCI and Time stand to gain. If their bid is accepted, the two companies would control 20% of the nation's 36 million cable subscribers. With 3.6 million and 2.6 million subscribers, TCI and Time's American Television & Communications unit are already the two largest cable tv operators respectively. The two companies said they would sell Warner Amex's ownership in MTV Networks, which

(Continued on Page 83)

It's what's upfront that counts for NBC

By VERNE GAY

New York—NBC-TV is entering perhaps its most prosperous upfront selling season as close to $400 million in plans were submitted to all three networks last week, igniting network tv toward breaking the $2 billion mark for the second straight year.

Agency and network executives cautioned it is too early to predict the outcome of the 1985-86 prime time upfront market, which has just started to move, but all agree the No. 2 network finally is in the driver's seat.

Perhaps the first sign fortune is smiling on NBC came from the recently closed deal by Ralston Purina Co., which reportedly agreed to pay NBC 16% increases on a cost-per-thousand basis for women 18-to-49 and women 25-to-54, according to sources. However, Paul Schulman, president of Paul Schulman Co. and Ralston's negotiator, called the report of a steep increase "totally wrong and not even close."

Nevertheless, sources said NBC, which increased its key women demographics ratings 16% over last season and boosted its over-all household ratings 9% while CBS and ABC lost audience, stands the best chance among the networks of getting moderate to high double-digit increases from advertisers this year. NBC also is expected to take the biggest slice of the prime time upfront pie this season. The total market is expected to be between $2.1 billion and $2.5 billion, with one network predicting the higher figure and most agency sources expecting the lower tally. The prime time upfront volume last year was a record $2.4 billion.

"Clearly NBC is in a good position," said one agency executive. "They have the most stable schedule, the most upside potential and the fewest number of downside risks. People are anxious to participate."

Another top agency buyer predicted that the "majority" of NBC's deals will be cut at between 9% and 11% increases.

While talk of price increases is unsettling to most advertisers, and word of "double-digit" increases positively mortifying, some see NBC's ascendance in a slightly different light. Because the network has come off a low pricing base from past seasons, some advertisers grudgingly admit NBC deserves and will get double-digit increases. "You can't go on past increases but rather you have to look at bottom-line efficiencies" when buying, explained one executive. "If CBS costs $7 [per thousand households] and NBC costs $6.90, which do you buy? Do you buy CBS because it had a low increase [and forego] NBC because it had a double-digit one?"

The reversal in network for-

(Continued on Page 83)

Highlights

U.S. marketers grudgingly admit global marketing sometimes works, but they have major reservations about the controversial theory. *See Page 6.*

WE'VE TOPPED THE GREAT AMERICAN HOT DOG!
Wendy's

Wendy's International may have found a new way to emerge the "wiener" in the battle of the burger chains. The chain, which began testing hot dogs in Columbus, O., earlier this year, has quietly expanded the test to 300 stores. *See Page 10.*

CORPORATE CLOSEUP

Southwest Airlines, already among the nation's most profitable carriers, begins what its president calls a "daring experiment" June 20 when Muse Air Corp. stockholders decide whether to approve acquisition by their archrival. *See Page 4.*

FORUM

Communications exec Jordan Goldman dissects that underhanded tactic, the whispering campaign. *See Page 20.*

Mary Wertheim, a Santa Fe agency president, outlines the short, unhappy life of a campaign. *See Page 20.*

INTERNATIONAL

The joint ventures between Japanese and Western agencies that swept the Tokyo ad world during the first half of the 1980s may be coming to an end. *See Page 46.*

The ad campaign for the Australian Ministry of Tourism, featuring local comic Paul Hogan, which ran in eight U.S. cities last year, seems to have been too successful. A similar campaign aimed at Japan was scrapped when research showed that Mr. Hogan would have attracted more tourists than the local tourism infrastructure could handle. *See Page 48.*

Salvador Dali, internationally known Spanish painter whose extravagant works attract millions of tourists to Spain every year, is making his advertising debut this month with a nationwide campaign featuring his paintings on outdoor boards. *See Page 48.*

VIDEOTECH

Asserting that the First Amendment should not be used to shield "inflammatory calls to violence and murder directed to specific targets," the Anti-Defamation League of B'nai B'rith has asked the Federal Communications Commission to reconsider its renewal of the license for KTTL (fm), Dodge City, Kan. *See Page 52.*

DIRECT MARKETING

Attitudinal barriers separate direct-marketing buyers from nonbuyers, according to a study released at the National Catalog Conference in Chicago. *See Page 68.*

Urban General, one of the largest tv direct marketers, is teaming up with the Independent Group of Cos. to develop radio as a direct-response medium. *See Page 68.*

COMING THURSDAY

SPECIAL REPORT

Washington and Baltimore, the nation's seventh and 11th-largest metropolitan markets, may be close geographically, but they still remain worlds apart. Special Report explores those worlds with you, spotlighting Washington's spectacular affluence and Baltimore's stunning resurgence.

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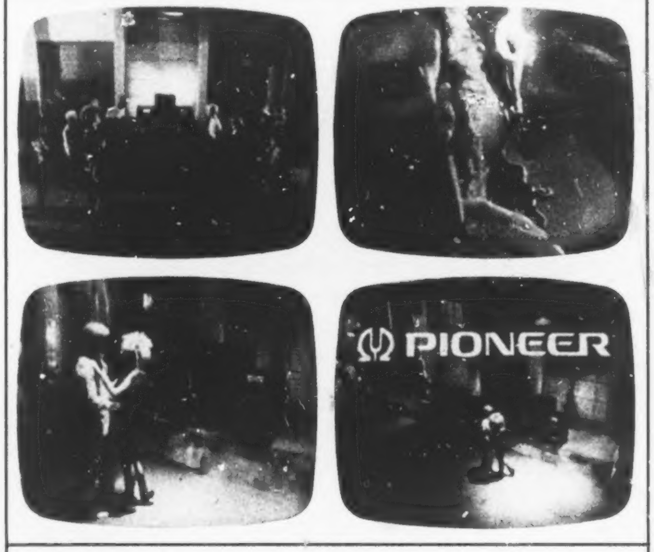
ABP MPA RED TAG ABC ANPA



Pioneer spirit

Button-down types meet new-wave types in this spot for Pioneer Electronics, Long Beach, Cal., breaking its new campaign today on MTV: Music Television. It's the first series of ads by Dancer Fitzgerald Sample, Torrance (AA, June 6, *et seq.*). That agency won the account earlier this year from Chiat/Day, Los Angeles (AA, March 18). The MTV-style ads are supported by print.

Newport news: Big sales, packs

By WILLIAM F. GLOEDE

New York—The brand group that handles Lorillard's Newport cigarets is itself "alive with pleasure" of late as the brand continues to grow faster than any other smoke.

In a test of the "consumption goes up to availability" concept, Lorillard will begin testing Newport in a 25-pack in Pennsylvania next month. If the test succeeds, and the 25-pack is rolled out nationally, volume will likely get an extra boost as Newport smokers smoke the five extra cigarets contained in the package.

Lorillard will begin the test the week of July 8, backing it with newspaper, outdoor, magazine and point-of-purchase ads via MCA Advertising. The test will include both 85mm and 100mm styles, and packages will be priced 20% higher than the standard 20-pack. Cartons will carry eight packages, or a total of 200 smokes, and will cost the same as the 10-pack carton.

Newport is now the ninth-largest-selling cigaret in the U.S., having posted strong sales increases each year since 1975. Increases run more than 10% for each of the past three years. Newport has grabbed 3.5% of the American smoke market, and with Lorillard projecting

(Continued on Page 84)

IAA roundtable mixed on global marketing

By JOHN WOLFE

NEW YORK—U.S. marketers grudgingly admit global marketing sometimes works, but they have major reservations about the controversial theory.

That was the consensus of an International Advertising Assn. roundtable last week. Global marketing, as espoused by the theory's "guru," Harvard Business School Prof. Theodore Levitt, calls for products to be marketed and advertised in virtually the same manner worldwide, thus creating a "world brand" such as Coca-Cola soft drink or Marlboro cigarets.

Panelists agreed global marketing is not effective for all product categories.

Joseph Smyth, senior marketing vp for Intercontinental Hotels Corp., predicted global marketing will diminish in the coming years, even though he acknowledged his company adopted such a strategy three years ago.

"One reason given for global marketing is the economies of scale for volume production," he said. "It is felt that the economies of scale will allow low prices to overcome consumer individuality, and that is true for products with high manufacturing costs."

He said another reason given for global marketing is that because of the pervasiveness of U.S. tv programs and movies worldwide, the U.S. gradually is homogenizing the international population and allowing it to see things through American eyes.

"In some ways that is true, but the attitudes of people living in the U.S. are a great deal different from people not in the U.S.," he said.

He also pointed out developing a global advertising campaign is difficult because few ad agencies have high-quality offices in as many parts of the world as marketers want to enter, and sometimes local restrictions on advertising prevent even the best agencies from launching effective campaigns.

For example, he said his company offers a highly successful promotion in many countries that offers a free airplane ticket to Europe to any guest who stays in one of their hotels for seven, nonconsecutive nights during a given year. The marketer wanted to launch a similar campaign in Germany, but local laws prohibit such promotions.

William Kalan, director of advertising services for the international division of the Gillette Co., said his company markets certain products globally, but stressed global marketing per se is not the marketer's top priority.

He said while Gillette sometimes acts as sponsor for such global events as the World Cup soccer matches, it doesn't try to create specific "world brands" because it can't be done.

"The transition to global marketing at Gillette tends to be evolutionary," he said. "I don't believe a switch to 'global think' can be accomplished overnight in a complex company like ours."

However, one panel member took a more positive and optimistic view of global marketing.

"I do think that we owe Prof. Levitt a debt," said Kim Armstrong, director of advertising for AT&T Communications. "The world is changing, and he has enlarged our concept of questions that we have to ask ourselves as smart marketers. But what I hear him saying ultimately is, 'Hey, stay on your toes and use your head.' "

She described AT&T as "world class, if you permit me, but global, if you insist."

She said the marketer's products are designed and engineered to be sold anywhere in the world without extensive modification and are compatible with local communications systems.#

CAMPAIGNS BREAKING

Burger King Corp., Miami, begins its $30 million tv campaign for the new, beefed-up Whopper sandwich this week with spots featuring celebrities such as Mr. T, actress Loretta Swit, actors Bruce Weitz and Emmanuel Lewis and Los Angeles Raider Lyle Alzado. Agency is J. Walter Thompson USA, New York (AA, May 13).

Red Lobster Inns, Orlando, Fla., begins a campaign today supporting redesign of its restaurants and repositioning of the chain as a marketer of healthful fresh fish. Media include network and spot tv, general-interest magazines and newspapers. Backer & Spielvogel, New York, handles the campaign (AA, June 10).

Bojangles of America, Charlotte, N.C., breaks a spot tv campaign today claiming that the chicken-and-biscuit chain offers escape from the boredom of other fast-food restaurants. Scali, McCabe, Sloves, New York, handles (AA, May 27).

Pioneer Electronics, Long Beach, Cal., today breaks a $9 million image campaign—the first from new agency Dancer Fitzgerald Sample, Torrance—highlighting people rather than products. The work includes three tv spots and six print ads, all previewed at the Consumer Electronics Show June 2 to 5 (AA, June 6).

Miller Brewing June 15 began airing a network tv spot backing its promotion to raise money for the endangered American eagle (AA, June 3).#

CORRECTIONS & CLARIFICATIONS

- McCollum/Spielman & Co.'s new joint service with NPD Research to predict sales volume for new products is called AC-T/ESP. The name was given incorrectly (AA, May 23, P. 34).
- The *Licensing Book* is published by Adventure Publishing Group. The publisher was reported incorrectly in a chart (AA, June 6, P. 16).
- In the article on fashion models (AA, June 6, P. 5), the top photograph incorrectly was identified as being of Yasmine. The "real" Yasmine is shown here, in a photo courtesy of *Glamour*.

Yasmine

- S.C. Johnson & Son, Racine, Wis., formulates, manufactures and distributes the 10-item Halsa line of shampoos and conditioners; the company does not license the formula, as reported (AA, June 10, P. 4). Also, Edge shaving gel is the No. 1 single shaving product in the U.S.
- Sommer Inc., which recently moved to Englewood Cliffs, N.J., after a fire at its Englewood offices (AA, June 10, P. 40), is relocating again. The new address is 15 Essex Rd., Paramus 07652. The advertising and public relations agency attributed the second move to "last-minute technical problems."#

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June

— Art & antiques —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Artist	58.0	62.2	434.5	418.2
Antiques	141.4	137.7	916.5	912.4
Art in America (11X)	97.0	130.0	668.0	787.0
Southwest Art	62.0	85.5	467.5	513.3
Total Group	**358.4**	**415.4**	**2,486.5**	**2,630.9**
% change		**- 13.7%**		**- 5.5%**

— Auto/cycle/rec. vehicles —

	Current month		Year-to-date	
	1985	1984	1985	1984
AutoWeek (52X)	140.6	156.6	705.6	615.9
Car & Driver	132.7	122.1	682.8	559.4
Car Collector & Car Classics	20.3	18.3	115.2	121.0
Car Craft	80.7	98.0	436.3	419.7
Cycle	57.4	46.1	338.0	319.9
Cycle Guide (11X)	55.1	44.8	279.0	292.5
Cycle World	65.3	58.2	389.5	379.9
Dune Buggies & Hot VWs	105.5	84.7	535.7	474.5
Family Motor Coaching	134.9	137.9	893.4	864.4
4 Wheel & Off-Road	84.2	91.6	442.0	426.4
Four Wheeler	96.2	84.4	519.7	431.2
Hot Rod	73.2	72.6	384.7	347.7
Motorcyclist	48.0	35.3	253.5	248.3
Motor Trend	102.4	85.9	488.8	368.2
Motorhome Life	109.8	99.4	589.3	541.0
Pick-Ups & Minitrucks	39.5	33.3	203.3	175.8
Road & Track	—	—	—	—
3 Wheeling	62.4	34.2	327.7	179.4
Trailer Life	148.9	134.3	801.5	779.6
Total Group	**1,557.1**	**1,437.7**	**8,215.6**	**7,544.8**
% change		**+ 8.3%**		**+ 8.9%**

— Boating & yachting —

	Current month		Year-to-date	
	1985	1984	1985	1984
Boating	127.5	128.7	903.1	929.5
Chesapeake Bay	33.1	28.0	196.8	171.7
Cruising World	117.4	131.8	784.6	840.8
Lakeland Boating (10X)	58.0	52.0	412.5	358.0
Motor Boating & Sailing	140.8	150.3	1,087.6	1,059.3
Sail	130.1	137.9	859.1	871.0
Sea	53.3	58.3	324.5	372.8
Small Boat Journal (6X)	49.9	41.4	153.4	139.8
Trailer Boats (11X)	32.1	41.1	235.4	248.5
Western Boatman (6X)	—	—	148.8	83.0
Yachting	153.6	149.9	1,068.0	1,078.4
Total Group	**895.8**	**919.4**	**6,173.8**	**6,152.8**
% change		**- 2.6%**		**+ 0.3%**

— Canadian —

	Current month		Year-to-date	
	1985	1984	1985	1984
L'Actualite	71.5	75.5	375.1	394.4
Chatelaine:				
English Edition A.	83.7	100.5	553.2	610.3
French Edition	70.3	79.8	452.9	511.8
City and Country Home (9X)	49.3	38.3	200.5	175.0
Equinox (6X)	29.7	47.5	78.5	127.8
Financial Post A.	37.6	43.8	202.6	268.1
Flare A.	64.2	41.7	387.7	306.9
Homemaker's (10X)	51.7	57.2	289.2	385.5
Madam Au Foyer (10X)	39.5	50.5	234.4	337.1
Macleans (52X) A.	105.7	100.3	702.8	735.5
Montreal Calendar	29.2	47.0	181.5	234.0
Montreal Ce Mois Ci	36.0	45.0	219.3	244.5
Reader's Digest:				
Canadian-English A.	57.8	95.2	444.3	513.9
Canadian-French A.	47.3	74.9	363.1	448.5
Toronto Life	97.5	101.9	491.2	525.7
Vancouver	80.0	72.2	406.2	381.0
Total Group	**951.0**	**1,071.3**	**5,582.5**	**6,200.0**
% change		**- 11.2%**		**- 10.0%**

— Civic/fraternal —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Legion	16.4	20.2	161.6	156.3
Elks (10X)	15.9	17.2	119.5	140.2
Kiwanis (10X)	23.5	11.2	98.4	73.0
Lion (10X)	6.0	2.5	30.7	39.2
Rotarian	10.9	6.9	71.9	76.8
V.F.W. (11X)	28.9	26.1	159.3	191.5
Total Group	**101.6**	**84.1**	**641.4**	**677.0**
% change		**+ 20.8%**		**- 5.3%**

— Comics —

	Current month		Year-to-date	
	1985	1984	1985	1984
DC Comics	7.0	9.0	34.5	41.5
Marvel Comics Group	6.0	10.0	40.5	47.5
Total Group	**13.0**	**19.0**	**75.0**	**89.0**
% change		**- 31.6%**		**- 15.7**

— General —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Health (10X)	68.0	37.7	268.8	203.7
American West (6X)	24.5	15.2	102.2	64.0
The Atlantic A.	41.2	44.4	289.7	278.8
Audubon Magazine (6X)	51.2	31.5	112.5	85.5
Bon Appetit A.	95.2	84.7	508.6	484.1
Changing Times	43.2	45.0	237.5	270.2
Connoisseur	75.6	51.5	377.2	326.7
Consumers Digest (8X)	16.6	20.4	99.7	53.3
Ebony	96.1	100.4	551.5	525.2
Fifty Plus	31.0	34.3	188.8	158.5
Food & Wine	52.1	32.3	255.4	214.7
Games	—	—	—	—
Gourmet	101.4	83.1	558.7	475.2
Home Entertainment (8X)	29.0	—	101.0	66.5
Harper's Magazine A.	27.7	22.0	159.9	146.9
Life	68.1	76.4	397.2	361.7
Modern Maturity (6X)	42.8	47.4	141.7	126.7
Money	133.3	146.0	726.3	745.2
Moneysworth (4X)	12.4	13.0	37.2	40.0
Mother Earth News (6X)	45.3	47.2	139.8	161.0
Mother Jones (10X)	16.4	14.7	78.9	84.5
National Geographic	25.2	40.4	137.7	150.3
Prevention	52.5	71.6	357.0	423.2
Psychology Today	22.1	25.9	154.7	147.2
Reader's Digest A.	99.6	96.4	521.7	531.6
Saturday Evening Post (9X)	38.4	41.4	134.9	163.7
Signature	56.6	50.9	341.2	353.1
Smithsonian	91.6	77.7	551.6	524.2
Success	30.8	27.5	173.8	206.3
Sylvia Porter's Personal Finance (6X)	38.3	25.5	156.7	114.8
Town & Country	105.7	113.9	752.7	823.7
Travel	41.7	34.1	304.9	305.5
Travel & Leisure	104.8	108.9	664.5	697.8
Vanity Fair	44.6	22.6	198.8	134.5
Writers Digest	23.2	22.8	143.5	149.9
Yankee	67.1	69.4	412.1	481.4
Total Group	**1,913.3**	**1,776.2**	**10,338.4**	**10,079.6**
% change		**+7.7%**		**+2.6%**

— Home —

	Current month		Year-to-date	
	1985	1984	1985	1984
Americana (6X)	47.5	46.5	87.8	81.0
Architectural Digest A.	190.1	144.4	815.9	804.5
Better Homes & Gardens	129.9	123.0	696.7	698.9
Colonial Homes (6X)	—	—	—	—
Country Journal	32.6	20.6	193.6	203.7
Country Living	66.7	74.6	395.8	385.8
Dallas/Ft. Worth Home & Garden	88.5	87.5	402.5	425.3
Family Handyman (10X) A.	70.6	97.1	253.6	305.6
Flower & Garden (6X)	33.0	26.5	125.6	130.0
Home	50.7	53.6	305.4	339.5
The Homeowner (10X)	22.1	25.3	143.2	128.3
Horticulture	30.8	25.1	254.8	189.1
House Beautiful	121.6	123.5	505.0	563.5
House & Garden	96.1	93.2	591.8	522.6
Houston Home/Garden	98.0	110.4	537.2	581.8
Metropolitan Home	71.6	46.7	397.8	427.2
New Shelter (9X)	—	—	270.5	235.7
1,001 Home Ideas	38.4	33.4	275.3	227.4
Organic Gardening	46.4	45.0	370.6	436.7
Phoenix Home/Garden	57.2	48.0	396.0	334.3
San Diego Home/Garden	88.8	61.0	434.8	402.6
South Florida Home/Garden	55.3	—	229.7	—
Southern Accents (6X)	—	—	270.2	214.3
Southern Living	127.2	130.5	792.5	835.6
Sunset Magazine A.	156.2	164.7	894.0	869.4
Texas Homes	59.1	73.2	482.4	458.6
Workbench (6X)	—	—	171.7	192.0
Total Group	**1,776.6**	**1,653.8**	**10,294.4**	**9,993.4**
% change		**+ 7.4%**		**+ 3.0%**

— In-flight & other passenger —

	Current month		Year-to-date	
	1985	1984	1985	1984
Aboard Group (7) (6X)	—	—	—	—
Alaska Airlines	55.9	54.2	279.9	279.0
American Way (26X)	93.0	94.5	707.8	629.1
East/West Network:				
Eastern Review	84.5	106.2	589.7	614.7
Northwest Orient	45.0	31.6	229.8	182.4
Ozark	45.2	61.8	228.9	296.7
PSA Magazine	80.7	96.0	453.5	582.7
Pan Am Clipper	63.0	61.6	348.3	370.2
Republic Scene	46.5	70.0	267.2	379.2
Spirit	113.5	98.5	—	—
United	92.8	114.8	530.0	669.5
USAir	52.5	70.5	330.9	389.2
Western's World	49.0	76.0	316.7	391.2
Halsey Publications:				
Air Cal	55.0	46.3	274.9	284.4
Delta Sky	69.3	75.7	432.1	474.1
Skylite	21.5	20.0	123.1	117.5
Hawaii (6X)	23.8	22.8	147.0	98.3
Pace	93.7	74.2	389.6	240.3
Spirit of Aloha (6X)	23.7	23.3	146.0	129.9
TWA Ambassador	61.0	58.4	301.3	345.5
Total Group	**1,169.6**	**1,262.4**	**6,645.0**	**7,188.1**
% change		**- 7.3%**		**- 7.5%**

— Men's —

	Current month		Year-to-date	
	1985	1984	1985	1984
Esquire	172.5	143.8	641.5	567.8
Firehouse Magazine (13X)	73.3	80.7	273.5	277.4
Gentlemen's Quarterly A.	138.0	121.0	825.2	821.1
M Magazine	41.3	43.5	302.8	334.2
Penthouse A.	44.3	54.2	237.8	289.8
Playboy A.	83.0	85.8	431.8	438.8
Total Group	**552.4**	**529.0**	**2,712.6**	**2,729.1**
% change		**+4.4%**		**-0.6%**

— Metropolitan —

	Current month		Year-to-date	
	1985	1984	1985	1984
Aloha (6X)	35.4	27.3	101.6	79.0
Atlanta	69.0	73.9	267.1	272.5
Baltimore	100.2	57.6	467.5	358.3
Boston	134.2	137.4	868.0	792.4
California	95.0	75.3	422.0	369.2
Charlotte (10X)	22.0	24.0	114.0	100.0
Chicago	183.3	137.5	800.1	773.0
Chicago's North Shore	74.9	91.3	456.2	498.7
Cincinnati	54.6	59.5	322.5	298.2
Cleveland	74.0	75.4	457.4	431.2
Coast (38X)	—	—	—	—
Columbus Monthly	77.2	71.2	397.1	373.0
Commonwealth	—	—	—	—
Connecticut	100.4	95.2	535.7	485.5
Country Magazine	50.2	42.5	284.6	238.7
D/Magazine, Dallas/Ft. Worth	123.3	127.5	771.3	715.1
Denver	34.7	36.0	176.1	154.1
Grand Rapids	33.7	67.3	285.9	313.6
Gulfshore Life (10X)	61.1	43.4	380.0	373.0
Honolulu	56.1	53.6	357.9	352.5
Houston City	82.7	97.7	447.7	483.7
Indianapolis	—	—	—	—
Kansas City	25.4	29.4	180.0	192.7
Los Angeles	166.3	205.5	1,011.6	1,131.5
Louisiana Life (6X)	61.9	65.0	132.2	124.4
Madison	63.0	44.0	382.0	295.0
Metropolitan Detroit	78.0	55.3	439.2	—
Miami Mensual	34.5	38.2	283.5	235.5
Miami/South Florida	120.0	104.0	556.0	527.4
Milwaukee	47.5	40.6	367.8	222.4
Minneapolis/St. Paul	102.6	108.3	580.2	540.9
Monthly Detroit	71.7	132.6	349.2	405.3
Nashville	—	—	—	—
New Jersey Monthly	65.5	65.1	353.9	320.2
New Mexico	36.5	44.1	225.5	311.3
Ohio	76.0	70.3	390.3	350.4
Oregon	40.1	60.5	198.0	174.7
Orlando	94.0	83.2	599.9	504.5
Palm Beach Life	27.1	33.8	510.7	513.5
Palm Springs Life	62.8	77.0	747.0	750.1
Philadelphia	124.9	141.6	788.5	738.1
Phoenix	67.3	65.6	582.1	492.5
Pittsburgh	102.3	87.3	377.8	377.8
St. Louis	54.0	55.0	339.5	345.0
San Diego	150.2	152.0	941.4	865.7
San Francisco	—	—	—	—
San Francisco Focus	85.3	68.5	504.5	329.3
Texas Monthly	143.2	145.2	702.6	763.3
Twin Cities	81.7	88.3	347.1	395.8
Ultra	69.2	72.4	436.0	438.6
The Virginia (6X)	—	—	180.0	126.5
Washington Dossier (11X)	90.0	54.2	345.5	287.6
The Washingtonian	139.8	135.5	899.8	844.5
Total Group	**3,742.8**	**3,716.1**	**21,619.6**	**19,292.7**
% change		**+ 0.7%**		**+ 12.1%**

— Movie/romance/radio/tv —

	Current month		Year-to-date	
	1985	1984	1985	1984
Macfadden's Women's Group:				
Modern Romances	18.6	21.5	110.3	149.4
Secrets	18.6	21.5	110.3	149.4
True Confessions	18.6	21.5	110.3	149.4
True Experience	18.6	21.5	110.3	149.4
True Love	18.6	21.5	110.3	149.4
True Romance	18.6	21.5	110.3	149.4
Sterling Women's Group:				
Daytime TV	28.5	28.5	173.0	165.0
Modern Screen	12.3	20.5	41.8	61.5
Movie Mirror (6X)	24.5	—	70.5	61.5
Soap Opera Stars	20.5	16.5	59.5	73.0
TV Movie Screen (6X)	6.3	5.0	19.3	10.0
TV Picture Life (6X)	2.0	20.5	15.0	82.0
Total Group	**206.7**	**219.0**	**1,012.4**	**1,320.9**
% change		**-5.6%**		**-23.4%**

— Music/entertainment —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Film (10X)	47.0	16.0	152.0	125.5
Audio	—	—	—	—
Circus Magazine	60.4	44.6	294.4	213.4
Dance Magazine	42.3	54.4	361.6	403.3
Musician	56.5	62.6	338.5	364.8
Playbill	41.2	61.5	297.3	361.1
Record	20.4	23.5	137.0	137.2
Stereo Review	42.3	50.6	231.1	270.6
Video Magazine	74.6	70.9	411.8	341.6
Video Review	60.9	64.5	366.5	329.1
Total Group	**445.6**	**448.6**	**2,590.2**	**2,546.6**
% change		**- 0.6%**		**+ 1.7%**

— National Sunday magazines —

	Current month		Year-to-date	
	1985	1984	1985	1984
Family Weekly (52X) A.	53.8	45.5	302.2	331.1
Parade (52X)	52.5	45.5	320.1	323.2
Total Group	**106.3**	**91.0**	**622.3**	**654.3**
% change		**+ 16.8%**		**- 4.9%**

— Outdoor & sport —

	Current month		Year-to-date	
	1985	1984	1985	1984
Alaska	52.6	43.5	308.3	251.8
The American Handgunner (6X)	34.0	37.0	327.0	330.0
American Hunter	17.7	16.7	94.7	94.9
American Rifleman	24.5	26.2	140.3	155.5
Backpacker (6X)	—	—	104.8	123.6
Bass Master (9X) A.	—	—	359.1	314.2
Bicycling (9X)	106.5	131.6	520.2	554.5
Field & Stream	79.2	76.2	553.9	540.7
Fins & Feathers A.	—	—	—	—
Fishing World	46.3	50.8	160.8	167.1
Florida Sportsman	83.5	80.0	691.6	587.7
Flying	49.1	46.8	271.8	254.6
Fur-Fish-Game	9.7	19.4	132.3	107.2
Golf Digest	121.4	116.2	629.3	634.1
Golf Magazine	53.3	52.4	489.5	566.8
Guns	24.0	23.0	438.0	449.0
Guns & Ammo	41.7	41.4	245.2	244.0
In-Fisherman (6X)	68.5	83.0	391.0	392.0
Muscle & Fitness	111.3	113.0	648.1	639.6
Outdoor Life	54.4	73.1	452.1	517.3
Outside Magazine	44.7	40.7	272.0	222.6
Petersen's Hunting	33.6	29.4	208.0	187.6

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine. B. Includes June 14 and 28 issues only.

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June

	Current month		Year-to-date	
	1985	1984	1985	1984
The Runner	35.2	43.3	220.2	262.7
Runner's World (13X)	—	—	—	—
Salt Water Sportsman	94.8	65.5	576.4	497.3
Shooting Times	56.2	32.5	204.3	209.2
Ski (8X) A.	—	—	215.4	249.2
Skiing (7X)	—	—	—	—
Skin Diver	95.5	77.2	469.5	489.0
Southern Outdoors (8X)	—	—	179.4	199.9
Sport	50.8	43.5	266.3	275.3
Sports Afield	78.4	84.9	532.5	557.0
Tennis	96.2	89.3	482.9	487.8
Western Outdoors (10X)	31.3	39.7	288.2	270.2
Total Group	**1,637.0**	**1,623.6**	**11,123.7**	**11,121.7**
% change		**+ 0.8%**		**+ 0.1%**

Photography

	Current month		Year-to-date	
	1985	1984	1985	1984
American Photographer	43.2	43.8	249.9	244.9
Petersen's Photographic	29.2	36.7	165.8	199.1
Popular Photography	82.8	106.5	535.1	573.2
Total Group	**155.2**	**187.0**	**950.8**	**1,017.2**
% change		**− 17.0%**		**− 6.5%**

Religious

	Current month		Year-to-date	
	1985	1984	1985	1984
BBI Jewish Monthly (10X)	20.7	27.1	134.5	149.6
Christian Herald (11X)	24.7	20.2	158.7	161.2
Christian Life	24.3	20.8	155.2	157.5
Christianity Today (18X)	41.5	39.5	376.3	371.0
Inside (4X)	58.6	60.8	141.4	151.3
Moody Monthly (11X)	41.8	41.9	312.7	311.8
Today's Christian Woman (6X)	38.7	38.0	128.4	103.8
Total Group	**250.3**	**248.3**	**1,407.2**	**1,406.2**
% change		**+ 0.8%**		**+ 1.0%**

Science/electronic/mechanic

	Current month		Year-to-date	
	1985	1984	1985	1984
Compute	40.9	69.2	321.5	525.2
Creative Computing	53.0	109.4	429.5	774.7
Discover	26.4	40.7	191.4	230.6
Family Computing	28.4	57.0	243.2	325.6
Home Mechanix	58.9	60.2	422.9	440.1
Info World (52X)	—	—	—	—
Natural History	39.4	31.9	262.7	268.4
Omni	72.4	73.0	345.8	362.2
Personal Computing	155.4	156.7	881.6	951.9
Popular Mechanics	95.8	86.9	594.5	603.0
Popular Science	73.7	83.7	402.8	542.8
Science Digest	22.0	35.1	159.1	179.9
Science 85 (10X)	17.7	22.5	153.2	173.8
Scientific American	42.5	69.0	281.6	395.2
Spectrum	88.9	113.4	636.5	605.3
Total Group	**815.5**	**1,008.7**	**5,326.3**	**6,378.7**
% change		**− 19.2%**		**− 16.5%**

Women/fashion/service

	Current month		Year-to-date	
	1985	1984	1985	1984
Bride's Magazine (6X) A.	252.4	267.4	966.1	975.5
Cosmopolitan A.	217.3	220.7	1,174.5	1,262.9
Essence	55.0	86.0	490.6	493.4
Family Circle (24X) A.	107.4	113.1	856.2	829.1
Family Magazine	51.3	38.2	234.5	211.9
Glamour	160.0	156.6	1,018.0	1,033.1
Good Housekeeping A.	141.8	184.2	1,007.6	952.2
Harper's Bazaar	80.0	97.1	779.1	809.4
Health	39.9	33.8	235.0	208.2
Ladies' Home Journal	105.3	104.9	647.3	610.2
Ladycom (10X)	36.0	33.5	201.0	220.5
Lady's Circle	—	—	—	—
Mademoiselle	106.3	118.1	722.8	805.9
McCall's	94.9	84.6	550.4	528.9
Modern Bride (6X)	—	—	950.3	843.2
Ms.	37.3	52.9	296.5	301.4
New Woman	50.3	55.4	312.7	291.5
Parents Magazine A.	82.0	76.2	532.7	437.4
Playgirl	31.8	28.3	206.5	203.5
Redbook	87.9	95.5	533.1	539.0
Self	91.2	105.5	577.6	575.8
Seventeen	116.0	105.8	698.9	708.2
Shape	65.9	61.5	378.5	335.5
Soap Opera Digest (26X)	34.2	24.3	177.7	164.5
'Teen Magazine	46.3	60.2	282.3	300.5
True Story A.	45.8	59.6	276.8	341.9
Vogue	161.7	175.6	1,459.7	1,427.0
W Magazine B.	37.5	70.4	608.6	607.2
Weight Watchers	32.2	28.3	168.6	180.5
Woman's Day (16X) A.	88.4	110.2	653.7	710.8
The Workbasket (10X)	37.2	35.0	227.4	221.2
Working Mother	76.9	71.1	443.5	412.5
Working Woman	125.8	106.3	618.9	591.3
Total Group	**2,696.0**	**3,056.6**	**18,091.8**	**18,134.1**
% change		**− 11.8%**		**− 0.2%**

Youth

	Current month		Year-to-date	
	1985	1984	1985	1984
Boys' Life	12.8	16.7	104.8	104.7
Campus Life (10X)	38.6	30.1	249.9	224.1
Total Group	**51.4**	**46.8**	**354.7**	**328.8**
% change		**+ 9.8%**		**+7.9%**

May

Business

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Business Gazette (52X)	28.5	28.9	140.2	126.2
Atlanta Bus. Chronicle (52X)	51.6	49.6	242.9	246.8
Austin Business Journal (52X)	49.3	47.3	263.3	196.6
Barron's (52X)	174.8	210.5	897.9	1,019.0
Black Enterprise	211.5	182.4	475.8	416.5
Boston Business Journal (52X)	144.1	92.5	676.5	443.7
Business Atlanta	62.0	41.9	296.3	223.1
Business Week (52X) A.	435.4	474.5	1,813.5	1,944.1
California Business	117.3	159.6	390.7	458.4
Capital District Bus. Review (25X)	80.0	140.0	217.4	238.5
Corporate Report/Kansas City	42.9	51.5	242.3	316.9
Corporate Report/Minnesota	103.0	106.8	478.0	437.1
Crain's Chicago Bus. (52X)	174.7	149.9	743.8	683.5
Crain's Cleveland Bus. (52X)	88.8	73.7	383.5	319.0
Dallas/Ft. Worth Bus. (52X)	51.0	48.0	265.0	192.5
Dun's Business Month	45.1	71.3	252.2	366.0
Financial World (24X)	27.5	32.6	187.1	158.4
Florida Trend (13X)	68.9	83.3	489.5	463.5
Forbes (26X)	261.6	303.3	1,428.8	1,470.9
Fortune (26X)	230.5	317.2	1,320.0	1,414.9
Frequent Flyer	76.1	70.1	308.9	286.2
Futures (13X)	44.0	46.0	245.0	257.0
Hawaii Business	53.2	56.7	226.9	236.8
High Technology	29.5	47.7	165.2	160.5
Houston Bus. Journal (52X)	102.3	154.2	621.3	725.7
Inc. Magazine A.	118.6	179.4	504.8	624.4
Income Opportunities	47.1	55.7	221.8	230.2
Industry Week (25X) A.	114.1	145.6	463.8	559.2
Indianapolis Business Journal (52X)	113.6	107.5	573.4	524.2
Kansas City Business Journal	144.4	121.7	675.9	601.8
Milwaukee Business Journal (52X)	100.4	88.2	433.7	318.7
Minnesota Business Journal	56.1	68.4	255.4	261.0
Nation's Business A.	30.0	32.5	186.9	158.9
New England Bus. (20X)	114.4	93.1	452.5	348.8
New York Citibusiness	19.2	25.1	108.7	86.0
Pacific Business News (52X)	125.0	93.1	523.0	517.4
Philadelphia Bus. Journal (52X)	90.5	76.8	490.2	428.3
Pittsburgh Bus. Times (52X)	91.9	51.2	356.5	278.9
San Jose Business Journal	—	—	—	—
Savvy	31.8	34.7	—	536.3
South Florida Business Journal	79.0	73.3	406.2	309.9
St. Louis Business Journal (52X)	155.8	117.9	682.2	842.4
Texas Business	53.5	57.2	334.4	310.9
Venture	102.1	116.3	321.6	385.3
Total Group	**4,341.1**	**4,577.2**	**19,763.0**	**19,924.4**
% change		**− 4.4%**		**+ 1.9%**

Newspaper Sunday magazines*

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Republic	39.9	74.0	250.2	344.6
Boston Globe	—	—	—	—
California Living	56.5	60.2	257.5	279.0
Chicago Tribune	105.4	59.9	519.8	355.3
Cincinnati Enquirer	—	—	—	—
Cleveland Plain Dealer	51.8	68.7	217.5	305.1
Columbus Dispatch	51.8	47.2	223.8	236.1
Denver Post	—	—	—	—
Detroit News	124.0	120.0	576.0	646.0
L.A. Times Home Magazine	—	—	—	—
Louisville Courier-Journal	81.2	70.7	343.0	356.2
Miami Herald	—	—	—	—
New York News	—	—	—	—
New York Times Magazine	356.2	351.5	1,821.2	1,909.5
Philadelphia Inquirer	55.5	56.7	251.2	246.7
Toledo Blade Magazine	54.7	62.2	185.5	239.0
Washington Post	133.6	128.3	563.1	577.3
Total Group	**1,110.6**	**1,099.4**	**5,208.8**	**5,494.8**
% change		**+ 1.0%**		**− 5.2%**

Weeklies/bi-weeklies

	Current month		Year-to-date	
	1985	1984	1985	1984
The Advocate (26X)	84.3	85.3	455.2	507.6
Army Times Military Group:				
Air Force Times (52X)	176.0	156.4	765.9	736.9
Army Times (52X)	171.5	147.8	744.7	705.9
Navy Times (52X)	175.7	165.8	818.2	797.6
The Times Magazine	1.2	5.7	62.9	86.7
The Blood-Horse (52X)	342.8	223.8	2,314.3	2,443.2
Capper's Weekly (26X)	19.5	24.6	132.3	145.7
Commonweal (22X)	8.5	7.0	38.4	40.7
Golf World (43X)	—	—	—	—
Grit (52X) A.	12.5	15.9	101.6	128.0
National Journal (50X)	67.3	20.0	260.0	124.0
National Review (25X)	33.6	25.9	116.6	133.0
New Republic (48X)	—	—	—	—
New York Magazine (50X)	274.8	244.4	1,155.0	1,080.1
New Yorker (52X)	268.1	313.0	1,221.0	1,474.5
Newsweek (52X) A.	241.3	235.0	1,072.2	1,167.6
People (52X)	342.1	394.8	1,446.0	1,482.9
Rolling Stone (25X)	40.1	39.2	406.7	406.5
Sporting News (52X)	35.2	39.9	178.9	248.6
Sports Illustrated (52X) A.	242.5	239.9	1,114.3	1,088.7
Time (52X) A.	230.3	253.7	1,079.2	1,105.9
Travelhost (52X)	—	—	—	—
TV Guide (52X) A.	319.9	315.8	1,633.9	1,584.7
Us Magazine (26X)	29.7	34.2	135.3	195.3
U.S. News & World Report (52X) A.	144.6	148.0	695.1	664.4
Total Group	**3,261.5**	**3,096.2**	**15,947.7**	**16,348.5**
% change		**+ 5.3%**		**− 2.5%**

Foreign

	Current month		Year-to-date	
	1985	1984	1985	1984
Good Housekeeping Foreign Editions:				
Australia	28.0	31.0	146.4	148.7
Great Britain	164.2	169.7	562.6	547.8
Japan	69.5	66.1	244.3	323.1
Geomundo:				
Central America	3.0	6.0	23.5	21.8
Chile	4.0	6.0	25.5	20.8
Colombia	11.5	6.0	40.0	33.0
Ecuador	3.0	4.0	18.0	14.0
Mexico	6.0	9.0	30.0	27.8
Peru	3.0	7.0	25.5	21.8
Puerto Rico	2.0	4.0	19.0	13.8
Venezuela	6.5	9.0	42.5	45.3
Hombre De Mundo:				
Central America	3.0	5.0	17.0	23.0
Chile	4.0	7.0	20.0	27.0
Colombia	7.0	10.0	26.0	35.0
Ecuador	3.5	4.0	19.5	22.0
Mexico	11.5	10.5	39.5	43.5
Peru	2.0	5.0	14.0	22.0
Puerto Rico	3.0	14.0	18.0	31.0
Venezuela	20.5	15.0	67.5	60.5
Ideas Para Su Hogar:				
Central America	—	1.5	—	1.5
Chile	—	1.0	—	1.0
Colombia	20.5	18.0	52.5	60.0
Ecuador	5.0	5.5	19.0	21.5
Mexico	15.7	13.5	33.2	34.0
Peru	2.0	7.5	10.0	24.0
Puerto Rico	2.0	1.0	5.0	3.0
Venezuela	16.0	19.0	62.5	59.2
Mecanica Popular:				
Argentina	1.3	5.8	15.0	28.8
Central America	7.5	14.7	49.8	64.2
Chile	1.3	5.8	17.8	28.2
Colombia	11.2	14.0	55.8	60.0
Mexico	15.7	10.5	57.0	48.7
Peru	8.5	19.2	59.2	77.3
Puerto Rico	8.0	17.7	52.5	71.7
Venezuela	11.3	17.7	58.0	71.3
The Ring en Espanol:				
Mexico	4.0	—	8.0	—
Puerto Rico	—	—	—	—
U.S.	3.0	4.0	28.3	15.3
Venezuela	2.0	3.0	4.0	6.0
Vanidades Continental:				
Central America	6.5	9.3	29.5	28.8
Chile	3.3	3.0	13.7	6.0
Colombia	66.2	61.5	291.5	235.3
Ecuador	14.7	19.8	94.7	80.3
Mexico	52.7	92.8	306.0	348.2
Peru	8.7	22.2	57.0	92.2
Puerto Rico	31.8	40.3	175.3	190.0
U.S.	44.3	46.5	188.8	206.0
Venezuela	52.8	41.8	227.5	177.5
Business Week Int'l. (52X)	143.5	158.6	585.2	606.8
Cosmopolitan Foreign Editions:				
Australia	83.3	78.8	270.9	266.6
Brazil	50.0	41.0	167.9	159.0
France	149.2	184.0	528.1	734.2
Germany	128.8	120.0	483.9	454.8
Great Britain	143.0	143.0	515.8	505.3
Greece	50.3	71.0	329.4	271.0
Holland	95.0	81.0	303.3	237.0
Italy	78.3	77.0	276.9	259.7
Japan	46.3	36.0	160.6	142.7
Cosmopolitan en Espanol:				
Central America	1.3	4.0	4.0	4.0
Colombia	24.7	16.7	49.0	37.0
Ecuador	1.0	1.0	1.0	2.0
Mexico	69.5	70.2	190.8	189.2
Peru	4.0	5.0	11.0	7.0
Puerto Rico	26.0	58.0	104.8	144.8
U.S. (Spanish language)	11.7	19.8	81.2	87.5
Venezuela	37.0	14.8	108.2	67.0
International Communications:				
African Business	28.0	38.0	120.6	143.7
New African	11.4	20.5	120.6	81.6
The Middle East	21.4	20.4	90.3	103.9
International Management:				
Africa	9.2	12.7	44.5	61.0
Europe	52.8	46.2	223.7	181.3
Latin America	3.5	4.2	29.2	36.3
Middle East	14.0	7.2	84.2	57.3
Pacific	14.0	14.2	70.8	61.8
Johnston International:				
Alam Attijarat	45.2	67.7	228.5	251.0
Modern Africa (6X)	14.2	27.8	37.8	60.5
Modern Asia (11X)	42.0	55.2	145.3	119.4
Newsweek International A.:				
Atlantic (52X)	114.2	104.6	382.3	425.1
Latin America (52X)	32.2	25.3	114.0	122.5
Progreso (9X)	11.0	8.3	35.6	18.1
Reader's Digest:				
Arabic	6.5	11.0	45.0	48.0
Asian	251.5	264.5	902.0	846.0
Australian	58.5	68.8	261.6	358.7
Belgian-Flemish	142.0	109.0	395.5	341.0
Belgian-French	80.0	64.0	283.5	242.5
British	59.6	59.2	228.4	271.6
Chinese	120.0	107.0	546.5	488.0
Danish	37.8	34.3	165.2	172.2
Dutch	41.8	41.5	214.1	201.8
Finnish	38.8	23.5	197.1	208.5
French	80.0	79.3	250.3	252.1
German	76.3	90.6	350.2	384.4
Iberian	2.5	19.5	31.0	82.0
Indian-English	119.5	84.0	505.0	396.5
Indian-Hindi	14.0	6.5	48.5	23.5
Italian	44.0	40.0	188.5	204.5
Japanese	43.7	43.8	224.7	194.4
Korean	25.6	25.0	121.1	133.0
Latin American:				
Argentina	10.0	15.5	85.0	76.5
Brazil	4.0	4.0	19.0	13.0
Central American	5.5	7.5	37.0	38.5
Chile	8.5	9.5	38.5	55.0
Colombia	23.0	28.5	113.0	117.5
Ecuador	6.5	5.0	36.0	34.5
Mexico	46.3	48.4	176.4	216.4
Peru	4.0	6.0	41.5	37.0
Puerto Rico	3.0	5.0	23.0	26.0
U.P.B.	4.5	5.5	33.5	30.0
U.S. Spanish	13.5	12.5	43.0	43.5
Venezuela	5.5	12.5	51.5	47.0
New Zealand	59.0	93.5	236.0	367.5
Norwegian	22.0	43.0	101.5	182.1
South African	122.5	125.5	439.0	418.3
Swedish	12.5	10.0	64.5	70.5
Swiss-French	27.4	31.0	125.0	139.6
Swiss-German	38.4	49.0	174.5	179.8
Time International:				
Time-Asia	84.5	99.6	375.0	421.9
Time-Atlantic	111.6	98.8	451.0	468.0
Time-Canada	177.4	209.1	821.1	893.5
Time-Latin America	48.2	53.4	173.5	196.3
Time-South Pacific	105.2	99.3	499.8	476.3
Vision/Latin America (26X) A.	24.0	39.0	104.1	118.7
Total Group	**4,536.3**	**4,819.7**	**15,489.3**	**18,937.1**
% change		**− 5.9%**		**− 2.4%**

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Merger finale for D'Arcy, B&B

Will create a $2.4 billion giant

By STEWART ALTER

STAMFORD, CONN.—Capping a long merger search, D'Arcy MacManus Masius' 26-member board from around the world met here last Friday and voted to effect the largest agency merger in history—the marriage of D'Arcy and Benton & Bowles, New York.

The unanimous action is subject to the approval of stockholders of both agencies within 90 days.

If all goes well, the two giant agency networks will combine to produce a $2.4 billion global communications company. It will be called D'Arcy Masius Benton & Bowles.

The deal was put on the table for the D'Arcy executives in the Ethan Allen room of the Hotel Stamford Plaza and was followed appropriately by lunch in a room named for financier J.P. Morgan. Interestingly, the sign on the meeting room still had the ampersand between the names MacManus and Masius that the agency discarded a year ago to symbolize it no longer was an agency built on mergers.

As canned music was being piped through the five-story hostelry with an inviting atrium, D'Arcy execs brushed aside reporters who had posted themselves outside the rooms to get word of the historic event. To make sure their words were not overheard, D'Arcy had hotel security people stationed outside the room. The directors avoided questions by slipping through a side door to where lunch was being served.

B&B executives were said by sources to have agreed earlier in the week to the merger.

The deal is the industry's second major merger within a few weeks, following the announcement that Bozell & Jacobs and Kenyon & Eckhardt plan to combine in January (AA, June 17).

Rivaling the B&B/DMM combination in terms of size are only two other acquisitions in recent years: Interpublic Group of Cos.' two-stage, $60.5 million acquisition of SSC&B:Lintas Worldwide, completed in 1982 when it was a $1.2 billion network, and Saatchi & Saatchi's $56.8 million purchase of Compton Communications in 1982, when it had billings of $1 billion.

The merger will end what many have seen as an unusually lengthy DMM search for a partner. DMM chairman-ceo Hal Bay is said to have explored as many as a dozen opportunities. The agency first looked into a sale to such agencies as Doyle Dane Bernbach and Interpublic a few years ago, then decided to keep the agency independent. Mr. Bay, who became ceo in January, 1982, reportedly was in favor of independence, but

(Continued on Page 100)

LET
THE GAMES
BEGIN.
prince

Prince makes racquet over new lines

Prince Mfg. marks its first unified tv and print campaign—"Let the games begin." The new campaign, to air during Wimbledon and the U.S. Open, follows introduction of Prince midsize and supersize racquets, men's tenniswear and men's and women's tennis shoes. Waring & LaRosa, New York, handles.

'Confident' United takes direct route

By SCOTT HUME

United Airlines is expected not only to regain its status as the nation's largest commercial air carrier but also to lay claim to status as one of the most adept direct marketers.

Emerging last week from the 29-day strike by its pilots, United announced a series of short-term promotional inducements to lure back lost business. Concurrently, its parent, Elk Grove Village, Ill.-based UAL Inc., announced an agreement to purchase car-rental leader Hertz Corp. from RCA Corp., New York, for $587.5 million.

The airline emerged from the strike confidently, but an exclusive ADVERTISING AGE survey suggests it shouldn't be cocky. The airline may face a tougher time regaining its customer base than its management may believe *(see related story)*.

United execs said the Hertz acquisition had been in the works for several weeks before the pilots' walkout. But the strike, which

(Continued on Page 100)

Airline strikes out in survey

By SCOTT HUME

CHICAGO—Both United Airlines' management and its pilots' union emerged from the 29-day strike that ended June 14 having tarnished their images in the eyes of consumers, according to an exclusive ADVERTISING AGE survey.

As a result, the airline faces a tough marketing challenge as it endeavors to regain goodwill and business from a passenger base that had made it the nation's largest commercial carrier.

On June 16 and 17, a national sample

(Continued on Page 100)

Net seers scan sked

By VERNE GAY

NEW YORK—"Hometown," CBS-TV's new yuppie series looking for a niche this fall opposite NBC's decidedly un-yuppie "A-Team," has the look of a hit: Good production, established actors and trendy writing modeled after the yuppie movie hit "The Big Chill."

CBS, however, is predicting "Hometown" will finish last in the time slot's ratings. CBS has told advertisers "Hometown" will generate a paltry 19 share of audience by spring, 1986, leading advertisers to predict the show will fail.

That is just one of the surprises in new fall shows contained in audience estimates written by the *networks* and obtained by ADVERTISING AGE through several sources. CBS expects to lead 8 p.m. (ET) time slots on Sundays (where "Murder, She Wrote" returns with

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NEWSPAPER

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Last Minute News

Lever Bros. brings European shampoo to U.S.

NEW YORK—Lever Bros. has introduced into test in Portland, Ore., Timotei shampoo and conditioner in dry and oily formulas. The product, which is the leading shampoo in Norway, Sweden and Switzerland, is promoted here with the theme "So mild you can wash your hair as often as you like." J. Walter Thompson USA handles.

Family planning to get big ad push

WASHINGTON—Population Institute today announces a three-year, multimedia ad blitz, with first-year spending of $1.8 million, to drive home the importance of population issues and control. The campaign is expected to begin later this summer. The advertising, created in-house, is being underwritten by Turner Broadcasting System, Atlanta.

Ohrbach's reviews shops for image campaign

NEW YORK—Ohrbach's is reviewing agencies for a $3 million-to-$4 million image campaign, now in-house. Shops in the review include AC&R;

(Continued on Page 8)

GLOBAL MARKETING—PAGE 39

Hardee's toughens ad pitch

By BRIAN MORAN

Hardee's Food Systems breaks a $20 million, 10-week campaign next month repositioning the chain as the toughest, hardest-working challenger to McDonald's supremacy in the "burger wars."

The network and spot tv effort, scheduled to break July 15, carries a new corporate theme line, "Where good people go for good food." It is the first Hardee's campaign from Ogilvy & Mather, New York, which won Rocky Mount,

(Continued on Page 102)

Banks jumps over shoe furor

By ROBERT RAISSMAN

Triple jumper Willie Banks may be the only active world-record holder without a shoe contract.

Mr. Banks, who set a new world's record in the triple jump (also known as the hop, skip and jump) June 16 at the USA/Mobil national outdoor track and field championships in Indianapolis, accomplished the feat two months after Nike gave him the boot, ending a four-year association.

On the surface, the shoe-contract plight of the 29-year-old would seem to be the result of a marketing strategy that was adopted by athletic-shoe marketers in 1984. With the shoe market—especially the running-shoe market—leveling off, shoe-company executives believed they could cut their losses by centering endorsement on athletes who had star quality (AA, Oct. 18).

For track athletes, the problem was compounded by deals that were made by individuals because they were likely to compete in the '84 Olympic Games. In order to reduce budgets, many athletes were released when their contracts expired following the games.

"We're in the advertising business, whether we accept it or not," said Larry De Freitas, director of track-and-field and running-sports promotions at Mountainside, N.J.-based Adidas. "Every athlete we look at we have to ask the question 'Will they be there in '88?' "

Talk of marketing strategies and Olympic buildups may be legitimate, Mr. Banks said, but his case was different. He had placed a disappointing sixth in the Olympic Games and had not shown the

(Continued on Page 98)

Claiborne retail link takes Avon past door

By PAT SLOAN

New York—Avon Products and Liz Claiborne Inc. are going into the cosmetics and fragrance business together in a 50/50 joint venture to be called Liz Claiborne Cosmetics, marking the first time Avon has been involved with retail stores.

In a separate announcement, Avon announced last week it has formed a new subsidiary, Parfums Phenix, to market new Deneuve fragrance, named for actress Catherine Deneuve. The fragrance is expected to be introduced in early 1986 at about the same time the Claiborne products are due.

Industry observers said the Deneuve perfume, priced at $165 an ounce and to be sold through direct-response mail and phone order, according to a spokesman, will enable Avon to reach a more upscale customer than now is served by its door-to-door sales reps. The venture with Claiborne also would hit a higher-income consumer and help Avon learn the retail business.

However, an Avon spokesman denied the partnership in any way was tied to Avon's branching into retail. He said, "We have backed off retail," referring to Avon's announcement last fall it was testing shopping-mall kiosks and considering retail boutiques because, as chairman Hicks Waldron then said, direct-sales force recruitment couldn't be expanded sufficiently (AA, Oct. 4).

Saying "to go into retail with the Avon name would be death," the spokesman said the kiosks are a dead issue, at least for 1985 and that "nothing is happening with the boutiques."

At the same conference last fall, Avon announced plans to move into direct response. But the Deneuve fragrance marketing system, presumably to be patterned after Parfums Giorgio's successful use of direct response, is the only product now reflecting those plans. Parfums Phenix will be headquartered in Paris and maintain a sales and marketing office in New York. Agency for Deneuve is MCA Advertising. When Avon announced its new Imari fragrance last month it said MCA had been assigned a special project but would not say if the assignment was related to the then-rumored Deneuve fragrance (AA, May 20).

The fragrance will be distributed internationally and in the U.S., with Ms. Deneuve, long associated with Chanel and later American Home Products' Youth Guarde, taking an active role in marketing and packaging. A president for the subsidiary has not been named but candidates are being interviewed. Besides

(Continued on Page 102)

Highlights

Dole Foods is undertaking a $1 million promotion for the National Center for Missing and Exploited Children. *See Page 4.*

Procter & Gamble is moving to rebuild two once-dominant brands with the simultaneous national introductions of a new Crest toothpaste formula and an improved Pampers diaper. Benton & Bowles, New York, which handles both brands, is using similar ad strategies to roll out the new products. *See Page 6.*

John Tinker Jr., who died last week at 79, had the traditional successful ad agency career, rising to become one of the industry's top art directors in the 1940s and to senior vp-creative director of McCann-Erickson in the 1950s. But in 1960, while he was phasing out of the business and into retirement, Mr. Tinker instead launched what was virtually a second career in a new era in the agency business. *See Page 10.*

It's hard to see what beer and soda have to do with such weighty issues as human sacrifice, dignity and achievement. But that's what image advertising is all about. And two examples of this ad style won top Clio honors last week. *See Page 12.*

Marketers of income-tax preparation services claim they would not be among the losers if President Reagan's tax-simplification plan becomes law. *See Page 32.*

Benevolent Dictators: O. Milton Gossett started his career at Compton Advertising in 1949 and decades later helped orchestrate a merger with Saatchi & Saatchi. Bart Cummings interviews the chairman-ceo of Saatchi & Saatchi Compton Worldwide. *See Page 34.*

CORPORATE CLOSEUP

Gillette's safety razor division, the cornerstone on which the company was founded in 1901, not only is modernizing the 15-building, 27-acre facility that already produces 5.4 million blade edges a day, it's also galloping into a period of new-product development and growth that should only strengthen Gillette's position as the premier purveyor of materials for that daily male ritual, the close, wet shave. *See Page 4.*

FORUM

After writing about the Coca-Cola formula change in her column for the *Dallas Morning News*, Maryln Schwartz received an intriguing letter from 84-year-old Lee Williams. *See Page 20.*

Writer Dimitri Vassilaros is a yuppie. But is he a stereotype? *See Page 20.*

INTERNATIONAL

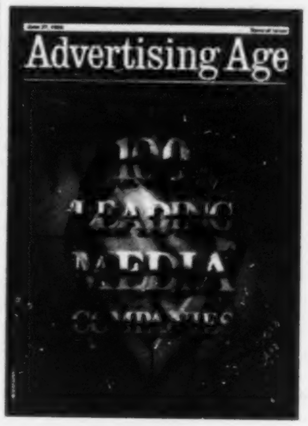
Canada's media conglomerates are planning new acquisitions following the government's decision to lift a restriction on cross-ownership of newspaper and broadcast outlets. Subsequently, stocks of major media chains soared to record highs on the Toronto Stock Exchange. *See Page 78.*

DIRECT MARKETING

Coupons a la Carte, an in-store coupon-vending machine company, filed for bankruptcy last week, unable to raise the funds necessary for its northern New Jersey debut. *See Page 74.*

One of every seven new cars in the U.S. will be sold directly through catalogs and home computers by 1995, says a Chrysler executive. *See Page 74.*

COMING THURSDAY



Advertising Age profiles the 100 largest media companies in the U.S., ranking them by 1984 media revenues and reporting on acquisitions, circulation changes and personnel moves.

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Fast-food, flicks early leaders in tv upfront deals

By VERNE GAY

New York—The three tv networks claimed to have advertiser upfront plan requests totaling nearly $1.5 billion as the upfront buying season began to heat up last week. Only a few isolated deals had been made, however.

Sources said fast-food advertisers are expected to secure upfront positions next, perhaps as early as midweek. Sources also noted that McDonald's Corp., which was one of the fastest-growing network advertisers in 1984, was weighing in with a larger prime time upfront commitment in 1985-86 than last year's. Other fast-food companies, including Burger King and Wendy's, also are expected to make sizable upfront commitments this week.

The prime time upfront pace picked up following upfront commitments made by several motion-picture advertisers. Movie advertisers normally move early to secure inventory on Thursday evenings for weekend movie premieres. The buyers were not known, but the top network movie advertisers in 1984 were Columbia Pictures, MCA/Universal, MGM/UA, Orion and Warner Bros. Sources noted Twentieth Century Fox had yet to make a

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Late West Coast news

Coors is the one, Ore. legislators say

The Oregon legislature has repealed a law barring the sale of unpasteurized packaged beer, clearing the way for the Adolph Coors Co., Golden, Colo., to begin selling Coors beer in Oregon. The brand was introduced to the state's bars and taverns one year ago.

The **Crown-Zellerbach**, San Francisco, review for its $2-$3 million Consumer Products Division account no longer includes Marschalk & Co. and Young & Rubicam, both having withdrawn. Three other bay area agencies—incumbent D'Arcy MacManus Masius, Allen & Dorward and Grey—are waiting on a late-July decision.

Northern California Buick Dealers, Oakland, assigned Pearlman/Wohl/Nathanson, Los Angeles, its $1.5 million dollar account replacing The Competitive Edge, Albuquerque, N.M. Also to Pearlman: The $1.5 million account of audio-video product marketer **Marantz Inc.**, Chatsworth, Cal.; from Chickering & Howell, Los Angeles.

IECO, Los Angeles-based automotive parts and accessories distributor, named Deerfield Advertising its agency; from in-house.

Carter Hawley Hale, Los Angeles, has installed Robert Herber as president of the company's Montreal-based Holt Renfrew division. He replaces Lenard Savick, who

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Reinhard revisits Cannes

'Better the second time around'

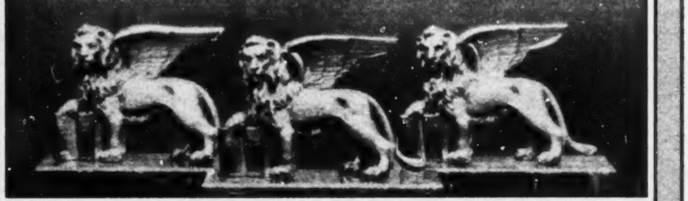
The 1985 International Advertising Film Festival begins today in Cannes, France.

By KEITH L. REINHARD

Gold Lion winners at Cannes

The gold lion is an award given for excellence in tv and cinema advertising. *Source: Advertising Age*

Country	1980	1981	1982	1983	1984	Total
Great Britain	3	7	7	4	7	28
United States	5	1	0	2	11	19
Brazil	0	5	6	5	3	19
France	0	2	3	0	5	10
West Germany	0	3	2	3	0	8
Japan	0	1	0	3	1	5
Australia	1	0	2	1	1	5



Cannes. Up until a year ago I thought of it as a city in France whose name I was never quite certain how to pronounce and whose purpose in life was to minister to the more or less extravagant and jaded tastes of the very rich and famous.

Merely to say the name—let alone pronounce it—called up pictures in my mind of endless white beaches strewn with tanned bodies, many of whom were selectively half-clad.

So when I was invited to be a judge at the 31st International Advertising Film Festival at Cannes last year, I decided I had no time for this kind of self-indulgence.

But Terry Laughren, president of Screenvision, is a persistent fellow and finally, in response to whatever blandishments he held out to me at the time, I agreed to serve. And having served—even before leaving Cannes—I made it a point to schedule myself back for this year's festival.

And as you read this, back I am—reasonably confident that Cannes is pronounced "can," unless you are British and insist on pronouncing it "con." Not only am I back in Cannes, but I have brought with me a full complement of those who preside over the creative destiny of our agency throughout the world.

Why this reversal of my earlier negative mindset? Let me try to explain—and to do so, I must first set the scene for you on my first arrival at Cannes last June.

I remember being whisked from the airport to my hotel, my only vision of the aforementioned beaches and bodies a peripheral one. Before I knew it, I

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Nonalcoholic beer brands come ashore

By GAY JERVEY

With sagging sales and anti-alcohol pressure groups plaguing the beer industry, a distant cousin—nonalcoholic beer—is becoming the new item of choice for a growing number of beer importers.

All Brand Importers, the New York-based division of Nabisco Brands that markets such brews as Moosehead Canadian and Foster's Lager, recently shook hands with Binding Breweries, Frankfurt, in an agreement that will allow All Brand to market Clausthaler, a nonalcoholic beer that is a runaway hit in Germany and elsewhere in Europe.

No-alcohol beers have less than 0.5% alcohol content per serving.

Meanwhile, G. Heileman Brewing Co., La Crosse, Wis., last month launched Black Label Non-Alcoholic Malt Beverage, the first no-alcohol line extension of a regular-strength beer brand (AA, May 27). Heileman also markets the nonalcoholic Kingsbury, Schmidt Select and Zing brands.

At least one other domestic contender, Stroh Brewery Co., Detroit, has termed its move into the budding no-alcohol category "a definite maybe."

"Stroh is investigating all kinds of products, and one of them is a no-alcohol beer," a company spokesman said.

All Brand's introduction follows a long, hard corporate look at the

(Continued on Page 98)

CBS looks again at Miller race ad

By STEVEN W. COLFORD

WASHINGTON—Miller Brewing Co.'s 30-second spot featuring Indy 500 winner Danny Sullivan has raised concerns at CBS, where the commercial is under review by its commercial-clearance department.

CBS moved after a report that the Bureau of Alcohol, Tobacco & Firearms believes Milwaukee-based Miller's print and broadcast campaign, by J. Walter Thompson USA, New York, violates federal regulations barring use of active athletes to promote an alcoholic product (AA, June 10).

It is CBS' third look at the Miller ads; the network said it already persuaded the brewer to edit its original montage of racing clips. ABC and NBC had given the commercial a clean bill of health.

NBC's Richard Gitter, vp for broadcast standards, called the spot a "corporate ad, not a product endorsement." At ABC, a spokesman said the Miller spot and a similar Anheuser-Busch ad for Budweiser, featuring race driver Darrell Waltrip, "were both cleared and are okay to air."

CBS declined to speculate on whether its review might lead to pulling the spot.

Meanwhile, BATF last week resorted to phone calls to Miller and A-B, asking both breweries when the agency might expect responses to its initial notices mailed in mid-May.

"By now, we would have hoped—we would have expected—to have heard something from them," Bruce Weininger, chief of BATF's industry-compliance division, said last week before the agency's follow-up phone inquiries.

Miller's Al Easton, vp-corporate

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AMC loads up Comanche

By RAYMOND SERAFIN

HOOD RIVER, ORE.—American Motors Corp. is counting on its new line of Jeep Comanche compact pickup trucks to carry a heavy marketing load in 1986, making the company less vulnerable to competitive pressures in the shrinking small-car segment.

Jeep's load will increase if financially ailing AMC closes its Kenosha, Wis., assembly plant for Renault Alliance and Encore automobiles, as it has threatened to do if the United Auto Workers union doesn't agree to wage and other concessions by June 28.

The Kenosha plant has the highest labor costs in the country, AMC says.

The Jeep Comanche, which will be available in both two-wheel and four-wheel drive, is a key part of AMC's strategy of reducing its dependence on a single market segment.

Jeep's only pickup trucks until now have been full-size, four-wheel-drive models. Compacts are expected to account for 52%, or a little more than 1 million vehicles, of the pickup market in 1986, with two-wheel drive accounting for 71% of compact pickup sales, said Joseph Cappy, group vp-sales and marketing.

The Comanche over-all will expand Jeep's coverage of the 3.5 million-vehicle light-truck market to 50%, compared with only 16% previously.

AMC officials are predicting first-year sales of 50,000 units for Comanche, but privately hope to surpass that

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World News Roundup

MADRID—Iberia Air Lines is reviewing its $14 million national and international account, now handled by NCK, a Foote, Cone & Belding agency. J. Walter Thompson Co., McCann-Erickson, NCK and two local shops, Tapsa and Cid, are pitching. A decision is expected in early July.

LONDON—TBWA has resigned the Atari U.K. account after eight months. Atari had planned to spend $10 million on advertising this year but so far has run only a $1.3 million print campaign.

SYDNEY—Polaroid Australia is moving its $1 million account to Ogilvy & Mather after almost 10 years with Doyle Dane Bernbach.

LONDON—Alfred Dunhill Ltd. is launching an $11 million print campaign for its men's fashion and accessories lines via Davidson Pearce in Europe, the Middle East, the Far East and part of the U.S.

TORONTO—Conrad Black, a leading Canadian business tycoon who owns the Sterling chain of small newspapers in British Columbia, has purchased 14% of London's *Daily Telegraph* for $12.4 million.

PERTH—Rupert Murdoch's News Corp. is trying to pave the way to sell international sponsorship rights to the 1986 America's Cup sailing races. As a first step, News Corp. subsidiary tv network Ten has

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Tokyo street talk—Page 78

Atari has go-it-alone plan, but pines for Ally

By CLEVELAND HORTON

Atari Corp., eager to market its newest personal computer in the U.S. but unable to find an agency willing to "make an investment" in the struggling operation, is prepared to undertake the creative work itself.

The Sunnyvale, Cal.-based company just lost Goodby, Berlin & Silverstein, San Francisco, as its agency (AA, June 10) and is wooing Ally & Gargano, New York. Atari chairman Jack Tramiel hired A&G when he headed Commodore Business Machines; he later fired the agency as a cost-cutting mesasure.

A&G chairman Amil Gargano confirmed he had a "cordial" meeting with Mr. Tramiel this month. "Certainly, based on our past experience [with Mr. Tramiel], any relationship would have to have certain [financial] stipulations," Mr. Gargano said.

Atari vp-marketing James Copland stressed that Atari can handle its own print and radio advertising. "I think we have some finely talented people in-house," he said, "myself included."

On tv advertising, Mr. Copland hedged. "Tv is somewhat more complicated," he said.

Mr. Copland said CPM Inc., Chicago, will continue to handle media buying.

Atari, unable to convince major mass merchandisers and computer specialty stores to handle its lines, recently began recruiting manufacturers' representatives to handle the new ST model, due in July. These reps will attempt to find 500 retail outlets for Atari's products by July 8, Mr. Copland projected, increasing that number to 2,000 by the end of August.#

Saatchi to move to Soho

By STEWART ALTER

NEW YORK—Saatchi & Saatchi Compton Worldwide will move its headquarters downtown within two years, making it the first major agency to locate its offices in the Hudson Square-Soho area.

The agency will move 1,200 employes to its own, as-yet-unbuilt 18-story building that will bear the S&S/Compton name. S&SCW and the companies in the Saatchi & Saatchi Compton Group, consisting of Rumrill-Hoyt; Klemtner Advertising; Fairfax Advertising; Cadwell-Davis Partners; Mayo-Infurna,

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Newsmakers harvest consumer awareness

By SCOTT HUME

It's no secret that when advertising becomes a news event, consumer awareness of the advertising can soar. Wendy's "Where's the beef?" campaign has become the classic example of that synergism.

Similarly, advertising awareness can jump when an *advertiser* becomes news. Results from ADVERTISING AGE's adWatch survey conducted last month confirm this: Among those with the greatest changes in consumer advertising awareness last month were Coca-Cola, United Airlines and E.F. Hutton.

Not surprisingly, the most dramatic example is Coca-Cola. Its announcement April 23 it would change Coke's 100-year-old formula stili is being talked about by students of marketing and devotees of the original formula (AA, April 22, *et seq.*). The "new" Coke quickly became the most talked about new product since G.D. Searle & Co. introduced NutraSweet. Every major news organization has carried several stories about the change and the reactions from consumers and Coke's rivals in the soft-drink industry.

As the new formula rolled into national distribution, Coca-Cola flooded the nation's newspapers and airwaves with advertising touting Coke's new taste. Consumers couldn't help but notice.

Coca-Cola's advertising last month logged the best recall score of any advertiser. When a national sample of 1,251 adults was asked to name the first advertising that came to mind from all they had seen, heard or read in the previous 30 days, 11.3% named Coke. That not only made Coke No. 1 for May, but it better than doubled Coke's over-all ad recall score from April (5.5%), when it also was No. 1.

Repeating as the advertiser with the second-best ad recall score was Pepsi, which quickly cast Coke's advertising change as an affirmation of the superior taste of Pepsi. Pepsi's advertising came to mind first for 6.8% of the respondents, nearly double its April recall share (3.8%).

Remaining members of the Top 10 in ad recall last month were, in descending order from No. 3, McDonald's, Miller/Miller Lite, Budweiser, Ford, Wendy's, Burger King, Chevrolet and AT&T.

The reformulation's impact on awareness of Coke's advertising is even more dramatic in head-to-head comparison with Pepsi and its smaller challengers. When respondents were asked specifically to name the soft-drink advertising that first came to mind, 42.9% named Coke, 32.2% said Pepsi.

Coke's share of first mentions was up 14.3 percentage points since April, when its 28.6% share had put it second to Pepsi's 31.4%. Coke's 42.9% in May also is the highest share of first mentions any marketer has received in the soft-drink category since adWatch was inaugurated three years ago.

Most hurt by the attention given Coke and Pepsi was 7UP. While it remains No. 3 in recall, its share of first mentions dipped from 4.9% in April to 2.5% in June. Coca-Cola's Diet Coke moved up from No. 5 in April (when it was named first by 3.1% of the sample) to No. 4 in May, even though its share declined to 2.2%.

The surprise in the May sample is the first appearance of Pepsi-Cola's newest soft-drink, Slice. Its advertising received 1.7% of first mentions, good enough for the No. 5 spot.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name advertising in a variety of product categories that first comes to mind from all seen, heard or read in the previous 30 days.

In May, 1,251 adults were polled by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

United Airlines will provide an interesting test of whether the good news the pilots' strike has ended will affect consumer awareness of advertising as sharply as did last month's bad news that a strike was on. Despite a cutback in media advertising after the pilots walked out, awareness of the United advertising that did appear showed an increase.

In May, 18.5% of respondents named United when asked for the first airline advertising that came to mind, tops in the category. That is a 5.5 percentage-point increase from April's No. 2-ranked 13% share. The gain came at the expense of American Airlines, which fell 4.5 points to 10.5% in ad awareness during May.

Also losing share was Eastern, ad awareness of which dipped 2 points from 8.2% in April to 6.2% in May, dropping it from the No. 3 position to No. 6. Moving up to No. 3 in May was Delta, with 7.8% of first mentions.

E.F. Hutton's advertising has been talking for years, and people have been listening. But they have watched, listened and read more closely since May 2, when the company pleaded guilty to fraud charges involving drafts on uncollected funds.

Asked to name the first financial-services institution's advertising that came to mind, 6.9% last month recalled E.F. Hutton's advertising, more than twice the 3% share of first mentions it received in April.

Merrill Lynch's share remained 4.4%, but it dropped to the No. 2 spot. Bank of America took third with 1.4% last month.

Among other significant changes last month:

- Anheuser-Busch's Budweiser brand regained the No. 1 spot in the **beer** category, a lead it had relinquished last month to Coors. "This Bud's for you" came to mind first for 13.6% of the sample, up 2.8 points from 10.8% in April.

  Coors May share was 11.3% of first mentions, down from 12.5% the previous month. Miller remained No. 3 with 9.8% in May.
- Declining awareness for its Liquid Tide line extension continues to depress Tide's score in the **laundry products** category. In May, 27.4% of the sample named Tide when asked for the first laundry-product advertising that came to mind. That's a 5.4 point drop since April and nearly a 10 point drop since February.

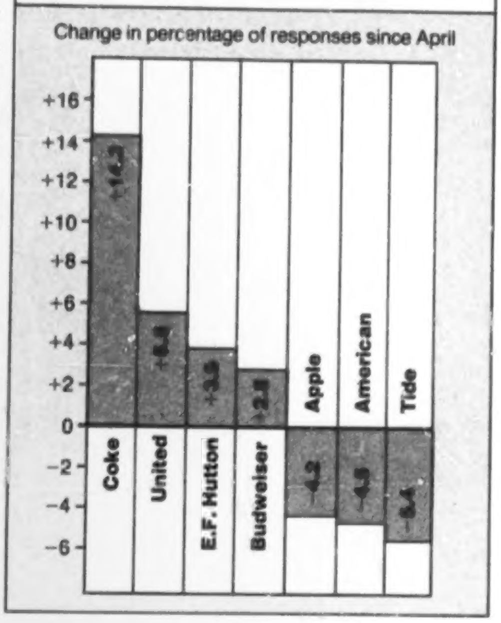
  Tide retained a healthy lead over ads for the product in the No. 2 spot, its own Cheer brand (5.2%), and the No. 3 brand, All (3%).
- Also continuing to slide is Apple in the **computer** category. In May, 29.7% of respondents said Apple's advertising first came to mind, compared with 33.9% in April and 39.2% in March.

  IBM remained No. 2 last month with 14.2% of first mentions, down from 15.7% in April. Commodore is still No. 3, but may have benefited from Apple's slippage. Its 6.6% share in May is 2 points better than April's 4.6%.
- Keep an eye on the **wine** category because the coolers are coming! California Cooler, which last month broke a humorous campaign, themed "One more reason to hate California," has made its first significant appearance in adWatch. Its 2.2% share of first mentions last month was only good enough for the No. 4 spot, but it wouldn't take too much to dominate recall for wine advertising. Leader Riunite came to mind for 12.2% of respondents; No. 2 Gallo was named first by 6.8%. ∎

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

May winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is considered statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



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INTERNATIONAL AGENCY/CLIENT REPORT

How to read the charts

The charts in this section are based on the following criteria:

- Clients must be in three or more countries by the end of 1984.
- Client business must add up to an aggregate of $3 million.
- An asterisk (*) notes that an agency included affiliated (non-equity) shops because of their importance to the agency's business.

The country list is not a complete rundown of each agency's shops worldwide.

Some agencies did not cooperate. In such cases, Advertising Age collected the data independently from its correspondents and gave those agencies the opportunity to comment.#

N W Ayer	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada*	Argentina	Brazil	Chile	Colombia	Mexico*	Peru	Puerto Rico	Venezuela*	Austria*	Belgium	Denmark	Finland	France	Germany	Greece*	Italy	Netherlands	Norway*	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong	Indonesia	Japan*	Malaysia	New Zealand	Singapore*	Thailand*
Bahamas Tourism	●														●	●		●						●											
Beecham												●				●		●																	
Bristol–Myers																●						●		●											
Centocaur																●		●						●											
Deere & Co.	●		●								●	●			●	●		●		●	●	●		●											
Economics Laboratory												●						●				●		●											
Firestone												●			●	●			●		●			●											
GE Medical Systems															●	●		●						●											
General Motors	●														●									●											
Johnnie Walker												●					●		●		●														
McGregor Navire															●		●			●	●	●		●											
SE Banken																●						●		●											
Sidmar												●			●	●		●		●	●	●		●											
Smirnoff												●			●				●			●													
Unichema															●	●								●											
U.S. Travel & Tour.	●	●					●								●	●			●					●				●			●				

* Non-equity affiliation. Source: N W Ayer

Ted Bates Worldwide	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina*	Brazil*	Chile*	Colombia	Mexico	Paraguay*	Peru*	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa*	Middle East*	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Avis	●																				●			●										
BAT		●						●				●			●						●			●			●							●
Beiersdorf												●		●	●					●		●			●									
Caltex																											●				●		●	●
Colgate-Palmolive	●	●	●	●	●		●	●	●				●		●	●	●	●	●		●			●	●		●	●	●		●	●		●
Cyanamid	●			●	●	●				●													●											
DeBeers																												●	●		●		●	●
DHL	●	●		●	●	●	●			●		●	●	●	●	●	●	●	●		●		●	●		●	●	●		●	●	●	●	
Estee Lauder	●									●		●			●	●					●		●					●		●				
Mars (conf., pet foods)	●	●	●	●	●						●	●	●	●	●	●	●	●	●	●	●	●	●	●			●			●	●		●	●
Match Box Toys															●	●								●										
Matsushita	●									●			●			●			●	●				●			●							
Nicholas Labs												●	●		●	●			●		●		●	●	●		●							
Nissan	●	●			●																						●							
Novo Enzymes			●	●								●	●					●			●		●	●		●	●			●				
Olivetti											●	●	●		●	●		●	●		●		●	●									●	
SAS											●	●	●							●		●												
S.C. Johnson	●						●																		●									●
Schering-Plough	●					●	●			●	●										●			●	●				●					
Seiko	●		●	●						●	●	●					●	●	●		●	●		●	●	●	●				●	●		
Selley's Stores																											●	●					●	●
Simmons	●	●	●		●		●					●															●							
Tambrands	●																										●	●			●	●	●	●
Thomas Cook		●								●															●	●	●	●		●	●			
Union Carbide	●	●																									●	●	●		●	●	●	●
Warner-Lambert	●	●										●					●		●		●	●					●							
Wella										●	●		●									●												

* Non-equity affiliation. Source: Ted Bates Worldwide

N W Ayer

N W Ayer, New York, had non-U.S. gross income in 1984 of $13.5 million, 13% of total ($104.7 million). Non-U.S. billings were $99.2 million, 13% of total ($751.7 million).

Ayer owns majority or maximum-allowable stock in 11 agencies and minority interest in 36. The network is affiliated with 20 agencies in which it owns no equity. In 1984, Ayer purchased 30% of Francis Lim, Zulkifli & Ayer in Kuala Lumpur, Malaysia.

In 1974 international business generated gross income of $900,000 on billings of $6 million. That was 3% of total gross income of $27.6 million on billings of $190.3 million. By 1979, non-U.S. gross income had grown to $5.9 million on billings of $39.5 million. That was 9% of total gross income of $63.9 million on billings of $428.4 million.

In 1984, major international business won included Bristol-Myers Co. (Germany) and the U.S. Travel & Tourism Administration. Accounts lost included AT&T Communications overseas, Rolls-Royce, CN Rail and Johnnie Walker (Americas). Ayer also resigned the Chemical Bank account.

Top international executives: Louis Hagopian, chairman-ceo; Jerry Siano, vice-chairman, worldwide creative director; Jerry Jordan, president, intl.; John Roedig, senior vp-finance; Bruce MacDonald, senior vp-managing director, Europe/Middle East; David Dodd, senior vp-managing director, Asia/Pacific/Latin America; Robert Young, vp-financial director.#

Ted Bates Worldwide

Ted Bates Worldwide, New York, in 1984 had non-U.S. gross income of $161.1 million, 38% of total gross income of $424.4 million. Non-U.S. billings were $1.1 billion, 39.3% of total billings of $2.8 billion.

The network consists of 99 agencies in 45 countries. Agencies added to the network in 1984: Delacroix (Puteaux, France) and Delvico (Madrid), and affiliated agencies, Korea First (Seoul) and Rediffusion (Bombay).

In 1974, non-U.S. gross income was $45.7 million. That was 56.6% of total gross income of $80.8 million. By 1979, non-U.S. gross income reached $82.5 million, or 45.6% of total gross income of $181 million.

The decline was due to past U.S. acquisitions of Sawdon & Bess, McDonald & Little and William Esty, which have little international volume.

Major international business won in 1984 included Olivetti ($10 million), Mars ($5 million), Colgate-Palmolive Co. ($3 million) and Nissan ($6 million). Other business won included Match Box Toys, Selley's Stores, American Cyanamid Co. (Brazil, Venezuela) and Avis (U.S.). Business lost included Cadbury Schweppes, Mobil Oil (U.S.) and Beiersdorf (U.S.).

Top international executives: Robert Jacoby, chairman; John Hoyne,

(Continued on Page 44)

BBDO International	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia*	Mexico	Peru*	Puerto Rico	Venezuela*	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway*	Spain	Sweden	Switzerland	UK		South Africa	Middle East	Australia	Hong Kong	Indonesia*	Japan	Malaysia*	New Zealand	Singapore	Thailand
Agfa-Gevaert												●					●	●	●		●								●			●	●	●	
Apple Computer					●	●	●	●	●	●		●			●	●		●	●		●	●	●	●		●	●	●	●				●	●	
Bayer/Miles					●	●	●	●		●							●		●							●		●		●					
Campbell Soup	●						●		●																			●	●					●	
Delta Airlines	●	●							●							●								●											
Frito-Lay	●						●		●												●														
Gillette	●			●		●	●			●	●	●	●		●	●	●		●	●	●	●	●	●		●	●	●	●						
Henkel											●				●	●		●	●		●														
Kuwait Petroleum												●	●					●	●			●		●											
PepsiCo	●					●		●									●	●	●		●					●	●	●							
N.V. Philips																●	●						●	●											
Quaker Oats	●														●	●		●	●									●							
Rothmans																●			●									●			●				
Scott Paper	●											●			●				●									●							
Wella					●		●																							●	●			●	
Wrigley Co.	●	●							●				●		●	●						●		●											

* Non-equity affiliation. Source: Advertising Age

Benton & Bowles	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil*	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela*	Austria	Belgium	Denmark	Finland*	France	Germany	Greece*	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland*	UK	South Africa*	Middle East	Australia	Hong Kong*	Indonesia	Japan	Malaysia	New Zealand	Singapore	Taiwan*
ATT Philips												●			●	●		●	●			●			●										
Boots Drugs												●	●												●										
Cartier												●			●	●				●					●										●
Digital		●								●		●	●		●	●		●	●	●		●		●	●										
Finnish Tourist Board															●	●				●					●										
General Foods	●						●										●	●				●			●										
Johnson Wax												●						●							●	●									
Lee Jeans		●										●	●		●	●									●						●				
Marazzi																●		●	●																
Procter & Gamble	●	●					●			●		●	●	●	●	●	●	●	●			●			●										
Richardson-Vicks	●														●				●			●		●	●										
Texaco	●			●															●	●															

* Non-equity affiliation. Source: Benton & Bowles.

Leo Burnett Co.	Americas											Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Dom. Rep.	Mexico	Panama	Puerto Rico	Venezuela	Belgium	Denmark	Finland*	France	Germany	Greece	Italy	Netherlands	Norway*	Spain	Sweden*	UK		Egypt	Lebanon	Saudi Arabia	Australia	Hong Kong	Japan	Malaysia	Philippines	Singapore	Taiwan	Thailand*
Bayer/Miles				●		●		●		●	●					●		●			●				●	●									
Beatrice	●	●																											●						
Beecham		●		●	●	●		●			●		●			●	●				●							●	●	●	●				●
Cathay Pacific														●		●				●		●	●					●	●	●	●		●		●
Hewlett-Packard	●																											●					●		
Kellogg Co.	●	●				●	●	●		●	●		●	●						●	●	●	●					●	●						
Kraft Inc.	●					●					●					●																			
McDonald's	●								●	●		●	●		●																	●			
Memtek Prods.	●											●			●	●							●												
Nestle			●					●															●					●							●
Philip Morris	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●		●		●		●	●		●	●	●		●	●		
Pillsbury/Green Giant	●	●								●					●								●												
Procter & Gamble	●	●			●			●	●	●	●	●			●	●	●	●	●		●		●		●	●	●	●	●	●	●	●	●	●	
Seven-Up Co.			●		●	●	●	●	●	●	●		●		●	●		●	●		●		●						●	●	●	●	●		●
Star-Kist Foods	●	●											●		●	●																			
Union Carbide	●	●				●															●				●	●			●			●	●		
United Airlines	●							●															●					●							
Warner-Lambert						●		●			●						●								●	●									

* Non-equity affiliation. Source: Leo Burnett Co., Advertising Age

Dancer Fitzgerald Sample	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada*	Argentina*	Brazil*	Chile*	Colombia*	Mexico*	Peru*	Puerto Rico*	Venezuela*	Austria	Belgium	Denmark**	Finland**	France**	Germany**	Greece	Italy**	Netherlands**	Norway**	Spain**	Sweden**	Switzerland**	UK**		South Africa	Middle East*	Australia	Hong Kong	India*	Indonesia	Japan	Malaysia*	New Zealand*	Singapore
CPC International	●	●							●																							●			

(Continued from Page 42)

president, International Group; William Maynard, director of worldwide creative services; Bruce McLaren, president, Europe; Gonzalo Meza, president, Latin America, and Keith Cousins, president, Southeast Asia.#

BBDO International

BBDO International, New York, had non-U.S. gross income in 1984 of $105 million, 30.9% of total gross income of $340 million.

The network covers 40 countries and 80 agencies outside the U.S., and BBDO holds equity in 73 agencies.

In 1974, non-U.S. gross income was $22.7 million—29.3% of total ($77.6 million). By 1979, non-U.S. gross income had grown to $53.5 million—36.9% of total. Through a new subsidiary, Asatsu/BBDO/Clemenger, the network established an association with LG Advertising in Seoul and Stentor Advertising in Taipei. Early in 1985, BBDO signed an affiliation agreement with R.K. Swamy Advertising in Madras, India.

In 1984, BBDO gained Kuwait Petroleum internationally, and increased business with Rothmans, Gillette Co., Henkel AG, Scott Paper Co., Delta Air Lines, Bayer, Frito-Lay, Wm. Wrigley Jr. Co., Wella and Apple Computer. Losses included Del Monte, Agfa-Gevaert, PepsiCo and N.V. Philips.

Top BBDO International execs: Allen Rosenshine, president-ceo; Bruce Crawford, chairman; Willi Schalk, exec vp.#

Benton & Bowles

Benton & Bowles, New York, had 1984 non-U.S. gross income of $52.1 million, 32% of total gross income of $163.2 million.

B&B holds majority or maximum-allowable interest in 11 agencies, minority interest in four agencies and is affiliated with 14 agencies.

In 1984, Boebel, Adam/B&B, Frankfurt and China Commercial Advertising Agency, Taipei, were added to the network, while an affiliation with Abrinicio in Lisbon was ended.

In 1974, B&B's non-U.S. gross income was $12.4 million—32.3% of the total ($38.4 million). In 1979, non-U.S. gross income was $25.4 million—25.6% of total ($99.2 million).

Major international business won in 1984 included ATT Philips, Finnish Tourist Board, Lee Jeans (Canada, Denmark, Japan) and Cartier. Losses included Emery and Nabisco.

Top international execs: John S. Bowen, chairman-ceo; Bernard Kanner, senior vp-director intl. operations; John Ferries, managing director, Europe.#

Leo Burnett Co.

Leo Burnett Co., Chicago, had non-U.S. gross income in 1984 of $90.3 million, 35.6% of total gross income of $253.5 million.

Burnett's international network consists of 42 agencies in 33 countries, and it owns majority or maximum-allowable stock in 40 agencies. In 1984, the agency added Leo Burnett/Taiwan in Taipei to its network.

In 1974, non-U.S. gross income was $38.9 million, 42% of total ($92.4 million). By 1979, income had grown to $48 million, 34% of total gross income ($142.5 million).

Major new clients in 1984 included Hewlett-Packard, Kraft and Beatrice. Losses (some in 1985) included Nestle in the U.K., Puerto Rico, Dominican Republic, France, Hong Kong, Singapore and Malaysia.

Top international executives: Wayne Wiggins, vice-chairman, chief administrator/financial officer; Robert Barocci, president, Leo Burnett Intl.; Joseph Novas, vice-chairman, Leo Burnett Intl. and John C. Kraft, exec vp-finance/administration.#

Dancer Fitzgerald Sample	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada*	Argentina*	Brazil*	Chile*	Colombia*	Mexico*	Peru*	Puerto Rico*	Venezuela*	Austria	Belgium	Denmark**	Finland**	France**	Germany**	Greece	Italy**	Netherlands**	Norway**	Spain**	Sweden**	Switzerland**	UK**	South Africa	Middle East*	Australia	Hong Kong	India*	Indonesia	Japan	Malaysia*	New Zealand*	Singapore
Florida Dept. of Citrus	●															●															●			
Duracell															●			●						●										
Hewlett Packard	●			●														●																
London Rubber Co.																●		●			●			●			●							
Shulton	●			●												●								●										
Toyota	●	●		●																							●				●			
Wendy's	●															●											●				●			
Yoplait yogurt	●		●		●	●																												

* Non-equity affiliation. ** Dorland-DFS International shops. Source: Dancer Fitzgerald Sample

D'Arcy MacManus Masius Worldwide	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina*	Brazil*	Chile	Colombia	Mexico	Peru	Puerto Rico*	Venezuela*	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Abecor Bank																●		●						●										
Alfa Romeo											●	●			●	●	●	●	●		●		●	●										
Allied Lyons																			●					●					●					
American Home Products							●								●		●	●																
Anheuser-Busch	●	●																										●						
Barclays Bank	●	●											●			●	●	●			●	●	●	●			●						●	
Bristol Myers																									●		●					●		
Budget Rent-a-Car	●																										●					●		
Citroen													●	●						●		●												
Coleman	●	●																									●							
Combe														●				●		●							●							
Dunlop											●						●					●					●							
Eli Lilly																		●										●						●
Gencorp	●	●																							●									
General Motors	●						●																	●										
Hoover												●		●	●			●					●	●	●									
InterFlora/F.T.D.	●	●																		●				●	●		●							
John Haig													●		●		●	●	●				●	●										
Kemanobel											●	●	●	●	●	●		●	●	●	●	●	●	●										
Kimberly-Clark													●			●		●		●		●	●	●										
Lego											●					●			●						●									
Lotus Software															●	●								●										
Mars	●	●							●		●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●		●				
Mobil												●						●						●	●		●					●		
N.V. Philips													●														●		●					
Reckitt & Colman																	●	●						●										
Richardson-Vicks							●																				●		●			●		●
Ricoh														●				●	●			●	●	●										
Schering-Plough		●																							●			●					●	●
Wilkinson Sword											●																●					●		

* Non-equity affiliation. Source: D'Arcy MacManus Masius Worldwide

Doyle Dane Bernbach International	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Middle East*	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Audi	●	●										●			●						●						●						●	
Atari											●				●	●			●															
Bristol-Myers	●																				●			●										
BSN Gervais Danone												●			●	●					●													
Chanel	●	●																			●									●				
Ciba-Geigy																		●			●						●							
Citicorp	●	●					●																					●		●			●	
Colombian Coffee Growers	●	●																			●													
Heinz	●																	●						●						●				
IBM	●																				●					●	●			●				
Ikea											●	●			●				●									●					●	
Intergold	●	●									●																	●						
ITT	●	●									●	●			●				●									●						
S.C. Johnson												●			●	●						●								●				

Dancer Fitzgerald Sample

Dancer Fitzgerald Sample, New York, had non-U.S. gross income in 1984 of $4.7 million, 4.1% of total gross income of $113.9 million.

The DFS network consists of 33 agencies in 31 countries.

Outside the U.S., DFS has equity in two agencies in Japan (NDC/DFS, 50%, and Yomiko DFS International, 49%) and one in Australia (DFS Australia, 50%).

In 1984, DFS sold its European operation to Dorland Advertising. The operation included 13 agencies that in 1984 accounted for $44.2 million in gross income on billings of $308.6 million. As part of the sale agreement, DFS retained a non-equity affiliation with the European group, forming Dorland-DFS International.

If total gross income and billings of all DFS foreign holdings (including Dorland-DFS International) were included, the network in 1984 would have had non-U.S. gross income of $79.6 million—42.2% of total gross income of $188.8 million.

In 1974, DFS had estimated non-U.S. gross income of $5.4 million—15% of total gross income of $36.1 million.

In 1979, non-U.S. gross income was $8.6 million—12.6% of total gross income of $68.4 million.

Major international business won in 1984 included London Rubber Co., CPC International (U.S., Japan), Toyota (Brazil, Canada), Hewlett-Packard Co. (U.S., Brazil) and Shulton toiletries (U.K.). Losses included Duracell (Argentina, Brazil, Denmark, Sweden), Beneficial Finance (U.K.), Hanes Group (Middle East) and Wendy's International (Italy, Spain, South Africa).

Top DFS International execs: William McC. Vickery, chairman, and Robert Eagan, senior vp-manager. Neil Kennedy is group intl. director, Dorland-DFS International, and Philip Byford is managing director, Dorland-DFS International.#

D'Arcy MacManus Masius Worldwide

D'Arcy MacManus Masius Worldwide, New York, had non-U.S. gross income in 1984 of $91.7 million, 46.2% of total gross income of $198.6 million.

D'Arcy owns majority or maximum-allowable stock in 51 agencies and minority interest in eight, and is affiliated with 13 agencies in which it holds no equity.

In 1974, non-U.S. gross income was $18 million—35.8% of total gross income of $50.3 million. By 1979, non-U.S. gross income had risen to $44.3 million—43.8% of total gross income of $101.2 million.

New agencies added to the network in 1984 included DMM Ipsen & Parmo in Copenhagen (51% interest), DMM Broberg & Eklind, Oslo (100%), and Man-Nen-Sha, Osaka (10%).

Major international business billing more than $3 million gained in 1984 included Lotus Software, Horizon Holidays (U.K.) and Knorr (Germany). Lee Cooper jeans was the agency's major international loss in 1984, pulling out of seven shops in Europe.

Top international execs: Hal Bay, chairman-ceo; P.T. Redsell, chief operating officer-international; J. Balson, chief operating officer-North America; Craig D. Brown, exec vp-chief financial officer.#

Doyle Dane Bernbach International

Doyle Dane Bernbach International, New York, had non-U.S. gross income in 1984 of $64.2 million—29% of total gross income of $218.3 million.

The network consists of 54 agen-

(Continued on Page 46)

Doyle Dane Bernbach International

	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Middle East*	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Meridien																												●		●			●	
Nabisco												●			●						●			●										
Polaroid	●	●					●				●	●			●	●		●	●		●	●	●	●		●	●	●		●				
Porsche		●										●				●																		
Quaker		●										●			●																			
Seagram	●											●			●	●			●				●	●						●				
Teledyne	●																				●						●							
3M											●	●														●								
Volkswagen	●	●					●					●			●	●			●		●			●			●						●	
Weight Watchers	●														●	●																		
Zeibart	●	●																												●				

* Non-equity affiliation. Source: Doyle Dane Bernbach

DYR Worldwide

	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Colgate-Palmolive																												●		●	●			
Dupont																												●		●			●	
Hong Kong Tourism	●																											●		●			●	●
Time Inc.																												●		●				●

Source: DYR Worldwide

Eurocom Group

	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong*	Indonesia	Japan*	Malaysia	New Zealand	Singapore*	Thailand
Agfa-Gevaert											●				●			●							●										
Buitoni															●			●	●						●										
Corn Products			●												●							●													
Dow Chemical													●		●	●		●	●	●			●		●										
General Foods															●			●							●										
L'Oreal	●																						●	●											
Lotus												●			●	●		●																	
Meridien	●			●																		●													
Peugeot																													●		●			●	
N.V. Philips															●			●						●											
RVI												●			●	●		●				●		●											

* Non-equity affiliation. Source: Eurocom Group

Foote, Cone & Belding

	Americas													Europe													Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Costa Rica	Dom.Rep.	Ecuador	Guatemala	Mexico	Panama	Puerto Rico	Trinidad	Venezuela	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Portugal	Spain	Sweden	UK	South Africa	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Philippines	Singapore
Beiersdorf			●									●					●	●		●		●	●											
Bermuda Tourism	●	●																							●									
Bristol-Myers	●										●							●									●							
Cadbury Schweppes																●	●			●			●	●	●	●			●					
California Raisin Board	●	●													●	●		●		●	●			●	●									
Cinzano				●									●		●							●					●							
Citibank	●					●					●															●			●					
Clorox	●								●		●												●							●				
Colgate-Palmolive	●	●		●	●	●	●	●	●	●	●	●	●			●	●	●	●			●	●	●	●									
Computerland	●	●																							●		●							
Data General	●	●							●					●			●	●	●	●			●	●	●					●				●
Frito-Lay	●																										●			●				
Gillette									●				●				●	●	●				●		●									
Hewlett Packard	●		●													●						●						●						
Hiram Walker	●		●						●				●		●		●	●	●	●		●	●			●	●							
Hoechst																	●				●				●									
Hughes Aircraft	●																		●											●				
Iberia Airlines										●								●					●											

(Continued from Page 45)

cies in 19 countries including the U.S., and DDB owns majority or maximum-allowable stock in all agencies. DDB also is affiliated with 15 agencies in which it holds no equity.

In 1984, DDB acquired a 40% interest in Brown Christensen/DDB in New Zealand. In 1974, non-U.S. gross income was $13.1 million, 25% of total gross income of $53.3 million. By 1979, non-U.S. gross income had reached $31.9 million, 31% of total gross income of $104 million.

International business won in 1984, billing more than $3 million, including Bristol-Myers Co., Clairol and IBM.

Business lost included Atari (U.S., Belgium, Switzerland, U.K., Japan, Hong Kong, Singapore), Porsche (U.S., Netherlands, Hong Kong) and Cote d'Or (Netherlands, Spain).

Top international execs: Joseph Daly, chairman; Barry Loughrane, president-ceo; John Bernbach, president-intl.; Nicolai von Dellingshausen, president, DDB Europe; Steven Burton, senior vp, cfo-intl. division.#

DYR Worldwide

DYR Worldwide, New York, a 50-50 joint venture between Young & Rubicam and Tokyo-based Dentsu Inc., had 1984 non-U.S. gross income of $15.7 million—42.5% of total gross income of $36.9 million.

The network, which opened its first shop Nov. 1, 1981, had 1983 non-U.S. gross income of $12 million—40.8% of total gross income of $29.4 million.

The network consists of eight agencies in seven countries and is concentrated in the Pacific. DYR also is purchasing an equity position in R.W. Eggert in Duesseldorf.

In 1984, the DYR network won non-U.S. business from Colgate-Palmolive Co. (Japan, Malaysia), Beatrice Cos. (Australia) and Johnson & Johnson (Japan, Hong Kong).

Top international executives: Tetsuro Umegaki, chairman-Tokyo (retiring June 28); Alexander Brody, president-New York; Jerry Roberts, chairman-DYR USA; Shunya Hashiguchi, president-DYR Japan, and managing directors Bo Seifert (Hong Kong), David Harrison (Malaysia), Takeshi Inamori (Singapore) and Teddy Palasthira (Thailand).

Young & Rubicam, which has an extensive international network apart from its holdings in DYR, is profiled separately in this report. Dentsu has only one full-service office overseas (outside of the DYR network), located in Bangkok. Major clients include Toyota, KAO, Bridgestone, Glico and Daimaru department stores.#

Eurocom Group

Eurocom Group, Paris, had gross income of $35.1 million from sources outside France in 1984—33.7% of total gross income of $104.3 million.

Eurocom owns majority or maximum-allowable stock in 16 agencies and is affiliated with eight.

Eurocom's gross income and billings include only financial results from those agencies that are part of Eurocom and not affiliates of Eurocom's parent, the Univas Network. Eurocom foreign shops include those in the HCM network (formed in September in a merger of Eurocom's Havas Conseil subsidiary in Paris with Young & Rubicam's New York-based Marsteller). Eurocom holds a 51% interest in HCM, while Y&R holds 49%. Eurocom also includes ATA Univas in Italy (60% interest) and UNICOM in Switzerland (80%). Other nonequity agencies are included under the larger Eurocom network banner.

If total (rather than percentage ownership) gross income of all Eurocom network foreign holdings (including Eurocom Group) is considered, the network would have gross income

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Foote, Cone & Belding

	Americas													Europe														Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Costa Rica	Dom.Rep.	Ecuador	Guatemala	Mexico	Panama	Puerto Rico	Trinidad	Venezuela	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Portugal	Spain	Sweden	UK	South Africa		Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Philippines	Singapore
Imperial Chemical		●															●	●				●			●	●									
Iveco	●													●						●			●												
S.C. Johnson	●	●			●											●	●		●		●	●	●	●	●				●						
Kimberly-Clark	●	●		●	●			●		●			●		●					●								●				●			●
Kraft	●	●													●			●	●		●		●		●										
Matsushita					●			●		●																									
Max Factor								●																				●				●			●
Mazda	●	●									●				●																	●			●
Melitta																		●										●	●						
Monsanto						●		●	●	●	●		●																						
Nestle	●						●					●					●																		
North Sea Ferries															●			●		●															
Pearle Vision	●								●		●														●										
Philip Morris	●										●													●											
Pizza Hut																		●							●						●				●
Quaker Oats											●							●		●															
Rothmans																										●		●		●					●
Sears	●	●									●																								
Shulton		●												●					●				●		●	●									
Siemens														●							●					●									
Sunkist Fresh Fruit	●	●													●		●											●	●						
Warner-Lambert											●											●												●	
Wrigley Co.																		●	●	●			●												

Source: Foote, Cone & Belding

GGK

	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK		South Africa	Middle East	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Henkel											●					●		●			●														
Hoffman LaRoche				●																			●	●											
IBM											●				●	●		●	●				●	●											
IWC	●										●				●	●		●	●		●		●												
Jaegermeister											●					●		●					●												
Porsche Design	●										●				●	●		●	●		●		●	●											
Swissair	●			●							●				●	●		●	●		●		●	●											
UTC	●														●	●								●											

Source: GGK

Grey Advertising

	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil*	Chile	Mexico	Peru	Puerto Rico*	Uruguay	Venezuela	Austria	Belgium	Denmark	France	Germany	Greece*	Italy	Netherlands	Norway	Portugal*	Spain	Sweden	Switzerland	UK		South Africa	Middle East*	Australia	Hong Kong	Japan	New Zealand	Philippines*	Singapore	Taiwan*	Thailand
AES		●										●			●			●			●		●	●											
Agfa-Gevaert					●												●				●			●											
Bankamerica	●	●	●		●	●	●		●	●	●	●	●	●	●	●	●	●	●		●	●	●	●			●	●	●	●	●	●	●	●	●
BAT														●	●	●	●				●					●									
Beecham	●	●			●	●		●						●	●	●	●				●		●	●		●				●					
Block Drug Co.	●	●		●		●				●	●	●	●	●	●	●	●	●		●	●	●	●	●		●			●	●	●		●		
Bristol-Myers	●							●																		●				●					
BSN Gervais Danone											●			●	●																				
Canada Dry	●	●			●					●																									
Canon	●	●												●												●		●							
Carter Wallace	●											●			●													●							
Ciba-Geigy		●			●		●		●	●								●																	
Combe		●										●						●																	
Corning												●		●				●																	
General Foods	●	●			●		●			●				●		●						●		●		●						●			
General Mills Toys	●										●	●		●	●		●	●			●			●		●									
BF Goodrich	●	●	●								●	●	●	●	●		●		●			●	●	●				●		●					
Hewlett Packard											●			●									●												
InterContinental Hotels	●	●								●	●	●		●	●	●		●			●		●	●				●	●						
Kroy	●	●												●							●			●				●							
Melitta											●	●	●	●	●			●				●	●	●											

(Continued from Page 46)

from sources outside France of $96 million—49.1% of total gross income of $195.5 million.

International business billing more than $3 million won in 1984 included Buitoni Foods and Meridien.

The network's top international exec is Bernard Brochand, general manager-exec vp, Eurocom Group.

In the accompanying chart, the client list is exclusive of accounts handled by HCM, listed separately in this report.#

Foote, Cone & Belding

Foote, Cone & Belding, Chicago, in 1984 had non-U.S. gross income of $71.7 million—26.7% of total gross income of $268.5 million.

FCB holds majority or maximum-allowable interest in 46 agencies, minority interest in 21 agencies and is affiliated with 35 agencies in which it holds no equity.

FCB's non-U.S. gross income in 1974 was $15.5 million—30.3% of total gross income of $51.2 million. By 1979, non-U.S. gross income reached $43.9 million—31.7% of total gross income of $138.5 million.

In 1984, FCB acquired 100% ownership in NCK Organization Ltd., with offices in Europe, Canada and the Caribbean (advertising). It acquired majority ownership in Siboney Group of Agencies, Latin America and New York (advertising), and minority ownership in Mainstream Advertising Ltd., Auckland; Basic Advertising, Manila; Shorter Pty. Ltd., Perth (advertising), and Partnership in Advertising & Marketing, Johannesburg.

International business billing more than $3 million won in 1984 included Motta (Italy), Iberia Airlines, ComputerLand, Gillette Co. (Europe), H.J. Heinz Co. soups (U.K.), Mazda (Canada), Rothmans (Australia) and ICI (Germany, Portugal).

Also added in 1984 were accounts with Matsushita, Monsanto Co. and Nestle Foods (Ecuador, Trinidad), gained with the acquisition of Siboney in Latin America.

Major international business lost by FCB included Cinzano (Greece, Italy, Spain, U.K.) and Unilever (Germany, Italy).

Top international executives: Norman Brown, president-ceo, FCB Communications; William Kiely, chairman, FCB/Europe; Emine Messiqua, president, FCB/Europe; Antonio Beja, president, FCB/Latin America/Pacific/South Africa, and exec vps Michael Woodward (Europe), James Tucker (Pacific) and Jose Manuel Cubas (Latin America).#

GGK

GGK, Basle, in 1984 had gross income from sources outside Switzerland of $27.5 million—86.8% of total gross income of $31.7 million.

GGK owns maximum allowable interest in 14 shops in 10 countries. New agencies added to the network in 1984 included GGK Paris, GGK Barcelona and GGK Madrid, all wholly owned.

Last year the network also added LPGP/GGK New York and GGK London, in which GGK owns a majority interest.

In 1974, GGK's non-Swiss gross income was $6.1 million—76.3% of total gross income of $8 million.

By 1979, international gross income was $17.5 million—81.4% of total gross income of $21.5 million. Major international business added in 1984 included Porsche Design ($3.2 million) and Henkel AG ($3 million).

Top international executives: Wolf Rogosky, president, GGK International; Gary Washer, GGK London (who in 1984 became international new business director), and Volkmar Gunther, GGK Duesseldorf, international financial director.#

Grey Advertising	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil*	Chile	Mexico	Peru	Puerto Rico*	Uruguay	Venezuela	Austria	Belgium	Denmark	France	Germany	Greece*	Italy	Netherlands	Norway	Portugal*	Spain	Sweden	Switzerland	UK	South Africa	Middle East*	Australia	Hong Kong	Japan	New Zealand	Philippines*	Singapore	Taiwan*	Thailand
Mennen	●	●								●	●				●				●			●		●							●			
Northwest Orient Airlines	●											●	●	●			●	●	●			●		●										
Pioneer											●	●		●	●		●	●	●		●	●	●	●										
Playtex International	●	●			●	●								●							●			●	●									
Procter & Gamble	●	●			●	●	●	●		●	●	●	●	●	●		●	●			●	●	●	●					●					
Remington Prods.	●	●								●												●					●	●	●	●			●	
Renault	●	●	●																															
Revlon	●	●		●	●		●		●	●		●		●	●	●	●	●			●	●		●	●		●	●	●	●		●	●	●
Seagram		●			●		●									●	●												●					
Shell			●	●								●	●							●					●					●				●
Simplicity		●										●												●	●		●			●				
STP	●	●																																●
3M	●									●					●						●								●					
Timex	●	●										●	●		●			●	●	●		●		●						●				
Warner Bros.	●	●										●					●	●				●		●										

* Non-equity affiliation. Source: Grey Advertising

Hakuhodo Inc.	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK*	South Africa	Middle East	Australia*	Hong Kong*	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Ajinomoto	●																													●	●			●
Bridgestone																								●						●				●
Canon	●																											●		●	●		●	
Citizen	●			●												●								●				●		●				
Japan Air Lines																								●						●	●		●	
KAO																														●	●		●	●
Matsushita																														●			●	●
Nippon Electric	●															●								●				●		●	●		●	●
Shiseido																●														●				●
Taisho																														●	●		●	
TEC	●															●														●				
Toshiba	●															●											●			●	●			

* Non-equity affiliation. Source: Hakuhodo Inc.

HCM	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden*	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Agfa-Gevaert																●						●		●											
Air France												●			●			●																	
Beatrice Food	●											●			●	●						●													
Beiersdorf												●			●				●				●												
BSN Gervais Danone	●											●			●	●		●				●													
Chanel															●	●		●																	
Damart															●			●				●													
Dow	●											●										●		●											
Dupont												●			●			●						●	●										
Flying Tigers	●											●			●	●									●										
Henkel															●				●			●													
Israeli Tourism	●											●			●	●		●	●		●				●										
Jacobs Suchard															●							●		●											
L'Oreal												●			●	●		●	●			●													
Meridien															●			●			●														
Pernod Ricard	●														●									●											
Peugeot/Talbot												●			●	●		●	●		●	●		●											
3M												●										●			●										

* Non-equity affiliation. Source: HCM

Kenyon & Eckhardt	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Trinidad	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland*	UK	South Africa	Middle East	Hong Kong	India	Japan	New Zealand	Philippines*	Singapore	Sri Lanka	Thailand
Bulgari	●													●									●											

Grey Advertising

Grey Advertising, New York, in 1984 had non-U.S. gross income of $99 million—39% of total gross income of $254.1 million.

The Grey network consists of 52 agencies in 27 countries including the U.S., plus 20 affiliated agencies.

In 1974, Grey's non-U.S. gross income was $25.9 million—37.5% of total gross income of $69 million. In 1979, non-U.S. gross income was $70.5 million—48.6% of total gross income of $145.1 million.

New agencies added in 1984 included Dalziel Harper & Grey, Melbourne; Mackay Dalziel Harper & Grey, Canberra; Casares, Grey & Asociados, Buenos Aires; Ideas y Hechos/Grey, Mexico City; CNP & Grey, Lima; ARC-Everetts International, London; Rafael Vegas, Caracas, and Grey Direct agencies in Brussels, Copenhagen, Geneva, Paris, Stockholm and Vienna.

Major international business gains in 1984 included Televideo Systems (Austria, Denmark, France, Germany, Japan, Netherlands, Norway, Sweden, Switzerland), Beecham (France, Mexico, Switzerland, U.K.), Intercontinental Hotels (Australia, Canada, France, Greece, Venezuela), General Mills Toys (Austria, Italy), Revlon (Hong Kong, Singapore, Taiwan) and Procter & Gamble Co. (Denmark).

Top international executives: Edward Meyer, chairman-president; Anthony Thurston, general manager-international and area directors Norman Vale (Europe, Africa, Middle East), Frank Clarke (Americas) and T. Bruce McDonald (Pacific).#

Hakuhodo Inc.

Hakuhodo Inc., Japan, had non-Japanese gross income in 1984 of $10.7 million—5.4% of total gross income of $198 million.

Hakuhodo holds majority or maximum-allowable interest in six agencies outside Japan and has affiliate (non-equity) relationships with seven.

In 1974, Hakuhodo's international gross income was $920,000—2.1% of total gross income of $43 million. By 1979, international gross income had reached $4.9 million—3.8% of total gross income of $127 million.

Major multinational clients listed on the accompanying chart, also listed in 1983, include Ajinomoto, Citizen, KAO and Nippon Electric.

The rest are either expanded or new accounts.

Top international execs: Michitaka Kondo, chairman-ceo; Ritsuo Isobe, president.#

HCM

HCM, New York, created by the September merger of the Paris-based agency Havas Conseil part of the Eurocom network, with Young & Rubicam's New York-based Marsteller, in 1984 had non-U.S. gross income of $41 million, 54.4% of total gross income of $75.3 million.

Havas Conseil accounted for the bulk of international billings.

HCM holds majority or maximum-allowable stock in all its 18 agencies.

For comparison purposes, combined non-U.S. gross income for Havas Conseil and Marsteller in 1974 would have been $15.8 million—49.1% of total gross income of $32.2 million. In 1979, non-U.S. gross income would have totaled $27.8 million—42.4% of total gross income of $65.6 million.

Y&R and Eurocom are listed separately in this report, and accounts held by HCM are not included in the account listings of those agencies.

International business billing more than $3 million won in 1984 included Jacobs Suchard, N.V. Philips, BSN Gervais Danone and Meridien.

Top international executives: Rob-

(Continued on Page 50)

Kenyon & Eckhardt	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Trinidad	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland*	UK	South Africa	Middle East	Hong Kong	India	Japan	New Zealand	Philippines*	Singapore	Sri Lanka	Thailand
Chrysler	●	●					●		●																	●								
Gulf Air															●	●								●		●		●			●		●	●
Helena Rubinstein							●			●					●	●		●						●								●		
Holiday Inns	●																							●								●		

* Non-equity affiliation. Source: Kenyon & Eckhardt

Ketchum International	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada*	Argentina*	Brazil*	Chile	Colombia	Mexico	Peru	Puerto Rico*	Venezuela*	Austria	Belgium*	Denmark*	Finland	France	Germany	Greece*	Italy*	Netherlands*	Norway	Portugal	Spain*	Sweden*	Switzerland*	UK	South Africa*	Middle East	Australia*	Hong Kong	Indonesia	Japan	Malaysia	New Zealand*	Singapore	Thailand*
Bank of America	●			●																									●		●				
BWIA International	●															●									●						●				
Commonwealth of PA	●														●	●									●				●		●				
PPG Industries	●	●													●										●						●				
Westinghouse Electric	●			●												●									●			●	●		●			●	

* Non-equity affiliation. Source: Ketchum International

Marschalk Campbell-Ewald Worldwide	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Coca-Cola	●						●					●				●			●							●									
Eastern Airlines	●						●																		●										
General Motors	●	●										●						●							●	●									
Henkel		●									●	●			●	●		●	●																
IDV/Gilbeys		●																								●		●							
Nestle							●								●	●																			
RJR/Heublein	●						●											●	●						●										
Rothmans												●													●			●							
Unilever												●			●										●										

Source: Marschalk Campbell-Ewald Worldwide

McCann-Erickson Worldwide	Americas										Europe																		Asia, Pacific						
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Uruguay	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	Kenya	South Africa	Middle East*	Australia	Hong Kong	Japan	New Zealand	Philippines	Singapore	Thailand
Amex	●	●									●					●	●							●							●		●		
American Home Products		●		●		●		●								●							●		●		●						●	●	●
Bayer/Miles	●		●			●	●				●				●						●				●	●					●			●	●
Beatrice	●	●		●		●		●		●																									
Black & Decker			●	●			●				●	●		●	●	●		●		●	●	●	●	●	●							●			
Carnation											●				●		●	●						●							●				
Casio				●	●	●		●	●	●																				●	●		●		
Chesebrough-Pond's																		●			●	●				●									
Coca-Cola	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●
CPC												●						●	●									●							
Del Monte	●	●					●			●	●	●	●	●	●	●			●	●			●		●					●	●		●	●	
Dow Chemical			●		●	●				●																			●						
Eastman Kodak	●	●					●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●				●	●		●	●	●
Exxon/Esso	●		●	●	●		●		●		●	●	●	●	●	●	●	●	●	●	●	●		●	●	●				●	●				
Federal Express												●			●	●		●	●						●					●	●			●	
General Motors	●		●	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●				●	●		●		●	●	
Gillette	●				●	●	●	●	●	●					●			●				●								●	●	●	●	●	●
Goodyear			●	●	●	●	●	●		●	●		●		●	●	●	●	●		●		●	●	●				●	●	●		●	●	●
Henkel				●			●				●	●			●	●		●	●			●					●	●							
Heublein	●				●																							●			●		●	●	●
ICI															●				●						●				●						
Intergold	●															●		●				●								●	●	●			
ITT					●															●	●														
Johnson & Johnson	●	●	●				●	●		●				●						●						●			●		●		●	●	
S.C. Johnson										●							●											●							
Kuwait Air													●		●		●	●	●					●									●		●
Levi Strauss	●	●										●		●	●	●		●	●			●		●					●	●	●	●	●	●	●

(Continued from Page 48)

ert Schmetterer, ceo; Louis Magnani, president-USA; Alan de Pouzilhac, president-Europe, and exec vps M. Drazen, Dale Landsman, Thomas Sharp, Milton Lynnes, Bert Rosenberg.#

Kenyon & Eckhardt

Kenyon & Eckhardt, New York, in 1984 had non-U.S. gross income of $15.1 million, 26.7% of total gross income of $56.4 million. Non-U.S. billings were $101.1 million, 26.9% of total billings of $376.2 million.

K&E holds majority or maximum-allowable stock in 12 agencies, minority interest in 16 agencies and is affiliated with 17 agencies in which it holds no equity. In 1984, K&E de Espana, Madrid was added. In 1974, non-U.S. gross income was $12.6 million—45.7% of total gross income of $27.6 million. By 1979, non-U.S. gross income was $15.8 million—32.1% of total gross income of $49.2 million.

In 1984, the network added Holiday Inns (U.K.) and lost the Puerto Rico Industrial Development account (France, Puerto Rico, Spain, U.S.).

Top international executives: Leo-Arthur Kelmenson, chairman-ceo; Murray Smith, exec vp; Peter Handley, senior vp-area director, Europe; Michael Anderson, senior vp-area director, Asia/Pacific; Andre de Louckx, senior vp-area director, Latin America/Caribbean; Shawki Safieddine, vp-area director, Middle East, and Michael Sampietro, senior vp-international financial controller.#

Ketchum International

Ketchum International, Pittsburgh, had non-U.S. gross income of $7.8 million, or 12.8% of total gross income of $60.9 million in 1984.

Ketchum owns majority or maximum-allowable interest in three non-U.S. agencies and minority interest in three. In 1984, the agency added AAP Ketchum in London. Ketchum also is affiliated with 40 agencies in which it holds no equity.

In 1974, non-U.S. gross income was $5.4 million—23.8% of total gross income of $22.8 million. By 1979, non-U.S. gross income had dipped to $5 million—14.1% of total gross income of $35.6 million.

The network added Miller Brewing's Lite beer (Japan) as a client in 1984; it lost Rockwell International and Caesar's Boardwalk Regency.

The company's top international executive is Thomas Smith, president of Ketchum International, who moved in 1984 from president of Ketchum Advertising, Pittsburgh. He replaced Joseph Coogle, now exec-vp of Ketchum Communications, the parent company.#

Marschalk Campbell-Ewald Worldwide

Marschalk Campbell-Ewald Worldwide, New York, in 1984 had non-U.S. gross income of $28.1 million, 20% of total gross income of $140.3 million.

MCE holds majority or maximum-allowable interest in 23 agencies, minority interest in 18 agencies and is affiliated with 11 agencies in which it holds no equity. In 1984, Pirella Goettsche in Italy was added to the network as a wholly owned agency.

MCE was a 1980 combination of Marschalk and Campbell-Ewald Co.

For comparison purposes, the combined business of the two agencies in 1974 would have totaled estimated gross income of $26.8 million—all in the U.S. By 1979, non-U.S. gross income would have totaled $44.7 million—44.3% of total gross income of $100.9 million.

Major international business won in 1984 included new assignments for Coca-Cola Co. (Mexico, Netherlands,

(Continued on Page 54)

McCann-Erickson Worldwide	Americas										Europe																		Asia, Pacific						
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Uruguay	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	Kenya	South Africa	Middle East*	Australia	Hong Kong	Japan	New Zealand	Philippines	Singapore	Thailand
L'Oreal	●		●	●	●	●	●		●	●	●	●		●	●	●	●	●	●	●		●	●				●	●		●	●			●	●
Lockheed	●			●			●						●		●						●				●			●	●		●	●			
Lufthansa	●	●		●		●	●	●		●		●	●		●	●		●				●				●					●				
Martini & Rossi	●	●		●		●	●		●	●	●	●	●			●		●	●		●	●		●	●				●			●	●		
Nabisco		●														●		●			●		●		●				●	●	●		●	●	
Nestle	●			●	●		●	●	●	●	●	●				●		●			●	●		●	●	●		●	●	●	●	●	●		●
Philips					●																●												●		
Quaker Oats				●		●	●									●													●				●		
Reckitt & Colman																											●		●			●		●	
R.J. Reynolds	●	●	●	●	●		●					●	●	●	●	●	●	●	●	●		●	●	●	●	●	●		●	●	●			●	
Richardson-Vicks				●						●																					●		●		
Texas Instruments	●	●		●			●				●	●	●	●	●	●		●	●	●	●	●	●	●					●	●			●		
Unilever	●	●		●		●	●				●	●	●	●		●	●	●	●		●	●		●	●	●	●				●		●		
Union Carbide				●						●		●														●		●							
Warner-Lambert																●									●	●									

* Non-equity affiliation. Source: McCann-Erickson Worldwide

Needham Harper Worldwide	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong	Japan*	Malaysia	New Zealand	Singapore	Taiwan	Thailand
BAT																●						●								●				
Boots Drugs																			●								●	●		●		●	●	●
Fortune Magazine	●															●		●						●				●	●					
Honda	●	●																			●								●					
McDonald's	●										●					●			●		●		●				●	●			●	●	●	●
Ramada Inns	●	●														●																		
Sara Lee																											●	●				●		
G.D. Searle	●																										●				●			
Wrigley Co.	●																										●				●	●		
Xerox	●	●									●					●			●			●					●				●			

* Non-equity affiliation. Source: Needham Harper Worldwide.

Ogilvy & Mather	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Ecuador*	Mexico	Uruguay*	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Ireland	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Kenya	Australia	Hong Kong	India	Japan	Malaysia	New Zealand	Singapore	Thailand
Air Canada		●									●	●	●		●	●		●					●	●	●	●	●		●				●	●
Alfred Benzon												●	●	●					●															
American Cyanamid	●													●													●	●						●
American Express	●	●	●	●	●		●	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●		●	●		●
Avon	●	●	●	●				●		●	●	●			●	●		●	●		●			●			●				●	●		●
BAT	●		●	●	●			●	●			●				●	●		●	●						●		●						
Bayer/Miles																		●										●	●		●		●	
Beecham				●				●		●			●		●	●	●	●	●		●		●	●	●		●	●	●	●	●			●
Beiersdorf											●	●				●			●				●											
British Tourist	●	●	●	●				●			●	●	●	●	●	●		●	●	●	●	●		●	●		●	●				●	●	●
Chesebrough-Pond's	●		●	●		●				●				●													●	●	●				●	●
Ciba-Geigy	●	●		●					●							●					●												●	●
Duracell		●		●																			●					●					●	
Ford													●										●	●				●	●					
General Foods	●	●	●	●				●			●		●		●	●	●		●			●						●	●		●		●	●
Guinness	●														●	●	●	●					●	●			●	●	●	●	●	●	●	●
Hunter Douglas																●			●						●			●					●	
IBM																●			●		●			●	●		●							
Johnson & Johnson		●					●																				●		●			●		●
Kimberly-Clark	●	●						●							●									●				●			●			●
Korean Air	●							●			●				●								●	●			●	●					●	●
Mattel	●	●					●	●				●			●	●		●	●		●		●		●		●	●			●		●	
Mercedes Benz			●	●							●				●	●				●						●					●			
Nestle					●												●	●					●		●		●				●			
Oce Industries											●	●	●		●	●		●	●	●	●	●		●				●					●	
Parker	●	●	●	●	●	●		●			●	●	●	●	●	●		●	●	●	●	●	●	●	●		●	●		●		●	●	●

(Continued from Page 50)

South Africa) and for Henkel AG (Canada, Germany, South Africa, Spain). Major losses included Goodyear Tire & Rubber Co., N.V. Philips and R.J. Reynolds Industries/Heublein (Belgium, France, Germany).

Top international executives: Richard O'Connor, chairman-ceo, MCE Worldwide; Lester Delano, president-chief operating officer, MCE Worldwide, and Edward Palevich, exec vp-international.#

McCann-Erickson Worldwide

McCann-Erickson Worldwide, New York, had non-U.S. gross income in 1984 of $206.7 million, 63.5% of total gross income of $325.2 million.

McCann-Erickson owns majority or maximum-allowable stock in 90 agencies and is affiliated with 22 agencies. In 1984, McCann added two wholly owned agencies, Clarin in Madrid and de Villiers in Johannesburg, while McCann-Erickson/Zambia in Lusaka was sold to Young & Rubicam.

In 1974, non-U.S. gross income was $73.6 million—69.9% of total gross income of $105.4 million. By 1979, non-U.S. gross income reached $180.9 million—72.3% of total gross income of $250.4 million.

Clients represented in 20 or more countries by McCann (which has equity in agencies in more countries than listed on the accompanying chart) include: Coca-Cola Co. (47), Del Monte (20), Exxon/Esso (34), General Motors (32), Gillette Co. (28), Goodyear Tire & Rubber Co. (32), Johnson & Johnson (22), Eastman Kodak Co. (27), L'Oreal (35), Martini & Rossi (24), Nestle Foods (29), R.J. Reynolds Industries (29), Texas Instruments (21) and Unilever (23).

Some clients that met Ad Age's criteria were not included because they are clients in countries not listed: Bata Shoe (4 countries), Beiersdorf (5), Du Pont (4), General Electric (3), IBM (4) and Swift & Co. (3).

In 1984, the network won new international business from Eastman Kodak, Martini & Rossi, R.J. Reynolds, Unilever, American Express, Goodyear, Tissot, General Motors, Heublein, Coca-Cola, Black & Decker and Federal Express.

Top international execs: Bill Mackey, chairman; Bob James, ceo; John Bergin, Barry Day and J. McNamara, vice-chairmen. Exec vps: Gianni Cottardo and Jerry Shively (Europe), Michael Ferrier (Europe/Africa), Jens Olesen (Latin America) and Max Cusnir (Asia/Pacific).#

Needham Harper Worldwide

Needham Harper Worldwide, New York, had non-U.S. gross income in 1984 of $18 million, 15.6% of total gross income of $114.7 million.

Needham owns majority or maximum-allowable interest in five agencies, minority interest in 17 agencies and is affiliated with one agency in which it holds no equity. In 1984, Needham purchased minority ownership in Perceptum Needham in Stockholm. Needham's international business has decreased as a percentage of its over-all business. In 1974, Needham's non-U.S. gross income was $7.1 million—23% of the agency's total gross income of $30.6 million. In 1979, non-U.S. gross income was $9.4 million—18.6% of total gross income of $50.4 million.

Major international business added in 1984 included *Fortune*, McDonald's (Thailand, Taiwan), Boots Co.'s cough remedies (Netherlands, Taiwan, Malaysia) and B.A.T. (Sweden). Losses included G.D. Searle & Co. (U.K.).

Top international executives include John Bradstock, president, and Norval B. Stephens Jr., exec vp.#

Ogilvy & Mather	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Ecuador*	Mexico	Uruguay*	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Ireland	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Kenya	Australia	Hong Kong	India	Japan	Malaysia	New Zealand	Singapore	Thailand
PepsiCo				●										●						●		●	●			●					●		●	●
N.V. Philips			●	●				●	●				●	●		●			●	●	●	●		●				●	●		●	●	●	●
Richardson-Vicks	●										●				●	●					●	●			●			●	●		●		●	
Seagram	●	●		●			●			●		●			●			●			●		●	●	●		●	●				●	●	
G.D. Searle	●	●						●		●			●											●										
Shell	●	●	●	●	●			●		●	●	●		●		●			●	●	●	●	●	●		●	●				●	●	●	●
TWA	●										●				●	●		●	●		●		●					●						
Unilever	●	●	●	●	●	●	●	●			●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●
Warner-Lambert																			●											●		●	●
Wagner Spray Tech	●	●										●	●		●	●			●				●				●							

* Non-equity affiliation. Source: Ogilvy & Mather International.

Publicis International	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Air France													●		●	●							●	●											
Boursin												●			●	●			●					●											
Dim	●											●	●		●			●	●		●	●	●	●	●										
Europ-Assistance												●			●							●													
Europcar												●			●	●		●	●		●	●		●	●										
European Parliament												●	●		●	●		●	●						●										
Henkel											●	●			●	●			●																
L'Oreal	●										●	●	●		●	●		●	●		●	●	●		●										
Nestle											●	●			●				●					●											
N.V. Philips															●				●		●		●	●	●										
Renault											●	●			●	●			●		●		●	●	●										
Waterman												●			●	●		●	●			●			●										

Source: Publicis International

Roux, Seguela, Cayzac & Goudard	Americas										Europe																			Asia, Pacific				
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Spain	Sweden	Switzerland	UK	Ivory Coast	Gabon	Lebanon	Saudi Arabia	Guadeloupe	Martinique	Reunion	Australia	Hong Kong	Indonesia	Japan	Malaysia
Apricot Computer	●													●	●						●												
Berlitz												●		●	●						●												
Browning												●		●		●					●												
Citroen														●	●	●	●	●		●	●												
Colgate-Palmolive																						●	●			●							
Jacobs Suchard												●		●	●			●		●													
Labo Valda												●				●		●															
Philip Morris												●		●	●	●	●			●					●								
Redoute												●		●								●		●									
Richardson-Vicks																						●	●			●	●	●					

Source: Roux, Seguela, Cayzac & Goudard

Saatchi & Saatchi Compton Worldwide	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada*	Brazil*	Chile*	Colombia*	Mexico	Peru*	Puerto Rico	Venezuela	West Indies	Austria	Belgium*	Denmark	Finland*	France	Germany	Greece	Ireland	Italy	Netherlands	Norway*	Spain	Switzerland*	UK	South Africa*	Middle East*	Australia	Hong Kong	India*	Japan*	Malaysia	Philippines	Singapore	Thailand*
Allied Lyons	●		●							●	●									●				●					●		●			
American Motors	●				●											●			●				●											
American Home Products	●									●		●																●						
Avis			●												●				●		●		●	●										
British Airways	●	●	●		●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●
BSN Gervais Danone	●					●									●	●			●					●										
Campbell Soup											●			●										●										
Chesebrough-Pond's	●	●								●				●	●																			
Cadbury Schweppes									●	●										●				●										
Citicorp	●											●								●				●								●		
Cunard	●	●																						●										

Ogilvy & Mather

Ogilvy & Mather International, New York (now Ogilvy & Mather Worldwide), in 1984 had non-U.S. gross income of $136.7 million—37.6% of total gross income of $363.3 million.

O&M owns majority or maximum-allowable stock in 96 agencies, minority interest in 32 agencies and is affiliated with 16 agencies.

In 1974, non-U.S. gross income was $49 million—59% of total gross income of $83.3 million. In 1979, non-U.S. gross income was $96.7 million—52% of the total ($186.9 million).

Agencies added to the network in 1984 included Wilson Hartnell in Dublin (majority interest); O&M K.K., Tokyo (100%); O&M, Rightford, Searle-Tripp Makin in Johannesburg (minority); Reklam Moran A.S., Istanbul (associate); Northcote Asociados in Santiago (minority); Dougherty (100%) and Weston Communications, Sydney (100%), and Trenear-Harvey, Bird & Watson, London (100%).

International business won in 1984 included American Express (Spain, Switzerland), Avon Products (Australia, Spain, Venezuela), B.A.T. (Germany), Beecham (Japan), Duracell Inc. (Brazil, Canada, Hong Kong, Singapore, Taiwan), General Foods (Mexico), Guinness (worldwide), Kimberly-Clark (U.K.), Mattel (Belgium, Ecuador, Hong Kong, Indonesia, Malaysia, Netherlands, Singapore, Switzerland, Taiwan), PepsiCo (Brazil, Singapore), N.V. Philips (Finland, Germany, Norway, Sweden, Uruguay, U.K.), Richardson-Vicks (Sweden, Switzerland), G.D. Searle & Co. (U.K.), Shell Oil Co. (Korea, Mexico, Spain, Switzerland, Thailand), Trans World Airlines (Switzerland) and Wagner Spray Tech (worldwide).

Clients represented in 20 or more countries by O&M include: American Express (30 countries), Beecham (21), British Tourist Authority (23), General Foods (20), Parker Pen (30), Shell (26) and Unilever (32).

Top international execs: William Phillips, chairman; Ken Roman, president; Michael Ball, vice-chairman, worldwide development; Michael Baulk, managing director, London, and Norman Berry, president, O&M New York.

O&M restricted its chart list to clients served in five or more countries. (Alfred Benzon, listed in only four countries, also is carried in Greece.)#

Publicis International

Publicis International, Paris, had 1984 gross income from sources outside France of $35.4 million—45.2% of total gross income of $78.3 million.

Publicis owns majority or maximum-allowable stock in 23 agencies, minority interest in two agencies and is affiliated with two agencies in which it holds no equity.

In 1979, non-French gross income was estimated at $29.9 million—40% of total gross income of $74.8 million. By 1983, non-French gross income was $27.1 million—33% of total gross income of $82.1 million.

In 1984, Publicis won business billing more than $3 million in new assignments from L'Oreal.

Top international execs: Claude Marcus, chairman; Gerard Pedraglio, vice-chairman; Michael Conroy, chairman of McCormick Publicis, regional director (U.K., Netherlands), and Karl-Heinz Langhans, chairman of Publicis Intermarco-Farner, regional director (Germany, Scandinavia).#

Roux, Seguela, Cayzac & Goudard

Roux, Seguela, Cayzac & Goudard, Paris, had gross income of $13.6 million from sources outside France in 1984—36.3% of total gross income of $37.5 million.

(Continued on Page 58)

Saatchi & Saatchi Compton Worldwide	Americas										Europe																Asia, Pacific							
Clients:	United States	Canada*	Brazil*	Chile*	Colombia*	Mexico	Peru*	Puerto Rico	Venezuela	West Indies	Austria	Belgium*	Denmark	Finland*	France	Germany	Greece	Ireland	Italy	Netherlands	Norway*	Spain	Switzerland*	UK	South Africa*	Middle East*	Australia	Hong Kong	India*	Japan*	Malaysia	Philippines	Singapore	Thailand*
Dupont	●														●	●								●										
Eastman Kodak	●																	●								●								
Gallaher		●								●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●						
Gillette														●	●	●			●			●	●	●		●								
IBM	●									●					●				●			●		●										
Jacobs Interfood			●										●	●	●	●						●	●											
Johnson & Johnson	●				●	●		●							●	●	●					●				●						●		
Massey-Ferguson											●			●	●			●	●					●										
Nabisco		●						●		●									●	●		●					●							
National Panasonic										●		●																			●		●	
Nestle		●					●				●	●		●	●	●		●						●			●					●		
Nissan							●																	●		●							●	
Procter & Gamble	●		●				●	●		●	●	●		●	●	●	●	●	●	●		●	●	●		●		●			●	●	●	●
PepsiCo								●	●	●																								
N.V. Philips	●	●			●						●			●					●	●	●													
Playtex	●							●				●				●			●		●		●				●							
Pirelli	●											●													●						●			
Revlon	●									●			●		●							●			●	●		●			●	●	●	
Richardson-Vicks								●		●				●													●							
Rowntree Mackintosh		●								●								●	●					●		●								
Reckitt & Colman									●														●			●	●							
Thorn EMI	●																	●						●										
Trust House Forte	●										●	●	●	●	●	●	●	●	●	●	●	●	●	●										
United Biscuits			●															●						●								●		
Wander Foods											●	●				●			●	●		●	●					●						
Wrangler												●	●		●	●			●	●														
Xerox	●			●			●			●																								

* Non-equity affiliation. Source: Saatchi & Saatchi Compton Worldwide

Scali, McCabe, Sloves	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Hertz	●	●																										●							
Volvo	●	●																							●										

Source: Scali, McCabe, Sloves.

SSC&B:Lintas	Americas								Europe																	Asia, Pacific									
Clients:	United States	Canada	Argentina	Brazil	Chile	Mexico	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Zimbabwe	Australia	Hong Kong	India	Indonesia	Japan	Malaysia	New Zealand	Philippines	Singapore	Thailand
Bahlsen									●				●	●									●												
Bausch & Lomb											●				●	●	●			●															
Canon																							●				●	●			●			●	
Carnation	●					●	●			●				●									●				●				●		●	●	●
Chefaro				●					●	●		●	●		●	●	●	●	●		●	●				●									
Citicorp	●					●			●						●	●				●				●			●	●	●		●	●		●	●
Citizen watches																				●			●				●	●							
Coca-Cola	●	●			●	●												●								●						●			●
Datapoint		●		●						●			●	●		●	●			●	●	●				●						●			
Dr. Scholl's										●							●		●	●															
ICI																											●		●		●			●	●
Japan Air Lines										●			●	●		●	●						●												
Johnson & Johnson	●			●					●					●	●				●	●		●	●	●	●			●			●		●		●
Molnlycke										●	●	●					●	●			●														
Noxell	●	●					●						●				●									●									
N.V. Philips			●	●		●		●	●		●	●	●	●				●			●				●		●					●		●	
Reckitt & Colman/Airwick		●		●															●					●				●							
Remy Martin														●						●			●							●			●		●
Rowntree-Mackintosh									●	●	●	●	●	●	●	●	●	●	●	●	●	●		●			●							●	●
SEB/Tefal										●	●		●			●	●																		
Unilever	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Source: SSC&B:Lintas

(Continued from Page 56)

RSC&G owns majority or maximum-allowable stock in 16 agencies. In 1984, agencies added to the network included RSCG Butter, Rang, Duesseldorf; Cash RSCG, Zurich; RSCG Orientation, Jeddah, and RSCG Publicara, Martinique.

RSC&G did not begin to form an international network until the 1980s. In 1978 the agency had gross income of $12.1 million. By 1983, non-French business had reached gross income of $12.5 million—35.1% of total gross income of $35.6 million.

International accounts billing more than $3 million won in 1984 included Apricot Computer and Philip Morris.

Top international execs include: Jean Michel Goudard, president, RSC&G International, and Philippe Leguay, international director.#

Saatchi & Saatchi Compton Worldwide

Saatchi & Saatchi Compton Worldwide, London, had a 1984 non-U.K. gross income of $255.5 million—75.7% of total gross income of $337.5 million.

In 1983, the agency had non-U.K. gross income of $187.4 million—73.9% of total gross income of $253.4 million.

The Saatchi network consists of 80 agencies in 46 countries. New agencies added to the network in 1984 included Cochrane Chase, Livingston in Newport Beach, Cal. (advertising); Yankelovich, Skelly and White, New York (market research); McBer & Co., Boston (market research); Kleid Co., New York (direct marketing); Rowland Co., New York (public relations); Hay Group, Philadelphia (management consultancy); Siegal & Gale, New York (design and corporate identity), and Howard Marlboro, New York (sales promotion).

International billings over $3 million won in 1984 included Procter & Gamble (12 countries), International Playtex (U.S., Australia, Puerto Rico, Belgium), Citicorp, Gillette Co., Nestle Foods (Austria, Belgium, France, Finland, Ireland, Peru, U.K.), Johnson & Johnson (Colombia, Greece, Mexico, Puerto Rico, Spain), Trust House Forte, American Home Products and Reckitt & Colman. Accounts lost include Pfizer (Argentina, Netherlands) and Black & Decker.

Top international executives: O. Milton Gossett, chairman-ceo; Robert Jordan, chairman, New York; Ed Wax, ceo-president, New York; James Adler, director-international; Alban Lloyd, chairman-Europe, and Roderick More, chairman-Far East.#

Scali, McCabe, Sloves

Scali, McCabe, Sloves, New York, part of the Ogilvy Group, in 1984 had non-U.S. gross income of $14 million, 31.4% of total gross income of $44.6 million.

Scali owns majority or maximum-allowable interest in six agencies and minority interest in one.

In 1974, non-U.S. gross income was estimated at $259,500—7.6% of total gross income of $3.4 million. By 1979, non-U.S. gross income was $2.9 million—16.2% of total gross income of $17.7 million.

The agency in 1984 won no multinational accounts billing more than $3 million. It lost Sperry (Australia, Mexico, U.K., U.S.).

The network's top international executive is Marvin Sloves, chairman-ceo.#

SSC&B:Lintas

SSC&B:Lintas, New York, had 1984 non-U.S. gross income of $120.7 million—66% of total gross income of $182.9 million.

(Continued on Page 59)

TBWA Advertising	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada*	Argentina	Brazil	Chile	Colombia	Mexico	Peru	Puerto Rico	Venezuela	Austria*	Belgium	Denmark*	Finland	France	Germany	Greece	Italy	Netherlands	Norway*	Portugal	Spain	Sweden*	Switzerland	UK	South Africa*	Middle East	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
American Airlines															●	●		●																	
Barilla												●			●	●								●	●										
BSN Gervais Danone	●											●			●	●								●	●										
Bull Computers											●				●	●			●																
CPC Intl.																●		●	●																
Dunlop											●					●									●										
Evian	●																							●	●										
French Govt. Ag. Board	●														●	●																			
Grand Marnier	●															●			●																
Grand Met-IDV	●																		●						●										
Henkel											●	●			●	●		●	●			●													
Johnson & Johnson																		●						●	●										
Lego													●		●										●										
L'Oreal																		●				●		●											
Monsanto	●														●	●									●										
Philip Morris												●			●	●			●																
Ralston Purina	●														●	●		●				●													
Samsonite	●										●	●	●		●	●		●	●	●		●	●	●	●	●									
Volvo Corporate	●	●		●											●	●		●	●			●	●	●	●	●		●			●				

* Non-equity affiliation. Source: TBWA Advertising.

J. Walter Thompson	Americas										Europe															Asia, Pacific								
Clients:	United States	Canada	Argentina	Brazil	Chile	Mexico	Peru	Puerto Rico	Uruguay	Venezuela	Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Australia	Hong Kong	India*	Indonesia	Japan	Malaysia	New Zealand	Philippines	Singapore
American Home Products															●								●	●										
Abbott	●	●								●					●	●								●										
Allied Breweries	●																				●			●						●				●
Bacardi						●						●	●		●	●		●			●			●						●				
Beatrice Foods	●		●					●																		●								
Beecham					●																●			●	●			●					●	
Benetton	●	●									●	●	●		●		●	●					●	●										
Burger King	●	●								●				●	●					●	●		●	●		●	●				●			●
Campari												●			●				●															
CBS Electronics											●	●				●		●				●	●											
Champion	●	●	●			●	●	●	●	●				●								●	●			●				●		●	●	●
Chesebrough Pond's					●		●			●																		●						
Coats Paton			●		●		●			●																●					●			
Commodore											●	●	●		●			●				●	●									●		
CPC International											●									●	●												●	
DeBeers		●		●		●					●	●		●	●		●	●	●	●	●	●	●	●	●	●				●				
Dunlop	●						●																	●				●						
Eaton	●		●	●		●						●		●			●	●				●	●	●										
Eli Lilly	●	●	●		●													●				●		●										
Ford	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●			●	●	●							●				
Garrett (Signal)	●		●						●					●	●																			
Gerber	●					●		●								●														●				
Glaxo Holdings															●													●		●			●	
Goodyear	●	●			●																													
Hoechst															●		●							●										
Hyatt	●					●																					●		●	●	●	●		●
IBM		●			●																						●		●	●	●		●	●
ICL											●		●	●										●	●	●	●							
International Spike												●	●		●			●					●							●				
Intl. Wool Secretariat																											●			●	●			
Jacobs		●									●	●		●	●		●						●											
Johnson & Johnson					●	●				●																	●							
S.C. Johnson	●		●	●	●	●		●	●	●	●				●		●	●													●		●	●
Kellogg	●	●	●	●		●				●	●	●		●	●	●	●	●		●	●		●	●	●	●				●	●	●		
Kodak	●		●	●	●	●	●	●	●	●		●				●	●	●			●	●			●	●		●	●	●		●		
Kraft	●	●		●	●	●		●		●		●	●	●		●	●				●	●	●	●	●	●	●				●	●	●	
Lufthansa																											●		●		●		●	●
Malaysian Airline														●	●		●	●					●	●		●	●		●		●	●	●	
McDonnell Douglas	●	●	●	●	●	●			●	●	●	●		●	●	●	●	●			●	●	●	●		●	●		●	●	●			●

(Continued from Page 58)

SSC&B holds majority or maximum-allowable interest in 59 agencies, minority interest in four and is affiliated with 15 agencies in which it holds no equity.

In 1974, non-U.S. gross income was $59.4 million—70% of estimated total gross income. By 1979, non-U.S. gross income had grown to $119.8 million—78.2% of total gross income of $153.2 million.

SSC&B:Lintas, part of the Interpublic Group of Cos., won major international business in 1984 from Coca-Cola Co. ($23 million), Unilever ($17.8 million), Remy Martin ($10.3 million) and Johnson & Johnson ($7.2 million).

Top international executives include: Ken Robbins, ceo-international division; David Croisdale-Appleby, London, operations director and regional director-Scandinavia and Southern Africa; Philippe Charmet, Paris, chairman-European coordination group and regional director for France, Italy, Spain, Portugal and Greece.#

TBWA Advertising

TBWA Advertising, New York, in 1984 had non-U.S. gross income of $29.6 million, 73.1% of total gross income of $40.5 million.

The network consists of 12 agencies in nine countries, and TBWA owns majority or maximum-allowable stock in all 12 shops. The agency also is affiliated with seven agencies in which it holds no equity.

In 1974, the network had gross income of $5.7 million—all non-U.S. By 1979, non-U.S. gross income was $20.1 million—89.9% of total gross income of $22.4 million.

In 1984, TBWA added major international business with American Airlines ($3 million in billings), Bull Computers ($15 million), Henkel AG (Austria, Germany, Netherlands, Spain—$10 million), Monsanto Co. ($5 million), Ralston Purina Co. ($4 million) and Volvo corporate ($10 million).

The network lost accounts with Cartier, Certina Watches, Mohawk Data Science and Singapore Airlines.

Top international executives: William Tragos, chairman-ceo; Claude Bonnange, co-founder, marketing research; Uli Wiesendanger, co-founder, creative; Paolo Ajroldi, co-founder, account management; Richard Costello, president, U.S.; Martin Denny, chairman, U.K., and managing directors Mike Camesasca (Germany, Switzerland), Alberto Levi (Italy), Jean-Francois Minne (France) and Roland van Kralingen (Netherlands).#

J. Walter Thompson Co.

J. Walter Thompson Co., New York, in 1984 had non-U.S. gross income of $187.6 million, 46.2% of total gross income of $405.8 million. Non-U.S. billings were $1.25 billion, 46.1% of total billings of $2.7 billion.

JWT consists of 135 advertising agencies in 40 countries, along with 21 branch offices and 42 related company offices for a total of 198 offices in 41 countries. JWT holds majority stock in 75 of the agencies.

In 1974, non-U.S. gross income was $69.9 million—53% of total gross income of $130.1 million. Non-U.S. billings were $466 million compared with total billings of $867.5 million. In 1979, non-U.S. gross income had grown to $135.7, or 53.4% of total gross income of $253.9 million. Non-U.S. billings were $905 million compared with total billings of $1.7 billion.

Major international business won in 1984 included Benetton (Austria, Belgium, Netherlands, Spain, Switzerland, U.K.), IBM (Hong Kong, Indonesia, Japan, Philippines, Thailand), Warner-Lambert Co. (Belgium, France, Netherlands, Portugal), Com-

(Continued on Page 60)

J. Walter Thompson	Americas										Europe																Asia, Pacific								
Clients:	United States	Canada	Argentina	Brazil	Chile	Mexico	Peru	Puerto Rico	Uruguay	Venezuela	Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK		South Africa	Australia	Hong Kong	India*	Indonesia	Japan	Malaysia	New Zealand	Philippines	Singapore
Monroe (Tenneco)	●													●	●																				
Nabisco Brands	●	●	●	●		●	●		●	●																●							●		
Nestle	●			●	●	●	●	●				●		●	●			●		●	●			●			●	●	●			●			●
Northern Telecom	●	●																						●							●				●
Oscar Mayer (GF)	●	●						●		●											●														
PepsiCo	●	●	●	●	●	●				●		●			●	●				●	●			●				●			●			●	
Philips				●	●		●			●		●			●	●		●								●	●		●		●				
R.J. Reynolds		●		●		●	●	●				●			●	●					●		●					●		●	●	●			
Reader's Digest	●	●	●							●		●										●				●			●					●	
Reckitt & Colman								●				●				●										●	●								
Remy Martin		●				●								●																					
Richardson-Vicks							●				●			●	●	●						●												●	
Rolex	●	●	●	●	●	●			●	●	●	●	●	●	●		●	●	●	●	●	●	●	●			●	●			●		●	●	
Rowntree-Mackintosh	●														●									●			●			●					
Scott Paper	●	●	●	●																	●			●			●							●	
Unilever	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●		●	●	●	●	●	●	●
Warner-Lambert	●	●	●	●	●	●	●	●	●	●		●		●		●	●	●		●	●		●	●		●		●	●		●	●			

* Non-equity affiliation. Source: J. Walter Thompson

(Continued from Page 59)

modore International (Belgium, New Zealand, Sweden), Kraft (Chile, Greece, New Zealand), PepsiCo (Greece, Hong Kong, Portugal) and N.V. Philips (Australia, Japan, Netherlands).

Business lost included ComputerLand (U.S, Spain, U.K., Australia), Champion Spark Plug Co. (Austria, Belgium, Denmark, Germany, Italy, Netherlands), Timex (Germany, Portugal), Dunlop Tire & Rubber Co. (Australia, Malaysia, Singapore), Hoechst (Greece, Malaysia, Peru, Philippines), International Spike (Canada, South Africa, Spain, U.K.), Nabisco Brands (India, Netherlands, Philippines, Puerto Rico, Spain, U.K.) and Goodyear Tire & Rubber Co. (Hong Kong, New Zealand, Venezuela).

Top international executives: Don Johnston, chairman-ceo; Walter O'Brien, vice chairman-multinational client services director; John Cronin, exec vp-president/Europe; Ronald Kovas, exec vp-president/Canada; W. Lee Preschel, exec vp-president/Latin America, and Donald Thompson, exec vp-president/Asia and Pacific.#

Young & Rubicam

Young & Rubicam, New York, in 1984 had non-U.S. gross income of $157 million, 32.7% of total gross income of $480.1 million. Non-U.S. billings were estimated at $1 billion, 31.3% of estimated total billings of $3.2 billion. The network consists of 32 agencies in 26 countries.

(The above financial figures include 50% of DYR, a joint venture with Tokyo-based Dentsu, and 49% of HCM, a new agency created by the merger of Y&R's Marsteller Inc. and Paris-based Eurocom's Havas Conseil. DYR and HCM are listed separately in this report.)

Y&R's international business has dipped in recent years as a percentage of total activity, due largely to increased U.S. advertising and acquisition of U.S. shops.

In 1974, non-U.S. gross income was estimated at $42.2 million, 37.5% of estimated total gross income of $112.5 million. Non-U.S. billings were $281.6 million compared with total billings of $750.5 million. By 1979, non-U.S. gross income had grown to an estimated $97.9 million on non-U.S. billings of $763.6 million. That was 39.5% of an estimated total gross income of $247.6 million on billings of $1.92 billion.

Major international business won in 1984 included Suchard (Austria, Brazil, Spain, Switzerland), Rank Xerox (Denmark, Norway, Spain), Robert Bosch (Denmark, Norway, Sweden), BSN Gervais Danone (Brazil, Switzerland), Caffee Hag (Netherlands) and Union Carbide (Belgium).

Top international executives: Edward Ney, chairman-ceo; Alexander Kroll, president-chief operating officer; Peter Georgescu, president, Y&R International; Joseph DeDeo, president, Y&R Europe; Nelson DeMello, area director-Latin America; James McCoubrey, exec vp-area director, Canada/Australia/Africa; Alan Sheldon, exec vp-director of finance and administration, and Niels Menko, vp-director international headquarters (appointed in 1984).#

Young & Rubicam	Americas										Europe																	Asia, Pacific							
Clients:	United States	Canada	Argentina	Brazil	Chile	Colombia	Dom. Rep.	Mexico	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK		South Africa	Zambia	Zimbabwe	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
American Home Products:																																			
Whitehall Labs	●	●							●							●						●	●												
American Home Foods	●	●							●																										
Boyle-Midway				●					●														●												
BMW			●								●					●																			
Robert Bosch				●								●	●		●	●	●		●	●	●														
BSN Gervais Danone				●				●				●			●	●	●						●												
Colgate-Palmolive	●	●				●		●	●	●	●	●	●		●	●	●	●			●	●	●		●	●	●	●							
Diners Club											●		●									●													
Dupont	●			●								●			●	●												●							
Eastman Kodak	●		●		●		●		●		●	●	●		●	●		●	●			●													
Flying Tiger			●	●																								●							
Fromageries Bel		●										●			●					●															
General Foods	●	●						●	●				●		●	●				●	●		●												
H.J. Heinz												●						●					●					●							
Hong Kong Tourist															●								●					●							
Houbigant		●													●	●							●												
Kentucky Fried Chicken	●	●						●	●														●					●				●		●	
Kronenbourg beer												●			●		●			●	●	●						●							
Jamaica Tourist Board	●	●																					●												
Johnson & Johnson	●	●	●	●	●		●		●			●			●		●	●		●															
Merrill Lynch	●	●									●																								
Monsanto													●				●			●								●							
PepsiCo (Frito-Lay)	●	●		●				●	●																										
Rank Xerox												●	●		●		●	●	●	●	●		●												
Richardson-Vicks	●						●				●	●				●		●					●												
Royal Canadian Mint		●										●				●																			
Singer											●	●							●																
Suchard			●	●							●				●	●				●		●													
Time Inc.	●	●													●		●						●												
Union Carbide					●				●		●	●			●		●		●	●	●	●													
United Brands											●	●	●			●		●	●		●	●													

Source: Advertising Age

Global

(Continued from Page 39)

One reason is to increase business from existing multinational clients.

Other agencies adopted new or improved corporate strategies, and publicized them heavily, to counteract the publicity garnered by Saatchi & Saatchi for its world-brand positioning last year.

The Ogilvy Group even changed its corporate structure, partly to separate "second" agencies such as Meridian and Scali, McCabe, Sloves from the main business of the agency group, O&M Worldwide. It also adopted a new slogan—"Ogilvy orchestration"—to emphasize the advertising-related disciplines it offers globally.

Observers are warning that if clients and agencies push centralization too much they may destroy their organizations in the process.

"When global competition is driven by scale economies, at a certain point everyone gets equalized," said Christopher Bartlett, an associate professor at the Harvard Business School. Then "the competitive advantage will go to companies that are sensitive to individual market developments."

Mr. Bartlett, who is preparing a "Harvard Business Review" answer to the global-marketing theories of Harvard Business School professor Theodore Levitt, told a global-marketing conference in London last week that the centralization trend is resulting in "global glaucoma," or "viewing trends in an undimensional way."

The premier global marketers, Japanese companies, are already learning the value of local marketing after setting up local manufacturing facilities in each market, Mr. Bartlett said.

Also, he told the group that even global companies must spot global trends that may start in countries other than the U.S.#

This World Brand/International Agency/Client Report was put together by Dennis Chase, international editor; Ilse Cermak, international copy editor; Ellen Mardock, graphic designer; Steve Glynn, free-lance writer/researcher; Val Mackie, international reporter, and the Advertising Age international network.

Globe photograph by Mary Herlehy. Globe courtesy of Neiman-Marcus, Chicago.

Cannes

(Continued from Page 3)

was attending a small reception, meeting the other judges and being handed a terse program detailing my duties for the next six days.

From my first glance at that blunt schedule, I knew I was there to work. So much for fun in the sun.

I should pause here to reiterate my often-stated appreciation and applause for Simon Dalgleish, who, as executive director of the festival, choreographs the entire procedure. Together with his staff, he has reduced the monumental task of judging, and its culmination in a gala, to a well timed, well coordinated, well oiled tribute to common sense.

The judging began for us early June 14. During the first two days, the judges view all the entries—there were 2,000 or so last year—and with a simple "yes" or "no," whittle them down to a short list of roughly 500. As he or she views the films in each category, each judge refers to the "Catalogue des Films," a complete description of every entry in a volume the size of the Manhattan Yellow Pages. In the catalog, eventual Gold Lion winners look pretty much like any other entry.

During the following two days, the survivors to the short list are viewed again. This time they are given a numerical score by each judge. Finally, on the fifth and sixth days of their deliberations, the judges debate and discuss the relative merits of those films that have accumulated the highest scores, then vote on which of them shall receive the festival's trophies—those coveted lions wrought in gold, silver and bronze.

At last, the judging is over and the Screen Advertising World Assn. staff can begin the preparation for the short-list screenings, which begin two days later. Those screenings are attended by all the delegates to the festival, a body of some several thousand people.

The raucous reception the audience gives the judges' selection is an omen of the truly riotous reception they will give to the lion winners when they are announced at the gala screening Saturday night, the final night of the festival.

The reason I have gone to such lengths to describe the judging procedure is that it testifies to the seriousness with which the world's advertising professionals view their cumulative work and separate the gold from the dross.

And even as they are doing so, they let their peers in on the process—braving the catcalls of the delegates and ultimately the "yeas" and "nays" of the general public as well. What I like is the passion displayed by all parties concerned.

The judges care about excellent advertising. Their peers in the profession care about excellence, too. And the caring is expressed with an emotional fervor that renews one's conviction that the search for excellence, however much of a struggle, is well worth the trouble and the pain.

And in my opinion, unless we all—clients and agencies alike—exhibit such a passion for our business, excellence will forever elude us.

As I said earlier, all this impressed me—to such a degree that I felt it was important to expose more of our creative leaders at Needham to a first-hand experience of what goes on at Cannes. They will be reminded that advertising really does cut across international fences. They can then teach this gospel to the young people coming along.

If it is true, as I believe it is, that we must prepare for a global future by finding new languages of communication and by becoming more conversant with the nonverbal languages that already exist, I would nominate Cannes as a better place than any I can think of to "go to school" on the subject.

This year, of course, I am not a judge. So it will be my turn on Thursday and Friday and Saturday morning to boo and hiss and throw things to express displeasure and to cast mediocrity into outer darkness. At the same time, I can also stand up on my seat and yell my approval of the best advertising being done in the world.

It's going to be a more comfortable scene for me this year, but nonetheless stimulating. With a little luck, I may even be able to scuff a little sand.#

Mr. Reinhard is chairman-ceo of Needham Harper Worldwide, New York.

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100 LEADING MEDIA COMPANIES

NEWSPAPER

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June 27, 1985 Special Issue

Advertising Age®

Crain's International Newspaper of Marketing

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Buyouts reshape '84 media rankings

By R. CRAIG ENDICOTT

The nation's media companies as a group no longer sit on the sidelines to watch players in other industries buy and sell properties. They have become what they have publicized. They are the message as shown by their movement within the ADVERTISING AGE list of top 100 media companies for 1984.

No ranking was sacrosanct among the top 100 as they jockeyed for position on the 1984 chart. American Broadcasting Cos. quickly discovered this. ABC, the perennial chart leader in the five years of this report, retained that position in 1984 with $3.65 billion in media revenues, but was bought out in a friendly acquisition by No. 16 Capital Cities Communications earlier this year. And now, No. 2 CBS Inc. is the subject of a hostile takeover bid by Ted Turner (No. 45 Turner Broadcasting Co.).

The acquisition fever that began to simmer in 1983 and continues to a boil in mid-1985 eliminated seven of nine companies from the 1983 list as the they were bought up entirely or piecemeal, generally by other companies on the chart. The top 100 were involved in 48 purchases involving 207 tv, radio and cable properties and 32 print purchases consuming 176 properties.

Composite growth results demonstrate why there is such a buying craze. Media revenues for the top 100 grew to $50.02 billion in 1984, compared with $42.03 billion in 1983 by that same group, an increase of 19.1%. The same companies had aggregate corporate revenues (media and nonmedia) of $87.35 billion, up only 12.8%, which shows why corporations with diverse operations welcome media properties.

Profitability is hard to determine because more than half of the companies on the list are private and don't release earnings. Forty-one public companies on the list had an average 8% return on sales in 1984, up from 6.5%.

The top 100 companies each year are ranked by their total media revenues. In the case of public companies, revenues usually are the media segment revenues published by the companies. Where nonmedia activities overlap in certain "media" segments, the companies usually help extricate the nonmedia revenues.

For the private companies, estimates either were obtained from the companies, provided by media analysts or estimated by AD AGE based on media models. *(See Page 63 for definition of media used in this report.)*

The first four positions on the chart remained the same, with Time Inc. again slipping by RCA Corp. (NBC) for the third spot behind ABC and CBS Inc. Times Mirror Co., jumped two notches to fifth, Gannett Co. remained in sixth, Advance Publications fell two notches to seventh, Knight-Ridder Newspapers again held down No. 8, the Tribune Co. No. 9, and Dun & Bradstreet, fortified with A.C. Nielsen Co.'s revenues, gunned from No. 18 to No. 10, replacing Hearst Corp., which fell to No. 11.

The biggest leap on the chart was not made by Americans but Canadians. Maclean Hunter Communications, which bought the *Houston Post* through a subsidiary late in 1983 and got a full year's revenue stream from the paper in 1984 to move up from No. 80 to No. 43 (only its U.S. properties are counted). Kohlberg Kravis Roberts & Co. vaulted from No. 68 in 1983 to No. 38 on the basis of its investment in Wometco Enterprises and the continued health of its dominant independent tv station, KTLA, in Los Angeles. KKR was represented on the chart in 1983 by KTLA parent Golden West Broadcasting (which KKR owned).

Stagnant media growth did not wash well with this highly competitive group. National Enquirer experienced the same sales in 1984 as in 1983—primarily because of the plethora of entertainment-oriented magazines robbing its space and headlines at the grocery counter—and dropped from No. 65 in 1983 to No. 77. Rogers Cablesystems lost 3% in sales and fell from No. 69 in 1983 to No. 81.

Cable companies were the growth leaders among the top 100, partly the result of cable's newness to the media scene, which makes growth more pronounced. The 41 media companies on the list with cable operations had growth of $5.84 billion in that medium, up 21.8% from 1983.

Cable operators, their growth rates held hostage for years in many franchise areas because of community regulatory resistance to fee increases, are breathing easier this year with passage of the Cable Communications Policy Act of 1984. The act allows cable operators to raise basic rates by 5% annually. The relief bails many operations out of threatened insolvency.

Tv and radio properties were hot potatoes among media properties, being bought and sold with abandon, primarily the result of a buyers-market mentality influenced by the relaxation of maximum ownership rules set by the Federal Communications Commission. The FCC liberalized its 7-7-7 rule (seven am, seven fm and seven tv stations) to 12-12-12, or any combination of stations beneath the 12-12-12 framework once a share of 25% of the U.S. households is reached. Tv, in particular, lived up to its "cash cow" reputation. The 56 media companies with tv and radio properties provided total revenues of $14.39 billion for that medium, up 20.7% from 1983.

The 40 media leaders on the list with magazine operations generated $8.63 billion in sales for that medium, up 16.9% from the previous year. Newspapers were the volume leader as 52 companies on the list contributed $18.88 billion in newspaper revenues in 1984, up 16.6% from 1983.

Proof that media acquisition activity was not just skin deep in plucking off the top media company is found in the new list of characters on the 100 chart in 1984: No. 22 John Blair & Co. entered via its acquisition of ADVO Systems, a shared mail medium. GFV Communications, No. 48, also entered on the basis of its growth in shared mail and free-standing inserts.

Kohlberg Kravis Roberts & Co., No.

(Continued on Page 2)

R. Craig Endicott is ADVERTISING AGE profile issues editor.

100
LEADING
MEDIA
COMPANIES

Cover graphics by Avalon Studio

The 100 leading media companies by estimated media revenues

Rank	Company	Media revenues
1	American Broadcasting Cos.	$3,650,000
2	CBS Inc.	3,340,100
3	Time Inc.	2,576,000
4	RCA Corp.	2,370,900
5	Times Mirror Co.	1,988,300
6	Gannett Co.	1,960,200
7	Advance Publications	1,900,000
8	Knight-Ridder Newspapers	1,664,700
9	Tribune Co.	1,596,700
10	Dun & Bradstreet	1,400,000
11	Hearst Corp.	1,400,000
12	New York Times Co.	[illegible]
13	Washington Post Co.	984,900
14	McGraw-Hill	963,700
15	Westinghouse Electric Corp.	944,900
16	Capital Cities Communications	939,700
17	Dow Jones & Co.	[illegible]
18	Scripps Howard	[illegible]
19	Cox Communications	[illegible]
20	Triangle Publications	[illegible]
21	Cox Enterprises	[illegible]
22	John Blair & Co.	[illegible]
23	International Thomson Holdings	[illegible]
24	Storer Communications	[illegible]
25	Harte-Hanks Communications	[illegible]
26	Tele-Communications Inc.	[illegible]
27	News America Publishing	[illegible]
28	[illegible]	[illegible]
29	[illegible]	[illegible]
30	[illegible]	[illegible]
31	[illegible]	[illegible]
32	[illegible]	[illegible]
33	[illegible]	[illegible]
34	Thomson Newspapers	[illegible]
35	Media General	$305,000
36	Multimedia Inc.	304,400
37	Copley Newspapers	303,900
38	Kohlberg Kravis Roberts & Co.	302,000
39	American Express Co.	279,500
40	Evening News Assn.	273,100
41	Freedom Newspapers	272,100
42	Warner Communications	[illegible]
43	Maclean Hunter Communications	270,200
44	Viacom International	[illegible]
45	Turner Broadcasting Co.	[illegible]
46	Pulitzer Publishing Co.	[illegible]
47	McClatchy Newspapers	[illegible]
48	GFV Communications	[illegible]
49	Cowles Media Co.	232,000
50	Chronicle Publishing Co.	231,000
51	Continental Cablevision	[illegible]
52	Landmark Communications	[illegible]
53	[illegible]	[illegible]
54	Houston Chronicle Publishing Co.	[illegible]
55	[illegible]	[illegible]
56	[illegible]	[illegible]
57	Reader's Digest Assn.	[illegible]
58	[illegible]	[illegible]
59	[illegible]	[illegible]
60	[illegible]	[illegible]
61	[illegible]	[illegible]
62	[illegible]	[illegible]
63	[illegible]	[illegible]
64	[illegible]	[illegible]
65	[illegible]	[illegible]
66	[illegible]	[illegible]
67	[illegible]	[illegible]
68	Howard Publications	[illegible]
69	Blade Communications	$157,600
70	Dispatch Printing Co.	152,000
71	Times Publishing Co.	152,000
72	Seattle Times Co.	150,000
73	Chris-Craft Industries	146,700
74	U.S. [illegible] & World Report	143,800
75	LIN Broadcasting Corp.	142,800
76	Petersen Publishing Co.	142,300
77	National Enquirer	142,000
78	United Cable Television Corp.	140,700
79	SFN Cos.	140,200
80	International Data Group	138,000
81	Rogers Cablesystems	134,900
82	H&C Communications	[illegible]
83	Harcourt Brace Jovanovich	119,400
84	[illegible]	119,100
85	Courier-Journal & Louisville Times Co.	116,000
86	Penthouse International	115,000
87	Pittway Corp.	115,000
88	[illegible]	113,000
89	[illegible]	112,000
90	MTV Networks Inc.	[illegible]
91	Macromedia Inc.	[illegible]
92	Forbes Inc.	[illegible]
93	[illegible]	[illegible]
94	[illegible]	[illegible]
95	[illegible]	[illegible]
96	[illegible]	[illegible]
97	[illegible]	[illegible]
98	[illegible]	[illegible]
99	[illegible]	[illegible]
100	[illegible]	[illegible]

($ in 000)

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Buyouts

(Continued from Page 1)

38, bought out Wometco Enterprises in March, 1984, for $1 billion and Storer Communications this May for $1.64 billion. No. 9 Tribune Co. this May then bought KKR's KTLA-TV.

Splintered off from other media companies on the 1983 list were new 1984 entries: MTV Networks, No. 90, a combination of MTV: Music Television, VH-1 and Nickelodeon, was carved from No. 42 Warner Communications; and TeleCable Corp., No. 95, was spawned by No. 52 Landmark Communications to give the cable unit greater ability to dip into the financial markets to finance growth. Family Media, No. 63; Ackerley Communications, No. 100, and 13-30/Esquire, No. 99, came in on the basis of their growth in media.

Newcomer SFN Inc., No. 79, played the lower division baseball team that suddenly catches fire at the All-Star break to come home a winner. Formerly known as Scott Foresman, the education book publisher, SFN came on the list primarily on the basis of its ownership of WFTV, the ABC Orlando, Fla., affiliate, which it bought in mid-1984. But SFN held the affiliate less than a year before selling it this June to Cox Enterprises for $60 million more than originally paid for the station. Presumably, SFN won't grow fat from its bonus like many major league winners do after the "big" year.

Because of the newcomers, more media companies moved off the list in 1984 than in any previous year of this report. Again, buyouts were endemic. Ziff-Davis Publishing Co., No. 31 in 1983, sold its consumer magazines to CBS Inc. It tumbled off the 1984 list and promptly fell into the bad graces of CBS, which sued Ziff-Davis for allegedly overstating the earnings of the 12 magazines bought for $362.5 million.

General Electric Co., No. 73 in 1983, continued its trend of de-emphasizing media in 1984, selling its entire cable operation. Southern Progress (*Southern Living, et al.*), No. 81 in 1983, was bought by this year's No. 3 Time Inc.; No. 82 in 1983, Jefferson-Pilot, sold its newspapers to fall from the list; the *Des Moines Register & Tribune*, the basis of the Des Moines Register & Tribune Co.'s 94th ranking in 1983, was sold with other properties to No. 6 Gannett Co. Revenue growth was not hefty enough to keep Rollins Inc., No. 99 in 1983, or Stauffer Communications, No. 100 in 1983, on the list in 1984. Oak Industries, No. 85 in 1983 on the basis of its ON TV subscription tv business, terminated ON TV in 1984 and exited the list.

The top 100 list is never static; a number of companies are packing it up for next year. ABC will be merged under the Cap Cities/ABC logo; No. 28 Metromedia, bought by Rupert Murdoch (No. 27 News America Publishing) will drop off unless Metromedia chairman John Kluge funnels his gains back into media properties.

The properties within News America will undergo considerable shuffling this year as well because the acquisition runs afoul of FCC regulations against media crossownership.

Mr. Murdoch runs into a crossownership conflict in the New York City market with acquisition of Metromedia's WNEW-TV, a leading station in the market. He is expected to sell the *New York Post*. The same situation arises in Chicago with his acquisition of WFLD-TV. The *Chicago Sun-Times*, purchased by News America in 1983 and the reason for News America's strong showing on the list in 1984, is likely to go. To raise cash for the Metromedia buyout, Murdoch sold the *Village Voice* for $55 million this June to Leonard Stern, chairman of Hartz Mountain Industries.

Atlanta newspaper king Cox Enterprises, No. 21, has consumed nearly all of No. 19 Cox Communications, the broadcast unit it spun off in 1964 to raise cash for acquisitions. It always had a big stake in the broadcast unit, holding some 40.2% of the company even when sending it public.

Warner Communications, No. 42, and American Express, No. 39, which share the nation's sixth largest multiple system operator—Warner Amex Cable Communications, which essentially is the reason for their high media rank—may be at the end of their joint venture. American Express has agreed to sell its share of the system—to a joint venture of the nation's two leading msos, Tele-Communications Inc. and American Television & Communications Corp., a Time subsidiary.

Warner, which divested its MTV Networks in 1984 and seems to be thinning down to its Warner Bros. origins, has yet to give its blessing to the deal, which must happen before Warner Amex can be sold.

Other acquisition activity this year among the 100 should produce higher rankings for the buyers in 1985. Advance Publications, known in the trade as Newhouse, bought *The New Yorker* and its ownership in several small but profitable magazines; Hearst Corp. is buying WCVB-TV in Boston for $450 million, the second largest purchase price for a tv station (the KTLA-TV purchase at $512 million so far is the largest) from Mr. Murdoch.

Mr. Murdoch is selling WCVB-TV because of its conflict with News America's *Boston Herald-American* in the same market and, probably more importantly, because it will bring the most money among the six Metromedia tv properties bought by Mr. Murdoch to help pay off the debt incurred by the $2 billion purchase price.

The Washington Post Co. has agreed to purchase Cap Cities' cable operations; Taft Broadcasting acquired Gulf Broadcasting's five tv and seven radio properties for $760 million in late 1984; and then there is the drama of the Ted Turner effort to snag CBS.

All this buyout activity is taking its toll on stockholder freedom and board member maneuverability as media companies have developed a number of so-called "shark-repellent" moves to thwart hostile takeover attempts.

CBS leads the pack—many of its measures being aped by other media companies. CBS has amended its bylaws to stop shareholders with 10% of CBS stock from calling a special shareholders meeting. The idea is to prevent a small group of shareholders from "harassing CBS by calling special meetings for the purpose of publicizing their demands," a CBS official says. A revision in the bylaws now allows the CBS chairman to dismiss business "not properly presented" at its annual board meeting and limit time for discussion at the annual meeting.

Media companies also have limited shareholders rights by concentrating voting power in the hands of management, a controlling family or other group that the board considers reliable. Meredith, with its biggest block of voting share—32%—in the hands of the founding E.T. Meredith family, approved an 80% requirement for either the removal of a director or to vote for a merger. Meredith, like Gannett and Tribune Co., also voted to stagger the terms of its board of directors.

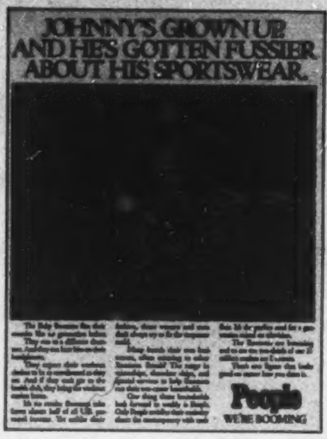
Gannett shareholders in their May, 1985, annual meeting approved a fair-price amendment, which requires that all stockholders be offered the same price for shares in a tender offer.

Tribune Co. tripled its authorized common shares in a shareholders meeting May 3 to impede a takeover. The move means considerably more stock must be assembled in a takeover, and existing holdings now are diluted.

Multimedia Inc., tiring of fending off takeovers, is recapitalizing by permitting shareholders to cash in their shares and retain some equity in the company for a small investment.

Takeover activity spurs the targeted company to deplete its cash and increase its debt to become less attractive. That means the takeover target is in the takeover business itself to keep from being taken over. That's a vicious circle that continues to swirl about the media companies.

Such is the result when the medium becomes the message.#

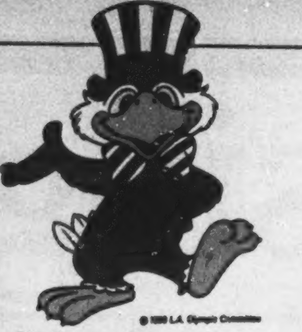


JOHNNY'S GROWN UP AND HE'S GOTTEN FUSSIER ABOUT HIS SPORTSWEAR.

People

WE'RE BOOMING

Snapshots from the '50s to illustrate the theme that "We're booming" was People magazine's way of telling advertisers what the baby boomers are reading today.



© 1980 L.A. Olympic Committee

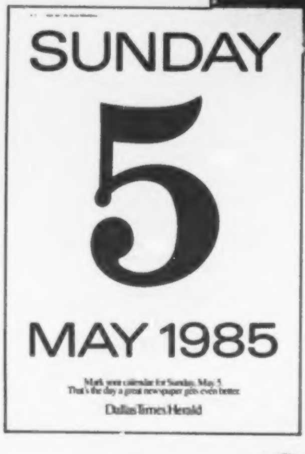
The Summer Olympics made a good year out of a so-so one for ABC Network. Spots, up to $435 million for 30 seconds, helped ABC win 40% of the sales total of the three nets, but ABC dropped to third in the ratings.

Mobil Oil, a heavy spender on the nation's op-ed pages, particularly the Wall Street Journal, yanked its nearly $1 million ad budget from the WSJ when it became upset with the Journal's coverage.

WHY NOT THE BEST? (A SPECIAL CONSUMER GUIDE P. 81)
VOICE
YOU'VE REALLY GOT A HOLD ON ME

Village Voice is the first Rupert Murdoch property to be sold following his acquisition of Metromedia broadcast units. The sale helps raise funds for other media deals.

Tina Turner, depicted as "one of the drab homebodies" who reads McCall's, joined Cher ("a typical mother"), Carly Simon and Diane von Furstenburg as part of the magazine's campaign to show McCall's is rapping with the baby boomers.



SUNDAY

5

MAY 1985

Mark your calendar for Sunday, May 5.
That's the day a great newspaper gets even better.

Dallas Times Herald

May 5 was the day that went down as Super Sunday at the Dallas Times Herald. Ads calendared a schedule of new moves at the paper which is in a pitched battle with the Dallas Morning News.

MTV
MUSIC TELEVISION™

Publicly held MTV Networks, which in addition to the music network includes VH-1 and Nickelodeon, offers special food to the platter-minded rock fan as its logo suggests.

"Dynasty" stars Linda Evans, John Forsyth and Joan Collins kept ABC Network's ratings buoyed, but not enough to prevent CBS and NBC networks from overtaking it in the ratings sweeps.

CBS brought to the tv screen Scripps Howard's Garfield (United Feature Syndicate), the eccentric feline, in a special called "Garfield in the Rough."

GARFIELD Characters:
© 1978 United Feature Syndicate, Inc.

The New York Times Magazine
THE WORLD OF NEW YORK

The New York Times Magazine launched several new Section 2s—self-contained offerings like "The World of New York" that came wrapped in the Sunday paper—that boosted magazine ad revenues 5.3% to $33.9 million.

Top 100 media companies record total media revenues of $50.02 billion, up 19.1% from 1983, but buyouts give the 1984 list a different look as nine new entries make the rankings.

Leading media companies play acquisition roulette in building a revenue base

A.S. Abell Co.

Baltimore

RANK 62

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	195	170	14.7
Total sales	195	170	14.7
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	130	120	15.8
Magazine	0	0	0
Broadcast	56.0	50.0	12.0
Cable	0	0	0

A.S. Abell Co., Baltimore, a privately held company, reports revenues increased 14.7% to $195 million in 1984, all from media, making it the 62nd largest media company.

Abell has two divisions, A.S. Abell Publishing Co. (Baltimore Sunpapers, *Country* magazine, *Ski Racing* and a tabloid newspaper) and A.S. Abell Communications.

The communications division has undergone major restructuring. On June 1, 1985, it completed an agreement to acquire independent WRLH-TV in Richmond, Va., from TVX Broadcast Group. The acquisition was part of a transaction begun in 1984 through which Abell sold its six radio stations.

Ownership of the stations, WMAR (fm) Baltimore (now WMKR), WTJZ (am) Newport News, Va., and WNVZ (fm) Norfolk, Va., WCFI (fm) Daytona Beach, Fla. and WCRJ (am, fm) in Jacksonville Fla., was transferred in March, 1985, from Abell to newly formed S&F Communications, Baltimore.

That company is headed by president Stuart Frankel, former president of Abell's radio division, and Steven Seymour, *chairman-ceo of S&F*, and former ceo at A.S. Abell Communications.

Abell Communications has appointed a new president, Arnold Kleiner, who also is general manager of the company's Baltimore tv station, WMAR-TV. Abell Communications is paring its holdings, Mr. Kleiner says. "By September, we will be only in television stations. We know television," he says. "We were not willing to devote the time and resources necessary to run a successful radio operation."

In 1984, Abell Communications also sold its Welcome USA in-hotel video advertising service to minority partners. The service operates in Miami, Baltimore and Washington.

WMAR-TV, an NBC affiliate, last year benefited from the resurgence of the network. The station also renegotiated its long-term agreement to televise Baltimore Orioles baseball games. Revenues for WMAR-TV were estimated at $32 million in 1984.

For Abell Publishing, 1984 was a year of increased growth in revenues and holdings. In March, 1984, a new all-day edition of the Saturday *Sun* was introduced. The Saturday edition uses the combined staffs of the *Baltimore Sun* and the *Baltimore Evening Sun.*

It had an average circulation of 322,478 in March 31, 1985, according to Audit Bureau of Circulations. Circulation was stagnant for the combined daily at 349,901 vs. 349,182 for the same period a year earlier. Sunday circulation increased 1.7% to an average of 414,330, according to ABC.

According to Jerry Smolinski, *Sun* public affairs manager, the Sunday *Sun* had a record high average circulation of 430,285 in March, 1985. The morning *Sun* also achieved a record high in March, 1985.

The newspapers expanded their dominance in the Baltimore market by introducing a fourth zoned county edition, the *Carroll Sun*. The tabloid began publishing in October as a regular insert in the Sunday *Sun*.

The Sunpapers carried 82% of full-run advertising linage in the Baltimore market in 1984. The newspapers show a 6% increase in daily and 13% increase in Sunday color advertising, based on a comparison of comparable five-month periods in 1984 and 1985, Mr. Smolinski says.

Editorially, the Sunpapers focused on developing new sections and the Saturday *Sun*. The papers were awarded two Pulitzer Prizes in 1985, the 11th and 12th in the paper's history.

For *Country* magazine, 1984 was a year of spectacular increases. In January, 1985, it began offering a guaranteed circulation of 100,000, compared with 70,000 in January, 1984. Yearend circulation for 1984 rested at 81,072.

Walter Nicklin, publisher-editor of *Country*, says the magazine's ad pages grew to 501.8 for 1984, compared with 337.8 for 1983. With gains in circulation, the magazine's cpm actually has declined, though ad rates have climbed to $4,240 per page in 1985 from $2,000 in 1984. Advertising growth is continuing in 1985 at a 25% increase over 1984 levels.

"There's a common life style in the area from Pennsylvania to North Carolina," Mr. Nicklin says. "We are reaching an area not covered by *Southern Living* or the New England magazines like *Yankee*. Our message is starting to come through. This is the first year that advertising revenues have exceeded circulation revenues."

Ski Racing, published in Poultney, Vt., was purchased by Abell in March, 1984. According to Don A. Metivier, editor-publisher, the magazine publishes 20 issues during the ski racing season and a glossy annual directory of competitors. During the annual March ski trade show in Las Vegas, the paper publishes daily issues. *Ski Racing* has a circulation of 30,000, primarily in the U.S. and Canada, though the newspaper has international coverage.

MEDIA PROPERTIES

Broadcasting

TV: WMAR, Baltimore; WRLH, Richmond.

Magazines

Country, Ski Racing, Ski Show Daily.

Newspapers (dailies)

MARYLAND: *Baltimore Sun, Baltimore Evening Sun, Sunday Sun.*

Ackerley Communications

Seattle

RANK 100

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	90	80	12.5
Total sales	98	80	23.1
Net income	-7.3	-769	-849.4
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	13	20	-32.3
Cable	0	0	0

Ackerley Communications, Seattle, the nation's 100th largest media company with media revenues increasing an estimated 12.5% in fiscal 1984 compared to an estimated $90.1 million in 1983, is expecting similar growth in 1985 with the addition of two new radio stations and a tv property.

Ackerley, which had total revenues of $97.9 million in 1984, derived an estimated 72.3% of that from its outdoor and airport board operations, 20.2% from broadcast and the remainder from the Seattle Supersonics.

While revenues are growing, the bottom line has been sagging, primarily a result of servicing the debt incurred from acquisitions. The company suffered a net loss of $7.3 million in 1984, compared with losses of $769,000 and $324,000 in 1983 and 1982, respectively.

President Barry Ackerley, a former advertising salesman for *Better Homes & Gardens*, shrugs off last year's losses and insists that the company's performance be judged by cash flow rather than profits.

And the cash has flowed. Since 1980, revenues have almost tripled and operating income has increased more than 200%. Continuing into 1985, Ackerley will add in the first full year of revenues from Seattle's KJR (am), which it bought from Metromedia for $6 million May 28, 1984, and add partial year revenues from KSGO (am) and KGON (fm) when that deal is closed. The company is acquiring the latter two, both Portland, Ore., rock stations, from the Des Moines Register & Tribune Co. Ackerley also is awaiting FCC approval of its purchase of KVOS-TV in Bellingham, Wash., from WBC Broadcasting Corp., a spinoff of Miami-based Wometco Broadcasting. Purchase price for these three properties is $32 million. Also in 1984, the company failed in its bid to acquire KZAZ-TV in Tucson.

Founded in 1975 as an outdoor advertising company, Ackerley Communications has grown quietly but rapidly through a series of acquisitions. Since 1982, Ackerley has spent $62 million to purchase three tv stations, a radio station and a National Basketball Assn. franchise.

Continued growth through acquisition is the company's stated goal. "We're not sellers," Mr. Ackerley says. "We never sell. We just buy." Financed primarily by long-term debt that stood at more than $95 million at the end of 1984, Ackerley's diversification strategy targets companies that complement its advertising presence in major metropolitan markets.

Last year's purchase of the Seattle SuperSonics ($20 million), for example, ties in with the company's outdoor boards, airport displays, radio and tv stations in the Seattle area. Despite lagging ticket sales, Ackerley says the Sonics have "great synergy with other marketing vehicles."

Ackerley Communications is the nation's third largest outdoor advertising company, with about 11,000 signs concentrated in Seattle/Tacoma, Wash.; Portland/Salem, Ore.; Miami/Fort Lauderdale, Fla., and Boston/Worcester, Mass.

Prospects for growth through acquisition in the outdoor business are limited because there are few, if any, board companies for sale that concentrate on the top 25 areas of dominant influence.

Although the company eschews publicity, Ackerley's legal battles with numerous cities over outdoor board regulations often have brought it before the public eye. Purchase of the SuperSonics has made Ackerley more visible in the Pacific Northwest. Still, when the company bid $156.5 million for the Des Moines Register & Tribune Co. earlier this year against major media companies such as Dow Jones & Co., many industry analysts had never heard of Ackerley Communications. Although Gannett's offer of $200 million ultimately snagged the *Register*, Ackerley succeeded in picking up the two Portland radio stations.

In 1981, Ackerley purchased Transportation Displays for $12 million, and it is now the nation's largest airport advertising company, with some 6,000 displays in more than 100 airports. Airport users are a "very high-class audience," Mr. Ackerley says, and looks to this part of the company's business as a continuing source of growth.

Ackerley is making a major move into broadcast media and the company is moving quickly. It jumped into tv in 1982 with the purchase of WIXT-TV, an ABC affiliate in Syracuse, N.Y. The next year, it spent $42 million for two stations—KKTV-TV in Colorado Springs, Colo., and KGET-TV in Bakersfield, Cal. While Mr. Ackerley says he would love to own a tv station in Seattle to tie in with his other properties, FCC rules won't permit such cross-ownership.

Ackerley, which has purchased all its radio properties since the beginning of 1984, plans to continue to acquire broadcast properties, especially radio stations, in markets where outdoor advertising can provide promotional support.

Privately owned, Ackerley in May went public by converting debentures into common stock. The debentures were issued in the early 1980s to finance acquisitions. Mr. Ackerley controls 93% of the voting stock.

MEDIA PROPERTIES

TV: WIXT, Syracuse, N.Y.; KKTV, Colorado Springs, Colo.; KGET, Bakersfield, Cal.; KVOS-TV, Bellingham, Wash. (pending FCC approval).

RADIO: KJR (am), Seattle; KSGO (am) and KGON (fm), Portland, Ore.

OTHER MEDIA

Ackerley Communications (outdoor), Transportation Displays (airport transit signage).

OTHER OPERATIONS

Seattle SuperSonics franchise.

RANK 7

Advance Publications

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	1,900	1,740	9.2
Total sales	2,000	1,940	3.1
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	1,250	1,194	4.7
Magazine	490	406	20.7
Broadcast	0	0	0
Cable	160	140	14.3

Advance Publications, New York, the umbrella company for the holdings of the family of the late S.I. Newhouse, is the nation's 7th largest media company, with $1.9 billion in media revenues, a 9.2% increase over 1983.

Total revenues were about $2 billion, generating operating profits of $180 million, estimates John Morton, newspaper industry analyst with Lynch, Jones & Ryan, Washington. Privately held Advance releases no financial data.

Revenues from media operations account for more than 90% of the company's total. Media operations include some of the nation's largest newspapers in addition to Conde Nast magazines and cable operations.

Advance's stable of media properties remained basically unchanged through 1984—with the exception of the sale early in the year of the *St. Louis Globe-Democrat*—but big change occurred May 7, 1985, with the purchase of the New Yorker Magazine Inc., parent of prestigious *The New Yorker* magazine. The New Yorker Magazine Inc. media revenues in 1984 were $66.9 million, or 82.3% of its total revenues incorporating book publishing.

In 1984, Advance sold the *St. Louis Globe-Democrat*, a money-losing morning daily in that city that had been linked with the Pulitzer family's *Post-Dispatch* through a joint operating agreement.

A joint operating agreement is a business combination of two competing newspapers, one of which is losing money, allowed under the federal Newspaper Preservation Act.

The *Globe-Democrat* was sold to Jeffrey Gluck, publisher of several magazines including Saturday Review, for a price estimated at less than $1 million. It retained 50% of the JOA that handles all the business functions for the *Globe-Democrat*.

Circulation at most of Advance's dailies remained generally stable, according to the ABC FAS-FAX report for the six months ended March 31, 1985. At the *Star-Ledger*, in Newark, N.J., daily circulation was up slightly to 434,804, and Sunday circulation increased 1% to 661,037. At the *Cleveland Plain Dealer*, daily circulation was down 5% to 464,251, while Sunday circulation was up 7% to 542,682. And at the Portland, Ore., *Oregonian*, daily circulation was up 7% to 309,395 and Sunday circulation was up slightly more than 2,000 to 410,519.

Revenue figures for newspapers published by Advance are not available. However, the newspaper industry in general posted ad revenue gains of about 15%, with the strongest gains coming in classified advertising.

At *Parade*, Advance's Sunday newspaper-distributed magazine, circulation was up more than 1 million to 25,153,000, according to the magazine's January estimates. Despite the increases, ad pages were off 14% to 640, and ad revenues fell 8.6% to $157.3 million from 1983 totals, according to Publishers Information Bureau.

The Conde Nast magazine group turned in a strong performance in 1984, with six of the nine titles posting circulation gains and all but one showing increases in ad pages.

Among the titles, *Bride's* circulation was up 9.6% to 342,349, ad pages were up 4.4% to 1,911 and ad revenues were up 16.3% to $22.6 million. *Glamour* circulation was up 0.6% to 2,288,988, ad pages were up 6.8% to 2,165 and ad revenues were up 20.4% to $70.5 million. *Gourmet* circulation was up 5.2% to 664,501, ad pages were up 6.7% to 995 and ad revenues were up 18.4% to $13.9 million.

Gentlemen's Quarterly circulation was up 12% to 642,156, ad pages were up 32.8% to 1,922 and ad revenues were up 54% to $26.7 million. *House & Garden* circulation was down 1.8% to 574,915, ad pages were up 32.5% and ad revenues were up 46.4% to $18.9 million.

Mademoiselle circulation was down 4.3% to 1,211,080, ad pages were up 6.9% to 1,683 and ad revenues were up 23.2% to $35.7 million.

Self circulation was down 2.3% to 1,066,181, ad pages were up 24.8% to 1,157 and ad revenues were up 40.7% to $24.1 million. *Vanity Fair* circulation was up 2.2% to 265,564, spurred by a 33% cut in the magazine's newsstand price and a 50% cut in the cost of subscriptions. Ad pages were down 34.9% to 335 and ad revenues were off 35.7% to $4 million.

At *Vogue*, circulation was up 6.7% to 1,218,742, ad pages were up 11.4% to 3465 and ad revenues were up 20.3% to $67.3 million.

The circulation figures quoted in this article are Audit Bureau of Circulations figures based on the six months ended Dec. 31, 1984. Comparisons are with Dec. 31, 1983, figures. Ad page and revenue data are according to Publishers Information Bureau.

The New Yorker Magazine Inc. purchase brings to Advance more than just its famed flagship, *The New Yorker*. The company is made up of several wholly and partially owned segments, all of them media-oriented: 100% of Boulder Enterprise, Boulder, Colo., a printing company; 69% of Horticulture Associates, Boston, publisher of *Horticulture*; 51% of Pennington Publishing Partners Limited Partnership, Westport, Conn., publisher of the *Cook's Magazine*; 38.6% of Raven Press Books, a medical books and journals publisher, and 10% of Terre Haute Newspapers, Terre Haute, Ind., publisher of the *Tribune-Star* in that community.

The buyout by Advance, valued at $168 million, climaxed an extraordinary period for New Yorker Magazine Inc. that began with a change in top management and finished with an end to its 60 years as an independent company.

George Green, president, left in March, 1984, to become exec vp-group publishing director, Hearst Magazines; he was succeeded by J. Kennard Bosee, formerly vp-treasurer.

Last November, Advance chairman-president S.I. Newhouse Jr. disclosed he had bought 17% of New Yorker Magazine Inc.'s stock at $180 a share, or about $25.6 million, describing the purchase as an investment, without plans to seek control of the company.

Just three months later, however, he made a bid for the 83% of the company's stock he did not own, again at $180 a share. When the bid was raised to $200 a share—$142.4 million for the remaining stock—New Yorker Magazine Inc.'s board agreed unanimously to the acquisition.

Data were available for Advance's cable properties.

MEDIA PROPERTIES

Cable/video

MetroVision Inc., serving ILLINOIS: Blue Island, Berwyn, Crestwood, Hickory Hills (90% interest), Melrose Park, Midlothian, Northlake, Palos Hills, Posen, Stickney, Tinley Park, Westhaven. INDIANA: Portage. KENTUCKY: Newport. LOUISIANA: St. John the Baptist Parish. NEBRASKA: Auburn, Crete, David City, Fairbury, Fremont, Humbolt, Lincoln, Nebraska City, Pawnee City, Seward, Superior, Table Rock, Tecumseh, York. OHIO: Green Township. TEXAS: Belton, Belmead, Beverly Hills, Greenville, Killeen, Lacey-Lakeview, Robinson, North Woodway, Temple, Waco. WISCONSIN: Lannon (90% interest), Menomonee Falls. WYOMING: Sheridan. Also, NewChannels Corp. serving ALABAMA: Anniston, Eufala, Greenville, Wetumpka. NEW YORK: Binghamton, Carthage, Cooperstown, Corning, Delhi, Fulton, Malone, Massena, Ogdensberg, Oenonta, Potsdam, Rome, Sidney, Syracuse, Troy. PENNSYLVANIA: Canonsburg, Coraopolis, Crescent Township, Moon Township, Neville Township. Also, Vision Cable Communications, serving FLORIDA: Clearwater (90% interest), Kenneth City, Pinellas Park. LOUISIANA: Alexandria, Houman. NEW JERSEY: Fort Lee. NORTH CAROLINA: Albemarle, Concord, Jacksonville, Morehead City, Salisbury, Shelby, Southport, Wilmington. PENNSYLVANIA: DuBois. SOUTH CAROLINA: Darlington, Florence, Sumter. Also Eastern Microwave, a common carrier serving the northeast with cable, voice and data as well as bringing superstation WOR-TV to all 50 states.

Magazines

Conde Nast Publications: *Bride's, Glamour, Gourmet, GQ, House & Garden, Mademoiselle, Self, Vanity Fair, Vogue*. Conde Nast Publications Ltd.-England. Les Editions Conde Nast SA-France. Edizioni Conde Nast SPA-Italy. *The New Yorker. Parade*, the Sunday magazine.

Newspapers (dailies)

ALABAMA: *Birmingham News & Post-Herald, Huntsville Times, Huntsville News, Mobile Press, Mobile Register*. LOUISIANA: *New Orleans Times-Picayune/States-Item*. MASSACHUSETTS: *Springfield Republican, Springfield Union News*. MICHIGAN: Booth Newspapers-*Ann Arbor News, Bay City Times, Flint Journal, Grand Rapids Press, Jackson Citizen Patriot, Kalamazoo Gazette, Muskegon Chronicle, Saginaw News*. MISSISSIPPI: *Pascagoula Press* and *Chronicle*. NEW JERSEY: *Jersey Journal* (Jersey City), *Newark Star-Ledger*. NEW YORK: *Staten Island Advance, Syracuse Herald-Journal, Syracuse Post-Standard*. OHIO: *Cleveland Plain Dealer*. OREGON: *Portland Oregonian*. PENNSYLVANIA: *Harrisburg Patriot-News*.

Other Properties

Random House Inc., New York: Alfred A. Knopf, Ballantine Books, Vintage Books, Modern Library and Random House.

RANK 32

Affiliated Publications

Boston

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	344	294	17.0
Total sales	344	294	17.0
Net income	27.4	22.3	23.0
Sales per medium			
Newspaper	328	279	17.6
Magazine	0	0	0
Broadcast	16	15	12.4
Cable	0	0	0

Affiliated Publications' flagship, the *Boston Globe*, continued to dominate the Boston market, despite feisty competition from Rupert Murdoch's *Herald*, and lead the company to the most profitable year in Affiliated's history.

Revenues, all in media, were $343.8 million in 1984, an increase of 17% over 1983, making the company the nation's 32nd largest media company. Operating income jumped 19.8% to $60.4 million, while net income rose 23% to $27.4 million.

The *Globe* provided $327.5 million of Affiliated's revenue for the year. The newspaper had a 10.9% increase in advertising linage over 1983. Classified linage showed the largest gain. The *Globe's* daily circulation March 31, 1985, was 510,567, up 306 subscriptions from the year-earlier period, and the *Sunday Globe* reached 802,891, up 1.2%, according to Audit Bureau of Circulations. Both the daily and Sunday circulations were the highest the newspaper ever achieved.

By contrast, growth at the competing *Herald* has been more dramatic. ABC reports daily circulation of 368,027, up 13.2%, and Sunday circulation of 308,823, up 11.8%, during the same period. The *Herald* has been capitalizing on its Wingo contest and an additional promo tied in to the popular state lottery in which lottery ticket numbers are selected by the paper for cash prizes.

Broadcasting properties in 1984 generated $16.3 million in revenues. Affiliated owned and operated five am stations and five fm stations at the close of 1984, but since has acquired two fm stations, KHEP in Phoenix and KFYE in Fresno, Cal., and is in the process of selling WHYN (am, fm) in Springfield, Mass., and WFAS (am, fm) in White Plains, N.Y.

The acquisition and sale of broadcast properties result from changes in Affiliated's strategic plan. The official company position is that the move is part of a repositioning plan for Affiliated's broadcast properties to target the 25-to-54 age group. Industry observers also see the plan as one to exchange properties in the slower-moving Northeast for fast-track units in the West.

The company has not been involved in the large-scale acquisitions that are sweeping the media industry, but the board of directors at a May, 1984, meeting made technical changes in the corporation's rules that would make an unfriendly takeover more difficult. Essentially, the change made it more difficult to convene the board, requiring a greater number of board members to agree upon the need for a meeting. The company is not currently, nor is it believed to have been, a target of an acquisition attempt.

Controlling interest of Affiliated is held by the Taylor and Jordan family trusts. William O. Taylor is the *Boston Globe* publisher and chairman of the board. During 1985, Affiliated, through its interest in McCaw Communications, is seeking to add eight new cities to its cellular phone business.

A major personnel change occurred when the *Globe's* editor of 20 years, Thomas Winship, retired and Michael Janeway moved from executive editor to fill Mr. Winship's position.

MEDIA PROPERTIES

Broadcasting

RADIO: KHEP (fm), Phoenix; KFYE (fm) Fresno, Cal.; KRAK (am) and KEWT (fm), Sacramento, Cal.; WOKV (am) and WAIV (fm), Jacksonville, Fla.; WHYN (am, fm), Springfield, Mass.; WFAS (am), White Plains, N.Y.; KMPS (am, fm), Seattle.

Cable/video

Forty-five per cent ownership in McCaw Communications with cable locations in ALASKA: Fairbanks, Juneau, Ketchikan, Sitka. OREGON: Redmond, St. Helens, Scappose and Columbia City. Affiliated and McCaw have joint ventures in cable tv systems in Grants Pass, Klamath Falls, Roseburg, Medford. WASHINGTON: Centralia, Chehalis, Tenino, Oakville, Cle Elum, North Bend, Yakima, Selah, Union Gap, Wapato, Toppenish, Omak, Okanogan, Langeley, Whidbey Island, Ferndale, Blaine, Lynden, Everson, Nooksack.

Newspapers

MASSACHUSETTS: *Boston Globe*.

OTHER OPERATIONS

McCaw Communication's radio common carrier systems: Serving 14,500 subscribers in Alaska, Idaho and Washington, and its cellular radio franchises (13.5% owned) in Seattle and Portland.

RANK 89

Allbritton Communications Corp.

Washington

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	112	102	9.4
Total sales	112	102	9.4
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	41	39	5.1
Magazine	0	0	0
Broadcast	71	63	12.0
Cable	0	0	0

Allbritton Communications Co., Washington, with 1984 media revenues estimated by Advertising Age at $112 million, and ranked the nation's 89th largest advertiser, has moved to build advertising at its newspapers through such devices as "ad-mobiles" and is contemplating buying more tv stations.

The privately held company is owned by Joe Allbritton, former owner of the now-defunct *Washington Star*. The company continues to operate

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63 **Return on sales of publicly held leading media companies**

100 leading media

Rank		Company	City	Media revenues			Total revenues			'84 media revs as % of total	Net income		
1984	1983			1984	1983	% chng	1984	1983	% chng		1984	1983	% chng
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6	6	Gannett Co.	Rochester, N.Y.	1,960,200	1,671,200	17.3	1,960,200	1,703,700	15.1	100.0	223,934	191,665	16.8
7	5	Advance Publications	New York	1,900,000	1,740,200	9.2	2,000,000	1,940,200	3.1	95.0	N/A	N/A	N/A
8	8	Knight-Ridder Newspapers	Miami	1,664,700	1,473,400	13.0	1,664,700	1,473,400	13.0	100.0	140,000	119,435	17.2
9	9	Tribune Co.	Chicago	1,596,700	1,397,400	14.3	1,794,400	1,586,500	13.1	89.0	103,043	69,267	48.8
10	18	Dun & Bradstreet	New York	1,400,000	1,301,500	7.6	2,397,300	2,060,500	16.3	58.4	521,561	218,651	138.5
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16	16	Capital Cities Communications	New York	939,700	762,300	23.3	939,700	762,300	23.3	100.0	143,000	115,000	24.3
17	14	Dow Jones & Co.	New York	926,000	816,700	13.4	965,620	866,437	11.4	95.9	129,140	114,224	13.1
18	17	Scripps Howard	Cincinnati	829,000	750,600	10.4	N/A	807,300	N/A	N/A	N/A	N/A	N/A
19	21	Cox Communications	Atlanta	684,140	537,600	27.3	742,800	614,600	20.9	92.1	77,900	65,400	19.1
20	20	Triangle Publications	Radnor, Pa.	657,000	579,300	13.4	657,000	579,300	13.4	100.0	N/A	N/A	N/A
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26	25	Tele-Communications Inc.	Denver	449,416	347,300	29.4	449,416	368,400	22.0	100.0	17,382	20,532	(15.3)
27	30	News America Publishing	New York	439,900	303,800	44.8	463,100	320,300	44.6	95.0	N/A	N/A	N/A
28	24	Metromedia Inc.	Secaucus, N.J.	430,000	383,600	12.1	646,081	532,800	21.3	66.6	(51,382)	(102,179)	49.7
29	27	Oklahoma Publishing Co.	Oklahoma City	389,200	335,200	16.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	26	Central Newspapers	Indianapolis	380,000	346,000	9.8	380,000	346,000	9.8	100.0	N/A	N/A	N/A
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36	36	Multimedia Inc.	Greenville, S.C.	304,400	269,700	12.9	304,400	269,700	12.9	100.0	33,700	35,174	(4.2)
37	43	Copley Newspapers	La Jolla, Cal.	303,900	236,700	28.4	308,600	240,900	28.1	98.5	N/A	N/A	N/A
38	68	Kohlberg Kravis Roberts & Co.	Los Angeles	302,000	299,300	0.9	302,000	299,300	0.9	100.0	N/A	N/A	N/A
39	39	American Express Co.	New York	279,300	252,700	10.5	12,895,000	9.770,000	32.0	2.2	610,000	515,000	18.4
40	38	Evening News Assn.	Detroit	279,100	260,200	7.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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46	42	Pulitzer Publishing Co.	St. Louis	256,000	242,000	5.8	256,000	242,000	5.8	100.0	N/A	N/A	N/A
47	46	McClatchy Newspapers	Sacramento, Cal.	255,000	215,000	18.6	255,000	215,000	18.6	100.0	N/A	N/A	N/A
48	N/A	GFV Communications	Livonia, Mich.	246,000	182,200	35.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
49	44	Cowles Media Co.	Minneapolis	232,000	209,500	10.7	232,000	209,500	10.7	100.0	15,700	28,500	(44.9)
50	N/A	Chronicle Publishing Co.	San Francisco	231,000	N/A	N/A	251,000	N/A	N/A	92.0	N/A	N/A	N/A
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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56	74	Ingersoll Publications Co.	Lakeville, Conn.	207,000	129,000	60.5	207,000	129,000	60.5	100.0	N/A	N/A	N/A
57	47	Reader's Digest Assn.	Pleasantville, N.Y.	204,500	202,500	1.0	1,567,000	1,500,000	4.5	13.1	N/A	N/A	N/A
58	58	Cahners Publishing Co.	Boston	200,000	160,000	25.0	270,000	200,000	35.0	74.1	N/A	N/A	N/A
59	53	RKO General	Akron, O.	200,000	175,700	13.8	371,000	335,400	10.6	53.9	N/A	N/A	N/A
60	56	Donrey Media Group	Fort Smith, Ark.	198,000	169,000	17.2	198,000	169,000	17.2	100.0	N/A	N/A	N/A
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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66	66	Taft Broadcasting Co.	Cincinnati	171,500	140,800	21.8	453,824	380,955	19.1	37.8	39,156	38,035	2.9
67	59	Playboy Enterprises	Chicago	166,300	158,500	4.9	187,100	193,700	(3.4)	88.9	27,336	(17,493)	256.3
68	62	Howard Publications	Oceanside, Cal.	166,000	150,000	10.7	166,000	150,000	10.7	100.0	N/A	N/A	N/A
69	64	Blade Communications	Toledo, O.	157,600	143,300	10.0	157,600	143,300	10.0	100.0	N/A	N/A	N/A
70	67	Dispatch Printing Co.	Columbus, O.	152,000	140,000	8.6	152 000	140,000	8.6	100.0	N/A	N/A	N/A
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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76	73	Petersen Publishing Co.	Los Angeles	142,300	131,000	8.6	150,300	140,500	7.0	94.7	N/A	N/A	N/A
77	65	National Enquirer	Lantana, Fla.	142,000	142.000	0.0	142,000	142,000	0.0	100.0	N/A	N/A	N/A
78	79	United Cable Television Corp.	Denver	140,700	115,300	22.0	140,700	115,300	22.0	100.0	N/A	N/A	N/A
79	N/A	SFN Cos.	Glenview, Ill.	140,200	21.100	564.5	320,600	275,600	16.3	43.7	28,800	26,500	8.7
80	97	International Data Group	Framingham, Mass.	138,000	85,000	62.4	160,000	110,000	45.5	86.3	N/A	N/A	N/A
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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86	61	Penthouse International	New York	115,000	109,500	5.0	115,000	N/A	N/A	100.0	N/A	N/A	N/A
87	88	Pittway Corp.	Northbrook, Ill.	115,000	98,000	17.3	496,000	432,000	14.8	23.2	31,683	26,276	20.6
88	91	Sammons Communications	Dallas	113,000	94,000	20.2	113,000	94,000	20.2	100.0	N/A	N/A	N/A
89	75	Allbritton Communications Corp.	Washington	112,000	102,400	9.4	112,000	102,400	9.4	100.0	N/A	N/A	N/A
90	N/A	MTV Networks Inc.	New York	109,500	49,800	119.9	109,500	49,800	119.9	100.0	25,433	(5,967)	526.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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96	96	Park Communications	Ithaca, N.Y.	98,000	86,300	13.6	98,000	86,300	13.6	100.0	14,053	11,180	25.7
97	95	Knapp Communications	Los Angeles	97,600	88,500	10.3	111,200	99,300	12.0	87.8	N/A	N/A	N/A
98	98	Times Journal Co.	Springfield, Va.	95,800	84,000	14.0	132,500	119,000	11.3	72.3	N/A	N/A	N/A
99	N/A	13-30/Esquire	New York	95,000	66,900	42.0	95,000	66,900	42.0	100.0	N/A	N/A	N/A
100	N/A	Ackerley Communications	Seattle	90,100	79,500	13.3	97,900	79,500	23.1	92.0	(7,300)	(769)	(849.3)
		Total		50,020,356	42,028,200	19.1	87,352,194	77,468,334	12.8	57.3	3,970,686	2,999,541	32.4

Sources: Media revenues are Advertising Age estimates. Total revenues and net income were obtained through company sources and annual reports where possible.

companies by revenue ($000)

Newspaper			Magazine			Broadcast			Cable		
1984	1983	% chng	1984	1983	% chng	1984	1983	% chng	1984	1983	% chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
0	0	0	619,200	293,500	111.0	2,720,900	2,383,400	[illegible]	0	0	0
0	27,000	N/A	[illegible]	[illegible]	[illegible]	0	0	0	1,255,000	1,090,000	15.1
0	0	0	0	0	0	2,370,900	2,094,300	[illegible]	0	0	0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1,529,700	1,327,000	15.3	0	0	0	232,800	192,900	20.7	0	0	0
1,250,000	1,194,200	4.7	490,000	406,000	20.7	0	0	0	160,000	140,000	14.3
1,488,800	1,317,300	13.0	0	0	0	62,700	46,100	36.0	N/A	N/A	N/A
1,274,600	1,137,400	12.1	0	0	0	282,200	228,700	23.4	39,900	31,300	27.5
0	0	0	380,000	332,500	14.3	0	107,300	N/A	0	0	0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
956,675	832,200	15.0	211,000	186,400	13.2	38,800	35,100	[illegible]	22,100	18,300	20.8
914,300	780,200	17.3	332,000	305,000	8.9	[illegible]	120,000	[illegible]	0	0	0
0	0	0	671,700	629,700	6.7	81,900	71,600	14.4	0	0	0
0	0	0	0	0	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
328,700	289,600	13.5	262,900	156,000	68.5	271,800	235,800	15.3	76,300	67,000	13.9
886,000	738,100	20.0	30,000	27,600	8.7	0	0	0	0	0	0
700,000	650,000	7.7	0	0	0	118,000	94,402	25.0	11,000	6,229	76.6
0	0	0	0	0	0	279,100	200,200	39.4	404,900	337,400	20.0
68,000	62,000	9.7	589,000	517,300	13.9	0	0	0	0	0	0
[illegible]	[illegible]	[illegible]	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	89,000	39,900	123.1	0	0	0
0	0	0	[illegible]	650,000	22.2	0	0	0	0	0	0
0	0	0	0	0	0	195,000	167,800	16.2	341,800	291,100	17.4
[illegible]	[illegible]	[illegible]	0	0	0	[illegible]	[illegible]	[illegible]	20,000	8,900	124.7
0	0	0	0	0	0	0	0	0	449,400	347,300	29.4
406,600	287,000	41.7	33,300	31,700	5.0	0	0	0	0	0	0
0	0	0	0	0	0	417,000	371,600	12.2	0	0	0
228,500	207,800	10.0	1,900	1,700	11.8	140,800	125,700	12.0	18,000	0	N/A
379,000	345,100	9.8	0	0	0	0	0	0	1,000	900	11.1
[illegible]	[illegible]	[illegible]	0	0	0	[illegible]	[illegible]	[illegible]	0	0	0
327,500	278,500	17.6	0	0	0	16,300	14,500	12.4	0	0	0
9,000	9,000	0.0	210,100	188,800	11.3	103,800	88,500	17.3	4,300	2,700	59.3
320,600	281,600	13.8	0	0	0	0	0	0	0	0	0
241,400	208,800	15.6	21,600	20,000	8.0	35,000	51,200	(31.6)	7,000	5,000	40.0
103,000	90,700	13.6	0	0	0	135,300	125,800	7.6	66,100	53,200	24.2
303,900	236,700	28.4	0	0	0	0	0	0	N/A	N/A	N/A
0	0	0	0	0	0	200,000	209,000	(4.3)	102,000	90,300	13.0
0	0	0	42,800	33,700	27.0	0	0	0	236,500	219,000	8.0
197,700	187,500	5.4	0	0	0	81,400	72,700	12.0	0	0	0
142,100	110,500	[illegible]	0	0	0	30,000	14,300	109.8	[illegible]	0	0
0	0	0	34,500	32,000	7.8	0	0	0	236,500	219,000	8.0
150,500	15,000	903.3	50,200	40,000	25.5	0	0	0	69,500	60,000	15.8
0	0	0	0	0	0	83,600	119,800	(30.2)	183,700	151,500	21.3
0	0	0	0	0	0	177,400	136,200	30.2	88,300	65,100	35.6
170,000	145,200	17.1	0	0	0	86,000	96,800	(11.2)	0	0	0
217,000	183,000	18.6	0	0	0	12,000	10,000	20.0	13,000	11,000	18.2
246,000	182,200	35.0	0	0	0	0	0	0	0	0	0
232,000	209,500	10.7	0	0	0	0	0	0	0	0	0
171,000	N/A	N/A	0	0	0	30,000	N/A	N/A	31,000	N/A	N/A
0	0	0	0	0	0	0	0	0	226,000	156,000	44.9
191,600	162,600	17.8	0	0	0	33,400	21,700	53.9	N/A	79,500	N/A
218,000	196,400	11.0	0	0	0	0	0	0	0	0	0
217,000	186,200	16.5	0	0	0	0	0	0	0	0	0
0	0	0	213,400	202,000	5.6	0	0	0	0	0	0
207,000	129,000	60.5	0	0	0	0	0	0	0	0	0
0	0	0	194,300	190,500	2.0	0	0	0	0	0	0
0	0	0	200,000	160,000	25.0	0	0	0	0	0	0
0	0	0	0	0	0	200,000	175,700	13.8	0	0	0
164,000	133,500	22.8	0	0	0	28,000	25,400	10.2	6,000	4,000	50.0
165,300	149,000	10.9	0	0	0	26,000	23,300	11.6	6,000	5,000	20.0
139,000	120,000	15.8	0	0	0	56,000	50,000	12.0	N/A	N/A	N/A
0	0	0	185,300	162,200	14.2	0	0	0	0	0	0
134,200	120,600	11.3	0	0	0	48,500	45,500	6.6	0	0	0
109,000	102,000	6.9	0	0	0	28,000	13,200	112.1	35,000	30,000	16.7
0	0	0	0	0	0	171,500	140,800	21.8	0	0	0
0	0	0	147,000	150,200	(2.1)	0	0	0	15,600	8,300	88.0
139,000	129,000	7.8	0	0	0	16,000	14,000	14.3	11,000	7,000	57.1
124,600	114,800	8.5	0	0	0	10,000	9,000	11.1	23,000	19,500	17.9
117,000	109,000	7.3	2,000	N/A	N/A	33,000	31,000	6.5	0	0	0
133,700	124,000	7.8	10,300	10,000	3.0	0	0	0	0	0	0
150,000	135,000	11.1	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	146,700	122,000	20.2	0	0	0
0	0	0	143,800	130,000	10.6	0	3,000	N/A	0	0	0
0	0	0	14,000	11,000	27.3	128,800	91,000	41.5	0	0	0
0	0	0	142,300	131,000	8.6	0	0	0	0	0	0
142,000	142,000	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	140,700	115,300	22.0
0	0	0	65,200	21,100	209.0	75,000	0	0	0	0	0
0	0	0	138,000	85,000	62.4	0	0	0	0	0	0
0	0	0	0	0	0	0	0	[illegible]	134,900	139,500	(3.3)
0	0	0	0	0	0	131,600	90,000	46.2	0	0	0
0	0	0	103,100	85,300	20.9	16,300	15,900	2.5	0	0	0
0	0	0	0	0	0	119,100	107,000	11.3	0	0	0
99,000	93,000	6.5	0	0	0	18,000	15,000	20.0	0	0	0
0	0	0	115,000	109,500	5.0	0	0	0	0	0	0
0	0	0	115,000	98,000	17.3	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	113,000	94,000	20.2
41,000	39,000	5.1	0	0	0	71,000	63,400	12.0	0	0	0
0	0	0	0	0	0	0	0	0	109,500	49,800	119.9
[illegible]	[illegible]	[illegible]	0	0	0	22,300	20,800	7.2	0	0	0
0	0	0	108,300	89,700	20.7	0	0	0	0	0	0
0	0	0	106,000	90,000	17.8	0	0	0	0	0	0
0	0	0	0	0	0	104,500	95,000	10.0	0	0	0
0	0	0	0	0	0	0	0	0	[illegible]	[illegible]	[illegible]
51,000	44,000	15.9	0	0	0	47,000	42,300	11.1	0	0	0
0	0	0	97,600	88,500	10.3	0	0	0	0	0	0
95,800	84,000	14.0	0	0	0	0	0	0	0	0	0
0	0	0	95,000	66,900	42.0	0	0	0	0	0	0
0	0	0	0	0	0	13,400	19,800	(32.3)	0	0	0
18,877,873	16,199,400	16.6	8,626,300	7,379,700	16.9	14,305,200	11,922,602	20.7	5,844,200	4,800,629	21.8

five newspapers and five vhf tv stations, and it saw revenues increase an estimated 9.4% in 1984 over 1983 estimates.

The *Times*, Trenton, N.J., Allbritton's largest newspaper with a morning circulation of 62,098 in March, 1985, is making a major thrust into Princeton, N.J., and in February, 1985, dropped "Trenton" from its name in hopes of appealing to a wider New Jersey audience.

On March 15, 1985, the *Times* opened a full-service business and editorial office in Princeton. It also rented a trailer that travels to local shopping malls to encourage retailers to buy ads. The *Times* ad staff creates ads on the spot for small retailers.

The effort "has been unbelievably successful," says Michael Moore, president of Allbritton's newspaper division. "We're seeing some very encouraging numbers to match the less encouraging numbers on the cost side."

The *Times'* daily circulation was down about 600 subscribers from the similar prior-year period, while the Sunday circulation was 78,797, up 1.3%. Mr. Moore says daily circulation was flat in the first quarter of 1985, while Sunday was up about 2,000.

The *Trentonian*, owned by Ingersoll Publications, and the *Times* continually battle for the market, with the *Trentonian* still ahead during the week with ABC audited circulation of 67,092, up 1% from March, 1984, while the *Times* is winning the Sunday race. The Sunday *Trentonian* had circulation of 63,246, down 2.4% during the same period.

Thomas Cookerly, broadcast division president and general manager of WJLA-TV, Washington, says Allbritton's tv stations performed well in the past year, but made no significant ratings gains. WCIV, Charleston, S.C., will expand its reach later this year, along with other tv stations in the market, when they move to a newly erected 2,000-ft. tower.

"We, like everybody else, are watching the market with great interest," Mr. Cookerly says of the divestitures resulting from recent media company mergers. Allbritton may bid for some stations, Mr. Cookerly says, although the company will consider "at what price do these things stop making sense for us."

The company's most recent purchases—KATV, Little Rock, Ark., and KTUL, Tulsa, Okla.—were in 1983.

Ad revenues for the newspaper division in 1984 were up 5% over-all, with classifieds showing the greatest increases, often as much as 20%, Mr. Moore says. Retail advertising has been soft, while national "is a disaster area," except in Trenton, he says.

Circulation has dropped slightly at the *News*, Paterson, N.J., and the *Dispatch*, Union City, N.J., because of aggressive marketing by the *Record* of Bergen County, N.J.

The *News* dropped 8% from March, 1984, to a daily circulation of 45,392 in March, 1985, while the *Dispatch* dropped 8.3% to 32,805 during the same period.

Both newspapers named new publishers this year: Jim Scoggins, former owner and publisher of the *York Daily Record*, York, Pa., heads the *News*, and Richard Vezza, formerly publisher of the *Elizabeth Daily Journal*, Elizabeth, N.J., now publishes the *Dispatch*.

The *Standard Observer*, Irwin, Pa., is up slightly with a 15,000 daily circulation. The *Westfield Evening News*, Westfield, Mass., showed a 15% increase, to 6,000 daily.

Allbritton Communications is part of the Joe Allbritton-owned holding company, Perpetual Corp., which has interests in insurance and mortuaries.

MEDIA PROPERTIES

Broadcasting

TV: KATV, Little Rock, Ark.; KTUL, Tulsa, Okla.; WCIV, Charleston, S.C.; WJLA, Washington; WSET, Lynchburg, Va.

Newspapers (dailies)

MASSACHUSETTS: *Westfield News*. NEW JERSEY: *Dispatch* (Union City), *News* (Paterson), *Times* (Trenton). PENNSYLVANIA: *Irwin Standard Observer*.

American Broadcasting Cos.

RANK 1

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	3,650	2,815	29.7
Total sales	3,708	2,949	25.7
Net income	195	160	22.2
Sales per medium			
Newspaper	0	0	0
Magazine	316	188	68.7
Broadcast	3,300	2,614	26.2
Cable	34	13	151.5

American Broadcasting Cos., New York, surfaced from a record year in 1984 to find itself a hotly pursued takeover target in 1985, and it ultimately accepted a $3.5 billion bid from Capital Cities Communications in a friendly buyout.

The purchase, the largest in media history, seemed to bear the message that any media company was vulnerable if a major network such as ABC could be cracked. It touched off a frenzy of media transactions, hostile takeover attempts and leveraged buyouts that revolutionized the media industry.

ABC is treated as a separate entity in this profile issue, although its shareholders were to approve in late June the buyout and name change to Capital Cities/ABC Inc.

In 1984, ABC was the nation's largest media company with media revenues of $3.65 billion, a 29% increase over 1983. Media revenue accounted for virtually all of ABC's 1984 record revenue of $3.7 billion.

But while 1984 was an outstanding year for ABC, 1985, at least so far, is not. Earnings declined nearly 19% for the first quarter, compared with the first quarter of 1984, to $19.4 million. ABC Broadcast Group profits fell 8%. Company revenues for the quarter were $797.8 million, a 5% decline. The broadcast activity continues the downward trend that came after the euphoria of a successful Olympic Games coverage in Los Angeles last summer.

ABC's broadcast segment in 1984 still finished the year with an extraordinary increase of 26.4% in revenues to $3.3 billion with earnings before taxes of $427.8 million, up 17.1% from the prior year.

Publishing, the second largest segment, had revenues of $316.3 million, up 13%, and pretax earnings of $34.2 million, up 17.2%. The remaining two segments struggled during the year: Video Enterprises recording $54.4 million in revenues, up 306%, but a pretax loss of $44.6 million, compared with a loss of $47.3 million the prior year, and the motion pictures, scenic attractions and "other" segment had revenues of $27.9 million, off 14.4%, and a pretax loss of $271,000, down from a loss of $1.4 million the prior year.

The ABC Video Enterprises (ABCVE) segment, however, began paving the way for greater returns in 1984 with the acquisition in April, 1984, of Entertainment & Sports Programming Network, which makes it the largest supplier of basic cable programing in the country. ABC paid Texaco Inc. $227 million for the 85% stake Texaco had in ESPN. In October, ABC sold 20% of the company to Nabisco Brands Inc., East Hanover, N.J., for $60 million.

ESPN made the deal look good when it reached a three-year, $70 million agreement last summer with the United States Football League to broadcast its games. The ESPN acquisition and poor results from the Satellite News Channels and RSVP, the pay-per-view network, were the reasons for negative earnings in the ABCVE segment.

The most notable development in the motion pictures and scenic attractions category was the sale of the scenic attractions segment (Florida theme parks) in May, 1984, to officers of the division for $6.6 million.

Both the winter and summer Olympics greatly contributed to the strong earnings turned in by ABC's commercial broadcasting division. (ABC accounted for 40% of the aggregate ad revenues of $8.3 billion generated in 1984 by the nation's three major networks.) Within the segment, ABC Radio increased revenues for the second year in a row after a slight loss in 1982. The division also purchased KTKS (fm), Dallas-Fort Worth, for $9 million and sold KGO-FM in San Francisco and WXYZ-AM in Detroit.

But as the poor fall showings dulled the summer performance, it became apparent someone was attempting to make ABC a bride. Its stock dropped and large blocks were being bought by unknown suitors, from whom Cap Cities surfaced. On March 18, 1985, ABC unveiled the historic agreement: Cap Cities would purchase ABC's 29.1 million outstanding shares for $118 a share in cash plus 1/10th of a warrant to purchase Cap Cities stock at $250 a share. The transaction had a total value of $121 a share. ABC had just been sold for $3.5 billion.

Most of the money will come from banks, a dispersal of assets and other sources, including one of ABC's new owners, Warren E. Buffett. Mr. Buffett, chairman of Nebraska-based Berkshire Hathaway, a holding company with interests in several major ad agencies, contributed $517 million to the buyout.

At first, analysts were hesitant about the union. ABC, a vast sprawling empire that likes to consider itself a big happy family, did not appear the most suitable partner for small, tightly run Cap Cities. Later, opinions changed: ABC could benefit from the lean management style of a Thomas Murphy, Cap Cities' 59-year-old chairman, and Dan Burke, Cap Cities president. Both companies said the merger would provide a more stable revenue base.

Under the merger, the new management stucture will include Thomas Murphy, chairman-ceo; Daniel Burke, 56, president-chief operating officer of the broadcast division, and Fred Pierce, 52, will become chairman-ceo of ABC. (He headed the broadcast division at ABC at the time of the buyout.) Leonard Goldenson, former ABC chairman, becomes chairman of ABC Inc.'s executive committee.

The merger also will force a sale of broadcast stations. Stations must be sold that violate media crossownership restrictions (no tv, radio or newspaper combinations in a market not already grandfathered in), when the number of tv, fm or am stations exceeds 12 each or when penetration is greater than 25% of total U.S. households. Broadcast overlaps exist in five areas—New York, Los Angeles, Detroit, Houston and Dallas-Fort Worth.

Almost all of the properties to be divested will be radio stations. Three tv stations will be sold, with many of the tv and radio properties being let go because they are less profitable than those being kept. The following scenario is likely:

- Cap Cities already has put its Buffalo radio and tv stations, WKBW-TV, WKBW-AM, on the block.
- The divestiture problem is most complex in New York. Cap Cities owns stations in adjoining markets—WTNH-TV in Hartford, Conn., and WPVI-TV in Philadelphia—which conflict with overlapping signals in their markets from WABC-TV in New York. In May, Cap Cities said it would seek a waiver from the FCC to keep WPVI. If WPVI stays, then the company will sell WXYZ-TV, Detroit. WTNH definitely will be sold, the company says.
- ABC's New York radio properties, WABC-AM and WPLJ-FM, also conflict with WPAT (am, fm), Cap Cities' combo in Paterson, N.J. All of the stations will be sold, Cap Cities says.
- In Los Angeles, Cap Cities' radio stations KLAC-AM and KZLA-FM conflict with ABC outlets KABC-AM and KLOS-FM, as well as KABC-TV. All four radio stations will be sold.
- In Detroit, ABC's WRIF-FM conflicts with Cap Cities' WJR-AM. If the previously mentioned WPVI waiver is denied by the FCC, then Cap Cities will keep WXYZ-TV, Detroit, and sell the radio stations and the *Oakland Press*, Pontiac, Mich.
- In Tampa, Cap Cities' WFTS-TV will be sold.
- In Houston, ABC's newly acquired KSRR-FM will be sold, because Cap Cities owns KTRK-TV.
- In San Francisco, ABC will sell KGO (am). Because of the merger ABC lost its protection from the grandfather clause that allowed it to own both its KGO (am) radio station and KGO-TV.
- In Dallas, ABC's KTKS-FM will be sold to allow the *Fort Worth Star-Telegram*, Cap Cities' newspaper, to remain.
- Cap Cities' cable tv division, made up of 55 cable systems, also will be spun off. Broadcast networks currently are forbidden from holding major cable properties.
- The newspaper to be sold will be in the New York area—*Daily Register*, Red Bank, N.J.

Broadcast broker Gammon & Ninoski Media Investments, Washington, believes the radio stations, in total, are worth at least $440 million. The total value of all spunoff properties could approach $1 billion. Station swaps also may be considered, and radio stations are more likely to be involved than tv stations.

The publishing operations of both companies combine into a clean fit. Both companies have leading business and consumer publications. Cap Cities owns, among other publishing properties, the Fairchild Publications, which publishes *Women's Wear Daily* and *Institutional Investor*.

The merger is only one part of the drama that has engulfed ABC's broadcast operations during the past year. A triumphant Summer Olympics broadcast gave way to the most disastrous fall tv season for the company since 1972.

The 1984 Olympics turned out to be a bittersweet pill for the network. The winter games in January averaged only an 18.2 rating and 28 share, the blame of which generally is placed on taped delays and the poor showing of the U.S. hockey team. For the first time in Olympics history, advertisers, who had spent $187 million on the games, were compensated for the shortfall.

ABC achieved a slim $15 million profit on the games. The following month, however, the network paid a record $309 million for rights to broadcast the Winter Olympics in Calgary in 1988.

The Los Angeles summer games were a resounding victory for the network. At $200,000 a 30-second spot, the network sold $435 million in ad time, by far the single most lucrative event in the history of tv.

But controversy dogged the games.

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Russian and Eastern Bloc athletes pulled out, and ABC feared the summer event would suffer the fate of the winter games. The network pressured the Olympics tv committee to return some of the broadcast rights fees.

After opening day in July, the fears were allayed. The opening ceremonies got a 23.9 rating and 48 share, and the games went on to deliver an average 24.8 ratings and 44 share. An estimated 180 million Americans watched all or part of the games, making the Summer Olympics the most viewed event ever presented by a single network.

ABC used its own fillers during the Olympics to promote its fall lineup of programs. The promos proved meaningless, however, as heavily promoted "Glitter" and "The Call to Glory"—and virtually every other new show to bow in the fall—were removed after poor ratings. ABC, for the first time in more than 12 years, ended last in prime-time ratings for the season. CBS finished first with a 16.9 rating, NBC, second with 16.2, and ABC, 15.4.

The difficulties led to a major corporate shakeup in March, when John Severino, president of ABC Television, was demoted. The two top programing executives, however, solidified their power base in the shakeup. They are Anthony Thomopoulos, Broadcast Group president, and Lew Erlicht, head of Entertainment.

For the 1985-86 fall season, the network has added 10 new series to the schedule, representing a huge eight-hour block. The four new comedies, three action-adventure shows and three dramas represent a major swing back to the young urban viewer ABC lost to NBC last year.

ABC will try to capitalize on "Dynasty," anchor of the entire ABC schedule for the past two years. "Dynasty" finished the 1984 season as the top-rated show on network tv with a 25 rating and 37 share. A spinoff produced by Aaron Spelling, "Dynasty II: The Colbys," has been added to the Thursday evening schedule. In an unusual twist, ABC added "Diff'rent Strokes," the canceled NBC series. Two years ago NBC picked up "Taxi," a canceled ABC series.

Only Monday night remains intact on the schedule. "Monday Night Football" will return for its 12th season, although this show also has suffered a drop in ratings. Some major advertisers managed to lower their unit costs on the show as a result.

The problems on "Monday Night Football" highlighted a major transition period for the network last year. Because of an overabundance of advertiser inventory in the sports market, all three networks have experienced sales difficulties. ABC has restructured its sports sales department, partly in preparation for the huge sales effort it plans for the '88 Winter Olympics. The network cut back slightly last year on its sports programing—including the cancelation of its long-running "American Sportsman" anthology. "Wide World of Sports" continued its reign as top-rated sports anthology on network tv.

ABC also has put the United States Football League on notice that it will not broadcast its games if it moves ahead, as planned, to a fall schedule in 1985.

ABC achieved a major sales victory with its first-ever broadcast of the Super Bowl. The game brought less than expected ratings, but advertisers spent a record $1 million a minute to get a berth on it.

In daytime, CBS notched a slight ratings victory over ABC, although ABC continues to dominate ratings among women 18 to 49 and women 18 to 34. "Good Morning America," the top-rated morning news/entertainment show, continued its dominance, although NBC's "Today" made some inroads.

MEDIA PROPERTIES

Broadcasting

TV: ABC-TV Network (211 affiliates). ABC-owned stations: KABC, Los Angeles; KGO, San Franciso; WABC, New York; WLS, Chicago; WXYZ, Detroit.

RADIO: ABC Radio Networks (plus 1,860 affiliates). ABC-owned stations: KABC (am) and KLOS (fm), Los Angeles; KSRR (fm), Houston; WABC (am), New York; WLS (am, fm), Chicago; KTKS (fm), Dallas/ Fort Worth; WMAL (am) and WRQX (fm), Washington, D.C.; WPLJ (fm) and WRIF (fm), Detroit.

Cable/video

ABC Video Enterprises; Lifetime and ARTS & Entertainment Network, co-ventures with Hearst/Viacom Entertainment Services and Hearst/RCTV Inc., respectively; ESPN Network.

Magazines

ABC Leisure Magazines—*High Fidelity, High Fidelity Musical America, Video & Sound, High Fi Test Reports, Los Angeles, Musical America International Directory, McCall's Needlework & Crafts: Stitchery Bazaar, McCall's Needlework & Crafts, Modern Photography, Modern Photography: Rock Photo, Modern Photography: The Wofman Report, Schwann's Record and Tape Guides, Creative Craft Series, Design Idea Series.* Chilton Company: *Automotive Industries, Automotive Marketing, Commercial Carrier Journal, Distribution, Electronic Component News, Food Engineering, Food Engineering International, Food Engineering Master* (annual catalog), *Hardware Age, IAN, I&CS, IMPO Distributor News, Industrial Maintenance & Plant Operations, Industrial Safety & Hygiene News, Iron Age, IAMI (Iron Age Metalworking International), Jewelers' Circular-Keystone, Motor/Age, Owner Operator, Product Design & Development, Review of Optometry.* COMPUTE! Publications: *COMPUTE!, COMPUTE!'s Gazette, COMPUTE! Gazette disk.* Farm Progress Cos.: *Prairie Farmer, Indiana Prairie Farmer, Farm Tax Saver, Wallaces Farmer, Wisconsin Agriculturist.* Miller Publishing: *Dairy Herd Management, Farm Store Merchandising, Feedlot Management, Feedstuffs, Feed Additive Compendium, Hog Farm Management, Garden Supply Retailer, Tack 'n Togs.* Hitchcock Publishing: *Assembly Engineering, Industrial Finishing, Infosystems, Machine and Tool Blue Book, Office Products Dealer, Quality, Manufacturing System.*

OTHER OPERATIONS

ABC Motion Pictures, Chilton Research Services, Chilton auto repair manuals, Word Inc. (religious books, records, videocassettes), Farm Progress Insurance, Wallace-Homestead Book Co., NILS Publishing and National Price Service Database services.

American Express Corp.

RANK 39

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	279	252	10.5
Total sales	12,895	9,770	32.0
Net income	610	515	18.4
Sales per medium			
Newspaper	0	0	0
Magazine	43	34	27.0
Broadcast	0	0	0
Cable	237	219	8.0

American Express Co., New York, which has proposed the sale of its 50% share of Warner Amex Cable Communications, is the 39th largest media company, with 1984 media revenues estimated by Advertising Age at $279.3 million, up 10.5% from 1983's estimate.

Media contributions at American Express, equal to 2.2% of total revenues of $12.90 billion, are derived from its 50% ownership in Warner Amex and from three magazines, *Travel & Leisure, Food & Wine*, and newly launched *Departures* magazine.

Warner Amex had total revenues of $472.9 million in 1984, up 8% from 1983, and a net loss of $25 million, compared with a net loss of $98.6 million the previous year.

Warner Communications, which owns the other 50% of Warner Amex, shares half the losses and gains of Warner Amex.

American Express is seeking to exit the unprofitable cable venture to concentrate more fully on financial services. It has signed an agreement with two Denver-based cable operators, Time Inc.'s American Television & Communications subsidiary and Tele-Communications.

The potential buyers are offering to pay $850 million in cash, and assume $500 million in debt. The other partner, Warner Communications, must approve the deal, however. Under the joint venture agreement, each has the right to buy out the other if one agrees to sell.

Drew Lewis, the former U.S. Secretary of Transportation under President Ronald Reagan who became chairman-ceo of Warner Amex in 1983, reduced losses during 1984 by, among other things, selling some of Warner Amex's cable franchises, renegotiating several other franchises and cutting overhead, mainly by reducing staff and consolidating offices.

Warner Amex is the sixth largest U.S. cable system, with a 1984 subscriber base of 1.2 million homes, of which 901,000 are also pay cable customers. This is down from 1983 when its subscriber base was 1.36 million households, of which 1.30 million were also pay cable customers. This decline is mainly because Warner Amex operated 104 cable systems in 24 states at the end of 1984—15 systems and one state less than at the end of 1983.

Warner Amex also owns 19% of Showtime/The Movie Channel, which provides 24-hour-a-day programing for pay cable tv. (For more details on Warner Amex, see the profile on Warner Communications.)

MTV: Music Television and Nickelodeon, two cable services of Warner Amex Satellite Entertainment Corp., a unit of Warner Amex, were sold in July, 1984, to MTV Networks for $67.7 million in cash and 66.1% of the capital stock of MTV Networks. The remaining capital stock was sold in a public offering in August, 1984. (For more details, see profile of MTV Networks.)

As for its magazines, in July the company appointed Thomas Ryder to head American Express Publishing Corp., ending speculation that American Express was considering unloading its publishing division after the April 4 death of John Connors, who had headed the division for 10 years.

The publishing division is made up of *Travel & Leisure* and *Food & Wine*, both of which posted new highs in ad pages and revenues in 1984. Compared with the end of 1983, *Travel & Leisure's* paid subscriptions were up 5.4%, to 975,000 at the end of 1984, and *Food & Wine's* were up 14.2%, to 600,000.

During the same period, *Travel & Leisure* increased its ad pages 16.9% to 1,304, and *Food & Wine* increased its ad pages 21.2% to 505. Advertising Age estimates the two magazines together generated $24.9 million in ad revenues in 1984 and another $17.4 million from subscriptions.

AmEx has just started its *Departures* magazine, a travel publication being sent to the top 150,000 cardholders in Europe and the Middle East. *Departures* is being published six times a year.

Over-all, American Express had a good year, performing well in what was a generally difficult environment for the financial services industry.

Travel related services and international banking both turned in record performances. The acquisition of Lehman Brothers Kuhn Loeb Holding Co., effective in May, 1984, had a positive impact on investment service earnings. IDS Financial Services, acquired in a purchase effective Dec. 31, 1983, was included in the company's results for the first time in 1984; IDS earnings were up significantly from 1983.

The insurance service, of which Fireman's Fund is a division, had a net income of $43 million in 1984, up from $30 million in 1983, but still significantly below 1982's $244 million in net income.

MEDIA PROPERTIES

Cable tv/video

As part of 50-50 partnership in Warner Amex Cable Communications, American Express has interests in 104 cable systems in 24 states with about 1.2 million basic subscribers, of which 901,000 also subscribe to pay cable.

Magazines

Travel & Leisure, Food & Wine, Departures.

OTHER OPERATIONS

American Express Direct Response, American Express International Banking Corp., Fireman's Fund Insurance Cos., Investors Diversified Insurance, Merchandise Sales, Shearson/American Express Services, ATS Marketing of America (affiliate company).

A.H. Belo Corp.

RANK 31

Dallas

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	354	242	46.0
Total sales	354	242	46.0
Net income	91	53	72.0
Sales per medium			
Newspaper	195	163	19.5
Magazine	0	0	0
Broadcast	158	79	100.9
Cable	0	0	0

A.H. Belo Corp., Dallas, ranked 31st among the nation's media companies in 1984 with media revenues of $353.6 million, up 46% from 1983. Media revenues were 99.8% of the company's total revenues.

The company was thrust into the industry's higher rankings from its position in 1983 as the 41st largest media company by completing its acquisition of the Corinthian Broadcast Group from Dun & Bradstreet Corp. That acquisition accounted for major increases in revenues and earnings for Belo in 1984.

Of Belo's 1984 operating revenues, $195.2 million, or 55.1%, was derived from newspaper publishing, and $158.3 million, or 44.7%, was derived from tv and radio broadcasting. The "Texas Almanac" accounts for the remaining revenue.

Newspaper ad revenues at Belo's lead property, the *Dallas Morning News*, were $169 million, up 19.4% from 1983. The *News* increased its ad rates about 8% in January, 1984.

Earnings from operations rose 72.2% in 1984, to $91.1 million, of which $33.4 million was from newspaper publishing (up 14.8), and $62.7 million was from tv and radio broadcasting (up 102%).

Belo's primary mission in 1984 was to absorb its newly acquired broadcast properties and to widen the *News'* leadership position over the competing Times Mirror-owned *Dallas Times Herald.*

The effort coincided with a general softening of conditions in the broadcast business and with Belo's construction of a $57 million printing and distribution facility in suburban Plano. The new offset presses began to roll in January, 1985, improving color reproduction quality in the *News.*

Belo's new tv stations remained a strong second or third in their markets, except for KXTV-TV in Sacramento, which sometimes runs fourth. Houston's KHOU-TV experienced soft local spot advertising but edged past H&C Communication's KPRC into second place according to the Nielsen May, 1985, books that gave KHOU a 17 share vs. 16 for KPRC and 25 for leader, Cap Cities' KTRK.

Belo's WFAA-TV retained its leadership position in Dallas-Fort Worth throughout 1984 despite several major personnel changes. In early 1985, Iola Johnson, a popular co-anchor on WFAA's leading news broadcasts, left the station after 11 years in the position. Earlier, a popular consumer affairs reporter for the station died.

While Belo was establishing its management and policies in the new tv markets during 1984, the *News* was making strides in its effort to remain the dominant newspaper in the Dallas-Fort Worth market.

For the six months ended March 31, 1985, the *News* reported total average paid circulation of 368,683 weekdays (up 10.2% for the similar period a year earlier) and 476,004 Sundays (up 10.2%), according to the Audit Bureau of Circulations.

The release of circulation figures for the 12 months ended March 31, 1984, was delayed until November, 1984, because of an audit requested by the *News* to challenge *Times Herald* figures. That audit revealed the *Times Herald* had overstated its figures by more than 20,000 subscriptions that did not qualify to be included.

In the subsequent ABC report for the six months ended March 31, 1984, the *News* was reported to have extended its circulation lead over the *Times Herald* to more than 125,000 both daily and Sunday.

The *Dallas Morning News* gained in all geographic categories, while the *Times Herald* experienced losses in all categories. The *Times Herald* had circulation of 241,055 daily (down 6.2% from the year-earlier period) and 345,932 Sunday (down 1.1%), according to March 31, 1985 ABC audit statements.

The *News'* gains were not limited to circulation. In 1984, the *News* led the nation's newspapers in full-run advertising linage with 116.5 million lines, passing the *Houston Chronicle* and the *Los Angeles Times*, which led the nation as No. 1 and No. 2, respectively, in 1983.

Through the first quarter of 1985, the *News'* total advertising market share was 55.9%, up from 54.3% in the first quarter of 1984, and from its 54.7% share at the end of 1984, according to Media Records. The *News'* first-quarter market share of classified advertising rose to 60% from 57% the year earlier.

On Jan. 1, 1985, Robert W. Decherd was promoted to president of Belo from exec vp. He remained chief operating officer. James M. Moroney Jr., who relinquished the presidency, remains chairman-chief executive officer.

John A. Rector Jr. became publisher of the *News*, moving from president, where he was succeeded by Burl Osborne, formerly senior vp-editor. And Jeremy L. Halbreich was promoted from senior vp to exec vp of the *News*, in which position he is responsible for all of the newspaper's business operations.

While Texas is preparing to celebrate its 125th anniversary in 1986, the *News* will be celebrating its 100th anniversary in the fall of 1985. Leading up to that celebration, the paper acquired the exclusive first newspaper publication rights for the state of Texas to James A. Michener's historical novel "Texas."

In early 1985, Belo stockholders approved a rule that would require changes in bylaws to be approved by two-thirds of the stockholders, a move designed to fortify the company against any takeover attempts.

MEDIA PROPERTIES

Broadcasting

TV: KHOU, Houston; KOTV, Tulsa, Okla.; KXTV, Sacramento-Stockton, Cal.; WFAA, Dallas; WVEC, Hampton-Norfolk, Va.

RADIO: KRQX (am), and KZEW (fm), Dallas-Fort Worth; KOA (am) and KOAQ (fm), Denver.

Newspapers

Dallas Morning News and seven community dailies published by Belo's News-Texan: *Arlington Daily News, Garland Daily News, Grand Prairie Daily News, Irving Daily News, Mid-Cities Daily News, Richardson Daily News, Suburban News.*

OTHER OPERATIONS

Corinthian Broadcast Group, publishes the "Texas Almanac," operates Selective Media Services, a direct marketing and distribution company.

Blade Communications

RANK 69

Toledo, O.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	158	143	10.0
Total sales	158	143	10.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	125	115	8.5
Magazine	0	0	0
Broadcast	10	9	11.1
Cable	23	20	17.9

Blade Communications Inc., Toledo, O., is the nation's 69th largest media company with 1984 revenues estimated by Advertising Age at $157.6 million, all from media operations, up 10% from 1983's estimate.

The privately owned company in mid-June, 1985, underwent corporate restructuring creating the new parent name, Blade Communications Inc., as a holding company responsible for managing nine businesses, including newspapers, cable tv systems and tv station properties in several states. In essence, the restructuring separates the functions of the newspaper division—the company's primary business—from other operations.

The company has been controlled by the Block family since Paul Block Sr. started it early in the 1920s. Today, his sons, Paul Block Jr. of Toledo and William Block of Pittsburgh, Pa., are co-owners.

Blade Communications is a "fairly conservative company" according to a Blade spokesperson. The source says the company experienced growth of between 10% and 15% in 1984 and expected to do about the same this year.

Part of that new growth will result from the purchase of KTRV-TV in Nampa/Boise, Idaho, from Payton Broadcasting Ltd. According to papers filed with the FCC, the purchase price is $4.9 million, but a source outside the company says the purchase also involved Blade's assumption of KTRV's debts, bringing the price to about $6.6 million. Blade is buying the station under the name Idaho Independent Television. KTRV should generate revenues annually of between $3 million and $4 million.

The purchase, already approved by the FCC, was expected to be completed this June, bringing Blade's tv holdings to four stations. Its other stations are WLFI in Lafayette, Ind.; WLIO in Lima, O., and WDRB in Louisville, Ky.

Although the company is continually looking for additional properties, Blade is not likely to make another deal before yearend, says the source, who notes that although the company would consider a good offer involving a newspaper, Blade will look hardest for tv and cable outlets.

"There still are some bargains out there," he says. "It depends on how well you shop."

In its other media dealings, the company experienced moderate growth during 1984. Buckeye Cablevision, which serves the Greater Toledo area, added about 5,000 subscribers, climbing to about 100,000; Erie County Cablevision, which serves the Sandusky, O., vicinity, added fewer than 800 subscribers, climbing to about 15,000, and Monroe Cablevision, Monroe, Mich., added just 500 new subscribers, reaching about 6,000.

The company source says that both the Erie County and Monroe systems are state-of-the-art operations that have been completely rebuilt. Buckeye, which is using all 24 of its available channels, is ready to expand the number of channels it offers as soon as the company sees a need for it, he says.

Financially, the cable operations have been performing about as expected. Part of that performance is a sizable amount of local advertising.

Paul Kagan & Associates, a cable industry analyst, estimates 1984 local ad revenues were about $700,000 for Buckeye. Kagan lists Blade as the nation's 47th largest multiple system operator.

As for pay cable subscribers, the company source says Blade is having good success in that area. Kagan, however, in a January, 1984, case study, says, "The system has achieved only marginal pay penetration," 40.1% of basic.

That figure since has improved to slightly more than 45%.

In the newspaper arena, the *Toledo Blade*, the company's flagship, continued to build circulation. Daily circulation rose 0.3% to 163,194 as of March 31, 1985, compared to the same year-earlier period, and 1.6% to 219,072 on Sunday, according to ABC audit reports.

At the *Pittsburgh Post-Gazette*, circulation fell. The *Post-Gazette's* Monday through Friday circulation was 174,982 at March 31, 1985, down 1.9% from a year earlier, and the Saturday paper averaged 161,860, down 2.2%. The dip in circulation at the *Post-Gazette*, however, were not as great as that at the leading *Press*, which had evening circulation of 247,784, down 3%, and Sunday circulation of 594,025, down 3.2%, during the same ABC reporting period.

The *Post-Gazette*, which does not publish Sundays, has a joint operating agreement with the Scripps-Howard-owned *Press*.

The *Monterey Peninsula* (Cal.) *Herald* circulation rose slightly to 32,794 daily and 34,529 Sunday for the March reporting period.

MEDIA PROPERTIES

Broadcast

TV: KTRV, Nampa/Boise, Idaho; WLFI, Lafayette, Ind.; WLIO, Lima, O.; WDRB, Louisville, Ky.

Cable/video

OHIO: Buckeye Cablevision, serving Harbor View, Holland, Lucas County, Maumee, Montdera, Ottawa Hills, Oregon, Perrysburg, Perrysburg Township, Rossford, Springfield Township, Sylvania, Sylvania Township, Toledo, Washington Township, Wood County. Erie County Cablevision, serving Bay View, Castalia, Erie County, Huron, Huron Township, Margaretta Township, Oxford Township, Perkins Township, Sandusky. MICHIGAN: Monroe Cablevision, serving Monroe.

Newspapers (dailies)

CALIFORNIA: *Monterey Peninsula Herald*. OHIO: *Toledo Blade*. PENNSYLVANIA: *Pittsburgh Post-Gazette*.

John Blair & Co.

New York

RANK 22

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	585	217	170.0
Total sales	842	414	103.3
Net income	10	18	-42.9
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	89	40	123.1
Cable	0	0	0

John Blair & Co., New York, the nation's 22nd largest media company, in 1984 became the largest processor of carrier-route-sorted, third-class mail through its acquisition of ADVO-System, Hartford, Conn.

But Blair's acquisition for $37 million of the direct mail company in March and subsequent attempt to marry its services with those of John Blair Marketing proved to be a heavy burden on the company, outstripping the positive performance of its broadcasting properties.

Over-all, media revenues in 1984 were up a whopping 170% from 1983, to $585.1 million, while media operating profit increased a negligible 1.9% to $21.8 million. Media at the diversified marketing and communications company represented 69.4% of total revenues of $842.4 million, and media operating profit represented 44.3% of total operating profit of $49.2 million.

Over-all net earnings for the year were down 43% to $10.5 million for the year. Printing activities and broadcast repping were not included in media totals for this report.

The 1.9% increase in media operating profit hid both the strength of the broadcasting group and the weakness in marketing. Broadcasting revenues were up 123% to $89 million, while broadcast operating profit increased 185% to $15.7 million. The increases reflected the first full year of operations of one tv and four radio stations acquired in late 1983.

Blair attributed much of that growth to a first-year performance from WKAQ-TV, Puerto Rico, and strong results from first-year operations at radio stations KVIL (am, fm) in Dallas and WIBC (am) and WNAP (fm) in Indianapolis.

At the end of last year, Blair purchased Oak Industries' subscription tv station, WSCV-TV, Fort Lauderdale, Fla., for $18 million. After major equipment investment, the station went on the air in June, 1985, as a Spanish-language station, Blair's second in addition to WKAQ-TV. The station will be programed by Telemundo, operator of WKAQ-TV.

Blair expanded its market for KSBW-TV, Salinas, Cal., by erecting a new broadcast tower. Now able to reach San Jose and southern Santa Clara County, Blair estimates it has added 67,000 homes to its viewing audience out of a potential 500,000.

All that good news was largely eclipsed, however, by the performance, or lack of it, turned in by John Blair Marketing and ADVO, and still is. In the first quarter ended March 31, 1985, Blair posted a loss in earnings of $7.85 million, compared with an earnings gain of $1.1 million the corresponding period in 1985. Revenues for the quarter rose 69.5% to $228.1 million in 1985. During the period, the couponing division of the Blair Marketing segment suffered a loss as expected. Profits were up for broadcasting and printing over-all, but down for the Blair owned and operated portion of broadcast.

Blair initially conceived of the ADVO purchase as a means of enhancing Blair Marketing's ability to deliver cents-off coupons to consumers. Free-standing newspaper inserts (fsi's), the company's traditional vehicle, were becoming increasingly competitive. By combining the insert with the ADVO Marriage Mail package, a new product dubbed Network Mail, Blair thought it would obtain an advantage over its competitors.

The company has been hard hit in 1984 and so far in 1985, however, by a softening market for inserts compounded by an overly ambitious expansion at ADVO that called for delivering Marriage and Network Mail to more than 45 million homes.

The result has been a 1983 operating profit of $15.8 million that faded to slightly more than $6 million last year for the marketing services segment. Worse, the entire profit came from ADVO as pre-ADVO marketing operations turned in a loss.

The problems were many. Increased numbers of free-standing inserts made it difficult, if not impossible, to deliver product exclusivity on any given date. On some Sundays as many as four inserts appeared. Further, a price war broke out that forced prices and profits down.

Reorganization struck the group in the fall. Robert Hemm, who founded the marketing operation and led the move to acquire ADVO, was out. Jack Valentine, ADVO president, was in. Some 40 executives were let go. This year, too, John Blair Marketing plans six fewer fsi's than it had last year. That number is down even more from what originally had been planned.

ADVO wasn't exempt from the reorganization. While the number of Network Mail drops was increased from 12 to 20, circulation was scaled back. Markets served were cut from 215 to 160 while facilities were consolidated. The result is a circulation of 30 million, down from 45 million.

Not counted as media income for Blair, but contributing substantially to its over-all profit, is its media representation business to nonowned stations.

The operation had revenues of $62.2 million and operating profit of $11.8 million. While that performance is expected to continue through 1985, a shadow has been cast on the operation beyond that date.

Capital Cities Communications, now in the process of buying ABC, has been a major Blair client. Blair hopes it will not lose the business even if the stations are sold. In any event, Blair does not expect to be affected by the sale until sometime in 1986.

MEDIA PROPERTIES

Broadcasting

TV: WSCV, Fort Lauderdale; WKAQ, San Juan; KOKH, Oklahoma City; KSBW, Salinas, Cal.; KSBY, Santa Barbara.
RADIO: KVIL (am, fm), Dallas; WHDH (am), WZOU (fm), Boston; WIBC (am), WNAP (fm), Indianapolis; WFLA (am, fm), Tampa.

Other media properties

ADVO-System, Hartford; John Blair Marketing, New York.

OTHER OPERATIONS

Blair Entertainment, RPR Productions, Blair Pro-Rodeo Enterprises, Blairsat Inc., Quantiplex, Starfleet Blair Inc., ad repping to non-owned stations, printing.

Bonneville Corp.

Salt Lake City

RANK 84

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	119	107	11.3
Total sales	151	134	13.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	119	107	11.3
Cable	0	0	0

Bonneville International Corp., Salt Lake City, is the country's 84th largest media company, with 1984 media revenues of $119.1 million, 78.7% of total revenues.

Media revenues in 1984, split evenly between radio and tv at Bonneville, increased 11.3% over 1983. The remaining 21.3% of Bonneville's returns stemmed from satellite and data systems and radio production services.

The company's broadcast station holdings remain unchanged. Bonneville, a closed corporation of the President of the Church of Jesus Christ of Latter-day Saints, owns two CBS-affiliate tv stations, in Salt Lake City and Seattle, and five am and seven fm radio stations.

However, Arch Madsen, Bonneville president, says the company is looking at both radio and tv acquisition possibilities, which have surfaced since the removal of the 7-7-7 ownership rule. Aside from future prospects, Mr. Madsen says Bonneville's main concern in broadcast is to continue to improve programing quality, especially broadcast journalism. Its long-standing satellite capabilities have allowed the company to remain on top of news events as they occur.

Its satellite involvement and electronic data transmission communications keep Bonneville "on the cutting edge" of technology, research and ultimate commercial application of these methods, Mr. Madsen says. He sees Bonneville expanding rapidly in these areas. However, last year's plans for construction of an additional uplink in New York have been dropped because of high cost.

Bonneville Communications, the merger of Bonneville's satellite division and radio data service, is one year old and growing, particularly in data transmission. During the past year, Bonneville Communications division has entered into agreements with several new companies to expand in this area. For McGraw-Hill, for example, Bonneville is developing electronic mail concepts. During the past year, Bonneville signed a contract with General Electric Information Systems Co. (GEISCO) to pool resources on a joint value-added network sales program. A similar agreement was signed with another company, Tymnet Co.

Bonneville Communications also continues to hold contracts with companies such as Western Union Industries and Southern Pacific Transportation Co. for operating satellite transponder channels. The company recently signed a contract with Turner Broadcasting System's Cable News Network to transmit some of its services.

Active in teletext transmission at both its tv stations for seven years, Bonneville services between 700 and 800 telephone calls daily from users of personal home computer who dial into its CBS affiliates to get news readouts. The 24-hour-a-day news service, updated eight times a day, is being conducted in cooperation with CBS. Although Mr. Madsen wishes there were faster movement in this area on the part of CBS, he says the service is progressing, and it continues to provide background for potential commercial usage.

Developments in Bonneville's radio activities included moving subsidiary Bonneville Broadcasting System, a "beautiful music" syndicator, from Tenafly, N.J., to Northbrook, Ill., where Bonneville's three radio production divisions are located. The subsidiary bought Schulke Radio Productions from Cox Communications for $1.7 million, to add to Chicago-based Darrel Peters Productions, acquired a year earlier.

Bonneville's objectives for the coming year are to continue its current range of activities with an eye toward acquiring other broadcast properties and pursue electronic data transmission and satellite activites, Mr. Madsen says.

MEDIA OPERATIONS

Broadcasting

TV: KSL, Salt Lake City; KIRO, Seattle.
RADIO: KAAM (am) and KAFM (fm), Dallas; KBIG (fm), Los Angeles; KIRO (am) and KSEA (fm), Seattle; KMBZ (am) and KMBR (fm), Kansas City, Mo.; KOIT (am, fm), San Francisco; KSL (am), Salt lake City; WCLR (fm), Skokie, Ill.; WRFM (fm) New York.

OTHER OPERATIONS

Bonneville Broadcasting System, Bonneville Productions, Bonneville Telecommunications, Radio Data Services.

Cahners Publishing Co.

Boston

RANK 58

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	200	160	25.0
Total sales	270	200	35.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	200	160	25.0
Broadcast	0	0	0
Cable	0	0	0

New magazine titles, both acquired and developed internally, will continue to build revenues at Cahners Publishing Co., the nation's 58th largest media company, with media revenues of $200 million in 1984.

Total revenues, of which media represent 74%, leaped 35% from fiscal 1984 to $270 million in fiscal 1985, ended in March, 1985.

William Platt, exec vp, magazine division, expects total revenues in fiscal 1986 to reach $300 million, with the growth area shifting to trade shows.

Media, during fiscal 1984, was up 25% in revenues over the previous year. Almost as striking as the revenue growth was a 13% boost in the number of ad pages in 1984. The ad pages of the company's two flagship publications, *EDN* and *Restaurants & Institutions*, jumped 22% and 29% respectively.

Cahner's secret to growth has been its ability to place its weight behind the right properties, whether resuscitating an ailing publication or divesting the money losers.

That is the case of *Transition/Medicine and the Aging Process*, which Cahners got in March, 1983, when it purchased Fischer Medical Publications, New York, and later folded the magazine in 1984. "When [Steve Fischer] started *Transition*, some of his own people said it would never work," Mr. Platt says. "After we looked at the size of the market, we agreed." Rather than put the book on extensive life support, Cahners "zeroed in and put all its effort into *Emergency Medicine*, which was the real money maker" among the Fischer properties.

The medical publications have not fared well under Cahners' ownership—ad pages of the two remaining Fischer publications, *Emergency Medicine* and *Journal of Cardiovascular Medicine*, declined about 20% in 1984.

It is not Cahners' style to buy ailing properties and attempt to heal them. Mr. Platt agrees, although states extenuating circumstances: "When we bought the Fischer books they were coming off a top year and the years ahead looked good. Then a few months later, Steve Fischer died and some key salesmen left. When you lose

The media auction block: Who

PRINT

Buyer	Property	Seller	Price
[illegible]	*Sayre Journal, Kiowa County Democrat/Mountain Park News*	[illegible]	N/A
[illegible]	*The New Yorker, Horticulture, Cook's Magazine*	The New Yorker Magazine Inc.	142,000,000
[illegible]	*Zephyrhills* (Fla.) *News, Anna Maria Islander*	New York Times Co.	N/A
[illegible]	*Interior Design, Corporate Design & Reality*	Whitney [illegible]	N/A
[illegible]	*Narragansett* (R.I.) *Times, Standard Times of North Kingston* (R.I.)	[illegible]	N/A
	Sutton Industries	Sutton Industries	N/A
	Institutional Investor	Institutional Investor Inc.	40,000,000
[illegible]	*Backpacker, Boating, Car & Driver, Cycle, Flying, Modern Bride, Popular Photography, Skiing, Skiing Trade News, Stereo Review, The Runner, Yachting*	Ziff-Davis Publishing Co.	362,500,000
[illegible]	*Yuma* (Ariz.) *Daily Sun*	[illegible]	N/A
	Orange (Tex.) *Leader*	Orange Leader Publishing Co.	N/A
[illegible]	*Davis* (Cal.) *Daily Democrat*	[illegible] Family	N/A
	Ukiah (Cal.) *Daily Journal, Mendocino* (Cal.) *Beacon, Advocate News* (Fort Bragg, Cal.)	[illegible] Publishing Co.	N/A
	Altus (Okla.) *Times*	Jefferson-Pilot Corp.	N/A
	Norman (Okla.) *Transcript*	[illegible]	N/A
Dow Jones & Co.	*News-Sun* (Sun City, Ariz.)	[illegible]	9,000,000
Dun & Bradstreet	Ironoak Co.	Ironoak Co.	N/A
	Test & Measurement World	[illegible] Publishing Co.	N/A
	A.C. Nielsen Co.	A.C. Nielsen Co.	N/A
Family Media	*World Tennis, Savvy*	CBS Inc.	N/A
Field Corp.	Pioneer Press	Time Inc.	N/A
Gannett Co.	*Des Moines Register & Tribune, Jackson* (Tenn.) *Sun*, Triangle Sign Co.	Des Moines Register & Tribune Co.	200,000,000
	Family Weekly	CBS Inc.	42,500,000
[illegible]	*St. Louis Globe-Democrat*	Advance Publications	1,000,000
Harcourt Brace Jovanovich	*Plastics Compounding, Plastics Design Forum, Plastics Machine & Equipment*	Industry Media Inc.	N/A
	Pit & Quarry, Concrete	Pit & Quarry Publications	N/A
	Meat Processing	Davies Publishing Co.	N/A
	Bicycle Dealer Showcase, Motorcycle Dealer News, Spa and Suana Trade Journal, Flotation Sleep Industry, Video Store	Hester Communications	N/A
Harte-Hanks Communications	*Tampa* (Fla.) *Neighbor*	North American Publications	N/A
	Sudbury (Mass.) *Town Crier & Fence Viewer* and *Wayland-Weston* (Mass.) *Town Crier*	Town Crier Inc.	N/A
Hearst Corp.	*Laredo Morning* (Tex.) *Times, Beaumont Enterprise, Clearwater* (Fla.) *Sun*	Jefferson-Pilot Corp.	N/A
	Diversion, Diversion Travel Planner, Fair Lanes (Ford Motor Co.), *Sojourn* (Insurance Cos. of North America), *American Traveler* (Days Inn), *First* (Hertz), *Time Off* (Wagner Paint Co.), *Walt Disney World Official Guide*, Disneyland Official Guide	Diversion Communications	N/A
Ingersoll Publications	*Alton* (Ill.) *Telegraph*	Cousley and McAdams families	N/A
	Collinsville (Ill.) *Herald, Granite City* (Ill.) *Press Record*	Thomson Newspapers	N/A
	Jefferson County (Mo.) *Daily Rocket*	Eugene [illegible]	N/A
Journal Co.	*Oshkosh* (Wis.) *Buyer's Guide, Neenah* (Wis.) *Buyer's Guide*	Options Graphics Corp.	N/A
Landmark Communications	*Henry County* (New Castle, Ky.) *Local*	Henry County Local Co.	N/A
	Style	Style Inc.	N/A
	Senior World	Senior World Inc.	N/A
Maclean Hunter Communications	*Houston Post*	H & C Communications	100,000,000
	Phenix Citizen (Phenix City, Ala.)	Thomson Newspapers	N/A
Morris Communications Corp.	Naegle Outdoor Advertising	Major Media Inc.	N/A
News America Publishing	*A/C Flyer, Aerospace Daily, Aviation Daily, Business & Commercial Aviation, Hotel & Travel Index, Meetings & Conventions, Official Hotel & Resort Guide, Official Meeting Facilities Guide, Travel Weekly, Weekly of Business Aviation, World Aviation Digest* and *World Travel Digest*	Ziff-Davis Publishing Co.	362,500,000
	Chicago Sun-Times	Field Enterprises	100,000,000
	New Woman	[illegible]	20,000,000
The New York Times Co.	*Spartanburg* (S.C.) *Herald-Journal, Tuscaloosa* (Ala.) *News, Gadsen* (Ala.) *Times*	[illegible]	N/A
Park Communications	*Jeffersonville* (Ind.) *News, Clark County* (Ind.) *Journal*	News & Journal Inc.	N/A
	Medina (N.Y.) *Journal-Register, Albion* (N.Y.) *Advertiser*	Medina Daily Journal & Register Inc.	N/A
Pulitzer Publishing Co.	Lerner Newspapers	Lerner Newspapers	N/A
Scripps Howard	*Port St. Lucie* (Fla.) *Mirror, Jensen Beach* (Fla.) *Mirror*	[illegible]	N/A
Thomson Newspapers	*Herald-Palladium* (Benton Harbor/St. Joseph, Mich.)	Palladium Publishing Co.	N/A
	Altoona (Pa.) *Mirror*	[illegible]	N/A
	Americus (Ga.) *Times-Recorder*	[illegible]	N/A
	Easton (Pa.) *Express*	[illegible]	N/A
	Lebanon (Pa.) *Daily News, Sunday Pennsylvanian*	[illegible]	N/A
	Saint George (Utah) *Daily Spectrum*	[illegible]	N/A
	Post-Crescent (Appleton, Wis.)	[illegible]	N/A
Time Inc.	Southern Progress Corp.	[illegible]	395,000,000
Times Mirror Co.	Call-Chronicle Newspapers (Allentown, Pa.)	[illegible]	106,000,000
[illegible]	*Daily Dispatch* (Douglas Ariz.)	[illegible]	N/A
[illegible]	*Software News*, DBI Books	[illegible]	N/A
[illegible]	*U.S. News & World Report*	[illegible]	N/A

NOTE: This chart includes transactions involving only the 100 leading media companies

bought what from whom in 1984-85

ELECTRONIC

Buyer	Property	Seller	Price
[illegible]	KSGO (am) and KGOV (fm), Portland, Ore.	[illegible]	N/A
	KVOS-TV, Bellingham, Wash.	[illegible] Broadcasting Corp. (Wometco)	N/A
	KJR (am), Seattle	Metromedia	N/A
Affiliated Broadcasting	KHEP (fm), Phoenix	Grand Canyon Broadcasting	6,000,000
	KFYE (fm), Fresno, Cal.	Sunbelt Communications	6,700,000
American Broadcast Cos.	KTKS (fm), Dallas/Fort Worth (formerly KIKX (fm), Denton, Tex.)	Hicks Communications	9,000,000
	ESPN	Texaco	227,000,000
American Media Inc.	WLIF (fm), Baltimore	Cox Communications	N/A
A.H. Belo Corp.	Corinthian Broadcast Group	Dun & Bradstreet	N/A
Blade Co.	KTRV, Nampa/Boise, Ida.	Peyton Broadcasting Ltd.	4,900,000
John Blair & Co.	WSCV-TV, Fort Lauderdale, Fla.	Oak Industries	18,000,000
Bonneville International	Schulke Radio Productions	Cox Communications	1,700,000
Capital Cities Communications	American Broadcasting Cos.	American Broadcasting Cos.	3,500,000,000
	WFTS-TV, Tampa, Fla.	Sandy Wheeler	30,000,000
	KLAC (am) Los Angeles	Metromedia	11,000,000
CBS Inc.	KTXQ (fm), Dallas/Fort Worth, KLTR (fm), Houston, WSUN (am) and WYNF-FM, Tampa/St. Petersburg, WLTT (fm), Washington	Taft Broadcasting Co.	107,500,000
Cox Communications	WFTV, Orlando	SFN Cos.	185,000,000
	WCKG (fm), Chicago (formerly WAGO (fm))	WXFM Inc.	9,000,000
	WKBD-TV, Detroit	Field Communications	70,000,000
Cox Enterprises	Cox Communications	Cox Communications	1,300,000,000
Gary Edens	KOY (am), KQYT (fm), Phoenix; WRBQ (am, fm), Tampa, Fla.; WRVA (am),WRVQ (fm), Richmond, Va.; WSGN (am), Birmingham, Ala.	Harte-Hanks Communications	43,200,000
Eastern States Broadcasting	WEAN (am), WPJB (fm), Providence, R.I.	Providence Journal	N/A
Jack Fritz/Charles Fritz	WXYZ (am), Detroit	American Broadcasting Cos.	3,000,000
Gannett Co.	WDAE (am), Tampa, Fla.	Taft Broadcasting Co.	6,100,000
	KKBQ (am, fm), Aztec, N.M.	Harte-Hanks Communications	35,000,000
Greater Media Inc.	WRC (am), Washington	RCA Corp.	N/A
Gulfstream Cablevision	Cable system in New Port Richey, Fla.	Storer Communications	27,000,000
H&C Communications	WESH-TV, Daytona Beach/Orlando, Fla.; KCCI-TV, Des Moines, Ia.	Cowles Communications	182,550 000
Harte-Hanks Communications	Ultra-Com Inc. (Cable systems in Montgomery, Pa.)	Ultra-Com Inc.	75,000,000
	Jim E. Smith Inc. (Cable systems in Arizona)	Jim E. Smith Inc.	25,000,000
Hearst Corp.	WCVB-TV, Boston	Metromedia	450,000,000
Heritage Communications	Three cable systems serving Dallas	Warner Amex Cable Communications	110,000,0000
Jacor Communications	Georgia Radio News Service, WGST (am), WPCH (fm), Atlanta	Meredith Corp.	20,000,000
Jones Intercable	Teletron Inc.	Journal Co.	25,000,000
Journal Co.	WFSL-TV, Lansing, Mich.	F & S Comm/News Inc.	8,200,000
LIN Broadcasting	WISH-TV, Indianapolis; WANE-TV, Fort Wayne, Ind.	A.H. Belo Corp.	104,900,000
MTV Networks	MTV: Music Television, Nickelodeon	Warner Communications	67,700,000
Multimedia Inc.	Four cable systems in Oklahoma	Time Inc.	22,500,000
Odyssey Partners	WCPQ-TV, Charlotte, N.C.	Westinghouse Electric	24,300,000
Outlet Communications	WATL-TV, Atlanta	Sillerman-Morrow	28,000,000
	WPDS-TV, Indianapolis, Ind.	Anacomp Inc.	22,000,000
RCA Corp.	WJIB (fm), Boston	General Electric Co.	N/A
Resort Broadcasters Inc.	WETT (am), Ocean City; WWTR (fm), Bethany Beach, Md.	A.S. Abell Co.	2,600,000
RKO General	RKO Radio Networks	United Stations Radio Networks	N/A
Sammons Communications	Cable system serving Pascagoula, Miss.	Gulf Coast Cable	N/A
	Cable systems serving Dumas and Sunray, Tex.	Warner Amex Cable Communications	N/A
	Cable system serving Fort Worth, Tex	Storer Cable Communications	N/A
Scripps Howard Co.	KNXV-TV, Phoenix	New Television Corp.	31,000,000
S&F Communications	WMAR (fm), Balitmore; WJTZ (am), Newport News, Va; WNVZ (am), Norfolk, Va.; WCRJ (am, fm), Jacksonville, Fla.; WCFI (fm), Daytona Beach, Fla; WLFL-TV, Raleigh, N.C.	A.S. Abell Co.	32,000,000
SFN Cos.	WFTV-TV, Orlando, Fla.	Channel Nine of Orlando Inc.	125,000,000
	WTVM-TV, Columbus, Ga.; WJBF-TV, Augusta, Ga.; WAPA-TV, San Juan, P.R.; KCAP (am, fm), Helena, Mont.; WGVO (am), Missoula, Mont.	Western Broadcasting	116,000,000
Simmons Communications	Long Beach (Cal.) Cablevision, Signal Hill (Cal.) cable system	Knight-Ridder and Times Mirror Co.	N/A
Southeastmedia Inc.	WTOK-TV, Meridian, Miss.	H&C Communications	13,200,000
Spanish Broadcasting	KZLA (am), Los Angeles	Capital Cities Communications	N/A
Taft Broadcasting Co.	WSUN (am), St. Petersburg, Fla.	Schering-Plough	7,600,000
	KEX (am), KKRZ (fm), Portland, Ore.	Gene Autry	8,100,000
	KTSP-TV, Phoenix, Ariz.; WTSP-TV, Tampa, Fla.; WGHP-TV, Greensboro/High Point, N.C.; KTXA-TV, Dallas/Fort Worth; KTXH-TV, Houston; WKLS (am, fm), Atlanta; KTXQ (fm), Dallas/Fort Worth; WNDE (fm), WFBQ-FM, Indianapolis, Ind.; WLTT (fm), Bethesda, Md.; KLTR (fm), Houston; WLTT (fm), Washington	Gulf Broadcast Co.	760,000,000
Tribune Co.	KTLA-TV, Los Angeles	Kohlberg Kravis Roberts & Co.	510,000,000
Twentieth Holdings Corp.	WFLD-TV, Chicago; KRIV-TV, Houston; KTTV-TV, Los Angeles; WNEW-TV, New York; WXIX-TV, Cincinnati; WTTG-TV, Washington	Metromedia	N/A
United Cable	Cable system in Hartford, Conn.	[illegible]	61,500 000
	Six cable systems in Tulsa, Okla.	[illegible]	N/A
[illegible]	WEAM (am), Arlington, Va.	[illegible]	1,200,000
	WKDJ Memphis, Tenn.	[illegible] Broadcasting Co.	1,500,000
[illegible]	KQXT (fm), San Antonio, Tex.	[illegible]	7,000,000
[illegible]	WSNE (fm), Taunton, Mass.	[illegible]	3,600,000
	WLOS (fm), Asheville, N.C.		1,750,000

people like that it doesn't go without some effect."

The books were laid up even further when the medical market underwent its first downturn in 10 years. "However, the field should come around next year and we're picking up share of market," he says.

Another facet of Cahners' personality is its tenacity, illustrated by its weathering the depressed market conditions of the early 1980s that cut deep into Cahners' building and construction group. Now the industries have become healthy, as have Cahners' publications addressing them. But the building group's competitors also have gained strength.

Cahner's *Building Supply & Home Centers* and *Professional Builder*, historically two of the group's top performers, are in fierce fights. "In those categories, every book in the field is separated by only a couple of share points," Mr. Platt says. "The industry is slowing up a little now, but as long as we continue to pick up market share we'll be satisfied."

Further proof that the company will stand by its man, Cahners took a "stepchild," according to Mr. Platt, and conferred upon it favorite son status. *Corporate Design & Realty*, formerly *Corporate Design*, was redesigned and repositioned to include management information for building managers.

"We were able to expand the market dramatically," he says.

"It was a question of getting out of the business or putting some money into it and expanding the advertiser base," Mr. Platt says. "We showed our commitment by boosting the frequency and putting a lot of four-color work into it." The result is a dramatically improved circulation statement, he says, as well as a 72% leap in ad pages and an 8.2% jump in market share.

Purchased with *Interior Design* from Whitney Communications Corp., New York, in April, 1984, *Corporate Design & Realty* illustrates Cahners' growth strategy. "We'll continue to emphasize acquisitions," Mr. Platt says, "because the property already has a name, you don't have to build initial circulation or hire an editorial staff. An established publication also has trend lines, so you can see how it has grown and judge its potential. The task is basically to bring it up to Cahners' standards."

As single-minded as this sounds, "if we see a need for something and there's nothing addressing it, we'll continue to launch books filling those niches," he says.

Bar Business, scheduled to begin monthly distribution to 101,000 readers in September, fits this pattern. "There was no real bar business magazine, just basically a listing of prices," Mr. Platt says. "This industry needed a spokesman."

It seems rather unusual that traditionally conservative Cahners would select such a volatile industry—one experiencing steadily declining sales, particularly in out-of-home consumption—to launch only its fourth startup. "There's still a tremendous amount of advertising going on," he says. "If companies continue to produce brands with little or no alcohol, they'll still have to promote them. As the market shrinks, they also should be pressured to promote more in the bars.

"As for the bar managers and owners," Mr. Platt says, "they need more information because of the changing laws. They also will need assistance in how to increase profits in a tightening market."

The launch of *Bar Business* probably does not signal a shift toward more risky ventures on Cahners' part. The company's steady growth primarily has resulted from solid acquisitions of stable properties, and Cahners' activities indicate this strategy largely will remain unchanged.

MEDIA PROPERTIES

Annual directories

U.S. Industrial Directory in addition to annual buying guides and services directories produced by some of the individual magazines and newsletters.

Magazines

Appliance Manufacturer, Bar Business, Brick & Clay Record, Building Design & Construction, Building Supply & Home Centers, Business Computer Systems, Ceramic Industry, Construction Equipment, Corporate Design & Realty, CPI Purchasing, Design News, EDN, Electronic Business, Electronic Packaging & Production, Electro-Optical Systems Design, Emergency Medicine, Hotels & Restaurants International, Foodservice Equipment Specialist, Interior Design, Journal of Cardiovascular Medicine, Mini-Micro Systems, Modern Materials Handling, Packaging, PC Products, Plastics World, Professional Builder/Apartment Business, Purchasing, Restaurants & Institutions, Security Distributing & Marketing, Security World, Semiconductor International, Specifying Engineer, Traffic Management.

Newsletters

Building & Construction Market Forecast, Buying Strategy Forecast, Early Warning Forecast, Electronic Business Forecast, Energy Design Update, Hazardous Materials Transportation, Oil Spill Intelligence Report, Plastics Business News, Tradeshow Week, Transport (De)Regulation Report.

OTHER PROPERTIES

Cahners Exposition Group.

Since 1984, the Times Publishing Company has worked to reach excellence. And while there's much left to be done, we've made some impressive strides:

- In 1984, the *St. Petersburg Times* was cited as one of America's top ten newspapers by *Time Magazine* and judged to have the world's best color reproduction by Kodak. This year we won a Pulitzer Prize for investigative reporting.
- Winner of more than 600 state, regional and national awards, the *Evening Independent* has a whole new look — and circulation gains to go with it.
- *Florida Trend* was named the nation's best regional business publication by the University of Missouri School of Journalism and the American Association of Business Publications.
- *Florida Trend's* sister publication, *Georgia Trend*, will begin publication in September, 1985.
- Modern Graphic Arts produced more than 190 million pieces of quality printing and opened new offices in Atlanta and Charlotte.
- Washington-based *Congressional Quarterly*, the nation's foremost journal on Congress and political action, in 1984 won the Everett McKinley Dirksen Award for Distinguished Congressional Reporting. We also launched the Washington Alert Service offering worldwide on-line access to comprehensive and timely information on Congress, politics and national issues.

New challenges lie ahead, but as we begin our second century our goal remains the same ... excellence.

Times Publishing Company

and its wholly-owned affiliates

St. Petersburg Times • Evening Independent • Modern Graphic Arts • Florida Trend • Georgia Trend • Congressional Quarterly

Capital Cities Communications

RANK **16**

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	940	762	23.3
Total sales	940	762	23.3
Net income	143	115	24.4
Sales per medium			
Newspaper	329	290	13.5
Magazine	263	156	68.5
Broadcast	272	236	15.3
Cable	76	67	13.9

Capital Cities Communications, New York, surprised the communications industry with the 1985 acquisition of American Broadcasting Cos.—four times its size. Cap Cities is the 16th largest media company with 1984 revenues of $939.7 million, up 23% from 1983.

Cap Cities revenues, all from media operations, helped generate a net income of $135.2 million, up 17.9%, giving Cap Cities a profit margin among the highest in the broadcasting industry.

However, in the first three months of 1985, Cap Cities had lower returns, mimicking much of the rest of the industry for the quarter. Revenues of $234.1 million were 13% above the similar period in 1983. Net income increased only 2.2% to $27.7 million. Soft advertising demand both in publishing and broadcasting hurt the bottom line.

In late June, 1985, Cap Cities shareholders were expected to vote for the proposed merger with ABC, the largest media buyout ever. Cap Cities in March, 1985, proposed to buy ABC for $3.5 billion. Stockholders from both companies were expected to approve the merger June 25.

Just prior to the shareholder's meetings, Cap Cities said it planned to sell its cable operation—ranked the 21st largest with 375,000 basic subscribers—to the Washington Post Co. for $375 million. The sale, which is in keeping with the $1,000 per subscriber industry standard for such transactions, is part of Cap Cities' plan to raise $1 billion to finance the ABC acquisition.

During 1984, most of Cap Cities' revenues derived from its publishing entities. Including results from its most recent purchase in the publishing field, *Institutional Investor*, Cap Cities' publishing division produced $591.6 million in 1984, 63% of its total revenue base. Broadcasting contributed $271.8 million, or 29%. The final and much smaller piece of the Cap Cities media empire, cable tv, had $76.3 million in revenues last year.

Though its publishing revenue base is larger, broadcasting is a far more lucrative business for the company. Operating income of the division in 1984 was $141.6 million or 53% of corporate operating income. Publishing accounted for $133.2 million in operating income.

Cap Cities attributed its banner year of 1984 in part to the contribution of the ABC-TV Network broadcasts of the Winter and Summer Olympics. The company's four largest stations are ABC affiliates: WPVI-TV, Philadelphia; KTRK-TV, Houston; WTNH-TV, New Haven, Conn., and WKBW-TV, Buffalo, N.Y.

Cap Cities made several acquisitions in 1984. In August, an independent uhf in Tampa, WFTS-TV, was purchased, bringing Cap Cities' total tv holdings to six. In December, KLAC-AM, Los Angeles, was purchased and KZLA-AM was sold to Spanish Broadcasting Systems of California Inc. Cap Cities continues to own 12 radio stations. This configuration will change dramatically after the merger with ABC, when as many as four tv stations will be sold. In addition, Cap Cities owns 54 cable systems, which will be spun off after the merger in accordance with media concentration of ownership rules. (See ABC profile in this issue for likely divestitures resulting from the ABC acquisition.)

In March, the company made a large shopping guide acquisition with the purchase of Sutton Industries, Mission Viejo, Cal., which distributes some 1.3 million weekly fliers in Southern California.

Sutton joins Cap Cities other regional shoppers *Pennypower Shopping News* (distributed in Kansas and Missouri), *Little Nickel Want Ads* (purchased in 1983 and distributed in Seattle), and *Pennysaver* (distributed in Southern and Central California).

Last August, *Institutional Investor* was purchased for about $40 million—Cap Cities' major publishing buy of the year. This top financial publication joins a host of other specialized publications in the Cap Cities Fairchild Publications' stable.

The past two years have been especially frenetic and productive ones for Cap Cities' specialized publishing division. In 1983, *M*, the men's fashion monthly, was inaugurated and sustained higher than expected losses its first full year because of cost overruns. Last year, the consumer version of *Sportstyle* was folded after just nine issues, while the trade version of the publication continued.

A new magazine for children's fashions, toys and furniture, *Children's Business*, is in the planning stages. The magazines are published by Fairchild Publications, which also publishes *Women's Wear Daily, W, Footwear News, Supermarket News* and *MIS Week*.

The company's other magazine publishing operations include the International Medical News Group, Rockville, Md.; Professional Press, New York; American Traveler, New York, which publishes *Travel Agent*; Philatelic Publications, Albany, Ore., and Electronic Publishing, New York and Norwalk, Conn. The magazines achieved record revenues last year thanks to favorable market conditions.

Similar conditions were absent in the metal working publications' market, however, although revenues increased slightly over 1983.

Cap Cities also continued to add to its weekly and twice-weekly newspaper holdings, which include 14 newspapers in Connecticut, Illinois, Missouri, New Jersey, Oregon, Pennsylvania and Texas. In January, 1984, Wilson Publishing, a small publisher of weeklies in Rhode Island, was purchased. Shore Line Newspapers, a string of weeklies in Connecticut and Rhode Island, began two new weeklies and acquired two others. Shore Line had a record earnings year.

Cap Cities began marketing its 1983 database publishing acquisition, Videolog, late last fall.

While Cap Cities' daily newspaper circulation declined slightly from 1983 to 1984 (Sunday newspaper circulation increased slightly), the company's eight major market newspapers had record ad volume last year. Total newspaper revenue was $328.7 million, a 15% increase from 1983, while ad volume was $275.6 million, a 17% increase. One of the best performers in the newspaper group was the *Fort Worth Star-Telegram*. Resurgence of the auto industry continued to spur the performance of the Pontiac, Mich.-based Oakland Press.

Cap Cities' cable tv division had only marginal success last year. The division earned $2.5 million in operating income on revenues of $76.3 million, a slight increase over 1983's performance. One reason: Premium subscribers, those who order pay services, leveled off last year as pay tv began to mature. The company made few additions to its cable operation in 1984. A small system in Oklahoma was added, and in January, a 5,000-subscriber system in Union City, Cal., was purchased.

Most of the action in 1985 will be the spinoff of several highly profitable Cap Cities tv stations and ABC radio stations as part of the new company's compliance with FCC media concentration regulations. Cap Cities, however, says it will seek a temporary waiver from the FCC on the sale of radio stations in Chicago, San Francisco, New York and Los Angeles owned either by Cap Cities or ABC in order to allow more time to sell the properties in an orderly way.

MEDIA PROPERTIES

Broadcasting

TV:KTRK, Houston; KFSN, Fresno, Cal.; WKBW, Buffalo; WPVI, Philadelphia; WTNH, New Haven-Hartford; WTVD, Durham-Raleigh.

RADIO: KLAC (am), KZLA (am, fm), Los Angeles; WPAT (am, fm), Paterson, N.J.; WJR (am), WHYT (fm), Detroit; WBAP (am), KSCS (fm), Dallas-Fort Worth; WKHX (fm), Marietta-Atlanta; WKBW (am), Buffalo; WPRO (am, fm), Providence.

Cable/video

Capital Cities Television Production.

CABLE: ARIZONA: Clifton, Cottonwood, Globe, Holbrook, Page, Safford, Show Low, Winslow. CALIFORNIA: Burlingame, Modesto, Oakdale, Santa Rosa, Union City. ILLINOIS: Highland Park. INDIANA: Greenwood. IOWA: Sioux City. KANSAS: Abilene, Beloit, Clay Center, Concordia. MICHIGAN: Plymouth, Saline. MISSISSIPPI: Clarksdale, Gulfport. MISSOURI: Brookfield, Joplin, Kirksville, Trenton. NEBRASKA: Norfolk. NEW MEXICO: Rio Ranchio, Roswell. NORTH DAKOTA: Fargo. OHIO: Green Township. OKLAHOMA: Altus, Ardmore, Frederick, Hobart, Idabel, Mangum, Miami, Nowata, Ponca City, Vinita. TENNESSEE: Dyersburg. TEXAS: Aransas Pass, Bonham, Childress, Denison, Lampasas, Lufkin, Memphis, Odessa, Port Lavaca, Sherman, Wellington.

Magazines/specialized publications

Fairchild Publications: *American Metal Market, Daily News Record, Electronic News, Electronics Retailing, Energy Users News, Entree, Fairchild News Service, Fairchild Book Division, Footwear News, HFD-Retailing Home Furnishings, Heat Treating, Home Fashions Textiles, M, MIS Week, Metalworking News, Metal Center News, Multichannel News, Sportstyle* (business edition), *Supermarket News, Women's Wear Daily, W*. International Medical News Group: *Clinical Psychiatry News, Family Practice News, Internal Medicine News, Mercury Press, OB.GYN. News, Pediatric News, Skin & Allergy News*. Professional Press: *International Contact Lens Clinic, Journal of Learning Disabilities, Optical Index, Optometric Monthly*. American Traveller: *El Travel Agent Internacional, Travel Agent*. Institutional Investor: *Institutional Investor*. Capital Cities has two philatelic publications, *Stamp Collector, The Stamp Wholesaler*.

Electronic publishing

Securities Data, Videolog Communications.

Newspapers (daily)

ILLINOIS: *Belleville News-Democrat*. MICHIGAN: *Oakland Press* (Pontiac). MISSOURI: *Kansas City Star, Kansas City Times*. NEW JERSEY: *Red Bank Register*. *OREGON: Albany Democrat-Herald, Ashland Daily Tidings*. PENNSYLVANIA: *Wilkes-Barre Times-Leader*. TEXAS: *Fort Worth Star-Telegram*.

Newspapers (non-daily)

CONNECTICUT: Shore Line Newspapers, Guilford. ILLINOIS: *Highland News-Leader*. NEW JERSEY: *Ocean County Reporter*, (Toms River). OREGON: *Cottage Grove Sentinel, Gresham Outlook, Lebanon Express, Newport News-Times, Sandy Post, Springfield News*. RHODE ISLAND: *Narragansett Times, Standard Times*. TEXAS: *Arlington Citizen-Journal*.

Pennysavers

CALIFORNIA: *Pennysaver* (Orange, Riverside and San Diego counties, Sacramento and Stockton), Sutton Industries. KANSAS/MISSOURI: *Pennypower News* (Wichita and Topeka, Kan., Springfield, Mo.). *Little Nickel Want Ads* (Seattle/Tacoma).

RANK 2

CBS Inc.

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	3,340	2,683	24.5
Total sales	4,925	4,540	8.5
Net income	212	187	13.4
Sales per medium			
Newspaper	0	0	0
Magazine	619	294	111.0
Broadcast	2,721	2,389	13.9
Cable	0	0	0

CBS Inc., New York, which is fending off a takeover attempt by Ted Turner, chairman of Turner Broadcasting, is the 2nd largest U.S. media company, with 1984 revenues from media operations estimated by ADVERTISING AGE at $3.03 billion, up 12.9% from 1983.

CBS, which had 1984 corporate-wide net income of $212.3 million, up 13.4% from the previous year, on revenues of $4.93 billion, up 8.5% from the previous year, during most of 1985 has been putting up roadblocks to Mr. Turner's bid. From continuing operations, revenues in 1983 would be $4.396 billion, and the revenue growth 12.1%.

The Turner offer is $5.4 billion, a value he places on his so-called high-yield, high-risk "junk bonds" and stock he plans to use to buy CBS. The FCC will need to rule on a CBS petition filed in June, 1985, that alleges such a buyout would reduce news programing and lessen competition for national advertising.

CBS' original business, radio and tv, contributed $2.72 billion to total revenues in 1984, advancing 14% from 1983. Magazine publishing brought in an estimated $309.6 million, up 5%.

Media operations added $438.6 million to the profits column in 1984. Broadcasting was the big hero with an increase of 40% over 1983. Publishing, which includes nonmedia books and advertising-supported magazines, boosted its profit level 7%.

The basic ingredient in CBS' advertising success is the long-term popularity and stability of CBS-TV Network. While NBC and ABC grapple for the honor of being No. 2 in A.C. Nielsen Co. homes during the most valuable time periods in America, the kingpin seat remains firmly occupied by the folks at Black Rock, the CBS nickname for CBS' New York headquarters.

CBS-TV has been the prime-time leader in household ratings for six consecutive seasons. CBS-TV rather quietly wound up 1984 by outpointing ABC-TV in the net income column, even though the latter led in sales, according to *Electronic Media*.

The CBS-TV Network had pretax profits in 1984 of about $310 million compared with $252 million for ABC-

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TV. CBS scored this coup, despite the boost ABC picked up from the Summer Olympics in Los Angeles.

The broadcast division's 40% profit gain compares with a 17% increase for ABC and 39% for NBC. Tv and radio at CBS contributed $408.6 million in 1984. Nonetheless the division, headed by president Gene Jankowski, was not without its troubles. As the jewel of this corporate empire, the broadcast group could not feel too comfortable with the takeover artists circling the premises.

Further, the broadcast group has been beset with legal headaches. The most worrisome lawsuit, brought by former Gen. William Westmoreland against CBS News, was settled out of court, but only after months of court testimony by numerous witnesses. This cost CBS at least $10 million. Still to be resolved are about 12 other libel suits against CBS News. Another Army officer from the Vietnam War and five Protestant ministers, who believe they were wronged by "60 Minutes," are awaiting their day in court. Also, a woman executive has filed a sexual harassment complaint against a former CBS vp.

Then, there is the "CBS Morning News" dilemma. The network that for most of the last 30 years has dominated nighttime tv still can't find a formula for an early morning hit. Consequently, ABC and NBC are getting the big ad dollars in this time period.

At the station level there always is room for improvement. Only one of five owned stations, WBBM-TV, Chicago, was first in total audience delivery for the late local news in the Nielsen February sweeps. WCBS-TV, New York, and WCAU-TV, Philadelphia, were second, while KNOX-TV, St. Louis, and KSBC-TV, Los Angeles, were third.

The CBS Radio Network fared well in the Radio All Dimension Audience Research measurements for the fall of 1984, ranking first with persons 18 and older for the total week count. Of the 13 owned am and fm radio stations, the best Arbitron report cards for fall, 1984, came from WHTT-FM (former WEEI-FM), Boston; WCAU-TV, Philadelphia, and KMOX, St. Louis. They were first in the time period selected for media comparisons in this special section.

In second place were WCBS, New York; WBBM-FM, Chicago; KCBS, San Francisco, and KNX, Los Angeles. In the worst spots for this group owner were KRQR (fm), San Francisco, in 13th place and WCBS-FM, New York, 10th. In May, 1985, the company bought five more radio outlets from Taft Broadcasting Co. for $107.5 million. Including the Taft stations, CBS has seven am and 11 fm radio stations.

Like many other communications corporations, CBS has yet to find a way to capitalize on new video technologies. The company persuaded the FCC to give it a waiver to buy a small cable company, CBS/Blackhawk Communications, near Dallas-Fort Worth. This was to be an "experimental" venture and the experience has not been encouraging. The systems probably are for sale unless top management decides they want to keep a foot in the door of cable operation.

Last fall, CBS became a partner in cable's SportsChannel and in Rainbow Service's Bravo and American Movie Classics. This $57 million investment is not expected to pay off anytime soon. Bravo, in particular, was a surprising buy for a company that suffered a $30 million-plus loss trying to market culture to cable a few years ago.

Also, the Trintex videotex joint venture with Sears, Roebuck & Co. and International Business Machines are not likely to be profitable right away.

Mr. Jankowski reorganized his group slightly in 1984 to gear up to produce more software for distribution in the U.S. and abroad. He says he wants to grab a bigger share of the videocassette market and to expand program sales to tv and cable abroad.

The CBS Theatrical Films unit (not to be confused with CBS/Fox, the home video venture, or Tri-Star Pictures, a movie partnership) was rechristened CBS Productions. Lumped in with the film unit was CBS Worldwide Enterprises, an operation that has been showing aggressiveness and ingenuity in distributing CBS shows abroad. Barter has been introduced to the People's Republic of China, with U.S. advertisers aboard.

Unless displaced by entrepreneur Ted Turner, Sen. Jesse Helms' band of conservatives (Fairness in Media) or someone else, Thomas H. Wyman, CBS chairman, is certain to expand CBS' tv station list now that the individual company ownership limit has been raised from seven to 12 stations.

In the past, however, his acquisition energies have been directed toward print and radio. Last November, CBS bought 12 magazines from Ziff-Davis Publishing Co. for $362.5 million, in one of the largest print deals ever. Because the purchase was not finalized until February, these magazines do not figure in media compilations for 1984. The Ziff-Davis acquisitions were not without controversy. About three months after the deal closed, CBS filed suit against Ziff-Davis alleging the company overstated the earnings of the 12 magazines it sold.

Of the new titles added from Ziff-Davis, Mr. Wyman contends *Modern Bride, Popular Photography* and other less well-known titles are natural mates for CBS' *Woman's Day* and the magazines on its leisure list.

CBS's *Cuisine* gave up the ghost, and its subscription list was sold to Conde Nast. In 1984, *World Tennis* and *Family Weekly* were sold. Even so, after the acquisition from Ziff-Davis, CBS Magazines division claims to be the largest publisher of special interest consumer titles in the U.S. The crown jewel, *Woman's Day*, touts a readership of 25 million. Specials have been added to the year's regular publishing schedule. This magazine was down 4.8% in ad pages but charged enough to climb 4.5% to $110 million in ad sales.

Field & Stream, CBS' first magazine, dropped a shade in pages, yet forged ahead 12.2% in media revenues to $34.3 million. Among the Ziff-Davis titles showing gains are: *Car & Driver*, up 18.8% to $27.4 million, and *Modern Bride*, up 8.3% to $18.3 million.

The third publishing unit is software, an operation set up to provide information for home computers. In addition, the unit will use material from the magazines and books to turn out products for the home video and videotex market. These are nonmedia items.

The CBS annual report credited CBS/Publishing Group with a sales increase of 5% to bring it to $619.2 million and income of $59 million, for a gain of 7%. This includes revenues from the educational and professional publishing division—that is books—as well as from the magazine division. For purposes of this analysis, ADVERTISING AGE credits the magazines with half the revenues and profits of the publishing division.

In the chart at the start of this profile, books are included with "other," along with CBS Records, which had a sizzling year, and toys and theatrical films, which produced red ink.

MEDIA PROPERTIES

Broadcasting

TV: CBS Television Network, network owned stations—KCBS, Los Angeles; WBBM, Chicago; KMOX, St. Louis; WCBS, New York; WCAU, Philadelphia.

RADIO: CBS Radio Network, RADIORADIO, network-owned stations—KNX (am), KKHR (fm), Los Angeles; KCBS (am) and KRQR (fm), San Francisco; WBBM (am, fm), Chicago; WHTT (fm), Boston; KMOX (am, fm), St. Louis; WCBS (am, fm), New York and WCAU (am, fm), Philadelphia. Pending FCC approval are stations CBS is buying from Taft Broadcasting Co.: KTXQ-FM, Dallas/Ft. Worth; KLTR-FM, Houston; WSUN and WYNF-FM, Tampa/St. Petersburg; WLTT-FM, Washington.

Cable/video

CBS/Black Hawk Cable Communications, a cable system in Dallas/Fort Worth; Extravision, national teletext service; cable program projects with Washington Post Co. and Cablevision's Rainbow Program Enterprises.

Magazines

American Photographer, Audio, Backpacker, Boating, Car & Driver, Cycle, Cycle World, Field & Stream, Flying, Home Mechanix, Modern Bride, Popular Photography, Road & Track, Skiing, Skiing Trade News, Stereo Review, The Runner, TV Crosswords, Woman's Day, Yachting.

OTHER OPERATIONS

CBS/Columbia House division, records, tapes, some video and home computer software; Holt Rhinehart Winston and Winston Press; music publishing; CBS/Fox Co., a partnership with 20th Century-Fox in home video; CBS Toys; Tri-Star Pictures; Trans-Medica; W. B. Saunders; CBS Software; CBS Technology Center; CBS/Sony; CBS Productions; CBS Music Video Enterprises; Dryden Press.

RANK 30

Central Newspapers

Indianapolis, Ind.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	380	346	9.8
Total sales	380	346	9.8
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	379	345	9.8
Magazine	0	0	0
Broadcast	0	0	0
Cable	1	0.9	11.1

Central Newspapers, Indianapolis, the 30th largest media company in 1984 with media revenues of $380 million, is changing shape with cutbacks in some areas and expansions in others.

Central owns newspapers in Indiana and Arizona and last September entered the rapidly expanding public-access videotex arena by launching Teleguide Metro Phoenix two weeks after folding its three-channel cable operations there.

The fast-growing Phoenix market continues to be where most of Central's changes are occurring. The R/G Cable subsidiary changed its name May 1, 1984, to Telegroup to more closely identify with the Teleguides it operates and to distance itself from the failed cable ventures. The discontinued channels were R/G Vision News, R/G Vision Classified and the Home Channel classified real estate listings.

Teleguide now has more than 80 advertisers, called information providers, on 82 terminals (100 projected by July 1 and between 150 and 200 by the end of 1985) in 19 high-traffic locations, such as shopping malls, hotels, Arizona State University and, as of July 1, Sky Harbor Airport. Users have free access to directories that list restaurant, hotel and shopping events information via multicolored computer-generated graphics.

Telegroup general manager Joe Cole says the operation is "still losing money, but it looks better" than projections, because "revenues are not where we thought they'd be, but expenses are lower than expected." Mr. Cole says he's looking for Telegroup to be profitable in early 1987.

Telegroup is affiliated with Videotex America, a joint venture of Times Mirror Videotex Services and Infomart, and as such is in the front of the line when expanded videotex service enters Arizona. "It's just a matter of when," Mr. Cole says. Telegroup is not participating in the Times Mirror services, but is able to share in the information gained from the experiment.

Central's morning *Arizona Republic* and evening *Phoenix Gazette*, operated by Phoenix Newspapers Inc., have a lock on the Phoenix market. Both share printing facilities and equipment and have one sales staff, which sells space in the newspapers either separately or in combination. The editorial staffs are separate and competitive, even though they reside in the same building. Publisher Darrow (Duke) Tully oversees both papers.

The Sunday *Republic* recently broke through into the top 25 newspapers in circulation nationwide, hitting 499,917, reflecting an annual increase of close to 7%, according to March 31, 1985, ABC figures. The *Republic* daily circulation for the same period was 325,677, up about 5% over the year earlier. The *Gazette* daily circulation was 125,021, up 3.3%.

Also owned by Phoenix Newspapers Inc. are two weeklies. One is the *Arizona Business Gazette*, a business and legal weekly with paid circulation of less than 5,000 out of a total circulation of about 8,000. The 104-year-old publication has changed management, editorial and sales staffs, content and format in the past two years. Display advertising linage increased 60.3% in 1984 over 1983. As of May 1, 1985, linage was up 14.8% over the similar period in 1984.

The other Phoenix Newspapers weekly is *City Life*, an arts and entertainment free paper that is available at street stands, quantity of 45,000, and inserted into nearly 84,000 *Republics* and *Gazettes* on Wednesdays. *City Life* was launched in 1983. A strong rivalry exists between *City Life* and the popular local weekly *New Times*, an artsy, liberal, investigative giveaway with a circulation of 113,000.

City Life is seen in the market as Mr. Tully's red-ink indulgence, a way of countering the frequent jabs at his personal life made by *New Times*.

Phoenix Newspapers spokesman William R. Shover, however, says *City Life* is now in the black, "although it's a week-to-week thing."

He says *City Life* is an adjunct to the *Republic* and *Gazette* because there was not enough space in those papers for all the listings of restaurants, movies, theaters and other events. "We were lacking coverage in that area," he says. "You don't go out and do things out of spite; it just doesn't work."

Several new ventures are on tap for the *Republic* and *Gazette* in the next year. The newspapers will install computerized pagination in August. A newsprint storage warehouse is being built.

Phoenix Newspapers also is working with Gruen & Associates in Los Angeles to develop a six-block "superblock" on property it owns near its downtown Phoenix headquarters.

This year's biggest project is a joint venture with four other newspaper groups: Chronicle Publishing in San Francisco, Copley Newspapers in San Diego, McClatchy Newspapers (*Sacramento Bee*) and Kearns-Tribune Corp. (Salt Lake *Tribune*) on a newsprint mill in Washington state. Capacity is to be 155,000 metric tons of newsprint a year, and of that the *Republic* and *Gazette* expect to use 20,000 metric tons.

Closer to home, Mr. Tully mandated restrictions throughout Phoenix Newspapers effective May 6 because of a failure to reach revenue projections as costs increased. No salary or staff cutbacks are scheduled, but freezes and cuts pervade nearly every other area.

A planned printing plant expansion in suburban Mesa has been "temporarily put aside," Mr. Shover says.

Circulation remained stagnant at the Indiana half of Central Newspapers. Only the Sunday editions of the Indianapolis and Muncie papers showed circulation gains, the *Indianapolis Sunday Star* increasing 1.4% and the *Muncie Sunday Star*, up 2.3%. Both the evening and Sunday Vincennes *Sun-Commercial* showed small circulation gains. Cutbacks are not in effect in Indiana, according to Central Newspapers president Frank A. Russell.

Earlier this year, Central entered into negotiations to buy Spark Newspapers in Hayward, Cal., but ended up "walking away," Mr. Shover says. "It was not a good business deal," he says. No further acquisition talks reportedly are scheduled with anyone.

Central is privately owned and very closely held. Founder Eugene C. Pulliam died in 1975, and the company is run by his son, Eugene S. Pulliam, 70, along with Mr. Russell, 64, and *Indianapolis Star & News* general manager William A. Dyer Jr., 82. Each operates out of Indianapolis.

Mr. Russell says he spends a week to 10 days a month at the Phoenix facility, but he keeps a low profile. When one veteran staffer was asked about Mr. Russell, his response was, "Frank who?" Even the Phoenix Newspapers tour guide had never heard of Central Newspapers, insisting the papers were owned solely by Phoenix Newspapers Inc.

When the senior Mr. Pulliam died there was a provision for an irrevocable trust for the papers not to be sold. Asked if the provision was for as long as 50 years, Mr. Russell said, "That's not necessarily correct. Well into the future, though."

MEDIA PROPERTIES

Cable/video

Telegroup (formerly R/G Cable), introducing TeleGuide Metro Phoenix.

Newspapers

ARIZONA: *Arizona Republic, Phoenix Gazette.* INDIANA: *Indianapolis Star, Indianapolis News, Muncie Press, Muncie Star, Vincennes Sun-Commercial.*

RANK 73

Chris-Craft Industries

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	147	122	20.2
Total sales	166	141	18.4
Net income	-12	4	-407.5
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	147	122	20.2
Cable	0	0	0

Chris-Craft Industries, New York, the 73rd largest media company with media revenues increasing 20.2% from 1983 to $146.7 million in 1984, is finding that the recent softening in demand for tv ad time will make it difficult to record similar growth in fiscal 1985.

The company, which has six tv stations, four of which it controls through its BHC Inc. subsidiary's 50.3% ownership in United Television of Minneapolis, has experienced an 8.7% increase in operating revenues to $86.2 million in 1984. But by Feb. 28, 1985, the end of the first six months in Chris-Craft's fiscal year, the company had a net income loss of $7.4 million.

The heavy loss in net income—$11.2 million—came in the second quarter and was attributed to Chris-Craft's *pro rata* portion of the $225 million loss reported by Warner Communications for Warner's fourth quarter ended Dec. 31, 1984. Chris-Craft owns 29% of Warner.

The slack in tv ad sales, plaguing much of the country, is spotty at Chris-Craft, evidenced by the best back-to-back quarterly performances (first and second quarters) by KCOP-TV, Los Angeles, compared with a poor showing by KPTV-TV in Portland, which is feeling the effects of an over-all poor economic environment in Portland and a new uhf station in the market. Both stations are wholly owned by Chris-Craft.

During 1984, Chris-Craft, whose media properties made up 88.2% of total revenues of $166.4 million, had returns that were above industry average for its tv properties. But it suffered an over-all loss of $12.3 million in net income traced largely to heavy losses incurred by Warner, of which Chris-Craft is the largest shareholder.

Chris-Craft and Warner exchanged stock in 1984 in a move designed to upset a takeover attempt of Warner by Rupert Murdoch's News America Corp. In the exchange, Chris-Craft got 19% of the voting stock and later upped the ante to 29%, and Warner gained a 42.5% interest in BHC. Chris-Craft consolidates all revenues of BHC in its financial statement.

More recently, Chris-Craft and Warner have been trying to work out a deal to sell their stock back to each other. There also have been rumors that Warner may be making a takeover bid for Chris-Craft. Concerning the latter, Chris-Craft vp-general counsel Barry Greene says he is not worried about fighting off a takeover attempt, mainly because management owns a substantial portion of the corporation's stock and because a classified board provision allows for the selection of only one-third of the corporate board each year. Other than that, "we're not building fences around ourselves," he says.

During prime access from 7:30 p.m. to 8 p.m., A.C. Nielsen Co. rated KCOP-TV in a tie with KTTV in the November rating period, while Arbitron Ratings Co. reported KCOP-TV second behind KTTV-TV.

The highly competitive Los Angeles market has prompted KCOP-TV to place a greater emphasis on news to provide a strong lead-in for the station's high-rated prime time movies. Within the past two years, KCOP-TV tripled the size of its news department in its effort to compete head-on against news market leader KTLA-TV. A new set and new personnel have been added, but Chris-Craft doesn't expect immediate results. Don Searle Jr., research director for KCOP-TV and Chris-Craft Television, says, "Ratings take time to build in this area. KTLA-TV may be No. 1 in news now, but it took them years to get there."

Recently, KPTV-TV in Portland became a Cable News Network affiliate.

The four United Television (UTV) stations echoed Chris-Craft's commitment toward news upgrading. According to Mr. Thompson, news is especially important among the two UTV affiliates, KMOL-TV, an NBC affiliate in San Antonio, and KTVX-TV, an ABC affiliate in Salt Lake City. "News programing in these markets occurs during the most important local time period on the stations. It is the anchor of their local programing efforts and affects network programing with its carry-over effect," Mr. Thompson says. Chris-Craft spent $5.8 million last year to improve its stations' newsgathering efforts.

The UTV stations recorded an 8% increase in operating income last year, and a 48% increase in operating revenues, percentages that include only about six months of returns in the prior year from UTV's acquisition of KBHK-TV, San Francisco, in July, 1983. UTV's properties apart from KBHK-TV gained 17% in revenues and 12% in operating income in 1984.

Construction has begun on a new uhf independent station in the Phoenix market, which now has three vhf affiliates, one vhf independent and a uhf independent. Assigned the call letters KUTP-TV, the station plans to be on the air by January.

Plans have been proposed to create a single entity by combining the two BHC stations with the UTV's properties. The Warner reswap affects such a move. Chris-Craft has announced a proposal to exchange 11.3% of its Warner stock to give it an 81.1% share of UTV. However, in early May, 1985, it delayed action for 90 days.

The greater stake in UTV "would greatly enhance the size, muscle and appeal of the combined entity," Mr. Greene says, adding that the possibility of future acquisitions also would be increased, presumably aided by greater cash flow. The stations serve a combined total of 9.4 million homes, or 11% of the nation's households.

Chris-Craft independent stations were among the founding fathers of the so-called Independent Prime Time programing effort to provide first-run programs.

Chris-Craft also owns a collection of small manufacturers of plastic flexible films and foams, latex foams and nonwoven fiber products.

MEDIA PROPERTIES

Broadcasting

TV: KBHK*, San Francisco; KCOP, Los Angeles; KMOL*, San Antonio; KMSP*, Minneapolis/St. Paul; KPTV, Portland; KTVX*, Salt Lake City; KUTP*, Phoenix (pending—under construction).

*United Television Inc. owned.

Some privately held companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

RANK

Chronicle Publishing Co. 50

San Francisco

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	231	N/A	N/A
Total sales	251	N/A	N/A
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	171	N/A	N/A
Magazine	0	0	0
Broadcast	30	N/A	N/A
Cable	31	N/A	0

Chronicle Publishing Co., San Francisco, is the nation's 50th largest media company, reporting 1984 media revenues of $231 million.

Media at Chronicle Publishing includes the *San Francisco Chronicle*, four tv stations and a cable operation. Real estate and a book publishing group contribute an additional $20 million in revenues to bring total corporate revenues to $251 million.

No year-to-year comparisons are available for Chronicle Publishing, whose estimates last year were overstated when 66% of the combined *Examiner & Chronicle* Sunday paper was attributed to Chronicle; it splits proceeds from that product 50-50 with Hearst Corp.'s *Examiner*. The daily Chronicle, half of the Sunday paper and the Bloomington, Ill., paper produced revenues of an estimated $170 million in 1984. Tv properties added an additional $30 million, and cable, through Western Communications, contributed $31 million.

The company is wholly owned by the family trust of the M.H. de Young estate and has published San Francisco's leading newspaper since 1895. Publisher Richard Tobin Thieriot is a great-grandson of founder Michel H. de Young, as is Francis A. Martin III, president of Chronicle Broadcasting Co.

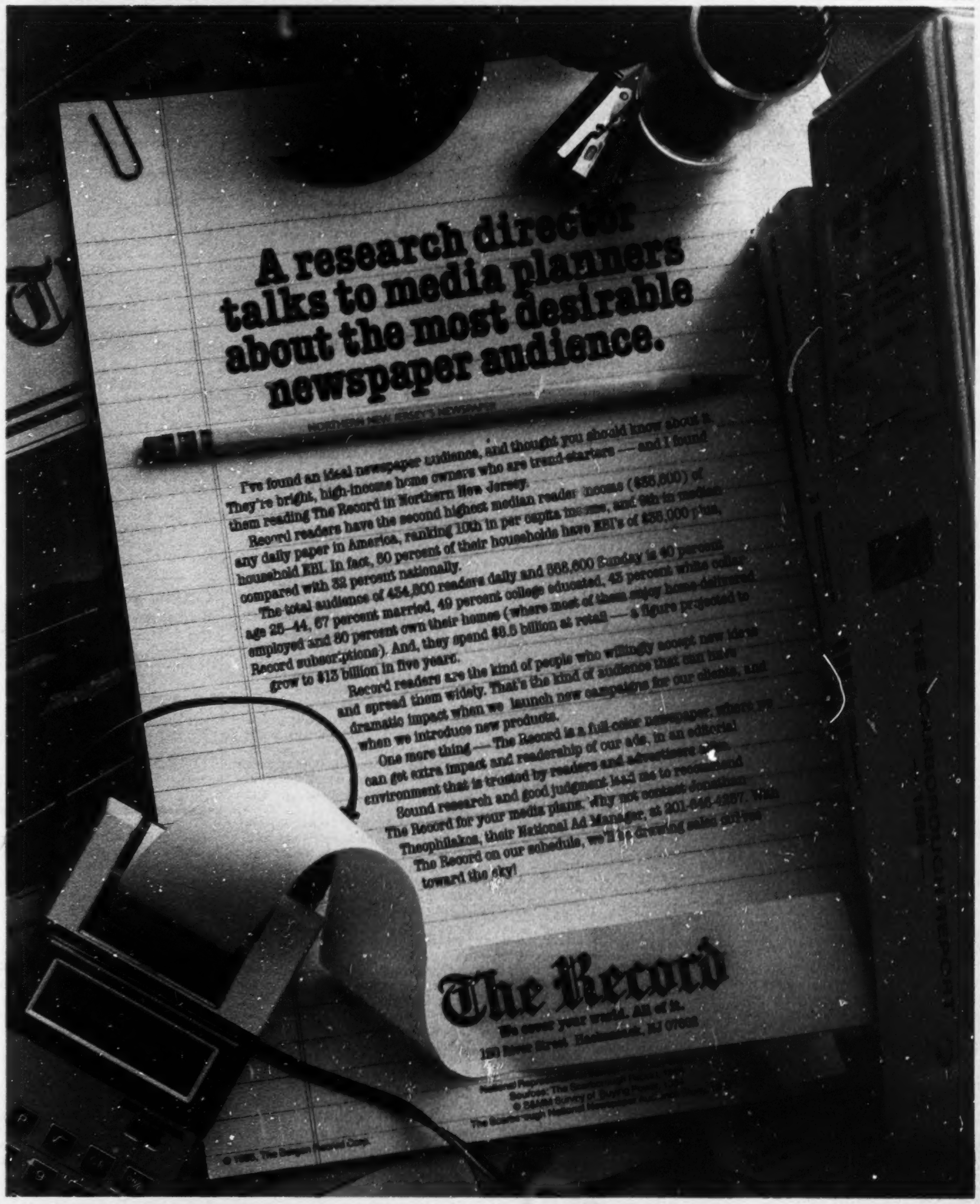
Daily circulation according to the March 31, 1985, ABC statement was 554,979, up 2.9% from the corresponding period a year earlier. The combined Sunday *Examiner & Chronicle* was 717,426, up 1.6%.

On April 15, 1985, the *Chronicle* began beefing up its business coverage on Mondays with an expanded "BusinessExtra," section, edited by new business editor Peter Sinton, who came from *Business Week* in mid-1984. Alan Mutter, city editor, joined the paper from the *Chicago Sun-Times*.

"Things are growing, but not spectacularly," says Phelps Dewey, assistant publisher, noting the bulk of circulation growth is outside the city, extending from Oregon to Bakersfield. Mr. Dewey agrees that "over a wide area, penetration is not all that great," but says the *Chronicle's* efforts are as good as those of the *Los Angeles Times* in its market. Among the more critical observers of the paper, University of California at Berkeley journalism professor Ben Bagdikian says the *Chronicle* has a lower penetration rate than most papers its size.

The penetration dilemma does not exist at the *Bloomington* (Ill.) *Pantagraph*, the company's other daily. Penetration in that market is 87%, Mr. Dewey says, adding, "That's what you get in a small, independent, concentrated market." The March 31, 1985, ABC figures show morning circulation to be 52,941, a slight gain over the prior year. Sunday circulation is 56,104, again a slight gain over 1984.

Chronicle Broadcasting Co. owns KRON-TV, an ABC affiliate that garnered a Peabody Award as well as 22 of the local Emmys this year, "a record for a single station in the market," Mr. Martin says. The station is second in news ratings only to the CBS affiliate, KPIX-TV. "We've significantly increased our market share in terms of ad dollars, both percentage growth of ad revenues . . . and the share of ad



A research director talks to media planners about the most desirable newspaper audience.

NORTHERN NEW JERSEY'S NEWSPAPER

I've found an ideal newspaper audience, and thought you should know about it. They're bright, high-income home owners who are trend-starters — and I found them reading The Record in Northern New Jersey.

Record readers have the second highest median reader income ($35,500) of any daily paper in America, ranking 10th in per capita income, and 9th in median household EBI. In fact, 50 percent of their households have EBI's of $35,000 plus, compared with 32 percent nationally.

The total audience of 454,800 readers daily and 568,600 Sunday is 40 percent age 25–44, 67 percent married, 49 percent college educated, 43 percent white collar employed and 80 percent own their homes (where most of them enjoy home-delivered Record subscriptions). And, they spend $8.5 billion at retail — a figure projected to grow to $13 billion in five years.

Record readers are the kind of people who willingly accept new ideas and spread them widely. That's the kind of audience that can have dramatic impact when we launch new campaigns for our clients, and when we introduce new products.

One more thing — The Record is a full-color newspaper, where we can get extra impact and readership of our ads, in an editorial environment that is trusted by readers and advertisers alike.

Sound research and good judgment lead me to recommend The Record for your media plans. Why not contact Jonathan Theophilakos, their National Ad Manager, at 201-646-4287. With The Record on our schedule, we'll be drawing sales curves toward the sky!

The Record

We cover your world. All of it.

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dollars in the market," Mr. Martin says.

The company also owns CBS affiliate WOWT-TV in Omaha, Neb., and ABC affiliate KAKE-TV in Wichita, Kan. Both "remain dominant in these markets in news and all facets of programing," Mr. Martin says.

Western Communications, the company's cable tv subsidiary, now boasts 150,000 subscribers (up slightly from last year) for its five cable systems. Four have been rebuilt to carry 53 channels; the fifth sends 27 channels. "We're in the process of closing on another 15,000 subscribers in California at the end of June," says Western Communications president Ed Allen.

Programing varies widely from market to market. Western has experimented with pay-per-view and has begun running commercial spots on its Monterey system, a move that probably will be extended to other systems, Mr. Allen says.

Bay Area Teleguide, a public access videotex system, is the first product of Chronicle Videotex, created in 1983 by Chronicle Information Services, a division of Chronicle Publishing Co. Bay Area Teleguide reached 286 terminals—mostly in heavily trafficked San Francisco locations—in June, 1985. Two branch offices in Palo Alto and Oakland are opening this year.

As of December, Phoenix, Sacramento and Toronto have been added to the network. The 10,000-page database, offering information in such categories as entertainment, shopping, dining, hotels, sports and public agencies, is scanned by some 300,000 people a month.

MEDIA PROPERTIES

Broadcasting

TV: KAKE, Wichita, Kan.; KRON, San Francisco; KUPK, a satellite of KAKE in Garden City, Kan., and WOWT, Omaha, Neb.

Cable/video

Western Communications serving subscribers in: CALIFORNIA: Butte County, Carmel-by-the-Sea, Carmel Valley, Chico, Clayton, Concord, Contra Costa County, Corning, Del Monte Forest, Del Ray Oaks, Glenn County, Marina, Monterey County, Orland, Pacific Grove, Palm Springs, Salinas, San Mateo County, Seaside, South San Francisco, Willows. NEW MEXICO: Dona Ana County, Los Cruces, Mesilla.

Newspapers (dailies)

CALIFORNIA: *San Francisco Chronicle, San Francisco Sunday Examiner & Chronicle* (owned jointly with the Hearst Corp.). ILLINOIS: *Bloomington Daily Pantagraph.*

OTHER OPERATIONS

Chronicle Videotex, Chronicle Productions, Chronicle Features & Chronicle Books.

RANK

Continental Cablevision 51

Boston

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	226	156	44.9
Total sales	226	156	44.9
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	0	0	0
Cable	226	156	44.9

Continental Cablevision, Boston, is the country's 51st largest media company with revenues of $226 million in 1984, up 44.9% from 1983.

Continental continued its steady growth last year, extending its subscriber count to 965,000, up 12.3% from 1983. It had 1,100,000 pay units the end of 1984, up 30.3%, or a pay tv sell-in rate of 1.14 pay services per basic subscriber. In the process, Continental boosted its asset base 18.8% to $570 million in 1984.

Continental made one of its bigger moves in winning the St. Paul, Minn., franchise after a two-year battle. It had to make more concessions than usual—community channels, minority training, production studios, and discount subs—in this area of high social awareness.

The system, launched the end of April, 1985, seeks 15,000 subscribers by year end. There is a 135,000 home-potential in the franchise. It already has a sell-in of 1.7 pay units per basic subscriber.

Continental expects to expand within its present geographic boundaries through "highly selective acquisitions" in 1985, says a company spokesman. Continental is private, although Dow Jones & Co. owns 24.7%.

MEDIA PROPERTIES

Cable/video

Systems in 13 states. CALIFORNIA: Big Valley Cablevision Inc. (94% interest), serving Manteca/Lathrop and Stockton/San Joaquin County. ILLINOIS/IOWA: Continental Cablevision of Illinois Inc., serving Freeport/Cedarville/Stephenson County; Keokuk/Carthage/Hamilton/Warsaw, Kewanee; Lincoln/Logan County; Morton, Ill.; Pekin/Groveland/Marquette Heights/N. Pekin/S. Pekin/Tazewell County/Tremont, and Quincy, Ill. CHICAGO REGION: Continental Cablevision of Cook County Inc., Calumet City/Calumet Park/Dolton/Riverdale; Elmhurst/Berkeley/Oakbrook Terrace/Bensenville; Forest Park; Franklin Park/River Grove/Rosemont/Schiller Park; Lombard; unincorporated DuPage County; Westchester/Hillside; Westmont/unincorporated Westmont. Continental Cablevision of Morton Grove Inc., Morton Grove. MAINE/MASSACHUSETTS/NEW HAMPSHIRE: Continental Cablevision of New Hampshire Inc., Concord/Allenstown/Boscawen/Bow/Pembroke; Dover/Rollinsford/Somersworth/Berwick/S. Berwick; Lawrence/Methuen/North Andover, all Mass.; Pease Air Force Base; Portsmouth/Eliot/Kittery, Maine/New Castle/Rye; Saco/Old Orchard Beach, both Maine; Salem/Derry. MASSACHUSETTS REGION: Continental Cablevision of Brockton Inc., Brockton. Continental Cablevision of CONNECTICUT Inc., Enfield et al, Continental Cablevision of Massachusetts Inc., Beverly, Newton, Reading, Saugus, Watertown. Continental Cablevision of Needham Inc. (99.6% interest), Needham. Continental Cablevision of Northhampton Inc., Deerfield/Bernardston/Northfield/Sunderland; Northampton/Hatfield/Williamsburg. Continental Cablevision of Southern Massachusetts Inc., Avon; Easton; Hanson; Holbrook; Raynham; Stoughton; Whitman. Continental Cablevision of Springfield Inc. (70% interest), Springfield. Continental Cablevision of Winchester Inc. (96% interest), Winchester. Rockingham County Cablevision Inc. (80% interest), Hampstead; Plaistow. MICHIGAN: Continental Cablevision of Michigan Inc., Holland; Jackson/Blackman Township; Lansing/Dewitt/Grand Ledge/Delhi; Delta, Dewitt, Lansing and Oneida Townships; Roseville. DETROIT REGION: Continental Cablevision of Oakland County Inc. Dearborn Heights; Hazel Park; Madison Heights; Oak Park; Southfield/Lathrup Village. ST. LOUIS REGION: Continental Cablevision of St. Louis County Inc., Belleville/Fairview Heights/O'Fallon/St. Clair County/Swansea; Jennings/Bellefontaine Neighbors/Country Club Hills/Flordell Hills/Moline Acres/Northwoods/Pine Lawn/Riverview/Wherry Housing Base; University City/Breckenridge Hills; Brentwood/Clayton/Edmundson/Maplewood/Overland/St. Ann. Continental County Cablevision Inc. St. Louis County-area B. ST. PAUL REGION: West St. Paul, South St. Paul, Invergrove Heights, Mendota, Mendota Heights, Sunfish Lake, Lillydale. OHIO: Continental Cablevision of Hamilton County Inc., Cheviot; Continental Cablevision of Ohio Inc., Englewood/Madison Township/Randolph Township/Trotwood/Union/Vandalia; Beavercreek Township/Bellbrook/Centerville/Kettering/Miamisburg/Miami Township/Moraine/Oakwood/Springboro/Sugarcreek/Washington Township/Waynesville/West Carrollton; Athens/The Plains; Bellevue/Clyde/Green Springs; Fairborn/Donnelsville/Enon/New Carlisle/Bath, Bethel and Mad River townships; Findlay/Arlington/McComb/Mt. Cory/Rawson/Van Buren; Fostoria/Tiffin/Arcadia; Galion/Crestline; Huber Heights/Harrison Township; Norwalk/Milan/Monroeville; Springfield/Harmony, Moorefield, Pleasant & Springfield Townships/South Vienna Village; Upper Sandusky/Nevada; Willard/Greenwich Village/New Haven/North Fairfield/Plymouth/Shiloh; Xenia/Cedarville/Jamestown/New Jasper/Silver Creek/Spring Valley/Wilberforce/Cedarville, Spring Valley and Xenia Townships. CLEVELAND REGION: Continental Cablevision of Northeast Ohio Inc., Bay Village/Avon Lake; Eastlake/Fairport Harbor/Grand River/-Lakeline/Mentor/Painesville/Timberlake/Wickliffe/Willoughby/Willoughby Hills; Elyria/Carlisle and Elyria townships. VIRGINIA: Continental Cablevision of Virginia Inc., Ashland; Goochland County; Hanover County; Henrico County. VIRGINIA REGION: Continental Cablevision of James City County Inc., James City County. Continental Cablevision of Richmond Inc. (80% interest), Richmond. Continental Cablevision of York County Inc., York County.

Other cable

FLORIDA: Area Communications Inc., serving Greater Jacksonville. Commonwealth Cablevision Corp., Agawam/-Granby/Holyoke/South Hadley/Southwick/Westfield/West Springfield, all Mass. Cablevision Service Co. Inc. (33.3% interest), Bristol: Alexandria/Bridgewater/Bristol/New Hampton; Hillsboro: Antrim/Derring/Hillsboro/Henniker; Seacoast: Durham/Epping/Exeter/Hampton Falls/Newfields/Newmarket/North Hampton/Raymond/Seabrook/Stratham, all N.H. NEW YORK: Vision Cable of Staten Island Inc. (50% interest), Borough of Staten Island.

RANK

Copley Newspapers 37

La Jolla, Cal.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	304	237	28.4
Total sales	309	241	28.1
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	304	237	28.4
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Copley Newspapers, which owns media properties nationwide, confined most of its activities in 1984 to its home base as the company generated media revenues of $303.9 million, ranking it the 37th largest media company.

La Jolla, Cal.-based Copley broadened news coverage at its flagship newspaper, the *San Diego Union*, in increasing company-wide media revenues by 28.4% over 1983. Media at Copley represents 98.5% of total revenues. A resort hotel and a computer service account for the remainder.

Copley's dramatic revenue increase is rooted in the recovery experienced in its six papers in Illinois and continued growth in its five California papers. Together, they have a combined daily circulation exceeding 750,000.

Copley's Illinois newspapers, which include the *State Journal-Register* in the capital city of Springfield and five other dailies that ring Chicago, rallied from a recession that hit the industry in Illinois in 1983 with "a double-digit rebound in ad linage," in 1984, says Robert F. Crouch, vp-finance for Copley.

The company's morning *Union* and *Evening Tribune* in San Diego are not standing still. In an effort to provide better service, the papers have added 50 employes and assigned them to suburban offices. The new staffers, using new computer equipment, will provide expanded coverage for readers in five zones: Central (metropolitan), north county, north coastal, south bay and east county. The communities targeted are Oceanside, Escondido, Del Mar, El Cajon, Coronado, National City and La Jolla.

This move has been studied by Copley for several years, and it is hoped the move will enable the *Union* and the *Evening Tribune* to stay ahead of growth in the San Diego area. The move will pit the *Evening Tribune* in particular against smaller widely read evening newspapers in the area: *The Californian* in El Cajon with circulation of 22,704, up 6.4%; *Times-Advocate* in Escondido with circulation of 35,862, up 7.5%, and *Blade-Tribune* in Oceanside with circulation of 30,832, up 8.3%. The Escondido and Oceanside papers both have strong Sunday circulations. Figures are based on ABC audits comparing March 31, 1985 six-month estimates with the comparable period in 1984.

Copley's *Evening Tribune* in the same March 31 reporting period had circulation of 122,590, up 0.8%. The *Union* fared much better, growing 5% to 231,306.

Hubert Kaltenbach, Copley president, looks at the San Diego expansion as providing a needed service to current and potential readers. "There is no particular price tag on this project," he says, noting "we expect to gain circulation because of the zoned editions. In some cases, advertising rates will be reduced because of the zones. But we will be providing better service, and in the long run it will make our newspapers better."

Copley has yet to realize revenues from its cable tv partnership with Colony Communications, owned by Providence Journal Co., Providence, R.I. Construction delays have caused revenues to lag behind original projections. Although the subscriber lists are beginning to grow in the Southern California areas where the Copley-Colony team has been awarded franchises, Mr. Kaltenbach says, "It could be two or three years before we see any substantial revenues." There are 9,900 subscribers in the system.

Late in 1984, Copley announced it had entered into negotiations with Chronicle Publishing and Hearst Corp. in San Francisco, McClatchy Newspapers in Sacramento, Kearns-Tribune Co. in Salt Lake City and the Phoenix Newspapers Inc. to form Ponderay Corp. to produce newsprint in Washington state. Ponderay's plant is expected to be operational by 1987.

"This is a protection against shortages," Mr. Crouch says. "There is a greater need than ever [for newsprint]. This way, we won't be totally dependent on other sources."

MEDIA PROPERTIES

Cable/video

CALIFORNIA: San Pedro-Wilmington-Harbor City, Lomita and portions of unincorporated areas, franchises in Los Angeles County; Costa Mesa and Cypress, plus an unincorporated area in Orange County. All jointly owned with Colony Communications. CLEO, an electronic classified ad service.

Newspapers (dailies)

CALIFORNIA: *San Diego Evening Tribune, San Diego Union, San Pedro News-Pilot, Daily Breeze* (Torrance), *Santa Monica Evening Outlook.* ILLINOIS: *Aurora Beacon-News, Elgin Courier-News, Joliet Herald-News, Springfield State Journal Register, Waukegan News-Sun, Wheaton Daily Journal.*

Newpapers (nondailies)

CALIFORNIA: *Borrego Sun.* Also, 23 nonpaid circulation weeklies and shoppers associated with dailies.

Other media

Copley News Service; Copley Press.

OTHER OPERATIONS

Casa del Zorro (resort hotel); Copley Computer Services.

RANK

Courier-Journal & Louisville Times Co. 85

Louisville, Ky.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	116	107	8.4
Total sales	192	166	15.7
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	98	92	6.5
Magazine	0	0	0
Broadcast	18	15	20
Cable	0	0	0

The Courier-Journal & Louisville Times Co. and WHAS Inc., a separate broadcast company also owned by the Barry Bingham family, ranked 85th among U.S. media companies in 1984 with media revenues of $116 million, an 8.4% increase over 1983.

Total revenues for the Louisville-based company were $192 million, which include revenues from Standard Gravure and Standard Colorprint, printing presses in Morristown, Tenn.; Data Courier, a database publishing enterprise; Courier Communications Corp., a computerized information service, and two retail computer stores called Computer Emporium.

The company also has acquired a 50% interest in an Indianapolis mailing company in order to position itself with a direct mail capability. The mailing operation handles supplements, advertising, direct mail and premiums. Wide regional expansion of this service is planned.

The ABC audit for the six months ended March 31, 1985, listed the morning *Courier-Journal* with a circulation of 175,266, down 1.1% from the similar period a year earlier, the evening *Louisville Times*, 133,661, down 1.6% and the Sunday *Courier-Journal*, 331,686, up 0.5%.

John L. Richards, senior vp, says the entire newspaper industry was experiencing circulation troubles. The company has hired two local ad agencies, Doe-Anderson and Gibson-McKnight, to tackle the circulation problem. One agency will work for the morning newspaper and the other for the evening paper.

"Each newspaper has a different image, and we'd like the public to distinguish between them," Mr. Richards says. "The morning paper is a newspaper of record, more serious and down to business. The evening paper is lighter, more amusing."

Ad rates and linage have increased for the basic newspaper and the five zoned editions.

In the fall of 1984, company-owned radio stations WAMZ (fm), with a country format, and WHAS (am), a contemporary adult format, were rated by Arbitron No. 1 and No. 2 for their respective audience share in the Louisville market. WHAS-TV, its CBS affiliate, achieved a leading 21 share of households in the 6:30 p.m. news slot, and 18 at the 11 p.m. news period. WHAS had an 18.5% increase in ad revenue. NBC affiliate, WAVE-TV, had an 18 share at 6:30 p.m. and at 11 p.m. WLKY-TV, the ABC affiliate, carried a 7 rating for both slots.

In the past decade, Louisville Productions, a division of WHAS Inc., has expanded its corporate communications services to include films and videotapes for sales training, orientation, new product introductions, promotion and pr. In the last year, video conferencing, a new communication tool for business, has blossomed.

Satellite communications also have grown to the point where Louisville Productions can connect with one city or coordinate a network of sites worldwide, demonstrated last year during the press conference called by Louisville-based Humana Inc. to report the results of an artificial heart implant.

The company's electronic publishing capabilities continue to expand. Its wholly owned subsidiary operates two new ad-supported public-access videotex systems. Metroguide, a Louisville visitors' information guide, started placing kiosks in hotels and other public places in late 1984.

Travelers' Highway Information System is putting terminals at interstate highway rest areas in Indiana and is seeking to develop similar systems in neighboring states. The systems feature advanced use of graphics and are built around IBM microcomputers placed in kiosks. Advertisers must pay to be carried on the tourist-type listings offered motorists. Motorists key-in at no cost.

CJ&T Channel, the newspapers' 24-hour cable tv news and classified advertising service, is modifying its text-only presentation to include photographic real estate and automotive classified. Unlike the current text segments, which are sold as add-on to a newspaper classified ad, the illustrated segments will be sold on a stand-alone basis. Surveys show that more than 20% of Louisville's and surrounding Jefferson County's 136,000 cable subscribers view the channel in a given week.

Data Courier specializes in database publishing. Its products include ABI/INFORM, one of the largest and oldest business databases, and an array of new computer and business-related databases, which can be accessed by computer over phone wires. Expansion plans for the company's retail computer stores have been put on hold awaiting a shakeout in the Louisville market. Competition in the business is keen and margins are thin.

The company is considering developing a database that could be accessed through individual personal computers. "Experience gained from downloading videotex pages to the IBM PCs in public-access kiosks could lead to a similar in-home product," Mr. Richards says.

One factor is chilling the company's expansion plans: A drive by one of the family members, Sallie Bingham, to sell her about 15% share in the family companies. She has retained New York broker Henry Ansbacher Associates to seek an outside buyer for the stock, which Ansbacher valued at $82 million to $92 million.

The stock offering has its origins in a rift that developed among family members in 1983 when Barry Bingham Jr., editor and publisher of the Louisville papers, asked his sisters, his mother and his wife to resign from the board of directors of the family companies to bring in outside directors with more business acumen. The others agreed to resign, but Sallie Bingham refused and was not re-elected to her board seat. She offered to sell her shares to the family for $42 million, but was turned down.

The possibility that the family eventually might have to make the investment to buy her out "is making us watch our nickels and dimes," Mr. Richards says.

Ms. Bingham counters, "The family should make its bid soon, or my asking price will go up. Based on recent sales that have been taking place, like the *Des Moines Register & Tribune*, it is boom time for the media."

MEDIA PROPERTIES

Broadcasting

TV: WHAS, Louisville, Ky.

RADIO: WHAS (am), WAMZ (fm), Louisville.

Newspapers

KENTUCKY: *Louisville Courier-Journal, Louisville Times.*

OTHER OPERATIONS

C-J&T Teletext; C-J&T Channel, cable news and advertising service; mailing company.

Cowles Media Co.
Minneapolis

RANK 49

($ figures – 000,000)

Corporate returns	1985	1984	% chg
Media sales	232	210	10.5
Total sales	232	210	10.5
Net income	16	29	-46.0
Sales per medium			
Newspaper	232	210	10.5
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Cowles Media Co., Minneapolis, is the nation's 49th largest media company, with operating revenues of $232 million for the fiscal year ended March 31, 1985, an increase of 11% from revenues for fiscal 1984.

Net income in the period was $15.7 million, down 45% from the year earlier period, while operating earnings were $31.7 million, a 63% improvement from the corresponding period.

The drop in net income was largely due to a $16.9 million one-time gain in fiscal 1984 from the sale of Cowles cable and broadcast holdings. The results in fiscal 1984, in fact, were the first increase recorded since a wave of cable and broadcast divestitures in the early 1980s left the company leaner though better poised for growth.

Cowles' is being ranked on its fiscal 1985, which largely covers calendar 1984. Previously, the company has been ranked on its media returns from the prior year. All Cowles revenues come from media operations.

While Cowles has neither bought nor sold any properties since its fiscal closing in April, 1984—following earlier divestitures of all its broadcast and cable properties—the company made news when two publishing giants bought blocks of its stock from family hands.

The liquidation earlier this year of the Cowles family-owned Des Moines Register & Tribune Co. enabled Gannett Co., Rochester, N.Y., to buy the Des Moines company's 14.3% stake in Cowles, along with the *Register & Tribune* and three smaller papers.

Kingsley Murphy Jr., whose family sold the *Minneapolis Star & Tribune* to Cowles in the 1940s, sold his 17% interest in the company to Washington Post Co. for an estimated $45 million in March, 1985. The Post has more recently acquired another 3% of Cowles' stock.

The Des Moines company's liquidation and sale also fueled speculation on the fate of Cowles Media. Many industry observers predicted Cowles would meet the same fate after Cowles chairman David Kruidenier's unsuccessful effort to merge the two companies.

Mr. Kruidenier, who also was chairman of the Des Moines company, repeatedly has said Cowles is not for sale, echoing his previous statements about the Des Moines company.

In part to avoid a sale, Cowles has attempted to extend the control and tenure of a five-member voting trust, established in 1977, to ensure that control of the company remains in family hands.

However, a lawsuit filed by Mr. Murphy, a dissident shareholder unhappy with management, charged the extension was illegal and diluted the value of the 17% stake in Cowles Mr. Murphy had earlier said he intended to sell.

Mr. Murphy since has sold his stake to the Post Co. (which earlier expressed an interest in buying the *Des Moines Register & Tribune*), rendering the lawsuit moot, says a source close to Mr. Murphy.

Other news at Cowles includes formation of a division to market videotex services primarily in the Twin Cities skyway system. Though it has made no formal announcement, Cowles plans a series of touch-screen terminals providing shoppers and tourists with information on retailers and sightseeing attractions.

Meanwhile, the flagship *Star & Tribune* has registered circulation increases of 3% daily and 2% Sunday over last year, while its competitor across the Mississippi, the *St. Paul Pioneer Press* and *Dispatch*, showed combined daily and Sunday losses.

The *Star & Tribune's* daily average circulation for the six months ended March 31, 1985, was 383,657, while Sunday circulation was 596,181. The *Star* and *Tribune* were combined in April, 1982, as a step toward boosting profits.

Since then, the *Star & Tribune* has expanded its business coverage with a Monday "Marketplace" section, and increased its news hole for weather, sports and suburban stories.

Cowles also is planning a $110 million expansion of the Minneapolis production facilities, to be completed in 1987.

MEDIA PROPERTIES

Newspapers (daily)

MINNESOTA: *Minneapolis Star & Tribune*; MONTANA: *Great Falls Tribune*; SOUTH DAKOTA: *Rapid City Journal;* IDAHO: *South Idaho Press-Tribune.*

Newspapers (nondailies)

COLORADO: Sentinel newspapers in Arapahoe, Arvada, Aurora, Commerce City, Englewood, Lakewood, Littleton, North Glen-Thornton, South Jefferson, Westminster, Wheat Ridge; IDAHO: *Minidoka News, Reminder Shopper.*

OTHER OPERATIONS

Publishers Inc., a commercial printer and publisher of community directories in the Twin Cities.

Member of the board

Chris-Craft Industries, board includes Alvin R. Rozelle, better known in most circles as "Pete," commissioner of the National Football League.

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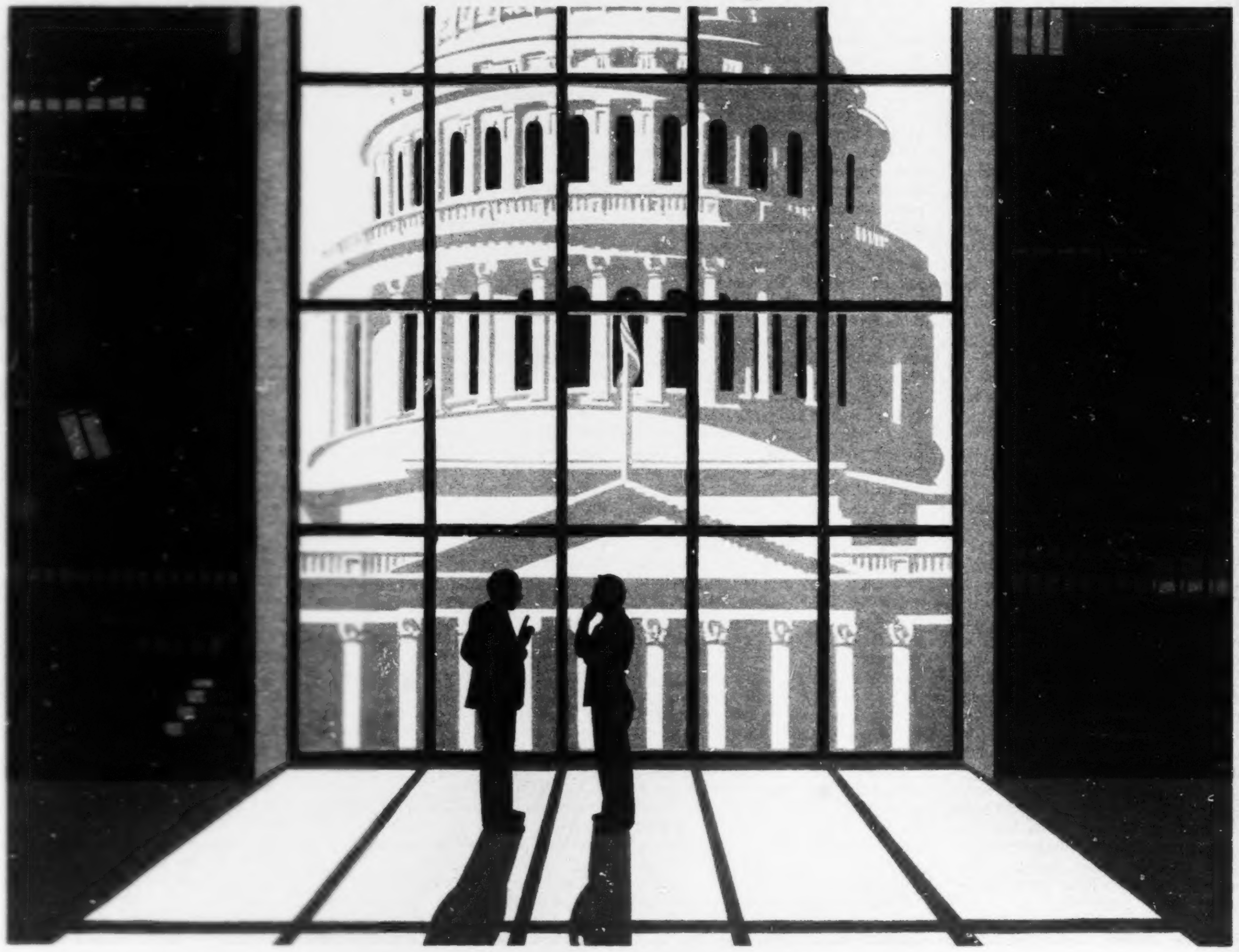

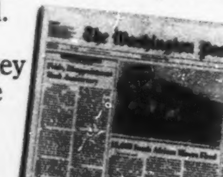

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Cox Communications

RANK 19

Atlanta

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	684	538	27.2
Total sales	743	615	20.9
Net income	78	65	19.1
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	279	200	39.4
Cable	405	337	20.0

Cox Communications, Atlanta, celebrating its 20th and last anniversary as a public company, is the country's 19th largest media company with 1984 media revenues of $684 million, up 20.3% from 1983. It is being bought by Cox Enterprises. (See Cox Enterprises' profile, this page.)

Media revenues accounted for 92% of total revenues of $742.8 million which generated net income of $78 million, up 19.1%.

Cox is a diversified media company with interests in broadcasting and cable tv, as well as several new media, including satellite master antenna tv. The nonmedia portion of Cox's earnings comes from its organizing of automobile auctions (with revenues up 21% and operating income up 6% from 1983) and from programing and nonaffiliate media sales from its TeleRep subsidiary.

Cox broadcasting division reported record results, with a 20.8% revenue gain over 1983 to $279.1 million and a 23% increase in operating income to $107.2 million. After adjusting for the purchases of WAGO (fm) in Chicago ($9 million) and WKBD-TV in Detroit ($70 million) and the sale of WLIF (fm) in Baltimore, 1984 revenues actually increased 11% and operating income, 18% over 1983.

WSB-TV, Cox's flagship station and ABC affiliate in Atlanta, again delivered the highest profit margin in the division. WSB-TV has regained leadership in news at 6 p.m., with WAGA-TV, according to early 1985 Arbitron reports, and is tied with WAGA for first place at 11 p.m., an improvement over last year's report.

WHIO-TV, the CBS affiliate in Dayton, O., had record revenues and continued to dominate the market. WHIO-TV's share is nearly double the audience share of the second-place station, WDTN-TV. WSOC-TV, the ABC affiliate in Charlotte, N.C., also had a record year in revenues and operating income.

KDNL-TV, St. Louis, became the only uhf independent in the market when it switched over from a subscription tv, pay-per-view service in 1984. It remains fifth in a five-tv station market.

Cox's newest tv acquisition, WKBD in Detroit, ranks first among uhf independents in the top 10 markets, according to the latest Nielsen Independent Ranking report, based on the number of viewers in early prime time.

The company's national tv sales rep company, TeleRep, is the third largest rep company in the U.S. in both billing and coverage. According to Cox, TeleRep's 1984 billings approached $600 million and coverage exceeded 61% of the nation.

TeleRep has developed and run several series in recent years including "Solid Gold," the nation's top rated weekly music show seen on 214 stations around the country. "Entertainment Tonight," in its fourth season can be seen in 94% of U.S. tv households. "Star Search," billed as the "world's greatest talent hunt," has been renewed after a successful first season. "Lifestyles of the Rich and Famous" was Cox Communications' 1984 entry and within four months of its debut was on the top 10 first-run syndicated series list. TeleRep also featured two miniseries in 1984 under the Operation Prime Time label. "Helen Keller-The Miracle Continues" and "A Woman of Substance" were OPT's contributions.

It was a successful year for the Cox radio community as well. In Los Angeles, KOST (fm) had its highest rating ever and now ranks second among adults 25 to 54. WSB (am, fm), Atlanta, is second in morning drive in that market.

The 1985 season introduced the broadcasting of Atlanta Braves, Atlanta Falcons and University of Georgia football and basketball games over WSB.

WHIO (am, fm) is the highest rated am, fm and combination station in Dayton. In Charlotte, country music station WSOC (fm) is the leading station in the market. Because of the fm station's success, WSOC (am) was recently changed to a country format from middle of road. WSOC (am, fm) led the radio group in operating margins in 1984. In Miami, WAIA (fm) ranks second among adult contemporary stations in the market.

In Philadelphia, fm station WZGO is benefiting from a change to a contemporary music format, also from middle of road.

Revenues of the station are improving and audience acceptance is growing, say Cox officials.

WAGO (fm), acquired early in 1985, is experiencing lagging sales.

Cox Cable reported 20% increases in both revenues and operating income for 1984. At yearend, basic subscriptions were 1,538,000 and paid program subscriptions were 1,557,000.

Tier units (advertising-supported satellite programing services sold as a separate package) increased to 253,000. After adjusting for four small systems sold during December, 1984, basic subscriptions increased 8% and 4% paid program prescriptions over 1983.

The Cox Cable system in San Diego exemplified the company's growth by signing its 250,000th subscriber, making it the first cable system in the nation to reach that level.

Franchise renewals were negotiated successfully in Santa Barbara and Eureka, Cal., Lubbock, Tex., North Adams, Mass., Parma, O., The Dalles and Seaside, Ore., and Gainesville, Fla. Operating losses were experienced in four major markets, Omaha, Tucson, New Orleans and Vancouver, because of high construction costs.

In December, 1984, sales of three Chicago area systems and the Robinson, Ill., system were completed. Cox also entered into agreement to sell cable systems in Burlington, Rutland and Montpelier, Vt., North Adams, Mass., and Saranac Lake, N.Y. Local partners exercised their right to purchase 80% of Cox Cable in Fort Wayne, Ind.

In April, 1984, Cox Communications purchased On Cable Publications, publisher of *On Cable* magazine. Fox bought the monthly cable program magazine in 1983.

In June, 1984, Cox entered the radio common carrier business with the acquisition of 90% of CyberTel Corp., the oldest and largest paging and mobile telephone operator in St. Louis and the largest in Illinois outside Chicago. The acquisition will provide Cox the means to develop and manage early entry into new radio common carrier technologies, such as cellular radio.

In January, 1984, Cox sold Cox Data Services, a tv software subsidiary. In July, 1984, the company sold Schulke Radio Productions Ltd., a music syndication subsidiary.

MEDIA PROPERTIES

Broadcasting

TV: KDNL, St. Louis; KTVU, Oakland-San Francisco; WHIO, Dayton, O.; WKBD, Detroit; WPIX, New York; WSB, Atlanta; WSOC, Charlotte, N.C.

RADIO: KFI (am), KOST (fm), Los Angeles; WAGO (fm), Chicago; WHIO (am, fm) Dayton, O.; WIOD (am), WAIA (fm), Miami; WSB (am, fm), Atlanta; WSOC (am, fm), Charlotte, N.C.; WZGO (fm), Philadelphia.

Cable/video

ARIZONA: Tucson. CALIFORNIA: Bakersfield, Eureka, San Diego, Santa Barbara. CONNECTICUT: Hartford. FLORIDA: Gainesville, Jacksonville Beach, Ocala, Pensacola, Sebring/Avon Park. GEORGIA: Macon, Warner Robbins. ILLINOIS: Moline, Park Forest. INDIANA: Columbus, Fort Wayne, Michigan City, Peru/Wabash. IOWA: Cedar Rapids, Davenport. LOUISIANA: Jefferson Parish/Kenner, New Orleans. MASSACHUSETTS: North Adams. MICHIGAN: Owassa, Saginaw. NEBRASKA: Omaha. NEW YORK: Great Neck, Saranac Lake/Lake Placid/Tupper Lake. OHIO: Cleveland. OKLAHOMA: Oklahoma City. OREGON: Astoria/Seaside, The Dalles. PENNSYLVANIA: Lewiston, Lock Haven, Tyrone. RHODE ISLAND: Cranston/Johnston. SOUTH CAROLINA: Myrtle Beach. TEXAS: Denton, Lubbock. VERMONT: Burlington, Montpelier, Rutland. VIRGINIA: Norfolk/Portsmouth/Virginia Beach, Roanoke. WASHINGTON: Aberdeen, Long Beach, Spokane, Vancouver, Yakima.

Magazines

On Cable.

OTHER OPERATIONS

Auto auctions, TeleRep programing and nonaffiliate ad sales, CyberTel radio common carrier, On Cable Publications.

Cox Enterprises

RANK 21

Atitanta

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	587	500	17.4
Total sales	604	518	16.6
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	587	500	17.4
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Cox Enterprises, Atlanta, the nation's 21th largest media company in 1984, will virtually double in size with its reuniting with sister corporation, Cox Communications.

Had the merger been consummated by yearend, Cox Enterprises, which in 1964 spun off Cox Communications into a quasi-public company (Cox family interests retained 40.8% of the stock) to finance expansion in broadcast, would have ranked 12th with 1984 media revenues of $1:27 billion among this year's 100 media companies.

As it was, Cox Enterprises held down its current ranking with revenues of an estimated $587 million, up 17.4% from the prior year.

Cox Enterprises is a privately owned newpaper company led by Barbara Cox Anthony and her sister, Anne Cox Chambers. The *Atlanta Journal* and *Constitution* are its lead papers. The company operates 24 daily newspapers in 16 cities and several weeklies in suburban New Orleans and in Texas. It also has shoppers in Arizona, Colorado, Florida, Louisiana, Ohio and Texas, and it publishes the monthly *Palm Beach Life.*

Cox Enterprises had purchased more than 95% of the outstanding shares of Cox Communications by the end of May, 1985, paying $75 a share, or $1.2 billion.

According to sources at Cox Enterprises, no changes are expected in the broadcast, cable or newspaper operations.

The reunited companies took little time in taking decisive action. In early June, Cox Enterprises agreed to buy for $185 million SFN Cos.' WFTV, the ABC-affiliate and leading station in Orlando in news and other local programing. SFN Cos. picked up the station less than a year ago for $125 million. Cox may have paid as high as 16 times projected cash flow for the station, excessively steep even in today's euphoric media market.

Cox Enterprises in 1984 acquired the *Orange* (Tex.) *Leader*, with a circulation of about 12,000, and in February, it acquired 50% of the *Yuma* (Ariz.) Daily Sun from the Soldwedel family, and then later in the year bought out Donrey Media Group which had purchased the other 50%.

Cox now operates 24 daily newspapers with a total circulation exceeding 1.4 million. Its Sunday editions reach another 1.5 million readers.

Contrary to rumor, Cox Enterprises says it intends to hold on to the *Miami News* despite speculation that it would dump the poorly performing evening paper with ABC audited circulation for the six-month period ended March 31, 1985 of 60,286, down 5.1% from the prior year.

Cox's *Atlanta Journal* and *Constitution* continue to show growth with ABC audited circulation March 31 of 420,156, up 2.1% from the prior year. The Sunday *Journal & Constitution* had circulation of 595,625, up 4.9%.

MEDIA PROPERTIES

Magazines

Palm Beach Life.

Newspapers (dailies)

ARIZONA: *Chandler Arizonian, Mesa Tribune, Tempe Daily News, Yuma Daily Sun.* COLORADO: *Grand Junction Daily Sentinel.* FLORIDA: *Miami News, Daytona Beach Journal* (47.5%), *Daytona Beach News* (47.5%), *Miami News, Palm Beach Daily News, Post* and *Evening Times* (West Palm Beach). GEORGIA: *Atlanta Constitution, Atlanta Journal.* OHIO: *Dayton Daily News, Dayton Journal-Herald, Springfield News-Sun.* TEXAS: *Austin American-Statesman, Longview Journal, Longview News, Lufkin News, Orange Leader, Port Arthur News, Waco Tribune-Herald.*

Newspapers (nondailies)

LOUISIANA: *East Bank Guide* (Metairie), Jefferson Parish Times, Kenner City News, Orleans Guide, St. Bernard Guide, West Bank Guide. TEXAS: *Opportunity Valley News, Community Post* (both in Port Arthur). Also shoppers in Arizona, Colorado and Florida.

Dispatch Printing Co.

RANK 70

Columbus, O.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	152	140	8.6
Total sales	152	140	8.6
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	117	109	7.3
Magazine	2.0	N/A	N/A
Broadcast	33.0	31.0	6.5
Cable	0	0	0

Privately held Dispatch Printing Co., Columbus, O., the nation's 70th largest media company, had 1984 revenues, all in media, estimated by ADVERTISING AGE at $152 million, up 8.6% from 1983's estimate.

The company's main enterprise, the afternoon *Columbus Dispatch*, has increased its Sunday circulation by 5,257 since 1983, while its weekday sales decreased 128, according to Terry De Vassie, assistant circulation director.

Hal Schellkopf, assistant managing editor, says better economic conditions account for the increase in Sunday sales. "At $1 a copy, maybe some people who didn't have a buck a year ago, do now."

Mr. Schellkopf and Mr. De Vassie agree that Gannett Co.'s *USA Today* has affected the *Dispatch's* weekday circulation.

Mr. De Vassie says, "*USA Today* also created newspaper readers—people who never bought daily papers before." So he believes, "If *USA Today* should go off the market, we'd have a bunch of new readers."

A 25-year joint operating agreement (JOA) with the *Columbus Citizen-Journal* will end Dec. 31, 1985, Mr. Schellkopf says. He refused to elaborate on reasons, saying the contract, which called for Dispatch Printing Co. to handle advertising, circulation and other noneditorial functions for both papers, will expire and not be renewed. Mr. Schellkopf says the *Dispatch* has no plans to switch to a morning paper to compete head-on with the *Citizen-Journal*, owned by Scripps-Howard, Cincinnati. That would present "production problems," he says, noting that the *Dispatch* will continue printing both papers.

The *Citizen-Journal's* circulation of 119,150 in the March 31, 1985, ABC report was down 1.7% from last year. The *Citizen-Journal* does not publish a Sunday edition. The *Dispatch*, which publishes a bulky 400-page to 500-page edition, had an estimated Sunday circulation, in April, of 363,546.

Mr. De Vassie says his staff estimated the *Dispatch's* daily circulation was 206,420 in April, 1985. His figures are based on ABC standards, he says, and the two papers currently are undergoing their yearly ABC audit. The *Dispatch* Sunday magazine, *Capitol*, shows off the paper's new heat-set/offset printing technique, which Mr. Schellkopf says offers truer color reproduction.

The *Dispatch's* newly installed Atex computer system, Mr. Schellkopf says, has improved efficiency for his 170-member editorial staff. Negotiations are under way to hook up *Dispatch* computers to VU/TEXT, an information research service out of Philadelphia.

Richard Franks, vp-operations, says the paper soon will offer advertisers "any combination of methods" for penetrating advertising markets, such as zone advertising in the paper or by mailing preprinted ads as part of a total market coverage (tmc) to reach nonsubscribers. The service will be available this fall or by the end of the year, he says.

Changing the format of the monthly *Ohio* magazine from a city magazine covering the whole state to a regional focus is credited by Ellen Stein, managing editor, with building the circulation base to 122,000 in 1985 from 111,000 at the beginning of 1984. An ABC audit lists circulation as 97,137 for the fourth quarter of 1984.

Ohio magazine is distributed fairly evenly across the state, with stronger penetration showing in some major cities without city magazines, such as Akron and Youngstown, Ms. Stein says. Dispatch Printing Co. started radio station WBNS (am) in Columbus in 1929. Ten years later, it expanded into an fm station. Both are now easy listening stations.

The company's WBNS-TV, a CBS affiliate, ranks No. 1 with its 6 p.m. news in the Columbus area and claims 43% of the viewing audience, down 5 percentage points from last year. Jerry Cary, chief financial officer, says the drop was caused by the advent of a new independent station, WTTE, owned by Julian Smith. WTTE recently began operations in Columbus and has taken a percentage of viewers from all the local stations.

Dispatch's Indianapolis tv property, WTHR-TV continues to rank No. 2 in that market's 6 p.m. news slot. Mr. Cary says WTHR-TV's affiliation with NBC has produced heavy gains in prime-time ratings this season.

MEDIA PROPERTIES

Broadcasting

TV: WTHR, Indianapolis; WBNS, Columbus.

RADIO: WBNS (am, fm), Columbus.

Magazines

Ohio

Newspapers

OHIO: *Columbus Dispatch.*

Donrey Media Group

RANK 60

Fort Smith, Ark.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	198	169	17.2
Total sales	198	169	17.2
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	158	134	18.4
Magazine	N/A	N/A	N/A
Broadcast		25	
Cable		4	

Donrey Media Group, Fort Smith, Ark., is a privately held company with media revenues estimated by ADVERTISING AGE at $198 million in 1984 and the nation's 60th largest media company.

All of Donrey's interests are in media operations, with an estimated 80% of its revenues generated by newspapers. Focusing on newspapers with circulations between 15,000 and 100,000, Donrey now owns 105 newspapers, including 52 dailies.

Characterizing 1984 as "a year of growth," Donrey exec vp Fred Smith says he looks to 1985 for "continuing internal growth and additional acquisition activity."

To illustrate his point, Mr. Smith

noted the company acquired in May, 1985, the *Norman* (Okla.) *Transcript*, with ABC circulation of 17,245 daily and 18,204 Sunday for the six-month period ended March 31, 1985.

Donrey also owns 12 outdoor advertising plants, seven radio stations, one tv station and five cable companies. It broadened its holdings in 1984 with the addition of a radio station, KLDR (fm), in Delta, Colo., and another outdoor advertising operation, Donrey Outdoor, in Muncie, Ind.

Also acquired were four more newspapers; *Ukiah* (Cal.) *Daily Journal*; *Altus* (Okla.) *Times*; *Advocate News* in Fort Bragg, Cal., and the *Mendocino* (Cal.) *Beacon*.

The company remains committed to developing technology, particularly in its newspaper operations. Donrey is very pleased, Mr. Smith says, with the progress of a laser plate maker it has been researching.

Now in use at the company's largest newspaper with daily circulation of 101,658—the *Las Vegas Review-Journal*—Donrey is considering the plate maker introduction elsewhere in the system.

MEDIA PROPERTIES

Broadcasting

TV: KOLO, Reno, Nev.

RADIO: KBRS (am), Springdale, Ark.; KLDR (fm), Delta, Colo.; KEXO (am), Grand Junction, Colo.; KOCM (am), Newport Beach, Cal.; KORK (am), and KEER (fm), both in Las Vegas, Nev.

Cable/video

Donrey Cablevision in Rogers, Ark., Vallejo, Cal., Bartlesville, Blackwell, Guymon, Okla. and Kilgore, Tex.

Newspapers (dailies)

ARKANSAS: *Northwest Arkansas Morning News* (Rogers), *Southwest Times Record* (Fort Smith), *Springdale News*. CALIFORNIA: *Chico Enterprise-Record, Lompoc Record, Ontario Daily News, Redlands Daily Facts, Ukiah Daily Journal, Vallejo Times-Herald, Woodland Daily Democrat*. HAWAII: *Hawaii Tribune-Herald* (Hilo), *West Hawaii Today* (Kailua-Kona). INDIANA: *Washington Times-Herald*. IOWA: *Oskaloosa Herald*. KENTUCKY: *Glasgow Daily Times*. MISSISSIPPI: *Picayune Item*. MISSOURI: *Macon Chronicle, Moberly Monitor-Index*. NEVADA: *Nevada Appeal* (Carson City), *Ely Daily Times, Las Vegas Review-Journal*. NEW MEXICO: *Alamogordo News*. OKLAHOMA: *Altus Times, Bartlesville Examiner-Enterprise, Blackwell Journal-Tribune, Chickasha Daily Express, Durant Daily Democrat, Frederick Daily Leader, Guthrie Daily Leader, Guymon Daily Herald, Henryetta Daily Free-Lance, Holdenville Daily News, Norman Transcript, Okmulgee Daily News, Paul's Valley Daily Democrat, Pawhauska Daily Journal-Capital, Wewoka Daily Times*. TENNESSEE: *Daily Herald* (Columbia). TEXAS: *Borger News-Herald, Clebourne Times Review, Gainesville Daily Register, Jacksonville Daily Progress, Kilgore News Herald, Sherman Democrat, Sweetwater Reporter, Weatherford Democrat*. WASHINGTON: *Aberdeen Daily World, Auburn Daily Globe News, Kent Daily News Journal, Renton Daily Record Chronicle*.

Newspapers (nondailies)

53 nondailies in 14 states including *Booneville* (Ark.) Democrat, Advocate News and *Mendocino Beacon* (both in California), *Oskaloosa* (Ia.) *Shopper* and *Poplarville* (Miss.) *Democrat, Randolph County Times* (Huntsville, Mo.).

Dow Jones Co.

New York

RANK

17

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	926	816	13.4
Total sales	966	866	11.4
Net income	129	114	13.1
Sales per medium			
Newspaper	886	738	20.0
Magazine	30	28	8.7
Broadcast	0	0	0
Cable	0	0	0

Dow Jones & Co., New York, is the country's 17th largest media company with media revenues of $926 million in 1984, a 13.4% increase over 1983.

Media revenues accounted for 96% of total revenues of $965.6 million in 1984. National publications and news and information services accounted for nearly 78% of the total revenue.

Like many media companies, Dow Jones spent time on the acquisition trail. Last January, 1985, the company purchased interests in two software companies—Software Ventures and Planning Economics Software. The purchases were part of a corporate strategy to expand the company's growing software operations.

In June, 1984, Ottaway Newspapers, Dow Jones' community newspaper publishing subsidiary, purchased the *News-Sun*, Sun City, Ariz., its 22nd daily newspaper for $9 million in notes. The six-day a week afternoon newspaper has a circulation of nearly 17,000.

In November, in a surprise move, Dow Jones unsuccessfully offered $112 million for the Des Moines Register & Tribune Co. The company's offer was made in conjunction with a group of investors, two of whom were top executives at the *Des Moines Register & Tribune*, the company's lead paper. The *Des Moines Register* and the company's other newspapers were sold to Gannett Co., in January, 1985, for $200 million.

During 1984, Dow Jones' flagship publication, the *Wall Street Journal*, made news when a Securities & Exchange Commission investigation alleged that *Journal* reporter R. Foster Winans, who often wrote the "Heard on the Street" column, leaked advance information about topics of future columns to outsiders. Mr. Winans, his roommate and a Kidder Peabody & Co. employe are defendants in the resulting criminal securities, wire and mail fraud trial.

Last September, *Journal* executives said the company was expecting third-quarter ad linage to be flat and were expecting a slip in circulation by yearend. At that time, the company said, circulation had been down 2% to 4% during the previous few months. The company attributed the circulation decline to increases in subscription rates and single-copy prices, which rose from 35¢ to 50¢.

ABC six-month average as of March 31, 1985, place the *Journal* circulation at 1,990,025, down 4.4% from the prior year. And for its 1985 first quarter, ended March 31, the *Journal* reported a 0.3% slippage in ad linage primarily due to decreases in classified advertising and help-wanted and condominium ads.

The company said the slowdown in ad linage was based on "difficult" comparisons with the third quarter of 1983 when ad linage was up substantially as the recession ended.

In the fourth quarter, the paper's stagnant ad linage was compounded by Mobil Corp.'s removal of the the *Journal* from its media buying schedule. The decision stemmed from Mobil's apparent dissatisfaction over its editorial treatment in the newspaper. Mobil spent more than $500,000 in the *Journal* through the first 11 months of 1984.

In November, the *Journal* announced an increase in national ad rates of 9.5% and regional rates 8% to 9%. Also, the company's *Asian Wall Street Journal* boosted its rates 12.5%, and rates for the *Asian Wall Street Journal Weekly*, published in the U.S. for a North American audience, rose 15%. Ad rates for the *Wall Street Journal/Europe* rose 25%.

In April, 1985, the *Journal* launched a $5 million ad campaign aimed at increasing readership among its target group of 25 to 54-year-olds.

The 30 and 60-second b&w tv spots, dubbing the *Journal* "the daily diary of the American dream," featured film clips mixed with still photos of immigrants arriving in the U.S. and being processed at Ellis Island. During the spot a singer tells the viewers, "the dreamer, the leader, they're one and the same in you."

The 13-week circulation campaign aired on sports, news and prime-time programs. Agency for the campaign is Fallon McElligott Rice, Minneapolis.

The company's *Barron's* magazine faced similar circulation erosion as the

BUSINESS WITH BILL*

[*Frankly, an advertisement*]

Yes, frankly, this is an ad. Our objective? If we can reflect to you the uniqueness of our Bill Communications' properties, then you can judge us even better as a reader, perhaps an advertiser, and maybe even a future fellow employee.

John Hartman
Chairman of the Board
Bill Communications, Inc.

Any good job will give you the opportunity to better yourself and to advance your position within a company, but Bill Communications gives you much more. How else could I have started as a clerk-typist and (with no sales experience) gotten to be a sales representative in four years?

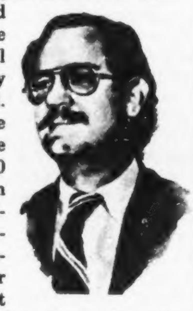
Bill Communications is a very special place to work because at Bill you get a feeling of being part of a close-knit family. There is a willingness to help people who stumble because you get the same consideration in return. This establishes an openness of communication and accessibility from the top manager to the newest employee.

Bill is a place where personal development is considered as important as professional success; a place where constructive advice will be found both within your own division and also from others. It's a place where fear of failure is overpowered by the excitement of possible success; a place where solutions are sought out at the expense of standard operating procedures. Everyone at Bill recognizes that the company's greatest asset is properly acknowledged—the people who work here. Bill Communications is a place where everyone comes to work knowing that we are all happily working towards one common goal—personal growth and success.

Andrew J. Desidoro
Regional Sales Manager
Sales & Marketing Management

With Bill: 11 Years

Bill Communications is a company for the independent, self-motivated, goal-oriented individual. Technical competence must be coupled with vision and tenacity. Corporate staff is kept to a minimum and the financial people like me are involved in the creative process as advisers, not as policemen. For them success is measured by numbers, and the numbers at Bill have been very gratifying, indeed. Sales in 1972, the year I joined the company, were $10 million. Sales in 1981 were $33 million. That represents an average increase of 15% per year for the last nine years. During those years, the company has started four new magazines, increased employment levels by 10%, and become a national leader of a disappearing breed—the privately held publishing company.



At Bill, the emphasis is always on quality, of product and performance. There are probably some areas where we could save a nickel here, a dime there, but Bill wouldn't be the company it is if we did.

Joseph J. Furey
Corporate Controller

With Bill: 13 Years

Market Statistics' success and growth proves how important individuals and ideas are at Bill Communications. Although we are a statistical consulting division sitting alongside eleven publications, our corporate heads take the time and initiative to learn our business and guide us. At the same time, our range of freedom is enormous. I have been given the opportunity to assemble and develop a highly skilled and motivated team of professional people.

Obviously, that bottom line is what counts with the men in the front office. In order to show profit in the highly competitive field of Marketing Analysis we are continually developing new techniques, improving our basic data, and seeking out new business opportunities. Bill's corporate management realizes the need to let us "run with the ball," and because of that our story is a successful one.

For me, personally, this has been very gratifying. I have been allowed to grow, to experiment, and most important: to learn. After having worked in environments which were stifling to creativity, the feeling at Bill that ideas are always positively received is very enjoyable. It's the only way to have fun in your career.

Edward J. Spar
President
Market Statistics

With Bill: 14 Years

*BILL COMMUNICATIONS, INC. *PUBLICATION DIVISION:* INCENTIVE MARKETING □ INDUSTRIAL CHEMICAL NEWS □ INSTITUTIONAL DISTRIBUTION □ JOBBER RETAILER □ MODERN TIRE DEALER □ PLASTICS TECHNOLOGY □ RESTAURANT BUSINESS □ RESTAURANT AND HOTEL DESIGN □ SALES & MARKETING MANAGEMENT □ SUCCESSFUL MEETINGS □ *INFORMATION DIVISION:* BILLCOM LIST RENTAL □ FOODSERVICE RESEARCH CENTER □ MARKET STATISTICS □ SALES BUILDERS □ SM DATA BANK

CORPORATE HEADQUARTERS: 633 THIRD AVENUE, NEW YORK, NY 10017 [212-986-4800].

Journal. The weekly magazine's circulation of 260,400 at yearend was off 13.1% from 1983. Ad linage also was off 5.6% on a per-issue basis, yet higher ad rates made for over-all growth in advertising. The magazine in the first quarter, 1985, registered an ad linage increase of 4.7% per issue.

Barron's, relying on strong newsstand sales, shifted part of its print run to the *Journal* plant in Beaumont, Tex., for printing Friday evenings for Saturday morning sales. Five other Dow Jones' plants have Friday evening pressruns for the magazine.

MEDIA PROPERTIES

Magazines

American Demographics, Asian Wall Street Journal Weekly, Barron's, National Business Employment Weekly.

Newspapers (dailies)

Asian Wall Street Journal, Wall Street Journal, Wall Street Journal/Europe. Ottaway Newspaper Group: ARIZONA: *News-Sun*, Sun City. CALIFORNIA: *Santa Cruz Sentinel.* CONNECTICUT: *Danbury News-Times.* KENTUCKY: *Ashland Daily Independent.* MASSACHUSETTS: *Beverly-Peabody Times, Cape Cod Times, Gloucester Daily Times, New Bedford Standard-Times, Newburyport Daily News.* MICHIGAN: *Traverse City Record-Eagle.* MINNESOTA: *Mankato Free Press, Owatonna People's Press.* MISSOURI: *Joplin Globe.* NEW YORK: *Middletown Times Herald-Record, Oneonta Daily Star, Plattsburgh Press Republican, Tri-State Gazette.* OREGON: *Medford Mail Tribune.* PENNSYLVANIA: *Pocono Record, Sharon Herald, Sunbury Daily Item.*

Equity interests

Far Eastern Economic Review (49% interest), *South China Morning Post* (16% interest), *Press-Enterprise Co.* (20.1% interest).

Other media operations

Dow Jones News Service, DowAlert, Dow Jones News/Retrieval, Dow Jones Cable News (videotex).

OTHER OPERATIONS

Planning Economics Software; Software Ventures; Richard D. Irwin Inc., publisher; newsprint mills.

Dun & Bradstreet
New York

RANK 10

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	1,400	1,302	7.6
Total sales	2,397	2,061	16.3
Net income	522	218	138.5
Sales per medium			
Newspaper	0	0	0
Magazine	0	332	0
Broadcast	380	107	254.1
Cable	0	0	0

Dun & Bradstreet Corp., New York, which completed the sale of its broadcast and cable properties in 1984, is the country's 10th largest media company, with 1984 revenues of $1.40 billion from the media portion of its business, up 7.6% from the previous year.

The company's media revenues are derived from two business segments: The largely ad-generated publishing segment with 22 trade and professional magazines produced in the segment's technical publishing division; and the marketing services segment, which includes Donnelley Marketing cooperative-mailing programs, A.C. Nielsen Co.'s marketing research and media group. The broader interpretation of media used by Advertising Age for this 1984 media report accounts for the inclusion of D&B's marketing services as media.

Media accounted for 60.8% of total D&B revenues of $2.40 billion, up 16.4%, and 76.8% of total operating income. Figures for 1983 were restated to reflect the acquisition of A.C. Nielsen and divestiture of Funk & Wagnalls and Corinthian Broadcasting Corp.'s six tv stations sold to A.H. Belo Corp. in 1984.

D&B's only nonmedia business segment is business information services, accounting for $938.8 million in operating revenue, 39.2% of the total, and operating income of $161 million, or 39.3% of the total.

During 1984, D&B completed the sale of wholly owned Corinthian Broadcasting Corp.'s six tv stations and the sale of Pembroke Cable Corp., which operated 10 cable franchises, later in the year. The sale of its broadcast and cable properties, along with other divestitures, were key decisions in the company's long-term strategy to redeploy its assets into the mainstream of the business information and services sector.

In 1984, the publishing segment contributed 24% of operating revenue and 45.9% of its operating income. Total ad pages for Technical Publishing's 22 magazines were up in 1984, reflecting improvements in the economy as a whole and in markets served by industrial and construction publications. Its publications aimed at data processing and high-tech markets had the most growth, while its medical and graphic arts publications had the least.

Datamation, which serves the information-processing market, increased its publishing frequency to twice a month in April, 1984. The new schedule enables the magazine to offer more complete editorial coverage of fast-changing developments and to offer advertisers increased opportunities to reach customers. *Control Engineering, Research & Development* and *Solid State Technology*, each of which leads its market segment, had record performances.

Last year, Technical Publishing acquired Ironoak Co., which publishes buyers' guides for microcomputer-systems designers, and *Test and Measurement World*, a magazine serving engineers responsible for testing high-tech products at the point of manufacture. It sold *Software News* and DBI Books.

Dun & Bradstreet's 1984 growth was paced by a number of media operations, including Reuben H. Donnelley (which in early 1985 was restructured into two divisions: Donnelley Directory, which manages relationships with telephone companies regarding the production of its Yellow Pages, and Donnelley Information Publishing, which handles the publishing of independent directories); Donnelley Marketing, and Moody's Investors Service.

These operations reported higher operating margins based on strong revenue growth and continued cost containment, enabling D&B to increase its investment in new products and services and startup operations, as well as absorb the initial costs of acquisitions.

The acquisition of A.C. Nielsen Co., finalized in August, 1984, involved a stock transaction valued at about $1.3 billion. Nielsen is the world's largest market research company, with operations in 26 countries.

While Nielsen is perhaps best known for its tv audience measurement service, its other substantial businesses include marketing research, clearinghouse services for promotional coupons, circulation fulfillment for magazine publishers, petroleum information services and research for high-tech companies.

Following the retirement of Harrington (Duke) Drake, 65, on Jan. 1, 1985, Charles W. Moritz moved up from president-coo to fill the chairman-ceo post; Robert E. Weissman moved up from exec vp to president-ceo. Mr. Drake continues as a director of the company.

MEDIA PROPERTIES

Magazines

American Journal of Cardiology, American Journal of Medicine, American Journal of Surgery, Consulting Engineer, Contractor, Control Engineer, Cutis, Datamation, Dun's Business Month, Electric Light & Power, Fire Engineering, Graphic Arts Monthly, Highway & Heavy Construction, Industrial Distribution, Multibus Buyers Guide, Plant Engineering, Plant Engineering Products, Power Engineering, Research & Development, Solid State Technology, Test and Measurement World, World Mining Equipment.

Other media operations

Donnelley Directory and Donnelley Information Publishing (previously Reuben H. Donnelley), Donnelley Marketing, Donnelley Marketing Information Services, Dun's Marketing Services, D&B Business Education Services, Financial Services Industry Group, Ironoak Co., Moody's Investors Services, Nielsen's Clearing House Group, Nielsen's Dataquest, Nielsen's Neodata Services Group, Nielsen's Market Research Group, Nielsen's Media Research Group, Official Airline Guides, Salesnet, Technical Data Resources.

OTHER OPERATIONS

Business Information Services, including Dun & Bradstreet Credit Services, D&B International, D&B Plan Services (insurance), D&B Commercial Collections, D&B Computing Services, Dunsplus, McCormack & Dodge, Zytron.

Evening News Assn.
Detroit

RANK 40

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	279	260	7.3
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	198	188	5.4
Magazine	0	0	0
Broadcast	81	73	12.0
Cable	0	0	0

Evening News Assn., Detroit, whose flagship property is the *Detroit News*, is the nation's 40th largest media company with total media revenues estimated by Advertising Age at $279.1 million.

ENA's 1984 media revenues were up 7.3% from 1983's $260.2 million. The *News* represents about 65% of the company's total media revenues.

The *News* increased circulation across-the-board in the three months ended March 31. Daily circulation rose to 666,949, up 1.5%. Sunday circulation is 884,763, up 2.7% over the year-earlier period. For the same period, the *News*' rival, the *Detroit Free Press*, had daily circulation of 646,476, up 2.4%, and Sunday circulation of 778,178, off 1.2% from the year-earlier period.

The war between the newspapers remains fierce, with each paper's promotional ads jabbing at the other. A *News* spokesman says, "Circulation figures show that the *News* is in a much stronger position than the *Free Press.*" However, competition for readers is still so intense that newsstand prices lag behind the national norm, contributing heavily to annual losses that analysts say amount to more than $10 million for each paper.

The *News* raised its Sunday price from 50¢ to 75¢ in April, 1985. Dailies are 15¢ each in the Detroit metro area and 20¢ out-state. The *Free Press* is 20¢ daily and 75¢ on Sundays.

In addition to its circulation margin, the *News* has a 60% share of the ad volume of the two papers' combined total.

In December, 1984, ENA bought back 31,000 of its own shares at $250 each to thwart a possible company takeover after learning that other companies were soliciting stockholders of the closely held company. ENA also filed suit in Wayne County Circuit Court, contending the attempts to acquire ENA stock violated Michigan's takeover law.

ENA was denied a preliminary injunction against Booth American Co., a Detroit-based radio and cable tv operator; George Gillett Jr., owner of Gillett Group, Nashville, and Post Corp., Appleton, Wis., and two brokerage companies. The denied injunction ended litigation for all except Booth, which asked for an exemption from state laws requiring it to disclose stock purchase plans.

Booth American is owned and operated by descendants of Ralph H. Booth, whose brother, George, married Ellen W. Scripps in 1887. Ms. Scripps was the daughter of *Detroit News* founder James E. Scripps. Descendants of George Booth and James Scripps control ENA's board of directors and management. Peter B. Clark, current ENA president and the fifth *News* publisher, is the great-grandson of James Scripps.

ENA and Booth settled the legal dispute in May, 1985. Booth demonstrated to ENA that it had purchased ENA stock as a long-term investment and was supportive of ENA's board of directors. Booth now owns 3.7% of ENA outstanding stock and plans to buy an additional 5,500 shares, increasing holdings to 4.9%. ENA board members hold 51% to 53% of ENA stock.

ENA is considering going public within the next five years to meet minority shareholder demands for increased liquidity. If it does, ENA will acquire other smaller companies, secure its position against the *Free Press* and be listed on a stock exchange.

One industry analyst hinted that competition between the *News* and *Free Press* might be less intense than is supposed. "If ENA goes public, it will have to show a breakdown of revenues, assets, etc., by category," says J. Kendrick Noble of Paine Webber Mitchell Hutchins, New York. "It would be the first time we'd see the true nature of the competition."

Meanwhile, ENA made a plea for stockholder unity after a group of shareholders solicited support for an appraisal of ENA stock. Peter Clark warned shareholders in a letter that independent appraisals could damage the company's operations and shareholders' prospects for long-term gains.

Meanwhile, ENA's broadcast properties continue to hold strong market positions. WDVM-TV, ENA's CBS affiliate in Washington, is the most consistent challenger sign-on to sign-off to market supremacy of independent WTTG-TV. Among the affiliates, A.C. Nielsen Co. pegs WDVM-TV market leader in late-night local news, ahead of WJLA-TV, the ABC affiliate owned by Allbritton. Arbitron Ratings Co., however, shows WDVM-TV trailing WRC-TV, the NBC-owned and operated station, in the late-night spot. Only a few percentage points separate the three affiliates regardless of the monitoring service.

Other tv properties include CBS affiliate KOLD-TV, Tucson, which is No. 1 in ratings and share; NBC affiliates KTVY-TV, Oklahoma City, and WALA-TV, Mobile, Ala., both in second place in their markets, and ABC affiliate KVUE-TV, Austin, Tex., No. 1 "blockbuster," according to James Clark, ENA director of corporate communications.

Radio station WJOI (fm), with a beautiful music format, is No. 1 in Detroit's 40-station market. However, WJR (am), broadcaster of Detroit Tigers baseball games, pushes WJOI (fm) to second place during baseball season. ENA's WWJ (am), the only all-news station in Detroit, ranks anywhere from No. 3 to No. 5, depending on the season.

Times Graphics, Vineland, N.J., publisher of six newspapers and wholly owned by ENA, recorded slight circulation drops among its properties, all located in New Jersey. Publications and circulations are: Two daily papers, *Vineland Times Journal*, 17,573, and *Millville Daily*, 6,614. New Jersey weeklies are: *Mainland Journal*, 5,926; *Hammonton News*, 5,419; *Egg Harbor News*, 1,975, and *Atlantic County Record*, 1,900. Times Graphics also does commercial printing.

ENA's two California papers are published by Desert Sun Publishing Co. of Palm Springs. Circulation increases were recorded at both for the three-month period ended March 31, 1985, according to ABC. The papers, their circulations and increases are: *Palm Springs Desert Sun*, 30,971, up 5.5%, and *Indio Daily News*, 9,116, up 4.1%.

ENA is searching for both newspaper and broadcast properties, although it is not concentrating on any specific geographical areas. Mr. Clark declined to give details.

MEDIA PROPERTIES

Broadcasting

TV: KOLD, Tucson; KTVY, Oklahoma City; KVUE, Austin, Tex.; WALA, Mobile, Ala.; WDVM, Washington.

RADIO: WWJ (am) and WJOI (fm), Detroit.

Newspapers (dailies)

CALIFORNIA: Desert Sun Publishing Co. —*Indio Daily News, Palm Springs Desert Sun.* MICHIGAN: *Detroit News.* NEW JERSEY: Times Graphics Inc.—*Millville Daily, Vineland Times Journal.*

Newspapers (nondailies)

NEW JERSEY: Times Graphics Inc.—*Atlantic County Record, Egg Harbor News, Hammonton News, Mainland Journal.*

OTHER OPERATIONS

Commercial printing of Times Graphics Inc.

Family Media
New York

RANK 63

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	185	162	14.2
Total sales	185	162	14.2
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	185	162	14.2
Broadcast	0	0	0
Cable	0	0	0

Family Media Inc., publisher of *Ladies' Home Journal*, ended 1984 with a 14% increase in net revenues from 1983 to $185.3 million, making it the 63rd largest media company.

Net revenues, all of which are attributed to media properties, will continue on the upswing next year with the acquisition in the first two months of 1985 of two new magazines, *Savvy* and *World Tennis.*

The major disappointment for company officials in 1984 was losing out to Mortimer Zuckerman in the bidding for U.S. News & World Report Inc., parent of the magazine of the same name.

"It's difficult to think we were that close to having one of the great names in American publishing and lost it," Family Media chairman-president Robert Riordan says.

Ladies' Home Journal has the highest circulation and the most media revenue of the company's six publications. However, the greatest percentage increase was recorded by *Homeowner*, which doubled its media revenues in 1984. Small losses were registered by Health and *1,001 Home Ideas.*

According to vp-operations Jeremy Grazel, in 1984 the circulations and net revenues (net advertising and circulation) were: *Ladies' Home Journal* had circulation of 5 million and revenues of $111.6 million, up 21.1% from 1983; *1,001 Home Ideas* had 1.5 million circulation and revenues of $30.4 million, down 5.3%; *Health*, 1 million circulation and $18.4 million in revenues, down 6.6%; *Homeowner*, 650,000 circulation, $11.2 million in revenues, up 115.4%; *World Tennis*, 350,000 circulation, $7.1 million in revenues, up 10.9%, and *Savvy*, 300,000 circulation and revenues of $6.6 million, up 1%.

Net ad revenues (minus discounts, agency commissions, etc.) for most of the company's publications have risen by a healthy amount. *Ladies' Home Journal* ad revenues have swelled almost 16%, to $56.6 million. *Health* ad revenues have contributed $4.6 million, up almost 26%. Ad revenues at *1,001 Home Ideas* soared 41% to $7.6 million, while advertising in *Homeowner* brought in $1.6 million, up 49% from 1983. *Savvy*'s advertising was $4 million, a 10% increase. The only ad revenue loss was shown by *World Tennis*, down 3% to $5.6 million. This was before Family Media purchased it from CBS Magazines.

The major personnel change in 1984 was the appointment of Martin Gitow as president of Family Media Communications, an acquisition and ancillary products division. Mr. Gitow formerly was vp of Publishers Clearing House. Family Media Communications is testing a mail order book operation.

Mr. Riordan owns a little less than 85% of the privately held company, with the remainder held by the estate of former publisher and founder Max Geffen and his associates.

Family Media's strategies for rescuing *World Tennis* and *Savvy* will be dictated by the reality that they are "each competing in a field where they are No. 2," Mr. Riordan says, "and the gap between No. 1 and No. 2 is currently enormous. If you can cut that gap in half, there's enormous profitability." He hopes to have *World Tennis*, which trails No. 1 *Tennis*, in the black by the end of this year, and *Savvy*, second to *Working Woman* in its field, profitable in 1986.

The two recent acquisitions mean the company "will be a little quiescent for a short term," Mr. Riordan says. In the meantime, Family Media has prepared new combination rates offering discounts up to 25% for advertising in two or more magazines. The company has opened a subscription fulfillment center in Palm Coast, Fla., leaving Charter Data Service, Des Moines, after it was purchased by Hearst Corp.

In addition, the company is co-financing with George Banta of Menasha, Wis., the startup of Digital Prepress Center, Yonkers, N.Y., an electronic prepress center for printing magazines and catalogs.

MEDIA PROPERTIES
Magazines
Health, 1,001 Home Ideas, Homeowner, Ladies' Home Journal, Savvy, World Tennis.
OTHER OPERATIONS
Family Media Communications, a subscription fulfillment center.

RANK
Forbes Inc. **92**
New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	108	90	20.7
Total sales	139	112	23.6
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	108	90	20.7
Broadcast	0	0	0
Cable	0	0	0

For Forbes Inc., 1984 proved to be a big year. *Forbes* magazine entrenched itself as the third-highest among all magazines ranked by the Publishers Information Bureau in terms of ad pages, racked up a 30% increase in ad revenues, and raked in major journalism awards.

In addition, *Forbes'* colorful editor-in-chief Malcolm Forbes took flight again—in a widely publicized excursion across Egypt in a sphinx-shaped hot air balloon, and followed that up this year with a jaunt across Southeast Asia.

Forbes Inc., the nation's 92nd largest media company, up 21% from 1983, itself has been taking flight in the past five years, registering the largest gain in ad pages—1,193 between 1980 and 1984—among all PIB-ranked magazines. According to ADVERTISING AGE estimates, the company's media net revenues last year increased 21%, to $108.3 million, the basis of its ranking. Media revenues all come from the fortnightly magazine, whose circulation last year reached 725,727, up 0.8% over 1983.

Nonmedia revenues of an estimated $30.4 million come from such properties as the Sangre de Cristo Ranch in Colorado, the Forbes Investment Advisory Institute and an array of real estate holdings from New York to the Fiji Islands.

The recent success of the magazine is partly a reflection of increased interest in business and finance, communications director Don Garson says.

The magazine continues to appeal to advertisers with its "Capitalist tool" campaign, handled by Doremus & Co. There are also direct mailings to potential subscribers, though company spokesmen say there is little dissatisfaction regarding circulation levels. *Forbes* says annual household income for the average reader tops $124,000 and net worth more than $900,000.

The most appealing sales feature for the company may be the 65-year-old editor-in-chief. The sometimes-adventurer and art collector Malcolm Forbes inherited the magazine from his father, B.C. Forbes, who began *Forbes* in 1917. Malcolm Forbes is very much a hands-on executive, passing on most of the magazine's editorial copy and writing a regular up-front column, "Fact and Comment."

His adventures have been coming recently at a rate of about one a year. He followed up the Egypt foray with an excursion to Southeast Asia early this year, crossing Thailand, Malaysia and Singapore by motorcycle and hot air balloon, which this time was in the shape of an elephant. Though there is no direct connection between Mr. Forbes' exploits and the magazine, analysts agree that such publicity can only be good. "It certainly has a positive effect on the magazine," Mr. Garson says.

The biggest attention-getter of the year for *Forbes* is always its annual listing of the 400 richest people in the U.S. Malcolm Forbes was included in the list last year, but the magazine did not give its own estimate of his wealth. Estimates from other observers put his worth at nearly $200 million.

Forbes is clearly a family business. Three of Malcolm Forbes' sons are involved with *Forbes*, including Malcolm Forbes Jr., president, deputy editor-in-chief and author of the magazine's "Fact and Comment II," and Christopher Forbes, the associate publisher.

Despite its great advances last year, *Forbes'* ad revenues of $109.7 million still lagged behind those of its major competitors, *Business Week* and *Fortune*, though its 3,834 ad pages, up 12.7%, stayed ahead of *Fortune's* 3,486, up 7.4%. *Business Week*, the perennial ad page king, had total pages of 4,972, up 7.1%.

The magazine has pulled in several awards this year, including the American Society of Magazine Editors' "Ellie" award for magazine design and the UCLA Graduate School of Management's Gerald Loeb Award for two stories published in 1984.

MEDIA PROPERTIES
Magazines
Forbes, Forbes Investment Advisory Newsletter.
OTHER OPERATIONS
Forbes Investment Advisory Institute, New York; Forbes Magazine Gallery; Forbes Sangre de Cristo Ranch, Fort Garland, Colo.; Forbes Lake of the Ozarks resort, Warsaw, Mo.; various real estate holdings including Laucala Island in the Fiji Islands and art collection.

RANK
Freedom Newspapers **41**
Santa Ana, Cal.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	272	225	21.0
Total sales	272	225	21.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	242	211	15.0
Magazine	0	0	0
Broadcast	30	14	109.8
Cable	0	0	0

With one full year of operation under its belt for its two newest properties, Freedom Newspapers' revenues, as estimated by ADVERTISING AGE, increased in 1984 to $272.1 million, ranking the Santa Ana, Cal.-based company the 41st largest in media revenue.

Revenues, up 21% from 1983's estimate, were all from media operations.

Early in 1984, Freedom, a privately held company owned by descendants of the late R.C. Hoiles, acquired ABC affiliate WTVC-TV, Chattanooga, Tenn., and CBS-affiliate KFDM-TV, Beaumont, Tex., from Dallas-based A.H. Belo Corp. The purchase price was $49 million. Both of the tv properties are top-ranked in their markets.

Of Freedom's four tv properties, only CBS-affiliate WLNE-TV in the Providence, R.I./New Bedford, Mass., market lags behind its competitors. Each of the others, including CBS-affiliate KTVL-TV in Medford-Klamath Falls, Ore., appears to be firmly in

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Freedom is a late entry in tv. The company's strength is newspapers, and the strongest of these is the *Register*, located in Santa Ana, Freedom's corporate headquarters. The *Register*, winner of a Pulitzer Prize for its photographic coverage of the 1984 Summer Olympics, serves the affluent Orange County suburban area south of Los Angeles.

The *Register's* circulation average for the six-month period ended March 31, 1985, was 291,619, up 4.4% from the corresponding year-earlier period, according to ABC audited statements. The Sunday *Register* increased circulation 4.8% to 326,038. The *Register* by the end of the year had stretched its lead over the Los Angeles Times in Orange County to 109,000 daily and 92,000 Sunday. While the *Register's* gains in Orange County mirrored its over-all gains, the *Times* lost circulation in the county.

As the *Register's* circulation increased, so did its advertising linage. The paper retained its position as first in the country in full-run color linage, and ranks No. 4 in full-run retail advertising and No. 6 in full-run total advertising.

Thirty-two community editions, blanketing the county with zoned advertising capability and local news coverage, have given the *Register* total market coverage. The community editions are mailed to more than 300,000 households each week. On Tuesdays, they are inserted in the *Register*.

Freedom owns 29 dailies and three weeklies in 11 states with a total circulation of 880,000. The company has no immediate plans for further acquisitions, either of broadcast properties or newspapers, although Michael Maloney, administrative assistant to the president, says Freedom is always on the lookout for property in the right market at the right price.

MEDIA PROPERTIES

Broadcasting

TV: KFDM, Beaumont, Tex.; KTVL, Medford, Ore.; WLNE, New Bedford, Mass./Providence, R.I.; WTVC, Chattanooga, Tenn.

Newspapers (dailies)

CALIFORNIA: *Anaheim Bulletin, La Habra-Brea Daily Star-Progress, Marysville Appeal-Democrat, Porterville Recorder, Santa Ana Register, Turlock Daily Journal, Victorville Daily Press.* COLORADO: *Colorado Springs Gazette-Telegraph.* FLORIDA: Fort Walton Beach *Playground Daily News, Fort Pierce News Tribune, Panama City News-Herald.* INDIANA: *Crawfordsville Journal Review, Seymour Daily Tribune.* MISSISSIPPI: *Greenville Delta-Democrat Times.* NEBRASKA: *Columbus Telegram.* NEW MEXICO: *Clovis News Journal.* NORTH CAROLINA: *Burlington Times-News, Gastonia Gazette, Jacksonville Daily News, Kinston Daily Free Press, New Bern Sun-Journal.* OHIO: *Bucyrus Telegraph-Forum, Lima News.* SOUTH DAKOTA: *Huron Daily Plainsman.* TEXAS: *Brownsville Herald, Harlingen Valley Morning Star, McAllen Monitor, Odessa American, Pampa Daily News.*

Newspapers (nondailies)

ALABAMA: *Dothan Progress.* Three weeklies, Dothan, Alabama. 28 shoppers, Community Press Newspapers, Denver.

Gannett Co. RANK **6**

Rochester, N.Y.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	1,960	1,671	17.3
Total sales	1,960	1,703	15.1
Net income	224	192	16.9
Sales per medium			
Newspaper	1,530	1,327	15.3
Magazine	0	0	0
Broadcast	234	193	20.7
Cable	0	0	0

Gannett Co., Rochester, N.Y., which outbid a host of other top media companies to buy the Des Moines Register & Tribune Co.'s newspaper properties in early 1985, is the country's 6th largest media company with media revenues of $1.96 billion in 1984, a 17.3% increase over 1983 media revenue.

Throughout 1984 and early 1985 the company grew through acquisition. In 1984, the company purchased KKBQ (am, fm) in Houston for $35 million and WDAE in Tampa-St. Petersburg, Fla. Then during January, 1985, Gannett got the highly contested newspapers of the Des Moines Register & Tribune Co., paying $200 million. Dow Jones & Co., Ingersoll Publications, Ackerley Communications, and Washington Post Co. were among the bidders.

Newspapers included in the transaction were: The *Des Moines* (Ia.) *Register & Tribune*, which at the March 31, 1985, ABC reporting period had daily circulation of 235,231, down 1.3% from the prior year, and Sunday circulation of 384,604, down only slightly; and the *Jackson* (Tenn.) *Sun*, with daily circulation of 36,902, up slightly over the previous year, and Sunday circulation of 37,641, even with the previous year.

Also acquired in the deal was Triangle Sign Co., Chicago, with more than 900 outdoor advertising structures in the Chicago area.

Gannett's acquisition with the broadest coverage to date, however, is that of *Family Weekly* with a weekend circulation of 12.8 million, through its distribution by 363 newspapers. Gannett agreed to buy *Family Weekly* from CBS Magazines in early 1985 for $42.5 million. The newspaper-distributed magazine had a poor 1984, dropping 11.2% in total advertising pages to 693, and declining 10.4% in total ad dollars to $87.1 million, according to Publishers Information Bureau.

At an analysts meeting this past February, Gannett chairman Allen H. Neuharth reportedly said the company will be pursuing its strategy to acquire more regional newspapers in 1985 and is eyeing more broadcast properties as well, in an effort to "broaden our media mix."

At the company's annual meeting in May, 1985, Gannett took steps to avoid becoming another takeover target when shareholders approved two proposals designed to make a takoever more difficult. The two proposals included a fair-price amendment, which requires that all stockholders be offered the same price for shares in a tender offer, and an amendment providing staggered terms for members of the board of directors.

Newspaper revenues in 1984 were $1.53 billion, up 15.4% from the previous year, and represented more than 75% of total company revenues. With the acquisitions, Gannett's paid daily circulation is about 5 million.

USA Today, the company flagship newspaper, continued to make news. The national publication's daily circulation of 1,162,606, according to ABC audits, makes it the third largest newspaper in the country behind the *Wall Street Journal* and *Daily News* in New York. That figure, however, should decline with the rise in the newsstand price of the publication from 35¢ to 50¢. A decline was recorded by the national daily when its newsstand cost went from 25¢ to 35¢ early in 1984.

Last June, the company named *USA Today's* president, Cathleen Black, to publisher, following word that John Heselden would retire as publisher in April.

Early last year, Gannett announced that it was putting together a task force to look into the feasibility of developing a system for satellite transmission of *USA Today* to a printing plant in Japan for printing and distribution of the newspaper. At the same time, Gannett Co. is considering a Pacific edition of the newspaper designed to appeal to U.S. expatriates. Also, last July, Gannett began a test distribution of *USA Today* in Europe and the Middle East. The international edition was scaled down to two sections.

While the newspaper is spreading its pages internationally, it continues to face circulation problems at home. In March, 1985, the ABC audit showed *USA Today* circulation had declined 9.5% to 1,162,606 copies from the similar reporting period a year earlier. The loss, in part, was attributed to the increased newsstand price.

Advertising picked up at *USA Today* in 1984. The paper averaged seven ad pages the first half of 1984, but moved up to 11 pages daily in the second half, reaching a peak of 16.5 in the Nov. 12, 1985, issue. *USA Today* will debut in an electronic form in mid-December, with the introduction of *USA Today* Update, an electronic text service that will be accessible through personal computers and distributed via electronic mail and office automation systems. The service will provide information, updated hourly, drawn from Gannett media properties and news services.

In other *USA Today* news, Young & Rubicam resigned last July the Gannett Co. corporate and *USA Today* consumer ad accounts after spending levels for the newspaper fell 75% and the agency lost the paper's trade ad account. In midyear, Gannett announced plans to relocate to the Washington area by the middle of 1986. *USA Today* is based in Rosslyn, Va.

Commenting on the move, Mr. Neuharth says the company's growing national scope created the need to concentrate key corporate activities in Washington. By the time of the move, the company will have been based in Rochester, N.Y., for 66 years.

Gannett's Broadcasting Group, made up of six tv stations and 14 radio stations, increased revenue 21% to $232.7 million in 1984, or 11.9% of total company revenues. The new radio acquisitions essentially replace stations WWWE and WDOK-FM, Cleveland, which Gannett has agreed to sell to Lake Erie Radio Co.

During 1984, the company joined with four other broadcasting groups in an effort to improve and develop new programing. To service the company's six tv stations, Gannett unveiled its tv Flying Squad, a team of reporters and crew that provide individual coverage of major events.

In other developments, Gannett

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JACKSON CITIZEN PATRIOT
KALAMAZOO GAZETTE
THE KANSAS CITY STAR
LANSING STATE JOURNAL
THE LIMA NEWS
MEMPHIS COMMERCIAL APPEAL
THE MUSKEGON CHRONICLE
THE OAKLAND PRESS
THE PITTSBURGH PRESS/PITTSBURGH NEWS GAZETTE
THE RICHMOND TIMES DISPATCH
ROCKY MOUNTAIN NEWS
ST. PETERSBURG TIMES & EVENING INDEPENDENT
SAN ANTONIO LIGHT
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Rubber & Plastics News
City & State
Washington Journalism Review

Broadcasting Group filed for and received approval to use the basic call sign ULSA. In March, 1984, Gannett's KBTV in Denver, an ABC-affiliate, switched call letters to KUSA-TV.

Gannett Outdoor Group contributed 1984 total revenue of $199.5 million, up 8.1% from 1983, accounting for 10.2% of total revenue.

MEDIA PROPERTIES

Broadcasting

TV: KOCO, Oklahoma City, KPNX, Phoenix; KUSA, Denver; WLVI, Boston; WTCN, Minneapolis-St. Paul, WXIA, Atlanta.

RADIO: KIIS (am, fm), Los Angeles; KKBQ (am, fm), Houston, KSDO (am, fm), San Diego; KUSA (am) and KSD (fm), St. Louis, WDAE (am), St. Petersburg-Tampa and WIQI (fm), Tampa, Fla.; WGCI (am, fm), Chicago; WLQV (am) and WCZY (fm), Detroit.

Newspaper-distributed magazines

Family Weekly, New York.

Newspapers (dailies)

NATIONAL—*USA Today*, Washington.

LOCAL—ARIZONA: *Tucson Citizen*. CALIFORNIA: *Independent Journal*, Marin County, *Salinas Californian, San Bernardino Sun, Stockton Record, Visalia Times-Delta*. COLORADO: *Fort Collins Coloradoan*. CONNECTICUT: *Norwich Bulletin*. DELAWARE: *Wilmington Morning News, Wilmington Evening Journal*. FLORIDA: *Cocoa Today, Fort Myers News-Press, Pensacola Journal, Pensacola News Journal*. GEORGIA: *Gainesville Times*. GUAM: *Pacific Daily News*, Agana. HAWAII: *Honolulu Star-Bulletin, Honolulu Star-Bulletin & Advertiser*. IDAHO: *Idaho Statesman*, Boise. ILLINOIS: *Danville Commercial-News, Rockford Register Star*. INDIANA: *Lafayette Journal and Courier, Marion Chronicle-Tribune, Richmond Palladium-Item*. IOWA: *Des Moines Register, Iowa City Press-Citizen*. KANSAS: *Coffeyville Journal*. LOUISIANA: *Monroe News-Star-World, Shreveport Times*. MICHIGAN: *Battle Creek Enquirer, Lansing State Journal, Port Huron Times Herald, Sturgis Journal*. MINNESOTA: *St. Cloud Daily Times*. MISSISSIPPI: *Hattiesburg American, Jackson Clarion-Ledger, Jackson Daily News*. MISSOURI: *Springfield Daily News, Springfield Leader and Press*. NEBRASKA: *Fremont Tribune*. NEVADA: *Reno Gazette, Reno Journal*. NEW JERSEY: *Bridgewater Courier-News, Camden Courier-Post*. NEW MEXICO: *New Mexican*, Santa Fe. NEW YORK: *Binghamton Evening Press, Binghamton Sun-Bulletin, Elmira Star-Gazette, Ithaca Journal, El Diario-La Prensa*, New York, *Niagara Gazette, Poughkeepsie Journal, Rochester Democrat and Chronicle, Rochester Times-Union, Saratogian*, Saratoga Springs, *Utica Daily Press, Utica Observer-Dispatch*. Westchester Rockland Newspapers—*Mamaroneck Daily Times, Mount Vernon Daily Argus, New Rochelle Standard Star, Nyack-Rockland Journal News, Ossining Citizen-Register, Port Chester Daily Item, Tarrytown Daily News, White Plains Reporter-Dispatch, Yonkers Herald Statesman*. OHIO: *Chillicothe Gazette, Cincinnati Enquirer, Fremont News-Messenger, Marietta Times, Port Clinton News Herald*. OKLAHOMA: *Muskogee Daily Phoenix, Times-Democrat*. OREGON: *Salem Statesman-Journal*. PENNSYLVANIA: *Chambersburg Public Opinion, Lansdale Reporter, New Kensington Valley News Dispatch*. SOUTH DAKOTA: *Sioux Falls Argus Leader*. TENNESSEE: *Jackson Sun, Knoxville Journal, Nashville Tennessean*. TEXAS: *El Paso Times*. VERMONT: *Burlington Free Press*. VIRGINIA: *Huntington Herald-Dispatch*. VIRGIN ISLANDS: *St. Thomas Daily News*. WASHINGTON: *Bellingham Herald, Olympian*, Olympia. WEST VIRGINIA: *Huntington Herald-Dispatch*. WISCONSIN: *Green Bay Press-Gazette, Wausau Daily Herald*.

Newspapers (nondailies)

CONNECTICUT: *Norwalk Fairpress; Journal-Transcript, Community*, Norwich. FLORIDA: *Tribune, Cocoa Times, Longwood Seminole Citizen News, Melbourne Tribune, Titusville Star-Advocate*. GEORGIA: *The Extra Poultry & Egg Marketing, Poultry Times Topics*, all in Gainesville. MISSISSIPPI: *Clinton News, Gautier Independent, Madison County Herald*, Canton, *Ocean Spring Record, Petal Journal*. NEW JERSEY: Suburban Newspaper Group (10 weeklies in Cherry Hill), *Salem Sampler*. NEW YORK: *Mount Vernon Review Press-Reporter, Commercial News*, Saratoga Springs. PENNSYLVANIA: *Butler County News, Zelienople, Lansdale Extra, North Hills News Record*, Pittsburgh, *Sharpsburg Herald, Town & Country*, Pennsburg. VIRGINIA: *Pennywhistle Press*, Arlington.

Outdoor

Gannett Outdoor Advertising Group; MEDIACOM (Canada).

Other media properties

Gannett Newspaper Advertising Sales, Gannett Media Sales, Gannett News Service, Gannett Satellite Information Network, Gannett Productions, MacNeil-Lehrer-Gannett Productions, Newscope, America Today, Louis Harris & Associates Research, Gannett Offset, PIA Merchandising, TENCON sign manufacturing.

GFV Communications

RANK 48

Livonia, Mich.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	246	182	35.0
Total sales	246	182	35.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	246	182	35.0
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Intense competition in the free-standing inserts marketplace has proved healthy for Livonia, Mich.-based GFV Communications, which reported an increase of 35% in revenues in 1984, all in media.

The privately held company, the largest producer of free-standing inserts in the U.S., ranked as the 48th largest media company in 1984 with revenues of $246 million. Earnings were not available.

Formed in 1969 as George F. Valassis & Co., the company has grown and diversified into a marketer, printer and distributor of Valassis Inserts—full-color multipage Sunday newspaper supplements containing cents-off and direct-response coupons.

The company also has printing, promotion and promotion security subsidiaries. GFV recently expanded its operations by acquiring the JAMI Group, a leading list management and media services company in Fort Lee, N.J.

The acquisition was completed in September, 1984, for an undisclosed price and will give Valassis Inserts "greater penetration in the markets," furthering the company's expansion strategy of growth through acquisition, says David Brandon, exec vp-coo, GFV Communications.

Valassis Inserts reaches more than 46 million households in the U.S. with the consumer-oriented coupons. The coupons are from more than 300 clients, about 75% of which are *Fortune* 500 package good companies, a company spokeswoman says. The traditional GFV client presents artwork or film for printing and distribution by GFV. GFV offers a design service for clients needing that assistance.

The inserts are 99% distributed through more than 250 ABC-audited Sunday newspapers and are direct-mailed to Los Angeles, Atlanta, Denver and Dallas to supplement newspaper penetration.

Although the past focus of the inserts has been on grocery items, the company has moved into additional areas including health and beauty aids, small appliances and lawncare products, where couponing has been minimal in the past, the spokeswoman says.

The company spent about $500,000 in 1984 in print advertising to promote its inserts.

GFV stirred up controversy with an April, 1984, ad for Valassis Inserts, which used a picture of what the company called "generic religious symbols." Accompanying copy asked, "What do over 44 million American women do religiously on Sunday mornings?"

The answer, which was to "Read Valassis Impact Inserts," was clouded by letters from angry readers deploring the use of religion in humor. Others complained it pointed at a particular faith.

GFV withdrew the offending ad, which was created to "draw differences between us and competitors," Mr. Brandon says. "We're not in the business of being controversial. We didn't expect that reaction."

Mr. Brandon says Valassis Inserts and subsidiaries will establish themselves as individual businesses in 1985 as growth by acquisition slows in order to keep the company manageable.

"I would call 1985 a year to do what we do best," Mr. Brandon says. "We want to exploit the fact that we're industry leaders." A 25% to 30% growth in sales is projected for this year.

The company has more than 700 employes spread across the country, and publishes inserts 26 times a year, with more than 1 billion inserts printed and distributed annually.

MEDIA PROPERTIES

Valassis Inserts and Promotion Watch Inc., both of Farmington Hills, Mich.; JAMI Inc., Fort Lee, N.J.; Valassis Printing, Livonia, Mich.; Thomas C. Lane Publishing, Durham, N.C.; Valassis Color Graphics, Wichita, Kan.

Harcourt Brace Jovanovich

RANK 83

New York

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	119	101	17.8
Total sales	712.5	649	9.8
Net income	81	61	32.8
Sales per medium			
Newspaper	0	0	0
Magazine	103	85	20.9
Broadcast	16	16	2.5
Cable	0	0	0

Harcourt Brace Jovanovich, New York City, whose media contributions consist largely of its trade publications, was the 83rd largest media company in 1984 with media revenues of $119.4 million, up 18% from 1983.

The media properties, contained in the HBJ Communications and Services group, represent 16.8% of total revenues at HBJ of $712.5 million, up 9.8% from 1983.

HBJ received most of its revenues—51% or $364.2 million—from publishing of elementary and secondary education and university and professional education materials. HBJ also includes graphic materials, executive counseling, insurance and Sea World Enterprises Inc.—areas of business not included in the media totals for this report.

The Harcourt Brace Jovanovich empire, comprised of decentralized operations in Orlando, San Diego, Cleveland, San Antonio and Austin in addition to the New York headquarters, had earnings in 1984 of $34.5 million, the highest in the company's history and a 25.5% increase over the previous year. The HBJ Communications & Services unit, which includes the trade magazines and a modest amount for book club activity, was highly profitable, its revenues (16.7% of the company total) generating 24.3% of the company's total operating income.

HBJ Communications & Services includes 132 magazines and newsletters. HBJ also owns two vhf tv stations, both ABC affiliates, located in Duluth and Hibbing, Minn. Their totals are not included in the HBJ Communications & Services. However, their contribution to company revenues in 1984 was an estimated $16.3 million, up 3.5% from 1983.

Most of the business magazines and directories under the HBJ umbrella are "controlled circulation" publications. Distributed free to professionals, manufacturers and product dealers, the periodicals are supported by advertising.

HBJ publications cover beverage, concrete, dentistry, energy, food handling, housewares, meat processing, medicine, packaging, plastics, telecommunications, tourism, toys, vending machines and other fields. In many industries, the company also publishes newsletters.

Revenues from the periodicals increased 19% to about $119 million, and according to HBJ management, the increase was the result of more ad pages and higher ad rates.

In a transaction involving 244,126 shares of its common stock, the company acquired Industry Media Inc. and Davies Publishing Co. The March, 1984, acquisitions added seven periodicals devoted to the plastics industry and a magazine for the meat industry to HBJ's publications roster.

Another stock transaction, involving 39,309 shares, enabled HBJ to acquire Pit & Quarry Publications, publisher of magazines for the nonmetallic and concrete industries. These acquisitions bolstered HBJ's revenue potential.

Also contributing to revenues will be the leisure industry publications acquired in January, 1985, from Hester Communications. In this transaction, the company issued 160,000 shares of its common stock.

Magazines gained from the Hester acquisition include *Bicycle Dealer Showcase, Motorcycle Dealer News, Spa and Sauna Trade Journal, Flotation Sleep Industry* and *Video Store* as well as four annual buyers' guides, an after-market yearbook for the motorcycle industry and a fortnightly newsletter in the video field.

"The Hester Communications properties," says Robert L. Edgell, chairman of HBJ Communications & Services, "give HBJ Publications a strong position in what I'll describe as the 'leisure' industry."

As an outgrowth of its many publications, HBJ Communications produces or sponsors 26 trade shows. There are plans for a lawncare industry show later this year and HBJ is exploring a show for the frozen-food industry. Similarly, the acquisition of the Hester Communications properties included exposition opportunities.

The basic business of Harcourt Brace Jovanovich is publishing—textbooks and other related instructional materials. It is from this foundation that other HBJ enterprises have evolved. The three Sea World marine parks—a fourth in Texas is in the planning stage—provide instructional entertainment while purveying food and merchandise.

HBJ Insurance was an outgrowth of the magazine publishing business, which began with farm magazines in several midwestern states. The company sells life, health and accident policies to farmers in Ohio, Michigan, Indiana, Kansas, Missouri, Pennsylvania, Nebraska and Colorado. At the end of 1984, life insurance in force totaled $805 million, and profits had increased by 30%.

The past year saw the company's directors create an Employee Stock Ownership Plan: The net effect will be that employes become, at no cost to themselves, company shareholders and HBJ is provided with needed cash. This is made possible by an excess of assets in the pension plan of some $50 million and federal statutes that permit the ESOP to borrow the amount at low interest rates.

MEDIA PROPERTIES

Broadcast

TV: WDIO, Duluth; WIRT, Hibbing, Minn.

Magazines

COMMUNICATIONS: *Communications News, Telco Craftsman, Telephone Engineer & Management, Telephone Engineer & Management Directory, Telephone Engineer & Management Fast Action Postcards*. EDUCATION: *Instructor, Instructor Action Cards, Instructor Books, Instructor Computer Director for Schools, Instructor Education Service*. ENERGY: *Brown's Directory of North American and International Gas Companies, Drilling, L-P Gas, Petroleum Engineer International, Pipeline & Gas Journal, Practical Guide to LP Gas Utilization, SGA Directory*. FARM: *Colorado Rancher & Farmer, Kansas Farmer, Michigan Farmer, Missouri Ruralist, Nebraska Farmer, Ohio Farmer, Pennsylvania Farmer*. FOOD SERVICE & PROCESSING: *Food Plant Ideas, Food Plant Ideas Postcards, Idea File, Quick Frozen Foods, Quick Frozen Food Directory of Frozen Food Processors*. HEALTHCARE: *Dental Laboratory Review, Dental Laboratory Review Buyer's Guide, Dental Management, Dermatology Times, Geriatrics, Hearing Instruments, Hospital Formulary, Modern Medicine, Neurology, Ophthalmology Times, Optometry Times, Physician's Management, Urology Times*. INDUSTRY: *Beverage Industry, Beverage Industry Annual Manual, Beverage Industry Show Daily, Candy Industry, Candy Industry Buying Guide, Candy Marketer, Cosmetic Insiders Report, Dairy Field, Dairy Field Buying Guide, Drug & Cosmetic Catalog, Drug & Cosmetic Industry, Food & Drug Packaging, Food & Drug Packaging Postcards, Quick Frozen Foods, Quick Frozen Foods Directory of Frozen Food Processors, Snack Food*. MANUFACTURING, DISTRIBUTION & SERVICE: *American Automatic Merchandiser, American Automatic Merchandiser Bluebook, CPI 100 (Chemical Processing Industry), Food Sanitation, HBJ Restaurant Show Daily, International Turfgrass Show Daily, Lawn Care Industry, Lawn Care Industry Show Daily, Pest Control, Pest Control Show Daily, Roof Design Handbook of Commercial Roofing Systems, RSI (Roofing/Siding/Insulation), RSI Extra, Weeds, Trees & Turf*. MERCHANDISING: *Body Fashions/Intimate Apparel, Body Fashions/Intimate Apparel Directory, Body Fashions/Intimate Apparel International Edition, Body Fashions/Intimate Apparel Market Maker, Flooring, Flooring NEOCON Market Shopper, Gourmet Today, Home & Auto, Home & Auto APAA Show Daily, Home & Auto Buyer's Guide, Hosiery & Underwear, Housewares, Housewares Show Stopper, Pets/Supplies/Marketing*. PAPER: *European Board Markets, International Container Directory, Official Board Markets, Official Container Directory, Paperboard Packaging, Paper Sales, Convention News, Paper Year Book*. RECREATION AND LEISURE: *Bicycle Dealer Showcase, Flotation Sleep Industry, Flotation Sleep Industry Buyer's Guide, Motorcycle Dealernews, Motorcycle Dealernews Buyers Guide, Motorcycle Dealernews International Aftermarketing Magazine, Spa & Sauna Trade Journal, Spa & Sauna Trade Journal Buyers Guide, Video Store, Video Store Report*. TRAVEL & LODGING: *Corporate Meetings & Incentives, Corporate Meetings & Incentives Action Cards, Directory of Incentive Travel International, Hotel & Motel Management Quick Order Product Postcards, Hotel & Motel Management Show Daily*. GRIDLEY PUBLICATIONS: DVM, *Newsmagazine of Veterinary Medicine*. DAVIES PUBLICATIONS: *Meat Processing, Meat Processing Product Order Cards, Meat Processing Show Dailies*. INDUSTRY MEDIA INC: *Plastics Compounding, Plastic Compounding Postcards, Plastics Compounding Redbook, Plastics Design Forum, Plastics Focus, Plastics Machinery & Equipment, Plastics Machinery & Equipment Postcards*. PIT & QUARRY: *Concrete, Concrete Industry Yearbook, Pit & Quarry, Pit & Quarry Cement Plant Glossary, Pit & Quarry Handbook*.

Newsletters

Homeowners Advisory Letter, Investing in Real Estate, Jack Anderson's Washington Letter, Real Estate Investing Letter.

OTHER OPERATIONS

Book clubs, book publishing, instructional materials, insurance, management consulting, Sea World Enterprises, trade shows.

Harte-Hanks Communications

RANK 25

San Antonio, Tex.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	338	332	1.7
Total sales	500	444	12.7
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	267	238	11.8
Magazine			
Broadcast	84	84	0
Cable	20	9	124.7

Harte-Hanks Communications, which went public 12 years ago and returned to a private company in 1984, had total revenues estimated at $500 million, all in media, to rank as the 25th largest media company.

The San Antonio-based company, with media contributions from newspapers, magazine, cable/video and broadcasting, went private in a leveraged buyout in June, 1984. In the $450 million buyout, a small group of officers and directors acquired the nearly 60% of the company's stock they did not already own.

Not long after the company gained shareholder approval for the leveraged buyout, Harte-Hanks agreed to sell the nine stations in its radio group. Seven of the stations were sold to a new company formed by Gary D. Edens, former president of Harte-Hanks' radio division. The stations acquired by the Edens' group include KOY and KQYT (fm), Phoenix, Ariz.; WRBQ (am, fm) in Tampa-St. Petersburg, Fla.; WRVA and WRVQ (fm), Richmond, Va., and WSGN in Birmingham, Ala.

The other two, KKBQ (am, fm) in Houston, were sold to Gannett Co. for $35 million. Larry D. Franklin, Harte-Hanks exec vp, says the radio properties have contributed $30 million annually to the company's revenues.

Harte-Hanks, which began as a newspaper publisher, continues to be dominated by that business. The company publishes 27 daily and 75 nondaily newspapers and advertising publications produced by the newspapers. Although its newspaper activity in terms of acquisitions has been limited in the past year, the company did add two weeklies to complement its daily newspaper, the *Middlesex News*, in the Framingham, Mass., market. The new acquisitions, *Sudbury Town Crier* and *Wayland-Weston Town Crier* have a combined circulation of just under 10,000.

That perhaps is an indication of Harte-Hanks' willingness to attain maximum coverage and penetration in the markets in the 29 states where the company operates.

The company's largest newspaper is the 60,000 circulation *Caller-Times* in Corpus Christi, Tex.

Around Framingham, *Extra*, a news and advertising zoned-supplement, is distributed on Friday and Saturday to 136,000 households in 26 communities. Of the total distribution, 92,000 copies are bulk-mailed and 44,000 are carrier-delivered. The News carries the nonmailed editions in most of its circulation of 48,774 daily.

In the Los Angeles area, Harte-Hanks' *Pennysaver*, delivered by direct mail, has a circulation of 1.9 million and an estimated readership of 4 million. The publication claims 94% penetration in the areas it covers.

Since the radio properties have been sold, Harte-Hanks broadcast business consists of four vhf tv stations in San Antonio; Greensboro-High Point, N.C.; Jacksonville, Fla., and Springfield, Mo., and several cable systems.

When executives of Harte-Hanks determined to take the company public in 1972, it was for the announced intention of expanding from its relatively small stable of Texas newspapers into other media opportunities, including broadcasting and cable systems. By being public, the company raised cash to pay for such acquisitions.

The company continues to pursue opportunities in cable. In 1984, Harte-Hanks increased its number of cable subscribers to 140,000 by exercising its option to acquire two existing systems.

Ultra-Com Inc., a Montgomeryville, Pa., company, was acquired for an estimated $75 million. This acquisition added about 75,000 basic cable subscribers in New Jersey, Ohio, Tennessee, Oklahoma, Florida and Pennsylvania.

Another 25,000 subscribers were added with the acquisition of Jim E. Smith Inc., a cable company Harte-Hanks had managed in southeastern Arizona. The purchase price was estimated at $25 million. With these systems added to previous Harte-Hanks cable systems in Colorado, Arizona and Texas, cable revenues in 1985 are likely to contribute substantially more than the estimated 4% in 1984.

Newspapers, vhf tv and cable are just a part of the Harte-Hanks communications empire. The company owns and operates seven marketing services companies and 25 direct mail systems, which can offer advertisers direct mail programs reaching 96% of U.S. households. The company has seven alternate delivery systems, which can reach more than 1.5 million households via hand delivery. Harte-Hanks also operates a nationwide trucking service specializing in delivery of advertising materials.

Harte-Hanks is a strong advocate of total market coverage. Harte-Hanks Direct Marketing is the industry leader, and few newspapers have been inclined to follow.

Indeed, some analysts have suggested that doubts about Harte-Hanks' direct marketing concept kept the stock depressed, and it was that which indirectly led to the leveraged buyout.

Harte-Hanks is determined to continue on the course charted by president-ceo Robert G. Marbut and other company officers.

Says Mr. Franklin: "Our primary thrust this year is a focus on customer service, asset management and employe productivity."

MEDIA PROPERTIES

Broadcasting

TV: KENS, San Antonio, Tex.; KYTV, Springfield, Mo.; WFMY, Greensboro/High Point, N.C.; WTLV, Jacksonville, Fla.

Cable/video

ARIZONA: Douglas, Payson, Williams (all Southwest Cablevision). COLORADO: Akron, Otis and Yuma (all National Telecommunications Services). TEXAS: Deer Park, Highlands, Katy, LaPorte, Northwest Harris County, Pasadena, South Houston and unincorporated areas of Waller, Fort Bend and Harris counties. (All Harte-Hanks Cable Communications.) Channel 24, San Antonio, a 24-hour cable "shoppers channel." Ultra-Com Inc. subscribers in FLORIDA: Bal Harbor, Bay Harbor Islands, Golden Beach, Miami Beach, Worth Bay Village, Metropolitan Dade County, Surfside, unincorporated areas in Dade county, South Miami, Okechobee, County of Okechobee, Glades County. GEORGIA: Rockmart, Aragon, Polk County. NEW JERSEY: Asbury Park, Ocean Township. NORTH CAROLINA: Elizabeth City, Pasquotank County. OHIO: Blanchester, Willington. OKLAHOMA: Grove, Okmulgee. PENNSYLVANIA: Marple Township, Haverford Township, Lansdale Borough, Hatboro, Horsham Township, Montgomery Township, North Wales Borough, Towamencin Township, Upper Dublin Township, Upper Gwynnedd Township. TENNESSEE: Gatlinburg, Pidgeon Forge, Sweetwater, Madisonville, Monroe County. Jim E. Smith Inc. subscribers in Arizona: Benson, Douglas, Fort Huachuca, Green Valley, Huachuca City, Payson, Santa Rita-Bel Air, Sierra Vista, Skyline, Sunsites, Tombstone, Willcox, Williams.

Newspapers (dailies)

ARKANSAS: *Malvern Daily Record, Russellville Courier-Democrat, Searcy Daily Citizen, Stuttgart Daily Leader.* GEORGIA: *Carrollton Daily Times-Georgian.* MASSACHUSETTS: *Middlesex News* in Framingham, *Sudbury Town Crier, Wayland-Weston Town Crier.* MICHIGAN: *Ypsilanti Press.* OHIO: *Hamilton Journal News.* SOUTH CAROLINA: *Anderson Independent-Mail.* TEXAS: *Abilene Reporter-News, Big Spring Herald, Bryan-College Station Eagle, Corpus Christi Caller* and *Times, Corsican Daily Sun, Del Rio News-Herald, Denison Herald, Greenville Herald Banner, Huntsville Item, Marshall News Messenger, Paris News, San Angelo Standard* and *Times,* Wichita Falls Record News and *Times.* WASHINGTON: *Yakima Herald-Republic.*

Newspapers (nondailies)

ARKANSAS: *Charleston Express, Dardanelle Post-Dispatch, Greenwood Democrat, Malvern Meteor Journal, Paris Express-Progress.* CALIFORNIA: *Coronado Journal, La Jolla Light, Sentinel, Star-News* (San Diego County). GEORGIA: *Bowdon Bulletin, Times-Advertiser* and *Dollar Saver* (both in Carrollton) *Douglas County Sentinel* and *Sentinel Super Saver,* (both Douglasville), *Haralson Gateway-Beacon* (Bremen, Buchanan and Tallapoosa), *Sweetwater News Enterprise* (Austell), *Tallapoosa Journal-Beacon.* OHIO: *Fairfield Echo, Edgewood This Week, Pulse Journal.* TENNESSEE: *Gatlinburg Press, Sevier County News Record* (Sevierville). NEW MEXICO: *Valencia County News Bulletin.* TEXAS: *Commerce Journal, Cooper Review, Lamar County Echo, Royse City Leader.* Harte-Hanks also publishes 56 community information publications, including nine shoppers.

OTHER OPERATIONS

Twenty-three direct mail systems, seven alternate delivery systems, seven research companies, a nationwide trucking service, commercial printing and computer services.

RANK

H&C Communications 82

Houston

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	132	90	46.2
Total sales	132	90	46.2
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	132	90	46.2
Cable	0	0	0

Since divesting itself of its only newspaper property, the *Houston Post*, in 1983, Houston-based H&C Communications turned its acquisition guns on tv and picked up a couple of properties in 1984 from Cowles Communications, Orlando, Fla.

H&C Communications is the 82nd largest media company, with revenues

Nouveau Reach
Daily
Rocky Mountain News 329,381
Denver Post 215,625
News Lead 113,756
Source: ABC Publisher's Statement for six months ending 3/31/85.
Sunday
385,807
Denver Post 345,097
News Lead 40,710
Source: ABC Publisher's Statement

The numbers are new and Denver's main course is still the Rocky Mountain News according to the latest ABC Publisher's Statement.

Our rich blend of desired demographics and market penetration is the specialty of the house.

Order Denver's seasoned leader. Rocky Mountain News. Call general advertising (303) 892-5304.

Rocky Mountain News

A SCRIPPS HOWARD NEWSPAPER REPRESENTED NATIONALLY BY STORY & KELLY-SMITH, INC.
ATLANTA • BOSTON • CHICAGO • DALLAS • DETROIT • LOS ANGELES • NEW YORK • PHILADELPHIA • SAN FRANCISCO

increasing 46.2% to an estimated $131.6 million in 1984. All revenues are attributed to media for the privately held company.

The two Cowles properties, NBC-affiliate WESH-TV in Daytona Beach-Orlando, Fla., and CBS-affiliate KCCI-TV in Des Monies, Ia., were purchased for a combined $182.6 million.

"The market in central Florida is very attractive," says Dan Thornburg, vice president-treasurer of H&C Communications. "Des Moines is a good property, but Florida is what we wanted. And Cowles didn't want to separate the two properties." John Heise, Midwest regional sales manager of Petry TV Sales, confirms that assessment of the central Florida market and WESH-TV.

"That is a very competitive market," Mr. Heise says, "and WESH just had a tremendous [ratings] book."

Florida Trends, in a recent discussion of the growth in the Southeast, points out that Floridians have more disposable income than ever before. As a consequence, Mr. Heise says, the amusements industry around Orlando is spending heavily on advertising.

Of KCCI-TV, the other acquisition from Cowles, Mr. Heise says, "It's a strong station, a leader in the marketplace." A.C. Nielsen Co. ranks Daytona Beach-Orlando as 31st among Areas of Dominant Influence and Des Moines 71st. Advertising Age estimates the two stations contributed a combined $30 million to H&C's 1984 revenues.

Acquisition of the two Cowles properties was made possible after H&C realized $100 million from the sale of the *Post* to the Toronto Sun Co.

H&C is a private holding company owned by Houston's Hobby and Catto family interests. Having made the decision a year ago to steer clear of newspapers, the company is likely to make any future acquisitions in broadcast.

H&C is entrenched in Houston with its ownership of KPRC-TV, and KPRC (am, fm). KPRC-TV, an NBC affiliate, is a solid second in the marketplace and has made significant inroads early in 1985 on the strength of a strong early newscast.

The two other H&C properties are in the country's 29th (Nashville, Tenn.) and 87th (Tucson, Ariz.) tv markets. Mr. Heise of Petry says the Nashville market is a two-horse race between H&C's WTVF, a CBS affiliate, and WSMV, the NBC affiliate. From a ratings and sales standpoint, 1984 was a good year in Nashville, but the economy has fallen off in 1985, and advertisers do not seem to be using the Nashville market as much.

In Tucson, KVOA-TV had a good first quarter in both sales and ratings numbers, and the CBS affiliate has been coming on strong. Its prime-time ratings have increased three points in the past year.

Last year, H&C sold WTOK-TV in Meridian, Miss., to Southeastmedia for an estimated $13.2 million. Previous FCC rules, limiting tv ownership to five vhf outlets, mandated that sale. The FCC liberalized its rules later in 1984, permitting ownership of up to 12 stations.

H&C's only print property is the *Washington Journalism Review*. Last spring, the company entered into a joint venture with Crain Communications Inc., parent company of Advertising Age, to handle advertising, circulation and provide some editorial support for *WJR*.

Distributed to communicators as well as government and corporate leaders, *WJR* in mid-1984 had a circulation of 22,066, of which 20,056 were subs and 2,010 were single sales, according to ABC figures. A change in strategy has shifted circulation numbers to a total of 28,106, with 8,091 nonpaid subs and 20,015 single sales. A campaign plans to convert to paid the 8,091 nonpaid copies.

MEDIA PROPERTIES

Broadcasting

TV: KCCI, Des Moines, Ia.; KPRC, Houston; KVOA, Tucson, Ariz.; WESH, Daytona Beach/Orlando, Fla.; WTOK, Meridian, Miss.; WTVF, Nashville.
RADIO: KPRC (am, fm), Houston.

Magazines

Washington Journalism Review, joint venture with Crain Communications Inc.

Hearst Corp.

New York

RANK 11

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	1,400	1,116	25.4
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	687	548	25.4
Magazine	503	401	25.4
Broadcast	204	163	24.9
Cable	6	4	50 0

Hearst Corp., New York, is the nation's 11th largest media company, with 1984 revenues estimated by Advertising Age at $1.4 billion.

Hearst, an intensely private company, continued an acquistion binge begun six years ago that has, to date, seen the company founded by William Randoph Hearst spend more than $1 billion adding some 50 properties to its corporate stable.

In 1984, Hearst bought three daily newspapers from Jefferson-Pilot Corp., the 71,203 daily circulation *Beaumont Enterprise*, the 19,000 circulation *Laredo Morning Times* in Texas and the *Clearwater Sun*, daily circulation 32,868, in Florida. All three also publish Sunday newspapers.

Hearst also bought two Diversion Communications magazines—the monthly *Diversion* and every-other-monthly *Diversion Travel Planner*—that are leisure time publications aimed at physicians. Finally, Hearst bought the Disneyland Official Guide and the Walt Disney World Official Guide.

In May, 1985, Hearst agreed to purchase WCBV-TV, the Boston ABC affiliate, from Metromedia Inc. in a simultaneous transaction under which Austrialian publisher Rupert Murdoch acquired six other Metromedia tv stations. The price was $450 million.

In the cable tv/entertainment field, Hearst's joint venture with ABC and RCA, the Arts & Entertainment Network, was launched in February, 1984, and by year's end passed more than 12 million U.S. and Canadian homes. Also in February, Hearst launched Lifetime, a joint venture with ABC and Viacom International. Lifetime met its subscriber goals and was available in more than 23 million homes in the U.S. by year's end.

In a letter to employes, Hearst president-ceo Frank A. Bennack Jr. wrote that "most" of the company's 125-plus businesses improved performance over 1983.

In the magazine group, according to ABC statements of Dec. 31, 1984, and Publishers Information Bureau, in 1984:

Connoisseur's circulation was up 40.1% to 238,607, ad pages were up 17.1% to 702 and ad revenues were up 88% to $4.61 million; *Cosmopolitan's* circulation was down 7% to 2.82 million, ad pages were up 2% to 2,491 and ad revenues were up 17.3% to $95.14 million; *Good Housekeeping's* circulation was down 3.9% to 5.18 million, ad pages were down 3% to 2,031 and ad revenues were up 4.9% to $133.30 million; *Harper's Bazaar's* circulation was up 2.4% to 737,430, ad pages were up 17.3% to 1,823 and ad revenues were up 30.1% to $31.10 million.

House Beautiful's circulation was up 0.4% to 867,736, ad pages were up 3.6% to 1,139 and ad revenues were up 22.6% to $26.00 million; *Motor Boating & Sailing's* circulation was 142,162 (no figures were available for 1983 circulation), ad pages were up 16% to 1,891, but no revenue figures were available; *Popular Mechanics'* circulation rose 1% to 1.64 million, ad pages were down 3% to 1,150 and ad revenues were up 11.2% to $27.20 million; *Science Digest's* circulation was up 0.3% to 556,736, ad pages were down 11.4% to 379.3 and ad revenues were up 0.1% to $4.86 million; *Sports Afield's* circulation was down 4.9% to 518,010, ad pages were up 4.8% to 1,053 and ad revenues were up 11.9% to $12.80 million, and *Town & Country's* circulation was up 15% to 427,249, ad pages were up 4.9% to 1,903 and ad revenues were up 24.7% to $27.00 million.

Among Hearst's most recent acqusitions and startups, *Redbook*, acquired in 1982, lost 0.2% of its circulation, now about 4 million, but gained 7.1% in ad pages to 1,176 and gained 19.3% in ad revenues to $53 million. *Colonial Homes*, launched in 1979, gained 1% in circulation to 607,389, 7.6% in ad pages to 413 and 23.4% in ad revenues to $6.36 million. *Country Living*, launched in 1978, gained 27.7% in circulation to 1.32 million, 25.1% in ad pages to 796 and 71.5% in revenues to $15.90 million.

In Hearst Broadcasting Group, ABC's Olympic coverage boosted performance in the four Hearst stations that are ABC affiliates. "Our television stations in Pittsburgh, Baltimore and Kansas City maintained leadership positions in their marketplaces," Mr. Bennack says. "Our Milwaukee station . . . found 1984 somewhat more challenging, but our Dayton station has shown marked improvement. Our radio stations in Pittsburgh, Baltimore and San Juan performed well, with particular success this past year with WHTX-FM in Pittsburgh. However, our radio stations in Milwaukee are experiencing market difficulties."

The Cable Communications & Electronic Publishing Division, Mr. Bennack says, "experienced growth this year in all of its core businesses. While the acquistion market continues to be dominated by the largest multiple systems operators, the group continues to analyze potential candidates and intends to pursue the systems which most nearly meet our acquisition criteria."

Hearst's systems, all in California, posted their first full year of operation in 1984, ending the year with a total of 30,000 subcribers, an 11% increase over 1983. Renovation and rebuilding projects in Newark, Los Gatos and Milpitas systems resulted in a 17% gain in total basic and pay subscribers.

Acquisition of the Jefferson-Pilot publications provided the biggest news of 1984 for the newspaper group, although Hearst "does not plan to retain the Florida properties," according to Mr. Bennack. Total circulation of the Hearst papers is now more than 1.1 million daily and 2.1 million on Sunday.

The Capital Newspapers in Albany, N.Y., were among the best corporate performers in 1984, with circulation and classified ad gains reported at the *Times-Union* and *Sunday Times-Union*. The afternoon *Knickerbocker News* circulation was relatively stable, though it slipped slightly. Among Hearst's larger dailies, the *Baltimore News American*, which analysts believe is losing money, expanded its total market coverage program but scrapped a separate sports publication, called *Sports Afield*, in September, 1984, after it was deemed unable to reach circulation goals.

The Herald Community Papers in the Los Angeles market combined two dailies into one enlarged product and began a new marketing strategy for its 29 weeklies. The Herald Examiner in Los Angeles managed to stabilize a severe 1983 circulation slide. "Strategies continue to be explored for identifying a stronger niche for this paper in a very challenging and difficult market environment," Mr. Bennack reports.

The *San Antonio Light* saw increases in both daily and Sunday circulation and began operation of a new press line. The *San Francisco Examiner*, part of a joint operating agreement with the Chronicle, saw daily circulation soften slightly, but registered strong gains in classified advertising. William Randolph Hearst III, grandson of Hearst Corp.'s founder, took the operational reins at the *Examiner* as the paper's publisher in 1984.

The *Seattle Post-Intelligencer* saw moderate circulation gains as it completed its first year in a joint operating agreement with the *Seattle Times* in 1984.

MEDIA PROPERTIES

Broadcasting

TV: KMBC, Kansas City, Mo.; WBAL, Baltimore; WCBY, Boston; WDTN, Dayton, O.; WISN, Milwaukee; WTAE, Pittsburgh.
RADIO: WTAE (am) and WHTX (fm), Pittsburgh; WAPA (am), San Juan, Puerto Rico; WISN (am) and WLPX (fm), Milwaukee, and WBAL (am) and WIYY (fm), Baltimore.

Cable/video

Hearst Cablevision of California (roughly 30,000 subscribers in Milpitas, Newark and Santa Clara); Hearst/ABC Video Services, Hearst/ABC Viacom Entertainment Services and Hearst/ABC-RCTV (joint ventures in programing).

Magazines

Colonial Homes, Connoisseur, Cosmopolitan, Country Living, Diversion, Diversion Travel Planner, Good Housekeeping, Harper's Bazaar, House Beautiful, House Beautiful's First Home, Motor Boating & Sailing, Popular Mechanics, Redbook, Science Digest, Town & Country. Also, the Hearst Books/Business Publishing Group, which includes United Technical Publications, has more than 35 titles including: *American Druggist, Electronic Products, EEM-Electronic Engineers Master, I.C. Master, I.C. Update, Integrated Circuits, Motor, Today's Office, Office World News, Lens, Lens On Campus, Floor Covering Weekly, Industrial Machinery News, Black Book Guides.*

Newspapers (dailies)

CALIFORNIA: *Daily Southeast News* (Southeast Los Angeles), *Huntington Park Daily Signal, Los Angeles Herald Examiner, San Francisco Examiner.* FLORIDA: *Clearwater Sun.* ILLINOIS: *Edwardsville Intelligencer.* MARYLAND: *Baltimore News American.* MICHIGAN: *Huron Daily Tribune, Midland Daily News.* NEW YORK: *Albany Knickerbocker News, Albany Times-Union.* TEXAS: *Beaumont Enterprise, Laredo Morning News, Midland Reporter-Telegram, Plainview Daily Herald, San Antonio Light.* WASHINGTON: *Seattle Post-Intelligencer.*

Newspapers (nondailies)

29 weeklies in California, two in Michigan, one in Texas, nine in Florida.

OTHER OPERATIONS

Arts & Entertainment Network (joint venture with ABC and RCA), Arbor House Publishing, Avon Books, Cal Graphics, Communications Data Services, Disneyland Official Guide, Eastern News Distributors, Hearst Advertising Service, Hearst Broadcasting Productions, Hearst Metrotone News, Hearst Special News Service, International Circulation Distributors, King Features Entertainment, King Features Syndicate, Motor Books, Walt Disney World Official Guide, William Morrow & Co. (includes Hearst Books and Hearst Marine Books), Pejepscot Paper Division, Puck-The Comic Weekly, Reader Mail Inc., Arthur Schroeder Paper Co., Data Resources Division.

Houston Chronicle Publishing Co.

Houston

RANK 54

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	217	186	16.5
Total sales	217	186	16.5
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	217	186	16.5
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Houston Chronicle Publishing Co., Houston, the 54th largest media company, had 1984 revenues estimated by Advertising Age at $217 million, all from the company's only property, the *Houston Chronicle*. The 1984 total was up 16.5% from 1983's estimate.

Despite a drop in classified ad linage, the *Houston Chronicle* continued to be the city's leader in the classified ad market in 1984.

Although classified ad linage fell 2.6% to 3,995,880 ins. in 1984, the paper still retains 70% of the Houston classified market, according to Jack Sweeney, sales and marketing director. Mr. Sweeney says that in the past year the real estate industry and possibilities for employment are somewhat less robust than in prior years, affecting ad linage in those areas.

He also says classified ad rates were up in 1984 by 10% to 12% over 1983. Total retail ad linage increased about 13%, to 2,807,813 ins., according to Mr. Sweeney. He attributed this to increased retail activity, particularly an increase in the number of off-price shopping stores.

The retail advertising activity and Houston's continuance as the fourth largest market in the country for construction despite the contention that the Houston economy is declining, Mr. Sweeney says. While Mr. Sweeney concedes Houston has slipped from its phenomenal growth pattern of the late 1970s, he says the city has evolved into a more realistic and sustainable pattern of growth.

General circulation at the *Chronicle* also continues to grow. As of March 31, 1985, ABC six-month averages show the Monday through Friday circulation increased 1.4% to 433,380 compared to the same period a year earlier; and Sunday increased 1.1% to 536,585. This compares to the Toronto Sun Co.-owned *Houston Post*, with daily circulation of 326,556, down 18.7%, and 376,015 for Sunday, down 18.8% for the reporting period of Sept. 30, 1984, the last available data by ABC on the *Post*.

According to Mr. Sweeney, the *Chronicle* is "pleased with its advertising, circulation and role in the media mix in the Houston market." To retain its share of market, the *Chronicle* advertises its product extensively. Its ad budget is up about 10% over last year. *Chronicle* ads focus on the paper's extensive classified ads section.

Papers in Houston like other markets have felt the impact of the aggressive entry into their market by Gannett Co.'s *USA Today*. Last year the *Chronicle* redesigned its street boxes to project a more colorful image. And, according to Mr. Sweeney, *Chronicle* street sales are at an alltime high—thus pitting the paper directly against the Gannett product. Of the 433,380 daily circulation, 80,000 are from newsstands; of the 536,505 Sunday circulation, 138,000 are from newsstands, representing 8% and 8.6% increases, respectively, over the 1984.

"*USA Today* is basically a daily street sale product, but we are on the newsstands all day long—with five editions," Mr. Sweeney says.

In 1983, the Chronicle unsuccessfully tried street sales in Dallas. "In as much as the *Chronicle* is a regional paper serving Southeast Texas, it is not surprising that the *Chronicle* did not succeed in Dallas," Mr. Sweeney says. For the foreseeable future, he says, the *Chronicle's* distribution will remain targeted to a 100-mile radius of its home market.

In addition, he says, the balance between morning and afternoon distribution will remain at about the same 50-50 ratio.

"We're going to let the consumer tell us which way to go, if any new direction," Mr. Sweeney says. "Right now they can have it any way they want it."

Another 1984 innovation at the *Chronicle* was insertion of a local magazine into the national Sunday weekly, *Parade*. Mr. Sweeney says the concept has proved popular. He says the editors stress correlating the national and local publications. For example, when *Parade* runs its national "Policeman of the Year" issue, the local magazine also names and profiles a local "Policeman of the Year."

Another source the *Chronicle* integrates with its local coverage is news provided by the *Financial Times* of London. Four pages run every Monday in the business section. Mr. Sweeney says the international coverage from a highly respected overseas source has been very successful because of the internationalism of Houston's business community.

To win over and keep advertisers, the *Chronicle* emphasizes "tailored" market coverage, which involves working closely with advertisers and being able and willing to offer them "a lot of different services and print concepts for creative use of the paper," says a company spokesperson.

The *Chronicle* continues to publish five editions daily, which are available at newstands.

MEDIA PROPERTIES

TEXAS: *Houston Chronicle.*

RANK

Howard Publications 68

Oceanside, Cal.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	166	150	10.7
Total sales	166	150	10.7
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	139	129	7.8
Magazine	0	0	0
Broadcast	16	14	14.3
Cable	11	7	57.1

Howard Publications, Oceanside, Cal., which has diversified into the oil and gas business, is the 68th largest media company in the U.S. with revenues estimated by ADVERTISING AGE of $166 million, up 10.7% from the 1983 estimate. Privatelyheld Howard, with the exception of its newly formed energy-oriented subsidiary, is wholly media.

The company derives its media income from 19 daily newspapers, the CBS-TV affiliate in Buffalo, N.Y., and cable tv systems in California and Wyoming.

There was relatively little change on the media front during 1984 at Howard Publications, whose founder and owner Robert S. Howard, says many of the company holdings are "in a construction mode," with physical plant facilities being upgraded across the board.

The company followed up its expansion in cable tv, which added some half-dozen new franchises to its California properties in 1983, with the start of badly needed refurbishing of some of the older systems.

Concurrent with the addition of new transmission equipment and administrative procedures was the company's launch of an aggressive tv and newspaper marketing effort to exploit the improvements and add cable subscriptions.

As a result, Howard's Los Angeles-based Falcon Communications posted substantial gains in its subscriber numbers, now up to 110,000 basic users from the 71,000 reported in 1983. Ad revenues from the company's cable operations are still at modest levels, but remain a potential growth area that Howard Publications has indicated it will continue to pursue in the Los Angeles market.

Falcon Communications is 80% owned by Howard and Donrey Media Group, Fort Smith, Ark. Howard's California franchises in the Los Angeles metropolitan area are Pasadena (now undergoing reconstruction), Montebello, Monterey Park, Temple City, San Gabriel, West Covina, Norco, Walnut, Riverside and some areas of Los Angeles, including unincorporated Altadena. The Howard-Donrey partnership also owns Overthrust Cable TV in Evanston, Wyo.

After the mergers and consolidation of some of its newspaper properties in 1983, the company experienced "a healthy year in print media," with increased 1984 revenues "although our newspaper ad linage figures were flat," Mr. Howard, ceo-president, says. Looking into 1985 and beyond, he says, "We expect to record some gains, but nothing exceptional."

The company operates newspapers in the medium-size range, led by the evening daily *Hammond* (Ind.) *Times* with circulation of 68,466, down 1%. Its Sunday paper with circulation of 76,401, was slightly-off the 1984 pace, according to ABC audited statements comparing six-month averages pulled March 31, 1985, with the similar period in 1984.

Like the *Hammond Times*, two other major contributors to Howard suffered small circulation losses: The *Sioux City* (Ia.) *Journal* had a circulation of 55,077 for its morning paper, down 2.1%, and 48,456 for the Sunday paper, down 5.1%; the *Waterloo* (Ia.) *Courier* had 50,974 circulation for its evening paper, down 2.7, and 54,609 for Sunday, off 1.2%; Casper, Wyo. *Star-Tribune's* morning paper circulation of 36,413 was off 3.3%, and its Sunday paper circulation of 39,294 was down 1%.

The company's major circulation gainer was the *Oceanside* (Cal.) *Blade-Tribune*, with evening circulation of 30,832, up 8.3%, and Sunday circulation of 32,188, up 7.5%.

In the broadcast area, Howard's sole property to date is WIVB-TV, Buffalo, the No. 2 station in its market. Purchased in 1977, the station's revenues have risen steadily since Howard took over.

While other companies in the communications field have experienced some degree of acquisition and merger activity in recent years, Howard has elected not to play the media acquisitions game. "We're in less inflationary times, and all media appear to be more stable than they were years earlier," Mr. Howard says. "So we don't look for any dramatic changes to take place in media." Instead, the company has embarked on a program of diversification with primary concentration in the energy field.

Founded in 1985, Howard Energy Co., Traverse City, Mich., is heavily involved in the exploration for gas and oil in Michigan and several other Midwest states. The company also has drilling operations in Texas and Wyoming.

MEDIA PROPERTIES

Broadcasting

TV: WIVB, Buffalo, N.Y.

Cable/video

CALIFORNIA: Alhambra, Huntington Park, Montebello, Monterey Park, Norco, Norwalk, Pasadena, Riverside, San Gabriel, Temple City, Walnut, West Covina and unincorporated parts of Los Angeles County. WYOMING: Evanston.

Newspapers (dailies)

CALIFORNIA: *Oceanside Blade-Tribune, San Clemente Sun-Post.* COLORADO: *Northwest Colorado Press* (Craig). IDAHO: *Twin Falls Times-News.* ILLINOIS: *Charleston Times-Courier, Freeport Journal-Standard, Mattoon Journal-Gazette, Pekin Daily Times.* INDIANA: *Hammond Times, Logansport Pharos-Tribune & Press.* IOWA: *Sioux City Journal* (owned jointly with Hagadone Newspapers), *Waterloo Courier.* KENTUCKY: *Maysville Ledger-Independent.* NEW YORK: *Auburn Citizen-Advertiser, Corning Leader, Glens Falls Post-Star.* PENNSYLVANIA: *Carlyle Sentinel.* SOUTH CAROLINA: *Orangeburg Times & Democrat.* WYOMING: *Casper Star-Tribune.*

OTHER OPERATIONS

Howard Energy Co., Traverse City, Mich.

RANK

Ingersoll Publications Co. 56

Lakeville, Conn.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	207	129	60.5
Total sales	207	129	60.5
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	207	129	60.5
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Ingersoll Publications Co., Lakeville, Conn., is the 56th largest U.S. media company, with media revenues in 1984 estimated by ADVERTISING AGE at $207 million, up 60.5% from 1983's estimate.

The company marked its first full year of operation in the St. Louis newspaper market—where it debuted in May, 1983—by adding six more papers in the area, bringing the company's total to 41 in that market.

According to company president Ralph Ingersoll II, the "Ingersoll play" will be long running. "We've done more than we've contemplated," he says. The papers added to the company's already healthy package of Suburban Newspapers of Greater St. Louis are:

Alton (Ill.) *Telegraph*, paid daily, (May, 1985); *Collinsville* (Ill.) *Herald*, paid midweek and Sunday (December, 1984); *Granite City* (Ill.) *Press Record*, paid midweek and Sunday (December, 1984); *Jefferson County* (Mo.) *Daily Rocket*, paid (January, 1985); *Weekend Journal*, free weekly (May, 1984), and *Central West End* (Mo.) *Journal*, free weekly (September, 1984).

Although Ingersoll's St. Louis product originally consisted of free papers, four of the acquisitions are paid.

"We've been buying the paid papers because they give us real presence on the Illinois side," he says, because "a lot of people who live across the river work in St. Louis and vice versa."

The company's interest in the St. Louis area—$70 million in revenue, according to Mr. Ingersoll—is more than just a fondness for the city on the Mississippi.

"We are heading for a showdown with Pulitzer," Mr. Ingersoll says, referring to Pulitzer Publishing Co., owner of the *St. Louis Post-Dispatch*. "It's not inconceivable [for Ingersoll] to start a daily paper" in this market, he says, but "if we start publishing daily, it won't mean publishing any of the existing papers daily."

Ingersoll is building its St. Louis properties by introducing a wire service and a "classified system"—the first ever—expected to go on-line December, 1985.

The project, currently a $2 million investment, is being handled by Sacramento, Cal.-based Systems Integraters, the company used by the *Chicago Tribune* to work with its zoned edition changes. The classified system will allow a consumer to pinpoint an area and make a buy—with one phone call —just in those papers covering the market desired.

In November, Ingersoll strayed from the St. Louis area long enough to place a $150 million bid on the Des Moines Register & Tribune Co., which was sold to Gannett Co.

In April, 1985, as an alternative to financing through commercial banks, Ingersoll privately placed $100 million in 15-year debentures on the market. The advantage to this is a fixed rate and a longer term amortization than found in a bank, Mr. Ingersoll says.

In December, going back to its long-standing role as "newspaper doctors," Ingersoll purchased the *Woonsocket* (R.I.) *Call & Reporter*, a paid daily with a circulation March 31, 1985, of 31,263, according to ABC. "It desperately needs a Sunday edition, which will be out by Labor Day," Mr. Ingersoll says. With this paper, Ingersoll hopes to make Rhode Island a more attractive place for business.

The company's hot acquisition pattern—seven newspapers in 12 months —and its ability to develop capital, indicate growth potential. As Mr. Ingersoll says, "We may be the last pure play newspaper operators."

MEDIA PROPERTIES

Newspapers

CALIFORNIA: Costa Mesa newspapers, Costa Mesa—*Orange Coast Daily Pilot* (d*). JFP Publications, Glendale—*Glendale News Press* (d), *Burbank Daily Review* (d), *Leader, Burbank Weekly Review, Glendale Weekly Review, North Hollywood Review.* OSWeGI Newspaper Publications, Richmond—*Contra Costa Independent* (d), *Berkeley Gazette* (d), *News, Times Journal.* CONNECTICUT: Milford Publishing, Milford—*Milford Citizen* (d), *Stratford Bard, West Haven News, Milford Reporter.* INDIANA: Terre Haute Newspapers, Terre Haute—*Tribune-Star* (d). MASSACHUSETTS: Berkshire Newspapers, North Adams—*North Adams Transcript* (d). Northeast Publishing, Fall River—*Fall River Herald News* (d). MICHIGAN: Royal Oak Newspapers, Royal Oak—*Royal Oak Tribune* (d), *Tribune Plus.* MISSOURI: Suburban Newspapers of Greater St. Louis. NEW HAMPSHIRE: Eagle Publications, Claremont—*Claremont/Springfield* (Vt.) Eagle-Times (d), *Advisor.* NEW JERSEY: Capital City Publishing, Trenton—*Trentonian* (d), *Midweek, Weekend.* Manahawkin Newspapers, Manahawkin—*Beach Haven Times, Beacon, Summer Times.* Precision Publications, Toms River—*Toms River Ocean County Times-Observer* (d), *Jackson News, Point Pleasant Leader.* Riverdale Publishing, Butler—*Suburban Trends.* RNI Publications, Ridgewood—*Ridgewood News, Local Review, Sunday News, Sunday Post.* NEW YORK: Mid-Hudson Publications, Kingston—*Daily Freeman* (d). Oneida Publications, Oneida —*Oneida Daily Dispatch* (d). Tonawanda Publishing Corp., North Tonawanda—*Tonawanda News* (d), *Kenmore Record-Advertiser, Tonawanda News Extra.* OHIO: Massilon Newspapers, Massillon—*Evening Independent* (d). Phoenix Publications, Niles —*Daily-Times* (d), *Girard News, Hubbard News, Liberty News, Austintown Leader, Poland Clarion, Howland Bandwagon, Courtland Home News, Western Reserve Democrat, Brookfield Masury News.* PENNSYLVANIA: Acme Newspapers, Ardmore—*Main Line Times, News of Delaware County, Neighbors News, Germantown Courier, West Philadelphia Scene, TMC News.* Central States Publishing, Primos—*Delaware County Times* (d). Community Service Publishing, Coatesville—*Coatesville Record* (d), *Tri-County Shopper News, Chester County Courier.* Peerless Publications, Pottstown—*Mercury* (d). Phoenixville Newspapers, Phoenixville—*Evening Phoenix* (d). Shenandoah Valley Publishing, Shenandoah —*Evening Herald* (d). Wayne Publications, Wayne—*Suburban* and *Wayne Times, Suburban Advertisers, King of Prussia Courier.* RHODE ISLAND: New England Newspapers, Pawtucket—*Pawtucket-Central Falls Times* (d), Woonsocket—*Woonsocket Call & Reporter* (d).

*(d) means daily. Papers not marked as such are either weeklies or shoppers.

RANK

International Data Group 80

Framingham, Mass.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	138	85	62.4
Total sales	160	110	45.5
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	138	85	62.4
Broadcast	0	0	0
Cable	0	0	0

International Data Group, Framingham, Mass., better known in media circles by its publishing arm, CW Communications, publisher of *Computerworld*, ranked as the 80th largest media company in 1984 with net revenues from media operations of $138 million, up 62.4% from 1983.

IDG, which draws its name from the company's research arm, International Data Corp., had total revenues for the year of $160 million, up 45.5%.

The revenue increases are attributed to a 17% gain in ad revenue from *Computerworld*, up to $50 million, and from an increase in the number of foreign publications to 47 from 40 in 1983. The privately held company does not release earnings figures. *Computerworld* is the company's lead publication with paid circulation of 125,969 at yearend, up about 2.5%, according to ABC figures.

With the bottom falling out of the computer publishing business almost as quickly as the industry grew, IDG could not avoid some of the losses experienced by other publishers. There are about half the number of computer magazines now as in late 1983.

In the U.S., *Microcomputing, jr.*, and *Computerworld Buyer's Guides* were discontinued. The buyer's guides were distributed to *Computerworld* subscribers as an ancillary publication. "We cut all our losses and got it over with at once," says Lee Vidmer, exec vp of CW Communications. Overseas, the company closed *Micro Info* in the Netherlands and *Micro Verden* in Denmark.

Some publications were not discontinued outright, but folded into others. *Computerworld Office Automation* was changed into a new monthly called *Computerworld Focus*, which covers a different topic each issue and is distributed to all *Computerworld* subscribers.

IDG also broke *Computerworld on Communications* away from *Computerworld* and set it up as a monthly publication on its own, called *On Communications*. It has 60,000 controlled circulation and covers voice and data communication.

In general, however, the trend this year was contracting and consolidating as the publishing business in general did. "We gain market share," Ms. Vidmer says, although ad pages in computer industry publications in general continued to decline in April, 1985.

There were some major personnel changes within the publishing group. Don Fagan became publisher of *Infoworld* early in 1985, and Art Shields became publisher of *Micro Marketworld*.

Although no new publications are imminent, the company always is looking at new business opportunities. Ms. Vidmer predicts any search for new publications is most likely to come from its Framingham publishing group and its Peterborough group, the former Wayne Green publishing operation. "We probably won't see any new publications from the personal com-

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puter group," she says.

By bringing out *On Communications* as its own vehicle, the company is demonstrating its belief that communications is the direction for growth in the computer industry. "The communications industry has blossomed since the breakup [of AT&T]," Ms. Vidmer says, and the company's Communications Network annual conference has been successful and profitable, particularly the past three years, running contrary to the industry dropoff in computer shows.

The Communications Network Conference is the oldest of the company's conferenced seminars, all of which specialize in communications. The company's Conference Management Group has become a profit center, but it will present no personal computer or consumer shows, both of which have been struggling industrywide.

The company continues to keep a broadcast entity alive doing video work for special projects, and it has no plans to expand this activity. An early foray into tv syndication in 1981-82 was abandoned. "We were ahead of our time," Ms. Vidmer says of the effort.

As a privately held company, International Data Group is not looking to be acquired and has rejected offers from unnamed suitors, Ms. Vidmer says. Nor is the company looking to purchase more properties outright, she says, describing the acquisition of the Wayne Green Publishing operation as being "quasi-successful." Growth in the foreseeable future will come from within the existing company groups.

MEDIA PROPERTIES

Tabloids/magazines, U.S.

CW Communications Inc., Framingham, Mass.: *Computerworld* (tabloid), *Focus* (formerly *Computerworld Office Automation*), *Computerworld on Communications, Computerworld Buyers Guide, Micro Marketworld.* CW Communications Inc., Peterborough, N.H.: *80 Micro, HOT CoCo, inCider, Run, 73 for Radio Amateurs.* Popular Computing Inc., Menlo Park, Cal.: *InfoWorld.* PC World Communications Inc., San Francisco: *PC World, MACWORLD.*

Tabloids/magazines, international

ARGENTINA: *Computerworld Argentina.* ASIA: *Asian Computerworld.* AUSTRALIA: *Computerworld Australia, Australia Micro Computerworld, Australia PC World.* BRAZIL: *DataNews, Micro Mundo.* FRANCE: Le Monde Informatique, Golden, PC World France (OPC). GERMANY: *Commodore, CW Edition Seminar, Software Market, Computerwoche, Micro ComputerWelt, PC Welt, Computer Business.* ITALY: *Computerworld Italia.* JAPAN: *Computerworld Japan, PersoCom World.* NORWAY: *Computerworld Norway.* MEXICO: *Computerworld Mexico, CompuMundo.* PEOPLE'S REPUBLIC OF CHINA: *China Computerworld* (50% joint venture). SAUDI ARABIA: *Saudi Computerworld.* SPAIN: *Computerworld Espana, Micro Systemas.* SWEDEN: *ComputerSweden, MikroDatorn, Min Hemdator, Mikro.* U.K.: *Computer Management, Computer Business Europe, Computer News.*

International Thomson Holdings

RANK 23

New York

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	550	450	22.2
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	550	450	22.2
Broadcast	0	0	0
Cable	0	0	0

International Thomson Holdings, New York, the principal U.S. subsidiary of International Thomson Organisation Ltd. of Toronto, had estimated revenues of $550 million in 1984 from its U.S. business press segment, ranking 23rd among U.S. media companies.

A public company 75.3% controlled by the family of Canadian Kenneth Thomson, Lord Thomson of Fleet, parent ITH is separate from Thomson Newspapers (also covered in this profile report), which controls Thomson newspaper interests in Canada and the U.S. The two were combined in last year's report because of common ownership but were separated this year at the request of Thomson, which cited their complete autonomous operations as reason for separate treatment.

ITH through its International Thomson Business Press publishes 80 business magazines, but ITH also has substantial interests in information services (software, micropublishing, library automation) and in education/reference book publishing, travel and oil and gas.

Advertising Age made its revenue estimate based on the $78.6 million in profit reported in 1984 for ITH's publishing and information businesses in the U.S., an increase of 22% from 1983.

In 1984, ITH reported its business magazines in the medical, transportation and industrial fields performed strongly, while those in communications and electronics were disappointing.

The company launched two new magazines during the year: *Home Satellite Marketing* and *Contemporary Pediatrics.* It also acquired American Health Consultants, which publishes 12 newsletters for physicians and hospital administrators, and National Railway Publication Co., a leading information provider to the railway industry.

The professional publishing group (including *American Banker* and *Bond Buyer*, purchased for $58.7 million in 1983) had a record year in sales and trading profit, ITH says. These publications and those in the information group are generally subscription based. They currently are the most profitable part of Thomson businesses in the U.S.

ITO started its business press unit in the U.S. in the 1970s, growing largely through acquisition. One of its most successful trade magazines is *Medical Economics*, edited for physicians in private practice. The twice-monthly publication had estimated gross ad revenues of $20.1 million in 1983 (the latest available date), on ad pages of 4,073, up 0.7% from the prior year, according to *Folio* magazine, which placed its circulation at 180,087, some 28,938 of which was subscriptions, down 2.8%.

Medical Economics is part of the ITO's Medical Economics Co., Oradell, N.J., along with four other highly circulated publications in the medical profession (with 1983 *Folio* figures and 1982 comparisons when applicable):

Drug Topics, a fortnightly written for drugstore retailing, had gross ad revenues of $4.3 million in 1983 on ad pages of 971, down 1.7%, and circulation of 80,586 (only 2,540 subscriptions), up 3.4%; *Patient Care*, published 21 times a year, addresses clinical problems physicians face in daily practice. It had gross ad revenues of $8.1 million in 1983 on ad pages of 2,465, up 3.1%, and circulation of 112,899.

Practical Cardiology, a monthly written as continuing education for the cardiologist, had ad revenues of $5.1 million on ad pages of 1,692, up 22.6%, and circulation of 145,000, up 6.8%, and *RN*, a monthly, had ad revenue of $4 million on ad pages of 653, down 12.7% with circulation of 366,024, down 2.3%, a circulation that brings total gross revenues of the magazine to $9.1 million.

MEDIA PROPERTIES

Magazines

American Banker, Big Farm Weekly, Building Trades Journal, Bond Buyer, Brandon's Shipper & Forwarder, CableVision, Consumer Electronics, Computer Merchandising, Credit Markets, Contemporary OB/GYN, Contempory Pediatrics, Designfax, Diagnosis, Diagnostic Medicine, Geriatric Medicine Today, Home Satellite Marketing, Hospital Development, Hospital Equipment & Supplies, Huebner's Tooling & Production, Liquor Guide, LIST, Medical Economics, New Electronics, Nursing Opportunities, Pacific Shipper, Physician, Practice 83, Purchasing World, Radio Communicatons Report, RN, Software Merchandising, Veterinary Economics, Veterinary Medicine/Small Animal Clinician, Ward's Auto World, Ward's Automotive Reports, The Weekly Bond Buyer.

Other media operations

American Health Consultants; Auerbach Publishers, professional books, journals, newsletters; Callaghan & Co. and Clark Boardman Co., legal publishers: National Railway Publications Co.; Warren, Gorham & Lamont, professional books, newsletters, journals.

OTHER OPERATIONS

International Thomson Books.

Journal Co.

RANK 61

Milwaukee

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	197	177	11.3
Total sales	340	303	12.2
Net income	34	26	28.0
Sales per medium			
Newspaper	155	140	10.9
Magazine	0	0	0
Broadcast	26	23	11.6
Cable	6	5	0

Journal Co., Milwaukee, is the 61st largest media company, with 1984 media revenues of $197.3 million, up 11.3% from the previous year.

Media revenue at Journal Co. comes largely from the *Milwaukee Journal* and *Sentinel*, weekly newspapers and three tv properties. Together they comprised 58% of the company's total revenues of $339.5 million in 1984. Commercial printing accounts for most of the nonmedia business.

Net income for the employe-owned company rose 28% to $34.1 million in 1984. Although sales and acquisition activity for Journal Co. in 1984 were minimal, the company took steps in the first quarter of 1985 to build its revenue stream by acquiring an independent tv station, launching a weekly publication and selling its cable operation.

The cable system, Teletron Inc., was sold Feb. 28, 1985, to Jones Intercable of Englewood, Col., for $25 million. The system, which was added in 1965, served the central Wisconsin cities of Stevens Point, Wausau and Wisconsin Rapids and had built its subscriber list to 26,000.

"We're better off to concentrate on publishing, broadcasting and commercial printing," says Jack Knake, vp-corporate communications. "If you want to be [successful] in the cable business today, you either have to get big and grow, or not be in it at all."

In January, 1985, the company acquired WFSL-TV, an independent station in Lansing, Mich., for $8.25 million. To support an impending ad campaign to promote it, the company changed the station's call letters to WSYM ("We Say Yes To Michigan") in March. Journal Co.'s other tv properties include ABC affiliate KTNV-TV, Las Vegas, and WTMJ-TV, the NBC affiliate in Milwaukee.

According to the February, 1985, A.C. Nielsen Co. ratings report, KTNV is ranked No. 3 over-all in the tight Las Vegas market, posting a 7 rating with a 19 share. The station follows NBC affiliate KVBC, ranked No. 1 over-all, and CBS affiliate KLAS, ranked No. 2. WTMJ, with a 9 rating and a 25 share, ranks No. 1 in the Milwaukee market, according to Nielsen.

Journal Co.'s print properties showed significant gains in 1984. Total revenues for the *Milwaukee Journal* and *Milwaukee Sentinel* combined increased by 12.4%, according to Mr. Knake. Circulation increased for the *Sentinel* and the *Journal's* Sunday edition, but fell for the *Journal's* daily edition.

While the ABC March, 1985, report shows circulation for the Journal's Sunday edition climbed to 529,636, a 0.5% increase from the same period a year earlier, circulation for the *Journal's* daily edition fell 1% to 303,127. The *Sentinel's* circulation is posted at 183,621, a 1.8% increase.

Add Inc., a group of shoppers in Montana and Wisconsin, added the *Oshkosh* (Wis.) *Buyer's Guide* and the *Neenah* (Wis.) *Buyer's Guide* to its list of nine properties in September, 1984. Total revenues for the entire group increased in 1984 by 23.6%, notes the company.

In March, Journal Co. added the weekly *Stratford* (Conn.) *Star* to its roster of five weekly publications produced by its Hometown Publishing division in Trumbull, Conn. Total revenues for the Hometown Publishing group increased in 1984 by 18.4%.

Personnel changes in 1984 included giving Robert A. Kahlor, president, Newspapers Inc. (which governs the *Journal* and *Sentinel*), the additional title of exec vp, Journal Co. Mr. Kahlor succeeds Warren J. Heyse, now president of the Journal Co. D.

The editorial staffs of the company's two dailies voted to institute a guild in June, 1984, by a vote of 161 to 136. According to Mr. Knake, editorial employes are "still in negotiations" for a contract and company officials "have no idea when one will be approved."

Journal Co. also owns Teleport, Skokie, Ill., a facility of Midwestern Relay Inc. Teleport supplies communications satellites and feeds signals to Chicago-area broadcasters for pick-up and transmission.

MEDIA PROPERTIES

Broadcasting

TV:KTNV, Las Vegas; WTMJ, Milwaukee; WSYM, Lansing, Mich.

RADIO: WTMJ (am), WKTI (fm), Milwaukee.

Newspapers (dailies)

WISCONSIN: *Milwaukee Journal, Milwaukee Sentinel.*

Newspapers (nondailies)

CONNECTICUT: Hometown Publishing, includes *Easton Courier, Huntington Herald, Monroe Courier, Stratford Star, Trumbull Times.*

Shoppers

Add Inc. with papers in MONTANA: Great Falls, Missoula. WISCONSIN: Berlin, New London, Neenah, Oshkosh, Seymour, Stevens Point, Waupaca, Wausau, Wisconsin Rapids.

OTHER OPERATIONS

Education: MJE Corp., Niles, Ill. Microwave service: Midwestern Relay Inc. Commercial Printing: Perry Printing Corp., Waterloo, Wis., with plants in Baraboo, Milwaukee, Norway, Mich., and Trumbull, Conn.

Knapp Communications

RANK 97

Los Angeles

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	98	89	10.3
Total sales	111	99	12.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	98	89	10.3
Broadcast	0	0	0
Cable	0	0	0

Knapp Communications, Los Angeles, whose attempts to revive *Geo* magazine have finally ended with the scuttling of the magazine this year, is the 97th largest media company, with 1984 media revenues of $97.6 million, up 10% from 1983.

Total consolidated revenues for 1984 (all figures are for the fiscal year ended Jan. 31, 1985) were $111.2 million, of which 79% was generated by advertising and circulation revenues for the three U.S. magazines published by the company—*Architectural Digest, Bon Appetit* and *Home.*

Missing from this roster is *Geo*, the 250,000-circulation magazine purchased from German publisher Gruner & Jahr in 1979. First billed as "a new view of our world," *Geo*'s identity shifted to the "Earth Diary" and finally—as of last September—to the travel field. It ceased publication with the February, 1985, issue.

In the view of industry observers quoted in the March, 1985, *Folio*, the final transformation came too late, necessitating a period of several more years until readers and advertisers became used to the new product. But magazine group publisher Harry Myers told *Folio* it would have been too expensive to pump up *Geo's* circulation to the 500,000 level needed to cover the costs of producing the lavishly illustrated magazine. It was estimated that *Geo* consumed an estimated $70 million of Gruner & Jahr and Knapp money during its short history.

The remaining three magazines are geared to the upscale market that Knapp has made its focus. *Architectural Digest*, purchased by Knapp 20 years ago, was transformed from a twice-annual trade magazine into a monthly for consumers.

Thomas P. Losee Jr., vp-publisher, hired from Hearst Corp. last year, says, "Nobody spends the kind of money we do" to reach the market with a median income of $82,000 and a median age of about 40. "We were one of the few magazines mentioned in the 'Yuppie Handbook,'" he says.

Last year marked *Architectural Digest's* biggest annual ad revenue bonanza—$20.8 million—with ad pages increasing 3% over the previous year. *AD* ad pages were up 2.5% to 1,503 in 1984 bringing revenues of $27.8 million, up 12.6%.

The 1984 circulation figure, exclusive of foreign editions (a German edition, published by Burda-Verlag, was added to the lineup of foreign licensees last year), was 601,000, a slight drop from 602,397 in 1983. Gross circulation revenues in 1984 were $21.1 million.

This year, *Architectural Digest* was chosen to fulfill the subscriptions of former *Geo* readers.

Legend has it that Bud Knapp once walked into a bookstore and discovered that the only books that sold more than the Bible were cookbooks, and so *Bon Appetit* was transformed from a Pillsbury giveaway into a food magazine for the rich. Ad revenues at the magazine were $16.6 million in 1984 on a net basis, and $24.1 million at gross. Ad pages were up 10% to 1,116 over the previous year. Circulation remained steady at 1.3 million with circulation gross revenues at $16.1 million.

Asked what impact Conde Nast's purchase of rival *Gourmet* magazine might have, *Bon Appetit* publisher Robert Phelps said he expected it to be "a force with which to be reckoned," but noted that "they still do not want to compete with us in the food area." *Bon Appetit's* emphasis is on recipes that can be prepared with food available in the supermarket.

Mr. Phelps is excited about the tv show "Master Chefs of New York," which *Bon Appetit* developed last year in collaboration with KQED/Golden Productions, San Francisco. The magazine was asked to be a "creative partner . . . We chose the restaurants, chose the menu, prepared the cookbook, tested the recipes," Mr. Phelps says. That cookbook, published by otherwise inactive Knapp Press, funded the production with sales—at the most recent count—of 77,000 copies. Says a Knapp spokesperson of the 13-week show, first aired last July in New York and since shown elsewhere in the U.S.: "It was a pretty successful co-venture . . . very important for the cooperation of television and magazines." A second series is scheduled to go into production this summer.

When Knapp acquired *Home* (formerly *Hudson Home Magazine*) in 1981, its circulation stood at 380,000. Last year that figure rose to 579,000, up 38,231 from 1983. Publisher George Fields says that, as of March, 1985, the total has jumped to 700,000. Ad pages rose 33.5% to 610 in 1984 and ad revenues hit $7.3 million, up 55% from 1983, according to Publishers Information Bureau.

Mr. Fields cites *Home's* 1983 redesign, increasing strength on the newsstand and appeal to the growing numbers of "affluent couples who are really defining their position in life by their home surroundings," as factors in the magazine's recent growth. "Shelter magazines used to be fairly passive," he says. "Now there is a dual interest in the home . . . you sit around the bar and hear guys talking about their kitchens." The kitchen is the focal point, Mr. Field says, but the bathroom is emerging as "an equally interesting area." *Home* carries more kitchen and bath editorial pages than any other U.S. consumer magazine.

Four years ago, Knapp began working on the first of its motivational market studies, which are supplied free to ad agencies and the industries the studies survey. "You can't sell space to people unless you understand what their problems are," says vp-associate magazine publisher Bob Brown, who wrote last year's study "The Affluent Market and the Automobile." This year he'll be coming out with cross-tabulated information on auto imagery.

Also due out this year is a survey of why people do and do not buy furniture for their homes and a report on liquor-buying habits. Next year, Mr. Brown says, home furnishings probably will be surveyed, and "at some point" consumer electronics buying habits may be subjected to scrutiny. On the latter subject, Knapp is rumored to be bringing out a new publication related to the electronics field, a subject on which Knapp remains quiet.

Each area of study is in line with the leading categories of business Knapp attracts in its magazines. "We look at it as an investment," Mr. Brown says. "With all this kind of data, you can talk to the chairman of the board, the president . . . How can you be in this business and not care about everyday real-life consumer information?"

MEDIA PROPERTIES

Magazines

Architectural Digest, AD (Milan), *Bon Appetit, Home* (general partner).

OTHER OPERATIONS

Knapp Press, Rosebud Books.

Knight-Ridder Newspapers

RANK 8

Miami

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	1,665	1,473	13.0
Total sales	1,665	1,473	13.0
Net income	140	119	17.7
Sales per medium			
Newspaper	1,489	1,317	13.0
Magazine	0	0	0
Broadcast	63	52	21.5
Cable	N/A	N/A	N/A

Knight-Ridder Newspapers, Miami, continues to build on its performance in 1984 that produced media revenues of $1.67 billion, ranking the company 8th among the nation's media companies.

Media revenues at Knight-Ridder increased 13% from the prior year. K-R has several media support operations—newsprint maker and supplier, newspaper sales, trucking system, and a small book printing facility—but these are treated as media in this issue. They represented less than 3% of total revenues in 1984.

In the first quarter of fiscal 1985 ended March 31, K-R showed earnings of $28.9 million, a gain of 10.7% over the comparable period in 1984. K-R's 1984 total earnings grew 17.7% over 1983, outpacing a 16% increase in the previous year-to-year period.

While K-R remains essentially a newspaper company—89.4% of total revenues were from newspapers in 1984—it continues to dabble in the broadcast market. Early this year, it linked forces with Scripps-Howard and Tele-Communications Inc. to bid unsuccessfully for Storer Communications, a Miami cable and broadcast company.

K-R is sticking to its Viewtron videotex experiment despite capital expenditures of $40 million thus far, and a loss in 1984 of $17 million as reported by K-R chairman Alvah Chapman Jr. to a group of security analysts last year. Viewtron, which in 1983 became the nation's first consumer videotex service, has about 3,000 subscribers, short of the 5,000 it had expected by the end of its first full year of operation.

Viewtron, seeking a market niche for its menu of services, may have found one. By this summer, Viewtron will offer a software package allowing Apple II and Commodore 64 computer users to hook up to Viewtron through their own equipment, eliminating the special hardware required to receive Viewtron data. That hardware originally cost $600, a one-time cost scrapped last year in favor of a monthly rental, which at first was $39.95 and more recently $24.95.

The year also saw a change in management at Viewtron as well as the cutting of 41 fulltime employes and an undisclosed number of parttimers. Viewdata Corp. of America president Albert J. Gilien retired and was replaced by *Jackson* (Tenn.) *Sun* publisher Reid Ashe, who took the new title of ceo. Former Heublein International executive Paul Orme was appointed president.

Ad revenues of K-R's biggest media section—newspapers—climbed 14.7% on the strength of a 24.6% increase in classified revenues. Particularly strong showings were posted in employment advertising, up 41%, and automotive advertising, up 26%. Total full-run linage rose 4.6%. Preprint ad revenues also showed strong gains. Full-run preprint revenues climbed 25.8% and zoned part-run preprint revenues rose 22.8%.

K-R introduced six new suburban-zoned "neighborhood" sections and four more Business Monday-style products to its 24 daily general newspapers. No new papers, however, were added in 1984. In two markets, Long Beach, Cal., and Aberdeen, S.D., the papers were converted to morning publication. In a third market, St. Paul, Minn., K-R announced plans to combine the city's two daily papers, the *St. Paul Pioneer Press* and *St. Paul Dispatch*, into a single publication with morning and afternoon editions.

K-R's total daily circulation rose by 38,000 to 3.83 million; Sunday circulation grew by more than 79,000 to 4.59 million.

K-R carried out or committed itself to a number of capital improvement projects for its newspaper properties in 1984. A new $16 million state-of-the-art plant was opened in Bradenton, Fla., where the company publishes the *Bradenton Herald*. In St. Paul, the *Dispatch* and *Pioneer Press* gained a new $11 million office building. Pagination systems were approved for Philadelphia and Long Beach, and K-R began testing flexographic printing in Miami and Long Beach.

Because of the strength of the dollar abroad and the slowdown in international travel to Miami, growth of the *Miami Herald* was slightly below the company's composite average. The paper continues to be K-R's major profit center, with total revenues up 11.6% over last year, to $230.4 million.

The *Herald* beefed up editorial coverage in the counties north of Miami, where a battle has been brewing for new subscribers during the past few years. This area, also hotly pursued by the Fort Lauderdale and Palm Beach daily papers, is where the overwhelming majority of South Florida's growth will occur in the coming decade.

The *Philadelphia Inquirer* and *Philadelphia Daily News* also introduced several new products in 1984 to secure readership: Three zoned neighborhood sections and a beefed-up sports section at the *Inquirer* and a targeted Business Plus section at the *News*. The two papers continue to contribute 21% of K-R's total operating revenues, with ad revenues up 18.3% over 1983 to $263.3 million in 1984. *Inquirer* daily circulation is slipping slowly. The latest figures show average daily circulation of 519,621, down 2.9%, and the Sunday circulation of 1,011,837, up 0.4%, according to March 31, 1985, ABC audited figures comparing six-month averages for that period to the comparable 1984 period.

At the Detroit Free Press circulation figures for the daily climbed to 646,476 daily, up 2.4%, but dipped to 778,178 for Sunday, off 1.1%. The lower Sunday circulation has to do with an increase in the Sunday price early this year, from 50¢ to 75¢ per copy.

The *Free Press* is the only paper in the K-R stable facing stiff head-on competition, making it a perennial money loser for the company. The locally-owned *Detroit News* had daily circulation of 666,949, up 1.5%, and Sunday's 884,763, up 2.8%.

However, total r.o.p. ad linage share of market in 1984 for the *Free Press* vs. the Evening News Assn.'s *News* rose slightly to 41.3% compared to 41.2% in 1983 and 41.0% in 1982, says K-R. Ad revenues at the morning *Free Press* rose 9.8%, to $104.8 million, with a 36.3% increase in classified ad revenues leading the way, thanks to an improved automotive industry.

The *San Jose Mercury News*, which converted to an all-day newspaper in 1983, broke its circulation record, rising to 259,059 for the daily, up 5.4%, and 309,527 on Sunday, up 3.6%. The paper, which contributes 10% of all K-R newspaper revenues, has expanded its business coverage and has introduced a Religion and Ethics section to Saturday's edition. Ad revenues were up 21.2% over 1983, to almost $153.9 million.

In the broadcast area, K-R bought one cable system and sold another, reflecting management's cautious approach to diversification. TKR Cable Co., a joint venture with Denver-based Tele-Communications Inc., purchased Hamilton Cablevision, Hamilton, N.J. The $22 million purchase brought TKR's total subscriber count to 161,000. Trading the East Coast for the West Coast, K-R and partner Times Mirror Co. agreed to sell Long Beach Cablevision to Simmons Communications, Stamford Conn. The sale will be completed this year.

Broadcast revenues rocketed 35.9% over 1983, largely because of the November, 1983, purchase of ABC-affiliate WNGE-TV (the name was changed to WKRN-TV), Nashville, Tenn. One industry analyst says he expects K-R will get more heavily involved in tv and cable if the Viewtron experiment ends.

K-R also is showing signs of slow penetration of other areas of information dissemination.

Two acquisitions were completed in the business information services division, where revenues grew last year by 14.9% to $67 million: Commodity Research Bureau, which provides charts for commodity traders, and Tradecenter, which provides real-time graphic price information to the financial community. These products complement K-R's Commodity News Service, whose customer base increased to more than 35,000. The company said, however, revenue growth in this area was below expectations.

K-R also made a commitment to expand the *Journal of Commerce* in 1985 with a West Coast edition published via satellite. The publication is considered the dominant source of information on ocean cargo and shipping, and plans are also in the works for a Midwest edition.

On the mobile telephone front, K-R's Tel-Air Network opened operations in Miami, Tampa, Austin and San Antonio, but sold its interests in cellular telephone applications pending in eight markets to McCaw Communications. The company made the move because of an unanticipated rule change by the FCC that would have made K-R a minority owner in any franchises awarded.

K-R received an additional boost in 1984 by being featured in the book, "The Best Companies to Work for in America." Management gets high marks from both analysts and employes and is said to be a company that knows when to swim and when to return to shore. Says industry analyst Bruce Thorp of Ryan, Lynch & Jones, Washington, "At Knight-Ridder the emphasis is on quality. They made a commitment to develop the best system they could."

MEDIA PROPERTIES

Broadcasting

TV: WJRT, Flint, Mich.; WKRN, Nashville, Tenn.; WPRI, Providence, R.I.; WTEN, Albany, N.Y.; WTKR, Norfolk, Va.

Cable/video

TKR Cable Co. (50% interest): NEW JERSEY: Aberdeen, Barnegat Light, Beach Haven, Bernards, Bound Brook, Bridgewater, Dunellen, Edison, Elizabeth, Green Brook. Hamilton, Harvey Cedars, Highland Park, Keansburg, Key Port, Long Beach, Manville, Matawan, Metuchen, Middlesex, Milltown, Montvale, New Brunswick, Old Bridge, Piscataway, Raritan, Sayerville, Ship Bottom, Somerville, South Amboy, South Bound Brook, Surf City, Union Beach, Warren, Watchung. NEW YORK: Rockland County. CALIFORNIA: Long Beach Cablevision Co. (50% interest). Agreement to sell in 1985.

Videotex

Viewdata Corp. of America (Viewtron).

Newspapers (dailies)

CALIFORNIA: *Long Beach Press Telegram, Pasadena Star-News, San Jose Mercury News*. COLORADO: *Boulder Daily Camera*. FLORIDA: *Boca Raton News, Bradenton Herald, Miami Herald, Tallahassee Democrat*. GEORGIA: *Columbus Enquirer, Columbus Ledger, Macon Telegraph & News, Milledgeville Union-Recorder*. INDIANA: *Fort Wayne News-Sentinel, Gary Post-Tribune*. KANSAS: *Wichita Eagle-Beacon*. KENTUCKY: *Lexington Herald-Leader*. MICHIGAN: *Detroit Free Press*. MINNESOTA: *Duluth News-Tribune & Herald, St. Paul Pioneer Press & Dispatch*. NORTH CAROLINA: *Charlotte News, Charlotte Observer*. NORTH DAKOTA: *Grand Forks Herald*. OHIO: *Akron Beacon Journal*. PENNSYLVANIA: *Philadelphia Daily News, Philadelphia Inquirer, State College Centre Daily Times*. SOUTH DAKOTA: *Aberdeen News American*.

Newspapers (nondailies)

CALIFORNIA: *Anaheim Independent, Arcadia Tribune, Buena Park News, Duartean* (Duarte), *Huntington Beach Independent, La Mirada Lamplighter, Monrovia News-Post, Orange County News, Temple City Times*. FLORIDA: *Florida Keys Keynoter*.

Business information

Commodity News Services, *Journal of Commerce*, Unicom News (50% interest), VU/TEXT Information Services.

Other media operations

Circom Corp., Commercial Terminals of Detroit, Inc., HP Books, Knight-Ridder Newspaper Sales Inc., Observer Transportation Co., Portage Newspaper Supply Co., Twin Cities Newspaper Services Inc.

Members of the board

CBS knew a franchise when it saw one, clinging to Walter Cronkite as a special correspondent after his retirement from nightly news, and as a board member where he sits with other luminaries, William S. Paley, founder and chairman; Michel C. Bergerac, chairman of Revlon Inc.; Harold Brown, chairman of the Foreign Policy Institute at Johns Hopkins University, and Franklin A. Thomas, president of the Ford Foundation, among others.

Kohlberg Kravis Roberts & Co.

RANK 38

Los Angeles

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	302	299	0.9
Total sales	302	299	0.9
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	200	209	-4.3
Cable	102	90	13.0

Kohlberg Kravis Roberts & Co., the New York-based private investment banking company, is the nation's 38th largest media company with revenues from media properties of an estimated $302 million in 1984.

KKR's ownership during 1984 of KTLA-TV, the Los Angeles independent station, and its ownership during eight months of 1984 of the six tv stations and cable operations of what used to be Wometco Enterprises, Miami, are included in ADVERTISING AGE's media estimate. A year-to-year comparison is not applicable because of the partial-year ownership of Wometco by KKR.

KKR has assumed a prominent role in the nation's broadcast media by virtue of its purchases—all leveraged buyouts—in the past two years. The company bought the country's largest independent tv station, KTLA in Los Angeles, in 1982. In March, 1984, shareholders at Wometco Enterprises in Miami agreed to a $1 billion buyout engineered by KKR. Then in May, 1985, Storer Communications agreed to a buyout.

In a leveraged buyout, a company is sold, generally to its management in cooperation with outside interests. Because this incurs sizable debt, the debt is serviced by the cash flow from existing properties and by the sale of assets to reduce the debt.

Storer revenues are not included in those of KKR in this profile because that deal is still being concluded, and the time period determining the rankings by AD AGE is calendar 1984 or fiscal years that may end as late as March 31, 1985. (For more information, see Storer profile.)

KKR remains highly active in the market on all fronts, selling KTLA in May, 1985, to Tribune Co. of Chicago for $510 million, nearly twice the price KKR paid former movie cowboy Gene

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Autry for it in 1982. In mid-1985, KKR was in the process of purchasing Storer Communications in Miami for an estimated $1.64 billion. Shareholder resistance has held up that purchase.

This activity may just be the beginning. The company plans to continue to deal in communications properties—"if the price is right," qualifies Anthony Cassara, president of Wometco Broadcasting Co. Indeed, KKR must sell off some of its acquisitions because several run counter to FCC regulations prohibiting media crossownership in the same market.

In 1982, KKR purchased KTLA for $245 million, followed by the purchase in 1984 of Wometco Enterprises, including large cable holdings and six tv stations. To manage these new stations, KKR formed Wometco Broadcasting Co.

Mr. Cassara, president of KKR's Golden West Television (its sole tv property was KTLA) at the time of the Wometco purchase, was given the additional title of president of Wometco Broadcasting. Mr. Cassara, while heading up KTLA for one-time owner, Mr. Autry, first made the KKR connections, getting the investment banker to participate in a buyout of KTLA in which he became part-owner along with KKR.

Mr. Cassara estimated combined revenues of KTLA and only the Wometco tv properties at $200 million for 1984. In 1983, KTLA had estimated revenues of about $130 million and Wometco's six tv stations had revenues of $79 million. KTLA in the 1984 estimate supplied about 71% of the seven-tv total. Wometco's cable operations, accounting for revenues of $90.3 million in 1983, had estimated revenues of $102 million in 1984.

When the sale of KTLA is finalized in late summer—pending FCC approval of the license transfer—Golden West Television will be dissolved, Mr. Cassara says. He will remain as president of Wometco Broadcasting.

Meanwhile, things are changing at Wometco. Wometco Broadcasting has sold KVOS-TV in Bellingham, Wash., to Ackerley Communications, Seattle, and is selling WZZM-TV in Grand Rapids, Mich., to Price Communications, New York, pending FCC approval.

Wometco Enterprises, which split into two divisions—Wometco Broadcasting and WEI Enterprises—at the time of the KKR purchase, has whittled away at the WEI division, selling off its soft drink business in February, 1985, and its vending and theater activities in June, 1985. That leaves only cable operations in the division. At the end of July, 1985, WEI Enterprises will become a separate private company called Wometco Cable TV Inc., solely to house the vast cable business.

Wometco's cable operations increased total subscribers 12.1% to 305,000 from 1984 to mid-1985 serving communities in North Carolina, Georgia, Alabama, Mississippi, Louisiana, and Oklahoma. The systems passed 544,000 homes, and pay tv units (one sub may have more than one unit) were 233,000. During 1984, the company added systems in Kingstree, S.C., and a group system in Red Springs, N.C. In early 1985, the company sold its Ausable Communications, Plattsburg, N.Y., system to Gateway Cablevision and acquired the Manning, S.C., system.

Of the Storer Communications buyout, Mr. Cassara says there are no plans to combine it with Wometco. The two will remain different companies with separate corporate entities, he says.

Storer has about 1.5 million basic subscribers and estimated cable revenues of $341.8 million. The Miami-based company also owns seven tv stations with estimated revenues of about $195 million, which KKR also obtained in the purchase. These stations serve the markets of Atlanta, Boston, Detroit, Cleveland, Toledo, San Diego and Milwaukee.

Concerning the stations sold at Wometco, Mr. Cassara says they were sold because they serve markets smaller than those in which Wometco is interested, and KKR purchased them only because they were included in the original Wometco deal.

The sale of these stations leaves Wometco with four stations: Two uhf channels in Newark, N.J., and Smithtown, N.Y.; an ABC affiliate in Asheville, N.C., and a CBS affiliate in Miami.

KKR now has 11 stations among Wometco and Storer properties, but because FCC regulations count uhf stations as half of a vhf station, KKR legally owns only 10—two below the limit of 12.

KKR, however, has tv and cable franchises in the same market, a crossownership that runs counter to FCC regulations. KKR will need to do something about the Miami market where Wometco owns a tv station and Storer has the cable rights. One must go. "These decisions probably won't be made for another year," Mr. Cassara says.

"KKR is very interested in the broadcast industries, and would like to invest more. But this desire is contingent upon the market. If tv station prices continue to rise, then leveraged buyouts are going to be difficult."

MEDIA PROPERTIES

Broadcast

Wometco Broadcasting: WTVJ, Miami/West Palm Beach; WWHT, Newark, N.J.; WSNL, Smithtown, N.Y.; WLOS, Asheville, N.C./Greenville-Spartanburg, S.C.

Cable/video

ALABAMA: Wometco Cable TV of Alabama, (Daleville and Dothan). GEORGIA: Alert Cable TV (Fort Benning); Wometco Cable TV of Clayton County (Jonesboro), Fayette County, Fulton County (Hapeville), Cobb County (Marietta), Conyers-Rockdale (Conyers); Wometco Cable TV of Georgia, (Douglasville, Kennesaw, Mableton, Snellville). LOUISIANA: Cable TV of Pointe Coupee (New Roads); Church Point Cable TV (Church Point); Jeff Davis Cable TV (Jennings); Lafourche Communications (Chackbay, Labadieville, Mandeville, Thibodaux); River Parish Cable TV (Vacherie); St. Landry Cable TV (Opelousas); Cable TV of Acodiana (Eunice); St. Tammany Cablevision, (Slidell). MISSISSIPPI: Picayune Cablevision (Picayune). NORTH CAROLINA: Alert Cable TV of Goldsboro (Goldsboro); Alert Cable TV of North Carolina (Carrboro, Cary, Cherry Point, Elizabethtown, Fairmont, Farmville, Garner, Guilford County, Pembroke, Roeford, Red Springs, Reidsville/Stoneville, Selma, St. Pauls, Wake Forest/Wendell); Alert Cable TV of Wilson (Wilson). OKLAHOMA: Alert Cable TV of Oklahoma (Pryor). SOUTH CAROLINA: Alert Cable TV of South Carolina (Andrews, Georgetown, Lake City/Bishopville, Summerville, Johnsonville, Kingstree); Columbia Cable TV Co., (Columbia); Manning. GRAND BAHAMAS: Grand Bahama CATV, Freeport.

Other media properties

Golden West Subscription of Dallas; Golden West Productions; Golden West Videotape and Golden West Television Distribution.

RANK 52

Landmark Communications

Norfolk, Va.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	225	186	21.0
Total sales	229	186	23.1
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	192	163	17.8
Magazine	0	0	0
Broadcast	33	22	53.9
Cable	N/A	80	N/A

Landmark Communications, Norfolk, Va., whose TeleCable division was spun off to become a private company in January, 1984, was the 52nd largest media company, with 1984 media revenues of $225 million, 98.3% of its corporate revenue of $229 million.

The divestiture left Landmark basically with its traditional newspaper properties and two tv and two radio stations. Media revenues from these continuing operations were up 21% from the prior year.

Of the 1984 revenues, 83.7%, or $191.6 million was from the company's publishing enterprises—primarily daily and weekly newspapers—compared with 87.4% the year before. Broadcasting revenues increased 53.9% to $33.4 million.

Company officials will not give additional financial details, but much of the increase in broadcasting revenues in 1984 came from Landmark's Weather Channel. Although still running in the red, the Weather Channel received substantial income from subscriber fees, which the company instituted Jan. 1, 1984.

The subscriber fees, charged to cable operators, range from 3¢ a month a customer for larger markets to 5¢ in smaller markets. Assuming an average of 4¢ a month for each of the Weather Channel's 16 million customers in 1984, gross income from subscriber fees would be $640,000 a month or $7.68 million a year.

John O. Wynne, chairman of the Weather Channel and president of Landmark Broadcast & Video, says subscriber fees represented about 45% of the Weather Channel's 1984 revenue, but this percentage will drop in the next few years because subscription rates were guaranteed for three years.

"Implementation of the subscription fees puts us on a solid financial footing, and even though we still are losing money, we're pleased with the direction the Weather Channel is taking," Mr. Wynne says. "Our costs now are very manageable, and we expect to see a positive cash flow beginning in 1986."

Mr. Wynne says ad revenues from the Weather Channel doubled in 1984 from 1983 figures.

The Weather Channel's ad sales were helped by its first ratings from A.C. Nielsen Co., at the beginning of 1985 when the channel first totaled 12 million subscribers. The metered ratings have been constant at 0.4, Mr. Wynne says. This means that at any given moment the channel is being watched in 70,000 households. The figure, Mr. Wynne says, is comparable to USA Cable Network, Entertainment & Sports Programming Network and Cable News Network during parts of the day.

Less than a quarter of 1% of the 1,750 cable operators carrying Weather Channel dropped the service when the subscription fees began, Mr. Wynne says, although some chose to continue under their old nonpayment status until the contractual period concludes and then negotiate a subscription fee.

"Our financial growth, with implementation of the subscriber fee, is right on schedule," Mr. Wynne says.

Landmark's three major daily newspapers, the *Norfolk Virginian Pilot* and *Ledger-Star*, the *Roanoke Times & World News* and the Greensboro, N.C., *News & Record*, showed consistent advertising and circulation gains in 1984, says Landmark vp E.C. Oldfield Jr. Those papers accounted for 69% of Landmark's publishing revenues in 1984, a drop from 60% in 1983, he says, noting the drop had to do with a bigger base created through the acquisition of new publications.

The acquisitions included a weekly newspaper, the *Henry County Local*, New Castle, Ky., and *Style Inc.*, a free-distribution, entertainment-oriented newsprint magazine serving the Richmond, Va., market. *Style* joins *Port Folio*, which serves Hampton Roads, Va., and *Spectator* Magazine of the Triad, Greensboro, N.C. Another new publication introduced in 1984 was a South Florida edition of *Senior World*, Fort Lauderdale, Fla.

Perry Morgan, exec vp-executive editor of Landmark Communications and senior editor of the *Virginian-Pilot* and *Ledger-Star*, retired in February, 1985, after 12 years at Landmark. His replacement has not been announced.

Mr. Oldfield is optimistic about 1985 financial prospects at Landmark. "We had a particularly good 1984, with across-the-board publishing and broadcasting revenue increases from 1983, and 1985 continues to look encouraging."

MEDIA PROPERTIES

Broadcasting

TV: KLAS, Las Vegas; KNTV, San Jose. RADIO: WTAR (am) and WLTY (fm), Norfolk, Va.

Magazines

Port Folio, Hampton Roads, Va.; *Senior World*, South Florida edition, Fort Lauderdale; *Spectator* Magazine of the Triad, Greensboro, N.C.; *Style Inc.*, Richmond, Va.

Newspapers (dailies)

CALIFORNIA: *El Cajon Daily Californian.* INDIANA: *Mount Vernon Democrat.* KENTUCKY: *Elizabeth News Enterprise.* MARYLAND: *Westminster Carroll County Times.* NEW MEXICO: *Los Alamos Monitor.* NORTH CAROLINA: *Greensboro News & Record.* VIRGINIA: *Norfolk Virginian Pilot, Ledger-Star* (Norfolk), *Roanoke Times & World News.*

Newspapers (nondailies)

FLORIDA: *Citrus County Chronicle*, Inverness, south Florida edition of *Senior World* (Fort Lauderdale), *Sumter County Times* (Bushnell). KENTUCKY: *Henry County Local*, New Castle. ILLINOIS: *Vandalia Leader Union.* INDIANA: *Journal & Democrat* (Rockport), *News* (Tell City). IOWA: *Opinion Tribune* (Glennwood), *Red Oak Express.* KENTUCKY: *Anderson News* (Lawrenceburg), *News Democrat* (Carrollton), *Casey County News* (Liberty), *Central Kentucky News-Journal* (Campbellsville), *Cynthiana Democrat, Lebanon Enterprise, Oldham Era* (La Grange), *Shelbyville Sentinel-News, Springfield Sun, Trimble Banner Democrat* (Bedford). MARYLAND: *Reisterstown Community Times, Randallstown News.* MISSISSIPPI: *New Albany Gazette.* VIRGINIA: *Galaxy Gazette, Style Inc.*, Richmond. Also, 22 free shoppers plus special interest publications magazines and Capital-Gazette Newspapers, Anapolis, Md. (49.9% owned).

RANK 64

Lee Enterprises

Davenport, Ia.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	183	166	10.1
Total sales	190	173	10.1
Net income	26.7	22.8	17.2
Sales per medium			
Newspaper	134	121	11.3
Magazine	0	0	0
Broadcast	49	46	6.6
Cable	0	0	0

Lee Enterprises, the 64th largest media company in the U.S., had revenues of $182.7 million from its Midwest newspaper and broadcast properties in 1984, a 10% increase from 1983.

Lee achieved similar growth in recording total revenues of $190 million, up 10.1%. For the first half of the new fiscal year ended April 30, 1985, Lee had earnings of $11.4 million, an increase of 23.5% over the comparable period a year earlier, on operating revenues of $100.6 million, up 9.5%. For 15 of the past 16 years, earnings have risen.

The Davenport, Ia.-based company publishes daily newspapers in eight states, operates tv stations in five states, owns directly or indirectly four radio stations in Illinois and Nebraska, participates in cable tv services in Iowa and Wisconsin and, through a joint venture, is a leading producer of photosensitive polymer printing plates for newspapers.

In 1984, the newspapers were particularly strong. Newspaper operating income was up 17% to $13.2 million, 26.3% of total operating profit compared to 24.8% in 1984. Revenues from newspaper operations were $120.8 million, up 10%. Lee president Lloyd Schermer says not all the newspaper division's performance can be attributed to the upturn in the economy.

"We are modifying some of the traditional ways we have operated in order to respond to fundamental changes taking place in our industry," Mr. Schermer says.

A matter of no small concern to newspaper publishers, including Lee Enterprises, is the shift of retail advertising linage from newspapers to ad circulars delivered either as inserts in the newspapers or by mail carriers, thus eroding newspapers' revenue base.

"Our goal," Mr. Schermer says, "is to counter this trend by creating new products which will lead to an increased share of advertising dollars."

To that end, Lee Enterprises' corporate marketing staff was gradually expanded to include: Stuart Schwartz, former associate professor of communication at Georgia State University, now corporate director of newspaper marketing; and Molly Greider, the new director of newspaper and sales promotion. She had a similar title at Lee's *Decatur* (Ill.) *Herald & Review.*

Newspaper advertising and circulation revenues were up 9.1% and 12.8%, respectively, in 1984. Classified advertising and preprint unit increases were primarily responsible for the ad revenue increase.

"Our newspaper groups have targeted an additional 13,000 subscribers during this fiscal year by producing a better product and improving our sales and marketing skills," Mr. Schermer says. "This is a much wiser investment than buying another newspaper with the same circulation at today's prices."

Lee made no additions to its newspaper or broadcast properties in 1984, preferring instead to continue its program of seminars aimed at improving managerial skills. Eight such seminars were held in 1984 and an additional four were scheduled for 1985.

The *Ottumwa Courier* in Iowa converted from afternoon to morning publication, and after six months, circulation has risen above preconversion levels, says the company. Ad linage is up as well.

Hopes are high on a new monthly tabloid, *Western Business*, published by Unicorn Communications, a subsidiary of Lee's *Gazette* of Billings, Mont. With a 26,000 circulation, the business publication reaches subscribers in Montana, Wyoming and the western portions of North and South Dakota. Ad revenue is running 77% above the early forecasts made in January when it started up.

Lee is attempting to save its Call-It Co. business, developed at the time of the AT&T divestiture. Call-It Co. was designed to provide information—from sports scores to weather to Bible readings—to phone callers who are charged for each call through their regular phone bill. Lee had entered the business through a joint venture with Audichron Co., Atlanta, but scuttled that venture in 1984 to move its Call-It Co. in another direction—to use the service to sell information. Under the system, a user (anyone with a telephone) calls a published number for sports scores, weather reports, humorous quips, or Bible readings and quizzes.

The broadcasting group's performance in 1984 was not as strong as that of the newspapers. Broadcasting revenues were up 6.6% to $48.5 million, equal to 20.5% of total revenue in 1984, down from 22.5% in 1983 and 26% in 1982.

Increased competition from independent stations in the markets served by Lee's tv properties, along with weak advertising demand, led to the minimal revenue gains. Higher operating costs associated with KOIN-TV's move to new broadcast facilities in Portland, Ore., coupled with costs related to programing improvements, contributed to reduced operating income in 1984.

NAPP Systems (USA), a joint venture of Lee and Nippon Paint Co. Ltd., Osaka, Japan, has enabled the company's properties to remain on the leading edge of graphic arts technology in the newspaper industry. After the successful 1983 introduction of NAPPPlate IV, also known as the "blueplate," the company is setting its sights on controlled market testing of NAPP-LIGHT, a silverless film. The Plate IV enables a company to adapt its letterpress equipment to offset printing without converting the present equipment.

Lee, NAPP and Nippon Paint continue to explore the opportunities created by flexographic printing, a process that enables newspapers to equal or better offset quality without converting to offset presses.

The *Quad City Times*, Davenport, Ia., started the company's first public access videotex system called Video Times in a Davenport shopping mall. Shoppers can use the touch-screen terminals to call up sale information and other data from more than 1,500 pages of information. The service, begun in December, 1984, is 100% advertiser-supported.

MEDIA PROPERTIES

Broadcasting/video

TV: XGMB, Honolulu; KHQA, Hannibal, Mo.; KOIN, Portland, Ore.; WSAZ, Huntington, W.Va.

RADIO: WTAD (am) and WQCY (fm), Quincy, Ill.; KFAB (am) and KGOR (fm), Omaha, Neb. (partially owned by Journal-Star Printing Co.).

Video Times, videotex in Davenport, Ia.

Magazines/newsletters

Western Business, Billings, Mont.

Newspapers

ILLINOIS: *Decatur Herald & Review, Kewanee Star Courier, Southern Illinoisan Review* (Carbondale). IOWA: *Mason City Globe-Gazette, Muscatine Journal, Ottumwa Courier, Quad-City Times* (Davenport). MINNESOTA: Winona Daily News. MONTANA: *Billings Gazette, Butte Montana Standard, Helena Independent Record, Missoula Missoulian.* NEBRASKA: *Lincoln Star.* NORTH DAKOTA: *Bismark Tribune.* OREGON: *Corvallis Gazette-Times.* WISCONSIN: *La Crosse Tribune, Racine Journal, Wisconsin State Journal* (Madison).

OTHER OPERATIONS

NAPP Systems (USA), manufacturer of graphic system products. Call-It Co.

Lin Broadcasting Corp.

New York

RANK 75

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	143	102	40.0
Total sales	149	107	38.7
Net income	29	24	23.8
Sales per medium			
Newspaper	0	0	0
Magazine	14	11	273
Broadcast	129	91	41.5
Cable	0	0	0

Last year, LIN Broadcasting Corp., the nation's 75th largest media company, continued to show its stuff as an aggressive, acquisition-minded company with a venturesome investment strategy.

The company acquired two tv stations in 1984, bringing its total to seven, and strengthened its bid for shares of licenses to operate cellular telephone systems in five major markets, including the largest two in the U.S.

Media revenues increased last year an impressive 40%, leaping to $142.8 million. Most of that—$106.3 million—came from the tv stations.The 10 radio stations contributed $22.5 million in revenues. Total revenues were $148.8 million, up 38.7% from the previous year. The only nonmedia activity at LIN is radio paging, accounting for $6 million in revenue in 1984.

The LIN array of properties also includes radio paging service in New York and the Houston-Galveston area of Texas, as well as a string of hardcover magazines distributed to guests in hotels in 31 cities.

LIN cashed in on its 5.1% interest in New Yorker Magazine Inc. for a net profit of about $1.5 million when the magazine publisher voted to approve a buyout offer of $142.4 million made by S.I. Newhouse Jr. of Advance Publications.

According to president Donald A. Pels, 1984 was the 10th successive year of record earnings for LIN, whose profits registered a 24% increase to $29.1 million.

Members of the board

The board of directors at Blade Communications is a family affair, as power in vested in directors: Paul Block Jr. and William Block, both co-chairman; William Block Jr., John Block, Allan Block and Donald Block. Three non-Blocks serve on the board. Needless to say, the company is private.

Profits and ratings for LIN's tv properties generally were ahead of the rest of the industry, Mr. Pels says. But it was in tv that the company experienced its "two disappointments" for the year, he says. Over-all industry growth and initial results of new tv stations in Indianapolis and Fort Wayne were not what the company had hoped for. WISH-TV (Indianapolis) and WANE-TV (Fort Wayne), both CBS affiliates, were purchased in April, 1984, from A.H. Belo Corp. for a combined price of $104.9 million. Both "have come off the mark rather slowly," Mr. Pels says.

Besides the Indiana stations, LIN owns two tv stations in Texas and one each in Michigan, Virginia and Illinois.

LIN owns paired am and fm stations in Philadelphia, Houston, St. Louis, Milwaukee, Wis., and Rochester, N.Y., broadcasting in a variety of formats, from country music and urban contemporary to "oldies" music and news-talk. The radio stations showed a combined increase of 26% in profits, according to Mr. Pels. Reflecting a general trend, the company's five fm stations pulled in 70% of LIN's total radio revenues. That's up from 66% in 1983. The company has five am stations as well.

But LIN's most speculative venture has been in the cellular telephone field, where the wireline telephone companies have a built-in advantage, at least in the major markets. Most of the non-wireline entrants have been stalled by legal imbroglios because so many are competing for FCC-awarded licenses. That has left the field wide open for the wireline companies, the divested Bell affiliates.

In New York, for example, LIN has a 45% interest in the nonwireline Cellular Telephone Co. of New York, which has gotten FCC approval. But NYNEX Mobile, which already is operating a cellular system in the New York area, is at least a year ahead of its nonwireline competitor because other applicants have challenged the FCC ruling.

But LIN is counting on being able to attract customers with more up-to-date equipment by the time its system becomes operative.

LIN has filed, as a partner in a variety of joint ventures, for cellular licenses in New York, Los Angeles, Philadelphia, Dallas-Fort Worth and Houston. The first three of those five applications—in three out of the top four cellular markets—all face legal challenges from competitors.

But LIN spokesmen remain confident that the company's investment, expected to reach $25 million this year, will pay off. "At a very modest cost relative to other nonwireline entrants," Mr. Pels says, "LIN is now the second largest factor in this new business and the only carrier to have significant interests in the two largest markets [New York and Los Angeles]." Analysts have predicted that the cellular telephone field will generate anywhere from $2 billion to $6 billion in annual revenues by 1990.

LIN Broadcasting has been cited by some analysts and brokers as a possible target for an unfriendly takeover bid. Michael Plouf, vp-corporate development and treasurer, says there is little concern at LIN for such a prospect. "We don't think LIN is typical of the companies that have been subjected to unfriendly takeovers," he says. "We have a high price-earnings ratio, for one thing. And our management is not vulnerable to the criticism that they're not living up to expectations."

MEDIA PROPERTIES

Broadcasting

TV: WAND, Decatur/Champaign/Springfield/Danville, Ill.; KTVV, Austin, and KXAS, Dallas/Fort Worth, Tex.; WAVY, Portsmouth/Norfolk/Newport News/Hampton, Va.; WOTV, Grand Rapids, Mich.; WISH, Indianapolis, and WANE, Fort Wayne, Ind.

RADIO: WIL (am, fm), St. Louis; WBBF (am) and WMJQ (fm), Rochester, N.Y.; WFIL (am) and WUSL (fm), Philadelphia; KILT (am, fm), Houston; WEMP (am) and WMYX (fm), Milwaukee.

Magazines

GuestInformant and *Leisureguides*, distributed in hotel rooms.

OTHER OPERATIONS

Radio paging operations in New York and Houston-Galveston, and cellular radio ventures approved in several major markets.

Maclean Hunter Communications

Toronto

RANK 43

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	270	115	135.0
Total sales	704	518	35.9
Net income	49	48	3.2
Sales per medium			
Newspaper	151	15	903
Magazine	50	40	25.5
Broadcast	0	0	0
Cable	70	60	15.8

Maclean Hunter Communications, Toronto, the 43rd largest media company in the U.S., had revenues from U.S. media operations during 1984 of $270.2 million, a 135% increase primarily due to a full-year's inclusion of the *Houston Post* purchased in December, 1983.

Total corporate revenues from U.S., Canadian and British properties jumped 42% in 1984 to $704 million. (Over-all revenue figures in U.S. dollars in this profile are based on the average annual rate of exchange for 1984 of C$1=US $0.78).

U.S. media contributions at Maclean Hunter include cable tv contributions of $69.5 million, up 15.8% from 1983; periodicals that generated more than $50.2 million, up 25.5%, and $150.5 million in revenues from the *Houston Post*, which is owned by the Toronto Sun Publishing Corp., of which Maclean Hunter owns 51%. Maclean Hunter, however, consolidated the full amount into its financial report.

Efficiency measures established during 1984 are credited with increasing *Post* revenues from 1983's $140 million. Some 250 staff positions were trimmed from the production and circulation departments, and "circulation waste" was also cut out, says Donald Hunt, *Post* publisher and exec vp, Toronto Sun Publishing Corp. Further savings were achieved by consolidating all printing in one location from the previous two. While those reductions were occurring, editorial staff was increased by 10%, Mr. Hunt says. "We eliminated $8 million in newsprint costs alone and knocked off about $12 million in costs altogether," Mr. Hunt said.

The *Houston Post* has shown a stable daily circulation of 326,556, and 376,015 for Sunday, according to the reporting period of Sept. 30, 1984, the last available data by ABC on the *Post*. This places it some distance off the pace of market leader, the *Houston Chronicle*. As of March 31, 1985, ABC six-month averages show the Monday through Friday circulation of the *Chronicle* increased 1.4% to 433,380 compared to the same period a year earlier; Sunday paper increased 1.1% to 536,585.

Mr. Hunt expects circulation gains at the *Post* to come about when Houston bounces back from its current economic doldrums.

In periodicals, where Maclean Hunter publishes 157 consumer and business magazines—118 in Canada, 22 in the U.S. and 17 in Britian—revenues were up 18% in 1984. The company canceled plans to increase the frequency of the *Financial Post* from weekly to daily because of competition. It also ceased publication of *Program Guide*, a monthly listings magazine for cable tv because of dissatisfaction with the results, according to Harvey T.M. Botting, Maclean Hunter assistant vp.

Last July, publication of *Western Fisheries* was stopped and the magazine was folded into a new publication, *Pacific Fishing*, which Maclean Hunter acquired last September.

Also acquired last year was *Physician's Management Manuals*, a non-client, doctor's life-style magazine.

Another business magazine, Building Renovation, published twice a month, was started in September, 1984, as well as *Selected Software*, a spinoff from *Canadian Directory of Software*, an existing Maclean Hunter publication. All three are circulated in the U.S.

In the past year, *C-Store Business* was discontinued, but Maclean Hunter recently acquired Supermarket Insight, a videocassette service for supermarket managers. The service is an extension of the magazine *Progressive Grocer*.

In printing, a new 32-page web offset press has been installed in Toronto. It will provide extra capacity and allow the company to expand its job printing operations, Mr. Botting says.

Cable tv produced a 4% growth in subscribers to 615,000 in the U.S. and Canada in a total of seven systems. During the year, Ontario's cable operations grew by some 12,500 to 372,000 subscribers, spurred by new housing starts.

Maclean now operates five Michigan cable systems in fifteen franchised communities, but subscribership dipped somewhat because of the sale in June, 1984, of Bedford Cablevision Inc. to a Rancho San Diego, Cal., company for about $3.5 million.

Maclean Hunter still has a building and operating agreement with Barden Cablevision of Detroit, but negotiations between Barden and the Detroit city council are bogged down.

In New Jersey, Suburban Cablevision had an excellent year in 1984, with subscribership up to the approximate present number of 175,000 from 163,000 in 1984. It also introduced three new services to customers: Disney Channel, Cinemax and Playboy Channel. Maclean Hunter has attained 80% penetration in its Canadian cable market and 50% in its U.S. markets according to Mr. Botting.

The broadcast division, consisting of 11 radio outlets and two tv stations, all of them Canadian, generated about $52 million last year, up slightly from $51 million in 1983.

Maclean Hunter also owns the non-media operations of Transkrit, a U.S.-based business forms company that generates about $30 million a year, along with industrial trade shows, radio paging and book distribution.

In management appointments, J. Robert Furse was appointed vp-finance and chief financial officer, while Wayne Hill was named vp-controller.

U.S. MEDIA PROPERTIES

Cable/video

MICHIGAN: East Detroit, Garden City, Pontiac, Taylor, Temperance, Waterford.

NEW JERSEY: East Orange.

U.S. magazines

American Print & Lithography, Blue Book of Used Truck Valuations, Boxboard Containers, Coal Mining & Processing, Concrete Products, Dog World, Graphic Arts Product News, Hospital Products, Mobile/Manufactured Home Blue Book, Motorcycle Red Book, National Boat Book, Older Car Red Book, Pacific Fishing, Paper-Film & Foil Converter, Physician Management Manual, Progressive Grocer, Progressive Grocer Executive Report, Recreational Vehicle Blue Book, Red Book of Official User Car Valuations, Remodelling Contractor, Rock Products, Supermarket Insights (videocassettes) and *Van Conversion Blue Book.*

U.S. newspapers

TEXAS: *Houston Post.*

Macromedia Inc.

Hackensack, N.J.

RANK 91

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	109	97	12.4
Total sales	109	97	12.4
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	86	76	13.9
Magazine	0	0	0
Broadcast	22	21	7.2
Cable	0	0	0

Macromedia Inc., the holding company that owns the Bergen Record Corp. and Gateway Communications, had media revenues of $108.5 million in 1984, up 12.4% from the previous year to rank as the 91st largest media company.

The Hackensack, N.J.-based company had earnings of $9.9 million for 1984, based on revenues of $109.2 million.

Macromedia was created as a holding company Jan. 1, 1984, to establish separation between the company's newspaper and tv operations. The company remains privately held by Malcolm A. Borg and his family trusts.

For the year, newspaper operations for the *Record* produced revenues of $86.2 million, up nearly $11 million from 1983. Tv generated $22.3 million in revenue in 1984.

The *Record*, the largest evening newspaper in New Jersey, spent more than $10 million on modernization in 1984, adding to the $62 million spent on expanding the paper's color and insert-handling capacity during the previous two years.

In only its second full year with four-color capacity, the *Record* carried 4.7 million lines of color advertising. It was ranked first among the nation's newspapers for Sunday color advertising and rose to fourth from eighth among evening and Sunday newspapers for color advertising, as measured by Media Records.

The *Record's* over-all ad revenue in-

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creased 15.8% from 1983. The newspaper carried 8.5% more advertising linage and 12.1% more insert advertising.

The *Record* is aggressive in its sales pitch to advertisers. It boasts in promotional material that it "reaches the second highest median household income in America," in a market that "accounts for 21% of the retail sales in all of New Jersey."

Yet, the *Record's* circulation, both daily and Sunday, remained flat for 1984, and continuing into 1985, especially the Sunday product. Sunday circulation was 225,520, according to Audit Bureau of Circulations figures for March 31, 1985, a slight increase of 0.8% from the comparable figure in 1983.

Average daily circulation for the same period increased 2.2% to 156,954.

The paper has launched a program to expand its circulation by reaching into neighboring Passaic and Morris counties. The *Record* expanded its facilities in Wayne, N.J., and opened a Passaic/Morris headquarters in September. The newspaper has become the largest selling newspaper in Passaic County, with 35,577 circulation, according to the company's spokeswoman.

"We anticipate much success in this area over the next few years and look forward to moving closer to our goal of becoming the dominant paper in Passaic and Morris counties," says Frank Savino, vp-marketing for the *Record.*

Editorially, the newspaper received first-place awards from the New Jersey Press Assn. for editorial comment, enterprise, business writing, general typography, and the content and layout of the front page, editorial section and sports section.

Macromedia's Gateway Communications division, based in Cherry Hill, N.J., operating four vhf tv stations, had a 7% increase from 1983 revenues of $20.8 million.

The company's CBS affiliates are located in Binghamton, N.Y., the nation's 133rd largest market (according to the Areas of Dominant Influence established by Arbitron Ratings Co.); Lancaster/Lebanon, Pa., the 46th market, and Johnstown/Altoona, Pa., the 49th market. It also operates an ABC affiliate in Charleston/Huntington, W.Va., the 44th market.

No tv purchases are planned by Macromedia, according to Michael H. Heath, president. However, the company has a continuing interest in acquiring other tv properties, he says.

MEDIA PROPERTIES

Broadcasting

TV: WBNG, Binghamton, N.Y.; WLYH, Harrisburg/York/Lancaster/Lebanon, Pa.; WOWK, Charleston/Huntington, W.Va.; WTAJ, Johnstown/Altoona, Pa.

Newspapers

NEW JERSEY: *Record* (Hackensack).

McCall Publishing Co. RANK **93**

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	106	90	17.8
Total sales	106	90	17.8
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	106	90	17.8
Broadcast	0	0	0
Cable	0	0	0

McCall Publishing Co., the 93rd largest media company, found the market a tough sell in 1984 in increasing ad sales by 18.5% for the company's flagship.

According to Advertising Age estimates, media revenues in 1984 were $106 million on a net basis, up 17.8% from the estimate in 1983. Privately held McCall's total media has been netted for comparable treatment with publicly held companies. The treatment, not applied in 1983's estimates, caused 1983 to be restated.

McCall's estimated gross revenues were $142.8 million, up from $127 million in 1984, according to exec vp Andrew Dempsey, who terms the netting of McCall's figures as "ludicrous." The difference between net and gross essentially is that net is the elimination of agency commission and ad discount rates from the Publisher's Information Bureau advertising estimates, and the factoring out of circulation procurement costs.

The managers of the company, owned by the Pritzker family of Chicago, sound a little tentative when they talk about just having completed "a good year . . . but we're looking forward to better in 1985." One executive acknowledges off the record that 1984 was "difficult. The economic climate wasn't as bullish as we had hoped, but we came out of it well."

A $2.5 million ad campaign in 1984 for *McCall's* circulation could not stem a drop in total circulation to 6.2 million, a September, 1984, figure off about 43,000 subs from the prior year, according to ABC audited statements. The drop was "insignificant," according to Mr. Dempsey, and did not affect the magazine's status as the nation's eighth largest magazine.

The ad campaign, designed by Levine, Huntley, Schmidt & Beaver, emphasized the appeal of *McCall's* to modern, upscale, with-it readers. Print, tv and outdoor ads portrayed rock singers Tina Turner, Carly Simon, Cher and designer Diane von Furstenburg as *McCall's* readers. Ms. Turner was depicted as "one of the drab homebodies who reads *McCall's,*" while Cher was "one of the typical mothers."

Harold Levine, chairman of the ad agency, says the approach, which continues into 1985, seeks to break through "the clutter, the sameness" of media advertising, while getting media planners to perceive that the magazine is "talking directly to the baby-boom generation, talking in a language they understand."

It's all part of a new strategy to carve out for the magazine an identity separate from other women's magazines, editor Robert Stein says. The magazine wants agency media planners to understand that "*McCall's* isn't the type of magazine their mothers used to read," he says.

"Part of the problem is that all of the women's magazines are seen as the same," he says. He objects to the term "Seven Sisters," for the traditional women's magazines, as a "phrase which belongs to another era." *McCall's,* he says, "has more quality, goes deeper into subjects, is more useful to the reader, makes them think more" than other women's magazines.

And it's more clairvoyant, the magazine could have claimed last spring. The March issue of *McCall's,* with a cover story on Princess Diana's expected second pregnancy, appeared the day after Buckingham Palace announced the occurrence. That issue was one of the year's most successful, not only in terms of circulation but also for the amount of media attention it attracted, Mr. Stein says.

The company's other publications showed significant circulation increases in 1984. *Working Mother,* for example, showed a 7.3% increase to 519,979, according to the company, while *Working Mother Digest,* a special edition distributed by Kinder-Care Learning Centers, was handed out to more than 400,000 people. The company's annual special interest publications, *Cooking School* and *Beauty, Diet & Health Guide,* accounted for a distribution of 950,000 between them.

McCall Publishing continues to hold a 50% interest in American Family Publishers and 33⅓% in Select Magazines, which last year lost a major contract for domestic distribution of *Newsweek* to Triangle Publishing. The reported merger last September of Select Magazines with Warner publisher "ultimately fell through," according to Mr. Dempsey. The company continues to be beset by industry rumor—all of these denied vehemently—that the Pritzker's are seeking a buyer for *McCall's.* This includes the report two months ago by *New York Daily News'* columnist Liz Smith that *National Enquirer's* owner Gene Pope would buy the women's magazine for $75 million.

The Pritzker's, a family of lawyers with controlling interest in the Hyatt Corp. and Braniff Airlines, leave the running of their magazines largely in the hands of McCall managers and editors, said Mr. Stein. The principles in this family include Jay Pritzker, the financial wizard of the family, and brother Robert, who manages most of the Pritzker company. Their father, A.N. Pritzker, also continues to be active in family business affairs, though McCall Publishing managers usually deal directly with chairman Allen Turner, said Mr. Stein.

MEDIA PROPERTIES

Magazines

McCall's, Working Mother, Working Mother Digest, Cooking School, Beauty, Diet & Health Guide.

OTHER PROPERTIES

American Family Publishers (50% owned), Select Magazines (33⅓% owned).

McClatchy Newspapers RANK **47**

Sacramento, Cal.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	255	215	18.6
Total sales	255	215	18.6
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	217	183	18.6
Magazine	0	0	0
Broadcast	12	10	20.0
Cable	13	11	18.2

McClatchy Newspapers, Sacramento, Cal., is the nation's 47th largest media company, with 1984 revenues estimated by Advertising Age at $255 million, all from media operations.

McClatchy's media revenues, generated by seven daily newspapers, three weeklies, four radio stations and four cable systems, were up 18.6% from 1983's estimate. Newspapers represent about 85% of this family-owned business.

Circulation at the *Anchorage Daily News* is "growing at a very strong clip," corporate vp Edwin Potts says. McClatchy bought an 80% interest in the morning daily in 1979, when its circulation was 12,000. According to the ABC report of Sept. 30, 1984—the latest available—the *Daily News* stands at 48,077 during the week and 56,456 on Sunday. The competing *Anchorage Times* had a circulation of 43,121 daily and 51,965 Sunday in the same period.

Mr. Potts says the *Daily News* has captured 51% of the retail advertising market, with classified ad share at 54.6% as of March, 1985. A sign of the paper's condition is a $25 million-plus building project that is scheduled to start "as soon as the snow melts," Mr. Potts says.

McClatchy is best known for its ownership of the *Sacramento Bee, Fresno Bee* and *Modesto Bee.* Each daily has shown small gains during the past year. The Sacramento Bee, the only one of the three in a competitive market, has also shown circulation increases. Daily circulation for the six months ended March 31, 1985, was 230,160, up 2.6% from the corresponding period in 1984, according to the ABC. Sunday circulation for the same periods rose 1.8% to 263,763.

These figures far surpass those of the competing *Sacramento Union* (102,317 daily and 101,182 Sunday, according to the March 31, 1985, ABC report). Part of the *Sacramento Bee's* circulation come-on has been a Wingo (lucky numbers) game.

The *Bee* in 1984 got a new executive editor, Gregory Favre, a former *Chicago Sun-Times* managing editor. Mr. Potts says the paper has added some sections, expanded its business coverage and is using more color. He says the paper has an advertising share of close to 70% in both retail and classified areas.

At the *Gilroy Dispatch,* a five-day-a-week paper serving the southern end of Silicon Valley, "things are looking better . . . the market is stronger than a year ago," says Mr. Potts. According to the Sept. 30, 1984, ABC report, circulation is 9,879.

The *Tri-City Herald,* based in Richland, Wash., has eased the rate of its circulation decline, with a drop to 33,746 for the six months ended March 31, 1985, according to the ABC, from 34,859 in the similar period in 1984. Sunday circulation also dropped from 37,391 to 36,411.

During the past two years, a new electronic communication division has brought major changes to McClatchy. Headed since January, 1984, by Frank Washington (formerly vp-general manager for Videotex America, Times Mirror Co., Los Angeles), this division oversees McClatchy's ventures in radio, cable and videotex.

LegiTech, a computerized service for tracking state legislation and political contributions, acquired in 1982, is sold for a fee to magazines, newspapers, government agencies and lobbyists in California, New York and Washington (added in March, 1985). Mr. Washington says the service is doing "fairly well" despite competition.

One of two videotex projects launched in 1984, Eldorado Teleguide is an advertiser-supported public access operation based on the software technology provided by Infomat of Toronto.

During the past year, McClatchy has installed more than 60 new terminals with 3,200 pages of information on restaurants, hotels, local events and other subjects in the Sacramento, Reno and Lake Tahoe areas, bringing the number of terminals in operation to about 100.

The other videotex project is Grass Roots California, a partnership with Times Mirror Co. and the *Bakersfield Californian.* Centered in the San Joaquin Valley, the system offers weather, commodity and farm management information to the agricultural community.

McClatchy's cellular radio project, a joint venture with FMI, Miami, and Cellular Communications, New York, is still not off the ground. Mr. Washington says McClatchy has "pieces of construction permits" in Fresno and Oxnard, Cal., and is exploring other opportunities in this burgeoning field.

The Fresno country music station KNAX (fm) has jumped from a 2.3 to a 5.6 rating during the past year, while news/talk station KMJ (am), Fresno, moved up one point to remain the primary station in its category.

"We don't have a competitor in news/talk," Mr. Washington says. In Sacramento, news/talk station KFBK (am) is also No. 1 in its field, as is country music station KAER (fm).

Mr. Washington says McClatchy is taking some new approaches to cable tv, "particularly in the marketing but also in the operations area." Using research to target its audience is also part of the new effort, as is "looking at pricing sensitivity . . . what the threshold of pain for our subscribers is."

Modest gains have been the rule for the subscriber bases at each of four systems. Norcal Cablevision has 2[illegible],107 subscribers (nearly unchanged from last year), Fresno Cable TV Ltd. rose slightly to 44,105 from 42,500 subscribers, Sequoia Cablevision moved up slightly to 10,585 subscribers from 9,400 in the Tulare area, and Telcab Communications serves 3,741 subscribers in the Reno, Nev., area, up slightly from 3,400 last year.

MEDIA PROPERTIES

Broadcasting

RADIO: KMJ (am) and KNAX (fm), Fresno, Cal.; KFBK (am) and KAER (fm), Sacramento, Cal.

Cable/video

CALIFORNIA: Norcal Cablevision, Yuba City; Sequoia Cablevision, Tulare; Fresno Cable TV Ltd., Fresno. NEVADA: Tel-Cab Communications, Reno.

Newspapers (dailies)

ALASKA: *Anchorage Daily News* (80% interest). CALIFORNIA: *Fresno Bee, Gilroy Dispatch, Hollister Freeland* (50% interest), *Modesto Bee, Sacramento Bee.* WASHINGTON: *Tri-City Herald* (Richland).

Newspapers (weeklies)

CALIFORNIA: *Clovis Independent, Lincoln News Messenger, Morgan Hill Times.*

Other media operations

San Joaquin TV Services (an earth station operator), Fresno, Cal.; Fresno MDS Co. (33% owned), a multipoint distribution system, Fresno, Cal.; LegiTech (90% owned), a legislative information service, Sacramento, Cal., and Albany, N.Y.; Eldorado Teleguide, a public access videotex operation, Sacramento, Cal.; Grass Roots California, an agricultural videotex service (33% owned), Sacramento, Cal.

McGraw-Hill RANK **14**

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	964	879	9.7
Total sales	1,402	1,296	8.2
Net income	292	262	11.6
Sales per medium			
Newspaper	0	0	0
Magazine	672	630	6.7
Broadcast	82	72	14.4
Cable	0	0	0

McGraw-Hill, New York, is the 14th largest media company in 1984 with media revenues of $963.7 billion, up 9.7% from the prior year.

Media contribution to total revenues increased from 67.9% in 1983 to 68.8% in 1984 on total revenues of $1,402 billion, up 8.3% from the previous year.

McGraw-Hill Book Co., representing $438.1 million in revenues, is the only nonmedia contribution to McGraw-Hill's total revenues.

In 1984, McGraw-Hill began an acquisition hunt that led to the acquisition of six companies, while reorganizing McGraw-Hill.

As part of the corporate realignment, McGraw-Hill reduced the number of operating companies from six to five by creating the McGraw-Hill Financial & Economic Information Co. to include Standard & Poor's Corp., Data Resources and Monchik-Weber Corp.

Advertising Age considers as media the McGraw-Hill Information Systems Co. (F.W. Dodge and Sweet's divisions including four magazines and two newsletters), with sales of $340.2 million, up 2.2% from the prior year; McGraw-Hill Publications Co. (60 magazines, newsletters and newswire service including *Business Week*), with sales of $331.5 million, up 11.7% from 1983.

McGraw-Hill Broadcasting Co. (four tv stations in major markets) had revenues of $81.9 million, up 14.4%; and McGraw-Hill Financial & Economic Information Co. had revenues of $210.1 million, up 18.2%.

Last year's acquisitions were integrated into three of McGraw-Hill's operating companies.

The company's major acquisition of which was Monchik-Weber Corp., a provider of computer and information products for the financial services industry. It was purchased for $56 million.

Two other acquisitions—Center for Communications Management, which provides rate data and other information on telecommunications services, and Future Computing, supplying marketing data and analyses on the personal computer industry—were merged into the McGraw-Hill Information Systems Co.

This June, McGraw-Hill made its first major venture into the cable industry by linking up with Tele-Communications Inc. and Telecrafter Corp. to form X-Press Information Services. In the partnership, McGraw-Hill will provide the news and information service to be delivered to computers over cable tv wires, and manage and produce the editorial content of the system.

Within McGraw-Hill Publications Co., *Business Week* led all U.S. magazines in ad pages in 1984 with 4,972, up 7.1%, and ranked sixth among all U.S. magazines in ad revenue with $184.8 million, up 18.3%.

In August, *Business Week's* Lewis Young, who guided the magazine for 15 years, resigned as editor-in-chief. Executive editor Stephen Shepard was named to succeed Mr. Young.

Within the publications company, *Aviation Week & Space Technology, Chemical Engineering* and *Textile World* produced their first Chinese editions, produced in conjunction with China Consultants International.

Also, Aviation Week's 1984 special issue on the commercialization of outer space and *Graduating Engineer's* special issue on computer careers were introduced as new publications.

At the same time, Nikkei-McGraw-Hill, McGraw-Hill's joint venture partner in Japan, introduced Nikkei BYTE, Nikkei Venture and *Nikkei Datapro Personal Computers.*

McGraw-Hill's four tv stations had an increase in operating profits of 17.9% on improved revenues of 14.5% as revenue from local and national time sales grew 15% each.

The Olympics boosted sales at the company's ABC affiliates in Indianapolis and San Diego. Its other two stations are CBS affiliate, KMGH, Denver, and NBC affiliate, KERO, Bakersfield, the latter of which linked up last December with McGraw-Hill's *Aviation Week & Space Technology* to produce and air a pilot, "Wings," to be run on the three other stations in 1985.

MEDIA PROPERTIES

Broadcasting

TV: KERO, Bakersfield, and KGTV, San Diego, Cal.; KMGH, Denver, and WRTV, Indianapolis.

Financial services

Standard & Poor's Corp. Records, Blue List, Trendline, Outlook, CreditWeek International, Stock Reports, MarketScope, Unit Investment Trusts, The High Tech Handbook.

Information services

Center for Communications Management, Construction Analysis System, Construction Forecasting Service, Cost Information Services, CYMA Corp., Data Resources, Data Resources Economic Information, Datapro Reports, Dodge Reports, Educational Management Services, Future Computing Inc., Healthcare Information Services, Monchik-Weber Corp., Multi-List, Occidental Consulting Group, Product Information Network, Scan, Sweet's Catalogs, World Bulletin.

Joint venture corporations

Electronic Markets & Information Systems Inc. (worldwide chemical petroleum trading and information systems company owned jointly by McGraw-Hill and I.P. Sharp Associates Ltd.), American Industrial Report Ltd. (publishing company jointly owned by McGraw-Hill and China Consultants International Ltd.), Nikkei McGraw-Hill (publishing company jointly owned by McGraw-Hill and the Nihon Keizai Shimbun Inc. of Tokyo).

Magazines

American Machinist, Architectural Record, Aviation Week & Space Technology (U.S. & Chinese), *Business Week, Business Week International, BYTE, Chemical Engineering* (U.S. & Chinese), *Chemical Week, Coal Age, Computer/Systems Equipment Design, Corporate Scoreboard, Communications/Systems Equipment Design, Data Communications, Electrical Construction & Maintenance, Electrical Wholesaling, Electrical World, Electronics Weekly, Engineering & Mining Journal, Engineering News-Record, Fleet Owner/Big Fleet Edition, Fleet Owner/Small Fleet Edition, Graduating Engineer, Industrial Electronics Equipment Design, International Management, Military/Space Electronics Design, Modern Plastics, Modern Plastics International, NC Shop Owner, Physician and Sports Medicine, Popular Computing, Postgraduate Medicine, Power, Textile Products & Processes, Textile World* (U.S. & Chinese), *33 Metal Producing.*

Newsletters

Biotechnology Newswatch, Coal Statistics International, Coal Week, Coal Week International, Electrical Marketing, Electrical Utility Week, E&MJ Mining Activity Digest, Green Markets, Inside Energy/with Federal Lands, Inside F.E.R.C., Inside N.R.C., International Construction Week, International Petrochemical Report, Keystone News-Bulletin, Long Term Care Management, Medical Utilization Review, Medicine and Health, Metals Week, Metalworking Sales Leads/MSL, Nuclear Fuel, Nucleonics Week, Platt's Energy Litigation Report, Platt's Oilgram News, Platt's Oilgram Price, Platt's Oil Export/Import Report, Platt's Oil Marketing Bulletin, Platt's Oil Policy Letter, Securities Week, SynFuels, Washington Health Record, Washington Report on Health Legislation and Regulation.

Newswires and Services

Chemical Week Newswire Service, EMIS (Electronic Markets and Information Systems), Fuel Price Analysis, Green Markets Newswire, McGraw-Hill World News, McGraw-Hill's Solventwire, Metals Week Insider Report, Platt's Bunkerwire, Platt's Crude Oil Marketwire, Platt's L.P. Gaswire, Platt's Oilgram Marketscan, Platt's Oilgram News/Wire, Platt's Petrochemical Scan, Platt's Polmerscan World News (Internal Service only).

OTHER OPERATIONS

McGraw-Hill Book Co.

RANK
35

Media General

Richmond, Va.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	305	315	-3.1
Total sales	548	508	7.9
Net income	40	36	10.7
Sales per medium			
Newspaper	241	209	15.6
Magazine	22	20	8.0
Broadcast	35	51	-31.6
Cable	7	5	40.0

Media General, Richmond, Va., the 35th largest media company in the U.S., had 1984 media revenues estimated by Advertising Age of $305 million in 1984, up 7.9% from the prior year.

Total revenues increased 7.9% to $507.8 million in 1984, and net income increased 10.7% to $39.8 million.

Of the 1984 media revenues, newspapers accounted for $241.4 million, up 15.6% from 1983. Revenues from magazines increased 8% to $21.6 million, and cable operations had revenues of $7 million, up 40%.

But revenue from Media General's broadcasting operations dropped from $51.2 million to $35 million, primarily because of a continued decline at Media General Broadcast Services, the former William B. Tanner Co. of Memphis, which Media General purchased in 1982.

For the purposes of this analysis, Ad Age figures do not include ad placement revenues from Media General Broadcasting Services.

In its profitable newspaper division, revenues increased 15.6% in 1984. Media General merged its evening Winston-Salem, N.C., *Sentinel* and morning *Journal.*

The all-day *Sentinel* had a daily circulation of 105,428, down 1.4%, and Sunday circulation of 98,509, up just under 1%, according to ABC audits for the six-month period ending March 31, 1985.

In Tampa, Fla., the *Tribune* showed a 19.8% gain in ad revenues in 1984, with profits rising 29.5% in what Media General officials called a market area of "explosive growth." The *Tribune*, according to ABC audited statements ending March, 1985, had daily circulation of 225,748, up 9.1%, and Sunday circulation of 297,802, up 5.5%.

Printing presses at all three daily newspaper groups—the Richmond, Va., papers are the third—are being converted from letterpress to offset, and the paper's width has been reduced to 55 ins. from 58 or 59 ins., conforming to industry standards and saving an estimated $2.3 million in newsprint costs annually.

In all three markets, Media General initiated a total market coverage (tmc) program, enabling advertisers to place preprinted ads in the newspaper while the ads are distributed concurrently by mail to nonsubscribers.

Media General reported an over-all revenue increase of 22% in 1984 in its three tv stations in Tampa and Jacksonville, Fla., and Charleston, S.C. A proposed $25 million sale of WJKS-TV in Jacksonville fell through. The would-be buyer, Macromedia's Gateway Communications, could not conclude a deal with the local vhf public broadcasting channel to switch frequencies with WJKS, a uhf station. Subsequently, NBC renewed the station's affiliation for two years.

Cable revenues increased, but heavy costs related to major capital outlays at Media General's Fairfax County, Va., cable system and reduced sales by Media General Broadcast Services, produced a loss in operating profit of $3.7 million, down from a gain of $10.8 million the previous year. The Fairfax system began operating late in 1983.

Some 1,500 miles of cable wiring remain to be installed in the 2,800-mile system.

Media General's cable operations date to 1968 when it purchased a system in Fredericksburg, Va. Other systems include Hillsborough and Pinellas counties in Florida. The company during 1984 dropped NewsScan, an experimental service providing news and ads to the local cable company in Winston-Salem.

The $185 million, 126-channel Fairfax cable system, now serves some 58,000 customers, with 137,000 expected upon completion in 1986. Media General says 60% of the homes passed to date have signed on, paying an average of $28 monthly, in the top 2% of cable networks. When completed, the system should generate revenues of $50 million a year, Media General says.

Thomas E. Waldrop, a divisional operating officer at Media General, was named chairman-ceo of Fairfax Cable.

Media General Broadcast Services, the media-buying arm of Media General, continues to restructure its organization after two years of substantial losses and a continuing federal investigation of its former owner, William B. Tanner. Various lawsuits involving the sale and alleged improprieties remain to be settled in federal and state courts.

To strengthen MGBS' image, Media General has installed a new management team, embarked on a $1 million ad program, and moved its media buying and sales operations to a new 23,000-sq.-ft. building in New York. MGBS plans a fall introduction of a 26-week syndicated late-night show, "Comedy Tonight," in an attempt to capitalize on the $500-million-a-year tv syndication market.

MGBS had 1984 revenues of $55.8 million, down 18% from 1983, but officials say they remain confident the operation can be turned around through new ventures such as tv syndication.

Personnel changes at Media General in 1984 saw James S. Evans, formerly president-chief operating officer, replace Alan S. Donnahoe, who retired as ceo while continuing as vice-chairman and director. J. Stewart Bryan III, publisher of Richmond Newspapers, was elected vice-chairman this January.

MEDIA PROPERTIES

Broadcasting

TV: WCBD, Charleston, S.C.; WJKS, Jacksonville, Fla., and WXFL, Tampa.

Cable/video

Tribune Cable Network, serving Hillsborough County and Pinellas County in Florida. General Cable, Fredericksburg, Va., serving Fredericksburg and Spotsylvania and Stafford counties. Media General Cable of Fairfax, Fairfax, Va., serving Fairfax County.

Magazines

Cliggott Publishing Co.: *Consultant, Journal of Respiratory Diseases, Psychosomatics, Journal of Musculoskeletal Medicine.*

Newspapers (dailies)

FLORIDA: *Tampa Tribune.* NORTH CAROLINA: *Winston-Salem Sentinel.* VIRGINIA: *Richmond News-Leader, Richmond Times-Dispatch.*

Newspapers (nondailies)

CALIFORNIA: Highlander Publications, publishing 25 weeklies in the Orange County-Los Angeles area. Golden West Publishing, Mission Viejo, publishing eight papers in the area between Los Angeles and San Diego.

OTHER OPERATIONS

Beacon Press (commercial printing), Garden State Paper Co., (newsprint manufacturer), Media General Financial Services (financial data dissemination), Onduline-USA (building materials), Media General Broadcast Services (tv-radio services in five areas: Media placement, special products, broadcast services, tv sports network, travel operations), Technical Information Distribution Service, an electronic database publishing company.

RANK
33

Meredith Corp.

Des Moines, Ia.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	327	289	13.3
Total sales	451	448	0.6
Net income	38	33	15.3
Sales per medium			
Newspaper	9	9	0
Magazine	210	189	11.3
Broadcast	104	89	17.3
Cable	4	3	59.3

Expansion in the tv station market during 1984 and 1985 will continue to build media revenues at Des Moines-based Meredith Corp., which recorded $327.2 million in media revenues in fiscal 1984, up 13.3% from 1983, ranking the company the 33rd largest U.S. media company.

Meredith's performance in media far exceeded the company's over-all revenue performance that edged up only 0.6% to $450.6 million during fiscal 1984. Net income of $38.4 million was up 15% from the previous year. Current figures for Meredith are based on the fiscal year ended June 30, 1984.

Meredith, in the three-quarter period ending March 31 of its current fiscal year, showed much improved sales compared with those of the previous year. Year-to-date revenues of $354.6 million were up 6.2%, and net earnings of $33.4 million were up 20.5%.

During fiscal 1984, the company's magazine properties had $210 million in revenues, followed by broadcast at $103.8 million, and minor contributions of an estimated $4.3 million from cable, up 59.3%, and $9 million from newspapers, the same as in 1983.

Broadcast, up 17.3%, showed the greatest growth among the Meredith media lineup. The company owns and operates seven tv stations, of which three are uhf and four are vhf, but that will change soon. Crossing the former 7-7-7 rule barrier for the first time, Meredith expects to add a fifth vhf station soon—KVVU-TV, Las Vegas, owned by Carson Broadcasting Corp. Tv personality Johnny Carson has a 30% interest in the company, which reportedly is seeking $30 million in the sale. Had the FCC not relaxed the ownership rule, Meredith had been prepared to dispose of one of its tv stations to gain the Carson property.

Meredith, which last year acquired NBC affiliate KSEE-TV of Fresno, Cal., and WOFL-TV, an independent uhf station in Orlando, says the over-all increase in broadcasting revenues and profits can be attributed to their performance.

While the company continues to emphasize its commitment to tv, it is bowing out of radio—a process begun in 1983 with the divestiture of its Kansas City, Kan., and Omaha, Neb., radio stations. This April, Meredith reached an agreement to sell its remaining properties—all located in Georgia—to a subsidiary of Cincinnati-based Jacor Communications for $20 million.

The radio units are paced by WPCH-FM, Atlanta, the regional market leader in the easy listening category. Other properties include WGST-AM, Atlanta, and Georgia Radio News Service.

Saddled with construction costs and general cost increases, Meredith's cable holdings increased their losses over the previous year despite higher revenues. Construction is completed on the two systems the company owns in part, and plans include augmenting subscriber rolls to improve the picture.

Last October, Meredith increased its 50% stake in Planned Cable Systems Corp. of Fort Lauderdale, Fla., to 67%. Planned Cable carries programing to 2,950 subscribers. In addition, Meredith owns 81% of Texas-based Star CATV Investment Corp., a cable system that serves 33,449 subscribers in Texas, Louisiana and Arkansas.

Meredith's publishing division, consisting of six major magazines, 17 *Better Homes and Gardens* special interest publication titles and 22 community newspapers in California, had its most profitable year in 1984.

Last September, the publishing group's vp, editor-in-chief Neil Kuehl, became vp-product development, lending support to Meredith's continued search for new magazine opportunities.

All Meredith publications recorded higher ad revenues, while *Better Homes and Gardens* and *Successful Farming* also posted record earnings. *Better Homes and Gardens*, which reaches 8 million subscribers, increased ad rates 7.25% in March.

Metropolitan Home, which also experienced a strong increase in ad pages and revenues, continued on a profitable course, which began in March, 1984, when the publication presented the themed issue "Elements of Style." The March blockbuster ran 163 ad pages, compared with 67.3 pages the previous year. This success has led publisher Stephen Burzon to schedule seven themed issues for 1985, compared with two in 1984.

In other developments, Meredith butted heads with the FCC over the failure of its CBS affiliate in Syracuse, N.Y., WTVH-TV, to comply with the Fairness Doctrine. The FCC charged the station with failure to provide sufficient airtime for critics to respond to a paid advertisement by the Energy Assn. of New York that advocated the construction of a nuclear power plant. WTVH-TV has asked the FCC to reverse its decision and review its rights under the First Amendment because it was a paid advertisement.

AMERICA'S 82ND MARKET ALSO IS AMONG AMERICA'S TOP 8 CITIES!

Harrisburg, Pennsylvania. America's 82nd largest metro area is now in elite company. USA Today and the Citizen's Forum on Self-Government named Harrisburg one of the nation's top 8 cities this spring.

An ad in The Harrisburg Patriot-News captures 62% of the adults of this "All-America" city daily and a 79% audience share on Sundays*.

Get details from Bob Cobaugh, at The Patriot-News (717) 255-8203, or any office of Newhouse Newspaper Sales.

*Belden Associates, 1983

HARRISBURG PATRIOT-NEWS

A Newhouse Newspaper

The company's continued emphasis on tv also included shifting operations of its broadcasting group to Des Moines from New York.

MEDIA PROPERTIES

Broadcasting

TV: KPHO, Phoenix; KSEE, Fresno, Cal.; WOFL, Orlando, Fla.; WNEM, Bay City, Mich.; KCTV, Kansas City, Mo.; WTVH, Syracuse, N.Y.; WPGH, Pittsburgh, Pa.

Cable/video

Star CATV Investment Corp. (81% owned by Meredith), Waxahachie, Tex., operates 112 systems in Texas, Louisiana and Arkansas. Planned Cable Systems Corp., Fort Lauderdale, Fla., (67% owned by Meredith) offers subscription cable tv services in planned unit developments.

Magazines

Better Homes and Gardens, Country Home, Farm Computer News, Metropolitan Home, Sail, Successful Farming, Better Homes and Gardens Special Interest Publications, Better Homes and Gardens Family Shopping Service, *Australian Better Homes And Gardens, Better Homes and Gardens WOOD.*

Newspapers

CALIFORNIA: Community newspapers serving the Los Angeles area—*City News, City Press, Griffith Park News, Hollywood Independent, Los Feliz Hills News, Northwest Leader, Parkside Journal, West Hollywood Sun Living, Westlake Post, Wilshire Independent, Wilshire Press.* Community newspapers serving the San Jose area—*Campbell Press, Cupertino Courier, East San Jose Sun, Los Altos Town Crier, Los Gatos Times Observer, Milpitas Post, Mountain View Sun, Santa Clara Sun, Saratoga News, Sunnyvale Scribe.*

OTHER OPERATIONS

Wholly owned subsidiaries—*Better Homes and Gardens* Real Estate Service; *Better Homes and Gardens* Insurance Agency Inc.; *Better Homes and Gardens* Securities, Inc.; Meredith International, Ltd.; Meredith Relocation Corp.; Meredith Mortgage Corp. (subsidiary of Meredith Relocation Corp.); Meredith Video Publishng Corp.; MerPrint Company; Sail Publications.

Metromedia Inc.

RANK 28

Secaucus, N.J.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	430	387	12.1
Total sales	646	539	21.3
Net income	-51	-102	-49.7
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	417	372	12.2
Cable	0	0	0

For Metromedia Inc., the 28th largest media company, 1984 was the year it made a bold financial and corporate move that caused its departure from the tv broadcasting business.

The Secaucus, N.J.-based company, which went private in mid-1984 in a leveraged buyout, and then sold off its tv stations in mid-1985, earned its ranking on the basis of an estimated $430 million in media revenues turned in for 1984, up 12% from 1983.

Metromedia had total revenues of $646.1 million, up 21.3% from 1983.

As a result of the sale of its tv properties, Metromedia will glean its future media income from radio broadcasting and outdoor advertising. The company's nonmedia activities, including ownership of the Ice Capades and the Harlem Globetrotters, and cellular radio systems covering paging, beeping and conventional mobile radio services, have been retained.

The past 18 months have been epochal for Metromedia. Early in 1984, the company announced it was going private by buying its own common stock through a leveraged buyout. Metromedia borrowed $1.3 billion to pay for the stock. In a leveraged buyout, the company is confident of receiving the funds to pay the debts from ongoing or divested properties.

On June 20, 1984, the company formally went private, owned by a new operation called JWK Acquisition Corp. From then until the end of 1984, the company reported a net loss of more than $60 million, including $24.4 million in debts associated with going private. Also on the minus side for the second half of 1984, the company said interest payments totaled $129 million of which $71 million showed up in the red. (This was offset somewhat by operating income of slightly more than $57 million for the period.)

For the second half period of 1984, according to documents filed with the Securities & Exchange Commission, broadcasting contributed 60.2% of consolidated net revenues, and of the broadcasting amount, 83% was tv and 17% was radio. Telecommunications, covering primarily cellular radio, accounted for 22.3% of consolidated net revenue; outdoor advertising, 2.1%, and entertainment, 15.1%.

In May, 1985, Metromedia announced the sale of its seven tv stations in a deal estimated at $2 billion. Six of the stations—KRIV, Houston; KTTV, Los Angeles; WNEW, New York; WFLD, Chicago; WXIX, Cincinnati; WTTG, Washington—went to Twentieth Holdings Corp., a new company created by Rupert Murdoch and Denver oilman Marvin Davis, coowners of 20th Century-Fox Film Corp.

Twentieth Holdings then sold the remaining station, WCVB, Boston, to Hearst Corp. for $450 million. Metromedia had purchased the station in 1982 for $220 million.

Metromedia is planning to sell its Metromedia Producers Corp., maker of a number of first-run tv projects, to Robert Bennett, Metromedia's senior vp-broadcasting and programing.

MEDIA PROPERTIES

Broadcasting

RADIO: KLAC (am) and KMET (fm), Los Angeles; KHOW (am), Denver; WWBA (fm), Tampa/St. Petersburg, Fla.; WCBM (am), Baltimore; WNEW (am, fm), New York; WOMC (fm), Detroit; WIP (am) and WMMR (fm), Philadelphia; KRLD (am), Dallas/Ft. Worth; KJR (am), Seattle; WASH (fm), Washington.

OUTDOOR

Foster & Kleiser (45,000 boards in 19 markets).

OTHER OPERATIONS

Metromedia Telecommunications, Metromedia Producers Corp., MetroTape, Harlem Globetrotters, Ice Capades, Ice Capades Chalets.

Morris Communications Corp.

RANK 53

Augusta, Ga.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	218	196	11.0
Total sales	218	196	11.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	218	196	11.0
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Morris Communications Corp., Augusta, Ga., which took steps in mid-1985 to diversify into other media forms to complement its newspaper properties, was the 53rd largest media company with revenues estimated by ADVERTISING AGE at $218 million in 1984, all in media.

Revenues were up about 11% from 1983 at the tightly held company, a publisher of newspapers located in communities characterized by steady growth and diversified economies ranging from fisheries, timber, cotton, diversified farming and livestock, to seafood processing, chemicals, paint, furniture-making and shipbuilding, tourism, and textiles.

Morris struck an agreement in May, 1985, to buy Naegele Outdoor Advertising Cos., Minneapolis. Naegele has operations in 12 states and 25 cities, including Minneapolis; New Orleans; Indianapolis; Youngstown, O.; Palm Springs, Cal., and Memphis.

The acquisition could allow the Morris chain to network its advertising by offering more in its ad package. Richard Condon, current Naegele president, is expected to continue to run the company, one of the largest outdoor advertisers in the nation.

The biggest papers of the family enterprise headed by Robert Morris III are the two Jacksonville dailies, the every-morning *Florida Times-Union* and the evening *Jacksonville Journal*, published Monday through Friday. Combined circulation for the March 31, 1985, ABC-audited period was 204,029, off slightly from 205,707 in the year-earlier period, although the March figure in 1985 was up slightly from the final ABC-audited count for 1984 of 203,314. Jacksonville, with about 600,000 population, is northern Florida's major center of commerce, finance and industry.

Over-all, the Jacksonville dailies have increased steadily in the past eight years, rising 18.4% from 172,300 in 1977. Circulation of the Sunday *Times-Union* was up 1.2% to 218,919.

Morris picked up the Jacksonville papers in late 1982 from the transportation conglomerate, CSX Corp. for $211 million. The purchase also included two other papers, the daily *St. Augustine Record*, and the weekly *Putnam County Courier-Journal* out of Crescent City, Fla., south of Jacksonville.

The *Record* circulates about 11,400 papers in a town of 11,895. It has charted a 23% growth since 1977. The reason, according to a market analysis, is the general acceptance of the paper by the established retirement and working population of the community as the prime source of information about St. Augustine. Good color printing also is said to help among affluent retirees.

The weekly *Putnam County Courier-Journal* circulates about 2,000 paid and 5,800 free copies every Wednesday in a lakeside (Crescent Lake) town built on seafood packing, boat building, tool and die making, citrus processing and diversified farming. The company has one other small weekly, the *Hilton Head* (S.C.) *News*, with circulation of 7,100.

Near one of Morris' bigger markets, Athens, Ga., the company publishes three small-town papers: the *Hartwell* (Ga.) *Sun*, a weekly, circulating 4,800 paid copies; the *Elberton* (Ga.) *Star Beacon*, a twice weekly with 5,700 circulation, and the *Royston* (Ga.) *News*, a weekly with 1,400 copies.

Athens, a city of about 45,000 and a college town, has two dailies, both Morris papers, the morning weekday *News* and the evening *Banner-Herald*, a seven-day paper. Combined ABC audited circulation for both in the March 31, 1985, reporting period was 22,422, off 3% from the similar period in 1984. A Sunday total of 26,715 is even with 1984.

Augusta is an industrial city of about 50,000 population and a golfer's dream. Its two dailies are the Morris-published *Chronicle*, a Monday-Friday morning paper, and the *Herald*, a five-day evening publication. Combined, the papers circulated 79,414, up from 79,042 from the similar period in 1984. Sunday is up 2% to 85,221.

Savannah, Georgia's port of entry from the Atlantic, is the biggest of the three Georgia cities with Morris papers. The city, with population of 140,000, has two Morris dailies, the morning *News* and the evening *Press*, circulating 77,099 combined weekdays, down from 77,505 last year. Sunday's *News-Press* had 73,532 for the March reporting period, down 3%.

The two Texas cities with Morris dailies also are each two-newspaper towns with Morris-only products. Amarillo, an oil and agricultural center of 150,000 in the Texas Panhandle, is served by the morning *Daily News* and the evening *Globe-Times*, which circulated a combined 74,168, off 12% from 1984. The count for the Sunday *News-Globe* is now 78,547, up slightly from 1984.

Lubbock, with about 170,000 population, is the trading and wholesale center for the Texas South Plains. The *Avalanche-Journal* publishes seven mornings a week; the *Journal* is a five-day evening paper, and combined they reach 73,017, down 3% from 1984. Sunday's *Avalanche-Journal* is up slightly to 81,689.

Alaska's state capital of 20,000-plus, Juneau, has one daily newspaper, the *Empire*, published by Morris. Publisher's latest circulation statement in March, 1985, is 7,850, up 11.7% from the last publisher's sworn statement, October, 1983.

Morris also publishes *Quarter Horse News*, a twice-monthly tabloid newspaper that averages 124 pages an issue and now circulates about 8,000 copies. Along with its editorial coverage of quarter horse breeding and performing, the Fort Worth, Tex.-based paper is heavy with advertising and runs high-quality color. While it may not fit the newspaper mold of the company, the publication reflects the personal indulgence of Mr. Morris, a horse breeder.

Completing the Morris strategy of maximum coverage for its markets, the corporation operates four commercial printing plants in the immediate areas of its various newspapers. In Georgia are Hartwell Publications and Southeastern Publications; in Florida is St. John's Publications, and in Amarillo, Southwestern Publications. Each serves major retailers with process-color printing of inserts and supplements either to tip into the Morris papers in the market or to be used in Morris' total market coverage deliveries to nonnewspaper subscribers.

MEDIA PROPERTIES

Newspapers (dailies)

ALASKA: *Juneau Empire.* FLORIDA: *Florida Times-Union, Jacksonville Journal, St. Augustine Record.* GEORGIA: *Athens Banner Herald, Athens Daily News, Augusta Chronicle, Augusta Herald, Savannah Evening Press, Savannah Morning News.* TEXAS: *Amarillo Daily News, Amarillo Globe-Times, Lubbock Avalanche-Journal, Lubbock Evening Journal.*

Newspapers (nondailies)

FLORIDA: *Courier-Journal* (Crescent City). GEORGIA: *Elberton Star-Elbert Beacon, Hartwell Sun, Royston News-Leader.* SOUTH CAROLINA: *Hilton Head News. Quarter Horse News.*

OTHER OPERATIONS

Hartwell Publications, Southwestern Publications, St. Johns Publishing Co. (job printing operations).

MTV Networks

RANK 90

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	110	50	119.9
Total sales	110	50	119.9
Net income	25	-6	526.2
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	0	0	0
Cable	110	50	119.9

MTV Networks, New York, which currently operates MTV: Music Television and VH-1/Video Hits One, two cable music networks, and one children's cable network, Nickelodeon, is the country's 90th largest media company with revenues of $109.5 million in 1984, all in media.

MTV Networks, which became a public company in 1984 when a third of its stock was placed on the market after the company was purchased from Warner Amex Satellite Entertainment Co., more than doubled its operating revenues in 1984 and showed a profit for the first time.

The two music video operations had 1984 revenues of $72.9 million and operating income of $19.9 million, although prelaunch expenses for VH-1, which premiered Jan. 1, 1985, cut into operating income. Nickelodeon had revenues of $27.5 million and operating income of $3.9 million in 1984, compared with revenues of $16.7 million and an operating loss of $3.3 million in 1983. The company made nearly $9.1 million in revenues and $1.6 million in operating profit from other media-related operations.

The company's profitability continued in the first quarter of 1985, with net operating revenues of $30 million and net income of $2.7 billion, up 45.6% and 80.4%, respectively, from the first quarter of 1983.

MTV Networks was incorporated in February last year, but had no operations until July when it acquired the MTV: Music Television and Nickelodeon businesses from the entertainment unit of Warner Amex Cable Communications, itself a joint venture of Warner Communications and American Express Co.

MTV Networks paid $67.7 million and issued 5 million common and 5 million convertible preferred shares for the Warner Amex businesses. A public offering of 5.1 million MTV Networks common shares in August, 1984, netted $70.3 million, which was used to repay bank loans incurred to finance the cash portion of the deal.

A prospectus on MTV Networks filed with the SEC on June 15, 1984, showed that MTV: Music Television and Nickelodeon had together lost about $79 million from January, 1980, to the end of the first quarter of 1984, while parents Warner Communications and American Express pumped a total of about $108.3 million into their joint venture businesses.

By accepting the $67.7 million in cash and receiving 66.1% of the capital stock of MTV Networks, Warner Amex moved from a position of jointly owning 100% of a $108.3 million investment that had not been returning a profit to a position of jointly owning two-thirds of a $40.6 million investment that is beginning to show operating profits.

Recently, it has been reported that David Horowitz, president of MTV, and Boston Ventures Ltd. Partnership, which has engineered several leveraged buyouts of media companies, have made a bid for the two-thirds of MTV still in the hands of Warner Amex. The Warner half of Warner Amex, in particular, might be interested in cashing in on this investment to raise money to finance a leveraged buyout in taking itself private or to repurchase the 30% of its stock sold to Chris-Craft Industries last year as a friendly ploy to avert a hostile takeover from Rupert Murdoch.

The bulk of MTV Networks' revenues come from the sale of advertising time on its three networks, with additional revenues coming from monthly fees from its affiliated cable operators and from trademark licensing, international programing sales, as well as operational services provided to other cable tv programing networks.

MTV: Music Television, the 24-hour rock music network launched in August, 1981, aimed at the 12-to-34-year-old age group offers a mixture of rock music videos, music news and specials. According to A.C. Nielsen Co., the rock music network reached 25.4 million cable households at the end of 1984, up 38% from the end of 1983. Before 1983, MTV: Music Television derived its revenue almost entirely from ad sales.

License fees were introduced in 1983, and by the end of 1984 the company had renegotiated agreements to include a license fee with cable affiliates representing more than 80% of MTV: Music Television's subscribers.

Nickelodeon, launched in January, 1980, is currently the only cable network aimed specifically at children. According to Nielsen, Nickelodeon reached 24.2 million cable households at the end of 1984, up 37% from the end of 1983. Its programing is time specific, with particular dayparts geared to different age groups.

In early 1985, Nickelodeon initiated a second satellite feed to serve the West Coast and intends to expand to 24 hours from the current 13. Nickelodeon derived revenue primarily from license fees based on agreements with cable affiliates and other licensees carrying the service until late 1983 when it instituted ad sales.

The MTV Networks' second 24-hour video music service, VH-1/Video Hits One, premiered in 1985 with 3.4 million subscriber homes and 28 charter advertisers. It is designed to complement MTV: Music Television and is aimed at the 24-to-54-year-old audience. VH-1 is programed with a mix of established music styles, including contemporary music, soft rock, rhythm and blues and cross-over country.

The cable tv affiliates licensed to carry both MTV: Music Television and VH-1 generally receive the license for VH-1 at no additional charge.

Of the 19 principal basic cable programing services and superstations at the end of 1984, Nielsen ranked MTV: Music Television sixth and Nickelodeon seventh in number of subscribers.

MEDIA PROPERTIES
Broadcasting
MTV: Music Television, Nickelodeon, VH-1/Video Hits One. The company also makes fees from leasing excess transponder capacity, from providing access to the company's subscriber base to programers, and from providing network operations services, including program integration, playback of programing and transmission to satellites.

Multimedia Inc.

RANK 36

Greenville, S.C.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	304	270	12.9
Total sales	304	270	12.9
Net income	34	35	-4.2
Sales per medium			
Newspaper	103	91	13.6
Magazine	0	0	0
Broadcast	135	126	7.6
Cable	66	53	24.2

With consolidated revenues for 1984 of $304.4 million, all from media, and earnings increases from all its media divisions, Multimedia Inc., turned in a strong performance for the year, making it the 36th largest U.S. media company.

The Greenville, S.C.-based company, whose revenues derive solely from media, saw an over-all revenue increase of 13% over 1983. The only weak spot was an $11 million loss on the regional cable network Sports Time, a joint venture with Anheuser-Busch and Tele-Communications Inc. After a year's trial, Sports Time ceased operations March 31, 1985.

"Cable viewers just weren't ready to see its value," says Walter E. Bartlett, Multimedia president-ceo. "There's no question in my mind that regional cable channels will make it. You just have to have awfully deep pockets and be willing to wait a long time."

Multimedia picked up its stride, though, and results from the first-quarter, ended March 31, 1985, show earnings of $7.6 million, a 9% increase over the same period in 1984. Revenues from broadcasting were up 14%; newspapers, 9%, and cable, 13%.

So attractive was the company's performance that management found itself fending off three takeover attempts after a bid to take the company private through a leveraged buyout in February failed.

The original offer by company management and members of the Peace, Jolley, Sisk and Furman families, who founded Multimedia in 1969, was for $37 a share cash and $25 principal amount of a new issue of subordinated discount debentures.

By mid-May, 1985, the company was offering $52.46 per share in cash or $125 in discount debentures (with a market value of $60) in a recapitalization plan that allowed stockholders the option of $47.19 in cash and 0.527 shares of the corporation.

The plan is for the new company to buy out shares of Multimedia and merge with Multimedia, according to Mr. Bartlett.

Earlier this year, the company turned down a billion-dollar offer of $60 per share from Wesray Inc., Morristown, N.J., the investment company headed by former Secretary of the Treasury William E. Simon. A $1.05 billion offer—$61 per share—from Lorimar Productions, Culver City, Cal., also was snubbed by Multimedia's founders and management.

An offer of more than $65 per share from Jack Kent Cooke, owner of the Washington Redskins, also was rejected. Mr. Cooke owns 9.7% of Multimedia stock. The founding families and management together hold 44% of the 16.7 million shares of company stock.

After the rejection of his offer, Mr. Cooke filed a preliminary injunction with the state court of South Carolina to halt Multimedia's recapitalization plan. The court has not ruled on the case.

Throughout the negotiations described by Mr. Bartlett as "absolutely hectic; I've never seen anything like it in my career," the company maintained it was not for sale.

"The founding families are adamant about wanting to keep the company intact," Mr. Bartlett said in an interview in mid-May.

He said the first-quarter results for all the company's media divisions "are running somewhat better than the rest of the broadcast industry."

He singled out Multimedia Entertainment, the production division of the company, as "doing exceptionally well." The division has a new president, Mike Weinblatt, formerly president-ceo of Showtime/The Movie Channel and the first president of NBC's entertainment division.

Now that Multimedia's flagship production, "Donahue," is settled into new quarters in New York after moving from Chicago in mid-1984, "We're looking for more areas of growth and expansion," Mr. Weinblatt says.

"Our newest major success," he says, "is the 'Sally Jessy Raphael Show,'" a syndicated talk show from KSDK-TV in St. Louis. Ms. Raphael is being touted as a female "Donahue" and her half-hour show was expanded from 26 to 53 markets during the first half of 1985. "By year's end, we hope to be in 75 to 80 markets," Mr. Weinblatt says.

Multimedia Entertainment is developing at least one game show, and possibly more, for syndication by the end of the summer, according to Mr. Weinblatt.

The company is "looking at additional programing during the early fringe and late-night time slots," Mr. Weinblatt says. A new vp-program development was named, Dick Miner, former executive producer of the "Donahue" show.

The company dropped "Braun & Co.," one of the oldest syndicated talk/variety shows in the country, when efforts to improve demographics for the 40-year-old show failed. The show originated from WLWT-TV, Cincinnati.

Multimedia Newspaper Co. has a new president, Donald J. Barhyte. Mr. Barhyte, the corporation's treasurer-chief financial officer, succeeded Rhea T. Eskew, who became senior executive.

The company publishes 14 daily and 29 nondaily newspapers. Two of the dailies were converted to morning publication in 1984. Ad revenues for the newspaper division increased 15.7% over 1983 and circulation sales were up 4.1%.

Multimedia Cablevision Co.'s subscribers increased 5.5% from 1983 to 268,000 in 1984, and the company spent $16.5 million to expand and modify the system. The company purchased the final 40% of Tar River Communications' outstanding common stock and acquired four cable systems in Oklahoma from American Television & Communications, a subsidiary of Time Inc., for the exchange of three of the Tar River Cablevision systems and $22.5 million in cash.

In early 1985, the company began marketing its new franchise for the 8,000-household community of Villa Park in DuPage County, Ill.

The company has agreed in principle to the settlement of four class action lawsuits filed in response to the attempt at a leveraged buyout.

MEDIA PROPERTIES
Broadcasting
TV: KSDK, St. Louis; WLWT, Cincinnati; WZTV, Nashville, Tenn.; WBIR, Knoxville, Tenn.; WMAZ, Macon, Ga.
RADIO: KMBQ (fm), Shreveport, La.; WMAZ (am, fm), Macon, Ga; WWNC (am), Asheville, N.C.; WFBC (am, fm), Greenville/Spartanburg, S.C.; WEZW (fm), Milwaukee.

Cable/video
ILLINOIS: Alsip/Worth, Batavia, Chicago Ridge, Evergreen Park, Harvey, Hometown, Lisle, Markham, Oak Forest, Oak Lawn, Phoenix, Kane County, Four Lakes, South Holland and Villa Park. KANSAS: Bel Aire, Colonial Mobile Home Park, Crestview/Shadybrook, East Borough, Herington, Kechi, Lyons, McConnell Air Force Base, McPherson, Medicine Lodge, Oaklawn, Park City, Rolling Hills, Sedgwick County, Springdale/Timberlakes, Wichita. NORTH CAROLINA: Ayden, Battleboro, Beaufort County, Bethel, Bridgeton, Clinton, Chocowinity, Craven County, Edgecombe County, Enfield, Greenville, Kinston, La Grange, Lenoir County, Martin County, Nash County, Nashville, New Bern, Parmele/Bethel, Pitt, River Bend, Robersonville, Rocky Mount, Sampson County, Scottland Neck, Sharpsburg, Tarboro, Trent Woods, Vanceboro, Walnut Creek, Washington, Wayne County, Winterville, Wingate. OKLAHOMA: Bethany, Bixby, Chickasha, Cresent, Cushing, Del City, Edmond, El Reno, Erin Springs, Guthrie, Lindsay, Midwest City, Moore, Mustang, Nichols Hill, Norman, Perry, Stillwater, Tinker Air Force Base, Valley Brook, The Village, Warr Acres, Yukon, Logan County.

Newspapers (dailies)
ALABAMA: *Advertiser, Alabama Journal,* both in Montgomery. FLORIDA: *Winter Haven News Chief.* GEORGIA: *Moultrie Observer.* NORTH CAROLINA: *Asheville Citizen.* OHIO: *Gallipolis Daily Tribune, Pomeroy Daily Sentinel.* SOUTH CAROLINA: *Greenville News, Greenville Piedmont.* TENNESSEE: *Clarksville Leaf-Chronicle.* VIRGINIA: *Staunton Daily News.* WEST VIRGINIA: *Point Pleasant Register.*

Newspapers (nondailies)
ALABAMA: *Prattville Progress.* ARKANSAS: *Baxter Bulletin.* FLORIDA: *Auburndale Star.* GEORGIA: *Weekly Moultrie Observer.* TENNESSEE: *Ashland City Times, Dickson Herald, Nashville Record, Gallatin News-Examiner, Stewart Houston Times* (Dover-Erin), *Hendersonville Star News.*

Other media
Twenty shoppers in cities in the South and Southeast. A quarterly, *Market Source,* Greenville, S.C. A monthly *Music City News,* Nashville, Tenn.

OTHER OPERATIONS
Program productions: "Donahue," "Sally Jessy Raphael," "Country Comes Alive," "Young People's Specials." Tar River Communications (40% ownership).

National Enquirer

RANK 77

Lantana, Fla.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	142	142	0
Total sales	142	142	0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	142	142	0
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

National Enquirer, Lantana, Fla., is the 77th largest U.S. media company with 1984 revenues of $142 million, unchanged from 1983. The all-media company derives revenues solely from two publications, the *National Enquirer* and *Weekly World News.*

A compilation of global news, features and brights, the 5-year-old *Weekly World News* continued to grow in 1984, with circulation increasing 7% to 910,000. Publisher James Martise says a newsstand price 15¢ less than the *National Enquirer's* helped *Weekly World News* hold its own in an increasingly competitive market. No major changes are planned for 1985.

The circulation-driven *National Enquirer* revenues were affected by a drop in circulation from 4.9 million to 4.7 million that was attributed to the increase in number of competitive magazines in the news/entertainment industry.

Although 1984 was a flat year for revenues, Mr. Martise says the *National Enquirer* made significant gains in national ad linage. A shift from its traditional format of entertainment and celebrity features to articles on food, fashion, beauty, marriage and children boosted national advertising 43% in 1984 to 358 pages, a gain Mr. Martise calls nothing short of "spectacular."

An increase in the number of magazines and tv shows dealing with celebrities continued to erode the *Enquirer's* market in 1984. The competition coupled with widely publicized libel suits by actresses Carol Burnett and Shirley Jones led the *Enquirer* to reverse its editorial policy and seek a new market in 1984.

"I'm not trying to suggest that the *Enquirer* is 100% self-help articles, but now our editorial content is about 60% in the service and human interest category—articles on adoptive children and religious columns and the like," Mr. Martise says.

"In the 1970s, the *Enquirer* had the entertainment category all to itself, but that isn't the case anymore," he says. The change in emphasis targets an audience of women who are high school graduates and home makers, a group of readers Mr. Martise says is uniquely the *Enquirer's* because the so-called Seven Sisters magazines, which the *Enquirer* sells against, cater to college educated professionals.

"We have been very successful in showing national advertisers that the unique contribution the *Enquirer* makes to their marketing plan is an unduplicated reach of women," Mr. Martise says.

The company plans to hold its tv ad budget at 1984 levels and continue what it considers to be a successful two-year campaign to recruit national advertisers through promotional mailings and advertising in trade publications. In 1984, the *Enquirer* spent $16 million, down 22.7% from 1983. Advertising was split into $14.7 million for national tv, down 26%, and $1.3 million on spot tv, down 27.8%, according to Leading National Advertisers.

Enquirer market studies have shown its audience to be largely "self-medicated," a reference to the readers' familiarity and use of over-the-counter products. Editorially, this has been exploited by the publishing of regular features written in conjunction with the Arthritis Foundation, American Heart Assn. and American Cancer Society. The newspaper published two major features on diabetes and one on anorexia in 1984, all of which were well received by national advertisers of otc products, Mr. Martise says.

The *Enquirer* also works with the Rochester, N.Y.-based Council of Adoptive Parents. Features on handicapped children and those from underprivileged backgrounds have led to a number of adoptions since 1980.

Nationally known ministers Robert Sculler, Norman Vincent Peale and Billy Graham write regularly for the *Enquirer.*

MEDIA PROPERTIES
Newspapers (nondailies)
National Enquirer, Weekly World News.

National Geographic Society

RANK 55

Washington

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	213	202	5.6
Total sales	326.8	326.6	0.1
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	213	202	5.6
Broadcast	0	0	0
Cable	0	0	0

National Geographic Society, Washington, in 1984 suffered from startup costs for *National Geographic Traveler* and reduced circulation and advertising of its lead publication, the *National Geographic.*

Earnings plummeted 123.8% overall to a loss of $2.6 million from a gain of $10.9 million in 1983 as revenues increased only 0.06% to $326.8 million.

Media revenues increased 5.6% to $213.4 million ranking the nonprofit Society 55th among the nation's media companies.

The new quarterly *Traveler,* with an annual subscription price of $12.50, quickly achieved a 1 million subscription base in 1984 after its startup in March, 1984. Ad rates were set at 600,000, with a 25% discount for frequent advertisers. Rates were increased later in the year.

Traveler, considered a supplement to *National Geographic,* carried 212 ad pages in 1984, and produced ad revenues of $3.6 million and total revenues of $13 million.

This year may prove more tumultuous for the *Traveler* because its editorial staff wants to reduce ad pages by about a third. George Moffat, the Society's ad director, predicts *Traveler* will carry only between 160 and 170 pages in 1985. Plans to increase the frequency of the magazine are on hold, and circulation is expected to remain at slightly more than 1 million. But Society officials say *Traveler* will show a profit in 1985.

The Society's mainstay, the *National Geographic,* had 282 ad pages in 1984, and ad revenues of $30 million, down slightly from 1983. Total 1984 revenues for the magazine were $168 million.

So far in 1985, the magazine's advertising has been soft, says Mr. Moffat, who expects to finish the year flat or down by a slim margin.

Circulation for the *Geographic* dipped to 10.35 million in 1984 from 10.60 million in 1983. This year the Society expects circulation of 10.50 million and a renewal rate of at least 86%. Membership costs for the magazine will remain at $15 through the year, but may be raised in 1986.

To boost ad sales, Mr. Moffat reorganized the domestic and international sales force in the first half of 1985, appointing Bill Hughes to the new post of national sales manager-East, and Phil Reynolds, formerly Chicago ad manager, to national sales manager-West.

Michele Boutin, the European sales director based in Paris, is now international sales director, a new post. Mr. Boutin will supervise the newly expanded international sales offices in London, Duesseldorf, Madrid, Sydney and Hong Kong.

The magazine began accepting beer, wine and cordials advertising in its international edition 18 months ago, but has "not been deluged by advertisers," Mr. Moffat says. U.S. editions probably will never carry alcohol or tobacco ads, he says.

U.S. regional sales are poor, Mr. Moffat says. He intends to modify the successful "Big G" sales program by eliminating buys in smaller markets to

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Kansas City, MO-Stamford, CT

keep advertising circulation at less than 5 million. The program currently allows advertisers to buy space in 36 selected U.S. markets at slightly more than half the cost of a regular *Geographic* ad page.

Mr. Moffat hopes to bring in new types of advertisers, such as home furnishings, with a promotion campaign breaking in the fall that will be more competitive and "will not bore people with numbers," he says. Last year's campaign cited reader demographics.

Geographic this fall will publish a cover with a hologram, repeating its successful gimmick from its March, 1984, issue.

The Society in January, 1985, launched a quarterly periodical, "National Geographic Research," which does not carry advertising. The $40-a-year publication will publish articles written by Society-sponsored scientists. Circulation is estimated to be 4,500 to 5,000.

"National Geographic World," geared to children between the ages of 8 and 13, is stable with a circulation of 1.5 million. It accepts no advertising.

The Society ventured into cable tv in April, 1985, and will produce 150 hours of the "National Geographic Explorer" for the Nickelodeon cable network, part of MTV Networks. It continues to produce four specials annually for the Public Broadcasting Service.

MEDIA PROPERTIES

Magazines

National Geographic, National Geographic Research, National Geographic Traveler, National Geographic World.

News America Publishing

New York

RANK 27

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	440	304	44.8
Total sales	463	320	44.6
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	407	287	41.7
Magazine	33	32	5.0
Broadcast	0	0	0
Cable	0	0	0

News America Publishing, New York, a unit of News Group Ltd., Sydney, Australia, is the nation's 27th largest media company, though it seems destined for top 10 status in 1985. Rupert Murdoch and his family own 46% of News Group Ltd. He is chairman-ceo of the company.

News America had net revenues from media operations of $439.9 million from a $463.1 million in gross revenues in the fiscal year ended June 30, 1984. Media revenues were up nearly 36.2% over fiscal 1983, primarily reflecting the addition of revenues from the *Chicago Sun-Times.*

News America made headlines several times in 1984, first with the January acquisition of the *Sun-Times* from the Field family for $100 million. That was followed in May by the purchase of *New Woman* magazine for a price estimated in excess of $20 million from the book's founder, Margaret Harold Whitehead. In November, Mr. Murdoch paid $362.5 million for the 12 trade publications of Ziff-Davis Corp.

All the 1984 activities were overshadowed when, in March, 1985, Mr. Murdoch struck a deal with Denver oilman Marvin Davis to buy a 50% stake in 20th Century-Fox Film Corp. for $250 million. Two months later, Mr. Murdoch announced a plan to purchase the seven major market tv stations owned by Metromedia Inc. for $2 billion. One of the stations, WCVB-TV in Boston, was sold to Hearst Corp. for an estimated $450 million in a simultaneous transaction.

By press time, Mr. Murdoch was being touted as the man behind the much talked about but never realized fourth commercial tv network—a network that could spring from the lead of the Metromedia independent stations and the program backing of a major Hollywood studio.

However, it remained to be seen whether Mr. Murdoch, an Australian citizen, could obtain American citizenship (foreigners can own no more than 20% of a broadcast station company) and divest himself of potential cross-ownership conflicts in New York and Chicago, both of which likely would be required of him before he could be awarded the Metromedia broadcast licenses by the FCC.

News America's 1984 fiscal year accounts only for the acquisition of the *Sun-Times. New Woman* and the Ziff-Davis publications were acquired after the books were closed on fiscal 1984.

Among the properties included in 1984's returns, the *New York Post* and the *Boston Herald* were the only money losers. Analysts believe the *Post* lost in excess of $10 million in calendar 1984. News America does not report financial results for the *Post.* Moreover, the *Post*, which had shown steady if not spectacular circulation gains since Mr. Murdoch bought the paper in 1976, showed its first decrease, going from some 960,000 daily sales to 930,000 at the Sept. 30, 1984, ABC audit, then showing further losses into 1985 to 901,313 for the six months ended March 31, 1985.

At press time, it was believed that Mr. Murdoch would have one of three options for the *Post* if he were to proceed with the Metromedia deal: Sell it (thought unlikely, because it's been losing money since Mr. Murdoch bought it); fold it and sell the assets, or attempt to obtain a waiver from the FCC that would allow him to own both a newspaper and a tv station in the New York market.

Losses at the *Boston Herald* were halved during the fiscal year, the first full year of News America's ownership. In the consolidated balance sheet for News Group Ltd., News Group Boston, which runs the *Herald*, showed a loss of $3.2 million Australian, about equal to U.S. $2.7 million at the June 30, 1984, exchange rates. Circulation and advertising share of market have continued to grow, however, with daily circulation in the March 31, 1985, ABC FAS-FAX report put at 368,027, up nearly 60,000 since it became a News America property in December, 1982. Sunday circulation was 308,823 in the March 31 FAS-FAX report, a gain of more than 65,000 sales over the same period.

News America's two newspaper properties in San Antonio, Tex., the San Antonio *Express* and the *News*, were merged into a single, all day paper, the *Express-News*, in September. The Express-News Corp. contributed about $6.1 million to News Group's consolidated net profit.

The *Sun-Times* circulation increased 1.7% to 639,187 daily and 0.5% to 690,904 on Sunday. While its daily trails the *Chicago Tribune* by about 136,000 subscribers, it is far behind the *Tribune's* 1.17 million Sunday circulation.

Mr. Murdoch's magazine properties are now part of a new unit, Murdoch Magazines. It was formed when News America acquired the Ziff-Davis trade books. The three properties included in the company's fiscal report are *New York*, the *Star* and the *Village Voice*, an alternative weekly newspaper in New York. At press time it was announced that the *Voice* has been sold for more than $55 million to Leonard Stern, ceo and chief executive officer of Hartz Mountain Industries, a New Jersey-based pet supplies and real estate company.

New York enjoyed a record year, with after-tax income up 62% to $11.9 million. Similar figures were not available for the *Voice* or the *Star*.

The *Star*, having suffered a loss of about 225,000 circulation during the fiscal year, underwent a major redesign and refocus early in 1985 to broaden its appeal beyond the typical checkout stand magazine reader to more sophisticated, professional women. While the celebrity news that the *Star* is noted for remains, added attention was given food, fashion and leisure.

MEDIA PROPERTIES

Magazines

A/C Flyer, Aerospace Daily, Aviation Daily, Business & Commerical Aviation, Hotel & Travel Index, Meetings & Conventions, New Woman, New York, Official Hotel & Resort Guide, Official Meeting Facilities Guide, The Star, Travel Weekly, Weekly of Business Aviation, World Aviation Digest, and *World Travel Digest.*

Newspapers (dailies)

ILLINOIS: *Chicago Sun-Times.* MASSACHUSETTS: *Boston Herald.* NEW YORK: *New York Post.* TEXAS: *San Antonio Express-News.*

Members of the board

Educators are prime bait for the nation's media company boards. Time Inc. has several: Alexander Heard, chancellor emeritus, Vanderbilt University; Matina S. Horner, president, Radcliffe College, and Clifton R. Wharton Jr., chancellor, State University of New York System.

ABC has Frank S. Jones, Ford Professor of Urban Affairs at Massachusetts Institute of Technology. Dun & Bradstreet has John R. Meyer, Harvard University professor. Meredith Corp. has Barbara S. Uehling, chancellor of the University of Missouri-Columbia; New York Times Co.—William F. May, dean of faculty of business administration, New York University; Westinghouse Corp.—David T. McLaughlin, president, Dartmouth College, and Barbara H. Franklin, senior fellow of public management, Wharton School of the University of Pennsylvania; Chris-Craft Industries—David F. Linowes, professor, University of Illinois.

Media companies by estimated newspaper revenues ($000)

with lead newspaper's circulation

Company	Newspaper revenues 1984	1983	1984 media revenues	Newsp. revs. % of '84 media revs.	Top newspaper by circulation	1984 daily circ. of lead newsp.*	'84-'83 % chng
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Advance Publications	1,250,000	1,194,200	1,900,000	65.8	Cleveland *Plain Dealer*	412,732	(11.1)
New York Times Co.	958,473	833,200	1,229,600	77.9	*New York Times*	1,013,211	4.4
Dow Jones & Co.	886,000	738,100	926,000	95.7	*Wall Street Journal*	1,990,025	(4.4)
Scripps Howard	700,000	650,000	829,000	84.4	*Rocky Mountain News*	329,381	3.2
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Central Newspapers	379,000	345,100	380,000	99.7	*Arizona Republic*	325,677	3.6
Capital Cities Communications	328,700	289,600	939,700	35.0	*Kansas City Times*	280,196	(2.9)
Affiliated Publications	327,500	278,500	343,800	95.3	*Boston Globe*	510,567	0.1
Thomson Newspapers	320,600	281,600	320,600	100.0	Canton, O., *Repository*	60,571	(2.0)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Media General	241,400	208,800	305,000	79.1	*Tampa Tribune*	225,748	4.1
Cowles Media Co.	232,000	209,500	232,000	100.0	*Minneapolis Star & Tribune*	383,657	3.1
Oklahoma Publishing Co.	228,500	207,800	389,200	58.7	*Daily Oklahoman*	252,364	7.0
Morris Communications Corp.	218,000	196,400	218,000	100.0	*Florida Times-Union*	162,011	(0.5)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
A.H. Belo Corp.	195,200	163,400	353,600	55.2	*Dallas Morning News*	368,683	10.2
Landmark Communications	191,600	162,600	225,000	85.2	Norfolk *Virginian-Pilot*	141,370	1.2
Chronicle Publishing Co.	171,000	N/A	231,000	74.0	*San Francisco Chronicle*	544,979	1.0
Pulitzer Publishing Co.	170,000	145,200	256,000	66.4	*St. Louis Post-Dispatch*	273,784	7.6
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
National Enquirer	142,000	142,000	142,000	100.0	*National Enquirer*	4,713,146	4.8
A.S. Abell Co.	139,000	120,000	195,000	71.3	*Baltimore Sun*	349,901	0.2
Howard Publications	139,000	129,000	166,000	83.7	*Hammond* (Ind.) *Times*	68,466	(1.0)
Lee Enterprises	134,200	120,600	182,700	73.5	*Wisconsin State Journal*	77,346	1.1
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Multimedia Inc.	103,000	90,700	304,400	33.8	*Greenville* (S.C.) *News*	87,914	2.2
Courier-Journal & Louisville Times	98,000	92,000	116,000	84.5	*Louisville Courier-Journal*	175,266	(1.1)
Times Journal Co.	95,800	84,000	95,800	100.0	Service *(Times)* publications	N/A	N/A
Macromedia Inc.	86,200	75,700	108,500	79.4	Bergen County, N.J., *Record*	156,954	2.3
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

*Source: Audit Bureau of Circulations: Fas-Fax averages for six months ended March 31, 1985

Newspapers (non-dailies)

NEW YORK: *Village Voice*. TEXAS: Houston Community Newspapers (all in Houston)—*Community News, Humble Echo, Sentinel, Suburban Reporter, Sun, Sun Woodland*. NATIONAL: *Star*.

New York Times Co.

New York

RANK 12

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	1,230	1,091	12.7
Total sales	1,230	1,091	12.7
Net income	100	79	27.3
Sales per medium			
Newspaper	958	833	15.0
Magazine	211	186	13.2
Broadcast	38	35	8.3
Cable	22	18	20.8

The New York Times Co., the nation's 12th largest media company, reported another record year in 1984, with revenues of $1.23 billion, up 12.7% from 1983. All revenues were from media.

Record earnings of $100.2 million were up 27.3% primarily on the strength of the company's newspaper group, which increased revenues by 15% over 1983, and the tripling of income from equity interest the company holds in four forest products companies.

This pace continued into the first quarter of 1985, with first-quarter earnings up 20% from the 1984 quarter, excluding the one-time, after-tax gain of $2.8 million from the sale of property in New York. The four forest products companies also continued to make significant contributions.

Gains in the newspaper group in the first quarter came primarily from increased ad rates and higher circulation. Although the magazine group also posted gains in circulation and ad revenue, the group suffered an 11% decline in operating profit. This primarily reflects costs associated with the sale of Times Books to Random House in November, which ended New York Times Co.'s involvement in the book, educational and library services businesses.

In 1984, the company's flagship paper, the *New York Times*, enhanced operations in several ways, including expanding existing features. The *Sunday New York Times Magazine*, for example, added two Part 2s to its lineup, bringing the total to 12 a year on thematic topics such as the "World of New York," "Sophisticated Traveler," men's and women's fashion, and sports. Ad volume for the Sunday magazine rose 12% over 1983's level, to 4,683 pages.

The *Times* also expanded the Business Day section last fall, which included the addition of editorial staff. The *Times* was honored again this year with two Pulitzer Prizes; it also was ranked as the best designed newspaper by the Society of Newspaper Design in a nationwide survey commissioned by ADVERTISING AGE.

Over-all, the *Times* gained about 4% in ad volume. Average daily circulation exceeded the 1 million mark for the first time in 1985. According to ABC audit figures for the sixth month period ended March 31, 1985, daily circulation hit 1,013,211, up 4.4% from the corresponding period a year earlier. The *Sunday Times* was 1,623,562, up 1.9%.

In February/March, 1984, the *Times* gained classification as a national newspaper, and bore a new promotional campaign, "Much more of the world, much faster." The campaign was the first work created by newly hired agency Bozell & Jacobs. The campaign started testing during February, 1984, in Cleveland and San Francisco and later was expanded to other primary *Time* markets. As of December, the national edition circulation stood at 125,000 daily and 215,000 Sunday. This spring, the national edition launched a sixth printing site, in Lorain, O.

In June, 1985, the New York Times Co. acquired three dailies. The dailies, circulation and year-to-year circulation growth: The *Spartanburg* (S.C.) *Herald-Journal* (47,476, up 1.3%), and in Alabama, the *Tuscaloosa News* (31,397, up 1.6%) and *Gadsen Times* (29,560, up 3.9) from the Public Welfare Foundation. Circulations are ABC six-month averages ending March 31, 1985; the percentage increases are based on growth from March 31, 1984.

This year, the company announced its plans to purchase the daily *Santa Rosa* (Cal.) *Press-Democrat* (72,698, up 2%) and the *Healdsburg* (Cal.) *Tribune* (5,325), a semi-weekly, and WQAD-TV, an ABC affiliate serving the Quad Cities area of Illinois and Iowa.

The company in 1984 sold two weekly Florida-based newspapers to Asterisk Publishing, Fort Lauderdale—*Zephyrhills News* in February and the *Anna Maria Islander* in November. This left 20 daily newspapers and eight weeklies on the *Times* roster of regional newspapers at the close of 1984.

Among the regional papers, the dailies achieved a 4% circulation gain, while the weeklies rose 6%. Ad volume also increased over-all.

In July, 1984, the magazine group acquired *Cruising World*, a sailing magazine with an average circulation of about 115,000. All the magazines reported slight gains in ad pages carried in 1984 over 1983. *Tennis* boasted a 12% rise in ad pages in 1984, although its circulation remained at 1983's level of about 500,000. The other magazines posted slight gains in circulation except *Family Circle*, which slipped 4%. Last year, the company acquired two buildings for the magazine group—one in Trumbull, Conn., and the other in lower Manhattan.

The broadcast group operates three tv stations, an am and an fm classical music station and a cable tv system. Operating profit climbed 76% over last year, mainly as the result of higher ad revenues at the tv and radio stations and a greater number of subscribers to NYT Cable.

In October, NYT Cable TV acquired a 56th franchise, adding 1,500 subscribers. Over-all, the number of basic subscribers rose 10% to 121,000 in 1984; pay subscriptions increased 8% to 124,000.

WQXR-FM, the classical music station, cut its ad load by 15% early last year, partly in response to a listener survey. The move should not hurt revenue and profit projections for the station, which is at its most successful point in its 47-year history, according to a company spokesman.

The acquisitions made this year are expected to erode earnings somewhat in 1985. However, Arthur Ochs Sulzberger, chairman-ceo, still projects that 1985 will be another strong year for the company.

MEDIA PROPERTIES

Broadcasting

TV: WHNT, Huntsville, Ala.; KFSM, Fort Smith, Ark.; WREG, Memphis, Tenn.
RADIO: WQXR (am, fm), New York.

Cable/video

NYT Cable TV, Cherry Hill, N.J.

Magazines

Cruising World, Family Circle, Golf Digest, Golf World (U.K.), *Tennis*.

Newspapers (dailies)

ALABAMA: *Times Tri-Cities Daily, Tuscaloosa News*, (pending acquisition) Gadsen Times (pending acquisition). CALIFORNIA: *Santa Rosa Press-Democrat* (pending acquisition). FLORIDA: *Gainesville Sun, Lake City Reporter, Lakeland Ledger, Leesburg Commercial, Palatka Daily News, Sarasota Herald-Tribune*. KENTUCKY: *Daily News, Harlan Daily Enterprise, Madisonville Messenger*. LOUISIANA: *Houma Daily Courier, Opelousas Daily World, Thibodaux Daily Comet*. MISSISSIPPI: *Corinth Daily Corinthian*. NEW YORK: *New York Times*. NORTH CAROLINA: *Hendersonville Times-News, Lenoir News-Topics, Lexington Dispatch, Wilmington Star-News*. SOUTH CAROLINA: *Spartanburg Herald*. TENNESSEE: *State Gazette*.

Newspapers (nondailies)

CALIFORNIA: *Healdsburg Tribune*, a semi-weekly (pending acquisition). FLORIDA: *Avon Park Sun, Fernandina Beach News-Leader, Golden Gate Eagle, Marco Island Eagle, Sebring News*. MAINE: *Kennebunk York County Coast Star*. MISSISSIPPI: *Booneville Banner-Independent*. TENNESSEE: *Claiborne Progress*.

Other media operations

News service, features service syndicate, equity interests in Madison Paper Industries, three Canadian newsprint companies and the *International Herald Tribune*.

Oklahoma Publishing Co.

Oklahoma City, Okla.

RANK 29

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	389	335	16.1
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	229	208	10.0
Magazine	1.9	1.7	11.8
Broadcast	141	126	12.0
Cable	18	0	N/A

Oklahoma Publishing Co., Oklahoma City, is the 29th ranked media company in the U.S., according to media revenues estimated by ADVERTISING AGE at $389.2 million in 1984, a 16.1% increase over 1983's estimated media revenues.

The private company, tightly held by Oklahoma City's Gaylord family and known as Opubco, derives its revenues from an ever-expanding empire of media, entertainment, sports and production facilities.

Although Opubco's revenues and earnings remain closely guarded, Edward L. Gaylord, president, was quoted earlier this year as saying the company's 1984 profits were expected to be in excess of $68 million.

During 1984, the company expanded its involvement in sports and country music, began improvements to its Opryland properties acquired in 1983 for about $500 million and introduced major improvements in some of its key media properties.

Following Opubco's merger of the evening *Oklahoma City Times* into the *Daily Oklahoman* on March 1, 1984, for an initial combined morning circulation of 264,000 (of which about 35,000 was duplication), the *Daily Oklahoman* opened a major $50 million-plus satellite production facility with new presses and other state-of-the-art technological improvements, including a $2.2 million electronic pagination system.

According to Howard Nicks, vp-general manager, the newspaper's weekly circulation in the first week of March, 1985, had grown to 262,385. Saturday circulation was up 21,197, to 240,990, and Sunday circulation was up 15,138, to 335,027. These compare with six-month Audit Bureau of Circulations statements of 252,364 daily, 235,734 Saturday and 317,750 Sunday.

Opubco's venture with Battelle Development Corp., Columbus, O., the DataTimes computerized library system, became a wholly owned subsidiary of Opubco under the Datatek name. It services newspapers and other subscribers.

By 1985, the DataTimes database was offering access to full-text libraries of the Associated Press, *Dallas Morning News, Houston Chronicle, Daily Texan* (University of Texas at Austin), the *Oklahoman & Times*, the *Journal Record* (Oklahoma City business publication), and to newspapers in Arkansas, Louisiana and Washington.

The service also provides a directory of Oklahoma companies, an Oklahoma legislative tracking database, an Oklahoma City traffic watch service, and other on-line electronic communication services including electronic mail.

Opubco's *Colorado Springs Sun*, after moving to tabloid format in 1983, reported continued circulation gains to 45,549 daily and 46,636 Sunday as of March 1985, up from 40,595 daily and 43,465 Sunday the year earlier. ABC averages for the six-month period ended March 31 show 41,960 daily, 41,572 Saturday and 44,750 Sunday. The dominant paper in the market is the combined morning-evening *Gazette-Telegraph*.

Gaylord Broadcasting, based in Dallas, named University of Oklahoma president William S. Banowsky to the post of president, succeeding Mr. Gaylord, who remained chairman and chief executive officer.

When the Federal Communications Commission changed its ownership rules in 1984, Gaylord Broadcasting jumped on the acquisition bandwagon and bid $500 million for McGraw-Hill's network affiliated tv stations in Denver, Indianapolis, San Diego and Bakersfield, Cal. But McGraw-Hill declined to accept the offer.

Gaylord Broadcasting expanded its sports involvement in 1984 with acquisition of one-third ownership of the Arlington, Tex.-based Texas Rangers, which finished 14½ games behind the champion Kansas City Royals in baseball's American League West. The about $20 million purchase included over-the-air tv rights and the right of first refusal on purchase of the remainder of Texas Rangers stock, owned by oil executive Eddie Chiles.

The acquisition initially failed to pass the required majority vote of the American League owners, but was approved by the overriding vote of baseball commissioner Peter Ueberroth. Sources reported that the purchase was approved after Gaylord Broadcasting agreed it would not strike for superstation status with the telecast of games outside the Rangers' immediate six-state area and into home areas of other Major League teams.

The Texas Ranger games are broadcast over Gaylord's KTVT, Dallas-Fort Worth. The company also carries games of the Cleveland Indians and Cavaliers over WUAB, Cleveland; the Seattle Mariners over KSTW, Seattle-Tacoma, Wash.; the Houston Oilers 1985 pre-season games over KHTV in Houston, and the Milwaukee Brewers and Bucks over WVTV, Milwaukee.

Opubco's Opryland USA acquired the Nashville-based Acuff-Rose group of music publishing companies jointly owned by country music entertainer Roy Acuff (member of the Grand Ole Opry since 1937) and music publisher Wesley Rose. On March 26, 1984, the Federal Communications Commission approved Gaylord Broadcasting's acquisition of WSM (am, fm), which was the only remaining portion of the Opryland USA acquisition that had been pending.

The Nashville Network, acquired in the purchase of Opryland USA (completed Sept. 1, 1983), continued its record growth at the rate of about 500,000 households a month, to finish 1984 with about 22 million households. The network had estimated ad sales of $18 million in 1984, according to Cabletelevision Advertising Bureau. A new revenue stream is expected to flow from the operation in 1986 when it is scheduled to begin charging affiliates per subscriber. Those fees generally run between 10¢ and 20¢ per subscriber per year.

During 1984, the network expanded into Canada and said it is considering expansion into Japan. Nashville Network also began the first regular live tv broadcast of the Grand Ole Opry, which continued its radio broadcasts via clear channel WSM radio.

Opryland's Music Country Radio Network, a joint venture with the Associated Press, continued to reach millions of overnight radio listeners via satellite over 100 affiliate stations with what MCRN boasts as the only satellite package offering an overnight country music variety format.

MEDIA PROPERTIES

Broadcasting

TV: Gaylord Broadcasting Co.: KHTV, Houston; KSTW, Tacoma, Wash.; KTVT, Dallas-Fort Worth; WTVT, Tampa, Fla.; WUAB, Lorain (Clevelend) O.; WVTV, Milwaukee; WVUE, New Orleans.
RADIO: WKY (am), Oklahoma City; WSM (am, fm), Nashville.

Cable/video

The Nashville Network with 22 million subscribers.

Newspapers

COLORADO: *Colorado Springs Sun*. OKLAHOMA: *Oklahoman & Times* and *Sunday Oklahoman*.

Magazine

Oklahoma/Texas Farmer-Stockman.

OTHER OPERATIONS

Datatek, Gaylord Productions, Gaylord Syndicom, the Grand Ole Opry and the Acuff-Rose music publishing company, Music Country Radio Network, Opryland Hotel, Opryland theme park, Opryland Productions.

Outlet Communications

Providence, R.I.

RANK 94

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	105	95	10.0
Total sales	105	95	10.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	105	95	10.0
Cable	0	0	0

Privately held Outlet Communications, owner of four fm radio stations, one am station and seven tv stations, is the 94th largest U.S. media company in 1984.

ADVERTISING AGE estimates the company's revenues climbed to $104.5 million, a 10% increase over 1983's estimate. All revenues were from Outlet's tv and radio properties.

On Feb. 1, 1984, the acquisition of Outlet Communications by the Rockefeller Group for $300 million was finalized, representing the first media property purchased by the Rockefeller Group. The group owns Rockefeller Center Management Corp., Rockefeller Center Development Corp., Rockefeller Center Telecommunications Corp., Radio City Music Hall Productions and Cushman & Wakefield.

In January, 1984, Outlet Communications was forced to sell radio station WSNE-FM in Taunton, Mass., because its acquisition by the Rockefeller Group invalidated its grandfather status in the eyes of the FCC with the co-owned and co-located WJAR-TV station in Providence, R.I. Buyers Donald Wilks and Michael Schwartz, Springfield, Mass., paid $3.6 million for the fm station.

Outlet Communications was frustrated in 1984 in its attempt to purchase two Texas tv stations—KTXA, Fort Worth, and KTXH, Houston. Outlet was outbid by Gulf Broadcasting, which paid $160 million for the two stations and later sold them to Taft Broadcasting with the rest of its media properties.

After being rebuffed in the Texas sales, in January, 1985, Outlet purchased independent WATL-TV, Atlanta, from Sillerman-Morrow for $28 million. The next month, Outlet bought independent WPDS-TV, Indianapolis, for $22 million from Anapcomp Inc., a publicly held computer company.

After acquiring the two uhf tv stations this year, Outlet Communications will not be making any new acquisitions in the near future, says Fred Griffiths, vp-corporate affairs. Talking about the company's future direction, he says the interest of the industry as a whole is shifting to satellites and cellular radio.

MEDIA PROPERTIES

Broadcasting

TV: KOVR, Stockton-Sacramento, Cal.; KSAT, San Antonio, Tex.; WATL, Atlanta; WCMH, Columbus, O.; WCPX, Orlando, Fla.; WJAR, Providence, R.I.; WPDS, Indianapolis.
RADIO: KIQQ (fm), Los Angeles; WIQQ (fm), Philadelphia; WQRS (fm), Detroit; WTKS (fm), Bethesda, Md.; WTOP (am), Washington.

Members of the board

Not long after Gerald R. Ford served his country as President, American Express Co. nabbed him to serve on its board along with Anne L. Armstrong, chairman, President's Foreign Intelligence Advisory Board; Henry A. Kissinger, former Secretary of State; Charles W. Duncan Jr., former Secretary of Energy, and Rawleigh Warner Jr., chairman-ceo of Mobil Corp.

RANK 96

Park Communications

Ithaca, N.Y.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	98	86	13.6
Total sales	98	86	13.6
Net income	14	11	25.7
Sales per medium			
Newspaper	51	44	15.9
Magazine	0	0	0
Broadcast	47	42	11.1
Cable	0	0	0

Park Communications, Ithaca, N.Y., is the country's 96th largest media company with estimated net revenues of $98 million, all from broadcasting and newspaper operations, up 13.6% from 1983.

By the end of the year, Roy H. Park Sr., whom *Forbes* magazine calls part entrepreneur, part showman and one of the country's 400 wealthiest people, plans to get "back out on the acquisition trail."

The 74-year-old communications magnate says he and the board of directors of Park Communications have begun searching for the person they hope eventually will replace him at the company's helm.

The heir-apparent will become chief operating officer and allow Mr. Park to do what he likes to do best—acquiring new outlets. Mr Park will continue as chairman-ceo.

"Most of the acquisitions, I make myself," he says. "I think the best way to do that is to see the guy who makes the decisions." And Park Communications—a new name since Park Broadcasting began offering stock to the public in October, 1983—has been very acquisition-minded.

Park, which in 1977 had reached the FCC's old maximum allowance of 21 broadcast outlets (7 tv, 7 am and 7 fm stations), a law that has been liberalized to 12-12-12, has bought at least one newspaper a year—"mainly, one a quarter," Mr. Park says.

The company's stock began trading at about $19 and now sells for more than $35 a share over-the-counter. Although it is considered a public company, Mr. Park and his wife, Dorothy, own 8.22 million shares, or 89.3% of the outstanding shares.

"No one can come in and take over," Mr. Park says.

The company has 75 daily, weekly and controlled circulation newspapers and still owns seven am and seven fm radio stations and seven tv stations. It employs 1,700 fulltime workers, 400 in tv, 1,100 in newspapers and 200 in radio.

Newspaper properties are in small markets where they are the dominant publications, concentrating mainly on local news, a Park trademark. Last year, Park's *Statesville Landmark & Record* in North Carolina broke a company record of pictures per publication when it ran separate pictures of 183 locals in a single edition.

Now that the FCC has raised the maximum number of broadcast outlets a company can own, Mr. Park has been exploring additions in that area, as he has in other communications fields.

"Broadcast properties recently have been very high priced," Mr. Park says. "People have been offering more for them than we think they're worth."

One area of broadcasting where Mr. Park and other broadcasters are making a strong push is low-power tv. Of the company's 39 applications, the FCC has awarded lptv licenses by lottery in seven of the application areas, all to competitors. However, Park is exploring the possibility of purchasing construction permits from successful bidders in several areas.

Wright Thomas, senior vp-finance, says he expects the cost for such purchases to be "relatively inexpensive, somewhere in the low five figures."

Mr. Park is not without the means to make acquisitions. The company pays no dividends to its 425 shareholders and does not plan to in the near future. As a result, it has $16.7 million in working capital available, along with lines of credit totaling $90 million from two banks.

And its cash flow from its operations is strong. Its net income rose nearly 27% in 1984 to $14 million, and gross revenues climbed more than 13% to nearly $106.4 million.

In the first quarter of this year, ended March 31, the company reported net income rose 16%. Mr. Park says the company's 1985 growth will do as well as that of 1984, "even though business in general is not as robust this year."

Park Communications spent much of its money and effort in improving its holdings in 1984.

It began Sunday newspapers in Morgantown and Statesville, N.C. "Sunday papers are worth two to 2½ times the value of ad linage in an average weekday," Mr. Park says.

Park doubled the power of WBGM, its CBS affiliate in Birmingham, Ala., to more than 2 million watts; it overcame objections from local pilots and received FCC approval to triple the height of its tower and boost power to 100,000 watts for KJJO (fm) in Minneapolis.

It also constructed a new building for its Yankton, S.D., WNAX (am) station. The station, which depends on farm, weather and market reports for the bulk of its programing, reaches 233 counties in seven states.

Early in 1984, Park bought the Medina, N.Y., *Journal-Register*, a 5,000-circulation newspaper; its companion weekly, the *Albion* (N.Y.) *Advertiser*, and two controlled-circulation shoppers early in the year. Park also bought the Jeffersonville, Ind., *Evening News* and its companion weekly, the *Clark County Journal*, in December.

Mr. Park also operates Park Outdoor Advertising, which is run by his son, Roy H. Park Jr. The company is owned by RHP Inc., a separate company owned by the senior Mr. Park and his wife. RHP also owns an ad agency and a real estate operation, with which Park Communications does business.

MEDIA PROPERTIES

Broadcasting

TV: WBMG, Birmingham, Ala.; WUTR, Utica, N.Y.; WNCT, Greenville, N.C.; WSLS, Roanoke, and WTVR, Richmond, Va.

RADIO: KRSI (am) and KJJO (fm), Eden Prairie, Minn.; WHEN (am) and WRRB (fm), Syracuse, N.Y.; WNCT (am, fm), Greenville, N.C.; KWJJ (am) and KJIB (fm), Portland, Ore.; WNAX (am), Yankton, S.D.; WDEF (am, fm), Chattanooga, Tenn.; WTVR (am, fm), Richmond, Va.; KEZX (fm), Seattle.

Newspapers (dailies)

ARKANSAS: *Courier News* (Blytheville), *W. Helena World.* FLORIDA: *Daily Sun Journal*, (Brooksville). GEORGIA: *Daily Sun* and *Sunday Sun* (Warner Robins). ILLINOIS: *Macomb Daily Journal* and *Sunday Journal.* INDIANA: *Jefferson Evening News, Pilot News* (Plymouth). MICHIGAN: *Coldwater Daily Reporter.* NEBRASKA: *News Press* (Nebraska City). NEW YORK: *Union Sun & Journal* (Lockport), *Evening Sun* (Norwich), *Journal & Advance News* (Ogdensburg), *Journal Register* (Medina). NORTH CAROLINA: *Concord Tribune, Daily Independent* (Kannapolis), *News Herald* (Morganton), *Observer-News-Enterprise* (Newton), *Robesonian* (Lumberton), *Sampson Independent* (Clinton), *Record & Landmark* (Statesville). NORTH DAKOTA: *Devils Lake Daily Journal.* OKLAHOMA: *Daily Ledger* (Broken Arrow), *News-Capital & Democrat* (McAlester), *Sapulpa Daily Herald.* VIRGINIA: *Journal Messenger* (Manassas), *News-Virginian* (Waynesboro).

Newspapers (nondailies)

ARKANSAS: *Osceola Times, Missco Shoppers Guide/Twin City Tribune,* West Helena. FLORIDA: *Free Press* (Brooksville), GEORGIA: *Houston Home Journal* (Perry), *Houston County News/Shoppers Extra* (Perry). ILLINOIS: *Business News* (Macomb). INDIANA: *Bremen Enquirer/Clark County Journal* (Jeffersonville). *Nappanee Advance News/Farm & Home News.* MICHIGAN: *The Resorter* (Coldwater). NEBRASKA: *Tri-State Weekly* (Nebraska City). NEW YORK: *Albion Advertiser, St. Lawrence Plaindealer* (Canton), *Courier-Freeman* (Potsdam), *Massena Observer.* NORTH CAROLINA: *Bladen Journal* (Elizabethtown), Burke County Observer, Cabarrus Observer (Kannapolis, Concord), *County News Enterprise-Maiden Times* (Newton), *Iredell County Observer, McDowell Express, McDowell News,* (Marion), *Mecklenberg Gazette* (Davidson), *Moore County News, News Outlook* (Aberdeen), *Robbins Record* (Mecklenberg), *Robesonian Weekly* (Lumberton), *Sandhill Citizen* (Aberdeen), *Sampson County Shoppers Guide, Valdese News.* OKLAHOMA: Bixby Bulletin, Hartshorne Sun, Jenks Journal.

Outdoor

Park Outdoor Advertising, serving Binghamton, Ithaca, Jamestown and Utica, N.Y., and Scranton, Pa.

RANK 86

Penthouse International

New York

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	115	110	5.0
Total sales	115	N/A	N/A
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	115	110	5.0
Broadcast	0	0	0
Cable	0	0	0

For Penthouse International, New York, 1984 was a year to try new strategies to prop up the company flagship's sagging circulation rates and to address the dilemma of hemorrhaging ad revenues in the beleaguered "men's sophisticate" magazine field.

Penthouse International had estimated revenues of $115 million, up 5% from restated revenues in 1983, ranking it 86th among the nation's leading media companies.

If there was a lesson to be learned from the company's experience last year, it was that nothing brings good health to a men's magazine like a photo spread of the reigning Miss America in the buff. The September issue of *Penthouse*, with a series of erotic photos of Vanessa Williams and another woman, came out almost a month early—in July, during the summer news doldrums. It was preceded by a debate as to whether the first black Miss America should be the first in the pageant's 63 years to be asked to step down because of the controversy.

When the magazine hit the stands, 5 million copies were snapped up in four days.

"No other magazine ever sold as many copies [in that period of time]," says exec vp-ceo David Myerson. "There's nothing comparable in the history of magazine publishing." The issue, which has become a collector's item, eventually sold 5.85 million copies, after the company put out a second press run.

It couldn't have come at a better time for *Penthouse.* The magazine had, as of June 30, 1984, lost more than 250,000 in circulation in a year, extending a two-year downward trend, and ad revenues had fallen 7.2% at the end of 1983 from the previous year. Even with the record-breaker in September and a followup nude appearance by Ms. Williams in November, the yearend circulation level of 3.77 million still didn't equal that of 1982.

Ad revenues for the company's flagship also were down, by 14.5%. Part of the drop can be attributed to a new policy, starting in the January, 1985, issue, of raising the editorial-to-ad ratios from 2-to-1 to an uncluttered 5-to-1. But the magazine, like other men's sophisticates, has been losing to other general interest magazines for several years.

Five out of the company's six magazines last year were in that category, and Penthouse has added another this year: *New Look*, an American version of a French pictorial magazine. *Spin*, a music magazine, also joins the family this year.

Penthouse's other men's magazines —*Forum, Variations, Penthouse Letters* and *Girls of Penthouse*—all either maintained their previous year's circulation levels or showed slight losses.

Omni, on the other hand, continued to increase in circulation and ad revenues. Circulation was up 4.3% to 837,282, as ad revenues increased 10.4%.

Company executives are inclined to attribute the circulation problems to the forces of prudery. For example, pressure groups in the Pacific Northwest have prompted supermarkets and drugstores to stop selling *Penthouse* and other men's magazines. The Tupelo, Miss.-based National Federation of Decency organized demonstrations in front of about 400 of Southland Corp.'s 7-Eleven convenience stores last August to protest sales of men's magazines. Canada banned *Penthouse* last November, after protests about the December issue, with a feature on women in bondage.

"If you get the magazine out there, it sells," Mr. Myerson says. "The consumer demand is still there. The problem has been that the pressures brought on the retailing establishment, by groups opposed to us, have been holding down growth."

Despite its troubles in recent years, *Penthouse's* media gross revenues increased 3% last year, to $158 million, Mr. Myerson says. Other gross revenues dipped, to $10 million from $12 million in 1983, he adds. The company, owned by the controversial and colorful Bob Guccione, has a diverse collection of successful properties, from a burgeoning list of video releases (for example, "Girls of Penthouse"), Omni books, ("The Whole Earth Software Catalogue"), movies ("Caligula" and, now in preproduction, "Moll Flanders") and international licensing agreements (Penthouse Clothes in Japan).

Penthouse has abandoned its money-losing televised "$1 Million Pet of the Year Pageant," and it is looking for a buyer for its ill-fated Atlantic City casino property, which stands, a partly built rusting hulk, on the boardwalk.

MEDIA PROPERTIES

Magazines

Forum, "Girls of Penthouse," *Omni, Penthouse, Penthouse Letters, Variations.*

OTHER OPERATIONS

Apex Properties, Boardwalk Properties, International Nuclear Systems Organization. Penthouse Films, Penthouse International Books, Omni Books, Evelyn Rainbird Ltd. (mail order), Penthouse Video.

RANK 76

Petersen Publishing Co.

Los Angeles

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	142	131	8.6
Total sales	150	141	7.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	142	131	8.6
Broadcast	0	0	0
Cable	0	0	0

Petersen Publishing Co., Los Angeles, the 76th largest media company based on its $142.3 million in media revenues in 1984 from its 14 special-interest monthlies and three every-other-monthlies and one-shot magazines, is marching to a faster cadence this year. Media revenues are up 8.6% from 1983.

For the first five months of 1985, total ad revenues from its magazine properties are up 18.2% compared with the similar period in 1984. Included in the growth is a 6.9% ad rate increase (compared with a 6.2% increase in 1984), a 6% increase in ad pages and improvements in newsstand sales.

The growth in 1985 represents an unexpected turnaround in the company's low growth forecast. Carol Johnson, director of advertising administration, says the original projections were made in 1984 when Petersen publications ran 10,260 ad pages compared with 9,536 in 1983, a 7.6% increase.

The improved outlook has generated estimates of a 14.5% increase in ad revenues to $90 million and a total revenue projection of $167.2 million by the end of 1985. Total revenue projections compare with $150.3 million in 1984, the difference between media contributions and the total being returns from art galleries, real estate and restaurant properties.

Circulation changes also are part of the reason for the improved outlook. Newsstand revenues in 1985 have been on the rebound, a fact Petersen traces to its new relationship with Curtis Circulation Corp., West Caldwell, N.J.

This year Petersen plans on reversing a slow but consistent decline in newsstand single copy sales by launching a nontraditional marketing strategy, says Nigel Heaton, vp-circulation.

"Previously we focused our attention on the over-all market. Now we plan to focus on the regional markets on a title-by-title basis," he says. "By working directly with the regional wholesaler, we plan to solve the newsstand display problem that is eroding sales. This new blood [Curtis] is giving us all high energy levels," Mr. Heaton says.

Another Petersen publication, *'Teen*, is typical of the problem the publisher has faced as newsstand single copy sales suffered throughout the industry in 1984.

The proliferation of titles created a display problem at newsstands, and the whole industry has faced major difficulties in merchandising titles at point of sale.

As a case in point, *'Teen* newsstand sales fell 10% in 1984 and consequently its ad pages dropped 4.7%. Nevertheless, thanks to a strong subscriber base, combined sales of newsstand and subscription dropped only 2.5%, from 12.37 million in 1983 to 12.06 million in 1984.

Vying for children's dollars at the newsstand, *'Teen* suffered as youngsters opted to spend their money on fan magazines and videos.

But the tide is turning in 1985 and *'Teen* has started a comeback. Mr. Heaton anticipates circulation to climb back to 12.28 million, almost reaching 1983 levels.

Petersen president Frederick Waingrow says last year the company felt a tightening of newsstand and subscription circulation patterns, but both these areas have loosened up in 1985.

In the company's stable of automotive magazines, leaders in increased ad pages are *Petersen's 4-Wheel and Off-Road* and *Motor Trend.* Besides being one of the growth leaders among the magazines, *Petersen's 4-Wheel and Off-Road* is the ad page leader, running 888.5 ad pages in 1984, an increase of 10.2% over the previous year.

This year, the most spectacular performer in increased ad pages, however, is *Motor Trend*, up 33% in the first six months of 1985 over the similar period in 1984. The June, 1985, issue set a record for the magazine of 102.4 ad pages.

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Motor Trend circulation is now at 2.4% above the rate base. Ms. Johnson believes the public is just starting to notice important changes in the magazine's editorial content, such as more attention to the import car market and more use of color.

The improved circulation picture already has meant a slight revival for *Petersen's PhotoGraphic.* Circulation is running 4.3% above the rate base, but ad linage continues to drag.

As it was last year, *Petersen's 4-Wheel and Off-Road* circulation maintained the strongest growth rate among the magazines. From 1982 to 1983, average circulation increased 24% to 263,982. From 1983 to 1984, circulation of the magazine jumped to 300,529, an increase of 14%.

The magazine is circulating at 41% above its rate base, forcing rate base changes every six months, Ms. Johnson says.

Other Petersen automotive publications are performing exceptionally well. *Dirt Rider*, started in November, 1982, posted a 48.1% increase in ad pages, for a total of 345 ad pages in 1984. Its circulation is 111,182, up 11.2% over a 100,000 rate base.

Petersen's firearms magazines have not matched the growth of its automotive titles, but they still are performing satisfactorily, Ms. Johnson says.

The leader in the group is *Petersen's Hunting*, which ran 556.1 ad pages in 1984, an increase of 16.2%. Its circulation is 290,343, exceeding the rate base of 275,000.

Guns & Ammo turned in ad pages of 605.5 in 1984 for a 2.1% increase, and its circulation—at 522,256—is 10% above the rate base of 475,000.

The future of *International Combat Arms*, which was spun off in September, 1984, from a successful one-shot specialty magazine, is still uncertain. The editorial content was overhauled after its initial two issues. It is still too early to predict the outcome, Ms. Johnson says.

One casualty in 1984 was *Sports Car Graphic*, covering the technical and racing aspects of sporting cars. The magazine ceased publication in December after 12 issues.

So far in 1985, the only disappointment has been Petersen's failure to rejuvenate *Pickups & Mini-trucks*. Ms. Johnson says the magazine's editorial content overlapped too conspicuously with *Petersen's 4-Wheel and Off-Road* for it to achieve a separate identity. After a name change and at least two major attempts to alter editorial direction, the company folded the publication in June.

In 1984, Petersen issued 42 one-shot specialty magazines that sold more than 4.4 million copies. Another 49 one-shot titles are planned for 1985, including four teen-oriented magazines, a dozen hunting and gun specials, and a magazine on home fitness equipment, a new frontier for Petersen. The remainder will be in the automotive area.

MEDIA PROPERTIES

Magazines

Car Craft, Circle Track, Dirt Rider, Drag Racing, Guns & Ammo, Hot Rod, International Combat Arms, Motor Trend, Motorcyclist, Petersen's 4-Wheel & Off-Road, Petersen's Hunting, Petersen's PhotoGraphic, Sea, Skin Diver, 'Teen. Also one-shot special interest publications.

OTHER OPERATIONS

Art galleries, real estate, restaurants.

RANK 87

Pittway Corp.

Northbrook, Ill.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	115	98	17.3
Total sales	496	432	14.8
Net income	32	26	20.6
Sales per medium			
Newspaper	0	0	0
Magazine	115	98	17.3
Broadcast	0	0	0
Cable	0	0	0

Pittway Corp., Northbrook, Ill., is the nation's 87th largest media company with media revenues of $115 million for 1984, an increase of 17.3% over 1983.

Media revenues came entirely from Pittway's business press subsidiary, Cleveland-based Penton/Industrial Publishing Co. and made up 23% of Pittway's total 1984 revenues of $496 million.

Pittway's 1984 net income was $32 million, up 20.6% from 1983. Net income for Penton/IPC was not available, but pretax income from publishing was $19.8 million, says Thomas L. Dempsey, chairman-ceo, Penton/IPC, and vp, Pittway. Saddlebrook Real Estate & Resort, a property contained in the publishing division, reported a pretax income of $1.7 million.

Mr. Dempsey says ad revenues from 26 magazines and one annual catalog accounted for about three-quarters of Penton/IPC's revenues of $150 million in 1984, up 19% from 1983. Part of those revenues come from group buys through Penton Executive Network, a network of 13 Penton/IPC publications with primary circulation of 1.5 million that is sold as a group.

Graphic services, marketing and education services and its Saddlebrook Real Estate & Resort business made up the balance, Mr. Dempsey says.

He projects an increase of 10% to 15% in revenues in 1985. With 21 of the company's magazines reporting increases in ad pages and profits, total ad pages have risen 7% by the end of May, 1985. Mr. Dempsey says Penton/IPC posted 35,000 total ad pages in 1984, an increase of about 10.5% over 1983.

A major contributor to Penton/IPC's success in 1984 was *Machine Design*, which Mr. Dempsey calls "the No. 1 IPC magazine last year and this year." He says the magazine has a circulation of 165,000 and posted an increase of 650 ad pages in 1984. The publication had 1984 estimated gross ad revenues of a little more than $20 million, Mr. Dempsey says.

Last year proved successful for a number of other Penton/IPC publications as well. *New Equipment Digest* was up 187 ad pages, *Industry Week* was up 191 pages, *Heating/Piping/Air Conditioning* reported an increase of 229 ad pages, *Production Engineering* was up 176 pages, and *Computer-Aided Engineering* posted an increase of 150 ad pages in 1984, according to Mr. Dempsey.

The company has one annual magazine—*Chemical Engineering Catalog.* All other publications are monthly or every-other-monthly, and no changes in issue schedules are planned, Mr. Dempsey says.

The company widened its publications family with the March, 1985, acquisition of *Millimeter* from Peter Jablon and Bill Blake for an undisclosed price. Targeted at readers who are "production people in movie and television programing," the magazine is printed 13 times a year and has a circulation of 26,000, Mr. Dempsey says. *Millimeter's* ad pages were 1,700 in 1984 and have risen 3% thus far in 1985, he says.

Penton/IPC instituted a rate increase in 1984 for the battery of magazines of between 5% and 6%, and followed it with an increase in 1985 of 5%, Mr. Dempsey says, adding that no further increases are slated for the rest of the year.

MEDIA PROPERTIES

Magazines

Air Transport World, Chemical Engineering Catalog, Computer-Aided Engineering, Contracting Business, Foundry, Government Product News, Handling & Shipping Management, Heating/Piping/Air Conditioning, Hydraulics & Pneumatics, Industry Week, Lodging Hospitality, Machine Design, Material Handling Engineering, Materials Engineering, Millimeter Magazine, Modern Office Technology, New Equipment Digest, Occupational Hazards, Power Transmission Design, Precision Metal, Production Engineering, Progressive Architecture, Restaurant Hospitality, School Product News, Used Equipment Directory, Welding Design & Fabrication, Welding Distributor.

Other media

Direct response cards, directories, annuals and Management Personal Time, a magazine network sell based on demographics.

OTHER OPERATIONS

Animated films, C&A Investments, Curtis & Pease (direct mail marketing), list sales, Mail-Tel Service, market research, Penton/IPC Press (graphic services), Penton Learning Services, Penton Exhibition Division, Pittway Real Estate, Saddlebrook Resorts.

RANK 67

Playboy Enterprises

Chicago

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	166	159	4.9
Total sales	187	194	-3.4
Net income	27	-17.5	256.3
Sales per medium			
Newspaper	0	0	0
Magazine	147	150	-2.1
Broadcast	0	0	0
Cable	16	8	88.0

Playboy Enterprises, Chicago, is the 67th largest U.S. media company, with media revenues of $166.3 million for the fiscal year ended June 30, 1984, up 4.9% from fiscal 1983.

Media revenues accounted for nearly 89% of total 1984 revenues of $187.1 million. In the previous year, restated media revenues of $159 million constituted 84% of the corporate total.

Publicly held Playboy reported fiscal 1984 net income of $27.3 million, nearly a $45 million turnaround from the $17.5 million net loss reported in fiscal 1983.

For the nine months ended March 31, 1985, however, Playboy's net income was down 67% from the year-earlier period, while income from continuing operations was down 20%, to $3.5 million. The drop reflects declining newsstand sales and slow growth at Playboy Enterprises video division. Previous year figures, however, included gains from the sale of casino and real estate holdings. Nine-month revenues were flat, up only 3.4% to $144.9 million.

The company's media sales consist of revenues from *Playboy* and *Games* magazines, the cable Playboy Channel and sales of "adult" videocassettes.

The flagship *Playboy* magazine contributed 72% of the company's total media revenues in 1984, with the monthly *Games* and other publishing activities adding another 16%. Publishing division revenues of $147 million were down 2% from restated 1983 publishing revenues of $150.2 million. Pretax income for publishing operations was $17.9 million in 1984, up 175% from $6.5 million in 1983.

The remaining 12% of media revenues consisted of $15.6 million in subscription fees for the Playboy Channel, an 88% increase from the previous year. Launched in November, 1982, the service had 720,000 subscribers at fiscal yearend, its first full year of operation.

Revenues of $3.4 million attributed to programing production and home video product sales are included in the media totals.

Playboy's video segment posted total revenues of $19.2 million, up 55% from 1983. The division suffered a pretax loss of $317,000 in 1984, compared with a $2.3 million loss a year earlier.

Fiscal 1984 saw a continued but tempered downturn at *Playboy*, with total revenues for the magazine of $120 million representing a 1.6% drop from fiscal 1983 revenues, which were down 12.7% from the previous year.

The recent decline was mostly because of lower ad revenues, though higher circulation revenues partially offset those declines. Newsstand revenues were up $1.8 million, or 4.4%, in fiscal 1984 mostly because of an October, 1982, price increase first reflected in fiscal 1983 results. (In June, 1984, *Playboy* again raised its cover price 50¢ to $3.50.) Subscription revenues were up $1.9 million, or 5.5%, in the same period.

Ad revenues, however, fell 12.5% to $46.4 million because of a 10% drop in total ad pages, to 1,039. The magazine's total rate base dropped from 4.4 million to 4.1 million in August, 1983, resulting in a 7.2% decline in ad rates.

Playboy's guaranteed rate base has remained steady at 4.1 million—including 2.2 million subscribers—since that time though; a 7% ad rate increase took effect last October.

The New York-based *Games* magazine had a yearend 1984 circulation average of 660,000, up 1.2% from the previous yearend. *Games* sold 252 ad pages in 1984, a 24% drop from a year earlier, while ad revenues for the magazine were $2.9 million, down 13.3% from 1983. The company attributes the drop to erosion in videogame advertising as that industry suffers continuing declines. For the first three issues of 1985, the magazine sold just 49 ad pages for revenues of $590,000.

Plans for improving *Games'* fortunes include developing automotive, camera and computer ad categories to reach the magazine's college-educated, younger and relatively affluent audience.

Several executive changes at *Playboy* signaled a changing of the guard as company president-chief operating officer Christie Hefner continues to implement her long-term strategy for the flagship magazine.

That strategy includes an increased emphasis on service features in *Playboy*, an attempt to differentiate the 30-year-old magazine from its more sexually explicit competitors.

Company chairman-ceo and founder Hugh Hefner, father of Christie, said he will lessen his involvement in day-to-day affairs of the magazine following a stroke suffered in March, 1985.

Nat Lehrman, senior vp-president of Playboy Enterprises' publishing division and associate publisher, *Playboy*, announced his intention to retire when a successor is named, though he says he will remain a consultant to the magazine.

On the corporate side, John Phillips, senior vp-chief financial officer, also left the company in May, 1985. Earlier last year, the two-member office of the president was disbanded when exec vp Marv Huston left the company. Stephen Silverstein, the senior vp-chief financial officer who preceded Mr. Phillips, also left.

Meanwhile, Paul Klein left his post June, 1984, as corporate senior vp and president of the Los Angeles-based Playboy Channel to form the competing HiLife pay cable network.

In early 1985, Playboy execs announced the channel would begin airing older, nonsex-oriented features to broaden its appeal, and they said the company would invest $30 million on original programing and promotion for the channel. The promotional effort includes a $3.2 million, seven-month campaign promising "entertainment for men and women," a sign that execs hoped to bring a more varied life-style approach to the soft-core sex channel.

The cable service also hopes to expand its presence in the growing hotel pay tv market.

MEDIA PROPERTIES

Cable/video

Playboy Channel, Playboy Home Video.

Magazines

Playboy, Games.

OTHER OPERATIONS

Playboy Clubs International, product sales and licensing.

RANK 65

Providence Journal Co.

Providence, R.I.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	172	145	18.8
Total sales	398	324	23.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	109	102	6.9
Magazine	0	0	0
Broadcast	28	13	112.1
Cable	35	30	16.7

Providence Journal Co., Providence, R.I., is the nation's 65th largest media company with 1984 estimated media revenues of $172 million, up 18.8% from the prior year.

Media, consisting of revenues principally from the *Providence Journal & Evening Bulletin*, Colony Communications, three tv stations and *Soap Opera Digest*, accounted for 43% of total revenues of $398 million, up 23% from 1983.

Providence Journal Co.'s newspapers—the morning *Providence Journal, Evening Bulletin* and *Providence Sunday Journal*—have maintained their news dominance in southeastern New England.

The morning *Journal* circulation grew slightly during 1984 to 84,866 reported by ABC for the March 31, 1985 period. Circulation dropped 3.4% for the *Evening Bulletin* to 125,321 from the year-earlier period, and circulation for the Sunday paper was up 1.3% to 255,425.

Providence Journal Broadcasting, which operates the broadcast properties, experienced considerable change and expansion in 1984.

The two Providence radio stations operated by the company for many years—WEAN (am) and WPJB (fm)—were sold to Eastern States Broadcasting, Washington.

In joint ventures with Southland Broadcasting and Mountain States Broadcasting, PJC expanded its tv operations into the West, buying WZAZ-TV, Tucson, Ariz., and KGSW-TV, Albuquerque, N.M., in January, 1985, and started cellular radio services in Providence (Metronet) and Raleigh, N.C. (Carolinanet).

Also demonstrating expansion, the company's Providence Gravure subsidiary, based in Providence, bought a $10 million, state-of-the-art laser gravure preparation system to improve printing reproduction and trim ad lead times.

The PJC's Colony Communications cable subsidiary continued to grow in 1984 with total basic subscribers of 198,208, up 5.7%, and total pay of 200,926, up 11.6%.

Colony acquired Vision Cable Co., Pawtucket, R.I., in March, 1985, from Rhode Island Cable Television, a subsidiary of Times Mirror. The Pawtucket system has a 29,948 subscriber potential. Colony also opened in May, 1985, the Costa Mesa, Cal., system with a 34,000 subscribers potential which Colony holds in joint venture with Copley Newspapers. The joint venture expects to start up operations in the third quarter, 1985, in Cyprus, Cal., system with a potential of 13,000 subscribers.

Throughout 1984, Colony has upgraded several systems including the Woburn section of Greater Boston Cable, adding an addressable converter and building up from a 35 channel to a 58 channel capacity. The converter allows additional services like ESPN, HBO or the Disney Channel to be added by computer to a subscriber's line.

Colony got a new president-chief operating officer when Charles Townsend replaced a vacancy left by Roger R. Turner who became president of Cable Vision Industries in Liberty, N.Y. Mr. Townsend was formerly vp-marketing, United Cable Television of Denver.

A major management shift corporatewide took place in April, 1985, when Michael P. Metcalf, a third-generation Providence Journal Co. executive, was promoted to board chairman-chief executive officer following the retirement of John C. A. Watkins, who had been chairman since 1974.

Traditionally attuned to press promotion only, the *Providence Journal-Bulletin* newspapers used spot tv to call attention to its new "Sports Monday" pages wrapping up the heavy weekend sports activities. According to Leading National Advertisers, the papers pumped $170,000 into the medium to introduce the sports product last fall. Spots, prepared by Quinn & Johnson, Boston, featured New England Patriots quarterback Steve Grogan and head coach Ron Meyer.

MEDIA OPERATIONS

Broadcasting

TV: WPHL, Philadelphia; WZAZ, Tucson; KOSW, Albuquerque, N.M.

Cable/video

Colony Communications, serving CALIFORNIA: Harbor City, Lomita (partial interest), San Pedro, Wilmington. FLORIDA: Hialeah-Coral Gables (88.9%). MASSACHUSETTS: Fall River (84%), Lowell, New Bedford (86%), Woburn. NEW YORK: Beacon, Hyde Park, Lloyd, Monroe, Poughkeepsie. RHODE ISLAND: Hopkinton, Westerly. Copley/Colony Cablevision, serving CALIFORNIA: Costa Mesa, Cyprus (in preconstruction stage). Multipoint distribution systems—MASSACHUSETTS: Boston, Springfield. RHODE ISLAND: Providence. Videotex system in Providence, R.I.-New Bedford, Conn. areas.

Magazines

Network Publishing Corp., publisher of *Soap Opera Digest.*

Newspapers

Providence Journal, Evening Bulletin, Sunday Journal.

OTHER OPERATIONS

Providence Gravure, Providence, R.I., wholly owned commercial printing subsidiary that includes Texas Color Inc., Dallas; Virginia Gravure Inc., Richmond; Kable Printing Co., Mount Morris, Ill.; Cellular radio-beeper service; Metronet, Providence, and Carolinanet, Raleigh, N.C.

Pulitzer Publishing Co.

St. Louis

RANK 46

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	256	242	5.8
Total sales	256	242	5.8
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	170	145	17.1
Magazine	0	0	0
Broadcast	86	97	-11.2
Cable	0	0	0

Pulitzer Publishing, the 46th largest media company with media revenues of $256 million in 1984, up 5.8%, stepped out of its traditional business of publishing daily newspapers in June, 1985, to purchase the Lerner Newspapers, a chain of weekly newspapers.

Pulitzer, whose major property, the *St. Louis Post-Dispatch*, faces encroachment in its own market from free community weeklies, in purchasing Lerner gets 45 weeklies, four Sunday papers and three free "shoppers" rimming the Chicago area. Lerner has a combined circulation of 300,000 and minority interests in 11 suburban Chicago cable-tv franchises.

All of Pulitzer's revenues are generated by media sources. About two-thirds come from the company's two newspapers, about $132 million from the *Post-Dispatch* and $38 million from the *Arizona* (Tucson) *Star*. The remainder comes from its broadcast properties.

Lerner, which should contribute as much as $15 million in revenues to Pulitzer, became a likely acquisition target following the death of Louis Lerner in November, 1984. He was editor, publisher and sole owner.

Pulitzer Publishing is privately owned, with the majority of stock held by chairman of the board Joseph Pulitzer Jr. and other members of the Pulitzer family.

Mr. Pulitzer, now in his early 70s, is expected to retire within the next few years. Successors probably will be his brother, Michael E. Pulitzer, vice-chairman of the board, and Glenn A. Christopher, president-ceo.

In addition, Joseph Jr.'s son, Joseph IV, who is in his mid-30s, is being moved through the ranks of reporting, editorial, production and advertising departments at the *Post-Dispatch*, apparently in preparation for leadership of the company.

The company spent much of the past year trying to adjust to some of the changes it brought upon itself. Early in 1984, Pulitzer's flagship property, the *St. Louis Post-Dispatch*, switched from afternoon to morning publication and steered a path of direct competition against its old partner, the *Globe-Democrat*.

Independent publisher Jeffrey M. Gluck bought the *Globe* in February, 1984, after its previous owners, Advance Publications (S.I. Newhouse) tried to close it. Because the *Post* and *Globe* were operating under a federally sanctioned joint operating agreement, the Department of Justice intervened to expedite the sale of the *Globe*.

The *Globe* has survived as a slimmer version of its former self. Circulation dropped from more than 230,000 when Mr. Gluck took over the paper to 210,000 in September, 1984, and 201,000 for the six-month period ended March 31, 1985.

The *Globe* launched a free-circulation Sunday paper this May 5 in an effort to crack the *Post's* monopoly on the Sunday market and to muscle in ahead of the Suburban Journals of Greater St. Louis, a chain of free Wednesday weeklies. The Suburban group, owned by Ingersoll Publications of Lakeville, Conn., reportedly long had been considering starting a weekend edition.

Post-Dispatch circulation rocketed during the first three months after its move to morning and has continued a steady growth pattern. Circulation for the six-month period ended Sept. 30, 1984, was 264,721 daily, 243,500 Saturday and 479,075 Sunday.

By March, 1985, the *Post-Dispatch's* daily circulation had risen to 273,784, a 7.6% gain over March, 1984, while Sunday increased to 495,111, up 1.2% over the previous March.

Post-Dispatch officials say they are less concerned with ad competition from the *Globe* than with competition from the Suburban Journals, whose free weeklies have a combined circulation of some 827,000.

The suburban weeklies have taken most of the grocery chains' preprint advertising away from the dailies, and the *Post-Dispatch* has fought back by starting a total market coverage vehicle called *You*. The 12-to-16-page broadsheet is dropped at 500,000 doors Wednesday mornings. *You* has been struggling—officials admit it has lost money most weeks—but apparently it's considered a defensive necessity.

The area's largest grocery chain recently dropped its Suburban Journals connection and began mailing its inserts via John Blair & Co.'s ADVO-Systems. In response, the *Post-Dispatch*, which argues that the Suburban Journals are losing their grip on the grocery chains, says it is developing a new editorial package to lure other grocery chains away from the Suburban Journals.

While the *Post-Dispatch* has made gains during the past year, circulation at Pulitzer's Sunbelt daily, the morning *Arizona Star* of Tucson, is slipping. Daily circulation as of March, 1985, fell 0.08% to 80,384 and Sunday dropped 0.04% to 150,059, according to ABC reports.

One reason, perhaps, for the slight stagnation in circulation is the *Star* raised its single-copy price to 35 cents from 25 cents this January, and the Sunday paper went from 75 cents to $1 last October.

The *Star* has a joint operating agreement with Gannett Co.'s evening *Citizen*, whose circulation dropped 4.4% during the past year to 62,445 in March.

While Pulitzer's newspapers are doing well, challenges lie ahead. Newsprint costs are on the rise again, and according to Pulitzer vp, Nicholas G. Penniman, "we still don't have a good handle on labor costs at the *Post-Dispatch*." Union contracts there will expire in February, 1986.

Pulitzer got out of the big-city tv business in 1983 when it sold its St. Louis tv property to Multimedia Inc., of Greenville, S.C., in return for $8.5 million in cash plus tv stations in Greenville and Winston-Salem, N.C.

Later that year it purchased uhf stations in Fort Wayne, Ind., and Louisville, Ky., from Gannett.

Pulitzer apparently prefers to operate tv stations in midsized cities—those in the 30th to 100th largest markets. "We seem to do well with stations in that size range," Mr. Penniman says.

The most profitable Pulitzer stations are said to be WGAL-TV in Lancaster, Pa., and WYFF-TV in Greenville, S.C. Both are NBC affiliates that lead their respective markets. Pultizer's KOAT-TV in Albuquerque remains one of ABC's strongest affiliates.

MEDIA PROPERTIES

Broadcasting

TV: KETV, Omaha, Neb.; KOAT, Albuquerque, N.M.; WGAL, Lancaster, Pa.; WLKY, Louisville, Ky.; WPTA, Fort Wayne, Ind.; WXII, Winston-Salem, N.C.; WYFF, Greenville, S.C.

RADIO: KKLT (fm) and KTAR (am), Phoenix.

Newspapers (dailies)

ARIZONA: *Arizona Daily Star* (Tucson).

MISSOURI: *St. Louis Post-Dispatch.*

Newspapers (weeklies)

Gained from Lerner acquisition: Myers Mid-week Newspapers: *Albany Park News, North Town News, Ravenswood-Lincolnite, Ravenswood News, Rogers Park-Edgewater News, Uptown News. Sunday Star/Sunday Life: Chicago Sunday Star, Skokie Sunday Life.* Booster Mid-week Newspapers: *Lincoln-Belmont Booster, Lincoln Park Lake View Booster, North Center-Irving Park Booster. Sunday Booster*, Booster Newspapers, *Weekend Booster.* Times Newspapers: *Harlem-Foster Times* (city), *Harlem-Foster Times* (suburban), *Harlem-Irving* (city), *Harlem-Irving* (suburban), *Franklin Park Times, Elmwood Park Times, Northlake Times, Northwest Times, Proviso Times, River Grove Times, Schiller Park Times, Portage Park Times, Jefferson-Mayfair Times, Logan Square Times.* Near North Suburban: *Lincolnwood Life, Morton Grove Life, Niles Life, Skokie Life.* Far North Suburban: *Deerfield Life, Northbrook Life, Glenview Life, Wheeling Life.* No. Suburban Quality Group:*Near North Suburban, Far North Suburban.* Skyline: *Skyline.* Voice Newspapers: DuPage County Voice, Voice of Bensenville, *Voice of Hanover Park North, Voice of Hanover Park South, Voice of Hoffman Estates, Voice of Itasca, Voice of Roselle, Voice of Bloomingdale, Voice of Schaumburg, Suburban Voice.*

OTHER OPERATIONS

Sports Stats (80% interest), Frank Popper Audiovisual Productions.

RCA Corp.

New York

RANK 4

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	2,371	2,090	13.4
Total sales	10,112	8,980	12.6
Net income	341	227	50.2
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	2,371	2,090	13.4
Cable	0	0	0

RCA Corp., New York, ranks as the 4th largest media company with media revenues of nearly $2.4 billion in 1984, up 13.4% from 1983. All of the company's media dollars are generated by NBC.

Once again, NBC represented nearly a quarter of the corporation's annual revenues. Pretax earnings for NBC last year came to $218.1 million, up 40% from 1983.

All of the operating units under the NBC umbrella recorded higher profits in 1984.

The NBC-TV Network scored significant A.C. Nielsen Co. ratings gains in the recently completed 1984-85 prime-time tv season. NBC, which now has 206 affiliates, advanced from third to second position in the prime time Nielsen ratings race early last fall. It consolidated its runnerup position with the World Series last October and with its first November sweeps win since 1976, as ABC fell into the Nielsen cellar, also for the first time in nearly a decade.

NBC's owned tv stations division (five outlets) also enjoyed record sales and earnings, for the fifth straight year. The company, which did not break out results for its radio networks and eight owned radio outlets, said audience levels for the radio division continued to increase; NBC's three radio networks (NBC, The Source, Talknet) have more than 500 affiliates.

During the opening 1985 quarter, RCA reported NBC was the standout in its quarterly report, with earnings triple those of the 1984 opening period, although the parent did not disclose NBC results.

Perhaps even more important than its upsurge in prime time household ratings, NBC executives said, is the network's increasing hold on viewers in virtually all the key age, sex and income demographic breakouts supplied by Nielsen, even as CBS and ABC showed slippage. NBC executives were especially pleased with having led among adults aged 18 to 49, the category "with the greatest appeal to advertisers," and among those aged 25 to 54, an audience segment archrival CBS long has been touting as the most attractive.

Explaining how CBS can win the homes ratings race while NBC captures the total persons crown, William Rubens, NBC vp-research, says NBC's strength is among younger households containing four or more people, whereas CBS dominates among the older one and two person households.

According to Robert Blackmore, senior vp-sales, demographics, not household ratings, form the basis "for 95% or more of our advertising sales."

Besides posting household ratings gains every night of the week in the past season, led by Thursdays and Fridays, NBC boasted of dominating its rivals in ratings tallied by made-for-tv and theatrical movies and miniseries. Of the new-for-fall 1984 series that will be renewed for 1985, NBC and CBS each has two: "The Cosby Show" and "Highway to Heaven" on NBC and "Murder, She Wrote" and "Crazy Like a Fox" on CBS.

Besides "Cosby," NBC placed "Family Ties" and "The A-Team" among network tv's top 10 for the full season in household ratings, with "Cheers," "Riptide," "Highway to Heaven" and "NBC Monday Night Movie" cracking the top 20, the latter the highest rated movie package of all the networks. Seven other shows were among the season's 40 highest rated programs.

NBC, coming off a season in which it trailed prime time leader CBS by just seven-tenths of a rating point, is poised for its strongest competitive thrust in prime time in 10 seasons. Executives forecast the tightest ratings race in recent memory.

NBC, which recently unveiled its new fall prime time schedule, is replacing just four hours of weekly programing, which Brandon Tartikoff, head of NBC Entertainment, noted is "the least amount of change NBC's had in 15 years."

NBC for the first time in two years will carry the Super Bowl, also sure to bolster its Nielsen performance for 1985-86. Due Jan. 26, Super Bowl XX is pegged at a record $550,000 per 30-second commercial; last season, ABC was the first to put this event over the $500,000-a-30 (or $1 million-a-minute) plateau.

Looking beyond prime time, Tony Cervini, vp-affiliate relations, says, "Our goal is to be No. 1" across all dayparts, with Pierson Mapes, network president, adding that NBC has the best chance of attaining that unheard of goal of any network in recent years.

Mr. Tartikoff pointed to ratings leadership in Saturday morning children's programing (for the third season) and in late night by "The Tonight Show," now solidly ahead of No. 2 CBS' rerun fare. Mr. Mapes noted "Today" is giving ABC's front-running "Good Morning America" its stiffest ratings challenge in several years in the early morning daypart. NBC's evening newscast with Tom Brokaw has recaptured the No. 2 spot in that daypart from ABC (the runnerup a year ago).

That leaves daytime, whose continuing growth is "our No. 1 priority," said Mr. Mapes. A distant also-ran in the daytime race as recently as 1983, NBC has closed to about a rating point behind runnerup ABC. To narrow that gap still further, Mr. Mapes and other NBC executives have been exhorting holdout affiliates to improve clearances. CBS and ABC have daytime clearance levels of 93% and 96%, compared with NBC's 91%, so "we need 94% coverage for parity," Mr. Mapes says.

NBC's biggest daytime push, in both promotion and clearances, for the past year has been focused on "Santa Barbara," which began in July, 1984, and has until July, 1986, to make good. Having already persuaded enough affiliates to give that soap opera 96% clearance (up from 74% last summer), NBC executives hope to cajole the remaining reluctant stations for that serial as well as for Procter & Gamble's "Search for Tomorrow" and the game show "Super Password."

The NBC News operation, which occupies about 20% of the network's schedule, is out to begin operating as a profit center instead of a loss leader in the season ahead, according to Larry Grossman, president.

There will be a series of "Time Out" children's news specials in the after-school viewing span as well as "America's Almanac," NBC's 14th attempt at a weekly prime time newsmagazine. "Almanac" will have two pilots and a series of monthly on-air tryouts from August through December before its weekly bow in January.

As chairman Thornton Bradshaw and president-ceo Robert Frederick have pointed out on numerous occasions, the parent in the past four years has been emphasizing its "core businesses," entertainment, communications and electronics. In the past couple of years, Mr. Bradshaw has reiterated that NBC, given its importance to this core-businesses strategy, is not for sale.

"Our health is obviously better" than in the past four years, NBC chairman Grant Tinker told the annual affiliates convention in May. Thanks to its ratings comeback, forecast of stronger ad sales and RCA Corp.'s ongoing support, Mr. Tinker said, "We don't have to worry about people like Ted Turner casting covetous glances our way."

In radio during the past year or so, NBC sold one outlet, WRC (am), Washington, and acquired another, WJIB (fm), Boston. Early in 1984, RCA initially showed interest in a Dallas fm station, KIXK, that ABC Inc. later bought. On the management side, NBC Radio division in the summer of 1984 named Randall Bongarten, formerly vp-general manager, WNBC (am), as president.

Home video, a potential ad medium of the future, represented a growth area for RCA, both in terms of hardware sales of videocassette recorders and in software sales of prerecorded videocassette titles here and abroad. Income for 1984 was hurt by the special provision of $175 million,

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MEDIA PROPERTIES

Broadcasting

TV: NBC-TV Network, with 206 affiliates. NBC-owned stations: WNBC-TV, New York; KNBC-TV, Los Angeles; WMAQ-TV, Chicago; WKYC-TV, Cleveland.

RADIO: NBC Radio Network, The Source and Talknet. NBC-owned stations: WJIB (fm), Boston; WNBC (am) and WYNY (fm), New York; WMAQ (am) and WKQX (fm), Chicago; KNBR (am) and KYUU (fm), San Francisco; WKYS (fm), Washington, and WJIB (fm), Boston.

OTHER OPERATIONS

RCA/Columbia Pictures International Video (home video), RCA Records, RCA consumer products division (tv, videocassette sets), Hertz Corp., RCA Americom (satellite).

Reader's Digest Assn.

RANK 57

Pleasantville, N.Y.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	205	203	1.0
Total sales	1,567	1,500	4.5
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	194	191	2.0
Broadcast	0	0	0
Cable	0	0	0

Reader's Digest Assn., Pleasantville, N.Y., is the country's 57th largest media company, with 1984 U.S. media revenues estimated by ADVERTISING AGE at $204.5 million, up 1% from 1983's estimated media revenues.

The company's media revenues are derived from its flagship monthly, *Reader's Digest*, and Source Telecomputing, the personal-computer electronic information service. It is estimated the *Digest* provided 95% of domestic media revenues; it also produces considerable revenue from its foreign editions.

For 1984, advertising revenues for the U.S. edition of *Reader's Digest* rose 10.1%, to $111.9 million, while advertising pages rose 4.3%, to 1,076. Through the first six months of 1985, ad pages were down 1.9%. As of the six months ended Dec. 31, circulation stood at 17,866,798, down 0.4% from the year earlier period, continuing the decline that began in 1983.

The past year has been one of digestion for Reader's Digest Assn., as it assimilates and adjusts to the sweeping changes at its highest levels that took place in May, 1984. At that time, George Grune became chairman-ceo, Richard McLoughlin vice-chairman/publisher and William Cross president-chief operating officer. These moves followed the replacement of editor-in-chief Edward Thompson by Kenneth Gilmore.

The changes, just after the death of co-founder Lila Acheson Wallace, shone a bright spotlight of publicity onto the usually low-profile company; articles characterizing the changes as "upheaval at the top . . a fight over philosophy . . . intrigue behind the ivy" appeared in such publications as the *New York Times* and *Fortune*.

Since then, the company has been working hard to reshape operations to conform more closely to its new top executives' philosophies and practices.

There have been several changes in personnel at key posts. Lynn Mapes was named vp-associate publisher and Richard Murray became vp-advertising sales director.

Among the other steps taken at the company's various and far-flung worldwide operations were: Closing its Philadelphia sales office; opening one in Washington; closing its Madrid-based Spanish subsidiary; discontinuing its educational division, which marketed *Reader's Digest* Software; shutting the Original Print Collectors Group, a direct mail catalog operation, and reducing marketing efforts aimed at increasing subscriptions among blacks in South Africa, while at the same time giving advertisers rebates when circulation in that country did not match figures projected to include growth among black readers.

In the advertising, marketing and promotion areas, there were several developments. Effective with last January's issue, advertisers in *Reader's Digest* are being offered a "perfect" half-circulation A/B split run, at half the regular page rate. *RD* execs are implementing a program to attract marketers' tune-in advertising, tied to specific tv miniseries and other "event programing." That included, for example, Procter & Gamble and NBC's "A.D." and Bristol-Myers and CBS' "Do You Remember Love."

The tune-in advertising, in the form of multipage ads, is of a type that usually would appear in *TV Guide* or daily newspapers, thus representing new opportunities for *RD*.

In the Latin American market, a new total Spanish-language circulation rate base of 1,555,000 is being presented to advertisers, covering 10 editions and offering discounts as high as 40%.

Reader's Digest changed agencies for its trade advertising twice, to follow James Parry as he changed agencies, first from Posey, Parry & Quest to Henderson Friedlich Graf & Doyle, and then to James Parry Inc. from HFGD.

Mr. Parry also is working on a corporate campaign for the parent Reader's Digest Assn. And *RD's* single-copy sales account was moved, too, to *TV Guide*, which now handles accounts of other publications, from Select Magazines. *RD* in April marked the 30th anniversary of the acceptance of advertising in its U.S. edition.

In other areas, Reader's Digest Assn. is expanding its entertainment unit, which produces tv programing, into feature films. And it has signed a cooperative agreement with Metropolitan Life Insurance Co. for the latter to sell insurance to *RD* subscribers.

MEDIA PROPERTIES

Electronic publishing

Source Telecomputing.

Magazines

Reader's Digest.

OTHER OPERATIONS

Readers Digest Entertainment, book publishing, mail order sales of records and tapes.

RKO General

RANK 59

Akron, O.

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	200	176	13.8
Total sales	371	335	10.6
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	200	176	13.8
Cable	0	0	0

RKO General, a subsidiary of GenCorp, Akron, O., the nation's 59th largest media company, had estimated 1984 media revenues of $200 million, up 13.8% from 1983. Media revenues represented 53.9% of total revenues in 1984 of $371 million, up 10.6%.

RKO's parent, GenCorp, renamed from General Tire & Rubber two years ago, had total net revenues of $2.7 billion in 1984, up 8% from 1983.

RKO consists of divisions in tv and radio broadcasting, soft drink bottling, theatrical production for pay tv, motion picture productions, hotel development and management, airline transportation, and data and information transfer systems.

RKO recently announced the sale of its radio networks to United Stations Radio Networks, New York-based producer of network radio programs partly owned by entertainment entrepreneur Dick Clark. Terms have not been disclosed, but it is believed RKO's asking price was about $20 million. RKO Radio Networks supplies programing and advertising to about 1,500 radio station affiliates. The sale was precipitated in part by trouble encountered by the company last year when it was disclosed that RKO had overbilled advertisers by some $7.9 million.

The network sale will have no impact on RKO owned and operated stations, says Steve Ellis, vp-communications.

The company spent a good deal of time extricating itself from the internal and credibility problems created by the highly publicized overbilling, which led to the resignation of three top executives of RKO Radio, including president Thomas Burchill. His replacement, Jerry Lyman, was elevated from vp-general manager of RKO's WGMS (am, fm) in Washington and vp-governmental relations. The overbilling also has become an issue in RKO license renewal hearings for its radio and tv holdings before the FCC.

Elsewhere among radio properties, RKO's WRS (fm) in New York and WAXY (fm) in Fort Lauderdale, Fla., became ratings leaders in their respective markets.

Tv also produced "exciting" results for RKO, Mr. Ellis says. WOR-TV, New York, enjoyed ratings increases primarily because of the improved performance of the New York Mets, whose games are televised by the station.

RKO Pictures also finished production of two films to be released later this year—"Mesmerized," featuring John Lithgow and Jodie Foster, and "Plenty" featuring Meryl Streep and Sir John Gielgud. RKO also is attempting to market films on home videocassettes. Growth has been as slow as expected because of the competitive market, acording to Mr. Ellis.

In other nonmedia areas, Frontier Airlines, which continues to perform poorly, is on the block. The air carrier lost $9 million last year, only a slight decrease from the $9.9 million loss in 1983. Mr. Ellis blames tight competition in the Denver hub of operations and the cost of fuel for the poor showing.

RKO Bottlers posted a record net revenues of $171 million during the year. It acquired the Pepsi-Cola Bottling Co. of Dover, O., its 10th bottling franchise, during the year.

RKO General chairman-ceo Thomas F. O'Neil retired in 1984 and his son, Shane O'Neil, 37, has taken over his duties, although with the title of president.

MEDIA PROPERTIES

Broadcasting

TV: KHJ, Los Angeles; WOR, New York; WHBQ, Memphis.

RADIO: KHJ (am) and KRTH (fm), Los Angeles; KFRC (am), San Francisco; WGMS (am, fm), Bethesda, Md.—Washington; WAXY (fm), Fort Lauderdale; WFYR (fm), Chicago; WRKO (am) and WROR (fm), Boston; WOR (am) and WRKS (fm), New York; WHBQ (am), Memphis.

OTHER OPERATIONS

Frontier Airlines, movie production, RKO Bottlers.

Rogers Cablesystems

RANK 81

Toronto

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	135	139	-3.3
Total sales	135	139	-3.3
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	0	0	0
Cable	135	139	-3.3

Media companies by estimated magazine revenues

with top magazine's ad sales ($000)

Company	Magazine revenues 1984	1983	1984 media revenues	Mag. revs. as % of '84 media revs.	Top magazine by ad revs.	1984 ad revs. of top mag.*	'84-'83 % chng
Time Inc.	$1,321,000	$1,131,000	$2,576,000	51.3	*Time*	$335,569	12.1
McGraw-Hill	671,700	629,700	963,700	69.7	*Business Week*	184,782	18.3
CBS Inc.	619,200	293,500	3,340,100	18.5	*Woman's Day*	110,367	4.5
Triangle Publications	589,000	517,300	657,000	89.6	*TV Guide*	304,265	12.9
International Thomson Holdings	550,000	450,000	550,000	100.0	*Medical Economics*†	22,206	10.3
Hearst Corp.	503,000	401,000	1,400,000	35.9	*Good Housekeeping*	133,313	4.9
Advance Publications	490,000	406,000	1,900,000	25.8	*Parade*	157,346	(8.6)
Dun & Bradstreet	380,000	332,500	1,400,000	22.7	*Datamation*†	18,982	26.6
Washington Post Co.	332,000	302,000	984,300	33.7	*Newsweek*	247,094	13.0
American Broadcasting Cos.	316,300	187,500	3,650,000	8.7	*Los Angeles*	13,276	15.1
Capital Cities Communications	262,900	156,000	939,700	28.0	*W*	18,283	31.1
National Geographic Society	213,400	202,000	213,400	100.0	*National Geographic*	30,004	9.6
New York Times Co.	211,000	186,400	1,229,600	17.2	*Family Circle*	130,692	10.0
Meredith Corp.	210,100	188,800	327,200	64.2	*Better Homes & Gardens*	126,134	15.7
Cahners Publishing Co.	200,000	160,000	200,000	100.0	*Restaurants & Institutions*†	30,579	35.2
Reader's Digest Assn.	194,300	190,500	204,500	95.0	*Reader's Digest*	111,854	10.1
Family Media	185,300	162,200	185,300	100.0	*Ladies Home Journal*	66,537	15.9
Playboy Enterprises	147,000	150,200	166,300	88.4	*Playboy*	54,975	(8.8)
U.S. News & World Report	143,800	130,000	143,800	100.0	*U.S. News & World Report*	101,480	8.2
Petersen Publishing Co.	142,300	131,000	142,300	100.0	*Motor Trend*†	18,514	14.8
Times Mirror Co.	140,200	130,400	1,988,300	7.1	*Popular Science*	22,946	2.9
International Data Group	138,000	85,000	138,000	100.0	*Computerworld*†	50,160	17.1
Penthouse International	115,000	109,500	115,000	100.0	*Penthouse*	22,025	(14.5)
Pittway Corp.	115,000	98,000	115,000	100.0	*Machine Design*†	20,000	29.7
Forbes Inc.	108,300	99,700	108,300	100.0	*Forbes*	109,729	29.9
McCall Publishing Co.	106,000	90,000	106,000	100.0	*McCall's*	76,274	18.5
Harcourt Brace Jovanovich	103,100	85,300	119,400	86.3	*Modern Medicine*†	7,100	23.7
Knapp Communications	97,600	88,500	97,600	100.0	*Architectural Digest*	27,765	12.8
13-30/Esquire	95,000	66,900	95,000	100.0	*Esquire*	29,888	22.7
SFN Cos.	65,200	21,100	140,200	46.5	*Drug Therapy*†	5,895	25.0
Maclean Hunter Communications	50,200	40,000	270,200	18.6	*Progressive Grocer*†	8,500	11.4
American Express Co.	42,800	33,700	279,300	15.3	*Travel & Leisure*	27,528	25.9
Warner Communications	34,300	32,000	271,800	12.7	*DC Comics*	N/A	N/A
News America Publishing	33,300	31,700	439,900	7.6	*New York*	53,865	5.3
Dow Jones & Co.	30,000	27,600	926,000	3.2	*Barron's*†	22,932	18.3
Media General	21,600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LIN Broadcasting Corp.	14,000	11,000	142,800	9.8	*Guest Informant/Leisureguides*	N/A	N/A
Times Publishing Co.	10,300	10,000	152,000	6.8	*Florida Trend*†	3,200	28.0
Dispatch Printing Co.	2,000	N/A	152,000	1.3	*Ohio Magazine*†	2,000	N/A
Oklahoma Publishing Co.	1,900	1,700	389,200	0.5	*Okla./Texas Farmer Stockman*†	1,900	11.8

Source: *Publisher's Information Bureau

† Indicates gross ad revenues were estimated by company sources and/or Advertising Age

Rogers Cablesystems had consolidated gross revenues in 1984 of $134.9 million, a decline of 3% from 1983, ranking the Toronto-based company the 81st largest media company.

The decline is attributed to a major internal reshuffling that took place in 1983. It affected 1984's operating income which showed a 44% decline, to $31.8 million. Ad revenues, an emerging revenue stream, sprinted ahead 30% over 1983.

Ad revenues are expected to grow another 20% this year. Also in 1985, the company is emphasizing increasing the number of subscribers to basic service in the U.S. and the number of pay subscribers in Canada.

This growth plan is a new program for the company, which has stabilized after a 1983 restructuring, according to Phil Lind, president of Rogers U.S. Cablesystems. While Rogers' basic service succeeded in the U.S. in 1984, pay service continued to be a tough sell in the Canadian market, Mr. Lind says.

It was only two years ago that the Canadian government permitted the selling of pay tv services. Public approval has been equally slow in coming. Whereas 80% of the Canadian population receives basic cable, only 15% opts for pay service. There are two primary reasons: Canadian government requirements regarding content and expenditure (40% of programing content and 40% of an operator's budget must be devoted to Canadian productions) and lack of legal access to more and better U.S. services.

It is expected, however, that before yearend these constrictive regulations will go the way of the 4% limit on increases for basic service, which was rescinded in September, 1984. Rogers now has pending rate increases averaging 10% targeted for several of its larger Canadian systems.

In the U.S., Rogers consists of two divisions, Rogers U.S. Cablesystems and Rogers UA Cablesystems. According to Mr. Lind, Rogers U.S. Cablesystems generally operates newer systems mainly in the northern U.S., whereas Rogers UA Cablesystems operates the older systems in the southern half. Both companies are wholly owned by Rogers, but they are legally separate and have different corporate structures.

Concerning the poor showing in fiscal 1984, Mr. Lind says that "to make comparisons with 1983 figures is not useful because of the major changes that have occurred." Gross income per subscriber, on the other hand, averaged $268.32 a year, up from $239.78 for Rogers U.S. Cablesystems and $184.43 for Rogers UA Cablesystems in 1983.

Rogers, which serves about 500,000 basic subscribers in 16 states, in 1984 signed an agreement with Zenith Electronics Corp. to wire San Antonio, Tex., with a two-way cable system. The system became operational in March, 1985. Subscribers can order special pay-per-view programing and respond via cable to survey questions. New converter boxes are being connected at the rate of 10,000 a month, and surveys show subscribers use the services frequently.

Other locations Rogers now serves with two-way cable are Orange County, Cal.; Minneapolis and Portland, Ore. Mr. Lind believes these addressable cable systems are the wave of the future in the cable industry.

In addition to addressable systems, Rogers' is paying close attention to cost-cutting and boosting ad revenues. Because Rogers is now almost a purely operational company and has completed its construction phase, Mr. Lind says he expects the number of employes to decrease, although he declined to indicate how many employes he has now or what the drop will be.

He also says there is great potential for increased ad revenue. By late 1985 or early 1986, he expects the cable system to be spending about 10% more promoting itself in its various markets.

MEDIA PROPERTIES

Cable/video

U.S. Cablesystems, serving CALIFORNIA: Huntington Beach (50% interest), La Mirada, Rossmoor. MINNESOTA: Minneapolis (Southwest suburbs, 75% interest). NEW YORK: Syracuse (67% interest). OREGON: Portland (50% interest). UA-Columbia Cablevision, serving ARIZONA: Yuma. ARKANSAS: Bay, Bonanza, Fort Smith, Greenwood, Hackett, Jonesboro, Lake City, Luxora, Manila, Osceola, Roland. CALIFORNIA: Brawley, Calexico, El Centro, Hotville, Imperial, Westmoreland. COLORADO: Aspen, Basalt, Rifle, Snowmass. FLORIDA: Fort Pierce, Vero Beach. KANSAS: Marysville, Pittsburg. MASSACHUSETTS: North Attleboro, Taunton. NEBRASKA: Beatrice. NEW JERSEY: Allendale, Bloomingdale, Bogota, Butler, Cedar Grove, Clifton, Elmwood Park, Garfield, Glen Rock, Hackensack, Haledon, Hasbrouck Heights, Hawthorne, Hillsdale, Ho-ho-kus, Kinnelon, Lincoln Park, Little Falls, Lodi, Maywood, Midland Park, Montville, North Caldwell, North Haledon, Nutley, Oakland, Paramus, Park Ridge, Passaic, Pequannock, Pompton Lakes, Prospect Park, Ramsey, Ridgewood, Ringwood, Riverdale, River Edge, Rochelle Park, Saddle Brook, South Hackensack, Teaneck, Totowa, Upper Saddle River, Waldwick, Wanaque, Wayne, Washington Township, West Paterson, Westwood, Wood Ridge, Wyckoff. NEW MEXICO: Alamagordo. NEW YORK: Ardsley, Bellport, Bronxville, Brookhaven, Dobbs Ferry, Eastchester, Elmsford, Greenburg, Hastings-on-Hudson, Irvington, Lake Grove, New Rochelle, Patchogue, Pelham, Pelham Manor, Scarsdale, Tuckahoe, White Plains. OKLAHOMA: Arkoma, Krebs, McAlester, Muldrow, Sallisaw. OREGON: Hermiston, Pendleton, Pilot Rock, Stanfield. TENNESSEE: Fayetteville, Lawrenceburg, Pulaski. TEXAS: Alamo Heights, Balcones Heights, Balinger, Baxar County, Castle Hills, Cibolo, Comol County, Converse, Fort Sam Houston, Gainesville, Guadelupe County, Hili City Village, Hollywood Park, Kirby, Laredo, Leon Valley, Live Oak, Miles, Mount Pleasant, Mount Vernon, Pittsburg, Randolph Air Force Base, San Angelo, San Antonio, Schertz, Selma, Terrell Hills, Universal City, Windcrest, Winters. WASHINGTON: Kennewick, Pasco.

RANK

Sammons Communications 88

Dallas

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	113	94	20.2
Total sales	113	94	20.2
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	0	0	0
Cable	113	94	20.2

Sammons Communications, Dallas, the nation's 88th largest media company, posted an 11% increase in the number of basic cable tv subscribers in 1984 and a 23% increase in the number of pay subscribers to record estimated media revenues of $113 million, up 20.2% from 1983.

With 661,329 basic and 598,000 pay units, Sammons, a wholly owned subsidiary of the privately owned Sammons Enterprises, is the nation's 12th largest multiple system operator, the same position it held in 1983.

The cable company has for a number of years concentrated on consolidating its properties rather than seeking new franchising not contiguous with existing systems.

However, Sammons is prepared to act when it finds a good purchase, says Jim Rosene, company spokesman, noting Sammons made a major acquisition in 1984, buying the system serving Pascagoula, Miss. Previously run by Gulf Coast Cable, the system serves 19,000 basic subscribers.

In other areas of the South, Sammons is consolidating operations. In 1984, Sammons acquired from Warner Amex Cable Communications the systems serving Dumas and Sunray in the Texas Panhandle—near other Sammons systems in that area. Sammons also concluded the purchase from Storer Cable Communications of a number of small systems in the Fort Worth area. These Texas systems represent 58,000 new basic subscribers for Sammons.

The Fort Worth system has two-way capability. Subscribers may bank, pay bills, receive Dow Jones information and obtain numerous other services through their cable system.

Mr. Rosene says this service is priced about the same as Sammons' other systems.

Sammons continues to emphasize addressability, providing specific programs and advertising to designated markets. Such a system was tested in portions of Sammons' Pleasantville, N.J., market.

Mr. Rosene says the test was conducted to establish the office and technical procedures for contending with the complexities of an addressable system.

MEDIA OPERATIONS

Cable/video

ALABAMA: Lanett, Moulton, Russellville. CALIFORNIA: Burbank, Ceres, Glendale, La Crescenta, Sylmar, Turlock, Whittier. CONNECTICUT: Waterbury. FLORIDA: Live Oak. GEORGIA: Pine Mountain, West Point. ILLINOIS: Dwight, Jacksonville, Ottawa, Pontiac, Streator. INDIANA: Logansport. IOWA: Estherville, Graettinger. KENTUCKY: Middlesboro. LOUISIANA: Vidalia. MISSISSIPPI: Brookhaven, McComb, Natchez, Pascagoula. MISSOURI: Neosho. NEW JERSEY: Dover, Morristown, Pleasantville. NEW YORK: Cortland, East Hampton Gloversville, Johnstown, Penn Yan, Wellsville. NORTH CAROLINA: Black Mountain, Canton, Clyde, Montreat, Waynesville. OKLAHOMA: Clinton, Elk City. PENNSYLVANIA: Bensalem, Easton, Emmaus, Falls Township, Fleetwood, Harrisburg, Morrisville, Oil City. TENNESSEE: Bristol, Elizabethton, Johnson City, Morristown, Newport. TEXAS: Benbrook, Borger, Dumas, Duncanville, Fort Worth, Highland Park, Pampa, Sunray, University Park. VIRGINIA: Covington, Petersburg. WASHINGTON: Ephrata, Moses Lake, Othello. Also, Sammons Productions.

RANK

Scripps Howard 18

Cincinnati

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	829	751	10.4
Total sales	N/A	807	N/A
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	700	650	7.7
Magazine	0	0	0
Broadcast	118	94	25
Cable	11	6	76.6

Scripps Howard, Cincinnati, the nation's 18th largest media company, continues to solidify its properties in many of its highly competitive markets. The company has embraced a more modern image to back that effort and to complete a corporate reorganization that began in 1984.

The 106-year-old company had media revenues in 1984 of $829 million, up 10.4% from 1983, ranking Scripps Howard the nation's 18th largest media company.

Media consists of newspapers from privately held E.W. Scripps Co., Cincinnati, with estimated revenue of $700 million, up 7.7% in 1984, and tv, radio and cable from Scripps Howard Broadcasting, Cleveland, a publicly though tightly held company with revenues in 1984 of $118 million, up 17%, and net income of $18.2 million, up 3%. Cable revenues of $11 million increased substantially over last year—up 76.6%.

While E.W. Scripps Co. remains the legal name for the holding company of more than 70 media-related businesses, the company is pressing its case to be known to the public as Scripps Howard, sprucing up the lighthouse-beacon logo into a more stylized version, and dropping the hyphen in the trade name.

The largest enterprises under the Scripps Howard umbrella are its 14 daily newspapers, with a combined circulation of 1.4 million daily and 1.6 million on Sundays. It also has 21 nondailies, located in California, Florida and Kentucky, with a combined circulation of more than 565,000.

Heated competition continues between Scripp's largest paper, the *Rocky Mountain News*, and the *Denver Post*, owned by Times Mirror Co. The tabloid-sized *News* holds a strong lead in the daily competition—317,638 to 234,303—and a narrower Sunday spread of 366,003 to 354,406, according to the Sept. 30, 1934 ABC auditing period. The *News* circulation has been steadily increasing. Its March 31, 1985 daily circulation according to ABC was 329,381, up 3.2% from the corresponding period in 1983, and the Sunday paper circulation was 385,807, up 4.7%.

The *News* has invested heavily in expanding news coverage to maintain its lead. *News* staff is 60% larger than four years ago.

It is local news coverage that the *Post* itself stresses in its advertising directed at the *News*, which bears the image of the "local" paper mainly because the *Post* more recently fell to outside ownership (Los Angeles-based Times Mirror Corp). "There's more Denver in the *Post*" is the theme of its current tv and radio campaign in pressing the *Post's* own case for local flavor.

A $14 million addition is being added to the *News* building in downtown Denver, making more than 95,000-sq.-ft. available for business and editorial offices by October.

Scripps Howard strategists say they expect weekly papers to eventually expand into dailies in high-growth communities. Scripp's *Stuart* (Fla.) *News*, for instance, a former weekly, now is published seven days a week. Three nondailies, in Destin, Fla.; Jupiter, Fla., and Bardtown, Ky., now are published three times a week.

Contributing to its print media revenue is Scripps Howard's wire service, subscribed to by more than 100 newspapers. The wire service's Washington bureau is among the largest in the country, employing 40 reporters, editors, editorial writers and columnists. James Wieghart, former editor of the *New York Daily News*, joined Scripps Howard as national political correspondent last July.

United Media, New York, oversees United Features Syndicate and Newspaper Enterprise Assn. divisions. Those agencies employ, among others, advice columnist Miss Manners, investigative reporter Jack Anderson and editorial cartoonists Mike Peters and Ben Sargent, both Pulitzer Prize winners.

Comic strips such as Garfield and Peanuts have been successful for United Media. Peanuts characters, such as Charlie Brown and Snoopy, have been featured in 27 tv specials since 1965.

Another Scripps' division is Berkley-Small, Palestine, Tex., the nation's leading newspaper circulation supply house, providing promotional, management and circulation ideas for 10,000 publications. Scripps' Medina, O., plant manufactures printing presses and coin-operated newsracks.

Scripps Howard purchased Cordovan Corp. in 1980. That company publishes local business journals in 12 cities (with a combined circulation exceeding 200,000), along with four monthly magazines: *Texas Fisherman, Western Outfitter, Horseman* and *Jet Cargo News*.

Scripps Howard has sponsored the National Spelling Bee since the 1920s and several awards for journalism excellence, including the Ernie Pyle awards for human interest reporting.

Scripps Howard Broadcasting Co., the company's tv and radio broadcasting arm, has been publicly held since 1963. E.W. Scripps Co., however, owns most of the stock, increasing its 77% holdings last year to 80%. Under this arrangement, the parent company can include Scripps Howard Broadcasting on its consolidated tax return and is not obligated to pay a dividend tax for its subsidiary.

Both companies share many of the same directors and executives through the Scripps Howard Central Management Fund.

Scripps Howard Broadcasting operates five vhf tv stations, two uhf stations, three am and four fm radio stations. It owns 10 cable tv systems and has partnerships in three others located in: Bridgeport, Conn. (50% interest); lower Fairfield County, Conn. (49%), and Ann Arbor, Mich., (50%).

Because of the change in FCC broadcast ownership rules allowing greater accumulation of properties, Donald L. Perris, president-ceo, Scripps Howard Broadcasting, says the company is seeking additional tv and radio stations.

Scripps' newest station, KNXV-TV, Phoenix, began operating under the Scripps Howard name Jan. 11, when the FCC approved the transaction. The uhf station was bought for about $26 million, including a covenant not to compete, from New Television Corp. of Phoenix. The covenant prohibits the seller to use the sale money to start a station which would compete with the station just sold.

However, Scripps was ordered by the FCC to divest itself of Phoenix radio stations KMEO (fm, am) within 18 months. This is to comply with FCC regulations prohibiting ownership of both radio and tv stations in the same area. Scripps has filed a petition for reconsideration of the order.

To expand its tv audience in Tulsa by 15%, station NBC affiliate, KJRH-TV, in partnership with another local station, completed construction in October, 1984, of its 1,839-ft. transmitter.

To finance construction of its Sacramento cable system, Scripps arranged for a $100 million revolving credit facility with a group of banks. This was after Scripp's exercised its option to terminate the interest of Charles F. Dolan and his Cablevision Systems Sacramento Corp. in the Sacramento system.

Mr. Dolan's maneuvering was credited with having won the contract when he submitted his bid with Scripps Howard to wire the 350,000-home area. Scripps Howard and Mr. Dolan's company each owned 47.5% of the Sacramento cable package. A group of local investors owned the rest.

The Sacramento system when completed will have 3,000 miles of cable, making it one of the largest urban cable systems in the country. Scripps has estimated $125 million will be spent to complete construction of the system, scheduled for 1989.

MEDIA PROPERTIES

Broadcasting

TV: WCPO, Cincinnati; WEWS, Cleveland; WMC, Memphis; WPTV, West Palm Beach, Fla.; KJRH, Tulsa; KNXV, Phoenix; KSHB, Kansas City.

RADIO: KMEO (am, fm), Phoenix; WMC (am, fm), Memphis; KUPL (am, fm), Portland, Ore.; WBSB (fm), Baltimore.

Cable/video

CALIFORNIA: Tulare County, Sacramento (47.5% interest). COLORADO: Denver, Lafayette, Longmont, Fort Lupton, Louisville, Loveland, Parachute. CONNECTICUT: Bridgeport, Fairfield. FLORIDA: De Bary, Leesburg, Madison. GEORGIA: Calhoun, Elberton, Hamerville, North Dekalb, Rome, Tallapoosa, Walker County, Waynesboro. KENTUCKY: Barbourville, Bardstown, Campbellsville, Elizabethtown, Glasgow, Greenville. MICHIGAN: Ann Arbor, (50% interest). SOUTH CAROLINA: Newberry. TENNESSEE: Blue Ridge, Chattanooga, Knoxville, LaFollette, Lake City, Livingston, Tell City.

Newspapers (dailies)

ALABAMA: *Birmingham Post Herald.* CALIFORNIA: *Monterey Park Progress.* COLORADO: *Rocky Mountain News* (Denver). FLORIDA: *Hollywood Sun Tattler, Stuart News.* INDIANA: *Evansville News.* KENTUCKY: *Kentucky Post* (Covington). NEW MEXICO: *Albuquerque Tribune.* OHIO: *Cincinnati Post, Columbus Citizen Journal.* PENNSYLVANIA: *Pittsburgh Press.* PUERTO RICO: *San Juan Star.* TENNESSEE: *Commercial Appeal* (Memphis), *Knoxville News-Sentinel.* TEXAS: *El Paso Herald-Post.*

Newspapers (nondailies)

CALIFORNIA: *Alhambra Post-Advocate, Commerce Tribune* (Montebello), *East Los Angeles Gazette, East Los Angeles Tribune, Fullerton News Tribune, Montebello News,* (Monterey Park), *Pico Rivera News, Post-Advocate/San Gabriel Progress, Santa Fe Springs News, South San Gabriel/Rosemead Progress, West Whittier Independent.* FLORIDA: *Courier-Journal* (Jupiter), Destin Log, Jensen Beach Mirror, Port St. Lucie Mirror. KENTUCKY: Grant County News (Williamstown), *Kentucky Standard* (Bardstown), *Mt. Washington Star, Pioneer News.* OHIO: *Canton Free Press.* Plus two shoppers

Magazines

Horseman, Jet Cargo News, Texas Fisherman, Western Outfitter. Cordovan Corp. business publications.

Media-related operations

Berkley-Small Inc., Berkley-Small Manufacturing Company, George R. Hall Inc. (Hall Systems), McCaw Cellular Communications, Print Communications Group Inc. (American Field Marketing, Central Ohio Advertisers, Paper Mint, Pro Distributing Company, Saneck International Inc.), Scripps Howard Supply Company, SCW Services (Charles Martin & Associates), Southern News Rack Co., United Media (United Feature Syndicate, Newspaper Enterprise Association, United Media Licensing, United Media Productions, TV Data Inc., TV Update, TV Extra, TV Decisions, Electronic Media Services, World Almanac Publications, World Almanac Education), Viewtron.

Seattle Times Co.

RANK 72

Seattle

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	150	135	11.1
Total sales	150	135	11.1
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	150	135	11.1
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

The Seattle Times Co., Seattle, is the nation's 72nd largest media company, with an estimated 11% increase in revenues in 1984 to $150 million, all from newspaper properties.

The Seattle-based Blethen family continues to own 50.5% of the company's voting stock; the balance is owned by Knight-Ridder Newspapers, which also owns 65% of an issue of nonvoting stock.

Frank A. Blethen, who at 39 became publisher in March, 1985, following the death of W.J. (Jerry) Pennington in a boating accident, says there are no plans for any change in the control of the company.

The evening *Times'* six-month average circulation as of March 31, 1985, according to ABC, was 227,844 up from 226,038 for the period a year earlier.

The morning *Seattle Post-Intelligencer*, a Hearst Corp.-owned paper that the *Times* circulates under a joint operating agreement, has increased its circulation from 192,494 to 196,996 for the six-month period ended March 31, 1985, according to the ABC. The combined Sunday edition had a circulation of 477,307, up from 473,155 for the 1984 period, according to ABC.

The *Times* leads in most zones in the primary market area, and the combined penetration of the *Times* and *P-I* is among the highest for any major metropolitan area, Mr. Blethen says.

Ad volume, which weakened somewhat in 1983 because of a slow economy in the Pacific Northwest and the impact of joint operations with the *Post-Intelligencer*, has begun to increase. *Times* ad volume rose 5.1% in 1984, the *P-I*, 19.3%, and the Sunday paper 5.7%, for an over-all increase of 11.2%.

First-quarter linage in 1985 increased 9.5% at the daily *Times*, 18.2% at the *P-I* and 14% for the Sunday paper, a combined product for which the *P-I* has four news pages.

Mr. Blethen says the joint operating agreement, two years old in May, 1985, is going well. "The circulation and linage numbers speak for themselves," he says. "More important, both papers have put more into improving the product." The *P-I*, for example, assigned a reporter exclusively to covering developments on the countries that line the Pacific ocean, and the *Times* has followed suit. "It's obvious that rather than banking the savings [from the joint operating agreement] the *P-I* has allocated larger resources to its daily newspaper," Mr. Blethen says.

The *Times* increasingly is emphasizing service to advertisers. Last August it increased the frequency of its total market coverage product (*A Slice of the Times*) from monthly to weekly and the paper (with a circulation of about 290,000) is now anchored by Pay'n Save Corp., one of the region's largest retailers. On Jan. 1, the *Times* boosted from weekly to daily the frequency of its zoned edition for Bellevue, where the *Times* faces strong competition.

The company also has begun to revitalize its locally edited Sunday magazine, *Pacific*, which lost most national advertising to *Parade* (included in the Sunday package) when the joint operating agreement began. First-quarter linage at *Pacific* rose 125% from a small base, reports the paper. The magazine has attracted several new local retailers, including Nordstrom. "We've made a commitment to a quality Sunday magazine," Mr. Blethen says.

As for diversification, "We are always interested in other newspapers," Mr. Blethen says, "but we don't put a lot of energy into it," primarily for lack of available properties. The company does not plan to diversify out of newspaper-type operations into broadcasting. "That would dilute our management focus."

The company recently began offering Data Times, a research service that puts the years of newspaper coverage on-line for electronic retrieval. And the company is keeping a close eye on Knight-Ridder's experiment with videotex.

H. Mason Sizemore Jr., Times president, says: "We want to keep an eye on the leading edge—how to get a product to readers and to service advertisers. There is nothing definite yet, but we won't get caught surprised."

MEDIA PROPERTIES

Newspapers (dailies)

WASHINGTON: *Seattle Times, Walla Walla Union-Bulletin.*

OTHER PROPERTIES

Data Times.

SFN Cos.

RANK 79

Glenview, Ill.

($ figures = 000.000)

Corporate returns	1984	1983	% chg
Media sales	140	21	564.5
Total sales	320	276	16.3
Net income	29	27	8.7
Sales per medium			
Newspaper	0	0	0
Magazine	65	21	209.0
Broadcast	75	0	N/A
Cable	0	0	0

Even as a new face in the media business, SFN Cos., Glenview, Ill., ranked as the 79th largest media company in the nation in 1984. But as quickly as SFN entered for the first time the 100 leaders' chart in 1984, it may exit in 1985.

Long known as a leading publisher of educational and professional materials, SFN in 1983 became a communications company as well. Although educational publishing continued to contribute 60% of SFN's net revenues, which in 1984 exceeded $320 million, media made a strong first showing, totaling $140.2 million for SFN's broadcast and print holdings.

SFN had been reporting on a fiscal year that ends April 30. However, because the company went private in January, full-year estimates are based on projections of the unreported fourth quarter. Starting next January, SFN will report on a calendar-year basis.

But just as quickly as SFN made its move into media it began divesting the properties at a good profit. Within a week's span in early June, 1985, the company announced it would sell its WFTV, the ABC-affiliate in Orlando, for $185 million to Cox Enterprises Inc., Atlanta—$60 million more than it had paid for the station in 1984. Then it announced it would sell *New York Law Journal* and its weekly companion publication, *National Law Journal* to Price Communications, New York, for $20.5 million, for a $4 million-plus profit.

SFN's foray into media commenced when John R. Purcell took office as chairman-president Nov. 1, 1982. By the end of June, 1983, the former CBS and Gannett Co. executive had completed SFN's first acquisition, the purchase for $16.5 million of ABC Industries, parent company of New York Law Publishing Co., the leading member of the legal publishing field that is now being sold.

SFN also agreed on June 30, 1983 to purchase Broadcast Advertisers Reports, a database publisher of advertising/media-related information. BAR, which cost SFN $24 million, marked the company's entry into database retrieval. The end of 1983 saw the acquisition of yet another media property, Biomedical Information Corp., a medical publisher, for $30 million.

If 1983 was SFN's year for print purchases, 1984 was its year of the broadcast acquisition. Starting in January, SFN sought to acquire Western Broadcasting Co., a private owner of three tv and three radio stations, as well as a Spanish-language program production company. The deal was finalized June 27, 1984, for $116 million.

Next came the purchase on July 15, 1984, of ABC affiliate WFTV, the No. 1 station in the growing Orlando market, for $125 million. That station, which is being sold by SFN, is No. 1 in news and other local programing and most daypart programs in Orlando, but its revenue stream has been affected by ABC Network's poor ratings performance beginning last fall.

During the height of the company's media acquisition spree, the investment community got involved.On Aug. 23, 1984, an investment group led by E.M. Warburg, Pincus & Co. and Drexel Burnham Lambert offered $425 million for SFN. E.M. Warburg, *et al.*, already owned 9.4% of SFN's common stock. The recent broadcast purchases alone required funding of about $270 million, and the proposed leveraged buyout would provide SFN with the necessary loan collateral.

Indeed, once the dust had settled and the SFN board had voted, company stock rose by $3 a share on the New York Stock Exchange the next day. The only dissenting votes were those of the founding Scott and Foresman family descendants.

But before the stockholders' meeting could finalize the buyout, another player, greeting card marketer Hallmark Cards, Kansas City, Mo., laid its cards on SFN's table and ended up with a 30% share of the company through a $50 million investment. The final buyout is valued at $470 million, of which 40% of SFN is owned by Warburg, Pincus & Co. and its affiliates, 15% by Drexel Burnham Lambert, 30% by Hallmark Cards and 15% by SFN's senior management.

The 30% Hallmark stake underscores that company's plans to diversify into specialty publishing, broadcasting and other areas, such as its recent purchase of the Binney & Smith crayon company. Whether Hallmark decides to increase or sell its share of SFN remains to be seen, as well as the long-term plans of the company's other investors.

SFN still is pursuing other media properties. Pending are a broadcast acquisition in the $60 million-to-$70 million range, as well as two smaller broadcasting transactions, and the potential purchase of a database publisher, according to Mr. Purcell.

SFN's primary interests are in tv and professional database publishing, according to Mr. Purcell. He says there are no plans to expand on the radio front, and magazine buys are basically complete, "unless something very attractive comes along."

In the broadcasting area, Mr. Purcell sees SFN's greatest opportunity for growth in the Hispanic market. Through its ownership of the top-ranking tv station in San Juan, WAPA-TV, and Televicentro Films Inc., Puerto Rico's biggest program production and sound recording company, and because the Hispanic population is a growing segment in the U.S. and abroad, "I would say our greatest expansion opportunity is in the Hispanic programing area for distribution worldwide," Mr. Purcell says.

A new division, SFN Communications, has been formed to look after the company's broadcast holdings under the leadership of former CBS Broadcast International executive Sherman C. Wildman and WFTV-TV alumnus Walter M. Windsor, who became president and chairman, respectively.

Another media property earmarked for potential growth is BAR, SFN's Darby, Pa.-based database company that provides national and local advertising activity and expenditure information to advertisers, agencies, stations and networks, and its Radio TV Report division, which supplies the country's ad agencies and advertisers with photoboards. Mr. Purcell says he plans to expand SFN's database retrieval business beyond radio and tv monitoring. In an interview (AA, Feb. 13, '84) Mr. Purcell said, "We'd like to cover other media. For example, direct marketing. There isn't a whole lot of information [currently] as to who is spending what on what."

The properties acquired from Western Broadcasting form the largest portion of SFN's broadcast holdings. Included are three radio stations, all in Montana; two vhf Georgia tv stations, which are the ABC affiliates in Columbus and Augusta; an independent vhf tv station in San Juan, and the program production company Televicentro Films.

MEDIA PROPERIES

Braodcasting

TV: WAPA: San Juan; WFTV, Orlando, Fla.; WJBF, Augusta, Ga.; WTVM, Columbus, Ga.

RADIO: KCAP (am, fm), Helena, Mont.: KGVO (am), Missoula, Mont.

Magazines

Drug Therapy, Hospital Therapy, The National Law Journal, New York Law Journal, Off Hours, PA Update, Physicians Financial News, RxBeing Well.

Other Media Properties

Biomedical Information Corp.; Broadcast Advertisers Reports; Data Acquisition Services; New York Law Publishing Co.; Televicentro Films.

OTHER OPERATIONS

Scott Foresman & Co., Silver Burdett, South-Western Publishing Co.

Storer Communications

RANK 24

Miami

($ figures = 000.000)

Corporate returns	1984	1983	% chg
Media sales	537	459	17.0
Total sales	537	459	17.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	195	169	16.2
Broadcast	0	0	0
Cable	342	291	17.4

Storer Communications, Miami, is the 24th largest media company in the country, with revenues of $536.8 million in 1984, all generated by the company's cable tv and broadcast operations.

Revenues may have been up 17% from 1983, but the bottom line was a lost $16.7 million in 1984, compared with a loss of $39.6 million in 1983. Although Wall Street expects Storer to be back in the black this year, 1985 has been tumultuous for the company.

Just as a two-year restructuring plan designed to keep the company afloat appeared to be paying off, in March a group of dissident shareholders waged a campaign to elect a rival slate of directors to the company's board. If elected, the candidates vowed to liquidate the company for an estimated $2 billion, which they planned to distribute to company shareholders.

Hoping to thwart the pending proxy fight, Storer agreed in principle to a leverged buyout by a corporation to be formed by Kohlberg Kravis Roberts & Co., a New York investment banking company. *(See Kohlberg Kravis Roberts & Co. profile on Page 39.)*

The buyout plan called for each share of Storer common stock to be converted into $75 in cash, $25 face value of preference stock, and warrants to purchase common stock of the new company. Based on Storer's 16,446,785 shares outstanding, the transaction has an indicated minimum value of $1.64 billion.

As it turned out, the dissident group —New York-based Coniston Partners, which owns 5.3% of Storer—won four of the nine seats on Storer's board. The Coniston board members said they supported the proposed leveraged buyout agreement with KKR but they would seek higher bids. However, Storer executives needed to maintain only a majority control of its board of directors to complete the deal, and therefore it is expected to go through.

The definitive agreement calls for Storer to merge with KKR Holding Inc., a corporation recently formed by KKR. Storer's management would continue to run the organization.

An overzealous plunge into cable tv franchises strapped Storer with $1 billion in construction expenses over the past several years, forcing the company to become so heavily leveraged that "we were sweating out the vernacular bullets," says Peter Storer, company chairman and son of founder George Storer.

But to the amazement of many analysts, an equally zealous bailout plan had begun to turn the company around in just 24 months. Because of streamlining and improved sales in its cable tv division, Storer earned $6.4 million during the last quarter of 1984, it's first profitable quarter in almost two years. "The strides Storer has made forward are remarkable," says Peter Falco, an analyst with Merrill Lynch & Co., New York.

Such impressive improvement is what spurred Coniston Partners to push for liquidation. Keith R. Gollust, one of the group members, says, "Previously, it would have been difficult to realize a good return for Storer's assets. Their improvement, coupled with recent deregulation in cable and broadcasting, now makes these prime properties."

The company's turnaround plan consisted of selling 24 cable systems that served 165,900 subscribers, or 10% of its subscriber base. These sales enabled Storer to recoup $185 million.

The second corrective move was to focus on marketing and to squeeze more dollars out of the systems Storer kept. In 1984 Storer averaged cashflow margins of 36.5% (of revenues) on its cable systems, up from 29% in 1983.

Despite the sales, Storer remains the country's fifth largest cable operator. The company is also a major player in the broadcast tv business, with seven stations. However, many analysts criticize Storer for having never made the most of these properties. "They don't have tremendous depth of middle management. As a result, their broadcast stations have always been in the sluggish 30% [cash flow as a percentage of revenues] range," said Tony Hoffman, an analyst at Cralin & Co., New York.

MEDIA PROPERTIES

Broadcasting

TV: KCST, San Diego; WAGA, Atlanta; WSBK, Boston, WJBK, Detroit; WJKW, Cleveland; WTVG, Toledo, O., and WITI, Milwaukee.

Cable/video

Storer Cable Communications, serving ALABAMA: Montgomery, Prattville (includes Clanton and Sylacauga), Troy (includes Brundidge, Baldwin County, Fairhope, Geneva, Bay Minette, Daphne, Slocumb, Samson, Elba, Florala). ARIZONA: Glendale (80% interest), Peoria/Buckeye (80% interest). ARKANSAS: Little Rock (80% interest, includes Cammack Village). CALIFORNIA: Anaheim/Villa Park, Fairfield (includes Solano County, Suisan), Hermosa Beach, Laguna Beach (includes Orange County, San Clemente, San Juan Capistrano), Norcal (includes Sonoma, Napa Valley, Rohnert Park, St. Helena, Monterio), Ojai, Ventura. CONNECTICUT: Clinton (includes Old Saybrook, Durham, Haddam, Killingworth, Chester, Deep River, Essex, Westbrook), Groton (includes Ledyard, North Stonington, Stonington, Voluntown), New Haven (includes West Haven, Hamden). DELAWARE: Dover (includes Camden, Dover Air

Force Base, Smyrna, Wyoming, Kent County), Rehobeth (includes Lewes, Rehobeth Beach). FLORIDA: Altamonte Springs (80% interest, includes Seminole County, Lake Mary), Dade/Broward (includes Biscayne Park, El Portal, Miami Shores, Miramar, North Miami, North Miami Beach, Pembroke Park, Pembroke Pines), Hollywood (75% interest), Lehigh Acres, Polk/Levy, Port Charlotte (includes Arcadia, North Port, Charlotte County, Punta Gorda), South Dade, Venice. GEORGIA: Albany, Adel, Americus, Ashburn, Bainbridge, Camilla, Cordele, Cook County, Dawson, Dougherty County, Donalsonville Moultrie, Nashville, Pelham, Sparks, Sylvester, Tifton, Tift County, Vienna. KENTUCKY: Bowling Green, Campbell County, Covington, Jefferson County (80.5% interest, excluding Louisville), Newport. MARYLAND: Howard/Elliott (80.5% interest), Salisbury/Pocomoke. MINNESOTA: Bloomington, Fridley, St. Louis Park. MISSOURI: Florissant (80% interest). NEW JERSEY: Burlington, Cinnaminson (80.3% interest, includes Delanco, Palmyra, Riverside, Riverton), East Windsor/Brunswick, Gloucester (93.3% interest, includes Woodbury, Clayton, Deptford Township, East Greenwich, Glassboro, Greenwich, Mantua National Park, Paulsboro, Wenonah, Westville, West Deptford Township, Woodbury Heights), Hackettstown (includes Lambertville, Washington Township and New Hope, Pa.), Plainfield, Plainsboro. OREGON: Washington County (includes Banks, Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, Sherwood, Tigard, Tualatin). SOUTH CAROLINA: Charleston (90.4% interest, includes Berkley County, Charleston Air Force Base, Charleston County, Colleton County, Goose Creek, Hanahan, Isle of Palms, Mount Pleasant, Naval Weapons Station, North Charleston, Sullivan's Island, Summerville Marine Corps Air Station, Walterboro. TEXAS: Bay Area, Dallas/Fort Worth-North, Dallas/Fort Worth-South, New Harris County. VIRGINIA: Chesterfield City.

Taft Broadcasting Co.

RANK 66

Cincinnati

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	172	141	21.8
Total sales	454	381	19.1
Net income	39	38	2.9
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	172	141	21.8
Cable	0	0	0

Taft Broadcasting Co., the first company to reach the FCC's new limit of 12 tv station properties, was the nation's 66th largest media company in 1984 with media revenues of $171.5 million, up 21.8% from 1983.

Cincinnati-based Taft agreed in February, 1985, to purchase the five tv stations and seven radio properties of Gulf Broadcast Co., Dallas, for $760 million. The company then turned around and struck a deal with CBS to buy five radio stations—three of the Gulf stations and two Taft-owned stations. FCC approval was granted on the first in June and is pending on the second.

Taft, whose media properties represented 37.8% of total revenues of $453.8 million in 1984, now owns 10 vhf and two uhf stations, pumping its coverage of the U.S. market from 9% to 15%.

Electronic Media recently reported Taft estimated 1985 revenues for the Gulf tv station acquisitions: CBS affiliate KTSP-TV in Phoenix, $17 million; ABC affiliate WTSP-TV, Tampa, $16 million; KTXH-TV, a Houston independent, $8.6 million; KTXA-TV, a Dallas-Fort Worth independent, $7.5 million, and ABC affiliate WGHP-TV, Greensboro-Winston Salem-High Point, N.C., $4 million. The Gulf radio stations are projected to earn annual revenues of $11 million to $12 million.

Gulf stations purchased were WKLS (am, fm), Atlanta; KTXQ (fm), Dallas-Fort Worth; KLTR (fm), Houston; WNDE (am) and WFBQ (fm), Indianapolis, and WLTT (fm), Bethesda, Md. But in February, to comply with FCC regulations prohibiting one company from owning both tv and radio properties in the same market, Taft retained First Boston Corp. to sell five radio properties (three from the upcoming Gulf acquisition and two currently Taft-owned stations).

CBS in May, agreed to buy the five stations—KTXQ (fm), Dallas-Fort Worth; KLTR (fm), Houston; WSUN (am) and WYNF (fm), Tampa-St. Petersburg, Fla., and WLTT (fm), Bethesda. The sale will bring Taft $85 million.

Taft Broadcasting Co. is both a communications and entertainment company. It primarily is involved in commercial tv and radio broadcasting, production of animated and live-action programing for tv and distribution of programing for tv, cable and home video.

The company has smaller interests in themed amusement parks in Canada and leisure-time properties. Together with Tele-Communications Inc., Taft owns 16 cable tv systems.

The 1984 sale of its three domestic theme parks for $167.5 million to Kings Entertainment Co. (a group of investors that includes executives from Taft's Attractions Group) will help finance Taft's recent acquisitions. The company's fast-action buying and selling has caused much speculation among industry analysts.

After a quick rise from the amusement parks sale, Taft's stock still was estimated by Paul Kagan & Associates, Carmel, Cal., to be undervalued. Shares were selling at about $68, whereas Kagan, which publishes "Broadcast Investors" newsletter, estimated Taft's "previous market value" at about $89 a share. That started rumors that the company was a desirable acquisition target until the $760 million Gulf property price tag. Now speculators say Taft is too indebted to be a serious takeover candidate.

"Nobody was or is trying to buy us out—no offers, at least. And we have no plans to go private," a Taft spokesman says, adding the "company strategy is to grow as a leading group broadcaster, and that's why we acquired the Gulf stations. This is our core business. We are expanding in the area we know best."

Beyond traditional broadcast techniques, Taft's teletex newspaper is being transmitted over WTBS-TV, the Turner Broadcasting station in Atlanta. Taft's ad-supported World System Telecast will be the only national world-based teletext operation in the U.S.

In the entertainment field, Taft is producing original tv programs with other broadcast groups. The most recently formed is the New Program Group, which puts Taft in partnership with Gannett Co., Washington; Hearst Corp., New York; Metromedia, New York, and Storer Communications, Miami. The stations have banded together to produce situation comedies, tv series, movies that will be broadcast over stations owned in the group (making up 45% of the market) and other programing.

As the leading supplier of animated programing to network tv on Saturday mornings, subsidiary Taft Entertainment Group attracted Fred Silverman to move his InterMedia Entertainment last summer from MGM-Television/-UA to the Taft subsidiary's Los Angeles offices.

Taft Entertainment and Mr. Silverman's company were to create and develop animated projects along with other family-type programs.

Other established talent the Entertainment Group has garnered recently is Ed Weinberger, formerly associated with "The Mary Tyler Moore Show" and "Taxi." He also co-created and cowrote the pilot for the current NBC hit "The Cosby Show." Mr. Weinberger has an exclusive deal to create, write and produce tv programing and feature films for Taft Entertainment.

The subsidiary also hired Richard Klinger, most recently programing vp at RCA Video, who was executive producer of the four "Jane Fonda's Workout" tapes and discs. Mr. Klinger will develop, package and produce home videos as well as pay tv and music videos.

MEDIA PROPERTIES

Broadcasting

TV: WBRC, Birmingham, Ala.; WCIX, Miami; WDAF, Kansas City; WDVE, Pittsburgh; WKRC, Cincinnati; WTVN, Columbus; WTAF, Philadelphia; WDCA, Washington; KTSP, Phoenix; WTSP, Tampa, KTXH, Houston; KTXA, Dallas/Fort Worth; WGHP, Greensboro/Winston-Salem/High Point.

RADIO: KEX (am) and KKRZ (fm), Portland; WDAE* (am) and WYNF* (fm), Tampa/St. Petersburg; WDAF (am) and KYYS (fm), Kansas City; WGR (am) and WGRQ (fm), Buffalo; WKRC (am)and WKRQ (fm), Cincinnati; WTVN (am) and WLVQ (fm), Columbus; WDVE (fm), Pittsburgh; WKLS (am, fm), Atlanta; KTXQ* (fm), Dallas/Fort Worth; KLTR* (fm), Houston; WNDE (am) and WFBQ (fm), Indianapolis; WLTT *(fm), Bethesda, Md.

* Taft's sale of these stations to CBS is pending.

Cable/video

Through TCI-Taft Cablevision Associates, Taft owns 50% interest in the following systems; CONNECTICUT: Lakeville. MASSACHUSETTS: Cape Cod, Nantucket. MICHIGAN: Alpena, Battle Creek, Brighten, Charlevoix, Cheboygan, Muckegon, Niles, Ontonogan, Petoskey, Saginaw, St. Joseph, Ypsilanti. NEW HAMPSHIRE: Lebanon.

OTHER PROPERTIES

American Microwave, Black Entertainment Television, Canada's Wonderland Ltd. (75% owned), Toronto, College Football Hall of Fame (managed by Taft), Coney Island, Jack Nicklaus Sports Center (a partnership), Kings Island Inn (a partnership), Kings Island Real Estate Co., Midwest Mobilephone Corp. (22.5%), Philadelphia Phillies baseball team (47.5%), Taft Entertainment Co. Cine Guarantors, Hanna-Barbera Productions, Ruby-Spears Enterprises, Sunn Classic Pictures, Sy Fischer Co., Taft Entertainment Television Co., Taft Merchandising Group, TECO Pty. (Australia), Titus Productions, Worldvision Enterprises, Videostar Connections (21.5% interest).

Tele-Communications Inc.

RANK 26

Denver

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	449	347	29.4
Total sales	449	368	22.0
Net income	17	21	-15.3
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	0	0	0
Cable	449	347	29.4

Tele-Communications Inc., the nation's 26th largest media company with all-media revenues increasing 29.4% in 1984 to $449.4 million, attributes its gains to aggressive acquisition, expansion and improved service in its cable systems.

Denver-based TCI, the nation's largest cable tv multiple system operator, reported 1984 operating income of $107.7 million, a 27.4% increase over 1983, and earnings from continuing operations of $17 million, down 15.3%.

At yearend, TCI owned or managed cable systems serving 3.6 million basic subscribers and 2.6 million premium subscribers, increases of 29.4% and 34.2%, respectively, over the previous year.

TCI's appetite for acquisition shows no signs of abating. In the spring of 1985, TCI made a formal bid for Warner cable properties. Although interest was expressed in cable properties of New York-based Capital Cities and Storer Systems of Miami, TCI made them no formal bids.

TCI in June made an offer with Time Inc. (owner of American Television & Communications Inc., the nation's second largest cable operator after TCI) to buy Warner Amex for $750 million in equity and assumption of $500 million of Warner Amex debt. Warner Amex's own management, MTV Networks and Viacom International also are suitors.

Before 1984, TCI largely steered clear of major metropolitan markets, believing that the best opportunities had passed and that the cities were apt to impose costly franchise requirements. But 1984 saw that change with a vengeance, as TCI bought the Pittsburgh system from Warner Amex, picked up 75% of the St. Louis franchise, extended its holdings in Chicago, and became 10% shareholder in the system that won Washington's franchise. Total expansion during 1984 eventually will involve more than 1 million cable subscriptions.

Company spokesmen and analysts attributed the change in strategy to the belief that the uncabled major cities, soured by years of negotiations, would be eager to offer a profitable deal to a company with the wherewithal to string cable. Marketplace friendliness was enhanced by the passage of the federal Cable Communications Act, which largely deregulated the cable industry. The $93.4 million Pittsburgh sale, for example, was concluded in November after only seven months of negotiations—short by most standards. The deal hinged on TCI's proposals to pare back franchise promises Warner Amex had made.

The company spent $419.7 million in stock and cash for cable systems it purchased during 1984. It also spent $184.1 million on systems purchased with various partners, including Taft Broadcasting, Knight-Ridder Newspapers and Scripps Howard Broadcasting—the latter two of which TCI teamed up with to bid on Storer Communications, Miami, eventually bought out by Kohlberg Kravis Roberts & Co. (See Storer profile in this issue).

Purchases included smaller systems such as the 58,000-subscriber Complete Channel, which serves 34 municipalities in the area of Madison, Wis., and the 18,000-subscriber Hamilton, N.J., system, purchased in partnership with Knight-Ridder in July from Hamilton Cablevisions.

TCI increased its stockholdings in Denver-based United Cable Corp. from 4.8% to 19.2% by exchanging three TCI systems in suburban Denver, six in the Tulsa area and one near Papillion, Neb., for United stock. TCI also sold its Huntsville, Tex., system, consisting of 2,200 subscribers, to Texas Telecable. In all, TCI sold or exchanged cable systems for about $125 million, resulting in a net gain of $24.5 million.

In January, TCI spun off Republic Pictures Corp. Republic had been purchased in 1970 to provide the system with pay tv films. The divestiture of Republic leaves TCI holding only cable properties.

It has not been a year of unallayed success. The company was part of a consortium that owned Sports Time, the ill-fated pay cable network that operated for less than a year before being shut down in March, 1985.

And there have been legal setbacks. Central Telcommunications Inc. of Jefferson City, Mo., sued TCI for unfair business practices involving the renewal of TCI's cable contract with Jefferson City, Mo. A jury fined TCI $57 million on Feb. 22, 1985. TCI is appealing the verdict.

In September, 1984, TCI started a market and operational test in its Boulder, Colo., franchise of Data Cable's X*PRESS information service. Data Cable, a joint venture of TCI and Telecrafter Corp., feeds news, financial, sports and weather information into personal computers through the tv cable without the use of a modem. If the test is successful, TCI intends to roll out the X*PRESS service to many of its other systems in 1985.

TCI is taking a back seat in developing a system to insert local advertising into cable programing. Only 12 of its about 700 systems currently sell advertising. TCI senior vp John Sie recently said he doubts ad revenues ever will amount to more than 15% of the cable industry's gross revenues.

The company, however, seems convinced of the value of advertising its own merits. A national print campaign during 1984 with the theme "Cable is choice TV" involved 350 TCI systems in 38 states.

MEDIA PROPERTIES

Cable/video

ALABAMA: Arab, Birmingham, Boaz, Centre, Hartselle, Homewood (80% interest), Jacksonville, Piedmont. ALASKA: Benton (50% interest). CALIFORNIA: Berkeley, Brisbane (84% interest), Carson, Daly City (84% interest), Fremont (90% interest), Grass Valley, Inglewood, Lake Wildwood (80% interest), Millbrae, Oceanside, Pacifica, Penn Valley, Pomona, Richmond, Rio Vista, San Carlos, San Mateo (86% interest), South Lake Tahoe, Sunnyvale. FLORIDA: Daytona Beach (99% interest), Key West, Opa Locka, Titusville. GEORGIA: Athens, Carrollton (87% interest), Columbus, Eastman, Fitzgerald, Hazlehurst, McRae, Sanderville, Tocca, Vidalia. IDAHO: Ammon, Burley, Idaho Falls (25% interest), Iona, Preston. ILLINOIS: Alorton (86% interest), Alton, Cahokia (86% interest), Canton (80% interest), Carbondale, Centreville (86% interest), Chanute Air Force Base, Chicago (Chicago Cable Communications), Coal City, Dixon, East St. Louis (86% interest), Manteno, Marion, Mattoon (50% interest), McHenry, Mokena, Morris, North Utica, Peotone, Piper City, Rantoul, Shorewood. INDIANA: Attica, Bloomfield, Bloomington, Bonnville, Carmel, Delphi, Elwood, Fowler, Franklin, Greencastle, Greenfield, Greensburg, Hartford City, Jasper, Lebanon, Linton, Martinsville, Monticello, Mount Vernon, New Castle (80% interest), Princeton, Richmond, Salem and Sullivan. KANSAS: Andover, Augusta, Bonner Springs, Caney, Coffeyville, Derby, Dodge City, El Dorado, Fredonia, Garden City, Garnett, Goddard, Hesston, Iola, Kansas City, Leavenworth, Newton, Ottawa, Park City, Peabody, Rose Hill, Topeka. KENTUCKY: Ashland, Dawson Springs, Fulton, Henderson, Pineville, Princeton, Providence and Winchester. MARYLAND: Cumberland, Elkton. MASSACHUSETTS: Waltham. MICHIGAN: Baraga Village, East Jordan, Niles. MINNESOTA: Albany, Albert Lea (80% interest), Alexandria, Austin (80% interest), Blue Earth, Browerville, Browns Valley, Clarissa, Crookston, Faribault, Glenwood, Long Prairie, Melrose, Moorhead, Ortonville, Osakis, Park Rapids, Sauk Centre, Staples, Wadena. MISSISSIPPI: Brandon (80% interest). MISSOURI: Cape Girardeau, Centralia, Clinton, Grandview, Hannibal, Hazelwood, Huntsville, Jackson, Jefferson City, Knob Noster, Mexico, Moberly, Monroe City, Mountain Grove, Republic, Vandalia. MONTANA: Anaconda, Billings, Bozeman, Butte, Deer Lodge, Dillon, Glendive (50% interest), Havre, Helena, Lewistown, Livingston, Miles City. NEBRASKA: Alliance, Broken Bow, Grand Island, Hastings, Kearney, Kimball, LaVista, Lexington, McCook, North Platte, Ogallala, O'Neill, Scottsbluff, Sidney. NEVADA: Battle Mountain, Carson City, Elko, Hawthorne. NEW JERSEY: Beach Haven, Bound Brook, Elizabeth, Gloucester City (50% interest), Parlin, Sayreville. NEW MEXICO: Artesia, Carlsbad, Cimmarron, Eunice, Hobbs, Jal, Raton, Red River, Springer. NEW YORK: Adams Center, Boonville, Buffalo, Kingston, Lowville, Orangetown, Poughkeepsie, Schenectady (87% interest), Spring Valley. NORTH CAROLINA: Elkin (50% interest), Marion, Morgantown, Mount Airy (50% interest). NORTH DAKOTA: Grand Forks, Minot. OHIO: Ashtabula, Barnesville, Bethesda, Bridgeport, Brunswick, Cadiz, Chester/Newell, Columbiana, East Liverpool, Greenville, Golf Manor, Hamilton, Hanover Township, Holloway, Irondale, Marion, Martins Ferry, Middleton, Minerva, Mingo Junction, Niles, Port Clinton, Ravenna, Shadyside, Steubenville, Warren, Wheeling Township. OKLAHOMA: Cowetta, Duncan, Enid, Marlow, Muskogee, Owasso. PENNSYLVANIA: Ambridge, Apollo, Aston, Bedford, Carnegia, Carrolltown, Castle Shannon, Clarion, Columbia, Dormont, Erie, Etna, Kane, Lebanon (20% interest), McKeesport, McKees Rocks, Mechanicsburg, Monessen, Montgomery, Penn Hills Township, Perkasia (20% interest), Philipsburgh, Phoenixville (16% interest),

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Pittsburgh, Pittsburgh (PTCI), Pottstown (20% interest), Red Lion, Ridgeway, State College, Towanda, Verona, Waynesburgh, West View. SOUTH CAROLINA: Bennettsville, Richland County. SOUTH DAKOTA: Mitchell (50% interest), Rapid City, Sioux Falls (50% interest), Sisseton. TENNESSEE: Bolivar, Brownsville, Covington, Knox County, Knoxville, Manchester, Memphis (44%), Shelbyville, Soddy-Daisy. TEXAS: Albany, Beaumont, Bishop, Breckenridge, Burknett, Clifton, Clute, Corpus Christi, De Leon, Eastland, Gorman, Huntsville, Iowa Park, Lake Jackson, Liberty, Mart, Mathis, Mineral Wells, Odem, Olney, Orange, Port Arthur, Range, Refugio (99% interest), Seymour, Vernon, Woodsboro (99% interest). UTAH: Centerville, Clearfield, Clinton, Davis County, Draper, East Carbon, Farmington, Grantsville, Kaysville, Layton, Morgan, Nephi, Ogden, Park City, Price, Provo, Richfield, Salt Lake City, Smithfield, Synderville, Sunset, Tooele, Utah County, Wendover, West Ogden, West Valley, Woods Cross. VERMONT: St. Albans. VIRGINIA: Chesapeake, Culpepper, Orange. WASHINGTON: Airway Heights, Anacortes, Bellingham, Bremerton, Burlington, Deer Park, Marysville, Olympia, Poulsbo, Raymond, Spokane, Wilbur. WEST VIRGINIA: Cameron, Chester, Gassaway, Logan, Moundsville, New Cumberland, Parkersburg, Summersville, Wellsburgh, Weston, Wheeling. WISCONSIN: Madison (33% interest), Richland Center. WYOMING: Cheyenne, Cody, Lander, Laramie, Powell, Rawlins, Riverton, Thermopolis, Worland.

Other media operations

Tele-Communications Inc. owns a 50% interest in Taft-TCI, which in turn holds interest in Black Entertainment TV. Also, it operates National Telefilm Associates (74% interest).

RANK
95

TeleCable
Richmond, Va.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	100	79	26.6
Total sales	100	79	26.6
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	0	0	0
Cable	100	79	26.6

Privately held TeleCable, Norfolk, Va., the nation's 95th largest media company, increased revenues 26.6% in 1984 to $100 million, all from cable. The multiple system operator was a subsidiary of newspaper giant Landmark Communications until January, 1984, when TeleCable was spun off.

As of March, 1985, TeleCable had 453,000 basic and 474,000 premium subscribers in its 22 systems, located in the Southeast, Midwest and Texas.

Alfred F. Ritter, TeleCable vp-finance, says Landmark spun off the multiple system operator to allow more flexibility in finding capital for construction, system upgrading, and acquisition. Landmark has an "extremely conservative" attitude toward debt, Mr. Ritter says.

According to vice president James S. Key, "TeleCable has grown primarily through building new systems or expanding systems acquired in their early stages of development."

Nevertheless, 1984 was a quiet year, with no major acquisitions. TeleCable did expand its Lexington, Ky., system with the addition of Jasmine County. It also completed construction on its systems in Plano and adjacent Richardson, Tex. Mr. Ritter attributed the company's growth during 1984 to expansion in existing markets and, to a lesser extent, to rate increases. He also says the company is in the market for good purchases.

TeleCable executives constantly refer to the company's orientation toward providing good customer service. Mr. Ritter is careful to note, however, that there's a difference between satisfying the customer and making excessive franchise promises. "We try to find out what the customer really wants, and no one wants 108 channels," he says.

At the end of 1984, TeleCable hired a companywide manager to coordinate its entry into local advertising. By the beginning of the year, TeleCable was selling local advertising at five of its larger franchises. Each system hired local sales forces for the venture. Revenues are exceeding expectations, according to a company spokesman, who says the company is optimistic about the potential of ad sales, and that if the experiment continues to go well, it probably will be expanded.

Arthur Polizos Associates in Norfolk handles TeleCable's consumer advertising. Campaigns during 1984 used the themes "Good as Gold" and "We Guarantee It," a promotion that promised customer satisfaction or a refund.

MEDIA PROPERTIES

Cable

ALABAMA: Auburn, Decatur, Selma. FLORIDA: Broward County. GEORGIA: Columbus. ILLINOIS: Bloomington-Normal. INDIANA: Kokomo. KANSAS: Overland Park. KENTUCKY: Lexington, Radcliff. MISSOURI: Springfield. NORTH CAROLINA: Roanoke Rapids. SOUTH CAROLINA: Greenville, Spartanburg. TENNESSEE: Cleveland. TEXAS: Arlington, Plano, Richardson. VIRGINIA: Wytheville. WEST VIRGINIA: Beckley, Princeton. WISCONSIN: Racine.

RANK
99

13-30/-Esquire
New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	95	67	42.0
Total sales	95	67	42.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	95	67	42.0
Broadcast	0	0	0
Cable	0	0	0

The privately held 13-30/Esquire, Knoxville, Tenn., which expects its media revenues to more than double in the next five years, ranked 99th among the nation's leading media companies with revenues of $95 million in fiscal 1985.

Revenues for 13-30/Esquire, all of which are in media, increased 42% over the previous year and contributed to the high sense of expectancy at 13-30/Esquire where a $25 million expansion plan has been mapped out and a $10 million venture capital fund established for new product research and development.

The company is the umbrella for 13-30 Corp., a publisher of specialty magazines, and for *Esquire* magazine.

Annual growth has averaged 40% during the past several years, according to Christopher Whittle, 13-30/Esquire chairman, who anticipates the company could achieve yearly revenues of $350 million by 1989.

Esquire turned its first profit in more than a decade in June, 1984, a good part of that contributed by increased ad revenues. The magazine's gross ad revenues were $29.9 million for 1984, a 22.7% increase over the previous year, according to Publishers Information Bureau. Bringing *Esquire* into the black has been a five-year task for Mr. Whittle and his partner, Phillip Moffitt (*Esquire* editor and 13-30/Esquire president), who bought the trouble-ridden *Esquire* in 1979 when it had revenues of just $9 million and was said to be losing $5,000 a day.

When the publishing duo repositioned the magazine to appeal to up-and-coming men between the ages of 25 and 44, critics complained that *Esquire* had lost its editorial class of earlier years when the magazine showcased such legendary writers as Ernest Hemingway and Tom Wolfe.

But during Messrs. Whittle and Moffitt's *Esquire* ownership, ad page growth has been strong. With an initial ad page drop from 926 in 1978 to 400 in 1979, the total grew from 1,259 in 1983 to 1,357 in 1984, up 7.8%. The circulation had grown from 614,300 in 1979 to 739,104 June 30, 1984, according to SRDS (with subscriptions responsible for 609,933 copies and single sales totaling 129,171). That's up 1.2% from 1983, but the magazine has yet to match its record of 1.2 million copies sold in the mid-'70s.

During 1983 and 1984, *Esquire* featured a number of special issues designed to drum up public interest. The first so-called *Esquire* print event appeared in June, 1983. Called "How we lived," it featured reprints from *Esquire's* first 50 years. It was followed by "Fifty who made a difference" in December, 1983, which won the National Magazine Award for single topic issues. Then, in the December, 1984, issue, Esquire issued its "*Esquire* Register," which recognized the achievements of 300 "outstanding Americans under the age of 40."

Esquire magazine's sister operation, the 13-30 Corp., was founded by Messrs. Whittle and Moffitt when they were students at the University of Tennessee in the late 1960s. The company, named for the audience the publishers orginially set out to serve, pro-

Media companies by estimated broadcast revenues ($000)
with number of stations

Company	Broadcast revenues 1984	1983	1984 media revenues	B-cast revs. % of '84 media revs.	Number of stations am	fm	vhf	uhf
American Broadcasting Cos.	$3,300,000	$2,614,300	$3,650,000	90.4	3	7	5	0
CBS Inc.	2,720,900	2,389,400	3,340,100	81.5	6	12	5	0
RCA Corp.	2,370,900	2,090,300	2,370,900	100.0	3	6	5	0
Metromedia Inc.	417,000	371,600	430,000	97.0	5	7	0	0
Tribune Co.	282,200	228,700	1,596,700	17.7	3	2	4	2
Cox Communications	279,100	200,200	684,140	40.8	5	7	6	3
Capital Cities Communications	271,800	235,800	939,700	28.9	7	6	5	2
Gannett Co.	232,800	192,900	1,960,200	11.9	8	8	5	1
Hearst Corp.	204,000	163,300	1,400,000	14.6	4	3	6	0
Kohlberg Kravis Roberts & Co.	200,000	209,000	302,000	66.2	0	0	2	2
RKO General	200,000	175,700	200,000	100.0	6	6	3	0
Westinghouse Electric Corp.	196,400	175,300	944,900	20.8	7	5	5	0
Storer Communications	195,000	167,800	536,800	36.3	0	0	5	2
Turner Broadcasting Co.	177,400	136,200	265,800	66.7	0	0	0	1
Taft Broadcasting Co.	171,500	140,800	171,500	100.0	7	5	9	4
A.H. Belo Corp.	158,300	78,800	353,600	44.8	2	2	5	0
Chris-Craft Industries	146,700	122,000	146,700	100.0	0	0	5	1
Oklahoma Publishing Co.	140,800	125,700	389,200	36.2	2	1	4	3
Washington Post Co.	136,000	120,000	984,300	13.8	0	0	4	0
Multimedia Inc.	135,300	125,800	304,400	44.4	3	4	4	1
H&C Communications	131,600	90,000	131,600	100.0	1	1	5	0
LIN Broadcasting Corp.	128,800	91,000	142,800	90.2	5	5	5	2
Times Mirror Co.	124,700	116,100	1,988,300	6.3	0	0	5	2
Bonneville Corp.	119,100	107,000	119,100	100.0	5	7	2	0
Scripps Howard	118,000	94,402	829,000	14.2	3	4	5	2
Outlet Communications	104,500	95,000	104,500	100.0	1	4	5	2
Meredith Corp.	103,800	88,500	327,200	31.7	0	0	5	2
John Blair & Co.	89,000	39,900	585,100	15.2	4	4	3	2
Pulitzer Publishing Co.	86,000	96,800	256,000	33.6	1	1	5	2
Viacom International	83,600	119,800	267,300	31.3	3	5	3	1
McGraw-Hill	81,900	71,600	963,700	8.5	0	0	3	1
Evening News Assn.	81,400	72,700	279,100	29.2	1	1	4	1
SFN Cos.	75,000	0	140,200	53.5	2	1	4	0
Allbritton Communications Corp.	71,000	63,400	112,000	63.4	0	0	5	0
Knight-Ridder Newspapers	62,700	46,100	1,664,700	3.8	0	0	5	0
A.S. Abell Co.	56,000	50,000	195,000	28.7	0	0	0	1
Harte-Hanks Communications	50,800	84,400	500,000	10.2	0	0	3	1
Lee Enterprises	48,500	45,500	182,700	26.5	2	2	4	0
Park Communications	47,000	42,300	98,000	48.0	7	7	3	2
New York Times Co.	38,000	35,100	1,229,600	3.1	1	1	2	1
Media General	35,000	51,200	305,000	11.5	0	0	2	1
Landmark Communications	33,400	21,700	225,000	14.8	1	1	2	0
Dispatch Printing Co.	33,000	31,000	152,000	21.7	0	0	2	0
Chronicle Publishing Co.	30,000	N/A	231,000	13.0	0	0	4	0
Freedom Newspapers	30,000	14,300	272,100	11.0	0	0	3	1
Donrey Media Group	28,000	25,400	198,000	14.1	4	2	1	0
Providence Journal Co.	28,000	13,200	172,000	16.3	0	0	1	2
Journal Co.	26,600	23,300	197,300	13.2	1	1	2	1
Macromedia Inc.	22,300	20,800	108,500	20.6	0	0	3	1
Courier-Journal & Louisville Times	18,000	15,000	116,000	15.5	1	1	1	0
Affiliated Publications	16,300	14,500	343,800	4.7	5	6	0	0
Harcourt Brace Jovanovich	16,300	15,900	119,400	13.7	0	0	2	0
Howard Publications	16,000	14,000	166,000	9.6	0	0	1	0
Ackerley Communications	13,400	19,800	90,100	14.9	2	1	3	1
McClatchy Newspapers	12,000	10,000	255,000	4.7	2	2	0	0
Blade Communications	10,000	9,000	157,600	6.3	0	0	1	3

Source: Advertising Age estimates

duced a student magazine called *Nutshell.* Focusing on this formula of creating magazines for special audiences, Mr. Whittle evolved into the strategic marketer, handling product development and drumming up sponsorship for the magazines, while Mr. Moffitt was dubbed the concept man and concentrates on *Esquire.*

The company, originally funded by friends, family and a bank loan guaranteed by a former professor, produces 23 special interest magazines. Some are single-sponsor publications. The typical deal is for a company to sign a three to five-year contract worth between $1 million and $6 million.

In the early days of 13-30, Sweden's largest publisher, Bonnier Group, was a joint venture partner. But after Messrs. Whittle and Moffitt purchased *Esquire*, they also bought back 7.5% of Bonnier's stock. The Swedish company then sold its remaining share to the London-based Associated Newspapers. This English company and 13-30/Esquire formed a $10 million venture capital fund, called the British American magazine fund, in 1984 and already have spent $3.4 million studying new properties. Projects have included an investment in *New England Monthly*, an *Esquire* Video Pilot for cable tv's Showtime and a film script for Warner Brothers.

Also key during 1984 was the unification of four media into a new division, Campus Voice Network. Mr. Whittle expects this division, which accounts for $11 million of the company's revenues, to be worth $20 million by the end of 1987. Included in the reorganization were *18 Almanac*, an annual magazine for high school seniors with a circulation of 750,000, and *Nutshell*, now published twice yearly and circulating to 1.2 million college students. These two magazines were combined into *Campus Voice*, distributed to 1.2 million high school seniors every March and to college students five times a year.

Good Stuff, an annual program in which $12 million worth of sample products are distributed to college students, was renamed *Campus Voice* Sampler; and Wallpaper Journal, a wall poster ad medium that changes every two weeks during the school year, was renamed *Campus Voice* Biweekly and will be expanded from its current 4,500 installations to 7,000 locations within three years. Bob Hanggii was named vp-publisher of Campus Voice Network and Keith Bellows is group editor. Prices for ads range between $29,800 for a black-and-white page in *Campus Voice* to $510,000 for a combined run in the various media.

Other poster ad media kicked off by 13-30/Esquire in the fall of 1984, include *Physician's Weekly*, a health magazine distributed weekly to 1,000 of the nation's largest hospitals; *Pet Care Report*, and *Esquire* Magazine's Health and Fitness Clinic. The clinic is a unit with three editorial panels and three panels of ads that are changed weekly. They are installed in 1,000 health clubs in the top 50 markets and 600 more clubs will be added next year.

Magazines introduced during the fall include *Tables*, a glossy trade magazine for waiters and waitresses; *Buy*, a monthly sponsored by Black & Decker and mailed free to more than 10,000 small appliance buyers and retailers, and *Veterinarian Practice Management*, sponsored by Ralston Purina. *Destinations*, a three-times-yearly publication, was discontinued.

The 13-30/Esquire organization operates on a decentralized basis with 650 staffers directly involved in decision making. The distribution system, which stocks and delivers publications in 100 cities, employs 200 of these people and is expected to be tripled in size in three years.

During 1985, 13-30/Esquire plans to add one women's magazine devoted to health and another covering entertainment and explore electronic media forms. It recently hired Wayne LoCurto of Richardson-Vicks Benelux countries operations as ceo to head a European branch of 13-30/Esquire to be set up in 1986.

MEDIA OPERATIONS
Magazines
Fortnightly

Esquire

Biannuals

America (Nissan), 1 million college students; *The Best of Business* (Xerox), 350,000 business exectuives; *On Your Own* (U.S. Army), 2.3 million high school seniors; *New Parent Series* (Johnson & Johnson), 1,900,000 new parents; *Veterinary Practice Management* (Ralston Purina), 30,000 veterinarians.

Five times a year

Campus Voice Magazine (multiple advertisers).

Annuals

Looking Good (Kimberly Clark), 100,000 high school students; Young Woman (Kimberly Clark) 1.3 million high school senior women; *Campus Voice* Magazine (pre-college edition, multiple advertisers), 1.2 million high school seniors; *Sourcebook* (U.S. Army), 850,000 high school juniors.

Monthlies

Moviegoer (R.J. Reynolds), 1.2 million movie goers; Tables (Seagram's), 200,000 restaurants; *Retail Appliance Management Series* (General Electric), 18,000 appliance store managers.

Quarterly

Top Line (banks & group health insurers), 100,000 business people.

Wall Poster Ad Media
Biweeklies

Campus Voice Biweekly (multiple advertisers), 4,456 installations; *Sportspage* (R. J. Reynolds), 5,000 installations.

Monthly

Pet Care Report (Ralston Purina), 6,000 installations.

Weeklies

Physician's Weekly (multiple advertisers), 6,000 hospitals; *Esquire Magazine's Health and Fitness Clinic* (multiple advertisers), 1,000 health clubs.

RANK

Thomson Newspapers
34

Toronto

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	321	282	13.8
Total sales	633	551	14.9
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	321	282	13.8
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Revenues from the U.S. operations of Thomson Newspapers Ltd., Toronto, overtook those from its Canadian newspaper properties in 1984 in ranking 34th among U.S. media companies with revenues of $320.6 million, up 13.8% from 1983.

Thomson Newspapers, whose Canadian papers contributed $312.5 million in 1984, up 10.8%, had total revenues of $633.2 million, up 14.9% from 1983, is continuing to build its U.S. newspaper franchise. At press time, the company was negotiating to buy six more U.S. newspapers to add to its 88 U.S. dailies and four weekly newspapers with total daily circulation of 1.38 million.

Lord Thomson of Fleet, chairman of Thomson Newspapers, would not reveal the locations of the six, but hinted they were in the South. He also is chairman of International Thomson Organisation Ltd., the umbrella corporation for Thomson Newspapers and for International Thomson Holdings, its trade press operation that is also profiled in this issue.

Both companies, traded publicly, are controlled by Thomson family interests: International Thomson by about 73%, and Thomson Newspapers by 60%. Figures in this report have been converted from Canadian dollars using an average annual rate of exchange for 1984 of U.S.$.78 = C$1.00.

It is slightly more than 50 years since Roy Thomson, later to become the first Lord Thomson of Fleet, bought his first newspaper, a weekly in the small northern Ontario mining town of Timmins. He parlayed this into an international media, oil, retailing, insurance and travel conglomerate, which is now controlled by his son Kenneth.

Lord Thomson makes no secret of where the future of both companies' media expansion lies—the U.S. With 39 dailies and 13 weeklies in Thomson Newspapers' Canadian base, the company probably has reached saturation point in Canada, he says. There has been public and political disquiet in Canada over the concentration of press ownership between Thomson Newspapers and Southam Inc., 50% owned by Maclean Hunter, also profiled in this issue.

Fears had been expressed that if the two were to merge, a monopoly would be created. Such an agreement is unlikely because of a difference in philosophy between the two companies.

The fundamental business philosophy of TN has been, and still appears to be, to buy small-town properties where there is no local competition; then to modernize production facilities to make them less labor-intensive. Southam operates mainly in larger metropolitan centers and most of its newspapers are strongly unionized.

The Thomson family's experiences with union newspapers in major cities have not been particularly happy. The strike at the *Times of London* and the *Sunday Times* led to the eventual sale of these titles to Rupert Murdoch's News International Ltd., after Thomson finally lost patience with such confrontations. However, as new technology defuses the power of craft unions, Thomson's entry into larger markets should not be ruled out.

The acquisitions of five daily newspapers during 1984 follow the company's pattern of targeting small-town properties. The papers and their ABC circulations for the period ended March 31, 1985, compared with the year-earlier period: *Express*, Easton, Pa., 46,795, up only 49 subscriptions; *Altoona Mirror*, Altoona, Pa., 34,775, down 3.3%; *Americus Times-Recorder*, Americus, Ga., 6,651, up 5.3%; *Post-Crescent*, Appleton, Wis., 51,232, up 88 subscriptions; *Daily Spectrum*, St. George, Utah, 13,080, up 12,7% (Sept. 30, 1984 vs. 1983). Thomson sold the *Citizen*, a weekly in Phenix City, Ala.

Since yearend, TN has bought two more dailies, the *Daily News*, Lebanon, Pa., 27,375, down 151 subscriptions, and the *Herald-Palladium*, Benton Harbor/St. Joseph, Mich., 36,288, down 245 subscriptions; and sold its daily, the *Daily Dispatch*, in Douglas, Ariz.

This net full of small fry has paid big dividends for Thomson Newspapers. During 1984, net income was $120 million for Canadian and U.S. properties, compared with $98.4 million a year earlier. TN does not break out U.S. net income, but operating income in the U.S. of $130 million compared with $108.2 million a year earlier. During that period, Canadian operating income was $85.9 million vs. $75.6 million for the year earlier.

Additionally, the company has taken some steps into vertical integration with a half-share interest with Abitibi-Price Inc. in Augusta Newsprint Co. Following a $187.2 million expansion program, the mill became fully operational last year. Thomson Newspapers appears to be set for another year of expansion in the U.S., barring any federal action on limiting foreign ownership of print media.

MEDIA PROPERTIES
Newspapers (dailies)

ALABAMA: *Dothan Eagle, Enterprise Ledger, Opelika-Auburn News.* ARKANSAS: *Northwest Arkansas Times* (Fayetteville). CALIFORNIA: *Barstow Desert Dispatch, Eureka Times-Standard, Oxnard Press-Courier, San Gabriel Valley Tribune* (West Covina), *Siskiyou Daily News* (Yreka), *Whittier Daily News.* CONNECTICUT: Ansonia Evening Sentinel. FLORIDA: *Clay Today* (Orange Park), *Jackson County Floridian* (Marianna), *Key West Citizen, Punta Gorda Daily Herald-News.* GEORGIA: *Americus-Times Recorder* (Americus), *Cordele Dispatch, Dalton Daily Citizen-News, Griffin Daily News, Thomasville Times-Enterprise, Tifton Gazette, Valdosta Daily Times.* ILLINOIS: *Jacksonville Journal Courier, Mount Vernon Register-News.* INDIANA: *Kokomo Tribune, New Albany Tribune.* IOWA: *Council Bluffs Nonpariel, Oelwein Daily Register.* KANSAS: *Atchison Daily Globe, Levenworth Times.* KENTUCKY: *Corbin Times-Tribune.* LOUISANA: *Lafayette Daily Advertiser.* MARYLAND: *Salisbury Daily Times.* MASSACHUSETTS: *Fitchburg Daily Sentinel and Leominster Enterprise, Taunton Daily Gazette.* MICHIGAN: *Adrian Daily Telegram, Escanaba Daily Press, The Herald-Palladium* (Benton Harbor/St. Joseph, Mich.), *Houghton Daily Mining Gazette, Iron Mountain Daily News, Marquette Mining Journal.* MINNESOTA: *Albert Lea Evening Tribune, Austin Daily Herald.* MISSISSIPPI: *Laurel Leader-Call.* MISSOURI: *Cape Girardeau Southeast Missourian, Carthage Press, Sikeston Daily Standard.* NEW HAMPSHIRE: *Portsmouth Herald.* NEW YORK: *Herkimer Evening Telegram, Newburgh Evening News, Oswego Palladium-Times.* NORTH CAROLINA: *Rocky Mount Evening Telegram.* OHIO: *Canton Repository, Coshocton Tribune, East Liverpool Evening Review, Greenville Daily Advocate, Lancaster Eagle-Gazette, Marion Star, Middietown Journal, Newark Advocate, Piqua Daily Call, Portsmouth Times, Salem News, Steubenville Herald-Star, Xenia Daily Gazette, Zanesville Times Recorder.* OKLAHOMA: *Ada Daily News.* PENNSYLVANIA: *Altoona Mirror, Connellsville Daily Courier, Daily News* (Lebanon), *Easton Express, Greenville Record-Argus* (Kittanning), *Hanover Evening Sun, Kittanning Leader-Times, Lock Haven Express, Meadville Tribune, Monessen Valley Independent.* SOUTH CAROLINA: *Florence Morning News.* SOUTH DAKOTA: *Mitchell Daily Republic.* UTAH: *Daily Spectrum* (St. George). VIRGINIA: *Petersburg Progress-Index.* WEST VIRGINIA: *Fairmont Times-West Virginian, Weirton Daily Times.* WISCONSIN: *Fond du Lac Reporter, Manitowoc Herald-Times Reporter, Post-Crescent* (Appleton), *Waukesha Freeman, Daily Tribune* (Wisconsin Rapids).

Newspapers (nondailies)

FLORIDA: *Englewood Herald.* ILLINOIS: *McLeansboro Times-Leader.* INDIANA: *Howard County News.* OHIO: *Greentown-Franklin Chronicle.* PENNSYLVANIA: *Midland News.*

RANK

Time Inc.
3

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	2,576	2,248	14.6
Total sales	3,067	2,717	12.9
Net income	216	143	51.1
Sales per medium			
Newspaper	0	27.5	N/A
Magazine	1,321	1,131	16.8
Broadcast	0	0	0
Cable	1,225	1,090	15.1

Time Inc., New York, is the country's 3rd largest media company, with 1984 U.S. media revenues estimated by ADVERTISING AGE at $2.576 billion, or 84% of total revenues of $3.067 billion. Media revenues rose 14.6% from $2.248 billion in 1983, or 81.7% of total revenues of $2.717 billion.

Time Inc.'s introduction of a new logo this spring—the words "Time Inc." in a simple typeface demonstrated new directions for the company.

After years of experimenting with opportunities in new technologies such as teletext and over-the-air subscription tv and branching out into related, but noncore fields such as newspapers, it's back to basics for Time.

President J. Richard Munro told the Time Inc. annual meeting April 18 that while 1985 will not be the kind of "watershed year" the company enjoyed in 1984, when it registered record revenues and operating profits, it will "consolidate the gains we've made and pick up the pace we've achieved." Much of those gains and achievements have come in the company's traditional core business—magazines.

Following a period in which the dramatic growth of Time Inc.'s video holdings overshadowed the company's magazine operations, the pendulum is swinging back. Magazine operating profit last year leaped 78%, significantly narrowing the gap between magazine and video. In 1983, video racked up $215 million in operating profits to magazines' $106 million (including a $47 million loss from the *TV-Cable Week* fiasco). But a year later, the figures were $212 million video to $188 million magazines. To further underscore the commitment to magazines, Time Inc. sold its Pioneer Press chain of suburban Chicago weeklies last October to Marshall Field V's Field Corp.

Of Time Inc.'s seven current magazine titles, the three weeklies—*People, Sports Illustrated* and *Time*—had a stellar year. *People*, in its 10th anniversary year, carried 4,063 ad pages, up 17.9%. Ad revenues reached $232.9 million, up 32.8%, while circulation for the six months ended Dec. 31 totaled 2.84 million, up 2.1%, from the comparable period a year earlier.

SI broke a record when its special Olympic issue brought in $24 million in ad revenues, the most for a single issue of any magazine. For the year, its ad revenues rose 26.1% to $230.8 million, ad pages rose 10% to 3,035 and circulation at yearend hit 2.64 million, up 7.6%.

And *Time* widened its ad and circulation leads among newsweeklies as its worldwide ad revenues topped all titles for the 15th straight year; U.S. ad revenues rose 12.1% to $335.6 million, ad pages rose 4.2% to 2,817 and circulation at year-end was 4.62 million, up 0.1%.

Fortune, Time Inc.'s sole every-other-weekly, shared in the boom for business publications, as its U.S. ad revenues reached $111.7 million, up 15.1% from 1983; its ad pages topped 3,486, up 7.4%, and its yearend circulation hit 710,141, up 2.6%.

Among the monthlies, the best performance was turned in by *Money*: Ad revenues up 35.1% to $57 million; ad pages up 6% to 1,516 and circulation at yearend to 1.51 million, up 9.6%. The monthly *Life* ad revenues rose 19.8% to $35 million, as ad pages rose 3.7% to 762; a special Olympics issue was well-received. Circulation at yearend, however, fell 4.1% to 1.45 million. The science monthly *Discover* continued the disappointing results that prompted last year's change in top management: Ad revenues down 10.4% to $10.6 million, ad pages down 14.5% to 434, though yearend circulation rose 8.1% to 977,526; the circulation rate base since has been reduced to 850,000.

To underline the magazine renaissance, Time Inc. in February made its largest acquisition ever in the field, paying $395 million in cash plus $85 million in other considerations to buy Southern Progress, Birmingham, Ala., owner of *Southern Living, Creative Ideas for Living, Progressive Farmer*, and Oxmoor House books.

Southern Progess was the 87th largest media company in ADVERTISING AGE's 1983 rankings, with estimated media revenues of $110 million in fiscal 1983. The deal, which closed in late March, brings to Time Inc. strengths in new publishing categories, such as regional, special-interest and women's.

Time Inc.'s magazine development group kept up its investigation of potential new titles. After conducting mail tests of four magazines—weeklies called *Flash, Investment Week* and *Picture Week* and a monthly called *Leisure*—the group decided last March to focus its efforts on *Picture Week.* To be tested in 13 markets for several months, starting in July, *PW* will be introduced early next year if it is received enthusiastically by readers and advertisers.

A one-shot called *Home Office*, aimed at those who work at home, was brought out in late March, solely sponsored by International Business Machines; response is being gauged to determine whether there would be further issues.

The acceleration in magazines contrasts with a slowdown in what was once Time Inc.'s big growth area, video. American Television & Communications, the subsidiary that operates cable tv systems, has continued to grow as it concentrates on owning cable systems clustered geographically, however, the system has been retarded by weakness at Home Box Office Inc., operator of the Home Box Office and Cinemax pay cable services. The rapid growth of pay tv began to slow in 1984, a situation that has continued into 1985 and has even become more pronounced. In this year's first quarter, for instance, profit at HBO fell, while ATC's rose.

Last October, the video group lost

Home Box Office Inc. chairman-ceo Frank Biondi. He was succeeded by Michael Fuchs, previously president-chief operating officer; Joseph Collins was subsequently named president. Mr. Biondi since has joined Coca-Cola Co.'s entertainment business division as exec vp.

The video group is attempting to rectify its problems via methods ranging from new ad campaigns to a new intensive direct marketing program to entering the backyard earth station market (selling pay services directly to owners of dishes or their cable systems). To cut costs and diversify its offerings to subscribers, HBO is producing more of its own programing and is renegotiating licensing agreements with the major movie studios and independent producers. On the latter front, in April, Time Inc.'s board of directors approved new agreements with Columbia Pictures and with Tri-Star Pictures (owned by Columbia, Time Inc. and CBS).

MEDIA PROPERTIES

Cable/video

Cinemax, Home Box Office, USA Cable Network (33⅓% interest). Also, American Television & Communications Corp., now divided into 22 divisions and one national division that includes many smaller communities in 21 states. The individual divisions include Birmingham, Ala.; San Diego, Cal.; Denver, Co.; Florida; Savannah, Ga.; Hawaii; Indianapolis, Ind.; Shreveport, La.; Portland, Me.; Jackson/Monroe, Miss.; Kansas City; Albany, Rochester, N.Y.; Charlotte, Fayetteville, Greensboro, Raleigh/Durham, N.C.; Reading, Pa.; Memphis, Tenn.; Austin, Tex.; Appleton/Greenbay, Wis. Included in the national division are the following states and, in parentheses, the number of systems in those states: Arkansas (one), California (five), Colorado (seven), Connecticut (one), Illinois (one), Indiana (two), Iowa (one), Kansas (five), Kentucky (four), Minnesota (three), Missouri (six), Nebraska (two), New Jersey (one), New York (one), Ohio (two), Oklahoma (one), Pennsylvania (six), Texas (one), Virginia (one), West Virginia (one), Wisconsin (two).

Magazines

Creative Ideas for Living, Discover, Fortune, Life, Money, People, Picture Week, Progressive Farmer, Southern Living, Sports Illustrated, Time.

OTHER OPERATIONS

Book-of-the Month Club, Little Brown, Oxmoor House books, Selling Areas-Marketing Inc., Time-Life Books.

Times Journal Co.

RANK 98

Springfield, Va.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	96	84	14.0
Total sales	133	199	11.3
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	96	84	14.0
Magazine	0	0	0
Broadcast	0	0	0
Cable	0	0	0

Times Journal Co., Springfield, Va., the nation's 98th largest media company, had 1984 media sales estimated by Advertising Age at $95.8 million, up 14% from 1983.

Privately held Times Journal predicts its Washington suburban Journal newspapers will show a profit this year for the first time since they went daily in 1981. Meanwhile, the company's other media operating division, Army Times Publishing Co., is turning out ad revenues about even with 1984, which was less than spectacular.

The *Journal* newspapers, with five separate editions for three Virginia and two Maryland communities, saw circulation rise 2% to 150,000 in 1984, according to Henry Belber, exec vp. For the first half of 1985, ad linage is up about 15%, while ad revenue has soared 28%, largely from classifieds.

Army Times Publishing Co. publishes the weekly military newspapers: *Army Times, Air Force Times* and *Navy Times.* Combined circulation remained at 320,000 in 1984. Ad linage in 1984 was up 11% and shows similar growth this year.

Federal Times, a weekly paper geared to government workers, dropped 5% in circulation to 40,000.

Company executives are considering starting a new national publication in early 1986, according to Mr. Belber, who declined to reveal any more details. The Times Journal did not begin any publications in 1984. Instead it concentrated on its *Journal* newspapers, spending $500,000 on a radio campaign by W.B. Doner & Co., Baltimore, to attract subscribers and classified advertisers.

Mr. Belber says the *Journal* will spend another $500,000 this year, using similar radio spots, which emphasize the need for daily news coverage of the suburban communities. The classified spots use testimonials from satisfied advertisers. The papers will continue with their tag line, "The *Journal.* Suburban Washington's newspaper."

The weeklies went to a weekday schedule after the *Washington Star* folded in August, 1981. Mr. Belber says no weekend editions are planned because the paper relies on mail delivery to suburban homes. Its main competitor is the *Washington Post's Weekly* suburban section, divided into city, Maryland and Virginia editions and inserted in Thursday newspapers.

Mr. Belber thinks the Journal papers finally are reaching maturity. "We're edging toward our fair share of the business, vis-a-vis the *Post,*" he says. "And the *Post* is gaining in advertising, so the pie is enlarging."

The Journal's classified advertising has jumped 41% so far this year, he claims.

Renewal rate for the papers increased to 78% in 1984, Mr. Belber says, which he hopes will not be hurt by a May, 1985, subscription increase from $32 to $39 a year.

The Times Journal Co. also operates the Times Journal Telemarketing Co., which offers a telemarketing service to outside clients such as Citicorp.

Times Journal Printing Co. prints *USA Today* regional editions, the *Washington Post's* Sunday tv guide, Times Mirror Co.'s *Sporting News* and some special sections.

MEDIA PROPERTIES

Magazines

Times Magazine (supplement to all three military papers), *Military Market* (trade magazine).

Newspapers (dailies)

MARYLAND: *Montgomery Journal, Prince Georges Journal.* VIRGINIA: *Alexandria Journal, Arlington Journal, Fairfax Journal.*

Newspapers (nondailies)

NATIONAL: *Air Force Times, Army Times, Federal Times, Navy Times.*

Other media operations

Times Journal Printing Co., Times Journal Telemarketing Co.

Times Mirror Co.

RANK 5

Los Angeles

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	1,988	1,667	19.3
Total sales	2,805	2,491	12.6
Net income	233	200	16.6
Sales per medium			
Newspaper	1,472	1,267	16.2
Magazine	140	130	7.5
Broadcast	125	116	7.4
Cable	252	154	63.3

Times Mirror Co., Los Angeles, passed the century mark in publishing in 1984, when it recorded media revenues of $1.98 billion, an increase of 4% over the previous year, making it the 5th largest media company.

Total revenues for the multimedia company were $2.8 billion, with $1.47 million attributed to its major business of newspaper publishing. The newspaper segment's revenues were up 16% over the previous year.

Magazines and broadcast tv ran neck and neck, both groups up 7% over 1983. The past year saw the 102-year-old *Los Angeles Times* pull out all the stops in its coverage of the Olympic Games, with Times Mirror spending $5 million to sponsor an Olympics Arts Festival. These ventures took their toll on profits, but improved ad linage helped offset expenses.

Times advertising for 1984 topped out at 213,171,000 lines, up 18% from a year earlier. The nation's longtime leader in classified, the newspaper once again asserted its dominance with 30,332,000 lines, a 24.9% increase over 1983.

Completion of new satellite plants in Orange County and in the San Fernando Valley are expected to add more productivity gains.

The new San Fernando Valley facility has enabled the *Times* to come out with a new Valley edition for some head-to-head competition with the Tribune Co.'s Los Angeles *Daily News* in the Valley and southern Ventura County. The new edition, according to Times publisher Tom Johnson, has helped double display advertising from Valley retailers and accounted for a 75% gain in classified ads from the area.

The *Times* also unveiled a new in-depth sports section called Monday Special Sports and announced plans for expansion of its financial news and the start of a new Sunday magazine supplement coming Oct. 4.

Total *Times* circulation, according to ABC statements for the six months ended March 31, stood at 1,069,564 daily and 1,332,138 Sunday—dominating the Los Angeles market. But Times Mirror found the going tougher in more competitive markets in Dallas and Denver.

The circulation war between the company's *Dallas Times Herald* and the rival *Dallas Morning News* found the *Times Herald* trailing across the board. According to ABC's six-month averages ended March 31, 1985, the *Times Herald's* 241,055 all-day paper compared with 368,683 for the *News*, and its 345,932 Sunday circulation gave way to the *News'* 476,003.

The *Times Herald* took steps to shore up its position with a $46 million capital expansion project and broadening of its circulation sales and distribution.

Times Mirror's *Denver Post* has been facing the same sort of circulation challenge from Scripps Howard's *Rocky Mountain News.* The *Post* circulation, in its Sept. 30 report to ABC (the *Post* did not file in time to be reported March 31, 1985), stood at 223,249 daily and 337,870 Sunday. For the same period, the *Rocky Mountain News* reported 317,638 for its morning daily, and 366,003 for Sunday.

The *Post* has begun a $28 million expansion of plant and editorial improvements to stem the circulation slide, and named ad agency Schenkein/Associates, Denver, to help step up its circulation promotions. The *Post* is saying its Sunday product increased to the 400,000 range as of March 31, 1985, attributing the jump to the addition of 60,000 subscribers of United Cable Television Corp., a local cable franchise holder, whose program offerings now are being listed in the *Post's* "TV Week" Sunday supplement. The *Denver Post* also took a Pulitzer Prize for feature photography, helping Times Mirror become the first media company ever to win four Pulitzer prizes in a single year. The *Los Angeles Times* added two more and *Newsday* another.

Newsday, Times Mirror's Long Island daily, which continued to build up its New York edition, has total daily sales of 542,073 (up 1.7%) and Sunday sales of 611,403 (up 0.5%). The paper now is sold on newsstands in Manhattan, where it has a circulation of about 45,000. The paper has begun offering a daily themed special section, following a similar practice begun by the *New York Times* several years ago.

On the corporate front, Times Mirror president-chief executive officer Robert F. Erburu was named to the added post of chairman of the board, effective Jan. 1, 1986. At that time Otis Chandler, board chairman and editor-in-chief of Times Mirror, will take over as chairman of the board's executive committee. In mid-December, Phillip L. Williams was elected exec vp of the company, effective Jan. 1, 1985.

In line with a corporate strategy of increasing participation in communications businesses while disposing of others that are not in that line, in early 1985 Times Mirror acquired Call-Chronicle Newspapers, Allentown, Pa., for $106 million, giving the company its eighth newspaper property.

At the company's recent annual meeting, however, Mr. Erburu told shareholders it appears unlikely that Times Mirror would be a high bidder for media properties coming on the market in the near future. He said the company's management believes the current merger "frenzy" may have temporarily inflated prices, which "far exceed" historical valuations. "While Times Mirror will remain active in acquiring new media properties," he said, "it is unlikely that we will be high bidders at current levels."

Circulation of the *Call-Chronicle*, distributed in a nine-county area in the Lehigh Valley, is 130,996 daily and 169,046 Sunday, both figures up about 2,000 subscribers from year-earlier figures.

In late 1984, Times Mirror ended its legal battle with the Connecticut Department of Public Utility on ownership of newspaper and cable properties. The company agreed to sell its interest in a Hartford cable tv franchise by Sept. 4, 1987.

Divestiture of the 60,000-subscriber system is part of a proposed court settlement with the state, which had challenged Times Mirror's ownership of both the *Hartford Courant* and cable tv franchises in Hartford and downstate Meriden. Then early this year the company signed a letter of intent to sell its Hartford cable tv system to Denver-based United Cable for $61.5 million cash, on approval of state and federal authorities and company boards.

Another agreement with Storer Communications, Miami, provided for the exchange of cable tv systems involving 446,300 residential units evenly divided between the two companies. Times Mirror traded its systems in North Little Rock and Jacksonville, Ark.; Point Pleasant Beach, N.J., and Louisville, N.C., for Storer systems in Phoenix, Mesa and Paradise Valley, Ariz., and in Orange County, Cal.

Times Mirror also sold its 625,000 shares of Commerce Clearing House for $31.6 million and its Graphic Products Group for another $52 million in cash and a $3 million note. The company then announced it will be spending more than $100 million in cash for a Xerox Corp. subsidiary that sells management and sales training programs.

At the same time, Times Mirror and Knight-Ridder Newspapers, Los Angeles, agreed in principle to sell their jointly owned cable tv operation serving Long Beach and Signal Hill, Cal., to Simmons Communications, Stamford, Conn.

Despite an industry wide slowdown in spot advertising in the fourth quarter of 1984, Times Mirror's seven-station broadcast tv group produced record sales and earnings for the year. KDFW-TV, the flagship station, maintained its strong market position in the competitive Dallas-Fort Worth market throughout the year.

Revenues for the company's cable tv group were up 63% over the previous year, reflecting the full-year sales of two major systems in Phoenix and Las Vegas, which were not fully owned in 1983. Contributing to that growth were more cable subscribers, up to 910,000 for basic services and 741,000 for pay services, and rate increases in some franchises.

Times Mirror is ranked the seventh largest cable system operator in the U.S., with 57 systems serving 300 communities. The company also began operations of its Times Mirror Videotex Services, with the September opening of its new Gateway service for consumers in Orange County.

Videotex marketers reported more than $1 million in national ad commitments for Gateway's first year of scheduled service.

MEDIA PROPERTIES

Broadcasting

TV: KDFW, Dallas; KTBC, Austin; KTVI, St. Louis; WETM, Elmira, N.Y.; WHTM, Harrisburg, Pa.; WSTM, Syracuse; WVTM, Birmingham, Ala.

Cable/video

Times Mirror Cable Television owns 61 cable properties, serving the following areas —ARKANSAS: Jacksonville, North Little Rock. ARIZONA: (All 50% owned, with American Cable Television): Bullhead City, Casa Grande, Chandler, Eloy, Fountain Hills, Heber, Lake Havasu, Nogales, Paradise Valley, Phoenix, Rio Verde, Superior, Tempe. CALIFORNIA: Escondido, Long Beach, Orange County, Palos Verdes, Perris, Victorville. CONNECTICUT: Hartford, Meriden. ILLINOIS: Springfield. INDIANA: Lafayette. KENTUCKY: Ashland, Hopkinsville, Louisville. MASSACHUSETTS: Amherst, Bradford, Brewster (95%), Brookline, Greenfield, Longmeadow, Palmer, Weymouth (90%). NEVADA: Las Vegas. NEW JERSEY: Point Pleasant Beach. NEW YORK: Riverhead. OHIO: Caldwell, Cambridge, Coshocton, Defiance, Greenfield, Ironton, Logan, Newark, Newcomerston, New Philadelphia/Urichsville, Toronto, Waverly. PENNSYLVANIA: Beaver Falls, Glenolden/Darby, South Philadelphia, Upper Darby, Washington, Williamsport. RHODE ISLAND: Providence, West Warwick. TEXAS: Del Rio, Kerrville, Marlin, Midland, Texarkana, Uvalde. WEST VIRGINIA: Weirton.

Times Mirror Videotex Services, Santa Ana, operates Gateway service in Southern California, and Videotex America, U.S. marketer of Gateway software and services as a joint venture with Infomart, Toronto.

Magazines

Golf, Outdoor Life, Popular Science, Ski, Sporting News.

Newspapers

CALIFORNIA: *Los Angeles Times.* COLORADO: *Denver Post.* CONNECTICUT: *Greenwich Time, Hartford Courant, Stamford Advocate.* PENNSYLVANIA: *Call-Chronicle*, Allentown. TEXAS: *Dallas Times Herald.* NEW YORK: *Newsday.*

OTHER OPERATIONS

Book publishing, newsprint and forest products group.

Times Publishing Co.

RANK 71

St. Petersburg, Fla.

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	152	135	12.8
Total sales	152	135	12.8
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	134	124	7.8
Magazine	10.3	10	3.0
Broadcast	0	0	0
Cable	0	0	0

Times Publishing Co., St. Petersburg, Fla., which completed 1984 with upbeat results for its lead newspaper and entered the new year with plans for a new magazine, *Georgia Trend*, was the nation's 71st largest media company in 1984.

Times Publishing, which publishes the *St. Petersburg Times* and the *St. Petersburg Evening Independent*, had estimated revenues of $152 million in media, up 12.8% from 1983.

Although the business and financial journal, *Georgia Trend*, is opening in a new market, it is not a new product category for Times Publishing, which publishes the 26-year-old statewide business magazine, *Florida Trend.* First issue for the Atlanta-based *Georgia Trend* will be September, 1985.

In the company's primary market, St. Petersburg, circulation at the *St. Petersburg Evening Independent* leveled off in 1984 after three straight years of losses. Leo Kubiet, Times Publishing ad director, says the decline in past years has been part of the Times Publishing's effort to restrict circulation of the paper. Circulation of the evening paper increased 1.1% to 38,085, according to ABC's six-month averages ending March 31, 1985.

"We decided it would be best for the paper to confine distribution to the immediate St. Petersburg area and the beach communities just south of the city. Circulation has not fallen for any other reason," Mr. Kubiet says.

The morning *St. Petersburg Times*, on the other hand, retains its regional target area, he says, adding that distribution for the *Times* has not been restricted. Its daily circulation increased 1.8% to 287,700; Sunday circulation rose 3.7% to 370,283 for the same six-month period.

Ad inches for both papers increased. At the *Times*, ad inches are divided into two categories: Part-run ads that appear in one but not all of the *Times'* eight regionally zoned editions; and full-run ads that appear in all the zoned editions.

For the morning daily, full-run ad inches were 2,445,758; part-run, 1,745,566, for a total of 4,191,324 ins., exceeding last year's total by 15%. In the Sunday edition, there were 1,053,851 full-run inches and 560,025 part-run inches, for a total of 1,613,879 ins., again exceeding last year's total by 0.3%.

The evening paper, with no zoned editions and only full-run ads, ran 1,647,540 ins., up 12.5%. Total ad linage for morning, evening and Sunday papers was 13,275,940, up 10.8% over 1983. Over-all ad rates increased an average of 10%, Mr. Kubiet says.

In editorial matters, the company has increased staff in many of its departments, including business, foreign news, and state and local departments.

Modern Graphics Arts, which handles some commercial printing for Times Publishing, including preprint inserts, will publish *Georgia Trend*. Modern Graphic Arts also prints *Florida Trend*.

The monthly *Georgia Trend* will sell against two Atlanta-oriented publications: Scripps Howard's *Atlanta Business Chronicle*, a tabloid weekly covering Atlanta with 15,242 ABC-audited circulation as of Sept. 30, 1984; and Communication Channels Inc.'s *Business Atlanta* monthly, a slick, four-color product like Georgia Trend with 22,149 circulation for the same period.

Georgia Trend's niche among the three will be its statewide coverage, although 67% of the responses to its circulation mailers have come from Atlanta—which is basically the population breakdown in the state, says Frank Quigley, ad manager. He hopes to convert an initial 20,000 paid-controlled circulation mix in the first year to fully paid by the time the start-up grace period of three years is lifted by Times Publishing.

Projection for advertising, to cost $1,695 for a full page b&w and $2,295 for four-color, is $175,000 for the four months of 1985, which includes give-away ads in December for advertisers who buy the first three months.

The expansion of Times Publishing into the Georgia market initially caused some speculation that the company might be planning other ventures into that state's publishing industry. Mr. Kubiet says the company has no plans for such an effort, noting that the publishing company is somewhat restricted by its covenant to move into certain areas of publishing.

Nelson Pointer, former owner of the Times Publishing who died in 1978, established in his will that the company could not acquire papers other than those it owned at the time of his death, that is, the two St. Petersburg papers. He also stipulated that those two papers never be sold to another company. "Of course, this stipulation does not preclude starting or acquiring magazines such as *Georgia Trend*," Mr. Kubiet says.

MEDIA PROPERTIES

Newspapers

St. Petersburg Times, St. Petersburg Evening Independent.

Magazines

Florida Trend; Georgia Trend (startup Sept. 1985).

Other media

"Congressional Quarterly," Editoral Research Reports. Modern Graphic Arts commercial printer.

Members of the board

Eugene J. McCarthy and Marta Casals Istomin hold seats on the Harcourt Brace Jovanovich board. Anne Morrow Lindbergh left the HBJ board in 1984 to be replaced by Dallas real estate mogul Trammell Crow.

RANK

20

Triangle Publications

Radnor, Pa.

($ figures — 000,000)

Corporate returns	1984	1983	% chg
Media sales	657	579	13.4
Total sales	657	579	13.4
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	68	62	9.7
Magazine	589	517	13.9
Broadcast	0	0	0
Cable	0	0	0

Triangle Publications, Radnor, Pa., publisher of *TV Guide*, *Seventeen* and the *Daily Racing Form*, had estimated media revenues in 1984 of $657 million, up 13.4% from estimates in 1983, to rank 20th among the nation's leading media companies.

Triangle, controlled by Walter Annenberg, in 1984 changed leadership and moved into new distribution and publication ventures.

As of Jan. 1, 1985, William Henrich Jr., who had served as outside counsel for Triangle, succeeded Mr. Annenberg as president. Mr. Annenberg, 77, who was honored as publisher of the year for 1984 by the Magazine Publishers Assn., assumed the new role of chairman.

In 1984, Triangle entered into the magazine distribution arena, picking up the national newsstand distribution accounts for *Newsweek*, *Reader's Digest*, *Soap Opera Digest*, *Woman's World* and the *Washington Post Weekly*, in addition to *TV Guide* and *Seventeen*, according to a company spokesman.

Triangle also has announced plans to resume publication of *Good Food*, a *TV Guide*-sized monthly, in early 1986. Frank G. Wolf, current publisher of *Seventeen*, will become group publisher of both *Seventeen* and *Good Food*. The new magazine will carry a cover price of $1, with an initial circulation of 2 million.

Good Food will be headquartered in New York in the same building as *Seventeen*. Personnel from other Triangle publicatons will be named to positions within *Good Food*.

The company's mainstay, *TV Guide*, carried 3,799.6 ad pages in 1984, up 4.6% from 1983, according to Publishers Information Bureau. Gross ad revenues were $304.3 million, up 12.9% from 1983. The publication instituted a 5% rate increase in July, 1984, and will boost its ad rates 6% in July, 1985. This 6% hike will bring the cost of a four-color page in *TV Guide* to $94,605.

Net paid circulation for 1984 was 17.2 million, a 3.6% increase from 1983. However, circulation is still slightly below the 1982 average.

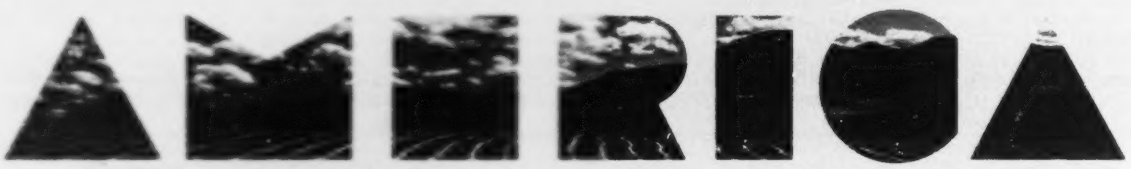
Managing editor R.C. Smith says the publication worked hard in 1984 to stay abreast of changes affecting the tv viewer. In September, *TV Guide* began a vcr report, included in the Insider section of the magazine. The report, which began as a spread every other issue, became a one-page weekly feature in late May.

"Our audience is so huge, with 43 million readers, that we have to move cautiously with changes," Mr. Smith says.

Seventeen, which celebrated its 40th anniversary with the September, 1984, issue, had estimated ad pages of 1,496.4 in 1984, up 13.9%, and gross ad revenues of $32.3 million, up 25.3%. The magazine hit a record high circulation of 1.7 million for 1984. *Seventeen* had a 3% ad rate base increase in August, 1984. Following an increase in guaranteed circulation to 1.6 million in February, 1985, the magazine had another rate base increase of 0.3%.

Publisher Frank G. Wolf says the magazine is prospering because of a change in the nature of its audience, despite a decline in the number of teen age girls. "The market we are serving is

CELEBRATE



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Southwest Forest Industries
A. Paul Funkhouser
CSX Corporation
David C. Garrett, Jr.
Delta Air Lines, Inc.
The Honorable W. Wilson Goode
Mayor, City of Philadelphia
T. Marshall Hahn, Jr.
Georgia-Pacific Corporation
James R. Harvey
Transamerica Corp.
Raymond A. Hay
The LTV Corporation
William N. Hulett
Stouffer Hotel Company
Ramon L. Humke
Indiana Bell Telephone Co., Inc.
Samuel Huntington
New England Electric System
Edward G. Jefferson
E.I. du Pont de Nemours & Co.
Kenneth L. Lay
Houston Natural Gas Corporation

Donald D. Lennox
International Harvester Company
H. William Lurton
Jostens Inc.
John W. Lynn
F.W. Woolworth Co.
William S. Manning
Bibb Co.
John F. McGillicuddy
Manufacturers Hanover Corporation
Robert E. Mercer
Goodyear Tire & Rubber Company
Richard M. Morrow
Standard Oil Company (Indiana)
Michael T. Nelligan
Ideal Basic Industries, Inc.
David F. Nelson
Wisconsin Bell, Inc.
James J. O'Connor
Commonwealth Edison Co.
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NYNEX Corporation
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Borden, Inc.
Richard P. Sullivan
Easco Corporation
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The Timken Company
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Michigan Bell Telephone Company
Harriett M. Wieder
Orange County Board of Supervisors
Charles J. Zwick
Southeast Banking Corporation

1985 U.S. SAVINGS BONDS VOLUNTEER COMMITTEE

more affluent," Mr. Wolf says. "The number of two-income families is increasing, making the teen age daughter more responsible for household tasks. She is being richly rewarded for her role, and no one is supervising how she spends her money."

Michael P. Sandler, publisher of *Daily Racing Form*, reports a strong performance for the turf daily in 1984, its 90th year of publication. Last year, the newspaper began operating a satellite transmission system to enable it to print the northwestern edition in Seattle, Wash., from negatives prepared in Los Angeles.

ABC figures show net paid circulation of 186,257 Saturday; 124,824 Monday, and 108,196 Tuesday to Friday, for the U.S. and Canadian editions. These numbers represent an increase of about 10% over 1983 circulation. *Daily Racing Form* is largely circulation driven.

MEDIA PROPERTIES

Magazines

TV Guide, Seventeen.

Newspapers

Daily Racing Form.

Members of the board

The New York Times Co. board has famous politicos Cyrus R. Vance, former Secretary of State under President Jimmy Carter and now partner in the New York law firm of Simpson Thatcher & Bartlett, and William W. Scranton, former Pennsylvania governor, congressman and U.N. ambassador.

RANK

Tribune Co. 9

Chicago

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	1,597	1,397	14.3
Total sales	1,794	1,586	13.1
Net income	103	69	48.8
Sales per medium			
Newspaper	1,274	1,137	12.0
Magazine	0	0	0
Broadcast	282	229	23.4
Cable	40	31	27.5

The Tribune Co. collected its best performance ever in 1984 and quickly plowed that into a media acquisition in May, 1985, that shored up its future position in broadcast in the nation's three leading markets.

The Chicago-based company ranked 9th in 1984 with media revenues of $1.60 billion, 89% of total corporate revenues. The only nonmedia activities at Tribune Co. include those of its newsprint and forest products segment and the Chicago Cubs baseball team.

The acquisition from Kohlberg, Kravis & Roberts of Los Angeles station KLTA-TV did not catch Tribune Co. watchers by surprise, but the price did. The $510 million paid for the independent will be the most paid for a single tv property. Most analysts believe Tribune Co. paid from $50 million to $100 million too much.

Yet, taking the steam out of the debate over the price is the fact that the purchase gives Tribune Co.'s growing broadcast unit access to 20% of the U.S. population, a nice ad and programing package. The company already has independent stations in Chicago and New York.

But this may serve the Tribune Co. more in the future than in the present. The acquisition caused brokerage houses to pare earnings estimates for 1986 as much as 60¢ a share to $3.30, a 15% decline—a figure in keeping with the company's own estimate of the acquisition's impact on earnings.

This new debt at Tribune Co. is unattractive to the acquisition-minded. The company also is tripling the number of authorized common shares to 150 million "to impede a takeover or to make changes in the control of the company more difficult," as the company put it at its annual meeting. The two measures confirm suspicion that the giant Midwest media company was either being considered prime bait for takeover, internal or external, or has feared such.

Although the asset value of the company has been double its current stock price, making it attractive to a takeover artist, a hostile takeover would be virtually impossible because McCormick family and employe trusts own more than 50% of the stock. A staggered board on which members are elected for three-year terms at alternate years is another block.

Its 1984 performance would make any takeover artist salivate. Operating revenues jumped 13.1% to $1.79 billion and net income jumped 48.8% to $103 million. That was followed by an equally attractive first quarter, ended March 31, 1985, when company revenues rose to $449 million, up 14%, and net income hit $16.6 million, a surge of 66%. Tribune Co. stock, which sold for $26.75 a share when the company went public in October, 1983, is now in the mid-$40s.

The newspaper group is the big revenue generator among Tribune Co.'s operating segments. In 1984, ad revenues were up 15% in the segment, which had operating profit of $188.5 million, up 29.4%, and revenues of $1.28 billion, up 12.1% from the previous year—a revenue increase echoed in the first quarter of the new fiscal year.

The newspaper segment will be most affected by the KTLA-TV investment. Tribune Co. will have to divest its *Los Angeles Daily News* in addition to cable operations in Lakewood and Palmdale, Cal., to abide by FCC rules preventing media crossownership in a single market. The company expects to complete the transactions within the year.

Last year the Tribune Co.'s 138-year-old flagship newspaper, the *Chicago Tribune*, entrenched itself further in the Chicago market, where it enjoys a 63% share of total ad linage at the expense of major rival, the *Sun-Times*, purchased in January, 1984, by Rupert Murdoch.

Mr. Murdoch's purchase of the *Sun-Times* routed several noted staff members, among them veteran columnist Mike Royko, who walked across Michigan Ave. to join the *Chicago Tribune*. *Sun-Times* publisher James Hoge left to become chairman-publisher of the Tribune Co.'s *New York Daily News*, a direct rival of another Murdoch paper, the *New York Post*.

According to Audit Bureau of Circulations figures for the six months ended March 31, 1985, the *Tribune's* average Sunday circulation grew 1.8% to 1.17 million, compared with a 0.5% increase at the *Sun-Times* to 690,904. The *Tribune's* daily circulation grew 1.7% to 775,664 as the *Sun-Times* daily circulation increased a similar 1.7% to 639,187.

More recent moves by the *Tribune* to ensure its position include creating its own version of total market coverage with a direct mail service called *Tribune Plus* that will reach suburban consumers who are not subscribers and lure more ad spending from large retail chains. Also, the *Tribune* plans to launch its first satellite edition sometime this year.

Even the headache in the Tribune Co.'s newspaper lineup—the *New York Daily News*—is responding to medication. In 1982, the *News*—the nation's largest general circulation paper—was on the auction block. People moving to the suburbs, competition from the *Post*, labor costs, the failure of an afternoon edition—the *Daily News Tonight*—all contributed to make the giant ill.

Mr. Hoge has restructured the printing and distribution system, moving operations from Manhattan to Brooklyn. Some 98% of the target market are now getting papers printed after midnight, ensuring late-breaking news and sports scores.

As a result of Mr. Hoge's guidance, industry observers say, the paper is more lively and the reporting better. The sports and business sections are larger, as is the Sunday magazine. When the *Post* raised its price from 30¢ to 35¢ last September, Mr. Hoge kept the price of the *News* at 30¢. The *News* also pirated away the *Post's* editorial cartoonist.

Mr. Hoge's mission is not finished, however. ABC figures for the six months ended March 31, 1985, show Sunday circulation continues to decline, down 2.2% to 1,773,676. However, by the end of last year, daily circulation of 1,390,955 was heading up for the first time since 1982. It was a 1.1% increase over the previous six months.

The *Post's* daily circulation for the same period showed a decline of 6.4% to 901,313. Last year, the *News* had 43% of retail advertising linage in the New York market.

What promises to drastically affect both papers, however, is the recent purchase by Mr. Murdoch and Denver oilman Marvin Davis of Metromedia's seven tv stations for $2 billion, a move that apparently will force Mr. Murdoch to unload both the *New York Post* and the *Chicago Sun-Times* because of crossownership conflicts.

"This has got to benefit both [Tribune Co.] papers, the *Daily News* in particular," says Edward J. Atorino, analyst with Smith Barney-Upham & Harris, New York. "Just the transition period alone will give the Tribune Co. papers a chance to build circulation and reach new advertisers," he says.

Media companies by estimated cable revenues ($000)

with number of subscribers

Company	Cable revenues		1984 media revenues	Cable revs. % of '84 media revs.	Revenue source	Subscribers*
	1984	1983				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	ATC Corp.	[illegible]
					HBO	[illegible]
					Cinemax	3,300,000
Westinghouse Electric Corp.	748,590	627,100	944,900	79.2	Group W	2,013,000
Tele-Communications Inc.	449,400	347,300	449,416	100.0	Tele-Communications	3,300,000
Cox Communications	404,900	337,400	684,140	59.2	Cox Cable Communications	1,540,533
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Times Mirror Co.	251,500	154,000	1,988,300	12.6	Times Mirror Cable Television	993,789
American Express Co.	236,500	219,000	279,300	84.7	Warner Amex Cable	1,230,000
Warner Communications	236,500	219,000	271,000	87.3	Warner Amex Cable	1,230,000
Continental Cablevision	226,000	156,000	226,000	100.0	Continental Cablevision	939,000
Viacom International	183,700	151,500	267,300	68.7	Viacom Cablevision	785,000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
					Rogers Cablesystems	588,604
Advance Publications	160,000	140,000	1,900,000	8.4	Newhouse Broadcasting	873,198
United Cable Television Corp.	140,700	115,300	140,700	100.0	United Cable Television	679,572
Sammons Communications	113,000	94,000	113,000	100.0	Sammons Communications	649,000
MTV Networks Inc.	109,500	49,800	109,500	100.0	MTV: Music Television	25,800,000
					VH-1	5,500,000
					Nickelodeon	[illegible]
Kohlberg Kravis Roberts & Co.	102,000	90,300	302,000	33.8	Wometco Cable TV	300,430
TeleCable Corp.	100,000	79,000	100,000	100.0	TeleCable Corp.	427,885
Turner Broadcasting Co.	88,300	65,100	265,800	33.2	WTBS, Atlanta	33,900,000
					Cable News Network	32,200,000
					CNN Headline News	15,300,000
Capital Cities Communications	76,300	67,000	939,700	8.1	Capital Cities	365,000
Maclean Hunter Communications	69,500	60,000	270,200	25.7	Maclean Hunter Cable TV	237,903
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tribune Co.	39,900	31,300	1,596,700	2.5	Tribune Cable Communications	180,268
					WGN, Chicago	15,500,000
					WPIX, New York	1,200,000
Providence Journal Co.	35,000	30,000	172,000	[illegible]	Colony Communications	193,209
American Broadcasting Cos.	33,700	13,400	3,650,000	0.9	ESPN	35,700,000
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
Blade Communications	23,000	19,500	157,600	14.6	Buckeye Cablevision	169,623
New York Times Co.	22,100	18,300	1,229,600	1.8	New York Times Cable	121,000
Harte-Hanks Communications	20,000	8,900	500,000	4.0	Harte-Hanks Communications	136,050
Oklahoma Publishing Co.	18,000	0	389,200	4.6	Nashville Network	22,100,000
Playboy Enterprises	15,600	8,300	166,300	9.4	Playboy Channel	800,000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Howard Publications	11,600	7,000	166,000	[illegible]	Falcon Communications	120,575
Scripps Howard	11,000	6,229	829,000	1.3	Scripps Howard	210,225
Media General	7,000	5,000	305,000	2.3	Media General Cable	58,000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hearst Corp.	6,000	4,000	1,400,000	0.4	Hearst Cablevision	30,000
Journal Co.	6,000	5,000	197,300	3.0	Teltron	27,147
Meredith Corp.	4,300	2,700	327,200	1.3	Star CATV Investment	33,449
Central Newspapers	1,000	900	380,000	0.3	Telegroup	N/A
Landmark Communications	N/A	N/A	N/A	N/A	Weather Channel	16,000,000
RKO	N/A	N/A	N/A	N/A	WOR, New York	5,100,000

*Source: Cabletelevision Advertising Bureau and National Cable Television Assn.

NOTE: Some major cable operations are joint ventures, including Showtime/The Movie Channel, (Showtime has 5.4 million subscribers, The Movie Channel has 3.2 million) co-owned by Viacom International and Warner Amex Cable Communications; Lifetime (25 million subscribers) co-owned by American Broadcasting Cos., and Viacom International; and Arts & Entertainment Network (12.5 million subscribers) co-owned by American Broadcasting Cos., RCA Corp., and Hearst Corp.

The Tribune's Florida papers, which account for 23% of the newspaper group's revenues, have shown the biggest growth. The *Orlando Sentinel's* Sunday circulation jumped 7.7% to 309,078, according to ABC figures for March 31, 1985, while daily figures increased 5.2% to 245,194. In 1984, full-run ad linage grew 18%.

The combined *Fort Lauderdale News* and *Sun-Sentinel* also did well, increasing Sunday circulation 3% to 267,793 and daily circulation 3.6% to 210,703 on March 31, 1985. Annual growth of 20% is predicted for the Florida papers for the next few years.

The California properties are paced by the *Daily News*—now on the auction block. The paper has evolved from a free nondaily shopper into a full-service newspaper with daily circulation of 145,523, up 2.7%, on March 31. The daily Palo Alto *Peninsula Times Tribune* showed a decline of 1.4% to 58,175, and the daily Escondido *Times-Advocate* grew 7.5% to 35,862 for the same period. This group is anticipating a 10% growth rate over the next few years.

In 1984, Tribune Community Publications was formed to manage the company's free distribution shoppers and weekly newspapers that have combined circulation of 1.4 million.

Operating revenues at the Tribune Co.'s broadcasting and entertainment segment grew 23.6% to $282.2 million and operating profits increased 3.8% to $47 million in 1984.

In 1984, the company purchased Atlanta independent station WANX-TV for $32 million and renamed it WGNX-TV. The acquisition brought company-owned stations to five at yearend, including superstation WGN-TV, No. 1 independent in Chicago, and WPIX-TV in New York, the No. 2 independent in its market. Tv broadcast revenues, representing 70% of broadcast and entertainment segment, were up 19.2% to $198.2 million.

Part of the hearty performance returned by the entertainment portion of the segment can be attributed to the good year turned in by pennant-minded, Tribune Co.-owned Chicago Cubs. Entertainment revenues grew 48.8% last year to $45.4 million. However, operating profit margin for the entertainment portion of the segment was down 3% from 1983 because of costs of developing the new Atlanta station bought last year and New Orleans station WGNO-TV, bought in 1983.

According to analysts, broadcasting the Cubs games brought the segment an additional $5 million in net income. The Cubs could generate considerably more revenue, however, if lights were installed at Wrigley Field, the only unlit Major League Baseball park. ABC stirred up this issue in late May reporting it would broadcast World Series games only during prime time. ABC had this option as part of its $80 million contract with professional baseball.

The Tribune Co.'s five radio stations—including WGN (am) in Chicago and WPIX (fm) in New York—reported the highest operating profits in the group's history, up more than 30%. Revenues were up 22% for this segment that contributed 14% of the broadcasting and entertainment segments operating revenues. WGN has the highest audience share in Chicago and is the largest billing am radio station in the U.S. It also greatly benefited from broadcasting the Cubs last year.

Aside from the Cubs, analysts are high on the entertainment and broadcasting segment because its programing arm complements individual tv ownership. Last year several new ventures were created to take advantage of this internal symbiosis.

Inday, a joint venture with LBS Communications, will offer a two-hour daytime program to independent tv stations. TV Net, developed with Viacom Enterprises, will provide stations with movies never aired on network tv.

Revenues for the cable division grew 27% to $40 million in 1984. New systems were completed in California, Minnesota and Oregon. Basic subscribers increased 28% to 185,000. Pay subscribers grew 34% to 175,000. Because of the $180 million going into the development of the two major systems in Tampa, Fla., and Montgomery County, Md., there was an operating loss of $5.8 million for the year. When completed, the new systems are expected to add an additional 150,000 to the subscriber list.

The major media focus last year was on its subsidiary bought for $21 million in 1981—the Chicago Cubs baseball team. Loyal Cubs fans who could still remember the team winning a pennant in 1945 were rewarded as the oft-maligned, club—dubbed the "doormat of the National League" by a favorite son (folk singer Steve Goodman)—came out roaring from the All-Star break to win the National League Eastern division.

MEDIA PROPERTIES

Broadcasting

TV: KWGN, Denver; WANX, Atlanta; WGN, Chicago; WGNO, New Orleans; WPIX, New York; KTLA, Los Angeles (pending).

RADIO: KGNR (am) and KCTC (fm), Sacramento, Cal.; WGN (am), Chicago; WICC (am), Bridgeport, Conn; WPIX (fm), New York.

Cable/video

Tribune Cable Communications Co., serving CALIFORNIA: Lakewood, Palmdale; MARYLAND: Gaithersburg, Montgomery County (79%); NEW MEXICO: Albuquerque; VIRGINIA: Alexandria; NEW YORK: Fredonia, Glens Falls, Oneida; MINNESOTA: Glencoe, Owatonna; MICHIGAN: Houghton/Hancock, Independence Township (80%); TENNESSEE: Jackson; OREGON: Milwaukie; FLORIDA: Tampa.

Newspapers (dailies)

CALIFORNIA: *Daily News*, Los Angeles; *Times-Advocate*, Escondido; *Peninsula Times Tribune*, Palo Alto; ILLINOIS: *Chicago Tribune*; FLORIDA: *Orlando Sentinel*; *Fort Lauderdale News* and *Sun-Sentinel*; NEW YORK: *Daily News*, New York.

Newspapers (nondailies)

The company operates 10 community newspapers through the Tribune Community Publications: *Trading Post* (Tulsa, Okla.), *Greensheet Shopper* (North Ridge, Calif.), *The Penny Saver* (Tinsley Park, Ill.), *Du-Page Today* (Westmont, Ill.). Sunbelt Publishing Co.: *Suncoast News* (Altamonte Springs, Fla.), *The Advertiser of Citrus County* (Inverness, Fla.), *Charlotte Shopping Guide* (Punta Gorda, Fla.), *Island Reporter* (Sanibel, Fla.), *Fort Myers Beach Observer* (Fla.), *Gold Coast Shopper* (Boca Raton, Fla.).

Media

Independent Network News, Tribune Entertainment Co., Ontario Paper Co. Ltd., Thorold Mill, Baie Comeau Mill, Manicouagan Power Co. (60%), Scierie des Outardes Enr. (40%), Tribune Co. Syndicate.

OTHER OPERATIONS

Chicago Cubs baseball team.

Turner Broadcasting Co.

Atlanta

RANK 45

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	266	201	32.0
Total sales	300	225	33.5
Net income	10	7	43.5
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	177	136	30.2
Cable	88	65	35.6

Turner Broadcasting Co., Atlanta, which ranked 45th among media companies in 1984 based on its media revenues of $265.8 million, up 32%, is playing a pivotal if not a vulnerable role in Ted Turner's bid to take over CBS Inc., especially if the bid turns into a protracted legal battle.

Without the bid, TBS could have expected net income of about $22 million in 1985. That figure has been pared to $16.5 million based on the $7 million to $8 million cost of the bid regardless of the outcome, says Bonnie Cook, financial analyst at J.C. Bradford & Co., Nashville.

TBS has been showing steady growth the past few years. It recorded a $7 million profit in 1983 and a $10 million profit in 1984. In the first quarter of 1985, the company reported a net loss of $741,000, a considerable improvement, however, from a loss of $5.3 million in the year-earlier period. The improved quarterly earnings picture is the result of higher subscriber rates at Cable News Network in 1985 and the impact of the purchase of Satellite News Channel (later folded) on profits in the first quarter of 1984.

During 1984, TBS' sole media profit source, superstation WTBS in Atlanta, had an operating profit of $65.8 million on revenues of $177.4 million for year-to-year increases of 52% and 27.1%, respectively. WTBS contributed 59% of total revenues of $299.7 million in 1984. CNN and its affiliate, CNN Headline News, posted an operating loss of $15.3 million on revenues of $88.3 million.

In Mr. Turner's bid for CBS, made this April, he asked the broadcast network's shareholders to exchange their shares for some TBS stock and high yield, high risk "junk bonds" with a face value of about $5.41 billion. TBS would ask for two years to redistribute properties that would violate cross-ownership restrictions. This would include TBS' syndication arm and CNN Headline News, as well as agreements with broadcast radio and tv stations. Final approval from federal agencies could take six months or more.

CBS quickly declared its strong opposition to the proposal. On April 25, 1985, Mr. Turner met with the Gannett Co. Sources suggested the two companies discussed joining together in the bid.

During 1984, Mr. Turner made an effort to cash in on the music video industry and launched the Cable Music Channel on Oct. 25. But an unreceptive market forced TBS to shut down CMC in a little more than a month, and earned CMC the title of the shortest lived national cable service.

MTV Networks bought out the service for $1 million in cash and a pledge to buy $500,000 of ad time on TBS' WTBS superstation, Cable News Networks and CNN Headline News. Also included in the deal were the CMC name and a 400,000-person subscriber list. Two weeks before the sellout, TBS had revised the CMC subscriber count to 400,000 from 2.3 million and reduced 30-second spot ad rates to $45 from $110. CMC's loss was $2.2 million prior to the $1 million payment from MTV Networks.

WTBS, which has been threatened by the success of other superstations, remains one of the most watched ad-supported cable services. It contributes 53% of the incremental revenue growth of the company. WTBS increased the number of households reached to 33.1 million by Dec. 31, 1984, up 16% from a year earlier.

The superstation reported $8.1 million net income on revenues of $78 million for the second quarter of 1984, representing nearly a doubling in net income. This was a 29.1% increase in revenues over the same period in 1983, when a net income of $4.3 million was recorded on revenues of $60.5 million. The gain was attributed to increased fees to cable operators and an improvement in the cable sales market.

During 1984, WTBS bid $60 million for the three-year exclusive cable rights to United States Football League games, but lost out to Entertainment & Sports Programming Network, which agreed to pay more than $70 million in cash. On June 27, 1984, TBS learned that the U.S. Supreme Court had abolished the 33-year-old centralized system under which college football rights were bought and sold. This established that TBS, along with ABC and CBS, were violating antitrust laws. The contracts became null, and previously paid amounts reverted back to WTBS and the networks. WTBS also lost the battle for tv rights to college football games to ESPN in June, 1984. However, TBS made an agreement with the Big Ten and the Atlantic Coast Conference for the cable and syndication rights to 25 football games airing Saturday evenings during the next two years.

Average rates per subscriber charged to operators for the new service carriage declined during the first quarter of 1984 when compared with the first quarter of 1983. However, average rates per subscriber over the next three quarters of 1984 increased over the comparable 1983 period and are expected to increase further during 1985.

Though CNN reported a profit for the first time in five years, in the three months ended in December, 1983, the service suffered a loss in the first quarter of 1984. Net income for CNN in 1984 was not available, but Mr. Turner says CNN has been nearing the break-even point and the increase in fees may help.

Some analysts predict CNN will be profitable in 1985. CNN now broadcasts live not only in the U.S., but also in Australia, Canada and Japan, as well as in other locations worldwide via the Armed Forces tv and radio network.

On Sept. 15, 1985, a satellite is scheduled to deliver a live English-language package of CNN and CNN Headline News to Europe. The projected market is cable systems. About 15 million U.S. cable homes now receive CNN Headline News programing.

CNN began boosting fee levels to subscribing systems to the extent permitted by contracts in 1984. According to company spokespersons, the increase is intended to result in a new fee structure that would lower fees if the system carries WTBS and make them even lower if all three TBS services are carried.

Not discussed in this media analysis is the TBS professional sports division, which accounted for revenues of $24.3 million in 1984. Mr. Turner owns 100% of the Atlanta Braves baseball team and 96% limited partnership interest in the Atlanta Hawks basketball team. Though the baseball franchise lost $2.9 million in 1984, TBS paid the operation $1 million for the right to broadcast 150 games.

MEDIA PROPERTIES

Broadcasting

TV: WTBS, Atlanta; CNN TV.

RADIO: CNN Radio.

Cable/video

Cable News Network, CNN Headline News, WTBS superstation services, Turner Program Services, international syndication.

OTHER PROPERTIES

Atlanta National League Baseball, owner of Atlanta Braves and farm clubs in Savannah, Ga.; Anderson, S.C., and Richmond Va.; Atlanta Hawks basketball team.

United Cable Television Corp.

Denver

RANK 78

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	141	115	22.0
Total sales	141	115	22.0
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	C	0	0
Cable	141	115	22.0

United Cable Television Corp., the nation's 78th largest media company with fiscal 1984 revenues of $140.7 million, all in cable, expects considerable growth in the current fiscal year as revenues begin to flow from its newly awarded Baltimore franchise and recently purchased Hartford, Conn., system.

Revenues at the Denver-based company, which owns 37 cable systems and is partner in four more, were up 21.1% to $124.7 million for the nine-months ended Feb. 28 of the new fiscal year. Much of the revenue growth is traced to United's 834,000 basic subscribers and 729,000 premium subscribers as of the end of April, percentage gains of 25.8% and 27.5%, respectively.

The big news at United Cable came at the beginning of 1985 when United was awarded Baltimore's 300,000-home franchise. United Cable is putting together the $70 million to $80 million needed to finance system construction. Then in April, 1985, United Cable agreed to buy for $61.5 million the 60,000-subscriber Hartford, Conn., system from Times Mirror Cable Television.

In March, 1985, United Cable bought six cable systems in suburban Tulsa, Okla., from Denver-based Tele-Communications Inc. and TCI Growth Inc. in exchange for new stock. The 11,500 subscribers in those systems were folded into United Cable's existing Tulsa operations.

United Cable recently won the franchise for Orion, Mich., an extension of its Oakland County system, and is proceeding with construction on new California franchises in Los Altos, La Puente, Baldwin Park, Pico Rivera, Hacienda Heights and South Whittier. Purchases from Tele-Communications Inc. became final in August, 1984, for mature systems in Golden, Lakewood and Jefferson County, Colo., and in Papillion, Neb.

Not all proposed deals went through. At the end of 1984, the company pulled out of a management contract with CommuniCom cable tv system in the Los Angeles area. It had been agreed that Neilson Enterprises would sell the CommuniCom system to a limited partnership formed by United, but according to a United spokesman, there was exceptional debt on the system, and financing negotiations became too difficult to pursue. The company wrote off a $1.3 million loss on expenses associated with the negotiations in the quarter ended Nov. 30, 1984.

And the company basically has scrapped its uplink program, in which it transmitted signals to satellites that bounced them into other markets. Once proposed as a possible expansion into business communications, the uplink project was stymied by proposed litigation from Mountain Bell.

The company has completed a tender offer expiring May 20 to buy back 2.02 million shares (about 16.6%) of its stock at $39.75 a share. The offer was aimed at stockholders who own fewer than 100 shares, in an effort to reduce service costs.

During the past year, United engaged in a major effort to stop cable pirating and to confiscate illegal equipment. These system "audits," in conjunction with an ad push, were completed in Denver; Boise, Ida., and Tulsa, Okla.

Following the success of local advertising in the Denver and Tulsa systems, United is pursuing efforts to expand ad sales throughout its other systems. The company estimates advertising will bring $1.2 million in revenues to the Denver system in fiscal 1985 and $900,000 in Tulsa alone.

MEDIA PROPERTIES

Cable/video

ARIZONA: Scottsdale. CALIFORNIA: Alameda, Baldwin Park, Cupertino (both 95% interest), and Foster City; East San Fernando Valley, Hacienda Heights, Hayward, LaPuente, Los Altos, Pico Rivera, San Leandro, San Lorenzo, South Whittier. COLORADO: Denver suburbs (74.5% interest), Golden and Lakewood, Grand Junc-

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tion. CONNECTICUT: Eastern Connecticut (80% interest), Hartford, Plainville. DELAWARE: Fenwick Island. IDAHO: Boise. ILLINOIS: Carpentersville (80% interest), Effingham, Galesburg (50% interest), Mendota, Monmouth (50% interest), Peru. INDIANA: East Chicago and Hammond (both 80% interest). LOUISIANA: Bossier City. MARYLAND: Baltimore, Berlin/Ocean City, Montgomery County (50% interest). MICHIGAN: Downriver Complex (80% interest), East Lansing, Lincoln Park (80% interest), Meridian, Oakland County (50% interest), Orion. MINNESOTA: Chaska, Shakopee. NEBRASKA: Bellevue (50% interest), Papillion, Tri-Cities (90% interest). NEW MEXICO: Gallup, Santa Fe. OKLAHOMA: Bristow, Catoosa, Drumwright, Glenpool, Jenks. Kiefer, Owasso, Sand Springs, Sapulpa, Tulsa and portions of Tulsa County and Creek County. TEXAS: Abilene, Anson, Hamlin, Jacksonville, Perryton, Rotan, Sweetwater, Tyler. UTAH: Moab. WYOMING: Casper. Also, STV-Home Entertainment Network: Cincinnati ON TV, Minnesota Pay TV Co. Spectrum.

OTHER OPERATIONS

United Paging Corp.

U.S. News & World Report

RANK 74

Washington

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	144	133	8.1
Total sales	N/A	149	N/A
Net income	N/A	N/A	N/A
Sales per medium			
Newspaper	0	0	0
Magazine	144	130	10.6
Broadcast	0	3	N/A
Cable	0	0	0

U.S. News & World Report, Washington, is the nation's 74th largest media company, with 1984 media revenues estimated by Advertising Age to be $143.8 million, up 8.1% over 1983.

Media totals include estimated net revenues of *U.S. News & World Report* and *Atlantic Monthly*, both properties of which are owned by Mortimer Zuckerman.

The first half of 1984 was a rough one for *U.S. News & World Report*, the nation's third largest newsweekly, and although it recovered strongly in the third and fourth quarters, 1984 ad pages still were down 1.6% from 1983. Ad revenues, however, showed an 8.2% increase.

The recovery had snowballed in 1985, with first-quarter figures showing *U.S. News* with the largest percentage gain in ad pages and revenue of any weekly or every-other-weekly consumer magazine in the country.

The other corporately owned magazine, *Atlantic Monthly*, continued to show impressive circulation and ad gains in 1984.

To say 1984 was a year of transition for *U.S. News* is an understatement. After 50 years of independent operation, U.S. News was bought last fall by Mortimer Zuckerman, a Boston real estate developer and publisher since 1981 of *Atlantic Monthly*.

Mr. Zuckerman moved quickly to make his imprint on *U.S. News*, both editorially and on the advertising and marketing side.

He appointed Shelby Coffey III as editor, replacing Marvin L. Stone, editor since 1976, who left for an expected appointment as deputy director of the U.S. Information Agency. Mr. Coffey, 38, had been assistant managing editor for national news at the *Washington Post*.

Harold Evans, formerly editor of the *Times* and *Sunday Times* of London, was named editorial director, as well as editor-in-chief at Atlantic Monthly Press.

David Gergen, former director of communications in the Reagan administration, and former Rep. Barber Conable, a leading congressional tax expert, were named contributing columnists. Kathryn Bushkin, press secretary to Sen. Gary Hart, was appointed a vp, responsible for coordinating special projects between the business and editorial sides of *U.S. News*.

Mr. Zuckerman brought in business-side executives from other publications, including Richard Thompson and James Mason from the two top business positions in *Business Week* to become publisher and associate publisher, respectively, of *U.S. News*.

Stephen A. Douglas, now *U.S. News* vp-research and development, had been director of strategic research at *Newsweek*. In another key appointment, Fred Drasner, vice-chairman of U.S. News & World Report, became president-ceo.

While ad gains have been impressive in the past several quarters—and insiders say much of the groundwork for those gains already had been laid by the time Mr. Zuckerman took over—editorial changes are more evolutionary in nature.

"We're really not ready to talk about editorial changes—we've only had our new editor since April 3," one *U.S. News* executive says. "But you can pick up some subtle changes—a little more sophistication and covers with more impact."

Insiders note the magazine's hiring of editorial and business personnel from other business-oriented publications, including *Business Week*, the *Wall Street Journal* and *Fortune*, make it obvious that *U.S. News* increasingly will be marketed toward the business and financial communities, both editorially and in advertising. "Look at whom they're hiring," one media watcher says. "The inference should be clear."

Two production changes are under way—color will be available for every page, primarily for editorial purposes (before, ads had been moved to available color pages), and the editorial closing time will be moved from 8 p.m. Friday to midnight, giving what one executive terms "four important hours of additional editorial coverage."

U.S. News circulation in 1984 remained virtually static at 2.1 million, compared with 4.6 million for *Time* and 3 million for *Newsweek*. The 1984 yearend ad figures were disappointing, with pages down 6% to 1,756, although ad revenues increased 8.2% to $101.5 million on a gross basis.

But most of the bad news came early in the year, and Publishers Information Bureau figures for the first quarter of 1985 showed *U.S. News* up 8.9% in pages and 14.6% in revenues from the first quarter of 1984—the largest gain, *U.S. News* officials say, of any weekly or every-other-weekly consumer magazine.

Ad revenues increased to $22.3 million, up 14% over the year-earlier period. During the same time, according to PIB, *Time* ad revenues were up 10.9%, and *Newsweek*'s were up 2.8%.

At *Atlantic*, the first-quarter 1985 PIB figures show a 16.9% increase in ad pages and a 25.5% increase in ad revenues from first-quarter 1984 figures, with revenues increasing to $1.6 million. Circulation has increased to a new base rate of 450,000 from 325,000 in 1982. The groundwork had been laid in 1984 when ad pages increased 14.8% to 591.4 for total revenues of $6.7 million, up 27.8%.

Mr. Zuckerman's purchase of U.S. News for $163 million last fall included substantial real estate adjoining U.S. News' new eight-story building. Two of the four then-vacant tracts are being developed with a Park-Hyatt hotel and an office building. Company officials will not disclose figures, but it's been estimated the properties in Washington's West End—adjacent to Georgetown—may be worth close to $500 million.

Parkway Communications, U.S. News' only broadcasting property—a classical radio programing service—was sold before Mr. Zuckerman's purchase of the company. A company official says the Parkway sale was "hardly worth mentioning" financially.

It's estimated that revenues from two newsletters published by U.S. News were about $5 million in 1984, the same amount as from Atlantic Monthly Press.

U.S. News' Publishers Service International, Carlstadt, N.J., had estimated annual revenues of about $30 million. The company, treated as nonmedia in this issue, is an electronic prepress operation, setting type and graphic data for a number of publications, primarily magazines, including *Business Week*, *Penthouse* and Conde Nast.

MEDIA PROPERTIES

Magazines

U.S. News & World Report, *Atlantic Monthly*, Atlantic Monthly Press.

OTHER OPERATIONS

Publishers Service International

Viacom International

RANK 44

New York

($ figures = 000,000)

Corporate returns	1984	1983	% chg
Media sales	267	271	-1.5
Total sales	320	316	1.5
Net income	31	28	8.8
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	84	120	-30.2
Cable	184	152	21.3

Viacom International, a diversified communications and entertainment company, is the country's 44th largest media company, with media revenues of $267.3 million, down 1.5% from 1983.

Viacom, the nation's 10th ranked multiple system operator according to the Cabletelevision Advertising Bureau, had total revenues of $320.4 million, up 1.5% from the previous year, and net income of $30.6 million, up 8.8%.

Media totals come from cable television, and a broadcasting and other services segment that includes Showtime/The Movie Channel. Viacom's program distribution business is not included in media activity for this report.

Although media revenues slipped during 1984, they do not reflect the company's pro rata share in Showtime/The Movie Channel. Results of that cable network have been deconsolidated to be treated on an equity basis now that Viacom has traded its 100% ownership of just Showtime for 50% equity in Showtime/The Music Channel, a joint venture consumated with Warner Communications and Warner Amex Cable Communications Sept. 1, 1983.

Under the equity method in accounting, revenues of an entity that is deconsolidated no longer appear on the "parent's" financial statement. Only earnings, amounting to a company's ownership percentage, appear under equity investments, which in 1984 rose to almost $9 million, up from $1.5 million in 1983.

Had revenues from Showtime/The Movie Channel been included, revenues would have increased 34% in 1984 from 1983.

(Because of the merger on Sept. 1, 1983 of Showtime and The Movie Channel, eight months of revenues of Showtime appear on Viacom financial statements for 1983.)

The company suffered $2.6 million in losses from its equity in Lifetime, in which it has a one-third partnership. In 1984, the joint venture partners—Cable Health Network (an affiliate of Viacom), Hearst Corp. and ABC—announced plans to infuse the ailing Lifetime, an ad-supported cable tv network, with $25 million to upgrade programing. This includes $5 million to support it with stronger marketing and advertising.

Lifetime abandoned its bent toward heavy information, concentrating instead on entertainment, controversy and phone-in participation. Thomas Burchill, named president of the network in 1984, says Lifetime's intention is to become "glitzier."

The new format has resulted in major changes: 77% of the network's prime-time programing is new and the majority of the evening hours are all-talk shows. These include "Smart Money," a one-hour show on consumer finance; "America Talks Back," and "Good Sex!" with Ruth Westheimer, the most popular and highest-rated show in this network.

Company officials would not release figures of the network's performance since the overhaul, but they do indicate it is doing "10% above projected revenue for 1985." Moreover, the call-in shows average 3,000 viewer calls per show, according to a company spokesperson.

Revenues from cable tv operations increased 21% over-all in 1984 over 1983, primarily because of increases in the number of basic and pay subscribers and in rates. The number of basic cable subscribers rose 9%, to 790,000 by yearend. Pay cable units also rose in the number of subscribers, by 10% to 645,000.

The cable tv division welcomed the passage of the Cable Communications Policy Act of 1984, which brought regulatory relief to the industry. In most cases it eliminates the local governmental regulation over rates and sets a 5% limit on customer fee increases that can be imposed by system operators.

Within the broadcasting and other services segment, comprised of Showtime/The Movie Channel and radio and tv properties, revenues from radio and tv stations rose 32% in 1984 over 1983. The company attributes this to improved radio formats and tv programing. Showtime/The Movie Channel's conversion to the equity method of reporting resulted in a drop of revenues in 1984 to $83.6 million, down from $119.8 million in 1983.

Early in 1984, the company made a format change for one of its radio stations, WKHT, New York. The country format was dropped in favor of adult light contemporary, and the call letters were changed to WLTW-FM. According to a corporate spokesperson, the station is "going gangbusters" since the switch. No figures were available, however. Company officials attribute this success to the new format being better suited to the market and the station playing more music and having fewer breaks.

Its tv stations also have improved performance as a result of program fine-tuning. For example, WHEC-TV in Rochester, N.Y., moved to the No. 1 position, up from second place. And WNYT-TV in Albany moved from third to second place in its market.

Viacom continued its acquisition strategy, adding another radio station, WEAM in Virginia, for $1.2 million. In December, the company also announced a definitive agreement to purchase radio station WKDJ in Memphis for about $1.5 million. The completion of this purchase brings the company's holdings to four tv and eight radio stations.

Showtime/The Movie Channel, the joint venture of Viacom, Warner Communications and Warner Amex Cable Communications, gained in market share in 1984, with a total of some 8.5 million subscribers. The five-year agreement with Paramount Pictures, for exclusive national pay tv rights to its theatrical motion pictures, continues to bring excitement with upcoming hits such as "Beverly Hills Cop" and "Star Trek III." In early 1984, the service acquired the Spotlight pay tv service, which added nearly 700,000 subscribers.

In other developments last year, Viacom Enterprises announced plans for an ad-supported videocassette on fitness, featuring athlete Steve Garvey. This "life-style" tape, as it is dubbed by company officials, is still on the drawing board, but it is likely to feature exercising in "natural environments" such as the home or office. The advertising in it will be soft-sell, such as the use of the sponsor's products as props in the setting.

Viacom Enterprises and Tribune Entertainment Co. entered an agreement to launch a prime-time syndicated program service, called TV Net. A company spokesperson says the service, launched earlier this year, is "very successful," and now reaches 92% of all U.S. households.

MEDIA PROPERTIES

Broadcasting

TV: KSLA, Shreveport, La.; WVIT, New Britain/Hartford/New Haven/Waterbury, Conn.; WHEC, Rochester, N.Y., and WNYT, Albany/Troy Schenectady, N.Y. RADIO: KIKK (am), Pasadena and KIKK (fm), Houston, Tex.; WMZQ (fm), Arlington, Va.; WLAK (fm), Chicago; WLTW (fm), New York; WRVR (fm), Memphis. Agreement to purchase WKDJ (am) in Memphis, Tenn.

Cable/video

CALIFORNIA: East Bay, Pittsburg, Redding and Red Bluff (Finer Living System); Oroville and Paradise (Oroville System); Sonora, San Rafael, Mountain View, Petaluma and Healdsburg (Sonoma System); Napa and Pinole (Napa System) and San Francisco. NEW YORK: Suffolk County, L.I. OHIO: Cleveland, Dayton. OREGON: Salem. TENNESSEE, Nashville. WASHINGTON: Everett and Oak Harbor (Snohomish System), Redmond. WISCONSIN: North Shore and Greenfield (Milwaukee System). In addition: Cable Interconnects: Bay Area; Northwest Cable. Cable Programing Services: 50% interest in Showtime/The Movie Channel; Lifetime (33%).

OTHER PROPERTIES

Viacom Enterprises and Viacom Productions, movie, tv, cable, home video distribution and production; Viacom World Wide, MGS Services and the licensing and merchandising division.

Warner Communications

RANK 42

New York

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	271	251	8.0
Total sales	2,024	1,723	17.4
Net income	-586	-417	-22.7
Sales per medium			
Newspaper	0	0	0
Magazine	35	32	7.8
Broadcast	0	0	0
Cable	237	219	8.0

Warner Communications, New York, is being carved apart—its MTV Network went public last year, its record division is on the auction block and Warner Amex may be sold—as the company sidesteps the takeover mine field in an effort to go private.

What will be left of the company to go private will be its movie studio, the backbone of Warner Communications. Reportedly, Steven J. Ross, chairman-chief executive officer, has approached a number of Hollywood celebrities to participate in a buyout.

Warner is the 42nd largest media company, with media revenues estimated by Advertising Age at $271 million in 1984, up 8% from 1983. Total revenues for the troubled communications and entertainment conglomerate were up 17.4% in 1984 to $2.02 billion, but net income losses amounted to $586 million, compared with net income losses of $417 million in 1983.

During 1984 Warner halved its corporate overhead costs, mostly by reducing its staff and executive ranks, and the company took other actions to improve its financial situation. The results of these efforts showed up in the first quarter of 1985, with reported profits from ongoing lines of $21.4 million, triple 1984's first-quarter earnings of $7.2 million. Revenues in the same period rose 19% to $562.9 million.

Warner's media revenues derive from its 50% ownership in Warner Amex Cable Communications (American Express Co. owns the other half) and from Mad magazine and DC Comics, businesses of the company's publishing division. Warner Amex primarily distributes broadcast tv signals and satellite programing to cable subscribers. In the past, it has operated at a loss mainly because of the large costs of building new urban cable systems, starting them and the low initial rate structures in certain systems.

Operating losses from Warner's broadcast and cable operations, including its interest in Warner Amex, shrank to $4.4 million in the first quarter of 1985, from $16.3 million in the corresponding period a year earlier.

For the year, losses were minimized by proceeds from the July, 1984, sale of MTV: Music Television and Nickelodeon by Warner Amex Satellite Entertainment Co., a unit of Warner Amex. The unit was sold to MTV Networks, a new company, for $67.7 million in cash and a 66.1% stock ownership by Warner in MTV Networks. *(See profile on MTV Networks on Page 44 for further details.)*

Other actions taken by Warner Amex during 1984 to reduce losses included selling major urban cable systems in Pittsburgh and in the suburbs of Chicago and St. Louis. These systems, with a total of about 136,000 subscribers, were expected to continue to record losses because of the extraordinary high construction and startup costs.

Warner also sold 20 smaller systems in eight states, with a total of about 52,000 subscribers. Eight of these systems, with total subscribers of about 30,000 located outside Los Angeles and Hood River, Ore., were sold to comply with an FCC order resulting from Warner's acquisition in 1983 of 42.5% of BHC, a subsidiary of Chris-Craft Industries. BHC owns and operates six tv stations in the same areas as the Warner Amex cable systems. The FCC will not permit cable and broadcast tv station crossownership in the same market.

In addition, Warner Amex sold Home Sports Entertainment, a regional sports pay channel operation in Houston and Dallas, and Warner Amex Security Systems, its home security and medical alert service businesses. The two sales enabled Warner Amex to reduce its indebtedness to $550 million at the end of 1984, from $852 million at the end of 1983, and also to reduce its lines of credit to $624 million, from $875 million over the same period.

In June, 1985, American Express signed an agreement with Time Inc.'s American Television & Communications subsidiary and Tele-Communications Inc., both of Denver, to sell Warner Amex Cable Communications Corp. for $850 million in cash and assume $500 million in debt. Warner, however, must approve the deal as a joint venture partner.

There was speculation at the time Warner was presented with the deal from partner American Express that a group led by Drew Lewis, Warner Amex chairman, also was seeking to buy the cable unit from Warner. Viacom International also submitted an offer to buy Warner Amex along with Warner's two-thirds interests in MTV and Showtime/The Movie Channel. Warner owns 31% of Showtime, Viacom 50% and American Express, 19%, through its Warner Amex investment. Showtime/The Movie Channel provides 24-hour-a-day programing for pay cable.

In May, 1985, Warner approached Motown Record Corp., Los Angeles, to see if Motown might want to buy its record division. Jay Lasker, Motown's president-chief operating officer, approved such an acquisition, although a formal deal has yet to be struck. Warner's record unit controls about 17% of the U.S. market, about the same as RCA Records. CBS Records is largest with about 23% of the market.

Warner's record division turned in its strongest quarter ever in the first quarter of 1985, posting a pretax operating profit of $30.2 million, up 42% from 1984's first quarter. Both the Warner Bros. and Atlantic Records units have strong sales with such artists as Madonna and Phil Collins.

In other actions to reduce losses, in July, 1984, Warner sold the home videogame and computer divisions of its Atari holdings to what is now called Atari Corp. for $240 million in notes. In February, 1985, the company sold the controlling interest in Atari's coin-operated games division and expects to sell 46 coin-operated videogame rooms owned by Atari Adventure Corp., a wholly owned unit of Atari, sometime in 1985.

Warner Cosmetics, Warner Leisure and its controlling interest in the Cosmos Soccer Club also were sold in 1984.

In March, 1985, Warner sold 85% of its Franklin Mint Corp. to American Petroleum Industries for $96 million cash and about $66 million in 9%

What is 'media'?

Pinning a definition on media is like trying to pin Jell-O to the wall. As soon as a consensus is seemingly reached, "media" slips out from under those constraints.

This year, 18 of the companies on the top 100 media chart contained "communications" in their titles, a word that seems broad enough in the case of many of these companies to still identify activities that ranged far from the classical forms of media that show up in the names of most media companies: Broadcasting, newspapers, printing, publishing and even media.

Drawing a cue from the implied idea that "communications" is more than media (but not that much more), the editors opened up their traditionalist eyes to let new forms of communications slip under the media door.

ADVERTISING AGE's definition of media in this fifth annual report has opened up to encompass total market coverage units within newspaper companies in general, and also from companies as freestanding as their inserts—in short, direct marketers.

Videodiscs, subscription-based information networks that provide everything from electronic news services to analysis of corporate returns and commodity information to farmers, and unique media like the *Wallpaper Journals*—13-30/Esquire's wall poster ad medium that changes every two weeks on college campuses—were merged into the definition as well.

Media, of course, continues to be cloaked in the traditional mantle in which revenues from communications vehicles are derived from advertisers or subscribers—which is the language that ruled the first few AD AGE top 100 media issues.

Still on the doorstep, but not included in ADVERTISING AGE's interpretation of media, are program production, motion pictures, syndication activities, book publishing and revenues derived by ad rep companies for sales made to non-owned broadcast stations. The classical view still dominates.

But what about those companies fixated on electronic catalogs or mass Mylar balloon floatings? Will they be the "media" of the future?

Return on sales of publicly held leading media companies

	1984 ($000)				1983 ($000)			
Company	Return on sales	Total sales	Net income	Media sales as a % of co.'s sales	Return on sales	Total sales	Net income	Media sales as a % of co.'s sales
A.H. Belo Corp.	25.7	$354,300	$91,100	99.8	21.8	$242,600	$52,900	99.8
MTV Networks Inc.	23.2	109,500	25,433	100.0	(12.0)	49,800	(5,967)	100.0
Dun & Bradstreet	21.8	2,397,300	521,561	58.4	10.6	2,060,500	218,651	63.2
McGraw-Hill	20.9	1,401,800	292,300	68.7	20.2	1,295,200	262,000	67.9
LIN Broadcasting Corp.	19.5	148,800	29,088	96.0	21.9	107,300	23,500	95.1
Capital Cities Communications	15.2	939,700	143,000	100.0	15.1	762,300	115,000	100.0
Playboy Enterprises	14.6	187,100	27,336	88.9	(9.0)	193,700	(17,493)	81.8
Park Communications	14.3	98,000	14,053	100.0	13.0	86,300	11,180	100.0
Lee Enterprises	14.1	190,000	26,749	96.2	13.2	172,600	22,774	96.2
Dow Jones & Co.	13.4	965,620	129,140	95.9	13.2	866,437	114,224	94.3
Gannett Co.	11.4	1,960,200	223,934	100.0	11.2	1,703,700	191,665	98.1
Harcourt Brace Jovanovich	11.3	712,500	80,700	16.8	9.4	648,800	60,700	15.6
Multimedia Inc.	11.1	304,400	33,700	100.0	13.0	269,700	35,174	100.0
Cox Communications	10.5	742,800	77,900	92.1	10.6	614,600	65,400	87.5
Journal Co.	10.0	339,500	34,100	58.1	8.8	302,700	26,700	58.6
Viacom International	9.6	320,366	30,597	83.4	8.9	315,577	28,129	86.0
SFN Cos.	9.0	320,600	28,800	43.7	9.6	275,600	26,500	7.7
Washington Post Co.	8.8	984,300	85,888	100.0	7.8	877,400	68,394	100.0
Taft Broadcasting Co.	8.6	453,824	39,156	37.8	10.0	380,955	38,035	37.0
Meredith Corp.	8.5	450,600	38,400	72.6	7.4	447,800	33,300	64.5
Knight-Ridder Newspapers	8.4	1,664,700	140,000	100.0	8.1	1,473,400	119,435	100.0
Times Mirror Co.	8.3	2,804,800	232,700	70.9	8.0	2,491,200	199,600	66.9
New York Times Co.	8.1	1,229,600	100,200	100.0	7.2	1,091,300	78,700	100.0
Media General	7.3	547,661	39,760	55.7	7.1	507,784	35,907	62.0
Time Inc.	7.1	3,067,000	216,398	84.0	5.3	2,717,000	143,225	82.8
Maclean Hunter Communications	7.0	704,100	49,205	38.4	9.2	518,100	47,702	22.2
Cowles Media Co.	6.8	232,000	15,700	100.0	13.6	209,500	28,500	100.0
Pittway Corp.	6.4	496,000	31,683	23.2	6.1	432,000	26,276	22.7
Tribune Co.	5.7	1,794,400	103,043	89.0	4.4	1,586,500	69,267	88.1
American Broadcasting Cos.	5.3	3,707,713	195,332	98.4	5.4	2,948,849	159,834	95.5
Westinghouse Electric Corp.	5.2	10,264,500	535,900	9.2	4.7	9,532,600	449,000	8.4
American Express Co.	4.7	12,895,000	610,000	2.2	5.3	9,770,000	515,000	2.6
CBS Inc.	4.3	4,924,900	212,353	67.8	4.1	4,540,200	187,198	59.1
Tele-Communications Inc.	3.9	449,416	17,382	100.0	5.6	368,400	20,532	94.3
RCA Corp.	3.4	10,111,600	341,000	23.4	2.5	8,977,300	227,000	23.3
Turner Broadcasting Co.	3.4	299,700	10,062	88.7	3.1	224,532	7,012	89.7
John Blair & Co.	1.2	842,400	10,456	69.5	4.4	414,300	18,306	52.3
Chris-Craft Industries	(7.4)	166,400	(12,300)	88.2	2.8	140,500	4,000	86.8
Ackerley Communications	(7.5)	97,900	(7,300)	92.0	(1.0)	79,500	(769)	100.0
Metromedia Inc.	(8.0)	646,081	(51,382)	66.6	(19.2)	532,800	(102,179)	72.0
Warner Communications	(29.0)	2,023,513	(586,099)	13.4	(24.3)	1,723,209	(417,803)	14.6
TOTALS	5.8	72,350,594	4,177,028	45.9*	5.1	61,952,543	3,126,509	43.6*
AVERAGES	8.0	1,764,649	101,879	70.7	6.5	1,511,037	76,257	70.5

Source: Sales and income figures from company sources and annual reports. Media revenues are Advertising Age estimates.

* Media revenues as a % of these 41 companies' total revenues

seven-year notes. In the same month, it also sold its wholly owned subsidiaries, Eastern Mountain Sports and Panavasion. The company's 48% interest in the Pittsburgh Pirates baseball team is also on the block.

The Warner Bros. movie division—the subject of all the carving up of Warner Communications—had a first-quarter, 1985, pretax profit growth of only 3% to $40.6 million, compared with the first quarter of 1984, which was especially strong because of the release of its hit "Police Academy."

MEDIA PROPERTIES

Cable/video

Franchises of Warner Amex Cable Communications. ARIZONA: Flagstaff, Kingman, Parker, Sedona. ARKANSAS: Booneville, Clarksville, Fayetteville, Paris, Russellville. CALIFORNIA: Avenal, Bakersfield, Barstow, Blythe, Palm Springs, Taft. FLORIDA: Crestview, Fort Walton Beach, Lake City, Niceville. ILLINOIS: Altamont, Danville, DeKalb, Rochelle, St. Almo, Sycamore. INDIANA: Union City, Warsaw. MASSACHUSETTS: Athol, Chelsea, Dalton, Everett, Lynn, Pittsfield, Salem, Somerville, Swampscott, Wakefield, Winthrop. MICHIGAN: Menominee. MISSISSIPPI: Batesville, Cleveland, Lambert, Marks, Yazoo City. NEW HAMPSHIRE: Berglin, Claremont, Nashua. NEW JERSEY: Avalon. NEW YORK: Olean. OHIO: Akron, Alliance, Canton, Cincinnati (city), Cincinnati (suburbs), Columbus, Cridersville, Delphos, Fort Shawnee, Kenton, Plain Township, Sandy, St. Mary's, Sidney, Wapakoneta, Youngstown. OREGON: Coos Bay, Myrtle Point. PENNSYLVANIA: Altoona, Bradford, Chambersburg, Clearfield, Marietta, Morrison Cove, Newport, Pottsville, Reedsville, Roaring Springs, Warren. TENNESSEE: Kingsport. TEXAS: Houston (suburbs), Houston (NW & suburbs), Houston (SW & suburbs), Houston (Meyerland area). Texas systems under contract to be sold to Heritage Communications: Dallas, Farmers Branch, Mesquite. VERMONT: Bellows Falls, Brattleboro, Bristol (under contract to be sold). VIRGINIA: Hampton, Harrisonburg, Reston, Williamsburg. WEST VIRGINIA: Hampton, Harrisburg, Poquoson, Reston, Williamsburg. WEST VIRGINIA: Martinsburg. WISCONSIN: Marinette, Marshfield, Menasha, Merrill, Neenah, Oshkosh. Owns 60% of Garden State Micro Relay. Also, joint venture partner in Warner Amex Satellite Entertainment Co., which supplies and distributes two advertiser-supported services, Nickelodeon and MTV: Music Television and one pay service, The Movie Channel.

Other media properties

DC Comics, "Mad" magazine, "Mad" Specials.

OTHER OPERATIONS

Consumer Electronics and toys, direct-response marketing, filmed entertainment, recorded music and music publishing.

Washington Post Co. RANK 13

Washington

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	984	877	12.2
Total sales	984	877	12.2
Net income	86	68	25.6
Sales per medium			
Newspaper	516	440	17.3
Magazine	332	302	9.9
Broadcast	136	120	13.3
Cable	0	0	0

Washington Post Co., with revenues of $984.3 million, all in media, continues to diversify into more communications areas with the acquisition of Capital Cities' cable operation, its first entry in the cable business.

The Washington-based company in June, 1985, agreed to pay Cap Cities $375 million for its 55 systems with 365,000 subscribers that rank the cable unit 20th among systems operators, according to Cabletelevision Advertising Bureau Inc., New York.

The company, which earlier in the year purchased 17% of Cowles Media Co. for $55 million, was ranked the 13th largest media company on the basis of its media revenues, which in 1984 represented an increase of 12.2% over 1983. The year was a profitable one as net income increased 26% to $85.9 million.

During 1984, Washington Post Co. generated $517 million from its newspaper division dominated by the *Washington Post*, up 13% from 1983; $332 million from magazines, up 10%; and $136 million from broadcast, up 14%.

Acquisitions will stimulate revenues even more in 1985. The Cap Cities properties contributed $76.3 million in revenues to Cap Cities in 1984. The Post Co. did sell its holdings in cable tv sports channels to CBS for $25 million. In addition to cable revenue contributions in 1985, the company will add revenues from its 99% stake in a Miami cellular telephone license, an investment made in 1985.

The newspaper division continued to perform well in 1984, climbing 20% in operating income to $95 million. *Newsweek*, the company's magazine property, had an exceptionally strong year, showing a 44% increase in operating income to $22 million. Post president Richard Simmons says a 3% reduction in the magazine's fulltime staff contributed to the resulting gains.

The four Post-Newsweek tv stations increased income 29% to $51 million in 1984.

Washington Post Co. in March, 1985, paid $55 million for the 17% stake in Cowles, a family-owned company that owns the *Minneapolis Star & Tribune* and controlled the Des Moines Register & Tribune Co. until its buyout in March, 1985, by Gannett Co.

Mr. Simmons insists the buy is merely an investment, and the Post has no intention of buying a controlling interest in Cowles.

The *Washington Post* newspaper produced ad revenue of $390.7 million in 1984. It gained 0.4% in daily circulation to 771,253 on March 31, 1985, a six-month average compared to the similar period in 1984 according to Audit Bureau of Circulations. Sunday circulation rose 2.2% to 1,065,782 for that period.

The newspaper, seeking to attract younger readers and strengthen its already dominant position in the market, in January, 1985, launched *Health*, a weekly tabloid insert designed to appeal to healthcare advertisers and health-conscious young adults.

The *Post* in April broke its first tv image campaign, the brainchild of newly hired marketing director Pierce DeGross, counting on the spots to sway younger readers to pick up the paper.

The *National Weekly*, a spinoff started in 1983, reached 47,406 circulation in 1984.

Newsweek's rate base climbed to 3 million in 1984, an increase of 50,000. It once again held the lead in ad pages among newsmagazines with 3,003.5 pages in 1984, up 2% from 1983. Gross ad revenues rose 13% to $247.1 million in 1984, according to Publishers Information Bureau. *Time*, for example, had 2,817.5 ad pages, up 4.2%, and ad revenues of $335.6 million, up 12.1%.

Mr. Simmons expects to decide soon whether *Newsweek* will publish a Japanese-language edition. It would be the first time a newsweekly ran a foreign-language edition, Mr. Simmons says. *Newsweek International's* combined rate base for its three editions is 655,000.

In July, 1984, the newsmagazine began co-publishing with Australia's dominant newsweekly, the *Bulletin*. A 24-page section of *Newsweek* is bound into every issue of the *Bulletin*. The venture boosted *Newsweek's* Pacific edition rate base to 305,000, from 230,000.

Domestically, *Newsweek* will concentrate on special sections. Last fall it put out a successful publication covering technology, *Newsweek Access*, which it will produce again this fall, Mr. Simmons says. Editions for college students, women and executives will continue.

The Post Co.'s four tv stations had operating margins increase 39% in 1984. WDIV, Detroit, moved into first place in 1984 in that market, according to Nielsen. The Post Co.'s other stations are also top-ranked in their markets.

Mr. Simmons says first-quarter 1985 increase of 15% in revenue for the stations "substantially outstripped the industry."

The Post Co. probably will not buy more tv stations in 1985. "We continue to look at all of the deals," Mr. Simmons says. "At the current moment, prices are a little too extravagant for our tastes."

The *Herald*, Everett, Wash., had a 3.3% decrease in daily circulation to 53,957 in 1984, according to the March 31, 1985 ABC audits. Advertising inches increased 7%, but the paper did not make a profit in 1984, Mr. Simmons says. He predicted the *Herald* would be in the black in 1985.

In nonmedia areas, Post Co. has decided not to accept any more cellular radio partnerships unless it has a controlling interest, Mr. Simmons says. The FCC recently awarded the Post Co. a 99% interest in a Miami cellular radio franchise. Mr. Simmons says the company will invest $30 million in that system in 1985 and 1986.

The Post Co., which lost $3 million from cellular systems in 1984 and projects 1985 losses of $8 million, holds a 20% interest in Baltimore and Washington cellular telephone franchises, which should be profitable by 1986, Mr. Simmons says. A Detroit operation in which the Post Co. owns 18% will be operational soon.

In January, 1985, the Post Co. and its partner, Cablevision Systems, Woodbury, N.Y., sold part of their investment in four regional cable sports network to CBS Inc. The Post Co., which lost $10 million on those operations in 1984, said it received about $25 million from the sale. Mr. Simmons says the company will remain in that business, which he expects to be profitable in 1987.

The Post Co. now owns one-third of SportsChannel ventures in New York, Philadelphia and Chicago and one-sixth of SportsChannel New England. It invested $20 million in the SportsChannels in 1984.

The Post in late 1984 purchased the Stanley H. Kaplan Educational Centers, which had 1984 revenues of $35 million. The centers help prepare students for college admission tests.

The company in April also repurchased $135 million of its Class B common stock.

MEDIA PROPERTIES

Broadcasting

TV: WDIV, Detroit; WPLG, Miami; WFSB, Hartford, Conn.; WJXT, Jacksonville, Fla.

Cable/video

SportsChannel Associates, New York (33% owned); SportsChannel New England, Boston (16% owned); SportsChannel PRISM, Philadelphia (33% owned); SportsChannel Chicago Associates (33% owned).

Magazines

Newsweek, Newsweek International.

Newspapers

DISTRICT OF COLUMBIA: *Washington Post, The Washington Post* weekly edition. WASHINGTON STATE: *The Herald.*

Other media operations

The Washington Post Writers Group (feature syndicate), Legi-Slate (electronic data publishing), Los Angeles Times-Washington Post News Service Inc. (50% owned), *International Herald Tribune* (33% owned), National Journal Inc. (20% owned), Cowles Media Co. (17% owned).

OTHER OPERATIONS

Robinson Terminal Warehouse Corp. (newsprint handling and storage), Bowater Mersey Paper Co. Limited (49% owned), Bear Island Paper Co. (33% owned), Cellular Radiotelephone Systems (Washington and Baltimore, 20% owned; Detroit, 18% owned), Stanley H. Kaplan Educational Centers.

Westinghouse Electric Corp. RANK 15

Pittsburgh

($ figures – 000,000)

Corporate returns	1984	1983	% chg
Media sales	945	802	17.8
Total sales	10,265	9,533	7.7
Net income	536	449	19.4
Sales per medium			
Newspaper	0	0	0
Magazine	0	0	0
Broadcast	196	175	12.0
Cable	749	627	19.4

Westinghouse Electric Corp., Pittsburgh, had an increase of 17.8% in media revenues of $945 million in 1984 from its Westinghouse Broadcasting & Cable to rank as the 15th largest media company.

Media revenues included contributions from radio stations and cable tv outlets. About $748 million in revenues came from Group W Cable operations and the remainder from broadcasting.

Group W Cable ranks as the third largest multiple system operator with basic subscribers of 2,013,000 in 1984, according to Cabletelevision Advertising Bureau Inc., New York.

Program syndication revenues of about $50 million are not included in the total.

Media at Westinghouse contributed 9.6% of total revenues of $10.27 billion, which were up 7.7% over corporatewide revenues in 1983. Operating income from media, which increased 49% in 1984 to $71.2 million, was 11.7% of total operating income.

Westinghouse reported first quarter 1985 sales of $2.31 billion, up 1.8% from the first quarter of 1984, and net income of $129.7 million, up 11.2%. The company said broadcasting and cable tv operations showed the biggest increase among its business segments in profitability, but did not provide figures.

During the year, Group W Radio purchased KQXT (fm) in San Antonio, an easy-listening format station, from Tichenor Media Systems for a reported $7 million. It also finalized the sale of NBC affiliate WPCQ-TV in Charlotte, N.C., ending a four-year foray into the tv business in that market.

The Charlotte station was sold to Odyssey Partners of New York for $24.3 million. The station was unable to gain a foothold with two competing vhf stations in the market. In the rating period prior to its sale, WPCQ attracted a 3 rating (percentage of tv households in the market) and 9 share (or percentage of tv homes with sets in use) from sign-on to sign-off. The struggling station had dropped its "NBC Nightly News" in 1982.

Westinghouse has five other affiliates, including two CBS affiliates, KPIX, San Francisco, and KDKA, Pittsburgh; two NBC affiliates, WBZ, Boston, and KYW, Philadelphia; and ABC affiliate, WJZ, Baltimore.

Group W Satellite Communications launched Home Team Sports, a regional pay cable services serving a five-state region from the Washington-Baltimore area.

Televising its second year of Baltimore Oriole baseball, Washington Capital hockey, Washington Bullet basketball, Baltimore Blast indoor soccer and college football and basketball, the service has grown to 82,000 subscribers.

Group W Satellite Communications also markets and distributes The Nashville Network, a country-oriented cable program owned by Oklahoma Publishing Co. and offered in partnership with the Grand Ole Opry. Subscribership for the network increased by more than 50% to 20 million.

Group W during the year grew to 140 cable systems serving 605 communities in 34 states. It was awarded two major franchises in 1984 in Chicago where it has formed a limited partnership, and became the first operator to begin installation in the city.

The cable group also is attempting to ward off wholesale cancellation of service by those who purchase videocassette recorders. Vcr users often disconnect cable service temporarily until the flush of home movie watching has passed. Group W says about 35% of its cable customers are outfitted with vcr's, up from 30% a year ago. Group W launched an ad campaign, created in-house, to show vcr owners how to hook up their machines without disrupting cable service. Copy in bill stuffers, direct-mail pieces, newspaper ads and local cable commercials ends with: "All you need is your cable and your vcr."

In executive changes, Pat Polillo, vp-general manager of KYW-TV in Philadelphia, was named corporate vp-East Coast for Westinghouse Broadcasting & Cable. Jane Hartley was named acting vp-corporate communications for Westinghouse Broadcasting & Cable from vp-markets development, Group W Cable. Also, Zvi Doron was named vp-international projects, a new post at Westinghouse Broadcasting & Cable, from vp-business development, Group W Satellite Communications.

MEDIA PROPERTIES

Broadcasting

TV: KPIX, San Francisco; WJZ, Baltimore; WBZ, Boston; KYW, Philadelphia; KDKA, Pittsburgh.

RADIO: KJQY (fm), San Diego; KFWB (am), Los Angeles; KOSI (fm) Denver; KQXT (fm), San Antonio, WIND (am) Chicago; WBZ (am), Boston; WINS (am), New York; KYW (am), Philadelphia; KDKA (am); KQZY (fm), Dallas; KODA (fm), Houston; KQXT (fm), San Antonio.

Cable/video

All designated Group W Cable unless otherwise indicated. ALABAMA: Dothan, Florence, Gadsden, Huntsville, Mobile, Tuscaloosa. ARIZONA: Prescott. CALIFORNIA: Buena Park, Eagle Rock, Fontana, Fort Bragg, Fullerton, Gardena, Grand Terrace, Hawthorne, Lompoc, Loma Linda, Los Angeles, Newport Beach, Ontario, Reedley, San Bernardino, Santa Ana, Santa Cruz, Santa Maria, Seal Beach, Sherman Oaks, Sierra Madre, Simi Valley, South Gate, Tahoe, Torrance, Ukiah, Willits. COLORADO: Trinidad. CONNECTICUT: Danbury, Middletown. FLORIDA: Boca Raton, De Land, Haines City, Hillsborough County, Jupiter/Riviera, Lakeland, Lakeworth, Manatee County, Marianna, Panama City, Perry, Quincy, St. Petersburg, Tallahassee, West Palm Beach, Winter Garden. GEORGIA: Dublin, Milledgeville, Swainsboro, Thomasville, Valdosta. HAWAII: Hawaii Kai (50% interest). IDAHO: Lewiston, Pocatello. ILLINOIS: Chicago, Galena, Glen Ellyn, Rock Island, Skokie. IOWA: Dubuque. KANSAS: Liberal. LOUISIANA: Baker/Zachery, Leesville. MAINE: Caribou. MICHIGAN: Dearborn, Grosse Pointe (25% interest), Wayne. MINNESOTA: Anoka, Blaine, Brainerd, Burnsville/Egan, Columbia Heights, Duluth (80% interest), Rochester, Roseville, White Bear Lake, Winona. MISSOURI: Columbia, St. Charles, St. Louis. MONTANA: Great Falls, Kalispell, Missoula. NEBRASKA: Fallon, Reno. NEW HAMPSHIRE: Keene. NEW JERSEY: Mahwah, Wildwood. NEW MEXICO: Farmington, Lovington, Portales, Silver City, Tucumcari. NEW YORK: Brockport, Elmira, Ilion, Islip, Jamestown, Manhattan, Mount Vernon, Newburgh, Oswego, Warwick. OHIO: North Ridgeville, Portsmouth. OREGON: Baker, Coquille, Eugene, LaGrande. SOUTH CAROLINA: Greenwood. TENNESSEE: Henderson, Lexington, Milan, Savannah, Union City. TEXAS: Baytown, Commerce, El Paso (74% interest), Galveston, Graham, Grapevine, Irving, Lewisville, Palestine. VIRGINIA: Richlands. WASHINGTON: Auburn, Seattle, Tacoma, Walla Walla, Wenatchee. WEST VIRGINIA: Clarksburg, Fairmont. WISCONSIN: LaCrosse.

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C2710

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Monday, July 1, 1985

Advertising Age

Crain's International Newspaper of Marketing ®

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Local Masthead

USA WEEKEND

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The Doles are partners in power and love Page 10

What to do with a $100,000 windfall Page 26

The Road To Miss America

'USA Weekend' on way

Gannett's *USA Weekend*, the replacement for *Family Weekly*, will debut Sept. 8 in 361 newspapers. Gannett bought *Family Weekly* from CBS Magazines for $42.5 million this year.

Y&R-NBC deal ignites tv upfront buying fuse

By VERNE GAY

New York—Several major prime time upfront network tv advertisers last week began moving swiftly to close deals for the 1985-86 season.

The activity sparked what had been comparatively slow upfront sales after word leaked that Young & Rubicam in early June already had struck an $80 million, multiclient buy on NBC, which has emerged as the "Be there" network for advertisers as well as for yuppie viewers.

All three networks put their sales staffs on late shifts to process imminent orders anticipated from Kodak, Burger King and Ford (J. Walter Thompson); AT&T for news and prime time (D'Arcy MacManus Masius and N W Ayer, respectively); Pepsi-Cola (BBDO); McDonald's (Leo Burnett), and Nissan (William Esty). Ogilvy & Mather will complete several buys this week as well, sources said.

Network and top agency executives agreed the prime time market will weigh in at a little more than $2.4 billion, about the same as last year when the market was spurred by the time crunch created by the national election and the Summer Olympics. Last month, when upfront buying and selling began in earnest, sources were projecting $2.1 billion in network upfront sales. The upfront is expected to last through most of the summer.

According to ABC-TV, the three networks already have the $2.4 billion in advertiser requests. If the upfront market hits $2.4 billion, it is a reflection either of strong advertiser demand or the decision by the networks to put more inventory into the upfront market, on the assumption that the economy may not hold strong and the scatter market throughout the year will remain soft.

In either case, the upfront market took on a bullish look after the Y&R preemptive strike came to light. Agency sources, commenting on the ploy, said the strategy could be adopted soon by others.

At the end of May, after the networks had screened their new fall lineups, Y&R offered each network a chance to bid for half of the upfront budgets for Y&R clients Lincoln-Mercury, Johnson & Johnson, R.J. Reynolds Foods and Clorox. The package was worth $80 million, and the leverage was that the losing two networks would have to compete for the remainder of the four clients' upfront pie.

Paul Schulman Co., the network negotiator for Ralston-Purina, traditionally is the first agency to make an upfront buy. Schulman generally pays slightly higher than market rates, but gets to cherry-pick the most desirable programing.

The Y&R deal, however, broke tradition and moved before the Schulman buy, according to network sources. Instead of

(Continued on Page 54)

Merger sets adrift $50M in ad business

By STEWART ALTER

The merger of D'Arcy MacManus Masius and Benton & Bowles, both New York, is dumping nearly $50 million of ad business on the street.

The biggest plum cut loose by client conflict at the future D'Arcy Masius Benton & Bowles is B&B's $24 million Texaco account, loser to DMM, Chicago's $25 million Amoco Oil Co. account.

B&B's Gaines Food, an $18.9 million account overlooked in earlier speculation on conflicts, also is on the market because of a conflict with DMM's Kal Kan (a unit of Mars Inc.) business, although B&B will continue handling until a successor agency is named. The Gaines dog food brands involved include Cycle, Gainesburgers, Gravy Train and Top Choice.

In addition, sources said the relationship between Detroit-based Stroh Brewery Co.'s Schlitz Malt Liquor and B&B will be severed soon.

A decision on the account, which is said to be worth $5 million to $6 million, could come as early as this week.

Hunter Hastings, Stroh vp-brand manager, refused to comment on the report, as did B&B.

Upping the price tag on the largest agency merger in history, B&B withdrew last week from consideration for the $25 million Hyundai Motor America account because of a conflict with D'Arcy's General Motors business, which includes Pontiac and Cadillac. On Friday the South Korean company named Backer & Spielvogel for its U.S. account.

In San Francisco, D'Arcy has decided to continue defending itself in a review for the paper products portion of Crown Zellerbach consumer products busi-

(Continued on Page 56)

Photo by Arnold Adler

Celebrating the creation of the new D'Arcy Masius Benton & Bowles agency are George Simko, president of DMB&B/Diversified Communications Cos.; Hal Bay, president of DMB&B; John Bowen, chairman of DMB&B; Peter Redsell, president of DMB&B/International, and Roy Bostock, president of DMB&B/USA.

Cannes digs BBDO

By CLAIRE WILSON

Cannes—BBDO was the big winner at the International Advertising Film Festival here, taking the coveted Grand Prize for its Pepsi-Cola "Archeology" spot plus a Silver Lion for "Robots" and a Bronze Lion for "Space shuttle"—both also Pepsi spots.

The awards, considered by many to be the most coveted international creative advertising honors, were to be announced last Saturday.

In all, judges screened 2,178 commercials. At press time, it was unclear how many awards the festival would present, as the number varies from year to year.

It was the second year in a row

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NEWSPAPER

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Last Minute News

Jack in the Box may drop WRG

San Diego—Jack in the Box is reviewing agencies for its $20 million account, currently at Wells, Rich, Greene/West, Los Angeles, reliable sources say. The fast-food chain is said to have made preliminary overtures to San Francisco shops Dailey & Associates; Della Femina, Travisano & Partners; Doyle Dane Bernbach, and Ogilvy & Mather, as well as to Scali, McCabe, Sloves, New York. WRG is expected to be included. There is speculation Jack in the Box executives also approached Cohen/Johnston, Los Angeles, a new agency founded by two former WRG execs (AA, Feb. 11). WRG/West may consider closing its office in Los Angeles if it loses Jack in the Box, agency sources say. WRG/West president Richard Kelly refused comment. Mr. Kelly, a former Scali executive, also denied sources' reports that he had been in contact with Scali concerning his interest in heading that agency's soon-to-open Los Angeles office (AA, June 20).

Hyundai Motor opens door to Backer

Garden Grove, Cal.—Hyundai Motor America has selected Backer & Spielvogel, New York, as first agency for its $25 million account. B&S will establish a Los Angeles office to serve the South Korean auto maker.

(Continued on Page 8)

Gillette's Dry Idea expands

By GAY JERVEY

Gillette Co. will put a hefty budget behind the fall introduction of aerosol and solid varieties of Dry Idea deodorant/antiperspirant, currently only a roll-on.

Sources said the Boston-based toiletries company will begin shipping the new Dry Idea items in mid-September, with a $16.2 multimedia ad campaign by BBDO, New York, slated to begin on Nov.

(Continued on Page 54)

Sweep prize: Joan or $1 mil

By NANCY GIGES

When "Dynasty" fans tune in to find out what happened to the Carrington crowd next fall, they will see the self-styled bitch/goddess Alexis in another role as well.

Joan Collins, who plays Alexis Morrell Carrington Colby Dexter, will invite viewers in a tv spot for Canada Dry ginger ale to enter a sweepstakes offering a grand prize of dinner with her or $1 million.

Canada Dry and agency Young & Rubicam, New York, came up with the idea several months ago when the company decided on the cash giveaway.

Said Bill Appelman, Y&R senior vp-group creative director, "After all, Canada Dry ginger ale prides itself on being not too sweet. So does Alexis. Canada Dry wanted to drop a cool mil; Alexis would do that in a blink. Canada Dry stands for class and

(Continued on Page 54)

Bill Appelman, senior vp, Young & Rubicam, had no complaints about shooting a Canada Dry commercial with Joan Collins.

Smaller carriers may tumble

IBM link adds clout for MCI

By BRIAN MORAN

The proposed alliance of MCI Communications Corp. and IBM will force smaller long-distance telephone carriers to quickly scramble for special vertical markets, telecommunications analysts say.

The partnership, announced last week, also may put some AT&T competitors out of business in the residential long-distance battle. The handful of companies that survives will do so by developing networks for new, commercial business-to-business customers that the giants might not serve, analysts said.

"The marketing clout of MCI has just increased by a quantum leap," said Neil Yelsey, an analyst at Salomon Brothers, New York. "The only safety for the smaller carriers will be to narrow their marketing initiatives to niches."

MCI, the No. 2 long-distance carrier behind AT&T and the only profitable AT&T challenger, has agreed to allow IBM, the largest computer company, to acquire up to 30% of its stock. As part of the $1 billion deal, MCI will buy Satellite Business Systems, a smaller long-distance company controlled by IBM and Aetna Life & Casualty.

Armonk, N.Y.-based IBM has pledged to invest up to $400 million in cash in MCI over the next three years, a war chest that MCI will use to narrow the gap in its adver-

(Continued on Page 54)

Highlights

Eastern Air Lines will attempt to overcome the handicap of a late takeoff in the booming European summer travel market with a heavy media blitz for its new Miami-to-London service. *See Page 4.*

Book publishers, looking for a piece of the booming home-video programing market now dominated by Hollywood, are busily writing business for themselves in a new medium. Giant publishing houses, including Simon & Schuster and Random House, still nursing bruises from dabblings in microcomputer software, are taking their first tentative steps in video. *See Page 6.*

The Saatchi & Saatchi buying spree, which so far this year has netted U.S. direct-marketing, public relations, corporate identity and sales promotion companies, is not over yet. Last week, the U.K.'s biggest agency group made its first major foray into Canada with the $6 million acquisition of Hayhurst Advertising, Toronto. *See Page 10.*

Grey Advertising, in its first published analysis of the network tv marketplace, suggests that several factors at work bode ill for the price-conscious tv advertiser. Grey reports that the number of commercial slots will remain about the same this year, but the number of advertisers competing for that time will continue to increase. Meanwhile, the number of viewers watching each commercial spot will continue to shrink. *See Page 12.*

Ad Age begins a new monthly feature spotlighting the most creative and effective newspaper advertising, as judged by a panel of experts. This month's top ads are for Nike, Apricot computers, Arco, Seven-Up Co. and Miller Brewing. *See Page 28.*

It never won any ad awards, but the "I am the nation" print ad from Norfolk & Western Railway may be the most widely read, widely reprinted, widely quoted, long-lived print advertisement ever. *See Page 30.*

CORPORATE CLOSEUP

HOLIDAY
CORPORATION
The Leader In Hospitality

Like other relics of the 1950s, the familiar green Holiday Inn sign that once beckoned vacationers from the sides of America's highways is all but gone. In its place is a new emphasis on serving business and family travelers, from a revitalized lodging company, Holiday Corp., that within the past six weeks has been given a new name, a new address and a new advertising strategy. *See Page 4.*

FORUM

Management consultant Glenn KnicKrehm discusses brands, brand names and consumer marketing. *See Page 18.*

Pamela Berns warns that clients are people, too, and there is more than one kind of target audience. *See Page 18.*

Young, upwardly mobile agency interns are profiled by one of their own. *See Page 18.*

INTERNATIONAL

European marketers are experimenting with global strategies on a few products rather than an entire line, and so far they like the results, according to speakers at a two-day conference in London last month that was sponsored by *The Economist*. *See Page 32.*

The controversy surrounding the alleged discovery of Nazi war criminal Josef Mengele's body in Brazil is helping Germany's No. 2 consumer magazine, *Bunte*, in its market battle with archrival *Stern*. *See Page 33.*

DIRECT MARKETING

Direct marketers appear to be gaining in their effort to obtain direct access to telephone-directory information from the seven regional telephone operating companies. *See Page 42.*

Beginning this fall, consumers at shopping malls around the country will be able to watch direct satellite broadcasts of news, advertising and messages at kiosks provided by the Advanced Telecommunications Network. *See Page 42.*

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NEWSPAPER ADVERTISING INCHES
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$1.25 a copy, $55 a year, $100 two years. Add $143 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, vp-circulation; ROGER DI GREGORIO, fulfillment director; HEIDI SCHULTZ, senior circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to circulation department, Advertising Age, 740 Rush St., Chicago, Ill. 60611 (312) 649-5200.

ABP MPA RED TAG ABC ANPA

Wendy's 'syncs' into breakfast

By SCOTT HUME

Wendy's International today makes its first national move toward all-day restaurants with the debut of the long-expected (AA, Feb. 25), eight-week network campaign for its breakfast menu.

Dublin, O.-based Wendy's says it's approaching breakfast as a new product and will spend on this campaign more than the $10 million it budgeted for the introduction of its last major menu addition, stuffed baked potatoes.

While Clara Peller doesn't return, the new tv spots from Dancer Fitzgerald Sample, New York, do have a familiar ring and certainly a familiar tune. The chain has rested the "Where do you think you are, Wendy's?" theme line that has accompanied the two-year, market-by-market breakfast introduction. Instead, it has revived the "Only Wendy's" theme, sung to The Platters' 1950s classic "Only You," last used in the chain's 1983 hamburger advertising.

The campaign also includes Wendy's first network spots targeted to black consumers (created by Lockhart & Pettus, New York) and Hispanics (via Mendoza, Dillon & Asociados, Newport Beach, Cal.).

As it did with "Only Wendy's" the first time around, DFS has built two of the five new spots around customers lip-syncing Wendy's words to The Platters' melody. Other commercials rely heavily on close-up product photography to promote the menu, which includes scrambled eggs, omelets and a breakfast sandwich served on wheat or white toast.

The breakfast effort follows a six-week campaign for its Light Menu salad offerings (AA, May 6), but the chain isn't ignoring sandwiches. A bacon cheeseburger topped with swiss is being tested in selected markets (with local tv spots that will continue to run beside the network breakfast cam-

(Continued on Page 54)

Late West Coast news

Dailey shop taps Chabre as chief

Dailey & Associates exec vp Stephen Chabre has been named to the new post of chief operating officer of the Los Angeles agency. The appointment, in the making for a year, gives the 41-year-old, nine-year Dailey veteran responsibility for all agency accounts, including Thomas J. Lipton Inc.'s Lawry's Foods, for which he worked most recently as a group director.

Former Chiat/Day associate creative director Steve Hayden, who left the agency to join Tracy-Locke's new Los Angeles office opening here Aug. 1 (AA, June 3), has lured two of his former Chiat/Day colleagues to T-L: Yvonne Smith, former art director, has become creative director; Lori Brandalise, copywriter at C/D, becomes associate creative director.

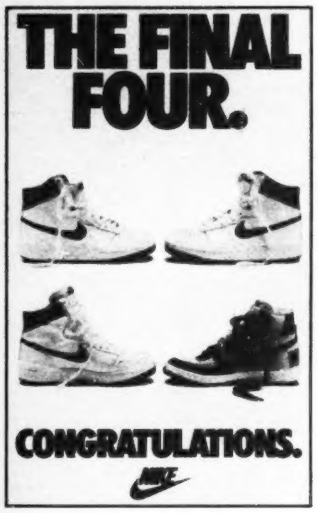
Hong Kong-based Lee Kum Kee will begin testing a new commercial for its House of Lee Chinese barbecue sauce in Los Angeles July 8, featuring a Chinese cowboy who talks like John

(Continued on Page 8)

NOTICE

There will be no issue of Advertising Age Thursday on July 4, Independence Day.

BEST OF PRESS



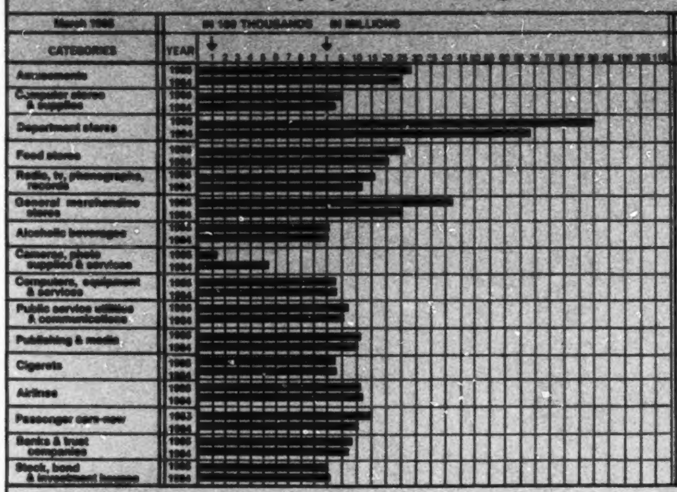
With this page, ADVERTISING AGE begins a new monthly feature that will reproduce newspaper ads that we believe represent a creative and effective use of the medium. The ads are culled from tear sheets collected by National System Inc., St. Louis, which clips more than 300 newspapers each day. The panel includes Hank Simons, vp-creative director, Newspaper Advertising Bureau, New York; James Dunaway, vp-director of information for the NAB, and William F. Gloede, who covers the newspaper industry for ADVERTISING AGE. Ads may be submitted to Mr. Gloede at AD AGE's New York bureau.

Saluting the NCAA's Final Four is this ad for Nike Athletic Shoes, via Chiat/Day, Los Angeles. Creative: Jeff Gorman, Gary Johns.

We're about to change how American business views the computer industry.
apricot

The right dose of color highlights the new fruit on the computer systems block in this ad for Apricot computers via Levine, Huntley, Schmidt & Beaver, New York. Creative director, Allan Beaver; creative group heads, Lee Garfinkel, Tony Gregorio; art director, Michael Vitello; copywriter, Lee Garfinkel; photography, Cailor-Resnick Studio.

FLASH REPORT: Newspaper advertising investment for March



CATEGORIES	DOLLARS 1985	DOLLARS 1984	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	$29,961,938	$26,122,162	+3,839,776	+14.7
Computer stores & supplies	5,549,904	4,235,747	+1,314,157	+31.0
Department stores	90,913,480	69,536,899	+21,376,580	+30.7
Food stores	27,777,829	22,929,813	+4,848,016	+21.1
Radio, tv, phonographs, records	16,849,171	13,020,141	+3,829,030	+29.4
General merchandise stores	41,556,793	26,681,261	+14,875,532	+55.8
Alcoholic beverages	2,168,801	2,126,478	+42,323	+2.0
Cameras, photo supplies & services	146,168	501,757	−355,589	−70.9
Computers, equipment & services	4,071,625	4,734,641	−633,016	−14.0
Public service utilities & communications	8,018,995	5,278,487	+2,740,508	+51.9
Publishing & media	11,255,316	10,321,305	+934,011	+8.3
Cigarets	3,114,007	3,529,222	−415,215	−11.8
Airlines	11,460,133	12,604,097	−1,143,964	−9.1
Passenger cars-new	15,866,137	10,659,556	+5,206,581	+48.8
Banks & trust companies	9,429,144	8,663,394	+765,750	+8.8
Stock, bond & investment houses	1,787,451	2,134,517	−347,066	−16.3

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Newspaper ad spending strong

NEW YORK—The ADVERTISING AGE Flash Report for March shows advertisers spent about $56.5 million more in daily newspapers in 15 major markets than they did a year before.

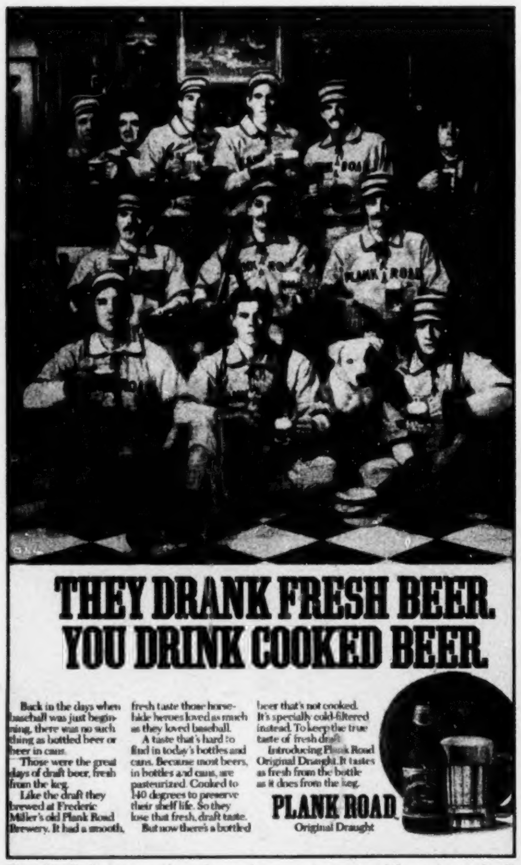
Department stores and general-merchandise stores lead all categories by far, with percentage increases of 30.7% and 55.8%, respectively. Department stores increased spending $21.4 million to $90.9 million, while general merchandise retailers pumped $14.9 million more into the measured dailies in March, bringing their total spending to $41.6 million.

Other categories posting large percentage gains were new cars, up 48.8% to $15.9 million; public service utilities and commissions, up 51.9% to $8 million; radio-phonograph-tv-records, up 29.4% to $16.8 million; computer stores and supplies, up 31% to $5.5 million; food stores, up 21.1% to $27.8 million, and amusements, up 14.7% to $30 million.

Other gainers included alcoholic beverages, up 2% to $2.2 million; publishing and media, up 8.3% to $11.3 million, and banks and trust companies, up 8.8% to $9.4 million.

Categories in which ad spending declined were stock, bond and investment houses, down 16.3% to $1.8 million; airlines, down 9.1% to $11.5 million; cigarets, down 11.8% to $3.1 million; computers, equipment and services, down 14% to $4.1 million, and cameras, photo supplies and services, down 70.9% to $146,168.

The Flash Report is compiled for ADVERTISING AGE by Media Records Inc., based on linage measurements in 29 daily and 23 Sunday newspapers in 15 major markets.#


THEY DRANK FRESH BEER. YOU DRINK COOKED BEER.
PLANK ROAD
Original Draught

Back in the days when baseball was just beginning, there was no such thing as bottled beer or beer in cans.

Those were the great days of draft beer, fresh from the keg.

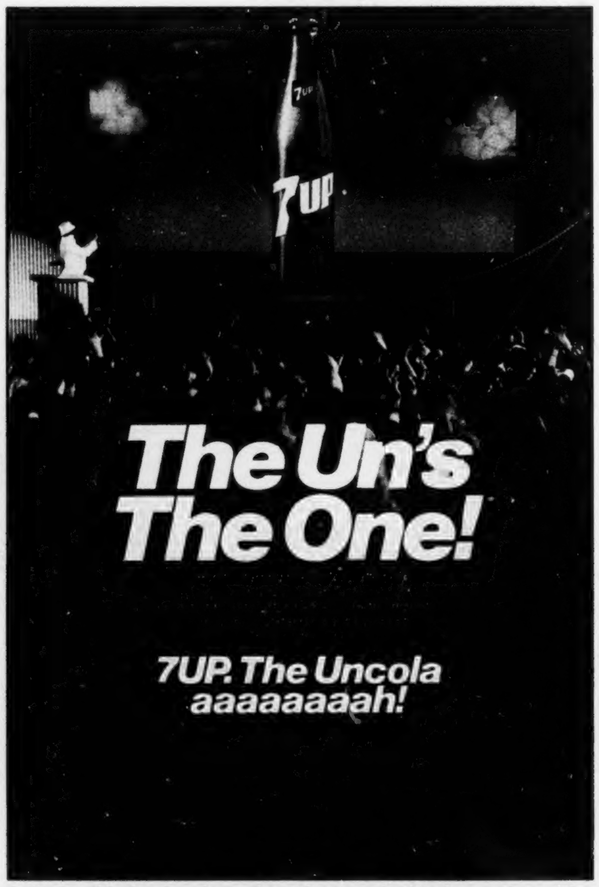
Like the draft they brewed at Frederic Miller's old Plank Road Brewery. It had a smooth, fresh taste those horsehide heroes loved as much as they loved baseball.

A taste that's hard to find in today's bottles and cans. Because most beers, in bottles and cans, are pasteurized. Cooked to 140 degrees to preserve their shelf life. So they lose that fresh, draft taste.

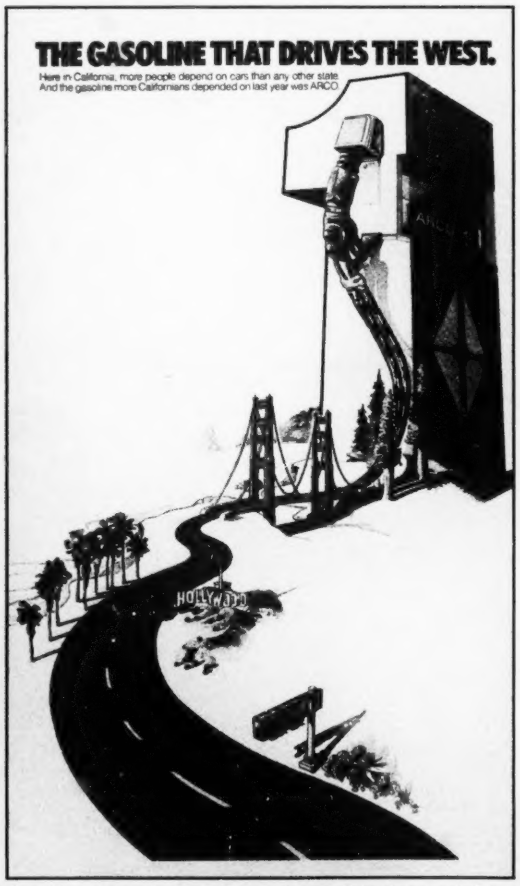
But now there's a bottled beer that's not cooked. It's specially cold-filtered instead. To keep the true taste of fresh draft.

Introducing Plank Road Original Draught. It tastes as fresh from the bottle as it does from the keg.

Capitalizing on the Americana craze with a baseball theme, Chiat/Day, New York, ran this ad, featuring a tintype-style photo, for Miller Brewing Co.'s Plank Road beer, now in test in Hartford, Conn. Creative: Mario Giua, Robin Raj.



A tie-in with the Academy Awards propels this four-color ad for the Seven-Up Co., via N W Ayer, New York. Executive creative director, Keith Gould; art director, Greg Grann; copywriter, Janet Dorfman.


THE GASOLINE THAT DRIVES THE WEST.
HOLLYWOOD

Here in California, more people depend on cars than any other state. And the gasoline more Californians depended on last year was ARCO.

Creative use of pump hose drives this Arco ad, from Foote, Cone & Belding. Creative director, Larry Tolpin; art director, Tom Guttman; copywriter, Larry Tolpin; art supervisor, Mel Sant; illustrator, Bob Rodriguez.

Newspaper Advertising MRCS/SAU Inches April 1985 vs. April 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	97,112	30,841	108,937	45,463
Beacon Journal (S)	67,206	9,809	82,229	14,575
Grand Total	164,318	40,650	191,166	60,038

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Constitution (M)	180,062	42,001	167,150	46,019
Journal (E)	179,556	42,013	164,335	47,139
Journal & Constitution (S)	119,942	52,178	152,509	65,559
Journal & Constitution (Sat)	39,317	——	34,598	——
Grand Total	518,877	136,192	518,592	158,717

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News-American (S)	27,642	11,207	41,890	2,497
News-American (E)	38,785	4,788	45,467	4,418
Sun (M)	115,842	2,463	110,366	4,018
Sun (E)	94,524	2,443	91,634	4,018
Sun (S)	127,406	25,818	160,968	25,765
Grand Total	404,199	46,719	450,325	40,716

BERGEN COUNTY, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Record (E)	143,293	19,978	134,162	21,171
Record (S)	123,641	22,648	153,744	32,608
Grand Total	266,934	42,626	287,906	53,779

NOTE: Record Evening published five days a week only.

BOSTON, MA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	47,309	——	39,601	——
Herald (S)	19,062	28,390	36,788	13,177
Globe (M)	134,451	9,708	136,544	13,063
Globe (S)	167,931	22,708	206,102	26,145
Grand Total	368,753	60,806	419,035	52,385

BUFFALO, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (AD)	98,302	35,546	111,881	21,929
News (S)	40,601	27,815	60,330	29,828
Grand Total	138,903	63,361	172,211	51,757

CAMDEN, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier-Post (E)	118,095	16,593	105,694	19,129
Courier-Post (S)	52,512	1,512	61,540	3,875
Grand Total	170,607	18,105	167,234	23,004

CHARLOTTE, NC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (E)	72,806	——	72,666	——
Observer (M)	119,614	——	106,319	——
Observer (S)	66,081	——	78,373	——
Grand Total	258,501	——	257,358	——

NOTE: News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Sun Times (M)	122,109	70,409	125,893	57,421
Sun-Times (S)	50,063	31,716	66,952	45,775
*Tribune (AD)	136,100	200,150	138,578	179,415
*Tribune (S)	121,107	83,488	114,081	75,234

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 4/1/85 through 4/28/85.

CINCINNATI, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Enquirer (M)	156,317	5,419	149,861	12,046
Enquirer (S)	114,424	10,735	133,037	6,867
Post (E)	82,533	20,767	76,655	10,918
Grand Total	353,274	36,921	359,553	29,831

CLEVELAND, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Plain Dealer (M)	139,745	23,420	143,528	28,181
Plain Dealer (S)	97,567	6,462	118,044	13,180
Grand Total	237,312	29,882	261,572	41,361

DALLAS, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	299,982	15,329	293,164	10,479
News (S)	162,780	11,313	194,191	16,776
Times-Herald (AD)	245,426	24,421	253,076	14,406
Times-Herald (S)	131,842	14,536	161,761	27,744
Grand Total	840,030	65,599	902,192	69,405

DENVER, CO

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Rocky Mt. News (M)	272,801	3,718	269,885	46
Rocky Mt. News (S)	83,863	882	95,089	37
Post (M)	176,681	6,844	166,533	10,661
Post (S)	106,518	1,796	142,168	1,273
Grand Total	639,863	13,240	673,675	12,017

DETROIT, MI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Free Press (M)	102,837	31,825	97,001	41,859
Free Press (S)	40,718	27,659	50,884	23,745
News (AD)	148,009	34,926	118,344	28,852
News (S)	85,645	30,466	108,093	15,598
Grand Total	377,209	134,876	374,322	110,054

FORT LAUDERDALE, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News & Sun Sentinel (S)	110,901	28,879	143,474	32,311
Sun Sentinel (M)	286,735	60,777	304,616	58,466
Grand Total	397,636	89,656	448,090	90,777

NOTE: 1985 part run and 1984 full run and part run figures supplied by publisher to Media Records. Morning figures include the Saturday Edition.

FORT WAYNE, IN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal Gazette (M)	71,647	——	72,959	——
Journal Gazette (S)	62,887	——	71,506	——
News Sentinel (E)	88,598	——	88,520	——
Grand Total	223,132	——	232,985	——

NOTE: Part run figures not available.

***FORT WORTH, TX**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Telegram (M)	249,820	65,877	242,499	47,538
Star Telegram (E)	198,902	65,877	201,496	47,538
Star Telegram (S)	131,945	44,376	155,352	40,388
Grand Total	580,667	176,130	599,347	135,464

NOTE: Figures supplied by publisher to Media Records.

GREENWICH/STAMFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Time (E)	73,241	——	73,842	——
Time (S)	51,618	——	52,711	——
Advocate (E)	97,655	629	100,233	2,117
Advocate (S)	53,432	——	57,223	——
Grand Total	275,946	629	284,009	2,117

HARTFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courant (M)	137,053	29,283	133,837	27,632
Courant (S)	75,401	102,403	96,491	149,231
Grand Total	212,454	131,686	230,328	176,863

HONOLULU, HI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Advertiser (M)	113,769	——	116,931	——
Star-Bulletin (E)	107,540	——	113,687	——
Star-Bulletin & Advertiser (S)	63,671	——	91,913	——
Grand Total	284,980	——	322,531	——

HOUSTON, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (AD)	269,813	34,911	314,648	36,761
Chronicle (S)	122,335	29,455	166,817	36,249
Post (M)	164,988	40,202	190,760	34,637
Post (S)	63,868	25,848	90,836	35,241
Grand Total	621,004	130,416	763,061	142,888

LONG BEACH, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Press Telegram (M)	98,608	——	96,663	——
Press Telegram (S)	49,534	——	61,131	——
Grand Total	148,142	——	157,794	——

LONG ISLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Newsday (E)	175,066	43,244	152,630	52,897
Newsday (S)	93,056	66,626	109,107	82,005
Grand Total	268,122	109,870	261,737	134,902

LOS ANGELES, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	286,213	253,321	285,560	203,670
Times (S)	167,143	72,593	206,347	105,957
Herald-Examiner (M)	61,754	13,744	48,299	19,443
Herald-Examiner (S)	11,018	5,186	17,474	7,517
Grand Total	526,128	344,844	557,680	336,587

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	192,670	18,837	177,796	14,143
News (S)	70,516	4,631	87,735	6,487
Grand Total	263,186	23,468	265,531	20,630

***LOS ANGELES/TORRANCE, CA**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Breeze (E & S)	183,195	——	198,782	——
Grand Total	183,195	——	198,782	——

NOTE: Figures supplied by publisher to Media Records.

***LOUISVILLE, KY**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier Journal (M)	95,478	38,399	92,539	43,824
Times (E)	94,632	53,472	94,840	62,011
Courier Journal (S)	58,717	56,397	74,553	65,793
Grand Total	248,827	148,268	261,932	171,628

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	165,464	——	170,222	——
Herald (S)	84,735	——	115,243	——
News (E)	60,726	——	65,742	——
Grand Total	310,925	——	351,207	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star & Tribune (AD)	105,847	24,672	104,896	25,846
Star & Tribune (S)	135,391	2,322	158,472	923
Star & Tribune (Sat)	23,258	——	25,383	——
Grand Total	264,496	26,994	288,751	26,769

***NASHVILLE, TN**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Banner (E)	109,939	——	92,634	——
Tennessean (M)	110,440	——	93,472	——
Tennessean (S)	83,596	——	81,187	——
Grand Total	303,975	——	267,293	——

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Home News (E)	79,723	3,063	——	——
Home News (Sun)	59,966	4,736	——	——
Grand Total	139,689	7,799	——	——

NOTE: 1984 figures not available.

NEW YORK, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	163,571	14,887	155,758	13,477
Times (S)	179,176	107,324	219,602	122,175
News (M)	59,868	108,192	63,385	92,838
News (S)	32,141	66,330	34,079	87,656
Post (AD)	56,944	1,631	50,774	——
Grand Total	491,700	298,364	523,598	316,146

NEWARK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Ledger (M)	190,230	7,550	183,658	5,448
Star Ledger (S)	157,346	23,264	187,805	31,245
Grand Total	347,576	30,814	371,463	36,693

OAKLAND, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (M)	87,630	47,353	86,163	26,713
Tribune (S)	39,458	25,517	64,018	28,994
Grand Total	127,088	72,870	150,181	55,707

ORANGE COUNTY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Register (AD)	278,416	90,191	267,939	59,392
Register (S)	107,731	11,819	140,504	10,403
Grand Total	386,147	102,010	408,443	69,795

PHILADELPHIA, PA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Inquirer (M)	163,900	61,240	142,548	47,660
Inquirer (S)	88,309	33,517	138,064	53,667
News (E)	74,703	8,222	78,410	2,123
Grand Total	326,912	102,979	359,022	103,450

NOTE: The April 14, 1985 edition of the Inquirer Sunday was curtailed significantly in circulation due to strike conditions. No record for this date is included.

***PHOENIX, AZ**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Arizona Republic (M)	227,601	10,268	238,715	14,573
Arizona Republic (S)	142,598	——	137,067	——
Gazette (E)	216,714	10,394	227,143	14,729
Grand Total	586,913	20,662	602,925	29,302

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Democrat & Chronicle (M)	89,017	8,461	91,041	10,652
Democrat & Chronicle (S)	63,139	18,219	79,979	17,501
Times Union (E)	78,777	11,968	81,445	9,601
Grand Total	230,933	38,648	252,465	37,754

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Bee (M)	214,312	13,034	205,426	12,257
Bee (S)	89,666	11,184	116,248	7,552
Grand Total	303,978	24,218	321,674	19,809

***ST. LOUIS, MO**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post Dispatch (M)	91,545	31,877	101,709	35,922
Post Dispatch (S)	108,641	——	130,260	——
Grand Total	200,186	31,877	231,969	35,922

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Pioneer Press Dispatch (AD)	91,216	——	82,902	——
Pioneer Press Dispatch (S)	98,005	——	110,791	——
Dispatch (E)	——	——	87,875	——
Grand Total	189,221	——	281,568	——

NOTE: Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition, Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Express-News (AD)	127,679	15,838	114,170	19,748
Express-News (S)	89,997	10,893	93,829	23,013
Express-News (Sat)	39,450	——	37,281	——
News (E)	——	——	111,358	14,690
Light (AD)	118,517	24,570	107,278	23,833
Light (S)	79,891	17,954	85,162	28,502
Light (Sat)	33,112	——	29,090	——
Grand Total	488,646	69,255	578,168	109,786

NOTE: Express Morning and News Evening combined to one edition, Express News All Day effective September 10, 1984. The Express Morning activity is shown in the Express News All Day listing. Prior to September 10, 1984, Express Morning and News Evening published five days a week only.

Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Union (M)	209,858	18,446	204,725	14,682
Union (S)	106,942	——	133,335	——
Tribune (E)	215,659	21,010	215,255	14,660
Grand Total	532,459	39,456	553,315	29,342

SAN FRANCISCO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (M)	129,534	48,899	123,956	54,114
Examiner (E)	127,220	48,503	120,620	53,824
Examiner & Chronicle (S)	69,597	30,078	86,033	52,628
Grand Total	326,351	127,480	330,609	160,566

SAN JOSE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Mercury News (AD)	273,846	30,547	268,893	32,714
Mercury News (S)	131,314	418	175,630	——
Grand Total	405,160	30,965	444,523	32,714

SHREVEPORT, LA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal (E)	84,828	3,528	75,909	9,200
Times (M)	106,069	15,207	96,536	14,897
Times (S)	60,340	9,458	71,047	13,533
Grand Total	251,237	28,193	243,492	37,630

***STATE COLLEGE, PA**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Centre Times (E)	89,487	7,589	80,891	3,708
Centre Times (S)	23,684	——	29,403	——
Grand Total	113,171	7,589	110,294	3,708

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald Journal (E)	92,071	28,191	81,643	20,893
Herald American (S)	43,182	31,535	59,261	31,115
Post-Standard (M)	78,358	30,319	65,845	27,373
Grand Total	213,611	90,045	206,749	79,381

***TOLEDO, OH**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Blade (E)	93,341	——	97,501	——
Blade (S)	69,445	——	88,008	——
Grand Total	162,786	——	185,509	——

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	266,154	44,155	261,731	38,135
Post (S)	148,306	29,141	166,627	47,457
Grand Total	414,460	73,296	428,358	85,592
Alexandria Journal (M)	61,408	705	52,740	——
Prince George's Journal (M)	58,197	1,943	47,755	——
Montgomery Journal (M)	58,170	1,404	48,718	238
Fairfax Journal (M)	62,433	705	55,065	611
Arlington Journal (M)	61,149	705	52,995	——

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

***WEST PALM BEACH, FL**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	204,186	36,063	202,213	32,128
Times (E)	178,142	4,085	181,151	2,824
Post (S)	128,586	14,047	166,614	16,224
Grand Total	510,914	54,195	549,978	51,176

NOTE: Figures supplied by publisher to Media Records.
Times Evening published five days a week only.

WESTCHESTER ROCKLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Reporter Dispatch (E)	82,547	8,706	87,185	17,459
Reporter Dispatch (S)	65,065	12,321	76,040	22,785
Grand Total	147,612	21,027	163,225	40,244

WICHITA, KS

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Eagle-Beacon (M)	102,545	——	113,983	——
Eagle-Beacon (S)	61,500	——	82,874	——
Grand Total	164,045	——	196,857	——

NOTE: Part run figures not available.

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page.....
   Width and Depth in Inches.
2. Determine Square Inches of Page.....
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page.....
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page.....
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches.....
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

C2710-1

$1.25 a copy; $55 a year

Monday, July 8, 1985

Advertising Age®

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Kellogg's
STATUE of LIBERTY
HONOR ROLL
These generous Americans have helped to "Keep the Torch Lit"

Kellogg says thanks via 'USA Today'

Kellogg Co. used this spread and five additional pages in *USA Today* to list Statue of Liberty restoration contributors. *(See story on Page 2.)*

Summer forecast: Hotter for coolers

By SCOTT HUME

The booming, $333 million wine-cooler segment is digesting a series of strategic moves that brought new players and new tactics into the action last week.

The big surprise among the players is the dramatic entry of Brown-Forman. The Louisville-based distiller bought out segment leader California Cooler, Stockton, Cal., for $63 million in cash plus millions more in incentive payments based on future sales.

Also trying to cash in, through new products rather than acquisition of an existing brand, are brewer Adolph Coors Co., Golden, Colo., and vintner-distiller Schenley Industries, New York.

Separately, G. Heileman Brewing Co., La Crosse, Wis., is expanding distribution of two brands in an effort to become a national player.

The tactical maneuvering generated by the crush of cooler brands is beginning to show itself in a battle for niches in the marketplace: Citrus-based versus malt-based products, four-bottle versus six-bottle packs and price-point testing.

Brown-Forman plans to operate California Cooler as an independent unit, said a spokesman for the distiller, adding that California Cooler chairman Michael Crete and president Stewart Bewley will stay on in those positions.

B-F is "very pleased" with advertising Chiat/Day, Los Angeles, has done for California Cooler and "there has been no consideration" given to an agency change, the spokesman said.

California Cooler director of marketing Tom Gibbs predicted the acquisition will allow it to substantially increase its annual ad spending, estimated at $10 million.

Chiat/Day executives are expected to meet July 9 with their counterparts at California Cooler and B-F to discuss strategy for the coming year.

Industry observers put California Cooler's share

(Continued on Page 64)

Saturn, ringing with hype, puts off agency pick

By JESSE SNYDER

DETROIT—The agency review for one of the year's most intriguing new accounts, General Motors' Saturn unit, has been postponed 12 months amid waves of free publicity that have already generated widespread public interest in the venture.

That move reverses expectations by Saturn and GM executives when the new subsidiary was established Jan. 8 that an agency might be picked by midsummer (AA, Jan. 10).

"We don't need an agency to build up Saturn's image," said spokesman Stan Hall. "Almost the reverse is true. We've had so much positive publicity that we need to cool public expectations. After the plant-site selection is behind us, Saturn executives are going underground for a while."

GM has not publicly discussed likely ad budgets for Saturn, but, based on expected sales targets, it would start with an ad budget of about $50 million and build within three years to about $120 million a year.

The delay in picking an agency certainly hasn't slowed unsolicited contacts. "Dozens" of letters, presentations and even videotapes of roughed-out commercials are bulging file cabinets at Saturn's temporary headquarters in suburban Detroit.

"We've heard from image-builders, agencies, students, even professors who want us to look at class projects," Mr. Hall said.

Among agencies that have expressed interest in Saturn are: W.B. Doner & Co., Southfield; N W Ayer, Detroit, GM's corporate agency, and Benton & Bowles, which will become part of the GM agency family through its merger with D'Arcy MacManus Masius, Bloomfield Hills. DMM handles GM's Cadillac and Pontiac divisions.

Saturn plans to announce soon—maybe as early as this week—the site for its plant.

The GM unit's first president, the late Joseph Sanchez, said he wanted an agency on hand before the plant site was announced so it could begin to shape a positive

(Continued on Page 62)

Ready to rebound

Tv sports market decline ends

By ROBERT RAISSMAN

Tv sports, which last year saw prices and ratings plummet virtually across the board, may be poised for the start of a turnaround this season. No one is calling sports a seller's market, but there are signs that the decline of tv sports has bottomed out.

"I wouldn't rely on the sports market staying soft for long," said Steve Leff, exec vp, Backer & Spielvogel, New York. "If it stays relatively depressed and all other marketplaces move along in other dayparts, sooner or later sports is going to regain the attraction it lost when it was so aggressively priced."

Network sales executives, who generally try to portray every tv daypart as bullishly as possible, no longer are admitting that sports sales are soft. Still, the network sales chiefs concede that because of the glut of sports programing last season and the availability of nonsports programing alternatives that appeal to men, the actual health of the sports market remains impossible to predict with accuracy.

"This is a very hard market to call, so I'll call it uncertain," said Robert Blackmore, senior vp-sales, NBC. "There is a little more to work with in this market as

(Continued on Page 64)

Last Minute News

Honig will switch from Geers Gross

NEW YORK—Marvin Honig definitely is leaving Geers Gross, where he is vice-chairman and executive director, as soon as he completes some client assignments within the next month or so, sources say. Mr. Honig, formerly vice-chairman/creative director at Doyle Dane Bernbach, joined Geers Gross last fall. Neither Mr. Honig, who had previously denied he was leaving (AA, June 17), nor agency president Bob Gross could be reached.

Benetton exports Sisley chain to U.S.

NEW YORK—Benetton, the Italian sportswear retailer, this fall will introduce here its Sisley chain of upscale women's clothing stores. J. Walter Thompson USA handles. JWT also has created the Benetton shops' first tv commercials, for MTV: Music Television, and their first radio commercial, a fund-raiser for USA for Africa.

Max Factor talks scents with Paul Newman

STAMFORD, CONN.—Paul Newman is in the "initial stages" of discussing a men's fragrance with Max Factor, but Factor president Paul Masturzo says progress in the talks will depend on how great a part the actor is willing to play in advertising the fragrance. Another fragrance company discussed a similar project a year ago but backed off when Mr. Newman said he did not wish to appear in any advertising, sources say.

GM agencies make demands of magazines

DETROIT—General Motors' "point agencies" designated to head corporatewide negotiations with magazines (AA, May 27) are demanding a

(Continued on Page 8)

Murdoch gives pope new pulpit

By WILLIAM F. GLOEDE and JOHN J. O'CONNOR

NEW YORK—In what executives at Rupert Murdoch's News America syndicate are calling an "historic" arrangement, Pope John Paul II, the vicar of the Roman Catholic Church, will become a newspaper columnist in September.

Both News America and Times of London syndicates plan to begin moving the weekly column, entitled "Observations by Pope John Paul II" and complete with a photo of the pontiff, for publication in newspapers as of Sept. 8.

The pope will not actually sit

(Continued on Page 62)

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NEWSPAPER

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WASHINGTON DC 20014

NBC bucks billion barrier in upfront

By VERNE GAY

New York—NBC-TV by the end of the week is expected to become the first network ever to write $1 billion in upfront business, network and agency sources say.

The network, which has figured prominently in the upfront plans of virtually every advertiser seeking young adults, was most recently bolstered by major commitments from Leo Burnett USA, BBDO, Ogilvy & Mather and J. Walter Thompson USA, each of which completed its NBC buy over the last 10 days.

There also were reports that Procter & Gamble, Cincinnati, and Lever Bros. have put sizable buys on "hold," the last step in the negotiating process before signing contracts. General Foods Corp., White Plains, N.Y., and Coca-Cola Co., Atlanta, also have made substantial commitments to NBC, sources said.

NBC has emerged as the darling of upfront advertisers, primarily because of its strong showing last season in the A.C. Nielsen Co. ratings but also because of its apparent willingness to make deals quickly. NBC also leads its competition by a slim margin among adults 18 to 49, the most sought-after demographic group.

The network's meteoric rise has led some observers to speculate that ABC-TV and CBS-TV, which have severely lagged their rival in booking upfront sales, would be left playing catchup.

However, both began courting advertisers aggressively last week when it became apparent NBC was coming close to snagging nearly half of all upfront budgets, expected to top off at about $2.4 billion.

"CBS and ABC have caught up and have become very, very aggressive," said one agency source.

Last year, NBC wrote about $784 million in the upfront market, sources said, while CBS wrote $767 million and ABC captured $856 million.

Less than $1.5 billion in upfront sales had been clocked before July 4, network and agency sources said. Sources speculated that ABC and CBS, both vigorously pursuing the estimated $900 million still uncommitted, could end up with just

(Continued on Page 62)

Seven 'USA Today' pages hail contributors

Kellogg runs serial ad

By JULIE FRANZ
and WILLIAM F. GLOEDE

Kellogg Co. celebrated July 4 by thanking by name 173,268 consumers who helped the company raise money for the Statue of Liberty-Ellis Island Foundation restoration fund.

The listing took up seven of the nine advertising pages in *USA Today's* first holiday edition, a message that cost Battle Creek, Mich.-based Kellogg an estimated $150,000, minus volume discounts.

The only other display ad in the paper was an Advertising Council color spread, via Kenyon & Eckhardt, New York, for the foundation. Gannett Co., which owns *USA Today*, donated those two pages, a foundation spokesman said.

Kellogg called its seven-page salute a "Statue of Liberty Honor Roll" of the names of consumers who sent the company two Universal Product Codes from Kellogg's Corn Flakes and Kellogg's Crispix. In exchange for the UPC codes, Kellogg donated $86,634, or 50¢ per participating consumer, to the foundation.

As one of the seven founding sponsors of the Statue of Libery restoration project, the company placed itself under a "multi-million-dollar obligation to the fund," the foundation spokesman said. The ad dollars Kellogg spent July 4 were part of that obligation, he added.

Thus far, the foundation has raised $160 million of

(Continued on Page 8)

"USA Weekend:" It wins praise, but Gannett moves to mollify wary newspapers. See Page 66.

Grrrand Prix celebration

Allen Rosenshine (r.), president of BBDO International, whose Pepsi-Cola spot won the Grand Prix among Gold Lion awards in Cannes, celebrated by bringing a real lion into the agency's Manhattan lobby last week. With him is Alan Pottasch, senior vp-creative services at Pepsi-Cola USA. *(See story on Page 12.)*

Highlights

Amil Gargano has relinquished his post as creative director at Ally & Gargano, New York, in a move to free himself to pursue new business more systematically. Beer, soft drinks and travel are among the new-business areas he now is targeting. *See Page 4.*

Emotions have an edge over facts in motivating consumers to buy a specific product. Smart advertisers recognize the strong feelings of joy, anger, love and fear as effective selling tools. *See Page 28.*

CORPORATE CLOSEUP

Thomas Monaghan is founder, chairman and president of Domino's Pizza, the world's largest pizza-delivery chain and a business that has grown at a rate of 40%-plus each year since 1978. Last year's sales of $626 million were up 57% from the previous year. And in October, 1983, Mr. Monaghan also paid more than $50 million to purchase baseball's Detroit Tigers, fulfilling "the biggest worldly goal I ever had." *See Page 4.*

FORUM

Adman David Brand offers advice on managing speculative presentations. *See Page 18.*

DDB executive Doris Willens wonders what's in a name—specifically, Madonna's. *See Page 18.*

INTERNATIONAL

British fan violence at soccer matches in the U.K. is causing advertisers and sponsors to have second thoughts about supporting such events with millions of advertising dollars. *See Page 36.*

The Far East market battle between Dow Jones & Co. and Time Inc., both based in New York, will heat up substantially if Time succeeds in buying *Asiaweek*, one of the region's leading English-language publications. *See Page 37.*

VIDEOTECH

In a cost-cutting move, the struggling, 18-month-old Lifetime cable service has axed 15 staffers. The across-the-board layoffs represent about 8% of the network's 175-person staff. *See Page 38.*

DIRECT MARKETING

CSI Tele-Marketing is preparing for its first expansion since going public earlier this year. The company, which uses telephone surveys to find and develop customers for package-goods manufacturers and retailers in the Northeast and Florida, is preparing to move in September into the Los Angeles, San Francisco and Detroit markets. *See Page 39.*

American Express Travel Related Service Co. is among the first purchasers of a new computer program, marketed by Persoft, that aids direct marketers in selecting potential customers from their in-house lists. *See Page 39.*

COMING THURSDAY

SPECIAL REPORT

Europeans are cultivating their own brand of creativity, be it in advertising or on tv. International-Europe Special Report takes a look at some of the people and media making waves across Europe.

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Late West Coast news

'Here's how' fails; A-T turns to Chiat

Software publisher Ashton-Tate, Culver City, Cal., last week abruptly fired Dancer Fitzgerald Sample, Torrance, the same agency it dismissed and rehired less than a year ago. Chiat/Day, San Francisco, was named to replace it. Sources say the company shifted its account to Chiat after concluding the "Here's how" campaign DFS created wasn't boosting sales. A-T vp marketing John Merson said the split with DFS was by mutual agreement. "We decided it was time for a fresh approach," he said. A-T spent about $13 million on advertising and promotion last year.

Pioneer Electronics' vp-marketing communications Sharyl Juhlin has left the Long Beach, Cal.-based consumer electronics company to take on a senior marketing post with CL9, Los Gatos, the new venture founded earlier this year by Apple Computer cofounder Stephen Wozniak. CL9, which stands for Cloud Nine, is developing computerlike products that work with home entertainment sound and tv systems. Vp-marketing Chris Byrne takes on most of Ms. Juhlin's responsibilities at Pioneer.

Hitachi Sales Corp., Compton, Cal., will start its first new network tv campaign in two years in August. "Step into the world of tomorrow with Hitachi," the upcoming ads set in a futuristic space station will say. The commercials will use Hitachi's existing spokesperson, actress Holly Smith.

Sanyo Electric's consumer electronics division, Compton, Cal., named William Byron to the new post of president. The appointment follows the departure of exec vp-sales and marketing Jeffrey Berkowitz, who sources say resigned under fire. Mr. Byron, most recently a principal in a manufacturers' rep company in Southern California, was Sanyo's senior vp-sales marketing from 1971 to 1981. During his tenure at Sanyo, the tv and stereo marketer worked with Nathanson Advertising, Encino,

(Continued on Page 66)

Tv sports

(Continued from Page 1)

opposed to last year."

The tv sports marketplace has been depressed for a number of reasons. The breakup last summer of the National Collegiate Athletic Assn.'s monopoly over college football tv rights led immediately to oversaturation of the sport on tv, both on network and in syndication and cable. The quality of productions varied greatly, and many big events fell short of expectations as entertainment vehicles.

Image tarnished

Also, the image of professional athletes has been tarnished by reports of drug abuse; grand-jury inquiries into suspected drug sales and consumption by baseball players; gambling scandals in professional and college sports; player strikes; huge contracts, and the general impression that athletes are fatter cats than the fat cats who own the teams. There also has been a paucity of star personalities, especially in football, the sport that holds the key to success.

Another reason, sometimes overlooked, is the increasing number of entertainment alternatives presented to male viewers. "People who have watched sports in the past now can also watch a movie on cable," said J. Larre Barrett, vp-sales, ABC Sports.

Mr. Barrett and other network sales executives pointed to a few things that indicate the network sports marketplace may be moving toward the beginning of a turnaround. Programing executives, they said, have begun to respond to the imbalance in the supply-demand equation in sports.

"There will be fewer hours of sports programing [in 1986]," said Jerry Dominus, vp-sales, CBS-TV Network. "There will be a greater concentration on the events that command viewer loyalty."

The major indicator of the health of tv sports is sales for each network's National Football League package. Executives at all three networks said football sales were going well, but none offered specifics.

Mr. Barrett said ABC already has identified $35 million that was put into football in 1983 but was not spent in '84 because some clients had heavy Olympic commitments. "My suspicion is that number is low," Mr. Barrett said. "It may be closer to $50 million, but if you had taken those dollars and put them into the '84 marketplace, you would have had a totally different situation."

Mr. Dominus agreed that the Olympic money would strengthen the market. "I haven't identified how much is out there yet. But they [advertisers] have lots of options," he said. "Some of the money was [allocated as] special appropriations and some of it will be redirected. The question is where."

Monday game the key

A key to over-all NFL sales is ABC's "Monday Night Football." Mr. Barrett indicated that sales were going well, although the "MNF" package is being sold at a lower upfront price than it was during the '84 season.

He said six automobile marketers—Nissan, Ford, Chrysler, Chevrolet, Pontiac and Buick—have bought into the series. Last season, Nissan, Chevy and Buick split the automotive exclusivity. Chevy, however, dropped out of the Super Bowl in a protest over the $1 million-per-minute price tag. Ford picked up that option and has been able to keep its hold in the regular-season games.

The confusion resulting from the Supreme Court decision that broke the NCAA's control of college football tv rights has lifted and both CBS and ABC, the two networks that televise college football, should finally benefit from the lower rights fees they paid for the college games.

Last year, key sports advertisers, worried about dilution and segmentation, cut back spending. Both networks cut ad prices in half (AA, July 30, '84, *et seq.*), charging about $30,000 for a 30-second spot. During the '83 season, college football was priced between $60,000 and $65,000. This season, prices will be increased, but no where near the level reached before the Supreme Court's decision.

Mr. Barrett said during the '84 season ABC sold 11 30-second units to franchise advertisers. He expects 26 units per game on ABC's College Football Assn. package will be sold on a franchise basis. Nissan, which had never been a sponsor of network college football, according to Mr. Barrett, already has purchased a half-game franchise. Miller Brewing Co., Milwaukee, and Stroh Brewery, Detroit, also have bought time on the CFA package.

Last season, the Supreme Court's ruling came so close to the opening of the college football season (AA, July 2, '84) that getting a package to the marketplace was a chore in itself. Mr. Barrett pointed out that ABC had projected a 6.0 rating to its advertisers for the '84 season and wound up doing 33% better.

Many syndicators gone

In all probability there will not be as many games placed into syndication in 1985 as there were in '84. Last season put many syndicators out of business, leaving a much smaller roster of companies around to pick up the pieces.

"Last year, from a network perspective, we, as has CBS, showed that college football is a viable marketing tool for advertisers to utilize and can again get solid ratings," Mr. Barrett said.

But some network executives said that to hold college football up as a sign of a turnaround in the market may not be an accurate measurement. "College football is not a big [advertising] pot to fill up," said one network executive who declined to be identified. "It's not difficult to fill under any circumstances."

Another key to the market will be ABC's sales of the baseball World Series. ABC is exercising its option in its contract with Major League Baseball to telecast all the games in prime time. In 1983, the last time ABC broadcast the World Series, the network sold 11 franchise units per game. For the '85 fall classic, Mr. Barrett said, there will be at least 22 franchise units per game.#

Estimated costs of a :30-spot this fall on major sports

Television sports in 1984-85 was hit with continued audience erosion and severe fragmentation, especially in college football. As a result, prices plummeted and the outlook for 1985-86 was anything but robust. Nevertheless, the tv networks have increased the price of a 30-second spot on every major fall sports property except weekend baseball championship series, ABC's "Monday Night Football" and NBC's coverage of the American Football Conference games. The following chart lists the estimated cost of a 30-second spot on major sports this fall. The prices are based on extensive interviews with network and agency sources and reflect the average prices being paid in the upfront market. These prices, however, vary significantly during the course of the year. A Thanksgiving Day football telecast will command higher rates than a typical weekend game, for example. Likewise, football games played in September will cost less than games played in November and right before Christmas. The prices listed below, however, are a good reflection of the state of the prime sports market at this time. *Source: Advertising Age.*

Sport (network)	1985 Price ($)	1984 Price ($)
College Football (CBS)	35,000-40,000	25,000-30,000
College Football (ABC)	45,000	25,000-30,000
Baseball's Championship Series (NBC)	50,000 (prime time)	130,000 (prime time)
	85,000-90,000 (weekends)	85,000 (weekends)
	35,000-40,000 (weekdays)	25,000 (weekdays)
World Series (ABC)	250,000	230,000 (NBC)
NFL "Monday Night Football" (ABC)	175,000 (with guarantees)	185,000
NFL regular season (CBS)	160,000	150,000
NFL regular season (NBC)	145,000	135,000
AFC playoffs (NBC)	200,000	225,000
NFC playoffs (CBS)	215,000	NA
AFC championship game (NBC)	250,000	275,000
NFC championship game (CBS)	250,000	NA
Super Bowl (NBC)	550,000	500,000 (ABC)

Coolers

(Continued from Page 1)

of the wine-cooler category at 55% to 60%, though the rapid influx of new players is steadily eroding that lead.

According to *Market Watch*, published by M. Shanken Communications, 29 new brands were introduced last year. Nearly a dozen more have appeared on retail shelves so far this year.

Intensely crowded

The crowding is already intense enough that the new players are trying to find niches for their products in subcategories in an effort to claim distinctiveness and avoid charges of "me-tooism."

Coors' Colorado Chiller, a brand rumored earlier to have been in development (AA, June 10), is a malt-based beverage the company hopes to position between the beer and wine markets.

Tv spots created by Tatham-Laird & Kudner, Chicago, carry the theme "Lighter than beer, more refreshing than wine." Those spots begin airing this week in Colorado Chiller's six test markets—Charlotte, N.C.; Dayton, O.; Lubbock, Tex.; Orlando; San Diego, and Spokane, Wash.

Schenley is touting its wine-based Dubonnet Splash brand as a "new wave" in coolers, one that sculpts a niche somewhere between coolers and blush wines.

Unlike California Cooler and most of its competitors, which are citrus-flavored, Splash has a taste Schenley says is closer to white zinfandels or kir royale (champagne and creme de cassis).

Both marketers also have pushed the quest for points of difference to their products' packaging. Colorado Chiller will be sold in six-packs rather than the four-pack that has become the cooler standard. Price points ranging from $3.75 to $4.25 will be tried in test, though Coors brand development manager Craig Guthrie said all will give Colorado Chiller a per-bottle price advantage over its competitors.

Schenley is sticking with the four-pack style for Dubonnet Splash, but the product will come in clear bottles. That gives the product what Schenley vp-marketing Andrew Berk called a "far more elegant presentation" than the green bottles commonly used.

Complementing the elegant look is the tv advertising created by Leo Burnett USA, Chicago. The 30-second commercial that broke last week in selected southern and western markets has a glitzy, avante-garde look that is graphically reminiscent of Hollywood musicals of the 1930s and '40s, an agency spokesman said.

Themed "Catch the new wave of refreshment," the spot combines briskly edited footage of a swimmer, a sailor on a motorboat and a cliff-diving woman.

"Basically, we think the brands that will come out on top will be those willing to spend the most marketing dollars," said Schenley's Mr. Berk. "It will be a question of who has the most financial staying power."

Consequently, Schenley is experimenting with three different levels of ad spending—at national rates of $28 million, $20 million and $17 million—to determine just how much money will be necessary for Splash to come out on top.

Industry watchers also expect well known brand names to best survive the category's inevitable shakeout.

As the category creator, California Cooler has created awareness for its name, but such brands as New York-based Joseph E. Seagram & Sons' Seagram's Cooler are getting early trial based on name familiarity, these sources suggest.

Schenley has followed that lead by giving its cooler the Dubonnet name used on its line of cordials.

Brewers cautious on names

Brewers—especially Coors and Stroh Brewery Co., Detroit, which are marketing malt-based rather than wine-based coolers—have shied from tying their names too closely to the products.

Tv spots for Colorado Chiller are tagged "Made by Coors in Golden, Colo.," but the brewer's name is downplayed on product packaging.

"This is a different product competing in a different category [than our other brands]," Mr. Guthrie explained. "If we called it Coors' Colorado Chiller, consumers would automatically think beer, and we don't want that."

Similarly, packaging and advertising for Stroh's White Mountain Cooler carry no mention of the brewer (AA, March 11). MCA Advertising, New York, handles.

Heileman is preparing national rollouts for two products in the category. One is Country Cooler, a wine-based product marketed under an agreement with Vineyards Unlimited, Santa Fe Springs, Cal. (AA, Aug. 20).

Heileman also is moving La Croix Sparkling Cooler, carrying the name of its mineral-water subsidiary, into national distribution. The company said it has no immediate plans for national ad campaigns. W.B. Doner & Co., Southfield, Mich., handles.

One brewer that reportedly has pulled out of the cooler market is Milwaukee's Pabst Brewing Co. According to published reports, Pabst ceased marketing its Margarita Cooler brand (AA, Sept. 3) after the brewery was acquired by Paul Kalmanovitz. A Pabst spokesman declined comment on the brand's status.#

Contributing to this article were reporters Gay Jervey in New York, Brian Lowry in Los Angeles and Susan Garland in Dallas.

'Do you know me?' Yes, but I'm Peking

By STEWART ALTER

New territory in on-location tv commercials shooting was opened last month when American Express Co., New York, and its agency, Ogilvy & Mather, became the first to shoot an American commercial in the People's Republic of China.

The commercial, which will be the 65th in the "Do you know me?" series for the American Express Card, will go on the air later this month or early August, said Glen Gilbert, director of advertising-consumer card marketing at American Express. It was shot June 11 and 12 in three locations in Beijing—the Forbidden City, Tian An Men Square and the State Guest House.

The featured person in the new commercial is Lord Wedgwood. "Do you know me? I'm one of the biggest names in china," he says, referring to Wedgwood china. "But here in Peking a lot of people don't recognize me."

The card is accepted in more than 145 establishments in 19 cities in the PRC, and just last April 15 the Great Wall Sheraton Hotel in Beijing became the first internationally managed property in that country to accept the card.

Letting people know that "we are the international card and our presence in China is growing" was one of the reasons for developing the Chinese commercial, said Mr. Gilbert. But "it was also a way of refreshing and extending the 'Do you know me?' campaign."

He would not say how much the commercial cost, but said it was "not terribly out of the pattern" of costs for producing other commercials in that series.

While American Express is the first American company "to our knowledge" to shoot in China, said Mr. Gilbert, the Hong Kong crew it used believed Asian commercials had been filmed there.

While the Chinese were helpful, they were unaccustomed to American tv commercials production, and some explanation was required. For instance, in an eating scene in the State Guest House, it had to be explained that they were perfectly satisfied to have actors dressed as businessmen rather than real businessmen in the background. And no, they were not interested in eating the food that had been sitting on the plates during the lengthy shoot.#

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INSIDE

Special Report—Europe: Tracking creativity on the Continent

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Steve Florio

'The New Yorker' lands a dynamo

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Thursday

Oh, oh, Florio

Steven Florio has energy. He also has his work cut out for him, occupying one of the hottest hot seats in U.S. magazine publishing. Aggressive, optimistic and only 36, Mr. Florio was named in May to the new posts of exec vp of The New Yorker Magazine Inc. and publisher of *The New Yorker*, from publisher, *Gentlemen's Quarterly*. Last month, he was named president. That means he is running the show for S.I. Newhouse Jr.'s Advance Publications, new owner of the famed, if faded, weekly. *See Page 4.*

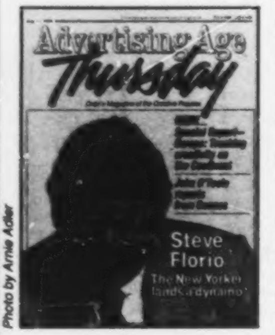

Photo by Arnie Adler

Digging up a winner

Even before the weeklong International Advertising Film Festival started at Cannes last month, the street talk was that BBDO's "Archeology" spot for PepsiCo was a strong contender to win the festival's highest honor, the Grand Prix. *See Page 7.*

Getting a soap fix

Fans of "Dynasty" are wondering what to do while waiting to learn who lived or died in the season-ending cliff-hanger. For some, though, that's no problem—they're re-reading a wickedly funny "Dynasty" newsletter. *See Page 32.*

Special Report—Europe

Europeans are cultivating their own brand of creativity, be it in advertising or on television. International—Europe Special Report takes a look at some of the people and the media making waves across the Continent, *starting on Page 15.*

Presstime

Seven-Up rolls to Burnett

St. Louis—Seven-Up Co. will move its entire $45 million account to Leo Burnett USA, Chicago, from N W Ayer, New York, sources say. Burnett already handles 7UP and Diet 7UP overseas. A Seven-Up spokesman had no comment.

Grey snares LHS&B

New York—Grey Advertising has acquired a majority interest in Levine, Huntley, Schmidt & Beaver. LHS&B, whose 1984 billings totaled $71.3 million, will become a separate subsidiary with its existing management intact.

Big Boy co-op to EPB

Washington—Marriott Corp.'s Big Boy Family Restaurants this week awarded its new $10 million national co-op account to Earle Palmer Brown Cos., Bethesda, Md. EPB last winter created the much-publicized "Stay or Go" campaign for the restaurants' Big Boy mascot.

New Mich spot tested

St. Louis—Anheuser-Busch is testing "alternative creative" for its Michelob superpremium beer in Chicago. A tv spot, running in late fringe, features a Hollywood theme. Test radio spots are similar. An A-B spokesman said the spots are "not intended to compete with or replace" the lifestyle "Where you're going it's Michelob" national campaign by Ted Bates Advertising/New York. A-B declined comment on reports that former Michelob agency D'Arcy MacManus Masius, St. Louis, produced the test commercials.

Schlitz at B&B. . .for now

Detroit—Stroh Brewery Co.'s Schlitz Malt Liquor, one of the account conflicts created by the merger of D'Arcy MacManus Masius and Benton & Bowles, will for the time being stay at B&B, sources say. Just before the merger announcement (AA, June 24, *et seq.*), B&B had completed new creative for the brand, and Stroh officials reportedly liked the execution. Once the new spots air, however, Stroh will conduct an agency review, concentrating on its current agencies, especially BBDO, New York, and MCA Advertising, Westport, Conn., sources say.

Chi-Chi's reviews agencies

Louisville—Chi-Chi's Mexican Restaurants is reviewing the creative assignment for its $13 million account. It has narrowed the field to Chicago agencies N W Ayer, Needham Harper Worldwide and Young & Rubicam, as well as New York shops Della Femina, Travisano & Partners; Marschalk Co.; Ketchum, and Saatchi & Saatchi Compton. Incumbent Fortis Fortis, Chicago, will be a finalist. MZD, Indianapolis, will continue to handle field service and media placement.

Apple eyes U.S.S.R.

Cupertino, Cal.—Apple Computer chairman Steven Jobs and vp-general counsel Albert Eisenstat returned last weekend from a one-week mission in the Soviet Union. They were investi-

(Continued on Page 35)

Photo by Jean-Marc Martin

BBDO accepts its Grand Prix at Cannes. On stage at the closing ceremonies were: BBDO producers Gene Lofaro (l.) and Jane McCann and senior vp and associate creative director Harvey Hoffenberg. *(See related story on Page 7.)*

Doing Cannes can leave you out in the dark

By John O'Toole

Commentary

Rumors flitted about here like the swallows at sunset, but Phil Dusenberry's lips were sealed.

As a judge at the 32nd International Advertising Film Festival, he had been burdened since 10:30 a.m. Wednesday with the knowledge that his agency's creation for Pepsi-Cola, "Archeology," was the Grand Prix winner—and the obligation to tell no one.

As the other American on the jury, I had only to fend off my eager colleagues from London who were trying to confirm the rumor that Foote, Cone & Belding had won a Gold Lion in the household-maintenance category for the Dulux paint commercial "Art Gallery."

Thus, Phil and I gave the impression of being the only ones in Cannes who didn't know all the major winners at least 48 hours before the news was announced Saturday night at the Palais des Congres.

Rumors are as much a part of the festival as the reels. They emerge in the morning from the combed-and-brushed beaches of the Carlton and Gray d'Albion hotels, they gain velocity as delegates gossip over langouste luncheons, they bounce about like pinballs in the Martinez Bar at the casino after midnight.

But they are for the delectation of delegates, not judges. The 18 men from 12 countries who chose the winners were unconcerned. At the end, we knew all the so-called secrets.

At the beginning, we heard little from outside the screening room which we entered at 8:30 a.m. and left, blinking and stumbling, at 7:30 p.m. After five such Kafkaesque days, we had screened 2,178 films, then rescreened 270 of them.

No one who has missed spending the greater part of a week staring at commercials on film and videotape can appreciate how eye-grinding, muscle-numbing and brain-draining the experience is. In fact, the physical demands are such that almost every judge gropes his way out of the screening room each night feeling the quality level has plummeted this year. It happens, we were told, every year.

My notes, scribbled in the semi-dark, attest to a mounting melancholia:

"Soft drinks. Doesn't anyone use a glass anymore?

"A dancing fishburger. Now I've seen everything.

"Wrong. Just saw a talking toilet.

"God created deserts so there'd be somewhere to shoot car commercials.

"Full circle. I've seen at least 30 films in b&w.

"Why I prefer judging print contests: A rotten 30-second spot takes as long to view as a good 30-second spot.

"Another space vehicle. Strange encounters of the 103rd kind.

"Another Tarzan spot. Another break-dance spot. Another Indiana Jones spot. . ."

Then, as the sun dropped behind Cap d'Antibes on the fourth day, the

(Continued on Page 7)

Mr. O'Toole is chairman of Foote, Cone & Belding in New York.

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ABP MPA RED TAG ABC ANPA

Weather's popularity reflects state of Belgian tv

By Barbara Bowers

Belgians do not have many interesting tv programs that are locally produced, which may explain why they look forward to Armand Pien's twice weekly weather reports.

A largely cabled country with two broadcast tv networks, Belgium allows no product advertising on tv.

Program producers must survive on funds from the government. Imported programs plug the gaps between original programing from Belgium. "Dallas," "The A-Team" and "Bewitched" are current hits.

One home-grown program many Belgians tune in to Tuesday and Friday evenings is the evening news' 12-minute weather forecast by Belgium's favorite meteorologist, Armand Pien.

"It is easily the most popular show we produce," says a programing executive at BRT, the Flemish-language tv network.

Mr. Pien's scholarly approach, offbeat sense of humor and engaging personality make his show unique. He has been a weather expert for 36 years and works fulltime at the Royal Meteorological Institute.

Mr. Pien mixes a hefty dose of fun with his in-depth, scientific look at the weather. He often uses several satellite photos in his broadcasts, saying, "They make it easy for people to understand what's happening right off."

He sometimes concludes the program with a humorous anecdote, but viewers seem to most enjoy his frequent pranks.

For example, at Christmas Mr. Pien decided to capture the holiday spirit by directing stagehands to tie a rope around his waist and hoist him skyward at the end of his report when a voice called, "Pien, come see what St. Nicholas brought you."

All went according to plan until the equally prankish crew decided to leave him dangling over the newscaster's head for more than 20 minutes.

Another time, Mr. Pien raised a glass of milk at the end of his report to encourage milk-drinking among children.

"I'm going to drink some local precipitation," he said. But the crew had spiked the milk with salt. "I had an awful time drinking that without grimacing," he says. "How could I make a face and then expect children to drink milk?"

Viewers love to send him samples of bizarre crops resulting from long bouts of good or bad weather. Produce displayed on recent shows include a 2-lb. tomato, a cucumber that stretched 47 ins., a potato that had grown into the shape of a heart and a sugar beet that looked like a woman's bust.

"What a strange way to make a living," he says.

Barbara Bowers is an American free lance writer living in Brussels.

Controversial Spanish program tackles problems

By Marina Specht

Every Tuesday evening 60% of Spain's 20 million tv viewers tune in to *"Si yo fuera Presidente"* ("If I were President"), one of the most popular and controversial programs ever aired in Madrid.

"We invite ordinary people to our studio and let them pretend to be ministers and congressmen, unburden their gripes or just give their own piece of wisdom," says Fernando Tola, who writes, directs and hosts the program.

The "studio" may be a set built to look like a subway car, the Spanish Congress or a window labeled "complaints" where people line up to talk to *"Senor Presidente"*—Mr. Tola.

Standing in line one night are a young couple expecting an unplanned, unwanted baby (abortion is illegal in Spain) and another couple who has tried desperately to adopt a child but has been frustrated by years of government red tape. The two couples—who have never met—begin discussing their plights. Before the end of the program and still on camera, they have arranged an informal adoption.

Further down the line, a man with a seeing-eye dog wants to know why the government lets restaurants ban dogs such as his when the blind obviously need them.

"Government officials often call us and ask for time on the program to explain their positions or promise to look into individual complaints," Mr. Tola says. His show is an example of how life has changed in Spain since the end of the 40-year dictatorship of Gen. Francisco Franco in 1975.

Even so, by criticizing and parodying not only the government, but also the Catholic Church and other conservative groups, *"Si yo fuera Presidente"* has stirred controversy since it made its debut in October, 1983.

"It's also become the third most popular tv show in Spain, and the government wouldn't dare to interfere, even though it owns the two national tv networks," Mr. Tola says.

Despite the high ratings and success with advertisers, Mr. Tola is considering taking a break.

"Our problem is that we create a totally new program every week, and this makes you run out of ideas sooner or later," he says.

On one program, a Communist state attorney and a conservative congressman have to be separated by barbed wire from a horde of convicted thieves and their victims for a discussion on the safety of Spanish cities.

Recently "Presidente" was filmed in a huge labyrinth, where Mr. Tola met a clown seeking a partner, a homeless family looking for shelter and an intellectual in search of the student activism of the 1960s. The week's theme was "things we look for and can't find."

Breaking the language barrier

By John Parry

Lydia Boesch, 14, has an advantage when watching pan-European Sky Channel on cable tv in Zurich. She's bilingual—her father is Swiss, her mother is English. But even her non-English speaking friends watch Sky Channel, she says.

"They like the music programs and the commercials, and they are really making progress learning English from just being tuned in to things like 'Sky Trax,'" a Sky Channel-produced afternoon music program, she says. Such Sky programing is most popular with Lydia and her 17-year-old sister, Cornelia Boesch.

Zurich is one of the more highly cabled cities in Europe, with 82% of homes hooked up and 14 channels offered.

Although Switzerland is highly cabled and is Sky's second largest market—after the Netherlands—with 597,946 subscribers, the average person in Switzerland watches only about one hour of tv daily compared with more than five hours in England.

But in the English-speaking community, the word is apparently out that Sky is available—and worth watching—in Zurich. However, it has not yet extended to other major Swiss cities with the exception of a few hotel room linkups in Geneva.

"We are moving from this house next year, and in the course of talking with people who might like to buy it, I came into contact with an English family living in [French-speaking] Geneva who are moving up here to [German-speaking] Zurich," Margaret Boesch, the girls' mother, says. "One of the first things the lady asked me was whether Sky Channel was available. She was very pleased when we told her it was."

Cable rules for Europe

	Households cabled (%)	Ownership	Allow advertising	Allow pay tv	Cable operators allowed to produce programs	Allow satellite delivery	Cable network must carry national broadcast channels
Britain	5	private	yes	yes	yes	yes	yes
France	2	public	yes	yes	no (a)	yes (g)	yes
West Germany	4.5	public	yes	yes	yes	yes	yes
Belgium	83	mixed	no (b)	yes (d)	no (e)	yes	yes
Luxembourg	83	mixed	yes	yes	no	yes	yes
Netherlands	60	mixed	no (c)	yes	yes (f)	yes	yes
Sweden	5	mixed	no (h)	no	no (e)	yes	yes
Norway	14	mixed	no	no	yes	yes	yes
Finland	8	mixed	yes	yes	yes (e)	yes	yes
Denmark	7	mixed	no (i)	yes	no (e)	no (j)	yes
Austria	8	private	yes	no	no	no (k)	yes
Switzerland	48	mixed	yes (l)	yes	no (e)	yes	yes
Ireland	29	mixed	yes	yes	no (e)	no (a)	yes

Source: CIT research

a New legislation expected soon.
b The ban on Belgian syndicated tv advertising is due to be lifted. Advertising has been allowed on imported broadcast channels.
c Advertising is not allowed on pay-tv. Advertising is allowed on imported channels (providing it is not targeted at Dutch market) and on teletext.
d Only one pay-tv license issued so far: RTBF.
e Except local and/or experimental projects.
f Under license.
g Hotel Meridien and Biarritz network on experimental basis only.
h Apart from imported broadcast (mainly German) and satellite channels.
i The ban on Danish originated tv advertising is expected to be lifted soon. Advertising is allowed on imported satellite and broadcast channels.
j Apart from Sky Channel at Hotel Scandinavia in Copenhagen.
k Apart from trial of Sky Channel on Viennese network.
l Except local tv.

Channel

(Continued from Page 25)

Belgium, Switzerland and Italy. It is Dash 3 only in France, Germany, Spain, the Netherlands and Austria.

"It doesn't take people long to think 'Yes, I've seen that in shops under a different name,'" a Sky channel executive says. "To re-brand something as big as Dash or Mars would be quite tricky."

Mars' Raider and Snickers candy bars are sold as Twix and Marathon in England. Both are advertised on Sky.

Last October, P&G changed the name of its Ivory detergent in Sweden to Ariel to bring it in line with the rest of Europe, reportedly so the Swedes could make sense out of satellite cable ads for Ariel. P&G announced the name change for the brand, with a 2% market share, in a Swedish print ad showing a packet of Ivory powder being poured into a packet of Ariel.

Sky Channel's ads come from all over—even Japan, where Nikon and Panasonic make spots in English.

Sky's newest advertisers include Adidas, Samsonite, Sony and Eastman Kodak. Long-time Sky users such as Coca-Cola and Nissan are starting new campaigns.

Gillette's Jordan toothbrushes run a spot every eight weeks reminding viewers it is time for a new toothbrush.

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People Patterns 'Typical' American family a dying breed

By PETER FRANCESE

As the debate over tax reform heats up, someone probably will try to determine its effect on the "typical" American household. The problem is that there aren't any typical households anymore, and the effect of any tax policy will vary depending on the kind of household it falls on.

The end of the deduction for child care, for example, would fall only on those families with children. The latest figures from the Census Bureau show that they are becoming a smaller and smaller minority every year.

Currently only 28.5% of American households are husband-wife families with children, a substantial decline from 1970 when the figure was 40%. What we used to say was a "typical" husband-wife family with two children now is found in only 11% of all households.

Since 1970, married-couple families with children actually have decreased by 1.2 million, while all households have increased by 22 million to a new record of 85.4 million.

From a political point of view, married couples with children are of little consequence. This can be seen in attitudes toward public schools. The decline in the quality of education has occurred simultaneously with the decline in the households that need schools. It's easy to defeat school district budgets or bond issues and tell teachers that there is no money for raises when so few voters have children in school.

Couples with no children make up the largest plurality of American households (30%). They have increased by 6.5 million since 1970 and are mostly older people. Two out of every three couples without children are headed by a person older than 50.

People who live alone make up the second largest household type without children. Single-person households have increased about 9 million since 1970 and now account for nearly 23% of all households.

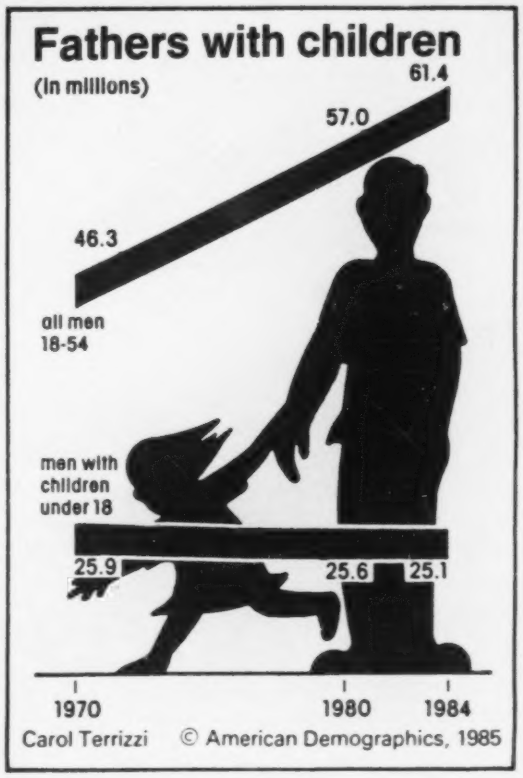
The combination of people who live alone, childless married couples and the few people who cohabitate without being married add up to 57% of all households.

The exception to this pattern involves single-parent families. About one of every five children in the U.S. lives with only one parent, usually the mother. The number of households consisting of a woman with one or more children has doubled since 1970. There are now nearly 6 million such families, most of whom live in poverty.

Changes in the tax laws probably won't affect them very much, but they have been deeply affected by continuing cuts in AFDC, food stamps and other such programs that primarily benefit children in poverty.

Nonetheless, the sweeping changes proposed in the tax code may have dramatic consequences on many American families.

If the so-called marriage penalty for dual-earner families is reinstated and the deduction for children is raised, maybe the number of husband-wife families with children will start to grow again. However, if the marriage penalty is high enough, it just might encourage more people to forget marriage and just live together.



Carol Terrizzi © American Demographics, 1985

As the American family has changed, so has the "father" component of that family.

Fathers come in many demographic varieties. Some are husbands in husband-wife families with children, a few are single parents raising children alone, and a growing number still have adult children living at home with them.

According to the latest Census Bureau survey, 24.3 million dads are living with moms and an average of 1.9 kids younger than 18. A much smaller group of 800,000 fathers is made up of single parents with an average of 1.5 kids.

The curious thing is that while our population has increased 15% and the number of adult men (18 to 54 years old) has grown 33% since 1970—from 46.3 million to 61.4 million—the number of fathers living with their children has declined by 3%.

In 1970 more than half of all men aged 18 to 54—25.9 million of them—had children younger than 18 who lived with them. By 1984 that figure had shrunk to only 41% (25.1 million of 61.4 million).

Part of this shrinkage has been caused by high levels of divorce—with the children of divorcing couples almost always ending up living with their mothers. However, even if we take the growing single parent phenomenon into account, several million men who we would have expected to become fathers by now haven't. The question is: Why?

In our society the usual prerequisite for having children is getting married, and millions of young adult men have not only delayed marriage but also still are living with their parents. More than one-third of the men in their 20s continue to live at home with mom, or mom and dad. That's 7.3 million men, double the number in 1970, who have chosen to remain in the nest beyond the customary 18 or 19 years.

That large number of adult men still at home more than accounts for the lack of growth in fathers since 1970.

Theories abound for this delayed flight from the nest. One suggests that it's because of the weakened economic rationale for early marriage. No longer, the theory goes, do most young women need young men to marry and support them. Young women are as well-educated as young men and are capable of supporting themselves.

But that still doesn't explain why more of today's young men don't go out and live by themselves or with friends or get married like young women do. Less than one-fourth of women in their 20s live at home.

Again, there are many theories, mostly centering on the different ways that parents treat adult male children and the differences in job opportunities between this and the previous generation of young people.

It will be fascinating to watch what happens during the next 10 years when these young men finally leave home. Who knows, maybe they won't.

Peter Francese is publisher of American Demographics.

Parting Shot Broadway has lost the 'right to fail'

By RANCE CRAIN

Live theater is thriving in Chicago, and London's West End is having one of its brightest seasons ever. But New York theater is in the doldrums. Is it because there's less risk-taking among New York producers? Or because of intolerance among the critics for less-than-total success? Or both?

I opt for both, and I'd also venture that the critics' choices are a major reason why there's not more risk-taking. It's similar to newspapers complaining that U.S. companies are being run for short-term profits and then playing up the corporations' quarterly earnings.

A case in point is the Broadway musical "Grind." The New York critics found very little of a redeeming nature about the production—to my mind, a perfectly agreeable and entertaining night on the town.

"One could weep for the talent that is expended to so little cumulative effect," wrote Frank Rich of the *New York Times.* "Too many bumps spoil the 'Grind,' " headlined the *Post.* "There are just two things wrong with 'Grind': The book and the songs," began the Daily News' review.

The musical had a good advance sale, thanks to corporate entertaining, but the show was forced to close in mid-June. In our crowd (we were part of an International Radio & Television Society outing) most people came away if not dazzled by the show at least engaged.

Ben Vereen stars in the musical, which takes place in a 1930s burlesque house in Chicago. There are elaborate sets, high-spirited and even frenetic singing and dancing and an involving story line. Mr. Vereen is a very entertaining guy, but I personally thought Timothy Nolan's lilting baritone and poignant songs were worth the price of admission.

> ***New York theater is in the doldrums. Is it because of intolerance among the critics for less-than-total success?***

"Surely it's overkill to erect as huge an edifice as 'Grind' to tell us that life wasn't all a cabaret in the urban America of 1933," wrote Mr. Rich.

What does he want? This is no morality play. Director Hal Prince gives us a pleasant, diverting evening. Isn't that enough?

Apparently not, at least at those prices. Top ticket prices of Broadway musicals are routinely more than $40 nowadays, and that provides a key clue to the problems afflicting New York theater today.

Michael Billington, theater critic for the *Guardian* in London, maintains the New York critics aren't killing theater; the problems are due more to the high costs of production. He concludes that government subsidies are the most critical factor in determining the difference between London and New York theater. Americans still regard subsidies as a form of "creeping communism," he contends.

Mr. Billington noted that Chicago has a much healthier theater community than New York. He visited New York and Chicago for three days recently, and found New York depressing but thought Chicago was active and exciting. His subsidy theory doesn't hold up well in Chicago, however, where some of the best live theater in the nation is being performed by companies that are 100% supported by season subscribers and box office sales.

But he does argue convincingly that an important factor is that there are more critics in London than New York. Frank Rich has so much clout in large part because he's the critic for the most influential news outlet in New York.

London, on the other hand, has four or five serious daily newspapers, each with its own equally serious critic—and each giving a different perspective.

In London, the variety of plays, the presence of permanent theater companies and economic subsidies give productions "the right to fail"—a luxury New York producers simply don't have.

C2710-1

$1.25 a copy; $55 a year

Monday, July 15, 1985

Advertising Age

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Coke's switch a Classic

It expects turnaround to spark new growth

By NANCY GIGES

Coca-Cola Co., erring in taking away what has been "an old friend" to the American consumer, may have stumbled into a stronger position to compete against its archrival Pepsi-Cola USA.

Industry analysts and marketing consultants working with Coca-Cola believe this mistake could be one of the best things that could have happened to the company. It provides it with a sweeter line extension that competes more directly with Pepsi and gives Coke an edge in blind taste-tests. Pepsi has touted its greater preference in blind taste-tests for years in its "Challenge" tv campaign.

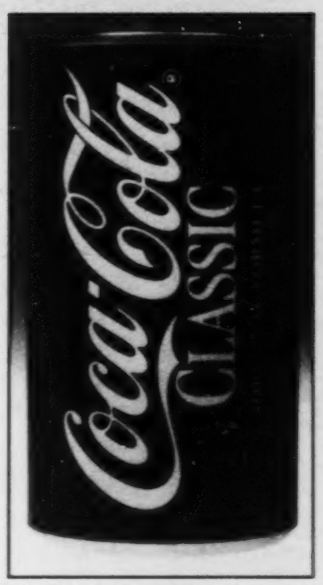
Alvin Schechter, partner in the Schechter Group, a design company that has worked with Coca-Cola on most of its packaging, said the company has been trying for years to figure out how to bring out a sweeter line extension.

"If they had come out with new Coke as a line extension or Coke Plus or whatever, the bottlers would have balked; supermarkets wouldn't have stocked it. They would have said, 'Who needs two flavors?' Coca-Cola was convinced they couldn't do it," Mr. Schechter said.

Emanuel Goldman, an analyst at Montgomery Securities, San Francisco, also suggested that Coke now can compete better against Pepsi with the new Coke and still satisfy those who want a stronger cola with the old brand.

John Bergin, vice-chairman of Coke's agency, McCann-Erickson Worldwide, who has been associated with the company for many years, commented that the family has expanded by one new member. Others include Diet Coke, caffeine-free Coke, caffeine-free Diet

(Continued on Page 82)



The "classic" package design for old Coke was developed in just 48 hours last week by Schechter Group, New York.

Smart or stupid? Opinions mixed

An Advertising Age roundup

It could wind up in the history books as the *classic* marketing blunder of all time. Or perhaps, in Coca-Cola Classic, a company has restored not only a revered soft-drink taste but consumer confidence and its reputation as a master marketer.

A survey on consumer reaction to Coke Classic—Page 82.

From a sampling of opinions throughout the marketing community, there generally is the belief that Coca-Cola has bitten the bullet and righted an essentially dumb move in restoring the old Coke formula while keeping a new Coke that's more competitive from a taste standpoint against archrival Pepsi-Cola.

Here are some of the reactions to the Coke Classic announcement last week:

Bob Gross, chairman, Geers Gross Advertising, New York: "So much for research! Research is great, but people are better. The new Coke has become the Edsel of our times."

Sara Ridgway, vp-pr, Lorillard, New York: "They have immortalized themselves forever in marketing textbooks, right up there with the Edsel. . .I've been stockpiling the 'Real Thing' for three

(Continued on Page 83)

Upfront's a good time for Mac

By VERNE GAY

New York—McDonald's Corp., which last year nearly doubled its upfront network tv prime time spending to $80 million, has spent $133 million this year to emerge as the single biggest advertiser in an upfront market filled with surprises.

Leo Burnett USA, Chicago, riding the wave of higher spending by Oak Brook, Ill.-based McDonald's and its recent assignment as the prime time negotiator for all General Motors divisions, has become the No. 1 agency in network upfront prime time billings, with more than $300 million placed this year. J. Walter Thompson USA, Young & Rubicam and Ted Bates Advertising had been bigger in upfront billings than Burnett, which last year placed about $225 million in prime time upfront.

But the real new giant coming out of the 1985-86 upfront prime time season—during which advertisers make commitments for the full tv season, rather than purchase individual spots on a "scatter" basis during the year—is NBC-TV, which not only secured nearly half of all upfront dollars spent, but also garnered some of the highest unit prices in tv history for individual shows.

"The Cosby Show," NBC's top-rated program last year, has commanded as much as $300,000 per 30-second spot, an alltime high for a regular series.

"Cosby" is expected to bring in more than $3 million per original episode for NBC, while sources said the program costs the network about $500,000 per show to produce.

NBC's "Miami Vice" also was priced aggressively, pulling in an average $175,000 per 30 seconds. By comparison, NBC's "The A-Team," a much higher rated show than "Miami Vice," sold in the upfront market for between $140,000

(Continued on Page 80)

Burnett wins 7UP

By SCOTT HUME
and STEWART ALTER

Disagreement over revival of the Uncola ad theme is said to have been behind Seven-Up Co.'s decision last week to make N W Ayer its "un-agency."

The St. Louis-based subsidiary of Philip Morris abruptly shifted the assignments for its 7UP, Diet 7UP, Like cola and Sugar Free Like to Leo Burnett USA, Chicago, from Ayer, which had been a Seven-Up agency since 1978 (AA, July 11).

The account had total measured-media billings of more than $41 million in 1984, but sources put the total value of the Seven-Up business at closer to $60 million. Burnett will officially assume the account Oct. 12.

In a statement, Seven-Up

(Continued on Page 83)

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Last Minute News

Agencies chase $35 million Fox

Los Angeles—Twentieth Century Fox Pictures has put its $35 million account up for review. Several agencies here are in the running, including Bozell & Jacobs and incumbent J. Walter Thompson USA, and reportedly BBDO/West, Kenyon & Eckhardt and Needham Harper Worldwide.

Carl's Jr. goes to Della Femina

Newport Beach, Cal.—Carl Karcher Enterprises has named Della Femina, Travisano & Partners, Los Angeles, to handle its $12 million Carl's Jr. fast-food chain business. The decision ends an 11-year relationship with Cochrane Chase, Livingston & Co., Irvine.

General Mills pumps $13.5M into Fiber One ads

Minneapolis—General Mills will back this week's national rollout of Fiber One cereal with a $13.5 million coupon, magazine and tv campaign touting its 11 grams of fiber per serving, compared with 9 grams for Kellogg's All-Bran. Dancer Fitzgerald Sample, New York, handles.

Times Mirror names Dempsey, Kopper

New York—Times Mirror Magazines has filled two top vacancies, naming Andrew Dempsey president, succeeding John Scott (AA, Jan. 15), and

(Continued on Page 8)

Gross tells of gains

By STEWART ALTER

New York—Any ad agency ceo would be pleased to win a new piece of business with projected 1986 billings of more than $20 million, especially if it came on top of a string of $10 million in additional assignments from one of his two largest clients.

But the new billings are particularly gratifying for Robert Gross, managing director-ceo, of Geers Gross, who in recent weeks has been battling what he calls the inaccurate and unfair perception that his London and New York agency is in financial trouble.

The new client, expected to spend over $20 million in a major new-product introduction next year, is Nintendo Inc., Redmond, Wash., the U.S. arm of a leading Japanese electronic game manufacturer. Best known here for its Donkey Kong video game, Nintendo, with $300 million in sales, is said to have 95% of the home video market in Japan and half of U.S. video arcade game sales.

The agency also picked up

(Continued on Page 80)

Follows Honda dealer shift

Ex-Needham exec sued over account

By STEWART ALTER

New York—Needham Harper Worldwide has sued a former employe for allegedly misappropriating the agency's media plan and some creative footage involving a former Needham account he now handles at another shop.

The suit in federal district court here names Richard Belding, a former account supervisor on three Honda dealer association accounts. He was making $61,500 a year when he left Needham two months ago.

In mid-May, Mr. Belding joined Sklar-Lenett Associates, Rye Brook, N.Y., an agency billing $12 million. Sklar-Lenett then gained as a new client the Western Pennsylvania Honda Dealers Assn., one of the three dealer groups supervised by Mr. Belding at Needham.

The court papers include a letter from Sklar-Lenett's media director to three Pittsburgh tv stations dated May 17, two days after Mr. Belding left Needham. The letter states that Sklar was "picking up" the media buy from Needham scheduled to start three days hence, and that "as of this day we are the agency of record."

Needham has sought "an order permanently enjoining" Mr. Belding from using the "proprietary information" and is asking for more than $300,000 that includes "$250,000 in punitive damages for defendant's reprehensible conduct." It also sought $40,000 representing a

(Continued on Page 80)

Campbell dipping into Lipton's soup market

By GAY JERVEY

Campbell Soup Co. will soon enter the $434 million dry-soup market with a six-item line the company describes as the most aggressive soup introduction in its 116-year history, and one it hopes will make it the undisputed super-company in soup.

For decades, dry soup has been the special turf of Thomas J. Lipton Inc., which dominates the category with some $120 million in sales.

Camden, N.J.-based Campbell, the canned-soup king, will spend an estimated $20 million to promote its new line of dry soups that will go national this fall under the name Campbell's Quality Soup Mix.

Since 1983, the items have been tested in Pittsfield, Mass.; Eau Claire, Wis.; Portland, Me., and Bakersfield, Cal., under the name Comin' Home (AA, May 14, '83).

Multimedia ads for Quality Soup Mix, via Leber Katz Partners, New York, will stress Campbell's high-quality heritage. They are to break just in time for the key cold-weather selling season.

The new packaging is distinctly Campbell, with the white script logo and the indentifying red and white colors on the boxes.

In addition, Campbell is toying with other experiments in dry foods, an area that not only has enticing profit potential but also fits today's faster-pace, dual-income life styles. "It's natural for us to start with soup, but there is no reason we can't use the technology and infrastructure we have put forth in these efforts in other areas," said Paul Masaracchio, general manager of Campbell's dry foods business unit.

Executives at Lipton, Englewood Cliffs, N.J., could not be reached for comment.

Campbell is making other moves to strengthen its key soup business, such as expanding marketing of Home Cookin', a family of premium, ready-to-serve soups now only available in certain parts of the Midwest. Home Cookin's niche? A somewhat lighter, upscale version of Campbell's Chunky soup. BBDO is Home Cookin's agency.

The company also has recently moved coast-to-coast with Gold Label Creamy Natural soups, which the company describes as a "restaurant quality" line of cream soups, including cream of broccoli, asparagus and cauliflower. Backer & Spielvogel, New York, handles.

Campbell has particularly high hopes for the instant soup business, which accounts for about 26% of the total soup category and is growing. For one thing, its test of Comin' Home showed there is plenty of elbow room. "We grew the market 34%, on top of the fact that Lipton maintained its share in the cities we were in,"

(Continued on Page 80)

Highlights

THE WINNING SHINE
$250,000 INSTANT SWEEPSTAKES
TWO WAYS TO PLAY AND WIN!
Pledge
Joy
Save 50¢
when you buy

Arby's seemingly endless search to find its niche in the fast-food market once again is leading the 1,600-unit chain to rethink its advertising strategy. *See Page 4.*

Procter & Gamble Co. is celebrating the first anniversary of its national launch of Ivory shampoo and conditioner with an estimated $3 million campaign that is intended to run only during the month of July. *See Page 6.*

The Federal Trade Commission, in what could be a blueprint case for advertisers who use expert endorsers, has singled out a respected Pennsylvania doctor as being individually responsible for the unsubstantiated weight-loss claims he made in advertising for a diet that he developed and sold. *See Page 10.*

Ralston Purina is looking to pump some life into its foundering share of the $4.4 billion ready-to-eat cereal market by introducing two new cereals. *See Page 12.*

Campbell-Mithun has been serving vegetables for 50 years. The agency started its relationship with Larsen Co.'s Veg-All on July 15, 1935, and has been devising ad recipes ever since. *See Page 42.*

S.C. Johnson & Son and Procter & Gamble, rivals in several product categories, have teamed up for a $250,000 sweepstakes. P&G's Joy dishwashing detergent and Johnson's Pledge furniture polish are sharing top billing during the summerlong "The winning shine" promotion. *See Page 76.*

CORPORATE CLOSEUP

With analysts forecasting an eventual industrywide shakeout among fast-food chicken restaurants, nobody scratches harder—or better illustrates what things are like in the middle of the pack—than scrappy Popeyes Famous Fried Chicken & Biscuits. *See Page 4.*

FORUM

Adman Richard Manoff defends marketing's role in promoting public health. *See Page 18.*

VIDEOTECH

Though videocassette recorders continue to be the consumer electronics industry's hottest-selling item, major vcr marketers are fearing a product glut that could force marketers and retailers to slash prices so low that the units are not profitable. *See Page 48.*

DIRECT MARKETING

American Telephone & Telegraph is planning to position Dial-It 900 telephone service as a new medium for advertisers and marketers. *See Page 66.*

COMING THURSDAY

SPECIAL REPORT

Liquor sales continue to slip into a deep freeze these days. However, industry innovators are launching new products and realigning their sales divisions to cope with a market that will continue to take its share of shots.

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ABP MPA RED TAG ABC ANPA

BURGER KING
WHOPPER
Aren't You Hungry?
BURGER KING

Oh, yes! It's Mr. Bill for BK

Former "Saturday Night Live" stalwart Mr. Bill takes some lumps from Burger King in a network tv spot breaking this week for BK's new Whopper sandwich. While whooping it up for the larger burger, he gets flattened by a falling Whopper container. J. Walter Thompson USA, New York, handles.

Late West Coast news

Hearst Cal. papers for sale to Scripps?

Hearst Corp. is negotiating to sell a substantial portion of its 30 Hearst Community Newspapers in Southern California to Cincinnati-based Scripps Howard, in an estimated $19 million deal. Scripps executives last week confirmed negotiations are under way, but said no deal has been struck. Hearst executives, based in New York, would not comment, but Hearst officials in California denied a sale had taken place.

Tomy Corp., Carson, Cal., last week named Scott Lancaster Mills Atha, Los Angeles, as agency for its new hobby and crafts division headed by former Tomy vp-general manager Dan Oakland. The Aurora division will market Aurora brand home racing kits, but has plans to expand beyond that. Initial ad spending is estimated at around $2 million. SLMA had handled Tyco Industries, Morristown, N.J., before losing the business to Bozell & Jacobs/Pacific last month (AA, June 3).

Old National Bank, Seattle, is reviewing its $2 million account, currently at Elgin Syferd, follow-

(Continued on Page 83)

P&G's Ivory shampoo lathers up $3M ads

By LAURIE FREEMAN

Procter & Gamble Co. is celebrating the first anniversary of its national launch of Ivory shampoo and conditioner with an estimated $3 million campaign intended only for the month of July.

The Cincinnati, O.-based marketer is telling the trade it will spend $2 million for national tv spots and $400,000 for radio time, "reaching saturation levels." In addition, the company planned to drop over 200 million coupons, including two 50¢-off coupons on Sunday, July 14, and Sunday, July 28. A $650,000 print campaign will support the broadcast and coupon efforts.

Ivory was introduced nationally last July with a campaign themed "Not fancy, just fabulous," handled by Benton & Bowles, New York (AA, May 21, '84).

The theme will continue to be used during the anniversary month, said a P&G spokeswoman.

According to the latest available A.C. Nielsen Co. figures, Ivory shampoo holds an 8% share of the $1.38 billion segment.#

Garfield pens AA column

New York—Robert Garfield, award-winning columnist for *USA Today*, has joined Advertising Age and the Crain Syndicate as a general columnist.

Mr. Garfield's column will make its AA debut Monday, July 22.

A prolific writer for national publications as well as a twice-weekly columnist for Gannett Co.'s *USA Today*, Mr. Garfield's essays have focused on the humorous aspects of advertising and marketing, from the fractured grammar of tv commercials to the flood of calorie-reduced "light" foods and beverages.

In announcing the appointment, AA editor-in-chief Rance Crain said Mr. Garfield will have the latitude to cover the entire spectrum of American life, from the "light and bright" to serious reflections on current events and topical subjects.

R. Garfield

Mr. Garfield will report to AA editor Fred Danzig. Said Mr. Danzig, "We believe our readers will not only enjoy Bob's unique slants on things and his talents as a writer, but will also benefit from his impressive background as a business news reporter."

The Chicago-based Crain Syndicate will make Mr. Garfield's work available to daily newspapers and other periodicals starting later this year.

Mr. Garfield, a native of the Philadelphia suburb of Bala-Cynwyd, is the recipient of the Saatchi & Saatchi Compton Award, presented annually for superior newspaper coverage of the advertising business.

He was a member of the start-up staff at Gannett's national daily in 1982, having served as a business and investigative reporter in Delaware for the *Wilmington News-Journal*, another Gannett daily, and Pennsylvania's *Reading Times*.

Mr. Garfield, 30, received awards in both states for his reportorial work. In Delaware, he was honored for an in-depth examination of Du Pont and in Pennsylvania for a candid jail-cell interview with a convict who was responsible for a 16-year crime binge.

He has contributed frequently to such publications as *Esquire*, *Manhattan, inc.*, the *New York Times*, *Philadelphia* and *Washington Journalism Review*. He will continue to be based in Washington.#

CORRECTIONS & CLARIFICATIONS

- Chiat/Day, San Francisco, is the agency for California Cooler, not Chiat/Day, Los Angeles (AA, July 8, P. 1).
- West Nally Inc., New York, working on behalf of Worldwide Sports & Entertainment, Los Angeles, was the company that had signed Eastman Kodak Co. and AT&T as Live Aid corporate sponsors. An earlier story credited Worldwide with those sales (AA, July 8, P. 41).
- Now in his 70s, Democratic Rep. Edward P. Boland continues to represent the Massachusetts second congressional district in Washington. An article about the impact of the "I am the Nation" ad erroneously referred to "the late Edward P. Boland," who read the ad into the "Congressional Record" on July 5, '55 (AA, July 1, P. 30).
- Mountain Bell says it does not permit resale of directory assistance listings obtained through its new computer service, ScanTel. Resale of its listings obtained in printed form is possible, however (AA, July 1, P. 42).
- Foote, Cone & Belding, New York, not the agency's Chicago office, handles the Fritos account for Frito-Lay (AA, July 1, P. 3).
- An item on Harcourt Brace Jovanovich's *Corporate Travel Agent* (AA, July 1, P. 8) omitted the total circulation for its September launch. The controlled-circulation magazine will reach 20,000 readers at 7,000 travel agencies.
- A photo of Steve Shaw, new assistant director of research, Media General Research, was incorrectly identified earlier (AA, June 17, P. 56).
- Feldman Calleux Associes figures for 1984 gross income and billings were incorrectly listed (AA, May 20, P. 6). Gross income for that year was $13.1 million and billings were $87.2 million. The figures apply to FCA Holdings, consisting of B&B Publicite, Concurrence Moderne, IDM Conseil Group and Marianne; the May 20 report only listed figures for Feldman Calleux Associes and not its other offices.#

S. Shaw

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the CouponCounter

THE COUPON COUNTER HAS MORE SALES DRIVE

The Coupon Counter® is the revolutionary machine that gives shoppers valuable coupons every week, right where they shop. And because it conveniently puts your coupon right into shoppers' hands, it puts more sales into your pockets.

GET BETTER SALES MILEAGE

Our track record speaks for itself. In 1984 The Coupon Counter blew past conventional coupon vehicles, racking up redemption rates in excess of 13%. In fact, a coupon delivered through The Coupon Counter is almost three times as likely to sell your product. Because it's conveniently delivered in a pre-clipped stack of non-competing brands. Never in a clutter.

FEEL INSTANT SALES RESPONSE

Thanks to our unique in-store delivery system, Coupon Counter coupons are usually redeemed immediately. Which means you get virtually instant sales response. This also makes it easy to coordinate your coupon drop with timely in-store displays and promotions.

TAKE A TRIAL RUN TODAY

To experience all the features designed to help sell your products harder, you've really got to try The Coupon Counter. Once you do, we're sure you'll join the long list of top companies who count on us.

JUST CALL
1-617-329-5800
and ask for the V.P. of
Account Services.

the CouponCounter®
THE COUPON VEHICLE WITH MORE SALES DRIVE.

Schonfeld tracks ad spending

CHICAGO—Schonfeld & Associates has issued its ninth annual report on advertising budgets and spending ratios.

The study shows advertising-to-sales ratios, advertising-to-gross-margin ratios and advertising growth rates for each company in 1984, '85 and '86.

The accompanying table contains average 1984 ratios and the annual ad spending growth rate by industry. However, individual companies may spend more or less than the average, cautioned chairman Eugene Schonfeld.

Raw data for the study were compiled from 10-K reports filed by publicly owned companies with the Securities & Exchange Commission. Therefore, ad expenditures include such nonmedia spending as collateral literature and production. For this reason, these figures are often substantially larger than estimates from media-auditing services.

Although data were compiled from published reports, cautious interpretation is required for several reasons.

First, companies may vary in what they include under ad spending. Second, many large companies are in several fields, yet are listed only in their primary-industry sector; distortion may result because a large subsidiary may not be included in the industry in which it competes. Third, a few large companies are privately owned and are not included.

The Schonfeld study also forecasts ad budgets of 5,000 companies in 275 industries. Forecasts from the study predict Procter & Gamble, Cincinnati, to be the largest advertiser in 1986 with a total budget of $1.2 billion. Sears, Roebuck & Co. is expected to be close behind with spending of $1.1 billion. General Motors Corp., Detroit; Philip Morris, New York, and Beatrice Cos. also are expected to pass the billion-dollar mark.

The major diversified food marketers will lead all other industries with spending of $5.5 billion in '86, the study predicts. The drug and pharmaceutical industry will be second with $4.7 billion. Retail department stores will be third with $4.4 billion in advertising.

Service industries with small budgets will show greatest growth. Management consultants, security services, hospitals, real estate brokers and engineering services show annual compound advertising growth rates of 22% to 48%.

High-technology industries will remain strong with growth rates in the 15%-to-22% range. A key company to watch is Compaq Computer Corp., Houston, which is predicted to invest $53.2 million in 1986, up 56% from '85.

Retailers will show strong growth. Federated Department Stores, Cincinnati, will spend $402.2 million, up 11.6%, and K mart Corp., Troy, Mich., will hit $704.3 million, up 8.6%.

McDonald's Corp., Oak Brook, Ill., will invest $210 million, up 11.7%.

Some of the greatest growth, however, will come from medium-size specialty retailers and regional companies such as Perry Drug Stores, Pontiac, Mich., which will spend $17.4 million, up 16.1% in 1986. Shoe Town, Harahan, La., will spend $3.9 million, up 20.1%. Foreign companies will continue to be competitive in many industries. Matsushita Electric is predicted to spend $358.7 million in 1986, up 7.3%. NEC will spend $163.8 million, up 13.5%. Honda will invest $486.9 million, up 10.8%. But the Japanese won't be the only big spenders. Northern Telecom will invest $87.2 million. Philips NV will spend $459.4 million.

The U.S.' heavy and basic industries continue to moderate or reduce ad spending. Failure to reinvest in market development will be both a cause and effect of industrial decline, Schonfeld believes.

A copy of the study is available for $275 from Schonfeld & Associates, 2550 Crawford Ave., Evanston 60201.∎

Advertising-to-sales ratios, 1984 *(By industry)*

Source: Schonfeld & Associates Inc., 2550 Crawford Ave., Evanston, Ill 60201 (312) [illegible]. Legend: SIC - Standard industrial classification. NEC - Not elsewhere classified. Ad dollars as per cent of sales - Ad expenditures/net sales. Ad dollars as per cent of margin - Ad expenditures/(net sales—cost of goods sold). Annual growth rate of advertising dollars.

Industry	SIC no.	Ad dollars as per cent of sales	Ad dollars as per cent of margin	Annual growth rate (%)
Agriculture Production-Crops	100	2.2	8.7	3.9
Agriculture Produc-Livestock	200	1.7	5.3	4.8
Drilling Oil & Gas Wells	1381	2.5	9.1	−36.4
Oil & Gass Field Exploration	1382	.3	.5	−5.2
Oil & Gas Field Services NEC	1389	.1	.4	−3.3
Misc Nonmetallic Minerals	1499	.1	.3	8.9
Operative Builders	1531	1.7	14.0	13.7
Gen Bldg Contractors Nonres	1540	.7	4.0	7.3
Construction-Not Bldg Constr	1600	1.1	10.7	−39.1
Construction-Spl Contractors	1700	.7	4.5	4.3
Food & Kindred Products	2000	5.4	18.2	6.5
Meat Products	2010	1.4	10.1	12.1
Dairy Products	2020	4.0	14.8	10.7
Canned-Preserved Fruits-Vegs	2030	5.5	15.1	8.1
Flour & Other Grain Mill Pds	2041	1.9	11.5	3.7
Wet Corn Milling	2046	.2	1.3	−.7
Prepared Feeds for Animals	2048	8.8	30.0	5.9
Bakery Products	2050	1.2	2.7	8.2
Beet Sugar	2063	.2	1.0	7.0
Candy & Other Confectionery	2065	6.6	17.1	5.1
Malt Beverages	2082	8.1	23.4	15.1
Distilled Rectif Blend Bevrg	2085	6.3	17.1	2.3
Bottled-Canned Soft Drinks	2086	6.5	12.5	8.4
Food Preparation NEC	2099	2.4	7.2	.3
Cigarettes	2111	4.6	14.0	8.1
Cigars	2121	4.5	7.2	17.7
Textile Mill Products	2200	1.6	8.9	.0
Knitting Mills	2250	3.1	10.2	−7.1
Floor Covering Mills	2270	1.1	4.4	19.1
Apparel & Other Finished Pds	2300	3.8	11.9	2.8
Lumber & Wood Products	2400	.3	1.3	3.5
Wood Buildings-Mobile Homes	2450	.7	4.1	8.7
Household Furniture	2510	2.1	6.9	14.9
Office Furniture	2520	1.6	4.3	8.6
Paper & Allied Products	2600	1.7	5.3	9.0
Convert Paper-Paperbd Pd NEC	2649	1.6	3.8	8.6
Printing Publishing & Allied	2700	3.3	7.2	10.9
Newspapers: Publishing-Print	2711	2.1	5.1	11.8
Periodicals: Publishing-Print	2721	4.1	8.3	−8.6
Books: Publishing & Printing	2731	4.0	7.4	7.3
Commercial Printing	2750	.9	2.9	10.8
Manifold Business Forms	2761	.4	1.2	8.3
Greeting Card Publishing	2771	4.7	8.0	15.2
Chemicals & Allied Prods	2800	1.5	5.0	7.9
Indl Inorganic Chemicals	2810	12.0	32.5	16.9
Plastic Matl Synthetic Resin	2820	.8	3.1	4.4
Drugs	2830	8.9	14.6	6.0
Biological Products	2831	2.1	4.8	17.7
Medicinal Chemical Botanical Pds	2833	.7	.9	11.0
Pharmaceutical Preparations	2834	7.2	11.6	8.8
Soap & Other Detergents	2841	7.5	18.9	6.6
Perfumes/Cosmetics Toil Prep	2844	11.5	19.3	7.6
Paints-Varnishes-Lacquers	2850	2.6	7.8	9.1
Industrial Organic Chemicals	2860	.2	1.6	−46.2
Agriculture Chemicals	2870	5.0	21.2	12.6
Misc Chemical Products	2890	2.9	8.1	5.6
Petroleum Refining	2911	.3	1.2	5.2
Paving & Roofing Materials	2950	1.4	5.7	6.7
Rubber & Misc Plastics Prods	3000	1.6	7.2	6.3
Fabricated Rubber Prods NEC	3069	.7	2.6	5.0
Misc Plastic Products	3079	1.2	4.1	9.0
Footwear Except Rubber	3140	3.8	10.4	7.8
Leather Goods NEC	3199	2.7	6.7	−21.9
Flat Glass	3210	.1	.5	15.8
Glass Containers	3221	3.0	7.9	10.3
Cement Hydraulic	3241	.0	.1	6.7
Structural Clay Products	3250	1.2	3.5	11.5
Pottery Products NEC	3269	1.7	8.9	10.4
Concrete Gypsum & Plaster	3270	.5	1.7	11.3
Abrasive Asbestos & Misc Min	3290	1.4	4.9	6.8
Blast Furnaces & Steel Works	3310	1.6	11.3	14.7
Prim Smelt-Refin Nonfer Mtl	3330	.1	1.1	4.1
Rolling & Draw Nonfer Metal	3350	1.0	3.6	9.0
Misc Primary Metal Products	3390	.3	1.0	−1.2
Metal Cans & Shipping Cont	3410	5.1	19.8	−14.3
Hardware NEC	3429	6.3	13.0	−0.2
Heating Equip & Plumbing Fix	3430	2.3	6.2	8.2
Solar Energy Equip & Comp	3437	1.8	5.8	14.2
Mtl Doors-Frames-Mold & Trim	3442	.9	3.3	22.5
Fabricated Plate Work	3443	.9	4.2	−3.0
Sheet Metal Work	3444	.8	3.3	10.3
Prefab Metal Bldgs & Comp	3448	.9	4.3	−13.7
Misc Metal Work	3449	1.3	3.0	−1.1
Bolts-Nuts-Screws-Riv-Washrs	3452	.7	2.7	12.9
Metal Forgings & Stampings	3460	1.8	6.7	−2.4
Ordnance & Accessories	3480	2.1	8.2	−8.4
Valves & Pipe Fittings Ex Bras	3494	1.0	3.6	4.0
Fabricated Metal Prds NEC	3499	.9	3.8	−1.2
Engines & Turbines	3510	1.0	3.6	6.8
Farm & Garden Machinery & Eq	3520	1.2	5.0	3.0
Constr Min Mat Handl Eqp	3530	1.1	4.8	−16.2
Construction Machinery & Eqp	3531	1.4	5.6	7.0
Oil Field Machinery & Equip	3533	.4	1.4	−10.1
Hoist-Indus Cranes-Monorail	3536	1.1	3.6	−30.1
Indl Trucks-Tractors-Trailers	3537	1.6	8.6	3.5
Metalworking Industry & Eqp	3540	3.2	9.2	10.0
Special Industry Machinery	3550	1.8	4.7	3.9
Pollution Control Machinery	3558	.7	3.0	19.1
General Industrial Mach & Eq	3560	1.2	3.9	2.2
Office Computing & Acctg Mch	3570	.8	1.3	−28.0
Refrig & Service Ind Machine	3580	1.3	5.1	12.3
Elec & Electr Mach Eq & Supp	3600	2.0	6.6	2.4
Elec Transmission & Distr Eq	3610	1.0	2.9	−1.5
Electrical Industrial Appar	3620	1.8	6.7	6.9
Industrial Controls	3622	1.2	3.2	15.2
Household Appliances	3630	2.9	10.3	2.8
Electrical Lighting-Wiring Eq	3640	1.4	4.1	8.6
Radio-TV Receiving Sets	3651	2.5	7.2	3.7
Phonograph Records	3652	22.5	50.7	−12.9
Tele & Telegraph Apparatus	3661	1.5	4.3	5.4
Radio Tv Transmitting Equipment	3662	1.2	3.9	6.6
Electronic Components & Access	3670	.9	2.6	3.8
Semiconductors & Rel Devices	3674	2.0	4.8	19.6
Electronic Components NEC	3679	2.2	5.5	14.8
Electronic Computing Equip	3680	1.4	2.7	10.7
Computers —Mini & Micro	3681	5.6	12.9	20.2
Computers-Mainframe	3682	1.5	2.7	7.4
Computer Terminals	3683	3.4	8.1	21.0
Computer Disk & Tape Drives	3684	1.0	3.2	12.0
Optical Char-Laser Scanners	3685	.7	.5	13.5
Computer Graphics Systems	3686	1.2	2.2	19.9
Office Automation Systems	3687	1.8	3.4	20.1
Computer Peripherals	3688	.5	1.5	13.4
Computer Equipment NEC	3689	2.1	5.2	23.1
X-ray, Electromedical Apparat	3693	1.5	2.6	8.8
Robotics	3695	2.5	11.3	17.3
Electrical Machy & Equip NEC	3699	4.3	12.6	5.8
Motor Vehicles & Car Bodies	3711	1.9	10.7	8.7
Motor Vehicle Parts-Accessor	3714	1.0	4.5	12.5
Motor Homes	3716	1.1	6.4	23.0
Aircraft & Parts	3720	1.8	9.1	7.5
Aircraft	3721	1.4	7.0	9.5
Aircraft Parts & Aux Equip	3728	.4	1.1	8.2
Ship-Boat Building & Repairing	3730	1.5	5.3	18.4
Motorcycles Bicycles & Parts	3750	2.0	9.1	8.1
Travel Trailers & Campers	3792	1.6	11.7	16.6
Engr Lab & Research Equip	3811	1.6	3.6	13.4
Measuring & Controlling Inst	3820	.8	2.5	13.7
Automatic Cntls Envri & Appl.	3822	.0	.1	22.1
Industrial Measurement Instr	3823	1.7	3.9	−.3
Elec Meas & Test Instr	3825	1.3	3.0	9.2
Meas & Controlling Dev NEC	3829	1.3	2.9	8.6
Optical Instruments & Lenses	3830	2.0	4.7	16.6
Surg & Med Instruments & App	3841	1.4	3.3	8.8
Ortho-Prosth-Surg Appl & Supp	3842	1.2	3.4	12.8
Dental Equip & Supplies	3843	2.6	6.0	10.5
Opthalmic Goods	3851	5.4	9.7	13.4
Photographic Equip & Suppl	3861	3.9	8.0	7.9
Watches Clocks & Parts	3870	1.6	5.3	−21.4
Jewelry-Precious Metals	3911	.7	3.9	.9
Silverware-Plateware	3914	3.3	12.2	5.5
Musical Instruments	3931	1.9	7.1	−6.9
Toys & Amusement Sport Goods	3940	7.3	18.0	4.3
Pens-Pencil & Oth Office Mat	3950	4.7	10.8	9.7
Misc Manufacturing Industries	3990	4.3	10.2	7.8
Intercity & Rural Hywy Trans	4131	4.0	10.0	27.8
Trucking-Local & Long Distance	4210	1.4	7.1	16.0
Water Transportation	4400	1.2	5.7	5.8
Air Transportation-Certified	4511	1.9	9.7	9.7
Transportation Services	4700	3.0	11.5	10.7
Telephone Communication	4811	1.5	4.2	−4.6
Telegraph Communication	4821	1.3	3.7	20.4
Radio-TV Broadcasters	4830	3.9	10.4	9.3
Communications Services NEC	4890	3.5	15.3	14.7
Cable Television Operators	4891	2.1	3.5	8.7
Telephone Interconnect Sys	4892	1.4	5.1	19.0
Natural Gas Transmis-Distr	4923	.2	.8	11.9
Sanitary Serv	4950	.8	10.0	−4.9
Whsl-Autos & Parts	5012	4.7	17.3	8.4
Whsl-Lumber & Constr Matl	5030	.9	2.8	3.7
Whsl-Sporting & Recrea Goods	5040	.8	3.2	12.8
Whsl-Metals & Minerals	5050	6.6	51.9	26.1
Whsl-Elec Apparatus & Equip	5063	.1	.2	−32.2
Whsl-Elec Appliance TV & Radio	5064	5.9	14.7	11.6
Whsl-Electronic Parts & Equip	5065	2.9	10.4	14.1
Whsl-Hardwr Plum Heat Equip	5070	4.7	31.8	2.1
Whsl-Machinery & Equipment	5080	1.7	6.2	3.8
Whsl-Durable Goods NEC	5099	2.1	8.0	6.3
Whsl-Drugs & Proprietary	5120	1.3	9.5	.8
Whsl-Groceries & Related Pds	5140	.4	3.7	9.3
Whsl-Petroleum & Petro Pds	5170	1.0	8.1	.8
Whsl-Nondurable Goods NEC	5199	1.0	8.8	7.5
Retail-Lumber & Bldg Mat	5211	2.2	8.5	12.2
Retail-Mobile Home Dealers	5270	.8	4.0	13.5
Retail-Department Stores	5311	3.3	13.5	9.9
Retail-Variety Stores	5331	2.2	8.0	8.6
Retail-Grocery Stores	5411	1.4	6.0	5.9
Convenience Stores	5412	.4	2.2	10.5
Retail-Auto Dealers & Gas Stat	5500	1.6	5.7	8.2
Retail-Apparel & Acces Store	5600	2.0	5.2	12.5
Retail-Womens Ready To Wear	5621	2.0	6.1	16.7
Retail-Shoe Stores	5661	2.0	5.5	4.4
Retail-Furniture Stores	5712	7.1	18.2	12.1
Retail-Hshld Appliance Store	5722	5.7	19.0	15.3
Retail-Radio Tv & Music Str	5730	4.1	12.1	27.8
Retail-Eating Places	5812	3.7	15.8	13.9
Retail-Drug & Propriet Stores	5912	1.6	6.1	11.5
Retail-Jewelry Stores	5944	6.2	15.9	5.7
Retail-Sewing & Needlework	5949	4.0	7.9	11.1
Retail-Mail Order Houses	5961	15.3	38.8	8.5
Retail-Auto Mdsng Mach Oper	5962	8.3	20.7	14.1
Retail-Fuel & Ice Dealers	5980	.6	2.7	−44.2
Retail-Computer Stores	5995	3.7	12.6	34.7
Retail-Stores NEC	5999	3.4	8.7	9.8
Savings & Loan Associations	6120	.7	3.0	12.2
Personal Credit Institutions	6140	1.6	3.0	13.0
Business Credit Institutions	6150	.7	1.0	6.7
Finance-Services	6199	4.2	19.8	9.6
Security & Commodity Brokers	6200	.6	6.5	5.4
Insurance Agents Brokers	6400	.8	3.2	2.2
Real Estate	6500	1.8	3.2	5.8
Operators-Nonres Bldgs	6512	2.2	5.0	10.4
Operators-Apartment Bldgs	6513	.6	1.6	23.9
Lessors of Real Property-NEC	6519	.6	−1.1	11.3
Real Estate Agents & Mgrs	6531	3.4	13.3	6.0
Real Estate Dealers	6532	1.2	3.6	23.9
Subdivid Develop Ex Cemetery	6552	2.6	11.5	12.8
Oil Royalty Traders	6792	.0	.0	−2.7
Patent Owners & Lessors	6794	3.8	16.0	11.7
Real Estate Investment Trust	6798	2.2	4.0	9.6
Hotel-Motels	7011	2.6	9.7	8.6
Serv-Personal	7200	5.8	14.7	10.7
Serv-Linen Supply	7213	.1	.3	4.5
Serv-Advertising Agencies	7311	.1	.3	−6.4
Credit Reporting Agencies	7321	2.2	10.2	9.1
Serv-Clean & Maint to Bldg NEC	7349	.4	2.1	7.2
Personnel Supply Services	7360	2.1	8.7	.5
Serv-Computer & Data Process	7370	1.8	4.5	16.4
Serv-CMP Program & Software	7372	2.2	6.4	16.0
Serv-Data Processing Svcs	7374	1.8	4.3	7.9
Serv-Computer Rel Svcs NEC	7379	1.4	1.9	11.5
Serv-Research & Developmnt Lab	7391	1.0	4.7	15.5
Serv-Mgmt Consulting & PR	7392	.7	1.4	47.7
Serv-Detective & Protective	7393	1.5	4.4	28.3
Serv-Equip Rental & Leasing	7394	3.6	5.9	7.2
Photofinishing Laboratories	7395	7.9	24.1	6.6
Commercial Testing Labs	7397	3.9	11.3	17.1
Serv-Business Services NEC	7399	1.5	5.7	12.9
Serv-Automotive Repair & Ser	7500	2.5	6.1	5.0
Serv-Motion Picture Productn	7810	10.3	34.7	−2.2
Serv-Motion Picture Theatres	7830	4.1	19.8	7.8
Serv-Racing Incl Track Oper	7948	4.1	20.5	10.6
Serv-Misc Amusement & Recrea	7990	4.4	15.7	16.1
Serv-Nursing-Person Care Fac	8050	1.0	5.7	8.1
Serv-Hospitals	8060	3.2	11.5	25.3
Medical & Dental Labs	8070	.9	2.4	8.5
Outpatient Care Facilities	8081	1.4	9.0	8.1
Health & Allied Services NEC	8091	1.5	4.0	17.5
Serv-Educational	8200	4.3	10.5	16.3
Serv-Engineering & Architect	8911	1.1	3.5	21.8

Coffee grinds to a halt, decaffeinates stay hot

By JOHN C. MAXWELL JR.

The coffee industry appears to have bottomed out in 1984. Consumption, up 3.1% from 1983 to 26.7 gals. per person, may be sustainable for the near future, but we believe the industry may experience further declines.

Some think the coffee industry has bottomed out for good. Others believe the National Coffee Assn.'s campaign, the "Coffee achievers," and youth-targeted ads by companies such as General Foods Corp. will result in near-term gains among young consumers but nothing permanent or lasting.

The largest per capita gain last year was among 15-to-19-year-olds, up 15.4% from 1983. Although a strong year-to-year increase, consumption levels are far from that of the '60s and '70s.

We believe that the proliferation of decaffeinated coffees and the tremendous amount of new-product marketing are reasons for the increase in over-all 1984 consumption. The jump in decaffeinated consumption relates to the health-conscious '80s. People are concerned, in general, about what they put into their bodies and, in particular, about caffeine.

While instant consumption remained rather flat for the year, regular or ground consumption continued to increase. With more coffee makers and a penchant for freshness in foods and beverages, people appear to be using more regular coffee than in the past. The new coffee makers, especially the preprogramable kind, prepare one or more cups of fresh coffee as fast as one can boil water for instant coffee. The overwhelming consensus is that fresh tastes better—thus the increase in ground consumption, which now represents about 12% of the total regular coffee market.

Price is very much a factor in consumption. In 1984, regular canned coffee (16 ozs.) averaged $2.578 and instant (9.1-to-14-oz. jars) averaged $5.347. Bean prices have been relatively stable since the International Coffee Agreement of 1981 and, barring any unforeseen disasters such as a crop freeze in Brazil, no substantial changes are expected.

In 1984, General Foods easily maintained its No. 1 position in the instant category despite slipping slightly from 44.3% to 44%. Nestle Foods Corp., the second-place producer, remained almost flat, while No. 3 Procter & Gamble Co. picked up a share point, thanks to the introduction of Folgers decaffeinated.

In the regular or ground segment, General Foods gained almost two share points because of increased sales in Master Blend, Max-Pax, Brim and Sanka Brand. P&G's Folgers was about even, while Hills Bros. and Chock Full O'Nuts were up.

Growth opportunities for coffee producers appear to be not only in the expansion of the decaffeinated market but also in specialty coffees. As the consumer becomes a more sophisticated coffee drinker, the industry believes he or she will try different types of coffee. Flavored coffee is only 1% of total sales, but it's growing. General Foods is clearly the leader in this segment, but other competitors are expected as this category takes hold.#

Mr. Maxwell is with Furman Selz Mayer Dietz & Birney, New York.

Coffee market shares

If you look at the market share percentages coffee makers hold, the dominance of a few becomes evident. Source: John C. Maxwell Jr.

	1980	1981	1982	1983	1984
Regular coffee					
General Foods					
Maxwell House*	22.3	20.2	19.5	19.0	18.9
Maxwell House Master Blend	—	5.2	6.9	7.5	8.7
Sanka	3.2	3.5	3.7	3.9	4.4
Yuban	2.0	1.6	1.3	1.0	0.8
Max-Pax & Brim	3.5	3.2	2.8	2.7	3.0
Mellow Roast	1.0	0.8	0.6	0.5	0.4
Total	32.0	34.5	34.8	34.6	36.2
Procter & Gamble					
Folgers	25.0	24.0	23.6	24.9	25.0
Hills Brothers					
Hills Brothers	6.3	6.0	6.7	7.4	8.1
Chock Full O'Nuts	—	4.2	4.2	5.0	5.3
Coca-Cola					
Maryland Club	1.0	1.0	1.0	1.0	1.0
Butternut	2.4	2.4	2.4	2.4	2.4
Total	3.4	3.4	3.4	3.4	3.4
Subtotal	66.7	72.1	72.7	75.3	78.0
All others	33.3	27.9	27.3	24.7	22.0
Grand total	100.0	100.0	100.0	100.0	100.0

*Electra-Perk is roughly 6% all years.

	1980	1981	1982	1983	1984
Instant coffee					
General Foods					
Maxwell House	21.8	22.2	22.5	22.5	22.5
Maxim	3.4	3.3	2.8	2.6	2.4
Sanka	10.5	10.2	10.2	10.1	10.0
Yuban	1.2	1.0	0.8	0.6	0.4
Freeze-Dried Sanka	2.4	2.3	2.2	2.1	2.0
Brim	3.4	3.9	4.1	4.3	4.5
Mellow Roast	1.8	1.5	0.8	0.5	0.3
International Coffees	0.9	1.1	1.3	1.6	1.9
Total	45.5	45.4	44.7	44.3	44.0
Procter & Gamble					
Folgers	11.0	11.0	12.0	12.5	13.0
High Point	2.5	5.3	5.5	5.1	4.7
Decaffeinated Folgers	—	—	—	—	1.3
Total	13.5	16.3	17.5	17.6	19.0
Nestle					
Nescafe Regular	7.8	7.2	6.5	6.1	5.7
Nescafe Decaffeinated	2.5	2.2	2.1	2.2	2.3
Taster's Choice 100% Coffee	11.7	9.2	9.3	9.5	9.7
Decaf	1.0	0.5	0.4	0.3	0.2
Taster's Choice Decaffeinated	4.3	5.7	5.8	6.1	6.4
Sunrise	2.3	1.8	1.6	1.6	1.6
Total	29.6	26.6	25.7	25.8	25.9
Borden					
Kava	1.0	1.1	1.0	0.9	0.8
Subtotal	89.6	89.4	88.9	88.6	89.7
All others	10.4	10.6	11.1	11.4	10.3
Grand total	100.0	100.0	100.0	100.0	100.0

Presentations bring yawns? Workshop has wake-up tips

New York—The difference between a good presentation and a bad presentation is the difference between applause and a yawn. . .a sale and a rejection.

To communicate effectively and interestingly is an art and a skill that will be discussed at the Advertising Age Creative Workshop by Peter Rogen, president of Peter Rogen & Associates, communications specialists. The workshop will be held Aug. 25 to 28 at the New York Hilton.

Mr. Rogen, whose client roster includes more than 30 ad agencies and companies such as American Express, Citicorp, Marine Midland, IBM, Westinghouse and Frito-Lay, will demonstrate how to be a more powerful communicator. His session is entitled "Bringing Creativity to Presentations."

Mr. Rogen sees creativity as a perception and says the ability to make others have the same perception is the key to successful presentations. To do so, a number of techniques are at one's disposal.

Included are obvious "tricks," such as film clips, surprise guests and live demonstrations. But "energy and enthusiasm are paramount, as is bringing statistics to life," says Mr. Rogen. "You must have an awareness of how your own personality interplays with that of your audience. And you must create a chemistry or magic between each member of the audience and yourself."

Mr. Rogen believes awareness of the space within which you are working is important. "Try to tailor the presentation to the space, if possible. . .be aware of your surroundings and understand the implications of distance."

In another session, Roberto Duailibi, director of the Brazilian agency Duailibi, Petit, Zaragoza, will talk about limited or one-time commercial spots. He will discuss the efficiency, the economy and the sales results of this innovative procedure in a session entitled "One-time Advertising."

With examples from Brazilian tv commercials, he will show how a number of agencies have tied advertising to current events to create timely, exciting, albeit limited, pieces. He calls this type of advertising "one-shot" or "parody of life" advertising.

"It takes a courageous agency and a client willing to invest in opportunities to create this kind of advertising, but it can be extremely effective," Mr. Duailibi maintains.

"The possibilities in this kind of advertising are endless," he says. "We can do ads when gas prices go up or if a popular soccer team loses a big game. It's all everyday events, any one of which can be used."

Mr. Duailibi sees the advantage of such advertising to be cost (in terms of over-all budget and production time) and visual excitement. "There is a lack of repetition. . .each ad is something new." He also believes certain products lend themselves comfortably to this approach. He will discuss the kinds of advertising for which this is appropriate and will describe how to use this approach.

For more information, write Advertising Age Creative Workshop, 220 E. 42nd St., 10017, or call toll-free 1-800-233-3435. In New York state, call (212) 210-0296. Telex: 64-0207.#

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Du Pont airs radio, tv spots in Detroit

By RAYMOND SERAFIN

Du Pont is buying radio and tv time in Detroit to persuade auto designers to abandon steel for a new generation of plastics in fenders, doors and hoods.

The so-called thermoplastic auto-body parts are a keystone in the plans of Wilmington, Del.-based Du Pont to increase its auto industry presence. Last year its sales to auto makers were $2 billion, which doesn't include fuels and lubricants sold by Du Pont-owned Conoco.

Tv commercials by N W Ayer, New York, now breaking in Detroit, show the use of Du Pont thermoplastic auto body parts in the Pontiac Fiero and other cars and use a theme "For quality in automotive development."

The commercials, airing on the Detroit market's top three late-night news shows, "are aimed at the guys who go to work in the morning at the auto design centers," said Nelson Bryant, program manager-marketing communications for the Du Pont automotive development center in Troy, Mich.

Radio spots will begin airing in the Detroit market in the fall, and print ads are running in newsweeklies and auto trade publications.

Du Pont is now working with auto manufacturers to develop bumpers, fenders, doors and quarter panels on future models.

Ford's Taurus sedan, which is due for introduction this fall, has bumpers made by rival General Electric Plastics.

James Giggey, vp-polymer products at Du Pont, predicts plastics will eventually account for more than 300 pounds in an average car, or 20% of the total weight.

By 2000, Mr. Giggey estimated, the automotive plastic industry would grow to $10 billion in annual sales.#

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Ad pages in farm publications for 6 months, 1985-84

Second-quarter figures for U.S. and Canadian publications reporting to Advertising Age

	Pages			
	April-June 1985	April-June 1984	Jan.-June 1985	Jan.-June 1984
Canadian				
Country Guide:				
Eastern Edition	135.0	138.2	279.3	285.7
National Edition	264.4	267.2	540.5	558.0
Western Edition	189.6	201.3	368.5	387.0
Le Bulletin des				
Agriculteurs	253.3	223.4	486.4	444.5
Total Group	**842.3**	**830.1**	**1,674.7**	**1,675.2**
% change	**+1.5%**		**−0.02%**	
Dairy & livestock				
Beef Magazine A.	159.4	180.6	382.7	402.1
Beefweek	123.0	133.5	267.5	306.2
The Cattleman	327.1	311.3	672.3	664.3
Dairy Herd Management	66.8	119.3	148.3	267.2
Drovers Journal (52X) A.	172.1	181.3	425.3	597.6
Farm Progress Hog Producer	14.0	20.0	32.0	46.8
Feedlot Management	31.4	70.1	107.8	142.9
Florida Cattleman	207.6	220.2	417.0	457.4
Hoards Dairyman (23X) A.	175.4	181.0	385.0	436.9
Hog Farm Management	33.0	48.6	89.3	168.7
National Hog Farmer	126.4	161.8	339.9	397.7
Pork '85	90.3	65.9	212.2	168.9
Southern Beef Producer (8X)	39.7	37.2	100.8	79.5
Southern Hog Producer (6X) A.	—	—	—	—
Sunbelt Dairyman (6X)	16.0	20.9	25.7	31.4
Western Livestock Journal				
Weekly				
Central Edition	65.5	90.0	143.3	205.0
Western Edition	78.4	100.3	170.5	206.6
Western Livestock Reporter/-				
Montwyo News (52X)	108.6	118.4	257.0	294.7
Total Group	**1,834.7**	**2,060.4**	**4,176.6**	**4,873.9**
% change	**−10.9%**		**−14.3%**	
Fruit & vegetable				
American Fruit Grower	149.4	128.0	302.8	293.7
American Vegetable Grower	163.5	117.1	314.6	243.1
Citrus & Vegetable	145.7	128.5	295.7	282.2
Total Group	**458.6**	**373.6**	**913.1**	**819.0**
% change	**+22.8%**		**+11.5%**	
General farm publications				
American Agriculturist	71.0	70.7	167.6	206.4
California Farmer (21X) A.	163.0	156.0	365.0	387.0
Citrus Industry	—	—	—	—
Farm Futures A.	82.0	142.0	267.5	306.4
Farm Industry News (10X)	83.8	92.3	309.6	308.9
Farm Journal (14X)	156.7	178.9	445.0	512.8
Farm Journal-Top Producer Extra	54.1	—	105.7	27.0
Florida Grower & Rancher	72.8	53.9	163.6	132.5
Farmer-Stockman Unit:				
Oklahoma Farmer-Stockman	42.4	44.6	80.6	87.8
Texas Farmer-Stockman	33.4	37.0	64.4	80.5
The Grower	92.3	86.4	183.9	171.8
Harvest Publishing Unit				
Kansas Farmer (21X)	115.6	143.8	333.7	411.1
Michigan Farmer (21X)	107.4	120.3	327.1	338.8
Missouri Ruralist (21X)	127.2	147.0	392.8	422.4
Ohio Farmer (21X)	147.1	158.6	445.9	452.3
Pennsylvania Farmer (21X)	82.8	69.2	291.2	279.7
High Plains Journal:				
Eastern Kansas (52X)	540.7	632.1	1,069.8	1,235.5
Colorado	540.4	626.2	1,046.2	1,199.6
Nebraska	527.0	613.9	1,029.2	1,191.1
Oklahoma-Texas	546.8	637.8	1,073.3	1,225.6
Western Kansas	598.3	694.0	1,162.7	1,327.4
Irrigation Age (10X) A.	36.4	39.5	110.6	139.6
Kentucky Farmer	71.3	69.2	185.2	180.0
Lancaster Farming (52X)	1,393.5	1,330.6	3,031.4	2,771.4
Midwest Farm Paper Unit: (24X)				
The Farmer	193.6	241.5	558.7	687.0
Nebraska Farmer	226.7	256.1	668.8	792.1
Prairie Farmer A.	213.8	247.5	674.2	684.0
Indiana Edition	211.6	241.5	640.1	666.1
Wallaces Farmer (24X) A.	166.3	200.1	575.2	648.4
Wisconsin Agriculturist (24X)	123.3	158.3	373.7	510.2
Pecan South (6X)	11.5	—	28.5	—
Progressive Farmer A.	171.8	190.1	417.3	448.5
Specialized Agricultural				
Publications:				
Flue Cured Tobacco Farmer	31.4	36.9	76.1	101.8
Peanut Farmer (8X)	37.6	37.6	75.5	80.3
Successful Farming A.	128.6	157.9	406.9	460.3
Tennessee Farmer	99.4	92.5	99.4	92.5
Western Unit Farm Magazines:				
Arizona Farmer Ranchman (12X)	—	—	—	—
Colorado Rancher				
& Farmer (5X)	74.4	91.8	195.6	273.7
Wallaces Farmer	166.3	200.1	575.2	649.4
Western Farmer-Stockman				
Magazines: (24X)				
Arizona Farmer-Stockman	69.9	84.5	142.3	148.8
Idaho Farmer-Stockman	116.0	143.1	315.0	382.0
Montana Farmer-Stockman	201.1	204.1	485.1	544.8
Oregon Farmer Stockman	92.3	99.8	253.3	279.6
Utah Farmer-Stockman	89.6	88.8	233.6	242.9
Washington Farmer Stockman	103.0	110.2	268.7	299.3
Total Group	**8,216.2**	**9,026.4**	**18,795.2**	**21,386.3**
% change	**−8.9%**		**−12.1%**	
Poultry				
Broiler Industry	132.7	143.2	296.7	288.0
Poultry Digest	53.4	49.6	96.6	93.1
Poultry Tribune	51.4	62.3	110.3	141.5
Poultry & Egg News				
Poultry Times	24.8	—	60.6	—
Southeast Edition	28.2	—	63.0	—
Southwest Edition	27.9	—	52.0	—
Poultry & Egg Mktg.	19.6	—	67.8	—
Total Group	**338.0**	**255.1**	**747.0**	**522.6**
% change	**+32.5%**		**+43.0%**	

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions.

Falk is at new N.Y. site

New York—Ed Falk Communications, a marketing and public relations agency, has moved to 2 W. 45th St., 10036.

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P&G, S.C. Johnson in sweeps tie

By LAURIE FREEMAN

Procter & Gamble and S.C. Johnson & Son, rivals in several product categories, have teamed up for a $250,000 sweepstakes.

P&G's Joy dishwashing detergent and Johnson's Pledge furniture polish are sharing top billing during the summerlong "The winning shine" promotion.

"The original idea came from an associate product manager at P&G," said Bob Caulk, Pledge marketing associate at Racine, Wis.-based Johnson. "They were looking for a product with similar brand characteristics to Joy—and Pledge offers some of those same characteristics."

Both Joy and Pledge come in lemon scents, and are positioned as leaders in lemon-shine cleaning.

"We thought we'd have broader consumer impact if we joined these two category leaders together. They both have a high level of household and brand-name penetration—almost everyone knows about Joy and Pledge even if they don't use them," said Mr. Caulk.

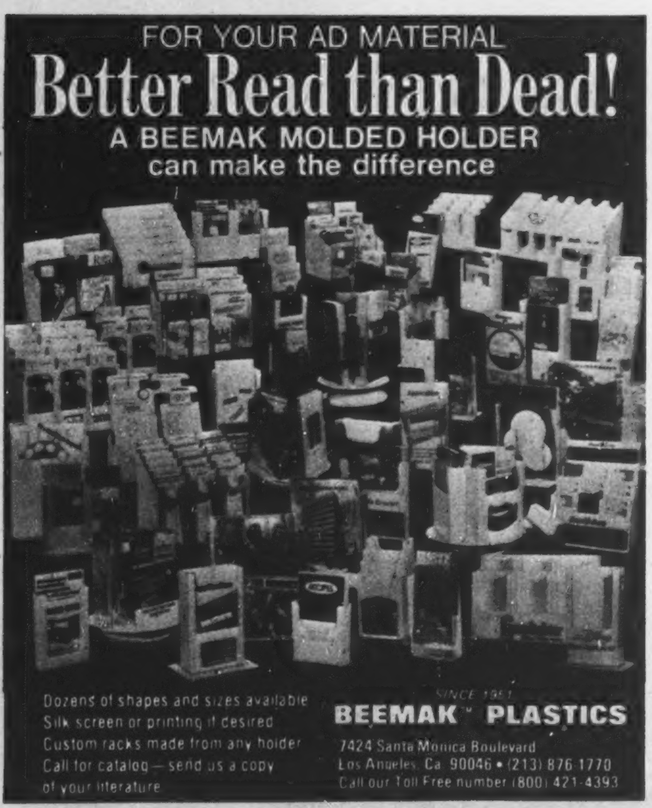
Planning for the promotion began more than 18 months ago, involving delicate negotiations between brand managers at Cincinnati-based P&G and Johnson.

Grey Advertising, New York, P&G's Joy agency, is agency of record for the promotion. The promotion kicked off in June with a one-time insert containing a 50¢-off coupon for Joy and a 20¢-off coupon for Pledge, run in newspapers around the country.

Additional support for the sweepstakes comes from 10-second tag lines now running on regular Joy tv spots. Johnson is not airing any additional advertising tied to the promotion.

A P&G spokesman said when the company looks for joint promotion possibilities with competitors, the involved brands cannot be in direct competition with each other. In this case, S.C. Johnson does not compete in the dishwashing liquid category, nor does P&G market wax-based polishes. However, both companies do jockey for position in the personal care and over-the-counter drug categories.

"The winning shine" promotion is one of the first Johnson has held with another company, although P&G occasionally has teamed up with outside marketers, the P&G spokesman said.#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Crest readies road show

By LAURIE FREEMAN

Procter & Gamble will support its estimated $37 million ad campaign for its Crest Tartar Control Formula toothpaste with a traveling exhibit promoting dental care and the new product.

Cincinnati-based P&G's five-month national tour begins the week of July 29, when Crest exhibits will be displayed at one location in Manhattan and at a New Jersey shopping mall.

The tour will then make stops in the top 50 national markets, said a spokeswoman for Manning, Selvage & Lee, the New York public relations agency handling promotions for the new Crest formula.

Benton & Bowles, New York, handles the $37 million introductory ad campaign (AA, June 17).

The walk-through exhibits will resemble those used during test-marketing for Crest Tartar Control Formula in Minnetonka, Minn., and Sutton, Neb. (AA, March 18).

The booths will be staffed by dental hygienists and students, who will conduct oral examinations and explain the difference between plaque and tartar.

Consumers will be invited to have an oral examination; those who are found to have tartar build-up will be advised to see their dentist.

After passing through the exhibit, consumers will be given a "gift package," including a t-shirt, toothbrush, P&G coupons (for several brands), dental-care literature and balloons.

"We're trying to make dental care seem less scary," the spokeswoman said. "Most people don't know what the dentist is doing when he's cleaning their teeth or why it's necessary. This takes some of the mystery out of the process."

Plaque is a sticky, bacterial film that P&G says can be removed by any toothpaste and a toothbrush. Tartar, however, hardens into a cement-like substance on teeth and below the gum line. Tartar can be removed only by a dentist.

The new Crest formula has sodium pyrophosphate, which P&G claims aids in tartar removal.#

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July 18, 1985

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Thursday

Special Report—Liquor Marketing: Finding ways to brake the sales slide

Two ad campaigns share our annual music awards

ROCHELLE UDELL

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Thursday

Jingle rings 'em up

McDonald's never has seemed like a company that would spend more than a half-billion dollars on advertising and promotion using a theme penned on a bus, but it has done just that with "It's a good time for the great taste of McDonald's," which has been its signature since June, 1984. *See Page 4*.

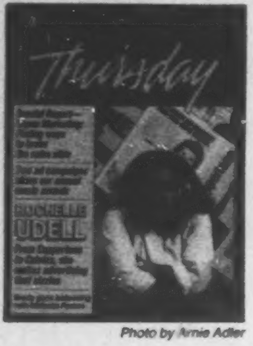
Photo by Arnie Adler

Hot ads

Rochelle Udell, a recent addition to the Della Femina, Travisano & Partners creative font, is direct, witty, iconoclastic and responsible for some of the most sensual and provocative advertising ever to appear on tv. *See Page 9*.

Family feud

The Bingham family, owners of premier newspaper and broadcast properties in Louisville, has voted to split control of its holdings. The move is seen as an attempt to strengthen the family's control of the newspapers—the *Courier Journal* and the *Louisville Times*—which are considered far more valuable than their broadcast properties. It follows a public offering of 18% of the family holdings by Sallie Bingham, but other family members, who are feuding with Ms. Bingham, maintain the events are not linked. *See Page 50*.

Special Report—Liquor

Liquor sales continue to slip into a deep freeze. However, industry innovators are launching new products and realigning their sales divisions in an effort to cope with a market that will continue to take its share of shots. *See Page 13*.

Presstime

Ad forecast chillier

New York—Robert Coen, McCann-Erickson's senior vp-director of forecasting, this week lowered his projections on 1985 U.S. ad spending increases to 9.1%, down from the 9.7% boost he predicted last year for '85 (AA, Dec. 17). The new total comes to $95 billion. Local advertising is expected to increase more than 10%, but national advertising should be only 8.3%, down from Mr. Coen's earlier 9.2% projection. Mr. Coen cited as reasons for the lower increase weaker-than-expected economic performance in the first quarter and a "flattening out" of spending by computer companies and utilities.

Trintex seeks agency

White Plains, N.Y.—Trintex, the videotex joint venture of CBS, IBM and Sears, Roebuck & Co., is conducting its first agency search. The service, expected to start in 1986, will bill $10 million to $15 million, sources say.

Dailey flies with Western

Los Angeles—Western Airlines has moved its $20 million account to Dailey & Associates after a review that did not include incumbent Doyle Dane Bernbach.

Teachers picks Elliott

New Britain, Conn.—W.V. Elliott Co. has signed an agreement with William Teachers & Sons, Scotland, to become sole importer of Teachers Highland Cream, Teachers' Royal Highland and Teachers' Glendronach scotches. Bacardi Imports, Miami, previously had the brands. William B. James Advertising, Elliott's in-house shop, will handle advertising. Rumrill-Hoyt was the last agency to handle the brands.

Live Aid lags on ABC

New York—ABC-TV's live prime time telecast July 13 of the Live Aid rock concert averaged only an 11.6 A.C. Nielsen Co. rating and 23 share, to rank 30th among all programs that aired during the week ended July 14. Meanwhile, "20/20" posted an unusually high 16.3/29 to rank No. 6 that week; the ABC show led off with a story on new Coke and the return of "old" Coca-Cola. NBC, however, won the week, its 11th win of the last 12 weeks, as ABC lagged—hurt not only by Live Aid but the July 14 U.S. Football League championship (7.6/14).

Imahara trims work week

Sunnyvale, Cal.—Imahara & Keep, responding to cash-flow problems, has put everyone at the 25-person Silicon Valley agency on a four-day work week at 80% pay for three months.

New agency for insurer

Boston—New England Mutual Life Insurance Co., which had been with Hill, Holliday, Connors, Cosmopulos for 17 years, is about a week away from naming a new agency here for its $5 million account, says Daniel Logan, vp-director, corporate communications and advertising. Cosmo-

(Continued on Page 51)

REGULAR FEATURES

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Yuppie ad? Yep and nope: Can this ad, which pictures an abstract painter and talks about Rose's Lime Juice's quality tradition in tiny type, be aimed at yuppies? Yes, but not according to the view of them as crass materialists, which is not the way Ammirati & Puris, also agency for BMW cars, sees the market.

Yuppie pursuit: It's too trivial for marketers

By Stewart Alter

July 18, 1985 in Denver. It's a place and a date that will go down in yuppie folklore.

For this evening at the Denver Center for the Performing Arts, American Express will begin the rewriting of yuppie history. It will salute Denver-area young professionals involved in volunteer work; those who undermine the stereotype of yuppies as materialistic, self-absorbed hedonists; those who, in the words of the American Express ad that kicked off the program a few months ago, "know that there's more to life than a vcr, a food processor and a new pair of running shoes."

What's happened here? Just a short while ago the marketing world was slavering over young urban professionals, a breed seen as having utterly redefined the concept of discretionary spending through an absolute devotion to superficiality.

Then, according to a deluge of press accounts, yuppies said they resented being stereotyped as mammon-worshipers and, in a wink, the advertising world has transformed this actually-quite-small market segment from sinners into saints. "The yuppie phenomenon is in retreat," said one newspaper headline.

Well, what's happened, according to some agency executives, is an image switch from Mr. Hyde to Dr. Jekyll that is no more realistic or accurate than before.

From a marketing point of view, the inaccuracy is not so much one of factual description, but of context. Because yuppies buy things doesn't mean they do nothing but buy things, buy things only for status or represent all high-ticket-product buying power in the U.S.

There are, of course, some campaigns that have specifically played up yuppie status-seeking, but these are not for the products successfully associated with the market. Brands such as Cuisinart or BMW cars continue to advertise without the "Hey, yuppie, looking for status?" approach. Am-

(Continued on Page 51)

Product flop contest—Page 48

Special Report

Liquor Marketing

Petroff

Distillers try tactics to brake sales slide

By Ed Fitch

The ice age cometh. Just when the liquor industry needs a thaw, its sales slip further toward a deep freeze.

Distilled spirit sales declined for the third consecutive year in 1984—down 1.4% from 1983—as per-capita consumption of distilled spirits dropped from 2.77 gals. to 2.70 gals., according to *Impact*, a wine and spirits industry newsletter. Pouring appealing new products into the market and repositioning existing brands has helped, but these moves will not melt consumers' tough attitudes toward distilled spirits.

For the short term, health and waistline consciousness and concern about driving under the influence of alcohol are souring most companies' revenue potential and causing sales to tumble. Unless Americans decide that pouring down a couple of stiff ones is fashionable, the industry may have contracted permanently.

James Thompson, chairman-president and chief executive officer of Glenmore Distilleries Co., Louisville, Ky., likens the industry to a fish pond that is diminishing in size. "At some point, the size of the pond can't support a healthy population," he says. "When that occurs, it's a question of acquiring, merging, undertaking joint ventures or shrinking operations to suit the circumstances—whatever works best in helping a company better deal with obtaining larger pieces of a shrinking pie."

The big fish get bigger; the little fish are eaten or keep a low profile at the edge of the pond. Stand back Charles Darwin, a textbook case of survival of the fittest is unfolding.

"Unquestionably, there is greater merger and acquisition activity," says John W. Andersen, president-chief executive officer of Whitbread North America, Lake Success, N.Y. Whitbread acquired the Buckingham Corp., best known for marketing Cutty Sark, from Beatrice Cos. and merged it into its Julius Wile Sons & Co. subsidiary, forming the Buckingham Wile Co. in April. He says the trend toward consolidation is "not likely to abate through the end of this century."

Mr. Andersen distills the situation into a case of critical mass. "There is the recognition that companies must have sufficient enough strength and reach sufficient critical mass to compete effectively."

The trend, he says, began in the industry's retail sector and was followed closely by merger and acquisition activity among wholesalers. "The movement on the manufacturing side is a more recent phenomenon," Mr. Andersen says. And although retailer and wholesaler consolidation has reached its limits in some markets, on the distillers' side, "considerable opportunities remain—for small, medium and large companies," he says. "You won't find them listed in the 'We are for sale' catalog, but they are there."

They certainly are, and they find each other. In true survival of the fittest fashion, the race is on to carry the biggest club to market, beating competitors in meeting consumers' vagaries.

Current hot properties are those companies with an attractive portfolio of cordials, the industry's No. 1 icebreaker, realizing the greatest growth of any category. *U.S. News & World Report's* "Wine and Spirits Marketing Bulletin" shows shipments of cordials increasing 9.6% in 1984, making it the fourth largest category in terms of volume.

"Certainly filling product niches is an important part of bringing the product portfolio

(Continued on Page 14)

Reorganized Seagram ready to battle for share

By Cara S. Trager

Seagram is the QE2 of the liquor industry: A little slow getting underway, perhaps, but once it's moving it cuts quite a wake. The beverage behemoth's major reorganization and ambitious new product developments are churning the waters of the industry, illustrating its determined effort to increase flexibility and overcome the liquor industry's latest challenge—decreased consumption.

As president of the company since last September, Edgar Bronfman Jr., grandson of the founder of Seagram Co. Ltd., Montreal, and its U.S. subsidiary, Jos. E. Seagram & Sons, New York, makes no bones about his intent: "To get additional volume by winning share. The industry is no longer a growing market and requires capturing shares from other companies."

Indeed, the liquor industry is in the midst of a sales stagnation. Moderation is the name of the game, as more Americans emphasize health and fitness and turn their attention to alcohol abuse, particularly driving while intoxicated. The House of Seagram, the largest sales revenue generator in the distilled spirits business, is not immune to the life-style changes that have altered the industry's course.

Its leading brands, Seagram's 7 Crown, Seagram's V.O. and Seagram's gin, while Nos. 3, 8 and 9 on *Impact's* May 1 listing of 1984's top 50 brands, are not what they once were. From 1983 to 1984, Seagram's 7 Crown and Seagram's V.O. both dropped 4% in case depletions, while Seagram's gin declined 2.5%.

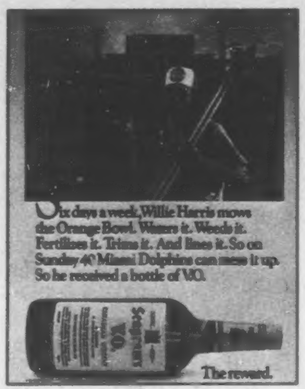
Nevertheless, hope is on the horizon. Seagram's 7 Crown's decline represents an improvement over the brand's 7% drop in 1983, according to *Impact.* Additionally, the brand managed to increase its share of the bleeding blended category by a point, rising to an estimated 39% in 1984.

To boost that brand's performance, along with Seagram's V.O.'s, which Mr. Bronfman says has been affected by lower-price bulk imports, the company has increased both products' ad budgets substantially. He declines to reveal the amount, however.

"We can't expect a turnaround in one year, but the sales declines of both have slowed down, and in the near future, we will see a positive growth," predicts the 30-year-old company president. Over-all, the company, he says, expects to spend well in excess of $100 million in marketing its brands, with ad dollars up 6% to 8% from last year.

And that's only the tip of the iceberg. In a move to increase sales "by getting more people to drink less," Mr. Bronfman overhauled his company's innerworkings in February. The results: New product efforts were streamlined; comparable brands—in price or volume—were reassigned to a specific marketing company; two marketing companies were dissolved—General Wine & Spirits Co. and Calvert Distillers—in favor of two distinct operations, 375 Spirits and Perennial Sales Co., and the roles and management of Seagram Distillers Co. and Summit Sales Co. were redefined and reshuffled.

(Continued on Page 16)



Six days a week, Willie Harris mows the Orange Bowl. Waters it. Weeds it. Fertilizes it. Trims it. And lines it. So on Sunday 40 Miami Dolphins can mess it up. So he received a bottle of V.O.

The reward.

The ad budget for Seagram's V.O. has been increased substantially.

Cara S. Trager, a frequent contributor to Special Report, profiled Carillon Importers and TBWA Advertising in last year's Liquor Marketing Special Report.

House of Seagram

Editor's note: Because the House of Seagram reorganized earlier this year, the entire company is covered in this profile.

Sales: In 1983, Seagram Distillers Co. realized the highest sales in the industry of any sales division with $490 million in revenue. General Wine & Spirits Co. and Calvert Distillers Co., both of which were dissolved in the reorganization, ranked 11th and 13th, respectively, with sales of $160 million and $135 million.

Volume: Seagram Distillers Co. ranked third in 1983, having shipped 15.4 million 9-liter cases, accounting for 8.3% of total industry depletions. Calvert Distillers ranked seventh and General Wine & Spirits ranked 15th. Respectively, they accounted for 3.5% and 2.1% of total industry case depletions.

Major 1984 brand action:

- Seagram's 7 Crown—5.2 million cases depleted, down 4.1% from 1983. (Warwick Advertising, New York, handles.)
- Seagram's V.O.—3.4 million cases depleted, down 4% from 1983. (Ogilvy & Mather, New York, handles.)
- Seagram's gin—3.4 million cases depleted, down 2.5% from 1983. (Mingo Jones, New York, handles.)
- Kessler—1.5 million cases depleted, down 1% from 1983. (Warwick Advertising handles.)
- Crown Royal—1.4 million cases depleted, up 8.7% from 1983. (Warwick handles.)
- Lord Calvert—1.2 million cases, same as 1983. (Doyle Dane Bernbach, New York, handles.)
- Wolfschmidt—1.2 million cases, down 0.4% from 1983. (William Esty Co., New York, handles.)
- Leroux cordials—1 million cases depleted, up 0.5% from 1983. (Warwick Advertising handles.)
- Calvert Extra—1 million cases depleted, down 6.5% from 1983. (Doyle Dane Bernbach handles.)
- Chivas Regal—950,000 cases depleted, same as 1983. (Doyle Dane Bernbach handles.)
- Ronrico—830,000 cases depleted, up 5.1% from 1983. (Doyle Dane Bernbach handles.)

Sources for all sales, volume and brand action boxes: *Impact, 1985 Impact Yearbook.*

Distillers

(Continued from Page 13)

up to critical mass," Mr. Andersen says. "It is necessary to have the ability to cover the range with your product line to bring more power to bear on the wholesaler."

Broadening product lines is only a part of the picture, however. Many companies are more interested in consolidating volumes or realizing more efficient production capabilities, he says.

"One company may have superb facilities and a weaker product line, while another may have the products, but not the facilities," Glenmore's Mr. Thompson says. "Facilities have a lot to do with it because of the capital expenses involved."

Schenley Import Co. reportedly was interested in acquiring Glenmore earlier this year to tap into the company's extensive production capability. Economies of marketing, sales coverage and administration also can be substantial, he says.

"You can typically spread out more of your people over the organization and handle more volume," Mr. Andersen says. "At Buckingham, for example, we had about a 50-50 rate between retaining people or letting them go."

Cost-cutting moves such as this can overrule product conflicts. "If you have brands that overlap, some may have to be divested," he says. "But in many instances it is not a category conflict if the products are at different price points. This can be a strengthening move if you can cover the range in a category."

Some companies view diversifying out of the distilled spirits industry as a strengthening move. "Any company with any sense is looking outside of the industry," Mr. Thompson says. "This is a case of not only diversifying their risk, but also of increasing growth opportunities."

Glenmore, for example, is looking at food lines, where marketing and production needs parallel distilled spirits', he says. "I doubt we'll ever be in the business of selling tire and rubber or nuclear armaments."

Mr. Andersen says some obvious problems arise from stepping outside of the liquor industry's boundaries. "The most notable being that you split your management focus and often are unable to maintain an integrated operating structure."

The critical factor, he says, may be whether a distiller is publicly or privately held. When publicly traded companies reach a certain size, he says, "their growth is limited by the markets in which they are active. They need to generate growth to support their stock," and this means looking for new and often diverse sources of business. "Because Whitbread does not worship at the feet of Wall Street, we are not limited by this."

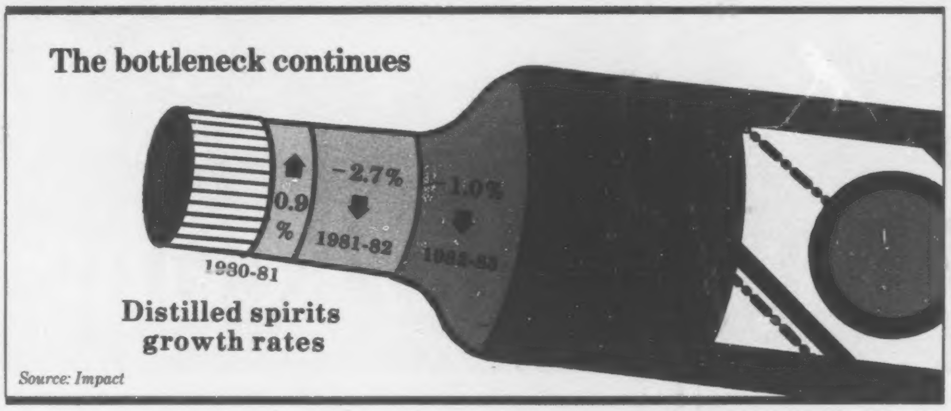
London-based Whitbread & Co.'s activity illustrates a twist in the acquisition mix. According to industry estimates, foreign-owned companies control 35% of the U.S. spirits business.

Mr. Andersen predicts this percentage will increase as foreign companies "look out of their home economies for investment opportunities. For the most part," he says, "they've gone through the same problems—Britain experienced a similar situation eight to ten years ago. The pendulum in America never fails to swing all the way to the right and left before it settles in the middle."

The pendulum will swing back in the industry's favor "in 40 or 50 years—and perhaps I'm being optimistic," Mr. Thompson jokes. "There are positive developments. It's not all gloom and doom."

And while both executives say consolidation won't stimulate consumption or change America's tastes, it may keep Mr. Thompson's fish pond from freezing over entirely.

The bottleneck continues

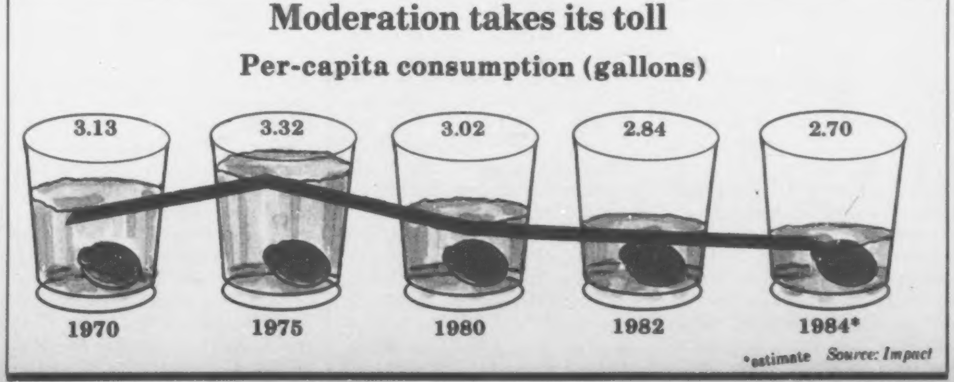


Distilled spirits growth rates

Source: Impact

Moderation takes its toll

Per-capita consumption (gallons)



*estimate Source: Impact

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Monday, July 22, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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Fiber cereals in bran(d) shootout

None of the 25 cereals pictured in this ad stack up to the fiber content in General Mills' NutraSweet-sweetened Fiber One, claim ads via J. Walter Thompson USA, Chicago.

Reagan news primes market

By JULIE FRANZ
and NANCY GIGES

Three major cereal marketers are bringing out new high-fiber products just as President Reagan's recently diagnosed colon cancer has refocused attention on the possible health benefits of a high-fiber diet.

Although many accounts of the president's condition included the National Cancer Institute's recommendation that a high-fiber/low-fat diet can help prevent such cancer, General Mills, General Foods and Kellogg say they will not try to capitalize.

While the cereal marketers run their discreet ad messages, Warner-Lambert, marketer of Early Detector self-examination kits used in the detection of colon cancer, ran its ad headlined "You've been hearing a lot about colorectal cancer." Other marketers of in-home tests said they would be doing more promotion, as will the American Cancer Society. *(See story on Page 62).*

General Mills, Minneapolis, is entering the fiber frenzy by starting its national rollout of its Fiber One entry (AA, July 15).

Archrival General Foods Corp., White Plains, N.Y., is introducing two new varieties of its Fruit & Fibre cereal.

Meanwhile, sources say, cereal-market leader Kellogg Co., Battle Creek, Mich., is poised to roll national with Extra Fiber All-Bran, currently testing in upstate New York and other markets (AA, March 18).

All the companies said that the president's new health problem would not lead them to change advertising content or schedules for the products.

"The president's health is a personal issue, and we intend to respect the personal nature of his health," said a Kellogg spokesman. The company said the budget for its controversial All-Bran campaign, promoting the cereal as useful in a cancer-prevention diet (AA, Oct. 29, *et seq.*), had been set and will not be altered.

Because General Foods is focusing advertising for its

(Continued on Page 62)

Missing ingredients in 'new' Coke's research

By JACK HONOMICHL

Coca-Cola is the "sublimated essence of all America stands for—a decent thing, honestly made, universally distributed, conscientiously improved with the years." Statement attributed to the late William Allen White, Pulitzer Prize-winning editor of the Emporia *(Kan.)* Gazette, *in 1938.*

This quote gets considerable lip service inside Coca-Cola Co. Its public relations department writes it into speeches for Brian Dyson, president of Coca-Cola USA, the company's domestic division, and it was the inspiration for the code name "Kansas," which was used internally to designate the secret Coca-Cola reformulation program headed by Jack Carew, director of new-product development.

Beyond lip service, it is becoming increasingly evident that many key marketing executives at Atlanta-based Coca-Cola Co. didn't appreciate the essence of Mr. White's statement.

Instead, they took a naive view that Coca-Cola was simply a thirst-quenching liquid—period.

Just look at the much-vaunted research program that led to Coke's reformulation. Over a period of about 2½ years, there were—as has been widely reported in the press—about 180,000 to 200,000 blind taste-tests done, pitting three or more "new" Coca-Cola recipes against "old" Coca-Cola, as well as archrival Pepsi-Cola.

But, according to Roy Stout, senior vp-marketing research at Coca-Cola USA, only 30,000 to 40,000 of these involved the specific

(Continued on Page 58)

Coke outpoints Pepsi in ad awareness. AdWatch, P. 6. Researchers react to Coke's flip-flop. P. 58.

Pepsi takes 2nd shot at Coca-Cola's switch

By NANCY GIGES

Pepsi-Cola couldn't resist the temptation to poke more fun at Coke in new advertising, even though Roger Enrico, president of Pepsi-Cola USA, said just days ago he had no intention of doing so.

The new spot, put together in days, began airing July 17. It features the same character named Wilbur who appeared in an earlier spot teasing new Coke. This one creates confusion about Coca-Cola's decision to restore its original flavor of Coke under the Coca-Cola Classic brand name.

In the new spot, Wilbur goes to a fountain and asks for a Coke. The counterman asks, "Which one?" When Wilbur replies, "Just a Coke," the counterman says, "There's lotsa them. See, the old Coke is the old Coke before it became the new Coke. The new Coke is the one that used to be your old Coke, which became your new improved Coke. Except for your Classic Coke, which is really the old Coke, but that's your new Coke. Know what I mean?"

Wilbur tells the counterman to give him the one he likes best. And, of course, the counterman pulls out a Pepsi. The spot closes with "Now more than ever. The choice of a new generation."

Philip Dusenberry, vice-chairman and executive creative director of BBDO, which handles Pepsi, said the spot really talks to the issue at hand. "We wanted to remind people of the confusion," he said, but added this will be Pepsi's last lighthearted gibe at its rival. "We really want to get back to our own game plan, to the likable, enjoyable, award-win-

(Continued on Page 58)

Last Minute News

PM flies with new Concord smoke

New York—Philip Morris USA will put a new twist into the cigaret market Aug. 5 when it introduces Concord, a king-size cigaret with the industry's first variable tar filter. The new smoke's twist-filter regulates the cigaret's tar delivery (AA, Jan. 7). Coupon promotion and heavy advertising are planned. Leo Burnett USA handles.

Riedy leaves Beatrice; Orlane for sale?

Chicago—Beatrice Cos. senior vp-director, corporate strategy William Riedy has resigned. Mr. Riedy, chief architect of the company's plan to become the world's premier consumer products marketer, left after what

(Continued on Page 8)

Smoke ads stunted

Marketers head for great outdoors

By WILLIAM F. GLOEDE

The tobacco industry is cutting advertising spending in the face of flat sales and the specter of a long-term decline in cigaret smoking.

According to Advertising Age estimates based on projections from the tobacco and media industries, total estimated spending by tobacco companies on cigaret advertising declined 4.5% in the first quarter of 1985, to $160 million, compared with $168.2 million in the same period last year.

At the same time, according to the estimates, several tobacco companies are shifting dollars away from print and into out-of-home media. This is no great surprise for magazines and newspapers, because they have seen tobacco-advertising revenue fall precipitously from the unprecedented levels achieved in the early 1980s, when tobacco marketers were conducting open warfare on the new-product front.

Ad Age estimates magazine spending by the tobacco marketers was down 6.5% in the first quarter of '84, to $84.7 million.

Newspapers suffered a 42% decline in the same period, to $20.1 million.

Outdoor advertising, however, is booming. Cigaret spending there increased 30.3%, to $55.9 mil-

(Continued on Page 54)

NEWSPAPER

AA
DC20014CONGL I   FMJF   M
CONGRESSIONAL INFO SERVICE
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4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Class glass

Waterford Glass' first concerted effort from new agency Ammirati & Puris continues the Irish imports' upscale image but in a more visual medium. Print ads breaking next month blend a sense of traditional value, Continental style and heirloom quality in photographs rather than poetic copy. *(See story on Page 57.)*

Douglas in wings for Miller's FTC job

By STEVEN W. COLFORD

WASHINGTON—The White House nomination of Federal Trade Commission chairman James Miller III last week to succeed David Stockman at the Office of Management & Budget was expected to move commissioner George Douglas into the FTC's top slot on an interim basis, according to government and industry sources.

Despite his earlier vaguely announced plans to leave the commission in September, Mr. Douglas, according to a wide range of sources, was to be asked by chairman Miller and the White House to stay on for a time.

That shuffle would preclude the need for the White House to find two FTC replacements—for Messrs. Miller and Douglas—in a short period of time. It would also represent a dimming of the political star of commissioner Terry Calvani, a Republican heretofore thought to be the most likely successor to Mr. Miller.

Though the Douglas elevation would be surprising for two reasons—his previously announced departure plans and his Democratic affiliation—it also seems natural, given Mr. Douglas' close personal and philosophical union with Mr. Miller.

Both are economists by training, and they have virtually identical voting records at the commission. They preach the same deregulatory gospel, and co-authored a 1974 book on the deregulation of the domestic airline industry.

An unknown quantity to advertisers when he arrived in Washington three years ago, Mr. Douglas has pleased the industry in his 32 months on the job through his unflagging support for the policies of Mr. Miller, an unabashed friend of business.

While those deregulatory policies have sparked frequent criticism from consumer groups and Democrats in Congress, they also have allowed advertisers much more latitude, including the possibility of legislation that would grant them a first-ever exemption from the FTC's unfairness rule-making authority.

"I think George Douglas would do a credit-

(Continued on Page 60)

Highlights

Procter & Gamble is moving into the $100 million cookie snack-food market, long-dominated by Frito-Lay's Grandma's Cookies, by packaging its Duncan Hines dual-texture cookies in convenience packs. *See Page 4.*

Bonne Bell is heading back to school this fall with a "Heather and Tweed" cosmetics collection designed to appeal to teen agers and their older sisters as well. *See Page 10.*

Western Airlines will try to recapture what it calls its "historic franchise" in the West with the help of its newly named agency, Dailey & Associates. *See Page 20.*

CORPORATE CLOSEUP

Shoppers at the Best Products catalog showroom in Houston have to pass through a wall of rubble to enter the building. For Best, the largest player in the $10 billion catalog-showroom industry until this year, the rubble might just as easily symbolize its approach to selling name-brand hard goods and jewelry at a discount. *See Page 4.*

FORUM

Consultant Jacques Chevron writes on what it takes to get a buyer wedded to a brand. *See Page 14.*

Californian-turned-New Yorker Susan Spillman rebels against stereotyping those from her home state. *See Page 14.*

INTERNATIONAL

Tambrands, which markets Tampax tampons and Maxithins panty shields in the U.S., is about to go head-to-head with rival Johnson & Johnson for a share of Brazil's $85 million feminine-hygiene products market. *See Page 34.*

The British government is tackling the growing problem of heroin addiction among young people with a dramatic $2.6 million print and tv campaign on the physical ravages of drug addiction, via London agency Yellowhammer. *See Page 34.*

DIRECT MARKETING

To build brand awareness and build traffic at institutions that issue its traveler's checks, Barclays Bank is sponsoring an "Instant Millionaire" sweepstakes. *See Page 46.*

When the Mailing List Users & Suppliers Assn. came into being late in 1983, many who joined believed the Direct Marketing Assn. no longer was concerned with the needs of direct mailers. But one of the group's founders strongly senses an effort on the part of DMA to renew its commitment to direct mail. *See Page 46.*

COMING THURSDAY

SPECIAL REPORT

Newspaper publishers are facing increasing pressures from national advertisers, readership declines and competitors head-on. Standard advertising units, total market coverage vehicles and new presses are only some of the methods the industry is using to maintain its health.

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ADVERTISING PAGES IN JULY, '85
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Ads portray 'Big Brother' image

MCI attacks AT&T

By BRIAN MORAN

MCI Communications Corp. will depict the eerie, chilled grimness of a world without challengers to AT&T as part of an estimated $25 million ad blitz set to begin this week.

In two new tv spots via Ally & Gargano, New York, MCI evokes the stark spirit of Apple Computer's celebrated "1984" commercial in a poke at the supposed drudgery of a long-distance phone market ruled by AT&T.

One spot attacks the sheer volume of ad messages put forth by MCI's giant rival. Reminiscent of a scene in the film "A Clockwork Orange," the spot shows a man forced to sit in front of nine giant tv screens, all spewing different AT&T spots.

"Last year, the public got an estimated 20 billion messages from AT&T," a voiceover says. "To that, MCI says, 'Don't be brainwashed. Every time you see or hear an AT&T message, think of MCI.' "

The other commercial, called "A week in the life of a shopper," is set in a grocery store in an unnamed Eastern European country and pitches MCI as a means of escape from "Big Brother" AT&T. A man visits the store three times to order meat and each time is given fish instead.

"Imagine a country where business faced no competition," the voiceover says. "No competition is what AT&T had with long-distance in America. Now you're free to choose MCI's lower rates and more up-to-date system."

The spots—a departure from MCI's celebrity campaigns featuring Burt Lancaster, Joan Rivers and Merv Griffin—will break this week in a few cities and will be rolled out through MCI's system in the next few weeks. Under MCI's decentralized marketing organiza-

(Continued on Page 60)

Late West Coast news

Della Femina lands 2 new L.A. accounts

KCET, Los Angeles' public tv station, and Mr. Build, the Santa Ana, Cal.-based home remodeling and maintenance chain, both named Della Femina, Travisano & Partners, Los Angeles, as their agency. Combined billings are $2 million. Joining the agency to supervise both accounts is Walter Hagstrom, a former Century 21 International and Wells, Rich, Greene/West executive. He was most recently head of his own agency in Orange County, with Mr. Build as principal client. Former KCET agency was Kresser, Robbins, Los Angeles (now Kresser, Craig). Also new at Della Femina: Betsy Hunter, former vp-management supervisor, Tracy-Locke, Dallas, in a similar post on Carl's Jr., the $12 million fast-food account the agency won last week (AA, July 15).

Lucky Stores' automotive division named Shelly-Berman Communicators, Columbus, O., for its $3 million-to-$5 million account, succeeding Bernstein-Rein, Kansas City, following a review. Also competing for the Phoenix-based division of the Dublin, Cal., retailing company were: Admarketing, Los Angeles; WFC, Phoenix, and Wyse Advertising, Cleveland.

Westin Hotel Co., Seattle, named five finalists for its $7 million-to-$10 million account now in review: Incumbent Cole & Weber, Seattle; Dancer Fitzgerald Sample, San Francisco; Ketchum Advertis-

(Continued on Page 62)

WHO SAYS SEARS DOESN'T ROCK
SEARS

Sears, Roebuck pops the question

Sears, Roebuck & Co. boldly asks women "Who says Sears doesn't rock?" in print ads breaking in August women's magazines that stress Sears' fashion flair. *(See story on Page 59.)*

Hard-driving GF hikes ad dollars in 'No. 1' plan

By NANCY GIGES

Rye Brook, N.Y.—Hoping to obtain 85% of revenues from brands in No. 1 positions, General Foods Corp. is boosting ad and promotion spending 20%, to $518 million during its current fiscal year, president Philip Smith says.

Mr. Smith, addressing a press briefing before the company's annual meeting here last week, said GF's revenue-source goal is important to assure retail shelf space for the company's products.

The remaining 15% of revenues would come from products considered unique that could be advertised and would not have to be sold on trade deals, he said.

GF now gets 75% of its revenues from brands holding the top spots in their markets. Four years ago, the figure was only 50%.

The increase in ad and promotional spending for this fiscal year, which began March 31, is more than double last year's 9% increase, Mr. Smith said. The money will be spent across the board, with areas offering growth potential getting special attention.

These areas include Louis Rich turkey products, frozen novelties, desserts, Maxwell House Instant decaffeinated coffee and several other new undisclosed items, he said.

Mr. Smith said GF is making

(Continued on Page 57)

Treasury looking for coin agency

By JANET MEYERS

Washington—The U.S. Treasury Department has an advertising assignment available that could mean $25 million in business for the winning agency.

The government wants to repeat its successful Olympic coin sales promotion, which raised millions of nontax dollars for the 1984 U.S. Olympics program.

This time it will benefit the Statue of Liberty-Ellis Island restoration program.

The Treasury expects to receive bids from at least 10 agencies by its Aug. 5 due date. The Olympic program drew proposals from only three agencies.

A bill signed into law last week lets the Treasury bypass the government's normal time-consuming contracting rules so that promotion may begin around November. The campaign will last about 13 months.

The Statue of Liberty campaign, similar to the effort mounted by D'Arcy MacManus Masius, New York, for the Olympics, is expected to raise $53 million through coin sales. After advertising and other costs are subtracted, the balance would be turned over to Lee Iacocca's Statue of Liberty-Ellis Island Foundation.

The Statue of Liberty coins will be sold and promoted in much the same way as the Olympic coins (AA, June 17), using tv, radio, print, direct mail and pr.

Advertising will be directed at consumers, with special programs aimed at financial institutions and children. The coins will be sold through the Treasury's direct mail, post offices, financial institutions and some department stores and retailers.#

World News Roundup

Milan—**Nordica ski boots**, looking to expand its advertising around the world, has named Publinter Ayer to handle its new $7 million worldwide account. Ayer previously handled the account only in Europe.

Sao Paulo—**Ford Brasil** last week introduced its world truck model, called Cargo, to the local market with an hourlong tv commercial. J. Walter Thompson Publicidade handles. Ford plans to export the medium-size truck from Brazil to the U.S. and Canada in the fall.

London—**Citizen of Japan** picked Marsteller Little & Strodl to handle a $7 million European campaign for its new line of computer printers and peripherals. Marsteller will work with its network partner, Havas Conseil Marsteller, in Germany and France.

Sydney—**Monahan Dayman Adams**, Australia's largest local agency, has acquired a majority stake in Adman, a small agency in Singapore, as a step toward an international network.

London—**A London high court**, ruling in favor of McDonald's Corp., prohibits Burger King Corp. and J. Walter Thompson Co. from putting up posters headlined "It ain't just big, Mac." The judge, ruling on a 1983 lawsuit, said the posters could be mistaken for a Big Mac ad. Burger King said the posters were removed two years ago.

Tokyo—**Grey Advertising** picked up its first piece of Mars business by gaining a major new pet food product introduction in Japan from Mars' Effem subsidiary.

Sydney—**Australia's largest advertiser**, retailer Myer Emporium, is being acquired by Australia's largest retailer, G.J. Coles, in a $1

(Continued on Page 34)

GM puts brakes on shop pay

By JESSE SNYDER

Detroit—General Motors is putting the squeeze on agency compensation, in effect cutting the standard 15% commission on media buying to as low as 12.5% by the beginning of the 1986 model year, sources inside GM and the agencies acknowledge.

The cutbacks are not being applied strictly on a commission basis, but over-all work out to a 10% to 17% reduction in agency commissions.

Layoffs at all five major agencies are expected by the staffs of the agencies, although only Campbell-Ewald, Warren, Mich., Chevrolet's agency, has made cutbacks thus far

(Continued on Page 62)

Coen backs off on '85

But 1986 should top $100 billion in U.S. ads

The outlook for 1985

	Change over '84 (%)	Millions of dollars
Magazines	+ 8.0	5,330
Newspapers	+ 7.0	3,300
National Tv	+ 3.0	8,780
Spot Tv	+ 8.0	6,235
Cable Tv	+25.0	585
Radio	+ 9.0	1,655
Direct Mail	+11.0	15,320
Other National	+ 9.0	12,625
Total National	+ 8.3	53,830
Total Local	+10.2	42,010
Grand Total	+ 9.1	95,840

Source: Robert Coen, McCann-Erickson

By STEWART ALTER

New York—Robert Coen, senior vp-director of forecasting for McCann-Erickson, has lowered his projections for U.S. advertising expenditure increases in 1985. While the major national advertising categories remain strong, he said, there is weakness in secondary categories and a lack of any major new growth areas.

Mr. Coen, who late last year predicted a 9.7% increase in U.S. advertising and a 9.2% increase in national advertising, lowered those predictions last week to 9.1% for the total—to $95.9 billion—and 8.3% for national advertising (AA, July 17).

The well known industry forecaster also made his first predictions for 1986, prophesying that U.S. advertising would exceed $100 billion for the first time, rising 8.5% to $104 billion, while overseas advertising would increase 6%, to $70 billion.

In lowering his 1985 predictions, Mr. Coen noted that the top national product categories still looked strong, based on first-quarter comparisons with 1984. Among the top product categories in the three major national media—network tv, spot tv and magazines—there were these results in the first quarter, compared with the year-ago period: Candy/soft drinks rose 29%; automobiles, 22%; restaurants, 19%; foods, 15%, and drugs/reme-

(Continued on Page 59)

'Cosmo' celebrates 'That Girl's' 20th

By STUART J. ELLIOTT

New York—Can it be 20 years since That *Cosmopolitan* Girl first sashayed onto the magazine scene?

Since the answer is yes, publisher D. Claeys Bahrenburg and editor Helen Gurley Brown—that quintessential *Cosmopolitan* girl—are making big plans for a special November issue of the Hearst Magazines monthly.

"Being the 20th anniversary of how the *Cosmopolitan* girl has revolutionized society with her life style," said Mr. Bahrenburg, "we think it's time to say this is where young women are today and where they're going in the future."

The salute to the *Cosmo* girl—"yes, we're still calling her a girl," said Ms. Brown, "though we often refer to her as a woman"—is actually a tribute to its editor. Ms. Brown's overhaul of what was a moribund general-interest title into one of Hearst's major profit centers ranks among the industry's most successful makeovers.

"Management is suggesting it's a celebration of my long tenure, but I certainly think it's wiser not to hit very heavily on that," said the ever-modest Ms. Brown. Instead, the issue will "examine every aspect of new womanhood," said Mr. Bahrenburg.

Ms. Brown, whose frugality in acquiring editorial matter is a subject even she jokes about, is buying big, brand-name authors for the

(Continued on Page 57)

ADWATCH

Marketers find bad news does some good

By SCOTT HUME

You can call it brilliant or a blunder, but you can't say it was boring.

Coca-Cola's reformulation of Coke may have produced the broadest and fastest awareness for a new product in marketing history. The company's move obviously angered many consumers—enough to force the beverage company to eat humble pie and revive the original formula—and confused others. But one thing is sure: If you asked consumers over the past few months which soft drink came to mind first, the overwhelming response was "Coke."

That was true of Advertising Age's adWatch survey of advertising awareness. More than half (52.7%) of the 1,000 people polled last month named Coke when they were asked which soft-drink advertising they recalled first.

One of advertising's goals is to increase awareness for a product. What has happened with Coke is that the product has increased awareness for its advertising. Coca-Cola certainly was uncomfortable with the bad feelings its reformulation decision created. But now, having given consumers what they wanted, the company can't be unhappy with its brand and advertising awareness.

Coke's 52.7% ad-awareness share in June was nearly 10 percentage points higher than it had been in May (42.9%) and nearly double its awareness score in April (28.6%), before its management and commercials began appearing on network and local news broadcasts.

The controversy over new Coke blunted what had been a steady awareness increase for rival Pepsi. The launch in late February of new "Choice of a new generation" commercials, featuring singer Lionel Richie, had moved Pepsi ahead of Coke in top-of-mind advertising awareness. Pepsi came to mind first for 31.4% of the April sample, compared with 28.6% for Coke, whose advertising relied on spokesman Bill Cosby and his message that Pepsi was the sweeter beverage.

Even after the new Coke launch and Coca-Cola's share of first mentions rose 14.3 percentage points, Pepsi's share held fairly steady. Last month, however, Pepsi's ad awareness dropped, falling 8.2 percentage points.

Pepsi's gloating about Coca-Cola's forced retreat is understandable, and the No. 2 soft-drink producer may be correct in foreseeing substantial sales-growth potential. But Coke's hold on consumer awareness is undeniable—and can be expected to be stronger when July survey results are in.

Not surprisingly, Coke also led the over-all top 10 in advertising awareness for the month. The first question asked last month's survey sample was "Of all the advertising you have seen, heard or read in the past 30 days, which first comes to mind?" The results, in descending order: Coke, Pepsi, Miller/Miller Lite, Burger King, McDonald's, Budweiser/Bud Light, Pizza Hut, AT&T, Tide and Chevrolet.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name the advertising that first comes to mind—in a variety of product categories—from among all advertising seen, heard or read in the previous 30 days.

In June, 1,000 adults were polled by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Airlines are another category in which the product has been drawing attention to its advertising. Like Coca-Cola's drink reformulation, United's pilots' strike angered and inconvenienced many of its loyalists but boosted the company's awareness score. Last month, United's advertising came to mind first for 25.9% of the sample, a 7.4 percentage point increase.

At the same time, awareness of advertising for Trans World Airlines was receiving a boost. TWA gained unfortunate extra visibility when one of its planes was hijacked in the Middle East. In addition, the airline was involved in a much-publicized search for a "white knight" to save it from an unwanted takeover. Its advertising received 13.7% of first mentions, its highest share ever, making it No. 2 among airline advertisers.

American Airlines, which didn't suffer a strike, hijacking or takeover threat, was last month's loser. Its advertising came to mind first for only 7.7% of the sample, 2.8 percentage points below its May score.

Among significant changes in other categories last month:

- There is news in the **camera** category for the first time in months as Kodak's "Because time goes by" ad campaign begins to get consumers to look up during commercial breaks. Kodak's awareness rose 3.2 percentage points to 23% of first mentions in June, strengthening its hold on the No. 1 slot. That increase apparently came at the expense of No. 2 Canon, whose share declined to 12.2% from 16%. Minolta remains No. 3 (with 8.8% in June).
- Tylenol last month strengthened its leadership position in the **medicine & drugs** category. Awareness of its advertising rose 4.5 points to 25.9% in June, well ahead of the No. 2 advertiser, Advil (5.5%) and No. 3 Anacin (4.8%).
- IBM once again threatens to make a race of the fight for awareness in the **computer** category. Awareness for No. 1 Apple's advertising has been sliding—it's down more than 10 points during the past four months—and now IBM is beginning to gain.

IBM came to mind first for 18% of last month's sample, a 3.8 point increase from May's 14.2%. With Apple's awareness level last month at 28.8%, the two major computer marketers are closer than they have been in more than a year.

Commodore remains No. 3, with 4.4% of first mentions.

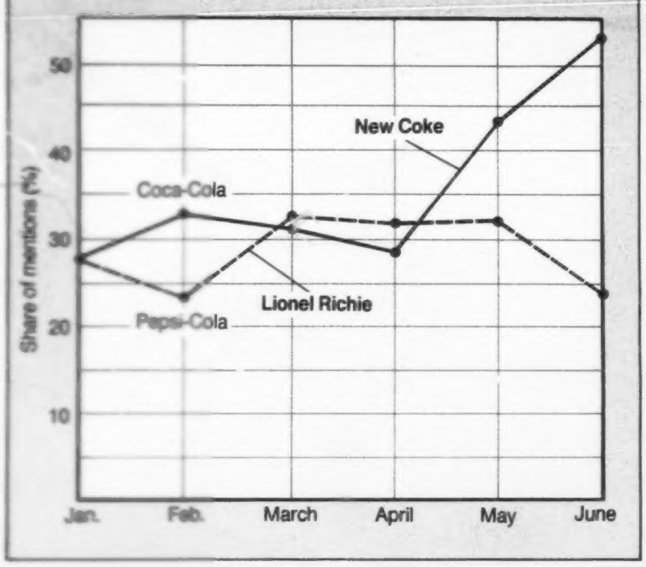
- Miller High Life had the best recalled advertising of all **beer** marketers in June, returning that brand to the No. 1 position for the first time in 27 months.

That can be credited to its "Made the American Way" campaign and to a decline for usual front-runner Budweiser. Bud's share of first-mentions was 11.6%, down from 13.6% in May. Coors, which grabbed the No. 1 spot in April, continues to cool. It garnered 9.2% of first mentions for last month's No. 3 spot.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

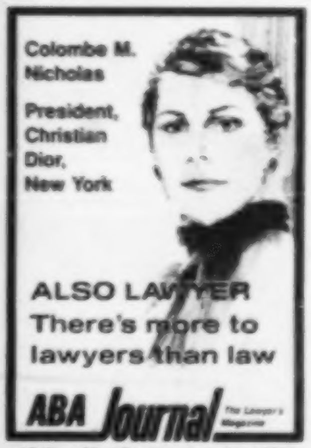
Soft-drink ad awareness

Coca-Cola's introduction of New Coke may have angered some consumers, but it gave Coke advertising a tremendous boost in awareness. The move also blunted the awareness increase Lionel Richie's commercials had begun to give Pepsi's advertising. ***Source: SRI Research Center, Lincoln, Neb.***



CORRECTIONS & CLARIFICATIONS

- Peter Rogers Associates, New York, produced the Brooke Shields ads for Chicago-based Bally Corp.'s Health and Tennis Club division (AA, July 15, P. 74). J. Walter Thompson USA, Los Angeles, is the agency of record, handles all media buying and produces the other celebrity ads endorsing the national health-club chain. However, a Bally spokesman misidentified Thompson as the agency handling the Shields series.
- Ronalds-Reynolds Co., Toronto, and Dancer Fitzgerald Sample work together through a non-equity arrangement. A reference to DFS as partly owning R-R was incorrect (AA, June 17, P. 3).
- Berkley-Small, a newspaper circulation supply company owned by Scripps-Howard, is located in Mobile, Ala., and not Palestine, Tex., as reported in the 100 leading media companies issue (AA, June 27, P. 53). The company sells racks manufactured in its plant in Medina, O., and made at Southern News Rack Co. in Palestine.#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TUNE UP YOUR AUTOMOTIVE ACCESSORY SALES IN TUSCALOOSA.
Tuscaloosa, Alabama, is the 40th richest ADI in the country* for tire, battery and automotive accessory dealer sales, 11th richest for general merchandise* and revving up even more.
By 1988**, Effective Buying Income and Total Retail Sales will each increase 46%. So if your automotive accessory sales could use a tune-up, you'll get a big boost in Tuscaloosa.
WCFT-TV DOMINATES THE MARKET.
We're the #1-rated station sign-on to sign-off. We've got the facts, figures, programming and #1 news that can make you #1 in Tuscaloosa, too.
BE A BIG FISH.
BEAM COMMUNICATIONS
WCFT-TV, CBS, Tuscaloosa, AL
KYEL-TV, NBC, Yuma, AZ-El Centro, CA
WDAM-TV, NBC, Laurel-Hattiesburg, MS
Represented by: Avery-Knodel Television
Sources: *Market Statistics, 1984, Sales Per Household
**Sales & Marketing Management's 1984 Survey of Buying Power
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BEEMAK
75 sizes available from stock • Complete facilities for imprinting • Custom displays produced to your specifications • Use our design services for your special projects • Prompt response to your quote requests
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Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

July

	Current month		Year-to-date	
	1985	1984	1985	1984
— Art & antiques —				
American Artist	68.3	78.0	502.7	496.2
Antiques	95.3	94.0	1,011.8	1,006.4
Art in America (11X)	76.0	—	748.0	785.0
Southwest Art	76.7	62.2	544.2	575.5
Total Group	**316.3**	**234.2**	**2,806.7**	**2,863.1**
% change		**+ 35.0%**		**− 2.0**
— Auto/cycle/rec. vehicles —				
AutoWeek (52X)	171.0	175.1	876.6	791.0
Car & Driver	85.2	94.2	762.0	653.6
Car Collector & Car Classics	17.6	15.6	132.8	136.6
Car Craft	91.8	84.8	527.6	504.5
Circle Track	58.6	51.6	380.2	324.7
Cycle	62.8	31.5	400.8	351.4
Cycle Guide (11X)	44.4	29.2	323.3	321.8
Cycle World	62.0	39.8	451.5	419.7
Dirt Rider	32.3	25.4	243.0	195.1
Dune Buggies & Hot VWs	102.4	92.7	638.1	567.2
Family Motor Coaching	174.3	177.7	1,067.7	1,042.1
4 Wheel & Off-Road	80.8	77.4	522.2	504.2
Four Wheeler	82.4	82.4	602.1	513.6
Hot Rod	58.8	75.9	443.5	423.6
Motorcyclist	42.7	33.1	296.2	280.9
Motor Trend	69.1	73.5	557.1	441.7
Motorhome Life	101.6	95.4	690.9	636.4
Road & Track	111.2	119.1	792.8	713.5
3 Wheeling	70.0	30.8	397.7	210.2
Trailer Life	107.2	128.4	908.7	908.0
Total Group	**1,626.2**	**1,533.6**	**11,014.8**	**9,939.8**
% change		**+ 6.0%**		**+ 10.8%**
— Boating & yachting —				
Boating	111.6	116.3	1,014.7	1,045.8
Chesapeake Bay	34.0	23.8	230.8	195.5
Cruising World	122.3	143.3	906.8	984.1
Lakeland Boating (10X)	50.5	53.0	463.0	411.0
Motor Boating & Sailing	126.6	120.9	1,214.2	1,180.2
Sail	83.2	101.1	942.3	971.9
Sea	40.5	50.8	365.0	423.3
Small Boat Journal (6X)	—	—	153.4	139.8
Trailer Boats (11X)	24.8	22.8	260.2	271.3
Western Boatman (6X)	41.1	19.2	189.9	102.2
Yachting	124.2	143.7	1,192.2	1,222.1
Total Group	**758.8**	**794.9**	**8,313.1**	**6,947.2**
% change		**− 4.5%**		**+ 19.6%**
— Canadian —				
L'Actualite	47.2	43.0	422.3	437.4
Chatelaine:				
English Edition A.	60.0	57.5	613.2	667.8
French Edition	48.1	42.7	501.0	554.5
City Woman (5X)	—	—	—	—
Country Home (8X)	—	—	200.5	175.0
Equinox (6X)	—	—	—	—
Financial Post A.	31.3	34.8	233.9	302.9
Flare A.	35.6	37.9	423.3	344.8
Homemaker's (10X)	—	—	—	—
Madam Au Foyer (10X)	—	—	—	—
Macleans (52X) A.	77.8	69.1	779.3	817.6
Montreal Calendar	17.5	23.0	199.0	257.0
Montreal Ce Mois Ci	21.0	27.0	240.3	271.5
Reader's Digest:				
Canadian-English A.	57.7	95.2	469.1	513.9
Canadian-French A.	47.3	74.9	357.3	448.5
Toronto Life	—	—	—	—
Vancouver	71.1	62.1	477.3	443.1
Total Group	**514.6**	**567.2**	**4,493.2**	**5,234.0**
% change		**− 9.2%**		**− 14.2%**
— Civic/fraternal —				
American Legion	17.2	18.0	178.9	174.3
Elks (10X)	—	—	119.5	140.2
Kiwanis	—	—	98.4	73.0
Lion (10X)	—	—	30.7	39.2
Rotarian	7.7	5.3	79.6	82.1
V.F.W. (11X)	—	—	191.5	159.3
Total Group	**24.9**	**23.3**	**698.6**	**668.1**
% change		**+ 6.9%**		**+ 4.6%**
— Comics —				
DC Comics	5.0	5.5	39.5	54.5
Marvel Comics Group	—	—	—	—
Total Group	**5.0**	**5.5**	**39.5**	**54.5**
% change		**− 10.0%**		**− 27.5**
— General —				
American Health (10X)	42.1	39.9	306.9	243.8
American West (6X)	27.5	17.7	129.7	81.7
The Atlantic A.	40.4	38.6	330.1	317.4
Audubon Magazine (6X)	24.0	18.9	136.5	104.4
Bon Appetit A.	64.9	68.7	573.5	552.8
Changing Times	33.0	34.3	270.5	304.6
Connoisseur	25.0	24.3	402.2	351.1
Consumers Digest (8X)	19.5	20.0	119.2	73.0
Ebony	89.7	82.4	641.2	607.6
Fifty Plus	34.0	25.2	222.8	247.0
Food & Wine	81.7	30.2	337.1	244.9
Games	21.0	19.8	116.5	148.2
Gourmet	53.7	51.6	612.4	526.8
Home Entertainment (8X)	—	—	129.3	97.1
Harper's Magazine A.	19.0	19.0	178.9	165.9
Life	40.1	64.1	437.3	425.8
Modern Maturity (6X)	43.2	47.4	142.2	126.7
Money	103.9	111.1	830.2	856.3
Moneysworth (4X)	—	—	37.2	40.0
Mother Earth News (6X)	45.3	47.2	139.8	161.0
Mother Jones (10X)	16.3	12.0	95.2	96.5
National Geographic	20.3	24.2	158.0	174.5
Prevention	55.5	64.9	412.5	488.1
Psychology Today	15.8	21.3	170.6	168.5
Reader's Digest A.	51.9	66.3	573.5	597.9
Saturday Evening Post (9X)	41.3	40.9	176.3	204.7
Signature	37.3	38.9	378.5	391.9
Smithsonian	68.6	51.1	620.3	575.3
Success B.	37.2	31.5	211.1	236.6
Sylvia Porter's Personal Finance (6X)	38.3	25.5	156.7	114.8
Town & Country	73.6	83.9	826.3	907.6
Travel	25.8	26.8	330.8	332.4
Travel & Leisure	106.5	74.8	770.9	772.6
Vanity Fair	16.6	14.1	215.4	148.6
Writers Digest	21.9	21.9	165.4	171.8
Yankee	50.9	54.5	463.1	535.9
Total Group	**1,485.8**	**1,413.0**	**11,018.1**	**11,593.8**
% change		**+ 5.1%**		**+ 1.9%**
— Home —				
Americana (6X)	27.0	25.1	137.8	145.2
Architectural Digest A.	60.2	80.3	876.1	884.7
Better Homes & Gardens	79.1	99.3	812.1	798.2
Colonial Homes (6X)	46.6	50.5	235.3	257.1
Country Journal	23.0	22.1	246.6	225.8
Country Living	61.5	55.8	457.3	441.6
Dallas/Ft. Worth Home & Garden	99.5	71.1	501.9	496.4
Family Handyman (10X) A.	71.1	76.7	406.2	479.8
Flower & Garden (6X)	—	—	125.6	130.0
Home	40.0	40.8	345.4	380.3
The Homeowner (10X)	27.3	30.8	170.5	159.1
Horticulture	23.1	25.2	277.9	214.3
House Beautiful	63.4	62.5	568.4	625.0
House & Garden	62.2	52.9	654.1	575.5
Houston Home/Garden	107.0	108.5	644.8	690.4
Metropolitan Home	32.0	40.7	430.1	467.9
New Shelter (9X)	56.4	48.1	326.9	283.8
1,001 Home Ideas	36.9	32.4	312.8	259.9
Organic Gardening	42.1	45.3	412.7	482.0
Phoenix Home/Garden	56.8	48.5	452.8	382.8
San Diego Home/Garden	87.8	56.7	522.6	478.3
South Florida Home/Garden	37.5	—	267.2	—
Southern Accents (6X)	59.8	69.8	330.0	284.1
Southern Living	114.8	116.9	907.3	952.5
Sunset Magazine A.	120.6	124.4	1,014.6	993.8
Texas Homes	98.2	115.6	580.6	574.2
Workbench (6X)	38.2	43.2	209.9	235.2
Total Group	**1,572.1**	**2,167.6**	**12,197.5**	**11,898.6**
% change		**− 27.5%**		**+ 2.5%**
— In-flight & other passenger —				
Aboard Group (7) (6X)	25.0	17.0	74.0	55.5
Alaska Airlines	49.8	58.5	329.7	337.5
American Way (26X)	94.6	99.1	802.4	710.5
East/West Network:				
Eastern Review	78.7	101.8	668.3	817.9
Northwest Orient	48.7	31.6	278.5	220.0
Ozark	51.2	37.5	280.0	334.2
PSA Magazine	82.3	110.3	538.8	693.0
Pan Am Clipper	58.5	57.5	406.8	427.6
Republic Scene	47.5	50.7	314.7	427.6
Spirit	92.7	81.1	611.0	637.6
United	88.0	112.0	618.0	781.5
Western's World	49.2	64.5	365.8	455.7
Halsey Publications:				
Air Cal	48.0	47.2	322.9	331.6
Delta Sky	61.7	59.5	493.8	533.6
Skylite	21.2	20.2	144.3	137.7
USAir	46.3	—	—	—
Hawaii (6X)	23.4	22.0	170.4	151.9
Pace	78.8	59.8	468.2	466.2
Spirit of Aloha (6X)	22.5	22.8	168.5	154.8
Total Group	**1,068.1**	**1,053.1**	**7,056.1**	**7,674.4**
% change		**+ 1.4%**		**− 8.1%**
— Men's —				
Esquire A.	50.3	77.6	691.5	644.5
Firehouse Magazine (13X)	33.3	30.0	306.6	307.3
Gentlemen's Quarterly A.	44.3	54.2	237.8	289.8
M Magazine	30.3	39.0	333.1	373.2
Penthouse A.	36.6	50.6	274.3	340.4
Playboy A.	71.9	59.5	503.8	498.2
Total Group	**266.7**	**310.9**	**2,347.1**	**2,453.4**
% change		**− 14.2%**		**− 4.3%**
— Metropolitan —				
Aloha (6X)	31.6	37.2	133.2	116.2
Atlanta	44.5	31.1	452.4	415.4
Baltimore	70.1	45.2	537.6	403.5
Boston	141.5	131.1	1,009.5	923.4
California	41.6	53.8	463.6	423.0
Charlotte (10X)	—	—	—	—
Chicago	104.2	113.8	904.3	886.8
Chicago's North Shore	56.6	69.3	512.3	568.0
Cincinnati	51.5	42.9	374.1	341.2
Cleveland	85.5	75.7	542.9	506.9
Coast (38X)	356.0	377.7	1,858.7	1,744.6
Columbus Monthly	60.7	73.0	457.8	446.0
Commonwealth	—	—	—	—
Connecticut	58.9	60.3	594.6	545.8
Country Magazine	35.9	32.3	320.5	271.0
D/Magazine, Dallas/Ft. Worth	121.0	113.1	892.7	828.2
Denver	30.7	26.5	206.8	180.6
Grand Rapids	61.2	55.7	347.1	369.3
Gulfshore Life (10X)	—	—	380.0	373.0
Honolulu	46.5	51.1	404.9	403.7
Houston City	48.7	78.9	496.4	562.7
Indianapolis	41.6	36.3	281.9	274.9
Kansas City	37.3	28.8	217.3	221.6
Los Angeles	145.0	186.5	1,156.6	1,318.0
Louisiana Life (6X)	53.0	78.0	220.0	288.7
Madison	44.0	44.0	426.0	364.0
Metropolitan Detroit	74.2	61.4	495.2	331.9
Miami Mensual	41.1	40.1	279.6	273.7
Miami/South Florida	81.3	63.2	637.3	598.8
Milwaukee	71.9	47.7	439.7	270.1
Minneapolis/St. Paul	74.6	87.0	654.8	627.8
Monthly Detroit	40.8	39.5	390.0	444.8
Nashville	—	—	—	—
New England Monthly	27.0	7.5	204.5	42.0
New Jersey Monthly	43.6	45.1	397.5	365.3
New Mexico	30.7	44.3	256.1	355.6
Ohio	52.9	46.3	443.2	396.7
Oregon	22.3	—	220.3	174.4
Orlando	113.8	94.0	713.7	598.5
Palm Beach Life	26.6	25.1	537.3	538.6
Palm Springs Life	44.2	37.6	791.2	792.7
Philadelphia	118.9	109.5	907.3	847.6
Phoenix	78.4	80.3	660.4	572.8
Pittsburgh	39.9	42.5	417.6	420.2
St. Louis	43.5	62.0	383.0	407.0
San Diego	136.7	139.5	1,078.1	1,005.2
San Francisco	42.7	82.6	405.7	474.2
San Francisco Focus	69.2	59.2	573.7	386.5
Texas Monthly	97.0	95.6	799.6	858.9
Twin Cities	51.7	53.8	398.8	449.6
Ultra	40.1	97.2	476.2	535.8
Washington Dossier (11X)	—	—	—	—
The Washingtonian	121.0	129.0	1,020.8	973.8
The Virginian (6X)	49.0	46.0	229.0	172.5
Total Group	**3,400.7**	**3,478.3**	**26,042.9**	**25,691.5**
% change		**− 2.2%**		**+ 1.4%**
— Movie/romance/radio/tv —				
Macfadden's Women's Group:				
Modern Romances	19.4	22.5	129.7	171.9
Secrets	19.4	22.5	129.7	171.9
True Confessions	19.4	22.5	129.7	171.9
True Experience	19.4	22.5	129.7	171.9
True Love	19.4	22.5	129.7	171.9
True Romance	19.4	22.5	129.7	171.9
Sterling Women's Group:				
Daytime TV	28.5	29.5	201.5	194.5
Modern Screen	—	—	41.8	61.5
Movie Mirror (6X)	—	—	70.5	61.5
Soap Opera Stars	—	—	59.5	73.0
TV Movie Screen (6X)	—	—	19.3	10.0
TV Picture Life (6X)	—	—	15.0	82.0
Total Group	**144.9**	**135.0**	**1,185.8**	**1,513.9**
% change		**+ 7.3%**		**− 21.6%**
— Music/entertainment —				
American Film (10X)	17.7	26.4	158.4	148.6
Audio	58.0	54.0	561.0	412.0
Circus Magazine	48.3	28.5	343.0	242.2
Dance Magazine	33.9	43.8	395.5	446.9
Musician	67.1	68.3	405.6	433.1
Playbill	38.2	42.7	335.5	403.8
Record	16.8	19.8	153.8	156.9
Stereo Review	32.9	36.7	264.0	307.3
Video Magazine	63.7	56.0	475.5	397.6
Video Review	47.1	50.8	413.6	379.9
Total Group	**423.7**	**427.0**	**3,505.9**	**3,328.3**
% change		**− 0.7%**		**+ 5.3%**
— National Sunday magazines —				
Family Weekly (52X) A.	39.7	64.3	341.9	395.4
Parade (52X)	32.0	45.3	352.1	368.5
Total Group	**71.7**	**109.6**	**694.0**	**763.9**
% change		**− 34.6%**		**− 9.2%**
— Outdoor & sport —				
Alaska	36.9	41.1	345.2	292.9
The American Handgunner (6X)	35.0	34.0	139.0	140.0
American Hunter	21.0	19.5	115.7	114.5
American Rifleman	18.1	21.2	158.3	176.8
Backpacker (6X)	35.9	49.2	140.7	172.8
Bass Master (9X) A.	34.4	35.6	393.5	349.8
Bicycling (9X)	—	—	—	—
Field & Stream	120.0	84.9	673.9	625.6
Fins & Feathers A.	—	—	—	—
Fishing World	15.6	23.8	176.2	190.9
Florida Sportsman	68.8	61.5	760.4	649.2
Flying	53.4	51.3	325.2	305.9
Fur-Fish-Game	12.6	19.8	119.8	152.0
Golf Digest	52.4	72.1	681.7	706.2
Golf Magazine	40.5	36.6	530.0	603.4
Guns	22.0	26.0	152.0	163.0
Guns & Ammo	40.8	71.4	286.0	315.5
In-Fisherman (6X)	68.5	83.0	391.0	392.0
Muscle & Fitness	106.3	113.0	754.3	752.6
Outdoor Life	59.1	52.5	511.0	569.8
Outside Magazine	36.0	41.2	308.0	263.8
Petersen's Hunting	37.1	66.4	245.1	254.0

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Figures represent a double issue for the months of July and August. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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July

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Runner's World (13X)	34.2	63.4	353.2	257.7
Salt Water Sportsman	58.1	48.0	634.5	545.3
Shooting Times	23.0	37.5	227.3	246.6
Ski (8X) A.	—	—	215.4	249.2
Skiing (7X)	—	—	203.3	215.3
Skin Diver	86.7	78.9	583.2	567.8
Southern Outdoors (8X)	30.0	33.2	209.4	233.1
Sport	31.8	39.3	298.2	314.7
Sports Afield	61.2	58.2	593.7	615.2
Tennis	119.1	108.4	602.1	596.1
Western Outdoors (10X)	—	—	288.2	270.2
Total Group	**1,393.2**	**1,512.2**	**11,670.4**	**11,605.8**
% change		**−7.9%**		**+0.5%**

Photography

American Photographer	39.2	40.5	289.1	285.4
Petersen's Photographic	25.1	29.2	190.9	228.3
Popular Photography	90.6	97.8	625.7	671.0
Total Group	**154.9**	**167.5**	**1,105.7**	**1,184.7**
% change		**−7.5%**		**−6.6%**

Religious

B'8I Jewish Monthly (10X)	—	—	134.5	149.6
Christian Herald (11X)	28.5	30.0	211.9	219.9
Christian Life	26.2	30.5	181.4	188.0
Christianity Today (18X)	29.5	32.8	405.8	403.8
Inside (4X)	—	—	—	—
Moody Monthly (11X)	35.5	37.2	349.0	349.0
Today's Christian Woman (6X)	33.0	24.0	161.4	127.7
Total Group	**152.7**	**154.5**	**1,444.0**	**1,438.0**
% change		**−1.2%**		**+0.4%**

Science/electronic/mechanic

Compute	33.1	52.7	354.6	577.9
Creative Computing	40.4	102.3	470.0	877.0
Discover	30.0	27.9	221.4	258.4
Family Computing	21.0	38.2	364.2	363.8
Home Mechanix	51.5	53.6	474.4	493.7
Info World (52X)	139.0	168.0	902.0	1,219.0
National History	31.7	25.0	294.4	293.4
Omni	54.9	62.1	400.7	424.3
Personal Computing	142.9	122.0	1,024.5	1,076.3
Popular Mechanics	78.3	67.1	672.8	670.3
Popular Science	46.9	45.1	449.7	587.9
Science Digest	16.7	25.8	175.8	205.7
Science 85 (10X)	26.9	33.4	180.1	207.2
Scientific American	36.6	43.0	318.2	438.3
Spectrum	91.2	81.5	727.6	686.8
Total Group	**841.1**	**947.7**	**7,030.4**	**8,380.0**
% change		**−11.2%**		**−16.1%**

Women/fashion/service

Bride's Magazine (6X) A.	—	—	—	—
Cosmopolitan A.	142.0	164.5	1,316.5	1,427.3
Essence	67.0	77.2	557.6	570.7
Family Circle (24X) A.	179.5	168.6	1,035.7	997.7
Family Magazine	—	—	—	—
Glamour	113.2	111.6	1,131.2	1,144.7
Good Housekeeping A.	115.7	120.8	1,123.3	1,072.9
Harper's Bazaar	71.8	74.9	847.9	884.3
Health	31.6	32.0	267.6	240.2
Ladies' Home Journal	85.3	91.5	732.8	701.7
Ladycom (10X)	32.7	42.3	224.0	262.9
Mademoiselle	65.4	91.5	788.2	897.4
McCall's	72.1	84.7	623.1	613.6
Modern Bride (6X)	395.7	395.5	1,346.0	1,238.7
Ms.	49.5	49.9	346.1	351.3
New Woman	39.3	42.7	352.0	334.2
Parents Magazine A.	60.9	58.8	593.7	496.1
Playgirl	—	—	—	—
Redbook	74.4	87.1	607.5	626.1
Self	55.9	73.4	633.6	649.2
Seventeen	58.9	68.8	757.8	777.0
Shape	57.6	58.0	436.1	393.5
Soap Opera Digest (26X)	30.8	39.6	208.5	204.1
'Teen Magazine	43.5	42.2	325.8	342.7
True Story A.	51.1	51.7	328.0	393.7
Vogue	93.3	142.9	1,553.0	1,569.9
W Magazine	70.8	53.8	679.4	661.0
Weight Watchers	24.3	25.0	193.0	205.5
Woman's Day (16X) A.	118.3	83.4	766.8	794.1
The Workbasket (10X)	—	—	227.4	221.2
Working Mother	60.3	68.1	503.8	480.6
Working Woman	59.1	69.7	677.9	661.0
Total Group	**2,320.0**	**2,470.2**	**19,184.3**	**19,240.3**
% change		**−6.1%**		**−0.3%**

Youth

Boys' Life	31.6	15.1	127.3	119.8
Campus Life (10X)	33.0	28.6	282.9	252.7
Total Group	**64.6**	**43.7**	**410.2**	**372.5**
% change		**+47.8%**		**+10.1%**

June

Business

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Arizona Business Gazette (52X)	29.6	30.1	169.5	156.4
Atlanta Bus. Chronicle (52X)	56.0	38.3	298.9	285.1
Austin Business Journal (52X)	62.7	47.5	326.0	244.1
Barron's (52X)	194.9	160.6	1,092.8	1,179.6
Black Enterprise	—	—	—	—
Boston Business Journal (52X)	122.7	104.8	799.2	548.5
Business Atlanta	—	—	—	—
Business First	74.3	—	398.2	—
Business North Carolina	28.8	26.4	238.8	220.4
Business Week (52X) A.	348.5	390.5	2,161.3	2,334.5
California Business	71.7	76.7	462.4	535.1
Capital District Bus. Review (25X)	36.9	35.5	254.3	274.1
Corporate Report/Kansas City	58.1	67.3	300.4	384.2
Corporate Report/Minnesota	103.4	76.2	581.4	513.3
Crain's Chicago Bus. (52X)	146.8	113.1	890.6	796.7
Crain's Cleveland Bus. (52X)	69.3	56.1	452.8	375.1
Dallas/Ft. Worth Bus. (52X)	70.2	49.2	335.0	241.0
Dun's Business Month	—	—	—	—
Financial World (24X)	55.5	37.6	242.6	196.0
Florida Trend (13X)	—	—	—	—
Forbes (26X)	279.6	249.7	1,708.4	1,720.6
Fortune (26X) A.	281.3	209.6	1,610.4	1,624.6
Frequent Flyer	63.5	48.1	372.4	334.3
Futures (13X)	49.0	51.0	371.0	391.0
Hawaii Business	47.5	46.9	274.5	283.7
High Technology	33.8	38.7	198.9	199.2
Houston Bus. Journal (52X)	118.3	146.3	739.6	871.9
Inc. Magazine A.	89.9	114.9	594.7	739.3
Income Opportunities	43.9	46.0	265.7	276.2
Industry Week (25X) A.	75.4	539.2	107.8	667.0
Indianapolis Business Journal (52X)	118.8	118.0	692.2	642.2
Kansas City Business Journal	129.6	118.8	805.5	720.1
Milwaukee Business Journal	110.0	89.2	543.7	399.9
Minnesota Business Journal	45.1	50.5	300.5	311.5
Nation's Business A.	27.1	30.9	241.6	228.3
New England Bus. (20X)	—	—	—	—
New York City Business	25.2	29.3	133.9	115.3
Pacific Business News (52X)	117.5	105.7	640.5	623.1
Philadelphia Business Journal (52X)	71.8	74.6	562.0	502.9
Pittsburgh Bus. Times (52X)	72.5	47.5	429.0	325.9
San Jose Business Journal	—	—	—	—
Savvy	—	—	—	—
St. Louis Business Journal (52X)	163.3	168.4	845.5	810.8
South Florida Business Journal	88.1	57.6	493.5	367.5
Texas Business	95.6	72.5	429.9	383.4
Venture	96.9	98.6	418.4	483.9
Total Group	**3,773.1**	**3,861.9**	**21,783.8**	**21,306.7**
% change		**−2.3%**		**+2.2%**

Newspaper Sunday magazines*

Arizona Republic	52.6	50.0	302.8	394.6
Boston Globe	194.7	196.3	1,169.1	1,121.6
California Living	52.1	45.4	309.6	324.4
Chicago Tribune	104.0	64.5	623.8	419.7
Cleveland Plain Dealer	51.8	52.4	269.3	357.6
Columbus Dispatch	—	—	—	—
Denver Post	33.1	58.2	463.8	499.1
Detroit News	148.0	144.0	724.0	790.0
L.A. Times Home Magazine	144.0	184.0	756.0	1,044.0
Louisville Courier-Journal	67.8	62.5	410.8	418.7
Miami Herald	49.5	48.7	249.1	308.6
New York News	—	—	—	—
New York Times Magazine	277.9	268.5	2,099.1	2,178.0
Philadelphia Inquirer	68.9	54.5	320.1	301.2
Toledo Blade Magazine	—	—	—	—
Washington Post	135.2	88.5	698.3	665.8
Total Group	**1,379.6**	**1,317.5**	**8,395.8**	**8,823.3**
% change		**+4.7%**		**−4.8%**

Weeklies/bi-weeklies

The Advocate (26X)	114.9	153.5	570.2	661.1
Army Times Military Group:				
Air Force Times (52X)	149.7	141.6	915.6	878.5
Army Times (52X)	149.6	128.5	894.3	834.4
Navy Times (52X)	159.8	148.0	978.0	945.6
The Times Magazine	18.8	16.7	81.7	103.4
The Blood-Horse (52X)	405.6	340.4	2,595.9	2,783.5
Capper's Weekly (26X)	13.8	17.4	146.1	163.1
Commonweal (22X)	2.1	3.6	10.6	10.6
Golf World (43X)	77.0	105.0	517.0	516.3
Grit (52X) A.	5.2	4.5	125.0	154.2
National Journal (50X)	51.3	17.0	313.3	141.0
National Review (25X)	16.6	32.6	133.5	155.6
New Republic (48X)	31.6	32.2	203.7	215.8
New York Magazine (50X)	203.8	184.6	1,358.8	1,264.7
New Yorker (52X)	213.6	225.6	1,434.6	1,700.1
Newsweek (52X) A.	211.0	215.4	1,283.7	1,379.3
People (52X)	321.5	330.7	1,767.6	1,813.6
Rolling Stone (25X)	—	—	—	—
Sporting News (52X)	39.6	33.5	218.4	282.1
Sports Illustrated (52X) A.	217.9	195.5	1,332.2	1,284.2
Time (52X) A.	204.4	201.7	1,289.8	1,037.2
TV Guide (52X) A.	201.5	233.9	1,835.4	1,818.6
Us Magazine (26X)	—	—	—	—
U.S. News & World Report (52X) A.	131.3	144.3	826.4	808.7
Total Group	**2,940.8**	**2,906.2**	**18,831.8**	**18,951.6**
% change		**+1.2%**		**−0.6%**

Foreign

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Good Housekeeping Foreign Editions:				
Australia	29.9	31.4	175.1	180.1
Great Britain	161.9	149.9	724.6	697.8
Japan	74.0	77.0	318.3	400.1
Geomundo:				
Central America	4.0	8.5	27.5	30.3
Chile	5.0	7.5	30.5	28.3
Colombia	7.0	13.5	47.0	45.5
Ecuador	5.0	5.0	23.0	19.0
Mexico	5.0	10.0	35.0	37.8
Peru	4.0	6.5	29.5	28.3
Puerto Rico	2.0	2.5	21.0	16.3
Venezuela	7.0	12.5	49.5	57.8
Hombre De Mundo:				
Central America	3.0	5.0	20.0	28.0
Chile	4.0	4.0	24.0	31.0
Colombia	8.0	11.0	34.0	43.0
Ecuador	3.0	1.0	22.5	23.0
Mexico	15.0	17.5	54.5	61.0
Peru	3.0	3.0	17.0	25.0
Puerto Rico	11.0	7.0	29.0	38.0
Venezuela	17.5	20.5	85.0	81.0
Ideas Para Su Hogar:				
Central America	—	—	—	1.5
Chile	—	—	—	1.0
Colombia	23.5	25.5	76.0	85.5
Ecuador	7.0	10.0	26.0	31.5
Mexico	10.7	11.3	43.8	45.3
Peru	2.5	8.0	12.5	32.0
Puerto Rico	4.5	0.5	9.5	3.5
Venezuela	28.5	26.5	91.0	85.7
Mecanica Popular:				
Argentina	—	6.8	15.0	35.7
Central America	9.2	15.0	59.0	79.2
Chile	3.3	7.8	21.2	36.0
Colombia	18.5	20.0	74.3	80.0
Mexico	17.3	14.8	74.3	63.5
Peru	9.8	22.7	69.0	100.0
Puerto Rico	7.5	15.7	60.0	87.3
Venezuela	11.8	19.7	69.8	91.0
The Ring en Espanol:				
Mexico	4.7	—	12.7	—
Puerto Rico	—	—	—	—
U.S.	6.0	3.0	34.7	18.3
Venezuela	2.0	1.0	6.0	7.0
Vanidades Continental:				
Central America	6.5	10.5	36.0	39.3
Chile	1.3	5.0	15.0	11.0
Colombia	61.0	65.7	352.5	301.0
Business Week Int'l. (52X)	133.9	124.8	719.2	731.6
Cosmopolitan Foreign Editions:				
Australia	68.3	52.9	332.2	319.5
Brazil	62.0	37.4	229.9	196.4
France	129.0	158.5	657.1	892.7
Germany	102.8	95.5	586.7	548.5
Great Britain	136.0	140.0	655.8	645.3
Greece	68.0	70.0	397.4	341.0
Holland	110.0	70.0	413.3	307.0
Italy	46.3	52.0	322.4	311.7
Japan	53.3	37.3	213.9	180.0
Cosmopolitan en Espanol:				
Central America	2.3	3.0	6.3	7.0
Colombia	14.0	18.2	63.0	55.2
Ecuador	1.0	1.0	2.0	3.0
Mexico	55.7	45.3	246.5	234.5
Peru	5.0	5.0	16.0	12.0
Puerto Rico	25.5	29.8	130.3	174.7
U.S. (Spanish language)	14.3	18.2	95.5	105.7
Venezuela	28.5	23.5	136.7	90.5
International Communications:				
The Middle East	21.4	20.4	90.3	103.9
International Management:				
Africa	6.7	9.5	51.7	70.5
Europe	46.5	44.0	270.2	225.3
Latin America	3.5	9.5	32.7	45.8
Middle East	8.5	12.0	92.7	69.8
Pacific	11.2	11.5	82.0	73.3
Johnston International:				
Alam Attijarat	49.8	77.8	280.3	328.8
Modern Africa (6X)	13.2	27.8	36.8	60.5
Modern Asia (11X)	24.7	27.3	169.9	146.8
Newsweek International A.:				
Atlantic (52X)	95.9	80.4	478.2	505.5
Latin America (52X)	28.5	12.9	142.5	135.5
Pacific (52X)	79.1	62.6	347.5	379.6
Progreso (9X)	19.5	6.8	55.1	24.9
Reader's Digest:				
Arabic	6.5	10.0	51.5	58.0
Asian	249.5	59.0	1,151.5	905.0
Australian	48.8	103.3	310.4	462.0
Belgian-Flemish	123.0	215.0	518.5	556.0
Belgian-French	64.0	128.5	347.5	371.0
British	46.5	50.5	274.9	322.1
Chinese	196.5	65.2	743.0	553.2
Danish	35.8	28.8	201.0	201.0
Dutch	58.3	39.0	272.4	240.8
Finnish	92.3	64.0	289.4	272.5
French	53.3	55.0	303.6	307.1
German	51.9	61.8	402.1	446.2
Iberian	—	20.5	31.0	102.5
Indian-English	109.5	59.5	614.5	456.0
Indian-Hindi	28.0	4.0	76.5	27.5
Italian	42.0	33.0	230.5	237.5
Japanese	49.3	63.4	274.0	257.8
Korean	23.3	22.0	144.4	155.0
Latin American:				
Argentina	16.0	16.5	101.0	93.0
Brazil	5.0	3.0	24.0	16.0
Central American	8.0	11.0	45.0	49.5
Chile	12.0	15.5	50.5	70.5
Colombia	34.0	33.5	147.0	151.0
Ecuador	10.0	8.0	46.0	42.5
Peru	8.0	10.0	49.5	47.0
Puerto Rico	3.0	3.0	26.0	29.0
U.P.B.	6.0	7.0	39.5	37.0
U.S. Spanish	10.5	9.5	53.5	53.0
Venezuela	8.0	11.0	59.5	58.0
New Zealand	63.0	103.5	299.0	471.0
Norwegian	19.0	35.5	120.5	217.6
South African	103.0	104.5	542.0	522.8
Swedish	25.0	7.0	89.5	77.5
Swiss-French	27.3	34.5	152.3	174.1
Swiss-German	36.9	44.8	211.4	224.6
Time International:				
Time-Asia	93.6	89.2	469.3	511.1
Time-Atlantic	99.8	106.5	553.4	600.0
Time-Canada	136.6	161.8	961.2	1,056.0
Time-Latin America	55.7	47.9	229.2	244.3
Time-South Pacific	122.9	126.4	623.2	602.5
Visao (52X)	95.7	157.8	652.4	838.6
Vision/Latin America (26X) A.	37.5	33.4	141.6	152.1
Total Group	**4,384.3**	**4,331.0**	**22,202.2**	**22,703.0**
% change		**+12.3%**		**−2.2%**

William Taylor shop changing its name

BELLEVUE, WASH.—William Taylor Agency has changed its name to the Taylor Group in an effort to expand its services to include public relations and marketing consulting. The $1.3 million agency, which specializes in industrial and high-technology accounts, remains at the same address.

Live Aid figures on second superconcert

By JAMES P. FORKAN

For Live Aid, the message was tune in, turn on and send money for African famine relief. In the end, the money pledged by viewers emerged as more important to the organizers than the ratings.

Still, the initial audience numbers for what MTV: Music Television promoted as "the biggest concert benefit in the history of the world" were large enough to warrant Band Aid founder Bob Geldof's proposing a Live Aid II for 1986 and USA for Africa's preparing a "We Are the World" event for later this year.

It took two decades to top Woodstock, but organizers of USA for Africa and Band Aid, which kicked off the music fund-raising concept, do not plan to wait that long to try surpassing Live Aid, which raised more than $70 million for African famine relief.

A second Live Aid is being touted for next spring, probably preceded by a home video special and an album from the first concert. And USA for Africa may stage its first live concert in August or September. The latter also is reportedly seeking tie-ins with such advertisers as Burger King Corp, Miami, although company officials said nothing is definite.

ABC's three-hour Live Aid prime time "superconcert" on July 13, which grossed about $5 million in ad sales, averaged a 28 share in the 10 A.C. Nielsen Co. overnight markets, led by the 40 share posted in Philadelphia, host city for the U.S. part of the 17-hour event. Once the national Nielsens were in, however, the biggest rock event since 1969's Woodstock seemed to lose some of its ratings luster, having dropped to a 23 share—despite the presence of rock superstars Mick Jagger, Tina Turner, Hall & Oates and Bob Dylan, and all the media publicity (including the Big 3 tv networks' newscasts).

Although some people may have been turned off by the hype, several tv sources think the likeliest reason for the low ABC numbers was that millions of young viewers opted for MTV's cablecast. ABC spokesmen maintained that its prime time results—strong enough to give ABC a narrow win for July 13—were "in the ballpark" with pre-event projections, which took into account that its coverage would be opposite MTV's and would be preceded by all-day syndication/MTV/radio coverage.

More than 40 million persons watched all or part of its Live Aid telecast, ABC researchers estimated, noting ABC's strongest shares, in the 24-to-25 range, came in the last hour. A demographic profile of viewers won't be available from Nielsen for several weeks.

Nonetheless, one agency executive complained the ABC rating was disappointing, especially given ABC's $125,000-a-30 Live Aid price (at least for those buying before Coke's exit). Some admen had been expecting shares closer to the 27-to-30 neighborhood—and that might have been attainable had the promoters staged the event on a weeknight. Said Paul Schulman, president, Paul Schulman Co. subsidiary of Gardner Advertising, a big chunk of that concert's target audience was out that night, rather than home watching tv. Any sequels, he felt, should be scheduled for a weeknight, *e.g.*, opposite baseball.

A fuller picture will emerge on Orbis' 105-station ad hoc network when the July sweeps books are published. WNEW-TV, New York, averaged a strong 7.3 Nielsen rating/26 share for its all-day Orbis-syndicated coverage, which ended at 6 p.m., and KTLA, Los Angeles, enjoyed a 9.0/25.

Although MTV officials stuck to their policy favoring the release of quarterly ratings reports over program-by-program data, ADVERTISING AGE learned that MTV's prime time coverage averaged an 11.6 Nielsen rating/20 share in MTV households (3.7/6 in total households). For its entire 17-hour coverage, MTV scored a 9.3/21 within its own universe, a 3.0 rating/7 share nationally.

On the sponsor side, the biggest Live Aid battle was between Coca-Cola Co. and Pepsi-Cola Co. (AA, July 1, *et seq.*). Only days before the event, Coca-Cola quit the ABC-TV sponsor roster for fear that archrival Pepsi, as one of four on-site corporate event sponsors, might upstage it (AA, July 15).

Coke executives undoubtedly got some satisfaction out of the fact that only Coke was sold at the Philadelphia site, though Pepsi may have scored some subliminal points from the on-stage and on-screen presence of Tina Turner and Lionel Richie (both under tour/endorsement contract to Pepsi). And cups with Pepsi's logo were visible atop the piano during one rock star's performance.

Given Coca-Cola's pullout, John Otter, senior vp-director, national broadcast, McCann-Erickson, declined comment on Live Aid's ratings. When asked if Coca-Cola might be interested in Live Aid II or the USA for Africa event, Mr. Otter said only that "we haven't gotten any proposals or offers so far" from the promoters.#

Perky pages promote Sears

By LAURIE FREEMAN

CHICAGO—Sears, Roebuck & Co. is presenting a bold, almost sassy image to readers of August issues of women's magazines: A four-page ad that emphasizes bright colors and brand-name merchandise.

In the center spread of the ad, three models leap into the air to celebrate Sears' "Bold Spirit" collection.

The first page of the ad spotlights New York-based Armitron Corp.'s Awatch, and the last page features Sears' Cheryl Tiegs clothing line.

The nation's largest retailer is running the ad in *Cosmopolitan*, *Glamour*, *Mademoiselle* and *Redbook*. A similar eight-page spread, also using trendy graphics and highlighting Sears' junior line, will appear in August issues of *Seventeen*, Sears said.

Needham Harper Worldwide, Chicago, created the print advertising effort by Sears.

Although the ads contain the company's familiar tag line, "There's more for your life at Sears," their bold style represents something of a departure for the retailer. The ads also portray a Sears that has enhanced its basic product line with more brand-name merchandise.

"Sears is following through with advertising on a policy it initiated long ago—to get recognizable, brand-name items into its stores," said John Landschulz, retail analyst with Mesirow & Co., Chicago.

Mr. Landschulz said the "enhanced product mix strategy" Sears is using is similar to marketing plans developed by J.C. Penney Co., K mart Corp. and Montgomery Ward & Co.

"This combination—price and brand—is one of the biggest trends among all retailers. In this case, the use of brand-name advertising reinforces Sears' image—not only as a store that serves mid-America, but for people who are brand conscious as well. Sears needs to create the impression that their stores contain high-quality goods," Mr. Landschulz said.

The upgraded image campaign comes as Sears continues to implement its "Store of the Future" strategy for remodeling and improving store interiors and layouts. To date, about 111 stores have been reformatted, with another 126 units scheduled to be completed by yearend.

Sears also is testing a smaller-scale Store of the Future prototype, specifically designed for markets of 20,000 to 100,000 people. The first such store recently opened in Alma, Mich., focusing on major appliances, durable goods, electronics, paint and hardware. The store also has a catalog office.

"Sears recognized there was a need for customized, modified stores that were a distinctly different look from its metro stores," said Mr. Landschulz.#

Coen

(Continued from Page 3)

dies, 12%. However, Mr. Coen said, based on first-quarter figures, he sees a "slowing down" in four or five secondary categories out of a total of seven that have traditionally shown strength. Of those secondary categories—cigarets, apparel, beer, pet foods, insurance, liquor and utilities and communications—only beer showed an increase in the three national media during the first quarter of '85, up 14%. Moreover, some of the new growth categories, such as computers, registered no increase at all in the first quarter.

"The utilities and communications categories topped out in the fourth quarter of 1984 and expenditures compare unfavorably with last year," said Mr. Coen. "In addition, the boom in the computer marketing spending appears over."

But Mr. Coen believes this plateauing of these new growth areas was an "unfortunate coincidence" that occurred in a post-Olympics year, in which gains would be modest by comparison anyway. If this topping out of those growth categories had happened last year, said Mr. Coen, it would have had "no impact." He said he was "confident" something would come along next year, but "nothing has now come along to replace utilities and computers."

Mr. Coen envisions the national advertising cutback affecting network tv most. He previously predicted a 5.5% growth for network tv revenues in 1985 (AA, Dec. 17), but has now trimmed that back to 3%. "I'm now not expecting anything but sharp declines in the third quarter, which will not be made up in the fourth quarter," he said. Fourth-quarter network tv increases would have to be in the range of 10% to 12% to offset a soft third quarter and achieve 5.5% for the year, he said.

Although network performance is "falling behind earlier expectations, spot tv revenue growth was significantly better than expected during the first half of this year," observed Mr. Coen, noting that network tv revenues were up 4% in the first five months of this year vs. year ago, while spot tv revenues were up 9%.

Mr. Coen cautioned, however, against looking too negatively even at lowered predictions for 1985. He noted the projected 8.3% growth in national advertising "is still higher than the rate of growth seen in most sectors of the U.S. economy."

As for local advertising, Mr. Coen is still sticking with earlier predictions of 10%-plus gains. "There's been a lot of unexpected strength in classified," he said, noting also that "local radio and tv advertising turned out to be far stronger in the opening months of this year than we had thought possible at the close of last year."

Mr. Coen sees non-U.S. advertising increasing 5.5% in 1985 to $65.9 billion, up from $62.5 billion in 1984. He predicted that some individual countries, however, would show greater growth.

As Europe frees itself from major restrictions on allowed tv commercial time, Mr. Coen observed that "Europe will surpass the U.S. in total spending."#

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DELTA FLIES. . .

AA airline poll

10 favorite U.S. airlines

	Total points
1. Delta Air Lines (44)	213
2. American Airlines (43)	199
3. United Airlines (12)	107
4. Piedmont Airlines (15)	79
5. Trans World Airlines (11)	74
6. Midway Airlines (9)	42
7. Republic Airlines (5)	30
8. Western Air Lines (4)	19
9. Alaska Airlines (4)	18
10. People Express Airlines (3)	16
Ozark Air Lines (2)	16

Least favorite U.S. airlines

	Votes
1. Eastern Air Lines	50
2. United Airlines	36
3. USAir	18
4. American Airlines	17
5. People Express	11
6. Trans World Airlines	10
7. Northwest Orient Airlines	7

Source: Advertising Age *readers' poll. Note:* Advertising Age *asked readers to rate their favorite and least-favorite U.S. airlines. The results in the "best" category, listed below, were derived by totaling three points for each first-place vote; two points for second, and one point for third. First-place votes are in parentheses and total points are at right. In the least-favorite category, we asked for only one selection per ballot.*

EASTERN
We earn our wings every day

. . . while Eastern gets grounded in AA poll

By Robert Goldsborough

The question of America's favorite airline is no longer up in the air. The winner: Delta Air Lines, by the nose of a 727.

This was the verdict of ADVERTISING AGE *Thursday* readers, who selected the Atlanta-based carrier as the most popular domestic airline in a poll that began with a coupon in the May 23 issue. American Airlines taxied to the gate in second place, while the rest of the fleet lagged well behind the leaders.

In the same poll, we also asked readers to name their least-favorite airline. The clear winner of this dubious distinction was Eastern Air Lines, which easily outdistanced runner-up United Airlines.

We received nearly 200 responses, and they showed, as did our earlier airport poll (AA, May 23), that our readers are indeed frequent fliers. Respondents came from 31 states and the District of Columbia, and said they fly an average of 41 times per year.

In all, 32 different domestic carriers received votes on the ballots, in which we provided blanks for three favorite airlines and one least favorite. We also left space for readers to give reasons for their selections.

In the text adjoining our ballot, we said the criteria for ranking the airlines should include schedule convenience, ease of ticketing, on-time performance, cleanliness of equipment, attitudes of personnel, on-board services (food, drink, reading material), seating configuration and frequent-flier programs.

Delta, which winged to victory with 44 first-place votes and a total of 213 points (based on three points for first-place mentions, two points for second-place, one point for third), was most frequently praised for the attitudes of its personnel, as this sampling indicates:

"Cooperative, pleasant crews, who help when there are problems"..."Clean, courteous and helpful"..."They understand that they are in a service business"..."They focus on passenger needs"..."Happy employes"..."They seem to really have a passenger-oriented attitude."

Those who voted Delta tops also lauded the carrier for its on-time performance. Food, however, was something of a mixed bag. While some participants gave Delta's meals high marks, others, while praising the airline over-all, were critical of the cuisine.

Delta's support was geographically wide-ranging. First-place votes came from 18 states, with more No. 1 ballots being cast from northeastern states than from the South, Delta's headquarters and traditional base of strength.

While "friendly" seemed to be the key word among those rating Delta tops, "professional" was the description most often bestowed by those favoring runner-up American, which had only one less first-place vote than Delta (43) and 14 fewer total points. Although American also was praised for the friendliness of its crews and its on-time performance, the Texas-based carrier received its highest marks for the quality of on-board service, with several respondents referring to the line as "classy." And its frequent-flier program was mentioned more often than that of any other airline.

On the downside, American received 17 votes as least-favorite, most of them from passengers complaining about rude employes and poor food quality. (In contrast, Delta received only four "least favorite" votes.)

United, the largest U.S. carrier, finished a distant third in popularity, although it should be noted that the balloting took place during the recent pilots' strike against the Illinois-based system—a circumstance that may have affected both its popularity and its standing as runner-up in the least-liked category. A handful of respondents made negative comments about the airline's stance during the strike.

United received 12 first-place votes but also was named on 36 ballots as least-favorite. The blackest mark against United was for poor on-time performance, followed by arrogant employes ("They don't care about me") and lackluster food.

One interesting sidelight: Readers who picked Delta as their favorite line tended to name Eastern their least favorite, and the majority of those favoring American listed United as their least favorite.

Rounding out the top 10 in popularity were North Carolina-based Piedmont, TWA, Chicago-based Midway Airlines, Republic, Alaska Air, Western Airlines and Ozark and People Express in a 10th-place tie.

Our readers seemed to save their strongest emotions—most of them negative—for Eastern Air Lines, which received 50 votes as the least favorite U.S. carrier. Complaints about the Miami-based carrier were fairly evenly divided into three categories: Poor on-time performance, dirty aircraft and unfriendly personnel. Some samples:

"Rude personnel, little or no help in rescheduling connections"..."Nasty personnel, dirty airplanes"..."Personnel openly show contempt, even in first class!"..."The Eastern workers still don't care"..."All flight attendants seem to hate me"..."Flights are always late; ticketing and seat selections are sloppy"..."Dirty planes and discourteous people."

Anti-Eastern ballots came from respondents in 17 states, led by (in order) New York, Florida, North Carolina and Illinois. On the plus side, Eastern did get some positive responses—seven first-place votes, five seconds and ten thirds. Convenient schedules and on-time performance were among the reasons for its popularity with some readers.

Joining Eastern and United on the least-favorite list were (in order) USAir, American, People Express, TWA and Northwest.

Although most readers confined their comments to the space on the ballot, one reader from Libertyville, Ill., sent a four-page, handwritten letter in which he listed, in great detail, his grievances against United Airlines, including lost baggage, flight cancelations and abrasive ticket agents. We hope he feels better.

The most unusual flying experience was related by an Irvine, Cal., reader. On his ballot, he listed Pacific Southwest Airlines as his least favorite. In addition to such standard complaints as delays and unfriendly personnel, he said they are "The only airline I have flown that lost luggage I CARRIED on. [The stewardess left with it on a stopover.]"

He didn't feel the experience was a fluke, however. He said PSA "also lost my luggage the only time I checked it last year." ■

Thursday

Pierre in Gay Paree

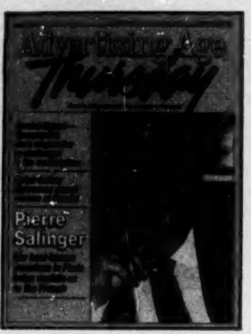


Photo by Jean-Marc Martin

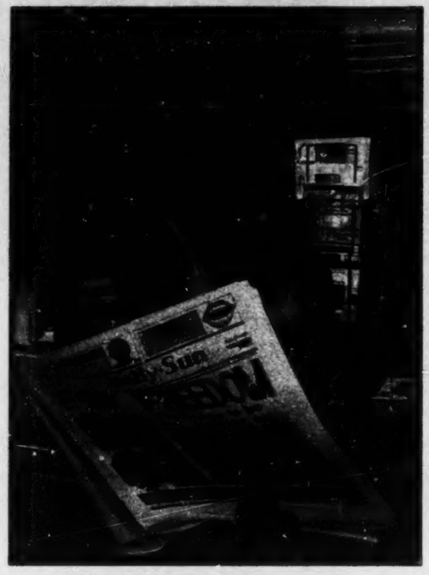
Pierre Salinger, the ABC bureau chief and the network's chief foreign correspondent, must be the most visible American in Paris. When the French press needs a perspective on an American issue, they call Salinger. Former press secretary to John Kennedy and one-time correspondent for the French newsweekly *L'Express*, Salinger usually obliges. *See Page 4.*

Boomers

In "The Big Chill," it took a funeral to get eight baby-boomers together for a weekend. In New York it takes only a clever invitation from Baby Boomers & Co., a party-planning enterprise for upscale 24-to-40-year-olds, to get hundreds of them mingling. *See Page 6.*

Wild, wild West

Grabbing the phone book usually doesn't have pornographic connotations. But in Jackson Hole, Wyo., to let your fingers do the walking is nothing short of. . .lewd. The cover of that town's independent directory boasts a young woman's rear end, stuffed tightly into Levi's shorts, wearing thigh-high leather boots and a belt emblazoned "Jackson Hole." *See Page 63.*



Special Report—Newspapers

Newspapers are meeting pressure from advertisers, readership declines and competitors with standard advertising units, total market coverage and other methods. *See Page 15.*

Presstime

BBDO profits dip

New York—BBDO International reported a decline in profits in the second quarter and first half versus year-ago results. In the quarter, net income dropped 2% to $5.9 million; revenues rose 6% to $83.7 million. In the first half, net income declined 10% to $10.2 million; revenues increased 6% to $159.5 million.

B&B loses in London

London—Benton & Bowles here will lose almost half its $46 million in billings as media director Ray Morgan leaves to set up his own independent media-buying operation, Ray Morgan & Partners. Mr. Morgan will take with him the Allied Lyons wine and spirits' media-buying business, which had been consolidated for all brands at B&B. It is worth about $21 million.

DMM loses A-B unit

Dallas—Anheuser-Busch's Campbell-Taggart bakery unit will seek a new agency to replace D'Arcy MacManus Masius, St. Louis, on its approximately $10 million account. The split is due to a conflict with General Foods Corp.'s Entenmann's and Oroweat brands, which are handled by DMM merger partner Benton & Bowles. An A-B spokesman said a decision is expected within two weeks. Separately at St. Louis-based A-B, the brewer will run new Spanish-language tv spots for its Michelob superpremium brand on major-market Hispanic stations. The theme translates as "For me, Michelob, the taste of a better life." Castor Spanish International, New York, handles.

Wallace to Coke unit

Houston—Scott Wallace has been named to the new post of exec vp-marketing at Coca-Cola Foods. Mr. Wallace had been senior vp-worldwide marketing at Brown & Williamson Tobacco Corp., Louisville, before joining D'Arcy MacManus Masius Worldwide a year ago as corporate exec vp responsible for worldwide service for DMM's international clients (AA, Sept. 24). Mr. Wallace, who is known to have supported the agency's merger with Benton & Bowles, said the timing of his departure was "unfortunate" because "I don't want to leave the impression with clients or anyone else of disaffection." But, he said, "It's a very good job that came along."

Stabbing at Grey office

New York—A Grey Advertising employe was arrested July 23 after a stabbing outside the agency's headquarters here. A Grey spokeswoman said Arthur Hill, a 14-year employe in the agency's financial department, allegedly stabbed another Grey employe, Alfred Greaves Jr., who works in the production department. The stabbing allegedly was the result of a personal dispute between the two, the spokeswoman said. Mr. Greaves was hospitalized with a shoulder wound and his condition was listed as stable.

Papers eye Sun. books

New York—Sunday newspapers are reacting to the planned Sept. 8 rollout of Gannett Co.'s *USA*

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ABP MPA RED TAG ABC ANPA

Photo by Mary Herlehy

Advertising according to Lou Centlivre, executive managing director-creative at Foote, Cone & Belding, Chicago: "If an idea makes me laugh, that's a sure sign it's a good idea. All commercials should be entertaining, no exceptions made. . .Everybody ought to have fun. . .if you're not having fun [whether client or agency], then you're getting screwed."

Lou Centlivre has one thing in mind: F-U-N

By Laurie Freeman

The Centlivre Test for Good Ideas:

"If an idea makes me laugh, that's a sure sign it's a good idea. All commercials should be entertaining, no exceptions made."

It's one thing to say it, another thing to put it into effect, and Lou Centlivre has done both. Described by his co-workers as a man who "shoots straight from the lip," the 52-year-old executive managing director-creative at Foote, Cone & Belding, Chicago, has one thing in mind when he heads for the office each morning. Fun.

"Somebody's making the business too rational, which is wrong," he says. "Advertising is an emotional industry. It's getting so bad I can look at a tv commercial and tell what kind of a creative department or agency the work came from. The scary part is, does anybody care? Everybody ought to have fun. . .if you're not having fun [whether client or agency], then you're getting screwed."

Obviously, Centlivre enjoys talking about advertising—what it is and what it could be. He says he got into advertising because it was more fun than any other business. The problem is, this straight-shooter often speaks before he thinks. Maybe that's why Foote, Cone general manager Bruce Mason gave him a picture inscribed "Louie. . .remember. . .1,001, 1,002. . ." And maybe it's not really a problem.

Mason credits Centlivre's forthright approach with attracting many of the agency's newest accounts, including Long John Silver's, Lexington, Ky.; Pearle Vision, Dallas, and Volume Shoe, Topeka, Kan.

"I don't want to round out Louie's edges because most times what he says is the truth. Sometimes I think clients are going to hit the roof because of the outrageous things he says. But because he's sincere and really means what he says, the clients take it all in stride," says Mason. "I wouldn't want to put the brakes on Louie."

For his part, when the freewheeling Centlivre talks about "creative freedom" at the agency, he makes sure listeners know those marching orders come from the general manager's office.

The result is plenty of energy, from the top right down to the copywriter ranks—where it's converted into entertainment and humor, elements Centlivre looks for in copy.

By way of example, he points to S.C. Johnson & Son's Raid tv work, one of FCB's long-running campaigns. "Our task is to make it *fun* to watch these ugly mothers go to their eternal reward. 'Raid kills bugs dead!' Now that's fun," he says, laughing.

One gets the feeling the 11th floor at FCB, where Centlivre's "creative-oids" live, work and play, resounds with laughter from early morning till late at night.

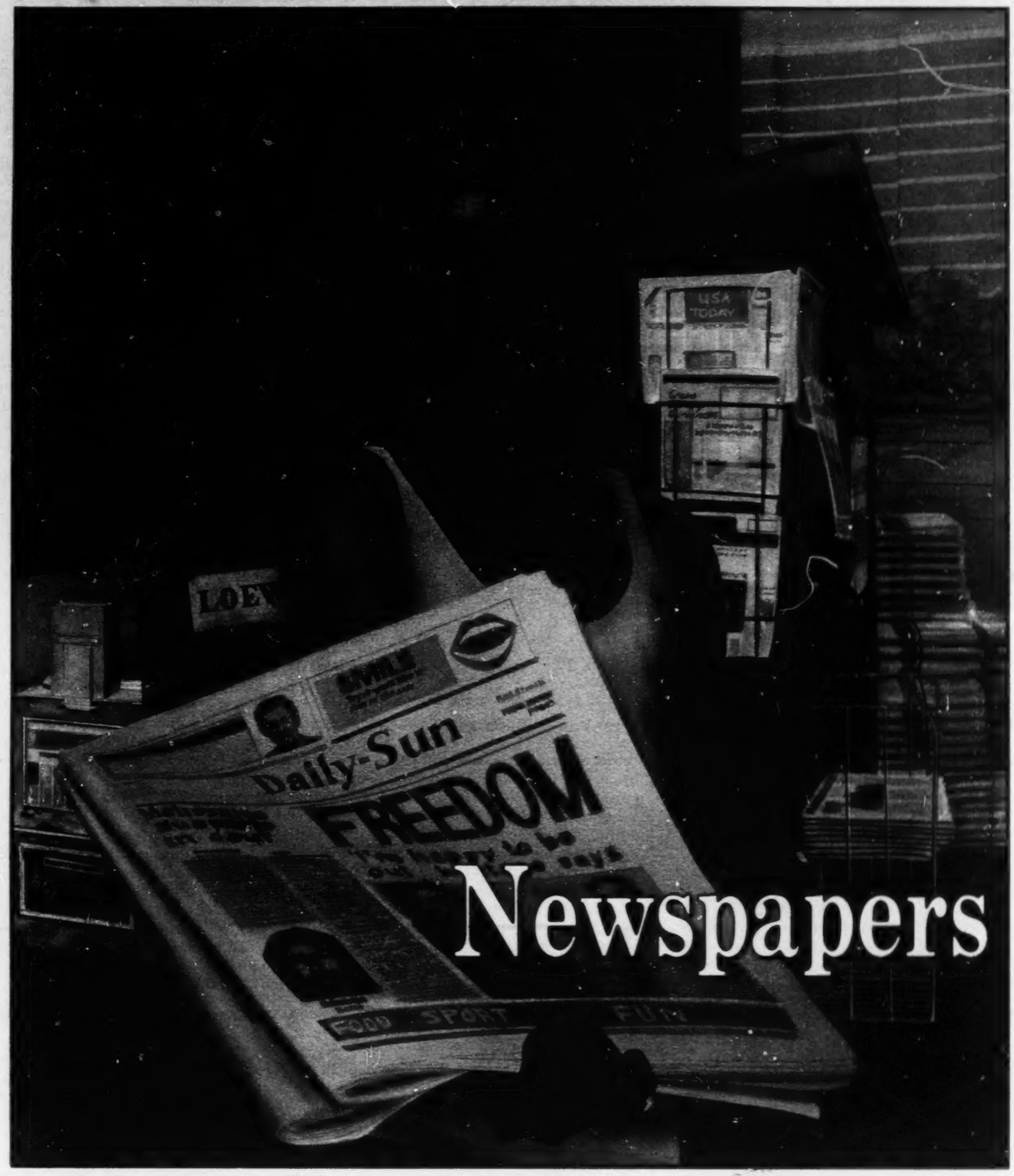
A visitor to the creative floor is overwhelmed by activity. When Centlivre's crew of 20-odd senior creative writers and directors get down to turning out copy, there's a lot of screaming and yelling back and forth between offices. Just the way the boss likes it.

"My motto is a pretty good barometer: 'Beware of silent halls.' When the loudest sound is the rustle of the *Wall Street Journal*; when you can't tell an account executive from a copywriter from looking at 'em or talking to 'em; when you can fire a cannon down the creative halls at five past five [o'clock] and not hit a soul—then you know terminal boredom has set in," he says.

Advertising without fun could be one reason for burnout among creatives, Centlivre says. It's something he combats not only by his own approach to work, but by the way he handles the work of others.

"My creatives only have to report to one person, not four or five like

(Continued on Page 63)



Newspapers

David Loew

Industry delivers solution to bad news

By William F. Gloede

"The function of the press in society is to inform, but its role is to make money," wrote A.J. Liebling in his book "The Press."

And money it does make—so much money that media companies often are willing to pay more than 20 times net earnings to snatch a newspaper from family ownership.

The newspaper business is big business. In 1984, total revenues among all newspapers exceeded $35 billion, according to informal estimates (actual figures are not available).

Why are newspapers so desirable as business properties?

"[The newspaper business] is one of the few, if not the only, major unregulated monopoly businesses in the United States," says Christopher Shaw, managing director of Henry Ansbacher Associates, a New York-based media property broker.

Newspapers are the nation's largest advertising medium. In 1984, the second consecutive year of 15%-plus increases in total ad revenues, newspapers took in $23.8 billion, giving them a 27.3% share of all U.S. ad revenues. Their closest competitor, tv, racked up a 21.9% share with $19.1 billion.

But newspapers are in danger of losing their historical preeminence in advertising to tv.

Thurman R. Pierce Jr., vp, U.S. manager-print media for J. Walter Thompson USA, New York, recently warned the annual Operations Management Conference of the American Newspaper Publishers Assn. in New Orleans that if the industry does not reverse its steadily declining share of the advertising pie, "You in newspaper management will wake up one day to find another medium is now No. 1—sometime in the next decade."

The industry sometimes is viewed by wags as something of a dinosaur, so slow to react to competitive pressures that it's bound for extinction. Ted Turner, the cable tv mogul who this year launched an unfriendly attempt to take over CBS, routinely predicts the demise of newspapers to just about anybody who'll listen.

And although newspapers remain healthy, vibrant and essential to the people who read them, they do have problems. Serious problems.

The Audit Bureau of Circulations reports that, nationwide, daily paid circulation remained stable in 1984 at 63.2 million, up only 18,252. But while daily circulation has remained stable in recent years, the population of the nation has not. Consequently, household penetration—the ratio of circulation to occupied households—has fallen.

That has given rise to a new segment of newspapering: Shoppers, those all-advertising publications that show up in mailboxes and on doorsteps, often every mailbox or doorstep in a community, across the country, every week. More recently, advertisers have begun mailing advertising circulars directly to customers in specific retail trading zones, effectively blanketing the area around stores.

Newspapers first began seeing display advertising moving into newspaper-delivered circulars in the 1970s. In the 1980s, they began seeing this retail advertising exit the newspaper and enter

(Continued on Page 16)

Unless otherwise noted, all daily newspaper circulation figures used in this special report are those reported to Audit Bureau of Circulations for the six months ended March 31, the most recent statistics available.

Ownership is changing the American press

By Ben H. Bagdikian

Although many familiar forces, such as new technologies and life-style patterns, are changing the American newspaper, a less noticeable but perhaps more important change comes from new owners of the daily press.

Traditionally, each American daily had a separate owner, usually a local one. In 1900 there were 2,042 U.S. dailies with 2,023 different owners. Now there are 1,700 dailies with about 600 owners, but about a dozen of the owners are large corporations that control a majority of circulation.

With a few exceptions, the new owners have not produced highly visible changes. But they have accelerated trends in such an intense way that it raises questions about the future of the daily newspaper.

Corporate ownership has become the norm because newspapers are highly profitable properties. Most of the new owners are large, publicly traded companies, their quarterly dividends and cash flow watched closely by Wall Street. As a result, more than ever before daily papers are under pressure to produce not just the very comfortable profits that the industry always has produced since World War II, but fast, maximum profits.

The new pressure for profits produces results partly from greater sophistication in management and cost analysis. But it also comes from new efforts to alter the content of papers and shrewd calculations on how to draw a maximum from any given market, in both subscription and advertising rates.

Because 80% of newspaper revenues come from advertising, the major focus on increasing profit margins has been directed at getting the most from that part of the business. Once ad rates are adjusted upward to extract the maximum feasible revenues from existing linage, the next step has been to alter the paper's content to attract more and different kinds of ads.

The main technique for changing content to attract more ad revenues is to change the demographics of the audience to emphasize upscale readers. Today, "yuppie" is the not-so-secret password in newsrooms and boardrooms of daily papers.

Attracting maximum ad rates and linage is a natural business instinct for the industry. But the current intense interest in concentrating on upscale readers challenges some historic assumptions about American newspapers.

Unlike specialized magazines and weeklies, dailies are community institutions that by tradition are directed at the whole population and are presumed to reflect the needs and wants of that whole population. This role is all the more compelling because in the U.S., unlike other industrialized countries, dailies are essentially local rather than national, and 98% of the dailies are local monopolies.

Consequently, the drive to alter editorial content and circulation patterns to emphasize affluent young people raises long-term questions about the role of the daily newspaper in American community life.

Most major media share the preference for an audience consisting of affluent consumers between the ages of 18 and 49. But other media do not have the historic mission of the daily paper.

That mission is far more critical for the local daily paper because American politics and political institutions are more concentrated in local control. Whereas broadcasting, for example, cannot control who receives the message, newspapers can influence who gets to read by concentrating circulation in prosperous districts and suburbs. The corollary of the concentration on the upscale readers is an indifference, in content and distribution of the paper, toward those who aren't affluent and those 50 and older.

Special Report: Commentary

Ben H. Bagdikian

The new managements and their drive for the upscale reader have produced new levels of profitability, but also may have thickened the cloud hanging over the newspaper industry: Aggregate national circulation has been stalled for 20 years.

Since the mid-1960s, the U.S. adult population has grown 50%, but dailies have been unable to push their aggregate circulation beyond 63 million. The American daily paper has become fat and prosperous, but its penetration of American households is declining, from 1,100 papers sold daily per 1,000 households in 1960 to 790 in 1980.

Some of the decline has come from the effects of broadcasting and changed living patterns. Some allege that a generation of tv has produced a nation of nonreaders, but that is exaggerated; the rate of college enrollment, as well as sales of books and magazines, have increased during the same period.

But some of the circulation decline is deliberate, the desired result from introducing upscale content. Some papers pull back circulation from areas that do not serve a profitable retail area. In the past 20 years, newspaper content has been altered (from 1960 to 1980, average pages issued a day by newspapers rose by more than 22 pages), but most of the added editorial matter—special sections on real estate and fashion, for example—has been designed to attract ads rather than readers.

Content most wanted by readers is clear. Years of surveys under the auspices of the National Advertising Bureau and of the American Newspaper Publishers Assn. show that the highest priority for readers is more live local and national news. But that kind of news is more expensive to produce (requiring live reporters instead of volumes of syndicated material) and it does not attract as much advertising as back-of-the-book sections.

There is only an illusion of paradox between higher profits and reduced penetration. Daily papers still have strong vitality and public appeal in news, in features and in ads. The daily printed paper physically delivered to the home will remain on the scene for a long time to come.

But advertisers and readers both have a stake in reversing the declining penetration of papers in the country's households.

Recent declines in free tv viewing because of competition from pay cable and videocassette recorders, both virtually adless, should be an omen.

Daily papers must decide whether they will continue the trend toward "elite" publication or continue their historic role. Having broad appeal does not have to mean sex and sensation or artificial brevity, as profitable papers such as the *Los Angeles Times* and *Philadelphia Inquirer* have shown.

A reversal of the narrow focus in content and distribution on 18 to 49-year-old consumers is best navigated while the industry is prosperous rather than waiting complacently until some sudden external competitive force produces disaster. ■

Ben H. Bagdikian is the newly named dean of the journalism school at the University of California at Berkeley. He is author of "The Media Monopoly" (Beacon Press, 1983).

Solutions

(Continued from Page 15)

the mail. Now, nearly all daily newspapers have developed or are developing total market coverage programs that use the newspaper to deliver advertising circulars to subscribers and use the mail to reach nonsubscribers.

Because retailers are the largest users of newspaper advertising space, this trend has had ominous implications. Newspapers, in order to remain the top ad medium, must at least hold their current share of retail advertising spending.

In addition, newspapers, once the dominant medium for national advertising, are now a minor player, falling far behind tv.

In 1984, newspapers' share of the $48.9 billion national advertising pie was 12.7%, according to the Newspaper Advertising Bureau, New York, and 6.1%, according to the estimates of McCann-Erickson, New York.

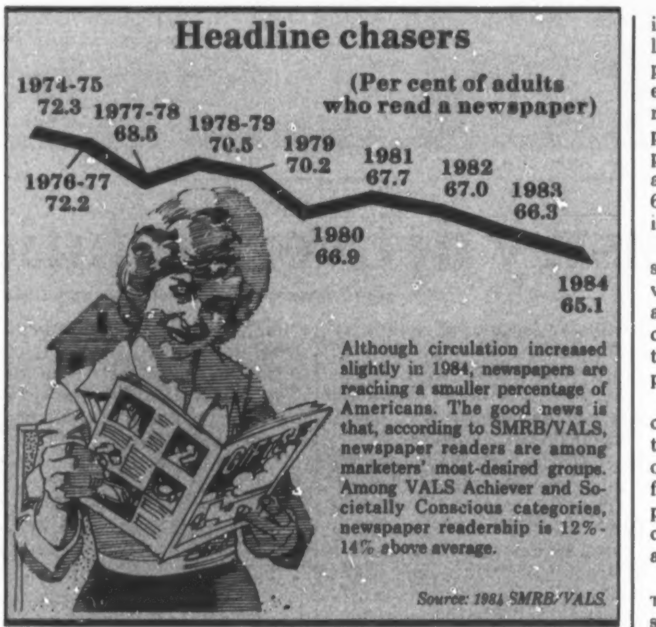
Despite an industrywide effort to standardize ad sizes for national and regional retail advertisers—an effort that resulted in the standard advertising unit system implemented in July, 1984—newspapers' share of national ad expenditures has continued to slide.

The reasons are many and varied, but three top the list: The costs of running deep national schedules are prohibitive; advertisers can not run color in most major markets, and newspapers are not "top of mind" as a media alternative among agency creative people and the clients for whom they work.

Classified advertising is the one bright spot in this foreboding advertising picture. Newspaper classified sections have been on a roll in recent years, with the category, the most local form of advertising, proving more recession-resilient than it had in the past. In 1984, classified ad revenues increased a whopping 27.5% to $7.65 billion, according to the NAB.

But, although beset with problems in the national and retail advertising arenas, the newspaper industry appears to be waking up. It suddenly has discovered marketing as it is practiced in the consumer products and advertising businesses.

Through local tmc programs and the industrywide "Future of Advertising" project, jointly sponsored by the ANPA and the NAB, it appears to be addressing the problems it faces.



Although circulation increased slightly in 1984, newspapers are reaching a smaller percentage of Americans. The good news is that, according to SMRB/VALS, newspaper readers are among marketers' most-desired groups. Among VALS Achiever and Societally Conscious categories, newspaper readership is 12%-14% above average.

Source: 1984 SMRB/VALS.

The time is right. Newspaper publishers are eyeing, with a certain amount of pleasant anticipation, the steadily eroding share of the network tv audience. Fragmentation among the broadcast media, they hope, will focus more attention on newspapers as a national advertising medium.

To take advantage of the situation, the "Future of Advertising" project committee is working on solutions to the cost dilemma faced by national newspaper advertisers, with some emphasis on the so-called local-national rate differential. This pricing policy, begun by newspapers decades ago, forces national advertisers to pay an average of 60% more for the same advertising space as a local retailer pays.

At the same time, color is sweeping the industry, and advances in printing technology are making color printing more cost efficient and more attractive for both advertisers and publishers.

If newspapers can begin to increase sagging household penetration while evening off the cost of national advertising and offering quality color printing, publishers believe they can increase their share of the national advertising market.

In this special report, Advertising Age takes a comprehensive look at the newspaper industry, its strengths and its shortcomings. Despite the shortcomings, we safely can predict that newspapers will be around for some time to come.

After all, where else can you get an hour's-plus worth of portable entertainment for a quarter? ■

Rivals battle for ad and promotion scoops

By Alan Radding

There's a romantic picture of two competing daily newspapers that thrives in movies and in the hearts of journalists and academics: Competing reporters for rival dailies pound the sidewalks to scoop each other by uncovering wrongdoing and win readers' everlasting affection and support.

Competing dailies have hung on in the largest U.S. markets, and in some cities, such as Boston, St. Louis and Baltimore, the second newspaper is clawing back from the brink of extinction. In these cities, however, the romance is that of the underdog desperately fighting stiff odds.

In Boston, Rupert Murdoch's News America Corp. rescued the failing Hearst Corp.-owned *Herald* in 1981 and took weekday ABC-reported circulation from 226,000 to the current 368,000.

In February, 1984, Jeffrey Gluck, in a surprise move, took over the St. Louis *Globe-Democrat*, on the verge of being folded by Advance Publications, and preserved St. Louis as a city with competing dailies.

In Baltimore, despite slipping circulation, Hearst's *News-American* hangs on to challenge the A.S. Abell-owned Baltimore *Sun* and *Evening Sun* newspapers.

The major battle in the struggle for survival, however, is not going on within the editorial pages. The tabloid *Boston Herald* often beats the *Boston Globe*, owned by Affiliated Publications, to local stories, yet the *Globe's* dominance in readership and advertising remains overwhelming.

The Herald *added special sections, such as this one on Boston's new cardinal.*

Nor is a paper's politics a key to survival. The growing ideological conservatism across the country has not contributed significantly to the revival of the *Herald* or the survival of the *Globe-Democrat* or the *News-American*, all conservative voices.

Instead, the battle is taking place in newspaper classified, circulation and promotion departments, and in cost-conscious executive boardrooms. While the quality of the *Boston Globe* editorial product is very high, for instance, the foundation for the paper's current success was built in the classified department decades ago.

During the newsprint rationing of World War II, newspaper executives had to make critical decisions about how to allot their quotas of newsprint, says independent newspaper consultant Mark Finley, a former *Herald* promotion manager.

While other Boston newspapers were using the bulk of their newsprint for display advertising, the *Boston Globe*, then back in the middle of the pack of competing Boston dailies, was devoting substantial portions of its newsprint to classified advertising. When soldiers returned home from the war, looking for jobs, houses and cars, the *Globe* was ready with a thriving classified ad section.

Today the *Globe* commands more than 90% of Boston's classified advertising, a tremendous revenue source and a powerful vehicle to build readership and advertising responsiveness. In St. Louis, the *Post-Dispatch* also dominates the classified business, carrying as much as 90%, says *Post-Dispatch* president Glenn Christopher.

"Once you make the effort to get the classified ads," says *Boston Herald* publisher Patrick Purcell, "only a small effort is needed to maintain it."

That works in the *Globe's* favor. Every year Boston educational institutions push thousands of graduates out their doors, and half remain in the area, says John Giuggio, *Globe* president. Because of its classifieds, he says, the *Globe* "is where they turn for their first car, their first job, their first apartment and their first house."

The *Herald*, however, is not surrendering in the fight for classified ads. While working on all aspects of the publication and substantially increasing circulation, it has targeted classified advertising for special treatment.

To build classifieds, the *Herald* first targeted help-wanted advertising in the fall of last year with a special offer of three free weeks for one paid week. To make the program work, however, the *Herald* had to provide inducements not only to classified advertisers, but to readers. A contest was initiated that would give readers who responded to classified ads a chance to win trips and prizes.

The result was an increase in daily help-wanted advertising from two to 15 pages, Mr. Purcell says. The promotion was followed with a similar effort in the daily real estate section and has resulted in an increase from one-half to five pages.

TWO-PAPER TOWNS

Mr. Giuggio dismisses these kinds of efforts by the *Herald* as short-term rate cutting promotions to which the *Globe* will not respond. Instead, twice a year, his newspaper heavily promotes its classifieds on radio and tv as the "Market of the Millions." Although there is no special rate or promotion otherwise tied to this, "It is a chance to talk about the classifieds," Mr. Giuggio says.

The classified section, however, is not the only area where the *Herald* must come from far behind. According to Media Records figures widely circulated by the *Globe*, the newspaper carried 81% of Boston's 1984 newspaper advertising, increasing its ad pages by 10% over 1983. In particular, the *Globe* carries 94% of the metro area's computer equipment advertising, 90% of alcoholic beverage advertising, and 90% of the department store ads.

In circulation, too, the *Herald* is a distant second. The *Globe's* weekday circulation is 510,567, soaring to 802,891 on Sunday, according to ABC figures. The *Herald's* circulation drops to 308,823 on Sundays, although that is up 11.8% from a year ago.

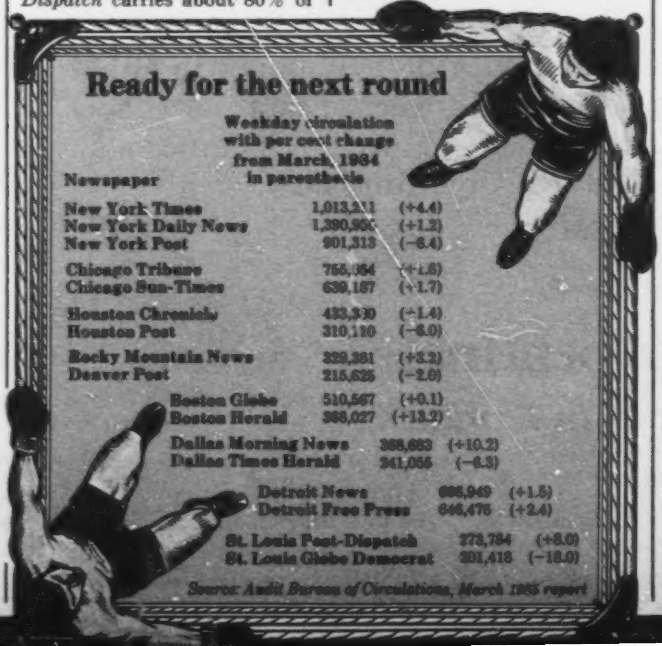
By comparison, ABC's circulation figures in St. Louis are closer—273,784 for the *Post-Dispatch* vs. 201,418 for the *Globe-Democrat*—although the gap has widened substantially during the past year. (See accompanying chart.) The *Post-Dispatch* carries about 80% of the advertising linage, Mr. Christopher says.

In Baltimore, the Sun newspapers pull in 82% of the ad linage, according to Media Records, and enjoy 90% of the advertising revenue.

The Boston numbers have not, however, discouraged the *Herald*, which cites a 19% linage increase for the year to date. The paper, which floundered under previous ownership, switching to broadsheet and back to tabloid, has undergone further revision since News America took over, including toning down its sometimes blunt, inflammatory headlines, and is receiving more favorable comment on its editorial product.

In an effort to expand beyond its blue-collar base, the paper began publishing the daily stock market listings, added an expanded Tuesday section, a Sunday business section, one-time special sections (such as one on Boston's new Catholic cardinal) and a weekly sports pullout section. By contrast, the *Globe* offers a regular special section every day of the week, and has been improving readability by tinkering with its layout and presentation, such as adding color highlights to the front page and experimenting with a new Sunday comics format.

The major battle in the struggle for survival is not going on within the editorial pages. Nor is a paper's politics a key to survival.



Ready for the next round

Newspaper	Weekday circulation with per cent change from March, 1984 in parenthesis	
New York Times	1,013,211	(+4.4)
New York Daily News	1,390,906	(+1.2)
New York Post	901,313	(−6.4)
Chicago Tribune	756,064	(+1.6)
Chicago Sun-Times	639,187	(+1.7)
Houston Chronicle	433,330	(+1.4)
Houston Post	310,110	(−6.0)
Rocky Mountain News	329,381	(+3.2)
Denver Post	215,625	(−2.0)
Boston Globe	510,567	(+0.1)
Boston Herald	368,027	(+13.2)
Dallas Morning News	368,683	(+10.2)
Dallas Times Herald	241,066	(−6.3)
Detroit News	666,949	(+1.5)
Detroit Free Press	646,476	(+2.4)
St. Louis Post-Dispatch	273,784	(+8.0)
St. Louis Globe Democrat	201,418	(−18.0)

Source: Audit Bureau of Circulations, March 1985 report

Despite his newspaper's gains, Mr. Purcell isn't predicting that the *Herald*, which was losing about $1 million a month when News America took over, will soon—or ever—take the No. 1 position from the *Globe*.

"Our strategy is to continue growing," he says, emphasizing the readability of the *Herald's* tabloid format and its improved editorial. "We're very close to the break-even point now."

There is a sense of frustration in the 37-year-old *Herald* publisher, a veteran of the Murdoch organization. Despite the improved editorial product, promotions such as the classified contest, 13 weeks of tv advertising and dramatically improved circulation, widespread advertiser support has not followed automatically.

There is similar frustration at the conservative *Globe-Democrat*, which has not been able to capitalize either on Midwest conservatism in its battle with the liberal *Post-Dispatch* or on civic interest in maintaining two competing newspapers.

"Advertisers make an absolutely pure coldblooded market decision," says Richard Amberg Jr., *Globe-Democrat* general manager, who hasn't been able to woo conservative advertisers away from the *Post-Dispatch*.

Responsive readership is what advertisers demand, and the mainstay of the *Herald's* readership-building efforts is Wingo, Mr. Murdoch's bingo-like game. The question advertisers ask is whether Wingo delivers good readers or just builds circulation numbers.

"Wingo is like a drunk on a binge," says Robert Bergenheim, former *Herald* publisher under Hearst and now publisher of the *Boston Business Journal*, a weekly tabloid with a circulation of 42,000, according to Business Publications Audit of Circulation. "There's no way to get off [Wingo] without losing readers." People are buying the newspaper, he concludes, but they only read it to check their Wingo number.

Mr. Purcell disputes that. "Wingo gets people to change their normal reading habits," he says. "In that sense it is no different from any product-sampling promotion." Circulation, he says, does not drop off as each round of Wingo winds down.

The ultimate question isn't whether Wingo players are worthwhile and loyal readers, but whether, in this era of multimedia diversity, a city needs two daily newspapers.

Boston media planner Bill Hadley of The Hadley Co. definitely sees room for a competing daily in the Boston market. Citing daily metro-area household coverage figures, both newspapers combined only reach half the market, which he believes leaves a substantial opportunity.

The *Boston Business Journal* published its own late 1984 survey of the newspaper habits of Massachusetts residents, con-

(Continued on Page 20)

Alan Radding is ADVERTISING AGE*'s Boston correspondent.*

Focusing

(Continued from Page 19)

boosted the *Times'* San Diego circulation from about 18,000 when it entered the market to about 50,000 now.

Finally, last October, the *Times* created a separate edition for the San Fernando Valley, where 1.6 million people—one-fifth of the Los Angeles metropolitan area population—reside. Officials report daily circulation in the area rose 7,000 in the first three months and Sunday circulation jumped 9,000.

The *Times* has a total weekday circulation of 1,069,564, according to ABC; the paper reports a weekday circulation of 185,926 for its Valley edition.

Other metro newspapers, too, recently have taken steps to move beyond their traditional core areas.

The *Chicago Tribune*, for example, wants to reclaim its historic role as the paper of record for the Midwest.

Robert L. Dickey, marketing department manager, says the *Tribune* used to have wide influence in the Midwest, but it withdrew from that position in the 1970s while it concentrated on increasing penetration in its primary market area.

However, after watching *USA Today*, the *Wall Street Journal* and the *New York Times* carve out national niches, the *Tribune* now wants to make a comeback as an important player in the midsection of the country.

In April the *Tribune* began printing copies of its final edition in a satellite printing facility in Champaign, Ill., and trucking it to central and southern Illinois as well as central and western Indiana. It spent about $200,000 to promote itself to downstate readers.

The company says these expansion efforts are still experimental.

"Our goals aren't set in concrete," Mr. Dickey says. "We're testing the waters."

According to the latest ABC figures, the *Tribune* was selling about 87,000 dailies outside its primary eight-county area before it opened the satellite operation, and gains since then haven't amounted to much—less than 2,000 since April.

But Mr. Dickey says the paper is more interested in building image and prestige than hiking its numbers. "This tactic isn't for every newspaper," he says.

"For us it makes sense because we perceive ourselves as a major voice in the Midwest."

Meanwhile, the *Washington Times*, which last year announced grand plans for its national edition, continues to struggle with the concept. Larry Chandler, director-promotion and research, says a good market for the national edition exists, but he admits the current editorial product isn't quite what readers want.

"We're working on it," he says.

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Rivals

(Continued from Page 18)

ducted by area researchers the Becker Institute, which showed that two-thirds of the households in the state read the *Globe*. Some 28% of the state's households read the *Herald*, but 72% of those also read the *Globe*. That high level of duplication and the *Globe's* perceived stature as the journal of record make Mr. Bergenheim skeptical of predictions that the *Herald* soon will be profitable. In effect, Boston is not a two-newspaper city, he says.

Lee Slayton, vp-director of advertising and sales promotion for Jordan Marsh, a leading Boston department store chain owned by Allied Stores and one of the largest local advertisers, does see a niche for the *Herald*, however.

Significant portions of the market cannot be delivered by just one newspaper, he says, even one as dominant as the *Globe*.

While giving News America's Boston organization an "A for effort" in improving the newspaper and applauding the circulation increase, Mr. Slayton watches carefully the source of the circulation increases. In his store's effort to target more upscale consumers, Mr. Slayton wants to see the *Herald* increase its circulation beyond the core city to include more of the affluent suburbs. The challenge facing Mr. Purcell is to do that without abdicating his position with the blue-collar reader.

There is more to a two-newspaper city than just having two surviving newspapers, says J. Kendrick Noble, first vp and newspaper industry analyst at Paine Webber Mitchell Hutchins, New York, in assessing the Boston newspaper situation. The second newspaper must be in the hands of someone aggressive. "The *Globe* is awesome in its dominance of the market," Mr. Noble says, yet he is "impressed by what Murdoch has done in Boston."

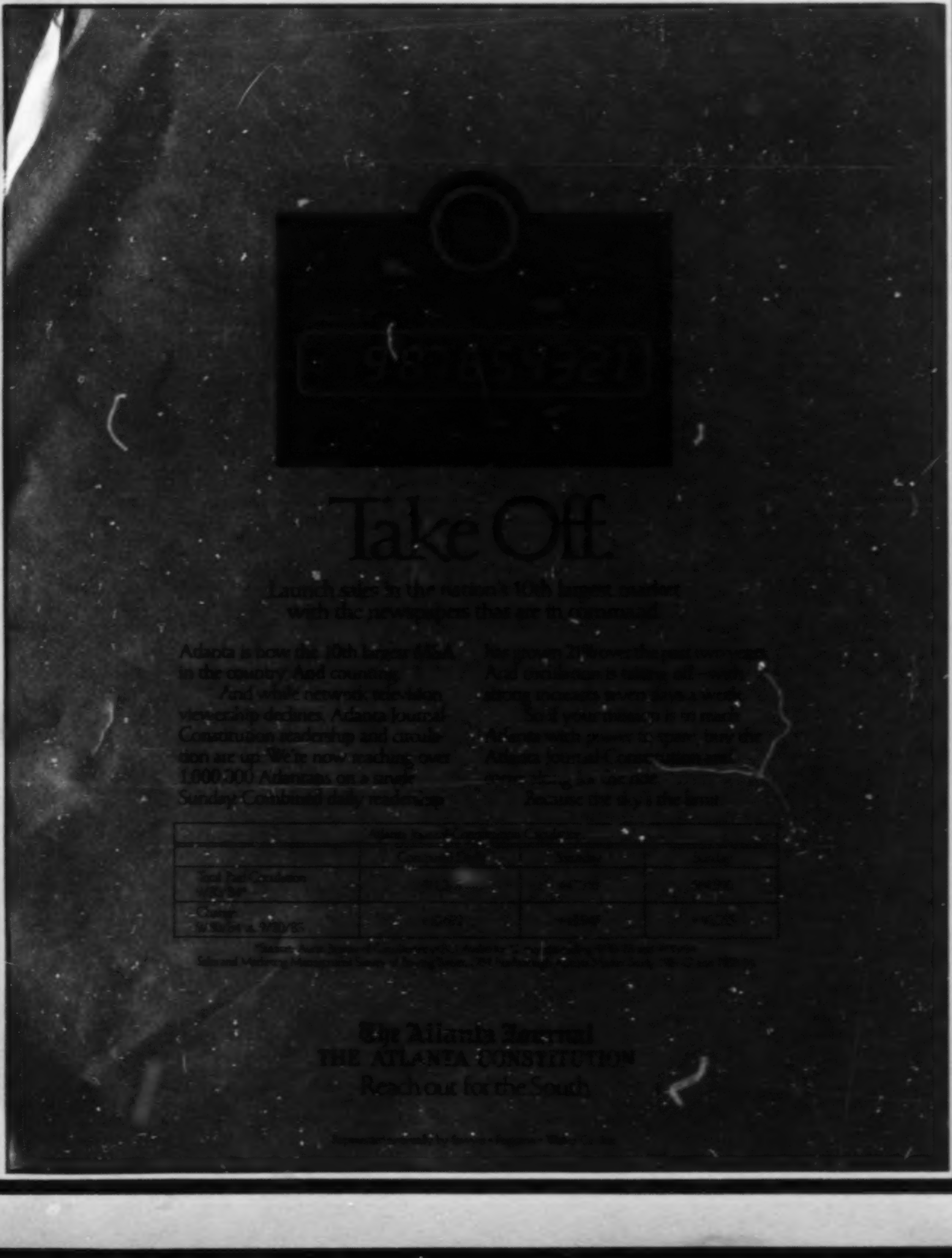
Mr. Noble believes the future success of Boston as a two-newspaper city may lie in today's lopsided situation, which allows for a quality newspaper as the market leader, but leaves an opportunity for an aggressive competitor such as the *Herald* to carve out a specific niche.

If the *Herald* doesn't succeed, there already are others waiting for a chance. Mr. Bergenheim toys with the idea of taking his *Boston Business Journal* daily to skim off the very highest demographic audience. The Boston *Phoenix*, a successful alternative weekly, persistently is rumored to be waiting for the chance to go daily with what now would be considered a yuppie newspaper.

"If the situation were closer, you could have both newspapers hurting," Mr. Noble says, and quality would suffer all around.

The competition is good for Boston, agrees Mr. Guiggio. The presence of an aggressive rival keeps the business growing and keeps the *Globe* on its toes.

Just like in the movies.



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Reach out for the South

Aggressive stance transforms classified ad sales

By Van Wallach

Jangling telephones are nothing new for newspaper classified ad departments. Traditionally, sales staffs would field calls and take orders; today, those staffs are just as likely to place calls as they work the phones to dig up new accounts.

"We're not sitting around, and we are much more aggressive than we were 10 years ago," says Dan Buckley, advertising director-classifieds for the *Atlanta Journal* and *Constitution*. "We used to be ad takers and wait for the calls to come in. Now we have people who do nothing but call out looking for business."

That vigor, new classified formats and the continuing use of the latest technology have combined to give classifieds new luster in newspaper ad circles.

"Classifieds are ceasing to be the little agate ads in the back," says Jerry R. Hayes, classified advertising manager of the *Arizona Republic* and *Phoenix Gazette*. "We've become full-blown advertising sales sections."

Necessity forced managers into that stance. They point to 1980 as the start of the evolution, as the souring economy hurt classified spending.

"Classifieds feel it first in a recession," says Eric Anderson, vp-classified advertising for the New York-based Newspaper Advertising Bureau. "Interest rates affect home buying and auto sales." (Auto dealers and real estate agents represent two key classified categories, along with employment ads.)

But aggressiveness and a healthy economy seem to have turned the numbers around. Total revenues from classifieds rose almost 25% in both 1983 and 1984, according to NAB.

Always considered a profit center for newspapers, classifieds now contribute more than ever to ad revenues; NAB numbers give classifieds a 31.4% share of total industry ad revenues in 1984, compared with 1975's 26.2%.

Changes in those "little agate ads" take many forms; indeed, Mr. Anderson barely can track the profusion of special sections, bannered pages and themed booklets now appearing.

USA Today joined the fray by introducing daily classified display ads in February and agate ads in April. The classified section previously ran weekly. "Our sales pitch is it's a national medium with a rate base of 1.3 million," says Lise Chin, director-classified advertising for Gannett Co.'s paper, which reports circulation of 1,162,606, according to ABC.

The ads are anchored in the back pages of *USA Today's* Life section. Ms. Chin says the department's toll-free phone number receives 2,300 inquiries a week for categories that include real estate, travel, business opportunities and career recruitment. A travel page with a cou-

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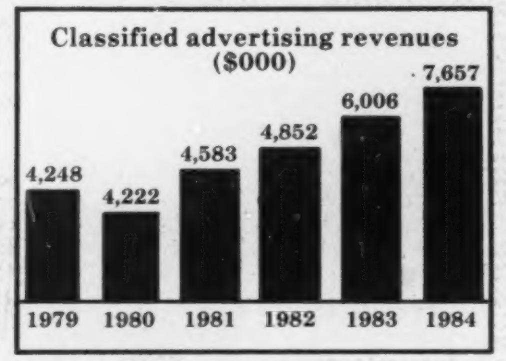
Van Wallach is a free lance writer specializing in media topics and currently dating New York *magazine's NYM H437.*

Classified information



Source: Newspaper Advertising Bureau

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Monitoring the personal touch

Bars are meat markets. Health and fitness clubs can cost an arm and a leg. Office romances are risky. Frustration and anxious parents loom.

Enter the personal ad.

It isn't a new concept, but in recent years personal ads have gained new respectability as a way to pursue romance in the efficiency-minded 1980s. Readers and advertisers reply to whom they choose; cool selectivity is the name of the game.

Classified ad managers themselves are choosy. They rigorously oversee the propriety of the personal ads—if they run them at all. After all, nobody wants his paper to reflect a sleazy image.

Eric Anderson, vp-classified advertising for the Newspaper Advertising Bureau, New York, says, "Some papers stopped running personals, but some kept them and tracked the contents to keep out the 'working women.'"

Art Kurek, classified advertising manager of News America Corp.'s *New York Post*, reads every one of the 80 to 100 personals carried in the *Post's* Friday entertainment section. "They are tasteful in tone and content," he says. "I make sure there's no innuendo."

The *Post* started taking personals of the romance and "I miss you" ilk in May and accepts only heterosexual messages. The minimum cost during an ongoing introductory period is $18 for three lines of copy and a *Post* box number. Readers submit prepaid ads on a coupon the *Post* runs every day with the polite reminder, "No abbreviations, please."

As a group, the *Post* personals receive about 1,000 replies per week from a weekday circulation base of 901,313, according to Audit Bureau of Circulations. Says Mr. Kurek, "I've had people call me to comment on the high quality of their responses."

The *Post's* coupon touts its

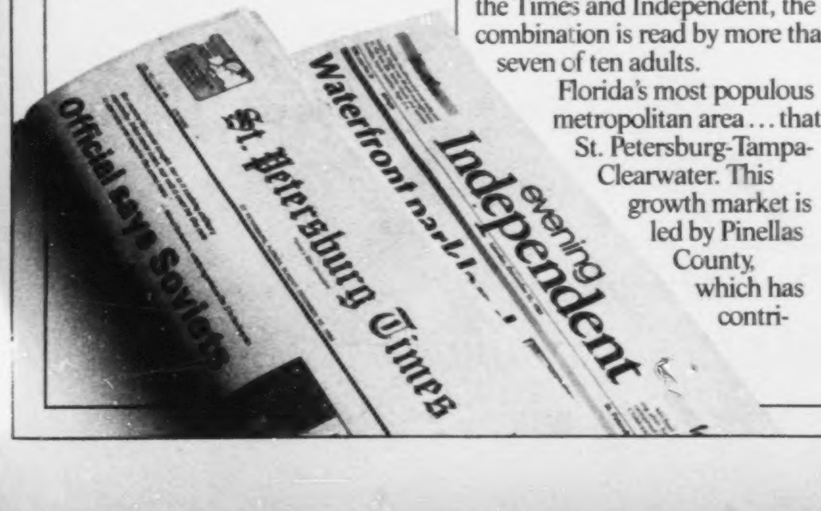
The growing media in the growth market.

Since 1982, the St. Petersburg Times has gained almost eleven thousand in circulation ... making it the largest daily between Miami and Washington, D.C.

Within the market area, the Times has a Sunday circulation of 342,800. Weekdays, the St. Petersburg Times and Evening Independent have a combined circulation of 305,363 and a readership of 646,500 ... unmatched penetration. In fact, within Pinellas County, home of the Times and Independent, the combination is read by more than seven of ten adults.

Florida's most populous metropolitan area ... that's St. Petersburg-Tampa-Clearwater. This growth market is led by Pinellas County, which has contributed the largest number of newcomers over the past three years, and leads neighboring Hillsborough County (Tampa) by almost 90,000 in total population.

So call your Times and Independent representative today ... and get in on the growth.



St. Petersburg Times
evening Independent

P.O. Box 1121
St. Petersburg, FL 33731
General Advertising (813) 893-8249

Represented nationally by Story & Kelly-Smith, Inc.

pon ran March 7 and drew more than 19,000 responses; it will run again in October. A Christmas catalog page will appear in August.

One of the industry's most active programs, however, is in Phoenix. Mr. Hayes' program for the *Republic* and *Gazette*, which represent a combined daily circulation of 450,698, currently includes:

- Quarterfolds, the industry term for booklets half the size of a tabloid. The two papers run five per year on topics such as "Summer Fun," "Home Improvement" and "To Your Health."
- "CityLife," an entertainment weekly mostly distributed free in downtown Phoenix and on college campuses. A June issue ran six pages of classifieds.
- "Real Estate Showcase & Rental Guide," a monthly quarterfold distributed through the newspaper and on racks at a local supermarket chain.
- Mini-classified sections appearing in three zoned editions.

Mr. Hayes says the newspapers' classified ad counts are running 5% ahead of last year's full-run total of more than three million.

Like Mr. Hayes, Mr. Buckley of the Atlanta *Journal* and *Constitution* says his papers get new business through his telemarketing staff. One group does prospecting only, especially among service businesses, companies looking to hire and schools. The sales staff scours local and national publications to find companies running help-wanted ads. They note job titles, such as engineering, in which Atlanta has a large labor pool.

"We'll call, say, aircraft companies and tell them we have [so many] structural engineers in metro Atlanta, and sell them on the paper," he says. "We found we can sell a help-wanted ad."

For the past five years, the *Journal* and *Constitution* have run business-to-business classifieds. The section isolates classifieds for services, data processing, machinery, equipment, and commercial and industrial real estate. That last category especially benefits from the special treatment, Mr. Buckley says. Classifieds for office space and industrial property will get noticed by "businessmen who may not see them in the regular classifieds." This section runs with the daily business pages.

It all adds up to growth. Mr. Buckley quotes 1984 statistics of 31.7 million lines (up 23.8%) and 3.2 million ads (up 15.5%). Through May, linage had increased 12.4% and ads 11.2% in 1985. The *Journal* and *Constitution* reported a combined daily circulation of 420,156, according to ABC's March 31 figures.

In recent years classified managers also have relied on technology to keep their departments nimble. Late last year Times Mirror Co.'s *Los Angeles Times* installed 325 Zentec "intelligent" terminals—at about $3,500 each—in three production plants and 12 branch offices. Don Clark, classified director, says the move allowed the far-flung operations to work on the same deadlines because ads go via phone lines to other computers.

Mr. Hayes soon will supplement his automatic call distributor, which forwards calls to the next available salesperson, with a management information system. That will gather data on the length of time callers must wait, number of calls abandoned and the time of the calls. This will help him schedule his 85-person telephone staff.

"Managers are getting more technologically oriented," he says. "We've got 114 terminals, and we also do electronic pagination, which assembles classifieds a page at a time."

The *Times* reports a weekday circulation of 1,069,054, according to ABC.

Mr. Anderson of the NAB sees investments such as these as a trend in classified ad departments.

Forecasting a 10% to 12% increase in industrywide classified revenues this year, he thinks observers can discern much about a newspaper through its classifieds. "They're a key to the success of a paper," he says. "Without healthy classifieds you don't have a healthy newspaper."

Using that yardstick, the newspaper industry is in excellent health, indeed. ■

---

program with the headline, "The classic romance is waiting for you in Personals!" Other papers are more oblique. Times Mirror Co.'s *Los Angeles Times* soon will start "Common Interests."

"It gives people interested in computers or Shakespeare or art a good way to meet," says Don Clark, classified director. The *Times* won't run personals as such, however.

This spring the *Arizona Republic/Phoenix Gazette* launched "Meeting People [where singles meet]" in its "CityLife" entertainment weekly. The ads use abbreviations, but otherwise aim for a low-key tone. "Phoenix is more conservative than New York or San Francisco," says Jerry Hayes, classified ad manager.

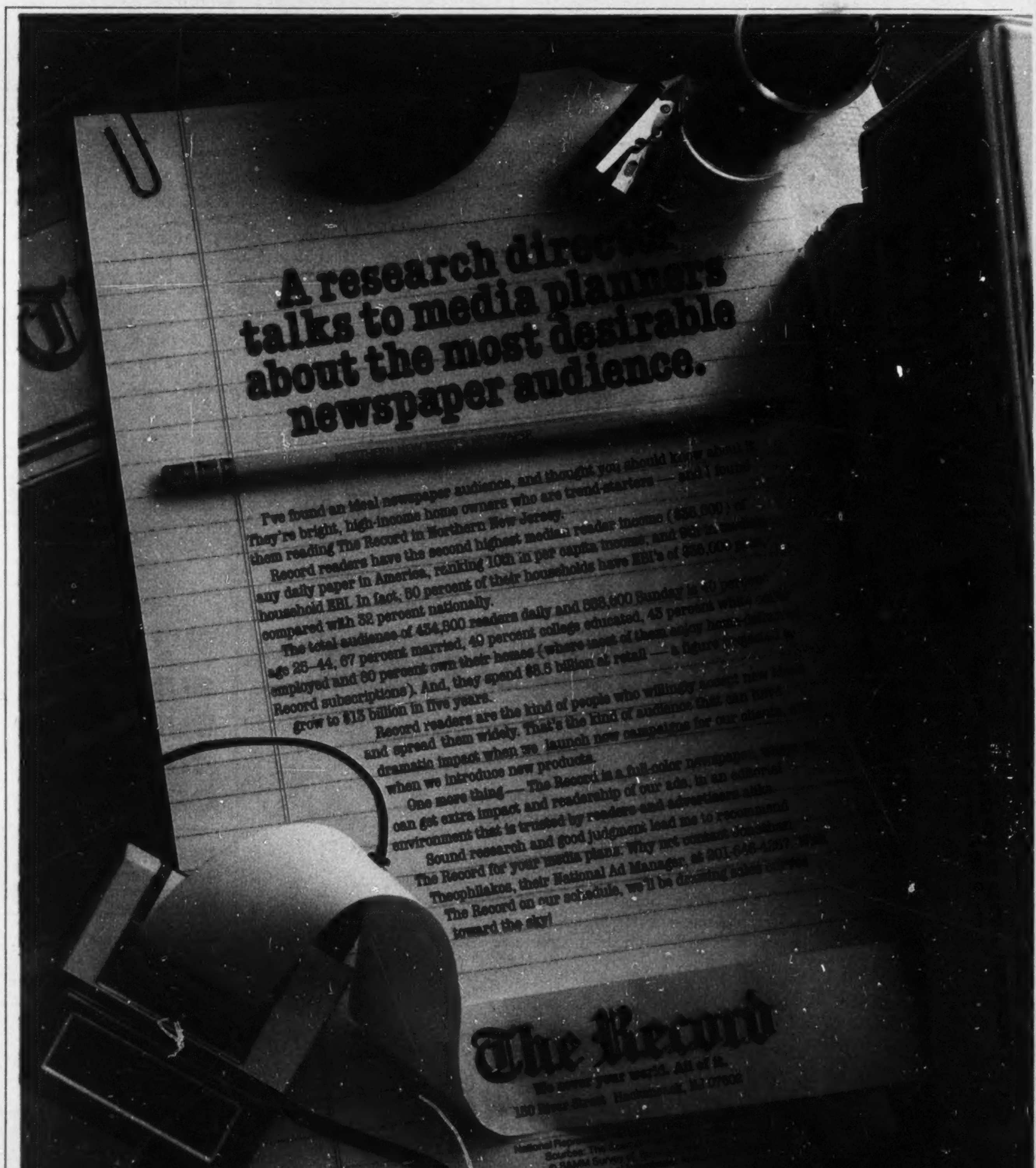
But people wanting coast-to-coast market penetration might consider the Wednesday personals in *USA Today*. The section kicked off April 24 as a combination dating service/birthday card/welcome committee. Categories are "Let's Be Friends," "Happy Days," "Hello There," "Have a Nice Day" and "Message for You."

Lise Chin, director-classified advertising for Gannett Co.'s Washington-based paper, says readers suggested *USA Today* add personals.

Rates are $15 a line, with a four-line, $15 minimum for a box; credit cards are okay. Standards are high: No abbreviations, and the paper reserves the right to reject any ad.

Ms. Chin closely follows the results, and says an average ad gets 15 replies in the first week.

"We call people back to see what the response was," she says. "We're looking for the great success story." —*V.W.*



A research director talks to media planners about the most desirable newspaper audience.

[illegible]

I've found an ideal newspaper audience, and thought you should know about it. They're bright, high-income home owners who are trend-starters — and I found them reading The Record in Northern New Jersey.

Record readers have the second highest median reader income ($36,000) of any daily paper in America, ranking 10th in per capita income, and 9th in [illegible] household EBI. In fact, 50 percent of their households have EBI's of $35,000 [illegible] compared with 32 percent nationally.

The total audience of 434,800 readers daily and 558,600 Sunday is 40 percent [illegible] age 25–44, 67 percent married, 49 percent college educated, 43 percent white [illegible] employed and 80 percent own their homes (where most of them enjoy home-delivered Record subscriptions). And, they spend $8.5 billion at retail — a figure [illegible] grow to $13 billion in five years.

Record readers are the kind of people who willingly accept new [illegible] and spread them widely. That's the kind of audience that can [illegible] dramatic impact when we launch new campaigns for our clients, [illegible] when we introduce new products.

One more thing — The Record is a full-color newspaper, [illegible] can get extra impact and readership of our ads, in an editorial environment that is trusted by readers and advertisers alike.

Sound research and good judgment lead me to recommend The Record for your media plans. Why not contact [illegible] Theophilakos, their National Ad Manager, at 201-646-4297? [illegible] The Record on our schedule, we'll be drawing sales curves toward the sky!

The Record
We cover your world. All of it.
150 River Street, Hackensack, NJ 07602

National Representatives [illegible]
Sources: The [illegible]
© SRMM Survey of [illegible]
The Scarborough National [illegible]

© 1985, The Bergen Record Corp.

C2710-1

$1.25 a copy; $55 a year

Monday, July 29, 1985

Advertising Age

Crain's International Newspaper of Marketing

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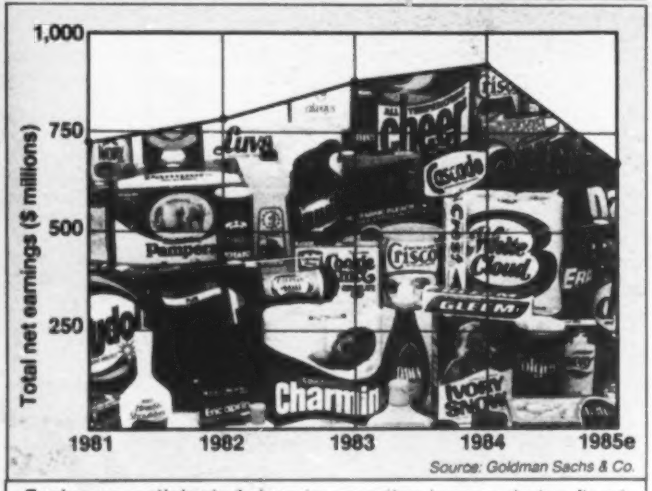
Procter & Gamble net earnings



Source: Goldman Sachs & Co.

Facing an anticipated drop in operating income during fiscal 1985, especially in personal care products, Procter & Gamble is expected by industry analysts to announce a decline in earnings for the first time in 33 years.

Wounded lion?

Trail of mistakes mars P&G record

By NANCY GIGES and LAURIE FREEMAN

Procter & Gamble next month will report the company's first annual earnings decline in 33 years.

The last time the nation's leading national advertiser suffered such a reversal was 1952. Harry Truman was president then, the Dodgers were still in Brooklyn, Rocky Marciano was the world heavyweight boxing champion and Gary Cooper won an Oscar for his performance in "High Noon."

P&G's earnings decline that year was 19%, and this year's drop, to be announced Aug. 8, is likely to be even more dramatic—somewhere in the range of 25% for the company's fiscal 1985, which ended June 30.

For P&G, fiscal '85 was "like Chinese water torture, as they've watched their earnings decline drop by drop," says First Boston analyst Daniel Meade.

Smith Barney paper-goods analyst George Adler adds that fiercer competition has left P&G in the position of "a wounded lion"—ready to fight back to protect its territory and offspring.

Despite suggestions that the decline reflects P&G's "new" willingness to spend heavily on new products, there's no camouflaging mistakes that the Cincinnati-based marketing giant has made in key areas.

In pivotal markets producing what analyst Jack Salzman calls "megapools of profit"—chiefly disposable diapers and toothpaste and, to a lesser extent, laundry detergents—P&G's efforts faltered just when the company most needed revenues to push forward into major new areas of opportunity, namely cookies, orange juice, soft drinks and feminine-protection products, analysts say.

An ADVERTISING AGE review of P&G's far-flung operations shows that not all areas were troublesome for the company. Some large categories, such as paper, coffee, shortenings and oils, which had heated competition as recently as a year ago, have quieted down.

Still, they didn't produce enough income to keep earnings on

(Continued on Page 50)

Defections to 'Parade' rain on 'USA Weekend'

By WILLIAM F. GLOEDE

NEW YORK—Here's a late score from the tumultuous newspaper Sunday-magazine war: *Parade* 129, *USA Weekend* 11.

Rosslyn, Va.-based Gannett Co.'s purchase of *Family Weekly* and its subsequent metamorphosis into *USA Weekend* (AA, July 1, *et seq*) have dramatically changed the Sunday-magazine field. The change has seemingly put Advance Publications' *Parade* in a dominant competitive position, and is casting some doubt on the future of the Sunday Magazine Network.

As a result of decisions by many newspapers to switch to *Parade* when *USA Weekend* debuts, *Parade's* circulation will climb by roughly 4.5 million, to 29.8 million, effective with the Sept. 22 issue. Since Gannett formally unveiled its revamped product, *Parade* has gained a total of 145 new subscribers—129 papers that formerly carried *Family Weekly* and 16 others.

USA Weekend gained 38 newspapers, 11 of which—all Gannett-owned—are switchers, dropping *Parade* Sept. 8. Of the 27 other papers, none of which carried *Parade*, 10 have more than 100,000 circulation, including the *Dallas Times Herald, Denver Post, Des Moines Register, Cincinnati Enquirer, Rochester Democrat & Chronicle, Nashville Tennessean* and the Westchester Rockland group. Of those, all but the Dallas and Denver papers, which are Times Mirror Co. properties, are owned by Gannett.

The defections to *Parade* from *Family Weekly/USA Weekend* are being made as a result of non-Gannett newspaper chains, as well as some independently owned papers, being unhappy with *USA Weekend's* similarity to Gannett's national daily *USA Today*. Among the chains switching their allegiance en masse: New York Times Co., eight; Thomson Newspapers, 23; Cox Enterprises, seven, and Donrey Media Group, 10.

As a result of the switches, Gannett has lowered *USA Weekend's* circulation rate base to "about" 12 million from original estimates of 13 million. Others in the Sunday-magazine field believe the rate base will have to be lowered into the 10 million-to-11 million range.

Ramon Gaulke, president of *USA Weekend*, said, "There's a realignment going on. We expect to be delivering the same circulation as before except of a higher quality.

"Nobody here was surprised by the fact that a number of smaller newspapers were frightened by the product," he said. "We have no desire to shove an un-

(Continued on Page 62)

Last Minute News

Polaroid snaps shutter on corporate ad post

CAMBRIDGE, MASS.—Polaroid Corp. has eliminated the post of group vp-worldwide advertising, currently held by M. Carl Johnson, as part of an over-all corporate restructuring, a Polaroid spokesman says. Mr. Johnson has been reassigned in Polaroid's magnetic-media division, the spokesman says, and also is pursuing opportunities outside the company.

Line forms for Chi-Chi's creative account

LOUISVILLE—Sources say finalists for the creative portion of Chi-Chi's Mexican Restaurants' $13 million account are Della Femina, Travisano & Partners, New York; Young & Rubicam, N W Ayer and incumbent Fortis Fortis, all Chicago, and current field service/media placement shop MZD, Indianapolis. Chi-Chi's would not disclose its list.

Rice Krispies Bars pop up nationally

BATTLE CREEK, MICH.—Kellogg Co. is introducing nationally its granola-type Rice Krispies Bars following regional introductions in eastern and southern markets earlier this year (AA, April 30, '84). Tv and couponing, via Leo Burnett USA, Chicago, are expected to break soon. Also from Kel-

(Continued on Page 8)

O&M star O'Rielly to McCann

By STEWART ALTER

McCann-Erickson Worldwide, in need of strong creative leadership, both for its split-personality Coca-Cola account and its fast-growing New York office, has chosen Ogilvy & Mather/Chicago's Curvin O'Rielly to handle those roles.

Mr. O'Rielly, who will leave O&M/Chicago, where he was senior vp-executive creative direc-

(Continued on Page 64)

Baseball sponsors ready if. . .

By VERNE GAY

NEW YORK—Several marketers slated as advertisers on baseball's World Series and play-off game telecasts have already devised contingency plans in the event a strike wipes out the rest of the 1985 season.

ABC-TV is scheduled to broadcast a maximum of seven games of the World Series and NBC-TV will broadcast a maximum of 14 playoff games, under the new four-out-

(Continued on Page 62)

Evidence of fraud not hard to swallow

By STEWART ALTER

An art director who reportedly ate a portion of a check deposit slip when confronted with fraud charges is being sued by DYR Inc. for allegedly writing $45,000 in agency checks and depositing them into a private account.

The suit, filed in federal district court in New York, seeks to recover $235,195, as well as interest and costs, from Daniel Villefort-Sima, an art director who worked at DYR's Wunderman West direct-marketing office in Los Angeles from June 20, 1983, until last Feb. 11.

DYR, incorporated in New York, is the advertising agency joint venture between Young & Rubicam and Dentsu, the world's two largest ad agencies.

Mr. Villefort-Sima could not be reached for comment. The DYR suit lists his residence as Santa Monica, Cal., but directory assistance

(Continued on Page 66)

NEWSPAPER

Ad
Ec

AA
DC2001ACONGL1 FMJF N
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

$40M for Commodore's Amiga

By BRIAN MORAN

Commodore International Ltd. will move to win a skeptical audience of consumers and computer dealers with a two-tiered, $40 million ad campaign and a 37-market tour of retailers for its new Amiga home computer.

Commodore, the troubled West Chester, Pa.-based computer giant, will break a "short term" awareness effort for the Amiga in early September, to be followed up "very quickly" by a second campaign highlighting the machine's applications, said Robert Trukenbrod, Commodore vp-marketing. Media will include network tv, radio and print ads via Ted Bates Advertising/New York.

Because the effort will seek to establish Amiga as a new brand in the sagging home computer segment, Commodore's name and familiar logo will be downplayed in the advertising, Mr. Trukenbrod said.

Commodore is counting on the $1,300 Amiga machine, developed by its subsidiary, Amiga Corp., Santa Clara, Cal., to stem its multi-million-dollar losses. The machine's price, flashy color graphics and stereo capability will be positioned against Apple Computer's Macintosh in a dogfight for Christmas season sales. Also expected to introduce a new machine for the Christmas season is Commodore's former chairman, Jack Tramiel, now with Atari Corp.

Commodore's four-week barnstorming tour of dealerships, to begin next month, will seek to soothe lingering hard feelings among computer retailers, Mr. Trukenbrod said. Under Mr. Tramiel, Commodore pulled its hot-selling C-64 product out of computer specialty stores and shifted it to price-conscious mass merchandisers like K mart Corp.

The "new" Commodore is promising the Amiga will be available exclusively to computer dealers. The company plans to rely on mass merchandisers to handle the C-64 and its soon-to-be-introduced successor, the more powerful C-128, Mr. Trukenbrod said.

"There are some [dealers] who are skeptical because of things that happened in the past," he said. "This company is not doing business the way it was done in the past. The people who are talking to the dealers are not the same."

Industry analysts say although the Amiga's dazzling features may appeal to consumers, the machine's price tag may be too high for many Christmas lists. Asked if Commodore might eventually lower the machine's price and distribute it through mass retailers, Mr. Trukenbrod was adamant:

"There is no chance of that happening," he said. "There is no way we would pull the rug out from under [computer dealers]."

Commodore's move to two-tiered distribution—if successful—would be a first in the personal computer industry. IBM and Apple have remained steadfast in their support of specialty retailers, despite frequent overtures from discounters.

Mr. Trukenbrod said Commodore expects to have 500 dealers signed before the Amiga's Sept. 15 shipment date, but he would no identify locations. The list reportedly d not include any large chains, such as Comp terLand or Entre Computer Centers, many returnees from the days of Tramiel-le Commodore.

The Amiga rollout will coincide with Atari's introduction of its long-awaited 520 ST machine, setting up a battle for dealer shelf space and software support. Atari will rely on the lower price of its machine ($799)

(Continued on Page 62)

Atari gets new agency

By CLEVELAND HORTON

Atari Corp. last week named a small Silicon Valley agency to handle future creative assignments—the fourth shop to work on the account since Jack Tramiel took over as chairman one year ago.

Humpal, Leftwich, Luack & Sinn, a $10 million agency in Palo Alto, Cal., won the account, succeeding Goodby, Berlin & Silverstein, San Francisco. The assignment comes just one month before Atari plans to break the first ad for its newest computer, the 520 ST.

The Sunnyvale, Cal.-based computer marketer, bristling over last week's introduction of Commodore International's Amiga computer, said it will take its "Power without the price" message to the public next month. The print ad, created in-house, is the first national advertising coming from the "new" Atari.

The ad attempts a patriotic approach, featuring an American flag on the upper left corner of the ad as well as on the screen of the 520 ST pictured below. The headline proclaims: "America: We built it for you." At the bottom of the ad, under "The New Atari" logo, is the internally developed slogan "Power without the price." The ad prominently lists the

(Continued on Page 62)

Highlights

The 1985 Simmons-Scarborough syndicated study of newspaper audiences shows that more than 70% of adult Americans who live in and around major markets read daily and Sunday newspapers regularly. *See Page 44.*

ON THE NATURE OF CHANGE
TIME

Time will begin wooing women's advertisers in August with a new campaign themed "On the nature of change." *See Page 65.*

FORUM

J. Walter Thompson senior vp Ron Kaatz has had a lot of airborne opportunities to reflect on advertising, media and philosophy. *See Page 20.*

Los Angeles bureau reporter Brian Lowry sees more and more of the marrying kind. *See Page 20.*

INTERNATIONAL

U.S. marketers are losing the battle for influence in India, where local companies are increasingly looking to Japan for business partners. The number of Indian agreements with Japanese companies has skyrocketed, more than doubling from 34 in 1980 to 78 last year. *See Page 38.*

Mechai Viravaidy, known as the "condom" king of Thailand, is no conventional marketer. He doesn't market a "product," and he doesn't use conventional advertising. Nonetheless, he has received a marketing award from the Thailand Management Assn. recently. *See Page 38.*

The American banking invasion of Australia is about to begin. Five U.S. banks are moving ahead with their plans to market commercial banking services Down Under following the Australian government's February decision to grant licenses to 16 foreign banks. *See Page 39.*

DIRECT MARKETING

A new testing program called S.T.A.R., or "simulator for testing advertising responses," is winning kudos from direct marketers interested in saving time and money. *See Page 52.*

New York Telephone is running its largest direct-mail promotion yet. *See Page 56.*

COMING THURSDAY

SPECIAL REPORT

Leo Burnett Co., the agency that brought us Tony the Tiger, Charlie Tuna and the Marlboro Man, is 50 years old and still going strong. Over the years, the agency has made lasting impressions in advertising and built strong relationships with its clients.

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Thank You
Coca-Cola
CLASSIC

Coke plays the classics

Coca-Cola Classic's new spots rely on familiar icons—Babe Ruth, Little Orphan Annie and the Statue of Liberty—to reinforce the symbolic value of Coke Classic. The spot notes: "It takes time before something becomes a classic." McCann-Erickson, New York, handles.

Late West Coast news

Scott Lancaster draws crayon job

Avalon Industries, New York, marketer of Avalon crayons and other craft items, appointed Scott Lancaster Mills Atha, Los Angeles, as its first ad agency. The 95-year-old company, being realigned after going through a leveraged buyout last year, named the agency following a review in which five or six agencies took part. Ad budget is estimated at $2 million to $3 million. First consumer advertising probably will start next spring.

Ketchum Advertising named several senior creative and account personnel for its newly opened Los Angeles office: Mike Scardino, formerly associate creative director, J. Walter Thompson USA, New York, becomes senior vp-creative director; Bruce Kramer, previously senior vp-art, McCaffrey & McCall, New York, is vp-associate creative director; Richard Crispo, most recently art director, Chiat/Day, assumes a similar position, and Pat Hallenbeck, print production manager, Ogilvy & Mather, also takes a similar title. Vps-account supervisors on the office's lone account, American Honda Motor Corp.'s Acura division, are Peter Goodwin, formerly vp-management supervisor, Ken-

(Continued on Page 66)

Simmons-Scarborough 1985 newspaper ratings - Weekday

Notes: (a) All day, (e) Evening, and (m) Morning. The readers-per-copy figures are subject to correction for 1985 circulation when available.

ADI rank and name Weekday newspapers	1985 Simmons-Scarborough rating (% coverage)	1985 Simmons-Scarborough audience (000)	1984 circulation	Readers per copy
1. New York	77.3	10,208.4		
Asbury Park Press (e)	2.8	340.2	118.0	2.88
Bergen Record (e)	3.2	424.0	148.9	2.91
Newsday (e)	11.9	1,594.0	524.4	3.04
Daily News (m)	33.4	4,458.3	1,340.8	3.33
Post (a)	18.9	2,525.8	864.4	2.92
Times (m)	19.4	2,582.2	687.4	3.77
Star Ledger (m)	8.7	1,167.1	424.0	2.75
UNYT	11.8	1,582.1	557.4	2.84
Westchester/Rockland Group (e)	3.1	420.2	180.7	2.33
2. Los Angeles	86.5	5,917.8		
Copley Los Angeles (e)	4.3	389.0	128.6	3.02
Daily News (m)	5.3	479.8	134.1	3.58
Herald Examiner (m)	6.9	619.2	250.4	2.47
Long Beach Press Telegram (e)	4.5	404.4	129.3	3.13
Orange Cty. Metro Group (a)	8.1	735.6	272.7	2.70
Orange Cty. Register (a)	7.9	717.5	255.9	2.80
Riverside Press-Enterprise (m)	3.2	289.7	110.6	2.62
San Bernardino Sun (m)	3.1	278.8	78.1	3.58
Times (m)	30.7	2,777.8	986.1	2.81
3. Chicago	71.9	4,358.8		
Gary/Hammond Newspapers (e)	6.5	391.8	151.1	2.59
Grtr. Chicago Newspapers (e)	7.8	458.2	167.3	2.74
Sun-Times (m)	33.8	2,045.3	644.5	3.17
Tribune (a)	36.8	2,216.2	682.0	3.25
4. Philadelphia	70.3	3,828.8		
Allentown (m)	6.2	319.5	118.7	2.69
Camden Courier-Post (e)	5.7	294.8	118.5	2.49
Grtr. Philadelphia Newspapers	5.6	288.3	141.4	2.04
Inquirer (m)	28.4	1,465.5	527.1	2.78
News (e)	13.5	686.1	283.0	2.39
5. San Francisco	66.8	2,777.1		
Chronicle (m)	28.4	1,068.9	418.4	2.55
Examiner (e)	10.0	401.7	141.1	2.85
Oakland Tribune (m)	9.7	390.0	149.9	2.60
San Jose Mercury News (a)	15.8	636.1	230.6	2.76
6. Boston	80.0	3,123.6		
BAND (e)	32.8	1,282.1	550.1	2.33
Boston Globe (m)	36.4	1,420.3	467.5	3.04
Boston Herald (m)	24.3	950.4	217.8	4.36
Worcester Gazette (e)	4.8	186.3	82.8	2.25
Worcester Telegram (m)	5.0	196.0	55.9	3.51
7. Detroit	76.6	2,965.9		
Free Press (m)	38.9	1,297.7	491.9	2.64
News (a)	43.2	1,440.5	595.2	2.42
Oakland Press (e)	6.2	205.7	73.1	2.81
8. Washington, D.C.	72.3	2,145.4		
Journal Suburban Group (m)	8.5	251.6	137.2	1.83
Washington Post (m)	57.1	1,695.0	675.0	2.51
9. Dallas/Ft. Worth	63.5	1,862.7		
Morning News (m)	22.7	666.3	278.6	2.39
Star-Telegram (e)	10.1	297.0	129.3	2.30
Star-Telegram (m)	8.5	248.4	110.3	2.25
Times Herald	20.6	604.8	260.4	2.32
10. Houston	63.8	1,819.1		
Chronicle (a)	33.5	955.2	388.6	2.46
Post (m)	35.6	1,013.7	301.0	3.37
11. Cleveland	78.2	2,127.5		
Buy Cleveland	13.3	361.5	172.8	2.09
Akron Beacon Journal (e)	14.9	406.8	163.2	2.49
Plain Dealer (m)	38.7	1,053.3	472.1	2.23
12. Pittsburgh	73.9	1819.8		
PAM/I	25.0	614.4	248.0	2.48
Post-Gazette (m)	20.0	491.1	167.5	2.93
Press (e)	29.7	731.0	253.5	2.88
13. Miami	67.5	1593.2		
Ft. Lauderdale News (e)	9.8	230.7	84.8	2.72
Miami Herald (m)	41.2	973.6	353.1	2.76
Herald (m)/Miami News (e) gross	48.6	1,147.3	414.3	2.77
Sun-Sentinel (m)	12.6	297.0	61.4	4.84
14. Minneapolis/St. Paul	65.7	1,492.7		
Pioneer Press & Dispatch (a)	22.2	503.8	200.3	2.52
Star & Tribune (a)	38.7	879.5	325.7	2.70
15. Seattle/Tacoma	69.5	1,529.7		
Everett Herald (e)	6.5	142.6	55.1	2.59
Post Intelligencer (m)	22.0	484.7	176.5	2.75
Seattle-Times (e)	26.6	586.0	250.3	2.34
Tacoma News Tribune (e)	12.7	279.2	104.6	2.67
16. Atlanta	62.0	1,406.4		
Constitution (m)	28.0	635.1	192.6	3.30
Journal (e)	29.6	672.4	175.3	3.84
17. Tampa/St. Petersburg	71.8	1,560.0		
Bradenton Herald (m)	4.9	107.2	28.1	3.81
Lakeland Ledger (m)	7.5	162.3	60.2	2.70
St. Petersburg Times (m)	23.4	508.7	258.2	1.97
Times (m)/Independent (e) gross	30.0	651.9	296.0	2.20
Sarasota Herald Tribune (m)	9.2	199.4	87.0	2.29
Tampa Tribune	23.9	520.0	201.3	2.58
18. St. Louis	61.4	1,288.3		
Globe Democrat (m)	26.4	545.4	178.0	3.06
Post-Dispatch (m)	38.1	786.4	221.1	3.56
19. Denver	70.9	1,325.7		
Post (m)	30.0	561.0	228.5	2.46
Rocky Mountain News (m)	39.1	731.0	303.7	2.41
20. Sacramento/Stockton	68.7	1,258.7		
Bee (m)	28.2	517.3	209.5	2.47
Union (m)	15.6	286.4	94.4	3.03
21. Baltimore	63.6	1,119.4		
Evening Sun (e)	25.4	447.4	158.3	2.83
Morning Sun (m)	27.5	484.2	169.4	2.86
News American (e)	13.8	243.3	112.7	2.16
22. Hartford/New Haven	79.9	1,295.0		
Courant (m)	29.1	471.1	209.5	2.25
Journal Courier/Register gross	21.5	348.1	129.1	2.70
New London Day (e)	5.9	96.2	36.7	2.62
23. Portland	69.1	1,052.6		
Oregonian (a)	47.4	721.7	267.2	2.70
Salem Statesman-Journal (e)	10.2	155.6	59.9	2.60
24. Indianapolis	74.5	1,152.0		
News (e)	20.6	318.5	132.8	2.40
Star (m)	33.8	523.3	205.6	2.55
25. Phoenix	67.7	1,047.9		
Gazette (e)	22.0	340.2	110.8	3.07
Republic (m)	43.3	670.2	274.8	2.44
26. San Diego	71.4	1,089.7		
Escondido Times-Advocate/ Oceanside Blade Tribune (e) net	11.5	173.4	61.4	—
Los Angeles Times	9.8	146.5	45.3	3.23
Tribune (e)	22.0	329.4	123.0	2.68
Union (m)	38.2	571.4	213.8	2.67
27. Kansas City	63.9	[illegible]		
Star (e)	37.1	497.7	229.3	2.17
Times (m)	41.7	559.1	265.2	2.11
28. Cincinnati	62.6	[illegible]		
Enquirer (m)	33.6	467.2	186.7	2.50
Post (e)	24.9	346.7	140.7	2.46
29. Milwaukee	75.8	1,071.8		
Journal (e)	51.0	681.1	281.0	2.42
Sentinel (m)	33.0	441.0	134.9	3.27
30. Orlando/Daytona Beach	74.8	874.4		
Cocoa Today (e)	8.2	120.9	66.4	1.82
Daytona Beach Journal (m)	12.1	158.9	59.9	2.65
Journal (m)/News (e) gross	18.7	246.0	89.8	2.74
Orlando Sentinel	42.5	559.7	205.8	2.72
31. Nashville	57.4	743.8		
Banner (e)	19.2	248.4	71.7	3.46
Tennessean (m)	27.4	355.2	120.4	2.95
32. Charlotte	68.3	877.1		
Observer (m)	35.3	453.2	150.6	3.01
Observer/News (e) gross	48.0	616.9	194.3	3.17
33. Buffalo	73.9	941.8		
News (e)	57.2	709.7	317.4	2.24
34. New Orleans	67.8	847.4		
Times-Picayune States-Item (a)	55.8	697.8	262.1	2.66
35. Columbus, Ohio	67.9	798.1		
Citizen-Journal (m)	25.7	302.1	114.6	2.64
Dispatch (e)	37.2	437.5	200.6	2.18
36. Greenville/Spartanburg	62.9	742.1		
Greenville-Asheville Unit	37.0	436.7	163.9	2.66
Greenville News (m)	20.0	236.4	80.3	2.94
News (m)/Piedmont (e) gross	31.1	367.5	103.4	3.55
37. Raleigh/Durham	63.9	746.3		
News & Observer (m)	23.3	272.0	93.6	2.91
N&O (m)/Times (e) gross	29.3	342.0	127.8	2.68
38. Grand Rapids/Kalamazoo	69.3	775.7		
Grand Rapids/Kalamazoo Grp. (e)	46.9	524.6	238.1	2.20
Grand Rapids Press (e)	26.8	299.5	129.9	2.31
39. Memphis	56.1	627.2		
Commercial Appeal (m)	45.2	505.6	253.3	2.00
40. Oklahoma City	69.2	801.0		
Oklahoman & Times (m)	43.5	503.9	247.0	2.04
41. Providence/New Bedford	75.5	849.3		
Bulletin (e)	29.7	333.9	133.9	2.49
Journal (m)	26.4	297.2	81.9	3.63
42. Salt Lake City	70.9	826.9		
Deseret News (e)	19.5	227.5	74.1	3.07
Tribune	29.8	348.6	108.4	3.22
43. Charleston/Huntington	71.5	795.3		
Gazette (m)	14.0	147.6	43.9	3.36
Mail (e)	14.2	150.6	51.3	2.94
44. Louisville	65.5	662.8		
Courier-Journal (m)	35.7	361.1	136.0	2.66
Times (e)	29.3	296.6	137.7	2.15
45. San Antonio	66.1	719.9		
Express-News (a)	36.4	396.6	159.5	2.49
Light (a)	34.1	371.8	127.5	2.92
46. Harrisburg/York	75.6	754.8		
Evening News (e)/Patriot (m) net	24.1	240.7	101.7	—
Intelligencer Journal (m)	11.2	111.8	39.8	2.81
Lancaster New Era (e)	16.0	160.3	57.1	2.81
York Dispatch (e)	12.1	121.0	50.2	2.41
York Record (m)	9.9	98.8	38.1	2.59
47. Norfolk/Portsmouth	71.0	713.0		
Newport News Press (m)	16.5	165.9	57.8	2.87
Newport News Times Herald (e)	9.5	95.8	39.3	2.44
Norfolk Ledger-Star (e)	22.1	222.4	88.3	2.52
Norfolk Virginian-Pilot (m)	34.9	351.0	137.6	2.55
48. Birmingham	65.7	646.5		
News	39.7	390.4	150.3	2.60
News (e)/Post Herald (m) gross	55.6	547.2	200.3	2.73
49. Dayton	73.7	674.4		
Journal Herald (m)	27.6	252.3	98.1	2.57
News (e)	32.2	294.3	119.5	2.46
50. Greensboro	67.1	626.0		
Greensboro News (m)	22.4	210.2	75.9	2.77
News (m)/Record (e) gross	31.6	295.5	102.9	2.87
Winston Salem Journal (m)	19.1	179.1	68.2	2.59
Journal/ Sentinel (e) gross	29.8	279.4	102.5	2.73
50.+ Albany/Schenectady/Troy	80.1	781.3		
Albany Knickerbocker News (e)	9.0	85.3	38.5	2.22
Albany Times Union (m)	28.0	247.4	82.8	2.99
Schenectady Gazette (m)	18.3	174.5	70.4	2.48
Troy Times Record (e)	12.8	122.0	45.2	2.70
50.+ Little Rock	60.3	520.2		
Democrat (m)	21.5	185.4	64.7	2.87
Gazette (m)	29.2	252.0	101.6	2.48
50.+ Wichita/Hutchinson	68.2	540.5		
Eagle Beacon (m)	40.9	324.1	115.6	2.80
50.+ Des Moines	72.5	496.4		
Register (m)	58.9	403.2	144.0	2.80
50.+ Rochester	71.2	488.2		
Democrat & Chronicle (m)	46.5	318.9	121.4	2.63
Times-Union (e)	35.9	245.8	110.5	2.22
50.+ Columbia, S.C.	69.2	358.3		
State (m)	44.4	230.6	83.6	2.76
State (m)/Record (e) gross	59.9	310.7	114.2	2.72
State (m)/Record (e)/ Myrtle Beach Sun News (m) net	52.6	273.2	114.2	—

Newspaper audience study draws controversy

By WILLIAM F. GLOEDE

NEW YORK—The 1985 Simmons-Scarborough syndicated study of newspaper audiences in the top 50 and six other ADIs shows that more than 70% of adult Americans who live in and around major markets read daily and Sunday newspapers regularly.

The '85 report, the third in a series of studies done once every two years, shows 82.6 million Americans reported reading a daily newspaper "yesterday," representing roughly 70.3% of the adult population. Some 85.4 million, or 72.7% of the adult population, read a Sunday newspaper "last week." The "yesterday" and "last week" readership norms were developed in accordance with an "indirect" questioning procedure recommended by the Advertising Research Foundation that's designed to prevent untruthful answers. The average newspaper reaches 2.74 people, according to analysis of the Simmons-Scarborough data and Audit Bureau of Circulations figures from 1984. Simmons-Scarborough is urging caution in using the readers-per-copy figure since it is based on last year's circulation numbers.

The study, out for little more than two weeks, is already generating controversy among its newspaper subscribers. Much of the controversy centers around weighting for income and educational demographic characteristics. Problems have been reported in Houston, Dallas-Fort Worth, Des Moines, Kansas City, Tampa-St. Petersburg-Sarasota and Washington, D.C. Problems are expected in other markets, say newspaper advertising executives.

"We have some very serious problems with the study," said Hugh Downey, marketing director for the *Fort Worth Star-Telegram*. "Over-all readership levels are suppressed—newspapers with more distinct upscale profiles get hurt more than newspapers with less upscale profiles. The *Star-Telegram* and the *Dallas Morning News* do not intend to use the study as it is."

In Dallas, the Simmons-Scarborough report puts readership and coverage of the *Morning News* and the *Times Herald* "neck and neck," according to Mr. Downey, when actually the *Morning News* has opened a significant lead over the *Times Herald* both daily and Sunday.

In Houston, J. A. Johnston, vp-marketing for the *Houston Chronicle*, issued a statement saying, "Comparing the Simmons-Scarborough study with three other studies gives us basis for concern. Only with the 1985 Simmons-Scarborough study do we find a discrepancy in the critical relationship between papers sold and the people who read them. While the *Chronicle's* circulation leads at the time of the study were 35% daily and 44% Sunday, the *Chronicle's* readership, according to Simmons-Scarborough, was 3% less than that of the *Post* daily and only 15% more than that of the *Post* on Sunday.

"The Audit Bureau of Circulations gives us a sound apples-to-apples measurement on circulation. We don't understand why the readership [data] from the Simmons-Scarborough doesn't also reflect similar differences between the audiences of the two papers," Mr. Johnston stated.

The 1985 study, the first from Simmons-Scarborough, is the culmination of more than a year of intensive field surveys and analysis. The study is based on more than 73,000 telephone interviews, most followed up with second contacts, with the phone numbers selected by the random-digit dialing method. John Polich, Simmons-Scarborough president, said the survey takers also made a "very aggressive" effort at contacting those who were not at home when the first random calls were made.

"We're not aware of anyone else who does two interviews with as many respondents as we do," said Mr. Polich. The reason for the survey's depth lies in its inherent local character. "We have to have a report that will stand up in each of 56 ADIs and 71 metro areas."

The report fills five volumes and contains detailed demographic information on people who live in the nation's top markets.

"It's a very powerful marketing tool even before you get into the stages of planning media," said Mr. Polich. "It stands on its own almost without the newspaper ratings."

The study contains information, broken into all the standard American Assn. of Advertising Agencies demographic categories, on the population of each of the 50 top markets and the six others that Simmons-Scarborough surveyed. Among the data in the report are: Age, sex, employment status and occupation, income levels, education, size of household, types of dwellings, estimated values of dwellings, race, languages spoken within households and even information on people who have unlisted telephone numbers. There's also data on consumer spending, including major purchases of autos, home computers and airline tickets and more routine purchases of such items as movie tickets, groceries, tobacco products, alcoholic beverages and cable television service.

On newspaper readership, the survey reports average issue and cumulative audiences for each newspaper, including one, two and five-issue net audiences of weekday newspapers and one, two and four issues of Sunday papers.

The 56 ADI averages reported by the study show daily newspaper readership is the highest in the ADI surrounding Albany, N.Y., where 80.1% of all adults reported reading yesterday's newspaper. A close second was Boston, where 80% of the respondents said they read yesterday's paper. In comparison, in the top five markets, the yesterday-readership figure averaged 71.1%, with New York reporting the highest coverage, 77.3%, and Los Angeles reporting the lowest, 65.5%. In the next five markets, Boston led in coverage and Dallas-Fort Worth showed the lowest, with 63.5%. The ADI with the lowest percentage coverage was Memphis, Tenn., where only 56.3% of the adult population reported yesterday readership. The only other market in which fewer than 60% of the adult population reported reading yesterday's newspaper was Nashville, where the figure stood at 57.4%.

Newspaper market coverage is generally lower in most Sunbelt and southern markets than it is in the Northeast and Midwest. Mr. Polich said several explanations have been offered for the difference. One explanation surmises that people are more active out of doors in the Sunbelt, allowing less time for newspaper readership. Another explanation is that the survey is reported according to tv geography. Areas reached by a tv signal, especially in rural exurban areas, are not always reached by a newspaper that is based in the same market as the tv stations.

Sunday newspaper readership was highest in Detroit, where 82.8% of the adult population reported having read last Sunday's newspaper. Following Detroit were Milwaukee, with an 80.4% coverage rate, and New York, with an 80.3% coverage rate.

The lowest Sunday coverage rates were reported in Memphis, with 56.3%; Nashville, with 59.9%, and Cincinnati, with 59%.

At press time, the study was on its way to agency subscribers. Thurman Pierce, vp-U.S. print media manager for J. Walter Thompson USA, New York, said that although he'd not seen the new study, he was not expecting it to have a major impact at advertising agencies.

"There's a great deal of impact on the selling side," he said. The study is a "boon" for newspaper representative companies, he said, since its findings are directly comparable to broadcast figures.

The study itself, he believes, will not lead agencies to place more national advertising in newspapers, although it "gives them figures that agencies have confidence in."

Mr. Pierce noted that since the last syndicated newspaper studies were completed in 1982, newspapers' share of national advertising expenditures has fallen from 6.5% to 6.1%. While the studies are an important element in the newspaper industry's effort to attract a larger share of national expenditures, the industry has major "marketing and sales problems" that must be solved before the industry can make significant inroads in national. (The industry is attempting to define those problems through a blue-ribbon task force of newspaper publishers.)#

Simmons-Scarborough 1985 newspaper ratings - Sunday

Notes: (a) All day, (e) Evening, and (m) Morning. The readers-per-copy figures are subject to correction for 1985 circulation when available.

ADI rank and name Weekday newspapers	1985 Simmons-Scarborough rating (% coverage)	audience (000)	1984 circulation	Readers per copy
1. New York	**80.3**	**10,730.4**		
Asbury Park Press	3.2	426.2	172.0	2.48
Bergen Record	4.3	575.6	218.7	2.63
Newsday	13.5	1799.4	594.0	3.03
Daily News	36.7	4902.7	1713.8	2.86
Times	25.8	3448.1	1024.8	3.36
Star Ledger	11.2	1495.3	625.3	2.39
UNYT	13.2	1760.3	706.3	2.49
Westchester/Rockland Grp.	3.1	411.4	193.3	—
2. Los Angeles	**67.3**	**6,079.4**		
Daily News	4.5	410.5	146.9	2.79
Herald Examiner	5.9	536.1	271.7	1.97
Long Beach Press Telegram	4.5	403.4	137.6	2.93
Orange County Register	8.4	758.5	284.5	2.67
Riverside Press-Enterprise	3.2	286.5	116.9	2.45
San Bernardino Sun	3.0	273.4	80.8	3.38
Times	37.9	3422.4	1198.8	2.85
Torrance Daily Breeze	3.5	320.3	101.7	3.15
3. Chicago	**73.1**	**4,406.2**		
Gary-Hammond News. Unit	6.6	398.7	171.4	2.33
Grtr. Chicago Newspapers	5.4	323.9	122.7	2.64
Sun-Times	33.7	2032.8	671.3	3.03
Tribune	44.4	2673.3	1009.6	2.65
4. Philadelphia	**74.4**	**3,483.2**		
Allentown	7.0	360.7	146.8	2.46
Camden Courier-Post	5.4	277.6	108.2	2.57
Grtr. Philadelphia Newspapers	6.1	317.2	145.7	2.18
Inquirer	48.7	2514.0	975.5	2.58
5. San Francisco	**71.0**	**2,864.9**		
Examiner & Chronicle	36.5	1474.2	566.3	2.60
Oakland Tribune	11.1	447.3	152.6	2.93
San Jose Mercury News	18.6	750.4	273.4	2.74
6. Boston	**79.0**	**3,064.6**		
BAND	13.8	539.0	218.2	2.47
Boston Globe	50.0	1952.5	680.4	2.87
Boston Herald	20.3	790.9	188.3	4.20
Worcester Telegram	7.7	298.8	116.3	2.57
7. Detroit	**82.8**	**2,762.7**		
Free Press	42.6	1420.5	546.1	2.60
News	54.6	1823.1	775.9	2.35
Oakland Press	6.2	206.5	78.7	2.62
8. Washington, D.C.	**76.2**	**2,260.0**		
Washington Post	72.5	2151.2	906.0	2.37
9. Dallas/Ft. Worth	**72.4**	**2,124.4**		
Morning News	26.3	771.3	344.5	2.24
Star-Telegram	21.3	625.7	270.5	2.31
Times-Herald	25.3	741.[illegible]	344.2	2.15
10. Houston	**71.5**	**2,039.[illegible]**		
Chronicle	42.0	1197.8	469.3	2.55
Post	38.3	1090.6	345.1	3.16
11. Cleveland	**75.7**	**2,060.5**		
Buy Cleveland	12.9	351.7	161.7	2.18
Akron Beacon Journal	18.2	494.6	227.3	2.18
Plain Dealer	42.0	1143.0	472.0	2.42
12. Pittsburgh	**76.7**	**1,886.6**		
PAMM	17.0	418.4	161.3	2.59
Press	61.6	1515.7	563.9	2.69
13. Miami	**71.4**	**1,686.3**		
News/Sun Sentinel	20.9	493.2	187.9	2.62
Miami Herald	49.4	1166.4	427.0	2.73
14. Minneapolis/St. Paul	**75.5**	**1,714.4**		
Pioneer Press & Dispatch	26.5	601.3	225.9	2.66
Star & Tribune	51.6	1172.4	500.0	2.34
15. Seattle/Tacoma	**68.3**	**1,504.0**		
Everett Herald	6.3	137.8	54.8	2.51
Times/Post Intelligencer	46.8	1031.0	520.5	1.98
Tacoma News Tribune	13.1	287.4	111.3	2.58
16. Atlanta	**63.6**	**1,443.3**		
Journal-Constitution	58.7	1330.4	479.3	2.78
17. Tampa/St. Petersburg	**78.8**	**1,711.6**		
Bradenton Herald	4.9	105.4	34.0	3.10
Lakeland Ledger	7.6	166.0	71.1	2.33
St. Petersburg Times	30.4	660.4	325.9	2.03
Sarasota Herald Tribune	9.6	209.4	97.4	2.15
Tampa Tribune	27.0	585.9	259.0	2.26
18. St. Louis	**63.6**	**1,311.6**		
Globe Democrat (weekend)	22.3	460.9	177.4	2.60
Post-Dispatch	48.6	1002.5	424.2	2.36
19. Denver	**72.6**	**1,361.4**		
Post	37.2	695.0	312.7	2.22
Rocky Mountain News	39.7	742.2	340.2	2.18
20. Sacramento/Stockton	**66.3**	**1,216.1**		
Bee	33.6	616.5	237.7	2.59
Union	15.6	286.2	93.3	3.07
21. Baltimore	**72.1**	**1,268.5**		
News American	19.2	337.9	156.2	2.16
Sun	57.9	1020.0	370.7	2.75
22. Hartford/New Haven	**79.0**	**1,280.7**		
Hartford Courant	40.6	658.5	275.4	2.68
New Haven Register	18.2	295.0	137.0	2.15
New London Day	5.8	93.3	34.8	2.68
23. Portland	**74.9**	**1,142.0**		
Oregonian	62.1	946.0	365.4	2.59
Salem Statesman-Journal	10.4	158.2	60.5	2.61
24. Indianapolis	**69.9**	**1,080.9**		
Star	56.3	870.4	348.5	2.50
25. Phoenix	**71.1**	**1,100.6**		
Republic	66.7	1032.2	410.9	2.51
26. San Diego	**71.2**	**1,065.1**		
Escondido Times-Advocate/ Oceanside Blade Tribune	12.7	189.[illegible]	64.6	—
Los Angeles Times	11.2	168.1	52.0	3.23
Union	52.4	784.8	338.3	2.32
27. Kansas City	**69.6**	**933.5**		
Star	63.0	845.3	356.6	2.37
28. Cincinnati	**59.0**	**819.8**		
Enquirer	53.6	745.2	292.0	2.55
29. Milwaukee	**80.4**	**1,074.7**		
Journal	72.9	974.0	422.9	2.30
30. Orlando/Daytona Beach	**77.2**	**1,018.9**		
Cocoa Today	10.6	139.3	60.1	1.74
Daytona Beach News-Journal	15.2	200.2	79.7	2.51
Orlando Sentinel	48.1	633.4	245.6	2.58
31. Nashville	**59.9**	**775.2**		
Tennessean	51.0	660.1	229.5	2.88
32. Charlotte	**61.7**	**792.1**		
Observer	49.7	638.3	216.5	2.95
33. Buffalo	**73.7**	**914.4**		
News	66.9	830.6	359.7	2.31
34. New Orleans	**73.4**	**917.1**		
Times-Picayune	67.1	838.0	313.9	2.67
35. Columbus, Ohio	**69.8**	**820.4**		
Dispatch	64.2	755.3	320.3	2.36
36. Greenville	**71.1**	**838.8**		
Greenville-Asheville Unit	47.9	565.2	177.8	3.18
Greenville News Piedmont	28.3	333.9	111.0	3.01
37. Raleigh/Durham	**64.8**	**757.8**		
News & Observer	28.9	338.3	123.7	2.73
	29.3	342.0	127.8	2.68
38. Grand Rapids/Kalamazoo	**69.2**	**774.8**		
Grand Rapids/Kalamazoo Grp.	53.3	596.9	278.3	2.14
Grand Rapids Press	33.9	379.5	159.1	2.39
39. Memphis	**56.3**	**630.1**		
Commercial Appeal	53.7	600.9	243.3	2.47
40. Oklahoma City	**73.1**	**848.6**		
Oklahoman & Times	57.5	665.7	271.2	2.45
41. Providence/New Bedford	**75.0**	**844.4**		
Journal	57.2	643.3	239.3	2.69
42. Salt Lake City	**68.9**	**804.4**		
Deseret News	19.8	231.7	—	—
Tribune	32.3	377.2	—	—
43. Charleston/Huntington	**65.7**	**694.4**		
Gazette-Mail	26.6	280.8	93.9	2.99
44. Louisville	**69.7**	**705.1**		
Courier-Journal	65.9	666.3	279.1	2.39
45. San Antonio	**74.1**	**807.2**		
Express-News	40.9	454.2	186.8	2.38
Light	40.7	442.8	185.9	2.38
46. Harrisburg/York	**69.1**	**690.2**		
Harrisburg Patriot News	33.4	333.6	131.6	2.53
Lancaster News	29.6	295.7	136.4	2.17
47. Norfolk/Portsmouth	**77.3**	**770.0**		
Newport News Press	24.6	246.8	101.7	2.43
Virginian-Pilot/Ledger Star	52.3	525.6	213.3	2.46
48. Birmingham	**67.4**	**663.4**		
News	54.7	538.9	184.9	2.91
49. Dayton	**73.5**	**672.3**		
News	57.2	523.2	210.2	2.49
50. Greensboro	**70.9**	**664.0**		
Greensboro News & Record	32.6	305.2	105.6	2.89
Winston Salem Journal	26.8	251.3	93.3	2.69
50.+ Albany/Schenectady	**81.6**	**586.6**		
Albany Times Union	39.8	378.5	151.7	2.50
Troy Record	13.5	128.4	44.4	2.89
50.+ Little Rock	**65.0**	**561.3**		
Democrat	37.4	322.5	121.4	2.66
Gazette	38.2	329.7	124.5	2.65
50.+ Wichita/Hutchinson	**70.7**	**580.5**		
Eagle Beacon	51.2	405.9	169.5	2.39
50.+ Des Moines	**78.7**	**538.9**		
Register	77.8	532.7	206.7	2.58
50.+ Rochester	**78.0**	**534.7**		
Democrat & Chronicle	76.9	527.2	225.6	2.34
50.+ Columbia, S.C.	**68.8**	**357.2**		
State	51.2	265.6	109.4	2.43
State/Myrtle Beach Sun News	52.5	272.6	109.4	—

$1.25 a copy; $55 a year

Monday, August 5, 1985

Advertising Age®

Crain's International Newspaper of Marketing
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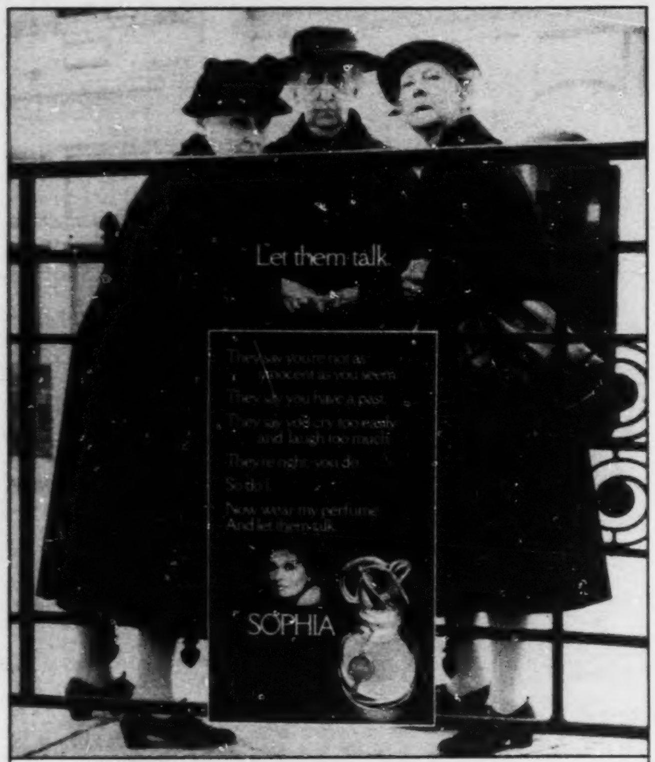
Let them talk.
They say you're not as innocent as you seem.
They say you have a past.
They say you cry too easily and laugh too much.
They're right, you do.
So do I.
Now wear my perfume.
And let them talk.
SOPHIA

Not exactly the look of love

The fall print campaign for Coty's Sophia fragrance is provocative. The ad copy notes "They say you're not as innocent as you seem. They say you have a past. They say you cry too easily and laugh too much. They're right, you do. So do I. Now wear my perfume. And let them talk." But instead of a suggestive visual, three grandmotherly types, dressed in black, stare into the camera, their eyes full of censure. Beber Silverstein & Partners, New York, handles.

U.S. to decide soon on tv ad exclusivity

By STEVEN W. COLFORD

WASHINGTON—A two-year federal antitrust probe of beer advertising exclusivities on network tv sports could be resolved within the next few weeks.

Top-level policy determinations on the case, instigated by Stroh Brewery Co., Detroit, are expected shortly now that the Senate has confirmed Douglas Ginsburg as the new assistant attorney general in charge of the Justice Department antitrust division.

The investigation started after officials of Stroh complained to Justice that exclusivity arrangements between the tv networks and Anheuser-Busch and Miller Brewing in prime live-action sports precluded Stroh from being able to compete fairly through television advertising. Network and local tv ad sales executives have routinely marketed exclusivities for years, and there are hundreds of such pacts in place in sports and other programing.

Sources close to the investigation expect the department's antitrust staff to press Mr. Ginsburg for action that could force the networks and advertisers to alter or eliminate granting of exclusivities, a practice that prevents Stroh and other tv advertisers from gaining an advertising foothold on some premium-audience programs.

Under questioning at his recent Senate confirmation hearing, Mr. Ginsburg assured Sen. Howard Metzenbaum (D., O.) prompt action would be taken on the exclusivities investigation. Sen. Metzenbaum, an outspoken critic of Reagan administration antitrust policy, also warned Mr. Ginsburg that he expected an explanation if the department failed to take action.

Exclusivities usually entail an advertiser paying more than the going rate for the distinction of being the sole sponsor of its kind during a particular program. The arrangements forestall the entry of rival marketers on such attractive programing as pro sports.

Mr. Ginsburg, who recently left the Office of Management & Budget, will have the final word on whether to close the investigation, which began in December, 1983, or press the networks for changes in the way exclusivities are arranged.

The tv networks, A-B and Miller have maintained that exclusivities don't restrain competition. They

(Continued on Page 64)

BBDO may gain in marketing change

Polaroid agency shuffle?

By GAY JERVEY

Reports have begun to circulate since Polaroid's recent changes in top marketing management that BBDO may be a strong contender for part of Polaroid's business, possibly the introduction of the new 7000 instant system next year.

Ally & Gargano, agency for Polaroid's domestic consumer photography business, for the past several months has been working on preliminary strategy for the 7000's U.S. debut.

BBDO, which only handles Polaroid sales promotion and direct-response work, has been given a business-to-business project on the 7000, sources said. BBDO declined comment. A Polaroid spokesman said BBDO's current work is limited to existing projects.

However, sources close to Polaroid indicated the company's agency lineup could change, given the pressures associated with the 7000 introduction and the marketing management shifts (AA, July 29).

The company last month eliminated the post of group vp-worldwide advertising, for two years held by M. Carl Johnson, as part of a corporate restructuring. The revamp was designed to soften the company's complex matrix management system, often criticized for frequently requiring too many participants in decision-making.

Both William O'Neill, group vp-consumer photography, and Peter Eichorn, vp-North American marketing operations, will have a stronger say in who handles the 7000, the name Polaroid has adopted internally for a new generation of instant products it hopes will resuscitate the waning instant photography business.

Sources agreed this bodes well for BBDO, whose work has been well received.

Earlier this summer, Cambridge, Mass.-based Polaroid reportedly asked Ogilvy & Mather to do spec-

(Continued on Page 62)

Rice leaves FMR to form own shop

By BOB GEIGER

MINNEAPOLIS—Award-winning executive art director Nancy Rice last week resigned from Fallon McElligott Rice to form a competing ad agency here with her husband, Nick.

N. Rice

One of FMR's five co-founders, Ms. Rice is the first principal to leave the agency since it opened in 1981. She was the quiet force behind the agency's campaigns for *Rolling Stone*, the *Wall Street Journal* and Gold 'N Plump Poultry.

Details of the Rices' new agency, called Rice & Rice, are shrouded in secrecy, as are Ms. Rice's reasons for resigning.

"I don't think this will mean anything negative for FMR's creative," she said. "This is a baby that I'm proud of, and it will blossom without missing a step."

Ms. Rice, 37, carries no FMR accounts to Rice & Rice, which will be housed temporarily in the couple's south Minneapolis home. Within 90 days, the agency will move to downtown Minneapolis offices. Hiring of an account supervisor, copywriter and production manager are planned, Ms. Rice

(Continued on Page 67)

Last Minute News

Mickelberry profits skid 59.3%

NEW YORK—Mickelberry Corp. watched net income plummet 59.3% to $187,000 in the second quarter as revenues rose 13.6%, to $35.1 million, over the same period last year. For the first half, net income dropped 28.8% to $898,000; revenues were up 20.2% to $69.7 million.

Texaco tags 8 finalists

WHITE PLAINS, N.Y.—Texaco has narrowed the field to eight agencies for a successor to Benton & Bowles, New York. Texaco was to begin visiting the first of the finalists today. The eight are reported to be Backer & Spielvogel, Ted Bates Advertising, Dancer Fitzgerald Sample, William Esty Co., Jordan Case Taylor & McGrath, Needham Harper Worldwide, Ross Roy Inc. and Young & Rubicam. The $24 million account was jarred loose by the B&B merger with Amoco agency D'Arcy MacManus Masius.

Ralston Chex out agencies

ST. LOUIS—Ralston Purina Co. has put its $12 million Chex cereals account under creative review, sources say. Competition is limited to incumbent Wells, Rich, Greene/New York and two of Ralston's other agencies: Gardner Advertising and in-house Checkerboard Advertising. Sep-

(Continued on Page 8)

C/D ties weaken at Apple

By CLEVELAND HORTON

Another link between Apple Computer and its agency, Chiat/Day, Los Angeles, was snapped last week with the departure of Mike Murray, Apple's marketing and communications manager.

Mr. Murray, who sources said cleaned out his office in a day, was the person who decided to air Chiat/Day's controversial "Lem-

(Continued on Page 67)

NEWSPAPER

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Airline discount seats rise along with prices

By BRIAN MORAN

Major airlines planning to match United Airlines' more expensive fare structure are expected to weather any attacks from cut-rate carriers by offering more discounted seats on highly competitive routes.

The new structures are scheduled to take effect in late August, near the end of the peak summer travel season and at a time of year when airlines traditionally have trimmed fares. But most carriers are expected to blunt the negative marketing aspects of the average 4% fare hike by expanding their discount-fare programs.

"There are still going to be some pretty terrific deals," said William Dowse, vp-advertising, Eastern Air Lines. "United's [fare structure] filing, with its stepped series of advance purchase requirements at different fares, should increase opportunities for discounting for all of us."

Miami-based Eastern late last week had not decided how it would respond to United's proposed fare structure, which ties coach fares to mileage. Several other carriers—including Atlanta-based Delta Air Lines and Minneapolis-based Republic Airlines—said they were leaning toward matching United's plan.

American Airlines, Dallas; Piedmont Aviation, Winston-Salem, N.C., and Trans World Airlines, New York, said they would restructure their fare systems to match United's plan, which goes into effect Aug. 17 (AA, July 29).

Under the new structure, most carriers will offer two discount fare programs: A 14-day advance purchase, with a 45% discount, and a 30-day purchase, with a 60% to 70% discount. The new structure would eliminate the seven-day advance fare.

All of the carriers said no advertising plans have been set to address the new fare structure or expansion of discount programs.

The effect of the new structure on specific routes will vary widely, so it is too early to tell how a corporate ad program might deal with the changes, airline officials said.

Industry analysts said that making more discount seats available should help carriers maintain high load factors into the fall, despite the fare increases. Fares on the most heavily discounted tickets, like United's unrestricted Super Coach ticket, will rise about 10%.

"They'll have to loosen up the availability of the

(Continued on Page 64)

Fashionable tv

Quasar Co. targets women with ads for Fashion Accents televisions with unusual remote controls in print ads breaking in September magazines. *(See story on Page 62.)*

Highlights

This fall, photocopier and printer marketers will unleash a new type of machine—known in the industry as the "electronic whiteboard" or "copyboard"—that observers say could revolutionize the way business meetings and sales presentations are conducted. *See Page 6.*

Krystal Co. is returning to a back-to-basics, product-oriented campaign, following a brief fling with image advertising through its new agency. *See Page 10.*

The Florida department of citrus is squeezing more money out of its budget than ever before to promote its new seal of approval for Florida-processed orange juice. *See Page 12.*

Harley-Davidson had a reputation to protect. The motorcycle marketer realized its image was being tarnished by unauthorized products using its logo, so the company created its own strict licensing program. *See Page 30.*

"Class" is the word K mart Corp. executives use most often when they talk about actress Jaclyn Smith. And a touch of class is just what K mart is looking for with the introduction of its Jaclyn Smith fashion collection. *See Page 56.*

Introducing
The New Jaclyn Smith
Fall Fashion Collection.

CORPORATE CLOSEUP

Kellogg Co.'s single-minded dedication to the cereal business, generous ad support and timely new products have kept it atop the ever-dwindling heap of cereal marketers. Despite some predictions that the domestic cereal market is nearing maturity, Kellogg is confident the market will continue to grow. *See Page 4.*

FORUM

Al Dudreck discusses the role of sensitivity in business. *See Page 20.*

JWT producer Michael Leary advises those looking for a real representation of Madison Ave. in movies: Don't. *See Page 20.*

INTERNATIONAL

The Canadian Radio & Television Commission has issued a controversial ruling prohibiting celebrities in alcoholic-beverage advertising that could leave Lite beer from Philip Morris' Miller Brewing high and dry. *See Page 36.*

Stanley Cohen, London-based editor of *Focus*, a sister publication of Advertising Age, comments on life in London, specifically proposed advertising on the British Broadcasting Corp. and the role of lawyers in the U.K. *See Page 37.*

VIDEOTECH

Advertisers know plenty of people watch tv, but they're not always certain viewers *like* what they see. A tv researcher plans to inject the emotional element into tv research, believing the more a viewer likes a show, the more he'll like commercials that go with it. *See Page 38.*

DIRECT MARKETING

Two new promoters of in-store, coupon-dispensing machines are preparing their entries into the nation's supermarkets, despite the recent bankruptcy of one competitor and the faltering start of another. *See Page 48.*

COMING THURSDAY

SPECIAL REPORT

The cattle rancher and the oil man are only two of the many faces of Texas. It's a big state with a large variety of residents, requiring diverse methods for marketers. Special Report will examine the Lone Star State in *Thursday*.

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Now, where will Ted turn next?

By MAURINE CHRISTOPHER

If Ted Turner's dream of capturing CBS has finally collapsed, where will he dash off to next?

Turner-watchers suggest several possibilities.

For years Mr. Turner has been huddling with motion-picture studios about possible deals. Last week, Turner Broadcasting System's Cable News Network reported that the TBS chairman was in Los Angeles for talks with MGM/UA Entertainment Co. executives.

Mr. Turner could not be reached for comment at press time, but Kirk Kerkorian, 50.1% owner of MGM/UA, has said he wants to sell at least part of the MGM movie complex.

While one source close to Mr. Turner said CNN reporters were wrong about what was on the boss' calendar during his last trip West, another insider said the principal owner of Atlanta-based TBS has talked to a variety of film companies, and this deal appears to be hotter than the others.

Meanwhile, there was a flurry of fanciful speculation about Mr. Turner's own future. Will he choose another takeover target in broadcasting? Though CBS Inc. and American Broadcasting Cos. both seem safe from hostile raiders, RCA Corp., parent of the National Broadcasting Co., is technically available. RCA has barriers

(Continued on Page 64)

Late West Coast news

Almaden fall blitz has 'Dynasty' star

Almaden Vineyards has signed "Dynasty" star Catherine Oxenberg as spokeswoman for new Almaden Golden Champagne. The San Jose-based winery is producing tv commercials featuring the real-life princess for a heavy schedule starting in October. BBDO/West, San Francisco, handles the $10 million account.

Doyle Dane Bernbach acquired York/Alpern, a $14 million Los Angeles-based agency specializing in healthcare advertising, late last week, to form York Alpern/DDB. Principals Karen Portugal York and Barbara Bellman Alpern will continue as ceo and president-creative director, respectively. Key clients include Cedars-Sinai Hospital, HealthNet and PPO Alliance.

The California State Lottery Commission will sign contracts with one or more local stations to broadcast lottery games starting in September or October. Instant winners will win the right to appear on the nightly broadcasts, trying their luck with a "Wheel of

(Continued on Page 67)

Okidata's new copiers may cut overhead

By BRIAN MORAN

Remember during those big college lecture classes, when the professor slapped a flimsy transparent sketch onto an overhead projector to drive home a crucial point?

Along with hundreds of other squinting students, you probably scribbled furiously to copy a graph or chart in your notebook before the wily instructor dashed ahead to the next slide.

This fall, photocopier and printer marketers will unleash a new type of machine—known in the industry as the "electronic whiteboard" or "copyboard"—that observers say could revolutionize the way college classes, business meetings and sales presentations are conducted.

The machine consists of a large white writing surface, similar to a blackboard, connected electronically to a printer. After drawing or writing on the board with a special pen, the teacher, boss or meeting leader can press a button and instantly provide the audience with sharp paper copies.

Office-equipment dealers are eager to get their hands on the new technology, developed in Japan and shown here for the first time last month at an industry trade show in Las Vegas.

Okidata, a large marketer of printers for personal computers, says it has the first model of the new category to hit the market. Mount Laurel, N.J.-based Okidata, a unit of Japan's Oki Electric, began shipping its Oki Copyboard last month to more than 100 dealers. A 75-by-58-in. model retails for $3,495; a smaller model sells for $2,795.

Okidata is supporting the introduction with a $2 million print campaign via Shimer vonCantz, Philadelphia. Media schedule includes the *Wall Street Journal* and major-market newspapers, and *Business Week* and *Inc.*, demographic editions of *Newsweek* and *Time* and office equipment and inflight books.

One spread ad shows an Oki Copyboard in a replica of the Oval Office, over the headline: "The Great Communicator. Every office should have one."

Okidata's parent company in Japan has sold 15,000 units of the machine since it was introduced there about 18 months ago, said Ronni Barton, marketing communications manager. Okidata hopes to sell 10,000 units in the U.S. during the next year, Ms. Barton said.

A host of other copier marketers are readying "whiteboard" entries, in pursuit of anticipated heavy demand for the device among businesses and schools. Canon USA, Lake Success, N.Y.; Sharp Electronics Corp., Paramus, N.J., and Ricoh Corp., West Caldwell, N.J., all are expected to have models on dealer shelves soon.

"No question about it—this is a sensational new-product concept," said Joel Lasko, president, Washington Photocopy Corp., a large Washington-based copier dealer. "Sure, it's something of a gimmick, but it's helpful to anybody who has meetings."

Dealers anticipate heated competition among manufacturers for the general business and education markets.#

The Great Communicator. Every office should have one.
Introducing the Oki Copyboard.
The Oki Copyboard
OKIDATA

Okidata unveils the Oki Copyboard via a $2 million print campaign set for major-market newspapers and magazines.

Auto makers gird for imports

By JESSE SNYDER

ACME, MICH.—Domestic auto makers are evolving a two-step defense of the heart of the U.S. market as Japanese marketers take aim at mid-size cars: Advertising now, technology later.

"Clearly, marketing costs will increase this fall," Ford chairman Donald Petersen said last week at a University of Michigan auto seminar here. That's when the surge of Japanese imports will hit following the virtual lifting of import quotas.

The Big Three won't discuss specifics, but over-all factory auto advertising will rise 16% to 18% in 1985, says Robert Coen, McCann-Erickson's chief trend analyst.

Including matching funds that auto marketers contribute to dealer groups, that could push factory auto advertising past the $3 billion mark by early 1986.

First-tier Japanese auto makers are moving up in auto weight for several reasons: U.S. auto makers conceded the low-end market to imports and are using second-tier Japanese companies for their own small cars; Koreans and other low-wage countries are planning price-value assaults on Japanese small cars in the U.S., and the Japanese have 25% more cars to sell this year.

"[The Japanese] are very good economists. They see the remarkable profitability of the upper portions of our market," Mr. Petersen said.

"For successful companies, the U.S. is no longer an optional market but an essential one," said David Cole, director of U-M's office for the study of automotive transportation.

"By and large, the profit of the world auto market is being made in North America," Mr. Petersen said. He acknowledged a few exceptions, but Europe and the Japanese home markets are depressed.

Mr. Petersen believes U.S. marketers can blunt the new Japanese assault. "I'm not sure they'll be able to sell 25% more cars this year," he said.

The second phase for U.S. marketers is increased technology. The Big Three is determined to keep a lead in areas in which they are ahead of imports (such as corrosion control) and "leapfrog" the Japanese in others, said Alex Mair, GM vp-group executive of technical staffs.

Part of that effort is GM's well-publicized Saturn Corp. and Ford Alpha and Chrysler Liberty projects, designed to overcome a $2,500 Japanese small-car cost advantage through changes in design, engineering, manufacturing, distribution and marketing.

But technology must add value in the mind of the buyer to be worthwhile, said Robert Eaton, GM vp-advanced product and manufacturing engineering. GM is pushing to convert the car from a mechanical to an essentially electromechanical product by 1995. but the benefits that will make it more marketable include better reliability, computer-controlled brakes and transmissions that prevent skidding at all times and navigation systems.#

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Syracuse, NY 13211 (315) 9812

Wizards of Marketing

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"Wizards of Marketing"
NEWSWEEK
July 22, 1985

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AHS eyes image ads

By JULIE FRANZ

CHICAGO—American Hospital Supply Corp., about to be merged into Baxter Travenol Corp., last week took the surprising step of hiring Cramer-Krasselt to create a $1 million corporate-image campaign.

Evanston, Ill.-based AHS last month accepted a $3.8 billion takeover bid from Deerfield, Ill.-based Baxter Travenol after earlier nearly completing a union with Hospital Corp. of America, Nashville. The AHS-Baxter merger should be completed by the fourth quarter, and likely will wipe out the American Hospital Supply name, Baxter sources say. AHS officials couldn't be reached for comment or explanation of the need for a corporate campaign.

AHS never has turned to advertising to build a national brand name, but president Karl Bays is known to favor advocacy advertising on healthcare issues (AA, April 8).

Sources say Cramer-Krasselt's campaign, due this fall, will focus on AHS' efforts in healthcare cost containment, a hotly contested issue in the field. American is considered "the Cadillac of supply distributors, with service that's unmatched in the industry," a source close to the project said. That image also fosters the perception AHS is a high-cost company.

"They wouldn't be the best if they weren't cost-efficient," the source added. That's what will be brought out in the campaign, set to run in national business and healthcare trade publications.

American's annual ad budget is about $20 million, compared with Baxter's $4 million annual budget. Both companies have focused on business-to-business advertising. Neither has an agency of record, instead doling out advertising assignments on a project basis.#

AA's Alter promoted

NEW YORK—Stewart Alter, who has reported on the agency business for ADVERTISING AGE during the past 16 months, has been promoted to senior reporter.

In announcing the promotion, AA editor Fred Danzig made special note of Mr. Alter's ongoing coverage of merger stories such as Benton & Bowles/-D'Arcy MacManus Masius and Bozell & Jacobs/Kenyon & Eckhardt. "Through hard work and diligence, Stew Alter has become the nation's leading reporter of advertising agency business news and trends," said Mr. Danzig.

S. Alter

"This promotion is our way of saluting Stew and rewarding him."

Before joining AA in April, 1984, Mr. Alter served as executive editor at *Magazine Age*, which he joined as managing editor in September, 1979.

Earlier, Mr. Alter had been an associate editor at *Parents'*; a writer/editor for *The Trib*, the short-lived New York daily, and held editorial posts at *ANNY* (now *Adweek*).

Mr. Alter earned a master's degree from the State University of New York and a bachelor's degree from Brandeis University in 1970.#

CORRECTIONS & CLARIFICATIONS

- When Estee Lauder introduces Beautiful this fall, it will be the first time the company has used radio and tv for an introduction, not the first time the company has ever used those media, as was stated in a story due to an editing error (AA, July 29, P. 33).
- Procter & Gamble's operating earnings for personal-care products are expected to decline 50%, to $314 million, for the fiscal year just ended, not net profit as was reported (AA, July 29, P. 50).
- Grey Advertising, New York, incorrectly was identified as the agency of record for the joint S.C. Johnson & Son-Procter & Gamble "Winning shine" sweepstakes (AA, July 15, P. 76). Curtin & Associates, Englewood Cliffs, N.J., handled the promotion. Grey Advertising, New York, is the P&G Joy agency; J. Walter Thompson USA, Chicago, handles Johnson's Pledge.
- John Blair & Co.'s newest tv station, WSCV-TV, covers Miami in addition to Fort Lauderdale, and its programing is autonomous. This information was reported incorrectly in Blair's 100 leading media company profile (AA, June 27, P. 14). In addition, Blair's Network Mail circulation is 42 million, not 30 million as stated.#

Cold cereals heating up

By JOHN C. MAXWELL JR.

Last year was another record year for the cold-cereal industry. Volume was up some 3.1% compared with 1983, to 2.15 billion pounds.

In dollars, the market was up some 10% to $4.05 billion.

The main factors were good growth in adult ready-to-eat cereals, particularly brans. In addition, family-type products were up. Presweetened share was down as new licensed entries did not turn out as well as their predecessors. In 1985, we expect to see this type of trend continuing, with poundage up 3% and a price increase of 5% having been put into effect early this year.

The main news was Kellogg Co., which jumped two share points in 1984 and is currently running up another two share points to somewhere around 42.5%. This performance has been aided by new products, such as Apple Raisin Crisp, C-3PO, Fruitful Bran and Raisin Squares. However, such basic products as Frosted Flakes and corn flakes also helped.

General Foods appears to be the main company hurt by Kellogg's, as it has almost a mirror image of Kellogg's portfolio. GF was down more than two share points in 1984, and probably is down at least another share point to somewhat more than 13% currently.

Quaker Oats also suffered, particularly since Halfsies proved to be somewhat of a failure and Mr. T. is not doing well.

Currently, we think Quaker may be down as much as another share point to around 7.5%. Nabisco, which held up reasonably well in 1984, has continued in 1985 to date. Thus, the only other companies that have held up reasonably well have been General Mills, off slightly for the year, and Nabisco.

Ralston was helped by new introductions, such as Cracker Jacks and Gremlins and, more recently, Cabbage Patch and Rainbow Brite. However, the private labels, which are preponderantly Ralston, were down more than 7% in 1984 and the erosion continues.

In terms of the top 10 cold-cereal products in volume, Kellogg's Corn Flakes retained its No. 1 position, but General Mills' Cheerios dropped to No. 3 (but remained No. 1 in dollars), displaced by Kellogg's Frosted Flakes. The rest of the rankings remained constant except for 10th place—Honey Nut Cheerios joined the ranking, knocking out General Foods' Grape-Nuts.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Cold cereal's top 10

Cheerios dropped to third place in volume last year but remained No. 1 in dollars. Figures are market share. *Source: John C. Maxwell Jr.*

Brand	1983 Pounds	1983 Dollars	1984 Pounds	1984 Dollars
Corn Flakes (K)	6.8	4.7	6.8	4.7
Frosted Flakes (K)	5.2	4.8	5.6	5.2
Cheerios (GM)	5.5	5.8	5.2	5.5
Raisin Bran (K)	4.6	4.1	4.5	4.0
Chex (RAL)	4.3	4.4	4.3	4.6
Shredded Wheat (NAB)	4.0	3.1	4.0	3.3
Rice Krispies (K)	3.6	3.9	3.5	3.8
Raisin Bran (GF)	3.0	2.5	2.7	2.1
Cap'n Crunch (OAT)	2.9	3.5	2.7	3.2
Honey-Nut Cheerios (GM)	2.3	2.6	2.6	2.9
Total	42.2	39.4	41.9	39.3

Kellogg

(Continued from Page 4)

logg president Gerald Robinson. Ads contain both educational and promotional messages, a spokesman said.

Kellogg's two domestic agencies, Leo Burnett USA and J. Walter Thompson USA, both Chicago, also handle the company's international advertising.

The company's cereals will succeed in foreign markets where other food companies have gone awry because "the background of getting nutrition from grain is established worldwide," Mr. LaMothe said. That background gives Kellogg's products an opportunity to meet the needs of the foreign market, he added.

The company has modernized or improved production capacity at plants in Australia, Canada, England and Wales, as well as at home, in an effort to reduce production costs and meet projected demand.

Although Kellogg declined to disclose its estimates of potential growth abroad, analysts say overall growth in the U.K. and Australia should outpace the company's domestic growth, while growth on the Continent may lag slightly behind domestic rates.

The company is promising additions to its already heavy investments in research and development and marketing for new and established products, the Kellogg spokesman said.

In addition, Kellogg has added former Ford Motor Co. chairman Philip Caldwell and G.D. Searle & Co. chairman-ceo Donald Rumsfeld to its board, hoping to benefit from their "strong international marketing experience," Mr. LaMothe said.

But Kellogg has a steep road ahead abroad. In 1984, 46% of its assets were abroad, though they accounted for only 22% of operating profits. Last year, foreign profits fell 23% to $55.8 million as sales slipped 1% to $812.8 million. Domestic profits increased 14% to $194.7 million on 13% higher sales of $1.8 billion.

For the company as a whole, those figures register as a 3% increase in net income, to a record $250.5 million, on a 9% increase in sales to $2.6 billion.

In the U.S., Kellogg grew faster last year than the cereal industry as a whole. Its pound volume jumped 10% while pound volume for the industry only gained 3%.

Capital improvements cut deeply into foreign earnings, especially the $229 million Kellogg spent boosting production capacity. About 66% of that total was spent at its London, Ont., plant, the company said. Another $250 million in capital improvements is scheduled for 1985.

International raw material prices (excluding grain) rose last year, also cutting into profits, Kellogg said. Drops in noncereal volume, especially from the sale of NeoCitran cold remedy in Canada, also affected foreign earnings.

Companywide, Kellogg reported a 2.7% increase in net income for the first half of fiscal 1985, to $133.3 million. Sales were up 10% to $1.42 billion.

The gap between Kellogg's domestic and international business will continue to widen, PaineWebber's Mr. Larson said. Any gains made abroad will be exceeded by significant gains that Kellogg is expected to make in the U.S. cereal market again this year.

Kellogg is continuing to strengthen its domestic cereal position, having regained the market share it lost between 1980 and 1982. Generic and private-label copies of old-line Kellogg favorites abounded then, and at its lowest point, in 1982, Kellogg had only 35% of the market.

The company's market share in the $4.1 billion U.S. ready-to-eat cereal market is now 42.5%, up from 37.8% last year, analysts say. Growth came from steady volume gains averaging 12.5% across-the-board for Kellogg brands. Only sales of Kellogg's flagship corn flakes remained flat.

Kellogg's nearest competitors, General Mills, Minneapolis, and General Foods Corp., White Plains, N.Y., reported mediocre years in 1984. General Mills' share remained stable at 20%, while General Foods lost ground to 14% from 16% in '83.

The biggest loser for General Foods was its entry into the licensed children's cereal market: Smurf-Berry Crunch. Also slipping last year were Post Raisin Bran and Honey Nut Crunch.

Despite industry analysts' predictions, Kellogg doesn't see an end to growth in the domestic cereal market, Mr. LaMothe said. The U.S. ready-to-eat cereal market's expected annual growth of 3% to 4% is good enough for Kellogg, which expects its own cereal volume to grow between 7% and 11%, the company said.

Already this year, Kellogg is the growth leader in the cereal segment, recording 12% volume growth in February and March, according to data from A.C. Nielsen Co., Northbrook, Ill. General Foods' volume was down 8% in that period; General Mills, down 2%; Quaker Oats, down 10%; Nabisco Brands, Parsippany, N.J., down 1%, and Ralston Purina, down 12%.

To keep domestic momentum going, Kellogg's 1985 ad plans include promotional tie-ins with the Jacksons, the Statue of Liberty and Mars Inc.'s M&M's candies for Kellogg's "big four" cereals: Corn flakes, Frosted Flakes, Raisin Bran and Rice Krispies. Burnett handles those brands.

Ad spending on new and established brands increased 16.2% to an estimated $204.8 million worldwide last year. Ad spending will increase another 20% this year to about $245.8 million.

Kellogg's controversial anti-cancer diet theme for its bran cereals will continue in 1985 (AA, Oct. 29, *et seq.*). Although only All-Bran tv spots have used the theme, information linking bran to an anti-cancer diet is included on the back of all Kellogg's bran cereal boxes.

The company also is testing Extra Fiber All-Bran, a higher-fiber cereal to replace its regular All-Bran (AA, March 18, *et seq.*), sources say. Ads for the new cereal

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Cold cereal market shares

Kellogg paced a record $4.05 billion market last year. Industry volume increased 3.1% to 2.15 billion pounds. Figures represent market share by pounds and dollars. *Source: John C. Maxwell Jr.*

Brand	1982 Lbs.	1982 $$	1983 Lbs.	1983 $$	1984 Lbs.	1984 $$
Kellogg						
Frosted Flakes	5.2	4.8	5.2	4.8	5.6	5.2
Corn Flakes	6.8	4.7	6.8	4.7	6.8	4.7
Raisin Bran	4.7	4.2	4.6	4.1	4.5	4.0
Rice Krispies	3.9	4.2	3.6	3.9	3.5	3.8
Froot Loops	2.2	2.8	2.2	2.8	2.3	2.9
Special K	1.5	2.1	1.7	2.3	1.9	2.5
Bran Products	2.7	2.0	2.8	2.1	3.1	2.3
Frosted Mini-Wheats	1.8	1.8	1.8	1.8	1.9	1.9
Apple Jacks	1.0	1.5	1.0	1.5	1.0	1.5
Sugar Smacks	1.3	1.3	1.3	1.3	1.2	1.3
Sugar Pops	1.1	1.3	1.0	1.2	1.1	1.2
Product 19	0.8	1.1	0.8	1.1	0.9	1.1
Nutri-Grain	1.0	1.0	1.0	1.0	1.2	1.1
Crispix	—	—	0.7	0.7	0.5	0.5
Honey & Nut Corn Flakes	0.6	0.7	0.6	0.7	0.5	0.6
Marshmallow Krispies	0.5	0.7	0.5	0.7	0.4	0.6
Cocoa Krispies	0.5	0.7	0.5	0.7	0.6	0.8
Frosted Rice	0.6	0.8	0.5	0.6	0.4	0.4
Fruitful Bran	—	—	—	—	0.7	0.6
C-3PO	—	—	—	—	0.5	0.6
Apple Raisin Crisp	—	—	—	—	0.5	0.6
Raisin Squares	—	—	—	—	0.3	0.3
Most	0.3	0.4	0.3	0.4	0.2	0.3
Raisins Rice & Rye	0.5	0.6	0.3	0.4	0.1	0.1
Others	1.2	1.4	1.0	1.3	0.8	1.4
Total	38.5	38.5	38.5	38.5	40.5	40.3
General Mills						
Cheerios	5.6	5.9	5.5	5.8	5.2	5.5
Honey Nut Cheerios	2.1	2.4	2.3	2.6	2.6	2.9
Total	1.7	2.4	1.9	2.6	2.1	2.8
Lucky Charms	1.7	2.2	1.6	2.1	1.7	2.1
Trix	1.5	1.9	1.5	1.9	1.5	1.9
Wheaties	2.5	1.9	2.3	1.7	2.0	1.4
Golden Grahams	1.3	1.3	1.3	1.3	1.3	1.3
Crispy Wheats 'n Raisins	1.1	1.3	1.1	1.3	1.0	1.1
Licensed Products	0.4	0.5	1.1	1.3	0.7	1.0
Monsters, etc.	0.7	1.0	0.6	0.9	0.5	0.8
Cinnamon Toast crunch	—	—	—	-	0.6	0.7
Cocoa Puffs	0.7	0.8	0.7	0.8	0.6	0.7
Buc*Wheats	0.5	0.6	0.4	0.5	0.3	0.4
Others	0.3	0.2	0.5	0.4	0.6	0.5
Total	20.7	23.1	20.8	23.2	20.7	23.1
General Foods						
Post Raisin Bran	3.1	2.8	3.0	2.5	2.7	2.1
Grape-Nuts	2.9	2.4	2.5	1.9	2.2	1.5
Super Sugar Crisp	1.4	1.6	1.5	1.6	1.4	1.4
Honeycombs	1.1	1.5	1.2	1.5	1.1	1.3
Post Fruit & Fibre	1.5	1.7	1.3	1.4	1.3	1.4
Pebbles	1.2	1.4	1.2	1.4	1.1	1.3
Smurf Berry Crunch	—	—	1.0	1.1	0.5	0.6
Post Toasties	1.3	0.9	1.2	0.9	1.0	0.8
Alpha-Bits	0.8	0.9	0.8	0.9	0.7	0.8
Bran Flakes	0.8	0.8	0.8	0.8	0.8	0.8
Honey-Nut Crunch Raisin Bran	0.3	0.3	0.7	0.7	0.2	0.2
Raisin Grape-Nuts	0.8	0.8	0.6	0.6	0.4	0.4
Fortified Oat Flakes	0.6	0.5	0.6	0.5	0.5	0.4
C.W. Post Hearty Granola	0.2	0.2	—	0.1	0.1	0.1
Others	0.4	0.2	0.1	0.2	0.3	0.2
Total	16.4	16.0	16.6	16.1	14.3	13.3
Quaker Oats						
Cap'n Crunch	3.2	3.8	2.9	3.5	2.7	3.2
Life	2.5	2.3	2.4	2.2	2.4	2.2
100% Natural	1.6	1.5	1.6	1.5	1.5	1.4
Halfsies	—	—	0.7	0.7	0.2	0.3
Corn Bran	0.7	0.6	0.7	0.6	0.6	0.6
Others	0.9	0.7	0.6	0.4	0.9	0.9
Total	8.9	8.9	8.9	8.9	8.3	8.6
Ralston Purina						
Chex	4.2	4.0	4.3	4.4	4.3	4.6
Donkey Kong	—	—	0.7	0.7	0.6	0.6
Cookie Crisp	0.6	0.6	0.5	0.7	0.4	0.7
Others	0.3	0.2	0.3	0.2	0.6	0.4
Total	5.9	5.6	5.9	6.1	5.9	6.3
Nabisco						
Shredded Wheat	4.0	3.1	4.0	3.1	4.0	3.3
Others	0.9	0.7	0.9	0.7	0.9	0.9
Total	4.9	3.8	4.9	3.8	4.9	4.2
All Others	4.7	4.1	4.4	3.4	5.5	4.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Newspaper Advertising MRCS/SAU Inches

May 1985 vs. May 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	111.197	25.094	128.158	50.876
Beacon Journal (S)	70.911	8.803	68.757	10.647
Grand Total	182.108	33.897	196.915	61.523

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Constitution (M)	202.312	55.234	182.023	48.754
Journal (E)	207.908	56.448	186.635	51.069
Journal & Constitution (S)	128.388	61.933	125.989	53.643
Journal & Constitution (Sat)	43.579	—	36.454	—
Grand Total	582.187	173.615	531.101	153.466

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News-American (S)	39.116	10.754	33.470	1.724
News-American (E)	43.064	7.681	57.204	6.020
Sun (M)	134.954	—	128.682	2.721
Sun (E)	110.096	—	106.523	2.672
Sun (S)	144.803	31.150	140.071	21.111
Grand Total	472.033	49.585	465.950	34.248

BERGEN COUNTY, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Record (E)	178.537	35.188	157.138	29.918
Record (S)	141.427	30.587	135.346	29.481
Grand Total	319.964	65.775	292.484	59.393

NOTE: Record Evening published five days a week only.

BOSTON, MA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	51.054	—	43.826	—
Herald (S)	16.780	31.673	21.069	19.546
Globe (M)	157.516	9.789	158.675	12.202
Globe (S)	166.685	29.439	165.930	23.199
Grand Total	392.035	70.901	389.500	54.947

BUFFALO, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (AD)	113.243	28.581	125.277	25.954
News (S)	46.060	39.099	50.843	25.128
Grand Total	159.303	67.680	176.120	51.082

CAMDEN, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier-Post (E)	125.575	19.845	118.778	22.366
Courier-Post (S)	55.127	1.449	48.045	5.194
Grand Total	180.702	21.294	166.823	27.560

CHARLOTTE, NC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (E)	80.736	—	82.848	—
Observer (M)	136.533	—	124.231	—
Observer (S)	68.615	—	69.122	—
Grand Total	285.885	—	276.201	—

NOTE: News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Sun Times (M)	140.054	85.700	140.678	55.851
Sun-Times (S)	52.794	40.094	58.829	45.319
*Tribune (AD)	155.209	221.276	141.026	178.961
*Tribune (S)	118.853	98.887	139.482	109.639

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 4/29/85 through 5/26/85.

CINCINNATI, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Enquirer (M)	183.261	6.205	171.450	19.258
Enquirer (S)	111.249	9.382	112.744	3.987
Post (E)	88.586	22.935	82.785	17.592
Grand Total	383.096	38.522	366.979	40.827

CLEVELAND, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Plain Dealer (M)	157.001	38.623	161.575	30.506
Plain Dealer (S)	105.875	7.484	96.449	11.879
Grand Total	262.876	46.107	258.024	42.385

DALLAS, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	332.604	16.319	329.250	18.649
News (S)	176.984	13.889	161.347	14.011
Times-Herald (AD)	291.584	25.951	304.767	28.437
Times-Herald (S)	132.204	10.575	135.602	23.004
Grand Total	933.376	66.734	930.966	84.101

DENVER, CO

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Rocky Mt. News (M)	320.830	1.783	328.037	—
Rocky Mt. News (S)	91.229	2.749	88.430	166
Post (M)	218.636	6.410	185.264	21.234
Post (S)	119.230	3.163	123.082	2.768
Grand Total	750.125	14.105	724.813	24.168

DETROIT, MI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Free Press (M)	100.886	48.613	98.476	54.394
Free Press (S)	45.835	24.559	41.691	22.731
News (AD)	162.856	46.626	136.672	33.282
News (S)	79.823	34.176	81.670	17.309
Grand Total	389.400	153.976	358.509	127.716

FORT LAUDERDALE, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News & Sun Sentinel (S)	116.936	30.885	110.546	25.055
Sun Sentinel (M)	299.708	75.977	319.750	66.540
Grand Total	416.644	106.862	430.296	91.595

NOTE: 1985 part run and 1984 full run and part run figures supplied by publisher to Media Records. Morning figures include the Saturday Edition.

FORT WAYNE, IN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal Gazette (M)	100.214	—	77.794	—
Journal Gazette (S)	59.969	—	51.966	—
News Sentinel (E)	111.894	—	96.152	—
Grand Total	272.077	—	225.912	—

NOTE: Part run figures not available.

***FORT WORTH, TX**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Telegram (M)	300.323	61.995	279.222	57.138
Star Telegram (E)	239.937	61.995	228.019	57.138
Star Telegram (S)	149.047	54.760	141.708	45.275
Grand Total	689.307	178.750	648.949	159.551

NOTE: Figures supplied by publisher to Media Records.

GREENWICH/STAMFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Time (E)	85.789	83	91.105	—
Time (S)	52.295	—	41.877	—
Advocate (E)	106.592	809	113.447	—
Advocate (S)	53.713	—	47.064	—
Grand Total	298.389	892	293.493	—

HARTFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courant (M)	157.327	34.486	151.822	33.572
Courant (S)	80.530	112.401	76.752	112.801
Grand Total	237.857	146.887	228.574	146.373

HONOLULU, HI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Advertiser (M)	139.007	—	138.963	—
Star-Bulletin (E)	130.662	—	133.747	—
Star-Bulletin & Advertiser (S)	74.005	—	76.879	—
Grand Total	343.674	—	349.589	—

HOUSTON, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (AD)	305.284	41.643	358.518	40.437
Chronicle (S)	132.730	30.463	138.592	33.169
Post (M)	192.878	44.173	214.991	38.452
Post (S)	66.175	37.214	77.930	25.985
Grand Total	697.067	153.493	790.031	138.043

LONG BEACH, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Press Telegram (M)	122.642	—	116.644	—
Press Telegram (S)	53.838	—	51.256	—
Grand Total	176.480	—	167.900	—

NOTE: Part run figures not available.

LONG ISLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Newsday (E)	201.092	71.584	178.021	69.004
Newsday (S)	102.741	84.605	90.929	81.227
Grand Total	303.833	156.189	268.950	150.231

LOS ANGELES, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	336.561	325.897	331.856	256.001
Times (S)	167.586	87.015	163.450	89.623
Herald-Examiner (M)	73.269	14.043	56.575	18.961
Herald-Examiner (S)	16.037	4.822	17.347	5.803
Grand Total	593.453	431.777	569.228	370.388

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	228.618	35.801	204.635	32.901
News (S)	78.143	1.584	72.797	3.317
Grand Total	306.761	37.385	277.432	36.218

***LOS ANGELES/TORRANCE, CA**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Breeze (E & S)	218.712	—	216.940	—
Grand Total	218.712	—	216.940	—

NOTE: Figures supplied by publisher to Media Records.

***LOUISVILLE, KY**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier Journal (M)	106.762	49.330	100.363	54.668
Times (E)	105.189	68.403	104.834	76.778
Courier Journal (S)	58.661	66.567	60.065	52.861
Grand Total	270.612	184.300	265.262	184.307

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	182.766	—	186.678	—
Herald (S)	91.428	—	89.663	—
News (E)	67.940	—	71.565	—
Grand Total	342.144	—	347.906	—

NOTE: Part run figures not available.

MINNEAPOLIS, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star & Tribune (AD)	129.992	26.635	132.424	31.967
Star & Tribune (S)	132.231	1.696	134.298	—
Star & Tribune (Sat)	23.792	—	25.048	—
Grand Total	286.015	28.331	291.770	31.967

***NASHVILLE, TN**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Banner (E)	129.716	—	110.937	33.536
Tennessean (M)	129.260	—	110.570	33.536
Tennessean (S)	88.037	—	66.522	24.166
Grand Total	347.013	—	288.029	91.238

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Home News (E)	97.028	2.681	—	—
Home News (Sun)	74.636	1.135	—	—
Grand Total	171.664	3.816	—	—

NOTE: 1984 figures not available.

NEW YORK, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	180.649	16.202	178.443	17.700
Times (S)	181.304	106.325	182.284	109.757
News (M)	67.480	128.895	71.644	113.544
News (S)	38.568	86.870	32.101	81.724
Post (AD)	64.395	• 758	63.462	—
Grand Total	532.396	339.050	527.934	322.725

NEWARK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Ledger (M)	240.484	7.170	213.475	7.920
Star Ledger (S)	174.777	30.654	154.822	33.956
Grand Total	415.261	37.824	368.297	41.876

OAKLAND, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (M)	95.911	73.590	104.373	47.767
Tribune (S)	48.295	37.481	48.725	24.862
Grand Total	144.206	111.071	153.098	72.629

ORANGE COUNTY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Register (AD)	310.266	106.859	314.885	89.492
Register (S)	124.535	9.078	118.725	7.975
Grand Total	434.801	115.937	433.610	97.467

PHILADELPHIA, PA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Inquirer (M)	177.528	65.617	158.941	60.424
Inquirer (S)	114.835	55.609	107.987	44.776
News (E)	86.183	7.819	84.218	2.619
Grand Total	378.546	129.045	351.146	107.819

***PHOENIX, AZ**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Arizona Republic (M)	246.631	9.773	241.024	12.892
Arizona Republic (S)	149.087	—	155.298	—
Gazette (E)	238.120	9.899	231.617	13.043
Grand Total	633.838	19.672	627.939	25.935

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Democrat & Chronicle (M)	105.136	12.195	98.429	11.103
Democrat & Chronicle (S)	69.982	23.244	69.013	13.714
Times Union (E)	81.646	15.162	88.182	10.084
Grand Total	256.764	50.601	255.624	34.901

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Bee (M)	251.344	20.781	235.300	24.958
Bee (S)	105.640	12.655	101.720	4.847
Grand Total	356.984	33.436	337.020	29.805

***ST. LOUIS, MO**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post Dispatch (M)	116.642	37.487	103.639	46.001
Post Dispatch (S)	122.912	—	109.997	—
Grand Total	239.554	37.487	213.636	46.001

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Pioneer Press Dispatch (AD)	112.007	—	104.432	—
Pioneer Press Dispatch (S)	99.655	—	101.526	—
Dispatch (E)	—	—	112.538	—
Grand Total	211.662	—	318.496	—

NOTE: Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition. Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Express-News (AD)	152.031	28.058	141.857	35.263
Express-News (S)	95.842	18.601	75.908	24.008
Express-News (Sat)	40.486	—	41.180	—
News (E)	—	—	138.794	24.573
Light (AD)	148.735	34.308	129.368	41.135
Light (S)	100.596	12.729	69.384	29.302
Light (Sat)	33.573	—	33.204	—
Grand Total	571.263	93.696	629.695	154.281

NOTE: Express Morning and News Evening combined to one edition. Express News All Day effective September 10, 1984. The Express Morning activity is shown in the Express News All Day listing. Prior to September 10, 1984, Express Morning and News Evening published five days a week only.

Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Union (M)	247.933	25.022	235.273	17.512
Union (S)	119.656	—	115.308	—
Tribune (E)	259.758	26.983	246.489	16.965
Grand Total	627.347	52.005	597.070	34.477

SAN FRANCISCO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (M)	142.395	65.235	136.616	73.948
Examiner (E)	139.873	65.101	133.281	72.530
Examiner & Chronicle (S)	73.498	48.153	72.804	41.293
Grand Total	355.766	178.489	342.701	187.771

SAN JOSE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Mercury News (AD)	314.292	37.826	308.973	47.291
Mercury News (S)	151.567	—	137.774	—
Grand Total	465.859	37.826	446.747	47.291

SHREVEPORT, LA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal (E)	96.711	3.734	91.845	9.958
Times (M)	122.461	18.782	117.243	22.852
Times (S)	68.738	6.821	67.538	7.181
Grand Total	287.910	29.337	276.626	39.991

***STATE COLLEGE, PA**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Centre Times (E)	106.962	2.168	94.393	1.854
Centre Times (S)	28.384	—	27.726	—
Grand Total	135.346	2.168	122.119	1.854

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald Journal (E)	101.155	28.552	95.424	35.809
Herald American (S)	43.494	42.278	55.799	19.014
Post-Standard (M)	86.152	36.447	77.417	30.034
Grand Total	230.801	107.277	228.640	84.857

***TOLEDO, OH**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Blade (E)	110.702	—	118.385	—
Blade (S)	89.969	—	85.344	—
Grand Total	200.671	—	203.729	—

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	300.574	57.210	296.599	41.761
Post (S)	150.425	31.881	144.797	32.470
Grand Total	450.999	89.091	441.396	74.231
Alexandria Journal (M)	77.335	877	61.946	—
Prince George's Journal (M)	72.870	2.055	57.309	—
Montgomery Journal (M)	71.100	1.178	54.903	—
Fairfax Journal (M)	72.175	1.128	64.497	—
Arlington Journal (M)	76.706	877	61.974	—

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

***WEST PALM BEACH, FL**

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	224.348	45.601	222.891	32.949
Times (E)	189.140	2.029	188.859	603
Post (S)	126.029	17.533	115.376	10.897
Grand Total	539.517	65.163	527.125	44.449

NOTE: Figures supplied by publisher to Media Records.
Times Evening published five days a week only.

WESTCHESTER ROCKLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Reporter Dispatch (E)	95.632	22.502	100.636	23.886
Reporter Dispatch (S)	78.376	14.891	65.821	20.125
Grand Total	174.008	37.393	166.457	44.011

WICHITA, KS

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Eagle-Beacon (M)	128.286	—	137.717	—
Eagle-Beacon (S)	75.811	—	73.456	—
Grand Total	204.097	—	211.173	—

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS/SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page

August 8, 1985

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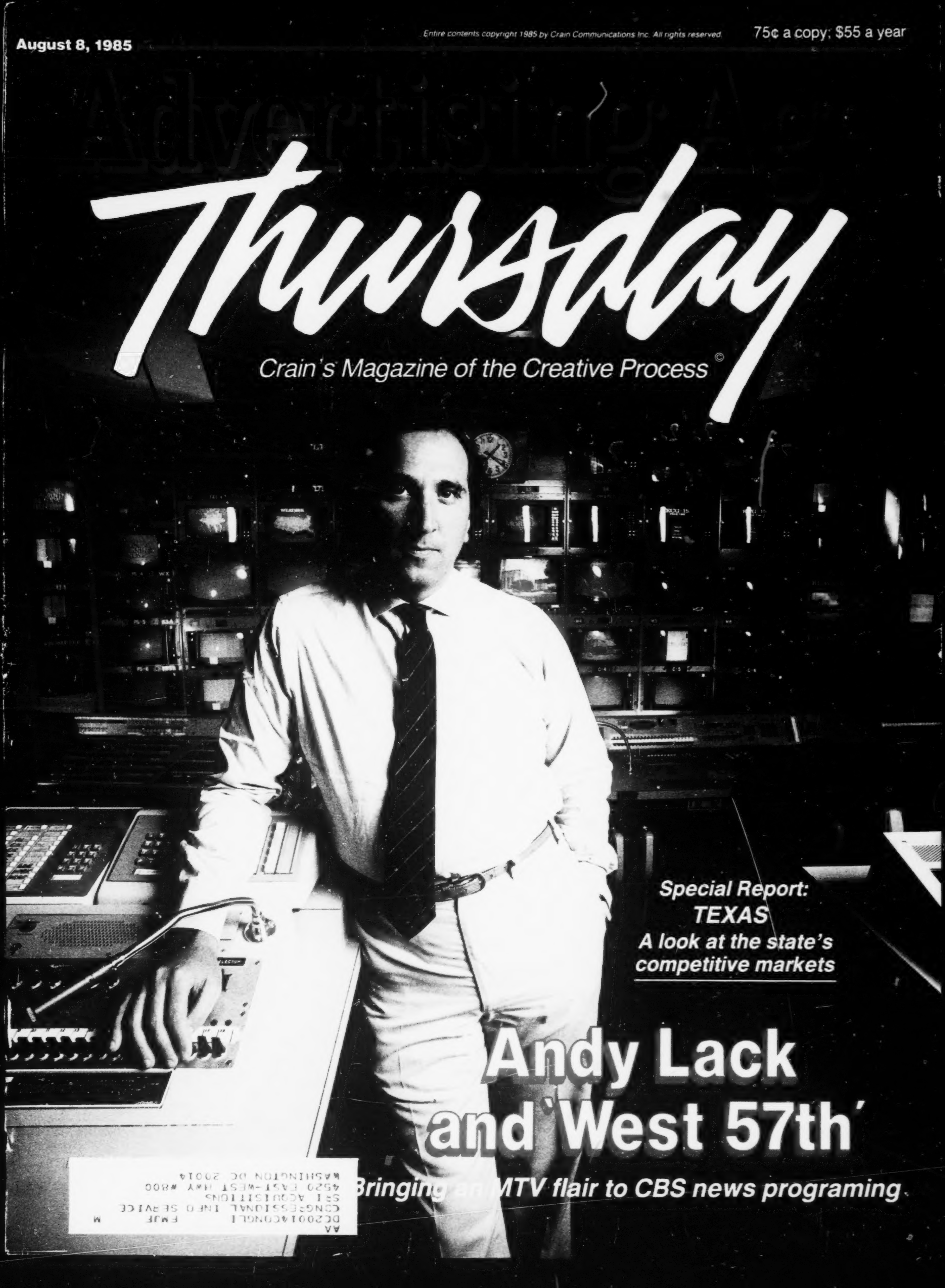
Advertising Age

Thursday

Crain's Magazine of the Creative Process ©



Special Report:
TEXAS
A look at the state's competitive markets

Andy Lack and 'West 57th'

Bringing an MTV flair to CBS news programing

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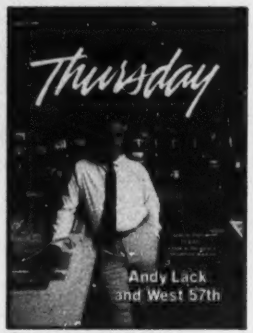
Thursday

No slack with Lack

In the nine years since leaving the advertising business for CBS News, where he's produced for such shows as "Our Times With Bill Moyers," "CBS Reports" and "60 Minutes," Andy Lack has never watched one of his creations at the same time as the rest of America. He'll continue that tradition this month as CBS screens his new, stylized news magazine show, "West 57th." *See Page 5.*



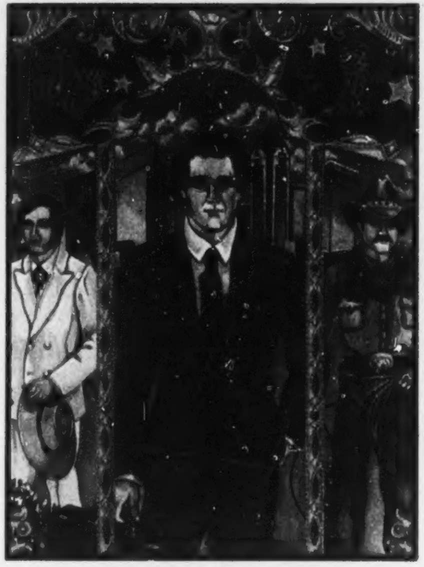
Cover photo by Arnold Adler

Flying high

Are flyers the next yuppies? They hope to God not. Flyers: "Fun-loving youth en route to success," are the species of 15-to-25-year-olds identified by marketing consultants Lawrence Graham and Lawrence Hamdan. *See Page 36.*

Leaders are readers

To advertising people who are also book lovers, the term "summer vacation" is almost synonymous with pleasure reading. It means they're no longer obliged to drag through that never-ending pile of mail and memos, but are free to read anything they want. Ad Age *Thursday* checked to see what sort of reading material they were taking to the beach this summer. *See Page 39.*



Special Report—Texas

The cattle rancher and the oil man are only two of the many faces of Texas. It's a sprawling state with a large and growing variety of residents, requiring diverse methods for marketers. Special Report examines the Lone Star State, starting on *Page 15.*

Presstime

DYR abandons review

Los Angeles—DYR has dropped from the review of the $20 million Jack in the Box account (AA, July 1). The move came after objections from R.J. Reynolds Industries, whose Louisville-based Kentucky Fried Chicken unit is handled by DYR partner Young & Rubicam, New York.

Grey's profits down 2.4%

New York—Grey Advertising wrapped up the second quarter with net income of $4.1 million, down 2.4% from the same period a year ago. Revenues, however, were up 4.5% to $58 million. For the first half, net income rose 5.8% to $5.5 million on 12.2% higher revenues of $107.6 million.

DDB layoffs in L.A.

Los Angfles—Doyle Dane Bernbach late last week laid off almost 10% of its staff here following the loss of the $20 million Western Airlines account to Dailey & Associates (AA, July 18). DDB would not confirm the number of layoffs, but sources say 18 people were let go.

Air New Zealand reviews

Auckland, New Zealand—Air New Zealand is reviewing the domestic portion of its account, estimated at less than $10 million. The local agencies involved in the review include incumbent McCann-Erickson, as well as Colenso Communications; D'Arcy MacManus Masius; Charles Haynes Co.; Ilott Advertising; Ogilvy & Mather; Saatchi & Saatchi Compton, and J. Walter Thompson Co. Dailey & Associates, Los Angeles, handles the carrier's U.S. account.

Coke Foods, Bacardi mix

Houston—Coca-Cola Foods and Miami-based Bacardi Imports have joined forces to market a new line of frozen-concentrate tropical fruit mixers under the Bacardi name. The line will be tested via supermarket frozen-food cases in Houston, as well as Jacksonville and Orlando, Fla. It includes daiquiri, strawberry daiquiri, Mai Tai Punch and pina colada flavors. Marschalk Co., New York, handles print and tv.

It's Leber Katz' day

New York—*Woman's Day* is moving its $10 million consumer and trade account to Leber Katz Partners from Calvillo, Shevack & Partners. The CBS Magazines publication will continue its "Personal news women can use" trade campaign developed by CS&P when the agency was still Nadler & Larimer (AA, April 29).

Johnson buys into Essence

New York—Essence Communications has disclosed that John Johnson, founder-president of Johnson Publishing Co., Chicago, has purchased a "small equity interest" in the privately held company from an investor but declines to specify the size of his purchase or identify the investor. The move preceded Mr. Johnson joining Essence's two top executives, ceo-publisher Edward Lewis and president Clarence Smith, in a group of in-

(Continued on Page 39)

REGULAR FEATURES

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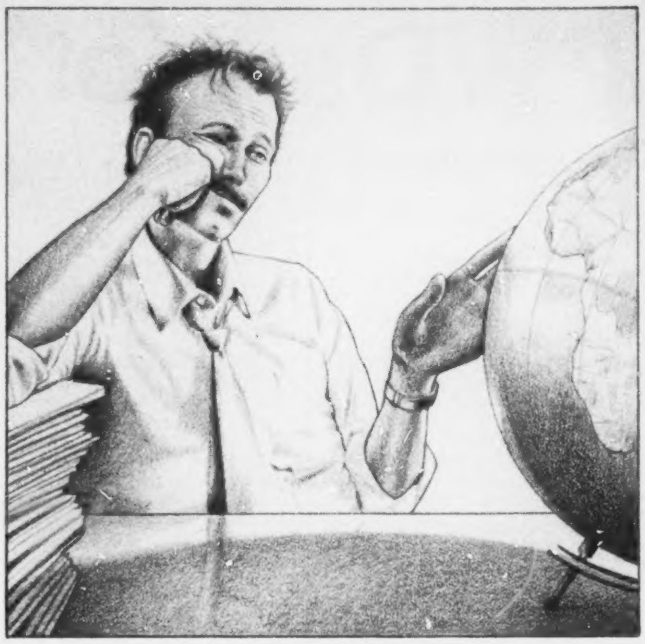
ABP MPA RED TAG ABC ANPA



Advertising: Join it and see the world

An Advertising Age roundup

Bored with the commute into New York City? Tired of the long drive into Los Angeles? Sick of seeing sailboats on your way to work in Chicago?

Well, maybe you need a change of scenery. A better job. A bigger salary. Have you always wanted to go Down Under? To Europe? The Far East?

An Advertising Age survey of agencies and executive search companies in 10 countries has found that the jobs are out there, but Americans had better choose their new location with care.

Briefly, here's what we found:

- **New Zealand.** The shortage of top talent in the advertising industry has reached a critical level here. Within the last six months 37 out of 100 Auckland-based marketing organizations have changed their chief executives or marketing managers, according to a study by SSC&B:Lintas. The reason is that many New Zealand citizens are flocking to the U.S., the U.K. or Australia.

At least six advertising agencies in Auckland are without creative directors and another five are searching for account directors.

The greatest need is for people who have worked on package goods or consumer durables, but New Zealand agencies also need copywriters and art directors with broad experience, says John Balasoglou, SSC&B's general manager.

Senior copywriters earn about $35,000 a year, while senior art directors draw about $30,500.

One of the problems in hiring account directors from the U.S., he says, is that they tend to come in purely as strategists, whereas New Zealand agencies expect their account handlers to roll up their sleeves. "We expect them to be able to work on everything," he says.

But before you start flying to New Zealand, it would be wise to touch base with a New Zealand consulate, because immigration is strictly controlled. The advertising industry is only allowed to import 25 people a year from around the world.

- **Australia.** If you want to work for an Australian agency, your best chance is if you are a senior employe of a large multinational agency, have Madison Avenue experience and can boast specialized skills.

Claire Worthington, managing director of the Australian branch of Apple International, an executive search company, says she most often looks internationally for senior creative directors with "experience working on automotive, beer, banking or package-goods accounts." Occasionally there is an opening for senior account execs and media directors, she says.

"If you're a recent college graduate, it's no easier to get a job here than in the States," Ms. Worthington says. "We already have enough graduates of our own."

According to Ms. Worthington, an ad exec in Australia can expect a salary comparable with U.S. levels.

"The life style would be the same," she says. "If they have a house and a pool in the States, they'll have a house and a pool here." A senior copywriter and art director might earn $44,000 while a creative director gets $65,000.

One source says a recent American creative recruit was sent back after only eight weeks because "he thought he was here to teach Australians how to do advertising."

- **Japan.** The only jobs generally available here for foreigners are for English-language copywriters interested in producing ads for overseas markets. Positions such as art director and account executive usually are filled by natives or by expatriates sent from a multinational

(Continued on Page 33)

World jobs

(Continued from Page 3)

advertising agency's headquarters operation.

Dentsu, Japan's largest agency, employs about 10 English-speaking copywriters, while Hakuhodo, Standard Advertising and Asia Advertising have about five each.

Salaries tend to be lower than in the U.S., while the cost of living is higher. An average salary for a copywriter is about $35,000.

Several problems face foreign copywriters in Japan. "There is a great psychological bias against local hires in agencies," says Wick Smith, a copywriter at J. Walter Thompson Co., who got his first job in Tokyo eight years ago with K&L, a local agency, which advertised in the trade press in the U.S. "You usually start with a lower salary, and making a name for yourself is more difficult. In addition, a major frustration is that your copy is frequently checked by clients who don't know English all that well and demand changes that you know are wrong. It requires a lot of patience," Mr. Wick says.

"There's a tremendous culture shock coming over here and it's costly, so we have to be careful in hiring someone with at least five years under his belt," says Richard Genardini, a copy supervisor in Dentsu's international creative division. "That's why we have a policy of only hiring through the trade press."

Speaking Japanese can really help, says Mr. Wick, but almost no foreigners do. "It makes it possible to communicate better with the art directors and improves an understanding of the company and its politics. It's an absolute necessity if you are an account executive," Mr. Wick says.

• **Korea.** You might think that Korea would be an ideal place to look for a job overseas because of the upcoming 1988 Olympics, improving economic conditions and growing industrialization. But in reality, Korea is a tough market to crack. The ad industry is young—the oldest agency is 20 years old—and foreign equity in local agencies is barred.

Marketing still is a weak concept here and hiring expatriates is almost unheard of among Korean companies. In addition, visa requirements are getting tougher.

The few Americans here have had to adjust to lower salaries. "If I was working in the U.S., I'd be making triple my salary here," says Jeff Crane, Lg Ad's copywriter/account exec. Yet salaries for expatriates are double that of Koreans working at the same job level. One American executive/creative director at Daehong Advertising claims his $3,000-a-month salary is more than the agency's president.

Americans might have a chance getting hired on the account-service side, including marketing and research, Mr. Crane says. "But they [Koreans] have a high opinion of their own creative and they don't feel the need there," he says.

"There is definitely a need for experts, but they aren't willing to spend the money," he adds.

• **U.K.** In London, job opportunities for Americans are scarce. "The days when an American could get on a plane to London and expect to find an advertising job are long gone," says the manager of one U.K. recruitment agency. It's even tough for the British because many agencies are cutting back or freezing their staff levels, he adds.

There is a shortage in certain categories, however. One executive recruiter said he has found the demand for male account managers is so great that he is now specializing in finding them. In many agencies, he says, women outnumber men at the middle-management level, but some clients, particularily automobile and computer companies, still want males to manage their accounts.

"Things have gotten so bad that one large agency recently employed four recruiters to find a male account manager. They got nowhere, so the agency decided to try the direct approach. It picked 25 males unearthed by the recruiters and got one of its top copywriters to write a four-page letter to each one of them. The result was six positive replies," the recruiter says.

Another shortage is for top-level creative people. Several leading agencies have set up a private college for their creative staff because they complain the country's art colleges are producing the wrong type of people for advertising.

In addition, some U.S.-owned agencies employ Americans to handle the international coordination of multinational accounts, but hire only those with experience in specific accounts.

Salaries average about $19,200 for copywriters to $30,000 plus a car for account directors.

• **Germany.** Nobody seems to be actively looking for marketing people from the U.S. to work in Germany, but within the industry there is a need for copywriters. However, fluency in German is essential. Art directors who can speak at least a little German also are needed.

Experienced copywriters and art directors can earn between $26,000 and $40,000 a year, with top-notch employes drawing $80,000. Keep in mind that German taxes take up to 56% of a $50,000 salary, but sometimes U.S.-based agencies will offer compensation for lost income.

"For Americans, the whole ad business here is different," says Charles Greene, creative director at Grey Advertising, Duesseldorf. "At home they do almost nothing but tv; here they're also expected to handle print, sales promotion, display and what have you."

• **France.** The prevailing sentiment is "What do we need Americans for? We're doing a great job on our own."

The top three agencies in France are French-owned. No American directs any major agency nor are there any Americans in top management. Even the French subsidiaries of American agencies consider themselves French companies, according to Jacques Bille, director of the French advertising association.

"They simply have to be French to understand the culture and psychology of advertising in France," Mr. Bille says.

Jobs in advertising are not exactly plentiful, either. French business schools and universities are turning out scads of graduates wanting to enter either field, and the number of new employers is not commensurate with the growth of advertising revenues. Agencies are running leaner and efficiently without adding personnel, Mr. Bille says.

An average salary for a creative director is $44,340 a year, while art directors and copywriters draw about $24,000.

Rona Rashkin, an account director at McCann-Erickson, Paris, is one American who made it into the French ad industry, after working in Helsinki, Lisbon and Milan. She says France has been the most difficult because it is the least like any country in her experience. She says fluency in French is mandatory, whereas in other markets one can function effectively in English.

However, she notes basic differences between working in New York or Paris. "In New York, everyone is an expert at something, whereas in Europe, people tend to be practiced in a number of things," she says.

She adds that an American working abroad has to be flexible, but must also thrive on constantly being among different kinds of people, eating strange foods, not understanding languages or learning languages.

• **The Netherlands.** The employment situation in the Netherlands mirrors that of other countries—tight. But there are some specific shortages, mainly copywriters.

"The main hurdle for copywriters coming here is obviously the language," says Berend Van Aren, a spokesman for the Netherlands advertising association. "Once that is mastered, the possibilities are there for employment, if you are good."

High Dutch unemployment and the red tape involved in getting residency permits are two other obstacles.

"But when people are good, there is always a chance," says Robert Benjamens, managing director of Saatchi & Saatchi Compton, Amsterdam.

Some of the disadvantages of working in the Netherlands include being paid in guilders rather than dollars, so "travel between here and the U.S. tends to be quite expensive," says Chad Chambers, an American account manager at Saatchi. Advantages include "living the European life style. Things aren't as much a rat race. You also have a lot more decision-making here, so you learn very quickly."

• **Brazil.** Unless you know something about computers or videotape, forget Brazil.

Brazilians say they have nothing against Americans, but the job market is tight enough.

Besides, says Clovis Calia, creative director at Standard, Ogilvy & Mather, Sao Paulo, "We are good." Brazil is so well known and respected in the ad world that it exports its professionals to countries such as Chile and Peru, he says.

An average salary for a creative director in Brazil is $57,000; copywriters average $36,000.

At most multinational agencies in Brazil, there is only one expatriate, the ceo, and the paperwork for entry is unbelievable, says Peter Frye, the new ceo at SSC&B:Lintas, Sao Paulo.

One adman says there is a desperate need for help on the production side of advertising, and any top-notch foreigner would be welcome. MPM Propaganda's managing director, Petronio Correa Filho, says his agency is looking for someone who is up-to-date on all the latest techniques. He says MPM is willing to try to find a way to get that person a visa.

• **South Africa.** When it comes to finding a job in South Africa, now is not a good time.

"Chances were already slim that Americans would come here to work because of the poor economy and the weak rand but now the state of emergency [declared July 21] will make South Africa a total no-go area," says a source at Grey Advertising, Johannesburg.

There are rumors that major agencies, such as Grey Advertising, BBDO International and Ted Bates International, have dropped 120 people between them within the past few months.

Smaller shops are doing the same.

Some people point out the right person will always find a job. "We are permanently looking for people, but we are not actively recruiting because of pressure on ad budgets," says David Howell, Young & Rubicam's deputy manging director, Johannesburg.

This is quite a contrast to a few years ago, when South African agencies were actively looking abroad for copywriters and other creative people.#

This article was compiled by Valerie Mackie with contributions from Mary McKinney, Sydney; Julia Michaels, Sao Paulo; Claire Wilson, Paris; Dagmar Mussey, Duesseldorf; Jack Burton, Tokyo; Oles Gadacz, Seoul; Pamela Williams, Amsterdam; John Minty, Auckland; Sean Milmo, London, and Des Kilalea, Johannesburg.

Where the jobs are overseas

Job opportunities for Americans are available overseas, but they vary from country to country as do the salaries. In addition it is hard to gain entry into some countries because of immigration guidelines. ***Source: Advertising Age***

Country	Job opportunities	Average salary levels	Comments
Australia	Senior creative directors Senior account directors Senior media directors	Creative director: $65,000 Senior copywriter: $44,000 Senior art director: $44,000 Account director: $36,000	Experience in cars, beer, banking or package goods helps Australian dollar has fallen 20% since January
Brazil	Experienced computer and graphic artists	Creative director: $57,000 Copywriter: $36,000 Art director: $32,000 Account director: $25,000	Job market is tight Not looking for Americans Low cost of living Tough to get a visa High income tax
France	Not looking for Americans	Creative director: $44,340 Art director: $24,205 Copywriter: $24,205 Account director: $21,312	France is for the French
Germany	Copywriters Art directors	Account director: $57,500 Creative director: $55,000 Art director: $33,000 Copywriter: $33,000	Need to speak German Residence permits hard to get High taxes
Japan	Copywriters	Starting salaries: $20-$25,000 plus housing allowance Average: $35,000 Top scale: $50,000	High cost of living Hard to move up corporate ladder The more experience the better
Korea	Account directors Account managers	Creative director: $20,600 Account director: $20,600 Art director: $11,000 Copywriter (entry): $5,300	Don't recruit overseas Industry is young Salaries are low
Netherlands	Copywriters Art directors	Not available	Language is a barrier High Dutch unemployment Market is tight
New Zealand	General managers Creative directors Account directors Copywriters Art directors	Senior copywriter: $35,000 Senior art director: $30,500 Sr. client services dir.: $42,000	
South Africa	Not looking for Americans	Sr. creative director: $30,750 plus car Copywriter: $20,500 plus car	Agencies are trimming staff Economy is weak
United Kingdom	Male account managers Senior creative directors	Account director: $30,000 plus car Creative director: $32,500 plus car Copywriter: $19,200 Art director: $18,500	Need work permit

$1.25 a copy; $55 a year

Monday, August 12, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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Tropicana account squeezed from B&B

By STEWART ALTER

Days after Beatrice Cos. fired its controversial chairman James Dutt, its Tropicana Products subsidiary last week pulled its $15 million ad account from Benton & Bowles, New York.

The split, which an agency internal memo says was "initiated" by the client but "precipitated in part by us" and "with which we don't disagree," ends a 14-month relationship that began dreamily but turned sour five months ago when Beatrice installed new management at the Bradenton, Fla., company.

A Beatrice spokesman said the timing of B&B's firing was unrelated to that of Mr. Dutt. The spokesman said it was not a move to consolidate agencies, which has been central to the company's marketing strategy, and left open the possibility that the $15 million account could be assigned to an agency not now in the Beatrice family.

An agency source said Beatrice is expected to contact prospective new agencies this week. In April, 1984, when it first won the Tropicana business, B&B was nothing short of jubilant, with senior vp Theodore Burnett stating at that time, "We put more time into this than any other new business we've gone after" (AA, April 30, '84). The competition pitted B&B against MCA Advertising, the incumbent; Ted Bates Advertising/New York, and D'Arcy MacManus Masius, which shortly will merge with B&B and whose Beatrice assignments in Chicago, including County Line cheeses, are unaffected by the Tropicana move.

After the sudden departure of chairman James Dutt, who's Beatrice now? See Page 3.

B&B itself continues to work with Beatrice, having become the first agency two months ago to win an assignment from Beatrice's new-products group, and also

(Continued on Page 72)

Franchising comes to fashion as both Benetton (and its pics of young ethnics in complementary clothes) and the Gap—trying to shed its blue-jean image—look to McDonald's as a model.

'Fast fashion' hot retail arena

By PAT SLOAN

New York—Luciano Benetton sees his company as a competitor of McDonald's. Esther Unterman thinks of McDonald's founder Ray Kroc as a sort of guru. But, neither of them sells fast-food.

What both push is fashion—fast fashion.

As president of Aca Joe, a franchised retail chain in the U.S. that grew out of the original Acapulco Joe in Mexico, Ms. Unterman believes that, like McDonald's, she is "offering people what's needed: Quality, moderate prices and great service. It's simplification and you need it in your life. People have little spare time to investigate different designers."

At Benetton, this comparison is drawn: "The fast-foods distribution plan and production concept of one nerve center is very similar to ours," assays a spokesman who pinpoints another commonality. "People with a lot of things to do in a limited amount of time can go

(Continued on Page 73)

Fending off Campbell's dry-mix entries

Lipton ladles new soups

By GAY JERVEY

Thomas J. Lipton Inc., No. 1 marketer of dry-soup mixes, next month will introduce two new product lines just as canned-soup king Campbell Soup Co. makes a heavy foray into the dry-soup arena.

Triggering what promises to be the most aggressive soup season in its 70-year history, Lipton will begin national distribution Sept. 1 of both International Soup Classics, a family of upscale entries, and an expanded and repackaged line of Hearty Soup mixes, billed as containing more chicken and beef than regular dry soup. Young & Rubicam, New York, handles both products.

Campbell's line of dry Quality Soup Mix items is due on supermarket shelves this fall as well, backed by a $20 million ad campaign by Leber Katz Partners, New York (AA, July 15).

Sources said Englewood, N.J.-based Lipton will nearly double its 1984 soup spending, estimated at some $25 million. Lipton won't disclose its ad budget, but the company is expected to spend heavily for its flagship soup lines as well to fend off Campbell.

The $434 million dry-soup market—of which Lipton has an estimated 45%—is no doubt alluring to Campbell. According to Anthony Franke, vp-food division at Lipton, per capita consumption of canned soup rose just 2% from 1983 to 1984, compared with a 10.1% gain for dry soups. Of that, instant varieties grew by 17.3%, versus 8.2% for regular mixes.

During the past few years, Lipton has beefed up its sales, marketing and new-product development efforts. The company recently named James Benson as senior vp-marketing, a post that was vacated a year and a half ago when Dolph Von Arx was promoted to exec vp-general management. Mr. Frank succeeded Mr. Benson as vp-food

(Continued on Page 72)

Last Minute News

McCann asks sister shops for Coke ideas

New York—McCann-Erickson reportedly has asked sister Interpublic agencies SSC&B and Marschalk Co. to help come up with ideas for new Coca-Cola advertising. McCann officials could not be reached for comment. A Coca-Cola USA spokesman said the company was not aware that these agencies were working on any ads for it and Coke has not assigned them any responsibilities. Sources at parent Interpublic say all agencies have pitched in periodically and this would not be unusual.

CBS is first net to sell stand-alone 15s

New York—CBS Television Network has become the first tv network to sell stand-alone 15-second units. The three nets now sell 15-second units only as part of a split-30 unit. CBS says it decided to sell the 15s because many advertisers now have 15-second commercials.

(Continued on Page 8)

McCann: New role at Buick

By JESSE SNYDER

Troy, Mich.—McCann-Erickson says it will handle factory media funds for Buick dealer association advertising, wresting control from Competitive Edge, Albuquerque.

The media-buying assignment, estimated at $10 million to $15 million, takes effect Sept. 1. In one sense, it restores McCann to the same status as other General Motors Corp. car-division agencies, which already handle factory contributions to dealer ad associations.

McCann also won permission to

(Continued on Page 72)

Who will take over Ward's catalog?

By PAUL L. EDWARDS
and LAURIE FREEMAN

Chicago—Montgomery Ward's decision to abandon its catalog operations at the end of this year and concentrate on retailing appeared to bring an end to the business begun by Montgomery Ward in 1872. But Advertising Age has learned that far from being over, discussions are under way that could result in the catalog operation being transferred to Signature Group, Ward's wholly owned subsidiary engaged in financial, insurance and automobile club direct marketing.

Further, Harold Schwartz, who joined Montgomery Ward in December as vp-direct marketing to develop a line of specialty catalogs, is holding discussions with Ward's in an effort to buy the operation himself.

Ward's and Signature officials acknowledge that they are looking at the transfer of catalog operations to Signature, but would not comment further. Mr. Schwartz also declined comment.

Mr. Schwartz, who came to Montgomery Ward after resigning the

(Continued on Page 69)

NEWSPAPER

AA
DC20014CONGL I   FMJF   M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
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WASHINGTON DC 20014

NEW CONCORD!
Revolutionary cigarette adjusts from rich to mild!
CONCORD
CONCORD
Great taste at every turn!

Twist and shout

The new "twist" in cigaret marketing broke Aug. 5 in test markets when Philip Morris began sales of Concord, a new smoke with what PM calls the "flavor control filter" (AA, July 22). With a twist of Concord's filter, smokers can regulate the cigaret's tar delivery from a minimum of 5mg to a maximum of 15mg, or anywhere in between. Concord ragular soft pack will test in Little Rock and Spokane; menthols will move into Birmingham and Fort Wayne. Leo Burnett USA, Chicago, handles.

Honig channels his tv expertise at LKP

By STEWART ALTER

Leber Katz Partners, New York, seeking over-all creative leadership to focus its billings growth and a broadening client list that's becoming more tv-oriented, has named onetime Doyle Dane Bernbach creative boss Marvin Honig to the new post of exec vp-chief creative officer.

M. Honig

"I believe an agency as large as ours, growing as fast as we are and in the direction we are, needs a single creative leader," said Jonathan Adams, who became president-chief operating officer 10 months ago as one in a series of steps (of which Mr. Honig's joining is the latest) to establish a new generation of management at LKP.

"The system of multiple creative leaders, which we've had, makes it difficult to have a single creative leadership, single standards and a single philosophy," continued Mr. Adams. Creative responsibilities had been shared by senior vps Jack Silverman, Charlie Piccirillo and Alex Mohtares. They now report to Mr. Honig, who comes off a short stay at Geers Gross Advertising, New York, as vice-chairman/executive creative director.

LKP, now a $280 million shop, is considered strongest in the marketing and new-products areas, with new products it has helped launch accounting for 80% of its billings.

"Our creative product has been very solid and effective at introducing new products and growing our clients' businesses, but between solid and excellent there is a difference," Mr. Adams said.

Besides providing a creative focus, Mr. Honig can also be expected to help provide LKP with a specific type of creative talent, namely, tv advertising. Only 24% of LKP's billings are in tv, a small percentage for an agency of its size.

Once primarily a fashion and retail

(Continued on Page 70)

Highlights

Contemporary-hit radio, the most popular radio format in the country for the past two years, may be going into eclipse, according to a leading radio consultant. *See Page 10.*

Scotch marketers are rethinking their oak-paneled positioning and staid strategies as they try to regain momentum in a slack market. *See Page 12.*

Professional wrestling has become an accepted sport, an entertainment, a modern morality play and more, according to Bert Randolph Sugar, former advertising vp and longtime wrestling fan. *See Page 28.*

CORPORATE CLOSEUP

Shane O'Neil didn't volunteer. He was drafted by his father, as the elder O'Neil was by his father. Now here he is: Thirty-eight years old, self-assured, easygoing and president of RKO General, a storied but troubled media company with three tv stations, six radio stations, a film production division, a Pepsi-Cola bottling operation, a faltering airline and a very active legal department. *See Page 4.*

FORUM

Robert Bloom, chairman of Bloom Cos., discusses merger mania among ad agencies. *See Page 18.*

Jeremy Feigelson says Brooke Shields' book can make a difference in your life—if you're a movie star trying to get along in an Ivy League university. *See Page 18.*

INTERNATIONAL

An Advertising Age survey discovers that the anticipated record year of growth in international advertising expenditures hasn't materialized during the first six months of 1985 and it doesn't appear that the situation will improve for the rest of the year. *See Page 42.*

Former Democratic vice-presidential candidate Geraldine Ferraro gets a Japanese print ad pulled because it used her photograph without permission. *See Page 44.*

VIDEOTECH

In the tradition of "Band Aid" and "We Are the World," which aided world hunger relief efforts, a San Francisco commercial producer wants to put together a public service rock video on another topical subject—missing children and child exploitation. *See Page 47.*

DIRECT MARKETING

Brooklyn-based Videologue soon will be offering 2 million owners of videocassette recorders an opportunity to buy directly from their catalog. Unlike conventional catalogs, however, the Videologue is a 30-minute videotape that displays its products in action. *See Page 56.*

National Coupon Inserts has deferred the debut of its newspaper freestanding inserts until next year, and also has cut its schedule. *See Page 56.*

Topol
SMOKER'S BREATH

NEW PRODUCTS

Jeffrey Martin Inc. is drawing on the reputation of its Topol tooth polish in expanding the line to include Topol smoker's mouthwash. *See Page 67.*

COMING THURSDAY

SPECIAL REPORT

New testing and analysis techniques, sophisticated premiums and product tie-ins with movies are combining to convert sales promotions to the Cinderella of marketing.

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ABP MPA RED TAG ABC ANPA

Murdoch buys Metromedia's tv syndie arm

By VERNE GAY

New York—In what may be the final addition to his tv empire, Rupert Murdoch has purchased Metromedia Producers Corp., Los Angeles, for an undisclosed sum.

The syndication arm of Metromedia Inc., Secaucus, N.J., is perhaps best known for co-producing extravagant first-run failures such as "Thicke of the Night" and the "soap flopera" "Rituals." The unit was set adrift after Mr. Murdoch purchased the Metromedia tv station group for $2.1 billion (AA, May 9).

The buyout of MPC ensures the unit will survive, though sources said the final form is unknown. Mr. Murdoch may fold it into 20th Century Fox Film Corp., Los Angeles, a major tv producer and syndicator, of which he is half-owner with Marvin Davis.

In Metromedia Producers, Mr. Murdoch gets a unit with a checkered track record. While MPC is fairly strong in off-network syndication, its first-run failures contributed to the belief that a fourth network is unattainable. Mr. Murdoch, however, has often been described as desirous of a fourth network and with MPC he at least buys a company that's been trying.

The acquisition throws into question the future of Metromedia Television president Bob Bennett,

(Continued on Page 70)

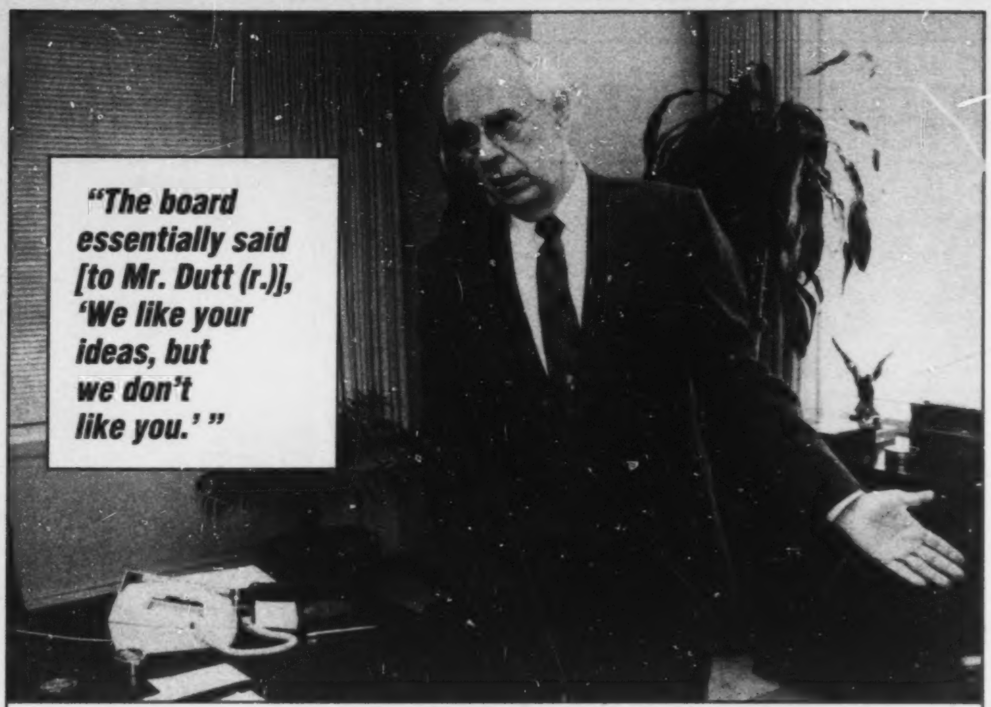
Late West Coast news

20th Century Fox to stick with JWT

Twentieth Century Fox Film Corp. will stick with its current agency, J. Walter Thompson Entertainment, on its $35 million account, Fox marketing president David Weitzner decided late last week. The former marketing head of Avco Embassy, who joined Fox four months ago, acknowledged the studio had been talking to Los Angeles agencies, but described the process as an "informal overview." BBDO/West, Benton & Bowles, Bozell & Jacobs, Needham Harper Worldwide and N W Ayer all had made overtures to Fox regarding the account.

Vita-Fresh Co. will introduce the first chewing gum containing eight essential vitamins next month in Denver, Phoenix and Tucson market tests. The Garden Grove, Cal., vitamin company will support the Vita-Fresh chewing-gum launch with a schedule of animated tv commercials, presumably playing up its dietary benefits, starting the second week of September. The gum will be available in spearmint, peppermint and bubble-gum flavors. The company, making its first foray into the $1.8 billion market dominated by William Wrigley Jr. Co., is in the process of expanding its manufacturing and warehousing capacity by acquiring Sharpe Nutritionals, a New York-based vitamin and

(Continued on Page 72)



"The board essentially said [to Mr. Dutt (r.)], 'We like your ideas, but we don't like you.' "

After dumping of Dutt, who's Beatrice now?

CHICAGO—The departure of Beatrice chairman-ceo James Dutt eliminates only the focal point for many of the questions that have been raised about the future of the nation's largest diversified foods company.

The questions, and the task of finding satisfactory answers, remains for retired vice-chairman William Granger Jr., who was named by Beatrice's board of directors to replace Mr. Dutt Aug. 3.

Mr. Granger inherits leadership of a company that has lost most of its top executives and where morale is said to be critically low among those who remain (AA, July 29).

Problems caused by Beatrice's $2.7 billion acquisition last year of Esmark, including questions about which of the latter's business units to keep and which to sell, and how to further reduce Beatrice's heavy debt load that resulted from the buy, also are still to be resolved.

Most analysts say they expect few major changes in Beatrice's strategic and marketing directions in the near future. "The board essentially said [to Mr. Dutt], 'We like your ideas, but we don't like you,' " said E.F. Hutton analyst George Novello.

As such, Mr. Dutt's plan to make Beatrice a more

(Continued on Page 75)

Ogilvy, FCB escape poor quarter trend

By STEWART ALTER

NEW YORK—The slowdown in ad spending, which many agency executives have confirmed is in the cards for the second half of the year (AA, Aug. 5), already seems to be in evidence in disappointing second-quarter results for the public ad agencies.

With the exception of Ogilvy Group and Foote, Cone & Belding Communications, most of the public shops have reported declines or only very modest increases in second-quarter net income or first-half earnings *(see chart on Page 74)*.

While these are comparisons with a very strong 1984, in which the Olympics helped boost ad spending, the earnings declines apparently reflect three general causes: Unrealized revenues expectations; individual problem spots at different agencies, and the impact of the strong dollar, a situation that recently has reversed itself and should have a positive impact on third-quarter results.

"It would have surprised absolutely nobody that comparisons this year would be difficult, but we are already seeing slowdowns in the second quarter," said Charles Crane, who follows agency stocks at Oppenheimer & Co. "Some agencies have set expense budgets in anticipation of a certain rate of growth throughout the year, but that growth rate is now falling behind."

But, added Mr. Crane, "each individual situation has its own explanation. So it's difficult to make broad generalizations."

BBDO International, which has the largest agency group in South Africa, has seen business problems related to that country's difficulties. "Specialized businesses are the first to turn down," said exec vp Steve Kahler, referring to problems that occurred first with BBDO's nonagency subsidiaries, "but it's beginning to affect the whole business."

Mr. Kahler also noted that the agency started seeing a slowdown in the fourth quarter of 1984, but "did not take it as an ongoing signal" and kept expense spending up. "It's not going to be a gangbuster year," said Mr. Kahler. There's still "a good chance" it could be up, "but not dramatically. There's no way for that after being down two quarters in a row."

Other agencies have also run into specific business-segment problems. Doyle Dane Bernbach Group cited a "softness in advertising expenditures most notably in the agriculture sector" this year. DDB also cited the absence of hefty Polaroid Corp. and Atari billings this year, which DDB had in 1984's first half.

Mickelberry Corp., which suffered the largest decrease in earnings among the public agencies this year, also has had some problems. Calvillo, Shevack & Partners, for-

(Continued on Page 74)

For Pete Rose, few endorsement hits

By ROBERT RAISSMAN

A few days before last week's two-day Major League Baseball strike, a reporter asked Pete Rose about the owners trumpeting the fact that the average baseball player's salary is more than $300,000.

Mr. Rose reminisced about the time he entered the free-agent market, visited several owners and came away with a very lucrative deal. "I got what I wanted," he said, "and I didn't have to put a machine gun to any owner's head to get it."

That is the same approach Taft Merchandising Group, the New York-based subsidiary of Taft Broadcasting Co., Cincinnati, is taking in marketing the 44-year-old player-manager of the Cincinnati Reds who, when play resumed last week, was just 24 base hits from breaking Ty Cobb's 57-year-old record of 4,191 career hits.

When Taft gained Mr. Rose's marketing rights in October, Bill Hayes, managing director of Taft's sports division, decided not to pitch Mr. Rose to companies strictly on the basis of his quest to break Cobb's record—even though that inevitable event loomed as baseball's promotional equivalent to "Who Shot J.R. Ewing?"

Taft is telling advertisers the quest for the record will generate a tremendous amount of national publicity. That fact, added to the events comprising the Rose career, makes a Pete Rose package considerably more attractive than it was five years ago, according to Mr. Hayes. Although Mr. Rose has appeared in a number of national commercials, most notably for Beecham Products' Aqua Velva and Combe Inc.'s Grecian Formula, industry sources said he has been hard to sell.

"Pete hasn't gotten the endorsements he has deserved over the years," said an agent who declined to be identified. "He's out of the rough-and-tumble Ty Cobb mold, not the Steve Garvey goody-goody type."

Since signing with Taft, Mr. Rose has landed just one major national endorsement: General Mills for Wheaties.

His other promotions have not exactly been blockbusters: A hitting training device, assorted caps, t-shirts, key chains, a portrait by Andy Warhol that will be available in silk-screen prints for $2,000 each and a Rose collage going for $175.

Record breakers have had a tough time

(Continued on Page 70)

French doors open to tv commercials

By CLAIRE WILSON

PARIS—Independent commercial tv will finally become a reality in France following the government's long-awaited decision earlier this month to allow two networks to begin operating next year.

In addition, about 50 local commercial stations will be allowed to operate regionally.

The programing on one network will be general interest; the other will feature an all-music format.

Advertisers in France eagerly welcomed the development. They are accustomed to three government-run networks, each of which offers only about 21 commercial minutes a day, and one pay tv station.

"This is what we've been waiting for," said William Tragos, ceo at New York-based TBWA, an agency billing about $42 million in France. "Every single advertiser in France wants more tv time.

"France is a big market where per capita advertising expenditures are low because of the lack of television broadcast time," Mr. Tragos said. "The two new commercial networks are going to make France a buoyant market.

"You can compare it to Italy,

(Continued on Page 74)

World News Roundup

LONDON—Peugeot Talbot moved its $16.8 million U.K. auto account from D'Arcy MacManus Masius to Havas Conseil Marsteller, according to HCM's office here. But HCM's New York office denied the agency won the account. HCM handles Peugeot in seven European nations and last week merged its office here with a local shop to form HCM London. Peugeot could not be reached for comment.

FRANKFURT—Grey Advertising acquired a majority share of Konsell Partners, billing $22 million. With it comes Grey's second piece of Mars business. In July, Grey won its first Mars account in Japan.

HERZOGENAURACH, W. GERMANY—Wimbledon champion Boris Becker signed a contract with Puma, the German sportswear and equipment company, to endorse the B. Becker tennis racquet and tennis shoe. Both will be marketed in the U.S.

VEVEY, SWITZERLAND—Nestle S.A. reported that its acquisition of Carnation Co. pushed sales during the first six months of 1985 up to about $9.6 billion, a 52% increase over the same period last year.

DUESSELDORF—Toyota Motors moved its $10 million German account to Baums Mang & Zimmermann, a local agency that used to han-

(Continued on Page 42)

Records will warn: It's X-plicit

WASHINGTON—Recording companies have agreed to apply a generic warning label to records and tapes containing explicit references to sex, drugs, alcohol and violence.

Stanley Gortikov, president of the Recording Industry Assn. of America, announced the move here last week.

The concession comes in response to a well publicized campaign by the Parents' Music Resource Center, a group demanding

(Continued on Page 74)

Cats trigger pet-food gains

By JOHN C. MAXWELL JR.

Last year was a fairly good one for the pet-food industry, with a 6.4% gain in retail sales. Moist dog food and soft dry dog food enjoyed the greatest annual gains, rising a respective 14.2% and 40.8%.

The dog-food category enjoyed a 5.3% increase in dollar sales, but the biggest winner was the cat category, up 8.3% thanks to a new segment, "Cat treats," which was included this year for the first time.

A recent entry onto the pet-food scene, cat treats already have more than $17 million in retail sales. Canned cat food led existing categories of cat food with an 8.1% gain.

The reason for the increase in the cat area appears to have a lot to do with demographics. While dogs still are the No. 1 pet, cats are gaining fast. Indications are that the cat population is increasing, while the dog population is flat to decreasing.

With more than 23% of the population single, more women working, increasing numbers of apartment dwellers and an aging population as a whole, cats, and thus cat-food sales, are on the rise.

It is interesting to note that more than 75% of all pets in the U.S. now eat some type of commercially prepared food. This again relates to demographics. With more women working, there is less time to prepare full-scale meals and more single-serve, convenience foods being used.

The canned dog market was down 2% to 3% in unit volume in 1984, and appears to be going through a similar decline in unit volume through the first five months in 1985. In the dry dog-food category, unit volume was about flat throughout 1984, but in the first five months of 1985 we are beginning to see a decline. This has been and probably always will be the largest pet-food category, due to the price/value consideration.

The moist dog-food category also experienced a volume decline in 1984 of 6% to 8%. However, the rate of decline in this category has slowed. The 1984 decline was slower than that of previous years, and so far through 1985 units appear to be flat to down about 2%.

In cat food, the largest growth is coming from the dry cat-food area, which had a unit volume increase of about 5% year-to-year in 1984 and is running up about the same percentage for year-to-date 1985. The canned cat-food area was up about 3% in 1984 versus 1983, and is up another 3% through the first five months of 1985. It should be noted that for this category, virtually all the growth is coming from the specialty or "gourmet" segment. This area had gains of about 9% and 8%, respectively, in 1984 and for 1985 year-to-date.

The other part of the canned cat-food segment is the "maintenance," or cereal-based products, which are down 9% and 8%, respectively for the 1984 and 1985 periods. Moist cat food saw total unit growth of about 1% in 1984, with a fairly flat performance thus far in 1985. As the cat population grows, and owners cater to their felines' finicky tastes with gourmet products, cat treats could become a small but profitable specialty segment.

Purina retained the No. 1 position, but had a market-share decline of a little more than a share point to 27.1%. Nestle's Carnation lost a half share point, but retained its No. 2 position with 11.4% of the market. The top seven companies as a whole remained basically unchanged, with the exception of GrandMet's Alpo and Quaker Oats. Quaker moved into sixth place with 6.3% of the market, while Alpo dropped to No. 7 with 5.9% share.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Market share by company

Ralston and Carnation both saw percentage shares slip, but retained their dominance in the market. Figures in millions of dollars and share of market. ***Source: John C. Maxwell Jr.***

Company	1983	Per cent share	1984	Per cent share
Ralston Purina	1,398.5	28.3	1,424.9	27.1
Carnation	585.3	11.9	601.6	11.4
Kal Kan	421.8	8.6	466.9	8.9
Heinz	367.8	7.4	392.8	7.5
General Foods	364.5	7.4	350.2	6.7
Quaker Oats	272.7	5.5	332.1	6.3
Grand Met USA	296.5	6.0	310.5	5.9
All others	1,232.0	24.9	1,375.9	26.2
Total	$4,939.1	100.0%	$5,254.9	100.0%

Annual sales by type of product

Soft-dry dog food led across-the-board sales increases. Figures in millions of dollars. ***Source: John C. Maxwell Jr.***

Brand	1983	1984	Change
Dry dog food	1,725.0	1,779.0	3.1
Canned dog food	827.3	838.0	1.3
Dog treats	275.0	291.0	5.8
Moist dog food	186.5	213.0	14.2
Soft-dry dog food	148.1	208.5	40.8
Total dog food	3,161.9	3,329.5	5.3
Canned cat food	$898.0	$971.0	8.1
Dry cat food	626.4	670.6	7.1
Moist cat food	252.8	266.4	5.4
Cat treats	—	17.4	—
Total cat food	1,777.2	1,925.4	8.3
Total dog & cat food	4,939.1	5,254.9	6.4

Cat food sales

The popularity of cats as pets for single people and working women is giving cat food sales a boost. All figures in millions of dollars. ***Source: John C. Maxwell Jr.***

Brand	Manufacturer	1983	1984
Canned cat food			
9-Lives	Heinz	259.0	274.0
Kal Kan	Kal Kan (Mars)	151.0	165.0
Friskies Buffet	Carnation (Nestle)	147.0	145.0
Fancy Feast	Carnation (Nestle)	55.0	83.4
Purina 100	Ralston Purina	64.1	67.4
Puss'n Boots	Quaker Oats	23.9	22.1
Bright Eyes	Carnation (Nestle)	22.3	41.7
Friskies	Carnation (Nestle)	13.6	8.2
Tabby	Grand Met (USA)	2.5	3.1
All Others		159.6	161.1
Total		$898.0	$971.0
Dry cat food			
Cat Chow	Ralston Purina	146.0	149.0
Meow Mix	Ralston Purina	95.8	97.7
Friskies	Carnation (Nestle)	65.6	85.7
Crave	Kal Kan (Mars)	53.3	57.2
Special Dinners	Ralston Purina	45.9	48.9
Thrive	Ralston Purina	46.3	38.0
9-Lives	Heinz	34.3	37.3
Chef's Blend	Carnation (Nestle)	32.6	34.5
Kitten Chow	Ralston Purina	14.9	17.0
Alley Cat	Ralston Purina	0.6	6.1
Fish Ahoy	Carnation (Nestle)	7.1	3.1
All Others		84.0	96.1
Total		$626.4	$670.6
Moist cat food			
Tender Vittles	Ralston Purina	137.0	131.0
Happy Cat	Ralston Purina	58.2	81.4
9-Lives/Square Meal	Heinz	25.1	24.6
Moist Meals	Quaker Oats	19.9	18.2
Moist & Tender	Benco	1.6	2.2
All Others		11.0	9.0
Total		$252.8	$266.4

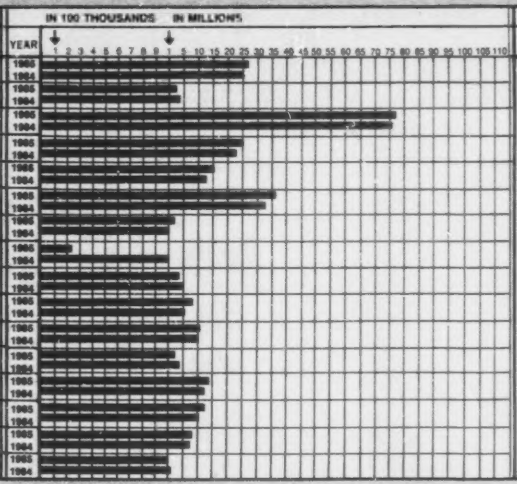
Dog food sales

Although volume is generally down slightly, dog food dollar sales recorded a 5.3% increase. Dogs are still the No. 1 pet. All figures in millions of dollars. ***Source: John C. Maxwell Jr.***

Brand	Manufacturer	1983	1984
Dry dog food			
Dog Chow	Ralston Purina	254.0	260.0
Puppy Chow	Ralston Purina	167.0	168.0
Gravy Train	Gaines	120.3	135.0
Dog Meal (Hi-Pro)	Ralston Purina	87.3	89.2
Meal Time	Kal Kan (Mars)	67.8	80.5
Alpo Beef Flavored Dinner	Grand Met USA	62.0	78.5
Come 'N Get It	Carnation (Nestle)	67.9	78.0
Dry Cycle	Gaines	60.8	53.1
Chuck Wagon	Ralston Purina	59.3	52.0
Praise	Ralston Purina	66.9	36.7
Purina Blends	Ralston Purina	49.5	36.6
Main Stay	Ralston Purina	21.8	32.6
Fit & Trim	Ralston Purina	23.6	26.0
Hunters Choice	Jim Dandy	21.6	14.0
Alamo Brand	Grand Met USA	12.9	14.0
New Breed	Carnation (Nestle)	53.7	13.5
Jim Dandy Chunk & Ration	Jim Dandy	13.1	13.1
Ken-L-Ration Biscuit & Meal	Quaker Oats	9.2	8.9
Kasco	Piasa	7.3	6.7
Bow Wow	Piasa	8.3	8.2
Field & Farm	Ralston Purina	3.6	4.3
Blue Mountain	Associated Prod	3.9	2.9
Gaines Meal	Gaines	2.6	2.0
Strongheart	Beatrice	2.0	1.9
Vest Nuggets	C.H.B. Foods	1.9	1.8
Friskies Dinner & Cubes	Carnation (Nestle)	5.9	0.2
Sea Dog	Ralston	4.8	30.0
All Other		466.0	531.3
Total		$1,725.0	$1,779.0
Moist dog food			
Gaines Burgers	Gaines	65.0	61.5
Top Choice	Gaines	46.5	44.8
Ken-L-Ration Special Cuts	Quaker Oats	27.9	26.3
Ken-L-Burgers (all types)	Quaker Oats	17.4	12.9
Moist & Meaty	Benco	11.2	11.7
Ken-L-Ration Cheeseburger	Quaker Oats	9.6	6.2
Prime/Puppy Choice	Gaines	5.7	4.3
All Others		3.2	46.3
Total		$186.5	$213.0
Snack dog food			
Milk Bone, Flavor Snacks Bonz	Nabisco Brands	137.0	138.0
Jerky Treats	Heinz	35.4	35.7
Bonz	Ralston Purina	33.6	27.8
Meaty Bones	Heinz	14.0	21.2
Liv-A-Snaps, Beef-Char-O-Snaps	Grand Met USA	18.5	11.7
Beef Bites	Kal Kan (Mars)	—	7.5
Alpo Jerky	Grand Met USA	—	5.0
Snausages	Quaker Oats	—	3.5
Say Cheese, People Crackers	Hi-Life	3.2	2.3
Recipe	Campbell	1.6	1.7
All Others		31.7	36.6
Total		$275.0	$291.0
Canned dog food			
Alpo	Grand Met USA	$200.0	$230.0
Kal Kan	Kal Kan (Mars)	140.0	149.0
Mighty Dog	Carnation (Nestle)	91.0	99.8
Cycle	Gaines	67.9	65.1
Ken-L Ration	Quaker Oats	71.5	61.0
Skippy, Premium	C.H.B. Foods	36.6	56.8
Recipe	Campbell	21.4	23.2
Cadillac	Cadillac	21.2	23.6
Vets	C.H.B. Foods	19.2	19.9
Strongheart	Beatrice	14.4	13.1
Skippy	C.H.B. Foods	11.3	10.5
Blue Mountain	Associated Prod	10.4	9.0
Friskies	Carnation (Nestle)	18.1	8.5
MPS	Kal Kan (Mars)	9.4	7.7
Twin Pet	Allied Foods	5.4	6.9
Laddie Boy	Laddie Pet Food	5.0	5.5
Tender Chunks Dinners	Quaker Oats	5.4	1.9
Henny Pen	Allied Foods	1.6	1.6
All Others		77.2	44.9
Total		827.3	838.0
Soft-dry dog food			
Tender Chunks	Quaker Oats	63.9	81.7
Moist & Chunky	Ralston Purina	23.7	25.2
Kibbles 'N Bits	Quaker Oats	26.8	7.3
Dinner Rounds	Campbell	4.5	4.7
Jim Dandy Tender Moist Chunks	Jim Dandy	3.9	4.0
Kibbles 'N Bits 'N Bits 'N Bits	Quaker Oats	25.3	85.6
Total		$148.1	$208.5

BEST OF PRESS

FLASH REPORT: Newspaper advertising investment for April



April 1985 CATEGORIES	DOLLARS 1985	DOLLARS 1984	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	$25,714,822	$25,675,191	+39,631	+0.2
Computer stores & supplies	4,267,353	4,408,774	−141,421	−3.2
Department stores	78,173,919	76,131,983	+2,041,936	+2.7
Food stores	25,038,909	24,019,374	+1,019,535	+4.2
Radio, tv, phonograph, records	15,434,428	12,545,261	+2,889,167	+23.0
General merchandise stores	36,414,121	33,874,915	+2,539,206	+7.5
Alcoholic beverages	2,640,816	2,272,858	+367,958	+16.2
Cameras, photo supplies & services	236,487	1,004,841	−768,354	−76.5
Computers, equipment & services	4,749,357	5,479,125	−729,768	−13.3
Public service utilities & communications	8,446,052	6,237,355	+2,208,697	+35.4
Publishing & media	11,684,309	10,902,121	+782,188	+7.2
Cigarets	3,025,383	4,609,857	−1,584,474	−34.4
Airlines	14,493,062	12,413,295	+2,079,767	+16.8
Passenger cars-new	12,835,940	10,989,348	+1,846,592	+16.8
Banks & trust companies	9,837,133	8,954,932	+882,201	+9.9
Stock, bond & investment houses	1,278,649	1,944,292	−665,643	−34.2

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Newspaper ad spending up

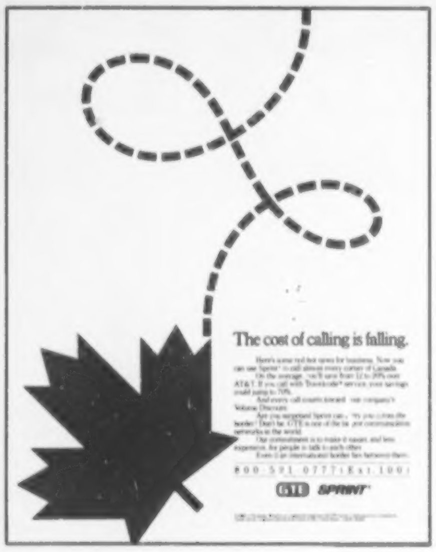
New York—The Advertising Age Flash Report for April shows an over-all increase in advertiser spending in major market newspapers of $12 million from year-ago levels.

Over-all, 11 of the 16 categories showed gains, with the largest percentage increases coming in the radio-tv-phonograph-records category, up 23% to $15.4 million; public service utilities and communications, up 35.4% to $8.4 million; airlines, up 16.8% to $14.5 million; new passenger cars, up 16.8% to $12.8 million, and alcoholic beverages, up 16.2% to $2.6 million.

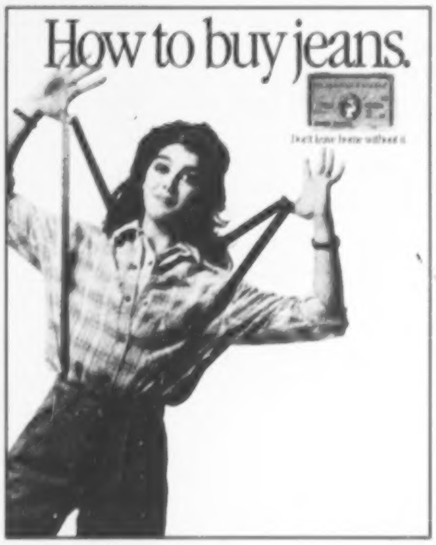
Among other gainers were the department stores category, up 2.7% to $78.1 million; food stores, up 4.2% to $25 million; amusements, up 0.2% to $25.7 million; general merchandise stores, up 7.5% to $36.4 million; publishing and media, up 7.2% to $11.7 million, and banks and trust companies, up 9.9% to $9.8 million.

Among the losing categories were cigarets, off 34.4% to $3 million; stock, bond and investment houses, down 34.2% to $1.3 million; computers, equipment and services, down 13.3% to $4.7 million; computer stores and supplies, down 3.2% to $4.2 million, and cameras, photo supplies and services, down 76.5% to $236,487.

The Flash Report is compiled for Advertising Age by Media Records Inc. from linage measurements in 29 daily and 23 Sunday newspapers in 15 major markets. These markets are: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#



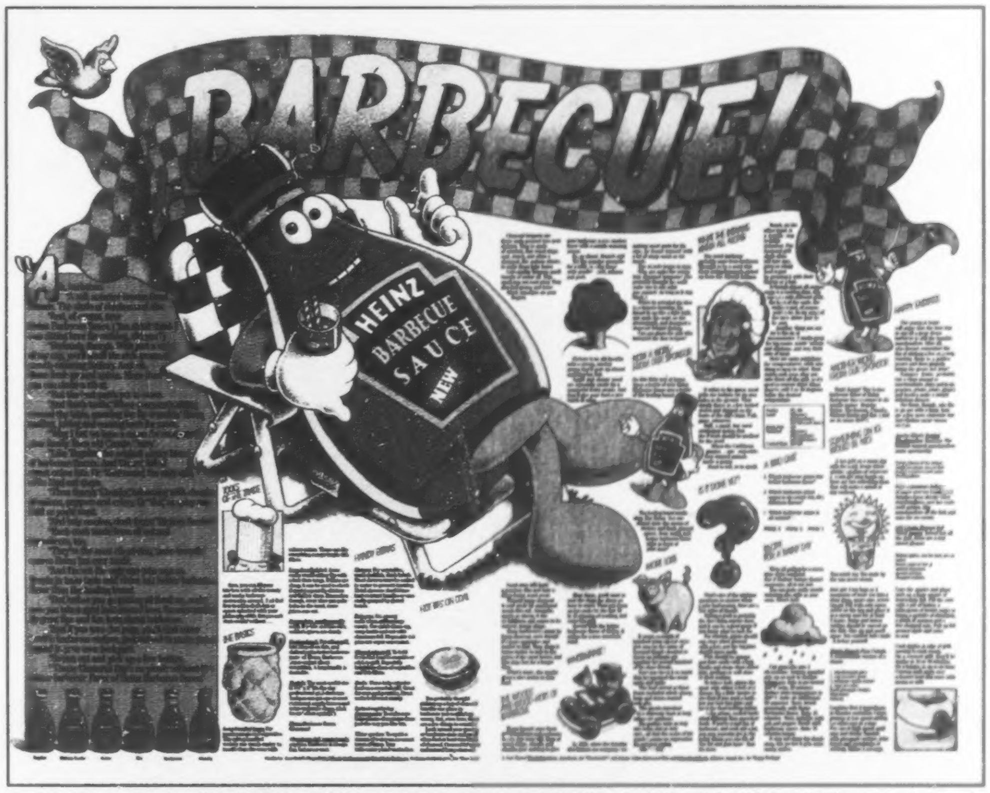
Good use of spot color leaves a good impression in this ad for GTE-Sprint's Canadian long-distance service, via J. Walter Thompson USA, San Francisco. Art director, Tom Freyer; copywriter, Rachel Gilday; illustrator, Nicholas Sidjkof.


How to buy jeans.
Don't leave home without it.

Ogilvy & Mather, New York, did a splendid job in translating the long-running "Do you know me" campaign for American Express from video to print in this effort. We looked twice, both at the model and the card, to make sure she *is* Brooke. Art director, Nancy O'Neal; copywriter, Jeff Atlas; photographer, Henry Wolf; creative director, Tom Rost.

DEWAR'S PROFILE

Equally good use of spot color makes this ad, new in the long-running "Dewar's profile" series from Leo Burnett USA, Chicago, for Dewar's scotch. Creative director, Ted Bell; art director, John Eding; copywriter, Richard Rand; photographer, Lawrence Robins.



A good use of color illustrations with long copy drew our attention to this ad for Heinz barbecue sauce, via Ketchum Advertising, Pittsburgh. Creative director, John Dymun; associate creative director, John Chepelsky; art director, Craig Otto; copy supervisor, Kathy Bowen; copywriter, Lynn Epstein.

NOW YOU DON'T HAVE TO BE A WIZARD TO GET PERFECT PICTURES.
ONLY FROM THE MIND OF MINOLTA
MINOLTA

No, that's not Judy, but she does catch your eye in this color ad for Minolta cameras from William Esty Co., New York. Creative director and copywriter, George Morin; art director, Jack Robson; concept, Peter Olsen.

Best of Press selections are made by a committee of three: Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede, Advertising Age's newspaper industry reporter. National System Inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Gloede at AA's New York bureau.

Records

(Continued from Page 3)

that rock music be given motion-picture-like ratings to allow parents greater control over the type of records their children bring home.

PMRC was organized by the wives of more than a dozen powerful figures here, including the spouses of Sen. Albert Gore Jr. (D., Tenn.) and Treasury Secretary James Baker III.

The group contends that the recording industry should not only rate the records but explain the rating: "X" would stand for sexually explicit lyrics, as well as violence, profanity and suicide; "O" for references to the occult, and "D&A" for glorification of drugs and alcohol.

PMRC also has asked the recording industry to do the same for cassettes and music videos; print lyrics on record album jackets; rate concerts "according to lyrics and onstage performance," and either cover all explicit album jackets with a wrapper or keep them "behind the counter" at record stores.

Mr. Gortikov said it would be impossible to follow several of these suggestions.

He proposed, instead, that RIAA's membership, which includes virtually all the large record companies, will print a standard warning label on recording releases, resembling the warnings on cigaret packs.

The label will read something like "PARENTAL GUIDANCE: Explicit lyrics," he said. This label should do the trick because PMRC's core concern is that "an involved parent who diligently wishes to supervise the recording purchases of a child be provided with a means to exercise that parental discretion," he said.

The more specific rating system requested by PMRC is superfluous, Mr. Gortikov said, adding, "It should make no difference to a given parent desiring to 'protect' his or her child whether a given recording contains sexually explicit material or violent material." The choice of multiple rating symbols is unnecessary to accomplish the PMRC's own cited objective."

PMRC earlier had indicated it might accept such generic labeling.

As for PMRC's other requests, Mr. Gortikov said:

- It would be impossible for the recording industry to devote half of each album cover to printing lyrics, not only because this area is used to convey the mood of the record but also because, legally, recording companies seldom own the reprint rights to all the songs on an album.
- As for rating concerts, recording companies are "devoid of definitive control over the performances of their artists."
- Merchandising also is beyond the venue of his industry. The recording industry cannot dictate individual stores' display practices.

PMRC also has asked that the recording industry work with the broadcast media, providing them with lyric sheets and ratings for all videos and songs.

But Mr. Gortikov declared it is up to the media alone to choose what they air. By law, he added, each station is obliged to be familiar with what it broadcasts.

"That is its responsibility, not the role of the recording company," he said.

Mr. Gortikov deplored what he called the PMRC's "unfair" focus on the recording industry. When it comes to influencing children's morals, he said, "Sound recordings take a back seat to the range of explicitness bombarding children from far more accessible media: Prime time television, soap operas, motion pictures, radio, billboards, magazine advertising, coin-vended sex journals, books [and] real-life behavior."

The PMRC also has ignored "the core problems," he asserted, "such as crime, unemployment, poverty, parental permissiveness [and] fragmentation of family units."#

Late Broadcast News

Raise 'Kane' in Nov.; commit 'Sins' in Feb.

New York—**Dancer Fitzgerald Sample** in its 1985-86 network tv season report says CBS plans a November airdate for its "Kane & Abel" miniseries. "Sins" is due in February," "If Tomorrow Comes" in March and "Dream West" and Procter & Gamble's "Alice in Wonderland" both in April. (Earlier, other agency sources had felt "Kane & Abel" might air in September, "Sins" in October and "Alice" in November.) As previously reported, ABC's "North & South" is set for Nov. 3, 5, 6, 7, 9 and 10 (AA, July 22). The sequel, "Love & War," is due in May. NBC's "Long, Hot Summer" will air in October, "Mussolini" in November and "Peter the Great" in February. "Dress Gray" is likely in March and "Rage of Angels II" in May.

Dallas—**Bozell & Jacobs** picks CBS to top the coming prime time season. B&J projects CBS will bag a 16.2 rating and 26 share from A.C. Nielsen Co. NBC will run to a virtual tie, though B&J says other factors give the crown to CBS. ABC will get a 15 rating and 24 share. Over-all share is projected to drop to 76 from 77 last season. B&J picks NBC's "Golden Girls" to be the season's only solid hit, with a 25 share. B&J's list of "maybes" (23 to 24 share) includes ABC's "Dynasty II: The Colbys," "The Insiders," "MacGuyver" and "Our Family Honor"; CBS' "Twilight Zone," and NBC's "Amazing Stories," "Hell Town" and "Hitchcock Presents." The "misses" (22 share or less) include five each from ABC and CBS, and two from NBC.

New York—**LBS Communications** has acquired a minority interest in All American Television. The two barter-syndicators now are discussing several tv programing co-ventures.

New York—**Capital Cities Communications** and **ABC** have unloaded a total of six radio stations for more than $100 million. Gannett Co., Rosslyn, Va., will acquire ABC's Denton (Dallas), Tex.-based KTKS (fm) for $16 million; Malrite Communications, Cleveland, will buy ABC's KSRR (fm), Houston, and Cap Cities' KLAC (am) and KZLA (fm), Los Angeles, for $75 million, and Park Communications, Ithaca, N.Y., gets WPAT (am, fm), Paterson, N.J., for an undisclosed price. The sales, made in accordance with FCC rules on multiple ownership, are subject to the consummation of the merger between Cap Cities and ABC in January, 1986.#

Quarter

(Continued from Page 3)

merly Nadler & Larimer, continues to lose money, acknowledged a Mickelberry spokesman, though he noted that "at the same time we recognize they've gone through extensive management changes." The spokesman said Mickelberry expects results to improve in the second half.

Combined with that, Cunningham & Walsh, which last year lost its huge Brown & Williamson account and closed various unprofitable U.S. offices, only recently has begun to turn the corner. C&W had a "small profit" in the first quarter and "was starting to bounce back in the second quarter. Its 1985 second quarter was much better than its second quarter last year," said the Mickelberry spokesman.

But while C&W posted gains in the second quarter, Mickelberry's Caribiner business-conference subsidiary showed a decline in that period. Although Caribiner is up in 1985's first half compared with 1984, its first-half income this year was primarily in the first quarter, while last year the second quarter was stronger. It contributed $1 million to Mickelberry's profits in the second quarter of 1984, but only $250,000 in the second quarter of 1985, said the spokesman.

International losses also tended to offset domestic gains for the big shops. BBDO was up 9% in domestic revenues but down 6% in international gross income. The Interpublic Group of Cos.' earnings decline in the first six months is "in large part due to the negative effect of an exceptionally strong dollar that continued during most of the first half of 1985 and to weakness of certain foreign operations caused by economic conditions in those countries," explained Philip Geier Jr., Interpublic chairman.

JWT Group's U.S. revenue growth, especially for its J. Walter Thompson USA agency, was particularly strong—up 22% in the quarter and 19% in the year. And JWT, which benefited in its domestic growth by investment spending, particularly on creative staff in recent years, will continue with the same policy over-all. JWT chairman Don Johnston said, "We continue to expect a strong financial performance for the year," adding that JWT is "maintaining high levels of spending in such strategically important areas as multinational client services, the recruitment advertising unit, new-business development, facilities to accommodate our growth and expansion into new markets."

In figures previously not divulged, Mr. Crane of Oppenheimer offered estimates of what JWT has been spending in building its multinational client services organization: $5 million to $5.5 million a year, and $1.2 million in the second quarter.

Last week, FCB reported record earnings and revenues for the second quarter and first six months of fiscal 1985, ended June 30.

Earnings for the second quarter were $6 million, a new quarterly high and an increase of 34.3% over restated earnings of last year. Revenues were $75.4 million, up 5.4%.

Results for 1984 were restated to include Golin/Harris Communications, a pr company merged into Foote, Cone Jan. 1.

Earnings for the six-month period were $7.29 million, up 11.5% from the previous year. Revenues were $138.6 million, a new record, and 5.9% above restated 1984 revenues. U.S. revenues increased 11%, while non-U.S. revenues dropped 7%.

"While results in the second quarter represent a substantial improvement over the first quarter, our revenues continue below our initial 1985 expectations," said Norman Brown, Foote, Cone president.

"The lack of drive in U.S. advertising expenditures to date includes a number of substantial client budget reductions, as well as some postponement of spending in the second half of the year," he said.#

Agency financial results

With the exception of FCB and Ogilvy, which showed strong second quarter and first half net income gains, most of the public ad agencies were flat or down in earnings. Figures are not included for Ally & Gargano, which ends its fiscal year June 30 and hasn't reported yet. *Source:* Advertising Age.

	Income ($000)			Revenues ($000)		
Agency	1984	1985	(%)	1984	1985	(%)
Second quarter						
BBDO	6,073	5,949	− 2	78,899	83,702	+ 6
DDB	4,072	3,323	−18	58,633	55,698	− 5
FCB	4,526	6,077	+34	71,536	75,415	+ 5
Grey	4,159	4,069	− 2	55,518	57,971	+ 4
Interpublic	14,723	[illegible],261	+ 4	169,512	180,668	+ 7
Mickelberry	460	187	−59	30,929	35,058	+13
Ogilvy	6,376	7,473	+17	108,127	121,212	+12
JWT	6,178	5,762	− 7	128,053	142,170	+11
First half						
BBDO	11,245	10,166	−10	150,760	159,520	+ 6
DDB	5,382	4,429	−18	105,305	106,878	+ 1
FCB	6,542	7,297	+12	130,972	138,648	+ 6
Grey	5,173	5,523	+ 7	95,889	107,599	+12
Interpublic	19,567	19,038	− 3	315,922	328,817	+ 4
Mickelberry	1,261	898	−29	57,993	69,718	+20
Ogilvy	9,503	11,036	+16	201,178	225,115	+12
JWT	9,932	5,971	−40	248,848	268,163	+ 8

Olds honors women execs

Lansing, Mich.—General Motors Corp.'s Oldsmobile division and its dealers are sponsoring a national annual award competition saluting the achievements of business and professional women.

Local chambers of commerce will administer the competitions for the Chamber Athena Award.#

Mecca finds new home

New York—Mecca Communications, a full-service communications company specializing in healthcare promotion, has relocated to 220 East 23rd St., 10010.

French

(Continued from Page 3)

where in the last two or three years we've seen a 25% growth in ad expenditures."

It is still not clear who will run the two new independent networks in France or how much commercial time will be available.

But most industry sources agree the new networks will only partially ease the demand for commercial time by advertisers and probably will cause an increase in tv advertising costs.

The government also has to decide whether the two networks will operate on a free-market system or whether they will be as restricted as the three government-run networks.

Retailers and restaurants, for example, are prohibited from advertising on tv in order to protect the French press, which fears the new networks will siphon their ad revenue.

The general-interest network will be run by two existing tv networks, sources say, probably Radio Television Luxembourg and Telemontecarlo, which just got an infusion of capital from the sale of 90% of its Italian network to Brazil's TV-Globo (AA, Aug. 29).

Potential investors in the all-music station include the international agency network Publicis, publisher Daniel Filipacchi, private radio stations Energy and Europe 1, Gaumong Films, Club Mediterranee and the French subsidiary of Virgin Records.

The move is not expected to affect state-run networks TF-1 and Antenne 2. But FR-3, which currently only broadcasts during the evenings, will begin afternoon cultural programing that will be switched to France's TDF-1 satellite network in 1986.

Operations at Canal Plus, the pay tv station, will not change.#

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August 15, 1985

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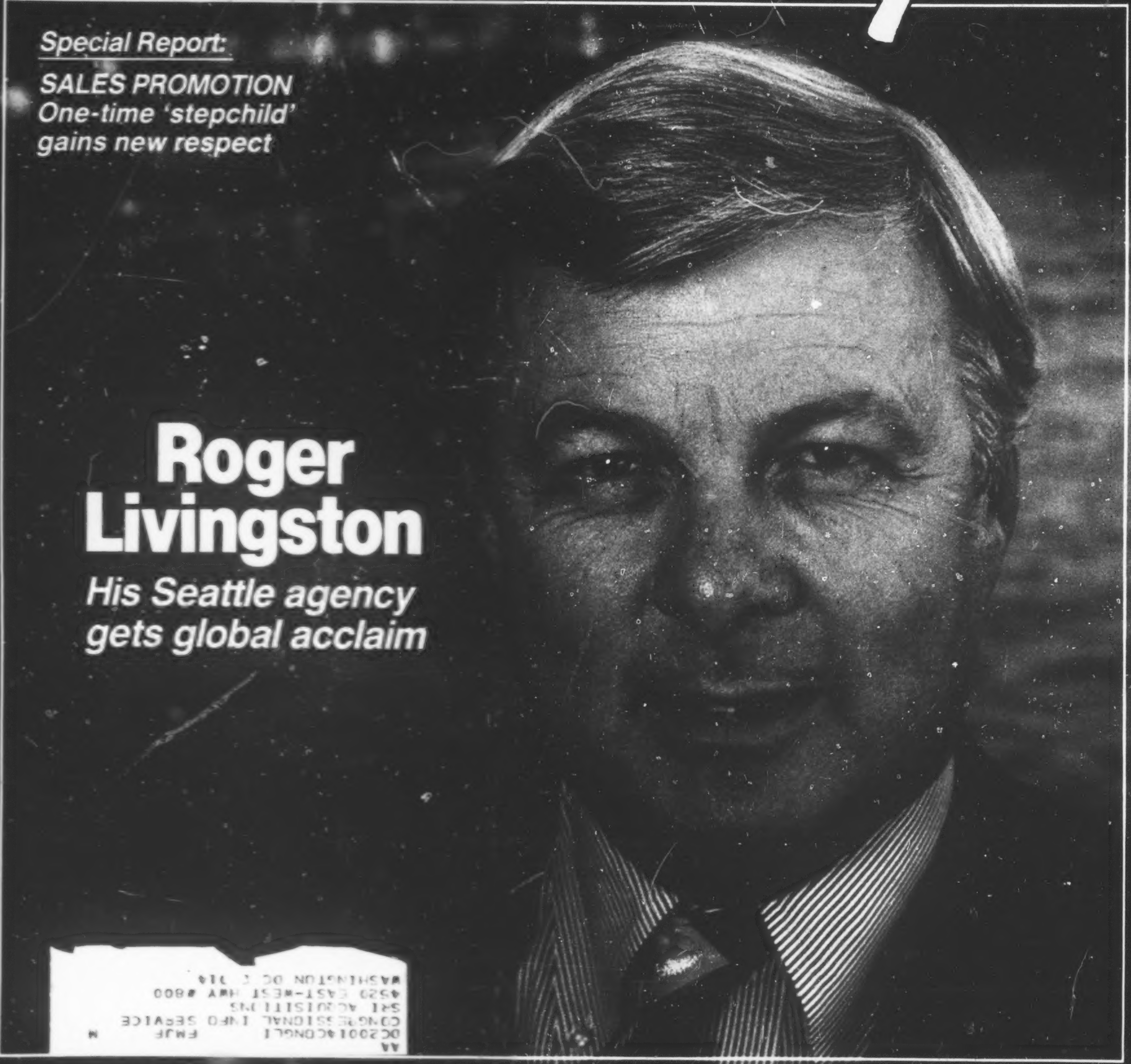
Advertising Age

Thursday

Crain's Magazine of the Creative Process©



Special Report:

SALES PROMOTION
One-time 'stepchild'
gains new respect

Roger Livingston

His Seattle agency
gets global acclaim

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Thursday

Collecting Lions in Seattle

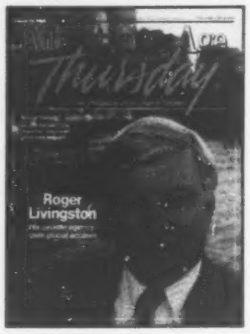

Photo by Matt Mcvay

Roger Livingston's philosophy is that good advertising has staying power. Based on that outlook, the Chiat/Day alumnus has been a roaring success. His Seattle agency's list of awards is topped by back-to-back Gold Lions from the Advertising Film Festival in Cannes, an unheard-of feat for a U.S. agency. *See Page 4.*

Revealing

"The Nude You," reads the ad in *New York*. "Ever fantasized having a private portfolio of yourself in the nude? Museum-quality work by Parisian female photographer. Women only. A perfect gift for your loved one or just yourself. Call Marie-Claire. 212-473-1566." Behind that ad is a terrific story of art and commerce. *See Page 42.*

Radio with a bite

Canadian radio station CINE doesn't have an easy-listening format—at least not for mosquitoes. The fm station accompanies its lunch and supper-hour broadcasts with the sound of flying male mosquitoes. Listeners hear the subtle flapping only between songs, but to mosquitoes it's like fingernails on a blackboard. *See Page 44.*

Special Report—Sales Promotion

New testing, sophisticated premiums and product tie-ins are making sales promotion the Cinderella of marketing. *Page 15.*

O'Toole to retire from FCB

By DENNIS CHASE

"I once promised myself that if I woke up some morning, thought about what I do for a living and felt anything but elation about going to the office, I'd hang it up and go into free-lance writing."

So wrote John O'Toole in his 1981 book, "The Trouble With Advertising." Early this week Mr. O'Toole, 56, took his own advice and announced that as of the end of this year he would retire as chairman of Foote, Cone & Belding Communications, a position he has held since 1981.

J. O'TOOLE

Norman Brown, now the FCB president and chief executive office, will take on Mr. O'Toole's title as well, at least for a while. He conceded that the agency may have "other plans" which he would not divulge.

Mr. O'Toole's decision to retire after 31 years at the agency—three years before FCB chairmen customarily step down—apparently was prompted by a few French words: Deja vu and ennui.

In an internal memo to the FCB staff, he admitted to "having awakened a number of mornings lately feeling something less than elation." He said, "What I do for a living has moved me farther and farther" from "precious" involvement with clients or even FCB employes.

In an interview with Ad Age, Mr. O'Toole recalled a time in January when he raced to Italy to solve a problem with a client, who was considering dropping the agency. "It was the most fun I had had in a long time," he said. "I found myself wishing for another crisis to solve."

He said executives at big global agencies spend a lot of time buying and selling properties and very little time working with clients on the creative product.

"What John is facing is common to executives who come up through the creative end of the business and whose success leads to life in the executive suite, where they then face a whole different set of activities," said Mr. Brown.

He added that the impact of Mr. O'Toole's departure on day-to-day activities will be minimal because "John's role lately has been heavily with the Four A's and not directly with clients."

Mr. O'Toole joined FCB's Chicago office as a copywriter in 1954, rose to president in 1970 and was chairman of the American Assn. of Advertising Agencies in 1984-85.

He plans to devote his time to free-lance writing and consulting with advertisers to "help them get 100% of what their agencies can and want to provide creatively."

He has prepared a seminar to help advertisers "evaluate, care for and encourage" creative advertising ideas and may turn it into a book. He will also be on retainer to FCB as a consultant.

During his tenure as FCB chairman, the agency's worldwide billings increased from $1.2 billion in 1981 to $1.8 billion last year.#

Presstimes are on Page 47.

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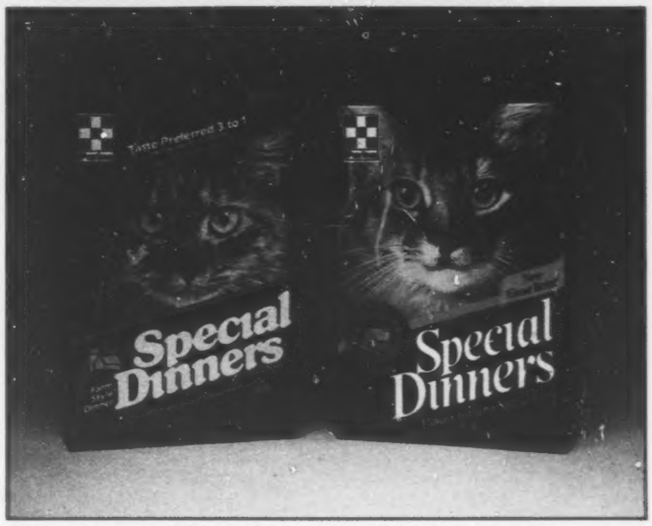


Redesigning the Ralston Purina Special Dinners box: From a bit too "uninterested" to staring the consumer straight in the eye.

Package design gets a bit catty

By Lenore Skenazy

They arrive meticulously groomed for the auditions. They're nervous. They eye each other with envy, fear. . .and sometimes, undisguised lust. An attractive group.

When the photographer summons each in turn they sit and strut and stretch for the camera.

At his request, they lick themselves. About the only thing these furry knockouts won't do is sign their own release forms.

A paw print will suffice.

"It's exactly like modeling," says Rafael Feliciano, senior designer/director at Gerstman & Meyers, the Manhattan-based design company revamping Ralston Purina's Special Dinners cat food packaging. The four different dinner flavors require four different cats, one for each box. Finding the photogenic feline for each flavor requires no less patience and skill than, say, finding the right model for a skin cream.

G&M has been designing packages for Ralston Purina for a dozen years. They know cats and cat owners. They know that the flagship Cat Chow brand package calls for the tabby equivalent of Everyman; that Kitten Chow has to look cute enough to cuddle, and that Special Dinners packaging must look. . .special.

Design

To begin the Special Dinners project, G&M contacted a local animal talent agent, Linda Hanrahan, and requested a review of her purebreds. Says Larry Riddell, G&M vp-senior design director, "We were looking for upscale cats," ones with obvious breeding, "but not so exotic they'd look grotesque."

From the glossies, G&M chose 10 candidates for a photo session. Usually, the majority of those chosen are female because, according to Mr. Riddell, "Female cats look more attractive. Male cats are more like Morris—full around the face. They have this macho look." A kindly look is key.

Though the Special Dinners line premiered in 1970, this is the first time the cat on the package looks the consumer straight in the eye. While not a new pet food package tactic—G&M claims to have originated the direct stare several years ago—it is a dramatic departure from the previous Special Dinners' coy cat, who had looked, admitted one G&M designer, a bit too "uninterested."

Coaxing a cat into an engaging stare, however, is not as easy as saying "sardine."

Cats are nervous animals, and won't tolerate being photographed for more than half an hour. Some of them get skittish at the first click and that's it. The noise upsets them. Or the lights. Or the attention. To be on the safe side, G&M always books two or three similar cats for each package.

Not only do the cats get fidgety, they get feisty. Sometimes, the fur flies. While, theoretically, the designers could mix and match the best cats from several agencies in town, or even pick the prettiest of several pet shelters' litters, in practice this proves tricky. Cats that don't already know each other are apt to pick fights.

Or lovers. The designers chuckle a bit at this fact of life, but it's true: "You can't use them if. . ." If, let's say, they're not concentrating.

So once you have 10 well bred and well behaved cats togther for a shoot: What next? For Special Dinners the challenge was to get them to lick their lips appealingly. No mean feat.

The designers—Mr. Riddell, Mr. Feliciano and Herb Meyers, principal of G&M—sat around a table discussing the intricacies of cat tongue maneuvers:

Riddell: "You put any kind of oil—"

Meyers: "*Fish* flavored oil—"

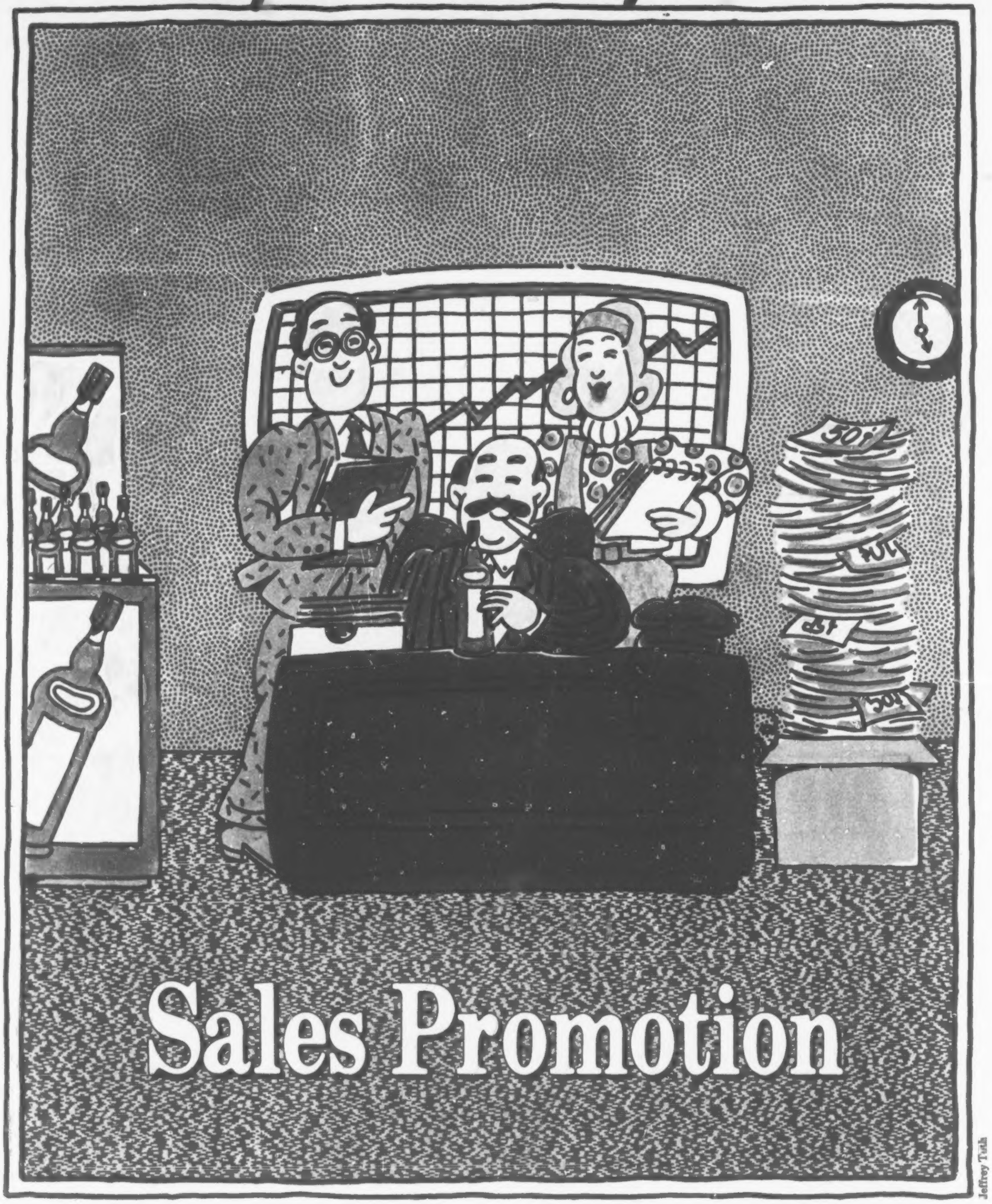
Riddell: "Well, you touch their lips with oil or cat food, and they lick it automatically."

Feliciano: "The trick is to put it some place so the lick looks natural."

Meyers: "It's very difficult to do that. The cat's tongue whips in and out in a fraction of a second."

Riddell: "Not only that—it goes halfway across their face. We don't

(Continued on Page 47)



Jeffrey Toth

Marketing image plots turnaround

By Curt Schleier

"Fewer marketing people are treating sales promotion as a stepchild," says Stephen Field, president of Marcon Marketing Services, New York. Ron Hirasawa, president of American Marketing Services Corp., Chicago, goes one step further and says, "Promotion is moving from being the stepchild to the Cinderella of marketing."

That's the optimistic view almost universally shared by promotion executives around the country, all of whom believe the industry is a perfect fit for the marketing princess' glass slipper.

The burgeoning respect being accorded sales promotion is hardly a fairy tale. In fact, it is a culmination of a lengthy struggle to shuck an image of shysterism that has plagued the industry, probably since the days of traveling medicine shows.

The credit for this shift in attitude goes to a variety of factors and trends that have combined to focus attention on a segment of the marketing mix that its practitioners argue has been given short shrift far too long.

Mr. Hirasawa says one reason for sales promotion's rise may be that "the cost of advertising has skyrocketed to the point where $10 million to $12 million is considered a small budget."

Mr. Field says sales promotion's metamorphosis can be traced to the latter part of the 1970s. "With the economy cooling, companies needed demonstrable results a lot quicker. That's when promotion started to heat up."

Whatever the cause, marketers during the past decade have been throwing increasing amounts of money behind sales promotion, to the point where consumer and trade promotion budgets now far exceed money spent on advertising. For example, Donnelley Marketing's most recent annual survey of promotional practices shows promotion budgets in 1984 accounted for 64.4% of total marketing expenditures, and advertising accounts for the remaining 35.6%.

With increased expenditures came increased attention. Companies that largely ignored sales promotion—or relegated it to a back burner—began to focus on it and demand increased creativity and sophistication from their own staffs and outside promotion agencies.

The number of avenues to which this creativity and sophistication can be applied is limited, says Jim Feldman, who heads Feldman Associates, Chicago. Mr. Feldman quotes his friend Harry Blackstone, the magician, as saying there are only 10 magic tricks in the world. Everything you see uses a variation of those basic techniques. "When we look at the sales promotion arena, we discover an amazing similarity to magic," he says.

"It's not so much what the mechanism is, but the form you deliver it in," says Bob Lorsch, president of the Lorsch Group, a sales promotion agency in Los Angeles.

Traditionally, couponing has been the most prevalent mechanism, and it grows in usage every year. According to Donnelley Marketing, 95% of the companies that participated in its annual survey used couponing as a promotion vehicle last year. That's up from 93% in 1982 and 1983.

However, some promotion experts contend that couponing may become a victim of its own success. They say the rapid growth in the number of free-standing inserts, now offered both in daily and Sunday papers, has led to coupon clutter.

(Continued on Page 16)

Curt Schleier is an East Coast-based free lance writer.

Image

(Continued from Page 15)

Richard Barrett, president of Glendinning Associates, Westport, Conn., says, "Anybody who steps back and looks at the total number of coupons that fall out of the paper has to say that it's too much to expect someone to spend the entire afternoon going over all of these offerings. It's too much to expect that the trade is going to tie in."

Brian Clark, director-marketing services for Vlassis Newspaper Marketing, Detroit, one of the principal publishers of free-standing inserts, says, "Clutter is an issue everyone seems to want to talk about, in the same way that clutter on television was an issue when 30-second commercials were first used."

Can in-store coupon machines alleviate some of the coupon clutter? Mr. Barrett says, "I don't see that in-store couponing machines are going to grab up much business. The reason is you want to reach people as they are planning their shopping trips. You also want to use coupons to leverage trade support, and I'm not sure in-store machines have proven that they can do that."

While the redemption rate has not been affected substantially, the total number of coupons redeemed has not kept pace with the increased number available. Nielsen Clearing House, Clinton, Ia., reports coupon distribution increased 14% from 1983, to 163.2 billion last year, while in that same period, redemption jumped a healthy, but slower 12%, to 6.25 billion coupons.

The coupon redemption rate of virtually every medium measured by Nielsen—whether it is free-standing inserts or direct mail—has declined over the past several years.

Another factor against couponing is that outside promotion agencies don't seem to like it. While they call it an effective device, they also contend it's not creative.

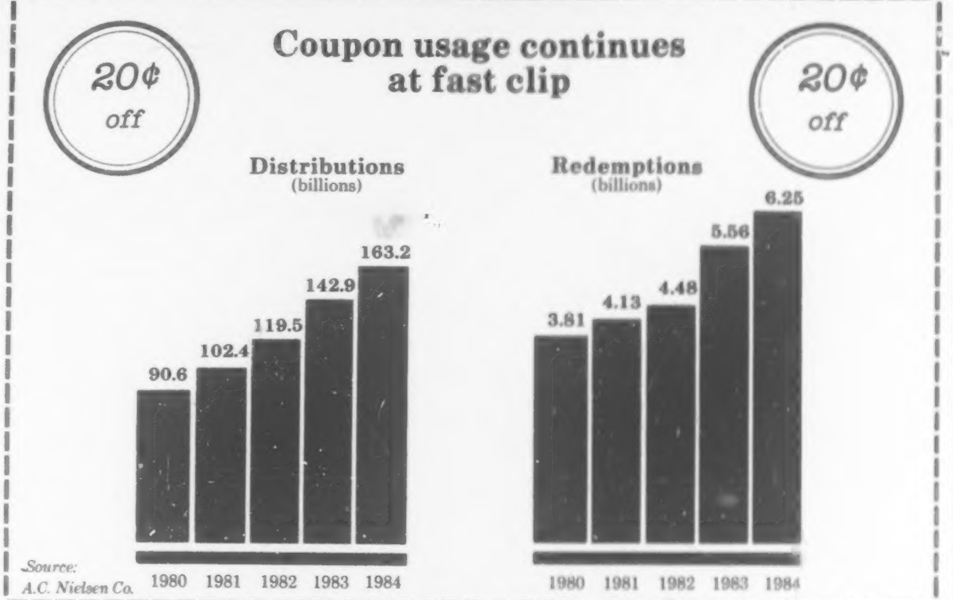
"For a brand manager, it's a quick way to solve a promotion problem," the head of one promotion agency says. "It's far easier and safer to do than go out and create something."

That opinion is shared by at least one promotion manager on the client side of the fence. Bill Shaw, promotion director for General Foods, White Plains, N.Y., agrees that "brand managers tend to like couponing. It's easy to understand and easy to do—a diabolical combination."

The consensus is that the use of couponing will continue to grow, albeit not as quickly as before. Moreover, there are likely to be changes in the way coupons are used. There seems to be a trend toward more refund offers than cents-off to avoid what Ken Bortner, chief executive officer, Product Movers, New York, calls "the misapplication of coupons."

There's also likely to be more joint multibrand promotions, such as the Beatrice Cos. "Enter the World of Beatrice" free-standing insert, involving 35 of the company's brands, out this fall. Increasingly, inserts will have a theme, tied into the Super Bowl or outdoor cooking.

Coupon usage continues at fast clip



Source: A.C. Nielsen Co.

Finally, the increased amount of data computerization made available, from the scanning equipment in stores to surveys by marketing companies, will enable marketers to "more selectively and more effectively target" direct mail recipients, in general, and coupon/sampling recipients, in particular, says Austin Chave, senior vp at BBDO and manager of BBDO Promotion, New York.

Donnelley Marketing, for example, already offers selective coupons and sample mailings to households with people older than 50, teen age girls, even users of competitive products. Even more selective, targeted mailings soon will be possible, cutting costs, increasing accuracy, and, in the words of Louis Haugh, senior vp at Frankel & Co., Norwalk, Conn., "making direct response come alive."

Another area of promotion being affected by computers and other advanced technology is point-of-purchase. Increasingly, consumers are finding interactive computer terminals in retail outlets such as automobile dealerships and cosmetics counters in department stores.

According to John Kawala, exec vp of the Point-of-Purchase Advertising Institute, Fort Lee, N.J., a California company is experimenting with a laser device that will create a human figure to give a sales pitch as a customer approaches a particular product.

Combining advertising and p.o.p. displays is not new, but it is effective and will continue to grow, according to J. Patrick Kelly, K mart professor of marketing at Wayne State University, Detroit. One company he's worked with, the Fred Myer chain in the Pacific Northwest, "began to realize its wall space was valuable, and has even developed rate cards."

Dayton Hudson and Bloomingdale's use tv monitors in their stores to advertise products. Given all the alternatives, it's not surprising to hear Frankel's Mr. Haugh, say: "It's getting more and more difficult to get supermarket and drug chains to put up point-of-purchase displays. Bigger chains want the stores to look like they're in charge, not the manufacturers."

"I've heard similar comments," Mr. Kawala says. "One of the problems, I believe, is a lack of communication. Manufacturers don't seem to know what retailers want. Our studies indicate that retailers want more p.o.p. but tailored to their stores."

BBDO's Mr. Chave, who frequently lectures on sales promotion in the 21st century, sees retailers of the future not only demanding personalized displays, but personalized promotions as well.

"With the amount of trade dealing declining, and the power of retailers continuing to grow," Mr. Chave says, "there is going to be a move toward more customized trade promotions more closely involving the retailer."

Interest in localized promotions, in general, and special events, in particular, seems to be on the upswing, particularly those that can be tied into a community event. For example, Tony Hobson of Hobson, Barnes & Associates, Atlanta, created the Strohs Run For Liberty promotion, an 8-kilometer run, with part of the proceeds from entry fees being donated to refurbish the Statue of Liberty.

The promotion ran in 123 cities last fall, involved extensive use of free radio time on "official" Run for Liberty stations, and resulted in "very high acceptance by the national retail trade," Mr. Hobson says. "We had sell-in acceptance of 70%."

Mr. Hobson says a "special benefit comes when you can tie a promotion into a charity event of high community interest. It's a marketing-plus."

But whether a charity is involved or not, Mr. Hobson notices that "with aerobic competitions and triathlons, life-style events seem to have shown considerable growth." As an example, for Raleigh cigarets, which was interested in the Middle America market, Mr. Hobson arranged a 30-city series of truck pulls to help garner interest.

Special events promotions can give agencies an opportunity to reverse the normal buyer-seller relationship. Normally, an agency will wait for a client to present it with a problem. With the right special event, an agency may approach a marketer and say, "look, I've got a solution."

For instance, Mr. Hirasawa came up with a novel way to reach the growing Hispanic market. He forged agreements with Catholic churches in Spanish neighborhoods in Chicago, San Diego and San Antonio to act as p.o.p. redemption centers. Whatever p.o.p. materials the churches receive can be turned in for anything from college scholarships to audiovisual and sports equipment.

Promotion in hand, Mr. Hirasaw sought marketers to participate. Although he won't reveal their names, Mr. Hirasawa has received indications of interest from several companies, and he expects the promotion will run next spring.

"The principle we work on is borrowed value," he says. "A bag of potato chips is a commodity. One tastes pretty much like the other. How do you give it added value? Perhaps hook it into a theme park, and offer a $7 discount on a $14 ticket. You've given that bag of potato chips an added value of $7.

"The same thing with the Hispanic promotion. If you won't buy product 'x' because we sent out a 10-cent coupon on it, maybe you'll buy it because we're donating 10 cents to charity."

Another example comes from Mr. Lorsch, who is holding discussions with the National Aeronautics & Space Administration about using the space shuttles as promotional vehicles.

Are there no storm clouds on sales promotion's horizon? While Walter Coddington, president of Walter Coddington Promotions, New York, is generally optimistic; he says that even though the amount of money devoted to sales promotion is on the rise, "a large percentage of that is still devoted to trade deals and allowances, essentially discounting."

He says there's "got to be a shift in that," but he's concerned marketers may feel they "are trapped, that they can't 'not' now offer trade deals or retailers will switch to other brands."

Like money locked into couponing, money set aside for trade deals often precludes the use of more creative promotions. Changing the emphasis from trade deals to consumer promotions—a trend already well under way—may accelerate as promotion agencies get more involved, Mr. Coddington says. "We're getting much more involved with the company's advertising and public relations. We're pushing for it, and it's been working out very well."

BBDO's Mr. Chave says the integration of advertising, sales promotion and pr under one umbrella will continue, as will the interest on the part of ad agencies in acquiring their sales promotion counterparts.

Mr. Lorsch says he's been approached several times. "I listen," he says.

"There's a danger in that advertising people have a tendency to think of sales promotion people as schlocky. But, stripping away ego, there's a certain logic to the merger. Look, I'm 35 years old, and I have to ask myself if 10 or 15 years from now I want to be at war with a multimillion-dollar corporation."

Redemption rates by media (Grocery products)

		1984	1982
Daily newspaper	R.O.P. solo	2.6%	2.9%
	Co-op (all)	2.7%	3.2%
	Free-standing insert	4.2%	—
Sunday paper	Free-standing insert	4.5%	4.6%
	Supplement	2.1%	2.3%
Magazine	On-page	2.0%	2.5%
	Pop-up	4.7%	5.2%
Direct mail		8.1%	9.3%
In/on-package	Regular in-pack	16.6%	18.1%
	Regular on-pack	13.3%	12.7%
	Cross in-pack	5.8%	6.8%
	Cross on-pack	5.1%	4.1%
Instant on-package		27.9%	—

Source: A.C. Nielsen Co. **Average redemption rate**

Trade wars threaten future peace of marketers

By Richard Edel

A trade war is simmering over special discounts that package goods marketers give to retailers for providing products with an extra push.

These discounts, called trade promotions, allowances or push money, build sales volume in the short-term, but also can erode long-term profitability. Experts say this deal making is mortgaging the future of some products, even while the marketers appear to be gaining market share and sales volume.

Although the money is difficult to track down, promotion allowances for package goods to drug, grocery and discount stores have grown from about $9 billion in 1979 to about $18 billion today, says Bob Schmitz, vp-research, development and planning at Majers Corp., an Omaha, Neb.-based company that monitors trade promotions for manufacturers.

Promotional dollars for package goods are divided roughly 70% grocery, 20% drug and 10% discount stores, Mr. Schmitz says. The dollar figures are staggering, compared with grocery industry profits of about $4 billion annually.

The main bone of contention for marketers is whether trade promotions bring about incremental profits through increased use of products, or whether the products eventually would have been sold anyway, regardless of promotions. Some say retailers have become as dependent on fattening the bottom line through deals made in the buying office as through sales at the checkout counter. If this is true, trade promotions could be thought of as an institutionalized form of bribery to gain and keep market share.

A 1976 study in Sloan Management Review, Massachusetts Institute of Technology, Cambridge, says 46% of accepted deals get no merchandising support in the retail outlet, and 66% of total allowances are not passed through to the consumer. One reason is that retail chains and wholesalers engage in forward buying, which means buying enough goods on promotion to have some left over for full price sales later. Another tactic is called diverting, the practice of buying goods in a market where they are on promotion and moving them to one where they can be sold at full price.

Of course, most marketers place conditions on promotional allowances, such as reduced pricing, shelf or floor display, and advertising, but that only covers the item when it is on promotion. It is not uncommon for wholesalers and retailers to borrow money, rent warehouse space and store products, if the deal is sweet enough to offset the added costs.

But retailers defend their use of forward buying and diverting to bolster margins and keep retail prices low. With net profits on grocery store operations averaging as low as 1%, it's not as though they are lining their pockets with promotional dollars. A typical trade discount of 15% to 20% to stimulate sales will do just that, and it's not uncommon for manufacturers to offer additional discounts at the end of a promotion to encourage forward buying, they say.

"It's the manufacturers who create this deal buying situation," says an executive for one of the nation's largest grocery retailers, who asked not to be identified. "If somebody hands you something on a silver platter, you're going to take it. It's a rational response to an irrational situation."

Trade deals took root in the early 1970s under the threat of federal price controls from the Nixon administration. List prices at that time were inflated to protect profit margins in case of a price freeze, and marketers cut back on pricing through deals. The dealing grew as inflation forced frequent price increases, which were rolled back to competitive levels. Once the system took hold, it became addictive.

Compounding the problem for manufacturers were high interest rates and a deep recession in the early 1980s, which caused record business failures, resulting in consolidation of the retail industry. Larger retail operations meant more buying and bargaining power for the retailer. Internal reward systems for manufacturers, based on sales, not profitability, also contributed to the promotion mania.

A final consideration is increasing use by retailers of computerized point-of-sale technology, which provides detailed information on the movement of goods. It is this that frightens brand managers into maintaining the status quo, if not increasing the promotion ante. If a manufacturer were to cut back and his competition didn't, the reasoning goes, the result would be a loss of market share for the marketer that did cut back.

TRADE PROMOTIONS
30¢

Jeffrey Toth

These factors are shifting the balance of power away from the manufacturer to retail and wholesale buyers. Oddly, however, although retailers stand only to gain from trade promotions, they too have complaints. The increasing complexity, number and frequency of trade promotions causes confusion.

"As promotional requirements become more complex, it becomes more difficult to remain consistent with the consumer," says Richard Fredericksen, vp-director of marketing for Lucky Stores Southern Food Division. Lucky Stores, Dublin, Cal., is a $9.2 billion operation with 1,600 stores in the Southwest.

"There's no perceived value [for the consumer] if you can buy a product that is on promotion as often as off," Mr. Fredericksen says. "This causes a real resistance to paying full price. Consumers think the retailer is ripping them off or they buy a brand that's on promotion."

As consumers become conditioned to seek out ever lower prices, brand loyalties are compromised, especially for marginal products. In a Needham Harper Worldwide study, the percentage of consumers saying they try to stick with major brands dropped from about 80% to 60% during an eight-year period.

In effect, says John A. Quelch, associate professor at Harvard Business School, marketers are turning the reins over to retailers by devoting less money to advertising, which creates consumer "pull," and more to promotions, which "pushes" products through trade channels.

Leading brands are the most insulated from consumer brand switching because they build a loyal franchise through advertising, which provides the marketer with leverage on the size and scope of the promotion, Mr. Quelch says. "Hunt's and Heinz catsup will always be on the shelf, but a Del Monte might have to buy space with trade allowances," he says.

Another factor is that the growth rate of retail shelf space has slowed in recent years. As a result, marketers are trapped in what Mr. Quelch calls a "prisoner's dilemma," meaning they realize that excessive promotions are destructive, but they can't cut back for fear of losing market share.

The interplay of these factors is skewing marketing budgets in favor of trade promotions, consultants say. "Many of our clients have been diverting their marketing dollars to short-term trade promotion strategies and away from advertising," says Mr. Schmitz of Majers Co.

"It's a terrifying thing," he says. "Manufacturers used to be able to dictate the terms of sales. Now, many retailers have unbelievable influence."

Further complicating matters is a difference in perception as to the seriousness of the situation. Manufacturers and distributors surveyed in 1980 by *Progressive Grocer* were asked to rank in order of importance a list of 49 business issues. First on the manufacturers' list was "deals vs. performance rendered." The same issue ranked No. 35—near the bottom—of critical concerns for distributors.

Perhaps this explains why so many leading manufacturers are the ones taking action to modify their trade promotion activity before the problem gets out of control. Consultants say the effort is none to soon.

"We estimate that a third to two-thirds of the dollars that manufacturers now spend on trade promotion is just wasted," says Robert Brown, president of SPAR Inc. (Sales Promotion Analysis Reporting) in Tarrytown, N.Y. The company's clients include Procter & Gamble, PepsiCo, Coca-Cola Bottling Co. of New York and Kraft.

By and large, the SPAR clients contacted by ADVERTISING AGE say they focus on gaining incremental profits from increased sales and consumption of their products.

"We don't offer promotional dollars just to stock warehouses," says John Howell, national sales manager at Miles Laboratories, Elkhart, Ind., a client of SPAR, which has evaluated more than a million promotions in its 20 years in business. "An overstocked trade just doesn't make good business sense. The old catch phrase, 'loaded is loyal' has gone the way of Willy Lohman."

When Miles Labs increased media and trade promotional spending last year, it also increased its expectations, Mr. Howell says.

The company changed its promotional strategy from one offering across-the-board discounts to one that offered allowances based on several levels of performance. Called tiered promotions, the new strategy offers a base discount and additional allowances as incentives for buying various displays or buying cooperative advertising. Retailers are divided into "regular" and "special" performers, he says.

But convincing retailers and wholesalers to sell more by using the full power of promotions is a tough battle. "It's really an education to get the retailer to think in terms of making money on selling [a product] rather than making money by buying it," says Paul C. Gorman, sales promotion manager at R.T. French Co., Rochester, N.Y. "The name of the game is incremental business, and it requires a teamwork approach."

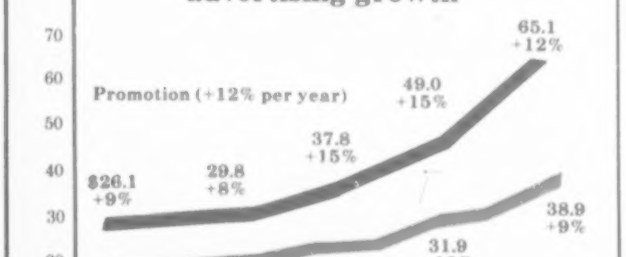
Mr. Gorman's company uses SPAR data to show how French's products are selling in relation to close competitors.

"When you can show a customer that his competition is generating more [incremental volume and profits] from your promotions, you then have a more receptive audience to recommend improved promotion

(Continued on Page 20)

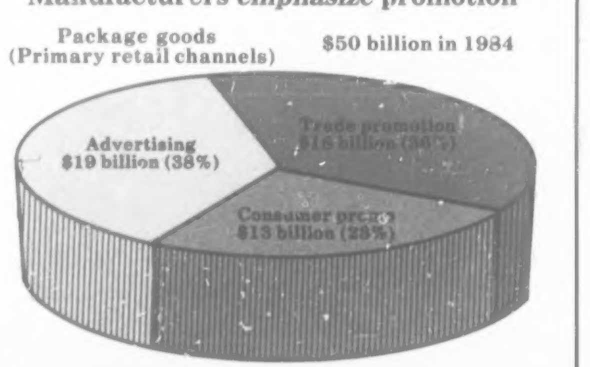
Richard Edel, a frequent contributor to Special Report, writes extensively on sales promotion.

Promotion growth outpaces advertising growth



Source: Marketing Communications

Manufacturers *emphasize* promotion



Advertising growth rate: 9-10%
Promotion growth rate: 12-14%

Source: Majers Corp., 1985

Trade

(Continued from Page 18)

performance," Mr. Gorman says.

French also uses the data to fine-tune its marketing program according to geographic areas and other marketing factors. In one instance, the company was able to trim 15% to 20% on promotions for its Sauce & Gravy brand while maintaining the same level of sales.

Perhaps nowhere does the competition focus more strongly on trade promotions than in the soft drink industry. And for this reason, both PepsiCo and Coca-Cola rely heavily on research to track each other's moves and determine the effects of promotion on volume and profits.

Pepsi-Cola uses SPAR data to track off-shelf display execution, says G. Michael Calvert, director-sales communications for Pepsi-Cola Bottling Group, Purchase, N.Y. SPAR's Thursday night survey keeps tabs on display size, price markings and p.o.p. locations, reporting by Friday morning in time for corrective action to maximize weekend retail sales.

Assuming Pepsi-Cola could effect a 10% improvement in display execution, Mr. Calvert says, the result could be a tremendous increase in volume sales. Just how much better is shown in two Point-of-Purchase Advertising Institute-Du Pont studies of the drugstore and grocery trades, which found that advertising combined with in-store displays improved sales between 500% and 750%.

Pepsi-Cola is concentrating on displays in an attempt to reduce its reliance on promotions in building sales volume. "Ultimately, you don't get the pull through from the consumer if your product is on promotion all the time," Mr. Calvert says.

Even his competitors agree. The danger in discounting, says Bruce Mommsen, senior vp of Coca-Cola Bottling Co. of New York, Greenwich, Conn., is that it promotes consumer brand-switching, eats into profits and intensifies competition.

On the plus side, trade promotions do encourage increased consumption, but at what cost? Mr. Mommsen says. Given the price range for a 2-liter bottle of Coke from 99 cents to $1.59, "that's a hell of a spread," he says.

As a result of SPAR's consulting services, Mr. Mommsen discovered that nearly 100% of sales volume on the 2-liter size was sold with some form of promotion, with very little incremental volume. Presumably the same was true for leading competitors in the New York area.

"What has happened is that we get our week, and they get theirs," Mr. Mommsen says. As a result, brand loyalty has declined steadily from a high of 60% many years ago to about 20% today, he says.

But Mr. Mommsen's company, the second-largest Coke bottler behind Coca-Cola U.S.A., is making promotional changes. It eliminated certain off-week deals and reduced the frequency of discounts.

The changes might not seem like much, but even slight alterations in the discount formula could result in huge changes on the bottom line, Mr. Mommsen says. With sales of 80 million cases a year, if Coca-Cola New York can shave a penny off promotions on a package selling for $1.25, it could net almost $1 million. The profits then could go to stockholders or into more sensible promotions and ads.

"What we're attempting to do is spend a little bit smarter," Mr. Mommsen says, with the eventual goal of narrowing the spread between regular wholesale and discount pricing. "We'd like to see Coke at a price level that's attractive to the consumer everyday."

"Everyday low pricing" has become a buzzword in the grocery industry, a fact partially due to excessive trade promotions. But what if every marketer suddenly decided to stop?

"If tomorrow they stopped dealing products," Lucky Stores' Mr. Fredericksen says, "the retailers would have to do more volume or raise prices." AA

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Movie

(Continued from Page 19)

tickets to radio stations to award callers. The fact that radio stations also benefit from these promotions makes them especially popular.

Many close to the film industry believe that the proliferating placement business is due for a shakeout. "They're only about a hundred companies that are really interested in getting involved in film promotions," Mr. Minot says. "With so many [placement agencies] falling all over each other for their business, it gets confusing. The sizzle overcomes the steak."

This new chapter in Hollywood-style promotions has had an unerasable impact. For target-conscious advertisers and hype-seeking studios, it's a match made on Madison Avenue. And, for a product-fascinated society, which has been known to elevate soup and soda cans into the realm of high price art, it must be heartening to know that certain detergents and cereals will be enshrined forever on celluloid. AA

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Promotions add fizz in soft drink business

By Sally Fennell Robbins

Promotions in the soft drink industry are beginning to explode as producers and bottling operations take a more imaginative and aggressive approach to local market activities.

"Historically, the business has been characterized by trade deals," says Jeffrey Feinman, president of Ventura Associates International, New York. "It's been only recently they're looking at aggressive promotions. The industry woke up to the fact that the business could be affected by consumer promotion."

Mr. Feinman says he believes soft drink companies will give promotion "more than lip service. It will be an active part of the marketing mix."

With the consolidation and reorganization of bottlers in recent years into larger, more efficient operations, their efficiencies are generating larger margins for promotions. As Mr. Feinman says: "Many bottlers have bigger budgets than most brands."

Consequently, more localized promotions are being developed by bottlers and their franchises that capitalize on the opportunities in their markets. In some cases, local promotions are so successful the parent company adopts them into national campaigns for their bottler organizations to consider. For example, Alpac Corp., Seattle, originated the Little Pepsi Identification promotion in the fall of 1983 as a public service for parents with missing children. Pepsi-Cola adopted Alpac's program last year and is offering the Pepsi-Cola New Generation ID Card to its bottlers nationwide.

"Parent companies are faced with stronger and more sophisticated bottlers," says George Baratta, vp-marketing, All American Bottling, Coral Gables, Fla., which operates franchises in nine cities. Mr. Baratta says soft drink companies are "getting a lot more performance, cooperation and good ideas from bottler feedback."

National programs developed by parent companies are considered and, in most cases, adapted by bottlers to appeal to the demographics of their markets.

"We take ideas Pepsi presents and mold them to be compatible with our customers and the trade," says Leslie Meagley, pr manager, Alpac Corp., a Pepsi franchise for Hawaii, Alaska and Washington. On her promotional drawing board is a tie-in with the Tina Turner rock concert tour Sept. 29 in Tacoma, Wash.

Image positioning promotions and segmentation will continue to be important. For example, Pepsi's Walk Thru Rock traveling exhibit to 24 cities, beginning Sept. 11 and ending next summer, is part of its music marketing thrust.

PepsiCo signed a $1 million deal with Walk Thru Entertainment, a Denver-based company, to be the exclusive sponsor for the exhibit. It has the right to market promotion materials through Pepsi's distributors and tie-in opportunities in each market through its bottlers (AA, April 8).

Coca-Cola and its "new" Coke brand will continue a fall tie-in with Coleco Industries, but this year the sweepstakes will raise money for the Statue of Liberty instead of the March of Dimes.

The campaign, called "Support the Lady and Share the Love," will run from mid-October through mid-November and will be supplemented by radio, tv, print advertising and point-of-purchase materials.

Consumers donating $5 or more to the Ellis Island restoration project will receive Cabbage Patch Kid doll posters. The sweepstakes will award 5,000 dolls. Bottlers will receive a Statue of Liberty school program, combining education, fund-raising and contest.

In promotion trends, "There'll be more tie-ins, nationally and locally, with nontraditional partners," says John Young, president, Universal Promotions, Philadelphia.

Partnerships with package goods and consumer service companies "can take a lot of different forms to increase awareness and purchase incentives. Soft drink people are beginning to offer value-added promotions instead of couponing, refunding or something free." Such value-added enhancements, Mr. Young says, could include combinations with air carriers, cruise ships, hotels and vacation packages.

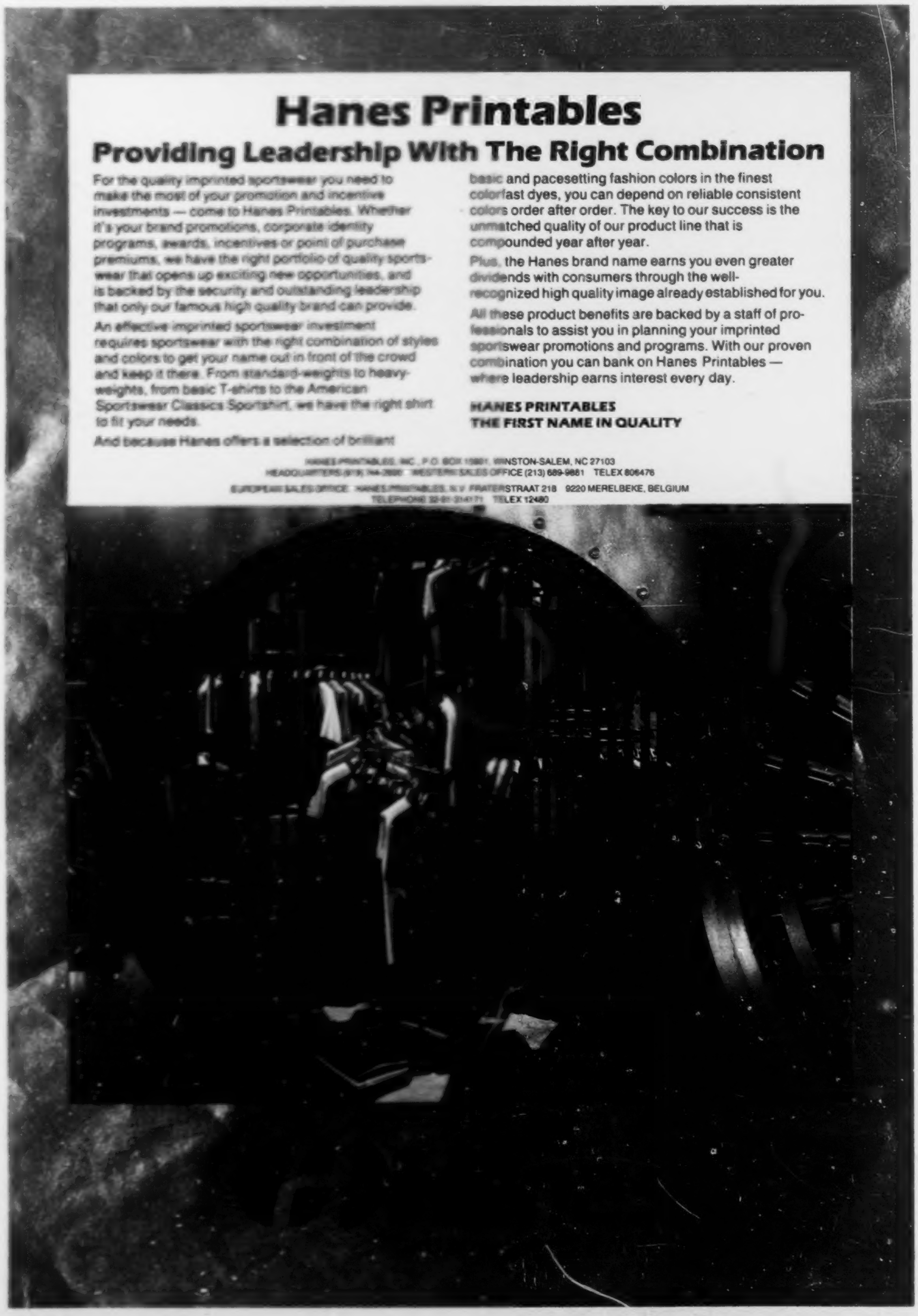
"Cola marketing is taking a more package goods discipline [approach]," says Ellis Gaskell, director-promotion programs for Pepsi-Cola Co., Purchase, N.Y. There's a lot of experimentation being done on a tie-in basis, particularly given the pressure within the industry to avoid price competition, he says.

Pepsi-Cola tied in with Gillette Good News razor blades this year with a deal that featured 10-pack razors and Pepsi 6-packs. "The verdict is still out" on the success of the campaign, Mr. Gaskell says.

According to Peter Swift, vp,

(Continued on Page 26)

Sally Robbins is a New York-based free lance writer and promotion consultant.



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Fizz

(Continued from Page 24)

Glendinning Associates, Westport, Conn., "The challenge [of promotional tie-ins] is executionally with the bottlers. Who pays?"

In the more traditional techniques used in the soft drink business, in-pack and on-pack games of chance will continue as an effective tool among bottlers. In addition, sweepstakes are seen as important to focus a communications statement and generate displays and dealer loaders, premiums retained by stores or offered to consumers to secure secondary display space. As an overlay to couponing, sweepstakes can increase redemption by 30%.

Couponing will continue to be widely used. In 1983, distribution of coupons in the soft drink category was 4.3 billion units, or 3% of the 143 billion distributed by all U.S. marketers, says Zachary Tahmin, manager of the business research packaging sector, American Can Co., Greenwich, Conn.

American Can's analysis, based on data compiled by A.C. Nielsen Co., expects its 1984 forecast to be on target with a total of nearly 170 billion coupons distributed. Mr. Tahmin says, "the 1984 figure [for soft drinks] will probably approach 4.5 billion to 5 billion coupons."

Mr. Tahmin projects the 1985 figure for soft drink coupon distribution to exceed 1984, "since there's a lot of fighting for shelf space."

At Coca-Cola Bottling Co. of New York, for example, there has been a recent fueling of coupon activity. "We've dropped more coupons in the last year than we have during the past 10 years," says James Patton, vp-advertising and promotion at the New York bottlers. He primarily uses local newspapers or in-store tearoff pads as vehicles.

Some bottlers say more free-standing inserts are being used to announce consumer promotions.

As an intensely price competitive industry—90% of soft drink volume reportedly is sold at discounted prices—trade deals will continue to flourish.

"There'll be more end-aisle and price features done through price promotions in supermarkets," says Michael J. Enzer, president of Saxton Communications Group Ltd., New York, and president of the Council of Sales Promotion Agencies, New York.

Accelerating trade deals, he says, is the drop in the price of sugar. As a result, "The bottler has more dollars available to reduce the cost of soda and still make a profit."

For soft drink canners and bottlers, nonprice promotions have increased sales, whether the concept is under-the-crown, under-the-tab or the relatively newer in-the-can technique developed in 1982 by Continental Can's Beverage Packaging division, Stamford, Conn., working with Videojet Systems International, a division of A.B. Dick Co., Elk Grove Village, Ill.

It allows promotional coding to be printed inside the can using ink jet equipment.

For New York and Mid-Atlantic Coca-Cola bottling companies, UTC "Fun Cap" promotions have been successful as tie-ins with participating partners in their respective trading areas.

At Mid-Atlantic Coca-Cola, its third annual Fun Cap promotion, which runs July through mid-September, ties in with Hardee's, Baskin Robbins, Waldenbooks, Commodore and the area Dodge dealer, says Paula Scanlon, director-advertising and promotion.

"Every cap is a winner," she says. "We have had a high consumer response. Our research survey indicates the Fun Cap name has an 80% awareness. Fun Cap promotions are an incredible administrative task, but they're good for all partners. It's a 'win-win' situation," Miss Scanlon says.

For Coca-Cola in New York, Fun Caps are used as an "umbrella, on-going consumer promotion," says Bruce Mommsen, senior vp-marketing. "We bring in as many partners as possible and convert the advertising. If we spend $500,000, we'll get $1.5 million from partners."

Mr. Mommsen says Fun Cap promotions also are used for one or two national overlay promotions, as well as five to six different local offers on-can that range from New Jersey-based Great Adventure to Radio City Music Hall for price-off on ticket purchases.

In the Midwest, several major bottlers prefer ITC promotions over UTC for security, flexibility and consistency of performance.

"In-the-can promotions are more legible and there is no way consumers can tamper with it," says Ralph LaPoint, chairman, Wis-Pak Co-Op Advertising Committee, La Crosse, Wis. The company is a five-state Pepsi bottling co-op.

This year, Wis-Pac extended its second year Homerun Countdown Baseball sweepstakes promotion with the Milwaukee Brewers to include the Chicago Cubs and the Minnesota Twins, whereby bottlers in the three states participated. In-can instant prizes included a free Pepsi 6-pack, free pair of tickets to a baseball game, and $100 and $1,000 cash. All eight Pepsi products were involved. The promotion was tied into the All Star game. During the break, owners of cans marked with specific home run numbers were eligible to win $10,000 and a car.

As soft drink consumption continues to grow, so will the ante in consumer promotions. In the battle for shelf space, however, the winners remain to be seen. ■

Promotion dollars pop
($ billion)

	Couponing	P.O.P.	Promo/adv. space
1984	3.4	10	7.2
1983	2.7	8.8	5.9

Source: Marketing & Communications, New York

Fun Caps.
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Coke

Fun Cap promotions have been successful for New York and Mid-Atlantic Coca-Cola bottling compenies.

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Lottery targets minorities

Coca-Cola Bottling Co. of New York, has launched a 12-week lottery in four New York boroughs and in Newark, N.J., in a distribution promotion aimed at increasing penetration of small, Spanish-language grocery stores—called bodegas.

"Get Rich with Coca-Cola," budgeted at between $700,000 and $800,000, according to Bruce Mommsen, senior vp-marketing, kicked off Aug. 5—after being preceded by a direct mail coupon package announcing the lottery to 830,000 black and Hispanic households.

For the first time, the company used Donnelley Marketing Information Services' Cluster Plus program—analysis clusters life style segmentations within geographic neighborhoods.

The ethnic households targeted for Coca-Cola received a game piece and instructions, plus four coupons; two for Coke and one each for Cherry Coke and Sprite.

The distribution promotion, involving all 15 Coca-Cola products, is seen as an important part of maintaining the bottler's competitive edge.

"We should be as competitive on the consumer promotion side as we are on the cents-off side. The decision is made at the store level so we want to give them as many choices as we can," says James Patton, vp-advertising and promotion.

The ethnic promotion is aimed at dealers and has two consumer tiers—instant winners and a sweepstakes.

On a buy of 25 cases, the dealer gets 300 game cards, which automatically enters him in a weekly cash prize drawing and eligibility to vie for a Ford Thunderbird grand prize.

WJIT (am), New York, announces weekly dealer winners for the trading areas, and each dealer winner receives $1,000. Mr. Patton says the company hopes to get 5,000 dealers involved in the promotion.

Consumers can be instant winners or vie for a Ford Thunderbird grand prize, as well. The ruboff game cards, available in-store, have three areas to match. Prizes include a 19-in. color tv, a boom box radio, $25 or a Coke t-shirt.

All entrants send their game cards to WNJU-TV, Teterboro, N.J., a Spanish speaking tv station, to enter a weekly drawing for the grand prize. Announcements will be made on the 11 p.m. news Wednesdays. Winners get $1,000 in cash. Similarly, WBLS (fm), New York, an English-speaking station, will announce winners, as will WADO (am), New York, a Spanish-language station.

A specially produced 30-second spot will support the promotion (Castor Spanish International, New York) and will air throughout the lottery on WNJU. Also, there are 30 60-second radio spots and print advertising in black and Hispanic newspapers.

—S.R.

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Tv stand-alone 15s make inroads at nets

By VERNE GAY

New York—Within a day of CBS-TV's Aug. 9 announcement that it would become the first network to sell stand-alone 15-second ad units (AA, Aug. 12), ABC-TV had advertisers on the phone telling them they, too, would probably begin selling 15s shortly.

NBC-TV is expected to follow suit soon, though one source said there was no time pressure, and the other nets may wait to see how the CBS venture turns out.

CBS, which like ABC is selling 10s only in prime time and daytime news and sports breaks, said it made the move to 15s because more advertisers have 15-second commercials ready than 10-second spots.

Advertisers and agency media executives acknowledge that the growth during the last year of "split-30s," in which two separate brands from the same advertiser split a single 30-second spot, has resulted in a large bank of 15-second commercials.

But many also saw the networks' action as a sign that 15-second spots eventually would replace 30-second commercials as the standard network unit.

That would not happen overnight. If 15s became the standard immediately, tv networks would just as quickly double their available inventory and it is doubtful advertiser demand could keep pace.

About 20% of all network inventory is available for split-30s, but less than 5% is used by advertisers, said Bob Igiel, senior vp-director of programing and network negotiations at N W Ayer.

"What's really going to happen is [the networks] will have to go to isolated 15s—that's that," he said. "The demand is not there."

Other agency executives speculated the concept would grow, with the networks gradually raising the price of a 15-second spot to the current level of prices for 30-second spots—a process similar to the earlier switch from 60s to 30s. "I can see [the sale of the 15-second unit] expanding," said Richard Kostyra, senior vp-media-director, J. Walter Thompson USA.

JWT and ABC jointly have been studying the effec-

(Continued on Page 74)

Neiman Marcus

Neiman's haughty couture

Dallas-based Neiman-Marcus breaks its first major tv effort outside of Texas with two spots starring a typical N-M customer. A fall fashion spot airs early September in Chicago and San Francisco. Arnell-Bickford Associates, New York, produced; placement is by Infomarketing, New York.

Foe will sample New Coke worldwide

Pepsi 'introduces' Coke

By VALERIE MACKIE

Pepsi-Cola International will hold press conferences in 30 cities around the world Tuesday, Aug. 20, where it will "introduce" Coca-Cola Co.'s New Coke.

Pepsi's move is seen as an effort to take the steam out of Coca-Cola's introduction of New Coke overseas. Pepsi agencies J. Walter Thompson Co. and Ogilvy & Mather are setting up the press conferences.

Coca-Cola has not rolled out its reformulated version of Coke internationally, except in Canada and Puerto Rico. The company has "no timetable" on when it will introduce the new product overseas.

Last Friday, invitations to a press conference on Tuesday were distributed in London saying "Pepsi-Cola International would like to invite you to the most unusual press conference ever held. . .to introduce you to SOMEBODY ELSE'S new product." Similar invitations were circulating in other countries.

Though Pepsi gave few advance details, several sources speculated that the press conference will involve a taste test.

Rumors started flying around the world last week that Pepsi was going to introduce Pepsi Supreme, a less-sweet version of its flagship brand with a Classic-Coke flavor.

When asked about the rumors, Pepsi sources said, "We are definitely not planning any new product introduction" and "the rumor is unfounded."

But other sources in London and Australia indicate that the press conferences and Pepsi Supreme "could be related."

One source at Ogilvy & Mather, which was implicated in the rumor as handling the new product introduction, said "We know nothing about Pepsi Supreme."

Pepsi, which is outsold by Coke in every overseas market except about four, admits it has been exploring new international approaches.

In earlier talks with Robert

(Continued on Page 8)

Okla. in wry twist

By CURT AUTRY

Oklahoma's liquor commission has released a list of seven "safe" words it feels will allow bars and restaurants to advertise drinks without violating a state ban on liquor advertising.

Acceptable: Bar, cocktail, lounge, drink, beverage, frozen drink and happy hour.

Forbidden: House special, screwdriver, any liquor brand name and any term used to describe a mixed drink.

"We would've drafted a list of words that are off limits, but we didn't have enough paper," said

(Continued on Page 72)

Last Minute News

Warner-Lambert makes $11.5M radio buy

Morris Plains, N.J.—Warner-Lambert Co., via Ted Bates Advertising/New York, is negotiating an $11.5 million upfront network radio buy, perhaps the biggest upfront deal this year, sources say. Due to flat sales of several brands this year, the company has asked the networks not to apply any rate increases. Some of the W-L brands included in the buy are the Chewels, Bubblicious and Trident gum products.

Austin, Nichols may be reopening search

New York—Austin, Nichols & Co., marketer of Wild Turkey bourbon and other spirits and wines, had no comment last week on reports that it has reopened an agency search. Calvillo, Shevack & Partners now handles the $8 million account. Austin, Nichols called off a search last spring after its French parent, Pernod Richard S.A., entered an agreement with Heublein Inc., Farmington, Conn., for Heublein to become Austin, Nichols' sales agency in the U.S. (AA, May 13, *et seq.*).

LHS&B regains airline account with N.Y. Air

New York—New York Air has moved its $8 million account to Levine, Huntley, Schmidt & Beaver from Bloom Agency. LHS&B has had no airline account since People Express followed Larry Plapler to his new agency, now called Plapler, Russo & Wilvers (AA, Oct. 18, '82). Separately,

(Continued on Page 8)

D.C. wives aim at MTV; ads next?

By STEVEN W. COLFORD

Washington—After squeezing a promise from the recording industry to label sexually explicit recordings, a group of politically connected Washington wives is taking on music videos and, perhaps, advertising.

Susan Baker, wife of Treasury Secretary James Baker and a founder of Parents Music Resource Center, said the group hopes to meet again with representatives of MTV: Music Television, the 'round-the-clock video machine cranking out minimovies PMRC thinks are sometimes unsuitable for young viewers.

An earlier meeting with three representatives from MTV failed to mark any progress towards the group's hopes for music videos—an "R" rating superimposed on an offending film to inform parents.

Ms. Baker said the group also "would like to talk to the [advertising industry] trade reps. . .about their using sex to sell products."

"Rock music is only one portion of society [where] the line of de-

(Continued on Page 72)

Rate-break charges shake Seven Sisters

By STUART J. ELLIOTT
and GARY LEVIN

A renewed outbreak of rate-breaking among the Seven Sisters women's service magazines has roiled the advertising and media communities.

The latest instance of offering certain advertisers rates not on the rate card is what is being described as a two-for-one plan from *Better Homes & Gardens*: One page free with one page bought by advertisers meeting certain minimum page-purchasing levels.

The offer, an apparent reversal of a long-standing policy of parent Meredith Corp. against such wheeling and dealing, was said to have been made first to Procter & Gamble, and reportedly will be extended to other large marketers. It follows an offer *BH&G* made to P&G in 1983, under which a buy of six pages brought two free.

The new rate-breaking is said to have been precipitated by a sharp decline in *Better Homes & Gardens'* ad pages from Cincinnati-based P&G, the nation's largest advertiser, after the eight-for-six plan expired. According to one rival publisher, P&G's ad pages in *BH&G* had dropped to six from 92.

While confirming a drop in P&G pages, James Autry, general manager of Meredith's magazine group, declined to be more specific, and said any discounts offered that company would also be granted to other large-scale advertisers.

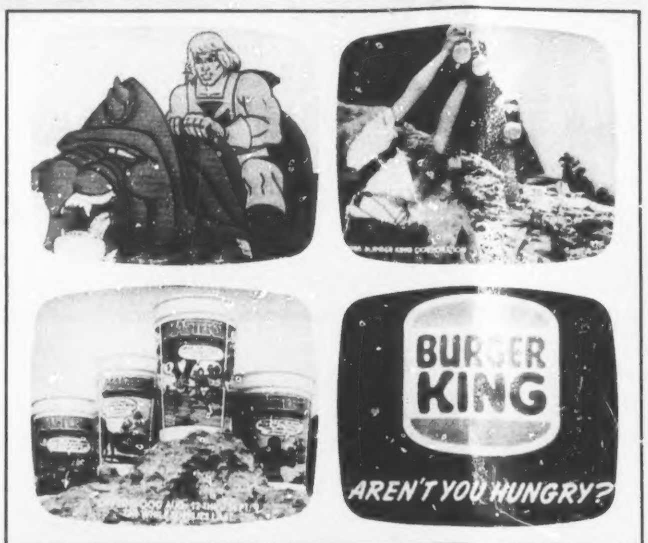
A P&G spokeswoman refused to comment on the level of its advertising in *BH&G*, but said the company plans to continue its placements in the magazine.

"We're not receptive to selling to people off the card, but at the same time that's one of the competitive considerations of the marketplace, and we will remain competitive," said J. Wesley Silk, vp-publisher of *BH&G*. He refused to outline specific discounts offered to advertisers.

At a spring planning session, Mr. Autry said, Meredith agreed to let the company's individual publishers decide, with management approval, when discounting was needed to effectively compete in the marketplace. Robert Burnett Meredith's president, has previously said the company is philosophically opposed to such practices.

"We won't make deals over the lunch table as the

(Continued on Page 70)



He-Man meets Burger King

A new children's promotion from Burger King, Miami, features tv cartoon hero He-Man and other Masters of the Universe characters in a four-week, $20 million campaign. The promotion, supported by two 30-second animated tv spots, offers special BK meal packs and cups. J. Walter Thompson USA, New York, handles.

Highlights

Crain's New York Business has acquired *New York CityBusiness* and is merging it into *Crain's*, ending a battle between the two area business newspapers. *See Page 3.*

Japan Air Lines is suspending its advertising worldwide "for at least three months" after the crash recently of a JAL Boeing 747 that killed 520 passengers—including eight advertising executives—in history's worst single-plane air disaster. *See Page 4.*

The Bureau of Alcohol, Tobacco & Firearms may issue a ruling soon that will lower the level of alcohol permitted in any malt beverage seeking "nonalcoholic" or "alcohol-free" status. *See Page 4.*

SNOWY
ALL FABRIC
BLEACH

Clorox Co. has ruled the $500 million bleach market for 67 years, but an undercurrent of change has been in evidence during the last few months with the introduction of Vivid all-fabric liquid, a liquid version of Snowy to go with its powdered bleach that's been around since 1950 and new Lysol Laundry Sanitizer. *See Page 10.*

Coca-Cola, still scrambling to explain its new Coke gaffe and the foreign manufacture of its clothing line, has come under fire by The Sugar Assn. for using corn syrup instead of real sugar in its soft drinks. *See Page 12.*

K mart Corp. has signed Wendy's International as a tenant in a one-store test in a Detroit suburb, with the possibility of a large-scale alliance between the discount and fast-food chains. *See Page 14.*

INTERNATIONAL

McDonald's Corp.'s decision to replace Leo Burnett Co. in France with a hot local agency is a clear signal to ad agencies the fast-food giant is not interested in having one shop handle all its international business, McDonald's sources say. *See Page 40.*

Finding 15,000 untarnished, newly minted pennies was only half the battle in photographing a national print campaign for Pitney Bowes electronic postal scales in Canada. The other half involved stacking the pennies into separate columns strong enough to hold the heavy scales. *See Page 40.*

Havas Conseil Marsteller, London, clinched the $16.8 million Peugeot Talbot U.K. account by buying a second agency in London and hiring away the top people who handled the account at D'Arcy MacManus Masius, its former shop. *See Page 42.*

VIDEOTECH

Showtime is touting its collection of 52 episodes of "The Honeymooners" with its biggest and most expensive campaign for a single program, hoping it will pull viewers to the pay tv service. *See Page 58.*

DIRECT MARKETING

The Coupon Counter, the most promising of a number of companies engaged in automated in-store coupon distribution, has filed for protection under Chapter 11 of the federal bankruptcy codes. *See Page 50.*

Good Neighbor supermarket bulletin boards are providing direct marketers an effective method of increasing sales through distribution of brochures offering numerous goods and services. *See Page 50.*

New York Telephone has launched a direct-mail campaign designed to educate its public telephone agents about the benefits of staying with New York Tel. *See Page 52.*

COMING THURSDAY

SPECIAL REPORT

An improved economy and fare and rate wars have consumers moving and the travel industry expecting 1985 to be a good year for growth. Special Report looks at some of the activity in the tourism, lodging and transportation businesses.

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New promo tie: Sponsor a bowl

By ROBERT RAISSMAN

You can call it the (YOUR NAME HERE) Holiday Bowl.

In a move likely to spark a trend among second-tier postseason college football bowl games, the Holiday Bowl is actively pursuing a corporate sponsor to attach its name to its San Diego-based bowl.

The move is significant because it ultimately could shift the balance of power of all bowls, with the exception of the big four—Rose, Orange, Sugar and Cotton—in the eyes of the three networks. The money the Holiday Bowl would pick up from the corporate sponsor would go directly to increasing appearance fees. This would lead to matchups of teams with more marquee value in future Holiday Bowls, and thus increase its value as a tv property.

Also, with tv sports ratings in a period of decline and an uncertain advertising sales future prevailing, a network might welcome a bowl bringing some kind of title sponsor as part of a bowl game package, according to a network source.

Sources said Holiday Bowl officials were looking for "a seven-figure" payout from any corporation interested in becoming the game's corporate sponsor.

Michael Trager, chairman of Greenwich, Conn.-based Sports Marketing & Television International, the company marketing the Holiday Bowl, declined to say how much money the Holiday Bowl is looking for from a corporation.

"The Holiday Bowl is looking to raise its payout [to teams] so it can control the next tier of teams," Mr. Trager said, referring to the pool of teams not selected for the four major New Year's Day bowl games. "There are a lot of teams who aren't picked by the four major bowls who are major powers. The way the system is set up is that money usually dictates where they go and play. The Holiday Bowl can

(Continued on Page 70)

Late West Coast news

Wash. tourism ads take a trip to Cole

Washington state department of trade and economic development, Seattle, has chosen Cole & Weber to handle its estimated $2 million account. The account formerly was at Ehrig & Associates. C&W edged out McCann-Erickson in the final stage of competition. Others in the review included: Ehrig, Evans/-Kraft, Livingston & Co. and Mogelgaard & Associates. The state aims to develop Washington tourism and persuade international business, particularly companies in the Far East, to locate in the Pacific Northwest state.

Vic Olesen & Partners, Los Angeles, has named Eric von der Lieth to the new post of general manager. Mr. von der Lieth formerly was senior vp-management supervisor at N W Ayer. Vic Olesen handles the California marketing program for General Motors' Chevrolet division. The appointment, though, reflects the agency's desire to solicit new business and to develop a second level of management.

Davis, Johnson, Mogul & Colombatto, Los Angeles, is starting a Hispanic ad agency within its offices. Julio Castellanos will head

(Continued on Page 70)

Giraldi spots have 'Cheers'-like setting

Coors plans ad 'series'

By BRIAN LOWRY

Adolph Coors Co. is increasing its fourth-quarter ad spending 33% to 50% for a new, unconventional campaign for Coors Light set in a "Cheers"-like bar.

Buoyed by the success of the "Coors is the one" commercials featuring actor Mark Harmon (AA, Feb. 11), the Golden, Colo.-based brewery is initiating what it refers to as "another groundbreaking campaign."

The first pool of ads break Sept. 15, featuring a recurring group of characters in a bar called the Silver Bullet. Coors Light's current campaign is themed "Turn it loose with the Silver Bullet" (AA, Sept. 3), a reference to the beer's silver can.

Six 30 and 60-second spots are currently in production—all directed for Foote, Cone & Belding, Chicago, by Bob Giraldi, director of numerous Lite beer ads for Miller Brewing Co., the light-beer category leader.

The first spot introduces the bar and its four central characters: The owner, bartender and two waitresses. In the first commercial, which will run exclusively for two weeks, Coors hopes to develop friendly, distinctive personalities tv watchers will come to recognize. It ends with the line "Stay tuned, y' hear?" urging viewers to look for the continuous series. Similarly, the Mark Harmon "Coors is the one" spots are tagged "To be continued."

The bar's patrons will change in each spot, though some will become "regulars," similar to the setup in NBC's "Cheers."

The commercials will have the feel of an episodic tv show, creating a sense of realism in contrast to the slick, rock-video format of most beer advertising, Mr. Giraldi believes.

A Coors official said the brewer will be advertising more frequently on network tv, which became more cost-efficient for Coors this spring after its latest wave of marketing territory expansion made its Coors and Coors Light brands available in 44 states.

Coors is the nation's fifth-largest brewer, with a 7.4% share last year, according to consultants R.S. Weinberg & Associates, St. Louis. Anheuser-Busch and Miller Brewing still dominate the market with 36% and 21% shares, respectively. Coors spent $39 million in measured-media advertising last year.

FCB creative director Nina Baker-Feinberg insists the spots' Silver Bullet setting isn't patterned after the popular tv show. "We're not cloning 'Cheers,'" she said. "This has a life and vitality that's very different. It's a warm, friendly bar where you're known; it has that in common with 'Cheers.'"

According to John Maxwell, analyst at Furman Selz Majer Dietz & Birney, and *Beverage Industry* magazine, sales of Coors Light rose nearly 20% last year to 4.5 million bbls., moving it to No. 10 over-all and a distant No. 2 in the light-beer category behind Miller's Lite (18 million bbls.). But the brewer claims the current "Turn it loose" campaign doesn't fit with its new marketing strategy.

FCB executive creative director Mike Rogers said the "Turn it loose" ads "were not addressing the real beer drinker, or the primary occasion for drinking beer, which is 'social lubrication.'" Coors wants to approach the average beer drinker on his level, as seen in the folksiness of the Harmon ads for the company's other brand.

Mr. Giraldi sees the ads as a backlash against the prevailing mode in beer advertising, which is "slick, silly songs and dances." The rare occasions where the advertiser attempts to create a feeling about the people in the ads, he noted, are reserved for celebrity spokespersons.

According to Ms. Baker-Feinberg, the Silver Bullet bar campaign will explore a gamut of emotions—some of them bittersweet, a marked departure from "old-style, macho-man beer advertising."

In one 30-second commercial, for example, one waitress describes her dream man to the other, only to have a dead ringer for the description walk in and sit down beside her during the narrative.

Great pains have been taken to make the bar "Anywhere, U.S.A.," purposely devoid of references to the bar's location. None of the actors have accents and the music is a middle-of-the-road rock/-country & western mix. Each commercial begins with an exterior shot of the bar taken from a miniature, the lyrics asking "Who's gonna be at the Silver Bullet tonight?"

The spots will include a broad ethnic mix, including a commercial featuring Hispanics sitting around the bar asking each other trivia questions. One of those characters will become a regular.

The soft-sell commercials won't make direct references to Coors Light, except to show customers ordering the product and waitresses, clad in silver-metallic "Meet me at the Silver Bullet" t-shirts, hauling trays of it past the camera.

Ms. Baker-Feinberg said the brewer is negotiating with a few celebrities as possible guest patrons, though nothing has been finalized.#

WHY BE A LITTLE FISH IN A BIG POND?

BECAUSE YOU'RE JUMPING IN WITH BOTH FINS, OUR ADVERTISING IS MAKING A BIG SPLASH.

Our "Big Fish" campaign, and your overwhelming response to it, prove that our industry works for all of us. More advertisers than ever are streaming into our pond. And they're turning into some pretty big fish.

Thanks for jumping into our pond. We'd like to shake your fin.

BE A BIG FISH.

BEAM COMMUNICATIONS

WCFT-TV, CBS, Tuscaloosa, AL
WDAM-TV, NBC, Laurel-Hattiesburg, MS
KYEL-TV, NBC, Yuma, AZ - El Centro, CA

Represented by Katz Continental
©1985 Beam Communications Corp

For Camp followers

Camp Beverly Hills, the retailer, becomes Camp Beverly Hills, the fragrance, with a California attitude but bicoastal style (AA, Aug. 5). The ad, created by Harold Griffin & Associates, is set off by California color and clothes playing off an oversize version of the scent and packaging.

Blank tapes from 3M get prerecorded ads

By LAURIE FREEMAN

The new high-grade videocassette 3M Co. will introduce this fall is both a new product and a new advertising medium.

The Scotch EXG "Freeviews" Review videocassette is a sort of joint venture between 3M and several major home-video distribution companies since the videocassette 3M will sell already will include up to an hour of prerecorded "trailers" for films and other video titles, including "how-to" and exercise tapes (AA, Aug. 12).

The cassettes then can be erased, producing what the St. Paul, Minn.-based company calls a "virgin" or blank tape. The tapes will retail for $9.99, about the same as for other top-grade blank tapes.

Companies already signed to supply trailer material include CBS-Fox Home Video, Karl-Lorimar, MGM/UA Home Entertainment, Paramount Home Video, Prism and Vestron Video. 3M is not charging the distribution companies for including trailer ads for their video products.

3M will unveil the "Freeviews" videocassette during the annual Video Software Dealers Assn. meeting in Washington at the end of this month (AA, Aug. 12). The first edition of the tape will be available at retail in October.

Grey Advertising, Minneapolis, will handle an estimated $3 million trade print campaign introducing the tape to videostore owners, dealers and distributors. No consumer advertising is planned.

This will be the first time blank videocassettes will feature prerecorded material. Although a Grey spokeswoman admits some vcr users may balk at purchasing this kind of cassette, "we're confident consumers can be educated to realize these tapes erase as well as regular, high-grade blank tapes."#

CAMPAIGNS BREAKING

Ralston Purina Co., St. Louis, today begins couponing for Almond Delight cereal. Tv breaks Oct. 7 and print in October issues of women's service magazines. Tatham-Laird & Kudner, Chicago, handles the $20 million account (AA, July 8, 15).#

SCRATCH PADS
Volume manufactured custom pads for great reminder advertising
pci Paper Conversions Inc
6761 Thompson Rd. N. Dept. P
Syracuse, NY 13211 (315) 437-1641

NOTE CUBES
Edge-printed cubes sell products & services via a unique 4-color process
ICC International Cube Corp
6759 Thompson Rd. N. Dept. C
Syracuse, NY 13211 (315) 437-9812

CORRECTIONS & CLARIFICATIONS

- Information supplied by the Bloom Agency reported incorrectly that Anderson Clayton Foods would be moving its headquarters to New York from Dallas (AA, June 24, P. 8). In fact, only the foods marketing staff moved to New York to join Anderson, Clayton & Co.'s Gaines Foods subsidiary, which as of July 1 assumed responsibility for marketing Seven Seas salad dressings and Chiffon margarine. Bloom has shifted its account team for the products to Bloom's New York office.
- In the Hearst Corp. profile in the 100 leading media companies issue (AA, June 27, P. 36), the sports publication dropped by the *Baltimore News American* should have read *Sports First*. *Sports Afield* also inadvertently was omitted from the list of magazines published by Hearst.
- The agency for the professional advertising for Colgate-Palmolive Co.'s Dentagard line is Wilk & Brichta. Young & Rubicam, New York, handles consumer advertising (AA, July 1, P. 8).
- The article naming Miller Brewing Co. and J. Walter Thompson USA as winners of ADVERTISING AGE's Commercial Music Award (AA, July 18, P. 5) failed to credit Pat McManus and Bob DiPiero, who wrote the song "American Made," from which the Miller campaign's music was adapted.
- The *Denver Post*, which is carrying Gannett Co.'s *USA Weekend*, is continuing to publish its locally edited *Empire* Sunday magazine, and the newspaper says Metropolitan Sunday Newspapers continues as rep for the magazine. A story had said that MSN lost the *Post* as a client (AA, July 29, P. 1).#

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

August

Art & antiques

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Artist	63.7	52.2	566.5	548.4
Antiques	102.5	119.5	1,108.6	1,116.6
Art in America	80.0	74.0	825.0	857.7
Southwest Art	71.5	88.2	615.7	663.7
Total Group	**317.7**	**333.9**	**3,115.8**	**3,185.7**
% change		**- 4.9%**		**- 2.2%**

Auto/cycle/rec. vehicles

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Autoweek (52X)	130.1	135.7	1,006.7	926.7
Car & Driver	74.2	74.1	842.2	747.8
Car Collector & Car Classics	16.1	17.9	148.9	154.5
Car Craft	79.5	70.2	607.1	574.7
Circle Track	47.9	51.5	428.1	376.2
Cycle	43.9	34.9	444.7	386.3
Cycle Guide (11X)	26.7	27.2	350.0	348.9
Cycle World	—	—	—	—
Dirt Rider	23.0	21.1	266.0	216.2
Dune Buggies & Hot VWs	101.7	85.1	739.8	652.3
Family Motor Coaching	131.5	138.4	1,199.2	1,180.5
4 Wheel & Off-Road	77.8	74.4	600.1	578.6
Four Wheeler	89.2	91.0	691.3	604.6
Hot Rod	55.8	56.4	499.3	480.0
Motorcyclist	36.1	27.9	332.2	308.8
Motor Trend	72.3	56.0	629.4	497.7
Motorhome Life	99.9	91.8	798.8	728.2
Road & Track	96.9	101.2	889.7	814.7
3 Wheeling	60.2	31.2	457.9	241.4
Trailer Life	109.7	114.7	1,018.4	1,022.7
Total Group	**1,372.5**	**1,300.7**	**11,949.8**	**10,840.8**
% change		**+ 5.5%**		**+ 11.3%**

Boating & yachting

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Boating	—	—	—	—
Chesapeake Bay	30.5	25.3	261.3	220.8
Cruising World	98.6	106.9	1,005.5	1,091.0
Lakeland Boating (10X)	66.5	66.8	529.5	477.8
Motor Boating & Sailing	127.9	125.2	1,342.1	1,305.3
Sail	108.3	140.1	1,050.6	1,112.0
Sea	37.6	52.8	402.6	476.1
Small Boat Journal	40.6	34.8	194.0	174.6
Trailer Boats	26.[illegible]	22.1	286.5	293.4
Western Boatman	—	—	189.9	102.2
Yachting	130.7	145.2	1,322.9	1,367.3
Total Group	**667.0**	**719.2**	**6,584.9**	**6,620.5**
% change		**- 7.3%**		**- 0.5%**

Canadian

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
L'Actualite	44.8	39.8	463.8	477.2
Chatelaine:				
English Edition A.	5[illegible]	61.8	672.7	729.6
French Edition	41.9	56.7	542.9	611.2
City Woman (5X)	—	—	—	—
Country Home (8X)	—	—	200.5	175.0
Equinox (6X)	—	—	—	—
Financial Post A.	9.2	15.0	243.1	317.9
Flare A.	53.7	44.3	477.0	389.1
Macleans (52X) A.	75.5	70.6	873.1	888.3
Montreal Calendar	19.0	23.0	200.0	780.0
Montreal Ce Mois Ci	20.0	28.5	260.3	300.0
Reader's Digest:				
Canadian-English A.	30.5	38.0	473.4	551.9
Canadian-French A.	19.6	35.4	392.1	483.9
Toronto Life	66.1	54.3	610.7	643.4
Vancouver	61.7	62.5	539.0	505.6
Total Group	**501.8**	**529.9**	**5,948.6**	**6,353.1**
% change		**- 5.4%**		**- 6.4%**

Civic/fraternal

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Legion	27.8	19.2	206.7	193.5
Elks (10X)	14.7	17.4	134.2	157.6
Kiwanis	18.1	15.5	116.5	88.5
Lion (10X)	7.0	5.3	37.7	44.5
Rotarian	7.6	8.2	87.2	90.3
V.F.W. (11X)	30.6	23.5	222.1	182.8
Total Group	**105.8**	**89.1**	**804.4**	**757.2**
% change		**+ 18.7%**		**+ 6.2%**

Comics

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
DC Comics	7.0	5.5	46.5	60.0
Marvel Comics Group	8.0	9.0	54.5	65.5
Total Group	**15.0**	**14.5**	**101.0**	**125.5**
% change		**+ 3.4%**		**- 19.5%**

General

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Health (10X)	—	—	306.9	243.8
American West (6X)	—	—	129.7	81.7
The Atlantic A.	28.6	31.9	358.7	349.3
Audubon Magazine (6X)	—	—	136.5	104.4
Bon Appetit A.	73.1	69.8	647.7	622.6
Changing Times	30.6	30.7	301.1	335.2
Connoisseur	23.3	25.3	425.5	376.4
Consumers Digest (8X)	19.6	20.0	119.3	73.0
Ebony	96.7	101.7	737.9	709.3
Fifty Plus	27.0	21.2	249.8	268.2
Food & Wine	27.5	30.9	364.6	275.9
Games	13.7	16.6	130.2	164.8
Gourmet	53.0	53.0	662.0	580.0
Home Entertainment (8X)	25.3	26.5	154.6	123.6
Harper's Magazine A.	20.9	20.3	199.8	186.9
Life	47.1	44.4	484.4	470.2
Modern Maturity (6X)	42.8	32.9	184.9	155.3
Money	96.7	82.7	926.9	939.0
Moneysworth (4X)	—	—	37.2	40.0
Mother Earth News (6X)	39.4	47.9	179.2	208.9
Mother Jones (10X)	19.2	19.0	114.4	115.5
National Geographic	—	—	—	—
Natural History	22.8	22.9	317.2	320.3
Prevention	58.8	65.6	471.3	553.7
Psychology Today	—	—	—	—
Reader's Digest A.	80.6	63.2	603.5	599.9
Saturday Evening Post (9X)	41.3	40.9	176.3	204.7
Signature	33.7	34.6	412.3	426.5
Smithsonian	57.2	57.8	677.5	633.1
Success B.	—	—	211.1	236.6
Sylvia Porter's Personal Finance (6X)	46.7	38.7	203.3	153.5
Town & Country	94.7	99.7	920.9	1,007.3
Travel	24.0	24.9	354.7	357.3
Travel & Leisure	44.6	50.9	815.5	823.6
Vanity Fair	24.7	18.2	240.1	166.8
Writer's Digest	27.2	20.1	192.6	191.9
Yankee	59.0	66.0	522.1	601.8
Total Group	**1,299.8**	**1,278.3**	**12,969.7**	**12,701.0**
% change		**+ 1.7%**		**+ 2.1%**

Home

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Americana (6X)	27.0	25.1	137.8	145.2
Architectural Digest A.	69.2	85.3	945.0	970.0
Better Homes & Gardens	75.4	84.9	851.8	883.0
Colonial Homes (6X)	—	—	235.3	257.1
Country Home (6X)	23.0	14.7	119.6	68.0
Country Journal	17.1	24.2	233.7	250.0
Country Living	62.7	55.7	519.9	497.3
Dallas/Ft. Worth Home & Garden	105.3	68.7	607.2	565.1
Family Handyman (10X) A.	—	—	406.2	479.8
Flower & Garden (6X)	33.2	25.2	158.8	155.1
Home	29.5	46.3	374.9	426.6
The Homeowner (10X)	27.3	30.8	170.5	159.1
Horticulture	21.3	15.0	293.2	229.3
House Beautiful	62.3	73.1	630.7	699.0
House & Garden	58.2	49.7	712.2	625.2
Houston Home/Garden	112.5	80.0	756.3	770.4
Metropolitan Home	45.4	45.9	477.0	513.8
New Shelter (9X)	—	—	326.9	283.8
1,001 Home Ideas	49.4	38.8	362.2	298.6
Organic Gardening	38.4	50.9	451.1	532.9
Phoenix Home/Garden	—	—	—	—
San Diego Home/Garden	102.7	76.4	625.3	554.7
South Florida Home/Garden	49.9	—	317.1	—
Southern Accents (6X)	—	—	330.0	284.1
Southern Living	103.8	91.1	993.0	1,043.6
Sunset Magazine A.	103.1	97.9	1,117.1	1,091.7
Texas Homes	55.9	70.0	636.5	644.2
Workbench (6X)	—	—	209.9	235.2
Total Group	**1,251.3**	**1,134.7**	**12,706.0**	**12,433.5**
% change		**+ 10.3%**		**+ 2.2%**

In-flight & other passenger

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Aboard Group (7) (6X)	—	—	74.0	55.5
Alaska Airlines	58.4	67.8	388.1	405.3
American Way (26X)	80.9	74.9	882.8	785.4
East/West Network:				
Eastern Review	84.3	95.5	721.3	913.4
Northwest Orient	44.0	33.7	319.5	249.6
Ozark	37.0	36.8	317.0	371.0
PSA Magazine	85.5	120.7	539.0	813.7
Pan Am Clipper	60.7	58.7	467.5	486.3
Republic Scene	39.3	48.5	354.0	478.4
Southwest	92.7	96.3	646.2	733.9
Spirit	—	—	—	—
United	86.7	125.3	694.7	906.8
Western's World	51.7	90.3	386.3	546.0
Halsey Publications:				
Air Cal	49.8	44.1	372.8	375.7
Delta Sky	66.2	59.8	559.9	593.4
Skylite	22.3	15.3	166.6	153.0
TWA Ambassador	56.2	55.7	422.5	467.0
USAir	46.5	42.8	423.7	479.5
Hawaii (6X)	23.4	22.0	193.8	173.9
Pace	73.2	59.8	541.4	466.2
Spirit of Aloha (6X)	22.5	22.8	191.0	177.5
Total Group	**976.4**	**1,052.5**	**7,912.9**	**8,680.2**
% change		**- 7.2%**		**- 8.8%**

Men's

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Esquire A.	62.3	60.3	754.0	705.0
Firehouse Magazine (13X)	—	—	—	—
Gentlemen's Quarterly A.	101.1	151.8	999.7	1,037.7
M Magazine	42.3	57.8	375.4	431.0
Penthouse A.	33.2	41.8	307.5	382.2
Playboy A.	59.0	60.9	562.8	559.1
Total Group	**297.9**	**356.6**	**2,931.5**	**3,066.2**
% change		**- 16.5%**		**- 4.4%**

Metropolitan

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Aloha (6X)	—	—	133.2	116.2
Atlanta	—	—	—	—
Baltimore	90.1	61.4	627.6	464.9
Boston	169.3	154.9	1,178.7	1,078.3
California	72.0	60.2	535.6	483.2
California Living	26.9	40.7	336.5	365.1
Charlotte (10X)	—	—	—	—
Chicago	108.1	116.4	1,012.4	1,003.2
Chicago's North Shore	78.8	77.8	591.1	645.8
Cincinnati	44.9	47.0	419.2	389.0
Cleveland	82.8	79.3	625.7	586.2
Coast (38X)	306.8	394.8	2,165.5	2,455.2
Columbus Monthly	68.6	83.0	526.4	529.0
Commonwealth	—	—	—	—
Connecticut	109.6	96.0	704.2	641.8
Country Magazine	—	—	—	—
D/Magazine, Dallas/Ft. Worth	106.0	118.3	998.7	946.5
Denver	37.8	24.0	244.6	204.6
Grand Rapids	45.7	39.3	392.8	408.6
Gulfshore Life (10X)	63.4	31.1	443.4	507.4
Honolulu	88.3	84.2	493.1	487.9
Houston City	53.3	76.6	549.6	639.3
Indianapolis	46.0	39.5	327.9	314.4
Kansas city	32.5	36.2	249.8	257.7
Los Angeles	223.0	323.0	1,379.6	1,641.0
Louisiana Life (6X)	—	—	220.0	288.7
Madison	57.6	51.0	483.6	364.0
Metropolitan Detroit	56.3	54.1	551.5	386.1
Miami Mensual	40.9	36.0	320.5	309.7
Miami/South Florida	73.8	60.1	711.1	669.8
Milwaukee	61.7	47.1	501.4	317.2
Minneapolis/St. Paul	81.6	83.7	736.4	711.5
Monthly Detroit	47.5	58.6	437.5	503.4
Nashville	41.0	39.0	309.0	304.0
New England Monthly	21.0	9.8	225.4	56.8
New Jersey Monthly	69.0	59.9	466.5	425.2
New Mexico	40.2	41.6	295.9	297.3
Ohio	50.8	45.4	494.0	442.1
Oregon	35.6	27.2	249.8	202.3
Orlando	102.8	92.7	816.5	691.2
Palm Beach Life	38.4	41.5	575.7	580.1
Palm Springs Life	33.4	39.9	824.6	832.6
Philadelphia	113.9	118.7	1,021.3	966.3
Phoenix	148.3	130.1	808.7	702.9
Pittsburgh	66.0	59.6	483.6	479.8
St. Louis	44.5	52.5	427.5	459.5
San Diego	162.2	162.7	1,240.3	1,167.9
San Francisco	50.2	67.9	455.8	557.2
San Francisco Focus	117.8	53.2	691.5	439.7
Texas Monthly	—	—	—	—
Twin Cities	46.9	61.7	445.7	511.3
Ultra	56.7	74.6	532.9	610.4
Washington Dossier (11X)	36.1	43.1	381.7	330.7
The Washingtonian	136.0	142.0	1,157.0	1,115.0
The Virginian (6X)	—	—	229.0	172.5
Total Group	**3,684.1**	**3,737.4**	**30,030.0**	**29,060.5**
% change		**- 1.4%**		**+ 3.3%**

Movie/romance/radio/tv

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Macfadden's Women's Group:				
Modern Romances	19.4	21.7	150.7	193.6
Secrets	19.4	21.7	150.7	193.6
True Confessions	19.4	21.7	150.7	193.6
True Experience	19.4	21.7	150.7	193.6
True Love	19.4	21.7	150.7	193.6
True Romance	19.4	21.7	150.7	193.6
Sterling Women's Group:				
Daytime TV	27.5	28.5	229.0	223.0
Modern Screen	16.5	19.5	58.3	81.0
Movie Mirror (6X)	1.0	20.5	71.5	82.0
Soap Opera Stars	17.6	16.5	77.1	89.5
TV Movie Screen (6X)	8.0	5.0	27.3	15.0
TV Picture Life (6X)	9.0	5.0	24.0	87.0
Total Group	**196.0**	**225.2**	**1,391.4**	**1,739.1**
% change		**- 13.0%**		**- 20.0%**

Music/entertainment

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
American Film (10X)	—	—	—	—
Audio	63.3	63.8	625.0	476.0
Circus Magazine	55.0	39.5	398.0	282.0
Dance Magazine	38.6	45.2	434.1	490.7
Musician	58.4	57.0	464.0	490.1
Playbill	42.6	45.2	378.1	403.8
Record	18.6	23.4	172.4	180.3
Stereo Review	39.4	39.1	303.4	346.4
Video Magazine	73.9	93.3	549.4	490.9
Video Review	50.1	41.2	463.7	421.1
Total Group	**439.9**	**447.7**	**3,788.1**	**3,581.3**
% change		**- 1.7%**		**+ 5.8%**

National Sunday magazines

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Family Weekly (52X) A.	44.3	59.6	386.2	395.4
Parade (52X)	47.8	49.0	399.7	417.5
Total Group	**92.1**	**108.6**	**785.9**	**812.9**
% change		**- 15.2%**		**- 3.3%**

Outdoor & sport

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
Alaska	41.1	34.5	386.3	327.4
The American Handgunner (6X)	—	—	139.0	140.0
American Hunter	25.4	27.1	141.1	141.6
American Rifleman	35.6	38.6	193.9	215.4
Backpacker (6X)	—	—	140.7	172.8
Bass Master (9X) A.	—	—	393.5	349.8
Bicycling (9X)	70.7	95.6	683.0	762.9
Field & Stream	52.3	61.9	726.2	687.4
Fins & Feathers A.	—	—	—	—
Fishing World	15.6	23.8	176.2	190.9
Florida Sportsman	76.4	68.0	836.8	717.2
Flying	42.4	57.0	367.6	362.9
Fur-Fish-Game	—	—	—	—
Golf Digest	81.3	62.8	762.9	769.5
Golf Magazine	35.3	36.4	565.3	639.8
Guns	—	—	—	—

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Figures represent a double issue for the months of July and August. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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August

	Current month		Year-to-date	
	1985	1984	1985	1984
Guns & Ammo	45.7	41.1	331.7	356.6
In-Fisherman (6X)	39.0	48.0	430.0	440.0
Muscle & Fitness	102.0	—	856.3	867.6
Outdoor Life	53.2	59.2	564.2	629.0
Outside Magazine	30.3	35.5	338.3	299.3
Petersen's Hunting	52.7	46.6	297.9	300.7
Salt Water Sportsman	56.0	45.4	601.3	590.8
Shooting Times	34.2	43.7	261.5	290.2
Skiing (7X)	—	—	203.3	215.3
Skin Diver	75.9	66.1	659.1	634.0
Southern Outdoors (6X)	—	—	209.4	233.1
Sport	40.5	46.3	338.7	361.0
Sports Afield	76.2	73.8	669.9	689.0
Tennis	59.6	60.0	662.6	656.1
The Runner	23.7	55.7	278.6	399.6
Western Outdoors (10X)	38.7	49.4	326.9	319.5
World Tennis	67.3	59.2	383.8	401.9
Total Group	**1,271.1**	**1,235.7**	**12,595.0**	**13,161.3**
% change		**+ 2.9%**		**- 4.3%**

— Photography —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Photographer	36.0	30.0	325.1	315.4
Petersen's Photographic	27.7	21.9	218.6	250.2
Popular Photography	—	—	—	—
Total Group	**63.7**	**51.9**	**543.7**	**565.6**
% change		**+ 22.7%**		**- 3.9%**

— Religious —

	Current month		Year-to-date	
	1985	1984	1985	1984
BBI Jewish Monthly (10X)	—	—	134.5	149.6
Christian Herald (11X)	28.5	30.0	211.9	219.9
Christian Life	19.9	21.8	201.3	209.8
Christianity Today (18X)	31.0	28.3	436.5	432.2
Inside (4X)	—	—	—	—
Moody Monthly (11X)	35.5	37.2	349.0	349.0
Today's Christian Woman	—	—	—	—
Total Group	**114.9**	**117.3**	**1,333.2**	**1,360.5**
% change		**- 2.0%**		**- 2.0%**

— Science/electronic/mechanic —

	Current month		Year-to-date	
	1985	1984	1985	1984
Compute	26.8	47.9	381.4	625.8
Creative Computing	—	—	—	—
Discover	26.5	29.7	247.9	288.1
Family Computing	30.4	38.2	299.7	429.7
Home Mechanix	48.0	59.2	522.4	552.8
Info World (52X)	95.0	146.0	1,112.0	1,540.0
Omni	53.7	55.8	453.4	480.0
Personal Computing	139.3	131.6	1,163.7	1,207.9
Popular Mechanics	—	—	—	—
Popular Science	47.7	53.7	497.4	641.6
Science Digest	16.3	20.8	192.1	226.5
Scientific American	28.8	44.6	347.0	482.8
Spectrum	80.6	91.7	808.1	778.5
Total Group	**498.1**	**573.2**	**4,913.1**	**5,230.9**
% change		**- 13.1%**		**- 6.1%**

— Women/fashion/service —

	Current month		Year-to-date	
	1985	1984	1985	1984
Bride's Magazine (6X) A.	382.5	440.9	1,383.8	1,447.6
Essence	57.2	81.1	614.0	651.1
Family Circle (24X) A.	97.4	113.7	1,133.0	1,111.4
Family Magazine	41.8	33.2	311.3	276.2
Glamour	194.6	201.3	1,325.8	1,346.0
Good Housekeeping A.	130.9	141.9	1,254.2	1,214.9
Health	48.7	38.0	316.2	278.2
Ladies' Home Journal	105.7	84.2	838.5	785.9
Ladycom (10X)	32.7	42.3	224.0	262.9
Mademoiselle	153.7	168.9	942.0	1,066.3
McCall's	70.8	93.7	692.3	707.3
Modern Bride (6X)	—	—	1,346.0	1,238.7
Ms.	20.9	44.2	366.9	395.5
New Woman	52.4	42.4	404.4	376.6
Parents Magazine A.	67.8	84.2	661.4	580.4
Playgirl	34.7	39.0	272.1	308.5
Redbook	83.2	80.7	690.7	706.8
Self	91.8	95.6	725.3	744.8
Seventeen	265.6	288.1	1,023.4	1,065.1
Shape	50.0	57.8	486.1	451.3
Soap Opera Digest (26X)	20.0	22.8	228.5	226.9
'Teen Magazine	76.6	88.7	402.4	431.4
True Story A.	46.2	61.5	374.2	455.2
Vogue	235.6	258.1	1,788.6	1,828.1
W Magazine	138.6	152.1	802.0	813.1
Weight Watchers	26.5	26.6	219.5	232.1
Woman's Day (16X) A.	68.4	75.0	840.1	869.1
The Workbasket (10X)	33.6	33.3	261.0	254.5
Working Mother	69.6	67.4	373.4	547.9
Working Woman	70.5	90.0	748.4	751.0
Total Group	**2,768.0**	**2,905.7**	**21,049.5**	**21,424.8**
% change		**- 4.7%**		**- 1.8%**

— Youth —

	Current month		Year-to-date	
	1985	1984	1985	1984
Boys' Life	11.7	10.1	132.9	113.8
Campus Life (10X)	33.0	28.6	282.9	252.7
Total Group	**44.7**	**38.7**	**415.8**	**366.5**
% change		**+ 15.5%**		**+ 13.5%**

July

— Business —

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Bus. Gazette (52X)	18.8	23.9	188.9	180.2
Atlanta Bus. Chronicle (52X)	53.7	44.5	352.6	329.6
Austin Business Journal (52X)	64.8	68.0	390.8	312.1
Barron's (52X)	163.6	157.7	1,311.4	1,337.2
Boston Business Journal (52X)	146.8	91.3	946.0	639.8
Business Atlanta	64.2	53.0	464.8	381.9
Business First	64.8	—	463.1	—
Business Journal/-California	98.3	149.3	736.8	520.5
Business North Carolina	39.3	21.3	—	—
Business Week (52X) A.	306.1	389.4	2,467.4	2,723.9
California Business	79.1	89.1	541.5	624.2
Capital District Business Review (25X)	19.7	56.2	274.0	330.3
Corporate Report/Kansas City	35.8	42.0	336.2	426.2
Corporate Report/Minnesota	73.3	83.0	654.7	596.3
Crain's Chicago Bus. (52X)	157.0	107.0	1,047.0	902.0
Crain's Cleveland Business (52X)	75.1	69.9	526.9	445.1
Dallas/Ft. Worth Bus. (52X)	74.0	—	—	—
Dun's Business Month	29.5	46.3	328.0	453.0
Financial World (24X)	32.2	33.5	274.8	218.5
Florida Trend (13X)	102.9	87.6	655.8	619.2
Forbes (26X)	237.6	292.0	1,946.0	2,012.6
Fortune (26X) A.	195.8	244.7	1,805.5	1,869.2
Frequent Flyer	45.0	43.2	417.4	377.4
Futures (13X)	49.0	51.0	371.0	391.0
Hawaii Business	44.2	73.4	318.6	357.1
High Technology	23.6	24.2	222.6	223.4
Houston Bus. Journal (52X)	115.6	174.4	889.6	1,046.4
Inc. Magazine A.	67.8	87.0	662.5	826.3
Income Opportunities	53.6	49.2	319.3	325.4
Industry Week (25X) A.	59.1	76.3	598.3	743.3
Indianapolis Bus. Journal (52X)	137.1	133.5	829.3	775.7
Kansas City Business Journal	175.5	163.4	981.0	883.5
Milwaukee Business Journal	111.5	118.0	655.2	517.9
Minnesota Business Journal	40.9	49.6	341.4	361.1
Nation's Business A.	27.1	30.9	241.6	228.3
New England Business (20X)	51.1	41.3	615.7	484.6
New York City Business	15.7	17.1	149.6	132.4
Pacific Business News (52X)	126.0	95.7	766.5	718.8
Philadelphia Bus. Journal (52X)	106.4	93.4	668.4	596.3
Pittsburgh Business Times/-Journal (52X)	96.4	52.8	525.4	378.6
San Jose Business Journal	98.3	149.3	736.8	520.5
Savvy	20.0	29.0	261.1	286.7
St. Louis Business Journal (52X)	131.3	142.5	976.7	953.3
South Florida Business Journal	98.2	72.5	591.7	440.0
Texas Business	—	—	—	—
Venture	77.9	58.9	496.3	542.8
Total Group	**3,805.4**	**3,827.0**	**27,611.4**	**26,512.1**
% change		**- 0.6%**		**+ 4.1%**

— Newspaper Sunday magazines* —

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Republic	—	—	—	—
Boston Globe	112.6	112.8	1,281.7	1,234.4
California Living	26.9	40.7	336.5	365.1
Chicago Tribune	92.9	55.1	716.7	479.1
Cleveland Plain Dealer	25.4	39.6	294.6	397.2
Columbus Dispatch	26.1	29.8	305.0	307.8
Denver Post	—	—	—	—
Detroit News	112.0	124.0	836.0	914.0
L.A. Times Home Magazine	96.0	220.0	952.0	128.8
Louisville Courier-Journal	45.6	55.9	456.4	474.6
Miami Herald	24.9	54.4	272.6	362.3
New York News	—	—	—	—
New York Times Magazine	—	—	—	—
Philadelphia Enquirer	43.8	40.9	363.9	342.1
Seattle Times	27.0	11.0	284.0	112.0
Toledo Blade Magazine	—	—	—	—
Washington Post	61.3	76.0	759.6	741.8
Total Group	**694.5**	**863.2**	**6,859.0**	**6,569.8**
% change		**- 19.5%**		**+ 4.4%**

— Weeklies/bi-weeklies —

	Current month		Year-to-date	
	1985	1984	1985	1984
The Advocate (26X)	97.3	129.8	667.5	790.9
Army Times Military Group:				
Air Force Times (52X)	169.3	165.4	1,084.9	1,043.9
Army Times (52X)	164.9	160.1	1,059.2	994.5
Navy Times (52X)	176.2	177.0	1,154.2	1,122.6
The Times Magazine	3.6	6.0	85.3	109.4
The Blood-Horse (52X)	425.6	462.1	3,020.3	3,245.6
Capper's Weekly (26X)	22.0	20.6	168.1	182.8
Commonweal (22X)	1.9	1.9	44.0	48.4
Golf World (43X)	67.3	72.8	584.3	589.2
Grit (52X) A.	17.0	20.6	133.3	163.9
National Journal (50X)	36.3	18.0	350.0	159.0
National Review (25X)	26.7	17.1	160.1	182.7
New Republic (48X)	31.6	12.2	203.7	215.8
New York Magazine (50X)	214.9	194.5	1,573.7	1,459.2
New Yorker (52X)	123.8	171.5	1,558.4	1,871.6
Newsweek (52X) A.	164.9	211.9	1,448.6	1,591.4
People (52X)	233.3	273.7	2,000.8	2,087.3
Rolling Stone (25X)	95.2	82.9	591.7	606.1
Runner's World	37.9	75.3	295.2	428.5
Sporting News (52X)	49.1	61.2	267.5	343.3
Sports Illustrated (52X) A.	189.5	444.0	1,521.8	1,731.1
Time (52X) A.	167.5	222.2	1,457.3	1,529.4
Travelhost (52X)	2,795.5	2,585.2	19,425.2	18,403.4
TV Guide (52X) A.	191.5	220.3	2,026.9	2,038.9
Us Magazine (26X)	—	—	—	—
U.S. News & World Report (52X) A.	116.0	145.8	942.4	954.5
Total Group	**5,580.9**	**5,896.8**	**41,529.2**	**41,464.9**
% change		**- 5.4%**		**+ 0.2%**

— Foreign —

	Current month		Year-to-date	
	1985	1984	1985	1984
Business Week Int'l (52X)	120.9	174.7	840.1	906.3
Cosmopolitan en Espanol:				
Central America	0.3	—	6.7	7.0
Colombia	17.5	8.0	80.5	63.2
Ecuador	—	—	2.0	3.0
Mexico	43.0	42.0	289.5	276.5
Peru	5.0	2.0	21.0	14.0
Puerto Rico	21.5	27.0	151.8	201.7
U.S. (Spanish language)	17.0	19.5	112.5	125.2
Venezuela	27.0	18.0	163.7	108.5
Cosmopolitan Foreign Editions:				
Australia	56.3	46.8	395.3	366.3
Brazil	51.5	26.4	281.5	222.7
France	64.5	66.7	721.5	959.3
Germany	80.7	59.9	667.5	608.4
Great Britain	109.0	111.0	763.8	757.3
Greece	37.0	36.0	434.4	377.0
Holland	35.0	26.0	448.3	333.0
Italy	31.0	31.3	353.4	343.0
Japan	49.7	29.7	218.3	209.7
Good Housekeeping Foreign Editions:				
Australia	53.2	31.2	228.2	211.3
Great Britain	120.7	102.9	845.2	800.6
Japan	91.1	93.6	409.4	493.7
Geomundo:				
Central America	3.0	6.5	30.5	36.8
Chile	3.0	6.0	33.5	34.3
Colombia	9.0	11.5	56.0	57.0
Ecuador	3.0	5.0	26.0	24.0
Mexico	11.5	9.0	46.5	46.8
Peru	3.0	6.0	32.5	34.3
Puerto Rico	—	—	—	—
Venezuela	—	—	—	—
Hombre De Mundo:				
Central America	4.0	14.0	24.0	42.0
Chile	6.0	11.0	30.0	42.0
Colombia	9.5	24.5	43.5	67.5
Ecuador	4.0	9.0	26.5	32.0
Mexico	12.5	25.5	67.0	86.5
Peru	4.0	16.0	21.0	41.0
Puerto Rico	12.0	25.0	41.0	63.0
Venezuela	34.0	40.0	119.0	121.0
Ideas Para Su Hogar:				
Central America	—	—	—	1.5
Chile	—	—	—	1.0
Colombia	14.0	23.5	90.0	109.0
Ecuador	6.0	3.0	32.0	34.5
Mexico	14.2	8.2	58.0	53.5
Peru	2.5	7.5	15.0	39.5
Puerto Rico	1.0	1.0	10.5	4.5
Venezuela	18.0	14.5	109.0	100.2
International Communications:				
African Business	21.6	22.3	173.4	189.8
The Middle East	13.3	15.6	114.7	136.7
New African	14.9	9.3	108.0	112.8
International Management:				
Africa	24.2	7.0	75.3	77.5
Europe	29.8	19.7	300.0	245.0
Latin America	7.5	8.0	40.2	53.8
Middle East	9.5	7.0	102.2	76.8
Pacific	18.0	13.0	100.0	86.3
Johnston International:				
Alam Attijarat	26.8	28.8	309.6	357.6
Modern Africa (6X)	11.8	20.3	48.6	80.8
Modern Asia (11X)	19.3	21.7	189.3	168.4
Mecanica Popular:				
Argentina	1.0	3.5	16.3	39.2
Central America	6.5	10.8	65.5	90.0
Chile	1.3	5.8	22.5	41.8
Colombia	15.2	14.7	89.5	94.7
Mexico	20.5	18.0	94.8	81.5
Peru	8.5	11.7	77.5	111.7
Puerto Rico	5.8	12.8	65.2	100.2
Venezuela	23.0	21.5	92.8	112.5
Newsweek International A.:				
Atlantic (52X)	70.9	67.7	549.1	573.2
Latin America (52X)	30.4	33.9	172.9	169.3
Pacific (52X)	52.4	73.1	399.8	452.7
Progreso (9X)	—	—	55.1	35.7
Reader's Digest:				
Arabic	9.0	6.0	60.5	64.0
Asian	193.5	228.0	1,345.0	1,133.0
Australian	70.0	53.3	380.4	515.3
Belgian-Flemish	36.5	32.0	555.0	588.0
Belgian-French	23.0	16.5	370.5	387.5
British	32.0	34.5	306.9	356.6
Chinese	104.5	78.0	847.5	631.2
Danish	12.0	8.5	213.0	209.5
Dutch	15.3	16.5	287.7	259.3
Finnish	19.5	16.0	308.9	288.5
French	16.8	24.4	320.4	331.5
German	42.3	41.5	444.4	487.7
Iberian	—	13.5	31.0	116.0
Indian-English	65.0	62.0	679.5	518.0
Indiana-Hindi	5.0	5.0	81.5	32.5
Italian	19.0	20.5	249.5	258.0
Japanese	38.2	50.8	312.2	308.6
Korean	21.8	23.0	166.2	178.0
Latin American:				
Argentina	20.5	22.0	121.5	115.0
Brazil	8.0	2.0	32.0	18.0
Central American	11.0	10.0	56.0	59.5
Chile	19.5	4.5	70.0	75.0
Colombia	21.5	42.0	168.5	193.0
Ecuador	11.0	9.0	57.0	51.5
Mexico	47.0	48.9	298.8	316.2
Peru	12.0	11.0	61.5	58.0
Puerto Rico	7.0	8.0	33.0	37.0
U.P.B.	7.0	9.0	46.5	46.0
U.S. Spanish	7.5	6.5	61.0	59.5
Venezuela	12.5	14.0	72.0	72.0
New Zealand	57.5	100.5	356.5	571.5
Norwegian	13.5	18.0	134.0	235.6
South African	73.0	90.0	615.0	612.8
Swedish	11.0	4.5	100.5	82.0
Swiss-French	15.0	15.0	167.3	189.1
Swiss-German	21.0	21.0	232.4	245.6
The Ring en Espanol:				
Mexico	3.2	0.2	15.8	0.2
Puerto Rico	—	—	—	—
U.S.	2.0	8.0	36.7	26.3
Venezuela	1.0	—	7.0	7.0
Time International:				
Time-Asia	81.2	79.3	551.0	590.3
Time-Atlantic	74.8	59.9	628.7	660.1
Time-Canada	104.1	105.6	1,064.8	1,162.0
Time-Latin America	41.7	36.9	271.0	281.2
Time-South Pacific	125.0	128.9	748.2	732.1
Vanidades Continental:				
Central America	4.5	3.8	40.5	43.2
Chile	2.3	1.3	17.3	12.3
Colombia	57.0	64.7	409.5	365.7
Ecuador	19.7	13.7	128.0	115.2
Mexico	44.2	75.5	426.7	506.7
Peru	10.7	19.5	75.3	137.7
Puerto Rico	25.5	29.2	226.3	254.5
U.S.	32.8	37.7	252.7	280.7
Venezuela	52.3	51.2	328.7	273.0
Visao (52X)	142.3	188.3	794.7	1,026.9
Vision/Latin America (26X) A.	25.2	27.3	166.8	179.4
Total Group	**3,586.7**	**3,762.5**	**27,441.7**	**28,302.6**
% change		**- 4.7%**		**- 3.0%**

August 22, 1985

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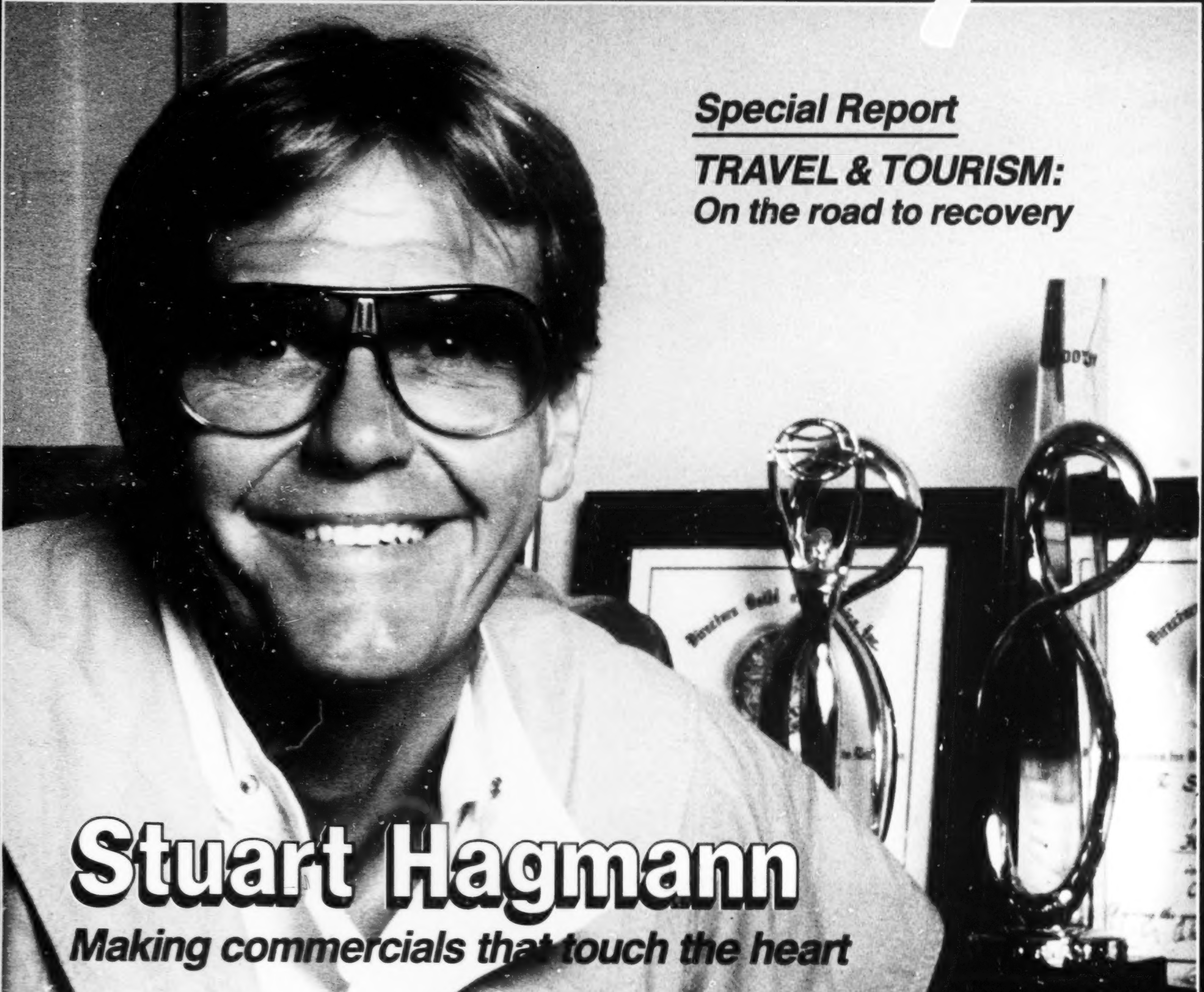
Advertising Age Thursday

Crain's Magazine of the Creative Process®



Special Report

TRAVEL & TOURISM:
On the road to recovery

Stuart Hagmann

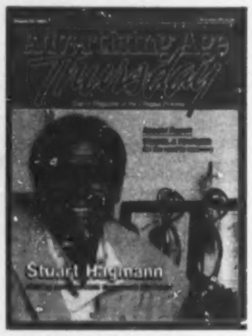
Making commercials that touch the heart

AA
DC20014CONGL1 FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Thursday

Hag-iography

When Stuart Hagmann was a schoolboy, he spent much of his time putting on marionette shows in schools around his hometown in Wisconsin. While more than 30 years have passed since those long-ago days in Sturgeon Bay, the principal of Hagmann, Impastato, Stephens & Kerns, Studio City, Cal., is still pulling strings as a producer of tv commercials that are among the best in the business. *See Page 5.*



Cover photo by Glen LaFerman

Gag me

The campaign that's put a wine-cooler brand among the hottest sellers in one of the country's fastest-growing categories is one nobody connected with can talk about. *See Page 46.*

Smokin'

Peter Heineman has perfected calculated casualness. Everything about him is crafted to convey an image of having never worked a day in his life—which was true until nine years ago. Mr. Heineman, 33, owns his own $4 million business, and he can afford enough self-possession to prevent anyone from guessing how he makes his living. *See Page 49.*

EURO
UNITED STATES
AUSTRALIA

Special Report—Travel & Tourism

An improved economy and fare and rate wars have consumers on the move and the travel industry looking up. *Starting on Page 15.*

Presstime

Falwell for S. Africa

WASHINGTON—The Rev. Jerry Falwell's Moral Majority on Aug. 23 breaks half-page ads in *USA Today* and the *Washington Post*, paving the way for upcoming tv specials urging continued U.S. investment in South Africa. The conservative religious and political organization, based in Lynchburg, Va., plans two specials to be aired on Christian cable tv networks. Blue Ridge Advertising, Lynchburg, handles.

BBDO sells agency

NEW YORK—BBDO International has sold majority ownership of its South African agency, BBDO Intl. Holdings, to five senior executives at the shop. The agency is the largest in South Africa. The new owners, all equal partners, are Derrick Dissel, Ian Shepherd, Alan Tiley, Grahame Tomes and Pierre Venter. BBDO sold its entire 80% interest in the agency.

Sears card gets $20M in ads

ATLANTA—Sears Financial Network, New York, on Aug. 21 kicked off a $20 million ad campaign for its new Discover credit/financial services card (AA, July 16, '84, *et seq.*). Sears blanketed most of Georgia with two-page b&w newspaper ads and 30 and 60-second radio and tv spots supporting its first test of the card. Consumer ads carry the over-all theme "Discover Card puts your money in a whole new light." J. Walter Thompson USA, Chicago, handles.

No new agency: Hampel

NEW YORK—Alvin Hampel, former exec vp-director of creative services at D'Arcy MacManus Masius Worldwide, firmly denies widespread reports that he is close to starting a new ad agency with Joseph Hannan, senior vp-account director at Benton & Bowles. Mr. Hannan heads the Texaco account, which is looking for a new agency as a result of the DMM-B&B merger and a conflict with DMM's Amoco account.

Chi. dealers review

CHICAGO—Chicagoland Ford Dealer Advertising Fund will open the review of its estimated $5 million account to "three or four" more agencies. The group last week heard presentations from incumbent J. Walter Thompson USA, Detroit, and Chicago shops Bentley, Barnes & Lynn; Chase/-Ehrenberg & Rosene; Cramer/Krasselt, and Jack Levy & Associates.

Newark dealers decide

NEWARK, N.J.—Newark District Ford Dealers Assn. has assigned its $4 million-plus account to Hill, Holliday, Connors, Cosmopulos from Rosenfeld, Sirowitz & Lawson, both New York. The competition also had included BBF Communications; Penchina, Selkowitz, and J. Walter Thompson USA (AA, Aug. 5).

'Old' Pepsi vs. New Coke

LONDON—Pepsi-Cola International this week held a series of lighthearted press conferences

(Continued on Page 49)

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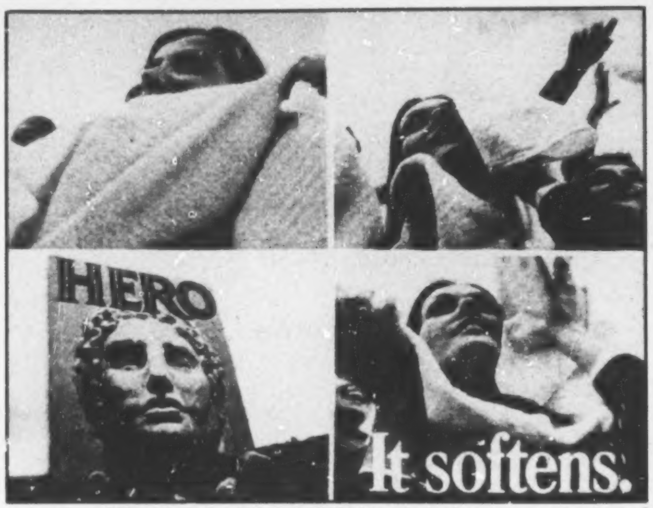


Lever Bros.' Hero laundry detergent failed to stir the hearts—or glands—of consumers as much as it moved the addle-brained women in its tv spots.

Readers remember ad gaffes from past

Confidence is a marvelous attribute for marketing organizations, but sometimes one must wonder why anyone out there in marketing land has any of it left. With the new Coke-old Coke-Coke Classic fandango in mind, ADVERTISING AGE Thursday *asked readers for other examples of marketing missteps.*

The collection of marketing disasters, submitted to our Edsel, Etc. contest in July, proved not only how easy it is to usher in an utter failure, but how common failure can be.

Below, representing a richness of marketing embarrassments, are some of the products that will never die, for they will always live on in our memories.

"Does anyone else remember **Yucca Dew shampoo?** A wonderful-smelling mixture which did miracles for my teen-age hair, but obviously I was the only customer daring enough to put a concoction called 'Yucca' on my head." Melinda Carson, advertising manager, Coalfield Progress, Norton, Va.

"Did market researchers and audio equipment manufacturers forget that people have only two ears? They underestimated the public's reluctance to completely rearrange living room furniture in order to place four large speakers in precise, equidistant locations so listeners could sit squarely in the center enjoying the **four-channel effect.**" Bob Blancato, public relations manager, Reese, Thomases & Ellick, Wilmington, Del.

"Here's a Titanic memory. Take America's most popular children's book, about the world's greatest candy maker. Turn it into a movie starring Gene Wilder. Give it a score, including a hit tune. . .and then launch a product made of ersatz chocolate: **Willie Wonkas.** Too bad the client didn't make a product worthy of the name." Name withheld on request.

"Circa 1970, Coca-Cola bottlers tested a fruit-flavored soft drink named **Sugarbush.** It came in several flavors and was rather a strange concoction, which included yeast. I was working in a food store in Milwaukee as a teen ager the summer the drink was introduced and we had several dozen cases of Sugarbush in the basement. Bottled under pressure, the yeast fermented when exposed to heat. I earned several day's pay cleaning up the result, while ducking explosions." **Phil Bolda**, Colorado College.

"I nominate **Hero** detergent. It had to be the advertising, along with the name, that killed Hero. The tv spots depicted a huge box of the product, which had a booming macho male voice. Clustered around the base of the box was a horde of writhing, glassy-eyed, moaning women, their arms raised and waving in supplication to 'their Hero.' Even MCPs would have been repelled at this female adoration of a mere box of soap." Art Chenoweth, Turner Group, Portland, Ore.

Historical note: *Lever Bros. tested Hero in Oregon and Oklahoma in 1969.*

In Doyle Dane Bernbach's commercial, the monumental soap box bearing the imposing likeness of a stone-carved Greek god, much more than 10 ft. tall, has attracted a crowd of women, all of whom gaze up in awe as voiceover says: "I, Hero, am here. I am the strong detergent with the yet unheard-of power. . .I clean with strength. . .Your hands will feel the soft. Friends, housewives, countrywomen, bring me your wash."

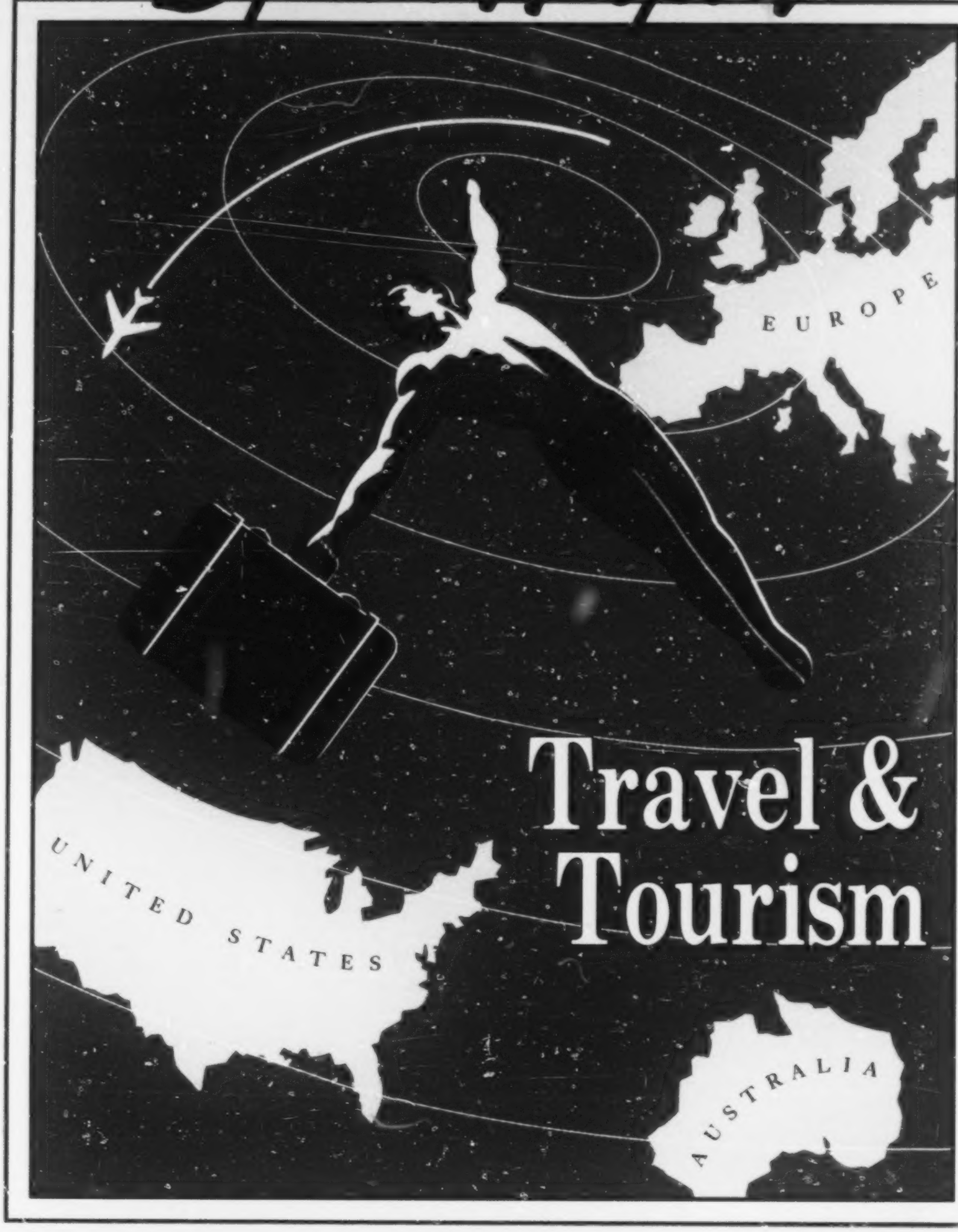
By this time, the women can barely contain themselves. They begin jumping around and saying ". . .I wanna Hero kind of clean. I wanna strong yet softer clean. I wanna see it. I wanna feel it. Want my eyes to see the clean. Want my hands to feel the soft. . ." (AA, Sept. 8, '69).

"The best mixed-message advertising disaster was General Foods' **Whip 'n Chill.** Whip 'n Sizzle would have been a different product with a less confusing message." Robert Rosenberg, account service, Brady Co., Menomonee Falls, Wis.

"I have a vivid memory of spending a Sunday afternoon in the early post-war era touring the revolutionary **Lustron House.** It was constructed of light yellow and green enameled panels and looked something like a scaled-down '50s gas station. It never needed painting, couldn't get termites and had utterly no aesthetic quality. It would have been a great home for Charlie the Tuna, but humans rejected it." Bill Lawrence, Fuji

(Continued on Page 43)

Special Report



Travel & Tourism

John Pirman

Industry takes road to recovery in 1985

By Joanne Y. Cleaver

Ah, vacation. Which will it be—the beach or the mountains?

That dilemma is complicated this year by a full itinerary of affordable options; 1985 is shaping up to be a traveler's paradise.

Europe has been attracting thousands of U.S. tourists, buoyed by the strong dollar and favorable exchange rates, but it is not the only bargain. Domestically, fare and rate wars are raging in the airline, hotel and cruise industries. Combine those short-term skirmishes with a long-term trend of increased market segmentation, and the total package is one of healthy market growth for the travel industry and a lot of fun for consumers.

Over-all, last year was disappointing, according to the 1984 National Travel Survey, a study of travel trends by Washington-based U.S. Travel Data Center. In 1984, Americans took 528 million trips—2% fewer than in 1983, deflating the industry's expectations for a boom year.

As the economy recovered, consumers let out their pentup demand for such durable goods as major appliances and houses. In 1984, industry observers expected consumers to satisfy their appetites for the basics and turn to discretionary items such as vacations. But it wasn't until 1985 that the growth began.

"It's about time," says Douglas Frechtling, director of the Travel Data Center. "1985 looks like a full recovery year for travel. We see an upturn with a projected 5% increase in trips, and vacation trips will exceed that," he says. "It should continue into 1986, as far as we can see."

> **"We see an upturn with a projected 5% increase in trips."**
>
> *—Douglas Frechtling*
> *Travel Data Center*

Throughout 1984 and into this year, foreign destinations have been swamped by unprecedented numbers of American tourists, unhampered even by such dramatic and dangerous situations as this summer's terrorist hijackings, according to industry observers.

Up to 6% of all travel in the past 18 months has been abroad, Mr. Frechtling says. In 1984, an estimated 5.7 million Americans visited Europe, with a projected 12% increase for 1985, according to the European Travel Commission, New York.

While some industry insiders say the overseas travel is likely to continue, citing the perennial popularity of Europe, others say the wave of U.S. tourists overseas already may have crested.

"If the dollar softens up in advance of next year and stays weaker, it will affect next year [in terms of advance travel plans and reservations]," says Alan Fredericks, associate editor and publisher of *Travel Weekly*. Others say many first time and repeat European travelers already have made their trips, and additional travel from that group is unlikely in the near future.

If the tides turn, keeping tourists closer to home, the domestic tourist business will benefit. Last year, foreign attractions si-

(Continued on Page 16)

Joanne Y. Cleaver is a free lance writer and frequent contributor to Special Report.

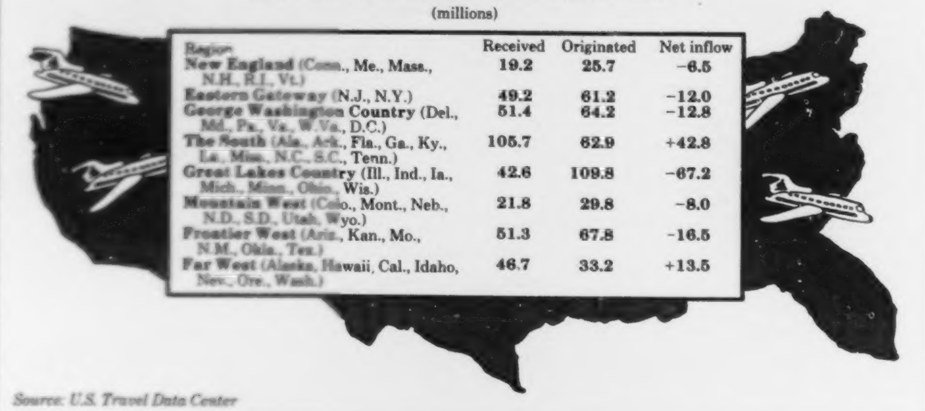
Recovery

(Continued from Page 15)

Onward and homeward bound

Number of inter-regional person trips received, originated and destination net flow, 1984

(millions)



Region	Received	Originated	Net inflow
New England (Conn., Me., Mass., N.H., R.I., Vt.)	19.2	25.7	−6.5
Eastern Gateway (N.J., N.Y.)	49.2	61.2	−12.0
George Washington Country (Del., Md., Pa., Va., W.Va., D.C.)	51.4	64.2	−12.8
The South (Ala., Ark., Fla., Ga., Ky., La., Miss., N.C., S.C., Tenn.)	105.7	62.9	+42.8
Great Lakes Country (Ill., Ind., Ia., Mich., Minn., Ohio, Wis.)	42.6	109.8	−67.2
Mountain West (Colo., Mont., Neb., N.D., S.D., Utah, Wyo.)	21.8	29.8	−8.0
Frontier West (Ariz., Kan., Mo., N.M., Okla., Tex.)	51.3	67.8	−16.5
Far West (Alaska, Hawaii, Cal., Idaho, Nev., Ore., Wash.)	46.7	33.2	+13.5

Source: U.S. Travel Data Center

phoned off demand for domestic destinations, industry observers say.

In 1985, according to early trends tallied by the industry, domestic vacation travel has rebounded.

Nearly 85% of all domestic vacation travel is by automobile, truck or recreational vehicle, reports the American Automobile Assn., Falls Church, Va. About 88 million Americans are expected to take car trips this year, up 5% from last year, says Richard White, AAA public information specialist.

Those vacations are not necessarily lengthy—half of the trips are planned to be fewer than 500 miles—but 4% more people than in 1984 are planning to stay at hotels and motels rather than with friends and relatives. The duration of the planned auto vacation trip, 6.1 days, is unchanged from last year, Mr. White says.

The AAA's most recent survey, completed in June, reported that in 1985, more people are budgeting ahead for their vacations. That kind of consumer optimism, combined with other trends, such as the surge in new car sales, indicates that 1985 should be a strong year for the category.

Air traffic also is taking off this year, according to the Air Transport Assn., Washington. The first six months of 1985 revealed a 12.6% increase in revenues per passenger mile, compared with the same period in 1984, for a total of 148.7 billion passenger miles logged. But last year's industry revenue total of $304.5 billion is not likely to be repeated this year because of lagging profits.

It's a classic case of higher volume but lower profits per passenger, says an airline industry insider, who would not speak for attribution. The ATA is projecting that total revenues per-passenger-mile will increase 7% over 1984 by yearend, with 80% of that travel within the U.S.

Deregulation-induced fare slashing is key to why airlines aren't making much money per passenger—only 19% of passengers are paying full fare and the average fare discount is 51%, according to the ATA.

To varying degrees, hotels and cruise lines are facing the same situation. Eighteen months ago, most hotels increased their rates at a healthy clip, apparently hoping to cash in on the travel boom anticipated for 1984, says John Rohs, vp-research for Wertheim & Co., New York.

The rate of increase slowed when not as many travelers as expected checked in, he says. As of June, rate increases had slowed to 6% or 7% more than the middle of 1984, and Mr. Rohs expects that by yearend, hotels will be raising their room rates only 4% to 6%.

Because the accelerated rates were out of touch with demand for rooms, hotel occupancy rates declined two to three percentage points during the first half of this year. The projected industrywide occupancy rate for 1985 is 64%, down from the recorded 66% in 1984, Mr. Rohs says.

Although exact figures aren't available, a similar trend has developed in the cruise industry. The number of people taking cruises has increased 10% to 15% in each of the past 10 years, says Ralph Bahna, president of Cunard Line, New York, and chairman of Cruise Lines International Assn. In 1984, 1.6 million passengers set sail aboard the ships of the 26-member association. To meet the swelling demand, many lines have added 1,000-plus passenger ships in the past 18 months.

Consequently, cruise lines have been pressured to develop a variety of offerings to fill their berths. Such options include weekend cruises, longer excursions and a larger variety of ports.

> **"Many companies are . . . preselecting airlines and hotels and are looking for more ways to cut costs."**
>
> ***—Mike Leeds***
> **Business Travel News**

As airlines, hotels and cruise lines are working to maintain their market shares, they are reshaping their marketing strategies, using rate cutting and special packages. Current financial pressures have fueled the market segmentation that insiders say has been developing for several years.

"We've reached the point where sophisticated marketing is becoming recognized [within the industry]," says Thomas Davidson, president of Davidson-Peterson Associates, a New York-based travel research company. "You're hearing people talk about the need for strategic business plans and the need to be aggressive."

The 1984 level of advertising and marketing spending in the travel industry will double by 1986, Mr. Davidson says.

States of the union—recognizing the benefits of advertising for tourists last year —increased their ad budgets an average 23% for 1985, he says.

In 1985, various locales and destinations will target themselves to select groups of people, rather than simply splashing logos and catchy slogans across newspaper travel sections, Mr. Davidson says.

One method used to promote lesser known or multifaceted destinations is videotapes designed to be viewed either at home or in a travel agent's office, Mr. Davidson says. Canada is one location using this method. "How much Canadian history do you learn about in high school? With the vcr [videocassette recorder] spots, you can really give the story of a destination and you'll have a better informed tourist."

As marketers attempt to carve out niches for themselves, some segments of the travel industry appear to be polarizing. Thus, much of the growth will be in the high end and the budget end of a given industry, industry insiders say. For example, the all-suite hotel is one of two fast-growing concepts in that market. The other is the budget hotel category, with major chains such as Holiday Inns and Marriott Hotels introducing their own lower price, no-frills chains.

Gleefully taking advantage of the rate cutting and competition is the business travel market. That category was the only one to grow, at a 7% rate, in 1984, according to the U.S. Travel Data Center. Currently, the category accounts for 15% of all travel. In 1983, 14% of all travel was for business and convention purposes, according to the Travel Data Center.

More than $80 billion was spent last year by business travelers, and by 1990, that figure is expected to increase to $90 billion, says Mike Leeds, publisher of *Business Travel News*, Manhasset, N.Y.

Business travel benefits as the economy grows: Companies expand sales forces, open new sites and visit increased numbers of clients, customers and suppliers. During the last recession, corporations realized how many miles they could get for their travel dollars.

"Many companies are reducing the options [available to their travelers], preselecting airlines and hotels, and are looking for more ways to cut costs," Mr. Leeds says. Companies are so concerned with containing travel costs that the number of in-house corporate travel managers doubled between 1981 and 1983, and is expected to have doubled again from 1983 to this year, resulting in about 3,000 by yearend.

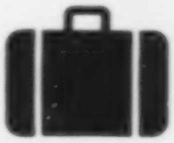
Although business travelers may not have a choice of destinations, thousands of leisure travelers do. And the most popular direction is south—where 24% of all travelers migrate, according to the U.S. Travel Data Center. The Central Atlantic states and frontier West are nearly tied as the next most popular destinations, with the Eastern Gateway states next, followed by the Far West. The Great Lakes area is sixth choice for incoming visitors, sending out more travelers than it receives.

On a smaller scale, the AAA reports that oceans and beaches remain No. 1 destinations for those planning auto trips this year, followed by small towns and rural areas. Last year, cities were the second most popular destination; this year, they've dropped to third place. Mountains, lake areas, state and national parks, and theme parks are preferred destinations in that order.

So, when all is considered, Americans are ready to go on the road and the travel industry is ready to offer them oceans, mountains and much more.

Traveling first class

Upscale demographics of adults vs. travelers



Individual characteristics*	Total population	Total travelers
Completed college	23%	38%
Graduate work	8	15
Total white collar	37	50
Professional/-managerial	12	19
Two or more wage earners	42	48
Own home	67	72
$30,000 or more annual family income	33	48
$40,000 or more annual family income	18	29
Own major credit cards	59	74

*Adjusted for non-response

Source: U.S. Travel Data Center, 1984

Business or pleasure?

Demographics of pleasure vs. business travelers

Pleasure Craft
COSTA

Individual characteristics*	Pleasure	Business/convention
Male	50%	68%
Female	50	31
Completed college	35	51
Graduate work	13	23
Total white collar	45	68
Professional/-managerial	17	26
Two or more wage earners	45	55
$30,000 or more annual family income	44	64
$40,000 or more annual family income	25	45
Own major credit cards	72	81

*Adjusted for non-response

Source: U.S. Travel Data Center, 1984

Marketing enters airlines' flight plans

By Richard Edel

Deregulation plopped like a giant stone into the calm waters of the regulated air transport industry. The date was Oct. 24, 1978, and the Airline Deregulation Act was to be implemented over a six-year period ending Dec. 31, 1984. As the new order marks its first year in 1985, the ripples of deregulation continue as the industry adjusts from its former state as a public utility to a free market entity.

Like giant fledglings pushed from the nest, the deregulated domestic carriers learned to fly on their own, some soaring, some faltering at first but later getting the hang of it, and others falling victim to poor judgment, bad economics, cutthroat competition, corporate raiders and, occasionally, each other. However, with few exceptions, deregulation marked the opening of a new era of competition, and the preeminence of a new force: Marketing.

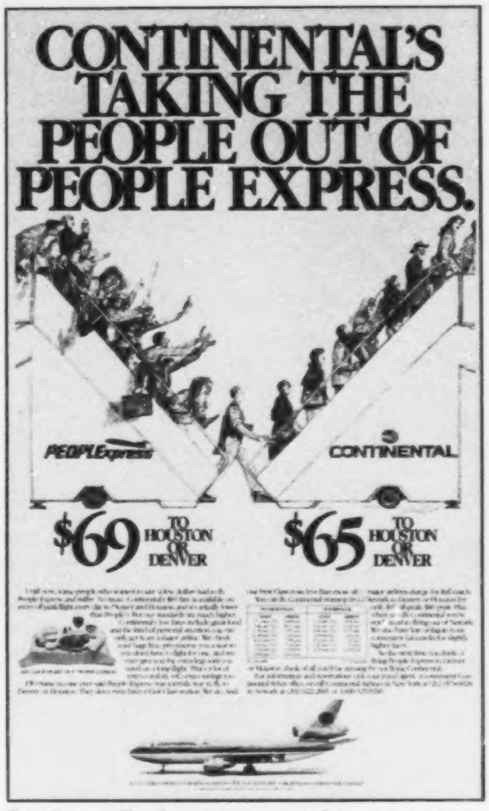
"It's marketing 101 for the airlines," says John V. Pincavage, airline analyst for Paine Webber Mitchell Hutchins, New York. And it has been a slow course of study, he says. "After deregulation, it takes people a little while to figure out what they want to do."

Experts say the air travel industry has evolved in three phases since the law was enacted. The first was marked by the new freedom to enter and leave markets, which enabled large and small carriers to restructure their route systems to make the best use of their resources.

In phase one, regional carriers, such as Piedmont Aviation, Southwest Airlines and USAir, benefited enormously by grabbing short and medium-haul routes and establishing hubs and spokes in new markets. Previously, their main business was in point-to-point traffic and feeder service for trunk carriers. Favorable labor contracts and smaller aircraft more suited to frequent, short hops gave these carriers key cost advantages in their expanding markets.

Phase two belonged to the startups, the nonunion carriers such as People Express Airlines and New York Air, among others. One effect of deregulation was an explosion in the number of carriers from 36 in 1978 to more than 100 today. With low costs and low fares, many of these carriers were the first to openly challenge the established trunk carriers in key markets. For example, Newark, N.J.-based People Express, by virtue of rapid expansion and market entry and exit, is butting heads with the majors in several large markets.

In 1984, People Express shifted its expansion strategy from noncompetitive markets to large established ones, including Chicago, Detroit, Los Angeles, Miami, Minneapolis and Cleveland. During the first half of 1984, about 54% of People's traffic came from markets where it competes with Eastern Air Lines, 47% from Pan American World Airways, 44% from Trans World Airlines and 33% from Delta Air Lines, according to Salomon Brothers, New York.



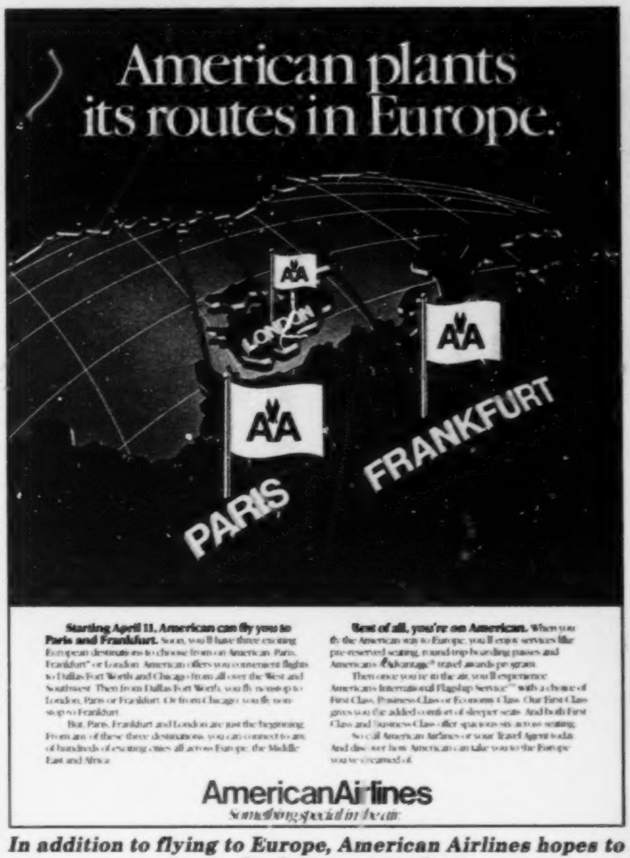
Continental's changeover to a low-cost operation jolted the airline industry.

Several key mergers, acquisitions and internally generated expansions also laid the groundwork for future developments. Pan Am acquired National Airlines, Miami, and a heap of debt in 1979, and Texas Air Corp. took over Continental in 1981. Braniff ambitiously expanded domestic and international routes, while trunk carriers began staking out claims on key hub cities.

It was between the first two phases of deregulation that air carriers large and small were jolted by several unusual events: DC-10 aircraft were grounded as a safety precaution in the summer of 1979 after several air disasters; fuel prices doubled between 1978 and 1980; a severe recession gripped the economy between 1980 and 1983, abruptly curtailing demand for air travel, and the Professional Air Traffic Controllers Organization strike in 1981 caused traffic restrictions through early 1983.

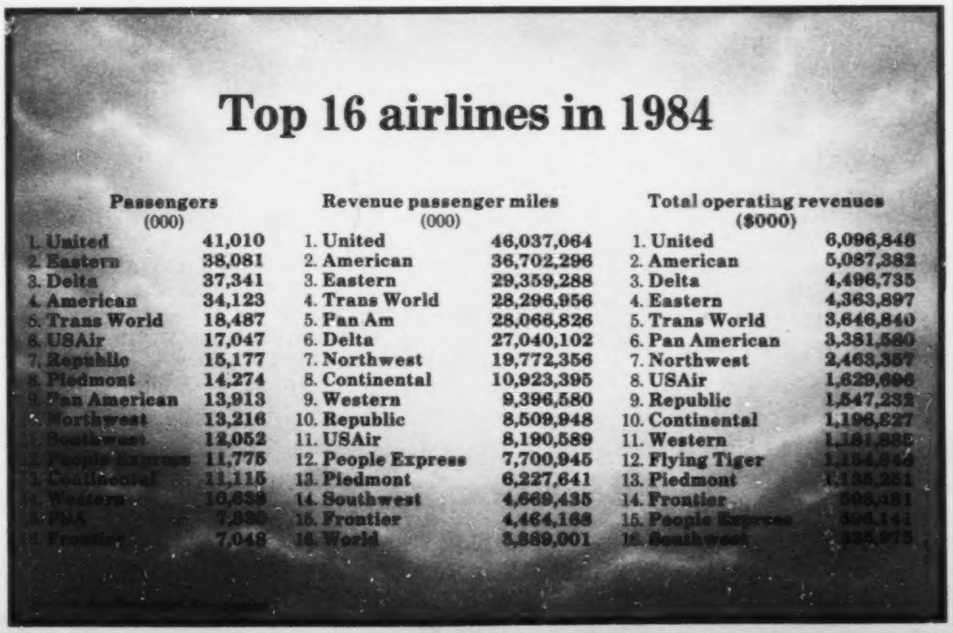
As a result of these factors and increased competition, Braniff, in dire need of cash flow, slashed prices to boost traffic. But the cash Braniff generated could not keep it from sinking in red ink when other carriers matched its rates. In May, 1982, Braniff filed for reorganization under Chapter 11 of the Federal Bankruptcy Act, signaling the third, and most critical, phase of deregulation: Restructuring of the major carriers.

Continental was next in bankruptcy court, shutting down for a few days late in 1983, and re-emerging with fewer routes and a nonunion work force. Continental's changeover to a low-cost operation jolted the air transport industry, affecting the over-all marketing and internal business strategies of nearly all carriers.


American plants its routes in Europe.
LONDON
PARIS
FRANKFURT
Starting April 11, American can fly you to Paris and Frankfurt.
Best of all, you're on American.
AmericanAirlines
Something special in the air.

In addition to flying to Europe, American Airlines hopes to enter the Japanese market.

"The most significant thing that has happened in recent years to the airline industry is deregulation," says John R. Zeeman, exec vp-marketing and planning at United, Elk Grove Village, Ill. "Deregulation led to creation of the People Expresses and Midway Airlines, which in turn led to Continental's bankruptcy and re-emergence as a low-cost carrier. That single event is the second most important factor since deregulation."



Top 16 airlines in 1984

Passengers (000)		Revenue passenger miles (000)		Total operating revenues ($000)	
1. United	41,010	1. United	46,037,064	1. United	6,096,846
2. Eastern	38,081	2. American	36,702,296	2. American	5,087,382
3. Delta	37,341	3. Eastern	29,359,288	3. Delta	4,496,735
4. American	34,123	4. Trans World	28,296,956	4. Eastern	4,363,897
5. Trans World	18,487	5. Pan Am	28,066,826	5. Trans World	3,646,840
6. USAir	17,047	6. Delta	27,040,102	6. Pan American	3,381,580
7. Republic	15,177	7. Northwest	19,772,356	7. Northwest	2,463,357
8. Piedmont	14,274	8. Continental	10,923,395	8. USAir	1,629,696
9. Pan American	13,913	9. Western	9,396,580	9. Republic	1,547,232
10. Northwest	13,216	10. Republic	8,509,948	10. Continental	1,196,827
11. Southwest	12,052	11. USAir	8,190,589	11. Western	1,181,885
12. People Express	11,775	12. People Express	7,700,945	12. Flying Tiger	1,154,644
13. Continental	11,115	13. Piedmont	6,227,641	13. Piedmont	1,135,251
14. Western	10,639	14. Southwest	4,669,435	14. Frontier	598,481
15. PSA	7,330	15. Frontier	4,464,168	15. People Express	596,141
16. Frontier	7,048	16. World	3,889,001	16. Southwest	535,975

[illegible] Air Transport Association

The new Continental's low cost structure resulted in a chain reaction of strikes against major carriers as unions fought their efforts to remain competitive by reducing labor costs, Mr. Zeeman says. Particularly hard hit have been pilots, who walked out on United in May and June, returning with a two-tier salary scale that must be renegotiated in five years.

"One of the things you learn quickly is that your marketing is only as good as your cost effectiveness," Mr. Zeeman says. "Give me the cost structure of a People Express and I could be a marketing genius."

For obvious reasons, United is watching closely the tentative $900 million acquisition of Trans World Airlines by Houston-based Texas Air Corp., parent of Continental Airlines and New York Air, he says. Such a merger would create an international system second in passenger traffic only to United Airlines and third in operating revenues behind United and American Airlines.

Continental already is United's second leading competitor, right behind American, Mr. Zeeman says.

Although a spokesman for Texas Air says there are no plans as yet to consolidate Continental, TWA and New York Air, each would benefit considerably from coordination of flight schedules, combined reservation systems, facilities sharing and various economies of scale, according to a Texas Air prospectus.

However, doubts persist about whether the Texas Air bid for

(Continued on Page 23)

Richard Edel is a frequent contributor to Special Report and has written extensively on the airline industry.

Airlines

(Continued from Page 19)

TWA will go through. Investor Carl C. Icahn raised his stake in TWA to 45% in early August. While Mr. Icahn has effectively gained control of the carrier, securities analysts speculate that he may be upping the ante, looking for a sweeter bid from Texas Air. The big question is whether Texas Air will try to obstruct Mr. Icahn's takeover, or whether it will be satisfied with selling its TWA shares and options to buy.

In addition to watching developments at TWA, United is waiting for a U.S. Department of Transportation ruling on whether it may proceed with its $750 million purchase of Pan Am's Pacific division. If approved, United would become a major international carrier virtually overnight, acquiring a ready hub in Tokyo and extensive routes throughout the Orient and the South Pacific.

With a powerful feeder system to Seattle, San Francisco, Los Angeles, New York and Honolulu, the Pan Am routes would put United on an equal footing with Northwest Orient Airlines, which controls an estimated 24% of Pacific traffic. The deal also could put a dent in traffic by Japan Air Lines, which has a 40% share of the U.S.-Japan air traffic.

With a chance to unload some of its $1.2 billion debt, Pan Am plans to concentrate on expanding trans-Atlantic, Middle Eastern and South American routes, company sources say.

St. Paul, Minn.-based Northwest Orient, which has the most to lose in the United-Pan Am deal, is leading the opposition. The deal also is opposed by Eastern Airlines and American, which are lined up to enter the U.S.-Japan market if pending negotiations with Japan to increase the number of carriers serving the market are successful.

Pricing is another problem the major carriers are facing as a result of deregulation. Because low-cost carriers compete on the basis of price, the majors are forced into a system of discounts as a means of managing their seating inventory.

In terms of advertising, inventory management means "you start to pick your spots and sell to your inventory," says William H. Dowse, vp-advertising at Miami-based Eastern. "In the summer, you might focus on a market-by-market basis where you have seats to sell."

Frequently, this advertising takes the form of price-destination listings. But the major carriers today are finding ways to justify differences in price through comparative advertising that promotes their superior level of service, Mr. Dowse says.

Pricing also is used to stimulate traffic during weekly and seasonal lulls and to control the number of discounted seats available on flights where demand is high, he says.

An example of pricing used to compete primarily for pleasure travelers over low-cost airlines is American's Ultimate Super Saver fare, which discounts fares up to 70% on 30-day advance purchase, with a 25% cancelation penalty. American's first ads in January for the Ultimate Super Saver generated a 50% to 75% increase in reservations.

Predictably, United offered its own Ultra Saver fares within 24 hours, but the two carriers were aced out a short time later when Continental lowered its 14-day advance purchase fares to the Ultimate Super Saver level, with no restrictions.

Pricing factors work the same way in reverse. Improved projections for air travel in recent months persuaded United in early August to raise fares. United announced a new fare schedule that ties mileage to prices on fares, increasing the average cost of a ticket by more than 4%. United's fare structure also increases SuperCoach fares, eliminates discount fares on seven-day notice and adds a new discount on fares with 14 days' notice. American, TWA, Pan Am and Republic all announced plans to match United's fare structure.

While the increases will dampen passenger traffic, they also will boost yields, the income gained from paying passengers per seat per mile.

Fare increases aside, the overall effect of more competition in the market has been steady, downward pressure on pricing, says Alfred Norling, airline analyst at Kidder, Peabody & Co., New York.

"It's not unusual for an airline to seek a temporary readjustment in pricing. But fares are under downward pressure all of the time. The competition [from deregulation] is intense, and the degree of competition defines the level of fares," he says.

Whether other carriers will match the higher fares or use pricing advantages to stimulate travel on their own lines remains to be seen. Generalities are difficult because each market has its own competitive factors, says Matt Gonring, pr director for Northwest Orient.

"Every market is different. The type of travelers you carry, the kind of aircraft you fly, your frequency, all affect pricing and advertising strategies," he says.

For United and American, an attempt is being made through image advertising to differentiate between price and quality, United's Mr. Zeeman says.

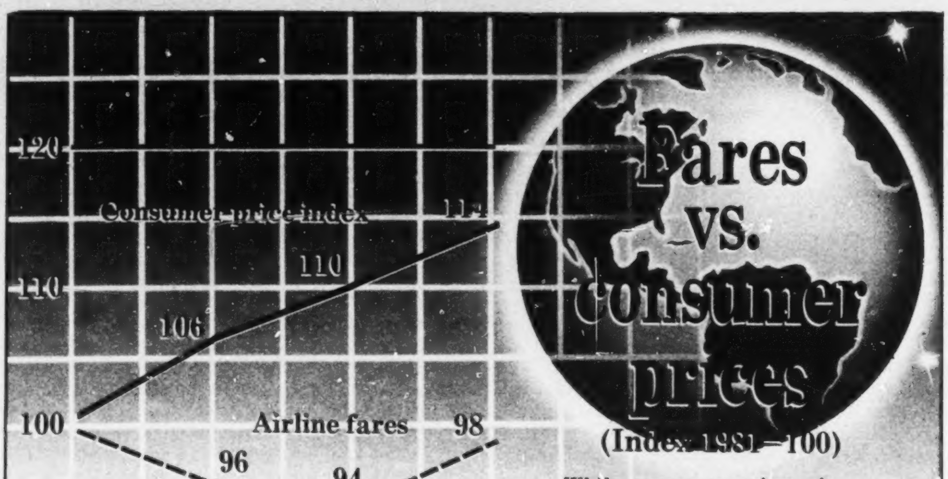
"Ever since deregulation, advertising has been both image-oriented and tactical," agrees Ann Smits, assistant vp-advertising at American Airlines, Dallas. While all airlines engage in tactical advertising of rates and destinations, she says, American also keeps a heavy schedule of image advertising to promote its reputation.

A recent example is its campaign about American's efforts to help restore the Statue of Liberty.

"The goal of that campaign was to affiliate American with a cause for which this country was founded," she says. "But it's not something you can measure in terms of a return."

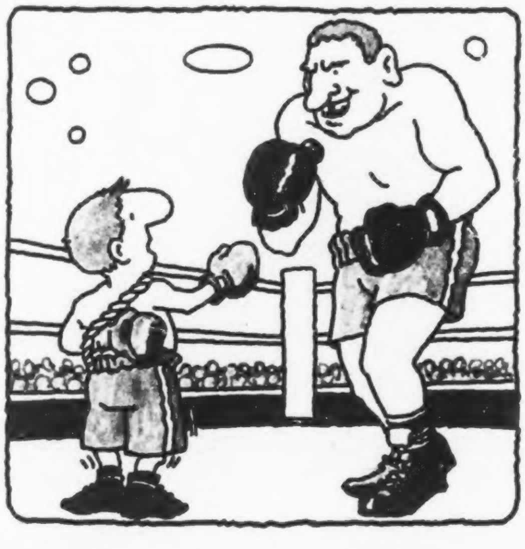
Analysts point to the fact that United and American are able to influence the direction of the industry on routes and fares as an indication that the fourth phase of deregulation may be near. The chief characteristic of this phase is the growing power of a handful of major airlines as a result of internally generated growth, mergers and acquisitions.

On the other hand, perhaps the mega-mergers, such as United-Pan Am or a TWA-Texas Air, won't really affect more than a few players in each market, Paine Webber's Mr. Pincavage says. "You may have four or five dominant carriers in the future, but you've got that now." ■



While consumer prices rise, deregulation exerts downward pressure on the cost of air travel.

Source: Air Transport Assn.



YOU WOULDN'T FIGHT THE CHAMP
WITH ONLY ONE GLOVE

And you can't cover Sacramento with only one newspaper

Market Newspaper Penetration

Sacramento Union/Bee	65%
Los Angeles Times/ Herald-Examiner	30%
San Francisco Chronicle/Examiner	27%
Daily Circulation	

Sacramento has the highest newspaper penetration of any major market in the Western States. It takes two newspapers to reach the upscale high-spending Sacramento market.

Sacramento Union readership delivers over 5 billion dollars in spendable income… and exceeds market averages in virtually every demographic target. The Union provides the extra strength and reach necessary to cover one of America's most profitable markets.

SOURCE: ABC Fas Fax 3/31/85. S&MM Survey of Buying Power

The Sacramento Union
You Can't Cover Sacramento Without It
Represented nationally by Landon Assoc., Inc.

C2710-1

$1.25 a copy; $55 a year

Monday, August 26, 1985

Advertising Age®

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Pepsi tells the world about new Coke

Peter Kendall, Pepsi-Cola's regional vp for northern Europe, displays reformulated Coca-Cola at a press conference in London, one of 16 Pepsi held around the world last week to hail Pepsi as "the new gold standard" in colas. At right he holds up a $14,000 Pepsi can made of gold. Coca-Cola has yet to introduce new Coke in most foreign markets. *(See story on Page 6.)*

Liquor makers are mixin' it up with cocktails

By GAY JERVEY

Playing catch-up with the $333 million wine-cooler business, manufacturers and distributors of distilled spirits are in the initial stages of christening a new breed of prepared cocktails that blend premium brand names with popular mixers.

Their target: Consumers who crave different, preferably lighter drinks carrying the panache of an established brand name—and that are conveniently packaged.

Among big names currently moving new products to test or considered likely to take the plunge are Beefeater gin, Bacardi rum, Seagram's 7 Crown whisky and Pimm's liqueur.

"We are monitoring the situation with great vigor, with very stong intent," said William Walker, president of Miami-based Bacardi Imports.

"This is becoming a very key growth area," added John Cummock, Bacardi's marketing director-new ventures. "Distilled spirits companies are looking at this in much the same way wine companies have treated wine coolers."

Distilled spirits marketers are following the lead of James B.

(Continued on Page 59)

New Rx for drug ads

By STEVEN W. COLFORD

WASHINGTON—A voluntary moratorium on prescription-drug advertising to consumers soon will be lifted under pressure from the White House, according to sources at the Food & Drug Administration.

The 30-month moratorium, backed by the pharmaceutical industry, Congress and the FDA, is expected to end in a couple of weeks in response to pressure from the White House Office of Management and Budget, sources said.

"A lot of people here are kind of bent out of shape over this," said one FDA official. "They think this is being shoved down our throats by OMB."

The informal moratorium began in February, 1983, when former FDA commissioner Arthur Hull Hayes asked industry leaders to refrain from consumer advertising until the agency analyzed the benefits and risks of such ads.

At the time, the FDA intended to develop simplified ground rules for prescription-drug advertisers to follow during planned mass-media ad tests.

The agency requires drug makers to make extensive disclosures of side effects and other technical information in their conventional ads to doctors. Without relief from these requirements, industry officials said, effective mass-media advertising for prescription products would be difficult and costly.

Drug companies, by an overwhelming margin, later told Congress they oppose advertising prescription drugs directly to consumers (AA, Aug. 23, '84). The strength of that sentiment cooled the FDA's ardor for pursuing the matter, and the planned mass-media tests never took place. FDA officials say they still won't pursue the test idea or rule changes to make consumer advertising easier, even if the moratorium ends.

The OMB declined to confirm or deny that it wanted the ad moratorium to end. But the FDA is expected to publish in the Federal Register a notice that the voluntary moratorium is no longer in place.

A spokesman for the Pharmaceutical Manufacturers

(Continued on Page 54)

Dyson brings 'vision' to AA's Workshop

By NANCY GIGES

NEW YORK—A winning attitude is the wellspring that fosters the confidence and courage to create a dynamic company, Coca-Cola USA president Brian Dyson told some 900 attendees Aug. 25 at ADVERTISING AGE's 28th annual Creative Workshop.

"This winning attitude begins with a vision of yourself and a vision of your company," Mr. Dyson asserted at the opening session.

Mr. Dyson suggested that his company and key rival Pepsi-Cola Co. have led U.S. industry in staying in touch with the consumer. Together, he said, these companies have discovered needs and innovative ways to address changing consumer desires and trends.

Anticipating and meeting these needs and trends often requires the courage to innovate and the necessity for a strong relationship with ad agencies and a demand for strong creative people, the Coca-Cola executive said.

"It's not enough to be the leader in the soft-drink industry, but you

(Continued on Page 8)

Last Minute News

Competition is rising for baker's account

ST. LOUIS—Ralston Purina Co. is reviewing its estimated $20 million Continental Baking Co. account, sources say. The account includes the $12 million Hostess and Twinkies brands as well as the $8 million Wonder bread assignment. Ted Bates Advertising/New York now has the assignment. Two other Ralston agencies—Grey Advertising, New York, and Tatham-Laird & Kudner, Chicago—will vie with Bates for the Wonder bread business. Another Ralston shop—Avrett, Free & Ginsberg, New York—will battle Bates for the Hostess/Twinkies account. Ralston Purina declined comment.

(Continued on Page 8)

Ford to sing praises

NEWSPAPER

AA
DC20014CONGLI FMJF M
CONGRESSIONAL INFO SERVICE
S&I ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Clothing, pricey watches join line

Swatch cuts wide swath

By LISA PHILLIPS

NEW YORK—Young people will get a big dose of Swatch this fall, thanks to Swatch Watch USA's $14 million multimedia ad campaign and the 400 Swatch Shops set to open in major department stores by December.

Also soon to be announced is a line of Cosmic Cowboy clothing, which the company says is already sold-out to major retailers, and a Limelight watch, priced at around $100, with four diamonds set in the face, and a limited edition watch whose face is decorated with faceless figures designed by Keith Haring, New York subway-graffiti artist.

With Swatch's sales rocketing from $3 million in 1983 to a projected $125 million this year, Swatch watches, fashion accessories and life-style items such as Italian-made razors and German-made sunglasses, have joined the pop symbols of the 1980s.

The Cosmic Cowboy line, for the moment, consists of shorts and tops in two patterns of cartoon figures in western settings, lassoing planets, and coordinating solid tank tops and t-shirts bearing the Cosmic Cowboy sheriff's star logo. Matching accessories include change purses decorated with a huge metal star matching the clothing, and a plastic purse in the form of saddlebags, which can be reversed from patterned side to solid white vinyl.

The Limelight watch is not associated with the famous nightclubs of the same name, said Steve Rechtschaffner, creative director at Swatch Watch USA. Instead, the

(Continued on Page 56)

Marketing chief bolts Cal. Cooler

By **BRIAN LOWRY**

STOCKTON, CAL.—California Cooler Inc. has undergone its first major personnel change since it was acquired by Brown-Forman Inc., Louisville (AA, July 8).

Tom Gibbs, California Cooler's director-marketing since December, 1983, resigned last week to "pursue individual opportunities." Jon Shastid, who held the same title at E. & J. Gallo Winery, Modesto, replaces Mr. Gibbs. Mr. Shastid assumes the more-expansive title of vp-sales and marketing.

Mr. Shastid's duties at Gallo were limited to wine marketing, primarily on Gallo's Carlo Rossi brand. It didn't include the winery's Bartles & Jaymes wine cooler, which has become one of California Cooler's leading competitors.

Reached at home, Mr. Gibbs admitted that he left California Cooler due to frustration with the company's reluctance to make marketing decisions pending the Sept. 5 consummation of the sale.

He also said he was disappointed with the decision by company co-founders R. Stuart Bewley and Michael Crete not to share with top executives the $55 million cash they got from Brown-Forman. Mr. Gibbs said that Messrs. Bewley, who is corporate president, and Crete, who is chairman, had discussed voting equity to key executives, but the founders' reluctance to do so "showed their selfishness."

Mr. Gibbs added that he has gotten several offers in the wake of California Cooler's marketing success, and "after making the company millions of dollars, I decided to do something for myself."

Although Mr. Gibbs claimed his sudden departure was not a bitter one, he said California Cooler "lacked direction" since announcing the sale to

(Continued on Page 55)

THIS IS
THE DAWN
OF
1-800-258-1478

Sears has Georgia on its mind

Discover is dawning on consumers in Georgia as Sears Financial Network begins its first market test of its new credit card in that state. *(See story on Page 12.)*

Highlights

Pepsi-Cola International last week brought the market war with Coca-Cola to a new level when it "introduced" its rival's reformulated product at 16 press conferences in overseas capitals from here to Casablanca. *See Page 6.*

Benetton, the Italian manufacturer and retailer of funky fashions, will boast its wares on U.S. tv for the first time beginning Sept. 2. *See Page 10.*

After more than a year of preparation, Sears Financial Network last week broke the first consumer advertising campaign introducing the Sears Discover card in Atlanta. *See Page 12.*

Style
Victor knows
The transformation
Cindy Crawford
Life after Lotto
Rating the running shoes
Day care for sick kids

The Chicago Tribune last week announced plans to insert Gannett Co.'s *USA Weekend* initially in its Sunday editions, to launch a revamped Wednesday *Style* tabloid magazine and to resume a morning-only publishing cycle. *See Page 42.*

A Teamsters' strike set off a dramatic round of price incentives to lure new-car buyers, but market factors suggest U.S. auto makers won't be able to unload special sales promotions any time soon. *See Page 50.*

CORPORATE CLOSEUP

As chairman of the board, Sondra Healy oversees what has grown from a $500 investment into an estimated $100 million company: Turtle Wax, the world's largest manufacturer of car-care products. And along with her husband, Denis, the company's president, she is steering the privately held company back onto the course her father originally charted at the kitchen table, a course aimed at diversifying into nonautomotive markets with a line of products sold through supermarkets as well as mass merchandisers such as K mart. *See Page 4.*

FORUM

Hal Katz, exec vp of Vitt Media International, makes the case for media planning. *See Page 18.*

For pro athletes, is there life after knee surgery? Gale Sayers tells his story. *See Page 18.*

INTERNATIONAL

South African ad agencies, besides worrying about racial violence and a deepening recession, have a more mundane problem: What to do about client pressure to rebate part of their commissions. *See Page 32.*

The British Broadcasting Corp. and retail chain Marks & Spencer are changing their tune on advertising. The BBC is considering a campaign on the overall quality of its tv service, and not just its programing, and Marks & Spencer has asked five London agencies to pitch for a small corporate-image account in September. *See Page 33.*

DIRECT MARKETING

Despite parent Montgomery Ward's decision to bow out of the catalog business, Chicago-based Signature Group quietly has affirmed its commitment to direct marketing by adding an automated telemarketing facility. *See Page 44.*

WSI Corp. has begun a direct-marketing campaign to expand the customer base for its computerized voice-response aviation weather-briefing system. Since 1978, the company has marketed only to corporate pilots. *See Page 44.*

COMING THURSDAY

SPECIAL REPORT

The radio industry has tuned in to new formats and programing to compete with the wealth of new entertainment options—for consumers as well as advertisers.

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Lotus to promote enhanced 1-2-3

By **BRIAN MORAN**

Lotus Development Corp. this fall will strike back at software marketers who have capitalized on weaknesses in its best-selling 1-2-3 program with an improved version of its own.

While recognized as a benchmark program that catapulted Lotus to the top of the personal-computer software business, 1-2-3 also created a flourishing subindustry for smaller competitors to market add-on products. Such offerings have made the 2½-year-old 1-2-3 program more powerful and easier to use.

Now Cambridge, Mass.-based Lotus has a reply to the hundreds of add-on products that analysts say have pointed up the product's limitations. Lotus says its new 1-2-3 will allow users to make spreadsheets—the program's bread-and-butter function—faster and up to four times larger.

Graphics, another problem area on the original package, also have been improved. 1-2-3, which runs on the IBM Personal Computer and compatible machines, also offers a database-management function.

Lotus will support the 1-2-3 retooling with a multi-million-dollar print campaign beginning in early fall in the *Wall Street Journal*, business books including *Business Week*, *Forbes* and *Fortune*, and computer magazines, including *Byte*. Lotus also will target the nearly 1 million owners of 1-2-3 with ads in the company-owned *Lotus*. Hill, Holliday, Connors, Cosmopulos, Boston, handles.

The new 1-2-3 will retail for $495, the same as the original. Lotus will charge registered owners of the program $150 to upgrade to the new version.

In another move to build on 1-2-3's estimated 70% share of the inte-

(Continued on Page 54)

Late West Coast news

Rainier to bank on Young & Rubicam

Rainier Bankcorp, Seattle, selected Young & Rubicam, San Francisco, to replace its agency of 25 years, Cole & Weber, on its $4 million account. Y&R edged out Elgin/Syferd, Seattle, and Dancer Fitzgerald Sample, San Francisco, in the competition. Rainier decided against splitting the business-to-business part of the account, which Seattle-based Sharp Hartwig hoped to snare.

Great America, Santa Clara theme park, appointed Ketchum Communications, San Francisco, to handle its $2.5 million business, formerly at Smith Burke & Azzam, Baltimore. The account change follows the park's sale to the city of Santa Clara from the Marriott Corp. in June.

El Pollo Loco, La Mirada, Cal., the Mexican-style charbroiled chicken fast-food subsidiary of Denny's Inc., named Hispanic ad specialists Casanova & Pendrill Publicidad, Los Angeles, to develop a comprehensive Spanish-language ad program for the chain. Casanova & Pendrill succeeds McCann-Erickson's La Agencia Hispanic advertising arm. Under Denny's ownership, the 40-location chain intends to nearly double in size by the end of the year. McCann

(Continued on Page 55)

Ford Aero debut a big 'Hair'-y deal

By RAYMOND SERAFIN

Ford Motor Co. will use music from the archetypal counterculture production of the 1960s in the biggest ad launch ever for a Ford truck.

"The Age of Aquarius" was the most widely known song from "Hair," the self-styled tribal rock musical that in some quarters was regarded as a promotion for drugs, sex, rock music and rebellion. Reincarnated as "The Age of Aerostar," the music will be used to sell Ford Aerostar minivans to a target audience of young marrieds with two children.

Although the first Aerostars already have been made available to dealers, the ad campaign via J. Walter Thompson USA, Detroit, won't break until mid-September. Commercials debut Sept. 15 on National Football League games and "60 Minutes" as well as on network radio, and four-page inside front-cover gatefolds will turn up in five newsweeklies the week of Sept. 16. Print ads carry over "The Age of Aerostar" theme used in broadcast.

John Vanderzee, Ford division advertising manager, said that test consumer groups didn't associate the music with the controversial "Hair." "Not once did I hear anyone say, 'Oh, that was for its time a very radical musical, with people running around with no clothes on.' But they do remember the song and that's far more important."

"The Age of Aquarius" follows successful use of 1960s music by Ford's Lincoln-Mercury division to develop a more youthful image for the Mercury line. "Searchin'," "Proud Mary," "Be My Baby" and the Beatles' "Help" were used in the campaign that broke early this year via Young & Rubicam, Detroit, and a new wave of songs from that era are planned again this fall for Mercury.

Ford went to "The Age of Aquarius" theme because of what Mr. Vanderzee called "a double marketing problem, registering a new vehicle and a new name. One of the best ways you do it is by linking it up with something else that's remembered."

But there's also a third marketing problem, which is that Chrysler Corp. beat Ford by more than a year in introducing its popular minivans, the Dodge Caravan and Plymouth

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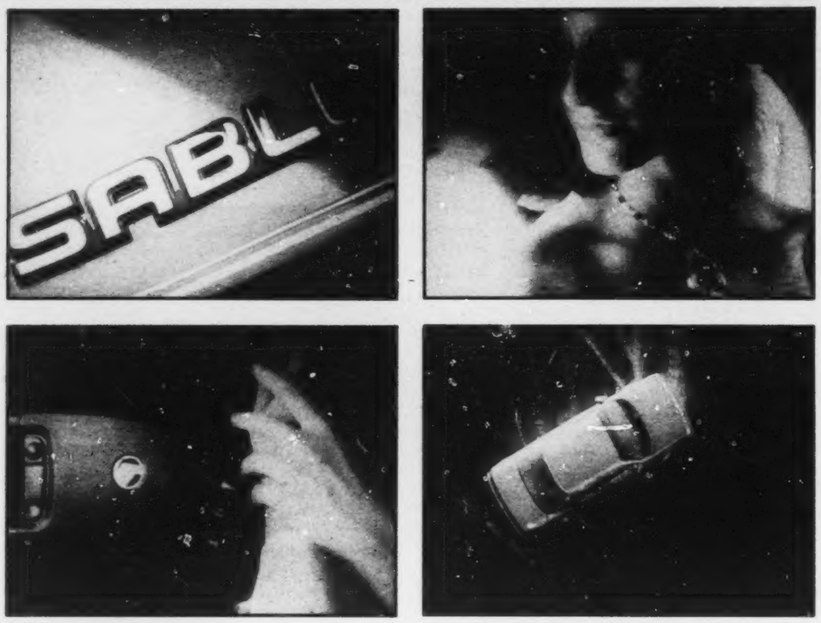

L-M continues sound strategy

Ford Motor Co.'s Lincoln-Mercury division, Detroit, on Sept. 22 breaks a new round of tv spots featuring '60s music. The new commercials back the launch of L-M's 1986 Sable, due in November. One of the spots, via Young & Rubicam, features Bette Midler performing a rendition of "Do You Wanna Dance."

Nets unwrapping 'pre-premieres'

By JAMES P. FORKAN

New York—The network tv programing chiefs have now slated at least 18 series for preseason premieres or "previews," although the old saying about the "early bird catching the worm" hasn't proven true for newcomers in seasons past.

NBC's "Hell Town" will be the first member of the fall freshman class to bow, Sept. 11. All told, thanks to NBC late last week advancing "Hunter's" return to Sept. 21, 10 new-for-fall contenders will appear on NBC before the season starts officially Sept. 23, compared with four preseasoners apiece for ABC and CBS.

The number of series set for debuts in early October—before postseason baseball grips the nation—rose to six late last week, after CBS delayed "Falcon Crest's" return to make way for a two-hour "Dallas" opener. Only one show, ABC's "Dynasty II: The Colbys of California," is due in the November sweeps.

As many buyers at ad agencies pointed out, most of the shows given preseason introductions are comparatively weak entrants in the A.C. Nielsen fall ratings race. The nets' rationale is that those shows stand a better chance for crucial audience sampling before the full onslaught of original series.

However, that head-start strategy rarely has yielded lasting results for prime time's weak sisters. And it is not expected to help the most marginal entries this fall either, most sources agree. On the other hand, a couple of freshmen shows may benefit, some admen believe.

At J. Walter Thompson USA, Richard Kostyra, senior vp-media director, recalling ABC's "Call to Glory" last year, said, "I wouldn't

(Continued on Page 57)

Agencies get itch for Lotto

By STEWART ALTER

Lotto fever hit New York's advertising agencies, too, as some splurged to buy tickets for their entire staffs.

McCann-Erickson bought 800 tickets for the Aug. 21 Lotto drawing, giving employes a chance at the $41 million jackpot—a North American record—that would have allowed them to set up their own agencies, or even buy a modest-size client.

The agency's selection method, random numbers and geometric patterns, hit four out of six numbers (third prize) on two tickets and three plus the

(Continued on Page 57)

Castle & Cooke brands tomatoes

By BRIAN LOWRY

San Francisco—Castle & Cooke hopes to capitalize on the growth in fresh produce sales by putting its Dole trademark on tomatoes—the first step in linking the Dole name to fresh vegetables.

Honolulu-based Castle & Cooke already is forging ahead with plans to market green peppers and cucumbers with Dole's redesigned sunshine stickers. It also may add cantaloupes to the list of fruits that carry the Dole brand, which includes bananas, pineapples, lemons and oranges.

Plans call for the Mexican-grown, extra-large tomatoes, known as beefsteaks, to be distributed nationally, beginning in early September in the Midwest and Northeast. Public awareness will be created with radio, co-op print ads and point-of-sale materials that read "sun-ripened on the vine for full taste."

Company officials estimate the ad campaign will begin in six to eight weeks. Allen & Dorward, San Francisco, handles the Fresh Foods division.

The move is a reflection of consumer trends, said Anthony Wilmer, Fresh Foods division marketing manager. Fresh strawberries and cauliflower, for example, enjoyed nearly 50% sales increases the last two years, while frozen sales dropped 27% and 20%, respectively, according to state statistics.

As the public's demand for fresh produce has increased—resulting in stagnant or declining frozen vegetable sales—Castle & Cooke has emphasized its fresh division and deemphasized frozen goods, Mr. Wilmer said.

In addition, the move reflects Castle & Cooke's redirection from a production-driven organization

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World News Roundup

Tokyo—Japan Air Lines increased the suspension of its advertising from three months to six months following the recent crash of one of its Boeing 747s (AA, Aug. 19). Sources speculated that the ban could last as long as a year, but the carrier denied it.

Sydney—Beecham Australia dropped Leo Burnett Co. from its health-drink account, worth about $2 million. No new agency was named.

London—Mars Inc. will test-market Tracker, a cereal bar made of rice, oats and sugar, next month in western England and Wales with a tv campaign via D'Arcy MacManus Masius. Tracker comes in chocolate chip and roasted nut flavors. No budget available.

Sydney—Pepsi-Cola Co. will triple its Australian advertising budget next year—from $700,000 to $2.1 million—in an attempt to beef up its 4.9% share of the $70 million cola market here. Coca-Cola Co. is the leader with a 70% share. Melbourne-based Clemenger Australia, part of BBDO International, handles Pepsi.

Hong Kong—Ogilvy & Mather is looking to beef up its Hong Kong-based China advertising team. In a newspaper ad the agency said

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So. African squeeze play—P. 32

ADWATCH

Coke ads score again

Lead recall survey for sixth month

By SCOTT HUME

Coca-Cola continues to turn its "marketing blunder" into an advertising awareness bonanza.

July was the sixth consecutive month that Coke's advertising has received the best recall from consumers, according to Advertising Age's monthly adWatch survey. More impressively, Coke's lead over the No. 2 advertiser (which has been archrival Pepsi for the past five months) steadily has grown since it launched "new" Coke and then reintroduced the Classic formula.

Last month, a nationwide sample of 1,000 consumers was asked to name the first advertising that came to mind from among all they had seen, heard or read in the previous 30 days. Of that sample, 17.7% said Coke's ads came to mind first, compared with 14% in June and 3.6% in February, before the brouhaha began.

The 10 best-recalled advertisers in July were, in descending order, Coca-Cola, Pepsi, Miller/Miller Lite, Burger King, McDonald's, Budweiser/Bud Light, Ford, Chevrolet, Tide and AT&T.

Coke's 17.7% recall share in July is only slightly lower than that of the all-time champ, Wendy's, which captured 20.3% of first mentions in March, 1984, at the height of the "Where's the beef?" mania. Coke has mounted a challenge to Wendy's record without benefit of an especially memorable theme line, a specifically recalled commercial or ad or the presence of an octogenarian cutie such as Clara Peller.

When that consumer sample was specifically asked to name the first soft-drink advertising that came to mind from all they had encountered, Coke's dominance was even stronger.

Coke's advertising came to mind first for 53.4% of the sample, better than double Pepsi's 25.9% share. 7UP trailed in third place with 2%. The consolation for Pepsi is that its

(Continued on Page 57)

'Tribune' adds Gannett's 'USA Weekend'

By GARY LEVIN

The *Chicago Tribune*, apparently not hurting much from a 5-week-old production workers' strike, is steamrolling ahead with new sections and taking the opportunity to return to its morning-only publishing cycle (AA, Aug. 19).

The paper (daily circulation, 776,000) last week announced plans to insert Gannett Co.'s *USA Weekend* initially in its Sunday editions, to launch a revamped Wednesday *Style* tabloid magazine and to resume a morning-only publishing cycle by discontinuing its late-afternoon Green Streak edition.

The developments came as the *Tribune* was criticized last week in the Chicago City Council for its "bad faith" in bargaining efforts with three unions that struck the paper July 18 (AA, July 22).

The addition of *USA Weekend* upon its debut Sept. 8 will make the *Tribune* the largest paper to carry the new publication of Rosslyn, Va.-based Gannett.

The addition of the *Tribune*—along with the earlier announced additions of the *Denver Post* and the *Dallas Times Herald*—will enable Gannett to make up for half the circulation lost to rival *Parade* when Gannett transformed *Family Weekly* into *USA Weekend* (AA, July 29).

Initially, *USA Weekend* will compete head-on with the *Tribune's* own Sunday magazine, which has racked up impressive ad page gains so far this year. To avoid such direct competition—especially among national advertisers—the *Tribune* will shift *USA Weekend* distribution to Fridays beginning Nov. 1, lowering Chicago distribution from 1.1 million to 776,000.

"I don't see a direct conflict there," said *Tribune* editor James Squires, because, unlike *USA Weekend*, the Sunday magazine is "upscale" and "not a celebrity entertainment section."

Separately, following the success of such zoned products as its "Friday" entertainment tabloid, the *Tribune* Sept. 11 will unveil *Style*, a life-style weekly tab-style magazine to replace the broadsheet fashion-oriented "Styles."

The new magazine, to run a minimum of 32 pages a week with 55% advertising, will be printed on heavier, whiter-stock paper. It is zoned nine ways, and a b&w ad page costs $4,985, about half the paper's full-run broadsheet retail rate for large-volume advertisers. A color page in *Style* costs an additional $2,300.

Combination rates will be offered to space buyers in both *Style* and the *Tribune's* Sunday magazine, perhaps resembling the 20% multiple-page discount offered to advertisers in the Sunday magazine alone.

"It really addresses the whole life style of the market we're after," said special projects manager Robert Reese, and is "something the *Trib* hasn't done very well so far."

Major retailers, including Carson Pirie Scott & Co., Marshall Field's and Neiman-Marcus Co., already have signed yearlong commitments for *Style*, Mr. Reese said.

Separately, the *Tribune's* decision to abandon its Green Streak, which has not been published since the strike began, may further sap the impact of the walkout.

The Green Streak, which the *Tribune* says had daily circulation of 27,000 copies, has been replaced by a 4,000-to-6,000 copy pressrun of a repackaged Midwest edition available downstate and elsewhere in the region.

The new predated "national edition" will be sold at airports, 24-hour newsstands and hotels.

Outside Tribune Tower, picketers continued marching and meetings continued between management and the unions.

The unions claim the *Tribune* is unfairly trying to displace them and break lifetime job guarantees by ordering mandatory transfers to other departments, thus stripping workers of current union memberships. The paper says the moves are necessary due to automation.

The unions have mounted boycott campaigns, seeking cancelations from subscribers and advertisers.

A *Tribune* spokeswoman said "fewer than 2,000" subscription cancelations so far have been received. An advertiser boycott was less successful among large advertisers bound by long-term commitments, though union spokesmen claim smaller advertisers have supported the boycott.

The paper now appears normal in both daily and Sunday editions, with certain combined Sunday sections the only evidence of the stalemated walkout.

That has proved sobering to the unions, which now predict a longer strike than first anticipated.

Across the street at the *Sun-Times*, editorial staffers have voted overwhelmingly to authorize a strike against that paper as contract negotiations continue. No strike deadline has been set.#

Single-copy magazine sales still weak

By STUART J. ELLIOTT

New York—Magazines' fears of more gloomy news on the single-copy sales front have been confirmed by the latest figures from the Audit Bureau of Circulations (AA, Aug. 19).

Not only is the slide in newsstand sales that began more than a year ago still a problem, according to ABC's per-issue averages for the six months ending June 30, it appears to be accelerating. About three times as many major magazines reported sharp declines in single-copy sales as reported significant gains.

The losses in single-copy sales were evident almost across the board in many key categories:

- Business and personal finance: *Changing Times*, 14.4%; *Financial World*, 20.4%; *High Technology*, 30.1%; *Inc.*, 17.8%; *Sylvia Porter's Personal Finance*, 31.8%; *Venture*, 15.1%.
- Computer: *Byte*, 21.6%; *Compute!*, 36%; *80 Micro*, 42%; *Family Computing*, 15.7%; *Infoworld*, 32.7%; *Personal Computing*, 35.9%; *Popular Computing*, 28.4%.
- Men's sophisticates: *Cheri*, 22.1%; *Forum*, 14.3%; *Genesis*, 22.1%; *High Society*, 14.4%; *Playboy*, 18.3%.
- News: *Harper's Magazine*, 14.9%; *New Republic*, 33.1%; *The New Yorker*, 12.3%; *Newsweek International* (Asia), 23.2%.
- Teens: *16*, 37.2%; *Super Teen*, 29.6%; *Teen Machine*, 27%; *YM* (*Young Miss*), 20.5%.

In many cases, magazines suffering on the single-sales side are moving to beef up their subscription operations (AA, March 4). For instance, among the titles cited above, those able to substantially increase their subscription sales included *Compute!*, 33%; *Family Computing*, 39.3%; *Financial World*, 24.5%; *Inc.*, 24.6%; *Infoworld*, 36.6%; *Playboy*, 11.2%, and *Sylvia Porter's Personal Finance*, 61.4%.

Other magazines traditionally dependent on single-copy sales also are moving to derive more of their total circulation from subscriptions. Among these that enjoyed increases in subscription sales: *Cosmopolitan*, 12.8%; *Family Circle*, 55.8%; *National Examiner*, 44.8%; *People*, 20.8%; *Playgirl*, 29.6%; *Penthouse*, 15.3%, and *Weekly World News*, 38.6%.

Conversely, some publications—including ones that have been subscription-oriented—are braving the sagging single-sales field to register increases. Among them: *Food & Wine*, 65.1%; *Health*, 589.4%; *Home*, 32.5%; *Horticulture*, 131.5%; *M*, 33.7%; *National Geographic*, 48.4%; *New Shelter*, 24.8%; *Prevention*, 18.1%, and *Run*, 23.7%.

Turning to total circulation (subscription and single copy) among magazines in all categories with large percentage gains were: *The Artist's Magazine*, 164.8%; *Run*, 96.7%; *Gourmet*, 77.8%; *Sun*, 62.9%, and *Pro Bass*, 60.3%. Among those with large percentage declines: *16*, 34.7%; *World Press Review*, 29.8%; *Super Teen*, 29.6%; *Teen Machine*, 27%, and *Daytime TV Presents*, 24.7%.

A review of the ABC figures also brings to light several special situations. Now that *Gourmet* is fulfilling subscriptions to the now-defunct *Cuisine*, its subscription circulation soared 92.8%. And *Vanity Fair*, after dropping its cover price to $2 from $3 and its annual subscription to $12 from $24, gained 18.1% in single-copy sales and 23.9% in subscriptions.#

ABC 6-month magazine circulation

The ranks of the top 10 consumer magazines changed as *Modern Maturity* moved ahead of *National Geographic* into the No. 3 spot. Reflecting over-all trends, six of the 10 declined in circulation. As with the year-ago period, *Modern Maturity* registered the largest percentage gain, while *Family Circle* registered the largest percentage decline. Figures are per-issue averages for the six months ended June 30. *Source:* Audit Bureau of Circulations.

'85/'84 ranks		Name	Circulation at 6/30/85	% change from '84
1	1	*Reader's Digest*	17,884,818	– 0.7
2	2	*TV Guide*	17,165,061	– 1.0
3	4	*Modern Maturity*	11,818,316	+19.5
4	3	*National Geographic*	10,449,396	+ 2.4
5	5	*Better Homes & Gardens*	8,024,394	+ 0.3
6	6	*Family Circle*	6,702,134	– 4.3
7	7	*Woman's Day*	6,590,273	– 3.9
8	8	*McCall's*	6,232,481	+0.1
9	9	*Good Housekeeping*	5,203,022	– 1.8
10	10	*Ladies' Home Journal*	5,040,157	– 1.6

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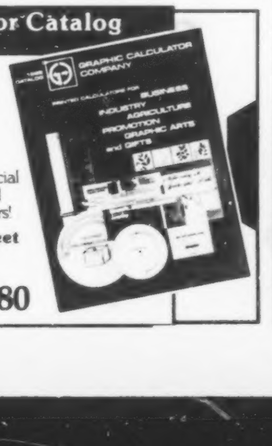

1 Club joins anti-drunk drive

New York—A contest to design a poster to help fight drunk driving among teen agers will mark the first time the One Club for Art & Copy will judge a competition other than its own One Show.

"It's a touchy thing for a non-profit organization," said Ron Berger, One Club president, who is senior vp-associate creative director, Ally & Gargano, "but it's one of those opportunities we just couldn't walk away from."

The board of directors of the club, whose members are advertising agencies' senior art directors and copywriters, will judge what is being called the *Reader's Digest* Don't Drink and Drive Creative Challenge, to run Sept. 1 to Oct. 15. To avoid conflicts of interest, Mr. Berger said, the board members will not be eligible to enter the contest, which he called "the chance to express yourself other than having to sell a bar of soap or a tube of toothpaste."

Reader's Digest is asking the advertising community to design a poster to be circulated among the nation's 16,000 high schools. It will kick off a contest, running Jan. 1 to May 1, in which students devising the best programs to combat drunk driving among their peers will win $500,000 in college scholarships. "We want to make drinking and driving uncool, a word my 18-year-old son said not to use," said Richard McLoughlin, vice-chairman/publisher, *Reader's Digest*.

While *RD* long has campaigned against drunk driving, both before and after it accepted liquor advertising, this is "the first time we have taken this kind of active, down-to-the-high-school, let's-get-something-done role," said Mr. McLoughlin. The spur was, he said, an article printed in the July, 1984, issue, "I Still See Him Everywhere," by Richard Morsilli, whose son, Todd, 13, was killed by a 17-year-old drunk driver in February, 1983.

The prize for the creative team designing the winning poster—to be published in *RD* next February as well as used to start the high school contest—is a weeklong trip to Paris for two. "I think *Reader's Digest* is being too generous," said Mr. Berger. "What could be better reward than an opportunity to save a child's life?"

Entries in the contest are to be received by *RD* on, or postmarked by, Oct. 15. The address is: Don't Drink and Drive Creative Challenge, *Reader's Digest*, 200 Park Ave., New York 10166.#

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AdWatch

(Continued from Page 3)

new Slice brand moved into the No. 4 spot, although garnering only 1.4% of first mentions. Dr Pepper made its first appearance in the top five in nearly a year by capturing 1.2% of first mentions.

Last month's adWatch survey results also contain some interesting developments concerning that other marketing phenomenon with which the Cola Wars have been sharing media attention: The invasion of the wine coolers.

When consumers were asked to name the first wine advertising they recalled, Riunite (with 8.9% of first mentions) and Gallo (5.2%) still held their accustomed places at the top of the list. But No. 3 was E. & J. Gallo's Bartles & Jaymes brand wine cooler (2.8%), while category sales leader California Cooler moved into the No. 4 spot with 2.5%, ahead of Paul Masson (2.1%).

Interestingly, 61% of those who recalled the humorously deadpan Bartles & Jaymes advertising were men.

Those for whom the stand-up comedy style of the California Cooler advertising ("Pink tofu? Excuse me?") was most memorable were fairly evenly divided between men (52%) and women.

Also, of the two, advertising for Bartles & Jaymes was more likely to come to mind first for consumers aged 18 to 34, while California Cooler's advertising scored better among adults aged 35 to 54.

What's minimizing the impact of the Bartles & Jaymes and California Cooler campaigns is that wine advertising as a whole remains largely unremembered. In July, 50% of the consumers polled said they could remember no wine advertising at all.

Only 10% of the sample was unable to recall any soft-drink advertising.

Another product category few consumers have little trouble remembering is fast-food restaurant advertising: Only 9% of the sample drew a blank when asked what such advertising they recalled.

Burger King's celebrity-studded advertising for its bigger Whopper sandwich launched June 16 (AA, May 13) registered with consumers last month. BK's share of first mentions jumped 3.6 points to 19%. McDonald's maintained its comfortable lead with 37.6%, and "Only Wendy's" was only third with 12.5%.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name the advertising that first comes to mind—over-all and in a variety of product categories—from among all advertising seen, heard or read in the previous 30 days.

In July, 1,002 adults were polled by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

The following are last month's top three advertisers in other product categories:

- **Airlines:** United (20.8% of first mentions); TWA (15.2%); American (9.2%). United's share, which had increased sharply during both May and June as the airline worked to settle its pilots' strike, decreased 5.1 percentage points last month.
- **Apparel:** Levi Strauss (9.2%); Jordache (4.9%); Sears (3.7%).
- **Beer:** Budweiser (11.5%); Coors (10.9%); Miller (10.6%).
- **Bread:** Wonder (17.8%); Colonial (2.5%); Rainbo (2.5%).
- **Breakfast foods:** Wheaties (8.7%); Cheerios (7.5%); Corn Flakes (6%).
- **Cameras & equipment:** Kodak (21%); Canon (14.5%); Minolta (7.3%).
- **Cars & trucks:** Ford (19.4%); Chevrolet (12.2%); Toyota (7.8%).
- **Coffee:** Folgers (22.6%); Maxwell House (21.3%); Brim (5%). Maxwell House's share of first mentions dropped 3.5 percentage points from June's category-leading 24.8%.
- **Computers:** Apple (27%); IBM (15.1%); Commodore (3.5%). IBM's advertising lost much of the 3.8 point gain it had registered in June, falling 2.9 points in July.
- **Cosmetics:** Maybelline (5.8%); Avon (4%); Cover Girl (2%).
- **Electronics:** General Electric (9.9%); Sony (2.3%); Whirlpool (2.3%).
- **Frozen foods:** Birds Eye (9.8%); Swanson (4.5%); Stouffers (3.1%).
- **Laundry products:** Tide (29.2%); Cheer (4.7%); All (4.4%).
- **Liquor:** Jack Daniel's (3.5%); Seagram's (3.4%); Seagram's 7 (1.2%).
- **Medicine & drugs:** Tylenol (26%); Advil (5%); Anacin (3.3%).
- **Pet food:** Purina (11.6%); Alpo (10.1%), Kal Kan (2.9%).
- **Soap & shampoo:** Ivory (11.4%); Prell (5.2%); Head & Shoulders (5%).
- **Tea:** Lipton (41.8%); Nestea (5.7%); Tetley (4.4%).
- **Tobacco:** Marlboro (7.7%); Skoal (4.9%); Salem (2%).#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Nets

(Continued from Page 3)

want to make a wager" that a show such as ABC's "Moonlighting," a hit in August reruns, could carry over its success into the more competitive fall season, any more than "Call to Glory" did a year ago. The odds are better in early September as more viewers return to tv, but then, he added, "The problem with sampling is that with a good program, sampling can help it, but if it's not good, it'll hurt it."

Paul Schulman, president of Gardner Advertising's Paul Schulman Co., agreed, saying, "The show's the thing. . .I believe in starting early—if the show is good. Otherwise, that's the quickest way to kill a bad show. The key is what they're exposing people to in sampling. Just getting the audience to tune in is not enough. You have to back it up."

NBC, eager to maintain its warm-weather ratings momentum into the autumn, will precede "Hell Town," its earliest bird, with a repeat of last season's two-hour "Father of Hell Town" pilot. "Hell Town" will oppose parts of two two-hour pilots, CBS' "Brass" and ABC's "J.O.E. & the Colonel." On Sept. 14, NBC hopes to capitalize on interest in the Miss America Pageant by leading up to that event with its 8 p.m.-to-10 p.m. (ET) comedy block: "Gimme a Break," "Facts of Life," "Golden Girls" and "227." Opposite NBC's shows will be new tv movies, CBS' "Illusions" and ABC's "In Like Flynn."

NBC last week decided to have "Punky Brewster" return Sept. 15 with a one-hour special, rather than spread the story line across two Sundays. "Silver Spoons" will reappear Sept. 22.

"Highway to Heaven" (with the first of two parts) and "St. Elsewhere" will rejoin the Wednesday lineup with original hours Sept. 18, with NBC clearly hoping to blunt preseason audience interest in CBS' totally revamped Wednesday roster, debuting that same night: "Stir Crazy," "Charlie & Company," "George Burns' Comedy Week" and "The Equalizer." CBS, however, still expects to do well with those series, given that ABC's counterprograming will be "45/85," a three-hour "Closeup" news special sponsored by IBM Corp.

Mr. Schulman was pleased that NBC is giving an early airdate to "Golden Girls," its most promising contender, in his view. "It's a smart move," he said, especially since the network is "trying to turn the time period around." He also praised CBS for giving its Wednesday slate a week's head start as "wise," since those shows will be "away from the overwhelming numbers of 'Dynasty.' "

With its two-hour "Knight Rider" return episode Sept. 20, NBC also wants to try to block any Friday mileage ABC hoped for with its early premieres on that night—"Webster," "Mr. Belvedere" and a two-hour "Spenser: For Hire." CBS will weigh in with repeats of the "Dallas" and "Falcon Crest" season finales, hoping to refresh memories of fans and whet their appetites for more.

ABC, which would clearly like to begin its hoped-for Nielsen comeback during the week leading up to "premiere week," is finding that its rivals—headed for a hard-fought battle for households-and-demographics ratings supremacy of their own—do not plan to show mercy.

ABC's first series opener, "Our Family Honor," is set for a two-hour telecast Sept. 17, against which NBC is slating a one-hour Bob Hope special. Winding up the preseason Sept. 22, ABC fully expects the Emmy Awards to beat NBC's preview of its offbeat "Misfits of Science," due as a two-hour Sunday preview, and its "Crazy Dan" pilot; "Misfits" will not appear in its normal Friday 9 p.m. spot until Oct. 4, thanks to two-hour returns by "Knight Rider" and "Miami Vice."

The fact that "Monday Night Football" will begin its new season Sept. 9 has forced NBC to schedule first-run movie titles appealing to women before the season; "Love Child" is due Sept. 9, and "Mirrors" Sept. 16. "MNF's" lead-in "Hardcastle & McCormick," however, will not begin originals until Sept. 23.

Nearly 40 series will bow or return during premiere week, with the Nielsen standouts expected to include ABC's "Dynasty," returning Sept. 25; CBS' "Dallas," whose two-hour opener is set for Sept. 27 versus a two-hour "Miami Vice" on NBC, and NBC's "The Cosby Show," resuming Sept. 26. At ABC, "Lady Blue," the interim Thursday series inserted to enable "Dynasty II" to prepare for its glitzy mid-November start, will begin Sept. 26.

Among the opening week stunts will be NBC's telecast of a two-hour "A-Team" episode Sept. 24 and ABC's 90-minute episodes of "Hollywood Beat" and "Lime Street" Sept. 28. Those long-form installments will delay the returns of NBC's "Riptide" and ABC's "Love Boat" to Oct. 1 and 5, respectively. The other October starts: CBS' "Falcon Crest" and NBC's "Misfits of Science," both for Oct. 4, and CBS' "Crazy Like a Fox" and "Trapper John, M.D.," both for Oct. 6.

The two latter series, preempted by the dramatic movie special, "Amos," thus will avoid NBC's Johnny Carson "Tonight Show" 23rd anniversary special Sept. 29—only to run up against part one of NBC's "The Long, Hot Summer" miniseries (Oct. 6 and 7).

Effective Oct. 8, postseason baseball will begin disrupting whatever initial sampling newcomer series will have attracted. The American and National League baseball playoffs will preempt almost all of NBC's prime time fare from Oct. 8 through 13—except "The Cosby Show" Oct. 10 and "Punky" and "Spoons" Oct. 13. Additional playoffs have been penciled into NBC's Oct. 15-to-17 slates, should they prove necessary.

The World Series then will continue the ratings disruptions, once ABC's all-prime-time coverage gets under way Oct. 19.

NBC already has tentatively set "I Dream of Jeannie: 15 Years Later" as its Sunday movie for Oct. 20, in hopes of drawing some tv fans away from ABC's second World Series clash.#

Lotto

(Continued from Page 3)

supplementary number (fourth prize) on another. None, alas, had the six out of six required to win the gigantic first prize. Lotto officials said there were three first-place winners last week.

After distributing one ticket to each employe, the agency had 77 tickets left over; if any of those won, everybody would split the winnings.

Two of those tickets actually hit four numbers, winning $79 a ticket to split among the more than 700 staff members. Well, there are a lot of things you can do nowadays with 22¢.

Della Femina, Travisano & Partners gave its 150 employes better odds, buying five tickets for each of them. No big winners turned up anyway.

Chairman Jerry Della Femina had placed some stipulations, however, on any winnings. Half of the $41 million had to be split with other people at the agency, he said, in the spirit of altruism. As a result of buying these tickets for the staff, he tongue-in-cheeked, "There would be no Christmas party, bonuses or raises for the next five years."#

Tomatoes

(Continued from Page 3)

to a company responsive to market trends. The transition began under former chairman Ian Wilson, a former Coca-Cola Co. executive, who hoped to transform the company into a marketing power using its well regarded Dole brand name as the catalyst.

Mr. Wilson eventually was forced out of the company as its financial problems mounted, but observers say he set Castle & Cooke on a new direction.

According to Mr. Wilmer, Castle & Cooke research reveals consumers are dissatisfied with the quality of mature green tomatoes—which are gassed to achieve a ripe red color—and have positive associations with the Dole name and healthy, fresh products.

Until now, Castle & Cooke has relied on the Bud of California name for vegetables and the ABC brand name for tomatoes.#

Breslow opens pr shop

Philadelphia—Tina Breslow, former head of the entertainment division of Sommers/Rosen pr agency, has opened Tina Breslow Public Relations, 1718 Locust St., 19103.

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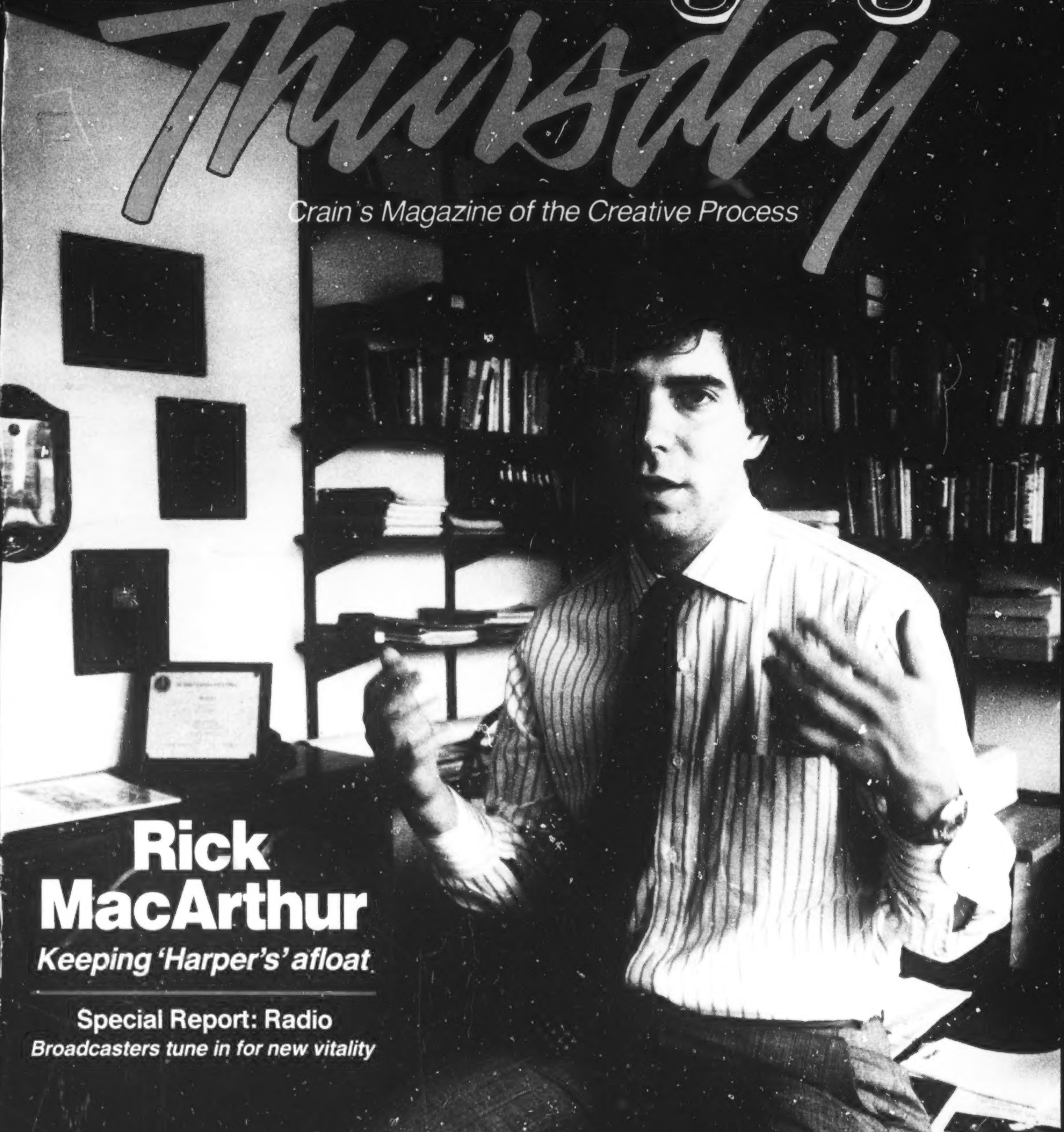
Advertising Age

Thursday

Crain's Magazine of the Creative Process



Rick MacArthur

Keeping 'Harper's' afloat

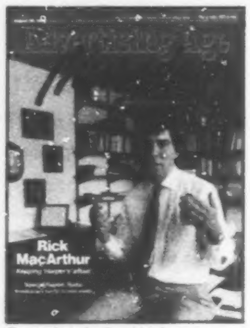
Special Report: Radio

Broadcasters tune in for new vitality

Thursday

Making it with MacArthur

Rick MacArthur, president and publisher of *Harper's*, has carried the concept of on-the-job training into a new realm. Two years ago, at 26, he interrupted his career as a newspaperman to take over the venerable journal of American letters, which hadn't netted a dime for nearly 10 years. Operating on instinct but not on salary, he made some daring changes. And sure enough, the 135-year-old *Harper's* already has begun to rally. *See Page 4.*



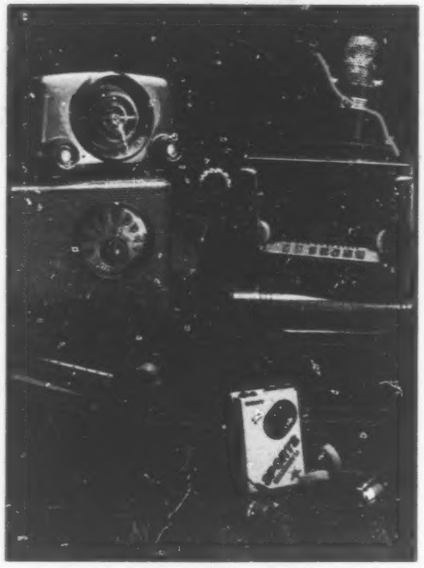
Cover photo by Arnold Adler

Pimm

For years, Pimm's Cup has been the quintessential "gentleman's drink," the kind that requires ownership of at least one polo pony and a wellbred, jutting jaw that is perfect for telling scandalous tales about who made off with who's trust fund (and wife). These days, though, Pimm's Cup—a gin-based concoction with a hint of citrus and herbs—is trotting past the manor gates into a more democratic sampling of homes. *See Page 6.*

Beep

The answering machine, with its limitless (well, 30-second) potential for fun, has become the adult toy of the '80s. *See Page 36.*



Special Report—Radio

The radio industry has tuned in to new formats and programing in order to compete with the wealth of new entertainment options that increasingly are becoming available for consumers as well as for advertisers. *Starting on Page 15.*

Presstime

Stroh cuts off B&B

DETROIT—Stroh Brewery Co. has dropped Benton & Bowles, New York, from its agency roster because of a brand conflict resulting from the proposed merger of B&B with D'Arcy MacManus Masius. B&B handled the $4 million Schlitz malt liquor account, while DMM in St. Louis has Anheuser-Busch's Budweiser account. BBDO, which handles Stroh's Old Milwaukee line, and MCA Advertising, Westport, Conn., which handles the Erlanger, Schaefer, Schlitz and Signature lines, already have made creative presentations for the Schlitz malt liquor assignment. Separately, Stroh within the next 60 days will introduce an imported beer product, Christopher Lole, vp-corporate planning and development, disclosed on Aug. 27 at ADVERTISING AGE's Creative Workshop. Mr. Lole also indicated the company will move its Signature superpremium entry into national distribution by mid-'86.

O&M stars for Columbia

BURBANK, CAL.—Columbia Pictures will consolidate its ad account at Ogilvy & Mather, giving O&M the $8 million-to-$9 million portion of the account in New York, Los Angeles and San Diego that had been at Diener/Hauser/Bates Co. A D/H/B spokesman, who confirmed the move will occur Oct. 1, says his agency would retain the ad assignment for Florida, where it has an office and O&M does not. O&M already handles Columbia's national advertising. Separately, Columbia responded to a published story that John Balson, formerly chief operating officer of D'Arcy MacManus Masius/North America, would be moving to the West Coast as Columbia's president of marketing. The studio said "we just don't comment on rumors or speculation."

ABC follows CBS to 15s

NEW YORK—ABC-TV, as expected, says it will begin accepting 15-second commercial units in sports, news and business briefs. The network follows the lead of CBS, which disclosed a similar plan two weeks ago (AA, Aug. 12, *et seq.*). There was no word as to when the new plan would go into effect, though sources said ABC would begin selling stand-alones this fall.

O&M wins sex bias suit

NEW YORK—Ogilvy & Mather has won the much publicized, sex discrimination suit against it (AA, Oct. 17, '83, *et seq.*). Federal district court judge Lee Gagliardi this week dismissed the class action salary discrimination claim against the agency, as well as the individual salary discrimination claim by ex-employe Jane Zukoffsky. The judge last year had dismissed the individual claims (AA, Nov. 19) but had asked for more information in order to decide on the class action part of the suit.

Smith spot pulled

NEW YORK—The Council for Cable Information has withdrawn a 30-second network radio spot featuring Samantha Smith, who died Aug. 26 in a plane crash. The 13-year-old had gained prominence several years ago after she wrote a letter to

(Continued on Page 39)

Representing a contingent of more than 60 from Finland at the ADVERTISING AGE Creative Workshop are: (l. to r.) Ulla Sarviala, Interplan Oy; Seppo Pasanen, Creator Advertising Ltd.; Mauri Mattsson, APU Magazine Group; Henrik Rasmussen, APU Magazine Group, and Carita Koivunen, Interplan Oy.

To Burger King, all's fair in love and marketing

By Gary Levin

Burger King Corp. chairman J. Jeffrey Campbell believes his biggest task at the No. 2 fast-food chain is ensuring "a future free of mortal risk: We're trying not to be the Howard Johnson's of 1990." He was referring to the imminent purchase of that once-dominant chain by Washington-based Marriott Corp.

Speaking at the 28th annual ADVERTISING AGE Creative Workshop in New York, the army veteran and student of British history peppered his "Life and Death in the Advertising Battlefield" address with military metaphors, perhaps an appropriate choice for what the executive termed "the battle of the burgers."

Mr. Campbell said agencies and clients too often forget that "advertising, like warfare, is supposed to accomplish something" and stressed that corporate goals of return on investment "have not been suspended for advertising." (Burger King spends $160 million a year in advertising; the company's pretax profits have jumped from $60 million to $220 million in the past four years.)

The first question asked at Miami-based Burger King, he said, is the "three McDonald's question: You have 30 seconds on tv to explain to the average consumer why he should pass three McDonald's, two Wendy's, one Carl's Jr.'s and a Jack in the Box, all of whom have 90 seconds to respond." (His answer: Taste.)

Fight like guerrillas

Unable to compete with Oak Brook, Ill.-based McDonald's on its own sentimental terms, "we had to fight like guerrillas," Mr. Campbell said.

"Rather than having the tears flow, we wanted the saliva to flow after every execution," he added, citing Burger King's transition in the 1980s from an unsuccessful "Make it special" life-style approach to stronger "Aren't you hungry?" food appeal.

In his keynote speech to nearly 1,000 attendees, the youthful executive said he's found military history books far more useful than so-called "how-to" manuals in managing his company and competing with the McDonald's monolith. Execution of the burger battle requires elements of surprise, concentration and maneuvering, he said, while conceding that Burger King has not always followed that advice.

Dismisses copy testing

He cited two recent examples of failed efforts by BK agency J. Walter Thompson USA, New York: The "McDonald's sent you" spot, featuring the "McDonald family" in disguise, and a variation on the "Have it your way" theme stressing the burger's made-to-order appeal.

In the former spot, "we were talking to ourselves, not consumers," Mr. Campbell said, while the latter work was simply "off strategy." Still, he dismissed copy testing as "hokum," ruffling the feathers of some research-minded people in the audience.

In part due to over-all softness in the restaurant industry, he said the "reformulated" Whopper has generated slight incremental business, with Whopper unit sales up only 1% a week.

Mr. Campbell said Burger King may increase its promotional activity to combat the slowdown, though the company won't do so as a "knee-jerk" response to McDonald's. "We're concentrating more on where we want to be than on shooting at them," he said. "We don't consider we're on top enough."

Frogging it

Another Workshop session demonstrated that the fascination with what's "Down Under" may even include a seemingly innocuous ice cream bar.

That's what Good Humor Corp., Fairfield, N.J., found out when it sought to bring to this country Fat Frog, an Australian product made by another unit of parent Unilever.

Good Humor, a division of Thomas J. Lipton Co., latched onto the novelty, a green mint ice cream bar with M&M-like eyes and a partial chocolate coating.

Launched Down Under in September, 1983, by Streets, which like Good Humor is one of 22 Unilever ice cream makers, the product's success spurred the U.S. company to bring the bar into

(Continued on Page 39)

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New formats gain frequency on am band

By Janice Steinberg

Although contemporary hit radio and its sidekicks, adult contemporary and album-oriented rock, continue to make news for the money-making fm side of the radio dial, most of the innovations in radio formats are being broadcast on the struggling am band.

San Francisco's KFRC has made some of the biggest ripples in the industry with midday game shows that recall the golden age of radio, or, according to some critics, '50s tv *(see Page 20)*. It's not the only am frequency taking risks to woo the 70% of radio listeners who seem to have settled on the fm dial.

In Thousand Oaks, Cal., Bob Zeidel's KMDY puts out 20 hours a day of comedy. The suburban am station didn't originate the idea. WJOK in Gaithersburg, Md., tried comedy and failed a few years ago. But Mr. Zeidel says he's found the winning formula: Two and three-minute cuts that conform to the short-spurt way people listen to radio.

This spring, year-old KMDY became the first station in its primary coverage area, East Ventura County, to show up in the ratings book. "We're a 500-watter and we've made this radio station work in the ratings over stations that have tried for a long time but never, never could do it," Mr. Zeidel says.

Bill Osewalt sounds happy as well. He did $2.1 million of research to prove am stations can make money in children's programing. Now he's sold his Marina del Rey, Cal.-based Children's Radio Network to am stations in 13 cities, starting with Jacksonville, Fla.; Grand Rapids, Mich., and Phoenix, Ariz. "It's one of the fastest rising syndications in the history of radio," says Doug Smith, manager of the Phoenix station, KSUN.

Children make for cute stories, like the one Mr. Smith tells about the tot who called and asked the morning disc jockey to play the "Brush Your Teeth" song. "He'd been waiting two hours," Mr. Smith says. "Now his toothpaste was hard on the brush."

Children's Radio Network is betting children and their 18 to 49-year-old parents will be a valuable market for advertisers as well. In Jacksonville, where the kid stuff has been on WEXI since December, Mr. Osewalt says, "We have audience in every Zip code for every single minute of every single day of the week."

Between June 3 and Aug. 1, he adds, WEXI—formerly a big band station with an uncertain future—picked up 170 new advertisers.

RKO station KHJ-AM recently introduced "car radio," which gives its Los Angeles audience traffic reports every 10 minutes, 24 hours a day, plus tips on beach weather and weekend events, as well as information about cars and driving.

Kent Burkhart, chairman of Atlanta-based industry consultants Burkhart/Abrams/Michaels/Douglas & Associates, sees a want ad station in am's future. He predicts an all-sports am format as well. "There will be two-way discussion between an audience and a moderator regarding [New York Mets outfielder] Darryl Strawberry's 24th home run last night."

Only one new am format is attempting to beat fm at music programing. Bonneville International Corp.-owned KOIT-AM in San Francisco recently took new call letters, KXLR, and changed its format to "trend formation," a combination of light jazz, new age music (*a la* the Windham Hill label) and a deliberately nonsensational approach to news.

"We run one trend formation interview an hour, for five, six, seven miuntes," KXLR executive Norm Woodruff says. "We say hello to somebody, chat with them, get their viewpoint on a subject, and then say thanks loads. Then we play back the whole thing, allowing the audience to decide what, if any of it, matters to them—instead of somebody in the newsroom deciding which 20 seconds are the most important."

KXLR comes out of radio guru Frank Magid's study on the future of am, says Jack Adamson, senior vp of Salt Lake City-based Bonneville. "The study said, don't relegate yourself to just the normal format of the golden oldies or the big band [sound] as far as music is concerned, the news and talk like the rest of them—or am will slowly fade into the night."

But Jhan Hiber, consultant and research editor for Los Angeles-based Radio & Records magazine, says, "People who proclaim the death of am aren't looking at a lot of stations who are making a lot of money and laughing all the way to the bank about the so-called death of their medium." Mr. Hiber mentions Minneapolis, St. Louis, Dayton, O., and Louisville, Ky., where the top-rated stations are on the am band.

Nevertheless, most of the big bucks are found in fm. WHTZ "knocked New York over," says Arbitron Ratings Co. pr specialist Alison Conte, when the Se-

Hit radio still tops the charts

Percentage of listening based on one-quarter hour average in 173 Arbitron markets (2,865 stations)

Format	Number of stations	1984	1985	Percentage change
Contemporary hit radio	373	16.87%	17.74%	+ 5.2%
Adult contemp./oldies	470	13.62	15.91	+16.8
Country	501	11.79	11.19	− 5.1
Album-oriented rock	170	10.76	10.71	− 0.5
Easy listening	194	11.02	10.05	− 8.8
News/talk	126	8.61	8.77	+ 1.9
Black/urban	206	10.12	8.53	−15.7
Middle of the road/variety	249	7.31	7.02	− 4.0
Nostalgia/big band	167	4.13	4.02	− 2.7
Spanish	64	2.56	2.31	− 9.8
Religion/gospel	227	1.76	2.00	+13.6
Classical	36	1.20	1.37	+14.2
Others	72	0.24	0.38	+58.3

Source: "American Radio," spring, 1985

Madonna averages one play per hour on chrs.

The Scorpions are strictly aor material.

Pop-gospel stars have propelled religious radio.

Janice Steinberg is a free lance writer and former radio station promotion director.

Tuning

(Continued from Page 16)

of those companies—including such heavy hitters as Ford Motor Co., which dropped spending by 38.2% between 1983 and 1984, Chrysler Corp. (14.6%) and Adolph Coors Co. (14.8%)—decreased their expenditures on radio.

Although these are profitable times, not all stations are sharing in the success. In the top 100 markets, an estimated 15 to 20 established stations currently are dark. Although this represents less than 1% of total U.S. outlets, according to Mr. Duncan, there is a good chance that more, especially on the am band, eventually will have to suspend broadcasting temporarily or go off the air permanently.

While it is considerable, the success at ABC Radio is not unqualified. Like its competitors in the network radio business, ABC has not been able to turn the corner on long-form programing. Certainly ABC specials such as July's Live Aid concert, the weekly "American Top 40 with Casey Kasem" and various sports events have delivered impressive audiences. But Talkradio—the 108-hour satellite package of talk shows originating primarily from New York and the West Coast—has not yet been a money maker.

"In today's market, radio stations are looking for any edge they can get," says Randy Bongarten, president of New York-based NBC Radio. "The networks are just beginning to understand what stations need and what they can do to help."

Indeed, if radio is used primarily as a familiar medium of immediacy and local personality, the attempt to sell nationally oriented talk shows—especially in markets where big-name guests already appear on local programs—is a difficult task. Cognizant of this problem, Mr. McLaughlin admits, "My personal challenge is great growth in 1986 for Talkradio."

But if the case of Chicago am station WIND is any indication, Talkradio faces formidable hurdles. In the past several years, this Westinghouse Electric Corp. outlet has discharged most of its own talk show hosts and substituted ABC gabbers such as longtime California "talk jockey" Michael Jackson and psychologist/counselor Dr. Toni Grant from Los Angeles.

While the personnel cuts have improved the station's bottom line, the "interlopers" have generated little enthusiasm. Moreover, without its local flavor, once-influential WIND has ceased to be a force in Chicago radio, dropping from No. 5 several years ago to No. 16 in recent Arbitron Ratings Co. results.

Despite the confidence of experts predicting it will not hap-

Music videos

"I think music videos have been good for radio. It's refreshed radio as well as broken acts that might not have had a chance otherwise. They're not really a threat to radio—people use the two media differently. Music video tv is video wallpaper. We try to give listeners a reason to have the radio on."

—Frank Cody
director of programing,
NBC Radio Entertainment
and the Source

Am stereo

"Am stereo is an evolutionary process. I don't think anyone thought it would be otherwise. It's not unlike the cable tv situation. In both cases, everybody's hopes were tied to the simple fact that you could do it. Part of the reason everybody's writing obits is that the hype was so big—just like cable."

—Stephen Soule
vp-general manager,
NBC Radio
Network and Talknet

Creativity

"As far as the listener goes, I think radio is going through one of its most creative periods ever. We're offering more options for more people. The success of that is borne out by the increasing number of viable stations out there. In the 1970s, we were in an almost regressive period of formats; stations all sounded the same. Today there's more risk-taking, which has in turn created more opportunities for network radio."

—Randal Bongarten
president, NBC Radio

caucus, N.J.-based station went to contemporary hit radio and a snappy, irreverent morning drive show (the Zoo) two years ago; WHTZ shot from the ratings basement to the top spot in the New York market.

Some 373 stations in the 173 Arbitron-rated markets now play chr, including WMMS-FM, Cleveland's former aor leader. "Aor was becoming narrowcast," WMMS operations manager John Gorman says. "It was avoiding black music, it was avoiding r&b, it was avoiding straight pop. We felt WMMS would be a lot more successful by playing a wide variety of music." He reports that since WMMS initiated the change in the fall of 1983, it's been No. 1, with a 10-plus share seven books in a row.

That kind of success characterizes chr stations across the county, despite some markets where too many fms jumped on the chr bandwagon and canceled each other out.

Mr. Hiber nominates urban contemporary as the music format to watch. "In Miami and other markets, [we've seen] situations where new urban contemporary stations have come on, been able to project a hip image, play the dance music and be successful with it," he says.

Mr. Burkhart sees two music trends developing: "Mood stations" playing ultra-soft adult contemporary, with an emphasis on oldies, for women 35 to 49 years old, and a soft, oldie album rock geared toward men 25 to 49.

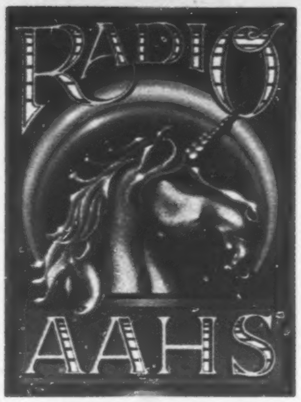
Scottsdale, Ariz.-based industry consultant John Sebastian's yuppie male-aimed eclectic oriented rock (eor) has been picked up by only two stations.

Then there are those stations, and groups of stations, that go their own way regardless of the trends.

Classical radio, for instance, is enjoying better profits than ever, says Peter Besheer, New York-based exec vp of the 13-station Concert Music Network. Once handicapped by a cost-per-thousand approach to spot sales, the nation's 38 classical stations now employ psychographics to sell Mercedes-Benz dealers and other upscale advertisers on their audience.

"Today a well-run classical station can do very well on the profit side, extremely well," Mr. Besheer says, reporting that 43% of one station's gross billing is pretax profit. "I think that's pretty respectable."

Religious stations also are thriving and partly by moving away from some of the Christian radio stereotypes. "It's not necessarily the Gospel music or the Bible-beating disc jockey," says Wendell Wood, director-media and public affairs for the National Radio Broadcasters Assn., Washington. "They have a lot more intellectual topics and contemporary Christian music, like Amy Grant."



Am stations in 13 U.S. cities are playing the Children's Radio Network.

Christian radio has broadened geographically as well. "We used to say this was a Bible Belt phenomenon, but now it follows more the population centers of the country—New York, Los Angeles, Chicago," says Ben Armstrong, executive director of the National Religious Broadcasters, Washington. The NRB directory has picked up more than 155 new listings since January, 1984, Mr. Armstrong says, bringing the total stations broadcasting some religious programing to 1,144.

Woodstock, N.Y., and Santa Fe, N.M., are the artsy, fertile ground where two unorthodox fm stations have made names for themselves—and healthy profits. Woodstock's WDST combines contemporary, country, jazz and classical music, using disc jockeys who are musicians in each of those fields.

KLSK in Santa Fe pays the bills—"You bet we're paying the bills!" declares owner-program director Bill Sims—by playing 10 to 20-minute sets of classical, jazz and light rock back to back.

Mr. Sims credits KLSK's success to careful screening and rotating of everything played on the station, a coherent theme—melodic music—that ties the several genres together and the arts-oriented Santa Fe community, which boasts more art galleries per capita than anyplace in the country. Yet he and WDST's Jerry Gillman think a broader approach can work in major markets as well.

Radio appears to be heading toward more and more specific formating, however. Although a few voices in the wilderness cry out against increased narrowcasting, most in the industry believe radio's ability to deliver specific audiences remains one of its greatest strengths.

"The fragmentation of radio during the past 20 years is not going to quit," NRBA's Ms. Wood says. You really want to target that individual listener."

For Bill Livick, senior vp of Birch Research, Englewood Cliffs, N.J., fragmentation means rich diversity. He looks forward to "a renaissance of the jazz-type station," in a future when ratings reflect parity among stations. "I think the demographic skews will be wildly different. A two share is what I call it," he says.

While that may sound idyllic to radio listeners—and to advertisers looking for well-defined markets—the industry may not share Mr. Livick's enthusiasm for parity.

And despite the dozens of names coined for formats and the detailed way broadcasters describe the differences, radio's tougher critics may continue to find that too many stations sound alike.

Then again, who knows what impact the experimenters will have on radio. As several industry veterans say, both all-news and rock radio started very small. ■

What's in fm's future?

With the spring Arbitron Ratings Co. reports now analyzed, what do the experts say about today's big fm formats?

Contemporary hit radio still "is going stronger than bear's breath" in the spring ratings, says Jhan Hiber of *Radio & Records* magazine. He also sees a comeback for album-oriented rock reflected in the spring ratings and in a repositioning of some aor stations to go after yuppie men.

"Chr and aor are two very hot properties right now," agrees Bill Livick, senior vp of Birch Research, Englewood Cliffs, N.J. Birch measures 130 markets, 85 on a monthly basis, using phone surveys instead of Arbitron-style diaries.

The spring analysis from James Duncan's Kalamazoo, Mich.-based "American Radio" offers format-by-format data on the 2,865 stations in Arbitron's 173 rated markets. Chr looks strong in Mr. Duncan's numbers. Still the top format nationally, it's carried by 5.2% more stations than in spring, 1984.

Adult contemporary also appears strong, but how strong isn't clear. Mr. Duncan looks at adult contemporary and oldies as a single category because they appeal to similar demographics, and he attributes the strong adult contemporary showing to am stations that have switched to oldies formats. Mr. Hiber, looking at the same Arbitron figures for 10 of the top 100 markets, sees "fairly consistent signs of softness" in adult contemporary, especially in the 25-to-54 age group.

Where there's little disagreement is on the poor showing of country stations. Kent Burkhart, chairman of Atlanta consultants Burkhart/Abrams/Michaels/Douglas & Associates, blames a music lull. "Country music needs a shot in the arm with big new artists coming along to bring sort of an urban cowboy revitalization," he says.

"[In the last two years] the country music people have not been able to break out a major artist to be nationally known by the listeners to other forms of radio, people who would listen to country radio to hear a Dolly Parton or a Kenny Rogers or a new star in the making." —*J.S.*

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pen, there remains the persistent potential for emerging technology to lure listeners to other media. If, as the mavens suggested, that threat exists only as far as new media can serve audiences as radio does, there are indications that this is happening.

Cable News Network and other news services already have cut into the older audience for all-news radio, according to Ms. Ekdom. Morning news-and-features tv programs such as NBC-TV's "Today" and ABC-TV's "Good Morning America" are structured to be heard as much as viewed.

Still another video inroad into radio's traditional role lies in the shifting directions of tv advertising. Independent and cable tv stations, as well as the networks and their affiliates, are discovering the profitability of target marketing. Such specialized salesmanship has been a crucial part of the success of contemporary radio. Questions arise, therefore, about the impact on radio should advertising agencies and tv develop sophisticated, financially competitive targeting strategies for clients.

Some suggest this can never happen until tv also can be formatted. Yet, local tv stations already are building program blocks with specific audiences in mind. At the networks, daytime soap operas continue to deliver adult women. Despite only average ratings, "Cheers" and "Hill Street Blues" have continued on NBC-TV's prime-time schedule in great part because they deliver attractive target audiences—women 18 to 34 in the case of the former, and upscale adults in the latter.

In radio these may be the best of times. Yet, as broadcasting approaches its 65th birthday this November, the history of the medium suggests that changes in American life can have unexpected impacts on radio. In a time of ever-emerging electronic gadgetry with innovative uses, radio must temper its success with a cautiousness learned from history and from an understanding of the society it serves. ■

Narrowcasting

"The radio business has never been in better shape. Radio has found its niche through narrowly defined formats that appeal to specific demographics. Radio is in everybody's lives to a greater degree."

—Norman Pattiz
president-chairman,
Westwood One

Network ratings

"The [RKO ratings scandal] brought up a lot of important questions, ones that we need to address. But out of all adversity comes some good. The network ratings system won't look the same in five years. There's no doubt that we have a lot of tightening up to do. We deal in a business of trust, and that has to be re-established; some people did things they never should have done. But three guys don't kill a medium."

—Nick Verbitsky
president, United Stations

Future of am

"Am is doing something it should have done for a long while, and that's focus attention on the older demographics. As they get that message across—that we all don't have to be centering in on that 18-to-34-year-old market—business should be better for am stations."

—Richard Brescia
senior vp,
CBS Radio Networks

Am stereo

"Am stereo is going to be a very important adjunct for radio. Detroit will install more am stereo receivers in cars, and when the receivers are there, more stations will transmit via stereo. For the driver, stereo won't improve the sound they get from their am car radio, but they'll feel better listening to am radio."

—Jack Clements
president,
Mutual Broadcasting System

People Patterns

Households changing constantly

By PETER FRANCESE

Household and family statistics are like wedding photographs—everything changes soon after the picture is taken. There may be 25 million married couples now, but they are by no means the same 25 million we had 10 years ago.

Some people stay married for life, while others divorce after weeks or months. The picture of human relationships is really a motion picture, but we look at it one frame at a time.

Beginning in 1968, the Institute for Survey Research at the University of Michigan decided to develop the motion picture of household change by interviewing a fixed sample of people every year for more than a decade to determine the stability of various household types. Researchers at the Rand Corp., looking at 10,000 of the interviews over 13 years, found how unstable most American households are.

The longest duration type was, as we would have expected, husband-wife families with children. But even they last a median of only 6.9 years. That means half of all married couples with children stay together less than seven years. No wonder there are so many single-parent families. But single parents apparently don't stay that way very long either. After 3.9 years, half of them have remarried or changed their living arrangements.

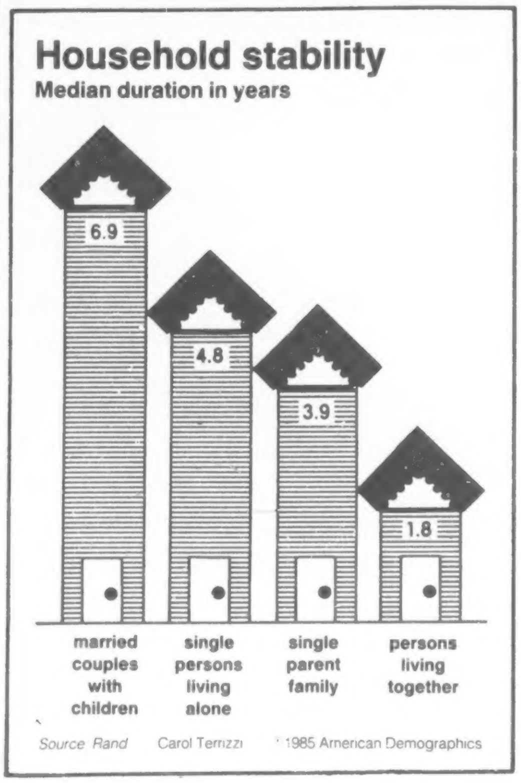
People who live alone also do so for only a relatively short time. Their median length of aloneness is only 4.8 years. It appears that even though the total number of single persons has been growing very fast (84% increase since 1970), most people either get married or move in with someone else within five years.

The least stable household is the one most talked about—cohabitation. People who live together without being married usually do so for less than two years (median duration: 1.8 years). After this brief period, most of these relationships, which are often really trial marriages, either break up or the couple gets married.

The median duration of a childless marriage is only 4.2 years. Half of all married couples either have had a child or split up within that time. If they have children, we can presume that new state will last, on average, about seven years.

The time period of this study was 1968 to 1980, a period of great social upheaval during which millions of young baby boomers tried and often rejected various household life styles. There is some evidence (such as the diminished divorce rates) that we are returning to a time of greater household stability.

As we return toward a more middle-age society, marriages may last longer, particularly those of older people without children. But is it really likely that the less stable states of singleness or single-parenthood will last any longer than they do now? I don't think so, because such household types are considerably less well off economically than married couples, and nobody likes to be poor.



Source: Rand Carol Terrizzi ©1985 American Demographics

Finally, it's important to remember that household transition studies do not tabulate the parttime situations where, for example, couples come together for weekends but otherwise live separately.

Speaking of family relationships, few letters have touched me as deeply as the one I received from a mother soon after my Father's Day column appeared. That column described the phenomenon of the 7.3 million men in their 20s who still live at home with their parents. She writes:

"We have a 24-year-old son living at home, and the reasons for this seem very obvious to me. He works for an aircraft corporation and earns more money than his father. He pays $40 a week room and board, has a sizable investment program, drives an expensive vehicle and owns a boat. He also camps and owns all the necessary equipment along with a growing gun collection. The refrigerator is always filled with food that he doesn't have to shop for. His clothes are laundered, altered and mended at no additional charge.

"His girlfriend has her own apartment, where he is welcome to spend the weekends. She is an excellent cook and does all the shopping and food preparations for camping trips. Coed, of course!

"My 50-year-old husband states that if this life style had been available to him in the 1950s, he would still be single today! Sincerely, Mom."

Dear Mom: Letters like yours never let me forget that behind every cold table of statistics there are warm human beings like you. You didn't ask for any advice, so I won't give any, but I have a question: Why do you allow him to get away with what is obviously an incredibly one-sided arrangement? The market value of the shelter and housekeeping services you are providing is at least five times what you are charging. Surely you have heard of the struggle for equal pay for equal work.

But I suspect I know at least part of the answer to my question, Mom. You are the last generation of traditional stay-at-home mothers who mend clothes, buy all the groceries and probably bake apple pies.

The generation of women after you is not into apple pie. By and large, they didn't become moms like you—they went into the paid labor force. Because they have paying jobs, they don't need your son to support them.

His girlfriend, like many employed young women, has the choice you never had between marriage and parttime, no-strings, cohabitation. She may have difficulty, however, making the transition to wife of your son and mother of your grandchildren.

The tragedy here is that by continuing to mother your grown son, you have ill-prepared him for any future life with a working wife who may expect him to share the household chores equally.

I guess it will take the next generation of mothers to bring up their sons to think of women as something more than providers of low-cost domestic services.

Unfortunately, judging from the last sentence of your letter, it's too late for your husband.

Peter Francese is publisher of American Demographics.

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Parting Shot

U.S. should bow to Japanese custom

By RANCE CRAIN

The Japanese have given us a lot of great innovations during the past 40 years, ranging from cameras to sushi, but their greatest offering by far has just come to light. I refer to their recently publicized custom whereby the head of a corporation apologizes and resigns following a major disaster.

After the recent crash of a Japan Air Lines jumbo jet with the tragic loss of 520 lives, JAL president Yasumoto Takegi submitted his resignation to the Prime Minister, despite no showing—thus far—of any corporate or personal wrongdoing.

According to *USA Today*, a JAL spokesman explained, "In Japan when something goes wrong, the head man takes responsibility. Resigning is a way to wipe the slate clean." In short, resignation is the modern day version of *hara-kiri*.

The contrast between typical Japanese and American corporate responses is striking. An editorial in last week's edition of *Business Insurance*, a sister publication of ADVERTISING AGE, pointed out, "In Japan the president of Japan Air Lines stood, with head bowed, to greet in sympathy and apology the arriving relatives of those killed in the JAL crash. In the United States, corporate executives too often remain invisible and silent in the face of massive human tragedy, or at best are represented by spokesmen who merely utter denials or 'no comment.' If U.S. corporate executives instead were to immediately express what should be genuine regret for catastrophes involving their companies and showed sympathy and concern for the victims, they could avert victims' tendency to seek revenge."

Of course, ritual resignation is just one facet of the entire Japanese economic and cultural system that differs vastly from our own. Another intriguing difference: Relatives of the victims probably will not sue JAL. Instead, they'll negotiate settlements that, in all likelihood, will be considerably smaller than those their American counterparts would receive under similar circumstances.

> ***Despite the differences in legal practices between Japan and the U.S., I think the Japanese custom of resigning has a lot to recommend it.***

Despite the differences in legal practices between Japan and the U.S., I think the Japanese custom of resigning has a lot to recommend it.

For starters, General Dynamics Corp. admitted last spring that it overbilled the Pentagon millions of dollars in overhead charges. When the Defense Department briefly considered barring two top officers of the company—chairman David Lewis and chief financial officer Gordon E. MacDonald—from work on government contracts, the company told the *New York Times*, "As far as we are concerned, there are no grounds whatever for suspension or debarment of either the company or of its senior executives." I can think of a few.

And finally, consider Union Carbide Co. After the tragic chemical leak at Carbide's plant in Bhopal, India, last December in which 2,000 people died and many more were injured, Union Carbide chairman Warren Anderson—reputed to be a compassionate and responsible man—went to India to show his genuine concern for the disaster. His effort was admirable, but Union Carbide's problems continue, as evidenced by two more chemical leaks in West Virginia, with still unknown consequences for its victims.

When asked if he would resign, Mr. Anderson replied that resigning would be cowardly. I disagree. Union Carbide's credibility is severely shaken, and the American public will continue to doubt Carbide's ability to safely handle toxic chemicals until a new chief executive takes charge.

As *Business Insurance* concluded, "The substantial cultural differences between America and Japan admittedly dictate the contrasting response of those struck by tragedy." But that needn't preclude Americans from adopting one of Japan's best and most useful customs.

C2710-1

$1.25 a copy; $55 a year

Monday, September 2, 1985

Advertising Age®

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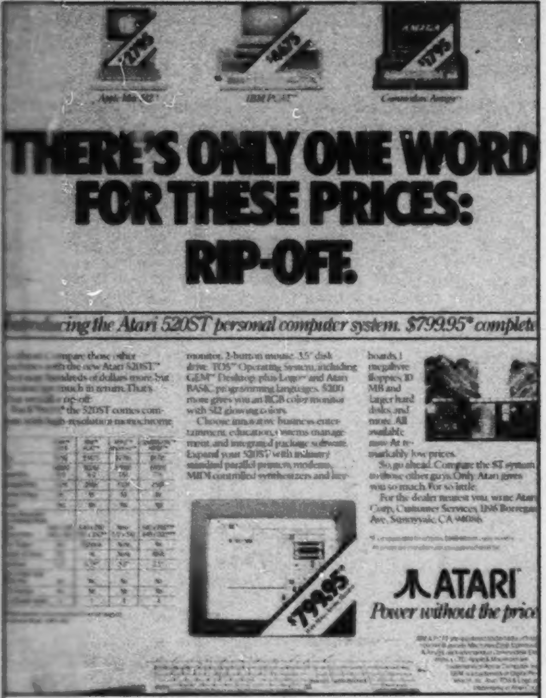

Apple Mac 512
IBM PC AT
Commodore Amiga

THERE'S ONLY ONE WORD FOR THESE PRICES: RIP-OFF.

ntroducing the Atari 520ST personal computer system. $799.95* complet

monitor, 2-button mouse, 3.5" disk drive, TOS™ Operating System, including GEM™ Desktop plus Logo™ and Atari BASIC programming languages. $200 more gives you an RGB color monitor with 512 glowing colors.

Choose innovative business, entertainment, education, systems management and integrated package software. Expand your 520ST with industry standard parallel printers, modems, MIDI controlled synthesizers and keyboards, 1 megabyte floppies, 10 MB and larger hard disks and more. All available now. At remarkably low prices.

So go ahead. Compare the ST system to those other guys. Only Atari gives you so much. For so little.

For the dealer nearest you, write Atari Corp., Customer Services, 1196 Borregas Ave., Sunnyvale, CA 94086.

$799.95

ATARI
Power without the pric

Atari rips rivals

Atari Corp. promotes its 520ST computer with tough price comparison ads in October magazines. *(See story on Page 2.)*

C-E eyes advance buys with multimedia titans

By VERNE GAY

Campbell-Ewald, Warren, Mich., is negotiating with several multimedia conglomerates to make cross-media buys on an upfront basis in exchange for discounts in pricing.

The Campbell-Ewald plan, a variation on a networking system first put forward by Gannett Co., marks the first time an agency has made such a proposal on behalf of all of its clients. The deals will be completed this month, according to agency sources.

The agency is negotiating with CBS Inc., Scripps-Howard and Times Mirror Co. Other companies with sizable holdings in radio, tv, newspapers, magazines and cable that may be approached for "omnibus" deals include Time Inc., Hearst Corp., Dun & Bradstreet Corp., Meredith Corp., Capital Cities Communications, ABC Inc. and Washington Post Co.

The agency is calling such buys "omnibus" deals because they encompass all of the media resources of a particular company. For example, if the congomerate has holdings in newspapers, tv, radio and magazines, the buy could include each one.

Campbell-Ewald, which has made these offers on behalf of General Motors Corp. and other clients it declined to name, would, for example, pay the media company $5 million up front in exchange for about $6.5 million in time and space credits, which C-E would cash in during the course of the contract.

C-E and its clients would gain more media weight for the dollar, while the media company would have its $5 million as much as a year in advance. The divisions within the media conglomerate, however, would be vulnerable to shifts in the media needs of the C-E clients.

In the short term, there appears to be no real advantage for the agency in such "omnibus" buys beyond providing more efficient media spending for its clients. The agency would, in effect, be giving up any money it might make from "float," or the use of client money between the time an order is billed and the payment is made. In essence, C-E would be transferring the float to the media company in exchange for discounts for its clients.

However, making media buying more efficiently could have long-term benefits in terms of keeping existing clients and attracting new ones. Several major advertisers, most notably GM and Procter & Gamble, have made greater media efficiency a primary issue in client-agency relationships.

While Campbell-Ewald says the negotiations for the "omnibus" buys are not a direct result of the GM concerns on efficiency, the agency clearly is responding to mounting advertiser demand for greater efficiencies.

With the exception of Gannett, however, most conglomerates have shunned such "omnibus" buys because their respective divisions maintain separate revenue goals and accounting. Even the networks, with some exceptions, maintain strict divisional sales lines among dayparts.

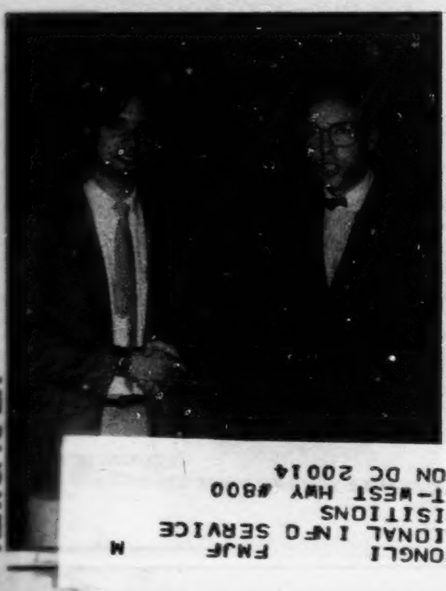
The buy is complex for the agency because it must pool a large amount of money from various clients who have different strategies. Some observers were skeptical such a plan

(Continued on Page 61)

AA Workshop prize: Creative slot at Y&R

New York—John Ferrell, exec vp-creative director, Young & Rubicam, believes agency creatives must be able to distinguish between intelligent and foolish risk—and Y&R's latest copywriter, Vincent Urbanowski, has already demonstrated that ability.

Mr. Urbanowski, a copywriter at the Stamford, Conn., office of Anderson & Lembke, a business-to-business agency, was asked to join Mr. Ferrell's agency after winning a Y&R-designed "test" of risk-taking ability administered at the Advertising Age Creative Workshop.



John Ferrell (r.) of Young & Rubicam gave a creative "test" to participants in the Ad Age Creative Workshop in New York. Vincent Urbanowski (l.) won. The prize, which he accepted: A job at Y&R.

Mr. Ferrell promised a job offer to the winner.

Hundreds of workshop participants took the test, which involved judging five commercials for their negative or positive risk potential. Mr. Ferrell, who said that agencies on the leading edge of creativity will take more risks in the next 12 months to produce breakthrough advertising than in the last 12 years, administered the test to evaluate "consumer insight."

During two sessions at the workshop, Mr. Ferrell collected 900 entries, 13 of which were picked for follow-up interviews. Of those, three finalists were selected, with 28-year-old Mr. Urbanowski emerging as the eventual winner.

"I feel both wonderful and awful," Mr. Urbanowski said, appreciative of the unexpected career move but sad to be leaving his hometown of Stamford. He had worked as a copywriter at Ander-

(Continued on Page 60)

Additional coverage of the 28th annual Advertising Age Creative Workshop at the New York Hilton, which drew close to 1,000 participants, is on Pages 4, 47, 48, 60 and 61.

NEWSPAPER

AA
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Sterling appoints worldwide agency

By STEWART ALTER
and NANCY GIGES

Sterling Drug Co., New York, taking its first major global advertising step, has consolidated its worldwide over-the-counter analgesic ad account at SSC&B:Lintas Worldwide.

The two major brands affected are Bayer aspirin and Panadol, an acetaminophen-based pain reliever, both of which are handled in the U.S. by SSC&B.

Bayer, while a big brand in the U.S., is sold by Sterling only in the Caribbean; A.G. Bayer of Germany markets the product elsewhere in the world. Sterling sells its product under the brand name Aspirin

(Continued on Page 58)

Last Minute News

Y&R loses its chips from Frito-Lay

Dallas—Frito-Lay and Young & Rubicam, New York, have split after 22 years, citing "philosophical differences" over snack-food advertising. Y&R keeps the estimated $17 million account until yearend. Tracy-Locke, here, and Foote, Cone & Belding, New York, both F-L shops, will be included in the coming review, the company says. Brands include Cheetos, Rold Gold pretzels and Ruffles potato chips. Separately, Frito-Lay has begun testing in Pittsfield, Mass., of McCracken's apple chips, which have a texture and appearance resembling potato chips. The agency was not known at press time.

Dairy board to make $34.6M upfront buy

New York—National Dairy Promotion & Research Board, Arlington, Va., is set to place a $34.6 million network tv upfront buy, one of the last big buys of the upfront season. D'Arcy MacManus Masius, Chicago, handles. Other major net tv advertisers that have yet to place prime time buys are Anheuser-Busch, St. Louis, and Miller Brewing Co., Milwaukee. DMM and Backer & Spielvogel handle, respectively.

(Continued on Page 8)

P&G's learned decision

Procter & Gamble's new Puritan oil spokeswoman, actress Michael Learned, makes her debut in this Grey Advertising, New York, tv spot on Sept. 3, replacing actor John Houseman. Ms. Learned, said Grey, is "authoritative but wholesome" and "highly relevant to Puritan's health-conscious target audience." She starred in tv's long-running hit family series, "The Waltons."

Atari rips at 'ripoffs' in key fall campaign

By JENNIFER PENDLETON

Atari Corp. is taking its aggressive "Power without the price" strategy a step further with an ad campaign for its 520ST model that labels competitors "ripoffs."

In the hard-hitting campaign, breaking in October issues of computer specialty and general-interest magazines, the Sunnyvale, Cal.-based company will attack the prices of the 520ST's three closest competitors head-on. Ads show photos of the Apple Mac 512 ($2,795), the IBM PCAT ($4,675) and the Commodore Amiga ($1,795) stamped with their prices and the advice "There's only one word for these prices: Rip-off." Underneath the headline, Atari points out its 520ST's price tag is $799.95.

Body copy states that while competitors' machines cost hundreds of dollars more "Only Atari gives you so much. For so little."

The ad, the first of three expected to take equally aggressive tacks, is the first creative work from Humpal, Leftwich, Lauck & Sinn, Palo Alto. HLL&S became the fourth agency to work on the Atari account since former Commodore International head Jack Tramiel took over as chairman about a year ago (AA, July 29). CPM, Chicago, continues as Atari's media buyer.

Most observers aren't surprised by the aggressive tone of the campaign, given the personality of Mr. Tramiel, who claims to be prepared to bully his staff, companies doing business with Atari and even customers in an effort to market the lowest-price personal computer available.

Atari's vp-marketing James Copland was unavailable for comment. But industry analysts say the campaign is Atari's attempt to preempt Commodore's upcoming introduction of its new Amiga home computer.

Software maker seeks a marketing breakthrough with a $4 million free sample offer in "PC World." See story on Page 56.

Mr. Tramiel's former company is supporting Amiga with a $40 million advertising campaign, breaking within a few weeks (AA, July 29). Agency sources estimate Atari's annual ad budget is $6 million to $10 million.

Atari faces an uphill battle in the personal-computer market. Sources say the company is having difficulty establishing a substantial dealer network, in part because of Mr. Tramiel's past with Commodore. In 1982, while at the West Chester, Pa.-based company, Mr. Tramiel made many computer retailers into enemies

(Continued on Page 56)

Highlights

If advertiser tie-ins prove to be the next wave in the booming video market, then Procter & Gamble—the nation's biggest advertising spender—may find itself riding an early crest. *See Page 6.*

Food advertisers hungering to use the sort of medical or health claims that Kellogg Co. so successfully wrapped around its line of bran cereals can expect their first look this month at a proposed labeling policy from the Food & Drug Administration. *See Page 10.*

Super account execs are almost assured of never finding themselves forced out of a job. George Hathaway III offers readers some tips on achieving that status as a super account exec. *See Page 30.*

FORUM

If history ever gets around to repeating itself, writers won't have to trifle with residuals, says agency copy chief R.J. McGuill. *See Page 16.*

Writer Michele Willens has developed a new tv "Vice." *See Page 16.*

Great advertising goes straight to the heart, because that's most memorable, says California creative director Alan Pake. *See Page 16.*

INTERNATIONAL

The Mexican ad industry is watching its recovery veer off the track, wreaking havoc among agencies and advertisers. Not only are talent poachers raiding agencies, but ad expenditures are expected to stay down, killing off hopes for a quick recovery. *See Page 34.*

Sunshine Television, Sydney, Australia, soon will offer readers of *AdNews* the opportunity to play a piano when they open the magazine—a keyboard in a spread ad that can actually play tunes. Sunshine Tv is a regional network of local tv stations in Central Queensland and the ad is one in a series of eye (and ear) catching spreads in trade publications aimed at media and account people. *See Page 34.*

No matter which way you turn, CSEQ is the answer:
SUNSHINE TELEVISION

U.S. cable networks are battling Central American cable tv stations over the illegal use of U.S. cable signals. The fight could leave thousands of households now getting cable bereft of programing. *See Page 35.*

DIRECT MARKETING

Just a little more than a year since American Telephone & Telegraph introduced its Opportunity Calling promotion to fight other carriers, the communications giant is putting the residential-customer portion out for review. *See Page 44.*

COMING THURSDAY

SPECIAL REPORT

Arizona's phenomenal population growth has dramatically affected life there. Special Report will examine the state's demographic and life-style trends.

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NEWSPAPER ADVERTISING INCHES IN JUNE 54

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Gannett moves into driver's seat at 'Detroit News'

By WILLIAM F. GLOEDE

Gannett Co.'s $717 million acquisition of Evening News Assn., Detroit, will create the nation's fifth-largest media company. It also will provide an opportunity for ENA's flagship, the *Detroit News*, to merge its business functions with its archrival, Knight-Ridder Newspapers' *Detroit Free Press*.

A spokesman for Miami-based Knight-Ridder, commenting on speculation about a joint operating agreement between Detroit's two major dailies, said, "I wouldn't rule out the possibility of that under certain circumstances. . .It always hinges on whether both sides consider it a fair and equitable arrangement."

The spokesman characterized the relationship between the two media companies as "brotherly."

A Gannett spokesman, however, said, "There's been no discussion about that [kind of agreement in Detroit]."

Combining business-side operations that both Detroit papers now perform separately would result in an immensely profitable enterprise with revenues of more than $350 million, according to some estimates.

Both Rosslyn, Va.-based Gannett and Knight-Ridder are currently involved in joint operating agreements—Gannett's are in Cincinnati; El Paso, Tex.; Honolulu; Knoxville; Nashville; Shreveport,

(Continued on Page 61)

Late West Coast news

Sizzler Rustling up more work for shop

Sizzler Restaurants International, Los Angeles, has shifted an additional $2.5 million in billings to its agency, BBDO/West, Los Angeles, for media buying and creative for its recently acquired Rustler's Steak House chain, formerly owned by Tenly Enterprises (AA, July 22). Spots adapted from Sizzler commercials for special "All you can eat" dinner promotions begin airing Sept. 9 in Baltimore, Philadelphia and Washington. All Rustler's franchises will eventually be converted to the Sizzler name and format. Silberman Whitebrow Dolan, Philadelphia, continues to have a contract with Rustler's for the balance of the year.

Certi-Fresh Inc., Santa Fe Springs, Cal., will start test-marketing its new Fish Nuggets in Los Angeles, backed by a 30-second tv spot that begins airing Sept. 3. The commercial features a woman, who viewers discover is a mermaid as the camera pulls back, describing the lightly breaded, bite-size fish morsels. The ads will run for 10 weeks in Southern California, followed by flights in northern California and Arizona. Fish Nuggests is the first of several new frozen-fish items the western regional fish marketer has under develop-

(Continued on Page 56)

P&G ventures into video

By STEVEN W. COLFORD
and JANET MEYERS

WASHINGTON—If advertiser tie-ins prove to be the next wave in the booming video market, then Procter & Gamble—the nation's biggest ad spender—may be riding an early crest.

Cincinnati-based P&G has agreed to sponsor a monthly video magazine to be test-marketed later this year, according to C.W. Wismar, exec vp, Kartes Video Communications, an Indianapolis, Ind., distribution and production house.

The 60-minute video, titled "American Woman," will include recipes, health & beauty tips, how-to pieces and other features that might be found in a wide assortment of women's magazines. If successful in test, it will be officially launched next year.

A P&G spokeswoman confirmed that the company is "very actively pursuing a project along those lines" but said details remained to be worked out.

The KVC video magazine will be available only through video stores, at least at the start, and will offer the sponsor a new vehicle for direct-response mailings and cents-off coupons.

Purchasers will be tracked by "bounce-back" questionnaires included in each cassette. The promise of an additional cassette in return for a completed questionnaire should induce a high degree of response, Mr. Wismar said. Questionnaires will determine consumer receptivity to the format and lead to changes if purchasers express disappointment with content, individual segments or video length.

P&G's interest in committing marketing dollars to what many consider a promotional proving ground could be the catalyst that leads other big advertisers into similar tie-ins and sponsorships of videocassettes.

The hesitancy of major advertisers to embrace videocassettes as a marketing medium has inhibited others, in the view of Mr. Wismar and Weston Nishimura, president of the Video Software Distributors Assn., which just completed its annual convention here.

While an advertiser might willingly spend $1 million on a "safe" tv campaign, the same expenditure in an unproven medium is risky, Mr. Nishimura said.

The question of whether videocassette recorder penetration, now more than 25%, is sufficiently large for major advertisers to exploit also is unresolved. Previous advertiser-videocassette tie-ins have been on a more limited scale than that envisioned by Mr. Wismar.

Reebok footwear, Mareika leotards and Descente sportswear, for instance, sponsor an exercise video from Active Home Video, Beverly Hills, Cal., starring ex-Olympian Bruce Jenner and his wife.

Red Lobster family restaurants, through its agency, Backer & Spielvogel, New York, sponsors a $29.95 "Eat to Win" video version of Robert Haas' best-selling diet book. Critics point out that in addition to getting its logo on the cassette, Red Lobster injected an outright ad at the end of the video—a can't-miss target for vcr zappers.

"There's a lot of thinking going on now as to how to put ads onto these videos," said Mr. Nishimura. "The real problem will be when advertisers try to put an ad from tv on this medium and find out that there's a tremendous amount of consumer objection."

A series of six videos being released this month by *Esquire* magazine, "Esquire Success," landed sponsorships from two major advertisers, Eastman Kodak, Rochester, N.Y., and Vidal Sassoon Inc., Century City, Cal. (AA, Aug. 26).

The *Esquire* videos, which cover career strategies, grooming, personal style, wine and other subjects, are produced on Kodak tape. They carry a Kodak logo on the package and an opening billboard ad for Kodak. Sassoon hair products are used exclusively in a segment set at one of Sassoon's San Francisco salons.

Robert Singer, director of marketing ad sales for Random House's electronic publishing division, New York, said last week that four ad agency representatives approached him at the VSDA convention with ideas for video-marketing tie-ins. One offer under consideration involves a tie-in between a garden-tools company and a video on home gardening.

Advertiser sponsorship of videos drastically changes the financial dynamics of the medium, according to Mr. Singer.

"Production costs are so high that it makes sense," he said. For example, the cost to Red Lobster for underwriting the "Eat to Win" video was less than the cost of a 30-second tv spot.

Nicholas Santrizos, president of Thorn EMI/HBO Video, New York, believes vcr penetration is the key to advertiser involvement.

"The pertinence will increase as sales of vcrs develop," he says. "Once we reach 40%-to-50% penetration, it will take off, well before 1990." But he also believes video advertisers can't rely on tv-like commercials.

"If we were ever involved in advertising in videos, it would be through the application of wholly-sponsored cassettes. We don't believe in ads, and our compact with the consumer just doesn't allow them. But a food marketer that unabashedly sponsors a cookbook-type video, I think that could generate great interest."#

CAMPAIGNS BREAKING

Nestle Foods Corp., White Plains, N.Y., breaks new tv ads Sept. 9 for regular and almond milk chocolate bars, with contemporary, romantic settings and rock music to promote the brands as upbeat, modern and fit for adults. J. Walter Thompson USA, New York, is the agency (AA, Aug. 26).

Del Monte USA, San Francisco, begins test-marketing its Fruit Street juice-based drink in San Francisco and Denver this week. The two-tiered campaign couples 30-second tv spots aimed at children with print ads appealing to adult nutritional concerns. Tv ads start today, and print appears in October issues of national women's magazines. McCann-Erickson, San Francisco, handles (AA, Aug. 12).#

Country-music singer Don Williams (r.) shares a Coca-Cola Classic with Claude Clements, president of Coca-Cola Bottling Co., Nashville. The first 25 cases of Coca-Cola Classic produced at the bottling plant were delivered to Mr. Williams, whose displeasure with "new" Coke was noted in a nationally syndicated newspaper article.

It's Coke versus Coke in Classic battle: Poll

CHICAGO—Coca-Cola Classic is now available at more than eight of every ten stores (82%) nationwide, according to a survey conducted for ADVERTISING AGE by Leo J. Shapiro & Associates, Chicago.

The survey of large retailers in 45 markets around the country is part of AA's continuing tracking of Atlanta-based Coca-Cola Co.'s switch to a new formula and its subsequent decision to bring back the original formula.

Most of the retailers surveyed said they have only had Coke Classic for a month or less, and more than half (52%) have had it on their shelves two weeks or less.

Availability of different containers and sizes of Coke Classic is limited; nearly two-thirds (65%) of the stores surveyed carried only cans or 2-liter bottles or both.

New Coke is available in most, if not all, sizes at about two-thirds (66%) of the retailers.

Two-thirds of the managers whose stores carry Classic Coke believe it is selling better than new Coke. Nearly one-quarter (22%) say new Coke outsells Classic Coke.

Of those reporting higher sales of Coke Classic, more than two-thirds (69%) estimate it outsells new Coke 2-to-1. One store manager said, "If I buy a case of new Coke, I'll have it a month. A case of old Coke will go in a week."

One respondent believed, however, that sales between the two eventually will even out; he couldn't taste the difference.

An interesting sidelight is that two of the 34 store managers interviewed spontaneously answered that Cherry Coke was selling better than either Classic or new Coke.

Nearly nine in ten (86%) supermarkets report that they are not giving Coca-Cola more shelf space to accommodate Classic Coke, even though Classic is outselling new Coke. Specifically, two-thirds of retailers report they have kept Coca-Cola shelf space constant.

Of those who have given more space to Classic Coke, one-quarter have taken away space from other Coca-Cola products to accommodate Classic. Only 14% gave Coke products more space by reducing space for other brands.#

CORRECTIONS & CLARIFICATIONS

- General Motors' Pontiac division is sponsoring the concert portion of *Rolling Stone's* fashion/rock college concert tour, while Pierre Cardin fragrances is the sponsor for only the fashion segment and not the entire program (AA, Aug. 15, P. 6).
- Nancy Kadner, advertising director for Swatch Watch USA, New York, was incorrectly identified in a story (AA, Aug. 26, P. 1). Also, the eight-page Swatch insert in September fashion and consumer magazines was produced by Swatch Watch Advertising.
- In a report on Pet food market shares by John C. Maxwell Jr. (AA, Aug. 12, P. 31), Beef Bites dog food snack was incorrectly listed as a Kal Kan product. It is a product of GrandMet USA's Alpo.
- Godfather's Pizza relocated to Omaha from Costa Mesa, Cal., on Aug. 1 (AA, Aug. 22, P. 48).
- Due to incorrect information supplied by Publicity Clinic, Youngstown, O., it was reported that former world lightweight boxing champion Ray (Boom Boom) Mancini will have a recurring role on "Who's the Boss," an ABC network series (AA, Aug. 22, P. 48). He will have a cameo appearance.#

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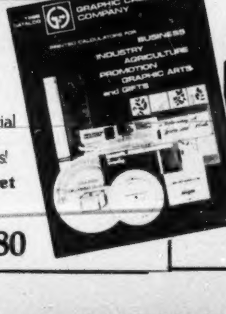

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Newspaper Advertising MRCS/SAU Inches

June 1985 vs. June 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	90 706	—	103 933	—
Beacon Journal (S)	91 441	—	70 032	—
Grand Total	182 147	—	173 965	—

NOTE Part run figures not available.

ATLANTA, GA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Constitution (M)	179 787	41 149	169 749	38 325
Journal (E)	176 328	41 067	168 121	38 818
Journal & Constitution (S)	148 879	76 916	116 433	58 773
Journal & Constitution (Sat)	49 391	—	44 762	—
Grand Total	556 385	159 132	499 065	135 916

NOTE Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News-American (S)	41 374	10 939	30 348	1 517
News-American (E)	34 642	6 132	47 994	4 313
Sun (M)	108 791	2 740	109 562	4 242
Sun (E)	87 632	2 740	88 074	4 246
Sun (S)	163 414	35 736	121 762	19 486
Grand Total	435 853	58 287	397 740	33 804

BERGEN COUNTY, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Record (E)	145 105	23 694	143 404	19 000
Record (S)	169 652	31 420	125 441	19 612
Grand Total	314 757	55 114	268 845	38 612

NOTE Record Evening published five days a week only.

BOSTON, MA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	44 891	730	41 027	—
Herald (S)	20 696	33 640	14 009	27 442
Globe (M)	132 810	10 675	143 832	7 956
Globe (S)	199 957	35 062	177 359	21 553
Grand Total	398 354	80 107	376 227	56 951

BUFFALO, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (AD)	98 292	27 003	110 943	22 377
News (S)	53 230	41 999	43 804	27 327
Grand Total	151 522	69 002	154 747	49 704

CAMDEN, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier-Post (E)	109 641	14 755	111 202	12 502
Courier-Post (S)	71 899	3 474	50 923	1 279
Grand Total	181 540	18 229	162 125	13 781

CHARLOTTE, NC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (E)	66 472	—	70 600	—
Observer (M)	114 477	—	107 774	—
Observer (S)	77 202	—	59 161	—
Grand Total	258 151	—	237 535	—

NOTE News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Sun-Times (M)	120 289	74 274	134 271	53 580
Sun-Times (S)	61 125	47 320	57 045	41 682
*Tribune (AD)	165 989	274 381	175 887	194 115
*Tribune (S)	144 526	96 805	142 280	103 829

NOTE Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 5/27/85 through 6/30/85.

CINCINNATI, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Enquirer (M)	158 013	5 365	150 661	7 636
Enquirer (S)	139 452	14 957	112 934	6 952
Post (E)	78 355	23 591	76 211	9 862
Grand Total	375 820	43 913	339 806	24 450

CLEVELAND, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Plain Dealer (M)	129 953	31 718	140 018	29 667
Plain Dealer (S)	129 537	10 479	101 817	8 209
Grand Total	259 490	42 197	241 835	37 876

DALLAS, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	298 853	11 118	308 341	12 912
News (S)	207 132	11 771	159 477	12 740
Times-Herald (AD)	244 905	19 790	272 216	25 195
Times-Herald (S)	154 683	8 929	129 374	23 439
Grand Total	905 573	51 608	869 408	74 286

DENVER, CO

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Rocky Mt. News (M)	276 484	1 552	304 078	93
Rocky Mt. News (S)	104 756	2 567	82 161	163
Post (M)	177 152	5 955	171 091	12 712
Post (S)	130 934	3 725	117 428	2 369
Grand Total	689 326	13 799	674 758	15 337

DETROIT, MI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Free Press (M)	92 050	32 802	96 339	43 635
Free Press (S)	54 277	33 783	43 940	12 047
News (AD)	143 899	34 457	125 286	24 538
News (S)	104 136	29 487	84 287	19 227
Grand Total	394 362	130 529	349 852	99 447

FORT LAUDERDALE, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News & Sun Sentinel (S)	130 495	34 875	108 067	25 830
Sun Sentinel (M)	274 343	58 443	289 691	55 484
Grand Total	404 838	93 318	397 758	81 314

NOTE 1985 part run and 1984 full run and part run figures supplied by publisher to Media Records. Morning figures include the Saturday Edition.

FORT WAYNE, IN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal Gazette (M)	88 740	—	70 364	—
Journal Gazette (S)	74 037	—	58 479	—
News Sentinel (E)	97 971	—	81 064	—
Grand Total	260 748	—	209 907	—

NOTE Part run figures not available.

*FORT WORTH, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Telegram (M)	240 444	52 888	236 884	43 930
Star Telegram (E)	182 912	52 888	182 617	43 930
Star Telegram (S)	163 708	60 294	121 737	32 363
Grand Total	587 064	166 070	541 238	120 223

NOTE Figures supplied by publisher to Media Records.

GREENWICH/STAMFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Time (E)	75 213	83	88 347	—
Time (S)	67 503	—	44 552	—
Advocate (E)	97 727	3 304	109 274	515
Advocate (S)	69 251	—	46 517	—
Grand Total	309 694	3 387	288 690	515

HARTFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courant (M)	138 669	23 225	140 004	20 581
Courant (S)	105 789	142 098	80 748	111 468
Grand Total	244 458	165 323	220 752	132 049

HONOLULU, HI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Advertiser (M)	115 964	—	135 147	—
Star-Bulletin (E)	108 006	—	121 849	—
Star-Bulletin & Advertiser (S)	90 318	—	72 159	—
Grand Total	314 288	—	329 155	—

HOUSTON, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (AD)	266 928	34 364	349 195	32 557
Chronicle (S)	153 050	35 975	138 568	31 169
Post (M)	166 887	40 049	211 473	29 974
Post (S)	83 253	36 993	72 647	28 916
Grand Total	670 118	147 381	771 883	122 616

LONG BEACH, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Press Telegram (M)	106 418	—	105 013	—
Press Telegram (S)	63 172	—	49 591	—
Grand Total	169 590	—	154 604	—

NOTE Part run figures not available.

LONG ISLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Newsday (E)	175 930	44 895	162 492	53 420
Newsday (S)	122 832	91 066	96 419	66 738
Grand Total	298 762	135 961	258 911	120 158

LOS ANGELES, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	296 022	291 913	309 144	248 378
Times (S)	209 762	103 012	170 034	80 189
Herald-Examiner (M)	66 750	11 557	54 921	15 535
Herald-Examiner (S)	16 794	5 588	11 223	7 342
Grand Total	589 328	412 070	545 322	351 444

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	209 495	28 901	188 852	26 017
News (S)	96 504	1 623	70 272	3 660
Grand Total	305 999	30 524	259 124	29 677

*LOS ANGELES/TORRANCE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Breeze (E & S)	209 865	—	204 495	—
Grand Total	209 865	—	204 495	—

NOTE Figures supplied by publisher to Media Records.

MIAMI, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	152 069	—	163 226	—
Herald (S)	107 879	—	92 571	—
News (E)	56 312	—	70 186	—
Grand Total	316 260	—	325 983	—

NOTE Part run figures not available.

MINNEAPOLIS, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star & Tribune (AD)	103 440	23 510	106 348	24 475
Star & Tribune (S)	154 449	3 618	128 057	475
Star & Tribune (Sat)	27 185	—	27 261	—
Grand Total	285 074	27 128	261 666	24 950

*NASHVILLE, TN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Banner (E)	101 935	—	98 548	28 590
Tennessean (M)	103 520	—	100 914	28 109
Tennessean (S)	106 687	—	61 032	24 902
Grand Total	312 142	—	260 494	81 601

NOTE 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Home News (E)	82 433	3 263	—	—
Home News (Sun)	82 750	2 062	—	—
Grand Total	165 183	5 325	—	—

NOTE 1984 figures not available.

NEW YORK, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	146 972	14 866	155 185	15 152
Times (S)	221 616	107 203	180 446	88 976
News (M)	56 289	101 787	61 410	104 173
News (S)	41 497	97 366	31 544	69 615
Post (AD)	58 154	1 060	58 644	—
Grand Total	524 528	322 282	487 229	277 916

NEWARK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Ledger (M)	197 634	5 689	194 048	4 578
Star Ledger (S)	205 179	34 680	151 857	28 424
Grand Total	402 813	40 369	345 905	33 002

OAKLAND, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (M)	86 318	62 041	93 518	41 681
Tribune (S)	56 162	39 118	48 205	21 986
Grand Total	142 480	101 159	141 723	63 667

ORANGE COUNTY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Register (AD)	295 054	113 322	301 385	65 422
Register (S)	148 887	15 935	115 284	7 534
Grand Total	443 941	129 257	416 669	72 956

PHILADELPHIA, PA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Inquirer (M)	153 512	49 762	147 822	46 792
Inquirer (S)	150 201	45 101	111 922	32 916
News (E)	72 784	4 162	79 843	1 250
Grand Total	376 497	99 025	339 587	80 958

*PHOENIX, AZ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Arizona Republic (M)	288 709	13 637	293 138	16 173
Arizona Republic (S)	180 797	—	167 216	—
Gazette (E)	276 209	13 933	284 752	16 267
Grand Total	745 715	27 570	745 106	32 440

NOTE Figures supplied by publisher to Media Records.

ROCHESTER, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Democrat & Chronicle (M)	88 087	8 937	93 672	11 739
Democrat & Chronicle (S)	85 211	22 213	67 041	14 121
Times Union (E)	71 523	11 531	79 917	9 065
Grand Total	244 821	42 681	240 630	34 925

NOTE Times Union Evening published five days a week only.

SACRAMENTO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Bee (M)	218 260	20 953	223 927	15 023
Bee (S)	119 058	20 234	97 393	5 328
Grand Total	337 318	41 187	316 320	20 351

*ST. LOUIS, MO

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post Dispatch (M)	88 692	28 766	98 576	29 821
Post Dispatch (S)	135 769	—	103 038	—
Globe-Democrat (M)	51 364	15 903	51 971	7 610
Globe-Democrat (WE)	12 439	1 974	18 656	3 783

NOTE Figures supplied by publishers to Media Records.

ST. PAUL, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Pioneer Press Dispatch (AD)	93 719	—	90 780	—
Pioneer Press Dispatch (S)	107 742	—	93 724	—
Dispatch (E)	—	—	90 323	—
Grand Total	201 461	—	274 827	—

NOTE Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition. Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Express-News (AD)	118 203	18 891	122 192	26 351
Express-News (S)	113 242	18 247	77 873	19 803
Express-News (Sat)	49 091	—	49 586	—
News (E)	—	—	122 836	21 181
Light (AD)	115 709	20 170	111 671	36 171
Light (S)	102 624	16 313	67 168	27 733
Light (Sat)	41 633	—	44 172	—
Grand Total	540 502	73 611	595 498	131 239

NOTE Express Morning and News Evening combined to one edition. Express-News All Day effective September 10, 1984. The Express Morning activity is shown in the Express-News All Day listing. Prior to September 10, 1984, Express Morning and News Evening published five days a week only.

Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Union (M)	226 824	16 244	223 187	9 461
Union (S)	148 597	—	114 145	—
Tribune (E)	228 918	18 233	229 241	10 308
Grand Total	604 339	34 477	566 573	19 769

SAN FRANCISCO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (M)	126 922	59 858	130 712	60 635
Examiner (E)	123 527	58 035	127 337	58 152
Examiner & Chronicle (S)	89 647	46 237	73 654	34 081
Grand Total	340 096	164 130	331 703	152 868

SAN JOSE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Mercury News (AD)	288 928	31 144	290 188	36 451
Mercury News (S)	176 778	—	140 825	—
Grand Total	465 706	31 144	431 013	36 451

SHREVEPORT, LA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal (E)	78 951	3 946	82 278	6 851
Times (M)	101 122	14 961	105 699	14 284
Times (S)	79 679	7 003	59 816	6 685
Grand Total	259 752	25 910	247 793	27 820

*STATE COLLEGE, PA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Centre Times (E)	77 500	3 794	74 418	1 060
Centre Times (S)	34 113	—	23 757	—
Grand Total	111 613	3 794	98 175	1 060

NOTE Figures supplied by publisher to Media Records.

SYRACUSE, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald Journal (E)	84 888	25 640	81 590	19 561
Herald American (S)	54 414	44 716	47 723	23 748
Post-Standard (M)	75 477	30 158	69 681	24 112
Grand Total	214 779	100 514	198 994	67 421

*TAMPA, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (AD&S)	318 521	102 707	298 401	56 494
Grand Total	318 521	102 707	298 401	56 494

NOTE Figures supplied by publisher to Media Records.

*TOLEDO, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Blade (E)	89 625	—	101 970	—
Blade (S)	104 257	—	78 819	—
Grand Total	193 882	—	180 789	—

NOTE Figures supplied by publisher to Media Records.

WASHINGTON, DC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	265 173	39 184	273 798	33 408
Post (S)	178 970	28 710	133 236	36 375
Grand Total	444 143	67 894	407 034	69 783
Alexandria Journal (M)	66 371	—	58 715	—
Prince George's Journal (M)	56 928	472	48 474	—
Montgomery Journal (M)	57 225	472	49 160	—
Fairfax Journal (M)	63 649	502	56 692	—
Arlington Journal (M)	62 800	—	56 535	—

NOTE Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

*WEST PALM BEACH, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	193 974	33 595	188 233	25 017
Times (E)	162 527	1 699	158 517	1 253
Post (S)	146 358	14 388	119 726	12 833
Grand Total	502 859	49 682	466 476	39 103

NOTE Figures supplied by publisher to Media Records.

Times Evening published five days a week only.

WESTCHESTER ROCKLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Reporter Dispatch (E)	83 303	15 663	81 368	18 984
Reporter Dispatch (S)	86 497	27 062	55 712	22 001
Grand Total	169 800	42 725	137 080	40 985

WICHITA, KS

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Eagle-Beacon (M)	115 420	—	123 736	—
Eagle-Beacon (S)	85 437	—	69 468	—
Grand Total	200 857	—	193 204	—

NOTE Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

C2710-1

$1.25 a copy; $55 a year

Monday, September 9, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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Minute Maid
Minute Maid

Oh, for heaven's sake!

In a spot for Coca-Cola's new Minute Maid orange soda, a man enters heaven and asks for something to drink. The angels first express shock at his naivete then reply, "All we have up here is Minute Maid orange soda." Marschalk Inc., New York, handles.

Chevy woos women

Sports dollars cut for major effort

By VERNE GAY
and PAUL L. EDWARDS

Chevrolet, in a move that has broad significance to other national marketers, will slash its tv sports spending in order to pursue a new target audience: Women.

The General Motors division today will unveil a radically new strategy using media it either never has used or used on a small scale. For example, Chevy will use women's magazines, direct mail and direct-response print ads.

"Women today are making higher salaries and they have more responsible positions than ever before," said Thomas Staudt, general marketing manager for Chevrolet. "Today they account for about a third of all new-car and truck sales and by 1990 they'll be buying more than half. Even today, counting their influence on purchase decisions, they're responsible for a majority of sales."

Chevy spending in sports, which totaled about $154 million in network tv alone during 1984-85, could drop to $100 million this season. However, one source said sports spending will bottom out at about $125 million.

Chevrolet's 1984 national media spending was more than $200 million, making it the largest single-brand account among advertisers in the U.S.

Chevy also will begin production of its own daytime tv programs. It is not known what the programs will be nor who actually will produce the shows, although they are not expected to be soap operas.

Chevy also will begin a test schedule next month on ABC-TV daytime shows, the first daytime network tv buy for an auto marketer in years except for an earlier test Chevy tried with CBS-TV. That test failed, according to one source, because CBS' daytime demographics skewed too old.

If the ABC test is successful, sources said Chevy could begin a major push in network daytime sometime this fall.

Also in its network tv plan, Chevy is shifting millions of dollars from sports into prime time in a continuation of a trend it started last year. However, this season Chevy will be advertising in programs that last year would have been rejected because of their violence. The most striking example is "Miami Vice," which last year Chevy and all other GM divisions passed on because of program content. It was one of NBC's successful newcomers last season.

Like all domestic and many import auto marketers,

(Continued on Page 130)

'Coke is it' line gets canned

By NANCY GIGES

Coca-Cola USA will say so long to its three-year-old "Coke is it" ad theme and present new advertising to bottlers in meetings across the country this week.

The new campaign, complete with new music, is intended to run for several months until the soft-drink company has time to regroup and work out executions that fit into its long-term strategy. The series of new spots uses the imagery of packaging to lay the groundwork for a "megabrand" story.

Since the world's largest soft-drink company rocked the American marketplace in April—first by reformulating 99-year-old Coca-Cola, then by reversing its position by bringing back the original formula as Coke Classic—the company has been producing commercials here and there by fits and starts.

Commercials thought to have been put to rest before new Coke appeared were revived; president Donald Keough agreed to appear as spokesman in several spots telling consumers why the company reversed itself, and agency McCann-Erickson quickly threw together some other spots telling

(Continued on Page 132)

Last Minute News

Agencies joust to win Armour

BALLWIN, MO.—ConAgra is reviewing its $15 million Armour Frozen Foods account. Pitching the business are incumbent Bozell & Jacobs, Dallas; Fallon McElligott Rice, Minneapolis, and one other unidentified agency. Armour says the review doesn't affect B&J's handling of its $10 million Armour Processed Meats account.

Saatchi seeks to acquire Gray pr shop

NEW YORK—Saatchi & Saatchi Compton is negotiating with Gray & Co. to acquire the $18 million public affairs agency, based in Washington. Early this summer Gray held preliminary talks with Ogilvy & Mather. In the past year, Saatchi purchased Rowland Co., New York, one of the nation's top 10 independent pr agencies.

Martin moves Topol creative account

UNION, N.J.—Jeffrey Martin Inc. has assigned creative work for Topol smokers' tooth polish to Saatchi & Saatchi Compton, New York, from its in-house shop, Dunnan & Jeffrey. The latter will continue to handle media buying. Measured media spending for the brand last year was $12 million. Martin also is talking to other shops for some other brands still handled in-house, including Lavoris mouthwash. Other agencies on the company's roster are Sudler & Hennessey Consumer Group, which has

(Continued on Page 8)

Post Natural Raisin Bran

John Denver touts new Post Natural Raisin Bran in his first product endorsement.

New GF raisin bran a natural

By NANCY GIGES

General Foods, White Plains, N.Y., has reformulated and renamed its raisin-bran cereal and is breaking a $15 million ad effort Sept. 9.

Post Raisin Bran has become officially Post Natural Raisin Bran, now that the company has taken out preservatives and has removed the sugar coating previously dusting the raisins.

The new campaign uses country singer John Denver in his premiere appearance as a product endorser. The introductory spot opens with the music of his ballad "Welcome to My Morning" and then shows the singer talking about the natural, unsugared raisins in the cereal.

Filmed near Mr. Denver's home in Aspen, Colo., the spot ends by playing off one of his

(Continued on Page 132)

Slumbering Carnation Co. stirs

By JENNIFER PENDLETON

LOS ANGELES—Carnation Co., long considered a sleeping giant among major U.S. food companies, seems to be awakening under the guidance of its new and distant owner, Nestle SA.

Outwardly, Carnation seems little different than when the Vevey, Switzerland-based conglomerate purchased it several months ago (AA, Sept. 6, '84). But there are signs that change is at hand.

Among the indications:

- Carnation has set up a new-business development group to explore the introduction of new products for the U.S. market.

Headed by Nelson Knapp, a longtime Carnation executive and director of new-business development, the six-member team is considering adapting some international Nestle products for the U.S., as well as developing completely new products under Carnation brand names, sources say.

Among the possibilities rumored to be under consideration is using the Carnation brand on a number of new "mother's products," such as baby formula, in the U.S. and abroad. The rationale: The Carnation name, with its pristine image, might help Nestle overcome the hits it took when consumer groups charged it with contributing to the ill health of Third World babies. (Consumer groups singled out the Swiss company in charging that uneducated mothers in poor nations, influenced by advertising, chose canned and powdered formula for their infants, often mixing it with contaminated water, rather than breast feeding.)

Nestle also is said to be interested in opportunities to sell Carnation pet food internationally.

- For the first time, Carnation is working under a five-year plan. In the past, the company functioned under goals set on a yearly basis.
- Carnation's 78-year-old chairman-ceo, H. Everett Olson, an accountant by training, retired a few months ago. His retirement was expected, but it seems to have

(Continued on Page 132)

NEWSPAPER

HIGHLIGHTS

Hill hums with FTC gossip 4

The music has stopped on one of Washington's most intriguing games of musical chairs, with James Miller III still sitting in the chairman's seat at the Federal Trade Commission. How soon he can move to the Office of Management and Budget, and who will replace him at FTC, are the questions of the hour.

Bitters go better 4

Angostura International this week begins a four-week radio campaign in New York and Chicago for its Angostura Aromatic Bitters. The campaign promotes the herbs-and-alcohol concoction as an ingredient in a drink called the Charger, which the spots characterize as a "new adult soft drink."

Overnight quarters 6

Federal Express will challenge business customers to budget an extra 25¢ for their overnight letters in a new $3 million campaign that attacks the U.S. Postal Service's Express Mail.

Getting uppity 10

Cadillac, a symbol of automotive luxury in the U.S., has set its sights on what once would have seemed a redundant goal: Moving upscale.

They're Beatrice, all right 12

Believing it has consolidated sales and marketing functions with the Esmark brands it acquired last year, Beatrice Cos.' U.S. Foods division is wooing retailers with line extensions and new products backed by heavy multibrand support.

It's Jack's turn now 14

Like the vaudevillians who performed after Burns and Allen, *Gentlemen's Quarterly* publisher Jack Kliger has a tough act to follow.

Time to compete 36

Citizen Watch Co. of America is gunning for No. 1-selling Seiko this fall, spending $15 million on a new tv campaign breaking today in 50 markets.

Canadian Club goes classic 55

Hiram Walker Inc.'s new "barrel-blended" superpremium Canadian whisky is getting a rich, superpremium ad boost. The 125-year-old distiller is spending more than $4.5 million in a six-state launch of Canadian Club Classic whisky.

Sign of Scorpio 66

Lincoln-Mercury is considering a regional launch of the Scorpio addition to the Merkur line when it arrives next year from Ford of Germany.

Promoting fun and profit 100

Bally Corp., which last year bought the Six Flags Great America park from Marriott for $115 million, has taken a marketing page from competitor Walt Disney and enlisted corporate sponsors for various attractions, restaurants and shops at the park.

CREATIVE WORKSHOP

Brewing something new 45

Stroh Brewery Co. in the last few years has been taking a microscope to consumers' drinking habits to find new growth areas—no small feat in an industry whose heyday now seems a distant memory.

Getting creative 46

Unleashing consumers' creativity can be the first key step to marketing success, says Robert Burian, senior market-research analyst at IBM Corp.

INTERNATIONAL

Teens of the rising sun 81

Japanese teen agers are becoming important consumers as they continue to spend more and more of their money on alcohol, cars and electronic gadgetry, according to research done by Marplan Japan, the McCann-Erickson affiliated research company.

Gruesome Greenpeace 81

A striking and controversial outdoor board campaign for the environmental group Greenpeace that is designed to discourage consumers from buying fur coats has been made into an even more striking advertisement running in U.K. movie theaters.

VIDEOTECH

LBS bets on daytime 84

Inday, the two-hour first-run afternoon program service that premieres Oct. 7, is the biggest gamble LBS Communications has taken in its nine-year history.

A spirited battle 92

It's Columbia Pictures Television against Casper the Friendly Ghost, Huey Lewis and The News, Bill Murray and Dan Aykroyd over the studio's plans for an animated tv version of the hit movie "Ghostbusters."

OTHER NEWS

After several years as sophisticated sleepers, the two leading imported rums are stepping out this fall with new campaigns that depart dramatically from previous strategies. Page 4.

Quaker Oats Co. is telling the trade it will spend $50 million this fall on its Kibbles n' Bits n' Bits n' Bits and Love Me Tender Chunks soft-dry dog foods. Ad support includes network tv and couponing as well as trade allowances. Page 6.

Gorman Publishing Co. has added to its cart of food manufacturing journals another title on the retailer side—*Grocers' Spotlight*, a tabloid-style magazine designed for supermarket operators. Page 10.

Pizza Inn hopes to take a bite out of the upper-crust pizza market with its new Stuffed Pizz-Aah Pie. Page 36.

CAMPAIGNS BREAKING

The Las Vegas Convention and Visitors Bureau's new advertising campaign, designed to undercut the rise in international travel among Americans, is appearing in September issues of national consumer magazines. The gambling capital is presented as "The American way to play" in the print ads, tv spots breaking in 10 major markets Sept. 12 and on outdoor boards across Southern California. R&R Advertising, Las Vegas is LVCVB's agency (AA, July 22).

Pillsbury Co.'s Green Giant, Minneapolis, begins a network tv campaign Sept. 14 for its 11-item Valley Combinations line of frozen, mixed vegetables, with spots breaking during the "Miss America Pageant." Coupons on-pack and via freestanding newspaper inserts begin in mid-September and mid-October, respectively (AA, May 27).

Ford Motor Co., Dearborn, Mich., begins its network tv and radio campaign Sept. 15 for its new Ford Aerostar minivan. The theme "The Age of Aerostar" is an adaptation of "The Age of Aquarius" from the 1960s rock musical "Hair" (AA, Aug. 26). Magazine ads debut with front-cover gatefolds in five newsweeklies the week of Sept. 16. Agency is J. Walter Thompson USA, Detroit.

COMING THURSDAY

Jeb Brown, 38-year-old president of Earle Palmer Brown Cos., wants growth and fame for his agency. He's taken his father's Bethesda, Md., agency from $3 million in billings in 1974 to $19 million in 1980, and then to $100 million in billings today.

In Special Report—Women are put into segments whether they like it or not. Charting changes in these segments aids advertisers' targeting in marketing to women.

REGULAR FEATURES

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Danish vodka to Whitbread

By GAY JERVEY

Lacking an imported vodka since losing the rights to Finlandia this year, Buckingham Wile has quietly signed with Denmark-based Peter Heering AG to introduce Denaka in the U.S.

Sources report the brand, a relatively new product even in Denmark, will first be available in Florida, Rhode Island and upstate New York, with a national rollout expected by the end of 1986.

Because Buckingham Wile, a Lake Success, N.Y.-based division of Whitbread N.A., expects the brand to yield high volume sales numbers, it will be marketed by Buckingham subsidiary Fleischmann Distilling Co. Fleischmann already handles such big-ticket items as Fleischmann's Preferred whisky, Fleischmann's gin and Fleischmann's Royal vodka. Fleischmann's agency, MacNamara, Clapp & Klein, New York, has been assigned advertising for Danaka.

Fleischmann marketing director

(Continued on Page 132)

West Coast news

Cal. lottery sets theme

The California State Lottery will describe what will be the U.S.' largest state-run game as "A good feeling for a lot of reasons," in tv, radio and newspaper ads starting Sept. 26. The $22 million campaign will emphasize the fun of the lottery, rather than the chances of winning—a strategy in keeping with the state's expressed desire to avoid misleading unindoctrinated Californians on their chances of becoming $2 to $2 million richer. The lottery starts Oct. 3. Needham Harper Worldwide, Los Angeles and Sacramento, is the agency.

Southern California Gas Co., Los Angeles, picked Foote, Cone & Belding, Los Angeles, as its agency on its $3 million account, previously at Doyle Dane Bernbach, Los Angeles, for 18 years. Also competing in the review against

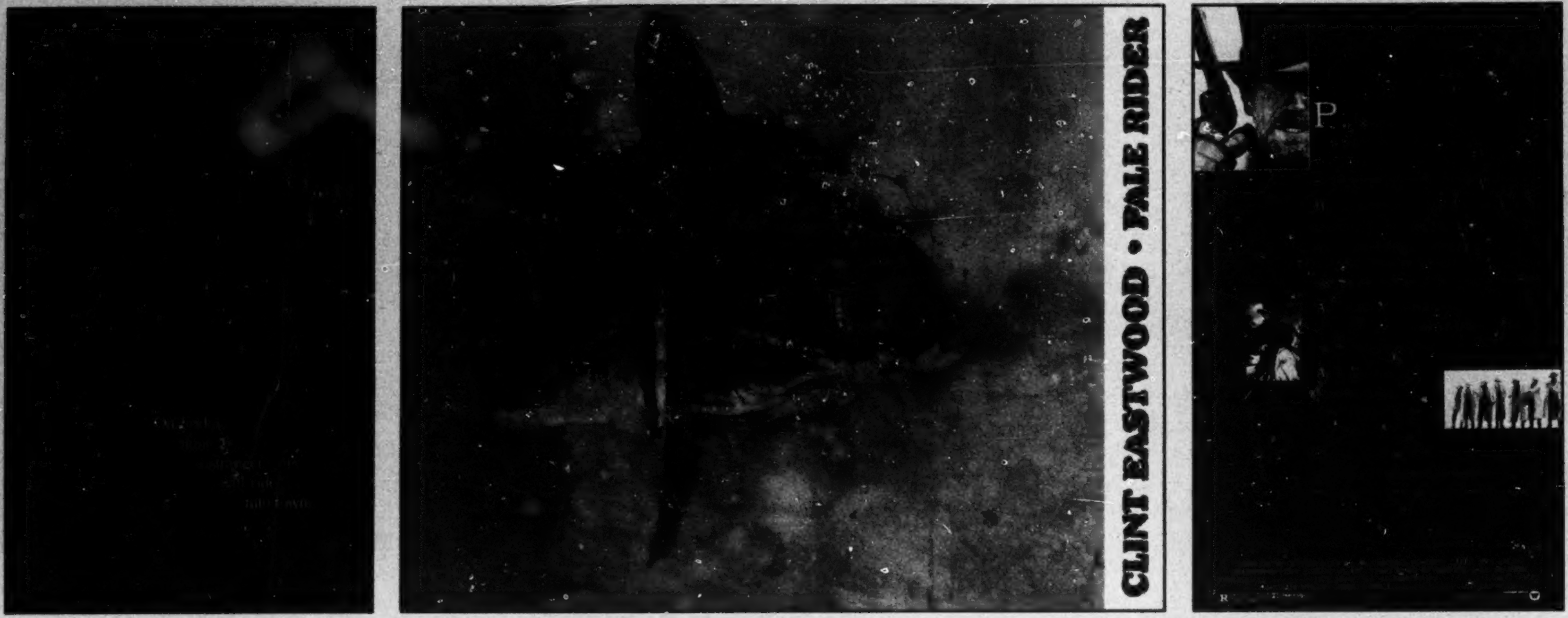
(Continued on Page 134)

Our new look

With this issue, Advertising Age introduces an expanded Highlights section on Page 2. The Highlights redesign will enable readers to quickly gain access to the latest news developments in U.S. and foreign marketing and advertising centers that are reported in detail on other pages of the publication.

"Additional features, each tailored to serve reader interests and needs, and providing more timely and comprehensive information, also have been developed for introduction in AA's Monday edition," said Fred Danzig, AA editor.#

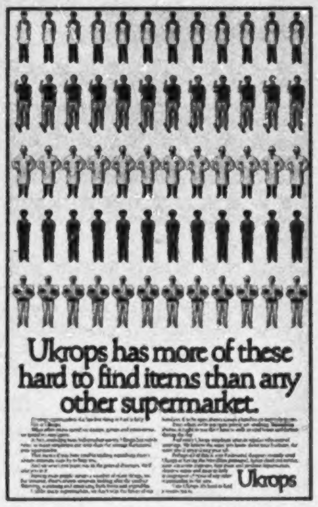
BEST OF PRESS



Warner Bros. announced Clint Eastwood's "Pale Rider" in this special, four-page advertising section in *USA Today*. Created by Bill Gold Advertising, New York, the section contained a poster-size illustration of Mr. Eastwood that ran horizontally across the center spread, with the black pages used as the opening and closing of the section. Creative director: Bill Gold; art director: James Hedden; copywriter: Warner Bros.; photography: Marcia Reed; illustrator: Michael Dudash.

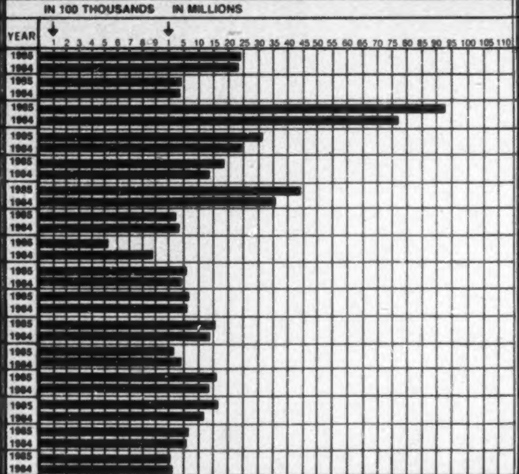
The American dream begins
with the dreams of Americans.
Birthday Greetings from
Coca-Cola
Coke

Coca-Cola wished America a happy birthday in this July 3 ad, via McCann-Erickson, New York. The ad represents an excellent use of newspaper advertising for image advertising. Creative directors: Ira Madris, Bruce Nelson; art director: Tim Shortt; copywriter: Richard Levey; photographer: Chuck White.


Ukrops has more of these hard to find items than any other supermarket.
Ukrops

Ukrops, a grocery chain in the Richmond, Va., area, used this page ad, one in a series created by Westbrook Inc., to take the highly atypical position as a service-oriented business. Art directors: Carylyn Tye and Wayne Gibson; copywriters: Bill Westbrook, Kerry Feuerman; illustrator: Reid Icard.

FLASH REPORT: Newspaper advertising investment for May



May 1985 CATEGORIES	DOLLARS 1985	DOLLARS 1984	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	$24,504,763	$23,568,171	+936,592	+4.0
Computer stores & supplies	4,772,908	4,747,195	+25,713	+0.5
Department stores	92,032,206	76,652,640	+15,379,566	+20.1
Food stores	31,163,316	24,319,575	+6,843,741	+28.1
Radio, tv, phonographs, records	17,513,954	13,369,157	+4,144,797	+31.0
General merchandise stores	44,094,407	35,052,852	+9,041,555	+25.8
Alcoholic beverages	3,142,947	3,288,855	−145,908	−4.4
Cameras, photo supplies & services	502,566	874,490	−371,924	−42.5
Computers, equipment & services	5,232,474	4,484,784	+747,690	+16.7
Public service utilities & communications	6,521,548	6,024,809	+496,739	+8.2
Publishing & media	15,478,542	14,428,305	+1,050,237	+7.3
Cigarets	2,403,680	4,575,847	−2,172,167	−47.5
Airlines	15,142,688	13,178,438	+1,964,250	+14.9
Passenger cars-new	15,222,479	11,074,864	+4,147,615	+37.5
Banks & trust companies	6,881,979	6,496,815	+385,164	+5.9
Stock, bond & investment houses	1,265,020	1,492,953	−227,933	−15.3

This Flash Report of newspaper advertising investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Merry May for papers

By WILLIAM F. GLOEDE

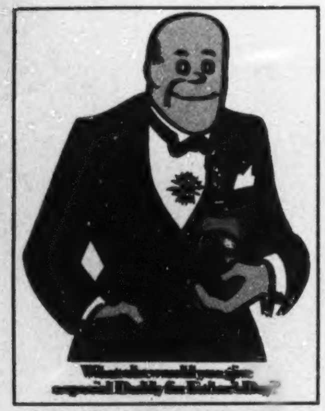
NEW YORK—Advertisers pumped $42.2 million more into major-market newspaper advertising in 16 measured categories in May, 1985, than they did in the same month in 1984, according to the ADVERTISING AGE Flash Report prepared by Media Records Inc.

Gaining categories outnumbered losers by 12 to 4, with losses coming only in the alcoholic-beverages category, where spending fell 4.4% to $3.1 million; cigarets, which were off 47.5% to $2.4 million; cameras, photo supplies and services, which suffered a 42.5% drop to $502,566, and stocks, bonds and investment houses, which were down 15.3% to $1.3 million.

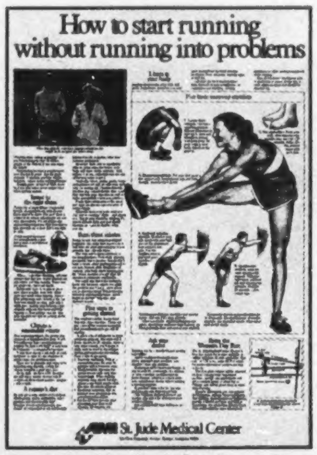
New-car ad spending led the gainers in percentage, with a 37.5% jump to $15.2 million, and department stores led in dollar volume with an increase to $92 million. Other large gainers were food stores, up 28.1% to $31.2 million; general-merchandise stores, up 25.8% to $44.1 million; radio, tv, phonographs and records, up 31% to $17.5 million, and airlines, up 14.9% to $15.1 million.

The amusements category, which includes movie advertising, was up 4% to $24.5 million; computer stores and supplies remained relatively even with May, '84, with a 0.5% increase to $4.8 million; computer equipment and services were up 16.7% to $5.2 million; public service utilities and commissions were up 8.2% to $6.5 million; publishing and media were up 7.3% to $15.5 million, and banks and trust companies gained 5.9% to $6.9 million.

Media Records measures advertising linage/inches in 29 daily and 23 Sunday newspapers in 15 major markets in compiling the Flash Report.#



Daddy Warbucks, of the Tribune Syndicate's "Annie" comics strip, is the celebrity spokesman for Chivas Regal scotch in this Father's Day ad from Doyle Dane Bernbach, New York. This ad demonstrates a fresh usage of a pop culture figure in liquor advertising. Art director: Lester Feldman; copywriter: Mike Mangano.


How to start running without running into problems
AMI St. Jude Medical Center

St. Jude Medical Center, a hospital in Kenner, La., owned by AMI, ran this ad, via Ogilvy & Mather, Atlanta, on the pitfalls of recreational jogging. Creative director: Stephen Heller; copywriter: Julie Burmeister; art director: Charlie McQuilkin.

Best of Press selections are made by a committee of three: Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede, ADVERTISING AGE's newspaper industry reporter. National System Inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Gloede at AA's New York bureau.

BUSINESS TO BUSINESS

Advertisers polishing image-ad budgets

By THOMAS F. GARBETT
Crain News Service

The nation's top 500 corporate advertisers boosted their corporate advertising volume in six major media by 67% last year, compared with 1983.

And according to preliminary data, corporate advertising activity is likely to increase 20% this year compared with last—if the economy holds.

Comprehensive corporate advertising data compiled for the first time in the BAR/LNA Report, now published by Interactive Market Systems, New York, show significant 1984 gains in all six media studied: Magazines, newspaper supplements, network and spot tv, network radio and outdoor. Expenditures in spot tv and outdoor more than tripled.

Outdoor's corporate advertising gain last year was due in part to community relations campaigns in corporate plant cities and major efforts by Joseph E. Seagram & Sons and Anheuser-Busch Cos. to promote moderation in the use of alcoholic beverages.

The growth in spot tv reflects a growing interest in that medium among advertisers who cut corporate costs by limiting the number of markets covered. To some extent, the data also reflect spot tv's greater acceptance of issue advertising, compared with network tv.

Nonetheless, the 91 corporate advertisers that used network tv last year spent 86% more, to make it the No. 1 medium in corporate advertising expenditures for the first time.

Magazines continued to be the most popular medium, however, employed by 417 out of the top 500 advertisers. Starting from a larger base, their growth was a still-hefty 33%.

Although comparable data for newspapers are not available from the BAR/LNA Report, *Barron's*, the *New York Times* and the *Wall Street Journal* say they experienced similar corporate advertising growth during the same 1983-84 period.

Notoriously sensitive to business cycles, corporate advertising's surge in 1984 must in good part be attributed to the improvement in last year's economic picture. Many companies that had cut or dropped corporate advertising during the recession came back in mid-'83 or '84—some of them, like Beatrice Cos., in a big way.

Although the top 10 spent one-third more than they did in 1983, it was those spending from $500,000 to $10 million that showed the sharpest increase, particularly those companies clustered at the $1 million-to-$3 million level.

That hard core of the corporate advertising fraternity helped the top 200 register a whopping 69% increase.

Noticeable in that group was increased activity by aerospace and pharmaceutical companies. Although those industries represent very different situations, they share strong bottom-line concerns. Pharmaceutical companies must enhance their reputations in the face of generic-drug market gains. And the aerospace companies seek greater market shares of the growing defense dollar.

During the last recession, a number of industries altered corporate advertising strategies, causing shifts in industry-by-industry rankings. That trend continues.

For example, oil companies, which once dominated the top 10 roster of image advertisers, have yielded to the automotive field. Anxious to battle imports, car makers stress engineering and manufacturing quality.

High-technology electronics companies also have boosted corporate advertising to promote their engineering and research-and-development capabilities. And in many cases, their campaigns are used to prepare the marketplace for a long line of products with short life cycles. Launching each product under a separate name with its own conventional product advertising campaign becomes an expensive proposition with only short-range benefits. Hence companies such as Harris Corp., in hardware, and Peachtree Software and Xerox Corp., in office automation, promote the company and the line all at once.

That creates an umbrella or backdrop effect providing continuity for a changing array of products and services. Complicated product systems requiring custom applications share a similar problem. Companies meet the challenge with strategies such as "establishing the corporation's presence as a major resource."

The targets for such line-wide, "market prep" advertising are business executives—including important segments of the investment community. Therefore, such corporate advertising frequently serves a dual purpose, keeping Wall Street informed of the company's activities as well.

As might be expected, the line between corporate advertising of that sort and product advertising frequently is blurred. It is often necessary to call the advertisers to find out just how a particular campaign should be categorized. That is just one of the difficulties that has plagued those measuring corporate ad activity.

AT&T once again was the largest corporate image advertiser, that despite its reduction in over-all spending in the category. While none of the Bell spin-off companies made it into the top 20, they all used corporate advertising to hold onto stockholders following the AT&T breakup.

General Motors Corp. wrested second from Ford Motor Co., which dropped to third. Chrysler Corp., although spending $1 million more than it did the year before, dropped from the fifth to 11th slot.

Last year, corporate advertisers had to run hard just to stay in place. IBM Corp. did just that, holding on to fourth position by increasing its expenditures by about one-third. Advertisers such as Beatrice, American Express Co. and Wang Laboratories joined the top 10 for the first time in spots five, six and seven, respectively. K mart Corp., one of a number of retail chains that have become increasingly active corporate advertisers, found itself in ninth position. Two longtime corporate advertisers, GTE Corp. and ITT Corp., both increased expenditures and stayed in the top 10. But they dropped to the eighth and tenth positions, respectively.

Amid the flurry of domestic advertiser activity, the invasion of foreign-based corporate advertisers has gone almost unnoticed. The number of foreign companies promoting themselves to upscale Americans is a sign that the world is rapidly becoming one interre-

(Continued on Page 128)

Top 50 business/industrial agencies

Rank	'84 Gross Business-to-business Billings	'83 Gross Business-to-business Billings	'84 Gross Income*	'84 Gross Billings*	Agency Name	Location	Employees	Offices
1	177.8	155.0	92.5	680.0	Bozell & Jacobs Inc.	New York, N.Y.	1,591	12
2	157.2	165.4	154.1	1,085.1	Doyle Dane Bernbach Group	New York, N.Y	1,969	19
3	105.0	85.0	NA	285.0	Scali, McCabe, Sloves Inc.	New York, N.Y.	600	9
4	103.8	94.0	75.2	501.9	HCM	New York, N.Y.	1,329	31
5	101.0	67.3	60.8	406.0	Ketchum Communications Inc.	Pittsburgh, Pa.	1,100	16
6	95.0	90.0	46.0	310.0	HBM/Creamer	New York, N.Y.	700	7
7	86.6	71.3	12.9	86.6	Muir Cornelius Moore Inc.	New York, N.Y.	125	2
8	79.1	78.8	10.2	89.7	Fletcher/Mayo/Associates	St. Joseph, Mo.	195	5
9	67.0	58.0	10.0	67.0	Anderson & Lembke	Stamford, Conn.	216	9
10	67.0	70.0	NA	782.0	Needham Harper Worldwide	New York, N.Y.	2,600	31
11	55.9	46.3	8.3	55.9	Rolf Werner Rosenthal	New York, N.Y.	110	1
12	50.4	41.4	7.1	50.4	DBG&H Unlimited Inc.	Dallas, Texas	187	7
13	48.0	43.0	37.0	253.1	DYR Inc.	New York, N.Y.	765	11
14	45.5	36.7	NA	56.8	Mandabach & Simms Inc.	Chicago, Ill.	145	5
15	45.0	40.0	NA	300.0	Campbell-Mithun Inc.	Minneapolis, Minn.	225	2
16	42.0	NA	6.0	42.2	Stakig, Sanderson & White Inc.	McLean, Va.	86	4
17	41.2	41.0	5.8	41.2	Klemtner Advertising Inc.	New York, N.Y.	90	1
18	40.0	30.0	20.0	100.0	Cole & Weber Inc.	Seattle, Wash.	300	6
19	39.8	26.9	8.9	62.9	Brouillard Communications	New York, N.Y.	100	2
20	38.7	38.1	5.5	38.7	McKinney Inc.	Philadelphia, Pa.	90	4
21	38.7	32.6	22.4	114.0	Keller Crescent Co.	Evansville, Ind.	585	2
22	38.6	27.1	4.7	50.3	William R. Biggs/Gilmore Associates	Kalamazoo, Mich.	89	5
23	38.0	26.0	92.0	610.0	BBDO Inc.	New York, N.Y.	1,070	3
24	38.0	34.0	12.5	85.0	Fahlgren & Swink	Parkersburg, W. Va.	240	8
25	37.1	35.5	8.8	59.2	Creswell, Munsell, Fultz & Zirbel Inc.	Cedar Rapids, Iowa	176	2
26	36.6	27.3	7.5	50.1	Colle & McVoy Advertising	Minneapolis, Minn.	148	5
27	34.9	29.1	5.3	35.5	Bader Rutter & Associates, Inc.	Brookfield, Wis.	92	1
28	32.0	27.0	NA	59.0	Reiser Williams de Yong	Irvine, Calif.	75	2
29	30.0	24.0	4.4	30.0	Gray Strayton International	Waltham, Mass.	80	3
30	29.8	16.6	6.5	41.4	The Aragon Companies Inc.	St. Louis, Mo.	200	1
31	29.2	28.3	NA	66.0	Meldrum & Fewsmith	Cleveland, Ohio	154	3
32	28.0	23.3	4.2	28.0	Frank J. Corbett Inc.	Chicago, Ill.	60	1
33	26.6	16.8	6.6	44.3	The Martin Agency	Richmond, Va.	128	3
34	26.0	22.1	NA	53.0	Kobs & Brady Advertising	Chicago, Ill.	125	3
35	26.0	26.0	3.5	26.0	Pinne, Garvin, Herbers & Hock Inc.	San Francisco, Calif.	52	1
36	24.6	20.8	NA	40.0	Barkley & Evergreen	Shawnee Mission, Kan.	60	2
37	23.2	19.8	14.0	38.0	Group 3hree Advertising	Pompano Beach, Fla.	46	2
38	22.9	20.0	11.4	24.3	Kenrick Advertising Inc.	St. Louis, Mo.	79	1
39	22.7	69.4	91.2	652.5	NW Ayer	New York, N.Y.	2,300	16
40	22.0	14.0	3.7	22.0	Leence/Herbert/Bowers	Newport Beach, Calif.	32	1
41	21.2	20.7	NA	23.5	The Juhl Agency	Elkhart, Ind.	82	2
42	21.0	16.9	5.0	36.1	Lord, Sullivan & Yoder	Marion, Ohio	99	2
43	20.8	17.2	4.6	52.0	Grant/Jacoby Inc.	Chicago, Ill.	90	1
44	20.5	16.5	3.3	22.1	Schaeffer Advertising Inc.	Valley Forge, Pa.	65	1
45	20.0	152.9	NA	160.0	Doremus & Co.	New York, N.Y.	350	8
46	20.0	16.0	6.3	35.0	Faller Klenk & Quinlan Inc.	Buffalo, N.Y.	200	4
47	20.0	17.0	3.0	20.0	Gordon Bailey & Associates	Stone Mountain, Ga.	36	2
48	19.2	17.0	4.2	27.7	VanSant, Dugdale & Co.	Baltimore, Md.	75	2
49	17.6	12.9	2.6	17.6	Alexander Marketing Services Inc.	Grand Rapids, Mich.	40	2
50	17.6	19.3	2.6	17.6	Hammond Farrell Inc.	New York, N.Y.	28	1

All billings and income figures are in millions of dollars
* Refers to all agency accounts, not only business-to-business
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UPS delivers overnight pitch

By BRIAN MORAN

United Parcel Service, facing mounting competition and sluggish demand in its traditional package business, broke an estimated $5 million campaign last week for its overnight delivery service.

The spot tv and print effort, via Ammirati & Puris, New York, addresses a segment that accounts for only about 10% of UPS revenues. Yet overnight services are the fastest-growing—and most competitive—battlefield in the $11 billion parcel-delivery business.

The campaign promotes the efficiency and low prices of the 78-year-old, Greenwich, Conn.-based company that entered the overnight package-delivery market in 1982. In June, UPS made a more serious move into the segment with the introduction of an overnight letter service.

Both services compete against big players, including the U.S. Postal Service; Federal Express, Memphis; Emery Air Freight Corp., Wilton, Conn., and Purolator Courier Corp., Basking Ridge, N.J.

The new ad effort points up rivals' supposed deficiencies but—in the traditional style of UPS—does not name any competitors. The company's new ad theme is "We run the tightest ship in the shipping business."

Three tv commercials play up UPS' obsession with efficiency. One spot points out that UPS washes all of its airplanes every day, a practice that reduces wind drag and saves thousands of tons of jet fuel each year, leading to lower prices. (UPS also washes its entire fleet of 46,000 trucks daily.)

Another spot traces the history of UPS through the eyes of the company's founder, Jim Casey, and his credo "Hustle where others dawdle."

A third spot shows a group of awed Japanese businessmen touring UPS' Louisville hub, marveling at the company's attention to detail. The spot concludes with a shot of the ever-thorough Japanese visitors filing, assembly line-style, through a familiar UPS delivery truck.

Ralph Ammirati, agency chairman and creative supervisor on the campaign with president Martin Puris, said UPS gets scores of requests each year from Japanese businessmen asking for tours. "We thought that made for a good commercial," Mr. Ammirati said. "It's not too often that the Japanese come here to observe how efficiently Americans can run a business." A fourth tv spot, scheduled to join the pool later this month, will promote UPS' overnight letter service. UPS supported the June introduction of the service with newspaper ads in major markets (AA, May 23).

The tv spots will run in prime, late news and sports programing in 12 major markets, said Derek Hewitt, vp-management supervisor at A&P, which took over the $10 million UPS account last fall (AA, Sept. 24, '84). The commercials also will run on cable, including Cable News Network, ESPN and USA.

Copy for UPS' new print ads promotes a range of services, including Next Day Air, 2nd Day Air, automatic daily pickups and 48-state service. The print schedule includes *Time*, *Forbes* and transportation trade magazines.

Mr. Hewitt said the campaign is targeted primarily at existing users of UPS' two-to-five-day package delivery service.

"We're trying to build awareness among current customers that UPS now has a whole menu of services," he said.

UPS
We run the tightest ship in the shipping business.

A new tv spot for United Parcel Service's overnight delivery services features a group of efficiency-minded Japanese businessmen touring UPS' Louisville hub facilities. Ammirati & Puris handles.

For example, UPS' overnight letter guarantees next-day delivery between any two addresses, a service that the Postal Service and other competitors cannot match.

But some analysts believe that superefficiency in overnight service cannot stem the current slowdown in UPS' key business, small-package delivery. Although analysts estimate that UPS controls about 60% of that $3 billion market, the company is facing a challenge from Roadway Package Systems, a Pittsburgh-based subsidiary of the giant Roadway Services trucking company that entered the market in March.

Roadway's small-package business, which reaches about 35 cities, is scheduled to expand to 48 cities this month. Advertising is handled by Marc & Co., Pittsburgh.#

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Budgets

(Continued from Page 125)

lated marketplace.

Those companies view U.S. business people not only as potential customers, but as potential partners. The day of worldwide joint ventures has arrived, and corporate ads act as elaborate calling cards for companies seeking partners. For example, 29 Japanese companies use corporate advertising—corporations such as Toshiba Corp., Hitachi Ltd., Mitsubishi Corp., Nissan Motor Corp. and Mazda Motor Corp.

The foreign influx isn't limited to the Japanese.

A typical European example is Aerospatiale, the giant French aerospace company that launches satellites, builds the Airbus and helicopters and arms the free world with things such as the Exocet missile. Engaged in joint ventures all over the world, Aerospatiale began a campaign in 1984 to become better known to potential U.S. partners.

In addition, there is Lucky Goldstar, a Korean company; Krupp from West Germany; Volvo from Sweden; BAT Industries from England, and so on. Altogether, 74 out of the top 300 corporate advertisers in the U.S. media were foreign-based.

Another trend of note is that growing corporate spending makes possible the use of more expensive print space units.

Some publications report they are carrying more corporate ad spreads than single pages, and more color than b&w.

Insert-like sections are almost commonplace: Singer Co., Westinghouse Electric Corp., AT&T and Korea's Daewoo Industries are among those that have used multiple-page units. Allied Corp., Goodyear Tire & Rubber Co., American Can Co. and Aerospatiale all have used fractional space in multiple units on facing or consecutive pages. The effort to stand out in a growing crowd is obvious.

Just how much was spent on corporate advertising over-all last year? That statistic is hard to pin down.

After years of corporate advertising representing only about 2% of all advertising, it is now between 2% and 3%, or somewhere between $1.5 billion and $2 billion. That's about as close as one can estimate, given the problems with the data available so far.

Tracking corporate advertising activity is as yet an imperfect science. So is forecasting. Yet, at this writing, first-quarter 1985 figures—available only in rough form for two media—show that the greater expenditure levels are not holding but increasing this year. The rate of increase will not be as great, but it should approach 20% if the economy holds, if the new campaigns that started this year continue and, as they say down home about unforeseen events, "the creek don't rise."#

The author, Thomas Garbett, Waterford, Conn.-based consultant specializing in corporate advertising, will be launching "Garbett's Quarterly Corporate Advertising Activity Report," a newsletter analyzing data from a variety of sources, late this summer. He is the author of the book "Corporate Advertising: The What, The Why and The How" published by McGraw-Hill Book Co. in 1981.

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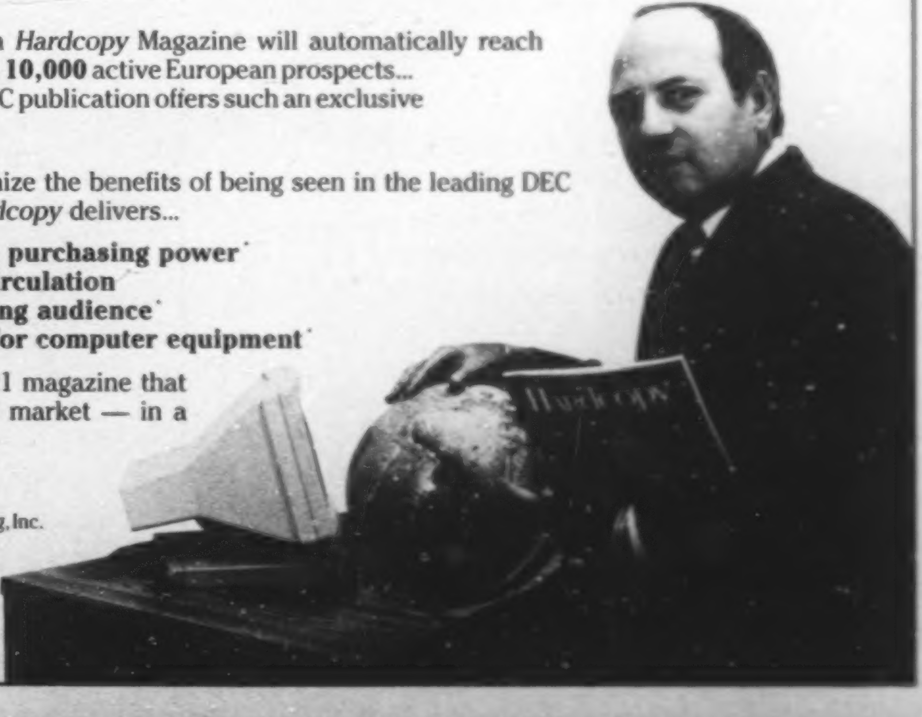

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Coke back to 'traditional' ads

New theme for both: 'We've got a taste for you'

By NANCY GIGES

Coca-Cola returns to the soft-drink tradition of showing a series of vignettes portraying people's emotions. In the new spots, both the Coca-Cola and Coke Classic brands are shown together to project the image of a single brand. McCann-Erickson, New York, handles.

Coca-Cola USA has not only brought back original Coke to the American marketplace but also the kind of traditional soft-drink advertising that it had been trying so hard to replace over the past few years.

The new campaign also drops any distinctions between Coke and Coke Classic by showing both products in commercials in an effort to project the image of a single brand.

The Atlanta-based soft-drink marketer previewed a series of four new spots with new music and a new theme, "We've got a taste for you," at bottler meetings across the country last week. The company also showed new spots for Cherry Coke, Sprite, Diet Coke and those that have just broken for Minute Maid orange soda (AA, Sept. 9).

The Coke advertising is more akin to the kind of commercials the company was airing several years ago before it took a more aggressive, ultra-contemporary approach to meet Pepsi-Cola on Pepsi's turf.

A return to "traditional values shown in a contemporary way" is the way Sergio Zyman, senior vp-marketing, Coca-Cola USA, describes new Coke advertising, set to break next week on network tv.

Mr. Zyman suggested that the message the company is trying to convey is more important than any memorable theme line, and he is unconcerned whether the phrase will be displayed on t-shirts, trucks and sundry other items across the country, the way "Coke is it" was.

"For so many years we've been telling consumers that Coke belongs to them," Mr. Zyman noted. Coke learned that its message was getting through loud and clear only last spring after the soft-drink marketer took away the product it had been selling all these years.

"With the events of the past few months, people have said, 'It's *my*

(Continued on Page 128)

Average prime time 30: $118,840

By VERNE GAY
and CRAIG REISS

NEW YORK—The average price of a 30-second commercial on prime time network tv during the fourth quarter will be $118,840, or 14.2% more than last season's $104,000 average, according to estimates by ADVERTISING AGE. (Complete table on P. 128.)

While it was expected that the price of network tv would increase this season, several milestones were set in the fall pricing wars. These include:

- NBC, following its ratings rise last season, has passed ABC as the second-highest-price network, with an average 30-second prime time spot costing $118,100. ABC dropped to an average $117,700, while CBS continues to lead at $120,700.
- Two shows this season will crack the $200,000-per-30-second barrier. They are "The Cosby Show" on NBC, the most expensive tv show at $270,000, and ABC's "Dynasty" at $225,000. The highest-price shows on CBS are "60 Minutes" and "Dallas," both getting $195,000.
- CBS' "Magnum, P.I." dropped to $110,000 from $130,000 after a season against "Cosby." The impact "Cosby" had on "Magnum" is seen in the prices still garnered for "Simon & Simon." Despite having "Magnum" as a lead-in, "Simon" is getting $180,000 per 30.
- The richest nights of the week are Sundays and Thursdays, with the networks' potential $36.1 million and $32.8 million, respectively, each week.
- In terms of revenues, CBS will win Sundays and Fridays; NBC will win Tuesdays and Thursdays, and ABC will win Mondays,

(Continued on Page 124)

GM to spend big to recover share

By JESSE SNYDER
and RAYMOND SERAFIN

DETROIT—General Motors is preparing a "whatever it takes" marketing effort to recapture share in an increasingly competitive auto industry.

GM's five car divisions have set 1986 model-year sales goals of 500,000 additional vehicle sales in a market that chairman Roger Smith says probably will be lower than 1985's projected 15.4 million cars and trucks.

GM's share of the total U.S. car market fell from 45.5% for the first eight months of 1984 to 42.7% for the same period in 1985.

Marketing executives at GM divisions, who are given more clout under GM's reorganization, blame the loss of share on more than last fall's labor strike. They claim competitors are outspending GM in ad-

(Continued on Page 126)

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Last Minute News

General Foods serves Tang to O&M

WHITE PLAINS, N.Y.—General Foods has moved Tang powdered breakfast drink to Ogilvy & Mather, New York, from Young & Rubicam. A spokesman said the move, effective Sept. 30, was made to reduce the number of agencies handling beverages, now divided among Benton & Bowles, Grey Advertising and O&M. During the past 18 months, Y&R has received six new-product assignments from three other GF divisions, plus GF's Ronzoni Foods. Tang's measured media support last year was $8 million, says Leading National Advertisers.

Armour Meats breaks $10M campaign

BALLWIN, MO.—ConAgra's Armour Processed Meats unit on Oct. 21 breaks a $10 million network tv campaign for its five-item lower-salt line. More than 200 million coupons and $1 million in sampling also support, via Bozell & Jacobs, Dallas *(see related story on Page 2).*

CBS takes stand-alone 15s for split-30 slots

NEW YORK—CBS-TV Network on Sept. 30 will begin accepting two stand-alone 15-second spots from different advertisers in all ad time currently available for split-30s from a single advertiser. The stand-alone 15s had been restricted to news and sports breaks but now may run in as much as 25% of CBS inventory. However, there can be only one set of 15s per commercial break.

Virginia Slims Lights 120s go national

NEW YORK—Philip Morris USA is rolling national with Virginia Slims Lights 120s. The line extension of its Virginia Slims brand family has been

(Continued on Page 8)

PM-GF rumors top week

By WILLIAM F. GLOEDE
and NANCY GIGES

The frenetic pace at which corporate giants have been seeking merger partners shifted to package goods from media last week as rumors resurfaced that Philip Morris Inc. was planning a buyout of General Foods Corp., Unilever continued its pursuit of an aloof Richardson-Vicks and RCA Corp. apparently gave up on attempts to absorb MCA.

As the New York Stock Exchange opened last Monday, Philip Morris officials were wooing their counterparts at General Foods

(Continued on Page 128)

HIGHLIGHTS

Coke goes for classic ads 1

Coca-Cola USA has not only brought back original Coke to the American marketplace, but also the kind of soft-drink advertising that it had been trying so hard to replace during the past few years.

Pricy prime time: +14.2% 1

The average price of a 30-second commercial on prime time network tv during the fourth quarter will be $118,840, or 14.2% more than last season's $104,000 average, according to ADVERTISING AGE estimates.

Needham wins Y&R's chips 3

Frito-Lay's choice of Needham Harper Worldwide to succeed Young & Rubicam on its estimated $17 million snack-food account caps nearly two years of frustration between the client and its agency.

Coors sees the Light 3

Adolph Coors Co. says it will increase ad spending by 50% in the next year for its fast-growing Coors Light brand. That heftier budget will fuel the "Silver Bullet Bar" campaign.

Playing chicken in the market 4

The leading fresh-chicken marketer, Holly Farms Poultry Industries, and a key eastern rival, Perdue Farms, are about to see who squawks the loudest when it comes to new products.

Ross Roy rolls 6

Griswold Inc., Cleveland, will become a wholly owned subsidiary of Detroit-based Ross Roy Inc. in a merger that will move Ross Roy to among the 25 largest U.S. agencies, with projected 1985 billings of $328 million.

Political ads on the spot 10

The 30-second political spot was boiled in congressional oil last week when a Senate committee began analyzing the state of political advertising. With the advertising industry keeping a discreet distance, the Senate commerce committee opened a series of hearings on a bill to curb what many legislators see as an epidemic of political advertising excesses.

'Good Food' on menu 14

Can Triangle Communications put the "good" back into *Good Food*? The publishing giant began looking to answer that question last week as it kicked off its reintroduction of the food and cooking monthly.

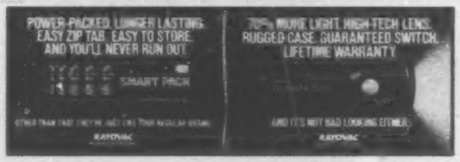
Vision quest 60

Powerful vision is the first ingredient in reinventing the corporation, according to John Naisbitt and Patricia Aburdene, authors of "Re-inventing the Corporation." That vision usually comes from a person with the mental power to create a vision and the practical ability to bring it about.

Ad of the living dead 92

Control Data Institute vividly shows the deadening effect of do-nothing careers in a 60-second ad by Bozell & Jacobs, which shows wide-eyed zombies stiffly marching through fog to work—their desks draped with cobwebs. As the camera focuses on an employe with blackened eye sockets, an announcer intones, "A mindless job drains the life right out of you."

CATEGORY REVIEW


POWER-PACKED. LONGER LASTING. EASY ZIP TAB. EASY TO STORE. AND YOU'LL NEVER RUN OUT.
SMART PACK
RAYOVAC
70% MORE LIGHT. HIGH-TECH LENS. RUGGED CASE. GUARANTEED SWITCH. LIFETIME WARRANTY.
AND IT'S NOT BAD LOOKING EITHER.
RAYOVAC

New light in the charge brigade 47

Rayovac Corp., the battery company whose products virtually disappeared from retail shelves a few years ago, has recharged its marketing approach in an effort to break the cast-iron grip of Duracell and Eveready on the estimated $2.3 billion market.

INTERNATIONAL

Rupert talks; we listen 70

Rupert Murdoch goes on the record and for the first time spells out his global media game plan, and the outlook for pan-Europe tv.

TV Globo goes Italian 70

The Brazilian tv network, TV Globo, has big international plans now that it has bought its first foreign tv station—TeleMontecarlo Italia.

OTHER NEWS

Three ad agencies with healthcare clients have joined forces to form HealthCare Communications Corp. The new agency will handle emerging healthcare companies with national scope. Page 4.

Stroh Brewery Co. is clinging to the hope that a newly installed U.S. assistant attorney general will revive the probe of Stroh's antitrust complaint about beer advertising exclusivities on network tv sports. Page 12.

Arthur E. Tatham made his last trip to Tatham-Laird & Kudner, the advertising agency he founded in 1946, three weeks ago. Even though he retired as chairman 12 years ago, he kept his office and went into work at least once a week. Mr. Tatham died this month at the age of 77. Page 12.

Alpo Pet Foods has agreed this month to clarify its ad claims for Alpo puppy food after competitors complained to the National Advertising Division, Council of Better Business Bureaus. Page 14.

Chrysler Corp. is solid enough in the midsize car segment to "push upstream into the lair of General Motors and Ford," according to top executives. Page 32.

Alta-Dena Dairy vows it will win the false advertising lawsuit brought against it by Consumers Union and is threatening a countersuit. Page 64.

When CBS bought five radio stations from Taft Broadcasting Co. for $107.5 million Aug. 1, the word was that wholesale changes were in store. But, in fact, virtually nothing has changed. Page 65.

The "Eating Right, Feeling Fit" health and nutrition program that McDonald's is launching shows the comprehensive marketing muscle the world's largest restaurant chain can put behind its promotional activities. Page 118.

CAMPAIGNS BREAKING

Commodore International Ltd., West Chester, Pa., breaks a $40 million network tv, radio and print campaign Sept. 23 for its new Amiga home computer. Ted Bates Advertising/New York is the agency (AA, July 29).

COMING THURSDAY

Does tennis player John McEnroe's on-court persona of "McNasty" make him too hot for advertisers to handle? How are his advisers handling the special problems posed by the sporting world's bad boy?

In Special Report—consumers' varying life styles push grocery marketers to create new products and services to attract customers. Smaller portions, easy preparation and one-stop shopping are just some of the things on consumers' shopping lists.

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Clairol, Sassoon add hair coloring

By PAT SLOAN

NEW YORK—Clairol begins a $12 million sendoff for the national debut of Ultress hair coloring this week, while Vidal Sassoon will start a $10 million campaign in March for a color mousse and color gel, the company's first hair coloring products.

The two newcomers follow L'Oreal's $6 million June introduction of Avantage and the March relaunch of L'Oreal's Preference (AA, March 4, et seq.), further intensifying the already heated competition in a $500 million market which has remained stubbornly flat save for price increases.

Hair color marketers anticipate this latest flurry of products will appeal to younger women who have so far resisted brightening or

(Continued on Page 124)

FMR shows some polish for Armour

By JULIE FRANZ

ConAgra's shift last week of its $15 million Armour Frozen Food account to Minneapolis' Fallon McElligott Rice from Bozell & Jacobs, Dallas, has made the company FMR's biggest client. The move comes as Armour's Dinner Classics and Classic Light lines are feeling pressure from several competitors.

FMR bested Bozell & Jacobs, New York, and Cramer-Krasselt, Chicago, after a four-week review that began with six agencies, sources said (AA, Sept. 9). B&J, Dallas, wasn't invited to defend the account.

The shift won't effect Ballwin, Mo.-based Armour's $10 million Processed Meats account, also at

(Continued on Page 126)

West Coast news

S&l 'holds' WRG/West

American Savings, Stockton, Cal., says its relationship with Wells, Rich, Greene/West, Los Angeles, is "on hold," as it evaluates its future. American Savings senior vp-advertising/marketing Clyde Hendricks acknowledged the s&l had fired the agency earlier in the week, but said it had decided to allow WRG/West an opportunity for "further dialog." Mr. Hendricks said American Savings had considered taking its estimated $8 million in-house. There is speculation it also may consider shifting its account to Cohen/Johnson, Los Angeles, the agency formed a few months ago by two former

(Continued on Page 126)

Rayovac back on beam in battery market

By LAURIE FREEMAN

Shares of the battery market

Battery	Company	Market share	Sales (millions)	Agency	Ad budget (millions)
Duracell	Danbury, Conn.	48%	$1,100	Ogilvy & Mather, NY	$28
Eveready "Supercharged"	Eveready	42%	966	William Esty, NY	22
Rayovac	Rayovac	10%	230	Leber Katz Partners, NY	15

Rayovac Corp., the battery company whose products virtually disappeared from retail shelves a few years ago, has recharged its marketing approach in an effort to break the cast-iron grip of Duracell and Eveready on the estimated $2.3 billion market.

Madison, Wis.-based Rayovac apparently has solved its distribution problems, modernized its battery packaging, brought its advertising up-to-date and is now ready to take on the big players.

Where once the privately held company teetered on the brink of financial ruin, it currently reports positive sales growth, with sales expected to reach $230 million this year.

Rayovac's estimated $15 million ad budget lags behind the estimated $28 million spent by Dart & Kraft-owned Duracell and $22 million for Union Carbide's Eveready. But it won't be long before it matches the others, ad dollar for ad dollar. "We're in a building process right now and we'll build our advertising as we strengthen distribution," said Bob Zimmerman, marketing director-batteries.

The aggressive, new Rayovac reflects internal changes made since Inco International Nickel sold the company almost three years ago to Thomas Pyle, now Rayovac president and ceo, and two other East Coast-based investors, Lionel Sterling and Robert Goergen. At the time of the purchase, Rayovac was losing a reported $25 million annually.

Under Inco's guidance, industry observers say Rayovac placed too much emphasis on production and not enough on marketing and advertising. One result: As the company stopped ad support, Rayovac lost retail shelf space as merchants refused to stock the batteries.

Getting Rayovac's batteries in stores and bringing the company's marketing abilities up to modern standards were Mr. Pyle's top priorities. Putting the batteries back on retail shelves apparently was the easy part, starting with a companywide, grass-roots effort.

Employes were given business cards to help promote sales. The cards read "I am an employe of Rayovac, I shop in your store and I'd like to see Rayovac batteries in the store."

"Some distributors were swamped with the large number of cards they received, and that convinced them to carry our products again," said Judy Pyle, Rayovac vp-marketing and Mr. Pyle's wife. Rayovac batteries can now be found in most stores nationwide.

Next, the company unleashed newspaper ads in Wisconsin papers only, promoting its batteries and offering free Wisconsin tourism-promotion kits.

After drumming up local support for the batteries, Rayovac also committed itself to a new packaging and display program. The company has put AA, C and D batteries in groups of six or eight, alkaline or heavy-duty, in a zip-tab package called "Smart Pack"; this lets consumers remove the batteries as needed. "We hope to encourage volume purchases of batteries," Mrs. Pyle said.

The company also expects the easy-to-handle-and-stock packs will challenge sales of the familiar carded products. In the future, the company expects the Smart Pack concept to convert many impulse battery buys into planned, household necessities.

Finally, in support of its behind-the-scenes reorganization, Rayovac last year launched its first network tv and radio campaign, using slice-of-life vignettes and a fantasy element, said Cynthia Perry, Rayovac vp-account supervisor, Leber Katz Partners, New York.

One 60-second spot shows a young boy enjoying his first backyard campout. He "hears something go thud, and he turns on his Rayovac-powered flashlight—which turns into a 'Star Wars' laser sword," said Ms. Perry.

Rayovac's creative strategy targets battery ads to heavy users with strong, long-term potential, those who are hooked on various portable power devices such as Walkmans. Copy for all the spots includes the theme "We give you the power to enjoy every hour . . .Rayovac, the battery that's power packed."

NOW! THE LONGEST LASTING ENERGIZER EVER.
NOTHING OUTLASTS IT.
THE NEW "AA" ENERGIZER
DURACELL IS PLEASED TO ANNOUNCE SOME VERY BAD NEWS.
The New Copper Top

Eveready recently introduced its "Supercharged" Energizer batteries (l.) with Olympic gold-medalist Mary Lou Retton as the product's spokeswoman. This fall, Duracell is introducing a new, improved "Copper Top" battery. William Esty, New York, handles Eveready; Duracell battery ads are handled by Ogilvy & Mather, New York.

"Consumers have often believed that batteries were a necessary evil, a purchase required when their radios no longer played. We want to turn a negative purchase into a strong, positive one," said Mrs. Pyle.

Tv spots and print ads in major consumer magazines will promote the Smart Pack in a media schedule running through the beginning of next year.

Now is perhaps the best time for Rayovac to make its comeback bid. The battery market is growing at a brisk 10% a year, spurred by the proliferation of battery-operated devices.

Alkaline batteries hold 75% of sales in the estimated $2.3 billion industry and account for 60% of unit sales, a Duracell spokesman said.

According to a study commissioned by Rayovac, the average household uses 26 batteries a year; heavy-user households, 20% of the total, use 92 batteries annually to power "boom boxes," personal stereos, smoke detectors, garage-door openers and toys. An average household contains nine battery-powered devices.

Eveready and Duracell aren't in permanent storage while Rayovac makes its bid, however. Eveready recently introduced its "Supercharged" Energizer batteries, with Olympic gold-medalist Mary Lou Retton as the product's spokeswoman.

The Danbury, Conn.-based subsidiary of Union Carbide is telling the trade, "the new Energizer advertising will focus on the long-lasting energy of Mary Lou Retton and America's newest bundle of energy—the Energizer now supercharged 'AA' battery." The ad schedule includes network and cable tv, including time bought on prime time shows "Miami Vice," "Hill Street Blues," "The Bill Cosby Show" and "Magnum, P.I."

Full-page, freestanding insert ads, which broke Aug. 25, will appear in Sunday newspapers through the beginning of next year. Each insert contains a 25¢-off coupon.

William Esty, New York, is the Eveready agency.

A bright-yellow "Now Supercharged!" banner has been put on the front of AA battery packages.

Eveready also is seeking to raise consumer awareness of the necessity of batteries by reminding consumers that more than 800,000 blackouts occur in the U.S. annually.

Duracell this fall is introducing a new, improved "Copper Top" battery, "a battery so highly improved no other alkaline battery can touch it. A battery so much longer-lasting, it has the power to create a whole new franchise among regular carbon-battery users," the company is telling the trade.

The Copper Top is Duracell's familiar copper-and-black battery, containing "additional active chemical ingredients, allowing a 30% greater life span," a company spokesman said.

Duracell expects the upgraded battery will win market share from the heavy-duty, zinc carbon battery category.

Marketing plans for the reformulated battery include the company's "heaviest media schedule ever," the spokesman said. Network tv spots break in mid-October, "reaching 160 million people an average of five times." A nine-week prime time tv and print campaign, with ads in 12 major consumer magazines, "will reach virtually all U.S. households more than 30 times."

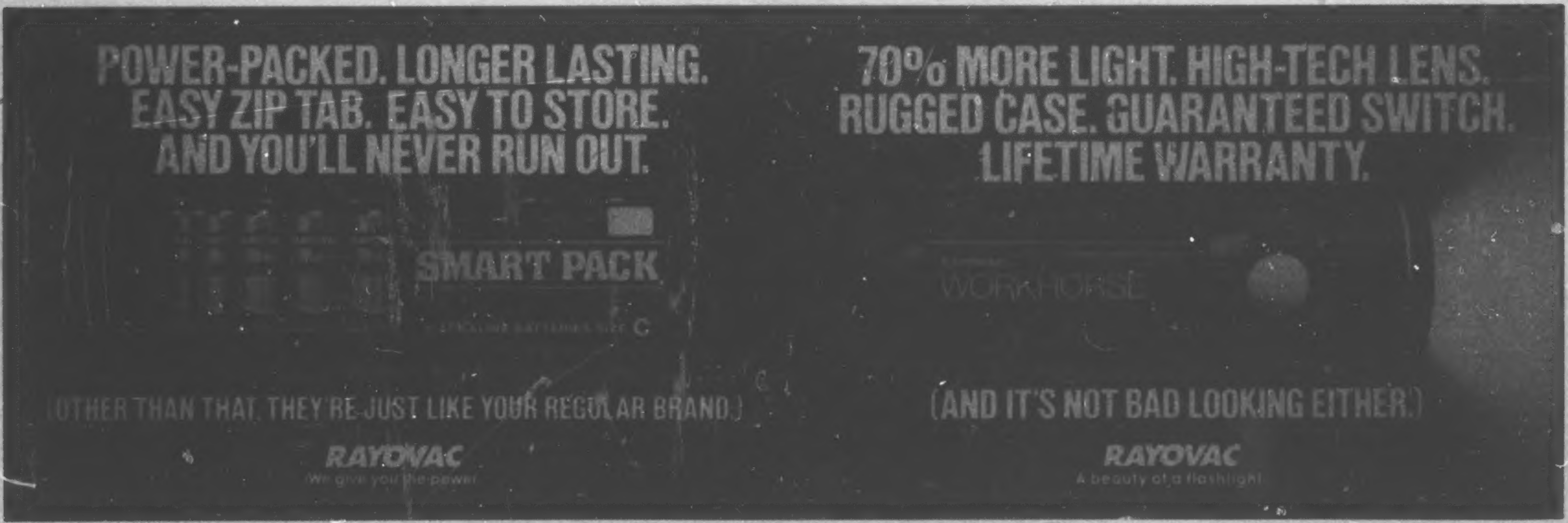
The company also is running its first-ever trade print campaign, in publications such as *Supermarket News*. A schedule of fsis offering 25¢-off coupons will break in October and run through December.

Duracell again will hold a sweepstakes in the first quarter of 1986, although the company declined to release further details. Last year, Duracell ran a 10% savings rebate and the "It's Christmas Again $250,000" sweepstakes. The savings rebate program offered cash rebates of up to $5 when batteries were purchased and small Christmas gifts. The sweepstakes promotion, with in-store entry blanks, offered a chance to win a $1,000 shopping spree.

Duracell battery ads are handled by Ogilvy & Mather, New York; advertising for Durabeam flashlights is done by Jordan, Case, Taylor & McGrath, New York.

Three newcomers to the American battery market, Fuji, Panasonic and Toshiba, are struggling to gain retail space.

Secaucus, N.J.-based Panasonic is concentrating on its new rechargeable line. The nickel cadmium batteries come in a range of sizes and can be charged, used and recharged up to 1,000 times for up to 10 years, the company said.#


POWER-PACKED. LONGER LASTING. EASY ZIP TAB. EASY TO STORE. AND YOU'LL NEVER RUN OUT.
SMART PACK
(OTHER THAN THAT, THEY'RE JUST LIKE YOUR REGULAR BRAND.)
RAYOVAC
We give you the power
70% MORE LIGHT. HIGH-TECH LENS. RUGGED CASE. GUARANTEED SWITCH. LIFETIME WARRANTY.
WORKHORSE
(AND IT'S NOT BAD LOOKING EITHER.)
RAYOVAC
A beauty of a flashlight

Print ads in consumer magazines will promote Rayovac's "Smart Packs" in a media schedule running through the beginning of next year. Leber Katz Partners, New York, handles.

Newspaper ad spending slows in June

By WILLIAM F. GLOEDE

New York—Daily newspaper advertising in 15 major markets began its summer slowdown in June, with eight of 16 measured categories showing decreases from June, 1984, according to the Advertising Age Flash Report from Media Records Inc.

Over-all spending increased $45.1 million to $265.6 million.

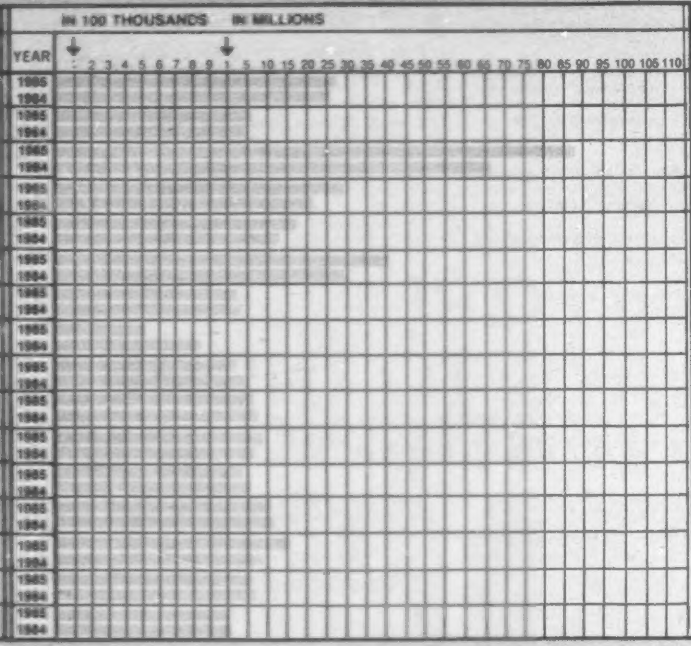
Department stores, the largest newspaper advertising category, led the gainers in dollar volume with a 31.9% increase to $87.5 million. Food stores followed closely with a 31.8% increase to $29 million, and general-merchandise stores chalked up a 37.1% increase to $40.8 million. New-car advertising led all categories in percentage increase, rising 67.4% to $15.8 million.

Other categories with gains were amusements, up 5.8% to $27.3 million; computer stores and supplies, up 3.8% to $5.0 million; radio-tv-phonographs and records stores, up 34.5% to $17.3 million, and publishing and media, the only national category to post an increase, up 18.4% to $9.4 million.

Losing categories included alcoholic beverages, down 32% to $2.6 million; cameras, photo supplies and services, down 39.8% to $503,604; computers, equipment and services, down 48.8% to $2.5 million; public service utilities and commissions, down 24.1% to $5.85 million; cigarets, down 20.7% to $4.3 million; airlines, down 7.7% to $10 million; banks and trust companies, down 0.8% to $6.3 million, and stock, bond and investment houses, down 11.1% to $1.4 million.

The Flash Report is based on linage measurements in 27 daily and 23 Sunday newspapers in 15 major markets.#

FLASH REPORT: Newspaper advertising investment for June



June 1985 CATEGORIES	YEAR	DOLLARS 1985	 1984	CHANGE ACTUAL $ G OR L	 % G OR L
Amusements	1985 1984	$27,318,985	$25,831,411	+1,487,574	+5.8
Computer stores & supplies	1985 1984	5,067,517	4,880,622	+186,895	+3.8
Department stores	1985 1984	87,503,876	66,341,266	+21,162,610	+31.9
Food stores	1985 1984	28,995,356	22,003,185	+6,992,171	+31.8
Radio, tv, phonographs, records	1985 1984	17,269,044	12,842,343	+4,426,701	+34.5
General merchandise stores	1985 1984	40,793,117	29,753,417	+11,039,700	+37.1
Alcoholic beverages	1985 1984	2,645,303	3,888,279	−1,242,976	−32.0
Cameras, photo supplies & services	1985 1984	503,604	836,774	−333,170	−39.8
Computers, equipment & services	1985 1984	2,463,198	4,807,220	−2,344,022	−48.8
Public service utilities & communications	1985 1984	5,857,838	7,718,204	−1,860,366	−24.1
Publishing & media	1985 1984	9,411,700	7,948,207	+1,463,493	+18.4
Cigarets	1985 1984	4,338,616	5,470,385	−1,131,769	−20.7
Airlines	1985 1984	10,015,420	10,850,229	−834,809	−7.7
Passenger cars-new	1985 1984	15,752,613	9,409,378	+6,343,235	+67.4
Banks & trust companies	1985 1984	6,256,125	6,307,571	−51,446	−0.8
Stock, bond & investment houses	1985 1984	1,356,838	1,525,919	−169,081	−11.1

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

End urged to Swiss media rule

By JOHN PARRY

Geneva—In a book that has hit Swiss media circles with a massive bang, a Geneva lawyer has called for abolishing state control of radio and tv broadcasting in favor of U.S.-style free enterprise.

Radio and tv journalists in Switzerland cannot work with the same freedom as their colleagues in the print media because they are hamstrung by government control, Charles Poncet said in his book "State Control of Information in the Media."

He said the state-run radio and tv networks should be dismantled and private enterprise allowed free rein.

A state monopoly on broadcasting is valid in Switzerland as long as only the state has the means to use these communications tools, Mr. Poncet said.

But the proliferation of privately owned local radio stations in the past few years and the increasing possibility for Swiss tv viewers to watch private satellite tv stations means that the old state monopoly is out of date, he said.#

CBS likes ex-Taft stations as they are

By VERNE GAY

New York—When CBS bought five radio stations from Taft Broadcasting Co. for $107.5 million Aug. 1, the word was that wholesale changes were in store. Formats would be changed and managers would be removed, as CBS put its stamp on the new group.

Or so the predictions went. But in fact, virtually nothing has changed at the stations. Probably, nothing will.

"It was incredible," said Robert Hosking, president of the CBS Radio division. "I could not convince anybody that this was not going to happen. . .It would be like buying Pepsi-Cola and making it into root beer."

Not that CBS Radio shuns change—the division has undergone some dramatic changes in the past few years and with the Taft buy became the largest U.S. radio operator, with revenues near $200 million. Mr. Hosking claims that little needs fixing at the new group—which is why CBS purchased it for a record price.

The purchase reflects a strategy Mr. Hosking has followed since taking the helm of the radio group in 1981: To diversify and grow where the markets, and the advertisers, are.

The Taft purchase most clearly reflects that strategy. The stations are mostly in the Sunbelt (CBS' other stations are in eastern, West Coast and Midwest markets) and their formats are "light rock" or news (most of CBS' stations have "contemporary hit radio" or news formats). CBS now owns six am news/talk stations and 12 fm stations, five of which are contemporary hit radio. The Taft stations (three were spun off from Gulf Broadcast Co. after Taft recently purchased that company) are in Washington, Tampa, Houston and Dallas.

"Managing a large radio group today is like managing a financial portfolio," said Mr. Hosking. "[The Taft stations] provided a geographical balance to spread out our risk [and] the formats give us a much better balance. . .We now have a whole spectrum."

This "whole spectrum" helps remove the peaks and valleys in advertiser demand from one year to the next, said Mr. Hosking. A recent fallout in computer advertising hurt sales on stations that skew toward older audiences. "From year to year you can pick up heavy fluctuations in radio [advertising]," he said. "Right now the greatest demand is in that center area, the 25-to-54 [age group]."

Growth for the CBS Radio group has not been without controversy. When it announced the decision to buy the Taft group in April, some analysts said CBS was loading itself with debt to curtail efforts by Ted Turner to take over the company. Mr. Hosking denied this. He said he had been looking for ways to "balance" the radio group via a major purchase since February, before the Turner bid.

"It's true this was handled during the Turner bid, but that was happenstance, not by design," said Mr. Hosking. "We wanted to expand and this was one of the most unique opportunities to come along. This was the largest station group that did not conflict with what we already had—there were no conflicts. It was a perfect fit."

Now, CBS plans to continue to add pieces to its growing radio empire, despite a corporate clamp on costs. The company, which has narrowed future growth to the top 25 markets, does not yet have a media presence in Detroit and may explore future opportunities there. Four radio stations recently have come on the market in Detroit as a result of the merger between Gannett Co. and the Evening News Assn., which also publishes the *Detroit News*.

CBS has targeted two other areas for future growth: Radio networking and representation. The CBS radio network now has 400 primary affiliates for its news feeds, but opportunities for significant growth lie with RadioRadio, the youth network that feeds regular and occasional programing to more than 1,000 affiliates, said Mr. Hosking. The networks, which Mr. Hosking says are in the black, contribute about one-third to the division's total revenue. Like the owned-station operation, the networks are tailored for a variety of different formats.

"Top 40 Satellite Survey" is geared for contemporary hit radio stations and "Top 30 USA" is tailored for adult-contemporary stations. However, "Entertainment Coast to Coast," a music and talk feed, has found a berth on 125 affiliates with a variety of formats. Other similar networks are planned.

"We will continue to roll these things out until we roll one out people don't want," said Mr. Hosking.

CBS Radio also lays claim to the last of the broadcast-managed representation arms. The other networks backed out of the representation business over the last decade. CBS has a "short list" of 42 stations and wants to add another three. The company decided to stay in the business when it found there were opportunities for expanding in top markets. "Many stations are unhappy with their reps," said Mr. Hosking.#

'Super radio' gets static

Crain News Service

"Super radio" has turned into a super headache for its proponent, the National Radio Broadcasters Assn., following an industry association meeting at which the idea met with a chilly reception.

The mere suggestion of merging existing groups into a single new "super radio" trade association had some industry leaders so angry there was talk of canceling next year's joint radio convention, only the third one since the National Assn. of Broadcasters and the NRBA reconciled.

Peter Ferrara, NRBA exec vp, admitted his organization was "very disappointed" by the reaction of the other groups at the meeting.

Attendees, which included representatives of the Radio Advertising Bureau, the Radio Network Assn., the Radio-Television News Directors Assn. and Broadcast Financial Management Executives, among others, voted down a recommendation by NRBA president Bernie Mann to establish a committee to explore the proposal.

"What it's boiling down to," Mr. Ferrara said, "is either we're ahead of the times or behind the times with this idea."

But, he added, "the unfortunate thing is that those people in the room—rightfully so—are not going to be too terribly open to the idea" of folding their own organizations.

"I thought it was a healthy exercise to get that many people from that many groups in one room to discuss ideas," said Bill Stakelin, president of the Radio Advertising Bureau. "My disappointment stems from the fact that it didn't seem like there was any room for compromise or movement."#

CHINA: A new frontier for advertisers

By LYNNE REAVES

BEIJING—"Beijingexpressaircargodeliveryservice."

This English lettering painted in red on the door of a fast-moving rusty van makes a New Orleans man do a double take as he walks down Jianguomenwai Street in the heart of China's capital city.

"Advertising has come to China," he laughs. "But, it can make you dizzy."

The air cargo sign may be a crude attempt, but the fact that it is allowed at all in this communist nation of 1 billion people is significant.

Advertising has not only returned to the most populated country in the world, it has been encouraged by both foreign and domestic companies. In fact, Chinese officials say their country, under the pragmatic leadership of Deng Xiaoping, spent $20 million in 1984 advertising Chinese products outside the country.

Several dozen foreign companies, led by the Japanese, are splashing their names on outdoor boards and in tv, newspapers and magazines all across China. Although many of their marketing strategies still are in the infancy stage, all see their presence here as a foot in the door and a foundation for a possible windfall.

"The past few years have proven there is a place for advertising in China. The only questions now are timing, and how sophisticated the audience is," says Cecil Yow, account director at Leo Burnett Co. in Hong Kong. "A lot of our clients have shown an interest in advertising in China, and with that many potential consumers no one can afford not to show an interest in it."

First popularized by foreign tobacco and petroleum companies, advertising was practiced by Chinese and foreign companies around the turn of the century. But when the communist state was founded in 1949, advertising was branded a capitalist tool and prohibited for more than a generation.

Millions of Chinese still have never heard the name "Coke" and don't know if McDonald's sells hardware or hamburgers, but advertising has taken off at a pace no one would have dreamed possible when the advertising ban was lifted in 1979.

Its rebirth is just one element in China's daring massive modernization drive aimed at erasing the nation's "developing country" label.

The drive began in 1979 with the end of the cultural revolution and has resulted in an unprecedented surge in wages, prices, production and retail sales.

China's leaders say advertising fits into the reawakening of the country's economy because it not only stimulates sales, but teaches Chinese consumers and business leaders about developments in the rest of the world during the past 30 years.

Still, advertising in China is not without its rules, although the Marlboro man did ride briefly across tv screens in southern China in 1979. Today, tobacco and liquor advertising are banned except in hotels where foreigners stay and in stores where only foreigners can shop.

There is no central media censorship body and each medium is responsible for censoring the advertising it carries, but the government urges that advertising not affect political, moral or social climates.

For the most part, all advertising, even by non-Chinese companies, is fairly basic.

At Ogilvy & Mather, clients are advised to adhere to the following guidelines: "Keep advertising straightforward, factual and single-minded. Interpretation of advertising is extremely literal and it is not desirable to attempt analogy, or humor of any kind.

"Emphasis should be given to performance, quality and durability."

"The Chinese are still very suspicious of fast-talking foreign salesmen," says Harry Reid, regional director of Ogilvy & Mather Worldwide in Hong Kong.

Hong Kong serves as a gateway to China for many areas of foreign business, and advertising is no exception.

A handful of agencies in Hong Kong, led by Interpublic-Jardine and Ogilvy & Mather, are working aggressively with foreign companies in China.

An outdoor board for Sony in Beijing illustrates Japan's strong marketing presence in China.

"Advertising in China is the same as advertising anywhere else," insists Doug King, managing director of Interpublic-Jardine. Interpublic is the only western agency to have registered representative offices (although not full-service agencies) in China. Through its joint venture status with Jardine—one of the oldest China trading companies—it has offices in Beijing, Shanghai and Guangzhou (Canton).

"Before you can be successful in China," Mr. King says, "you have to know your objectives—just like anywhere else. The biggest problem foreign companies have is not setting specific objectives in China. The one billion consumers there makes sense, but only if you know what you are doing."

Mr. King points to his client, Eastman Kodak, as one of the foreign companies that has approached the China market correctly. He said the company started advertising in a Chinese photo magazine in 1979, and now runs a multimedia campaign, including tv. "Kodak is one of the brightest success stories in China," Mr. King claims. "They sell more film in China than in Hong Kong."

A typical Kodak tv spot produced in Hong Kong for the southern China market shows a well-groomed young man snapping photos of his girlfriend and relatives.

"The thought process in making this commercial is interesting," says Mr. King, who speaks Mandarin Chinese fluently. "Kodak does a lot of its advertising based

(Continued on Page [illegible])

Major foreign advertisers in China

Company	Agency	1st yr. in China
Airbus Industry	Modern Advertising (Hong Kong)	1982
American Express Co.	Ogilvy & Mather	1981
Australian Trade Commission	China Consultants International	[illegible]
Bank of America	FEAG*	[illegible]
Bayer	Interpublic-Jardine	[illegible]
Beatrice	Under review	[illegible]
Boeing	Ogilvy & Mather	[illegible]
British American Tobacco	Interpublic-Jardine	[illegible]
Burroughs Wellcome	Interpublic-Jardine	[illegible]
Johnny Walker	Interpublic-Jardine	[illegible]
Coca-Cola Co.	Interpublic-Jardine	[illegible]
Compaq computers	Modern Advertising (Hong Kong)	[illegible]
Doral cigarettes	J. Walter Thompson Co.	[illegible]
Exxon	Interpublic-Jardine	[illegible]
General Foods	Ogilvy & Mather	[illegible]
Gilman watches	Under review	1979
Gillette	Interpublic-Jardine	[illegible]
Hennessy	Interpublic-Jardine	[illegible]
IBM	J. Walter Thompson Co.	[illegible]
Irish Dairy Board	Peoples & Grey Advertising	[illegible]
Jardine Matheson	Interpublic-Jardine	[illegible]
Eastman Kodak	Interpublic-Jardine	1979
L'Oreal	Interpublic-Jardine	[illegible]
Lufthansa airlines	J. Walter Thompson Co.	[illegible]
Mercedes-Benz trucks	Under review	[illegible]
Martell cognac	Ogilvy & Mather	[illegible]
New Zealand Dairy Board	FEAG*	[illegible]
Olivetti	FEAG*	[illegible]
Peninsula Hotels	Ogilvy & Mather	[illegible]
Philip Morris	Leo Burnett Co.	1979
Remy Martin cognac	Interpublic-Jardine	[illegible]
Samsung Electronics	FEAG*	[illegible]
Seagrams	Interpublic-Jardine	[illegible]
Seiko watches	Leo Burnett Co.	1979
Sony	Dentsu	[illegible]
Tissot (watches)	FEAG*	[illegible]
Westinghouse	FEAG*	1979
Weyerhaeuser forestry products	Ogilvy & Mather	[illegible]
ZF (vehicle transmissions)	Ogilvy & Mather	[illegible]

*Far East Advertising Group — China Division

Guidelines for U.S. marketers planning to expand in China

By ARNE J. DE KEIJZER

What can U.S. companies expect when they try to enter the Chinese marketplace?

Certainly not business as usual. Although China offers vast new opportunities for American marketers, it would be naive for Americans to envision a land of one billion hungry consumers buying aspirin, lipstick and chocolate-chip cookies.

Here is a thumbnail sketch of how doing business in China is different from operating in other nations, along with a handful of tips that U.S. marketers should keep in mind before trying to set up business in China.

To begin with, China is an agrarian, semi-industrial country where 80% of the people toil to feed 22% of the human race. It is a land where cultural custom dictates business dealings rather than legal convention. In China, cobblers and peddlers still ply their trades just outside a biotechnology laboratory.

Consumer demand in China can be exercised only within the confines of an average urban annual income of $300—none of it in the foreign exchange needed to buy western products. Here, Avon does not come calling and washday miracles usually are performed in a wash basin.

Given this environment, how can a company best establish a presence?

There are no hard-and-fast rules. Even "China hands" get surprised. I once briefed a client on the ritual of a Chinese business meeting (interminable cups of tea and endless circumlocutions by protocol-conscious bureaucrats) only to find that, once in Beijing, our Chinese host whisked us off to the bar of the Great Wall Hotel for a business meeting that took but 15 minutes over a double shot of [illegible]. Even so, there are several aspects of business protocol that should be heeded.

> "More than anything else, U.S. marketers should guard against false expectations and impatience. These are the most frequent causes for failure."

For example, more than anything else, U.S. marketers should guard against false expectations and impatience. These are the most frequent causes for failure.

Some Chinese friends once shared a story about an American shoe manufacturer who wanted to form a joint venture. During the first meeting he spent three hours detailing the terms and conditions he would accept. He concluded by saying that since he was leaving China two days hence, he had to have an answer in 24 hours. The Chinese politely said they would study the proposal and the American left the meeting feeling encouraged. Immediately after he left, the Chinese threw away their notes and left instructions never to deal with him again.

So what does work? The first rule is careful preparation. It is a remarkable phenomenon that companies that normally act cautiously forget. As the old song has it—the best way to get to China is by slow boat.

This is all the more surprising since good market research is available. Many U.S. companies, such as Coca-Cola, Boeing and General Foods, have already had direct experience marketing in China, and consulting companies have begun to work with Chinese counterparts on everything from consumer spending habits to factory feasibility studies.

A second rule is to find the right partner. In the early days of U.S.-China trade (1970s) companies dealt mainly with one of a dozen government-run trading corporations.

Now there are more than 800, and China's current open-door policy means that everyone from ministry officials to mayors, from factory managers to self-appointed consultants, will deal with foreign companies. One finds, too, that business is being done not only in Beijing, Shanghai and Guangzhou, but also in quite remote places such as Ningbo, Qingdao, Kunming and Chengdu.

Third, limit your exposure. That

(Continued on Page [illegible])

China's ads

Print ads for Boeing (l.) and Seiko are typical of [illegible] ads in China in that they [illegible] photographs of people [illegible] on Page 78).

Chinese media a quagmire for outsiders

By LYNNE REAVES

HONG KONG—Doug King snaps a smoldering cigaret out of his mouth and throws a copy of an American newspaper article down on his desk.

"This is rubbish. Unbelievable. Where did they get these figures?" demands the managing director of Interpublic-Jardine, one of the leading Hong Kong advertising agencies doing work in China.

Mr. King was staring at a copy of a story in the *Asian Wall Street Journal* about China tv that reported a U.S. company with ties to China Central Television was selling 60-second spots on the national channel for $35,000.

"This is ridiculous," Mr. King snarled. "You can buy that same ad time directly from CCTV or through us or other agencies at about $4,000 for 30 seconds," he says. "We spend a lot of time here studying the media in China. You have to, to do it right."

Indeed, the media available in China are a bewildering assortment that has scared away some foreign advertisers. Foreign companies are faced with hundreds of newspapers and magazines that can offer regional or national campaigns. Plus there are dozens of local and national tv and radio stations selling ad time.

How does a Texas businessman know whether he should spend his advertising dollars to try to reach the 5 million readers of *People's Daily* at about $63 a column centimeter, or go after the 16 million viewers of Shanghai tv for $1,200 for 30 seconds?

"Advertising can be very effective if it is done with planning in China," says Tom Gorman, president of Hong Kong-based China Consultants International. "But a lot of people are wasting a bunch of money in China doing it the wrong way. The president of a big company wakes up on a Sunday morning and reads a *New York Times Magazine* story about how China is the hottest thing since sliced bread and starts throwing his company's money at China. It is not difficult to waste a lot of money very quickly in China."

Coupled with the problem of selecting from the array of media is the unsettling fact there is very little readership or audience data available. No national media surveys have been conducted, although one-time surveys are being carried out in some cities.

"There are no properly audited figures, but some stats are out there," says Ronald Cromie, China affairs director of Hill & Knowlton. Hill & Knowlton in January became the first international public relations company to open an office in China. "They are not of the statistical standards that you would find in the U.S., but some information is around and we can spend a good deal of time trying to find it for some of our clients," Mr. Cromie said.

A foreign company can go directly to a newspaper, magazine or tv station and place an ad. However, because of the complexities of China, most turn to one of a handful of ad agencies that specialize in the China market or go to one of China's government-controlled advertising corporations, which can also place the ads.

All foreign ads are paid for in the currency of the nation buying the ad. Local businesses pay in local currency and pay lower rates. Advertising by joint ventures in China is handled on a case-by-case basis, with the price and type of currency to be negotiated.

While there is no central Chinese media-censorship body for ads, each publication or station is responsible for censoring its own contents.

In 1982, the government did say that advertising should be clear and truthful and should not "hoodwink or deceive end users and consumers." The government also said advertisements should not contradict state policies, divulge state secrets, be harmful to the dignity of China nationalities or be reactionary, obscene, crude, superstitious or slanderous.

Most products, even many that are not available to the average Chinese, can be advertised, but cigarets, wines and liquor cannot, except in hotels where foreigners stay and in stores where they shop.

Tv is one of the big growth areas for advertisers in China today. Watching the tube has become so popular some Chinese call it the new national pastime. There are 56

(Continued on Page 78)

The People's Daily, China's leading newspaper, also distributes an overseas edition.

China's media

TELEVISION

Tv is becoming the Chinese national pastime. According to the official Xinhua News Agency, 200 million Chinese watch tv, making them the world's largest viewing audience. There are 56 tv stations in China and advertising campaigns can be done nationally, regionally or locally. Major cities are served by two or three channels.

Station	Cover (million)	Cost of :30
CCTV Channel 2	300.0	$4,000
CCTV Channel 8	3.2	1,340
Guangdong TV (Canton)	50.0	1,413
Beijing Municipal TV	3.2	708
Fujian TV	9.0	398

NEWSPAPERS

There are hundreds of newspapers which accept advertising in China, however, reproduction generally is considered poor. The only English-language newspaper, *China Daily*, is headquartered in Beijing and distributed in a number of Chinese cities and several major western cities.

Newspaper	Circulation	Freq.	Rate/col. cm.
People's Daily	5,000,000	Daily	$63
Dianshi Zhoubao	3,000,000	Weekly	40
Jinle Zhoubao	3,000,000	Weekly	14
Worker's Daily	2,700,000	Daily	32
Broadcast & TV Weekly	1,800,000	Weekly	16
Economic Daily	1,500,000	Daily	28
Guangming Ribao	1,500,000	Daily	25
Xinmin Evening Pao	1,500,000	Daily	13
Sichuan Ribao	1,300,000	Daily	18
Beijing Ribao	1,200,000	Daily	38
China Daily (in English)	75,000	6/Weekly	8.50

MAGAZINES

Readers looking for an equivalent to Time or Newsweek in China will be disappointed. However, there is a mass of hundreds of magazines for advertisers to choose from. Most are considered trade publications, focusing on specific audiences. Prices are quote for four-color full-page ad.

Magazine	Circulation	Freq.	Back cover
Technical and Industrial Radio	1,300,000	Mthly	$3,710
Tourism World	350,000	Qtrly	2,085
Guangzhou-Arts & Culture	250,000	Mthly	1,580
Tour	800,000	Mthly	1,485
Mobile Technique	200,000	Mthly	1,413
International Aviation	75,000	Mthly	1,080
Exploration Engineering	35,000	Bi-Mthly	954
Foreign Metal Mining	33,000	Mthly	880
Hydraulics	40,000	Bi-Mthly	812
Yakajian (cultural magazine)	120,000	Mthly	553 (b&w)

ADVERTISING
AND
SELLING TO
THE
PEOPLE'S REPUBLIC
OF
CHINA

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CCI

Frontier

(Continued from Page 74)

on saving memories. Well, the Chinese don't want too many memories. Memories mean the cultural revolution, and they would happily forget that. What they want are today's memories—birthday parties, weddings—so you have to be very careful in choosing what is appropriate."

As western companies plan their advertising strategies for China, these companies often look to the Japanese to see what they are doing correctly because of their dominance among foreign advertisers in China.

"The top 10 advertisers in China are Japanese," says Mr. Reid. "The whole philosophy of the Japanese is different. They believe in the long term, and in China that is very important."

An example is Sony Corp., the Japanese electronic goods manufacturer. The company is a big advertiser in China and has a huge outdoor board in downtown Beijing that advertises many of its products.

The Japanese started advertising many of their products in 1979 before the goods were available in China. Now that the products are being sold, the Japanese have a clear edge over their competitors.

"The Japanese were very smart," says Mr. Reid. "I would certainly advise a western company that is serious about entering the China market to begin advertising their name now even if their products are not available. A lot of companies have a hard time understanding that no one in China has ever heard of them."∎

Guidelines

(Continued from Page 74)

Chinese saying about a long journey starting with a single step really does apply. Until both sides get used to each other, the less complex the project the better.

The Chinese have only limited experience with the flexible trade terms the open-door policy now permits, and the economy (as well as the culture) can absorb only limited change.

A fourth rule is to work at establishing a strong corporate presence. This lets Chinese at all levels know the requisite long-term commitment has been made.

A corporate presence means not only staff commitments and money, but also a willingness to work to establish a strong corporate image.

In the end, the rule that applies to any gold rush also applies to China: The prospector must be willing to take risks and live with the losses and frustrations associated with the search for a bonanza.

That the search is more than worth it seems abundantly clear from the growing list of consumer-product companies now staking their claims.∎

Mr. de Keijzer is president of A.J. de Keijzer & Associates, New York, a consulting company specializing in the development of trade between the U.S. and the People's Republic of China. He is author of the "JAL Guide to Doing Business with China" and co-author of "The China Guidebook."

Media

(Continued from Page 75)

tv stations for advertisers to choose from. Rates vary significantly, but campaigns can be done nationally, regionally or locally.

According to the goverment's Xinhua News Agency, 200 million Chinese watch tv, the world's largest audience.

What they are watching has changed dramatically. Gone are the days when the only thing on the air was hours and hours of one party official reading the works of Mao. Today, while there is still some of that, there are movies, variety shows, sports broadcasts and cartoons.

Last year, China tv also began airing a 64-hour package of news, sports and entertainment programing from CBS. According to the *China Business Review*, CBS agreed to split with CCTV the revenues of the sale of 320 minutes of commercial time, which could be sold to as many as 10 foreign sponsors for as much as $300,000 for a 32-minute package.

Some of the biggest foreign companies advertising in China, such as Boeing and IBM, have bought time on the package as well as time on other Chinese programing.

> ***"When the Chinese find a response card to an ad in a magazine, they send it in, and they really expect to get something in response from the advertiser." —Tom Gorman, media consultant***

Advertising in trade journals

Trade journals covering a vast assortment of industries ranging from aviation and engineering to tourism and mining also are extremely popular in China, and some now-popular western products, such as Kodak cameras, first introduced themselves through the trade press. Many of the magazines do not accept full-color advertising, and the position of the ad in the magazine often is restricted.

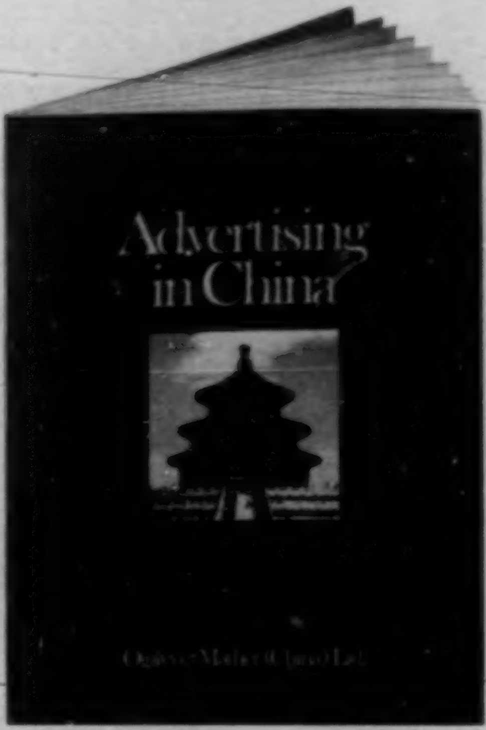
There also are a few western trade publications that are being translated into Chinese and distributed here.

Mr. Gorman's China Consultants International has a joint venture with McGraw-Hill to translate some of the publishing company's trade magazines (complete with ads), such as *Aviation Week*, and distribute them in China. This year, three issues of *Aviation Week* will be translated and sent to China, each with about 100 ad pages.

"The response to advertising in China is phenomenal," says Mr. Gorman. "When the Chinese find a response card to an ad in a magazine, they send it in, and they really expect to get something in response from the advertiser. If they don't get the catalog or whatever it is they were supposed to get, they keep writing until they do. Don't forget, the cultural revolution is not that far in the past. Ten years ago it would have been considered treason to respond to any foreign advertising."∎

The special section on China was written by Lynne Reaves, ADVERTISING AGE's Hong Kong correspondent and edited by John Wolfe, assistant international editor in Chicago. The package was designed by Bob Zeni, AD AGE graphics editor.

An invitation to profit from Ogilvy & Mather's close partnership with China



Over the last seven years Ogilvy & Mather has developed a relationship with China which, we believe, is unrivalled by any other international agency. We have summarized much of the knowledge gained in a new booklet. It is yours for the asking.

Our partners in China

Ogilvy & Mather is formally associated with China's eight major Advertising Corporations. This partnership has been of great benefit in developing programs for such clients as American Express, Boeing and General Foods.

We also work closely with three major Chinese Foreign Trade Corporations in the principal markets of the world. And we have, in fact, placed more international advertising for China than any other agency.

These close relationships have given us invaluable experience in working with China and in developing business contacts.

Our China company

We have been successful in China because we have been patient and worked to a considered, long-term plan. Our China company is based in Hong Kong and fully staffed with professionals who work solely on our China business.

Our newly published 20-page booklet describes the services Ogilvy & Mather offers to assist the marketing and advertising of products in China.

It explains why you should advertise to consumers in China, gives guidelines on creating successful advertising, an overview of media available, plus pertinent facts about China and this rapidly developing consumer market.

Send for your copy of *Advertising in China* today.

奧美

Ogilvy & Mather
Worldwide

YES I accept your invitation. Please send me a copy of your new 20-page illustrated booklet, Advertising in China.

Name ____________________

Title ____________________

Company ____________________

Address ____________________

Mail this coupon to: Helen Freeman, Ogilvy & Mather Worldwide, 2 East 48th Street, New York, NY 10017. Outside the U.S.A. write to: Harry Reid, Regional Director, Ogilvy & Mather Worldwide, 7th Floor, Mount Parker House, Taikoo Shing, Hong Kong.

Tv pricing

(Continued from Page 1)

Wednesdays and Saturdays.

- If the networks were to consistently get these prices and sell out their inventories, the three-network total weekly revenues this fall could reach $196.8 million, although the actual figure will be less than that.
- If the networks were to sell out all 12 minutes of advertising per prime time hour and if they were to receive the rates shown in the accompanying chart (neither of which is likely), the maximum potential revenue for each network on a night-by-night basis would be:

Sunday: ABC, $11.5 million; CBS, $13.6 million; NBC, $10.9 million.

Monday: ABC, $10.7 million; CBS, $10.2 million; NBC, $8.5 million.

Tuesday: ABC, $8.2 million; CBS, $7 million; NBC, $9.5 million.

Wednesday: ABC, $12.7 million; CBS, $7.1 million; NBC, $8.5 million.

Thursday: ABC, $8 million; CBS, $11.2 million; NBC, $13.6 million.

Friday: ABC, $7.1 million; CBS, $10.3 million; NBC, $8 million.

Saturday: ABC, $7.8 million; CBS, $7.2 million; NBC, $6.2 million.

The average prices for 30-second prime time spots were culled from agency and network sources and reflect prices only during the fourth quarter, traditionally one of the most expensive periods. Each network has price "breaks" which reflect demand during a particular period. For example, prices plummet the beginning of January when advertiser demand is softest. Prices break upward in February, when demand picks up, then peak in April.

An especially strong schedule for one network on a given night can damage the competition's profit seriously. ABC has been a longtime nemesis for CBS on Wednesday nights, and CBS' prices reflect the problem. The network wiped its slate clean this season, and some advertisers were less than enthusiastic. One source insists he picked up some of the new shows for a "dime"—about $60,000 per 30 seconds.#

Advertisers holding on tv football buys

By ROBERT RAISSMAN

Tv ratings for football are rebounding from the disastrous 1984 season, but advertisers have been slow to return and pricing remains soft.

College football faces a more severe problem than the National Football League, and some agency executives say if the glut of college games isn't controlled, the sport could be heading for extinction on tv.

Steve Leff, exec-vp, Backer & Spielvogel, New York, said colleges will be forced to reevaluate their tv situation in the wake of the 1984 U.S. Supreme Court decision that ended the National Collegiate Athletic Assn.'s role as an exclusive broker of tv rights.

'Too much college football'

"I don't want to fly in the face of a Supreme Court decision, but unless college football does something to regulate itself, to clean itself up, in terms of the number of packages sold to different types of broadcast outlets, it's just going to kill the sport," said Mr. Leff. "College football doesn't perform badly [in terms of ratings], but there is just too much of it there and there are not enough dollars in the marketplace to suck it all up."

CBS and ABC, the two networks that carry college football, are a bit ahead of last year in terms of sales. "College football sales are better than last year," said Jake Keever, vp in charge of sales, ABC-TV Network. "The average unit cost is up 25%. But I'm not saying we don't have avails. I'm not saying the market is strong, but I feel that it is turning around."

ABC's College Football Assn. package prices 30-second spots between $35,000 and $40,000, while CBS is getting about $30,000. Network prices are slightly higher than last year, but stand-alone 30s may cost less because many college football buys are packaged with NFL ad schedules.

Some advertisers are playing a waiting game, trying to take advantage of the soft market. AT&T once again is withholding a substantial part of its sports budget—reportedly as much as 50%—with the intention of cutting deals on two and three-week mini-packages during the season. With the market soft and availabilities present close to game time, AT&T can "cherry pick" the best matchups as the season progresses. The strategy transfers the risk of living with a schedule set before the season from the advertiser to the network or syndicator.

Robert Watson, corporate media director, AT&T, declined to say how much of its sports budget was being held back.

Continues same tactics

"Basically, we are employing the same tactics we used in sports last year," Mr. Watson said. "We relied on the softness of the market to make some opportunistic deals. The football marketplace seems to be the same as it was last year."

Industry experts expect the sports market to tighten in November and December; in part, because sports will be used to cover "make-goods."

Most syndicators, as well as Turner Broadcasting System and ESPN, are feeling the softness in the football market, but not to the extent they did last season.

Fred Botwinik, president of TEN, a syndicator carrying eastern independent colleges, said the package is selling a bit better than last year because CBS Sports is not programing an early game in the East.

"Advertisers are also not confused as to who is carrying what, as they were last season, because there are fewer syndicators," Mr. Botwinik said. Mr. Botwinik said 30-second spots for the eastern games, which include independents Boston College, Notre Dame, Syracuse and University of Pittsburgh, are selling for $8,000.

Sales better than '84

Charlotte, N.C.-based Raycom, which syndicated this season's college opener, the Kickoff Classic, as well as the Big 8 and southwestern conferences and the University of Miami, says sales are ahead of last year.

Dee Ray, exec-vp, Raycom, said, "Last year was unusual because of the timing of the Supreme Court decision, but for the last seven years I've tracked sales and they are traditionally slow in September and October."#

Networks' 30-second price list, 1985-86 season

Despite NBC-TV's close second-place finish last season, CBS-TV remains the network getting the most dollars per 30-second spot in prime time. The following chart shows the average price of a :30 for every prime time network show during the fourth quarter, 1985. While the average network :30 this season costs $118,840 (up from about $100,000 last season), CBS' average is tops at $120,700, while ABC is last at $117,700. NBC averages $118,100. *Advertising Age* culled these prices per program from interviews with agency and network sources.

		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]			Hardcastle & McCormick $90-115,000		NFL Monday Night Football $175,000			
	[illegible]			Scarecrow & Mrs. King $120,000		Kate & Allie $160,000	Newhart $150,000	Cagney & Lacey $150,000	
	[illegible]			Bloopers & Practical Jokes $105,000		NBC Monday Night Movies $125,000			
[illegible]	[illegible]			Who's the Boss $120,000	Growing Pains $100,000	Moonlighting $140,000		Our Family Honor $100,000	
	[illegible]			Hometown $75,000		CBS Tuesday Night Movies $110,000			
	[illegible]			The A-Team $145,000		Riptide $125,000		Remington Steele $125,000	
[illegible]	ABC			The Insiders $120,000		Dynasty $235,000		Hotel $175,000	
	CBS			Stir Crazy $70-85,000		Charlie and Company $70-85,000	George Burns' Week $70-90,000	The Equalizer $115-125,000	
	NBC			Highway to Heaven $120,000		Hell Town $105,000		St. Elsewhere $130,000	
[illegible]	ABC			The Fall Guy $85,000		Dynasty II: The Colbys $130,000		20/20 $110,000	
	CBS			Magnum, P.I. $110,000		Simon & Simon $180,000		Knots Landing $175,000	
	NBC			Cosby Show $270,000	Family Ties $220,000	Cheers $175,000	Night Court $155,000	Hill Street Blues $155,000	
[illegible]	ABC			Webster $120,000	Mr. Belvedere $110,000	Diff. Strokes $95,000	Benson $100,000	Spenser: For Hire $75,000	
	CBS			Twilight Zone $95-100,000		Dallas $195,000		Falcon Crest $135,000	
	NBC			Knight Rider $92,000		Misfits of Science $75,000		Miami Vice $165,000	
[illegible]	ABC			Hollywood Beat $85,000		Lime Street $125,000		Love Boat $100,000	
	CBS			Airwolf $85-100,000		CBS Saturday Night Movie $100,000			
	NBC			Gimme a Break $95,000	Facts of Life $95,000	Golden Girls $100,000	No. 227 $80,000	Hunter $75,000	
[illegible]	ABC	Believe It or Not! $80,000		MacGyver $95-115,000		ABC Sunday Night Movie $145,000			
	CBS	60 Minutes $195,000		Murder, She Wrote $130,000		Crazy Like a Fox $125,000		Trapper John, M.D. $115,000	
	NBC	Punky Brewster $80,000	Silver Spoons $80,000	Spielberg's Stories $135,000	Alfred Hitchcock $135,000	NBC Sunday Night Movies $120,000			

Coloring

(Continued from Page 2)

lightening their hair (AA, April 1).

Clairol's and Sassoon's new products fall into two camps: Permanent hair coloring that has to grow out, and temporary coloring that washes out after shampooing.

Ultress, a permanent gel endorsed by "Dynasty" star Linda Evans, is seen by some as Clairol's first major new-product broadside against L'Oreal, which has been tenaciously pursuing Clairol.

L'Oreal first pitted its Preference against Nice 'n Easy and then set Avantage on Clairol's Loving Care. The result so far has been a slow but steady increase in L'Oreal's market share to 23.3%, leaving Clairol with a decreasing but still dominant share of 60%.

Some financial analysts fear Ultress may cannibalize Clairol's Nice 'n Easy, but chain drug retailers point out that Ultress, with a price of about $4.80, will cost about $1.50 more than its sister brand (about $3.35). The only other major brands that sell for $4-plus are Preference and Avantage.

At Vidal Sassoon, whose products are referred to as "color without commitment," the focus is on easy-to-apply, rub-in and wash-out temporary color. The Sassoon product will cover gray and last through eight washings, says Sassoon president Peter Wilson.

Among the advantages of temporary color products, he believes, is that "they are quick, one-step operations. . .Most younger women today want subtle highlighting or color, which they view almost as a fashion accessory."

Sassoon could be onto something. Salomon Brothers vp Diana Temple calls Chattem's Sun In the biggest competitive surprise of 1985. Though its share is small (4.5% in supermarkets), it is up three points this year compared with two point declines each in the same retail outlets for Clairol and L'Oreal. Sun In dollar sales are up 40.1%, according to Ms. Temple who believes this suggests that women may indeed "prefer a more natural method of hair coloring."

The dogged competitiveness between L'Oreal and Clairol on existing brands, intensified by the rush of new products, is driving ad spending up in the category. In 1984, according to Leading National Advertisers, almost $41 million was spent, 71% of that by Clairol alone. This year, Salomon Brothers vp Patricia Lea is projecting category spending of $57.5 million, 65% which she thinks will come from Clairol. She sees Clairol spending will be up to $37.5 million this year from $29 million last year.

The Ultress commercial, breaking today, shows Linda Evans at a party with six other top fashion models, including Tara Shannon, as Ms. Evans tells viewers, "Let's face it: 40 isn't fatal." Print advertising will begin later this fall, tying in with a coupon drive in November.

Mr. Wilson said the Sassoon print and tv advertising, scheduled to be shot in October, will begin running around March, 1986. Handled by Peter Rogers Associates, New York, Mr. Wilson said the ads will be "very fashionable, very stylish."#

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September 19, 1985

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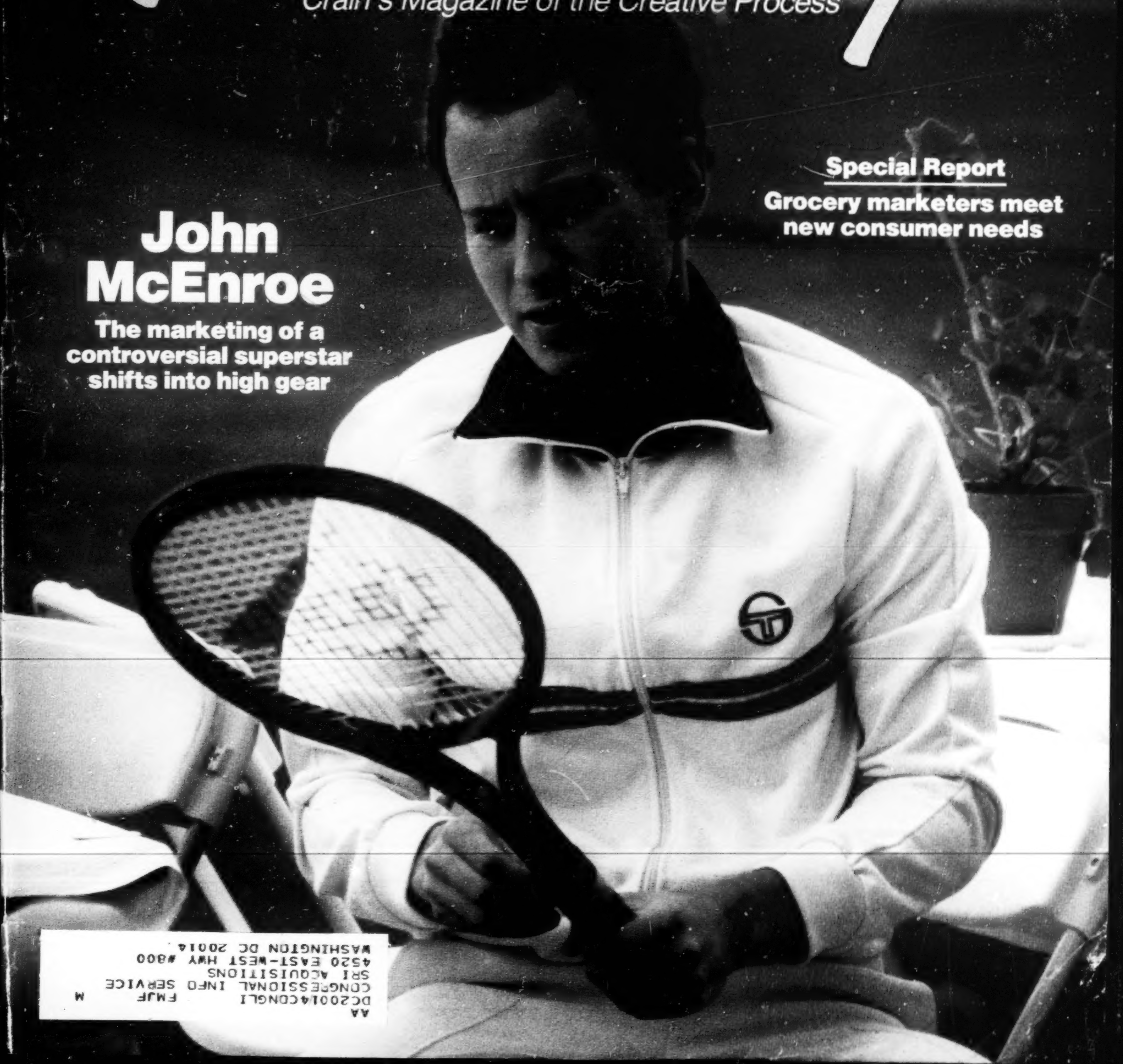
thursday

Crain's Magazine of the Creative Process©



John McEnroe

The marketing of a controversial superstar shifts into high gear

Special Report

Grocery marketers meet new consumer needs

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Thursday

McEnterprise

"Nobody knows John McEnroe the person," says an exec at Advantage International. "They know him as this tempestuous tennis player, but we feel they want to know more." Even though he's been the top-ranked tennis player in the world, John McEnroe's private side is of growing importance—not only to McEnroe but to his father, John McEnroe Sr., who has handled his son's commercial endorsements since he turned pro in 1978, and to an increasing number of advertisers. *See Page 5.*

Cover photo by Vinnie Zuffante/Star File

Designs

Package designer John Lister revealed grocery shelves' masterpieces, including early works by Nabisco, while he discoursed on package history, the European influence on juice containers and where the *outre* canned dog food school went awry. *See Page 12.*

New audience for Sears

Soviet shoppers are getting some new ideas on Christmas purchases. That's because Sears, Roebuck & Co.'s catalog was among the 312 books on display this month in an American exhibit in Moscow. *See Page 60.*

Special Report Grocery Marketing

Smaller portions, easy preparation and one-stop shopping are some of the things on consumers' shopping lists. Marketers are working to meet that demand. *Starting on Page 15.*

Presstime

Ogilvy taps Bowen

New York—Ogilvy & Mather Partners has named Gordon Bowen as its top creative director, succeeding Pieter Verbeck, who has moved to William Esty Co. as senior vp-creative director. Mr. Bowen formerly was vp-creative director at Bonneville Media Communications, the Salt Lake City-based in-house agency for the Church of Jesus Christ of Latter-day Saints.

Scali, French shop link

New York—Scali, McCabe, Sloves has acquired a major interest in Cascades, a $15 million ad agency in Paris whose major clients include L'Oreal. The agency will be renamed Cascades/Scali, McCabe, Sloves.

Polaroid is back in shades

Cambridge, Mass.—Polaroid Corp. is introducing, via Cabot Advertising, Boston, optical frames that come with an attachment that converts them into fashion sunglasses. Polaroid, which still markets sunglasses overseas, left the U.S. sunglasses business six years ago when it dropped its Cool Ray-Polaroid line. Polaroid has made sunglass lenses only since then.

Japanese software rolls

Tokyo—Trading company JSE International this week is introducing dCHART as the first Japanese-written business computer software marketed in the U.S. Wordtech, Orinda, Cal., will handle distribution of the graphics program. JSE currently has no U.S. agency.

P&G hikes indie spending

New York—Procter & Gamble, Cincinnati, boosted spending on independent tv stations 29% in the first half of 1985, compared with the same period last year, says the Assn. of Independent Television Stations. P&G's spending on indies hit $102.8 million.

Health club pumps out spot

Los Angeles—Health & Tennis Corp., the health-club subsidiary of Bally Mfg. Corp., Chicago, early next month will break a tv spot featuring female bodybuilder Rachel McLeish. The spot, themed "Before you primp, you've got to pump," is part of the company's continuing celebrity presenter series, which already has included Cher, Brooke Shields and, currently, Joe Theismann. J. Walter Thompson USA handles.

Snappy car-rental move

Beachwood, O.—Snappy Car Rental next month moves from the insurance-replacement market to

(Continued on Page 61)

Next Thursday: 100 Leaders

Advertising Age's annual Special Issue on the 100 Leading National Advertisers will be published Thursday, Sept. 26. Regular features of Ad Age *Thursday* will resume Oct. 3.

Photos by Arnold Adler

Sam Chwat, founder and director of the New York Communication Center, teaches dialects from British to Yiddish.

The rising wizard of speechmasters, Sam Chwat's hot

By Lenore Skenazy

How does it feel to be the only silent star of the '80s?

On the talk show circuit for her starring role in "Greystoke," Andie MacDowell grew to expect such snipes. Her strong southern accent had been dubbed over by Glenn Close, leaving an easy target: The stunning beauty fit to be seen, not heard.

"Hello?"

Today when she picks up the phone, MacDowell answers like a native of Walter Cronkite's hometown. No "Ah" for an "I." No "trial" for "trail." In "St. Elmo's Fire," that's her own voice: Mid-American as the corn belt. And on the L'Oreal Riche commercial, that's her voice again, Fr-r-r-ench as foie gras. The modern-day Liza Doolittle had simply had enough. She paid a visit to the modern day H. Higgins, Sam Chwat.

Chwat, founder and director of the New York Communication Center, teaches dialects from British to Yiddish. As in MacDowell's case, he also specializes in eliminating them—or, rather, replacing regional rifts with what he calls the "general America accent," a nondescript, easily understood English "developed between Madison Avenue and Hollywood."

Once muted by her southern drawl, Andie MacDowell now speaks for herself.

Actors of stage, screen and commercials come to Chwat's $40-an-hour one-on-one sessions, anxious to turn "The opportunity of a lifetime" into "Zee oappertunitee of zee life!" or even, "Da oppatuniddy of youze life."

Despite his staff of 36, Chwat never set out to run this glamour business. A licensed speech therapist now getting his doctorate at New York University, he began his career teaching speech to a gamut of needy patients, from stroke victims to deaf children.

Then, one day, an executive he knew asked him a favor: He wanted to promote his employe into a high-visibility position. . ."but he has a Spanish accent." The fellow wondered if Chwat, a speech specialist, could "clean up" the employe's diction.

Chwat tried and realized he could. In fact, it was a lot easier than his therapeutic efforts: This student had excellent hearing, good intellect and a keen desire to learn. Unlike working with the disabled, "You could see the results every single session." Chwat got excited, as did the corporation, which started sending him a steady stream of students.

Next, explains Chwat, came the talent agents. If their client was up for a Shaw play—or silver-polish commercial—they'd send him to Chwat for Queen's English lessons. Occasionally, says Davian Littlefield of New York's J. Michael Bloom talent agency, the ad agencies themselves will send a student. "They may have found an actress with a very womanly presence, perfect for a perfume commercial, but on tape her ps pop and sizzle." Not after a visit to Chwat.

Eventually, the therapist found himself coaching the entire crew at Chippendale's, New York's famed male strip-tease joint. "Because of their exposure—so to speak—they have a good chance at getting disco-

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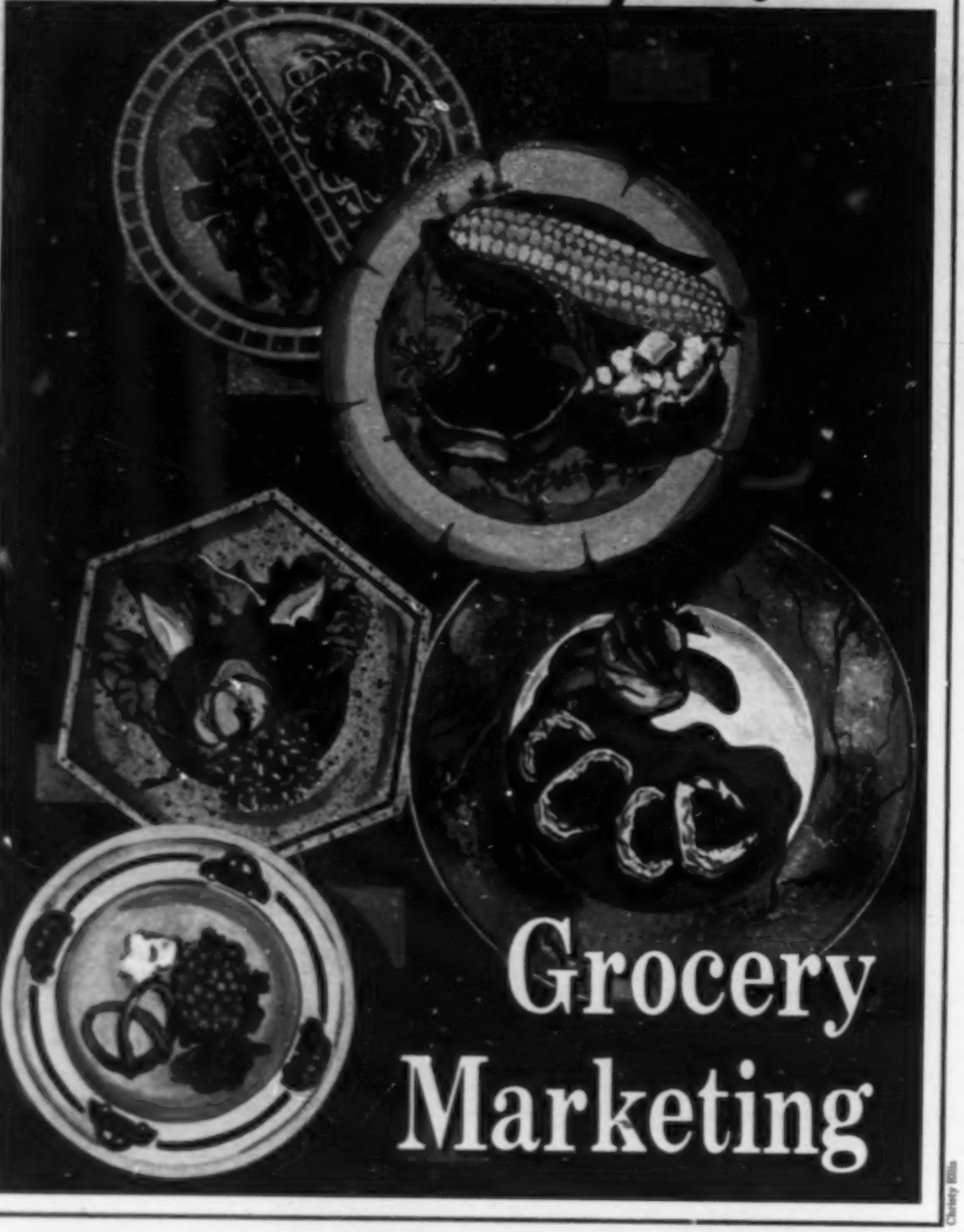
Special Report



Grocery Marketing

Christy Ellis

Catering to different segments

By Mary McCabe English

You can't just pass the meat and mashed potatoes around the family dinner table anymore. The old-fashioned nuclear family isn't there to eat it and if they were, they'd probably want a lot more than pot roast to choose from.

Grocery consumers are changing with the times and grocery marketing is changing with them.

The new consumers are a diverse bunch, according to experts in the food industry. They are virtually everybody, not just the stereotypical housewife but a number of other demographic groups, such as older people, singles, teen agers and men.

The old definition of the primary food shopper as an 18-to-49-year-old woman with husband at work and children in tow doesn't wash anymore, according to New York-based consumer researcher Judith Langer.

Because of changing social trends, such as people delaying marriage and childbearing, widespread divorce, the growing number of two-income households, the graying of America and the influx of ethnic groups, the profile of the typical grocery shopper has evolved from monolith to collage.

The new consumers' attitude toward food shopping is much different from the attitude marketers have dealt with in past decades.

Today's shoppers still are concerned about price, but they also want to save time, and they'll pay premium prices for convenience.

Health and nutritional concerns also play a big part in what today's shoppers toss into their carts, although more than one source, including the Food Marketing Institute in Washington, says nutritional concern has dropped in the past year.

Meat is still popular, despite a drop in red meat consumption, and beef and poultry were cited most often as favorite main course items in FMI's 1985 update of its continuing study "Trends/Consumer Attitudes & the Supermarket." For dessert, premium ice cream, gourmet cakes and candy are favorites.

Consumers also have changed where they eat. Today's consumers eat out more than ever. They

(Continued on Page 16)

The profile of the typical grocery shopper has evolved from monolith to collage.

Mary McCabe English is a frequent contributor to Special Report and a grocery marketing watcher.

Catering

(Continued from Page 15)

also graze rather than eat complete meals and, in many cases, rarely sit down to family meals.

Over-all, less is more when it comes to time spent preparing and buying food. New consumers regard the act of shopping as far less important than their predecessors did. They devote less time to it and use fewer lists, according to FMI studies.

In the words of Chicago food consultant and author Caroline Kriz: "People want their food preseasoned, prepackaged and precooked. They want it quick. Their taste levels haven't gone down, but their time has gone way down. And if they do have free time, they'd rather play tennis or go to the health spa than cook."

One of the most notable changes in who's doing the grocery shopping is along sexual lines. Because of divorce and the trend toward later marriage, men do far more shopping than in the past.

A study by Simmons Market Research Bureau, New York, found that the number of men doing food shopping increased nearly 20% between 1981 and 1984. A 1982 FMI "Supermarket Shoppers' Profile" agreed with the trend. It found about one-third of grocery shoppers are male.

This study, which FMI spokesmen say represents trends that have continued into 1985, pinpoints differences in the way men shop. For instance, men spend less time in stores, less money per in-store minute and less on weekly grocery tabs than women. They spend more per family member.

Men also plan and budget grocery shopping less than women, make less use of unit pricing, product freshness dates, nutritional labeling and newspaper advertising. They also appear to be less economy-minded and more brand loyal, according to FMI.

Significant attitudinal differences also occur among various groups of women, with career women being most like men in their shopping habits.

FMI also notes differences between single and married shoppers. Research shows that although singles spend about the same amount of money per household member for food, they spend less time and less money per trip, per in-store minute and per week, which, FMI reasons, could mean that singles give less priority to planning and shopping in general.

Shoppers 65 and older tend to enjoy food shopping more and plan, use educational information and budget more than younger age groups.

Another important piece in the collage that represents the new consumer is the continued growth of the Hispanic market, particularly Mexican-Americans. FMI predicts that by the year 2000, Hispanics, the second largest ethnic shopping group placed at nearly 15 million by the 1980 census, will be the largest ethnic group of shoppers, supplanting blacks.

Top 10 food companies

Company	1984 Sales (000,000)
1. General Foods	8,599.8
2. Beatrice	7,304.0
3. Dart & Kraft	6,660.4
4. IBP	*6,583.6
5. Coca-Cola	5,979.5
6. Anheuser-Busch	5,786.4
7. Nabisco Brands	5,747.1
8. PepsiCo	5,380.2
9. R.J. Reynolds	4,491.0
10. ConAgra	4,400.0

*estimate
Source: Food Processing

In the July edition of Donnelley Marketing's newsletter, "Findings," Anthony Mercado, Donnelley's director of Hispanic marketing, predicts Hispanics will become increasing important in the marketplace during the next five years because of upward mobility and increased purchasing power as they work themselves into the U.S. economic mainstream.

All these factors have changed the grocery store product profile. The demand for convenient, one-stop shopping grows, and services and nongrocery items are booming, but it doesn't stop there.

For example, Dancer Fitzgerald Sample's "New Product News" has described 1985 as the "year of the beverage." At FMI's May convention in Chicago, "NPN" editor Martin Friedman said that during the past six months alone his publication had reported 25 new wine coolers, which he described as "yuppie soda pops."

Mr. Friedman also noted explosive activity in the fruit juice and hot beverage markets, with natural juice introductions and several new decaffeinated teas and coffees. Not to be ignored, either, is the revolution spawned by NutraSweet in the world of low-calorie soft drinks and adult powdered drink mixes.

Other hot categories pinpointed by Mr. Friedman include tofu-based items and—despite the American obsession with dieting—snack foods and frozen desserts, ranging from Dole's icy fruit sorbet to the status-rich Dove Bar.

Soup introductions are also up, ranging from Lipton's reduced-calorie line, Cup-A-Soup with crackers and Oriental line to Knorr's Homestyle soups, Seven-Up Co.'s freeze-dried Nouvelle soups and several items from Campbell, including Creamy Natural soups and a soup that goes into the microwave—container and all.

Mr. Friedman also highlighted what he sees as a move by food marketers to introduce fast food restaurant-originated products into supermarkets, ranging from chicken to pizza to sandwiches and salads.

"I predict we're going to see a speedup in this trend," he told the FMI conventioneers. "Just as soon as you read about a new success in the fast food business, you'll see a similar product in the supermarket in six months."

Supermarket product departments continue to expand in at-

(Continued on Page 18)

Consumers not cutting back

Americans are eating more than ever.

According to Karen Bunch, an economist with the U.S. Department of Agriculture's Economic Research Service, the average person is expected to consume 1,431 lbs. of food this year (retail weight), compared with slightly more than 1,426 lbs. last year and 1,381 lbs. 20 years ago.

The 1985 forecast reflects increases in chicken, fish, vegetables and dairy products and declines in red meat and fruit.

The U.S.D.A. predicts a 2% drop in red meat consumption—150.4 lbs. per capita average, compared with 153.6 lbs. last year. Poultry consumption is expected to jump about 4% to more than 70 lbs. a person, in part because of a continued increase in broiler production.

Ms. Bunch says total per capita consumption of meat, poultry and fish is expected to average slightly more than 236 lbs., or only a half-pound less than the 1984 figure.

"Fruit consumption will decline about 1% in 1985 due to reduced supplies of most major fruits, particularly citrus," the USDA reports. "Despite higher retail prices, strong demand for fruit juice will keep consumption constant."

However, per capita consumption of fresh vegetables is expected to increase about 1 lb. Consumption of processed vegetables is likely to increase slightly as a result of drops in canned vegetables and offsetting gains in frozen foods.

Total per capita vegetable consumption is projected at 210 lbs., excluding potatoes, which should boost the figure to about 300 lbs.

Dairy products also are expected to grow during 1985. Ms. Bunch says per capita consumption in this category should rise anywhere from 0.5% to 1.5% to an average of 308 lbs. because of stable prices and promotional efforts by the dairy industry.

—M.M.E.

In supermarkets, it's fresh vs. frozen vs. canned

Frozen food—entrees in particular—and fresh produce are top gainers and canned goods are a top loser in today's supermarket sweepstakes.

But a look at the latest consumption data for vegetables and fruit—the foods most easily compared as fresh, frozen and canned—shows that canned vegetables still have quite a way to drop before they hit bottom. Even though they are declining, the main contest for now is between fresh and canned, with frozen running a distant third.

In the case of fruit, the contest again is between fresh and canned, but canned is a distant second and, according to one food industry observer, frozen isn't even in the running.

"The decline in canned vegetables is really only in the last decade, and canned actually still dwarfs frozen vegetables, with fresh dwarfing both," says Rick Pfaff, exec vp of the American Institute of Food Distribution, Fairlawn, N.J. "So, even though frozen is growing, it's still only a small percentage of the total vegetables consumed."

The institute's data shows average per capita consumption of fresh vegetables for 1980 to 1983 was 98.8 lbs., versus 46.7 lbs. for canned and 11 lbs. for frozen. The survey for 1970 to 1974 shows fresh at 90 lbs., canned at 52.2 lbs. and frozen at 9.9 lbs. The 1960 to 1964 survey shows fresh at 85.6 lbs., canned at 44.7 lbs. and frozen at 7.2 lbs.

If canned vegetables continue to decline and frozen vegetables continue their upward trend, the balance could shift, but, according to Karen Bunch, an economist with the U.S. Department of Agriculture's Economic Research Service in Washington, the decline of canned vegetables has begun to slow. A significant portion of the canned category should continue to hold its own, simply because it gets no competition from fresh or frozen, Ms. Bunch says.

"It's other things, like carrots, green beans, peas, that are losing people to frozen. Or people are buying premium combinations of things like broccoli and cauliflower that aren't available canned.

> "Even though frozen is growing, it's still only a small percentage of the total vegetables consumed."
>
> *—Rick Pfaff*
> *American Institute of Food Distribution*

"On the other hand, certain canned things—like peas, corn, green beans—haven't really been big losers, because some people prefer the way they taste canned. Beets are another canned favorite. People are still going to prefer canned on some items."

According to Mr. Pfaff, fresh is the big winner in the fruit category, with consumers eating six times more fresh fruit than canned. Canned fruit has done a steady nosedive over a longer period than canned vegetables.

The institute does not keep comparative data on frozen fruit consumption, Mr. Pfaff says.

"Canned fruit generally means apple sauce, peaches, pineapple, pears, fruit cocktail, and frozen fruit usually means strawberries, cherries and blueberries, a good portion of which is distributed in food service containers, rather than to individual consumers," he says.

Average per capita consumption of fresh fruit for 1980 to 1983 was 86.6 lbs., versus 15 lbs. for canned. Comparisions for 1970 to 1974 place fresh at 76.4 lbs. and canned at 21.4 lbs. Comparisons for 1960 to 1964 are 81.3 lbs. for fresh and 22.9 lbs. for canned.

Ms. Bunch says declines have hit almost every type of canned fruit.

"Olives jump around and are generally upward, but everything else is declining," she says. "Peaches, for example, have come down by 50% in the last 25 years. Pineapple is also down, but not so much as peaches."

Ms. Bunch attributes the dramatic drops in canned fruit consumption to the year-round availability of fresh fruit plus the widespread introduction of several new types and strains that in the past were not available or were considered exotic and available only on a limited basis.

Mr. Pfaff says it will be interesting to track the long-term effect of "light" canned fruit, low-salt canned vegetables and ad campaigns for branded produce on vegetable and fruit consumption patterns. —M.M.E.

Stocking up on specialty fruit

By Dave Galanti

Frieda Caplan had a hunch that consumers would never buy anything called a Chinese gooseberry.

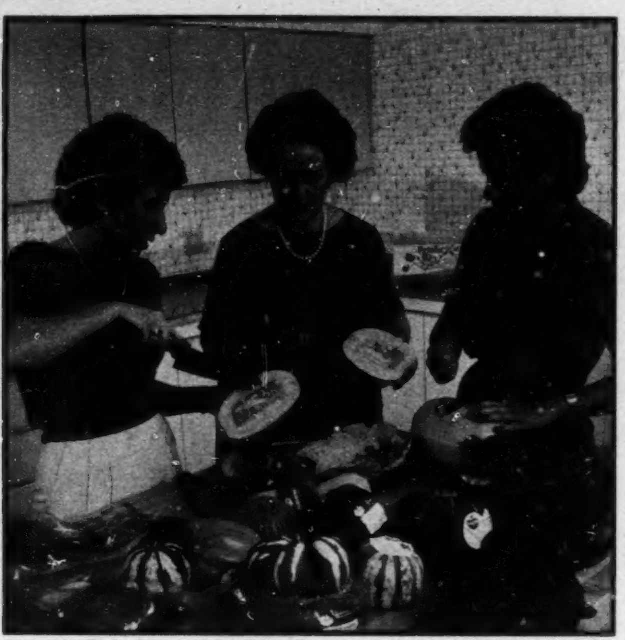
Nobody had heard of the hairy, oval fruit that originated from New Zealand. So, after consulting with her importer, she changed the name to kiwi fruit and sales soared.

Today, so many people are familiar with kiwi that 16,600 tons were grown in the U.S. last year. Ms. Caplan's Los Angeles-based Frieda's Finest Produce Specialties is a major source of both domestic and imported kiwi, selling more than 100,000 10-lb. flats each year.

The kiwi is just one example of the growing popularity of so-called exotic, variety or specialty produce. Shoppers, particularly in areas populated by Asian, Latin and some European immigrants or trend-seeking consumers, are increasingly likely to see black radishes, jicama and lychee nestled next to the peaches and apples in their neighborhood produce stands.

Fruit consumption and production have been stable for the past few years, according to the U.S. Department of Agriculture.

Dave Galanti is a free lance writer and previous contributor to Grocery Special Reports.



Karen, Frieda and Jackie Caplan of Frieda's Finest Produce Specialties have led marketing of exotic fruit.

About 25 million tons of citrus and noncitrus fruit was produced domestically in 1984, according to the U.S.D.A. About 4.1 million tons of apples were produced last year, almost the same amount as the two previous years.

Bananas are the single best seller in the U.S., according to a U.S.D.A. spokesman, but the agency keeps no production or consumption figures because bananas are grown outside the country.

American consumers, however, are always on the lookout for something new, and grocers say the increasing number of unusual produce items is adding needed sparkle to their fruit-and-vegetable sections.

"We feel it's an edge. A lot of consumers are looking for either familiar favorites from home nations or the new and exciting," says Mike Klackle, produce buyer for Dominick's Finer Foods in Northlake, Ill. "The consumer is also thinking fresh, and that leads to more exotic cooking. For those reasons, our company has made a commitment to marketing specialty produce."

Because of the increasing acceptance of specialty items, grocery distributors have added some exotic items to their availability lists, but few have had the national impact of Ms. Caplan, who through a combination of hunch and marketing savvy has been a leader in persuading produce managers and consumers alike to try unusual produce items.

Besides kiwi, Ms. Caplan has been in the forefront of marketing such specialty items as Jerusalem artichokes, which she renamed sunchokes to increase acceptability, and spaghetti squash. She was one of the first to market fresh mushrooms, now a staple on virtually all produce shelves, she says.

"Consumers are always willing to try something new," Ms. Caplan says. "My hardest sell is always the local produce manager. And if we don't sell to the produce buyer, we can't get our product to the public."

Ms. Caplan generally has been successful. Despite losing more than 20% of her business a few years ago when she made the decision to get out of the mainstream fresh mushroom market, Frieda's Finest grosses close to $12 million in sales a year, mostly on small volume sales.

A large grocery chain, such as Safe-way Stores, might take an average of 30 Frieda items on a regular basis from Ms. Caplan's list of about 250. An average store within that chain might handle five to ten items labeled with Frieda's distinctive purple logo.

"We have the confidence of our retailers," Ms. Caplan says. "We deal with perishable items that vary widely in their storage life and the way they should be handled. In this business, you have to prepare the retailers to handle these items the best you can or you won't succeed."

Key to this preparation is a detailed marketing plan, Ms. Caplan says. Because not every specialty item can be marketed 365 days a year, Ms. Caplan says it is essential to keep in close contact with both growers and retailers, so the product can

(Continued on Page 20)

Catering

(Continued from Page 16)

tempts to keep pace with the health and nutrition crowd. In-store salad bars are big and getting bigger, but the craze hasn't stopped with lettuce and tomatoes.

"From our perspective, we see fresh fruits and vegetables as one of the biggest growth areas in the stores," FMI vp Karen Brown says.

"At the same time, we see a growing interest and willingness on the part of the consumer to purchase all kinds of stuff that was considered exotic in the past but not now—things like kiwi and spaghetti squash," Ms. Brown says.

"Part of the reason consumers have been so adventurous is the big interest in health, but at least part of it is also the increase in the food preparation data being provided."

Information is important to the new consumers, and Ms. Langer predicts the continued growth of branded produce such as Sunkist oranges, Del Monte bananas, Dole pineapples and Campbell mushrooms.

Other products can enjoy a tag-along popularity, Ms. Langer says.

For example, dried fruit snacks positioned in the produce department are more likely to be perceived as healthy there than if placed next to the potato chips and pretzels.

A similar analogy can be drawn for the "healthy" treats category that has made granola a household word. Granola snack bars probably would have a tougher time hanging onto the good-for-you connotation in the cookie section than the category has in its usual location near hot and cold cereal.

Frozen foods also are experiencing tremendous popularity these days, especially the low-calorie and gourmet entrees that gratify consumers' desires for convenience and weight control.

Food industry observers believe that part of the category's continued growth will come from modifications to existing products; for example, packaging changes that would provide products to various taste or health requirements, such as low salt or low fat versions.

Ms. Kriz and Ms. Langer both predict that technological improvements in food composition and packaging will make frozen convenience foods "convenient"—even without a microwave—as consumers continue to give ease of preparation a priority in their food purchases.

"I'm talking about things like partially frozen products that are designed to defrost more quickly," Ms. Langer says, "and more use of aseptic packaging."

And, says Ms. Kriz, whose latest book is "Cooking For Men Only," "the ultimate convenience of more foods that are prepared, packaged, cooked, eaten in the same container . . . then throw it away."

Ms. Langer also suggests that packaging changes resulting in simpler, more easily deciphered graphics would be welcomed by many consumers.

Looking at how retailers cope with today's consumers, Ms. Langer says grocery stores are faced with satisfying shoppers who are not particularly brand loyal or store loyal and are in a hurry, and as a result, the stores will have to do more to lure customers.

One-stop shopping convenience with many services or a key combination of services tailored to the locale will continue to be a big draw. But it goes beyond that, she says, when dealing with customers so averse to long lines that they will pay higher, convenience store prices to save time.

"I really think a lot of supermarkets have abused their shoppers by subjecting them to long lines and checkers who are talking about their dates the night before instead of paying attention to customers. These are a couple of things that make today's shoppers angry," she says.

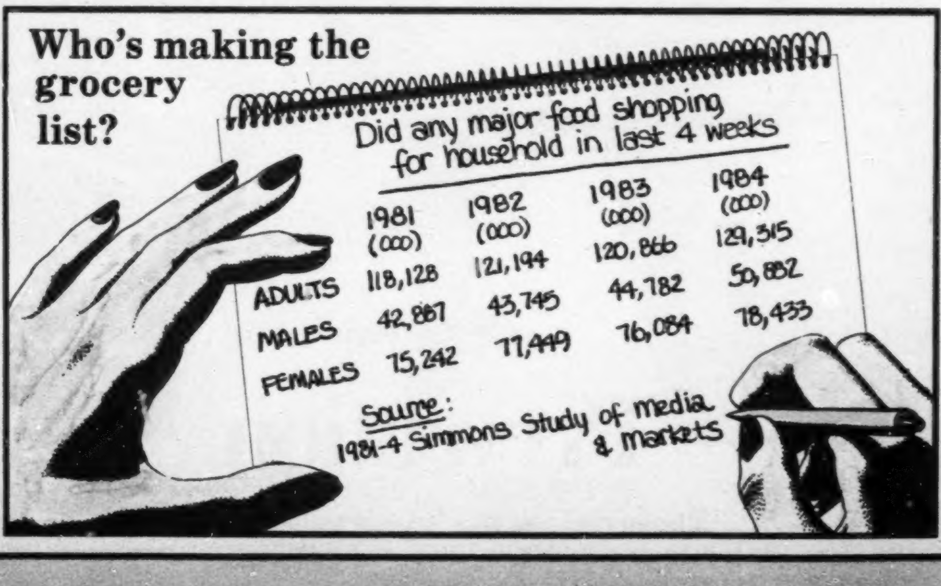
"In today's marketplace, which is so loaded with variables, they're going to have to get more competitive to succeed. They're going to have to differentiate on some basis other than price, which, I realize, some chains are already making an effort to do.

"For one thing, I think there'll be a continued move toward later store hours.

"Also, with certain staples in particular, wouldn't it be nice if they could be delivered every week? I mean, is it really necessary for me to go into the store every week to pick up toilet paper and kitty litter? Or, why not some system that would allow you to order ahead and have it waiting for you at the store?"

And for shoppers who prefer to visit the store, she suggests more visible, easily followed, complete product directories. She sees the possibility of computerized product directory consoles that would provide customers with the aisle number and section at a touch.

"Consumers today welcome anything that helps them save



Who's making the grocery list?

Did any major food shopping for household in last 4 weeks

	1981 (000)	1982 (000)	1983 (000)	1984 (000)
ADULTS	118,128	121,194	120,866	129,315
MALES	42,887	43,745	44,782	50,882
FEMALES	75,242	77,449	76,084	78,433

Source: 1981-4 Simmons Study of media & markets

Chiquita Brands is branching out

By Kate Bertrand

Chiquita. The name summons visions of a castanet-clicking Latin beauty in a Carmen Miranda headdress.

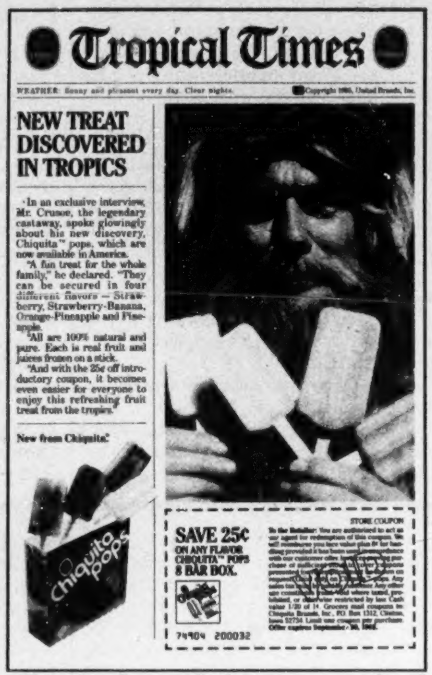
But once you get past the beat, the Chiquita name signifies fresh fruit, a reputation earned over decades of advertising fresh bananas.

Drawing on the strong name recognition and in response to an increasingly nutrition-conscious market, Montvale, N.J.-based Chiquita Brands, a subsidiary of United Brands Co., is expanding into the consumer package-goods market.

Determined to ride the wave of frozen fruit-and-juice bar popularity, a market estimated at $185 million, the company introduced Chiquita Pops in Phoenix, Ariz.; Denver, and Atlanta in mid-June. The product since has been launched in about 25% of the U.S. market.

According to Burton J. Rubin, group vp-general manager of Chiquita's consumer package goods division, the company will roll out Chiquita Pops nationally in 1986.

As the first of a line of new consumer package goods, the pops reflect Chiquita's interest in developing natural, fruit-based products. The company's consumer package goods division, established in April, eventually will introduce other frozen-dessert products, as well as juice-based beverages and fruit-based snack foods, according to Mr. Rubin.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Chiquita pops
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ON ANY FLAVOR CHIQUITA™ POPS 8 BAR BOX.
VOID
74904 200032

NEW TREAT DISCOVERED IN TROPICS

In an exclusive interview, Mr. Crusoe, the legendary castaway, spoke glowingly about his new discovery, Chiquita™ pops, which are now available in America.

"A fun treat for the whole family," he declared. "They can be secured in four different flavors — Strawberry, Strawberry-Banana, Orange-Pineapple and Pineapple.

"All are 100% natural and pure. Each is real fruit and juices frozen on a stick.

"And with the 25¢ off introductory coupon, it becomes even easier for everyone to enjoy this refreshing fruit treat from the tropics."

Chiquita Pops ads began appearing in mid-June.

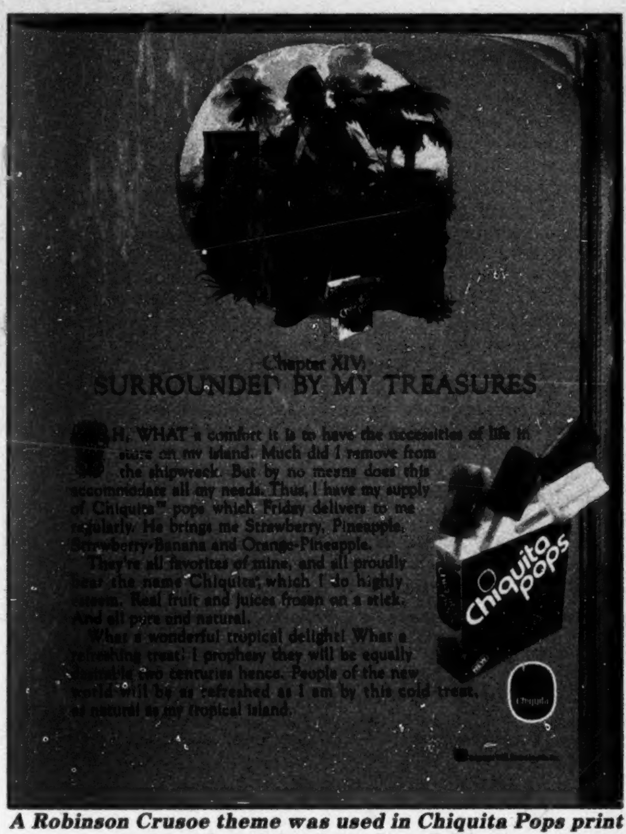
The future of the product rides on the strength of the name. To determine what the Chiquita name means to consumers, the company last year commissioned New York-based Yankelovich, Skelly & White to research the issue.

"The results indicated that the Chiquita name has a 93% recognition awareness factor among consumers," Mr. Rubin says. "The name means bananas and more—quality, trust, fun, excitement." Fun is an important part of Chiquita Pops' concept and advertising, he says.

The product, which comes in strawberry, pineapple, orange-pineapple and strawberry-banana, is supported by a comprehensive advertising and promotion program that includes tv, print ads, couponing and sampling.

"Our primary target is 25-to 54-year-old females with children. Yuppies are also part of our audience, but mothers pro-

(Continued on Page 20)


Chiquita pops
Chiquita

Chapter XIV:

SURROUNDED BY MY TREASURES

OH, WHAT a comfort it is to have the necessities of life in store on my island. Much did I remove from the shipwreck. But by no means does this accommodate all my needs. Thus, I have my supply of Chiquita™ pops which Friday delivers to me regularly. He brings me Strawberry, Pineapple, Strawberry-Banana and Orange-Pineapple.

They're all favorites of mine, and all proudly bear the name 'Chiquita', which I do highly esteem. Real fruit and juices frozen on a stick. And all pure and natural.

What a wonderful tropical delight! What a refreshing treat! I prophesy they will be equally desirable two centuries hence. People of the new world will be as refreshed as I am by this cold treat, as natural as my tropical island.

A Robinson Crusoe theme was used in Chiquita Pops print and tv advertising from Cato Johnson.

Kate Bertrand is a frequent contributor to Special Report.

---

time," Ms. Langer says.

To reach the new consumers, food product marketers are using old ways—advertising in newspapers and on tv and radio—and new ways.

Actmedia Inc., Westhampton, N.Y., and Darien, Conn., is trying to make it big with in-store advertising designed to reach consumers when their mind is on groceries—while they are shopping.

Bruce F. Failing Jr., Actmedia president, says major food packagers such as Procter & Gamble, General Foods, General Mills, Kimberly-Clark, PepsiCo and Quaker Oats Co. are already among the clients advertising in some 7,700 supermarkets in about 52 U.S. cities.

Actmedia's programs were launched in 1974 and include the placement of advertisements on supermarket shopping carts and aisle directories, the distribution of cents-off coupons, product samplings and demonstrations.

Mr. Failing calls in-store advertising a natural for today's marketplace.

"You can't just go out and buy [through advertising] the women 18 to 49 years old anymore," he says. "So, whom do you make your target audience? And then, after you've determined who that is, where do you go to reach them? A good mix on national tv used to work, but not anymore.

"By definition, the person in the store doing the shopping is the target. So we've not only solved that problem, but our cost per thousand is only about 80 cents compared to $9.30 for a 30-second commercial on prime time tv."

From the media mix to the product selection, food marketers are changing with the new consumers. ■

Teens push the shopping cart

If you think teen shopping starts and stops with clothes, toiletries, records and tapes, think again.

More than three-quarters of the 14 million-plus teen girls in the U.S. shop for groceries, spending about 40% of their families' food budgets, or about $17 billion in 1985, according to Allan Kalish, research director for *Seventeen* magazine.

The *Seventeen* 1985 Rand Youth Poll indicates that 60% of 13-to-19-year-old girls do family food shopping "quite a bit" and an additional 28% do it "occasionally."

Additional information gathered by *Seventeen* last year notes the same group spends an average of 1¼ hours a week grocery shopping for the family.

Although the teen population has been on the decline in terms of sheer numbers since the 1970s, their food market influence and spending power have increased because of demographic changes.

For example, *Seventeen* food director Olga Rigsby says, "Two out of three of the mothers of teen girls work outside the home, and this figure is constantly going up."

Another reason behind the trend is the divorce rate.

"I think one of the most important factors for the advertiser to know about the teen age girl is that the working mother is making her into the family shopper and cook at the same time," Ms. Rigsby says, adding that about 82% of all teen girls do some cooking at home.

"So if there's a teen ager at home, she leans pretty heavily on her, and the girls are doing quite a bit of decision making and brand selection. So they're an important market that should not be overlooked, because they're setting up patterns and establishing product preferences that they'll stick with for life.

"When I came to *Seventeen* many years ago, they used to call the girls 'the home makers of tomorrow,' but now they've become 'the home makers of today,'" Ms. Rigsby says.

Rena Bartos, a senior vp at J. Walter Thompson USA, New York, says 72% of teens cook and 60% bake "including high percentages of both girls and boys." According to Ms. Bartos, nearly half of all teens say they grocery shop "quite a bit."

"Most teen shoppers make out grocery lists, and their influence in brand decisions is considerable," she told the Food Marketing Institute's convention in Chicago last May. "It is almost on a par with their mothers."

Elaborating on the demographic changes, Ms. Bartos says, "Only 27% of teen agers live in a traditional household where mom stays home and dad goes to work." As a result, "there is now both the need and opportunity for teens to do more for themselves and their families."

It's not only the teen ager pushing a cart down the supermarket aisle who affects grocery decisions. Researchers say children of all ages play a significant role in influencing their parents' food store purchases—from teens to the tots who ask for specific soft drinks, cereals or even pet foods they see advertised on tv.

According to Ms. Rigsby, advertisers will find the 13-to-19-year-old female audience a highly receptive one. This group is also extremely brand loyal, she says.

"We have found that they are very eager to try new products and are very responsive to advertising," the *Seventeen* food director says. "Surveys that we have done show that our readers perceive the nationally advertised brands as more nutritious, higher in quality and a better over-all value against store brands and generics."

Ms. Rigsby says a Yankelovich, Skelly & White study done for *Seventeen* found that "a significantly high" percentage of former readers, surveyed in their 20s and 30s, still were buying the same brands they had begun using as teens.

Ms. Rigsby says *Seventeen's* audience is particularly receptive to food ads that tie in with fitness and health.

"This, of course, is very tied to their interest in beauty," she says. "Our readers are very interested in lower calorie-100% natural advertising. They're very, very responsive to this kind of ad pitch."

This early shopping experience may influence the future shopping profile of the general population.

"I think what we're going to see is a much more educated consumer," Ms. Rigsby says. "I think this early training in shopping is going to make for a much more discriminating, educated, demanding shopper . . . better able to read and evaluate labels and make better, more informed decisions.

"These young people are going to be faced with so many more options than the consumers of the past because of the explosion of new products, but the early training will help them to sort things out." —*M.M.E.*

Stores skew styles toward shoppers' needs

By Debra Kent

Billy Joel's "Uptown Girl" blasts through the speakers as a boisterous rock deejay broadcasts on location. Young women and men eye each other across the bar. Some connect while others go home still unattached, and more than a few dance in the parking lot on this balmy September evening.

It sounds like a typical night on the singles scene, but the bar in this case is the kind that stocks bean sprouts, not beer. The locale is a Stop & Shop supermarket in Cambridge, Mass.

The 1983 event was dubbed "singles night," and by 10 p.m., as many as 2,000 young hopefuls had ventured through the store's portals. Some came away with phone numbers. Many more left with groceries.

The 120-store Stop & Shop eastern chain has identified several growing consumer segments and is determined to address their needs. The chain is not alone. Around the country, grocery retailers are trying hard to match their marketing and store design to the needs of various new grocery shoppers.

> "The one common denominator that keeps emerging is the growing demand on people's time."
>
> —*Jack Baen*
> *Stop & Shop*

In college towns such as Cambridge, the Quincy, Mass.-based Stop & Shop hopes to lure the single population with special events and an expanded variety of individual-portion packages.

In communities with a significant senior clientele, store managers arrange for special transportation to and from the stores and emphasize low-sodium products.

Stop & Shop, like many chains, uses broad strokes to market to the swelling ranks of young professionals, working women, two-income families and male shoppers. It groups them under the umbrella of time-stressed consumers and appeals to them with mammoth, full-range stores.

"The one common denominator that keeps emerging is the growing demand on people's time," says Jack Baen, vp-marketing for Stop & Shop. "That's true of working women, men, even teens. The only ones that aren't in a rush are the older shoppers.

"Three years ago we started building superstores and that's all we open today," he says. "By the end of the decade, we'll be a superstore company."

The 20 super Stop & Shops average 60,000 sq. ft. and offer a full range of products and services geared to one-stop shopping, including fresh seafood and hot takeout departments serving such fare as pizza, spareribs, sausages and chicken.

The sprawling frozen food sections are packed with 30% more product than three years ago, and the bakery is another area that's "growing like topsy," Mr. Baen says.

store 24
food&more...

Store 24, Waltham, Mass., updated its design to help reach today's consumers.

The large nonfood division includes greeting cards, automotive products, toys and discounted books. All stores except those in Massachusetts, where it's illegal, have pharmacies, and the newest units have videotape rentals.

To speed its time-stressed customers through the checkout, each superstore is equipped with 20 electronic scanning registers. All the chain's superstores are

(Continued on Page 24)

Debra Kent is a general assignment free lance writer.

Small chain stocks education

By Sharon Donovan

An aggressive independent supermarket chain nestled in the heart of the sultry, swampy southeast Louisiana bayou country has found a way to capture its mostly blue-collar Cajun customer.

A series of educational seminars and programs, designed to give customers new ideas about food, cooking and other things, has generated higher sales and community-spirited pr, say executives of Thibodaux, La.-based Rouse Stores.

Larry Henderson, general manager of Rouse's Houma, La., store and the program organizer, considers the seminars a public service. "Educated customers know exactly what to look for and are very appreciative," he says. "I believe an educated consumer makes a better customer."

Annual sales at Rouse's, a family operated chain of four supermarkets within about a 20-mile radius of each other, are about $50 million.

The stores, ranging in size from 18,000 to 40,000 sq. ft., are run with the help of founder Anthony Rouse's six children, ranging in age from 20 to 35, who are among the company's 400 employes.

The one-day seminars are held about four times a year and most have different themes. The total cost of the program is less than 1% of the undisclosed marketing budget, according to Mr. Henderson.

One of the company's recent successful programs covered various cuts of meat, preparation and tips on using cuts efficiently. Customers also were taught about the grades of meat as defined by the U.S. Department of Agriculture and the techniques of raising animals for slaughter. To round out the show, they were given tastes of different types of meat, from beef to veal to venison.

seminar was followed by a presentation on microwave cooking and one on Cajun cooking.

The stores generally call on experts to give the programs. The meat seminar, for example, was conducted by the Iowa Beef Processors, one of the country's largest meat packers. The Cajun cooking program was delivered by world-renown Cajun chef Paul Prudhomme.

These educational seminars are supplemented occasionally by a more entertainment-oriented seminar. One of these highly successful shows featured well-known Louisiana-born humorist Justin Wilson, and another incorporated a fashion show with a "Color-Me-Beautiful" session at which the store served complimentary wine and cheese.

Frequently, these shows attract crowds exceeding the 200 seats set up in the 40,000-sq.-ft. Houma store. To stage the productions, merchandise shelves are dismantled and a stage is erected.

The programs disrupt the store routine, Mr. Henderson says, but in an industry where customer convenience is a key to success, he does not hesitate to do that for a few hours every quarter. In return, he hopes to generate community notice and good will that will pay big dividends.

"Without customers it doesn't really matter how convenient or accessible the store is. That alone does not win customers. You have to get people inside, where they can see the quality of the store and its merchandise," he says.

Sharon Donovan is an Advertising Age correspondent in New Orleans.

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The Cooperative Marketing Company

Stores

(Continued from Page 22)

open around the clock.

Albertson's Food Centers in Boise, Ida., is another advocate of the behemoth store as the best tactic for coping with America's changing buying habits. "We really believe in big stores because they do appeal to everybody," says Gary Michael, vice-chairman of the board for the 443-store chain.

Albertson's attracts teen age girls, for example, with a generous selection of cosmetics from companies such as Revlon and Max Factor. Convenience-minded shoppers have helped Albertson's triple its frozen foods sales during the past 10 years; the department's inventory was increased 30% as a result.

The chain shoved out many of its in-store restaurants to make room for salad bars three months ago. "We saw other people doing [salad bars]," Mr. Michael says. "The more we studied the market—the two-worker families, older people, the diet conscious—the more we realized the potential of a salad bar."

He says the chain was slow to pick up on the trend. "We wish we'd started earlier. We kind of missed the boat."

"The range of supermarket services continues to broaden to meet the needs of consumers who want convenience," says Larry Schaeffer, editorial director of *Progressive Grocer* in Stamford, Conn.

Nine per cent of all supermarkets, he says, have automated teller machines and their numbers are increasing dramatically. Debit transaction systems at the checkout are undergoing widespread testing. "The extreme is Marsh Supermarkets in Yorktown, Ind., which is putting a travel agency in one of its prototype stores."

Mr. Schaeffer stresses, however, that not all chains opt for the mega-store strategy because not all care to appeal to the widest swath of demographics and psychographics. "Stores are getting away from the idea of trying to be all things to all people. It just doesn't work these days," he says.

"In the last few years, the supermarket industry has begun to segment its formats. In today's environment, 'nichemanship' is paramount. On one end you have upscale offshoots like Daitch-Shopwell's Food Emporium in New York and Tom Thumb's Simon David in Dallas. On the other end you have the bare-bones, limited assortment warehouse store targeted at the price-conscious shopper."

But even some warehouse grocers believe that benefits such as convenience and quality may weigh more heavily than low price. Edwards Food Warehouses, a 14-store East Coast division of First National Supermarkets in Cleveland, hopes to capture the time-stressed, quality-oriented customer with its service delicatessens and bakeries.

Edwards Food Warehouses pushes quality in its ad campaign from Hill, Holliday, Connors, Cosmopulos.

"Customers won't go an extra mile to get a nickel less on Pepsi, but they will go an extra mile to get bread that's freshly baked that day *and* a nickel less on Pepsi," says Christine Miller, senior vp-managing director of Hill, Holliday, Connors, Cosmopulos, New York. "We don't think price is the only thing that motivates people."

With that point in mind, Hill, Holliday launched an ad campaign to push Edwards' quality story to the fore. "We show that Edwards goes to great lengths to

(Continued on Page 27)

Independent, in-store bakers battle

It weighed 35 lbs., had green icing outside and strawberry filling inside. And anyone familier with geography recognized it immediately.

John Kino and several fellow bakers made a pilgrimage to Trenton, N.J., last February to present his edible model of New Jersey to Gov. Tom Kean.

The occasion was National Retail Bakers Week, and the cake generated a mayoral proclamation as well as a plug or two on local radio.

But it probably will take more than tactics like these to fortify independent bakers against their supermarket counterparts pursuing the convenience-minded new consumers.

"I don't think you can fight the supermarkets," says Mr. Kino, owner of four Wyckoff Quality Bakeries in New Jersey. "I don't bother the supermarkets and they don't bother me."

The trade association that provided Mr. Kino with the promotional materials for his New Jersey-shaped cake presented the same materials to his in-store rivals. Much to the pained dismay of its independent baker members, the Retail Bakers Assn. of American embraced supermarket bakeries 15 years ago.

But only recently have the independents relaxed their animosity to teeth-gritting resignation. "More and more are beginning to realize that the in-store bakeries are here to stay," RBAA administrative director Peter Houstel says.

In 1980, there were 15,678 retail bakers, according to the trade magazine *Bakery Production and Marketing*, compared with 9,400 in-store operations. By 1984 those figures had risen to 17,000 vs. 15,030 and the 1985 estimates are 17,580 vs. 17,284.

Similarly, retail bakers accounted for $3.1 billion in sales in 1980, vs. $2.1 billion for in-store operations. Last year the figures were $4.1 billion compared with $3.7 billion and the 1985 projections are $4.5 billion vs. $4.2 billion.

The independent baker was hurt in 1974 and 1975 when the price of sugar and shortening skyrocketed and the U.S.-Soviet wheat deal drove ingredient costs to dizzying heights. Unable to sell their goods at competitive prices, many small bakers closed.

"Supermarkets saw an opportunity to jump in and they did," says Carol Meres Kroakey, former baker and retail editor with Gorman Publishing Co.'s *Bakery Production and Marketing*, Chicago. Development of frozen baked goods and gradual product sophistication helped supermarkets get a firmer footing.

Though quick to stress that both retail and in-store segments are doing well as a result of a renewed interest in baked goods, *Bakery Production and Marketing* editor Ed Lee says the convenience of in-store bakeries is a powerful draw for today's time-stressed shopper.

"After all, they're going to the supermarket ostensibly for one-stop shopping," he says. "If they can buy hot french bread in a supermarket, it only gives them greater reason to do their bakery shopping there. From a convenience standpoint, the in-store bakery has cut into the retail business in certain sectors of the country [like the Far West and Southwest]."

Mr. Kino in the Northeast has prevailed against the turning tide. As his peers shutter their stores or lose half the business to in-store outlets, Mr. Kino and his co-owner and wife, Hannah, have done well with Wyckoff Quality Bakeries, a small chain that specializes in ornate cakes and traditional pastries.

Of his 150 employes, more than 100 are in sales. His bakers are all professionally trained, he says. Far from the traditional image of breadbox-sized bakeries, Mr. Keno's stores are large enough to require a paging system. He takes business holidays to places such as Australia where he brings back recipes for things such as povlova, the national dessert of New Zealand.

> **"More and more [independent bakers] are beginning to realize that the in-store bakeries are here to stay."**
>
> *—Peter Houstel*
> *Retail Bakers Assn. of America*

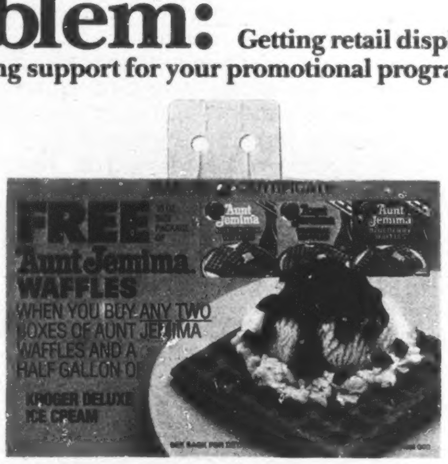
But this good life is relatively new to Mr. Kino. He went bankrupt once, in debt to the bank for $200,000 in mortgage money, not to mention the $52,000 he owed the flour company.

"I shined up my key for the guy. I told him to take my business; I'd work it off by driving his truck. He told me to keep the key. I worked day and night to pay him back," he says.

John Kino has little patience with supermarket bakeries. At one association meeting he was astounded to hear a supermarket baker boast of his 30% minimum profit margin and an ingredient cost of 20%.

"I went over to him," Mr. Kino says, "and I said, how can you possibly have an ingredients cost of 20%? He said, 'Well, I get eggs and butter from the dairy department, I get my mixes from the grocery section . . . .' After five or six meetings I stopped going." —*D.K.*

Problem: Getting retail display and merchandising support for your promotional program.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Stores

(Continued from Page 24)

get the best produce, fresh fish, the best deli," Ms. Miller says.

The tv spot was designed to accommodate announcements of weekly specials. The campaign theme line is: "The best of everything for less than anyone."

Arthur H. Klawans, managing director of the National Food Distributors Assn. in Chicago, agrees that the convenience-plus-quality equation has become a supermarket's most powerful message. The explosion in upgraded frozen dinners, he says, is proof that convenience and quality are no longer mutually exclusive.

"The old tv dinner was rubber chicken, concrete peas and polyester potatoes. Today frozen meals are all very edible, low in calories and healthy." He says that 20 years ago dry grocery items dominated supermarket sales; today, refrigerated goods, from meat to salad bars, account for up to 80% of the business.

"The young professionals and working women just don't have all that much time," Mr. Klawans says, "but because of their better education and worldliness, they want better food. Yuppies may have been raised on McDonald's, but they don't want to eat it when they get home."

Many superstores have used health and beauty aids, as well as better food, to attract the young professionals. "They're a generation that has expectations, and they're looking for immediate gratification," says Donna Italiano, executive editor of the video magazine "HBA Perspectives" in New York, a food marketing broadcast. "Superstores carry prestige fragrances and color cosmetics to appeal to that impulse."

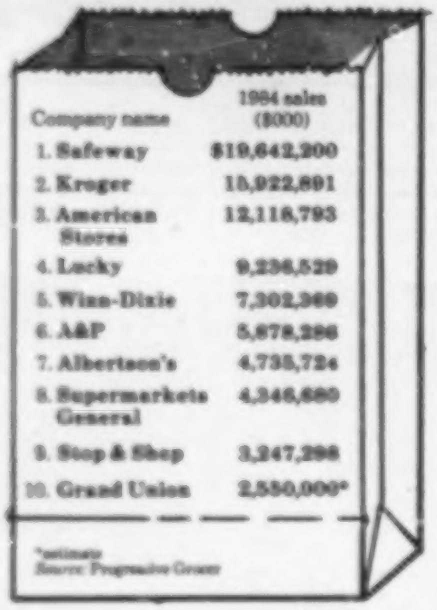
The Lucky Southern division of Lucky Stores, Buena Park, Cal., hopes its emphasis on quality perishables will attract the young professional. The 271-store chain defines its typical customer, however, as a female 24 to 54 years old, low to middle income. Within that segment, the Hispanic population is growing dramatically, according to Dick Frederickson, vp-director of marketing.

While acknowledging the challenge of attracting the young professional, Mr. Frederickson says Lucky has a better chance of succeeding now that its three-year transition into quality perishables is complete. Based on the findings of four outside research and consulting agencies, Lucky moved its produce to the front of the store, expanded the area's square footage and spiffed up the look through the displays. The chain also developed service bakery and deli departments and improved its meat presentation.

Like many stores, Lucky finds it impractical to fragment its target customer beyond one or two subsegments. "We've identified more singles and more male

(Continued on Page 28)

Top 10 grocery chains

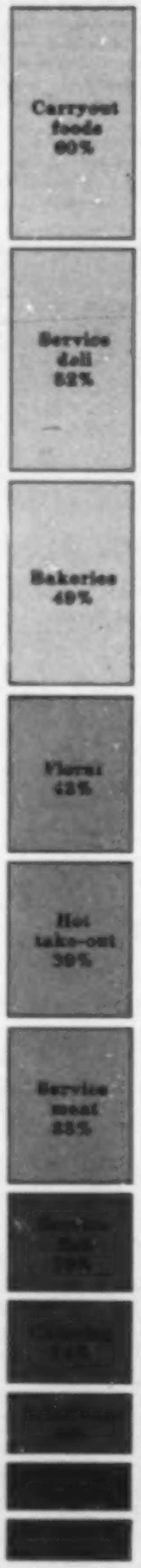


Company name	1984 sales ($000)
1. Safeway	$19,642,200
2. Kroger	15,922,891
3. American Stores	12,118,793
4. Lucky	9,236,529
5. Winn-Dixie	7,302,369
6. A&P	5,878,286
7. Albertson's	4,735,724
8. Supermarkets General	4,346,680
9. Stop & Shop	3,247,298
10. Grand Union	2,550,000*

*estimate
Source: Progressive Grocer

All you can eat —and more

Percentage of supermarkets offering the service through 1984



About 1,700 stores polled
Source: Progressive Grocer

Coupon machines on the cutting edge

Clipping coupons may become a lost art if coupon-dispensing machines take off as fewer of the new grocery consumers clip coupons than their predecessors.

About 56% of all consumers surveyed by the Food Marketing Institute, Washington, say they use clipped coupons "pretty much every time they shop, or fairly often," according to FMI's 1984 Trends report, slightly lower than previous years.

Demographics watchers are interested in FMI's subsequent findings: Among male shoppers—an increasingly significant group—only 31% say they use coupons "pretty much every time they shop." Of women who work outside the home, 46% of those polled say they almost always use coupons, compared with 59% of women who don't work outside the home.

Leslie Payne is one of those working women who says she doesn't have time to clip coupons. "You get the paper on Sunday, there are hundreds of coupons. I don't even bother. Who has the time?" But Ms. Payne, assistant to senior vp Dick Salmon of New York-based Melmarkets, thinks she would have time for a new coupon-dispensing machine developed by the Adtronics division of Promovision, Jamaica, N.Y.

Melmarkets, parent to 16 Mel Weitz Foodtown stores, is one of seven supermarket chains testing Adtronics' coupon-dispensing machine. Other companies include Pathmark Supermarkets, Grand Union Co. and Finest Supermarkets, all on the East Coast.

By dispensing coupons at the point of purchase, the coupon machine may be the harried shopper's convenient alternative to clipping coupons. But even more important, Adtronics vp-marketing Walt Stern says, the machine offers manufacturers less misredemption and controlled liability.

"I don't know if it will help retailers address any particular segment of the market," he says, "but it will be another innovation that marketers have to offer. It's not going to eliminate waste and misredemption, but it will certainly cut it down."

By modifying an automated teller machine, Adtronics has created a machine that prints coupons on request; preselected, preprinted coupons also can be dispensed.

Using a magnetic-strip card, supplied by Adtronics for the machine, a customer can select coupon offers from a series of menu screens.

The machines can be programed so that once a coupon is selected, it disappears from the screen, limiting distribution to one per customer. If the customer forgets to take the coupon it is drawn back into the machine.

"Chain executives decided to test the machine because customers are so coupon-oriented," Ms. Payne says. "I guess we felt that customers would go into the stores to get the free coupons and we could build traffic."

Among the brands included in the August-September test are Kellogg's Whitney's yogurt, Bristol Meyer's Nuprin pain reliever, Ban Roll-On antiperspirant, Lipton ice tea, Hebrew National franks and Marcal bath tissue.

For their involvement in the series of four two-week flights, marketers pay the face value and a handling charge for each coupon redeemed. There is no other charge during the test, Mr. Stern says.

> **The coupon machine is "not going to eliminate waste and misredemption, but it will cut it down."**
>
> —*Walt Stern*
> *Adtronics*

The test will attempt to measure, among other things, coupon price sensitivity. "We want to see if redemption levels are comparable when there is a differential of a dime," he says. "We want to show manufacturers that they don't have to offer huge discounts on in-store coupons. Ten cents off a free-standing insert isn't worth a dime just to spend the time cutting out the coupon. But if you walked in the store and saw 10 cents off on a dollar item, you might say, why not?"

Intercept surveys conducted by Beta Research in Syosset, N.Y., will determine what percentage of customers are taking the coupons.

"There's definitely a place in the market for a vehicle like this," says Howard McKay, vp-sales for Seven Oaks International, the coupon redemption house in Memphis, Tenn. "We're all waiting for the first one that really works," he says, alluding to the Adtronics' predecessors that either went bankrupt or never made it off the ground. He says he is not familiar with Adtronics' system.

Mr. McKay is enthusiastic about coupon machines joining forces with scanning technology to put tighter controls on misredemption. At least one supermarket chain, Wegman's in Rochester, N.Y., is scanning its Univeral Product Code coupons, a procedure that may reduce coupon handling time at the checkout as it monitors redemption. Pathmark is moving in that direction, Mr. McKay says, beginning by scanning its own store coupons.

"Theoretically," he says, "a person buys a number of items, the clerk scans them at the checkout and the register's computer retains that scanned data. The store then scans the coupons. The checkout person is immediately alerted to any coupons that don't match up with the scanned items."

Adtronics machines, Mr. Stern says, can be programed to dispense coded coupons. —*D.K.*

Stores

(Continued from Page 27)

shoppers," Mr. Fredericksen says. "We know they're out there, but we haven't done anything extraordinary to address them. You hope you do the things that will appeal to all these people."

While some supermarkets toy with ways to attract male shoppers—more automotive items, more point-of-purchase educational material—at least one convenience store chain concentrates its efforts on the distaff side. "The convenience store has always had the male shopper," says Robert Page, president of the 90-unit Quick Chek in Whitehouse Station, N.J. "We wanted the women in the store. After all, they are 51% of the population."

Quick Chek developed a 7,000-sq.-ft. combination drug and convenience store almost eight years ago, a format it recently expanded with the May installment of salad bars. Quick Chek's 13 "super convenience centers" offer a full-line deli, cut flowers, a cosmetics area with lines from Revlon and L'Oreal, greeting cards and on-premise baking.

More women are shopping in the stores, according to Mr. Page. "It's a new concept," he says. "Some people walk in and don't know what the hell it is. But they seem to gravitate to it. They really like it." The new clientele, he says, includes young professionals and seniors.

Store 24 in Waltham, Mass., is another convenience store reaching new customers with an updated design. "The store's old look was balloons, t-shirts piled high, the hippie generation of yesterday," says Elinor Selame, president of Selame Design, the Newton Lower Falls, Mass.-based company that designed Store 24's new corporate identity. "They weren't talking to the yuppies of today."

> **"Demographics are changing, and if we're not doing anything about that, it could be a real problem."**
>
> —*Don Szalanski, Wetterau*

Selame Design developed the chain's logo and color theme, updated fixtures and outdoor window canopies, among other things.

Further down the East Coast, Giant Foods in Landover, Md., has put a tremendous effort into nutrition awareness. In 1981, the 131-store East Coast chain launched a two-year "diet alert" in a brand-specific program that originally detailed 400 items with low-sodium, fat and cholesterol contents. Expanded to include 1,600 brands, the program requires selected marketers to supply their brands' nutritional content.

The chain has sponsored programs with the National Heart, Lung & Blood Institute, publishing the "Eater's Almanac," which focuses on reducing cholesterol, fat and calories. Fliers, seminars and coloring books for children are included.

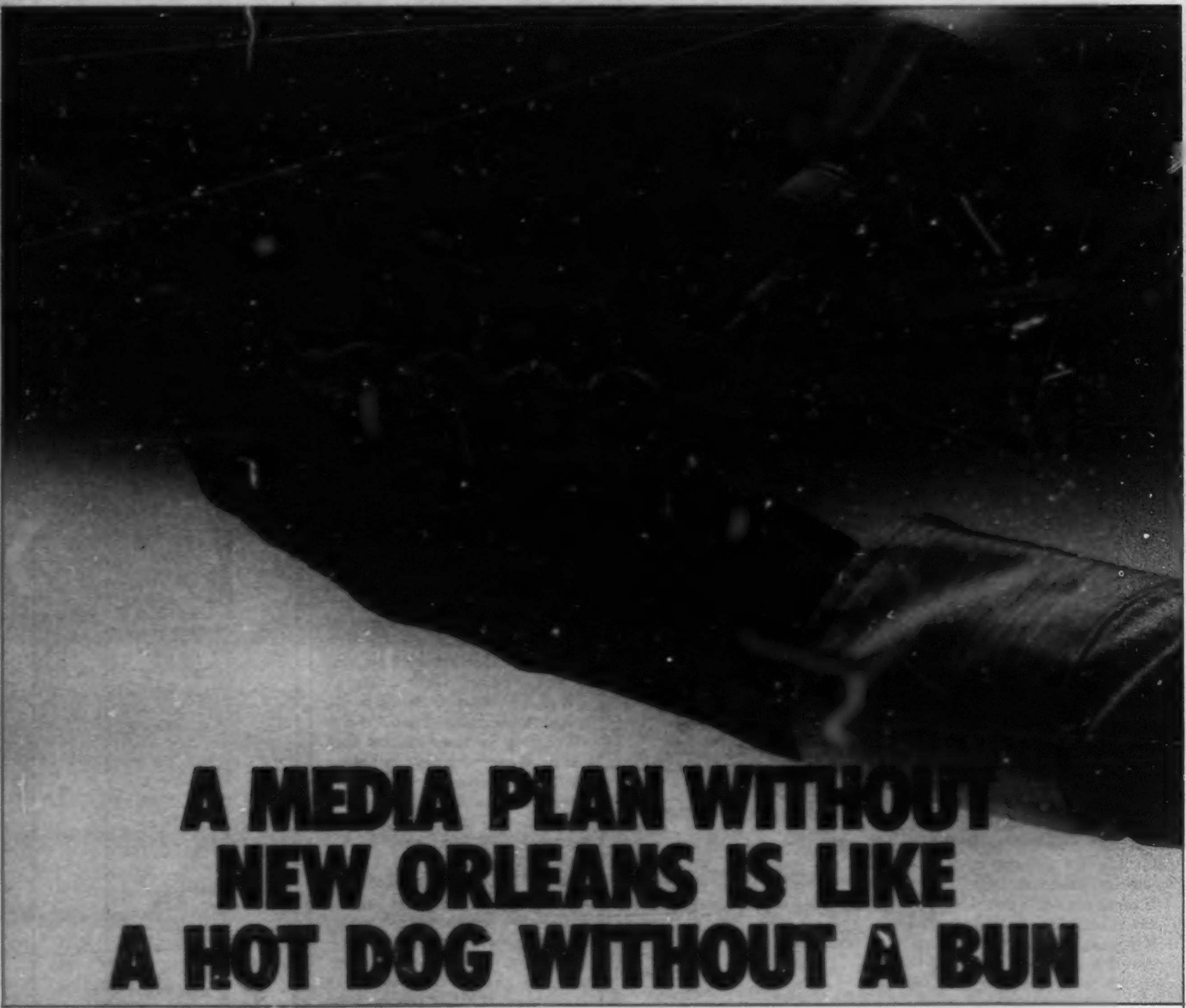
"In some ways, Giant has become the nutrition answer man for the Washington area," says Janet Tenney, manager of nutritional programs.

While major chains such as Giant Foods use corporate muscle to address evolving buying patterns, independent grocers often rely on their distributors to develop strategies. This week the marketing minds of Wetterau, a major St. Louis-based distributor, will convene for their annual brainstorming conference.

High on the agenda is a workshop on "meeting the needs of today's changing buying patterns," says Don Szalanski, vp-advertising and promotions for the 2,000-account company.

"People are creatures of habit and they want to continue doing business in the past," he says. "Demographics are changing, and if we're not doing anything about that, it could be a real problem." Mr. Szalanski refers to a "Supermarket Insights" video report on the death of the mass market: "It said that because all the decision makers are in the older age bracket, many retailers are still stuck in the 'Beaver Cleaver syndrome' instead of 'Three's Company.' They think that today's family is a mother, father, little girl and little boy.

"It's not like that anymore, and the statistics prove it," he says. "Some of us recognize that and we want to change."



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Ethnic products satisfy craving for something new

By Sewell Whitney

Intent on satisfying consumer hunger for new dining experiences, food manufacturers are having a food fight—ethnic-style.

New ethnic food products abound, available from both large food conglomerates and small ethnic independents. Mergers and acquisitions, signs of a hot market, are also rampant as industry giants gobble up small, successful ethnic food companies with an appetite that rivals that of their customers.

Why the commotion over previously ignored cuisines? In 1984, sales of ethnic food products surpassed $4.5 billion, according to Business Trend Analysts, a New York-based research company. Moreover, for the past 10 years market sales have increased at an annual average rate of 10%, BTA reports.

Indeed, in-home consumption of ethnic foods has increased 50% since 1974, according to Market Research Corporation of America, a Stamford, Conn.-based research company, which publishes "Menu Census."

Like tv's A.C. Nielsen Co. ratings, the "Menu Census" is a detailed consumption diary. The 26-year-old survey is sent to 2,000 households drawn from the U.S. Census. Subscribers include General Foods, Pillsbury, Beatrice, Del Monte, Chun King and Pet Foods.

Most of the reason for growth falls to increasingly sophisticated and venturesome consumers who are rapidly expanding the frontiers of American cuisine, but other market influences include a burgeoning number of immigrants, an increase in the number of two-paycheck homes and advances in food packaging and preparation.

Both consumers and products have been changing, and all have been ingredients in an ethnic food boom, especially in Italian, Oriental and Hispanic cuisines.

> **"When they discover the variety and versatility of ethnic foods, they want to make them for themselves . . . ."**
>
> *—Mike Paxton*
> *Pillsbury*

Ethnic restaurants also have been more successful, enhancing interest in the various cuisines. In 1984, an annual study by the Washington-based National Restaurant Assn. found that among the 250 fastest growing menu items in the country, Mexican food was fifth, pizza eighth, and Chinese/Oriental 11th. Decaffeinated coffee led the list.

Restaurants have assumed the prime role in educating the American consumer. "There are many quality representatives and a lot are high-profile," says a spokeswoman for the NRA. "The image and reputation of ethnic foods has been enhanced by these establishments."

Food industry experts agree. "Consumers are exposed to new cuisines through the restaurants they visit," says Mike Paxton, business unit manager-Mexican products for Minneapolis-based Pillsbury Co. "When they discover the variety and versatility of ethnic foods, they want to

Sewell Whitney is a free lance writer.

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(Continued from Page 45)

business. Frozen dinner prices range from $1.60 to more than $4 a serving.

The premium frozen dinner lines, Dinner Classics and Classic Lite, generate about $275 million for Armour and more than 18% of the frozen dinner market, according to Susan Hanley, Conagra manager of product publicity.

Dinner Classics was introduced in 1980 with eight varieties, making it one of the first premiums on the market. Later as the frozen dinner and entree segment began to take off, Armour brought the line up to 20 varieties in three new product introduction waves over four years. Classic Lite, the lower calorie dinners in the same varieties, was introduced nationally in 1984.

The Armour frozen dinner campaign, created by Bozell & Jacobs, New York, emphasized the slogan, "So good, they belong in the dining room," and ran primarily in print media, including the women's service magazines, and spot tv.

In late August, Armour fired the agency and has yet to select a replacement.

Ms. Hanley would not reveal Armour's ad budget for the rest of the year, but did say the budget would be increased with the appointment of a new agency and the development of a new campaign.

Armour's biggest competition in the premium frozen dinner market is Campbell Soup's Le Menu, introduced in 1982. The line, which now includes 19 varieties (11 of which were introduced in the past 12 months), generated about $200 million in sales last year for about 14% of the market, according to Le Menu marketing manager Robert M. Revelle.

Rapid introduction of new products was the hallmark of the premium frozen dinner category during the past three years, Mr. Revelle says, but the introductions may be slowing down because of growing competition from small, entrepreneurial companies, many of them marketing ethnic specialties, and the steady growth and improvement of frozen entrees from such tough competitors as Stouffers' Lean Cuisine.

"A shakeout is imminent," he says. "The category has been growing at 20% a year, and that just can't continue. Manufacturers have been buying their way into the market with heavy trade and consumer promotion—especially a lot of couponing—and they can't keep it up and make money."

Marketing premium frozen dinners, once a breeze, has become difficult for another reason—the limited capacity of the grocer's freezer.

"Everyone is competing for space in the freezer, and you have to work pretty hard to convince retailers that they should stock your present products and your introductions," he says.

As a result, marketers must maintain a strong trade marketing campaign as well as a strong consumer advertising campaign. "You must have a strong trade program because retail awareness of new products is almost as important as consumer awareness these days. And of course, spot television and the women's service magazines remain essentials for consumer awareness."

Ogilvy & Mather, New York, manages the product line's undisclosed advertising budget.

Despite the competition, Mr. Revelle says the Le Menu line will continue to expand. "The future of the business and the

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make them for themselves, and in doing so find that they are fairly economical and fun to prepare."

Industry analysts observe that retail sales of food items customarily lag only two to three years behind restaurant sales.

Looking to increase its market share, Pillsbury last year acquired Apollo Foods, a Fairlawn, N.J.-based manufacturer of filo dough and other Greek foods, and Azteca, a Chicago-based maker of corn tortillas.

"We'd like to catch on in the trend in ethnic foods, and we'd like to expand the business that these companies have already," Mr. Paxton says.

Pillsbury also purchased Long Beach, Cal.-based Van de Kamp's Frozen Foods from General Host Corp. Van de Kamp frozen Mexican dinners and R.J. Reynolds' Patio products race neck-in-neck for the top spot in the $235 million Mexican frozen food market. Each has about a 15% share.

Reynolds markets other Mexican items through its Del Monte and Ortega lines of dry Mexican foods. Both offer leading shelf lines, including refried beans, sauces, burrito filling mixes and taco shells/kits.

BENIHANA
中華丼の具

In-home consumption of ethnic foods, such as these varieties, has increased 50% since 1974, according to MRCA.

"Mexican may be the only true ethnic in the frozen food case," says Bill Crosson, director-marketing for Van de Kamp. Frozen food shoppers, he says, tend not to shop for a particular ethnic cuisine, but rather for a particular frozen food concept, such as low-calorie cuisine.

"A frozen entree/dinner user decides he or she wants a particular style of product—image, caloric content, brand name, convenience of preparation. Most of them [frozen food consumers] are buying a concept first and ethnic second," he says.

The big sellers in this "concept" market are Stouffer's Lean Cuisine (the biggest maker of frozen ethnic foods), Campbell Soup's Le Menu, H.J. Heinz' Weight Watchers and Armour's Dinner Classics.

Mr. Crosson ventures that "Almost 50% of Oriental frozen food is bought for the concept."

However, he says, Mexican food has a special appeal for the yuppie market and is more frequently bought for its ethnicity.

Most ethnic food producers say they are targeting their ethnic foods to the largest demographic, the American population at large. However, sales of these food items remain strongest where the ethnic populace has settled.

Sales of Oriental foods are best on the East and West Coasts. Mexican sales are biggest in the Southwest. Italian foods are an exception, since they have already become "American mainstream," say

(Continued on Page 48)

development of market share will depend on how well manufacturers guess at the next consumer taste trends.

"It's not good enough to introduce a three-component dinner and let it sit. You have to keep up with the consumers, and the consumers are always looking for something new in taste," he says.

More ethnic meals are likely to be the next introductions, industry experts say, following the rapid increase in popularity of ethnic restaurant cuisine as well as canned and frozen meal components.

"Frozen ethnic foods did extremely well last year and have been doing well for a number of years," says Mr. Chamberlain of *Quick Frozen Foods.* "They are a certainty for more growth—particularly in the dinner category."

Though Chinese frozen entrees grew rapidly in 1983 with the introduction of the Benihana frozen entrees, Mexican foods generally have been the biggest seller, followed closely by Italian foods, he says.

In 1984, however, Italian frozen food sales passed the $200 million mark to become the new leader in that category, Mr. Chamberlain says.

With that strong support in mind, consumers can expect more Italian-style dinners this year and next as well as a host of other ethnic-style meals, as marketers begin another wave of product introductions.

"Ethnic food is certainly a hot and growing segment of the market," says Mr. Revelle of Le Menu.

"You can expect a virtual explosion of the whole category."

Mr. Revelle would not say what ethnic dinners LeMenu has planned, but he confirms the company is looking at new ethnic varieties.

That means that when the commuter train pulls into the suburb, the tired commuting couple will have a lot more dinner choices waiting in their freezer.

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Ethnic

(Continued from Page 47)

food company executives.

"Taking Mexican nationwide is tough because 65% of its sales are rung up in the West and Southwest," Mr. Crosson says. "As you move eastward, people's conception of Mexican shrinks. Whereas western consumers appreciate the diversity of Mexican food, easterners think that Mexican means burrito dinners," he adds.

"In order for Mexican food to continue to succeed there must be an altering of two perceptions," says Thomas Brenker, executive director of the Washington-based Mexican Food and Beverage Board.

"People still look at Mexican food in terms of Montezuma's revenge and as very hot. That of course is a purely Mexican anomaly more than anything else."

Greater variety is also needed, Mr. Brenker says. "Expanding their offerings is of paramount importance to Mexican restaurants.

"One of the things that gave rise to Mexican food was that consumers were looking for something new. If they [restaurants] don't come up with new things consumers will look elsewhere."

Elsewhere could be Oriental. Health-conscious Americans are looking for foods that are low in calories, nutritious, natural, tasty and fun to prepare—qualities known within the industry as "hot buttons."

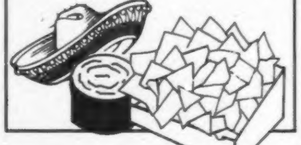
Retail sales of Oriental/Chinese/Japanese foods will double over the next five years to reach $1 billion by 1990, according to Packaged Facts, a New York-based research company.

Americans continue to eat ethnic

Figures represent the number of times Americans eat these ethnic foods at home and away from home per capita.

Hispanic

	1973	1984
In-home	5.2	7.4
Away	2.5	5.2

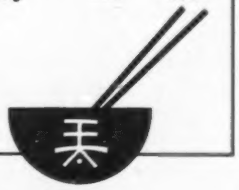


Italian

	1973	1984
In-home	4.5*	13.5*
Away	.8*	8.8*

Oriental

	1973	1984
In-home	4.3	5.4
Away	1.8	4.0



*Excludes pizza and some pastas.
Source: Market Research Corporation of America

Packaged Facts also reports that frozen Oriental food is the fastest growing segment in the entire ethnic foods industry.

Reynolds and Beatrice are at the top in this market. Reynolds' strength is its Chun King line of frozen entrees, recently improved to face the mounting competition. Beatrice's La Choy line of more than 44 shelf-stable Oriental foods accounts for more than 70% of its sales in this market.

However, the diversity of Oriental food makes room for manufacturers and buyers of everything from teriyaki to tofu.

"One of our main target groups is the yuppie. Someone who appreciates gourmet coffee and fine wines and the like," says Joel Dee, president of Premier Japan, a Union, N.J.-based import company.

"When it comes to our products [ramen noodles, soy sauce, kani bo] we don't expect our customer to be too sophisticated. It's more important that they are interested in expanding their horizons.

"Their sophistication and knowledge are really shown in their preference for quality," Mr. Dee says.

California has been the most receptive area for Premier Japan products, Mr. Dee continues. "But we often find that our success is based on income sensitivity rather than regional sensitivity. We are also seeing great success in both the international and nutritional sections of groceries."

Italian food, meanwhile, remains the most popular ethnic food in America.

According to the NRA, 95% of Americans have eaten in an Italian restaurant at least once.

Retail sales of Italian foods have topped $1.6 billion, according to BTA, larger than Mexican and Oriental retail sales combined.

Contributing to this success is the current reevaluation of pasta. With athletes extolling the virtues of complex carbohydrates, pasta sales have soared.

In the four years ending in 1984, total in-home consumption of spinach fettuccini, linguine and other exotic pastas increased 54%, according to MRCA.

Not surprisingly, sales of Italian sauces also have scared at an annual rate of 16.7% for the past 10 years according to BTA.

"With pasta being so popular, it's good to have it in our portfolio," says Corin Gendell, senior product manager for Ronzoni Pasta of Ronzoni Foods Co., Hicksville, N.Y., a wholly owned subsidiary of General Foods, White Plains, N.Y.

Ronzoni, for 70 years a privately owned company, was acquired by General Foods in 1984.

In spite of pasta's new image as a nutritious food, "Ronzoni remains targeted to the world of pasta users, from housewives to athletes," Mr. Gendell says. Ronzoni will be one of the sponsors of the New York City Marathon this year.

Major food companies in the Italian market include Campbell Soup, Stouffer and H.J. Heinz.

Campbell's Italian line includes Mrs. Paul's frozen entrees and a variety of sauces under the Prego label, designed as homemade spaghetti sauces. The Camden, N.J.-based company also makes Franco-American.

In response to declining sales for canned pastas, Campbell recently introduced a gourmet version, Superiora, aimed at maturing baby boomers.

"There has been good response to this product. In fact, we might expand the line," says a Campbell spokesman. "Also, there are plans to market a number of new ethnic items, including some northern Italian-style soups."

Campbell's marketing posture does not include the marketing of only ethnic foods. For years now, it has been selling many of its mainstream products in Spanish to the Hispanic community, using the New York-based Hispanic advertising agency Conille.

Another company in the Italian market is Pillsbury, Minneapolis.

In the estimated $1 billion frozen pizza market, the company's Totino pizza leads a field of more than 175 companies, reports the Westport, Conn.-based "Food and Nutrition Press" newsletter. Totino is market dominant with a 7.5% share, according to a recent in-house survey, says Dick Anderson, director-marketing. In addition, Pillsbury's other pizza offerings help to rack up an over-all frozen pizza market share of 37.8%.

So what is next on the horizon? Cajun? Thai? Indian? All of the above. The American tolerance for spicy and "hot" foods is growing.

One hot contender for a place at America's dinner tables is Austin, Tex.-based Caliente Chile.

The Tex-Mex product comes in a package that includes seven separate packets, allowing users to mix it with beef to suit their own tastes.

The packets include chili powder (an American invention), onions, garlic, salt (allowing its users the option of leaving it out of their meals), cumin, oregano and "two-alarm" red pepper.

Tv ads state: "If you put in all the pepper, it's two alarm. If you use only half, it's one alarm. If you don't use any, it's a false alarm."

"The heat factor does scare some customers off," says John Nuhn, director-advertising and product development. "But heck, that's what pulls the wagon."

It seems whatever a customer wants, he can get in the growing ethnic food marketplace.

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CAN CARMAKERS WIN WOMEN'S HEARTS?

See Page 3

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NEWSPAPER

Cocaine: White-line fever in the ad industry

— Page 1

Net scatter market in turmoil as rates plunge

— Page 1

P&G ready to Crest with paste in pump

— Page 3

Winners and losers in nets' fall lineup

— Page 3

HIGHLIGHTS

DFS, Saatchi deal rumored 1

Dancer Fitzgerald Sample last week was the subject of strong reports that it had re-entered negotiations with Saatchi & Saatchi. It is believed the discussions were for either the sale of DFS or for Saatchi to take an equity position in DFS.

For some admen, coke is it 1

Current or former cocaine users who asked not to be identified say cocaine use is rampant in the advertising industry, and few independent drug-abuse experts disagree. The big surprise, they say, would be to find that cocaine use is not a problem in advertising, as it has been shown to be in entertainment, sports and elsewhere.

P&G gets pumped up 3

After nearly a year of frustrating delays, Procter & Gamble is introducing nationally its Crest toothpaste in a pump dispenser. Analysts believe P&G will spend $20 million to $25 million to introduce its pump.

Fourth-quarter ad budgets stable 4

Although marketers differ on how the economy will fare during the fourth quarter, most expect ad spending to stay generally on target.

CATEGORY REVIEW

Bicycles hit their stride 6

The bicycle market, which had been flat for the past few years, has come full circle, and U.S.-based marketers are pumping up new campaigns to meet the boom. An estimated 10.1 million bicycles were sold in 1984, up 12% from '83. And '85 totals should be even better.

FTC bill on admen's agenda 6

The House last week caught up with the Senate by passing a Federal Trade Commission reauthorization bill. A key obstacle to passage is also a key issue to advertising industry groups following the bill: Whether Congress will restore the FTC's right to regulate "unfair" advertising.

Nike team gets stronger 12

Nike hopes to catch lightning in a bottle twice with a new line of baseball shoes and apparel applying the same formula as the company's highly successful Air Jordan basketball line. The Beaverton, Ore.-based sports shoe marketer has signed New York Mets pitcher Dwight Gooden and Atlanta Braves outfielder Dale Murphy to three-year contracts, creating separate lines of shoes and apparel called Dr. K, after Mr. Gooden's nickname, and Number 3, Mr. Murphy's number.

Taylor thinks young 39

W.A. Taylor Co.'s Drambuie and Tia Maria liqueurs will receive new ad efforts next month designed to woo younger drinkers. The campaigns—budgeted at $3 million each—reflect Miami-based Taylor's aggressiveness with brands that show potential with the consumers who are upgrading the products they are buying.

Avedon Chanels ad efforts 72

What do Barbara Walters, Phyllis George, Jerry Hall and Nan Kempner have in common? Chanel hopes it's Coco, its new fragrance, named for Chanel's namesake and founder. The debut of Coco marks the first Chanel ads shot by Richard Avedon since he caught Catherine Deneuve before the camera for Chanel No. 5.

INTERNATIONAL

More French babies 55

A French survey taken in July has shown that 62% of 900 respondents think there is a birth crisis in France, and on the strength of this, CLM/BBDO and three outdoor advertising brokers in Paris plastered the town with outdoor boards of bare babies and a plea for procreation.

Dutch up tv time 56

After years of debate, the Dutch government finally is launching a third commercial tv channel, which will open up more commercial tv time because of pressure from marketers, agencies and pan-European satellite tv.

NEW PRODUCTS

Smacks of Smucker's 68

J.M. Smucker Co. is using its good name and Knudsen & Sons' juice market know-how to introduce a five-item line of Smucker's 100% Fruit Juices into selected test markets.

OTHER NEWS

A consumer survey in two markets in Texas—traditionally a Coca-Cola stronghold—shows Coke in its various forms is holding market share since the company reformulated regular Coke. But there also are indications of slippage in loyalty that may provide a wedge for the competition. Page 4.

The Assn. of National Advertisers, in tapping Dan Jaffe to run its office, plucked a senior staffer from the American Advertising Federation. The job had been filled by Sam Thurm until his retirement. Page 6.

Amana Refrigeration is injecting some humor into its standard promotional advertising along with the introduction of its new line of lower-price Radarange microwave ovens. Page 12.

Coleco Industries is bringing the cliffhanger to tv ads for Sectaurs action figures. Cliffhanger endings worked for movie serials in the 1940s and 1950s, the "Star Wars" sagas and today's tv soap operas. Page 47.

Philip Morris USA is rolling out an extension of its popular Virginia Slims brand nationally. The new cigaret, Virginia Slims Lights 120s, will begin appearing early next month. Page 62.

CAMPAIGNS BREAKING

Charles of the Ritz breaks its new $4 million campaign, "Confessions of a child of the sixties," for Ritz skincare products in an eight-page insert in October *Vogue*, on the stands by the last week in September. Lord, Geller Federico, Einstein handles (AA, May 20).

COMING THURSDAY

Advertising Age
100
LEADING

ADVERTISING AGE ranks the 100 Leading National Advertisers for 1984 in Thursday's special issue. Advertising expenditures, market shares, product introductions, personnel changes and much more are included in the 100 company profiles. Publication of ADVERTISING AGE Thursday will resume next week with all the regular columns, features and Special Report.

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ABP MPA ANPA

Happy trails on way for EPB?

By JANET MEYERS

WASHINGTON—The $15 million Roy Rogers Restaurants fast-food account that has been a key client for Smith Burke & Azzam, Baltimore, is reportedly on the move to another agency that works with its parent, Marriott Corp.

A Marriott spokesperson said SB&A will serve out its contract, which expires at the end of the year, and "at that time we'll decide whether to make a change."

Some agency sources, however, said Earle Palmer Brown Cos., Bethesda, Md., had been approached by Marriott. Others said the company already had settled on EPB, a move that would consolidate $25 million of Marriott restaurant business at that agency.

(Continued on Page 92)

Preseason skirmishes for ratings

By JAMES P. FORKAN

NEW YORK—The new season's tv ratings war didn't officially begin till today, but the Big 3 networks already have started moving their troops into position and scoring what they feel are important strategic points in preseason battles.

NBC executives were optimistic about their new Wednesday and Saturday programing moves, which got off to a strong start in the A.C. Nielsen Co. ratings for the week ended Sept. 15:

- "Golden Girls" and "227" made their so-called "sneak preview" Saturday debuts with winning shares of 43 and 40, respectively, opposite parts of two

(Continued on Page 96)

West Coast news

New top exec at Sidjakov

Sidjakov Berman & Gomez, the San Francisco design/communications company whose corporate clients include Hills Bros., Frito-Lay, Del Monte Corp. and Pillsbury Co., named Michael Purvis to the new post of president/chief operating officer. Mr. Purvis is a former senior vp, S&O Consultants, San Francisco, a design company specializing in packaging and corporate-identity projects. Partners Nicolas Sidjakov, Jerry Berman and Flavio

(Continued on Page 92)

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

September

Art & antiques

	Current month		Year-to-date	
	1985	1984	1985	1984
American Artist	98.0	88.1	664.4	636.5
Antiques	176.3	167.6	1,284.9	1,284.2
Art in America (11X)	—	—	—	—
Southwest Art	78.5	78.8	694.2	742.5
Total Group	**352.8**	**334.5**	**2,643.5**	**2,663.2**
% change		**+5.5%**		**−0.7**

Auto/cycle/rec. vehicles

	Current month		Year-to-date	
	1985	1984	1985	1984
AutoWeek (52X)	136.8	122.9	1,143.5	1,049.7
Car & Driver	93.7	90.6	935.9	838.4
Car Collector & Car Classics	—	—	—	—
Car Craft	78.3	77.8	685.4	652.5
Circle Track	59.1	47.4	487.2	423.5
Cycle	37.2	37.5	481.9	423.8
Cycle Guide (11X)	26.5	25.4	376.5	374.3
Cycle World	32.7	32.2	525.4	486.6
Dirt Rider	19.6	21.6	285.6	237.8
Dune Buggies & Hot VWs	105.7	76.3	845.5	728.6
Family Motor Coaching	129.0	137.7	1,328.2	1,318.2
4 Wheel & Off-Road	84.9	67.4	685.0	645.9
Four Wheeler	87.8	90.9	779.1	695.5
Hot Rod	52.0	71.0	551.3	551.0
Motorcyclist	27.6	31.2	359.8	340.0
Motor Trend	59.3	74.2	688.7	571.9
Motorhome Life	72.5	91.8	871.3	819.9
Pick-Ups & Minitrucks	—	—	—	—
Rider (12X)	37.4	43.3	508.3	541.1
Road & Track	90.7	104.1	980.4	918.8
3 Wheeling	64.7	36.7	522.6	278.1
Trailer Life	101.8	110.1	1,120.2	1,132.8
Total Group	**1,397.3**	**1,390.1**	**14,161.8**	**13,028.4**
% change		**+0.5%**		**+8.7%**

Boating & yachting

	Current month		Year-to-date	
	1985	1984	1985	1984
Boating	138.2	128.7	1,249.6	1,261.8
Chesapeake Bay	39.3	32.0	300.6	252.8
Cruising World	125.1	148.9	1,130.6	1,239.9
Lakeland Boating (10X)	61.5	65.5	591.0	543.3
Motor Boating & Sailing	173.6	155.3	1,515.7	1,460.7
Sail	83.2	101.0	942.3	971.9
Sea	36.0	61.9	438.6	538.0
Small Boat Journal (6X)	—	—	194.0	174.6
Trailer Boats (11X)	29.9	18.7	316.4	312.1
Western Boatman (6X)	43.9	19.0	233.8	121.2
Yachting	163.3	189.1	1,486.2	1,556.4
Total Group	**894.0**	**920.1**	**8,398.8**	**8,432.7**
% change		**−2.8%**		**−0.4%**

Canadian

	Current month		Year-to-date	
	1985	1984	1985	1984
L'Actualite	63.3	80.2	527.6	557.4
Chatelaine:				
English Edition A.	110.9	106.9	783.6	836.5
French Edition A.	85.1	95.8	628.0	707.0
City and Country Home (8X)	60.5	59.0	261.0	234.0
Financial Post A.	32.6	53.2	275.7	371.1
Flare A.	110.3	89.0	587.3	478.1
Macleans (52X) A.	143.6	108.0	995.8	996.7
Montreal Calendar	46.0	59.0	246.0	339.0
Montreal Ce Mois Ci	54.6	62.0	314.9	362.0
Reader's Digest:				
Canadian-English A.	37.7	49.0	511.1	600.9
Canadian-French A.	36.0	44.5	428.1	528.4
Toronto Life	88.7	114.2	699.5	757.5
Vancouver	110.3	107.1	649.3	612.7
Total Group	**979.6**	**1,027.9**	**6,907.9**	**7,381.3**
% change		**−4.7%**		**−6.4%**

Civic/fraternal

	Current month		Year-to-date	
	1985	1984	1985	1984
American Legion	25.6	20.9	232.3	214.4
Elks (10X)	18.7	20.4	152.9	178.0
Kiwanis	16.8	17.3	133.3	105.8
Lion (10X)	10.5	7.3	48.2	51.8
Rotarian	11.8	13.5	99.0	103.8
V.F.W. (11X)	28.5	26.5	250.6	241.5
Total Group	**111.9**	**105.9**	**916.3**	**894.5**
% change		**+5.7%**		**+2.4%**

Comics

	Current month		Year-to-date	
	1985	1984	1985	1984
DC Comics	7.0	8.0	53.5	68.0
Marvel Comics Group	9.0	9.0	63.5	74.5
Total Group	**16.0**	**17.0**	**117.0**	**142.5**
% change		**−5.9%**		**−17.9**

General

	Current month		Year-to-date	
	1985	1984	1985	1984
American Health (10X)	53.6	39.6	358.3	283.2
American West (6X)	44.5	37.5	176.3	119.4
The Atlantic A.	48.2	45.4	406.9	394.7
Audubon Magazine (6X)	31.5	28.3	168.0	132.7
Bon Appetit A.	88.2	91.1	735.9	716.4
Changing Times	40.5	40.9	341.6	382.6
Connoisseur	80.9	64.3	506.4	440.7
Consumers Digest	22.3	12.3	142.3	86.3
Ebony	87.6	93.7	825.5	803.0
Fifty Plus	35.5	28.9	285.3	297.1
Food & Wine	49.7	30.0	414.1	313.9
Games	19.9	21.9	150.1	186.7
Gourmet	91.5	76.9	752.9	656.9
Home Entertainment (8X)	—	—	154.6	123.6
Harper's Magazine A.	30.3	20.7	230.1	207.6
Life	48.4	45.8	532.8	516.0
Modern Maturity (6X)	42.8	32.9	184.9	155.3
Money	104.6	114.7	1,031.5	1,053.7
Moneysworth (4X)	—	—	37.2	40.0
Mother Earth News (6X)	50.8	54.2	230.0	263.0
Mother Jones (9X)	—	—	114.4	115.5
National Geographic	26.6	15.9	200.4	207.1
Natural History	43.3	44.1	360.5	364.4
Prevention	66.5	63.1	537.8	616.8
Psychology Today	24.4	25.7	217.3	216.6
Reader's Digest A.	74.7	81.5	678.5	681.4
Saturday Evening Post (9X)	38.8	41.0	216.5	245.7
Signature	54.6	52.5	466.8	479.0
Smithsonian	92.9	72.3	770.4	705.4
Success	40.2	36.3	251.3	300.3
Sylvia Porter's Personal Finance (6X)	—	—	—	—
Town & Country	200.3	197.0	1,121.0	1,204.3
Travel/Holiday	34.5	27.3	389.2	384.6
Travel & Leisure	96.8	102.2	912.3	925.7
Vanity Fair	49.7	42.9	289.8	209.7
Writers Digest	26.9	24.6	219.5	216.5
Yankee	143.3	95.1	665.4	696.9
Total Group	**1,984.3**	**1,800.6**	**15,075.8**	**14,430.0**
% change		**+10.2%**		**+4.5%**

Home

	Current month		Year-to-date	
	1985	1984	1985	1984
Americana (6X)	45.1	48.3	182.9	192.9
Architectural Digest A.	137.8	141.1	1,083.0	1,111.1
Better Homes & Gardens	112.1	129.0	961.4	1,012.1
Colonial Homes (6X)	82.2	82.2	317.5	339.3
Country Home	44.0	32.5	163.6	100.5
Country Journal	23.0	32.9	256.8	282.9
Country Living	82.1	70.1	602.1	567.4
Dallas/Ft. Worth Home & Garden	88.0	71.3	695.2	636.4
Family Handyman (10X) A.	80.8	79.3	487.1	559.1
Flower & Garden (6X)	—	—	158.8	155.1
Home	58.6	58.2	435.8	484.7
The Homeowner	23.3	29.2	203.8	188.2
Horticulture	35.0	35.0	328.2	264.0
House Beautiful	100.7	101.5	731.4	800.5
House & Garden	105.1	118.4	817.3	743.6
Houston Home/Garden	114.5	101.6	870.8	871.9
Metropolitan Home	81.6	51.8	558.7	563.6
New Shelter (9X)	66.3	65.5	393.2	349.3
1,001 Home Ideas	75.1	62.4	437.3	361.0
Rodale's Organic Gardening	55.3	53.0	506.4	585.9
Phoenix Home/Garden	—	—	—	—
San Diego Home/Garden	71.7	106.3	696.9	661.1
South Florida Home/Garden	37.8	—	354.9	—
Southern Accents (6X)	94.9	91.9	424.9	376.0
Southern Living	131.6	126.6	1,142.7	1,173.5
Sunset A.	119.2	107.8	1,236.9	1,199.5
Texas Homes	73.1	68.2	709.6	712.4
Workbench (6X)	54.8	61.2	264.7	296.4
Total Group	**2,003.7**	**1,925.3**	**15,021.9**	**14,588.4**
% change		**+4.1%**		**+3.0%**

In-flight & other passenger

	Current month		Year-to-date	
	1985	1984	1985	1984
Aboard Group (7) (6X)	—	—	—	—
Alaska Airlines	47.1	53.4	435.2	458.7
American Way (26X)	124.3	95.7	1,007.1	881.1
East/West Network:				
Eastern Review	99.0	116.2	851.6	1,029.6
Northwest Orient	41.5	36.0	364.0	286.6
Ozark	50.7	36.7	367.7	407.7
PSA Magazine	98.0	97.0	722.3	910.7
Pan Am Clipper	55.7	65.5	523.2	551.8
Republic Scene	57.2	54.2	411.2	532.6
Southwest	120.8	100.9	824.5	834.8
United	103.0	120.0	807.7	1,026.8
Western's World	57.2	54.3	474.7	600.3
Halsey Publications:				
Air Cal	61.2	51.3	433.9	427.0
Delta Sky	85.5	70.0	645.5	663.4
Skylite	18.8	17.0	185.4	170.0
U.S. Air	51.2	61.8	474.9	541.3
Hawaii (6X)	21.5	20.3	213.5	194.2
Pace	86.8	102.8	628.2	569.1
Southwest Airlines	—	—	—	—
Spirit of Aloha (6X)	20.4	20.0	214.3	197.5
TWA Ambassador	71.5	56.2	494.0	523.1
Total Group	**1,271.4**	**1,229.3**	**10,078.9**	**10,806.3**
% change		**+3.4%**		**−6.7%**

Men's

	Current month		Year-to-date	
	1985	1984	1985	1984
Esquire	119.0	135.3	1,024.6	1,014.3
Firehouse Magazine (13X)	103.3	68.2	437.6	407.3
Gentlemen's Quarterly A.	294.6	309.7	1,294.3	1,347.4
M Magazine	96.3	120.0	471.7	551.0
Penthouse A.	49.4	64.4	357.0	446.6
Playboy A.	68.1	70.1	630.8	629.1
Total Group	**730.7**	**767.7**	**4,216.0**	**4,395.7**
% change		**− 4.8%**		**− 4.1%**

Metropolitan

	Current month		Year-to-date	
	1985	1984	1985	1984
Aloha (6X)	32.3	29.7	165.5	145.9
Atlanta	—	—	—	—
Baltimore	88.3	77.3	705.9	542.3
Boston	171.6	163.8	1,350.3	1,242.1
California	61.2	85.9	596.9	569.0
Charlotte (10X)	—	—	—	—
Chicago	149.4	181.5	1,161.8	1,184.7
Chicago's North Shore	94.6	93.7	685.8	739.4
Cincinnati	60.2	52.8	479.2	440.9
Cleveland	76.2	85.4	704.9	671.6
Coast (38X)	450.0	383.4	2,615.5	2,462.8
Columbus Monthly	94.7	76.5	621.1	605.5
Commonwealth	—	—	—	—
Connecticut	—	—	—	—
Country Magazine	43.5	55.0	404.8	364.8
D/Magazine, Dallas/Ft. Worth	151.6	135.7	1,150.3	1,082.2
Denver	39.5	30.0	284.1	234.6
Gulfshore Life (10X)	—	—	443.4	507.4
Honolulu	—	—	—	—
Houston City	65.9	100.2	615.5	739.6
Indianapolis	58.0	52.7	385.9	367.1
Los Angeles	—	—	—	—
Louisiana Life (6X)	57.5	78.3	277.5	367.0
Madison	69.0	45.2	552.6	461.4
Metropolitan Detroit	90.0	80.9	641.5	467.0
Miami Mensual	40.1	41.3	360.6	351.0
Miami/South Florida	72.8	66.4	783.9	759.6
Milwaukee	61.7	59.3	563.3	376.5
Minneapolis/St. Paul	122.5	99.7	858.9	811.2
Monthly Detroit	80.0	74.1	517.5	577.5
Nashville	40.0	47.0	326.0	329.0
New England Monthly	43.8	14.4	269.3	71.2
New Jersey Monthly	68.2	55.8	534.7	481.0
New Mexico	—	—	—	—
Ohio	129.2	140.2	623.2	582.3
Oregon	—	—	—	—
Orlando	85.0	70.3	901.5	761.5
Palm Beach Life	29.2	34.4	604.9	614.5
Palm Springs Life	—	—	—	—
Philadelphia	174.5	181.4	1,195.8	1,147.7
Phoenix	76.5	82.3	885.2	785.2
Pittsburgh	75.6	60.3	559.2	540.2
St. Louis	66.0	73.5	493.5	533.0
San Diego	150.5	150.6	1,390.8	1,318.5
San Francisco	47.3	92.3	503.0	649.0
San Francisco Focus	96.5	30.5	788.0	520.2
Texas Monthly	—	—	—	—
Twin Cities	88.0	59.2	533.7	570.5
Ultra	105.3	80.2	638.2	690.6
The Virginian (6X)	49.5	47.5	277.0	183.8
Washington Dossier (11X)	84.6	87.8	466.3	418.5
The Washingtonian	191.0	196.0	1,348.0	1,311.0
Total Group	**3,754.7**	**3,702.5**	**29,269.0**	**27,578.8**
% change		**+ 1.4%**		**+ 6.1%**

Movie/romance/radio/tv

	Current month		Year-to-date	
	1985	1984	1985	1984
Macfadden's Women's Group:				
Secrets	20.0	26.3	170.7	219.9
True Confessions	20.0	26.3	170.7	219.9
True Experience	20.0	26.3	170.7	219.9
True Love	20.0	26.3	170.7	219.9
True Romance	20.0	26.3	170.7	219.9
Sterling Women's Group:				
Daytime TV	27.5	28.5	256.5	251.5
Modern Screen	—	—	58.3	81.0
Movie Mirror (6X)	—	—	71.5	82.0
Soap Opera Stars	—	—	77.1	89.5
TV Movie Screen (6X)	—	—	27.3	126.6
TV Picture Life (6X)	—	—	24.0	87.0
Total Group	**127.0**	**158.0**	**1,363.0**	**1,811.0**
% change		**−19.6%**		**−24.7%**

Music/entertainment

	Current month		Year-to-date	
	1985	1984	1985	1984
American Film (10X)	25.0	35.3	208.3	209.5
Audio	69.0	64.0	687.6	555.6
Circus Magazine	39.5	39.2	437.5	321.3
Dance Magazine	50.8	54.2	484.9	544.9
Musician	56.0	50.3	520.0	540.5
Playbill	50.7	57.0	428.8	506.0
Record	19.3	28.2	191.7	208.5
Stereo Review	118.5	51.3	421.9	397.7
Video	66.7	62.6	660.7	600.1
Video Review	45.9	51.9	509.5	473.0
Total Group	**541.4**	**494.0**	**4,350.9**	**4,357.1**
% change		**+9.6%**		**−0.1%**

National Sunday magazines

	Current month		Year-to-date	
	1985	1984	1985	1984
USA Weekend A. (52X)	80.5	70.8	466.7	525.8
Parade (52X)	69.3	61.4	468.9	478.9
Total Group	**149.8**	**132.2**	**935.6**	**1,004.7**
% change		**+13.3%**		**−7.0%**

Outdoor & sport

	Current month		Year-to-date	
	1985	1984	1985	1984
Alaska	42.6	44.2	428.9	371.6
The American Handgunner (6X)	38.0	39.0	258.0	258.0
American Hunter	36.9	37.9	178.0	179.5
American Rifleman	42.0	42.6	235.9	258.1
Backpacker (6X)	27.9	40.2	168.6	213.0
Bass Master (9X) A.	28.0	34.7	421.5	384.5
Bicycling (9X)	73.6	95.0	756.0	857.9
Field & Stream	76.4	66.3	802.6	753.8
Fins & Feathers A.	29.4	34.4	—	778.8
Fishing World	9.7	12.6	185.9	203.5
Florida Sportsman	65.1	61.6	901.9	778.8
Flying	48.5	55.2	416.1	418.1
Fur-Fish-Game	31.9	34.5	172.1	204.0
Golf Digest	78.9	92.7	841.7	862.1
Golf Magazine	34.6	37.3	599.9	667.1
Guns	30.0	30.0	326.0	341.0
Guns & Ammo	63.3	61.8	395.0	418.4
In-Fisherman (6X)	39.0	48.0	430.0	440.0
Muscle & Fitness	101.0	—	957.3	978.6
Outdoor Life	73.7	61.4	637.9	690.4
Outside Magazine	37.2	37.5	360.0	331.3
Petersen's Hunting	78.4	64.5	376.3	365.1

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Figures represent a double issue for the months of July and August. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

(Continued on Page 84)

(Continued from Page 83)

September

	Current month		Year-to-date	
	1985	1984	1985	1984
The Runner	32.2	41.7	310.8	441.3
Runner's World (13X)	36.0	52.5	340.4	469.2
Salt Water Sportsman	61.1	55.3	662.4	636.2
Shooting Times	46.8	49.1	308.3	339.4
Ski (8X) A.	142.0	132.1	357.4	381.3
Skiing (7X)	202.0	201.8	405.3	417.1
Skin Diver	75.0	63.1	734.1	697.1
Southern Outdoors (8X)	38.9	46.6	249.3	279.7
Sport	38.3	47.3	377.0	408.3
Sports Afield	86.4	86.9	756.3	775.9
Tennis	158.2	171.1	820.9	827.2
Western Outdoors (10X)	30.7	29.5	357.6	349.0
Total Group	**1,925.1**	**1,871.3**	**16,267.3**	**16,775.3**
% change		**+2.9%**		**-3.0%**

— Photography —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Photographer	38.3	45.5	363.4	360.9
Petersen's Photographic	35.1	38.4	253.7	288.6
Popular Photography	76.2	92.3	782.7	862.3
Total Group	**149.6**	**176.2**	**1,299.8**	**1,511.8**
% change		**-28.8%**		**-14.0%**

— Religious —

	Current month		Year-to-date	
	1985	1984	1985	1984
BBI Jewish Monthly (10X)	26.9	33.0	161.4	182.6
Christian Herald (11X)	42.5	48.5	254.4	268.5
Christian Life	27.0	32.9	228.3	242.7
Christianity Today (18X)	—	—	—	—
Inside (4X)	—	—	—	—
Moody Monthly (11X)	51.0	48.7	401.0	397.70
Today's Christian Woman (6X)	53.8	44.3	215.2	172.0
Total Group	**471.7**	**510.1**	**1,564.7**	**1,578.7**
% change		**-7.5%**		**-0.9%**

— Science/electronic/mechanic —

	Current month		Year-to-date	
	1985	1984	1985	1984
Compute	37.7	60.0	419.1	685.8
Computers & Electronics	—	—	—	—
Creative Computing	41.3	101.4	555.8	1,062.4
Discover	38.8	31.1	286.6	319.2
Family Computing	46.2	59.0	306.0	440.2
Info World (52X)	—	—	—	—
Omni	51.3	70.9	504.7	550.9
Personal Computing	134.2	164.9	1,297.9	1,372.7
Popular Mechanics	97.3	94.3	849.1	838.5
Popular Science	64.8	87.7	562.2	729.3
Science Digest	15.9	32.7	208.0	259.3
Science 85 (10X)	25.2	27.2	205.8	235.0
Scientific American	52.8	130.5	399.8	613.0
Spectrum	137.2	92.1	945.4	870.5
Total Group	**786.3**	**995.9**	**6,900.9**	**8,341.2**
% change		**-21.0%**		**-17.3%**

— Women/fashion/service —

	Current month		Year-to-date	
	1985	1984	1985	1984
Bride's Magazine (6X) A.	—	—	—	—
Cosmopolitan A.	237.4	243.8	1,728.7	1,874.3
Essence	101.2	102.3	715.2	753.4
Family Circle (24X) A.	199.0	134.9	1,332.0	1,246.3
Family Magazine	36.8	29.0	348.1	305.2
Glamour	266.1	259.0	1,591.9	1,605.0
Good Housekeeping A.	172.6	181.9	1,426.8	1,396.8
Harper's Bazaar	322.6	311.2	1,307.7	1,336.5
Health	39.4	35.6	355.6	313.8
Ladies' Home Journal	123.0	98.5	961.4	884.3
Ladycom (10X)	30.7	45.9	254.7	308.8
Lady's Circle	—	—	—	—
Mademoiselle	190.9	217.9	1,132.9	1,284.2
McCall's	112.8	103.5	805.1	810.8
Modern Bride (6X)	156.6	156.1	1,502.6	1,394.8
Ms.	52.0	60.5	418.9	455.5
New Woman	71.9	40.3	476.3	416.9
Parents Magazine A.	102.3	81.3	763.7	661.6
Playgirl	—	—	—	—
Redbook	112.9	113.0	803.6	819.8
Self	124.5	125.9	850.0	870.7
Seventeen	117.6	137.7	1,141.0	1,202.8
Shape	79.5	79.1	565.6	530.4
Soap Opera Digest (26X)	25.0	29.9	253.5	256.8
'Teen Magazine	65.3	73.5	467.8	504.8
True Story A.	51.6	63.4	425.8	518.6
Vogue	550.8	602.1	2,339.4	2,430.2
W Magazine	—	—	—	—
Weight Watchers	—	—	—	—
Woman's Day A. (16X)	151.6	171.3	991.1	1,040.1
The Workbasket (10X)	44.2	40.3	305.2	394.8
Working Mother	73.9	72.4	647.3	620.3
Working Woman	127.7	178.8	876.1	929.8
Total Group	**3,739.9**	**3,789.1**	**24,788.0**	**25,167.3**
% change		**-1.3%**		**-1.5%**

— Youth —

	Current month		Year-to-date	
	1985	1984	1985	1984
Boys' Life	36.2	35.3	169.2	149.1
Campus Life (10X)	50.2	58.3	330.0	311.0
Total Group	**86.4**	**93.6**	**499.2**	**460.1**
% change		**-7.7%**		**+8.5%**

August

— Business —

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Bus. Gazette (52X)	23.2	20.7	212.1	200.9
Atlanta Bus. Chronicle (52X)	46.8	44.3	399.4	373.9
Austin Business Journal (52X)	68.3	43.5	460.5	352.6
Barron's (52X)	141.1	136.5	1,452.8	1,473.7
Boston Business Journal (52X)	128.1	76.8	1,074.1	716.6
Business Atlanta	63.2	57.0	528.0	438.9
Business First of Buffalo	64.7	—	—	—
Business First of Columbus	40.4	—	503.4	—
Business North Carolina	37.0	40.0	—	—
Business Week (52X) A.	191.7	302.1	2,658.6	3,026.0
Business West (4X)	31.0	—	96.0	—
California Business	113.6	113.7	850.4	634.3
Capital District Bus. Review (25X)	—	—	—	—
Corporate Report/Kansas City	35.8	51.4	372.0	477.6
Corporate Report/Minnesota	75.2	64.7	729.9	661.0
Crain's Chicago Bus. (52X)	146.7	106.0	1,194.1	1,008.7
Crain's Cleveland Bus. (52X)	62.1	60.6	589.0	505.7
Dallas/Ft. Worth Bus. (52X)	—	—	—	—
Dun's Business Month	37.0	41.0	365.0	494.0
Financial World (24X)	38.7	19.2	313.5	237.7
Florida Trend (13X)	52.5	52.8	708.3	671.5
Forbes (26X)	149.9	155.2	2,095.9	2,167.8
Fortune (26X) A.	215.6	249.9	2,021.1	2,120.4
Frequent Flyer	51.0	65.8	468.4	443.3
Futures (13X)	76.0	50.0	447.0	441.0
Hawaii Business	86.0	46.1	404.6	397.1
High Technology	30.0	28.0	252.7	251.4
Houston Bus. Journal (52X)	121.0	129.4	1,010.6	1,175.8
Inc. Magazine A.	47.4	88.8	709.9	915.1
Income Opportunities	56.9	46.4	376.2	371.7
Industry Week (25X) A.	59.1	65.4	657.4	808.7
Indianapolis Business Journal (52X)	116.4	96.1	945.7	871.8
New England Business	72.3	33.3	689.0	519.8
Milwaukee Business Journal	105.8	86.6	761.0	606.5
Nation's Business A.	17.8	20.4	259.4	248.7
New England Bus. (20X)	72.3	33.3	689.0	519.8
Pacific Business News (52X)	100.3	91.4	866.8	840.2
Philadelphia Business Journal (52X)	69.1	61.4	737.5	657.7
Pittsburgh Bus. Times (52X)	69.6	38.9	595.0	417.5
San Jose Business Journal	—	—	—	—
Savvy	—	—	—	—
South Florida Business Journal	71.1	64.1	662.8	503.7
St. Louis Business Journal (52X)	135.1	117.0	[illegible]	1,070.3
Texas Business	—	—	—	—
Venture	64.8	93.9	561.1	636.7
Total Group	**4,090.3**	**2,854.4**	**28,141.0**	**26,708.3**
% change		**+43.3%**		**+5.4%**

— Newspaper Sunday magazines* —

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Republic	40.9	54.0	[illegible]	497.0
Boston Globe	192.2	164.3	1,473.9	1,398.8
Chicago Tribune	110.5	57.6	827.2	536.7
Cincinnati Enquirer	—	—	—	—
Cleveland Plain Dealer	43.0	53.1	337.6	450.3
Columbus Dispatch	47.4	61.2	352.4	369.0
Denver Post	—	—	—	—
Detroit News	144.0	144.0	980.0	1,058.0
L.A. Times Home Magazine	58.4	83.7	549.9	791.6
Louisville Courier-Journal	63.6	55.4	520.0	530.0
Miami Herald	35.1	49.5	307.7	411.8
New York News	—	—	—	—
New York Times Magazine	336.5	394.0	2,564.0	2,729.3
Philadelphia Inquirer	60.1	61.0	103.9	101.9
Seattle Times/Pacific	53.0	23.0	337.0	135.0
Toledo Blade Magazine	42.3	66.1	317.5	396.2
Washington Post	99.6	89.4	859.2	824.9
Total Group	**1,293.9**	**1,356.3**	**9,412.8**	**10,050.5**
% change		**-4.6%**		**-6.3%**

— Weeklies/bi-weeklies —

	Current month		Year-to-date	
	1985	1984	1985	1984
The Advocate (26X)	101.1	125.3	767.6	916.2
Army Times Military Group:				
Air Force Times (52X)	136.9	127.2	1,221.8	1,171.1
Army Times (52X)	134.2	118.2	1,193.4	1,112.7
Navy Times (52X)	148.2	135.7	1,302.4	1,258.3
The Times Magazine	4.6	10.0	89.9	119.4
The Blood-Horse (52X)	407.3	364.1	3,427.7	3,609.7
Capper's Weekly (26X)	23.7	23.3	191.8	206.1
Commonweal (22X)	1.9	1.9	45.9	50.3
Golf World (43X)	76.0	82.4	660.2	671.6
Grit (52X) A.	18.5	20.3	151.9	184.2
National Journal (50x)	14.0	11.0	364.0	170.0
National Review (25X)	17.7	23.5	177.8	206.2
New Republic (48X)	20.6	20.1	224.3	235.9
New York Magazine (50X)	190.2	205.7	1,763.9	1,664.9
New Yorker (52X)	117.3	138.1	1,675.7	2009.7
Newsweek (52X) A.	140.5	155.4	1,589.0	1,746.8
People (52X)	241.6	256.9	2,242.5	2,344.2
Rolling Stone (25X)	43.1	26.2	666.1	659.4
Sporting News (52X)	40.1	41.1	307.6	384.4
Sports Illustrated (52X) A.	163.0	215.0	1,684.7	1,943.5
Time (52X) A.	127.9	158.3	1,585.2	1,689.9
Travelhost (52X)	3,618.5	3,575.0	26,404.0	22,009.0
TV Guide (52X) A.	203.8	197.9	2,230.7	2,236.8
Us Magazine (26X)	52.0	29.2	285.6	337.7
U.S. News & World Report (52X) A.	93.5	93.6	1,035.9	1,048.1
Total Group	**6,158.9**	**6,155.4**	**51,289.6**	**47,986.1**
% change		**+0.1%**		**+6.9%**

— Foreign —

	Current month		Year-to-date	
	1985	1984	1985	1984
Good Housekeeping Foreign Editions:				
Australia	37.4	36.9	265.2	248.2
Great Britain	96.4	98.7	943.7	881.2
Japan	74.3	76.4	292.5	237.7
Geomundo:				
Central America	6.0	6.0	36.5	42.8
Chile	5.0	6.0	38.5	40.3
Colombia	10.5	9.5	66.5	66.5
Ecuador	4.0	4.0	30.0	28.0
Mexico	8.0	9.0	54.5	56.8
Peru	4.0	5.0	36.5	39.3
Puerto Rico	—	—	22.0	18.3
Venezuela	5.0	7.0	68.0	83.3
Hombre De Mundo:				
Central America	3.0	5.0	27.0	47.0
Chile	4.0	4.0	34.0	46.0
Colombia	7.3	6.0	50.8	73.5
Ecuador	2.0	1.0	28.5	33.0
Mexico	10.5	11.0	77.5	100.5
Peru	2.0	3.0	23.0	44.0
Puerto Rico	2.0	4.0	43.0	67.0
Venezuela	11.0	14.0	130.0	135.0
Ideas Para Su Hogar:				
Central America	—	—	—	1.5
Chile	—	—	—	1.0
Colombia	17.7	28.0	107.7	137.0
Ecuador	5.0	7.0	37.0	41.5
Mexico	10.7	9.7	68.7	63.2
Peru	2.0	7.5	17.0	47.0
Puerto Rico	—	0.5	10.5	5.0
Venezuela	18.8	14.8	127.8	115.0
Mecanica Popular:				
Argentina	—	4.8	16.3	44.0
Central America	9.2	13.3	74.7	103.3
Chile	3.3	7.2	25.8	49.0
Colombia	15.5	16.3	105.0	111.0
Mexico	14.7	14.8	109.5	97.3
Peru	11.5	14.3	89.0	126.0
Puerto Rico	8.5	12.8	74.3	113.0
Venezuela	10.8	17.7	103.7	130.2
The Ring en Espanol:				
Mexico	0.3	0.2	16.2	0.3
Puerto Rico	—	—	—	—
U.S.	4.0	6.0	40.7	32.3
Venezuela	1.0	3.0	8.0	10.0
Vanidades Continental:				
Central America	5.2	4.5	45.7	47.7
Chile	2.3	3.3	19.7	15.7
Colombia	71.0	63.7	480.5	429.3
Dominican Republic	—	—	—	—
Business Week Int'l. (52X)	64.5	113.0	904.5	1,019.2
Cosmopolitan Foreign Editions:				
Australia	72.9	59.1	468.2	425.4
Brazil	64.2	42.2	345.5	264.9
France	29.0	30.3	750.5	989.7
Germany	47.2	50.7	714.7	659.1
Great Britain	95.0	89.0	858.1	845.3
Greece	21.0	30.0	455.4	407.0
Holland	24.0	16.0	472.3	349.0
Italy	30.8	—	30.8	—
Japan	28.7	28.0	247.0	237.7
Cosmopolitan en Espanol:				
Central America	2.3	—	9.0	7.0
Colombia	15.5	10.2	96.0	73.3
Ecuador	—	—	2.0	3.0
Mexico	36.8	41.2	326.3	317.7
Peru	—	5.0	21.0	19.0
Puerto Rico	13.0	24.5	164.8	226.2
U.S. (Spanish language)	19.2	21.0	131.7	146.2
Venezuela	17.8	13.0	181.5	121.5
International Communications:				
African Business	23.9	26.5	197.4	215.3
The Middle East	12.8	10.8	127.6	147.5
New African	17.8	12.8	125.9	125.6
International Management:				
Europe	43.2	12.2	343.2	257.2
Middle East	22.7	20.2	124.8	97.0
Pacific	6.2	7.8	106.2	94.2
Johnston International:				
Alam Attijarat	43.8	45.2	354.4	402.8
Ejecutivo (6X)	—	—	—	—
Modern Africa (6X)	16.8	36.3	65.5	117.1
Modern Asia (11X)	27.7	49.1	256.9	252.6
Newsweek International A.:				
Atlantic (52X)	45.3	44.6	594.4	617.8
Latin America (52X)	24.8	15.6	197.7	184.9
Pacific (52X)	46.9	38.7	446.7	491.4
Progreso (9X)	16.0	10.8	71.1	35.7
Reader's Digest:				
Arabic	8.0	3.0	68.5	67.0
Asian	204.0	190.0	1,549.0	1,322.0
Australian	47.3	70.5	427.7	585.8
Belgian-Flemish	27.0	20.5	582.0	608.5
Belgian-French	22.0	11.0	392.5	398.5
British	26.1	28.2	333.0	384.8
Chinese B.	88.0	90.0	935.5	721.2
Danish	13.5	19.3	231.5	228.8
Dutch	19.8	20.0	307.5	277.3
Finnish	44.0	22.0	352.9	310.5
French	25.0	19.9	345.4	351.4
German	38.0	34.4	482.4	522.1
Iberian	—	7.5	31.0	123.5
Indian-English	53.0	49.5	732.5	567.5
Indian-Hindi	5.0	3.0	86.5	35.5
Italian	9.0	11.0	258.5	269.0
Japanese	41.7	42.8	353.9	351.4
Korean	27.0	5.0	193.2	183.0
Latin American:				
Argentina	33.0	32.0	154.5	147.0
Brazil	5.0	3.0	37.0	21.0
Central American	8.0	12.0	64.0	71.5
Chile	14.5	17.0	84.5	92.0
Colombia	35.0	36.5	203.5	229.5
Ecuador	10.0	8.0	67.0	59.5
Mexico	53.7	34.5	352.5	350.7
Peru	11.0	10.0	72.5	68.0
Puerto Rico	4.0	3.0	37.0	40.0
U.P.B.	7.0	9.0	53.5	55.0
U.S. Spanish	9.0	9.5	70.0	69.0
Venezuela	9.0	10.0	81.0	82.0
New Zealand	55.0	85.5	411.5	656.0
Norwegian	19.4	19.5	153.4	255.1
South African	79.0	92.5	694.0	705.3
Swedish	18.0	5.5	118.5	87.5
Swiss-French	13.0	7.4	180.3	196.9
Swiss-German	19.0	15.5	251.4	261.3
Time International:				
Time-Asia	64.0	52.1	614.9	642.4
Time-Atlantic	59.3	56.4	688.0	716.5
Time-Canada	82.5	95.1	1,146.8	1,257.1
Time-Latin America	35.6	35.5	306.6	316.6
Time-South Pacific	92.9	96.3	839.3	828.4
Visao (52X)	128.5	172.7	923.2	1,199.6
Vision/Latin America (26X) A.	23.6	27.1	190.4	206.5
Total Group	**3,027.8**	**3,000.1**	**28,495.4**	**29,081.2**
% change		**+0.9%**		**-2.0%**

Projects in Knowledge guide readied

New York—Projects in Knowledge has published a purchasing guide to promotional programs in the healthcare field. The guide describes 36 programs that can be adapted to different medical specialties and lay audiences. They include single-sponsored, specialty-oriented symposia, computer conferences for physicians, exhibits, direct-mail services and others.

The guide is available free from the company at 53 East 34th St. 10016.#

This issue $3.00. $55 a year.

September 26, 1985

Special Issue

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Advertising Age

Crain's International Newspaper of Marketing

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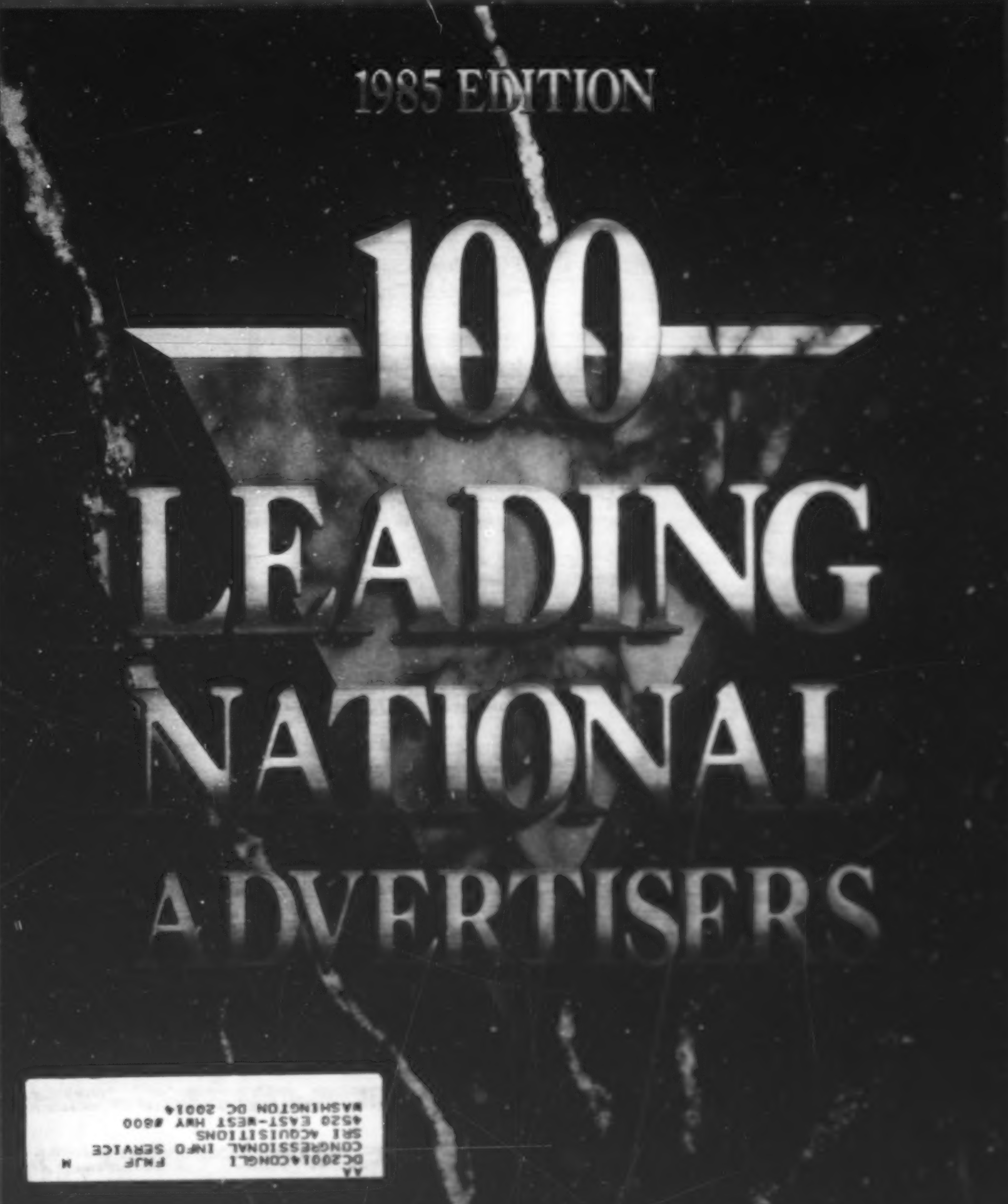

1985 EDITION

100 LEADING NATIONAL ADVERTISERS

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NEWSPAPER

September 26, 1985 Special Issue

Advertising Age

Crain's International Newspaper of Marketing

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P&G retains ad spending crown

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By R. CRAIG ENDICOTT

Procter & Gamble Co. flexed its ad muscle in 1984 to hold off serious challenges from General Motors Corp. and Sears, Roebuck & Co. in remaining the No. 1 national advertiser in the U.S. with spending estimated at $872 million, according to the 30th consecutive report on the 100 leading advertisers published by ADVERTISING AGE.

P&G, the perennial leader that was nearly dethroned in 1983 by this year's No. 3 advertiser, Sears, Roebuck & Co., is expected to be overtaken in 1985 by the combined advertising of No. 5 R.J. Reynolds Industries and No. 21 Nabisco Brands following their merger in 1985. Had the two companies merged in 1984, their total spending would have been $1.01 billion.

P&G increased its 1984 advertising 10.5% and was expected to do the same in 1985, even though it reported its first drop in earnings in 33 years at the close of fiscal year 1985, ended June 30. That performance, its results in 1984, is not far out of line in a year in which many of the top 100 advertisers reported either reduced sales or declining profits.

Advertisers during 1984 for the most part kept to the philosophy that when times get tough the ad gates must open. Proof is in the 15% aggregate advertising spending increase from 1983, a good financial year, when outlays for advertising and promotion were 10.9%. The 1984 ad increase surpassed that of 1982 when advertisers sought to rejuvenate sales by increasing ad spending 13.2%.

The year also was one of great marketing creativity. Advertisers got together for some rather unusual merchandising schemes: Shredded Wheat (No. 21 Nabisco) munchers got $5 off their Sprint (No. 82 GTE) long-distance telephone service with redemption of box tops; Mountain Dew (No. 15 PepsiCo Inc.) bottle caps earned a discount at NBC Records (No. 33 RCA); a joint promotion dubbed "tax relief" linked H&R Block and Alka-Seltzer (No. 74 Bayer AG); Beech-Nut (No. 39 Nestle) baby food touted its pureeing of branded goods such as Chiquita bananas.

It was a year that also enlightened the world with "Rambo" gum, a [illegible]-like shred (No. 93 Wm. Wrigley Jr. Co.), and licensed cereals from No. 14 Ralston Purina: Rainbow Brite, Gremlins, Cabbage Patch Kids and G.I. Joe Action Stars.

Over-all, the top 100 advertisers spent $22.80 billion in national advertising in the U.S., up from $19.40 billion in 1983. Of the total ad spending, $13.46 billion was in the nine media measured in this report, up 15.5% from 1983.

The difference between the total ad spending and measured media is the so-called unmeasured media total of $9.34 billion, up 16.6% from the prior year. Unmeasured media spending represents money that went into such support services as coupon efforts, direct mail, product sampling, premiums and promotions, point of sale, special events and trade shows.

The measured media include network and spot tv, network and spot radio, magazines, newspapers (only national advertising), network cable, outdoor advertising and farm publications. With total advertising in the nine media for all advertisers in the U.S. measured at $25.17 billion, the AD AGE top 100 accounted for 53.5% of all advertising spent in the those media. *(See chart on Page 154.)*

The second 100 leading advertisers monitored by AD AGE in the June 13 issue accounted for 11% of the nation's total for the nine measured media. Those percentages give the nation's top 200 advertisers a 64.5% share of total measured media spent by all advertisers in 1984.

Advertising in 1984 was spent in a dollar-inflated world market that saw total sales in dollars of the top 100 increase only 5.3% from 1983, although U.S. sales, accounting for 60% of the worldwide total, improved a healthy 14%.

U.S. advertising as a percentage of sales thus improved from 3.2% in 1983 to 4.0% in 1984, an increase affected by both lower sales and higher advertising. However, 10 companies on the list cut their ad budgets. Poor financial returns usually accompanied the reduced advertising.

Two of those companies, No. 99 Eastern Air Lines and No. 75 Volkswagen of America, suffered losses in earnings, although the losses were improvements over the previous year. Worldwide sales for No. 45 Sterling Drug, which gathers 35% of its revenues from abroad, dropped 3.8%; No. 30 Colgate-Palmolive's worldwide sales increased only 0.9%, and three others with reduced ad spending had sales gains of less than 5%.

One of the biggest shifts on the top 100 chart was made by No. 2 General Motors, which made a run at P&G as the auto maker increased its advertising 13.2% to $763.8 million, or 1.1% of its U.S. sales of $69.36 billion. GM led a pattern among the auto makers of funneling more ad support dollars into the local markets during 1984. GM rose from No. 4 in 1983, passing Sears, Roebuck & Co., which fell to No. 3 this year. GM also appears among the top 25 advertisers in all nine media—the only one to do so.

International Business Machines charged from No. 58 in 1983 to No. 18 in 1984 on the basis of heavy spending of $32.5 million on the IBM PCjr, a personal computer whose sales forced No. 77 Apple Computer out of its leading market share slot. But sales didn't

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R. Craig Endicott is ADVERTISING AGE's profile issue editor.

100
LEADING
NATIONAL
ADVERTISERS

Cover graphics by Avalon Studio

100 leading national advertisers by rank ($000)

Rank	Company	Advertising	Rank	Company	Advertising	Rank	Company	Advertising
1	Procter & Gamble Co.	$872,000	35	Kellogg Co.	$239,600	69	Cosmair Inc.	$119,500
2	General Motors Corp.	763,800	36	Revlon Inc.	235,400	70	Jos. E. Seagram & Sons Co.	115,827
3	Sears, Roebuck & Co.	746,937	37	General Electric	203,400	71	Batus Inc.	113,400
4	Beatrice Cos.	680,000	38	Tandy Corp.	199,000	72	AMR Corp.	110,800
5	R.J. Reynolds Industries	678,171	39	Nestle Enterprises	196,848	73	Clorox Co.	109,400
6	Philip Morris Inc.	570,435	40	Warner Communications	191,745	74	Bayer AG	105,296
7	American Telephone & Telegraph	563,200	41	CBS Inc.	179,800	75	Volkswagen of America	103,000
8	Ford Motor Co.	559,400	42	Mobil Corp.	172,500	76	Canon Inc.	100,000
9	K mart Corp.	554,400	43	American Express Co.	172,135	77	Apple Computer	100,000
10	McDonald's Corp.	480,000	44	ITT Corp.	168,000	78	Union Carbide Corp.	93,000
11	J.C. Penney Co.	460,000	45	Sterling Drug Co.	166,400	79	E.I. du Pont de Nemours	91,000
12	General Foods Corp.	450,000	46	Gillette Co.	165,673	80	Wendy's International	90,832
13	Warner-Lambert Co.	440,000	47	Nissan Motor Corp.	164,000	81	S.C. Johnson & Son	90,000
14	Ralston Purina Co.	428,000	48	Richardson-Vicks	163,505	82	GTE Corp.	89,773
15	PepsiCo Inc.	428,172	49	Quaker Oats Co.	161,300	83	Pfizer Inc.	86,400
16	American Home Products	412,000	50	Gulf & Western Industries	149,143	84	Stroh Brewery Co.	85,200
17	Unilever U.S.	395,790	51	Chesebrough-Pond's	145,300	85	Hasbro Inc.	83,691
18	International Business Machines	376,000	52	Schering-Plough Corp.	144,300	86	Greyhound Corp.	80,200
19	Anheuser-Busch Cos.	364,401	53	Campbell Soup Co.	142,000	87	Kimberly-Clark Corp.	80,000
20	Coca-Cola Co.	343,000	54	Mars Inc.	139,202	88	Hershey Foods Corp.	79,200
21	Nabisco Brands	336,977	55	Adolph Coors Co.	138,750	89	MCA Inc.	77,058
22	Pillsbury Co.	318,673	56	Loews Corp.	137,900	90	Grand Metropolitan p.l.c.	76,200
23	Chrysler Corp.	317,400	57	Toyota Motor Sales Corp.	137,800	91	Noxell Corp.	74,200
24	Eastman Kodak Co.	301,400	58	Beecham Group p.l.c.	137,800	92	Mazda Motor Corp.	73,797
25	Johnson & Johnson	300,000	59	UAL Inc.	136,750	93	Wm. Wrigley Jr. Co.	70,400
26	U.S. Government	297,807	60	American Honda Motor Co.	134,758	94	American Broadcasting Cos.	65,900
27	American Cyanamid	294,613	61	Time Inc.	131,900	95	Delta Air Lines	64,900
28	General Mills	283,400	62	American Brands	130,000	96	Trans World Airlines	64,200
29	Dart & Kraft	269,258	63	Mattel Inc.	132,893	97	Goodyear Tire & Rubber Co.	64,750
30	Colgate-Palmolive Co.	256,731	64	Xerox Corp.	127,200	98	Cotter & Co.	63,900
31	Bristol-Myers Co.	250,400	65	IC Industries	127,200	99	Eastern Airlines	60,800
32	Sara Lee Corp.	238,362	66	CPC International	121,500	100	Van Munching & Co.	58,973
33	RCA Corp.	239,400	67	Levi Strauss & Co.	122,000			
34	H.J. Heinz Co.	227,200	68	American Motors Corp.	120,300			

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Ad spending

(Continued from Page 1)

meet expectations, and IBM discontinued the model, dubbed the Peanut, in its second year of production.

Apple, in the meantime, pumped heavy dollars into its more sophisticated Macintosh to rise from No. 128 in 1983 to No. 77 in 1984. The spending—8.4% of sales in 1984 vs. 4.6% in 1983—helped Apple generate a 54% increase in revenues to $1.52 billion. However, beginning in mid-1985, the blush left the computer industry and Apple, now characterized by fading sales, a major reorganization, the absence of its two youthful founders and wholesale layoffs.

No. 3 Sears, the nation's largest retailer, experienced an 8% increase in both sales and net income although operating income dropped 12.1% in 1984, the latter a precursor of more difficult times in 1985. The company's merchandise group, accounting for 68% of total revenues in 1984, in the first six months of 1985 reported revenue gains of less than 1% and a drop in net income of 27%.

Retailers, whose financial returns have been mixed, seem to have adopted the same "unique selling proposition" by spending ad money promoting the idea that each offers a store within a store—"the seven worlds of Wards" (No. 42 Mobil Corp.); couture apparel lines within the mass merchandise aisles at J.C. Penney Co. (No. 11); "there's more for your life [*i.e.* financial services, insurance, real estate, merchandise] at Sears," and the "Store of the '90s" at No. 9 K mart Corp., which is inserting branded goods (the Jaclyn Smith line, for example) into its low-cost image and adding insurance and financial services to its racks while running up a big debt through acquisition.

Newcomers to the chart included two retail-oriented units: Hardware retailer No. 98 Cotter & Co. made its first appearance among the top 100, and retail-supplier No. 67 Levi Strauss & Co. returned after a four-year hiatus.

Publicly traded Levi Strauss, which has been repurchased in 1985 by the founding Strauss family, rose from No. 105 in 1983 primarily because of spending in support of its sponsorship of the Olympics. The company reported declines in both sales and earnings for the year and admits sales in its Olympics-related goods were not as strong as expected.

Cotter, a cooperative of True Value hardware and variety-store dealers, rose from No. 106 in 1983 primarily on the basis of its 182% increase in network tv spending to push the True Value store concept via Pat Summerall and local sports personalities.

Network tv again dominated the media totals for the top 100 advertisers, claiming $6.46 billion of their total measured spending, representing 75.5% of all advertising in the U.S. in that medium. In 1983, the 100 leaders contributed 74% of the total.

P&G maintained its lead in that medium, spending $412.7 million, or 47.3% of its total measured budget on network tv. P&G increased its spending in network tv by 12.6% over its 1983 level.

The U.S. Government and McDonald's Corp., No. 26 and No. 10 overall, respectively, doubled their budgets for the medium in 1984, making them the 24th and 10th largest advertisers in network tv.

Government spending increased primarily because of a $40 million sales program to raise money for the Olympics through the sale of Olympic coins. McDonald's, in a shift in market strategy, moved dollars away from spot tv and promotional spending for the big splash on network tv with a new campaign emphasizing food, folks and fun for the burger monarch that grilled its 50 billionth hamburger.

Spot tv again found P&G riding in the front seat, its $239.3 million expenditure considerably outpacing runnerup PepsiCo's $154.3 million. No. 22 Pillsbury Co., however, took the year-to-year percentage gain honors among the top 25 spenders in spot tv as it laid out $99.1 million, up 63.1% from 1983, to rank the Minneapolis-based company fourth among all advertisers in spot tv. The company's Burger King unit, with spending of $78.1 million in that medium, accounted for $32 million of the total Pillsbury increase for spot tv.

The 100 leaders' spot tv spending increased 8.5% to $2.70 billion in 1984, or 42.6% of all U.S. advertising in that medium of $6.32 billion.

In print (newspapers and magazines), where tobacco advertisers are among the largest contributors, spending for those industries was either down in both, or up in one and down in the other, a seesaw effect that robbed one to support the other.

No. 71 Batus (Brown & Williamson) and No. 62 American Brands (American Tobacco Co.) were down in both; RJR and No. 56 Loews (Lorillard) were up in magazines but down in newspapers; No. 6 Philip Morris Inc. was up in newspapers but down in magazines. Only No. 90 Grand Metropolitan p.l.c. (Liggett & Myers) among the cigaret marketers showed gains in both print media.

In magazines, the nation's two tobacco behemoths, RJR and Philip Morris, held down the top two rungs among all advertisers with total expenditures of $193.8 million and $140 million, respectively. No. 70 Jos. E. Seagram & Sons registered one of the larger declines (16.9%) among leading advertisers in magazines. Most of Seagram's total advertising decline of 3.2%, which dropped the company from No. 57 in 1983, came out of magazines, where Seagram spent 32.7% of its advertising in 1984.

The 100 leaders contributed $2.21 billion in consumer magazine spending, up 16.1% from 1983, in taking a 47.3% share of all U.S. advertising in that medium in 1984. U.S. magazine spending rose 18.5% to $4.67 billion as over-all share of the 100 leaders declined from 48.3% in 1983.

No. 18 IBM spent heavily in both, boosting magazine spending 132.2% to $63.1 million and newspaper spending 207.5% to $36 million. American Telephone & Telegraph (No. 7), an IBM competitor now that that company has linked up with MCI, boosted its spending 29% to $79.1 million in magazines, but dropped newspaper expenditures 19.2% to $58.2 million.

GM was the largest national newspaper advertiser, spending $109.4 million in that medium, up 23.6% from the previous year, although only 14.3% of the company's total ad spending.

In fact, advertising increased across the board for virtually all auto advertisers making the top 25 lists for print—No. 8 Ford, GM and No. 23 Chrysler appeared in the top 25 lists in both magazines and newspapers, increasing their advertising substantially over 1983 levels. No. 47 Nissan Motor Corp. and No. 57 Toyota Motor Sales Co., appearing among the top 25 newspaper advertisers, both pruned their ad budgets. Only No. 75 VW among the auto companies suffered a decline in print—down 11.6% in magazines.

GrandMet's (Liggett & Myers) boost in newspaper spending accompanied a sizable market share growth from a 4.8% share in 1983 to a 5.8% share in 1984—a rather dramatic move in a cigaret market that has shown little growth in the past few years.

Cigaret marketers, however, imitated the retailers in coming up with the same marketing scheme going into 1985—the introduction of the 25-cigaret pack at the same price as the 20-cigaret pack. PM introduced its 25-unit Marlboro brand in early 1985, RJR introduced Century 25s in August, 1985, and Batus (Brown & Williamson) launched its Richland brand touting "five free per pack" in early 1985.

The airlines also raced tobacco marketers in reducing advertising allocations for newspaper. No. 95 Delta Air Lines' spending in the medium dropped 17.2%, No. 96 Trans World Airlines dropped 2.3% and No. 99 Eastern Air Lines fell 16.9%. All three, which are ranked among the top 25 advertisers in that medium, are laboring in a cutthroat market marked by spiraling operating costs traced to high wage contracts and benefit packages and low-cost regional competitors, such as People Express, which are cutting into margins by forcing the major airlines to pare their rates.

With tobacco marketers and airlines among the 100 leading advertisers reducing their spending, the 100 leaders as a group dropped from 36.8% of total national newspaper spending of $2.57 billion in 1983, to 31.2% of total U.S. spending of $3.16 billion in the medium in 1984.

Outdoor advertising—a medium relying heavily on tobacco advertising—faced the similar plight of newspapers as RJR, PM, Loews, Batus, American Brands, each among the top 25 spenders in the medium, cut spending. Again, GrandMet was the lone holdout. Picking up the slack were beer advertisers: No. 84 Stroh Brewery Co. hiked advertising 144.1%; No. 19 Anheuser-Busch Cos., 36%, in outdoor.

Outdoor, which registered a year-to-year increase of 0.7% to $73 million among all advertisers in 1984, saw the 100 leader's share of the total decline to 45.3% from 53% in 1983.

The top 100's 7.6% increase in spot radio spending to $485 million, dropped the group from 40.6% of total spending in the medium in 1983 to 36.4% of the $1.33 billion spent on spot radio in 1984.

Anheuser-Busch was the nation's leading user of spot radio, spending $38.3 million in the medium, down 5.9% from the prior year. While No. 55 Adolph Coors Co. answered the A-B decline with one of its own—12.3%—Stroh Brewery pushed spot radio advertising upward 28%. No. 100 Van Munching & Co., however, increased its advertising in the medium for its import brands, Heineken, Amstel Light and Grizzly, by 110% to $30.7 million, ranking it third in the medium. Apple Computer led all top 25 advertisers in spot radio in year-to-year spending with a 275.9% increase in 1984 over 1983.#

WHO SAYS SEARS ISN'T A
RIOT

Department stores offer more for your life than ever before. Sears has not only gone boutique in merchandise as exemplified by the Silver Unicorn collection filling this tub in the south 40, but in services—financial, real estate, life insurance. Montgomery Ward is trying to revive sales through a stylish remake as demonstrated in this chic direct mail piece. Wards is also dropping the publication of its catalog.

Seagram, bridled by the growing anti-alcohol sentiment, sought to buy airtime on the three networks with this ad equating the alcohol contents of beer, wine and liquor. No dice, said the nets, who don't run ads on liquor. Undaunted, Seagram took its message to print.

Now we're cooking
Tupperware

Tupperware in the oven! Check out your dealer during her office break pitch or delayed rush hour. Those are her new hours—directed from the front office to revive sales.

Things Are Changing At Montgomery Ward

Beatrice

Beatrice's planting of the red banner on its various foods in an attempt to cast an umbrella of quality over its product multitude is symbolic of the company's drive to put order to its house after Hunts, Avis, Danskin, Halston, Jhirmack, Johnnie Walker, Max Factor, Orville Redenbacher, Playtex and STP came to dinner with the Esmark merger.

HEINZ
TOMATO KETCHUP

Ketchup, first recorded in America in 1779, is good to Heinz and sauce to investors who got this bottle delivered on a quarterly statement.

This helps keep it from coming back.
Introducing New Tartar Control Crest.

News entries in the $1 billion dentifrice market are the tartar control toothpastes. P&G brought its Crest tartar line to the market in 1984, but found itself facing a $40 million campaign backing early-comer Dentagard from rival Colgate-Palmolive.

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Leading 100 hike spending 16%

The top 100 advertisers spent $22.5 billion in total advertising in 1984, divided into $13.46 billion in nine measured media (53.3% of all national expenditures in those media) and $9.04 billion in unmeasured advertising.

American Brands
New York

RANK
62

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	6,995	7,093	-1.4
Net income	414	390	6.1
U.S.			
Sales	3,065	3,048	0.6
Operating profits	551	536	2.7
Advertising	133	122	9.0
Division sales			
Tobacco prods.	4,229	4,417	-4.3
Hardware/security	518	462	12.3
Distilled beverages	246	241	2.2
Office prods.	336	319	5.3
Food prods.	494	479	3.0
Other	1,171	1,175	-0.3

American Brands, the 62nd largest national advertiser in 1984 with an estimated $133 million spent on U.S. advertising, up 9% over the previous year, continued to perform marginally in tobacco and liquor markets during the year, increasing total earnings by 6% on a decline of 1% in sales.

U.S. sales for New York-based American Brands, which accounted for about 44% of the company's total, remained static, climbing only $17 million in 1984 to $3.1 billion. Almost half of those sales came from the company's domestic tobacco operations and were supported by more than 50% of the company's measured advertising spending.

Advertising expenditures in the U.S. were an estimated $133 million, up 9% over the previous year. Worldwide, advertising costs at American Brands were $241.9 million, up 3% over the previous year, according to the company.

The company, however, continued its downward trend of placing less advertising in U.S. measured media. In 1984, AB spent an estimated $68.8 million, down 9% from 1983. Peak year for measured ad spending at American Brands remains 1981, when it totaled $82.2 million.

American Brands, because of its large international operations, felt the effects of the strong U.S. dollar in 1984. Although American Brands through American Tobacco's Gallaher Ltd. subsidiary had record sales and earnings in pound sterling, sales in translated dollars dropped 5.1% to $2.82 billion in 1984 and operating profit slid 7% to $114.3 million.

Domestically, American Tobacco and American Cigar, AB's two U.S. tobacco units, had operating income of $382.4 million, up 3% from 1983, on sales of $1.41 billion, down from $1.44 billion in 1983. As a whole, AB had net earnings of $414.1 million on sales of $6.995 billion.

Performance of the tobacco segment in 1984 was directly related to new product introductions. New styles of Carlton and Lucky Strike contributed as did across-the-board price increases for tobacco products in June, 1984, and another on selected brands in December.

New Carlton Slims Deluxe 100s, filter and menthol, were introduced nationally in September, supported by $3.3 million in six-media advertising spending as measured by Leading National Advertisers, most of which was in magazines. With these latest introductions, Carlton, the pioneer low-tar brand and industry sales leader in the ultra-low-tar category, is now available in 10 styles.

Carlton brands received $21.4 million in measured advertising support, according to LNA. As with the new product introductions, magazines claimed most of the dollars. Outdoor picked up the rest, some $8.8 million.

Two new Lucky Strike brands made their appearance in 1984. In February, Lucky Strike Low Tar 100s made its debut, and by July Lucky Strike Lights in kings and 100s went to market. The Lucky Strike filter line was supported by a major advertising and promotion campaign and achieved sales gains for the third consecutive year, according to the company.

Despite that, ad spending for all Lucky Strike brands was down for the year. LNA measured expenditures for 1984 totaled $11.2 million, off 13.2% from 1983.

Lucky Strike and Pall Mall, another American Tobacco brand, dominate the nonfilter category, together claiming almost 60% of that market. Pall Mall Red, the sixth-best selling cigaret in the U.S., receives no measured advertising support. In 1983, the entire Pall Mall product line was backed by $7.6 million in measured advertising. But last year, that figure was cut to $3.4 million, all of it going toward Pall Mall Light 100s.

American Tobacco's low-tar line includes the industry's best-selling charcoal filter brand, Tareyton, as well as Tareyton Lights and Silva Thins. None of these brands received measured ad support in 1984.

Over-all, the company's share of the domestic cigaret market continued to decline, down to 7.9% from 8.6% in 1983.

Following the industrywide trend, American Cigar experienced lower sales. American Cigar manufactures La Corona and Roi-Tan cigars and Antonio y Cleopatra, the division's largest profit producer. Media spending, primarily for its popular Grenadiers brand, was less than $500,000.

American Tobacco's British subsidiary, Gallaher Ltd., experienced a slight share increase in the U.K. cigaret market from 32% in 1983 to 33% in 1984. Benson & Hedges' Special Filter is the leading brand in the U.K. and Silk Cut is the No. 1 low-tar cigaret.

Gallaher is preparing to launch a "world-brand" type campaign for Silk Cut this October. Saatchi & Saatchi, which has done single-theme international campaigns for British Airways, is handling. The campaign is scheduled to start with the U.K. market, then move to the rest of Europe.

Though American Tobacco, founded in 1890, is the core business of American Brands, it is by no means going it alone. American Brands also offers financial services and office products, distilled beverages, food products, hardware and security, golf products, optical goods and services and personal care products.

In 1984, American Brands boosted its financial services segment in January with the acquisition of Southland Life Insurance. Previously, this segment had consisted solely of Franklin Life Insurance.

Total segment revenues last year, which are not included in consolidated net sales, were $858.3 million, up 47% from 1983. Total operating income, which is consolidated, was up 31% to $172.9 million, an increase brought about by the inclusion of Southland. Southland spent only a modest $17,300 in 1984, all in outdoor, according to LNA.

A major business emerging at American Brands is the office products segment, which includes Wilson Jones Co., formerly headed by Edward W. Whittemore who is now American Brands' chairman; Offrex Group, a British subsidiary of Gallaher; Master Lock, the world's largest padlock manufacturer, and Pinkerton's security and investigative services.

The office products segment had operating income of $33.8 million in 1984 on sales of $335.5 million, representing gains of 8% and 5%, respectively. To Wilson Jones' Ambassador line of shredders was added a line of high-security cross-cut particle shredders and the first portable shredder for computer printouts.

Swingline, which holds 70% of the U.S. stapler market, did not record any measured ad spending in 1984 after a modest $241,600 was spent on the product in 1983.

While the so-called "cookie wars" intensified, the Sunshine Biscuits division used a diversionary tactic by introducing a seven-item line of American Heritage snack crackers. It was termed the biggest new-product introduction in the company's history.

Sunshine chose to promote the regional diversity of the crackers, utilizing such names as Wisconsin-style cheddar and New York-style rye. Heavy trade deals dominated the marketing strategy. Consumer advertising was limited to a free-standing insert in September and a holiday promotion at yearend.

Apparently taking note of No. 1 Nabisco Brands' Almost Home and Chewy Chips Ahoy! and No. 2 Keebler's Soft Batch cookies, as well as other entries in the soft cookie market, No. 3 Sunshine decided it was the right time to carve a larger niche in the snack-cracker market. The American Heritage line was added to Cheez-its, Hi-Ho and Wheat Wafers.

All this activity resulted in the division's higher sales volume of $493.8 million, a 3% gain, but the cracker line introduction and the intense competition in the cookie sector took its toll on profits, off 14% from 1983 to $28.6 million.

The distilled beverages sector, paced by Jim Beam, the world's best-selling bourbon, outperformed the industry in posting record sales and operating results for the ninth consecutive year. Operating income for the sector rose 7% to $39.3 million on a 2% sales gain of $246.4 million.

While liquor sales industrywide continued to slide, sales of Jim Beam climbed. Jim Beam directs promotion for its bourbon to the younger consumer. It also stages the Jim Beam Stakes, a major Thoroughbred horse race, and in 1984 introduced the duck stamp decanter series featuring the artwork of federal duck stamps purchased by hunters. *Impact*, the wine and distilled spirits industry newsletter, ranked Jim Beam the fifth leading brand among all distilled spirits based on its case depletions of 4.04 million, a 2.5% increase from 1983. Jim Beam is one notch ahead of Brown-Forman's Jack Daniel's Black bourbon, whose 1984 case depletions of 3.7 million were down 1.6% from the previous year, notes *Impact*.

Each of the Jim Beam promotions was backed largely by magazine advertising, accounting for $2.2 million of the brand's nearly $2.7 million spending according to LNA, which tracks spending in six media. Outdoor got the balance.

Taylor Food Products, a Beam subsidiary and producer of the Mr and Mrs "T" Bloody Mary mix and other cocktail mixes, continued to achieve greater distribution of its products through supermarket and mass-merchandising outlets. New Mr and Mrs "T" products added in 1984 were Cream of Coconut, Strawberry Colada, Bloody Caesar and Hot Buttered Rum. Mr and Mrs "T" was supported in 1984 with $646,700 in measured ad spending, all of it in magazines.

American Brands continues in the forefront of the golf products industry with its Acushnet Co. products, which primarily include Pinnacle and Titleist golf balls. Acushnet had sales of $122.9 million in 1984, an 8% increase over the previous year, and operating income of $19.9 million, a 17% improvement. The Titleist Collection is the division's entry into the fast-growing golf apparel market. Shipments of slacks, skirts, sweaters and rainsuits to golf course pro shops began early in 1985. The company also is continuing its efforts to improve distribution in Japan, the world's second-largest market for golf products.

American Brands spent $5 million on its golf line on network tv and in magazines, up 11% from the previous year according to LNA.

The company spent $7.6 million in measured media on its personal care products in 1984, primarily on various items comprising Andrew Jergens Co. This compares with $6 million spent on personal care products in 1983.

The Jergens labels received $5.8 million in 1984, some $3.3 million of which supported Jergens Lotion, and $2.4 million backing Jergens Aloe & Lanolin Bar, according to LNA. The Jergens line received only $3.4 million in 1983 measured spending, some $3.1 million of that consumed by Jergens Lotion. Jergens, according to industry sources, is No. 2 in the $450 million hand-and-body moisturizer category with an 11% market share in dollars compared with market leader, Chesebrough Pond's Vaseline Intensive Care, at 19%. Keri lotion by Westwood Pharmaceuticals is No. 3 with an 8.4% share.

The Jergens' advertised line also includes Jergen's Gentle Touch soap, Jergens Aloe & Lanolin lotion & cream, Jergens Clear Complexion Bars and Jergens Lotion soap.

In addition to the Jergens' line, the company in 1984 largely funneled the rest of its ad spending for personal care products into Squeek shampoo where spending increased to $1.2 million from $600,000 in 1983 for shampoo and conditioner.

Fiesta deodorant soap, a new entry in 1982 that received $2.5 million in its introductory year and $2.6 million in 1983, got only $1,900 in measured spending in 1984, according to LNA.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,995	5,915
Magazines	31,583	35,473
Network cable	111	0
Spot tv	840	2,501
Network tv	9,832	8,608
Spot radio	87	30
Network radio	0	105
Outdoor	11,894	12,950
Total measured	59,341	65,581
Total unmeasured	73,659	56,419
Estimated total	133,000	122,000

AMERICAN BRANDS
245 Park Ave.
New York 10167
(212) 557-7000

AMERICAN TOBACCO CO.
Marketing Personnel

W.J. Moore, vp-adv
N.H. Chester, media dir
W.C. Stevenson, mktg controller
M.J. O'Neill, mktg services dir
E.T. Bonnett, senior rsch analyst
H.W. Bahrenburg, prod mgr, Carlton
E.J. Gesell, prod mgr, Lucky Strike
J.A. McGinn, prod mgr, Pall Mall, Tareyton
J.J. Mellett, media mgr
W. Degenhardt, media super
C.H. Mullen, senior vp-sales
T.F. McGuire, mgr-sales operations
S. Roses, sales promo & merch dir

Advertising Agencies

Laurence, Charles & Free, New York—Carlton, Lucky Strike, Silva Thins—Albert Magnane, Malcolm Minor, vp-mgmt supers; Thomas Keane, R. LaFrance, acct supers.

SSC&B, New York—Pall Mall, Tareyton, Talls, all smoking tobacco—Doug Bomeisler, senior vp-mgmt super; Dan Bellucci, acct exec.

SUNSHINE BISCUITS
Sayreville, N.J.
Marketing Personnel

Joseph P. Simrany, vp-mktg
Alan B. Hiller, mgr-new business & specialty mktg
Harold B. Derstine, group prod mgr-crackers
Robert M. Lorys, group prod mgr-cookies
Hedy Britton, Richard Gomel, senior prod mgrs-cookies
Gerald Jantzi, William Shadrach, senior prod mgrs-crackers
Alexander Nichols, mgr-adv & mktg services
Carol Goggin, consumer relations super-home economist
Christine Dominik, mktg-consumer rsch coord

Advertising Agency

Sherwood & Schneider, New York—Marvin Schneider, chmn-ceo; Lew Sherwood, president; Brendan Hawk, exec vp-genl mgr; Craig Bernard, acct super.

FRANKLIN LIFE
INSURANCE CO.

Springfield, Ill.
Marketing Personnel
Jack Watson, senior vp-mktg
T.M. Costa, vp, dir-sales promo

SOUTHLAND LIFE INSURANCE CO.
Dallas
Marketing Personnel
Joe W. Hopkins, senior exec vp-mktg officer
Virgil L. Hooper, second vp-dir special mkts

JAMES B. BEAM DISTILLING CO.
Chicago
Marketing Personnel
G. Lane Barnett, vp-dir mktg & adv
B.J. Bilocerkowycr, adv mgr
Advertising Agencies

Bozell & Jacobs, Chicago—Jim Beam, Jim Beam and Cola, Norton X. O'Meara, mgmt super; Charles Brom, acct super.

HCM, New York—Beam's Black Label premium bourbon, Beam's Choice premium bourbon, Imported Kamora coffee liqueur, Imported Kamora decaffeinated coffee liqueur, Peter Heering cherry liqueur, UTC orange liqueur, Aalborg Akvavit, Gammel Dansk Bitters, Spey Royal scotch, Chateaux cordials, Dark Eyes vodka—D. Brashears, mgmt super.

MASTER LOCK CO.
Milwaukee
Marketing Personnel
Peter U. Jung, vp-mktg
Harv Schneider, mgr-mktg communications
Advertising Agency

Cramer-Krasselt Co., Milwaukee—consumer trade, intl adv—W. Faude, acct super.

WILSON JONES CO.
Chicago
Marketing Personnel
A.E. Fontenot Jr., vp-mktg
R.F. Smock, vp-adv & mktg services
M.A. Rosenfeldt, adv mgr
Advertising Agency

Al Paul Lefton Co., New York—Jack Stack, vp; Robert Ellis, vp.

ACME VISIBLE RECORDS
Crozet, Va.
Marketing Personnel
Irving M. Sloan, adv mgr
Advertising Agency

Al Paul Lefton Co., New York—Jack Stack, vp; Larry Wilson, acct rep.

ACUSHNET CO.
New Bedford, Mass.
Marketing Personnel
Golf Division
Robert B. Forbush, vp-worldwide mktg-golf
John W. Hoagland, business mgr-golf balls
Theodore S. Ingalls, business mgr-intl mkt
Robert A. Shell, business mgr-apparel
Gerald M. Bellis, business mgr-accessories
Rubber Division
James G. DeMello, vp-mktg devel
Richard A. Bugg, dir-mktg & sales
Roger M. Horning, Charles C. Gregory, field sales mgrs
Ernest P. Amaral, mgr-natl accts
Jack W. Wagner, mgr-natl accts
Advertising Agency

Humphrey Browning MacDougall/-Creamer, Boston—John McNamara, acct super-golf div; Marty Curran, acct super-rubber div.

PINKERTON'S
New York
Marketing Personnel
C. Gehrmann Holland, senior vp, sales & mktg
William C. Bond, dir-mktg services
Advertising Agency

Douglas Turner, Newark, N.J.—Douglas J. Turner, acct super.

ANDREW JERGENS CO.
Cincinnati
Marketing Personnel
Robert L. Dom, exec vp-mktg
Rodger V. Reed, vp-mktg
Linda D. Cornell, vp-new prod devel
D. Tim Zimmerman, dir-prod mgmt
Richard R. Culpin, vp-sales
Advertising Agency

Ally & Gargano, New York—Jergens lotion, Jergens Aloe & Lanolin lotion, Jergens mild soap, Jergens Aloe & Lanolin soap, Jergens lotion-enriched liquid soap, Gentle Touch soap, Gee Your Hair Smells Terrific shampoo & conditioner, plus a general line of toiletries & cosmetics—Dennis Visich, senior vp-group mgmt super; Charles McMellon, vp-mgmt super; Peter Fedyck, acct super.

SWINGLINE INC.
New York
Marketing Personnel
David B. Miller, vp-sales & mktg
John Sheridan, dir-sales & mktg, business machines div
Fred Weiss, vp-mktg devel & admin
Jack Shulman, vp-sales, office prod div
Anne Burritt, mktg services mgr, office prod div
John Peters, export mgr
William Gibbons, natl sales mgr, consumer prod & retail stationery div
Anne Beirne, mktg services mgr, consumer prod & retail stationery div
Advertising Agency

Al Paul Lefton Co., New York—G. William Wolfston, president-mgmt super; Robert H.D. Ellis, vp.

MCM PRODUCTS
New York
Marketing Personnel
Daniel Roberts, natl sales mgr, W.R. Case & Sons Cutlery Co.
Alan Ritchie, president, Marson Corp.
Richard B. Turner, vp-sales, prof div, Marson Corp.
Robert M. Hewson, vp-sales, consumer & hardware div, Marson Corp.
Craig M. Meyers, vp-sales, fastener div, Marson Corp.
Paul Greenberg, vp-sales & mktg, Marvel Lighting Corp.
Advertising Agencies

Al Paul Lefton Co., New York—W.R. Case & Sons—Bob Ellis, Jack Stack, acct execs.

McDougall Associates, Peabody, Mass.—Marson Corp.—Dan McDougall, president; Ralph Carola, vp-acct mgmt.

AMERICAN CIGAR
New York
Marketing Personnel
G.F. Ward, vp-sales
K.P. Noone, mktg mgr
T.P. Tiernan, exec mgr-sales admin
J. Tessler, sales mgr-east
E.A. Vega, sales mgr-south
E.M. Totty, sales mgr-central
S.G. Dye, sales mgr-west
W.C. Bock, military sales mgr
Advertising Agency

SSC&B, New York—Roi-Tan, Antonio y Cleopatra, Bock y Ca, La Corona cigars, Casa Silva, Roi-Tan little cigars, A&C little cigars, Sail, Flying Dutchman, Clan & Blue Boar smoking tobaccos—Ken Robbins, chmn-ceo; Hal Rover, vice-chmn; Doug Bomeisler, senior vp-mgmt super; Sharon Treacy, Dan Bellucci, acct execs.

American Broadcasting Cos.
RANK 94
New York

($ figures = 000,000)

U.S./Worldwide	1984	1983	% chg
Sales	3,708	2,949	25.7
Net income	195	160	22.2
Advertising	69	49	40.1
Division sales			
Broadcast	3,304	2,614	26.4
Publishing	316	280	13.0
Video enterprises	54	13	308.0
Motion picture	28	33	-14.4

American Broadcasting Cos., New York, the 94th largest national advertiser, increased its advertising an estimated 40%, to $68.9 million, in 1984, a banner year for the company, attracting the attention of corporate takeover artists and eventually gave in to a friendly $3.5 billion buyout bid last spring from Capital Cities Communications.

When completed, the merger will represent the largest sale in U.S. broadcasting history. It was approved by ABC and Capital Cities shareholders in June, but the deal is not expected to be completed until early 1986.

The merger eventually could force the sale of more than $1 billion worth of broadcasting, cable tv and newspaper properties, because of Federal Communications Commission cross-ownership rules. The FCC forbids a single company from owning more than one media outlet in the same market unless the company is covered by a grandfather clause in those markets.

The selloff has already begun. Stations sold (pending merger approval) include: ABC's KTKS (fm), Denton, Tex., sold to Gannett Co. for $16 million; ABC's KSRR (fm), Houston, Tex., and Cap Cities' KLAC/KLLA (fm), Los Angeles sold to Malrite Communications; ABC's WRIF (fm), Detroit, and Cap Cities' WPAT am/fm, New York, sold to Silver Star Communications, Detroit, for $14 million; and Cap Cities' WFTS-TV, Tampa, and ABC's WXYZ-TV, Detroit, sold to Scripps-Howard Broadcasting for $246 million. Cap Cities also has sold its 55 cable tv systems, representing 375,000 basic subscribers in 16 states, to Washington Post Co. for about $375 million.

Capital Cities, whose principals have a reputation for smart, unsentimental business acumen, has said it might also deal away the ABC Radio Networks if the networks' ability to "serve the public as national sources of information and entertainment" is "seriously impaired" by the forced sale of the station outlets.

ABC was ranked No. 1 in terms of media revenues on ADVERTISING AGE's list of 100 leading media companies in 1984 (AA, June 27). Last year, media revenues totaled $3.65 billion, spurred by profits from the network's broadcast of the 1984 Summer Olympics, the most-watched tv event ever presented by a single network. Media revenues did not include book publishing, motion pictures, research services and insurance.

Total revenues were $3.7 billion, a 26% increase over 1983. The company also registered record earnings of $195 million, a 22% increase. Both revenues and income were down for the first quarter of 1985, while second-quarter figures showed minuscule gains.

Chairman Leonard H. Goldenson and president Frederick S. Pierce attributed the flat profit picture so far this year partly to increased corporate expenses related to the merger. Those expenses are believed to be about $25 million. Poorer upfront tv sales and ABC's third-place prime time ranking also are contributing to poorer sales.

The big winner from the increased ad budget last year was ABC Television Network, whose six-media expenditures of $29.6 million listed by Leading National Advertisers consumed 49% of the company's total measured media budget of $60.5 million. Virtually all of that amount was spent on magazine advertising. Measured media expenditures for the newly acquired Entertainment & Sports Programming Network of $2.5 million were the company's second-largest item.

The engine that drives ABC is the Broadcast Group, which has accounted for 87% of total revenues in each of the past three years. In 1984, the ABC Broadcast Group—which is made up of the ABC Television Network, the five owned tv stations and ABC Radio—amassed $3.3 billion in revenues, an increase of 26% over 1983. Pretax earnings increased 17%, to $427.8 million.

Still, there was an air of trouble at the company's Sixth Ave. headquarters after the final sweeps of the 1984-85 season. Even record-breaking earnings for the Olympics, which generated profits for the network of as much as $50 million, couldn't save ABC's contingent of prime-time ratings losers.

For the first time in 12 years, ABC was third among the Big Three in prime-time ratings for the season. CBS finished first with a 16.9 rating, spunky NBC was second with 16.2, and ABC limped in at 15.4.

The numbers prompted a shakeup in the executive offices, strengthening the hand of Broadcast Group president Anthony Thomopoulos. Sweeping changes were made for the fall prime-time schedule. ABC has added eight new series for September, and it has picked up NBC's "Diff'rent Strokes." The new offerings represent eight weekly hours of network prime time.

A ninth series to start in November, will be "Dynasty II: The Colbys," a spinoff from ABC's blockbuster of the past two years. "Dynasty" was the top-rated tv show last season, with a 25 rating and a 37 share.

ABC will continue its network primacy in sports, though there have been some cutbacks in sports programing. "Monday Night Football" returns for its 16th season, though ratings dipped last year.

Besides the Olympic coup last year, ABC also broadcast for the first time the January Super Bowl, garnering record advertising rates of $1 million a minute. ABC also won 11 Emmys last year, four of them for its newsmagazine show "20/20."

The five owned tv stations (in New York, Los Angeles, Chicago, Detroit and San Francisco), whose revenues are expected to flatten this year with the network's prime-time troubles and the absence of last year's Olympic fare, are under the gun to cut costs.

Dennis Swanson, the recently appointed president of the owned stations division, reportedly has imposed a strict mandate for efficiency on the five, which contributed about $475 million in revenues last year and about $150 million in pretax profits.

Publishing, the second-largest money maker among ABC business groups, generated $316.2 million in revenues, up 13% from the previous year. Record earnings before taxes reached $34.2 million, a 17% increase. The company had continuing success with its business, high-tech and inspirational publications, while the division got an extra boost from Olympic-related publications, such as the "Official Olympic Guide to Los Angeles."

Video Enterprises showed substantial revenue increases in 1984 but a pretax earnings loss of $44.6 million. The major development of the group was the addition of ESPN. ABC paid Texaco $227 million for 85% of the sports network in April (ABC had purchased 15% earlier in the year from Getty Oil). Then in October, ABC sold 20% of its new acquisition to Nabisco Brands for $60 million. ESPN subsequently clinched a three-year, $70 million deal with the United States Football League to broadcast its games.

One of the main virtues of the ESPN-Nabisco deal was the involvement of the widely respected Don Ohlmeyer, former NBC sports executive producer, in the cable network. Under the terms of the agreement, his company, Ohlmeyer Communications, will consult and advise ESPN in such areas as marketing and programing. Ohlmeyer Communications is a joint venture between Don Ohlmeyer, chairman; John Martin, president, and Nabisco. Both men have become ESPN directors.

ABC closed its unprofitable TeleFirst service, the Chicago-based scrambled-signal movie and entertainment network, after fewer than six months of operation. Also, the ABC Motion Pictures group sold its Florida theme parks, ABC Scenic Attractions, for $6.6 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	16,155	10,304
Magazines	33,679	23,827
Network cable	8	1
Spot tv	8,698	5,520
Spot radio	745	574
Network radio	18	409
Outdoor	1,229	537
Total measured	60,532	41,171
Total unmeasured	8,368	7,997
Estimated total	68,900	49,168

AMERICAN BROADCASTING COS.
1330 Avenue of the Americas
New York, N.Y. 10019
(212) 887-7777

ABC-Tv Network
Marketing Personnel
George H. Newi, president, ABC Television Network
Marvin Mord, vp-mktg & rsch services
H. Weller Keever, vp-in charge of sales
Robert Silberberg, vp-genl sales mgr
J. Larre Barrett, vp-sports sales
John Tiedmann, vp & natl sales mgr
Alfred A. Smith, vp-daytime sales
Marvin Goldsmith, vp & dir-eastern sales
Robert Cagliero, vp-early morning sales
Lawrence Fried, vp news sales
Edward Ryan, vp regional sales
George Cain, vp-eastern sales mgr
Edward J. Wollock, vp-sales central div
William Harmond, vp-sales western div
Michael Rubin, vp sales mgr central div
Charles Allen, vp-sales admin
Paul W. Barrett, vp-adv
Charles Gabelmann, vp-sales devel & affiliated projects
Madeline Nagel, vp-mktg
Richard Wozniak, vp-tv network sales, Detroit
William Gilogly, vp-news sales, central div
Roy Polevoy, vp-on-air promo, creative services, ABC Entertainment
Dennis Fitch, vp-adv, west coast, ABC Entertainment

ABC Owned TV Stations
Marketing Personnel
Walter Flynn, vp-genl mgr, sales & mktg

ABC-TV Spot Sales
Marketing Personnel
Michael Rosenberg, genl sales mgr
Georgia Breza, dir-rsch services & admin

ABC Radio Networks
Marketing Personnel
Louis J. Severine, vp-dir, sales
Arthur Sulzburgh, vp-natl sales mgr
Dan Perry, vp-western sales mgr
Joseph H. Hildebrand, vp-sales mgr, Detroit
Blaise Leonardi, vp-eastern sales mgr
Sam Patterson, dir-adv & promo
David Logan, sales mgr-mkt devel

ABC Video Enterprises
Marketing Personnel
Archie C. Purvis Jr., vp-genl mgr, ABC Video Enterprises
Marvinia Hunter, dir-cable, cassette mktg, video sales
Carol E. Francesca, dir-ABC Merchandising Inc.

ABC Publishing
Marketing Personnel
Tom Osenton, dir-mktg, promo
Advertising Agencies

N W Ayer, New York—ABC-TV news—Tom Maxey, exec vp-exec acct dir.

Grey Advertising, New York—ABC-TV movies for tv, miniseries—Donald Foley, genl mgr-entertainment & leisure; Bob Griffin, acct super; Chris Pula, acct exec.

McCaffrey & McCall, New York—ABC-TV sports, theatricals, all other entertainment dayparts—Norman Freedman, group acct mgr; Patrick Corrigan, acct super-sports; George Rojas, Barry Weintraub, acct supers-entertainment.

American Cyanamid Co.
RANK 27
Wayne, N.J.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	3,857	3,536	9.1
Net income	216	218	-0.9
U.S.			
Sales	2,687	2,389	12.5
Operating profits	200	172	16.2
Advertising	284	203	40.1
Division sales			
Medical	1,067	988	9.3
Agricultural	893	747	19.6
Chemicals	1,005	973	3.4
Shulton	528	508	4.0
Formica prods.	373	341	10.0

American Cyanamid, Wayne, N.J., is the 27th largest national advertiser with U.S. advertising of total estimated $284.4 million in 1984, up 40.1% from a restated $203.0 million in 1983.

In 1984, Cyanamid net sales rose 9.1% to $3.9 billion, while net earnings showed a 0.9% increase to $215.9 million.

Of the $3.9 billion in sales, $2.7 billion, or almost 70%, came from domestic sales, compared with 1983 domestic sales contributions of $2.4 billion out of a $3.5 billion total, or 69%. A strong U.S. market, compared with most international markets, and unfavorable dollar conversions for foreign sales contributed to the U.S. showing.

Four out of five Cyanamid business groups showed operating income increases in 1984, including Cyanamid's Shulton consumer group, with sales up 4% to $528.5 million and operating income up 2.4% to $25.5 million. Although Shulton represents only 13% of total sales and 7.3% of operating income, the majority of Cyanamid's measured advertising of $69.7 million is done in this group.

Cyanamid in 1984 spent an estimated $334.6 million worldwide in advertising, up from $289 million in 1983. The U.S. represents an estimated 85% of that total, which includes supplies, fees, commissions, direct mail costs, and some rent, utilities and travel, etc., according to the company.

The Shulton group—which including the No. 1 men's and women's fragrances in Old Spice and L'Air du Temps and other products, Pine-Sol cleaner disinfectant, and Breck hair products—accounted for about 62% of Cyanamid's measured advertising in 1984.

The Old Spice line funneled $15.9 million into measured media, virtually all in spot and network tv, a tally that was up 20.[illegible]% over the previous year.

Men's cologne received the major advertising push, from $6 million in 1983 to $10.1 million in measured media in 1984. Spending on the Old Spice stick deodorant and solid antiperspirant actually dropped 15.4% to $5.5 million.

The Old Spice deodorant line and Lady's Choice ($5.3 million in measured spending, down 2%) antiperspirants lost market share to Bristol-Myer's Ban and Carter-Wallace's Arrid, however.

The Pine-Sol line of liquid cleaners, the leading seller in the fluid cleaning market, received $7 million in measured spending, down 4.1% from 1983.

Cyanamid is investing heavily in two new products in the Shulton group. The company is spending a reported $16 million in marketing, including $6 million in measured advertising, for a new tray bait roach insecticide, Combat. The product is up against Raid, Black Flag and d-Con.

Shulton introduced UltraSwim in the $2 billion-a-year haircare market in 1984. The product is designed to combat the effects of swimming pool chlorine on the hair. Shulton in 1984 spent almost $1.2 million in magazine, tv and radio ads for both the new products, at an $8 million annual rate. In addition, some 200 million cents-off coupons are being distributed through newspapers and magazines.

Shulton also is testing Equa Balance, a hand-and-body moisturizer akin to the company's Sans Soucis brand. The new product is part of a relatively no-growth $450 million mass-outlet facial segment of the hand-and-body moisturizer market. Richardson-Vicks' Oil of Olay leads the market with a 23% market share, but its sales have slipped as have No. 2-ranked Noxzema at 15.6%, according to analyst Diana Temple of Salomon Brothers. Revlon has European Collagen Complex and has relaunced its Moon Drops line in the market category.

Cyanamid began national distribution of its Breck styling mousse in 1985 following test in 1984. The company spent only $64,000 on Breck hair spray and styling mousse in 1984, dropping Breck shampoo from the advertising column after spending $296,000 on the shampoo in 1983.

Cyanamid's largest division in sales and second biggest advertiser is the medical group, accounting for about $22 million in measured spending, virtually all in its over-the-counter vitamin products.

The group had operating earnings of $155.8 million, up 8% from 1983, on $1.06 billion in sales, up 9.3%. Through its Lederle Laboratories in Pearl River, N.Y., and other subsidiaries, Cyanamid develops and markets a wide range of drugs and pharmaceuticals, including anticancer agents, antibiotics and vaccines.

Measured advertising on the division's Centrum vitamin products increased 19% in 1984 to $10.7 million, all of it in tv and magazines.

Despite a big promotional effort tied to the Olympics, sales of Lederle's Spartus multivitamins were down sharply in 1984. The tv spots, which cost almost $3 million, compared with 1983 expenditures of $1.9 million, urged Olympic viewers to "ask more of yourself, ask more of your vitamin."

Lederle expenditures on another vitamin product, Stresstabs, dropped 36% to $2.3 million in 1984.

A Lederle drug, a so-called transdermally active vasodilator, is known to increase the flow of blood to the skin, and is in clinical test to assess its safety and effectiveness in the treatment of bedsores, wound healing and even male pattern baldness, which has raised eyebrows among marketers. Upjohn Co. has a drug reputed to prevent hair loss in some men: The market for baldness treatment currently is worth $200 million annually.

The chemicals division was the one division registering a decline in operating profit—36% to $46.1 million in 1984, on sales of $1 billion, up 3.4%—mirroring a general slowdown in the chemical industry during 1984. Cyanamid says lower profits resulted from a 1% decline in its chemical product prices, compared with an over-all industry price increase averaging 3%.

Among new products developed by the chemical group in 1984 were enhanced oil recovery chemicals, advanced composites and urethane chemicals.

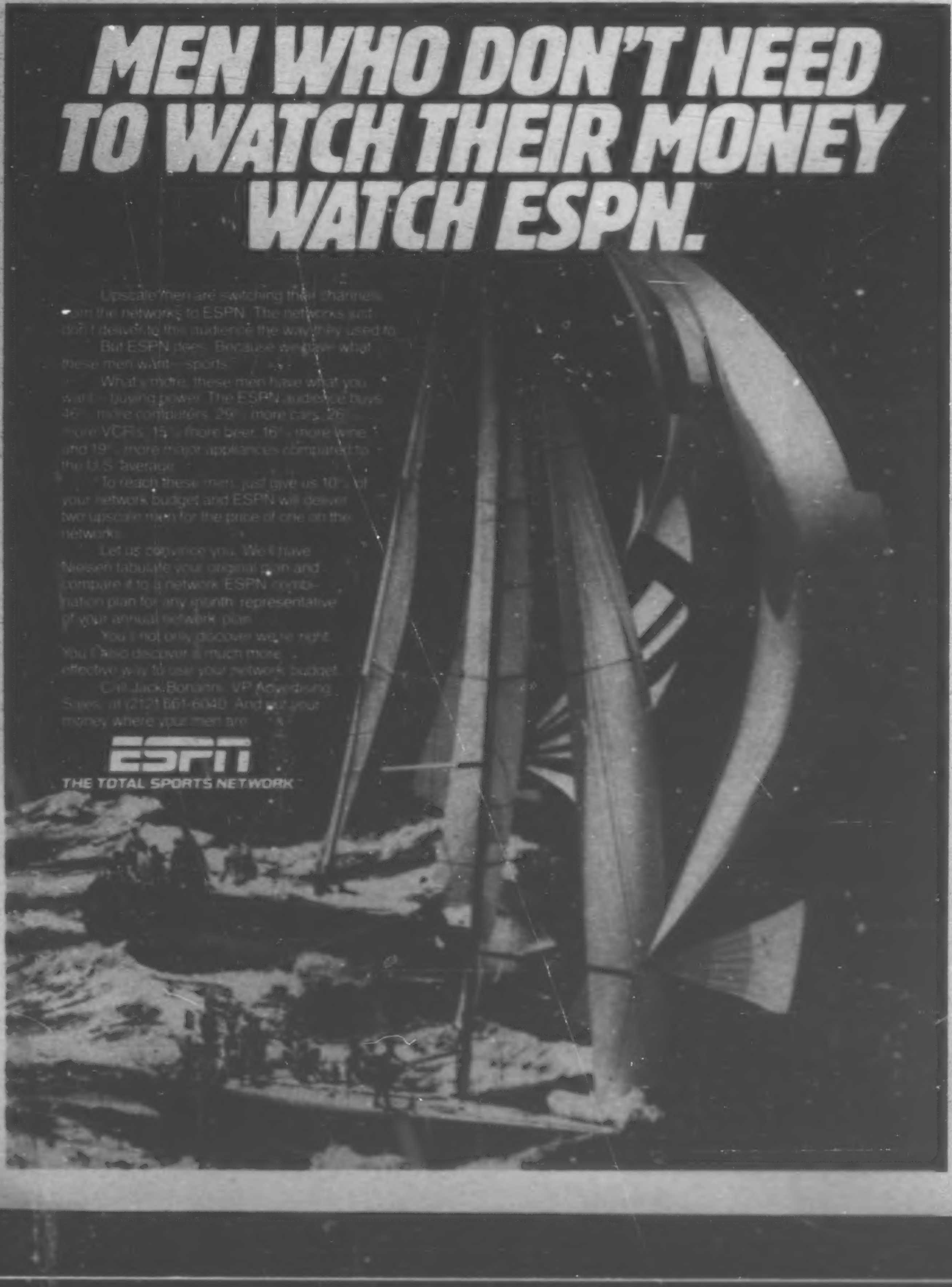
Cyanamid's agricultural group, which primarily markets fertilizers, insecticides, herbicides and animal nutrition and health products, registered 1984 sales of $892.7 million, up 20% from 1983, with operating earnings nearly tripling from $33.9 million to $88.5 million in 1984. Big sellers included Counter insecticides and Prowl herbicide; sales increases corresponded with significant advertising increases.

Advertising for Cyanamid's agricultural insecticides and herbicides increased from almost $750,000 in 1983 to some $1.6 million in 1984, sending the company's farm publication total to $4.17 million. Cyanamid also aired 30-second tv spots for Counter products, with computer-generated graphics, in nine Corn Belt states.

Little advertising is done by Cyanamid's Formica products group, which had 1984 sales of $373 million and record operating earnings of $34.7 million. Advertising for Formica home surfacing material increased from $869,000 in 1983 to $953,000 in 1984, virtually all of it in magazines. The group, however, was sold in October, 1984, for $200 million to a group headed by its own management and Shearson Lehman.

Over-all measured advertising for Cyanamid was $69.7 million, a 21.7% increase over 1983. Of the total, magazine expenditures were up 17%; cable, up 6%; spot tv, up 25%; network tv, up 20%, and spot radio, up 29%. Network radio, for which no expenditures were monitored in 1983, went to $406,000 in 1984, and outdoor advertising was up from $3,000 to $76,000. Farm publication advertising increased 21%.

In 1984, Cyanamid was one of the few advertisers that bought time on the controversial ABC movie "Something About Amelia," which dealt with incest.



Upscale men are switching their channels from the networks to ESPN. The networks just don't deliver to this audience the way they used to.

But ESPN does. Because we give what these men want—sports.

What's more, these men have what you want—buying power. The ESPN audience buys 46% more computers, 29% more cars, 26% more VCRs, 15% more beer, 16% more wine and 19% more major appliances compared to the U.S. average.

To reach these men, just give us 10% of your network budget and ESPN will deliver two upscale men for the price of one on the networks.

Let us convince you. We'll have Nielsen tabulate your original plan and compare it to a network/ESPN combination plan for any month representative of your annual network plan.

You'll not only discover we're right. You'll also discover a much more effective way to use your network budget.

Call Jack Bonanni, VP Advertising Sales, at (212) 661-6040. And put your money where your men are.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	241	0
Magazines	8,673	7,442
Network cable	1,347	1,271
Spot tv	11,834	8,744
Network tv	42,325	35,258
Spot radio	1,408	1,089
Network radio	406	0
Outdoor	76	3
Farm pubs	4,173	3,449
Total measured	69,684	57,255
Total unmeasured	214,776	145,754
Estimated total	284,460	203,009

AMERICAN CYANAMID CO.
One Cyanamid Plaza
Wayne, N.J. 07470
(201) 831-2000
Agricultural Group
Princeton, N.J.
Marketing Personnel

D.J. Durand, adv mgr-crop protection chemicals

W.J. Reynolds, adv mgr-animal nutrition & health

Advertising Agencies

Bergelt Advertising, New York—poultry food prod, feed additives—E.C. Bergelt, acct super.

H.T. Fenton, Somerville, N.J.—Malathion, Cythion—Harry Fenton, acct mgr; Karna Godridge, acct super; Andrea Bestul, acct exec.

Miller-Meester, Minneapolis—pesticides, prod publicity—Paul Dunham, acct super.

Richardson, Myers & Donofrio, Baltimore, Md.—animal industry prod—Roger Randall, acct super.

Tucker Wayne & Co., Atlanta—Counter, Avenge, Prowl, Thimet, Cygon, Cyprex, Pay-Off, Amdro, Maxforce—L.E. Ver Steegh, mgmt super; Mark Kirkpatrick, acct super.

Chemical Products Division
Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

Advertising Agencies

Wildrick & Miller, New York—agricultural & industiral prod, catalyst dept—W. Doyle, acct exec.

Hazard, Barbetta & Miller, Fairfield, N.J. —CY/RO Industries, industrial chemical div—Jospeph Barbetta, president; Tom Brogan, acct super; Mara Bersak, media dir.

Industrial Products Division
Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

Advertising Agency

Hazard, Barbetta & Miller, Fairfield, N.J. —T. Brogan, acct exec.

Fibers Division
Marketing Personnel

W. DeMartine, vp-mktg

J.B Simmons, mgr-mktg communications

Advertising Agency

Grey, Lyon & King, New York—Creslan Acrylic fibers—E. Wallis, vp-acct mgr.

LEDERLE LABORATORIES

Marketing Personnel

Pharmaceutical Dept.

L.E. Tilton, vp-genl mgr-proprietary prod
R.M. Lynch, dir-mktg, proprietary prod
H.H. Spinet, vp-genl mgr, pharmaceutical prod

DAVIS & GECK DEPT.

Danbury, Conn.

Marketing Personnel

E.F. Wilson, president
D.A. Sullivan, dir-professional & trade relations

Advertising Agency

Naimark & Barba, Cedar Knolls, N.J.—Dr. George M. Naimark, president; Joan Garcia, acct super; David Barba, creative dir; Debbie Quintman, media dir.

Advertising Agencies

Carrafiello, Diehl & Associates, Hudson, N.Y.—pharmaceuticals—T. Sweeney, acct exec.

Klemtner Advertising, New York—pharmaceuticals—Gabin Scott, acct super.

Dugan/Farley Communications, Montvale, N.J.—E.J. Farley, exec vp.

Rolf Werner Rosenthal Inc., New York—H. Messinger, mgmt acct super; R. Recchia, acct super.

CONSUMER PRODUCTS SHULTON U.S.A. DIVISION

Marketing Personnel

B.W. Morgan, vp-mktg, toiletries
K.M. Freeman, vp-mktg, household
S.A. Hopkins, strategic business mgr-fragrances
A. Lowery, strategic business mgr-deodorant/AP
L.B. Koslow, strategic business mgr-new prod
J.P. Grey, strategic business mgr-hair care
J.W. Janis, strategic business mgr-insecticides, new technology
G. Balkema, strategic business mgr-hard surface cleaners
J. O'Brien, dir-new category devel
L. Lent, dir-mktg service
J. Gibbs, dir-adv services

Advertising Agencies

Ted Bates & Co., New York—Brock, Ultra Swim, Old Spice aftershave & cologne—Walter Reichel, acct exec; Nancy Cline, media dir; Lynne King, acct super, Ultra Swim; Diana Singer, acct super, Old Spice aftershave & cologne.

Cadwell Davis Partners, New York—Insignia Men's grooming prod—Frankie Cadwell, president; Elliot Glazer, acct super; Marcia Herbert, acct exec; Phyllis Joseph, media planner.

Carrafiello Diehl & Associates, Irvington-on-Hudson, N.Y.—Cerebro, Burgess—A. Louis Carrafiello, president; Robert Brandt, acct super; Les Fiero, acct exec; Marguerite Kennedy, media dir.

Dancer Fitzgerald Sample, New York, N.Y.—Cie, Old Spice stick deodorant/antiperspirant, Lady's Choice—Lynn Salzberg, acct super, Lady's Choice, Old Spice; Roy Elvove, acct super, Cie; Stanley Becker, creative dir.

JACQUELINE COCHRAN INC. DIVISION

New York, N.Y.

Marketing Personnel

L.F. Grunberg, president
B. Kaper, genl mgr-La Prairie
M.F. Fleishman, senior exec-vp, mktg
B. Kotlikoff, vp-mktg, Ricci prod
B. Clyde, vp-mktg, women's fragrances
T. Mahoney, vp-mktg, men's fragrances

Advertising Agencies

BBDO, New York—Nina Ricci/Pierre Cardin—Jack Thorne, exec vp; M. Paxton, senior vp; B. Day, vp-acct super.

Peter Rogers Associates, New York—Niki de Saint Phalle—J. Tabaczyk, mgmt dir; L. Chesman, acct super.

SHULTON INC. INTERNATIONAL DIVISION

Wayne, N.J.

Marketing Personnel

F.L. Larven, vp-mktg
J. Akkerman, dir-mktg
B. Vigue, mgr-mktg services

INTERNATIONAL/LATIN AMERICA GROUP

Medical Products

Marketing Personnel

K.M. Sellon, dir mktg-Lederle prod, Cyanamid International
J.L. Ackermann, dir-ddsl prod
D. Pritchard, dir-medical prod, Latin America group

Chemical Products

Marketing Personnel

A.C. Bell, dir-chemicals, Cyanamid International
L.D. Postiaroli, dir-chemical prod, Latin America group

Advertising Agency

Robell International—Warren Robell, president.

Medical Products

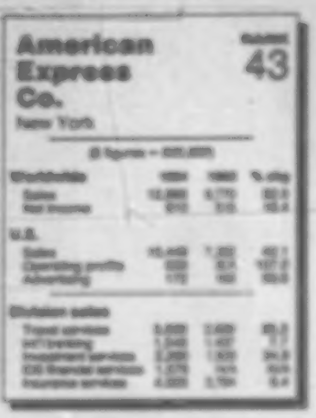
Advertising Agencies

Adcom Advertising, Newark, N.J.—E. [illegible] partner; Ronald [illegible], partner, acct exec.

D.M. Advertising, Jericho, N.Y.—D.F. McCullough, president.

Klemtner Advertising, New York—L.A. Davies, acct super.

Landi & Handler, New York—G.M Naimark, president; D. Barba, art dir.



American Express Co.

New York

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	12,895	9,770	32.0
Net income	610	515	18.4
U.S.			
Sales	10,443	7,302	43.1
Operating profits	688	302	127.8
Advertising	172	108	59.6
Division sales			
Travel services	3,033	2,808	8.0
Int'l banking	1,545	1,437	7.5
Investment services	2,300	1,629	34.8
IDS financial services	1,370	N/A	N/A
Insurance services	4,009	3,794	5.4

RANK 43

American Express, New York, the 43rd largest national advertiser, increased advertising expenditures 59.6% in 1984 over the previous year, to an estimated $172.1 million.

American Express earnings rose 18.4% to $609.6 million in 1984, as sales increased 32% to $12.9 billion primarily because of acquisitions. But continued heavy losses at the company's Fireman's Fund property and casualty insurance operations put a damper on profits through the second quarter of the current fiscal year, though the company's travel business and brokerage operations are showing record profits.

Earnings of $140.2 million for the second quarter of 1985 showed only a negligible increase from $138.7 million in the comparable period in 1984. That included a $21 million increase in Travel Related Services, the division that runs the American Express Card and traveler's checks operations, and a $37 million increase in investment services, primarily Shearson Lehman Brothers. It also included a $72 million loss in insurance operations.

Help is on the way for the beleaguered Fireman's Fund. Some of its problems related to a loss it took last May in its agreement to settle a class-action suit by paying $35 million to investors in a bankrupt California mortgage company.

The company announced plans in June to sell a major part of Fireman's Fund to the public, in an apparent move to reduce the parent company's vulnerability to the up-and-down swings of the property-casualty business. Then in July, American Express hired John J. Byrne, former head of Geico Corp. and a reputed turnaround expert, as Fireman Fund's new ceo.

With the imminent divestiture of American Express' 50% interest in Warner Amex Cable Communications, the company is slimming down, transforming itself into a more streamlined and focused financial services operation.

Warner Amex chalked up total revenues of $472.9 million last year, up 8% from 1983, but the company continued to operate in the red, with a net loss of $23 million, down from its 1983 loss of $98.4 million.

American Express, which is an equal partner with Warner Communications in the cable venture, has signed a buyout agreement with two Denver-based companies, Time Inc.'s American Television & Communications subsidiary and Tele-Communications Inc. But Warner, under terms of the joint venture, elected to match the deal, which would cost it $450 million for Amex's share, and the assumption of all the system's $500 million in debt.

Warner Amex, the sixth largest U.S. cable system in total subscribers with 1.2 million subscribers, also owns 19% of Showtime/The Movie Channel and 40% of MTV Networks Inc., both of which are being sold to Viacom for $510 million.

MTV Networks operates two music-video programs for cable TV—MTV (Music Television) and VH-1 Video Hits One). It also owns Nickelodeon.

Donald E. Pruss, an analyst with Smith Barney, Harris Upham, has estimated that American Express will sell 50% of Fireman's Fund, realizing a possible $560 million.

Advertising expenditures were up sharply last year, most of it for the Travel Related Services segment, which spent $414 million of the company's worldwide total of $490 million in advertising and promotion. The service claims to hold about 60% of the $35 billion traveler's check business.

In domestic measured spending, network and spot tv were especially strong, with total measured expenditures from the nine media tracked in this report increasing 68.4% to $121.4 million.

American Express tv network expenditures more than doubled, from $22.4 million in 1983 to $55.7 million in 1984. The big shift is credited to three areas—the American Express Credit Card Service, which spent $30.6 million in network tv, up 62.2%, out of a six-media total expenditure of $39.1 million, up 32.4% from 1983, according to Leading National Advertisers. American Express Traveler's Cheques spent $12.2 million in network tv, up from $3.9 million in 1983, out of a six-media total expenditure of $17.1 million, up from $8.7 million in 1983, and IDS/American Express, the new acquisition in 1984, that spent $11.4 million in network tv under the Amex banner out of a six-media total of $13.2 million.

Ogilvy & Mather's campaign for the credit card, with actor Karl Malden as the prime spokesman, continued, adding a phase this summer to advertise the company's new three-hour courier service for customers who lose their traveler's checks.

Traveler's check sales in the U.S. in 1984 were up 20% from 1983 sales. First-quarter figures for 1984 showed American Express' credit card and traveler's check unit had a net income of $86 million, a 20% increase over first-quarter earnings in 1984.

Ogilvy & Mather's familiar "Do You Know Me?" campaign for the American Express Card, which has acquainted the American public with the likes of Muppets creator, Jim Henson, and Mel Blanc, the voice of Bugs Bunny, is now 11 years old and still going strong—the most recent being cartoonist Jim Davis featuring an animated appearance by his cat creation, Garfield.

An O&M campaign keyed since 1983 to women who "lead interesting lives" has been credited with making three out of ten new card members women. American Express says there are now more than 20 million American Express card holders, who made $47.6 billion worth of charges last year, a 24% increase over 1983.

Last summer, the company began issuing its new Platinum Card to the top 1% of its card holders. The advertising campaign for the exclusive card, overdirected by McCann-Erickson, has been limited to direct marketing. McCann-Erickson also continued the "Mind Over Money" campaign for Shearson Lehman/American Express.

Acquisitions last year included Investors Diversified Services, now IDS Financial Services, which registered $1.37 billion in revenues for 1984, and Lehman Brothers Kuhn Loeb, which American Express bought for $360 million. The latter became the Shearson Lehman, American Express unit.

The brokerage firm has not yet achieved its avowed goal of overtaking Merrill Lynch, Pierce, Fenner & Smith for leadership in the brokerage industry, says Prudential Bache analyst Jose Hoffer.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding such profiles to indicate "not available."

ADVERTISING EXPENDITURES (000)

	1984	1983
Newspapers	11,400	13,377
Magazines	33,600	18,675
Network radio	400	800
Spot tv	16,650	13,650
Network tv	55,737	22,427
Spot radio	4,170	4,000
Network cable	3,313	1,070
Outdoor	211	47
Total measured	121,440	72,110
Total unmeasured	50,660	35,730
Estimated total	172,100	107,840

AMERICAN EXPRESS

American Express Plaza
New York, N.Y. 10004
(212) 323-2000

TRAVEL RELATED SERVICES

New York

Marketing Personnel

Jerry C. Welsh, exec vp-worldwide mktg & communications
Frank J. Parisi Jr., exec vp-mktg & sales, personal systems
Linda Payne Levinson, senior vp-marketing, travel U.S.

SHEARSON/LEHMAN AMERICAN EXPRESS

New York

Marketing Personnel

Catherine Stewart, senior vp-dir consumer mktg & adv
Robert Lee, dir-card sales
Joseph Fleszar, dir-mktg sales dir

Advertising Agency

McCann-Erickson, New York—Vince Cabrall, acct super; Susan Kronen, Michael Plymouth, acct execs.

FIREMAN'S FUND INSURANCE COS.

San Francisco

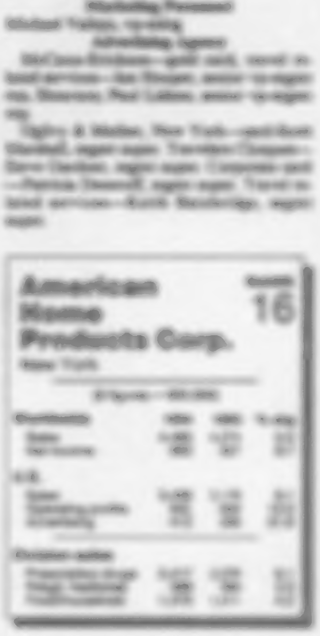
Marketing Personnel

Michael Vallejo, vp-mktg

Advertising Agency

McCann-Erickson—gold card, travel related services—Jim Dougan, senior vp-mgmt rep; Shearson; Paul LaBate, senior vp-mgmt rep.

Ogilvy & Mather, New York—card-Scott Marshall, mgmt super; Travelers Cheques—Steve Gardner, mgmt super; Corporate card—Patricia Donnell, mgmt super; Travel related services—Keith Bainbridge, mgmt super.



American Home Products Corp.

New York

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	4,485	4,272	5.0
Net income	682	627	8.7
U.S.			
Sales	3,485	3,135	11.1
Operating profits	785	664	18.2
Advertising	412	340	21.3
Division sales			
Prescription drugs	2,417	2,230	8.4
Drugs, medical	389	390	0.3
Food/household	1,679	1,671	0.5

RANK 16

American Home Products Corp., the 16th largest advertiser, increased its advertising to an estimated $412 million in 1984, a 21.3% rise over the previous year.

Net income for the New York-based company increased 8.7% in 1984 to $682 million as sales rose 5% to $4.49 billion. Sales increased in each U.S. business segment, while the strong dollar resulted in a 4% decline in international sales when stated in dollars.

It was the drug, food and household products marketer's 33rd continuous year of increased sales and earnings. Worldwide sales of prescription drugs and medical supplies were $2.42 billion, or 53.9% of total sales, compared with 52.4% of total sales in 1983. The segment's operating income before taxes accounted for 83.2% of total operating income in 1984 of $1.18 billion, compared with 82.1% of $1.08 billion in operating income before taxes the previous year. Domestic sales of prescription drugs and medical supplies increased 9% for the year, the company says, despite the results in medical supplies.

American Home spent an estimated $214.3 million in measured media in 1984, an increase of 13% over 1983. Its unmeasured spending of an estimated $177.8 million—up 4.7% over 1983—went for samples, coupons, videotapes, films, coupons, point-of-purchase and co-op advertising.

Its Advil brand received the company's biggest ad outlay in 1984 for a single-line product following FDA approval in May for the anti-arthritis prescription drug ibuprofen (generic name for Advil), to be marketed in a lower dose as a nonprescription pain reliever. Young & Rubicam got the $26.3 million advertising account for Advil as market watchers predicted ibuprofen might take a third of the total pain-reliever market of aspirin and acetaminophen. Total market is worth about $1.6 billion.

Four months into the launch Advil had won about 7% of the painkiller market, outdoing Bristol-Myers' Nuprin, which had a 3% share, according to Robert Hodgson, market analyst for Shearson/American Express.

Some of the advertising battling also has ended in court. In mid-July, Upjohn filed suit alleging that the Advil advertising was misleading and deceptive. While American Home Products did make minor adjustments to its campaign, its right to make reference to Motrin was upheld. Then American Home sued Johnson & Johnson, the maker of Tylenol, charging the company used a strategy of false and misleading advertising that deceived the public about the effects of the nonaspirin painkiller.

American Home's Whitehall Laboratories division (Advil, Anacin, Dristan, Preparation H, Primatene, Denorex, Anbesol) spent $97 million in six-measured media monitored by Leading National Advertisers in advertising 12 Anacin products in 1984, down 12.5% from the previous year. Seven Dristan products split a $20.3

OFFICIAL RULES & FINE PRINT

[illegible]

Media spending by the 100

Rank		Company	Total estimated advertising expenditures		Total unmeasured advertising expenditures		Total measured advertising expenditures		Newspaper		Magazine	
1984	1983		1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
1	1	Procter & Gamble Co.	$872,000	$788,791	$131,584	$123,204	$740,616	$665,587	$6,547	$9,831	$49,738	$40,185
2	4	General Motors Corp.	763,800	674,856	242,888	221,259	520,912	453,591	109,359	88,579	96,064	89,020
3	2	Sears, Roebuck & Co.	746,937	725,800	496,860	498,818	250,077	226,982	0	0	21,919	33,630
4	3	Beatrice Cos.	680,000	590,799	443,245	381,048	236,755	209,751	12,340	5,683	43,525	50,250
5	3	R.J. Reynolds Industries	678,176	593,715	145,000	123,625	533,176	470,090	101,990	112,343	193,816	155,063
6	6	Philip Morris Inc.	570,435	529,694	70,000	65,453	500,435	464,241	69,023	65,272	140,070	140,367
7	8	American Telephone & Telegraph	563,200	466,185	130,028	104,000	433,172	362,185	58,200	71,995	79,102	61,306
8	7	Ford Motor Co.	559,400	484,147	171,989	113,530	387,411	370,617	62,063	49,603	97,101	80,346
9	9	K mart Corp.	554,400	400,052	474,455	350,300	79,945	49,752	0	0	16,791	11,039
10	16	McDonald's Corp.	480,000	311,618	216,374	118,021	263,626	193,597	0	0	672	249
11	19	J.C. Penney Co.	460,000	376,000	390,733	305,670	69,267	70,330	0	0	16,943	19,745
12	10	General Foods Corp.	450,000	397,480	91,651	101,363	358,349	296,117	4,018	4,201	48,578	33,373
13	13	Warner-Lambert Co.	440,000	345,550	288,507	211,221	151,493	134,329	1,394	1,506	10,148	7,266
14	21	Ralston Purina Co.	428,600	438,029	270,621	278,227	157,979	159,802	1,770	3,170	15,691	14,579
15	12	PepsiCo Inc.	428,172	356,810	141,752	133,656	286,420	223,154	5,036	6,002	3,511	3,895
16	14	American Home Products	412,000	338,081	177,728	110,510	234,272	227,571	460	1,754	17,594	21,321
17	15	Unilever U.S.	395,700	325,775	169,730	140,000	225,970	185,775	3,141	4,689	18,688	13,020
18	58	International Business Machines	376,000	297,000	185,578	193,436	190,422	103,564	36,036	11,720	63,098	27,172
19	20	Anheuser-Busch Cos.	364,401	306,377	58,000	48,000	306,401	258,377	6,868	4,158	7,536	10,931
20	22	Coca-Cola Co.	343,300	284,755	100,371	89,637	242,929	195,118	6,747	6,037	10,794	8,582
21	11	Nabisco Brands	334,977	250,313	205,143	124,206	129,834	126,107	5,466	6,174	10,966	9,168
22	34	Pillsbury Co.	318,473	214,100	94,300	63,578	224,173	150,522	1,965	917	2,499	2,498
23	27	Chrysler Corp.	317,400	231,278	72,360	29,605	245,040	201,673	34,962	31,846	61,596	44,845
24	47	Eastman Kodak Co.	301,000	273,000	199,940	196,671	101,060	76,329	4,523	5,163	16,932	1,665
25	17	Johnson & Johnson	300,000	296,618	89,285	127,290	210,715	169,329	976	1,977	31,424	23,239
26	28	U.S. Government	287,807	234,604	109,340	134,790	178,467	99,815	11,497	11,548	40,043	25,499
27	45	American Cyanamid	284,410	203,009	214,726	145,754	69,684	57,255	241	0	8,673	7,442
28	23	General Mills	283,400	278,931	17,288	15,598	266,112	263,333	2,737	5,621	19,094	25,452
29	30	Dart & Kraft	269,200	211,940	42,879	35,047	226,321	176,894	6,920	7,067	36,233	33,219
30	24	Colgate-Palmolive Co.	258,731	269,793	161,949	164,195	96,782	105,598	1,194	1,664	4,194	8,478
31	26	Bristol-Myers Co.	258,440	241,505	75,400	70,447	183,040	171,058	999	1,380	32,624	28,472
32	33	Sara Lee Corp.	258,362	197,049	130,000	98,341	128,362	98,708	4,812	2,834	20,368	16,672
33	29	RCA Corp.	239,400	209,913	110,893	103,376	128,507	106,537	36,963	31,716	47,564	35,302
34	31	H.J. Heinz Co.	227,286	220,479	137,238	144,316	90,048	76,163	2,130	2,750	6,134	6,869
35	37	Kellogg Co.	208,800	178,768	32,267	59,264	176,533	119,504	1,978	3,258	1,859	6,181
36	53	Revlon Inc.	205,000	179,000	119,567	96,767	85,433	82,233	653	711	21,188	16,402
37	32	General Electric	202,400	196,583	129,749	126,748	72,651	69,835	14,984	12,220	8,510	13,129
38	40	Tandy Corp.	190,000	156,728	145,560	115,659	44,440	41,069	0	0	4,448	4,944
39	61	Nestle Enterprises	186,848	169,241	38,556	34,946	148,292	134,295	1,766	1,933	21,594	11,638
40	25	Warner Communications	181,749	167,856	100,000	95,000	81,749	72,856	7,912	15,718	18,616	25,609
41	39	CBS Inc.	179,800	141,700	80,663	68,881	99,137	72,819	21,519	15,829	47,423	30,737
42	18	Mobil Corp.	172,500	160,000	120,466	116,429	52,034	43,571	6,757	7,045	3,799	3,924
43	66	American Express Co.	172,100	107,841	50,696	33,731	121,404	72,110	11,481	12,337	20,604	15,652
44	49	ITT Corp.	168,000	134,237	124,489	79,338	43,511	54,899	4,042	3,162	11,797	11,664
45	38	Sterling Drug Co.	166,600	172,179	53,094	57,000	113,506	115,179	1,380	288	9,844	6,632
46	35	Gillette Co.	165,673	177,512	77,800	83,700	87,873	93,812	1,669	1,839	10,830	924
47	54	Nissan Motor Corp.	164,200	123,885	34,925	16,619	129,275	107,266	13,170	9,444	15,022	13,352
48	41	Richardson-Vicks	163,500	151,011	59,579	56,884	103,921	94,127	160	0	15,442	12,131
49	42	Quaker Oats Co.	161,300	149,138	53,436	63,618	107,864	85,520	1,452	1,341	9,140	11,433
50	44	Gulf & Western Industries	149,249	145,932	90,000	87,655	59,249	58,277	2,788	2,365	5,302	6,027
51	46	Chesebrough-Pond's	145,500	142,365	72,082	68,420	73,418	73,945	1,628	2,171	16,381	16,687
52	59	Schering-Plough Corp.	144,300	117,967	75,029	48,553	69,271	69,414	260	94	22,025	18,926
53	52	Campbell Soup Co.	142,000	127,203	18,484	13,271	123,516	113,932	5,401	4,641	14,487	12,413
54	55	Mars Inc.	139,282	121,300	18,300	18,116	120,982	103,184	609	1,864	6,728	2,812
55	93	Adolph Coors Co.	138,700	118,547	80,240	64,693	58,460	53,854	706	1,028	380	29
56	48	Loews Corp.	137,900	135,393	40,333	27,000	97,567	108,393	17,095	22,533	49,255	45,250
57	62	Toyota Motor Sales Corp.	137,900	123,897	17,980	17,657	119,920	106,240	14,913	12,571	15,403	12,416
58	50	Beecham Group p.l.c.	137,000	134,601	44,955	43,610	92,045	90,991	203	0	3,016	3,378
59	78	UAL Inc.	136,700	131,500	73,257	73,381	63,443	58,119	6,112	5,432	4,561	4,704
60	60	American Honda Motor Co.	134,700	114,700	37,013	18,000	97,687	96,700	9,001	8,059	15,053	19,850
61	56	Time Inc.	133,900	125,303	26,717	35,005	107,183	90,298	13,320	11,428	39,539	35,338
62	79	American Brands	133,000	122,000	73,659	56,419	59,341	65,581	4,995	5,915	31,583	35,473
63	36	Mattel Inc.	132,892	88,457	73,888	9,337	59,004	79,120	1,883	2,032	5,122	4,783
64	65	Xerox Corp.	127,583	110,666	69,000	51,403	58,583	59,263	8,595	13,824	13,351	15,650
65	64	IC Industries	127,289	112,116	70,090	61,754	57,199	50,362	1,062	1,176	3,571	3,689
66	71	CPC International	123,500	118,000	78,698	72,741	44,802	45,259	1,736	0	8,647	7,907
67	105	Levi Strauss & Co.	122,000	95,200	66,573	58,585	55,427	36,615	180	0	7,138	6,806
68	69	American Motors Corp.	120,500	101,691	25,829	18,355	94,671	83,337	7,572	8,315	21,880	15,615
69	87	Cosmair Inc.	119,500	69,955	40,812	26,233	78,688	43,722	803	665	23,149	15,265
70	57	Jos E. Seagram & Sons	115,827	119,681	29,000	31,680	86,827	88,001	9,426	8,477	37,918	43,643
71	43	Batus Inc.	113,400	146,108	28,207	37,291	85,193	108,817	25,317	27,803	36,216	44,290
72	76	AMR Corp.	110,800	88,640	41,967	52,942	68,833	35,698	13,496	12,790	4,077	405
73	88	Clorox Co.	109,600	91,410	27,943	29,447	81,657	61,963	367	397	13,553	6,270
74	72	Bayer AG	105,296	89,272	43,358	35,077	61,938	54,195	105	95	2,144	2,878
75	63	Volkswagen of America	103,000	112,882	18,418	22,562	84,582	90,320	11,051	9,947	33,515	37,902
76	95	Canon Inc.	100,000	80,000	25,818	26,087	74,182	53,913	3,891	0	23,978	16,310
77	128	Apple Computer	100,000	35,000	15,504	7,320	84,496	27,680	8,027	5,232	21,468	7,041
78	73	Union Carbide Corp.	93,000	89,253	42,401	36,199	50,599	53,054	1,649	1,803	376	715
79	67	E.I. du Pont de Nemours	91,000	77,000	33,827	26,711	57,173	50,289	752	1,532	27,430	26,147
80	90	Wendy's International	90,833	64,452	14,500	12,022	76,333	52,430	0	0	15	467
81	74	S.C. Johnson & Son	90,000	87,123	43,740	22,883	46,260	64,241	636	2,340	12,017	11,967
82	85	GTE Corp.	89,775	70,378	20,717	10,000	69,058	60,378	11,631	12,414	8,017	6,744
83	83	Pfizer Inc.	86,400	72,120	28,373	20,949	58,027	51,171	704	1,323	13,956	10,855
84	82	Stroh Brewery Co.	85,200	74,181	8,347	7,751	76,853	66,430	632	767	1,988	265
85	N/A	Hasbro Inc.	83,691	56,634	10,000	8,000	73,691	48,634	0	0	2,567	948
86	75	Greyhound Corp.	80,200	84,084	40,478	34,036	39,722	50,048	4,057	8,926	6,901	3,637
87	77	Kimberly-Clark Corp.	80,000	78,020	13,440	19,437	66,560	58,583	463	3,869	8,728	11,139
88	89	Hershey Foods Corp.	79,200	68,702	18,686	14,292	60,514	54,410	555	1,540	9,924	7,272
89	80	MCA Inc.	77,058	73,012	34,065	33,750	42,993	39,262	6,165	5,165	739	2,563
90	97	Grand Metropolitan p.l.c.	76,200	56,795	5,348	4,000	70,852	52,795	12,842	4,375	28,523	26,180
91	94	Noxell Corp.	74,200	67,900	9,970	9,405	64,230	58,495	4	11	19,195	9,879
92	81	Mazda Motor Corp.	71,797	75,165	19,965	28,549	51,832	46,616	3,018	1,971	16,857	14,551
93	91	Wm. Wrigley Jr. Co.	70,400	66,463	5,904	800	64,496	65,663	0	0	1,986	0
94	100	American Broadcasting Cos.	68,900	49,168	8,368	7,997	60,532	41,171	16,155	10,304	33,679	23,827
95	92	Delta Air Lines	66,900	64,999	3,802	3,151	63,098	61,849	26,332	31,810	340	1,077
96	102	Trans World Airlines	66,200	59,000	23,463	19,856	42,737	39,144	21,436	21,935	5,190	4,086
97	96	Goodyear Tire & Rubber Co.	64,700	58,711	17,288	17,000	47,412	41,711	0	0	6,613	4,999
98	106	Cotter & Co.	63,900	52,377	20,030	16,362	43,870	36,015	0	0	5,478	6,879
99	86	Eastern Air Lines	60,800	71,000	7,279	9,379	53,521	61,621	18,654	22,461	3,955	5,838
100	115	Van Munching & Co.	58,970	39,116	9,400	6,200	49,570	32,916	321	2,712	6,218	5,280
*	*	TOTALS	22,504,512	19,405,156	9,041,237	7,752,092	13,463,275	11,653,064	985,842	946,433	2,209,963	1,903,607

See where Ad Age got its data, Page 12.

leading national advertisers ($000)

Network cable		Spot tv		Network tv		Spot radio		Network radio		Outdoor		Farm publications	
1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
$16,182	$15,172	$139,331	$129,249	$612,747	$566,663	$3,517	$2,796	$3,977	$1,384	$380	$191	0	0
3,157	4,549	38,520	25,670	231,663	201,550	30,836	29,079	6,746	9,411	3,176	6,183	1,612	1,741
3,120	2,566	33,552	29,316	172,446	145,007	10,078	5,497	8,630	10,629	332	337	0	0
5,005	90	57,445	65,955	111,591	97,685	2,966	5,259	3,345	498	438	4,422	0	0
825	384	47,611	39,642	97,600	69,907	4,379	3,851	0	0	86,955	88,920	0	0
1,642	2,182	46,509	50,462	161,716	128,266	26,445	22,483	0	0	54,951	55,211	0	0
3,457	2,799	17,236	41,641	253,117	146,604	5,681	27,949	16,346	9,512	36	380	0	0
6,892	3,087	39,500	37,857	164,253	172,308	10,787	12,993	1,525	7,186	2,174	1,806	3,115	3,431
452	32	13,372	10,051	42,088	23,539	6,512	4,867	499	0	238	284	0	0
88	240	91,484	105,029	142,462	88,951	3,827	2,077	0	781	3,129	4,295	0	0
232	142	16,619	18,151	34,030	31,850	1,145	198	0	0	299	237	0	0
13,169	11,290	96,869	73,020	190,223	170,065	2,946	2,333	1,704	1,711	626	69	216	55
2,922	1,997	40,569	39,439	86,976	74,639	1,340	1,661	8,143	7,823	0	0	0	0
2,131	1,098	35,208	35,745	91,837	94,439	9,617	8,830	232	0	211	287	1,282	1,654
1,323	590	154,287	121,847	90,403	73,955	25,025	14,025	4,746	916	2,090	1,924	0	0
3,352	4,387	29,274	32,063	179,024	161,435	1,590	1,908	2,336	3,888	0	0	643	814
1,004	909	59,122	55,789	142,982	110,303	1,034	336	0	683	0	46	0	0
599	1,263	5,669	5,006	78,617	52,409	6,386	5,474	0	507	17	13	0	0
15,478	15,761	60,070	59,370	166,416	116,515	38,288	40,676	6,231	6,914	5,514	4,053	0	0
2,756	2,605	64,976	70,673	140,104	95,889	13,932	8,048	0	0	3,620	3,284	0	0
1,731	577	30,069	22,127	75,800	82,018	737	983	4,928	4,695	123	364	0	0
737	551	99,106	60,781	106,983	74,337	12,014	9,640	0	810	849	988	0	0
2,327	1,621	27,446	18,262	93,637	84,194	19,777	16,651	4,141	2,858	1,587	679	566	717
583	965	9,328	8,649	65,707	56,454	1,729	988	904	726	1,355	1,719	0	0
1,432	1,721	6,482	9,213	168,639	131,266	0	319	1,729	1,594	33	0	0	0
144		21,591	16,258	87,497	30,063	7,572	5,679	8,633	9,293	1,290	1,674	0	0
1,347	1,271	11,034	8,744	42,325	35,258	1,468	1,089	406	0	76	3	4,173	3,449
11,339	10,299	109,253	112,982	115,608	100,279	5,351	6,180	2,429	2,364	380	197	0	0
1,391	1,661	53,742	42,525	123,289	87,415	2,326	1,814	2,381	3,161	40	32	0	0
1,199	2,019	21,364	29,596	68,570	99,015	283	3,926	0	0	10	0	0	0
6,242	6,506	16,996	10,066	122,552	120,974	1,809	1,904	1,520	1,544	7	0	290	212
1,262	1,191	27,919	17,077	69,557	56,150	2,345	1,983	1,921	2,552	179	251	0	0
1,029	613	12,816	10,431	24,167	21,273	4,733	3,512	712	3,304	523	386	0	0
1,040	721	28,051	17,636	52,687	47,864	0	261	0	0	6	63	0	0
3,594	2,462	40,641	34,130	128,080	73,006	370	460	0	0	11	8	0	0
517	153	18,687	15,602	41,128	47,101	1,427	851	1,716	1,414	117	0	0	0
5	76	7,825	4,502	40,343	39,158	495	507	75	0	415	243	0	0
378	351	5,749	4,238	30,008	27,716	3,135	3,497	420	0	0	0	301	323
973	623	47,130	32,793	73,959	47,259	1,334	428	1,148	768	94	158	296	266
1,069	1,048	21,219	27,445	31,524	2	1,317	2,249	0	486	91	300	0	0
982	1,784	13,534	12,761	13,852	10,965	1,689	135	189	133	933	930	0	0
1,616	1,299	26,377	20,825	11,321	7,170	1,188	2,433	0	0	44	53	932	823
683	269	24,033	13,651	55,727	22,417	6,133	4,686	2,513	3,831	231	67	0	0
681	8	11,750	25,895	13,175	9,875	1,132	3,236	167	314	767	747	0	0
117	333	16,583	24,375	83,565	82,660	817	820	1,189	0	11	71	0	0
254	221	11,800	11,394	60,800	75,286	1,095	2,456	1,425	2,692	0	0	0	0
1,070	1,269	40,919	37,724	50,666	33,603	7,584	10,881	0	0	846	995	0	0
930	197	22,796	20,928	61,131	59,139	1,863	813	1,600	919	0	0	0	0
1,338	696	19,270	21,468	70,993	47,980	5,480	2,213	174	0	17	380	0	0
1,676	432	50,119	20,897	24,773	23,346	288	8,603	1,810	1,266	73	362	0	0
116	1,041	6,664	10,647	47,029	42,995	0	325	1,546	0	53	81	0	0
41	53	5,346	5,497	33,121	37,879	5,016	2,094	1,423	2,829	1,544	1,609	496	433
1,789	1,203	27,333	21,510	68,624	63,058	1,450	3,607	4,371	7,429	62	71	0	0
851	949	44,201	44,333	65,655	52,102	2,353	351	479	774	106	0	0	0
751	833	25,957	20,024	11,218	9,746	18,927	21,578	0	0	522	616	0	0
154	278	2,417	1,277	0	1,795	0	156	0	0	28,647	37,104	0	0
5,391	5,248	58,377	47,506	18,544	22,853	5,263	3,343	54	20	1,793	2,284	183	0
38	127	8,887	7,151	78,471	78,807	4	27	331	411	0	0	1,096	1,091
674	494	18,931	23,539	25,839	8,175	6,802	14,636	0	847	524	293	0	0
1,157	332	8,034	10,807	54,944	41,529	6,736	11,036	2,647	2,636	116	2,451	0	0
7,193	3,808	33,070	31,338	12,129	3,013	1,885	625	0	926	59	123	0	0
111	0	840	2,501	9,832	8,608	87	30	0	105	11,894	12,950	0	0
1,011	928	14,404	18,520	36,036	52,075	135	418	0	131	414	234	0	0
482	567	1,393	2,997	34,258	22,732	477	2,613	0	875	108	4	0	0
0	16	24,500	20,971	17,466	17,698	9,993	6,163	584	589	93	51	0	0
0	12	16,264	15,545	16,944	21,669	1,211	126	0	0	0	1	0	0
1,520	1,466	3,992	5,367	42,244	21,621	321	809	22	197	9	269	0	0
573	975	6,074	6,222	56,622	30,972	1,286	121	0	0	746	1,089	0	0
56	0	12,274	4,707	42,381	23,085	25	0	0	0	0	0	0	0
836	77	8,917	7,283	23,418	18,740	246	47	0	0	14,772	15,767	0	0
91	31	11,480	14,235	0	0	0	37	0	0	12,089	22,420	0	0
20	35	16,632	12,326	22,273	1,707	11,994	8,301	0	0	341	135	0	0
2,813	2,094	12,755	10,154	51,499	41,384	426	529	243	1,137	1	0	0	0
914	907	5,586	5,505	47,855	39,003	361	64	874	2,660	103	13	3,996	3,070
139	382	16,236	16,922	22,024	22,178	843	2,985	0	0	774	4	0	0
1,948	1,949	8,212	7,440	33,217	26,295	526	3	2,050	1,507	360	410	0	0
1,051	448	2,798	1,489	42,753	11,185	8,382	2,230	0	0	17	56	0	0
419	531	2,985	4,420	39,088	40,716	3,581	2,847	291	300	1	0	2,210	1,723
152	96	5,465	2,554	17,105	13,435	1,391	1,633	818	771	8	3	4,053	4,119
57	7	39,354	31,224	34,688	18,683	489	900	0	0	1,730	1,149	0	0
280	119	5,286	6,070	21,782	40,717	3,684	585	2,799	2,180	0	0	0	0
168	198	28,003	32,443	16,577	6,082	4,377	2,450	0	0	183	39	0	0
190	35	2,306	2,860	38,730	34,009	0	84	130	464	93	7	1,917	1,952
1,524	649	12,924	14,304	43,101	37,774	13,478	10,532	0	826	3,206	1,313	0	0
951	1,181	42,953	32,674	27,221	14,031	0	0	0	0	0	0	0	0
372	521	5,046	6,640	12,102	19,750	9,093	8,918	2,058	1,366	93	290	0	0
501	560	9,572	12,308	47,148	30,683	143	24	0	0	6	0	0	0
488	444	13,843	15,519	33,642	28,679	1,193	587	870	396	0	2	0	0
538	526	1,883	13,035	30,518	16,068	1,546	1,300	1,248	254	355	351	0	0
1,098	1,229	6,113	6,941	17,887	9,083	70	58	0	0	5,240	4,930	0	0
917	1,812	3,045	2,935	40,318	42,791	0	200	751	869	0	0	0	0
1,382	665	4,187	2,271	26,382	27,160	0	0	0	0	6	0	0	0
2,884	2,514	14,920	17,874	43,715	42,343	30	24	962	2,908	0	0	0	0
8	1	8,698	5,520	0	0	745	574	18	409	1,229	537	0	0
296	56	10,823	8,227	4,396	3,603	19,321	15,309	0	0	1,591	1,768	0	0
11	0	12,095	8,336	0	99	2,885	3,811	810	723	310	153	0	0
609	879	10,457	11,653	26,957	22,633	732	262	999	655	713	223	332	407
686	607	14,640	13,946	11,843	4,202	986	724	10,201	9,640	35	9	0	0
3,395	0	15,879	12,237	3,860	9,398	5,708	9,218	0	0	2,071	2,469	0	0
0	248	8,828	5,532	3,004	2,895	30,651	14,604	548	1,645	0	0	0	0
184,443	152,787	2,694,687	2,483,970	6,462,016	5,207,183	484,863	450,545	143,546	152,680	270,285	291,532	27,709	25,879

Where Ad Age got its data

For the 30th consecutive year, Advertising Age presents its analysis of ad spending by the 100 leading national advertisers. Each company's profile includes a list of its key marketing executives, agency lineup and a rundown of account personnel.

Mixed throughout these 100 profiles and 16 charts are advertising expenditures, sales figures, earnings figures, market shares and other data.

The tracking sources for ad expenditures are:

- Newspaper: Media Records.
- Spot radio: Radio Advertising Bureau.
- Network cable: Broadcast Advertisers Reports.
- Farm publications: Agricultural Marketing Information Services (AGRICOM).

The following media as supplied to Leading National Advertisers:

- Magazine: Publishers Information Bureau.
- Spot tv, network tv and network radio: BAR.
- Outdoor: Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America.

Information for the top 25 business/industrial advertisers was taken from *Business Marketing*, a Crain Communications Inc. publication, as supplied by Rome Reports and was not added into total measured ad expenditures, but instead was included in unmeasured advertising, for which Ad Age went directly to the companies.

Sales and earnings figures were taken from public documents. Where private companies would not divulge this information, estimates were obtained. Where no estimate was available, an "N/A" was used.

million advertising package, down 23% from the previous year. The division equaled the $13 million it spent on Preparation H (cleansing pads, multi-product advertising and suppositories and ointment) in 1983; spent $6.8 million on Primatene, off 6.8% from the previous year; backed Denorex dandruff shampoo with $7.3 million, up 32.7%, and placed $4.3 million behind Youth Garde, off 47.6% from 1983 expenditures. Youth Garde facial care product has achieved a 1.9% of the supermarket dollar share two years after launching.

The company's Ayerst Laboratories spent $10.4 million advertising Riopan antacid, up 53% from 1983. Ayerst split the ad assignment for an old drug Inderal, picking Klemtner Advertising to handle advertising of the product as a relief for nervous system disorder—a use pending approval of the FDA. The original agency, Sudler & Hennessey, continues to handle the account for the drug's other uses—primarily that of hypertension. Inderal competes in the $2.8 billion U.S. cardiovascular market.

In December, 1984, American Home's Wyeth Laboratories introduced Triphasil with the lowest total hormone content of any combination birth control pill on the market. It joins three other oral contraceptives marketed by Wyeth: Ovral, Lo/Ovral and Nordette. Eight months after introduction, Triphasil has won 2.7% of the market, according to Shearson analyst Robert Hodgson.

In the cardiovascular area, Sectral, a cardioselective beta blocker produced by Ives Laboratories, was launched in April, 1985.

The corporation's Sherwood Medical Division is making increased efforts to develop labor-saving devices for hospitals seeking to reduce costs in the face of the new federal reimbursement system for Medicare. The division also is expanding marketing efforts to tap the physician's office and home healthcare.

In 1984, Sherwood's Analytab Products Division rolled out UniScept, an automated susceptibility and identification testing system that improves laboratory accuracy and productivity. Two major product line extensions in 1984, Injectomatic and Monovector, aid diabetics in their daily insulin routines. Corometrics Medical Systems division introduced two advanced units, an intrapartum fetal monitor and a neonatal monitor.

Sales of the food and household products segment increased 4% in 1984, according to the company. Sales of food products, including American Home Foods and Brach candies, increased 9% while sales of household products declined slightly, which American Home attributes to intense U.S. price competition and the continuing decline of currency exchange values.

One of the big gainers in ad dollars was Chef Boy-Ar-Dee, which, in 1984, split $24.6 million among six products, a 49% increase over 1983 spending monitored by LNA. Chef Boy-Ar-Dee now has more than 50% of the $400 million retail canned pasta market, the company estimates.

Leading houseware advertising accounts, part of AHB's Boyle Midway subsidiary, are Black Flag products, $5.2 million, up 28% from 1983, and Woolite, $15.6 million, up 5.4%. Advertising also was down 7.6% for the Easy Off oven cleaner line to $7.1 million in 1934. Pam advertising of $9.2 million was up 1% from 1983 levels.

The company spent $5.5 million on E.J. Brach & Sons candies, a 14.6% increase over the previous year, according to LNA. Expanded distribution of Brach candy was supported by substantial investment in facilities and equipment. In 1984, the division completed the development of a nationwide, full-line warehouse system, and continued to grow in the single-item market, which accounts for 40% of the industry's total sales. The company added Perkys Jellies Bar and Roll-A-Mints chocolate candy rolls to its product line.

In 1984, American Home sold Ekco Products, Ekco Housewares division, Ekco Canada, Dupli-Color (a Canadian and U.S. auto paint company), E-Z Por Corp., maker of disposable aluminum baking dishes, and its 73% interest in the Prestige Group p.l.c, a London-based housewares marketer. Ekco Products was sold to a subsidiary of Tenneco. Prestige Group p.l.c was sold to Gallaher Ltd., a British subsidiary of American Brands. Ekco Housewares and E-Z Por Corp. were sold to Gibbons, Greene van Amerongen in a leveraged buyout. Dupli-Color went to a subsidiary of Sherwin Williams Co. Total price of the transactions was $338.2 million in cash and notes and $10 million in convertible preferred stock.

The corporation expanded its r&d facilities significantly during the year. Ayerst began operation of a new research facility in Princeton, N.J. A new infant nutritional r&d laboratory in Georgia, Vt., came on stream. A pharmaceutical r&d facility at Rouses Point, N.Y., is being expanded. A pharmaceutical plant to manufacture drugs also is opening in Puerto Rico this year. The company has 21 new drug applications and 26 investigational new drug applications filed with the Food & Drug Administration for new drugs or new uses for existing drugs.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	460	1,754
Magazines	17,594	21,321
Network cable	3,352	4,387
Spot tv	29,274	32,063
Network tv	179,024	161,435
Spot radio	1,590	1,908
Network radio	2,336	3,888
Farm pubs	643	814
Total measured	234,272	227,571
Total unmeasured	177,728	110,510
Estimated total	412,000	338,081

AMERICAN HOME PRODUCTS CORP.

685 Third Ave.
New York, N.Y. 10017
(212) 878-5000

AYERST LABORATORIES
New York

Marketing Personnel

Judson St. John, president
Arnold Somin, senior vp-mktg & operations
Howard Mosesson, vp-mktg & sales
Frank Montemurro, vp-mktg & sales, consumer prod

Advertising Agencies

Klemtner Advertising, New York—Riopan (ethical), Extra Strength (ethical), Dermoplast, Premarin (consumer), Mysoline, Inderal/tremor, Inderal/anxiety, Atromid-S, Posture (ethical)—R. Jay Conlan, vp-group super.

Saatchi & Saatchi Compton, New York—Posture (consumer), Riopan (consumer), Riopan Plus (consumer), Extra Strength Riopan (consumer), Beminal Stress Plus—David Basch, exec vp.

Sudler & Hennessey, New York—Aygestin, Factrel, Grisactin, Grisactin Ultra, Inderal tablets, Inderal LA, Inderide, Inderide LA, Premarin vaginal cream, Premarin tablets, Auralgan—Vincent Trovati, exec vp.

William Douglas McAdams, New York—Ultradol, Antabuse—William M. Wolf, exec vp.

BOYLE-MIDWAY
New York

Marketing Personnel

T.J. Host, president
Mark Rothman, senior vp-mktg
Rick Donnelly, vp-mktg
Ellen Schapps, vp-mktg
Ken Lagana, adv mgr

Advertising Agencies

BBDO, Chicago—Pam, Quick Dip—Bob Pingrey, mgmt super; Bonnie Pool, vp-acct super.

Cunningham & Walsh, New York—Antrol, Snarol, Easy-Off mildew stain remover, Easy-Off glass cleaner, Woolite (various prod), Dependo—Jim Polizzi, senior vp-mgmt rep; Carole Foxley, vp-mgmt super; Tom Dianis, vp-acct super.

William Esty Co., New York—Sani-Flush (various prod), Woolite Gentle Cycle—Andy Allen, exec vp-acct dir; Colleen Gowl, senior vp-mgmt super.

Hicks & Greist, New York—Noxon, Zud, 3-in-One Oil, Plastic Wood, Easy-On starch, Old English furniture polishes—Ed Ricchiutto, president; Ken Silvers, vp-mgmt super.

Kornhauser & Calene, New York—Griffin shoe polish, Black Flag, Easy-Off oven cleaner, Wizard—Bob Ballerini, exec vp; Stan Turk, exec vp; Chris McClean, vp-acct super.

E.J. BRACH & SONS
Chicago

Marketing Personnel

Ned E. Mitchell, president
Robert B. Hecklau, senior vp-sales & mktg
D. Grady Zehr, asst vp-chocolate prod mktg
Tom Pendergast, asst vp-nonchocolate prod mktg
S.R. Thompson, vp-natl sales
E. Bud Randolph, dir-trade relations
Robert J. Urban, asst vp-mktg

Advertising Agenies

BBDO, Chicago—Harry Ellsworth, vp-mgmt super; Robin Cohen, acct exec.

Cunningham & Walsh/BBDM, Chicago—Jim Davidson, vp.

WHITEHALL LABORATORIES
New York

Marketing Personnel

Stanley F. Barshay, president
Andrew Davis, Peter Mayer, G. Prince, L.R. Yates, vps-mktg
Richard Feldheim, adv dir

Advertising Agencies

William Esty Co., New York—Anacin, Compound W, Dristan tablets and capsules, Dristan nasal sprays, Heet Momentum, Oxipor, Preparation H, Quiet World, Viro-Med—George Biava, senior vp-mgmt super; Peter Baliant, Tom Perotta, Ed Bauccio, vp-mgmt supers; Deborah Dick-Rath, Ed Peck, vp-acct supers; Carol DiSanto, acct super.

Kornhauser & Calene, New York—Anacin 3, Children's Anacin 3, Arthritis Pain Formula, Aspirin-Free Arthritis Pain Formula, Safety Coated Arthritis Pain Formula, Dristan Ultra Colds Formula, Dry & Clear, Denorex Medicated shampoo, Freezone, Outgro, Primatene, Trendar, Youth Garde—Alan Yarnoff, exec vp; Jim Harrigan, Ron Herlihy, vp-mgmt supers; Claire Owen, Richard Geyer, vp-acct supers.

Young & Rubicam, New York—Advil, Maximum Strength Anacin, Anbesol, Bronitin, Neet, Semicid, Sleep-Eze—Tim Fitzgerald, vp-mgmt super; Jim Hogan, vp-acct super; Fred Langbecker, acct super.

WYETH LABORATORIES
Radnor, Pa.

Marketing Personnel

Bernard Canavan, M.D., president
Charles H. Brantley, vp-sales
John T. Spitznagel, vp-mktg
Martin M. Meaney, dir-mktg planning

Advertising Agencies

Kallir, Philips, Ross, New York—Ativan oral & injection, SMA, Nursoy, Collyrium—Ray Wilhelm, Janet Feldman, acct supers; Jean Campbell, acct exec.

F. Scott Kimmich & Co., S. Norwalk, Conn.—Wytensin—Kenneth Begasse, acct super; Karen Nelson, acct exec.

Roberts & Raymond, Associates, Philadelphia—trade program—Robert Sulpizio, acct super, acct exec.

William Douglas McAdams, New York—Amphojel, Basajel, Lo/Ovral, Nordette, Ovral, Phenergans, Triphasil, Tubex—John LaMare, acct super; Albert Carter, Paul Nalbandian, acct execs.

FORT DODGE LABORATORIES
Fort Dodge, Ia.

Marketing Personnel

E.T. Corcoran, president
D.L. Sleighter, dir-sales & mktg
W.E. Ryan, dir-adv

Advertising Agency

Miller-Meister, Minneapolis—Ted Priebe, exec vp.

IVES LABORATORIES
New York

Marketing Personnel

T. Cavanagh, president
J. Donovan, vp-mktg
Michael Delonnay, dir-mktg services

Advertising Agencies

Robert A. Becker Inc., New York—Cordarone, Isordil—Raymond Perry, vp; Ed Martin, acct super.

Klemtner Advertising, New York—Cyclospasmol, Synalgos-DC, Orudis—Gavin Scotti, vp; Jake Zahavi, acct super; Greg Gull, acct exec.

Lally, McFarland & Pantello, New York—Surmontil, Sectral, Cerubidine—Fred Kellogg, acct super.

AMERICAN HOME FOODS
New York

Marketing Personnel

D.P. Jaicks, president
K.H. Becker, vp-mktg services
J. Hittson, vp-prod mgmt
J.P. Palminteri, vp-prod mgmt
J. Neuberger, adv dir
A.J. Soricelli, vp-devel

Advertising Agencies

Cunningham & Walsh, New York—Chef Boy-Ar-Dee pizza mix & sauce, dinners, tin sauce; Crunch 'n Munch, Gulden's Mustard, Jiffy Pop Popcorn, Luck's beans & soups, Ranch Style Beans, new prod—James Polizzi, mgmt rep; Ann Look, Pat Kidd, acct supers.

Kornhauser & Calene, N.Y.—Dennison's Chili, new prod—S. Turk, exec vp; S. Kornhauser, mgmt super; N. Wittenberg, acct super.

Young & Rubicam, New York—Chef Boy-Ar-Dee canned pastas, new prod—Art Klein, exec vp, AHPC acct; Jane Brite, mgmt super; Bonnie Goren, acct super.

SHERWOOD MEDICAL CO.
St. Louis

Marketing Personnel

Howard E. Wickstra, president
David M. Olivier, senior vp-genl mgr, domestic
David A. Low, senior vp-genl mgr, intl
Duane J. Roth, vp-genl mgr, API

Advertising Agencies

Frank Block Associates, St. Louis—Sherwood—Robert Brace, acct exec.

Gardner 2, Los Angeles—Mike Silliland, acct exec.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

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American Honda Motor Co. RANK 60

Gardena, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	10,186	9,100	11.7
Net income	409	368	34.5
Advertising	135	115	17.4

American Honda Motor Co., Gardena, Cal., the 60th largest national advertiser, second largest Japanese auto manufacturer and third largest auto importer in the U.S., increased its ad spending in 1984 to an estimated $134.7 million, up 17.4% over 1983.

American Honda is also the country's motorcycle sales leader in units and value, accounting for 49.3% of the total two-wheel motorcycle market in units.

The Japanese importer owns a dominant 57.6% unit share of the combined motorcycle, all-terrain vehicle (ATV) and scooter U.S. markets, with total sales of more than 700,000 units. In the domestic auto market, it has a 4.9% unit share of market. It also is expanding its U.S. markets for lawn mowers, generators, outboard motors and power products.

American Honda is a wholly owned subsidiary of Honda Motor Co. Ltd., Tokyo, which posted record worldwide sales of $10.2 billion for the 1985 fiscal year ended Feb. 28, up 11.7% over the previous year. Earnings also hit a record $495 million for a 34.5% increase. Sales and earnings for both 1985 and 1984 fiscal years were converted from yen to dollars at the rate of Y259.45 = U.S. $1.

Worldwide sales of Honda autos rose 11.6% to a record 1,252,000 units. In the U.S., sales of imported Honda cars in 1984 rose to a record 374,819 units—137,405 of the sales-leading Civics, 123,045 Accords, 66,924 Preludes and 47,445 Civic CRXs—a 6.9% jump over the 350,670 imported units sold in 1983. Honda also sold 133,181 U.S.-made units at Marysville, O., giving it a total of 508,000 cars sold domestically grossing an estimated $3.8 billion.

Honda is second only to Toyota in total sales (from imports and domestic production) among auto importers in the U.S. But the two top Japanese marketers trail General Motors, Ford and Chrysler in over-all domestic car sales. (Nissan, however, still leads Honda in over-all vehicle sales when compact pickup trucks, a category in which Honda does not compete, are figured into the total.)

Including its U.S.-built Accords, Honda captured a 4.9% unit share of the total U.S. car market, up from 4.4% in 1983, second behind Toyota with 5.4%. Nissan had 4.5%, Volkswagen, 1.7%, and Mazda, 1.6%.

Honda's share of the import market for 1984 stood at 20.9%, up from 16.9% in 1983 and third behind Toyota at 23.0% and Nissan at 20.0%, followed by Mazda at 8.7% and Volkswagen at 6.7%.

Under the Voluntary Restraint Agreement limiting Japanese imports, Honda can send about 427,000 cars to the U.S. this year, a 15.1% increase over 1984. This does not include Honda Accords made in the U.S.

American Honda celebrated its 25th anniversary in the U.S. a much larger and more diverse company in 1984 than the one whose total sales in 1959 were just 200 motorcycles. The quarter century has been marked by a growing commitment to American production, beginning with the founding of Honda of America Mfg. and opening of the plant in Marysville, O., in 1979. With Honda leading the way, other major Japanese auto importers have opened their own U.S. production facilities.

The Marysville operation produces heavyweight motorcycles and Accord cars. Honda is adding a $240 million expansion at the Marysville plant to double capacity to 300,000 cars annually by 1988. The plant reached its full production level of 150,000 units a year last spring. Work is under way to add production of auto engines for the Civic subcompact cars that Honda will begin building at the Marysville plant in mid-1986.

Honda also is constructing a $30 million motorcycle engine plant in Shelby County, O., and a $42 million plant in Marysville that will make plastic parts. Honda opened a $10 million plant in North Carolina in August, 1984, to produce lawn mowers for the Honda Power Equipment Division.

Other U.S. expansion announced in 1984 included plans to market beginning in 1986 a new upscale, Japanese-built cars under the Acura division, a new division. The first of 600 dealerships in the Acura division sales network, which will operate independently of the existing Honda dealerships, will open in 1986.

The Acura division will market a four-door luxury car, code named HX, which is powered by a six-cylinder engine, and a new performance car series, Integra. Priced in the $10,000 to $20,000 range, the Acura models will be positioned against other Japanese luxury cars and European imports such as the BMW and Audi lines. Honda expects to sell 45,000 Acura cars in 1986 and 250,000 a year by 1989.

The Acura ad account, won by Ketchum Advertising, San Francisco, has spending pegged at $10 million annually, part of which is included in unmeasured media expenditure figures. Unmeasured media costs for 1984 amounted for $74.3 million, a substantial portion of the $182 million reported by American Honda for 1984.

While Honda does not break out unmeasured expenditures, company sources report they cover a wide spectrum and vary from product to product. Cars and motorcycles had the support of trade and consumer shows, press introductions, showroom collateral and point-of-sale materials and sporting events. Honda autos sponsored the Honda Classic, an annual PGA golf tournament held in Florida in March. Honda scooters invested heavily in videotaped news releases, cross-promotions with other advertisers and sponsorship of concerts and musical events aimed at a youth-oriented market.

Network and spot tv were the major measured media expenditures in the company's support of its 1985 car and motorcycle models. Tv spending reached $71 million, including $1.1 million for cable. Enthusiast magazines and national newsweeklies accounted for a good portion of the $15 million spent to promote cars and motorcycles in magazines.

Tv also was the main support for Honda's motorized scooters, as well as youth-oriented consumer magazines, which, combined with unmeasured media costs, gave scooters a budget in excess of $8 million. Scooters are expected to get a healthy boost this year as this Honda division continues the promotion of an eight-model line, highlighted by the Elite 150 Deluxe, the $1,450 model.

Honda's share of the motor scooter market, since Vespa went out of the business in 1983, now stands at 88.25%, followed by Yamaha with an 11.60% share in units.

Honda motorcycle advertising continued to carry the established "Follow the leader" theme in a measured $20.1 million advertising program dominated by an $17.8 million expenditure for network and spot tv and $2.3 million for magazines. A new entry level product, the Rebel, priced at $1,298, accounted for a major portion of the budget.

The promotional effort has helped maintain Honda's dominant position in the world and U.S. motorcycle markets, despite tough competition and falling demand. Worldwide sales of Honda motorcycles in fiscal 1985 dropped 7.2% from 1984 levels to 2,954,000 unit sales.

ASK Joan Collins
★ and Robert Mitchum ★ and
Orson Welles ★ and Lauren Bacall ★
and Ricardo Montalban ★ and George Peppard ★
and Morgan Fairchild ★ and Mr. T ★ and Heather Lockleer
★ and Chevy Chase ★ and James Brolin ★ and Jimmy Stewart ★ and
Barbara Eden ★ and Buddy Ebsen ★ and Mohammed Ali ★ and Sarah Purcell ★
and Eddie Albert ★ and Lloyd Bridges ★ and Ernest Borgnine
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Palance ★ and Jennifer O'Neill ★ and Diane Von Furstenberg ★ and
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and David Steinberg ★ and Hope Lange ★ and Herschel Walker ★ and Tina Louise ★ and Ava Gabor
★ and The Smothers Brothers ★ and Rick Monday ★ and Helen Reddy ★ and Alan Carr
★ and Steve Allen ★ and Jo Anne Foxx ★and Red Skelton ★and Billy Carter ★and Paul Williams ★ and Newton ★ and Peter Price★and E.G. Marshall ★and Gary Burghoff ★ and Milton Berle ★ and Tony Martin ★and Jerry Dennis ★ and Cesar Newman ★ and Ginger ★ and Trini Lopez ★and ★ and Macdonald Carey ★and Henny Youngman and Rosey Grier ★and and Roddy McDowell ★ Richard Roundtree★and Avery Schreiber ★ and Nipsey Russell ★ and Bobby Riggs ★and Rudy

The list goes on forever: Top celebrities placed by Ingels Inc. in a successful commercial project.

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★and Roger Miller Worley ★ and Redd ★and Joey Heatherton Billie Jean King ★ and Sid Ceasar ★and Wayne Lawford ★ and Vincent ★ and Dorothy Lamour and Barry Sullivan ★ Dan Haggerty ★ and Lee Lewis ★and Sandy Romero ★ and Barry Rogers★and June Allyson Aldo Ray★and Louie Nye ★ and George Plimpton ★and Roger Williams ★ Linda Day George ★ and Bobby Morse★ and John Newcombe ★ and Arte Johnson ★ and Martin Milner ★ and Vallee★ and Arthur Hill
★ and George Jessell★and Kaye Ballard★and Morey Amsterdam★and Kevin McCarthy★and Cyd Charisse★and Bert Parks★and Gordon MacRae★and Rex Reed★and Buddy Greco★and Meadowlark
Lemon★ and Scatman Crothers★and Jackie Vernon★and Ed Byrnes★ and John Cappalletti★and Buster Crabbe★ and Tracy Austin★and Sheila MacRae★and Dorothy Malone★and Paul Burke •
and Julia Meade★and Ann Miller • and Xavier Cugat★and Andrew Sisters ★and Dennis Day★and Gisele MacKenzie★and Mickey Dolen★and Chubby Checker★and Ted Bessell★and Fats Domino
★ and Roger Miller ★and Cliff Gorman★and Barnstable Twins★ and Lyle Waggoner★ and Martin Landau★and Don Adams★and Marty Allen★and Shaun Cassidy ★ and NOT Steve Lawrence and
Eydie Gorme ★and Della Reese ★and Ron Palillo★ and Rossano Brazzi ★ and Kevin Dobson ★and James Earl Jones ★ and Merle Haggard★ and Red Autabauch ★and Marty Ingels Mother ★

100 leading national advertisers with U.S. sales

Primary business	Rank	Company	U.S. ad spending 1984	U.S. ad spending 1983	U.S. sales* 1984	U.S. sales* 1983	Adv. as % of U.S. sales 1984	Adv. as % of U.S. sales 1983	1984 worldwide figures Sales	1984 worldwide figures Earnings
AIRLINES	59	UAL Inc.	$136,700	$131,500	$6,967,599	$6,021,840	2.0	2.2	$6,967,599	$443,000
	72	AMR Corp.	110,800	88,640	5,353,721	4,676,307	2.1	1.9	5,353,721	233,880
	95	Delta Air Lines	66,900	64,999	4,684,000	4,263,731	1.4	1.5	4,684,000	259,500
	96	Trans World Airlines	66,200	59,000	2,049,361	1,955,483	3.2	3.0	3,656,600	29,900
	99	Eastern Airlines	60,800	71,000	4,363,898	3,942,134	1.4	1.8	4,363,898	(37,927)
AUTOMOTIVE	2	General Motors Corp.	763,800	674,850	69,355,600	59,668,700	1.1	1.1	83,889,900	4,516,500
	8	Ford Motor Co.	559,400	484,147	36,788,000	28,375,000	1.5	1.7	52,366,000	2,907,000
	23	Chrysler Corp.	317,400	231,278	17,239,700	11,665,500	1.8	2.0	19,572,700	2,380,000
	47	Nissan Motor Corp.	164,200	123,885	N/A	N/A	N/A	N/A	15,447,000	315,000
	57	Toyota Motor Sales Co.	137,900	123,897	N/A	N/A	N/A	N/A	24,827,618	1,238,692
	60	American Honda Motor Co.	134,700	114,700	N/A	N/A	N/A	N/A	10,200,000	495,000
	68	American Motors Corp.	120,500	101,691	4,215,191	3,271,720	2.9	3.1	4,215,191	15,469
	75	Volkswagen of America	103,000	112,882	N/A	1,575,612	N/A	7.2	16,363,900	81,692
	92	Mazda Motor Corp.	71,797	75,165	N/A	N/A	N/A	N/A	5,844,143	121,114
	97	Goodyear Tire & Rubber Co.	64,700	58,711	7,091,500	6,672,300	0.9	0.9	16,240,800	411,000
CHEMICALS & PETROLEUM	27	American Cyanamid	284,410	203,009	2,686,959	2,388,662	10.6	8.5	3,856,700	215,900
	42	Mobil Corp.	172,500	160,000	25,574,000	23,499,000	0.7	0.7	60,474,000	1,268,000
	78	Union Carbide Corp.	93,000	89,253	6,766,000	6,189,000	1.4	1.4	9,508,000	323,000
	79	E.I. du Pont de Nemours	91,000	77,000	24,486,000	24,562,000	0.4	0.3	35,915,000	1,431,000
ELECTRONICS & OFFICE EQUIPMENT	18	International Business Machines	376,000	297,000	27,371,009	23,127,000	1.4	1.3	45,937,000	6,582,000
	24	Eastman Kodak Co.	301,000	273,000	7,118,000	6,635,000	4.2	4.1	10,600,000	923,000
	37	General Electric	202,400	196,583	25,968,000	23,513,000	0.8	0.8	27,947,000	2,280,000
	38	Tandy Corp.	190,000	156,728	2,344,527	2,088,851	8.1	7.5	2,840,000	189,100
	64	Xerox Corp.	127,583	110,666	5,584,800	4,968,200	2.3	2.2	8,791,600	290,500
	76	Canon Inc.	100,000	80,000	1,260,000	893,291	7.9	9.0	3,308,319	139,558
	77	Apple Computer	100,000	35,000	1,187,839	764,416	8.4	4.6	1,515,876	64,055
ENTERTAINMENT & COMMUNICATIONS	33	RCA Corp.	239,400	209,913	9,164,000	8,081,600	2.6	2.6	10,111,600	341,000
	40	Warner Communications	181,749	167,856	1,726,784	1,357,691	10.5	12.4	2,023,513	(586,099)
	41	CBS Inc.	179,800	141,700	4,295,600	3,783,400	4.2	3.7	4,924,900	212,353
	50	Gulf & Western Industries	149,249	145,932	4,867,000	4,298,000	3.1	3.4	4,182,200	259,900
	61	Time Inc.	133,900	125,303	3,067,353	2,529,000	4.4	5.0	3,067,353	216,398
	89	MCA Inc.	77,058	73,012	1,381,170	1,254,583	5.6	5.8	1,651,242	94,937
	94	American Broadcasting Cos.	68,900	49,168	3,708,000	2,949,000	1.9	1.9	3,708,000	195,332
FOOD	4	Beatrice Cos.	680,000	590,799	9,832,000	7,270,000	6.9	8.1	12,595,000	479,000
	10	McDonald's Corp.	480,000	311,618	8,071,000	7,069,000	6.0	4.4	10,007,000	389,000
	12	General Foods Corp.	450,000	397,480	6,876,040	6,407,500	6.5	6.2	8,599,800	317,100
	14	Ralston Purina Co.	428,600	438,029	4,980,100	4,872,400	8.6	9.0	4,980,100	242,700
	21	Nabisco Brands	334,977	250,313	3,950,400	3,621,800	8.5	6.9	6,253,100	308,900
	22	Pillsbury Co.	318,473	214,100	4,344,500	3,812,200	7.3	5.6	4,700,000	192,000
	28	General Mills	283,400	278,931	5,094,500	5,068,600	5.6	5.5	5,600,800	233,400
	29	Dart & Kraft	269,200	211,940	7,129,000	6,905,300	3.8	3.1	9,759,000	456,000
	32	Sara Lee Corp.	258,362	197,049	6,631,000	5,631,927	3.9	3.5	8,120,000	206,300
	34	H.J. Heinz Co.	227,286	220,479	2,661,700	2,555,368	8.5	8.6	4,047,945	265,978
	35	Kellogg Co.	208,800	178,768	1,789,600	1,560,000	11.7	11.5	2,602,400	250,500
	39	Nestle Enterprises	186,848	169,241	5,100,000	2,508,000	3.7	6.8	N/A	N/A
	49	Quaker Oats Co.	161,300	149,138	2,586,000	2,402,000	6.2	6.2	3,344,100	138,700
	53	Campbell Soup Co.	142,000	127,203	3,345,000	3,120,532	4.3	4.1	3,989,000	198,000
	65	IC Industries	127,289	112,116	3,874,900	3,390,000	3.3	3.3	4,234,000	122,800
	66	CPC International	123,500	118,000	1,815,300	1,525,900	6.8	7.7	4,373,300	193,400
	80	Wendy's International	90,833	64,452	944,768	720,383	9.6	8.9	944,768	68,707
GUM & CANDY	54	Mars Inc.	139,282	121,300	N/A	N/A	N/A	N/A	N/A	N/A
	88	Hershey Foods Corp.	79,200	68,702	1,892,506	1,700,000	4.2	4.0	1,892,506	108,682
	93	Wm. Wrigley Jr. Co.	70,400	66,463	417,206	406,472	16.9	16.4	590,531	39,662
MISCELLANEOUS	26	U.S. Government	287,807	234,604	N/A	N/A	N/A	N/A	N/A	N/A
	43	American Express Co.	172,100	107,841	10,449,000	7,352,000	1.6	1.5	12,895,000	610,000
	86	Greyhound Corp.	80,200	84,084	2,757,000	2,628,000	2.9	3.2	2,757,000	125,000
	87	Kimberly-Clark Co.	80,000	78,020	2,655,400	2,325,800	3.0	3.4	3,616,200	225,000
PHARMACEUTICALS	13	Warner-Lambert Co.	440,000	345,550	1,910,000	1,822,000	23.0	19.0	3,166,657	223,887
	16	American Home Products	412,000	338,081	3,435,900	3,178,300	12.0	10.6	4,485,470	682,082
	25	Johnson & Johnson	300,000	296,618	3,735,900	3,610,500	8.0	8.2	6,124,500	514,500
	31	Bristol-Myers Co.	258,440	241,505	3,148,800	2,889,300	8.2	8.4	4,189,400	472,400
	45	Sterling Drug Co.	166,600	172,179	1,187,897	1,191,444	14.0	14.5	1,827,295	143,360
	48	Richardson-Vicks	163,500	151,011	N/A	733,800	N/A	20.6	1,220,000	72,200
	52	Schering-Plough Corp.	144,300	117,967	1,075,700	985,200	13.4	12.0	1,874,300	177,200
	74	Bayer AG	105,296	89,272	3,638,700	2,867,378	2.9	3.1	15,410,000	420,800
	83	Pfizer Inc.	86,400	72,120	2,150,200	1,949,800	4.0	3.7	3,854,500	507,900
RETAIL	3	Sears, Roebuck & Co.	746,937	725,800	35,885,000	32,637,000	2.1	2.2	38,885,000	1,454,800
	9	K mart Corp.	554,400	400,652	20,329,000	17,785,700	2.7	2.2	21,095,900	499,100
	11	J.C. Penney Co.	460,000	376,000	12,963,000	11,546,000	3.5	3.3	13,451,000	435,000
	67	Levi Strauss & Co.	122,000	95,200	1,912,417	2,019,161	6.4	4.7	2,513,536	41,387
	98	Cotter & Co.	63,900	52,377	1,653,199	1,459,744	3.9	3.6	1,653,199	58,173
SOAPS & CLEANERS	1	Procter & Gamble Co.	872,000	788,791	10,240,000	9,544,000	8.5	8.3	13,550,000	635,000
	17	Unilever U.S.	395,700	325,775	3,606,000	3,119,000	11.0	10.4	18,760,000	583,000
	30	Colgate-Palmolive Co.	258,731	269,793	2,342,678	2,208,713	11.0	12.2	4,910,000	71,600
	73	Clorox Co.	109,600	91,410	N/A	824,419	N/A	11.1	1,050,000	86,100
	81	S.C. Johnson & Son	90,000	87,123	N/A	880,000	N/A	9.9	2,000,000	8,000
SOFT DRINKS	15	PepsiCo Inc.	428,172	356,810	6,706,600	6,011,900	6.4	5.9	7,699,000	213,000
	20	Coca-Cola Co.	343,300	284,755	4,566,400	4,071,400	7.5	7.0	7,364,000	629,000
TELEPHONE	7	American Telephone & Telegraph	563,200	466,185	N/A	67,648,000	N/A	0.7	33,187,500	1,369,900
	44	ITT Corp.	168,000	134,237	6,685,000	5,969,000	2.5	2.2	12,700,988	448,046
	82	GTE Corp.	89,775	70,378	13,421,882	10,900,000	0.7	0.6	14,547,000	1,125,118
TOBACCO	5	R.J. Reynolds Industries	678,176	593,715	10,216,000	9,584,000	6.6	6.2	12,974,000	843,000
	6	Philip Morris Inc.	570,435	529,694	10,034,000	9,303,100	5.7	5.7	13,813,700	888,500
	56	Loews Corp.	137,900	135,393	5,603,354	5,260,075	2.5	2.6	5,603,354	328,640
	62	American Brands	133,000	122,000	3,064,900	3,048,100	4.3	4.0	6,995,187	414,120
	71	Batus Inc.	113,400	146,108	6,211,078	6,063,520	1.8	2.4	6,211,078	313,523
	90	Grand Metropolitan p.l.c.	76,200	56,795	2,040,000	1,340,000	3.7	4.2	7,000,000	661,400
TOILETRIES & COSMETICS	36	Revlon Inc.	205,000	179,000	1,728,914	1,660,930	11.9	10.8	2,399,205	112,098
	46	Gillette Co.	165,673	177,512	1,102,400	1,019,800	15.0	17.4	2,288,600	159,300
	51	Chesebrough-Pond's	145,500	142,365	1,479,521	1,337,824	9.8	10.6	1,857,330	119,529
	58	Beecham Group p.l.c.	137,000	134,601	1,023,500	752,100	13.4	17.9	2,838,500	379,600
	69	Cosmair Inc.	119,500	69,955	N/A	480,000	N/A	14.6	665,000	N/A
	91	Noxell Corp.	74,200	67,900	N/A	255,414	N/A	26.6	349,500	28,200
TOYS	63	Mattel Inc.	132,892	88,457	697,123	506,771	19.1	17.5	880,900	71,300
	85	Hasbro Inc.	83,691	56,634	560,787	194,370	14.9	29.1	718,900	52,388
WINE, BEER & LIQUOR	19	Anheuser-Busch Cos.	364,401	306,377	6,501,200	6,034,200	5.6	5.1	6,501,200	391,500
	55	Adolph Coors Co.	138,700	118,547	1,262,903	1,110,406	11.0	10.7	1,262,903	44,731
	70	Jos E. Seagram & Sons	115,827	119,681	1,752,000	1,639,000	6.6	7.3	2,800,000	384,000
	84	Stroh Brewery Co.	85,200	74,181	1,600,000	1,561,000	5.3	4.8	1,600,000	N/A
	100	Van Munching & Co.	58,970	39,116	350,000	N/A	16.9	N/A	350,000	N/A
		TOTALS	22,504,512	19,405,156	508,670,720	431,090,905	4.4	4.5	915,760,847	56,713,901

* All sales and earnings figures are for the latest fiscal year

Source: See where Advertising Age got this data, Page 12.

NOTES: All dollar figures in thousands. Some private companies will not divulge sales figures. Estimates were obtained where possible.

In the U.S., for the first five months of calendar 1985, Honda's share of the motorcycle market was 49.3% in units, down slightly from a 51.4% share a year earlier. It was followed by Yamaha at 17.2%, Kawasaki at 15.5%, Suzuki at 9.3% and Harley-Davidson at 6.7%.

Honda also leads the competition in sales of all-terrain vehicles with a 66% share.

After 11 years using only two themes in its car advertising—"What the world is coming to" and "We make it simple"—Honda simplified things in 1984 by dropping slogans entirely. Rationale: Not using one gives Honda a few more costly seconds to sell the car in tv spots.

Product offerings in the 1985 model year included the Civic CRX, the *Motor Trend* 1984 Import Car of the Year, a high mileage (49 mpg EPA) two-seater priced at $6,479. Introduced in February, the CRX riding tandem with other Civic models, and the Accord and Prelude in advertising received measured spending of about $15 million. The Accord in solo ads spent $10.8 million primarily in network tv and magazines.

One CRX tv spot, called the "rocket ad," featured a tilted landscape with the car shown taking off for outer space like a rocket.

Other car advertising included pitches for the new Accord SE-i luxury four-door, five-speed sedan (priced at $10,295), a range of Civic models from CRX to the four-wheel-drive wagon ($8,649), and the Prelude Si five-speed, 1.8 coupe ($10,345).

Honda's print and tv advertising continued to take a lean, product-as-star approach, with the vehicles prominently displayed against plain backdrops.

Sales of Honda power products produced another record year with North America and the U.S. once again the key growth market.

Lawn and garden equipment, including tillers and tractors, and generators, snowmobiles and snow removal equipment, accounted for $13 million in measured media in 1984, led by heavy use of consumer magazines. That was up considerably from $5 million as Honda goes after a bigger share of market, estimated at only 1% before the opening of U.S. production in North Carolina.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	9,001	8,059
Magazines	15,053	19,850
Network cable	1,157	332
Spot tv	8,034	10,807
Network tv	54,944	41,529
Spot radio	6,736	11,036
Network radio	2,647	2,636
Outdoor	116	2,451
Total measured	97,687	96,700
Total unmeasured	37,013	18,000
Estimated total	134,700	114,700

AMERICAN HONDA MOTOR CO.
100 W. Alondra Blvd.
Gardena, Cal.90247
(213) 321-8280

Marketing Personnel

Tetsuo Chino, president-automobiles

Automobiles

K. Amemiya, exec vp
Cliff Schmillen, senior vp
T. Elliott, vp-operations
J. Billmyer, vp-sales
Eric Conn, auto adv mgr

Motorcycles

Riku Iwai, senior vp
Koichi Kondo, asst to senior vp
Jon Row, motorcycle-adv adv mgr
Neil Leventhal, scooter adv mgr

Power Equipment

Sam Okamura, vp
Terry Mulligan, asst vp
Steve Bailey, power equipment mktg mgr

Advertising Agencies

Needham Harper Worldwide, Los Angeles—autos—William Hagelstein, senior vp-mgmt rep; Thomas Cavanagh, vp-acct dir.

Ketchum Advertising, Los Angeles—Acura autos—Craig Mathiesen, president; Peter Goodwin, vp-acct super; Kevin Kitagawa, vp-acct super.

Dailey & Associates, Los Angeles—power equipment, motorcycles—Don Effler, senior vp-mgmt super; Dennis Kanagae, acct group super. Power Equipment—R. Van Remmen, mgmt super; K. Kitagawa, acct super.

Wieden & Kennedy, Los Angeles—scooters—Gary Langstaff, genl mgr; B. Billitzer, acct super.

American Motors Corp.

RANK 68

Southfield, Mich.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,215	3,272	28.8
Net income	15	-258	106.0
Advertising	121	102	18.5

American Motors Corp., Southfield, Mich., which in 1984 recorded its first full-year profit since 1979, was the 68th largest national advertiser with total ad spending of $120.5 million in 1984, an increase of 18.5% over 1983.

AMC turned around a loss of $258.3 million in 1983 into a gain of $15.4 million in 1984 on sales of $4.2 billion, up 28.8% from 1983. The euphoria has been shortlived, however. AMC lost $29 million in the first quarter of 1985 and reported a $70.4 million loss in the second quarter. By mid-year, AMC was predicting it would break even for the last two quarters and a loss for the year over-all.

The No. 4 U.S. auto maker responded to the early 1985 losses by cutting operating costs by 25% and by receiving contract concessions from workers at the company's only U.S. passenger car plant in Kenosha, Wis.

AMC's major problem is that subcompact Renault Encore and Alliance products—its only U.S.-built passenger cars—compete in a segment that is not only showing lackluster sales but also is the most competitive, with increasing numbers of products coming from Japan and in the 1986 model year from Korea and Yugoslavia.

Believing that it must compete in more segments, AMC is sticking to plans to spend $2 billion between 1982 and 1987 to design and launch new vehicles.

AMC's fate also is bound up with the financially ailing French auto maker Regie Nationale des Usines Renault, which owns 46% of AMC. Renault is under pressure from French union leaders and others to curtail North American operations but so far has continued to express support for AMC.

Some analysts have speculated that AMC may be forced to reorganize, including selling its profitable Jeep operations. President-ceo Jose Dedeurwaerder has denied Jeep is for sale.

But Mr. Dedeurwaerder does say AMC is exploring the possibility of a joint project with an unidentified Japanese auto maker. AMC is the only American auto company without a Japanese partner.

Under the Renault brand name, AMC manufactures and sells the Alliance and Encore, which are Renault-designed, front-wheel-drive passenger cars. Under the AMC brand name, the company also sells the Eagle, a four-wheel-drive automobile made in Canada.

Under the Jeep brand name, AMC builds and sells utility and recreational vehicles consisting of the two and four-wheel-drive Jeep Cherokee and the four-wheel-drive Wagoneer, Jeep CJ, Jeep pickup truck and Grand Wagoneer. In addition, AMC imports and sells the Renault R-5 (in Canada only), the Renault Sportwagon and the sporty coupe, Renault Fuego.

During 1984. AMC reached a nine-year high in the retail sales of passenger cars and Jeep vehicles. Unit sales for all vehicles (Jeeps and passenger cars) worldwide were 442,383, up 15.4% from 1983. Jeep worldwide sales were 193,428, up 70.5%. Jeep sales represented 43.7% of total AMC worldwide unit sales. The remainder were passenger cars.

In the U.S. and Canada, which account for 92.3% of total AMC worldwide unit sales, auto sales of 237,309 were down 10.8%, while Jeep sales of 171,036 were up 83.6%. The sizable increase for the Jeep line is largely the result of the sports utility vehicles, Cherokee and Wagoneer, which were introduced in late 1983. Three off-road magazines named Cherokee "4x4 vehicle of the year." Another Jeep product, the Jeep Comanche pickup, has attracted considerable attention prior to its introduction Oct. 1 of this year. AMC says that prelaunch interest in the new pickup has meant stepped up production at the Toledo, O., plant producing the Comanche. Three hundred a day are currently being assembled.

In the U.S. auto market, AMC in 1984 held a 2% market share in units behind leader General Motors' 44.6% share, Ford 19.2%, Chrysler 10.4%, Toyota 5%, Honda 4.9% and Nissan 4.7%. Total market sales were 10,324,000 units, up from 9,147,000 in 1983, according to the Motor Vehicle Manufacturers Assn. (domestic sales) and Ward's Automotive Reports (imports).

Another bright spot in 1984 was Beijing Jeep, the joint venture company that resulted from the historic 1983 agreement between AMC and the People's Republic of China. Beijing Jeep earned the equivalent of $12.5 million in 1984 operations, turning out the BJ212, a five-passenger, 4wd Russian-designed vehicle with Jeep CJ lineage. AMC and its Chinese partner plan to assemble Jeep Cherokee kits in Beijing beginning this fall. Phaseout of the Russian model is expected in the future.

Improving economic factors helped industry sales of passenger cars in the U.S. reach the 10.3 million unit level in 1984, but the increases in sales occurred in the market segments where AMC had no offerings. The company's share of the car market declined from 2.5% in 1983 to 2.0% in 1984, largely because the small-car segment declined to 18.7% of the market, compared with 20.8% in 1983. Alliance and Encore sales actually were up 16% from 1983.

Lagging sales in the small-car segment spurred hot competition on the price front. AMC reduced the price of Encore and Alliance by 1.6%, or $107, in December, and in February, 1985, began offering 8.5% financing on those cars. In mid-June, the low-interest loans were dropped in favor of cash rebates tied to 10,000 miles of "free" gasoline, based on EPA estimated gas mileage.

American Motors in early 1985 threatened to move its production of Encore and Alliance to Europe beginning next year, claiming that the Kenosha plant had the highest labor costs in the industry. After protracted bargaining, the United Auto Workers agreed to cost concessions, and AMC pledged to continue production of the Alliance and Encore in Wisconsin as long as sales of those models justify making them. The company estimates that could be as long as four years.

But in the first six months of 1985, AMC sales of passenger cars in North America plummeted 40% from the previous year because of the squeeze in the small car segment. Jeeps continued to sell well, however, with sales up 7% from 1984.

AMC planned to expand its coverage of the light-truck market by introducing the Jeep Comanche, a compact pickup truck available in both two-wheel and four-wheel drive, for the 1986 model year. Promotion began with the May opening of the Beach Boys/Jeep Comanche "Jeep'n Safari" concert tour that would showcase the pickup in more than 40 cities.

The company in 1984 also announced plans to broaden its lineup with a 1988 model year intermediate sedan to be built in Canada.

Measured advertising in the nine media tracked in this report was $94.7 million, up 13.5% from 1983. Vehicles or ad categories responsible for the boost in measured totals included the launch of the Jeep Cherokee at $10.2 million in measured advertising, mostly tv and some magazine; launch of the Jeep CJ at $3.3 million in measured spending; Jeep Wagoneer spent $6 million, up from $3.2 million; the Renault Encore, $15.4 million, up 45%; and a nonspecific AMC passenger car category, $8.7 million, up from $1.5 million in 1983.

Spending dropped for the Renault Fuego to $6.2 million from $10 million in 1983; the AMC Eagle to $3.5 million from $5.8 million; and nonspecific Jeep vehicles, $3.5 million, down from $11.1 million.

Advertising support remained stable for Renault Alliance at $20.6 million.

Ad themes remained consistent from the 1984 to 1985 model year. The Alliance and Encore continued to "bridge the gap between European technology and affordability," via Grey Advertising, New York. The Alliance convertible, introduced for the 1985 model year, was folded into Alliance advertising as "upward affordability."

Jeep advertising, via Saatchi & Saatchi Compton, used exotic locations and the single copy line "Only in a Jeep," for print.

On tv, the Jeep CJ7 was compared with a buffalo, as the hero sweeps the heroine off her feet, first for bareback bison riding and then for Jeeping in the outback.

The Cherokee and Wagoneer, shown in advertisements with competitors, were identified as the only vehicle (the two are considered one because they come from the same XJ series) to be unanimously selected as the 4wd vehicle of the year by three car buff books.

A print campaign for Grand Wagoneer was aimed at upscale horsemen and boaters, using testimonials from Wagoneer owners including a America's Cup skipper, Dennis Conner, and horse breeder Bob Norris.

In February, 1985, AMC used a $6 million mid-model year 16-page magazine insert and tv campaign to show all of its line at one time and help pump up the Renault name. The "Buyers Guide" insert compared features of the AMC-marketed vehicles with their competition. "We challenge you to find better vehicles anywhere," a headline said.

In July, 1985, AMC chairman W. Paul Tippett took over as president of Springs Industries, a Fort Mills, S.C., textile maker, but retained the title of chairman of AMC's board.

Mr. Tippett was elected chairman in January, 1982, and had been chief executive officer until the fall of 1984, when he was replaced by Mr. Dedeurwaerder, AMC president.

Mr. Tippett relinquished fulltime duties at American Motors Corp. in April, 1985.

Also in July, 1985, Joseph E. Cappy was promoted from group vp-sales and marketing to exec vp in charge of AMC's sales, marketing, international manufacturing and supply.

Mr. Cappy had been credited with encouraging AMC to be promotion-conscious.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	7,572	8,315
Magazines	21,880	15,645
Network cable	573	975
Spot tv	6,074	6,222
Network tv	56,622	50,972
Spot radio	1,206	121
Outdoor	746	1,088
Total measured	94,674	83,337
Total unmeasured	25,829	18,355
Estimated total	120,500	101,691

AMERICAN MOTORS CORP.
27777 Franklin Rd.
Southfield, Mich. 48034
(313) 827-1000

Marketing Personnel

Joseph E. Cappy, exec vp-operations
Peter G. Guptill, vp-North American sales
David L. Kerr, dir-adv. mktg planning
Robert F. Donovan, dir-mktg services, merch
James L. Cherfoli, mgr-mktg services
Thomas L. Draur, mgr-Jeep adv
Marvin H. Klein, mgr-Renault adv
Robert G. Wildberger, mgr-media budgets
James D. Rader, mgr-dealer adv

Advertising Agencies

Grey Advertising, New York—Renault—Lou Maloof, exec vp, Southfield, Mich.; Bruce McRitchie, senior vp-genl mgr; Bob Borgan, vp-mgmt super; John Miley, vp-mgmt super; Bill Brussow, vp-acct super; Tom Donaldson, vp-acct super.

Saatchi & Saatchi Compton, New York—Jeep—David J. Van Peursem, senior vp-mgmt dir; Kenneth Campbell, vp-mgmt super; Robert Reed, vp-mgmt super; Lynn H. Vernon, vp-mgmt super; Mark Liska, vp-acct super; Walter Dunne, vp-acct super.

American Telephone & Telegraph Co.

RANK 7

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	33,187	N/A	N/A
Net income	1,370	N/A	N/A
Advertising	583	466	20.8
Division sales			
Services	15,780	N/A	N/A
Products	10,189	N/A	N/A
Rental	7,217	N/A	N/A

The year 1984 was a rite of passage for American Telephone & Telegraph Co., New York, the nation's 7th largest advertiser with an estimated $563.2 million in 1984, up 20.8% from 1983.

Stripped on Jan. 1, 1984, of its flourishing core business—the seven regional telephone holding companies—a leaner AT&T is unleashing its enormous resources in the marketplace for information technology. And like a supertanker changing course, AT&T made big waves in its first full year after divestiture, but was slow in establishing a new direction.

Net income for the year was about 67% of projected earnings, a "disappointing" $1.37 billion, says chairman Charles L. Brown. Likewise, total operating revenues of $33.2 billion were 86% of projected total revenues.

Revenues in 1984 were lower than anticipated because of unexpectedly high fees paid to the local telephone companies for access to their lines; increased competition in long distance and equipment markets; adverse regulatory actions that cut into returns AT&T got in most intrastate toll jurisdictions, and delays in the availability of key products, says Richard A. Gray, division manager-financial information.

AT&T's performance was much improved for the six months ended June 30, 1985, although reported revenues and earnings were somewhat diluted by unusual expenses. Revenues for the first half were $16.86 billion, up 1% over 1984. Net income in the first half of 1985 was $815 million, up 16% over the same period in 1984.

The unusual expenses were $314 million in access charges incurred in the first six months of 1984 but billed and reported in the third quarter, and $120 million in higher depreciation expenses during the first half of 1985, Mr. Gray says.

While AT&T's financial condition is improving, it still has a formidable task in paring down from a quasi-public utility to free-market enterprise, says Ted Moreau, an analyst who tracks AT&T for Robert W. Baird Co., Milwaukee, Wis. Perhaps the biggest effect on AT&T's near-term profit margins will come from internal restructure, rather than from improved sales and marketing, he says.

AT&T is wasting no time in its restucturing. In one of the largest corporate reductions, the company announced in August, 1985, that it was giving notice to 24,000 workers in its information systems group.

About 62% of the layoffs include support staffs in headquarters operations across the country; 17% are involved in installation, maintenance and technical support; 13% of the workers are in product distribution, and 8% include hourly factory workers idled by the closing of two manufacturing plants. The information systems group has about 118,000 employes, about one-third of AT&T's total work force.

The work force reduction is expected to save several hundred million dollars annually, beginning in 1986. The move is in keeping with AT&T's announced intent of reducing costs. AT&T emphasizes, however, that it has no plans for employe reductions in sales, research and development, or computer systems.

The reallocation of AT&T's work force, however, is only a short-term adjustment to the new environment and a temporary solution to the company's profit squeeze, analysts say. In the longer-term, AT&T is laying the groundwork for growth in the electronic movement and management of information, both in the U.S. and abroad. The company's efforts in this enormous and emerging market will have a significant impact on current and future advertising and marketing strategies.

AT&T is evolving into an organizational structure built on two pillars. The first is service-oriented, providing domestic and international long distance service through AT&T Communications for residential and business users, and voice, data and video services for business and government. The second pillar is product-oriented, developing, manufacturing and marketing telecommunications products, including switching and transmission systems for the telephone trade and data processing equipment for large and medium-size business use.

AT&T Information Systems is evolving as the manufacturing and marketing group for large business systems, computers and consumer and general business systems.

AT&T struggled in 1984 with creating some sense of unity between these disparate product and service offerings. Of its total measured advertising spending of $433.2 million, up 19.6% from 1983, the second largest item budgeted was geared to this dilemma—that of general-promotion. AT&T spent $70 million on general promotion, divided 74% network tv, 20% magazine, and about 6% spot tv. The company spent $34.1 million on that item in 1983.

The search for a single identity culminated in April, 1985, with selection of a new corporate theme: "AT&T, the right choice." David Shaver, corporate advertising director, says, "The new theme is designed to define the total range of products and services AT&T offers. We're also trying to look more like a single company."

How soon AT&T will be permitted to act like a single company, however, is a critical unknown in its future. Until April, 1985, AT&T had been forced to maintain a structural seperation between AT&T Information Systems and the rest of the company. This separation effectively prevented AT&T from combining its marketing efforts for telecommunications services and information processing.

In April, the FCC permitted AT&T Information Systems to take over some equipment manufacturing operations, resulting in huge layoffs. In September, FCC further loosened AT&T's regulatory shackles, permitting combination of some sales functions for long-distance service and equipment. A catalyst was International Business Machine's June 25, 1985, sale of Satellite Business Systems to MCI Communications in exchange for 15% of MCI's stock and warrants to buy another 2% at a fixed rate.

"The IBM-MCI deal [gave] the FCC an excuse to relax regulations," says Jack Grubman, analyst with Paine Webber Mitchell Hutchins, New York. Analysts say the FCC is eliminating a double standard resulting in restraints on AT&T while IBM-MCI (both in the same business) would be allowed to run free. Added fuel is IBM's December, 1984, buyout of Rolm Corp., a Santa Clara, Cal.-based telecommunications equipment producer.

Combining its information processing and telecommunications technology is critical to AT&T's marketing priorities in 1985 and beyond, as it begins challenging IBM in the convergent technologies of data processing, where IBM is the main contender, and telecommunications, where AT&T is preeminent, Mr. Grubman says.

Consequently, AT&T is bolstering its product development and advertising in the market for telephone and information processing systems targeted at business and consumers. Measured spending for all business and consumer products exceeded $106 million in 1984, 25% of AT&T's total measured spending.

A few single categories include: Information systems, $34.7 million, divided 50% network tv, 30% magazine, 14% network radio and 6% spot tv; personal computers, $20.1 million, divided 70% network tv, 30% magazine; computer systems, $19.7 million, divided 60% network tv, 40% magazine; telephones, $15.3 million, mostly for network tv, according to the six major media tracked by Leading National Advertisers.

Several key product introductions figure heavily in AT&T's marketing and advertising. In computers, early in 1984, AT&T introduced the 3B family of computers, ranging from a desktop supermicro to a superminicomputer. All use the UNIX System V operating system developed by AT&T Bell Laboratories, the only operating system that can be used across a broad span of computers from mainframes to micros.

AT&T also purchased 25% of Ing. C. Olivetti & Co. in December, 1983. The AT&T Personal Computer 6300, a system that is IBM compatible, resulted from their joint efforts.

AT&T introduced a number of telephone networking and digital switching systems, including Merlin for small businesses; System 75 for medium-size businesses, and a more powerful System 85, for large users. AT&T also introduced its Information Systems Architecture, a communications-based concept to ensure compatibility between AT&T products, and in combination with other vendors' products.

Analysts say AT&T is taking giant steps with its growing line of computer products and its reputation for being able to tie systems together with advanced communications systems. "AT&T is starting to develop a computer strategy and to position itself in the market," says Paine Webber's Mr. Grubman. "They're starting to prove that they're a serious manufacturer."

One area where AT&T does not have to prove its credentials is in the $50 billion domestic long distance telephone service to businesses and consumers and in the $5 billion market for international calling. Network ads using actor Cliff Robertson, ADVERTISING AGE's "star presenter," received the lion's share, $170 million, or 40%, of AT&T's 1984 measured spending for that year.

Not surprisingly, the heaviest emphasis was on service to businesses and consumers, who are being asked to select primary long distance carriers during the transition period to "equal access" connections with local telephone companies. Equal access should be complete by September, 1986.

Consumer long distance ads received a measured $113 million in 1984, 90% in network tv, 10% in network radio, which accounted for 26% of total measured spending by AT&T for the year. Business long distance service was targeted with $27 million in measured spending, mostly for network tv; and international long distance ads received $11 million in measured spending, divided 52% spot tv and 48% magazine.

The advantage AT&T had in gaining equal access connections by default was struck down in June, 1985, in an FCC ruling that local telephone companies must use a nonbiased method when assigning long-distance carriers to customers who do not choose one. AT&T expects 30 million of 46 million total customers to be converted to equal access by the end of this year. In many localities, as many as 50% of customers asked to choose a carrier have not done so.

Under the old system, these customers were automatically assigned to AT&T. With the new system, local telephone companies must send at least two ballots to customers where equal access is being introduced, and divide long distance business in the same proportion for customers who do not respond as for those who do.

The allocation system designed by Northwestern Bell Telephone Co., a unit of U.S. West, is prompting twice as many customers to choose carriers other than AT&T, says Gary Tobin, a spokesman for MCI. In Minneapolis, for example, MCI now has 20% of customers selecting or being assigned a long-distance carrier, as opposed to an average 10% share in most markets, he says.

How primary long distance carriers are assigned will have a significant impact on AT&T's eventual market share, analysts say. AT&T says it has 63% of the domestic toll revenue on intra- and interstate long distance calls, and 83% of interstate toll revenues. Some analysts and competitors say the share could be higher.

Mr. Grubman, of Paine Webber, says AT&T's share of intra and interstate long distance toll revenue is closer to 80% to 85%, with MCI claiming about 7% to 8%, GTE's Sprint 3% to 4%, and all others 3% to 10%.

In the international market, AT&T is much stronger. But competition is moving fast. AT&T now has about 97% of the market and a virtual monopoly on calls to Western Europe, with MCI and Sprint emerging as the principal contenders, each with less than 1% market share, analysts say. Some smaller carriers also are expected to make inroads, including TRT Communications, a Washington-based company offering international service to customers of Starnet, the long distance arm of Ford Motor Co., which opened service in summer, 1985; and Satellite Business Systems, the long distance arm of IBM, which plans to begin offering service to Europe and the Far East next year.

Access charges that long distance carriers pay local phone companies for connections to their networks continue to place AT&T at a competitive disadvantage, draining its profit margins. Access billings represent AT&T's biggest single cost, about 60% of an estimated $35 billion in gross revenues for the AT&T Communications unit, analysts say.

MCI, Sprint and other long distance carriers receive discounts on local connections, which enable them to underprice AT&T. By September, 1986, when the transition to equal access is virtually complete, all carriers will be on equal footing in terms of cost.

But AT&T has not allowed its competitors' cost advantage to deter it from aggressive pricing. The company reduced prices on long distance calling 5% in June, 1984, and 6% in June, 1985, with programs such as Reach Out America, AT&T Opportunity Calling, in addition to other pricing features.

AT&T Communications also introduced a variety of new and enhanced voice, video and data services in 1984, such as Accunet, a service that sends digital packets of information; Alliance, a teleconferencing service; international 800 Service and Dial It 900 Service. As a result of divestiture, AT&T encountered temporary problems in 1984 with local telephone companies in delivery of WATS and 800 Service.

AT&T says its eventual goal is to allow customers of all sizes to literally custom design their long distance telephone service. With AT&T's technology and its new-found freedom to market all forms of information management, some analysts believe that goal, and much more, is in store for the near future.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	58,300	71,995
Magazines	79,182	61,396
Network cable	3,487	2,789
Spot tv	17,236	41,641
Network tv	253,117	146,604
Spot radio	5,681	27,949
Network radio	16,344	9,512
Outdoor	36	300
Total measured	433,172	362,185
Total unmeasured	130,028	104,000
Estimated total	563,200	466,185

AMERICAN TELEPHONE
& TELEGRAPH CO.
195 Broadway
New York, N.Y. 10007
(212) 644-1000

Corporate Personnel

J.L. Brunson, corp vp
D.J. Shaver, corp adv mgr

Advertising Agencies

N W Ayer, New York—Tom Maxey, exec vp; Hap Stoner, senior vp; Jack Quigley, vp-acct super; Ted Kolota, Austin Patrick, senior acct execs; Nancy Ryan, acct exec.

UniWorld Group Inc., New York—corp adv directed to minorities—Alvin M. Winters, district mgr corp adv; Linda Dukette, vp-acct super.

AT&T COMMUNICATIONS

Marketing Personnel

Kim Armstrong, adv dir
Bruce Carlson, adv super, planning & rsch
Jane Kleban, adv super, domestic business
Mike Neavill, adv super, domestic residence
Jackie Woodall, adv super, intl & public

Advertising Agencies

N W Ayer, New York—residence, AT&T long distance, certificates, residential calling—Fred McClafferty, senior vp; Anne MacDonald, acct super.

McCann-Erickson, New York—business services—Tom Driscoll, senior vp.

Young & Rubicam, New York—international business & residence, public sector card caller & calling card—Mort Lowenstein, senior vp.

AT&T TECHNOLOGIES

Marketing Personnel

R.J. Martin, adv mgr

Advertising Agency

Foote, Cone & Belding, New York—network systems, electronic components, federal assistance—Jack Young, president; Gary Bahl, vp; Kathryn O'Rourke, acct exec.

AT&T INFORMATION SYSTEMS

Marketing Personnel

Richard Draper, adv dir

Advertising Agency

Ogilvy & Mather, New York—Kelly O'Dea, senior vp; Irene Frary, Gary Gigot, vp-mgmt supers; Jeff Bertrand, Bruce Nathanson, Kathy Moriarty, Mary Gael Senko, Audrey Shuman, acct supers.

AT&T CONSUMER PRODUCTS

Marketing Personnel

Lee Blinch, adv mgr

Advertising Agency

N W Ayer, New York—Ruth Salevouris, senior vp; Lee Rubin, Dick May, vp-mgmt supers; Jack Rayher, Linda Stack, Alison Davis, acct supers, sales & lease of prod to consumers, PhoneCenter Stores.

AMR Corp.

Dallas

RANK 72

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	5,354	4,763	8.0
Net income	234	227	2.6
Advertising	111	89	25.0
Division sales			
Passenger	4,336	3,865	12.1
Other	1,018	878	15.9

AMR Corp., based at Dallas-Fort Worth International Airport, is the nation's 72nd largest advertiser, with estimated total advertising expenditures of $110.8 million in 1984, a 25% increase over 1983.

The 1983 return to profitabilty by AMR's principal subsidiary, American Airlines, led to the company's best year ever in 1984 and further records and growth in the first half of 1985.

AMR's 1984 net earnings of $233.9 million on total operating revenues of $5.4 billion reflected a 2.6% increase over 1983 earnings and a 12.4% increase over 1983 total operating revenues.

The record year was achieved despite the third quarter, when yields were depressed by the vigorous discounting and competition for market share from Braniff, Continental Airlines, People Express and American's other major competitors.

Hans J. Plickert, analyst for E.F. Hutton, attributed the third-quarter earnings lag to reduced traffic during the 1984 Olympic Games and political conventions, in addition to the continued heavy discounting.

American Airlines' 1984 fourth quarter was hurt by extensive weather-related service disruptions in December, forcing the cancelation of more than 900 flights.

In the first half of 1985, AMR reported first-quarter net income of $60.2 million on revenue of $1.39 billion, compared with first-quarter 1984 net income of $60.3 million and revenue of $1.27 billion. AMR's 1985 second quarter was the best quarter in the company's history, with net income of $173.9 million on revenue of $1.688 billion, compared with 1984's second quarter in which net income was $71.4 million on revenue of $1.362 billion.

The record first half was boosted by response to American's new Ultimate Super Saver fare, introduced Jan. 17, and by a 29-day strike of United Air Lines, which American has passed in market share as a result of the strike.

American's Ultimate Super Saver fare cut ticket prices by 38% to 70% in more than 2,400 markets, but introduced new restrictions including a 30-day advance purchase requirement, minimum and maximum stays, capacity controls, and a 25% penalty for refunds or changes once the ticket has been purchased.

The new fare represented an attempt by American Airlines to simplify fare categories and to more effectively compete in the growing discretionary travel market with carriers that are able to offer lower fares because their costs are much lower.

Because of the new fare and United's strike, American in each month of the first half of 1985 was reported to have achieved either record traffic for that month or for any month in the airline's history. The trend continued into July when American reported it flew 4.4 billion revenue passenger miles, a 30.8% increase over traffic in July, 1984, and just short of the 4.5 billion revenue passenger miles in June, 1985. A revenue passenger mile is defined as one fare-paying passenger flown one mile.

The performance prompted Standard & Poors to raise its rating on most of American's outstanding debt by two notches to A-minus from BBB, and to refer to American as "the airline industry's most innovative carrier."

The combined effect of the United strike and American's own strong performance during the first half of 1985 thrust American into the lead of domestic traffic and market shares. American's domestic market share for the period was 15.17%, up from 14.07% the previous year's first half, according to First Boston Corp., New York.

In the same period, First Boston research reported United with a 14.35% share, down from its previous year's first half market share of 18.11%. The next largest carriers were Eastern and Delta with 11.59% and 10.99% shares, respectively, followed by TWA (6.42%), Continental (5.78%) and Northwest (4.29%).

In addition to continuing its cost reduction program throughout the period, American continued to expand its operations. This effort was designed to further reduce unit costs and place American on a more competitive cost basis with what First Boston research refers to as the "new entrants and born-again airlines of the industry."

According to that research conducted by analysts Michael Derchin and RoseAnn Tortora, American plans to grow 17% to 18% annually over the next five years to reduce unit costs through hiring new employes at "market rates." "By the late 1980s," their report predicts, "American's unit costs could dip below 7%," a very competitive cost.

American also is expected to expand its fleet between 1985 and 1991, during which time First Boston says American's total fleet is expected to grow from 260 to at least 454 aircraft at a cost of more than $5 billion.

American's chief hubs at Dallas-Fort Worth and Chicago have continued to expand, but according to First Boston research, growth at those hubs will be limited by facilities and, therefore, expansion will come at a slower rate. Thus, American has began development of new hubs at Nashville, Tenn., and Raleigh/Durham, N.C., and has plans for a hub at Denver when new facilities are available. And other hubs may be opened as well, according to First Boston research, which speculates that a Caribbean hub is to be announced, perhaps along with a West Coast hub and a new north/-south hub.

Such hubs enable American to feed traffic into its long haul system while competing more effectively with the lower-cost regional airlines that are thriving on short haul routes.

Also to stimulate feeder traffic at major cities throughout the country, American in October, 1984, began development of American Eagle, a network of regional airlines fully integrated into the American Airlines domestic route system and service, complete with joint marketing efforts, through-fares, luggage service and reservations via American's reservations system.

Metro Airlines, Houston, and Chaparral Airlines, Abilene, Tex., were the first two to fly the American Eagle colors, beginning in late 1984. Air Virginia, Lynchburg, on May 15, 1985, became the third American Eagle carrier.

By the end of 1984, the new AMR Services Corp., designed to offer aircraft handling services to other airlines, had signed 29 contracts that AMR expects to generate annual revenues of about $10.2 million.

Of American's 1984 total passenger revenues of $4.3 billion, 93% were derived from domestic travel, and 7% were derived from international travel (Caribbean, Mexico and Great Britain). In 1985, American expanded its international routes with schedules including Frankfurt, Paris and Montego Bay, Jamaica.

At the beginning of 1985, *American Way*, American's in-flight magazine (named 1985's "magazine of the year" by the American Society of Journalists & Authors) increased its frequency to 26 times a year from monthly. The magazine's design also was updated and streamlined.

The magazine's publishing group, led by Walter A. Damtoft, expanded its operations in mid-1985 to begin publishing magazines for outside entities. American's first outside publishing venture will be Private Clubs, a monthly magazine to be published for Club Corp. of America, starting in March, 1986, with initial circulation of 200,000.

After nine years with the ad theme of "Doing what we do best," American introduced a new theme, "Something special in the air." The campaign broke Sept. 10, 1984, in all media. Bozell & Jacobs/Southwest, Dallas, continued to handle the airline's account.

American chose TBWA in Paris and Frankfurt as its agency to handle advertising in France and Germany, an account estimated at about $2 million.

Although American's total advertising expense, as reported in its 10K, rose 25.4% in 1984, its measured advertising expense rose 92.8% to $68.8 million, from $35.7 million. Most of that increase went into broadcast media, but magazine, newspaper and outdoor expenditures were also increased, reflecting the airline's expansion and strongly competitive posture.

American's unmeasured advertising expense fell 20.2% during 1984 to $42.0 million from 52.9 million. The company declined to confirm its figures or detail the nature of its unmeasured spending. Typically for an airline, sales promotional efforts make up much of the unmeasured spending as do heavy spot market placement in newspapers.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	13,496	12,790
Magazines.........	4,077	405
Network cable.....	20	35
Spot tv...........	16,632	12,326
Network tv........	22,273	1,707
Spot radio........	11,994	8,301
Outdoor...........	341	135
Total measured..	68,833	35,698
Total unmeasured	41,967	52,942
Estimated total..	110,800	88,640

AMR CORP.
P.O. Box 61616
Dallas-Fort Worth Airport, Tex. 75261
(817) 355-1234

Marketing Personnel

Robert L. Crandall, chmn, president
Thomas G. Plaskett, senior vp-mktg
William P. Shannon, senior vp-field sales & service
Michael W. Gunn, vp-passenger sales & adv
Ann Smits, asst vp-adv
Lowell C. Duncan Jr., vp-corp communications
William E. Crosby, vp-passenger services
M.E. Olsen, vp-capacity planning
Martin F. Brueckner, vp-freight mktg
Carney W. Wenrich, senior dir-freight sales & adv
Bruce S. Goodyear, Judith A. Kirvan, William Quackenbush, Andrea Spica, mgrs-adv
Gregg Mavico, mgr-adv admin
Frank J. DiNuzzo III, senior dir-sales promo
Willard J. Dreslin, dir-sales promo

Advertising Agency

Bozell & Jacobs/Southwest, Dallas—passenger & freight—Paul Gold, senior vp-group acct dir; Tom Hooke, vp-acct dir; George Landis, acct supers; Leslie Brown, Jeannette Everitt, John Thomsen, Anita Wheeler, Chris Clark, acct execs.

Anheuser-Busch Cos.

St. Louis

RANK
19

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	6,501	6,034	7.7
Net income	392	348	12.5
Advertising	364	306	18.9
Division sales			
Beer	5,390	4,908	9.8
Food prods.	1,354	1,320	2.5
Diversified	170	150	13.5

Anheuser-Busch Cos., St. Louis, the nation's 19th largest advertiser, increased ad spending 18.9% to an estimated $364.4 million in 1984, compared with a revised $306.3 million in 1983.

A-B's brewing operations contributed gross sales of $5.39 billion, or 78% of total 1984 sales, a 9.8% increase over 1983 brewing sales of $4.91 billion. Beer volume for the year was 64 million bbls., up 5.8% from 1983. Those increases are especially significant given the stagnancy of the brewing industry, which grew less than 1%. A-B was the only major brewer to show a gain in barrelage in 1984. As a result, the nation's largest brewer gained an even larger share of the market.

A-B estimates that it accounted for 34.6% of the domestic malt-beverage market in 1984, compared with 32.6% in 1983. A-B's barrelage lead over the No. 2 brewer—Miller Brewing, Milwaukee, increased by 26.5 million bbls. Miller reported flat year-to-year volume of 37.5 million bbls. It had a 1984 market share of slightly more than 20%.

A-B chairman August A. Busch III gave much of the credit for the strong brewery showing to "aggressive advertising and merchandising surrounding Anheuser-Busch sponsorship of the Los Angeles Olympic Games."

Aggressive advertising and accelerated new-product development were needed throughout the year as the beer market's sluggishness brought higher ad spending levels by all major brewers, which fought to hold or build their market shares.

The other method of choice for building sales was through introduction of new products or the attempted creation of new segments within the brewing industry. In January, 1984, A-B announced it soon would begin testing a low-alcohol beer (less than 2% alcohol vs. the 4% to 5% alcohol content of regular beer), a product category that Cincinnati-based Hudepohl Brewing and Philadelphia-based C. Schmidt & Sons already had created.

In April, 1984, A-B entered its low-alcohol product, called "LA," into test markets. The new account was awarded to Budweiser agency D'Arcy MacManus Masius, St. Louis. Barely a month later, before it could really gauge the potential size of the audience for low-alcohol beer, A-B began a national rollout for LA.

Using the theme "Sometimes it's the perfect thing to say," LA was positioned as an alternative for those occasions when regular-beer drinkers want to reduce alcohol consumption. It has not been pitched as a regular choice for those who for health or other reasons are interested in less alcohol. For its LA spokesman, A-B and DMM turned to octogenarian actor George Burns.

Wary of repeating their mistake of the late 1970s when skepticism about the potential for low-calorie beer gave Miller Brewing's Lite brand a headstart in that market and a leadership position it never has relinquished, other brewers quickly introduced their own low-alcohol brands, many of them carrying the letters "L.A." to designate lower alcohol content.

A-B filed a trademark infringement suit against Stroh Brewery, Detroit, which had begun marketing Schaefer L.A. A-B's position that "LA" was a trademark rather than a generic term was upheld by a St. Louis federal court, and Stroh changed its brand to Schaefer Low-Alcohol.

La Crosse, Wis.-based G. Heileman Brewing (which began marketing low-alcohol extensions of its Old Style, Blatz, Rainier and other brands) filed suit against A-B in Milwaukee, seeking a ruling that L.A. is generic. Miller Brewing later joined that suit, which is still pending nearly a year later.

How that controversy is resolved may not be too important. The low-alcohol category has been met with minimal consumer interest. But however large the category, A-B's LA has a commanding share of it thanks to disproportionate advertising support. Analysts estimate that A-B produced only 500,000 bbls. of LA, for which it spent $23.7 million in measured-media advertising. That translates to $47.40 spent on advertising per barrel produced. For flagship Budweiser, A-B spent $1.69 in advertising per barrel.

None of the other brewers could compete with that kind of ad spending. While their low-alcohol beers are still marketed, the category effectively has been conceded to A-B.

The company's other major new product was King Cobra, its first entry in the malt-liquor category since it withdrew Budweiser Malt Liquor from the market in 1973. The new malt liquor was tested during 1984 under both the King Cobra and Jaguar names, with the former name chosen in October. Measured media spending last year for the brand (under both names) totaled only $80,000, all in outdoor.

Michelob Classic Dark, a bock-beer extension of its superpremium brand that had been available on draft since 1976, was introduced nationally in bottles. Measured media spending was $325,000.

Wine is not a new business for A-B, but it is becoming a more important one. Responsibility for the Anheuser-Busch Wines unit was transferred to the brewery subsidiary from the corporate planning department to facilitate its expansion, which quickly followed. Availability of A-B's Master Cellars wines, sold only in taverns and restaurants, was expanded to California and Nevada from the brand's original Colorado test markets.

Despite that wine-making capability, A-B remained one of the few major brewers without an entry in the fast-growing cooler business. Stroh, Heileman and Adolph Coors Co. introduced wine or malt-based coolers, but A-B has resisted.

While nurturing these new products, A-B has continued to focus corporate attention and most of its advertising budget on its existing brands.

Budweiser remains the rock on which the A-B empire rests. To say it is the nation's largest-selling beer doesn't fully communicate its size. The Budweiser brand alone accounts for about 25% of the domestic beer market (No. 2 brand Lite beer from Miller accounts for 10%). A-B produced 44.3 million bbls. of Bud in 1984, about 70% of the company's total volume. The total volume for No. 2 brewer Miller Brewing is only 85% of the volume of Budweiser alone.

Budweiser's ad budget reflects that importance as well as the increasingly competitive tone of the beer market. A-B placed an estimated $75 million behind the brand in 1984, up 25% from the $60 million spent in 1983 and nearly double the 1982 outlay. The longtime "This Bud's for you" theme continues.

One of A-B's best-performing brands in 1984 was Busch, its popularly priced (below the premium category occupied by Budweiser) brand. Production increased from 3.4 million bbls. to 4.3 million as A-B began expanding the brand's marketing territory and increasing its ad budget. Measured-media spending for Busch—with the theme "Head for the mountains"—increased 28% to $8.7 million.

A-B has positioned its two light-beer brands to address different markets. Bud Light, originally introduced as Budweiser Light, is being positioned as an on-premise brand to battle Miller Brewing's dominant Lite beer. A-B dropped the "Bring out your best" approach in favor of a campaign urging tavern patrons to ask for Bud Light by name. In dozens of spots, all of which take place in taverns, patrons who ask only for a "light" receive flaming torches or arrows, lanterns or anything but a beer.

Ad spending for Bud Light has increased steadily since the brand was introduced in 1982. Last year, A-B spent $56 million for the brand, 12% greater than the measured media the previous year.

A-B's other light brand, Natural Light, is positioned to tackle the take-home, off-premise market. Its advertising is the opposite of that for Bud Light: Tv spots all are set in homes, none are set in taverns. Advertising is themed "The beer with a taste for food" to reinforce that at-home positioning.

With increased emphasis on establishing and building the Bud Light brand, ad support for Natural Light was cut to $2.5 million in 1984, less than half the $5.6 million spent in 1983.

A problem category for A-B—as well as other domestic brewers—was the superpremium category, which includes the Michelob and Michelob Light brands. The strength of the U.S. dollar brought down the prices of many imported beers with which the domestic superpremiums compete. An increase in the number of lower-priced beers in the hotly competitive market also hurt the upper-end superpremiums.

A-B reviewed the advertising assignments for both its superpremiums, handled by Budweiser agency D'Arcy MacManus Masius, St. Louis. In July, 1984, responsibility for Michelob was shifted to Ted Bates Advertising/New York; Michelob Light was moved to Needham Harper Worldwide, Chicago.

Bates' new Michelob campaign, themed "Where you're going it's Michelob," and Needham's Michelob Light effort, themed "Who says you can't have it all," both target upwardly mobile young professionals and position both brands as appropriate "regular" buys for this age and income group. Past advertising had portrayed the brands as suited to "special occasions" or weekends.

Measured ad spending in 1984 for Michelob was $35.5 million, up slightly from the $33.6 million spent in 1983. Michelob Light's budget remained steady at $24.5 million.

In 1985, A-B made news with two nonproduct-specific advertising campaigns. One was a "corporate quality" campaign that featured all A-B brands and an unabashedly patriotic tone. The 60 and 90-second corporate ads carry the theme "Somebody still cares about quality" and were created by D'Arcy.

A-B and all other brewers have been caught in an increasingly hot national debate over alcohol abuse, such as drunken driving. Brewers have increased expenditures for anti-abuse efforts by wholesalers and tavern operators. But A-B became the first major brewer to run an anti-alcohol-abuse message on network tv in February, 1985. The 10-second spots, featuring San Diego Padres star Steve Garvey, are themed "Know when to say when."

The company continues to be among the largest cable tv advertisers, although measured expenditures in 1984 of $15.5 million were slightly below the $15.8 million spent a year earlier.

A-B's attempt to create its own cable network ended early in 1985 with the discontinuation of Sports Time Cable Network. That network, a joint venture of A-B and Multimedia Inc., offered primarily sports programing in St. Louis, Kansas City and Cincinnati. An inability to expand beyond those markets as well as failure to gain sufficient advertiser interest led to the shutdown.

A-B still is trying to find its way with Campbell Taggart, the bakery company it purchased in 1982. In January, 1984, the CT ad account was split between Bloom Agency, Dallas (which had handled the account before A-B's acquisition) and Benton & Bowles, New York. Under that split, B&B handled the Colonial, Rainbo, Kilpatrick's and Roman Meal brands, and Bloom handled the Earth Grains variety breads. Less than six months later, however, the B&B brands were moved to D'Arcy MacManus Masius, St. Louis.

Ironically, the merger between DMM and Benton & Bowles announced in 1985 caused Campbell Taggart to drop DMM because of the General Foods (Entenmann's) bakery business handled by its new partner. The CT account ultimately was consolidated at Bloom Agency in August.

Measured ad spending for the various CT brands in 1984 vs. 1983 if advertised both years were as follows: Breakfast Orange bread, $324,200; Colonial, $1.4 million vs. $991,300; Earth Grains, $2.8 million vs. $4.2 million; Rainbo, $2.4 million vs. $1.3 million.

Results were mixed for A-B's entertainment properties. Attendance at Busch Gardens (The Old Country), Williamsburg, Va., rose slightly to nearly 2 million visitors. Busch Gardens (The Dark Continent), Tampa, Fla., registered a 1.6% decline in attendance, with 2.85 million visitors. Attendance at the adjacent water park, Adventure Island, was up 6%. Attendance rose 14% at the Sesame Place park outside Philadelphia, but was down at the Dallas park, which did not reopen for the 1985 season.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	6,868	4,158
Magazines.........	7,536	10,931
Network cable.....	15,478	15,761
Spot tv...........	60,070	59,370
Network tv........	166,416	116,515
Spot radio........	38,288	40,676
Network radio.....	6,231	6,914
Outdoor...........	5,514	4,053
Total measured..	306,401	258,377
Total unmeasured	58,000	48,000
Estimated total..	364,401	306,377

ANHEUSER-BUSCH COS.
One Memorial Dr.
St. Louis, Mo. 63102
(314) 577-2000

Marketing Personnel

Michael Roarty, exec vp
Jack McDonough, vp-brand mgmt
Charles Fruit, vp-corp media
Michael LaMonica, vp-mktg staff
Thomas E. Burnett, vp-mktg & operations, Campbell Taggart
Brian D. Smith, vp-mktg, Busch Entertainment
Joseph J. Kramer, president, Busch Creative Services
Thomas Sharbaugh, group mktg mgr, Budweiser, Bud Light, LA
David Drew, group mktg mgr, Michelob, Michelob Light, Michelob Classic Dark
David Morris, group mktg mgr, Busch, Natural Light
Robert Merz, senior prod mgr, Budweiser
Bob Goughenour, senior prod mgr, Bud Light
Albert Cummings, brand mgr, King Cobra
Mark Lamping, prod mgr, LA
Tom Barton, mgr-sports production
Ron Stratten, sports mktg super

Advertising Agencies

Ted Bates Advertising/New York—Michelob—Victor Bloede Jr., senior vp-mgmt rep.

Bloom Agency, Dallas—Campbell Taggart—Malcolm Dykes, acct super.

Castor Spanish International, New York—Hispanic mktg—Castor A. Fernandez, president, creative dir.

D'Arcy MacManus Masius, St. Louis—Budweiser, Natural Light, corp adv, Anheuser-Busch Brandwagon, Sports Time, LA—Jack Breummer, exec vp-mgmt super, A-B worldwide; Jerry Solomon, exec vp-broadcast group (New York); Al Lerman, exec creative dir; James Mayfield, senior vp-dir, regional mktg; Robert Murphy, vp-acct super, A-B corp; Todd Abrams, vp-acct super, Budweiser; James Palumbo, vp-acct super, LA, Natural Light.

JP Martin Associates, New York—King Cobra malt liquor—Joel Martin, president, creative dir.

Needham Harper Worldwide, Chicago—Busch beer, Michelob Light, Bud Light, new prod, Busch Entertainment Corp., Busch Gardens: The Dark Continent, Adventure Island, Tampa, Fla.; The Old County, Williamsburg, Va.; Sesame Place Parks, Longhorne, Pa & Irving, Tex.—Ronald Bess, group mgmt rep; John Greening, acct super, Michelob Light; Mike Kearns, acct super, Bud Light; Robert Lachky, acct super, Busch; Brian Goodall, mgmt rep, Busch Entertainment Corp.

TBWA, New York—Eagle snacks—Grant Castle, mgmt super.

RANK
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Apple Computer

Cupertino, Cal.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	1,516	983	54.2
Net income	64	77	-15.8
U.S.			
Sales	1,187	764	55.4
Operating profits	49	78	-38.0
Advertising	100	35	185.7

Apple Computer entered the ranks of the top 100 national advertisers for the first time in 1984, climbing to 77th position with an estimated $100 million in 1984 ad spending, a 185.7% increase over 1983.

Measured media spending for 1984 was $84.5 million, an increase of 205% over 1983 that reflects the company's showy introduction of the Macintosh computer.

The question for 1985 is will Apple stay in the big leagues of ad spending.

The undisputed champ in personal computers from 1977 to 1981 has some bruises from mixing it up with International Business Machines and other competitors in a market that's lost its zip. Apple co-founder Stephen Wozniac left in early 1985. Steven Jobs, the other half of the duo that founded Apple, resigned in mid-September as chairman after losing any operational control at midyear.

The reins now are held by Apple president-ceo John Sculley, a PepsiCo marketing veteran who is reshaping Apple's sales and marketing staff and tactics.

One change is that Apple's high flying ad budget, which bankrolled some of the most talked about advertising in recent years, is being brought down to earth. The level of 1985 ad spending will depend on the coming fourth-quarter holiday season. There's been widespread speculation that this year's Sculley-inspired, cost-cutting program could put the 1985 ad budget at half that spent in 1984. Apple declines specifics, but Mr. Sculley has indicated he is cautious about prospects for fourth-quarter sales.

For the fiscal year ended Sept. 28, 1984, the Cupertino, Cal., company had total revenues of $1.52 billion, an impressive 54% increase over the prior year. In the nine months ending June 28, 1985, revenue climbed to nearly $1.5 billion, and net income was $38.9 million, up 16.8%. The 1984 corresponding period had a $1.1 billion in revenues and $33.3 million in net income. However, the 1985 nine-month cumulative total hid third-quarter results in which earnings dropped to a loss of $17.2 million from a gain of $18.3 million in the corresponding quarter of 1984, and sales were $374.9 million, off 11.2%.

Much of the loss, however, was a writedown related to Apple's cost-cutting measures taken in mid-1985 to consolidate divisions, close plants and dismiss employes. William V. Campbell, Apple's new exec vp of U.S. marketing and sales, says that without the extra one-time costs, the company presumably would have broken even.

The personal computer business, going into the latter half of 1985, is more static than electric; Compaq is said to be doing well but the others are in the doldrums.

Apple attributes this slowdown to a "pause" in the computer industry caused by a consumer-holding pattern, as potential buyers await new announced models not yet out of the gate, and the general slowdown in the U.S. economy.

Apple in the meantime has taken reorganizational steps aimed at protecting its role as second only to IBM in manufacturing personal computers. Apple was to close three manufacturing sites by September.

In the reorganization, Apple merged its product divisions into a single sales and marketing organization to become more market-driven and less product-driven, with key emphasis on consumer, education and business markets. This replaces a structure in which each product had its own general management, product development, marketing, manufacturing, finance and management information systems staffs. Such actions have led to the elimination of 1,200 jobs, or 21% of the Apple work force.

In a separate action, Stephen Wozniac, the young engineer co-founder of Apple, voluntarily left the company, and his marketing-minded engineer partner and founder Steven Jobs was moved into a board chairman position minus operational responsibility prior to his departure, apparently at the behest of Mr. Sculley, the company's president-ceo since 1983.

In 1984, Apple had measured advertising expenditures of $84.5 million, an Olympian leap over the $27.7 million it spent in 1983. From its first product, a computer construction kit produced in Mr. Jobs' garage, to 1984's Macintosh, emphasis at Apple has been on making the computer simple enough to be quickly usable by just about anybody. Messrs. Wozniak and Jobs chose the name Apple to characterize such simplicity.

New or refined Apple products for 1984 and 1985 to date included the Macintosh and the Apple IIc, further developments for the Apple IIe, accessories to make the Macintosh more attractive to business-office customers, and software to improve compatibility between the Macintosh and Apple II and other systems.

The new Alpha IIe software makes the Macintosh and IIc wholly compatible. Apple is scheduled this fall to introduce a plug-in circuit card that will interface IBM personal computers with the Apple computer link network. Also due in late 1985 is a hard-disc "filing cabinet," called a file server, for users of the AppleTalk network.

Apple's three major product lines now consist of:

- The Apple II line originated by Mr. Wozniak, which includes the new Apple IIe, which is a more elaborate computer system used by businesses and schools; Apple IIc, a portable computer for the "serious" home microcomputer user, and the powerful Apple III, a specialized computer used by professionals in research, business and industry.
- The Apple 32 SuperMicro family, now including the Macintosh.
- Apple accessory products is the third category. This includes the 1984-85 introductions of the Macintosh Office with its AppleTalk, LaserWriter and (promised for fall, 1985) the AppleTalk PC Card. AppleTalk is a network that connects as many as 32 Macintosh computers plus peripherals within 1,000 ft., with provisions for linkage to other networks.

LaserWriter, based on a design by Canon Inc. of Japan, links to Apple computers and AppleTalk to produce high-quality text and graphics. The AppleTalk PC Card, which Apple says indicates its decision to co-exist with archrival IBM, lets IBM's PC communicate with Macintosh and on through the Apple network to other Apple gear.

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	General Motors Corp.	$109,359	$88,579	23.5	14.3
2	R.J. Reynolds Industries	101,990	112,343	(9.2)	15.0
3	Philip Morris Inc.	69,023	65,272	5.7	12.1
4	Ford Motor Co.	62,063	49,603	25.1	11.1
5	American Telephone & Telegraph	58,200	71,995	(19.2)	10.3
6	RCA Corp.	36,963	31,716	16.5	15.4
7	International Business Machines	36,036	11,720	207.5	9.6
8	Chrysler Corp.	34,962	31,846	9.8	11.0
9	Delta Air Lines	26,332	31,810	(17.2)	39.4
10	Batus Inc.	25,317	27,803	(8.9)	22.3
11	CBS Inc.	21,519	15,829	35.9	12.0
12	Trans World Airlines	21,436	21,935	(2.3)	32.4
13	Eastern Air Lines	18,654	22,461	(16.9)	30.7
14	Texas Air Corp.	17,636	16,872	4.5	N/A
15	Loews Corp.	17,095	22,533	(24.1)	12.4
16	American Broadcasting Cos.	16,155	10,304	56.8	23.4
17	General Electric	14,984	12,220	22.6	7.4
18	Toyota Motor Sales Co.	14,913	12,571	18.6	10.8
19	AMR Corp.	13,496	12,790	5.5	12.2
20	Time Inc.	13,320	11,428	16.6	9.9
21	Nissan Motor Corp.	13,170	[illegible]444	39.5	8.0
22	Grand Metropolitan p.l.c.	12,842	4,375	193.5	16.9
23	Beatrice Cos.	12,340	5,683	117.1	1.8
24	NYNEX	11,781	N/A	N/A	N/A
25	Hyatt Corp.	11,761	N/A	N/A	N/A

Source: Media Records

Apple for some time has supplied accessories that can link its microcomputers to other makers' mainframes and microcomputers.

Apple was the No. 1 personal computer seller from its 1977 entry into the market until 1981, when IBM entered the field. By 1984, IBM had pushed Apple from first place in production, taking a 27% share of the $11.2 billion personal computer industry to Apple's 25% share.

Now IBM has dropped the PCjr, showing how fickle the market is. Before the so-called "Peanut" was discontinued in March, 1985, it did its damage to Apple. Apple this past Christmas was left with high inventories when the public was lured to a technically improved, discounted and heavily rebated ($500 per machine) PCjr that produced sales of about 200,000—90% of which would have gone to the IIc, according to analyst estimates.

This experience has encouraged Apple in its marketing strategies—to be more hard-hitting and less casual, for example, with advertising.

Before Mr. Sculley's arrival, Apple had done well with its Apple II personal computer models, but it had failed to penetrate the business computer field, dominated by IBM, with the two higher-powered computers designed for that mission, the Apple II and Lisa. Apple operated according to the needs of its two product-making divisions—Apple II and Macintosh—not marketing considerations.

Mr. Sculley took a marketing tack that avoided head-to-head competition with IBM in specific areas, such as major corporations, but pursued sales in the larger arena of business. He personally took over management of the Apple II division and created a new Apple sales system by eliminating its many independent manufacturer's representatives.

He hired a new Apple sales force 350-strong and struck new central buying agreements with major chain outlets such as Sears, Roebuck & Co. and ComputerLand. He beefed up Apple's dealer sales force by a third, to 2,000, to take advantage of the fact that in the computer business, dealers make about 80% of all sales.

When the success of a price-cutting strategy on Apple II sales, among others, provided the cash, Apple started across the tv screens with revolutionary Macintosh advertising, the work of Chiat/Day, Los Angeles.

On Super Bowl Sunday in January, 1984, Apple premiered its striking "1984" 60-second tv commercial in which a sledge-hurling female athlete races toward a giant screen to shatter the blue image of an Orwellian big brother. The commercial, with obvious IBM overtones, introduced Macintosh and cost $1.3 million for airtime and production; it sold more than $3.5 million in computers directly after it aired, and within the next 100 days, another $100 million worth—70,000 computers—were sold.

Apple tried to repeat its Super Bowl ad success in 1985. The new Chiat/Day spot, titled "Lemmings," showed business execs marching in lock step over a cliff. It won mixed critical reviews.

After the 1984 tv premiere, a 20-page Macintosh magazine insert appeared as a followup. During 1984, Apple ran additional 20-page Macintosh inserts in popular business magazines, and eight-page IIc inserts in broader-appeal consumer books. In *Newsweek's* election-week special edition the first week of November, 1984, Apple owned the book, as the sole advertisr, with 40 full pages of Macintosh promotion costing $3 million.

Apple's spending for tv in 1984 totaled $45.6 million including $42.8 million for network tv, up from only $11.2 million in 1983. Total measured spending for Apple was $84.5 million, up from $27.7 million.

Spot tv got $2.8 million, up 88%; magazine spending rose sharply to $21.5 million from $7.04 million in 1983; spot radio increased almost fourfold to $8.4 million, from $2.23 million, and newpaper expenditures were up 53%, to $8.03 million. In six media-measured product spendings monitored by Leading National Advertisers, Macintosh received the heaviest advertising support in 1984, with a total of $35.9 million compared with just $3,000 in 1983, all of it for outdoor. Macintosh 1984 spending included $22.8 million for network tv; $2.2 million for spot tv; $10.9 million for magazines, and about $113,000 for newspaper supplements. Apple II spending was up 107% in 1984 to $29.1 million.

The biggest chunk of Apple II spending in 1984 of $24.73 million was spent to promote the IIc, $20.02 million for network tv, $506,400 for spot tv and $4.20 million for magazine space. Spending for combined IIc and IIe advertising in 1984 fell to about a third of its 1983 total, dropping to $4.17 million from $13.8 million in 1983.

Apple, well situated in the home and educational markets, is now attacking the business market with the Mac, but from the small business side rather than the *Fortune* 500 end. For the whole personal computer micromarket in the U.S., IBM has about 28% share; Apple, 13.8%; Compaq, 8%; Commodore, 6.7%; Hewlett-Packard, 5.8%; Tandy, 5%, and AT&T, 2%.

However, in the business office segment of the market, Tandy is in second with 11%, up from 10% in 1983. Apple is down to 9% from 19% in 1983 and 22% in 1982. IBM remains the leader with a 40% market share in 1984, up from 30% in 1983, and 18% in 1982. Others, in their 1984 order, are Hewlett-Packard, 5%; Compaq, 5%; Wang, 4%; Zenith, 3%, and DEC, 3%. In the $20 billion world personal computer market, International Data Corp. says Apple should take a 16% share in 1985.

Duff & Phelps analyst Jay Samstag in Chicago says Apple faces two obstacles on the business front—IBM, which is considered the standard, and Apple does not have a hard disc. Apple, of course, is attempting to remedy both concerns with heavy advertising for the Macintosh aimed at small businesses and the introduction this fall of the hard disc electronic filing cabinet to serve users of the AppleTalk network.

"The important factor now is how well they [Apple] are supporting dealers with advertising—and how well they are supported by dealers," he says. Most small businesses rely on the computer retail store for their computer hardware and software purchases.

Securities analyst John Girten of Birr Wilson, San Francisco, says despite the third-quarter financial reports, Apple is looking strong. "Inventory levels are good. Sculley apparently is not building up inventory too much for Christmas. A good Christmas level of sales would be $450 million to $500 million. Last year's total was about $700 million at Christmas. Purely from a financial angle things are looking better than three or four years ago."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	8,027	5,232
Magazines	21,468	7,041
Network cable	1,051	448
Spot tv	2,798	1,489
Network tv	42,753	11,185
Spot radio	8,382	2,230
Outdoor	17	56
Total measured	84,496	27,688
Total unmeasured	15,504	7,320
Estimated total	100,000	35,000

APPLE COMPUTER
20525 Mariani Ave.
Cupertino, Cal. 95014
(408) 996-1010

Marketing Personnel

Corporate Office

Steven P. Jobs, chmn of the board
John Sculley, president-ceo

Sales & Marketing Division

William Campbell, exec vp-sales & mktg
Michael Lorelli, mktg dir
Bruce Mowery, adv & sales promo mgr

Advertising Agencies

Chiat/Day, Los Angeles—personal computers—Bob Pinzler, mgmt super; Mike Aarons, mgmt super; Greg Helm, acct dir;

Caroline Beck, acct super.
Krupp-Taylor, Los Angeles—direct mail—Murray Bowesm, exec vp.

RANK
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Batus Inc.

Louisville, Ky.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	6,211	6,064	2.4
Net income	314	259	21.3
Advertising	113	146	-22.4
Division sales			
Tobacco	2,264	2,133	6.2
Retail	3,374	3,145	7.3
Paper	572	465	23.1
Other	N/A	320	N/A

Batus Inc., Louisville, Ky., the nation's 71st largest advertiser, cut its ad spending 22.4% to an estimated $113.4 million in 1984, the second straight year it has slashed advertising outlays.

The cutbacks in ad expenditures paralleled stagnant sales at Batus, the U.S. subsidiary of London-based B.A.T. Industries p.l.c., as it recorded only a 2% sales increase to $6.21 billion in 1984. Net income, however, jumped 21% to $313.5 million. Both were records.

Despite losing market share, Brown & Williamson Tobacco Corp., Batus' tobacco marketing subsidiary and the nation's third-largest cigaret company, contributed heavily to the parent's fortunes. B&W's sales rose 6% to $2.26 billion in 1984 while operating income rose 6% to $427.8 million. B&W operating income contributed 59% of total operating income of $729.2 million at Batus in 1984, about the same percentage as in 1983.

That compares with Batus' retail group, which in 1984 experienced a 10% decline in operating income to $196.1 million. However, sales for the group, which includes Marshall Field & Co., Saks Fifth Avenue and Gimbels, rose 7% to $3.37 billion. Retail accounted for 54% of total Batus sales in 1984, up from 52% in 1983, and 26.7% of total operating income in 1984, down from 31.3% in 1983.

Like 1983, much of the decline in Batus' ad spending can be attributed to B&W. The tobacco subsidiary spent $58.4 million in measured media advertising last year, compared with $82.8 million in 1983, as it focused its efforts on new product development and point-of-sale promotions.

And like 1983, it was B&W that grabbed much of the marketing community's attention. It began testing two brands, launched a brand sold only in vending machines, rolled out nationwide with a 25-cigarets-to-a-pack brand and once again found itself locking horns with Liggett & Myers Tobacco Co. over the generic end of the cigaret market.

Of those events, the battle with Liggett has been the most engaging. It began in the summer of 1984 when B&W entered the generic arena, which had been limited pretty much to Liggett since the North Carolina company began making the low-priced cigarets in 1980.

Liggett immediately filed a suit charging B&W with predatory pricing and other unlawful tactics aimed at eliminating it as a competitor. B&W in March of this year filed a countersuit claiming Liggett was attempting to block it from gaining a foothold in the generic market. The generics segment has been the only one to grow in recent years, accounting for 5.5% of the industry sales last year, according to industry analyst John C. Maxwell Jr.

The strongest blow yet was struck in July, when B&W announced it had reached an agreement with Generic Products Co. of Fort Worth, Tex., to make its GPC approved generic label. The GPC label has been Liggett's since 1980 and is considered one of the top sellers of all generics.

General Products, which also was named as a defendant in B&W's countersuit against Liggett, did not disclose why it made the switch. But industry analysts say the move definitely is a setback for Liggett, which more than doubled its market share between 1981 and 1984 on the strength of generics.

B&W's aggressive moves in the low-price end of the market were not limited to private label generics.

As part of its "segmentation" strategy, the company introduced its 25-cigarets-to-a-pack Richland brand nationwide in the summer, playing up the "five free per pack" and "50 free per carton." B&W retails at the same price others charge for 20-to-a-pack brands. It also introduced a discount brand called Coins that is sold only in vending machines.

On the "high-end" front, B&W began testing in Portland, Ore., a low-tar brand called St. James Court. Dressed in a sleek bronze package, the brand is targeted toward the higher-income, image-conscious smokers much like R.J. Reynolds Tobacco Co.'s Sterling and Philip Morris Inc.'s Players brands.

And in the "macho" category, *vis a vis* PM's Marlboro, B&W is testing Eli Cutter, which is packed in black and gold and named for a mythical character that represents the rugged individualism of the 19th-century pioneer. The brand comes in both filter and nonfilter and is being tested in the Sacramento and Denver markets.

As for its established brands, B&W cooked up some new strategies, too.

For Kool, which remained the nation's fourth best-selling brand despite slipping to 7% in 1984 from 7.1% in 1983, it brought back the "Come up to Kool" slogan with ads that featured a motorcyclist. It also announced that it no longer would sponsor the Kool Jazz Festival, an unsurprising move because it cut measured media spending for the festivals to $85,000 last year from $2.7 million in 1983. Measured media spending for Kool fell to $25.7 million in 1984 from $33.2 million in 1983.

To shore up its Viceroy brands, B&W repacked its Rich Lights and Rich Lights 100s brands by replacing them with the Viceroy nameplate. Rich Lights, introduced in 1978 as a lower-tar version of its regular Viceroy brand, experienced a slight drop in market share last year while the overall Viceroy category held steady at 1.1% share. B&W also strengthened its Raleigh and Belair coupon-redemption program, spending $5.2 million in measured media advertising.

Once again, ad spending for B&W's Barclay brand fell sharply to $9 million in measured media from $23.2 million in 1983. The brand, introduced with a $150 million media campaign in 1981, slipped to less than a 1% market share, leading B&W to test a new marketing strategy that included renaming the brand to Barclay Ultra Lights.

Expansive changes also were made in B&W's relationships with its ad agencies. It first moved its consolidated $80 million media planning and buying account from Cunningham & Walsh, Chicago, to Ogilvy & Mather, Chicago. Other changes resulted overall in making C&W the big loser and O&M and Doyle Dane Bernbach, which grabbed the Kool and Viceroy accounts, the big winners in the agency shakeup.

Whether all the changes help B&W stem its falling market share remains to be seen. But company officials, noting that the market share fell only to 11.2% from 11.3% in 1983 after plummeting from 13.8% in 1981, say B&W already has stemmed the tide.

The revamped marketing strategies represent a three-year program initiated by Ivor Wallace Hughes, former chairman-ceo, who died in March and was replaced by Raymond J. Pritchard, who had been deputy chairman of British-American Tobacco Co., B&W's London-based sister company.

Other top executives who have played a key role in B&W's aggressive moves include Thomas E. Sandefur Jr., who was appointed president-chief operating officer of the company last year and came to B&W from competitor, R.J. Reynolds, and Richard A. Blott, who replaced Mr. Sandefur as exec vp and came to the company in 1982 from Gagliardi Bros., where he was president-ceo.

In its retail group division, measured media advertising fell to $12.4 million in 1984 from $14.8 million the previous year. Outlays fell for most of the subsidiaries except Saks Fifth Avenue, which opened new stores in Cincinnati and South Miami, and Kohl's, its value-oriented specialty department chain that opened three stores.

The company says most of its retail chains chalked up sales gains, but the profit picture was mixed. Operating income rose at Marshall Field's, Kohl's, Breuner's, Gimbels-Midwest and Ivey's-Carolinas, but fell at Saks, Frederick & Nelson, Ivey's-Florida, Gimbels-East and Gimbels-Pittsburgh.

Analysts say Gimbels in Philadelphia and New York as well as Frederick & Nelson in Washington are locked in battles with upscale competitors offering larger discounts. Many of the same forces affected Saks, although company officials continue to mark Saks for expansion. Analysts attributed Marshall Field's performance to its efforts to upgrade its Chicago area stores, most notably its Water Tower mainstay, which received a $100 million facelift.

The largest ad spender among the retailers was claimed by Gimbels, which recorded $2.8 million in measured media spending, down from $4.6 million in 1983. National newspaper advertising for retail stores is not monitored in this report—and it is undoubtedly the largest media category for retailers—leaving most retail spending to two media vehicles, magazines and spot tv.

Saks spending rose slightly to $2.6 million; Marshall Field's fell by about $800,000 to $2.5 million, and Kohl's received $1.4 million. Frederick & Nelson also was down, with $1.8 million in measured media spending compared with $3.1 million in 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	25,317	27,883
Magazines	36,216	44,290
Network cable	91	31
Spot tv	11,480	14,235
Spot radio	0	37
Outdoor	12,089	22,420
Total measured	85,193	108,817
Total unmeasured	28,207	37,291
Estimated total	113,400	146,108

BATUS INC.
2000 Citizens Plaza
Louisville, Ky. 40202
(502) 581-8000

APPLETON PAPERS INC.
Appleton, Wis.
Marketing Personnel
John W. Turner, president
Daniel W. McIntosh, vp-mktg & sales
A. Sherman Frinak, exec asst to chmn
Robert D. Suess, dir-pr & corp communications
R.P. Sherrer, dir-mktg
S.W. Garratt, group prod mgr
Advertising Agencies
William Eisner & Associates, Hales Corners, Wis.—Tom Sarrahy, acct exec.
Yelton Design Co., Appleton, Wis.—Jeff Yelton, acct exec.

JOHN BREUNER CO.
San Ramon, Cal.
Marketing Personnel
Arnold Zetcher, chmn-ceo
Jeanine Vaughn, dir-mktg
Gerry Ferree, senior vp-sales promo & mktg
Advertising Agency
(In-house)—Gerald Ferree, senior vp-sales promo & mktg.

BROWN & WILLIAMSON TOBACCO CO.
Louisville, Ky.
Marketing Personnel
Thomas E. Whitehair Jr., vp-corp mktg
Carol L. Lomcka, creative services mgr
Thomas P. McAlevey, dir-media services & special events
R.D. Sharp, promo dir
Charlotte M. Smith, mgr-special promo
Linda L. Greenwell, super-promo fulfillments
Nancy A. Spriggs, super-promo couponing
A. Forsythe, promo dir
Robert J. Miller, Kenneth M. Burk, promo mgrs
Frank L. Criss, materials super
Gail Lyttle-Green, promo asst
J.S. Griffith, S.T.P. mktg dir
L.R. Lewis, dir-mktg operations
Winston L. DeWitt, senior vp-planning & admin
Betty A. Sproule, dir-forecasting & analysis
Denise Anderson, analyst, intl mktg
H.T Hughes, mgr-special projects
Andrew J. Mellman, dir-consumer rsch
J.D. Woods, rsch mgr
B. Pellett, senior analyst, mkt rsch
L. Gravely, James S. Wilhelm, rsch mgrs
D. Beatty, mkt rsch analyst
C.C. Middleton, dir-sales planning & admin
T.J. Mooring, mktg financial mgr
Bonnie L. McCafferty, dir-new prod
L.W. Butler, vp-sales
Advertising Agencies
Doyle Dane Bernbach, New York—Kool, Viceroy cigarets—Lynn Shunk, acct exec.
Geer, DuBois, New York—Richland cigarets—Brian Sherwood, exec vp-acct mgr; Mike Garcia, vp-acct super; Sergei Kuharsky, acct exec.
Grey Advertising, New York—Viceroy cigarets—R. Schoenfein, exec vp-mgmt rep; S. Dammers, vp-acct mgmt; R. Hendricks, vp-acct super.
McKinney, Silver & Rockett, Raleigh, N.C.—Belair & Raleigh cigarets, noncigaret prod—L. Jacobs, senior vp-partner; Fred Schmidt, vp-acct super; Mark Schofield, Tom Horner, acct exec.
Ogilvy & Mather, Chicago—Barclay cigarets—Rod Parker, acct super.

THE CRESCENT STORES
Spokane, Wash.
Marketing Personnel
B.S. Durant, president-ceo
Lea Werner, dir mktg & adv
Advertising Agency
(In-house)—Lea Werner, dir-mktg & sales.

FREDERICK & NELSON
Seattle, Wash.
Marketing Personnel
Richard A. Rayl, president-coo
Marilyn Levey, vp-mktg & sales promo
Advertising Agency
(In-house).

GIMBELS
Gimbel's East
New York, N.Y.
Marketing Personnel
Mathew D. Serra, president
Robert Fish, senior vp-operations
Neil Leavitt, Warren Katz, senior vps-genl merchandising mgrs
Robert Chance, senior vp-dir, stores
Milton Beaver, div vp, sales promo & mktg
Gimbels Pittsburgh
Marketing Personnel
Daniel H. Levy, chmn-ceo
Susan Weiner, senior vp-sales promo
Joseph Paneffidi, div vp-dir adv
Advertising Agency
(In-house)—Joseph Paneffidi, div vp-dir adv.
Gimbels Midwest
Marketing Personnel
Thomas G. Grimes, chmn-ceo
Roy Boutiller, senior vp-mktg
Laurence Gross, dir-adv
Advertising Agency
GMG Promotions (in-house)—Laurence Gross, dir adv.

IVEY'S
Ivey's Carolina Division
Charlotte, N.C.
James H. Shaw, president-ceo
Kirby Smith, senior vp-sales promo
Advertising Agency
(In-house)—Kirby Smith, senior vp-sales promo.
Ivey's Florida Division
Orlando, Fla.
Stanley Zweck-Bronner, president-ceo
Mason Allen, senior vp-merch
Raymond Cole, senior vp-dir adv
Advertising Agency
(In-house)—Raymond Cole, senior vp-dir adv.

KOHL'S DEPARTMENT STORES
Brookfield, Wis.
Marketing Personnel
William S. Kellogg, chmn-ceo
Curtis Natvig, senior vp-mktg
Randy Fields, dir adv
Advertising Agency
(In-house)—Randy Fields, dir adv.
MAS Consulting, Milwaukee, Wis.,—Maureen Mertens, acct exec.

MARSHALL FIELD'S
Chicago, Ill.
Marketing Personnel
Burnett Donoho, president
Frances Oda, vp-mktg
Tina Johnson, vp-direct response
George Love, senior vp-sales promo
Advertising Agency
Creative Field's (in-house).

SAKS FIFTH AVENUE
New York, N.Y.
Marketing Personnel
Paul Le Blang, senior vp-dir mktg
Helen O'Hagan, vp-dir, special events
William Berta, senior vp-sales promo & adv
Becky Wong, creative dir
Linda Gaunt, dir fashion publicity dir & pr mgr
Advertising Agency
(In-house)—Ross Bonanno, production mgr.

THIMBLE'S
New York, N.Y.
Marketing Personnel
Jay H. Baker, president-ceo
Milton Beaver, vp-mktg & adv
Greg Costello, creative dir, visual adv
John Russosa, creative dir, copy
Joseph Kassa, media dir
Advertising Agency
(In-house).

RANK
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Bayer AG

Leverkusen, W. Germany

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	15,410	13,380	15.3
Net income	421	270	55.7
U.S.			
Sales	3,639	2,867	26.9
Operating profits	N/A	N/A	N/A
Advertising	105	89	17.9
Division sales			
Polymers	2,881	2,496	15.4
Organic chems.	2,131	1,737	16.5
Inorganic chems.	3,039	2,678	13.5
Health care	2,234	1,972	22.2
Agrochemicals	2,346	1,919	17.4
Agfa-Gevaert	2,508	2,136	17.4

Bayer AG, whose major U.S. advertising operation is Miles Laboratories, Elkhart, Ind., spent an estimated $105 million on advertising in the U.S., nearly a 17.9% increase over 1983, ranking the company as the 74th largest national advertiser.

Bayer AG, Leverkusen, West Germany, a worldwide supplier of chemical, healthcare, photochemical and phototechnical products, spent virtually all its U.S. advertising on Miles. ADVERTISING AGE this year is featuring Bayer AG, rather than just Miles, because of measured spending contributions from other subsidiaries in the U.S.

Bayer's other U.S. subsidiaries include Mobay Chemical Corp., Helena Chemical and Agfa Gevaert (which includes Compugraphic Corp.), and Haarmann & Reimer Corp. Bayer's U.S. sales were 24% of the world total, all of that coming from the U.S. subsidiaries.

Bayer AG's worldwide sales totaled $15.41 billion in 1984, a 14% increase over 1983, and income after taxes was $420.8 million, up 55.7% from 1983. Sales and earnings for both 1985 and 1984 fiscal years were converted from DM to dollars at the rate of DM2.79 = U.S.$1.

Miles Laboratories, which celebrated its 100th anniversary in 1984, had $1.15 billion in sales in 1984, up 3.2% from 1983, and net income of $27.6 million, down 22.2%, and operating profit of $60.2 million, down 37.1%.

Miles is made up of six groups: Pharmaceuticals, diagnostic products, Cutter, biotechnology products and consumer products. The consumer products group, which attracts the biggest ad dollar, is divided into two segments: Consumer healthcare and household products.

Bayer, however, categorizes Miles financial reporting into two segments: Healthcare and biotechnology. Healthcare reported sales in 1984 of $971.8 million, up 1.8% over 1983, and operating income of $68.9 million, down 33.4%. Biotechnology reported 1984 sales of $184.1 million, up 11.7%, and operating income of $13.9 million, up 54.4%. The poor sales performance is attributed by company officials to the continuing strength of the U.S. dollar. Some 33.7% of Miles' sales were international in both 1984 and 1983.

The largest advertising support at Miles was given to the Alka-Seltzer line, which received $26.3 million in measured spending, excluding last fall's line extension introduction, Alka Mints, a chewable antacid tablet that entered the $640 million category. It is positioned to compete against Warner-Lambert's Rolaid's and Norcliff-Thayer's TUMS, the latter holding a 5.6% share of antacids in drugstores and the No. 1 position in the chewable antacid category.

McCann-Erickson, New York, handles the $4 million Alka-Mints campaign. Network tv and consumer magazines form the bulwark of the Alka-

Mints campaign, with the latter carrying a free-sample offer. In addition, traditional Alka-Seltzer products carry samples of the tablets, and a direct-mail campaign effort sent 1.4 million samples to consumers.

Alka-Seltzer, the primary product of the line, is also Miles' principal consumer product, accounting for 9% of total company sales. Repositioned and supported with new advertising from McCann-Erickson, Alka-Seltzer received $17.2 million in measured advertising funds, up from $13.1 million in 1983. One campaign tied the Alka-Seltzer brand with H&R Block, the tax-form preparation company, to promote Alka-Seltzer as "tax relief." Still in the test-market stage is an extra-strength version of Alka-Seltzer, which contains 500 mg. of aspirin and boasts a higher acid neutralization capacity than the regular strength.

Another line extension product, Alka-Seltzer Plus, demonstrated the largest growth of any of Miles' consumer healthcare products, becoming the fourth leading brand in the cough-cold category, which last year totaled $340 million in drugstore sales. Wells, Rich, Greene, New York, the former Alka-Seltzer agency, continues to handle Alka-Seltzer Plus.

One-a-Day vitamins, an adult vitamin formula, was repositioned and restructured with two combinations of 13 vitamins and 13 minerals in a maximum formula version. One-a-Day Plus Iron was renamed Within, with advertising targeted to the female population. Reformulated with 150% of the recommended daily allowance of iron and 33% of calcium, Within attempts to reach women with the two nutrients said to be lacking in the diets of 80% of U.S. women.

Calcium as a single mineral supplement is being marketed by Miles under the Biocal name. Biocal is being promoted primarily to physicians and pharmacists for professional recommendation to consumers. In the six months ended June 30, 1985, Biocal held a 4% share of the calcium supplement drugstore sales market.

Miles continued to dominate the $80 million children's vitamin category with its Flintstones and Bugs Bunny vitamins. Flintstones advertising stresses the importance of nutrients to a child's growth. With advertising totaling $5.8 million in measured spending, down from $7.4 million in 1983, Flintstones managed to hold on to a 30% share of the children's vitamin market, despite increased competition from six new category entrants, which included E.T. vitamins (from E.R. Squibb), Pac-Man (Rexall Corp.) and Smurfs (Bristol-Myers).

Bugs Bunny vitamins were repositioned as a sugar-free, natural flavor and color children's vitamin product. The measured advertising was nearly tripled, to $3.2 million from $1.2 million, and packaging was updated as Miles sought to bolster its hold on the softening vitamin market. Nearly half of the Bugs Bunny budget was spent on tv. Tatham-Laird & Kudner, Chicago, handles all the Miles vitamin products.

Miles' household products business exceeded sales goals in 1984, though company sources refused to reveal figures. S.O.S. oven cleaning pads, introduced in 1983, have become the No. 2 product in the U.S. in the oven-cleaning segment. Last year, the product was presented to the Canadian buying public. S.O.S. steel wool soap pads are now 67 years old and remain the leading brand in all areas of the country, including the recently acquired lead in the New York market. The Doyle Dane Bernbach campaign stresses additional uses for S.O.S. pads with the theme "More than pots and pans."

The S.O.S. oven cleaning pads' measured media budget was increased to almost $4 million last year, up from $2.5 million, while the scouring pads received nearly $4.4 million, a slight increase over the $4.2 million spent the year earlier.

Cutter insect repellent, a part of Miles' household products division since 1983, was joined by three new line extensions, maximum strength, pump spray and individual packet versions. The product is sold in drug, food and sporting goods outlets.

Hospital-related products manufactured by Miles suffered the effects of a two-pronged attack. Cost-containment measures by hospitals and other healthcare businesses hurt sales, while new companies and new products further diluted performance. Softening the poor sales performance—up only 1.9% in 1984 over 1983—were several new-product introductions and updated versions of existing products.

In the fourth quarter of 1984, the company marketed a series of urine analyzers under its Ames division. The Ames Clinitek Series now includes Clinitek Auto 2000, for use by hospitals and large laboratories, Clinitek 200 for medium-sized laboratories, and Clinitek 10 for physicians' offices.

An updated version of Seralyzer Reflectance Photometers became the first instrument for use in the physician's office that combines tests for routine blood chemistries, therapeutic drug monitoring and tests for electrolytes in a single, flexible system.

The Miles Pharmaceuticals division saw a growth in prescription drugs, including cardiovascular medications, antibiotics, antifungals, dermatologicals and allergens. The company continues to market the Glucometer instruments and the Visidex strip test for self-monitoring of blood glucose by diabetics.

Miles' biotechnology products were led by the citric acid and enzyme businesses. The Marschall Products dairy ingredients division recorded more modest sales gains, despite its first full year's participation in the agricultural products business. Miles expects to see improved performance for Marschall with two new entrants—Ag-Master high moisture corn inoculant, a nutrient preservative, and Naturage, a new system that accelerates the aging of cheese while retaining flavor characteristics.

The Cutter biological division maintained its leadership position in products derived from blood plasma. Sales growth was recorded for the Gamimune immune globulin product, especially in the U.S. and Japan. Among Cutter's new products are the CLX system for seven-day platelet storage and a pasteurization step in the production of Koate and Konyne, used to promote blood clotting in hemophiliacs.

Cutter last year acquired an exclusive license to produce and market worldwide blood-clotting protein, Factor VIII, from Genentech Inc. of San Francisco, which was produced by Genentech's recombinant DNA technology. Cutter's major product receiving advertising spending is Cutter insect repellent, with spending of $889,500 in 1984, down 1.3% from 1983.

Mobay Chemical Corp., Pittsburgh, recorded U.S. sales of $1.55 billion, up 19%, and income before taxes of $135 million, up more than 100% due primarily to high-capacity utilization. Mobay produces agricultural chemicals and high-performance engineering plastics for the electronics, packaging and automotive industries. Its measured advertising in nine media was $3.9 million in 1984, $3.8 million of that in farm publications. Mobay is estimated to have spent more than $12.3 million on all advertising.

Agfa-Gevaert, with worldwide sales of $2.51 billion in 1984, up 17.4% from 1983, achieved a quarter of those sales in North America. A-G, marketer of color and black-and-white films, magnetic tapes, videocassettes and various technical photographic applications, bought a minority interest in Matrix Corp., Orangeburg, N.Y. in 1984. Matrix is active in image recording and processing in the medical profession. A-G spent $2 million in U.S. advertising in 1984, up from $1 million.

Top 25 magazine advertisers

Rank	Advertiser	Magazine ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	R.J. Reynolds Industries	$193,816	$155,063	25.0	28.6
2	Philip Morris Inc.	140,070	140,367	(0.2)	24.6
3	Ford Motor Co.	97,101	80,346	20.9	17.4
4	General Motors Corp.	96,064	89,020	7.9	12.6
5	American Telephone & Telegraph	79,102	61,306	29.0	14.0
6	International Business Machines	63,098	27,172	132.2	16.8
7	Chrysler Corp.	61,596	44,845	37.4	19.4
8	Procter & Gamble Co.	49,735	40,185	23.8	5.7
9	Loews Corp.	49,255	45,250	8.9	35.7
10	General Foods Corp.	48,578	33,373	45.6	10.8
11	RCA Corp.	47,564	35,302	34.7	19.9
12	CBS Inc.	47,423	30,737	54.3	26.4
13	Beatrice Cos.	43,525	50,250	(13.4)	6.4
14	U.S. Government	40,043	25,499	57.0	13.9
15	Time Inc.	39,539	35,338	11.9	29.5
16	Jos. E. Seagram & Sons Co.	37,918	45,643	(16.9)	32.7
17	Dart & Kraft	36,233	33,219	9.1	13.5
18	Batus Inc.	36,216	44,290	(18.2)	31.9
19	American Broadcasting Cos.	33,679	23,827	41.3	48.9
20	Volkswagen of America	33,515	37,902	(11.6)	32.5
21	Bristol-Myers Co.	32,624	28,472	14.6	12.6
22	American Brands	31,583	35,473	(11.0)	23.7
23	Johnson & Johnson	31,424	23,239	35.2	10.5
24	Grand Metropolitan p.l.c.	28,523	26,180	9.0	37.4
25	E.I. du Pont de Nemours	27,430	26,147	4.9	30.1

Source: Leading National Adverdisers (farm publications not included)

In major management changes, Klaus H. Risse became chairman-ceo of Miles Laboratories on June 13, 1984.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	105	95
Magazines	2,144	2,878
Network cable	914	907
Spot tv	5,586	5,505
Network tv	47,855	39,003
Spot radio	361	64
Network radio	874	2,660
Outdoor	103	13
Farm pubs	3,996	3,070
Total measured	61,938	54,195
Total unmeasured	43,358	35,077
Estimated total	105,296	89,272

MILES LABORATORIES

P.O. Box 40
Elkhart, Ind. 46515
(219) 264-8111

CONSUMER HEALTHCARE

Marketing Personnel

F.E. Gustafson, president
S.M. Reim, vp-mktg, medicinal prod
W.T. Gildea, vp-mktg, new prod
M.B. Streicker, dir-media services
J.W. Howell, natl sales mgr

Advertising Agencies

Boger, Martin, Fairchild & Co., Elkhart, Ind.—Miles overseas military, Miles trade adv, Miles environmental test systems div—Robert B. Boger, president. Miles Alka-Seltzer bar—promo—Geoffrey Huyf, acct exec.

Clifford A. Botway Inc., New York—network tv & radio buying—Clifford A. Botway, chmn; Edward Kobza, president.

Conill Advertising Associates, New York—Hispanic adv—Fernando Garcia, acct super.

Kallir, Philips, Ross, New York—medical/professional adv—Bill Cronin, acct super; Lola Fiur, asst acct exec.

McCann-Erickson, New York—Alka-Seltzer—Michael Sennott, senior vp.

Sieber & McIntyre, Chicago—medical/professional adv—Lee Heiman, group acct super.

Tatham-Laird & Kudner, Chicago—One-A-Day vitamins, Bactine antiseptic, Bugs Bunny & Flintstones vitamins—Bill Youngclaus, ceo.

Wells, Rich, Greene, New York—Alka-Seltzer Plus Cold Medicine—Kenneth Olshan, chmn. WRG Worldwide; Larry Pollare, acct super; Marjorie Miller, asst acct exec.

HOUSEHOLD PRODUCTS

Marketing Personnel

J.W. Grant, president
H.G. Fitts, vp-mktg
R.R. Rowe, natl sales mgr

Advertising Agencies

Doyle Dane Bernbach, New York—S.O.S. & S.O.Ezy soap pads, S.O.S. oven cleaning pad—Rein Luik, exec vp; Lucille Cotugno, vp-mgmt super; J. Barickman, acct super.

Tatham, Laird & Kudner, Chicago—Cutter insect repellent—Kirk R. Borland, senior partner; Thomas Keith, acct super.

BIOTECHNOLOGY GROUP

Karl H. Voepel, corp exec vp

Biotech Products

Marketing Personnel

R.J. McGrath, president
H.C. Stalter, vp-mktg
E.L. Frey, dir-intl
J.C. Bakos, dir-intl mktg (citric/citrates)
N.D. Hupp, dir-intl mktg (enzymes)
F.V. Coglianese, dir-sales
W.G. Allen, dir-sales & tech service (enzymes)
R.G. Clark, mgr-mktg services (nonfood)
D.O. Maylath, mgr-mktg services
W.E. Irwin, dir-applications rsch & tech service (citric/citrates)
A.C. Lauria, mgr-customer services, sales training & adv admin
A.A. Blaze, natl sales mgr
R.G. Clark, mgr-customer service

Advertising Agency

Ash Advertising, Elkhart, Ind.—citric/industrial—J.B. Ash, president.

Marschall Products
Madison, Wis.

Marketing Personnel

V.W. Christensen, president
K.J. Woldt, sales mgr, food & dairy prod
R.A. West, dir-mktg
D.G. Whitehead, sales mgr-agricultural prod
N.J. Wood, mktg mgr
F.N. Robison, dir-intl operations

Advertising Agency

Stephen & Brady, Madison, Wis.—Hugh Brady, ceo; Jack Regel, president; George Whitely, vp; Matt Joyce, pr acct exec.

MILES DIAGNOSTICS

W. Wenninger, corp exec vp, Miles Diagnostics

Ames Division

Marketing Personnel

J.W. Duncan, exec vp-mktg
T.C. Christensen, vp-intl mktg & sales
A. DeBruin, vp-U.S. mktg & sales
J.J. Lavery, dir-U.S. sales
W.C. Rieger, dir-U.S. mktg
J.G. Emgenbroich, mgr-mktg communications

Advertising Agency

Abelson-Taylor, Chicago—clinical/hospital prod—Dale Talor, exec vp; Nick Kaufman, acct super.

Miles Scientific

Marketing Personnel

A.C. Marotti, vp-sales & mktg
F.L. Jaksch, dir-mktg
J.V. Thomas, dir-industrial sales
J.F. Cummiskey, mgr-tech services
C. Pospisil, mgr-mktg communciations
R.M. Koziol, mgr-customer services

Advertising Agencies

Image Design, Gurnee, Ill.—Ray Mohr, president.

Noble Arnold Associates, Chicago—Noble Arnold, president.

MILES PHARMACEUTICALS

Horst Wallrabe, corp exec vp

Pharmaceuticals Division

Marketing Personnel

M. Coffee, vp-mktg & sales
J. Patchen, group prod mgr, anti-infectives
V. English, group prod mgr, cerebro/cardiovasculars

Advertising Agencies

Carrafiello & Diehl Associates, Tarrytown, N.Y.—dermatological line—C. Patrick Mandarano, acct super.

Medicus-Intercon, New York—John Ibelli, acct super.

Hollister-Stier Division

Marketing Personnel

R. Galustian, head, allergy business unit
R. Yvars, dir-mktg & sales
E.T. Hamilton, natl sales mgr
C. Gursky, natl mktg mgr

Advertising Agency

Ad Clinic, Spokane, Wash.—Chuck Anderson, Doug Hurd, principals.

CUTTER GROUP

Berkeley, Cal.

W.F. Schaeffler, corp exec vp

Cutter Biological Division

Marketing Personnel

J.D. Ryan, president
V.H.J. Shalson, vp
W.G. Johnson, vp-sales

Advertising Agencies

Rainoldi/Kerzner & Radcliffe, San Francisco—blood bag line & professional services dept—Jay Kerzner, vp-acct services.

Rolf Werner Rosenthal Inc., New York—Cutter's new exclusive intravenous immune & coagulation prod globulin preparation, immune serum globulin prod—Pearl Weinstock, acct group super; Virginia Otis, acct exec.

Bayvet Division

Marketing Personnel

J.C. DeCesare, vp-genl mgr
F. Koering, vp-mktg
J.C. Clark, dir-sales
L.S. Beatty, adv mgr

Advertising Agencies

Miller-Meester Advertising, Minneapolis—reproductive hormones—Rick Cooper, acct exec.

Richardson, Myers & Donofrio, Baltimore—small animal prod—Cy Haladay, acct exec.

MOBAY CHEMICAL CORP.

Pittsburgh, Pa.

Marketing Personnel

Dick Donti, dir adv
Walter Becker, dir mktg, poiyurephanes

Advertising Agency

Valentine-Radford Inc., Kansas City, Mo.—Phil Schroeder, acct exec.

HELENA CHEMICAL CO.

Memphis, Tenn.

Marketing Personnel

Bobby Pace, sales mgr
Milton Allen, southern div mgr

Advertising Agency

Cochran, Sandord, Jones, Memphis—Buz Price, senior vp; Carla Beasley, acct exec.

HAARMANN & REIMER CORP.

Springfield, N.J.

Marketing Personnel

James Reimolds, dir mktg, flavor group
Thomas K. Yamashita, vp-genl mgr, aroma/chemical group
Bob Higgins, dir-sales & mktg, fragrance group
Jerry Murnanen, genl sales mgr, flavor group

Advertiing Agency

Peabody Corners Inc., Hillsdale, N.Y.—Helga Buettner, acct exec.

AGFA-GEVAERT

Teterboro, N.J.

Marketing Personnel

Robert A.M. Coppenrath, president
J. Verbraeken, vp, treasurer
J. Stolt, vp-genl mgr, graphics systems
Rose Marie Monaco, natl adv & sales promo mgr
Diane J. Cielo, adv mgr & sales promo mgr
Hans Kuhlmann, genl mgr, consumer prod div

Advertising Agency

Wegman Associates, Wayne, N.J.—corp—John Gallagher, acct exec; Beverly Warsaw, asst acct exec.

Kalmar Advertising, Fort Lee, N.J.—consumer prod—Frank Yodice, acct exec.

COMPUGRAPHIC CORP.
Wilmington, Mass.
Marketing Personnel
Celina DiRago, adv coord
Ken Newton, dir mktg
Advertising Agency
CG Graphics, (in-house), Wilmington, Mass—Celina DiRago.

RANK 4

Beatrice Cos.

Chicago

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	12,595	9,327	35.0
Net income	479	433	10.6
U.S.			
Sales	9,832	7,720	35.2
Operating profits	701	655	7.0
Advertising	680	591	15.1
Division sales			
U.S. Foods	6,270	4,095	53.1
Consumer prods.	1,953	948	106.0
Int'l food	1,852	1,732	6.9
Avis/other	821	28	283.3

Beatrice Cos., Chicago, the 4th largest national advertiser with an estimated $680 million total expenditures, is experiencing a kind of corporate midlife crisis: It has changed its name, reorganized its structure, made a new business marriage, divorced itself from others and changed its leader. And all the while it continues making money.

Total revenue for 1984 was $12.6 billion, up 35% from 1983. For the first quarter of fiscal 1985, ended May 31, 1985, the percentage jump was even greater, up 39%, to $3.1 billion, compared with the corresponding period in 1984. Year-earlier figures except for part of the last two quarters do not include financial results of Esmark, acquired in August, 1984.

Net earnings for 1984 rose 10.6%, to $479 million. Earnings for the 1985 first quarter are down 19.5%, dropping to $58 million compared with the first quarter of 1984. Beatrice ascribes the loss to interest expenses and cost amortization in the 1984 acquisition of Esmark.

In its new organization, Beatrice places great stress on advertising, which has not always been the case: Analysts say Beatrice spent 30 years trying to keep a low profile, lagged behind food competitors in advertising spending, historically focused on production rather than marketing and followed a strategy of decentralization.

Beatrice's mission began to change with the administration of Wallace G. Rasmussen and his successor, James L. Dutt, who became chairman-ceo in 1979. The goal of marketing strategy under Mr. Dutt has been to make Beatrice the world's premier marketer of food and consumer goods.

Mr. Dutt brought centralized control to Beatrice. And although he resigned Aug. 3, 1985, over differences with the board about execution of the new marketing program, it is said the original goals continue to guide the company.

Beatrice for years has needed a national distribution system. Although it is a huge company, most of its brands acquired over the years continued to be regional and were channeled to the market through individual food brokers. The company needed to divest some of its units because they were unprofitable, did not match corporate plans or were not practicable because of heavy competition. Greater national distribution presence came with the Esmark purchase in 1984.

Amid rumors early in 1984 that Beatrice might be the subject of a takeover attempt by Nestle, Esmark or Unilever, Beatrice turned the cards and bought Esmark for about $2.8 billion in August, 1984, merging Esmark into Beatrice. With that marriage, Beatrice got Esmark's distribution system and its range of recognized national brands, Swift meats and Hunt-Wesson tomato products and oils.

Beginning in 1979, and continuing until 1984, Beatrice divested more than 50 companies. The process continues to reduce the $4 billion debt rung up by the Esmark merger and to winnow out the companies that did not fit the food and consumer goods mode that is the new Beatrice. Sold have been whole categories of Beatrice companies in specialty apparel, graphic arts, agri-products, cryogenic equipment, foodservice equipment, leather operations, cookie and bread baking, and chemicals. Proceeds totaled more than $1.4 billion, and the debt has been cut by about $1.3 billion.

Commitment to advertising as the great marketing motivator apparently has never been greater at Beatrice. Beginning Sept. 10, 1983, in a giant $30 million Beatrice corporate identity program, the conglomerate unfurled its red Beatrice stripe logo across a heavy booking of new advertising with the message, "We're Beatrice. You've known us all along." HCM, Chicago, is the agency.

Also, saying that advertising on tv cost too much and was down in impact about 10%, auto-racing aficionado Mr. Dutt arranged for Beatrice to sponsor in 1984-1985 a U.S. and Formula I International auto racing team co-owned by actor Paul Newman and Chicago businessman Carl A. Haas. Cost: $70 million.

With advertising expenditures totaling $680 million in 1984, Beatrice ad spending reached 5.4% of its total 1984 revenue, on a par with other consumer food leaders.

Results of these 1984 Beatrice efforts to energize distribution for competitive combat and field a synapses-snapping advertising message are being reviewed. "Even with Dutt gone, he left a legacy with Beatrice—a lot of marketing effort to raise its profile in the grocery store," says Ronald Strauss, securities analyst with William Blair & Co., Chicago.

Beatrice has stated that through its merger with Esmark—which has a 500-member Hunt-Wesson nationwide distribution system—its goal has been to place a Beatrice product on every supermarket aisle. In the process, Beatrice hopes the Beatrice logo on quality brands—Tropicana, Hunt's, La Choy, Swift—will be transferable to regional and newly introduced brands.

By December, 1984, the first Beatrice product line, La Choy Chinese food, was going into the Hunt-Wesson channel, and following later were three Beatrice regionals: Fisher Nuts, Sanna's Swiss-Miss chocolate-mix products and Rosarita Mexican foods.

The merged company has many leading brands to offer, among them Tropicana juices, leading brand in the $1.5 billion ready-to-serve orange juice market; Peter Pan peanut butter, third among peanut butters with a 14% share; Hunt's All Natural barbecue sauce, with second-highest market share; La Choy Chinese foods, the canned Chinese food market leader, and Hunt-Wesson's Orville Redenbacher Popping Corn, Hunt's Manwich sauce and Hunt's tomato products, all No. 1 in their markets. "In the next two years, the Beatrice grocery companies with their new national distribution system will be Beatrice's great strength," says Laurie Lively, Oppenheimer & Co., New York.

Both Beatrice and Esmark also have many strong nongrocery lines. Beatrice includes Culligan water treatment, Samsonite luggage and furniture, Stiffel Lamps and Rusty Jones rust preventive, while Esmark has Playtex women's intimate wear, Avis car rental, Jensen audio and Danskin sports garments. No divestitures have hit these areas, although some consumer product companies have been sold, including Buckingham Corp. in October, 1984 (Cutty Sark scotch, Finlandia vodka), Shedd's Spread margarine and ButterMatch margarine-butter blend in January, 1985, and STP car-care products in April, 1985.

Analyst Mr. Strauss believes that although grocery line products are not likely to be sold, "there will be some added divestitures. There's a lot of conjecture in the field about, say, Avis or Playtex or Samsonite." Avis is still No. 2 behind Hertz' market share of 33%. Avis' share has dropped from a high of 29% in 1975 to 24% in 1985. Samsonite is a market leader, but its earnings fell in 1984 because selling prices could not stay ahead of sales/marketing costs. The International Playtex line also is highly profitable. It includes women's intimate wear, tampons and rubber personal-use products plus Givenchy hosiery, Jhirmack haircare products, Almay and Max Factor cosmetics, and the Halston/Orlane fragrance and skincare line.

Given the wide swath of Beatrice products, it is understandable that the audience and the players in the Beatrice identity ad campaign have given it mixed reviews. Beatrice's umbrella campaign "was viewed on Wall Street as the least-efficient type of advertising—as far as promotional value goes—in promoting earnings," says Ms. Lively of Oppenheimer.

"What they [Beatrice executives] were trying to do was build a franchise, like Nabisco's, but they didn't have the underlying strength, the solid base of a wide range of familiar, well-liked products like Nabisco. This kind of advertising is viewed [in the investment field] as very inefficient and very expensive. Similarly, the racing program seems too costly for the benefits," she adds.

Beatrice counters that there are statistics to prove its success. Says Jeff Rich, Beatrice director of corporate identity, who designed the increasingly familiar stripe logo, "What we're saying with the Beatrice logo . . . is like an old-fashioned Good Housekeeping seal—when you buy a product with this symbol, Beatrice is standing behind it."

The ID program started on tv with the 1984 Winter Olympics aimed at supermarket customers—60% of whom are female—and the supermarket industry. The advertising continued at the Summer Olympics in Los Angeles, and at the conclusion of the summer games, 13% of those in audience recall testing could name Beatrice unaided and 65% aided. Before the winter games, only 1.3% of those tested could name Beatrice unaided, and 19% aided.

The biggest chunk of Beatrice ad spending was on its U.S. food segment, which produced $6.3 billion in revenue for 1984, about half of the Beatrice total and up 53% from 1984. (Esmark is included in the 1984 results though not in the comparable period.) Results were credited to higher demand for soft drinks and bottled water, new product introductions, and higher prices for fruit juice products. Food segment earnings were up 10%, to $372 million in 1984.

U.S. food, with three subgroups—grocery, refrigerated food and beverage—has 57.5% of Beatrice sales (in 1984); consumer products, 18%; international foods, 17%, and Avis/other operations, 7.5%.

Sales of the consumer product segment were up 106% in 1984, to $1.95 billion, because of volume gains and the inclusion of Esmark. Earnings rose to $201 million, up 51%, although there were declines in the Samsonite luggage line and reduced earnings, too, in the International Playtex tampon business because of the product-exchange program responding to consumer concern about toxic shock syndrome.

International food segment sales rose 6.9%, to $1.95 billion in 1984, but earnings fell 4%, to $101 million, because of lower foreign currency exchange rates.

The Avis/other operations segment jumped to $821 million in 1984 from $28 million in 1983, the sharp increase resulting from including Esmark's car rental business in a Beatrice segment that formerly had included many smaller investment operations (since divested).

Viewed by media, Beatrice in 1984 continued making heavy use of run-of-press newspaper space, increasing its spending to $12.3 million, up from $5.7 million in 1983. Its other major print category, magazines, dropped 13.4%, to $43.5 million in 1984. Cable tv increased to nearly $5.1 million from just $90,000 in 1983. Spot tv spending rose 25%, to $57.5 million; network tv was up 14%, to $111.6 million. Spot radio was off considerably, by 44%, to $2.99 million, but network radio ballooned to $3.4 million. Outdoor display in 1984 fell to $438,000 from $4.42 million.

The 1984 Beatrice advertising/promotional total of $680 million is a composite of $293 million for Beatrice and $307 million for Esmark. On a comparable basis, the 1983 six-media measurement compiled by Leading National Advertisers showed significantly higher spending for Esmark—$154.2 million compared with $47.3 million for Beatrice. This was accounted for by Esmark's own advertising-intense brands like Swift meats, but also by the many heavily promoted Hunt-Wesson brands that Esmark acquired in 1982. For 1984, the six-media total for Beatrice, now including the acquired Esmark, was $217 million, up 7% from the 1983 combined total.

Specific 1984 advertising expenditures by product line and brand show efforts by Beatrice to build its marketing muscle by several different techniques: To push regional brands national, as with Culligan water products and County Line cheese; to begin meeting major competition from other big-gun food marketers head-to-head, again, in the case of its cheese lines vs. Kraft; to capitalize on certain specialized products, like Almay hypo-allergenic cosmetics, and to build on existing strong franchises such as Orville Redenbacher Popping Corn, Playtex, Max Factor, Eckrich meats, Fisher Nuts, Swiss-Miss and Tropicana.

Major media ad spending increases for 1984 were made for the Almay cosmetic line, formerly Esmark, climbing to $8.3 million from $1.9 million in 1983. County Line cheese spending swelled to $2.2 million from $453,600 as Beatrice expanded its distribution in stages. In 1984, it went from its original Midwest marketing area to the Southeast; to Texas, where it competed hotly with Kraft (1983 cheese budget—$45 million); to Denver, and then this year, to the east and west coasts. D'Arcy MacManus Masius, Chicago, is the agency.

Beatrice increased the Culligan water treatment systems major media budget to $4.4 million from $1.5 million in 1983. Spending was for a new national network tv campaign out of HCM, Chicago, that promotes Culligan's Aqua Clear home drinking water filtration system under the themes "the future calls for Culligan." Culligan formerly advertised regionally, in hard-water areas, where its water softening and purifying products were most in demand.

Other sizable ad spending increases for 1984 include: Orville Redenbacher Popping Corn brands, up 44% to $10.2 million; Swiss-Miss chocolate drink mixes, up 42% to $11.5 million; Eckrich meats, up 161% to $8.9 million; and Fisher Nuts, boosted 106% to $5.4 million.

Also increased were Tropicana frozen and ready-to-serve fruit juices, up 37% to $12.3 million; Max Factor cosmetics, a former Esmark line, rose 36% to $9.6 million, and the two Playtex lines—the tampons, increased 7%, to $4.2 million, and the intimate wear, up 16% to $15.9 million.

The Jhirmack haircare line was continued at $8.8 million for 1984, about even with 1983, and a number of other brands were decreased, apparently in tradeoffs as the new Beatrice ad machine gets under way. Major media decreases for 1984 included the Danskin line, dropping just shy of $800,000 for 1984 from $4.8 million in 1983; Avis, down 14% to $12.1 million; the Halston line, including fragrances, off 10% to $1.2 million, and clothing, off 14% to $86,700; Jensen audio down 50% to

Top 25 business/industrial advertisers

Rank	Advertiser	Business pub. ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	International Business Machines	$21,308	$26,993	(21.1)	5.7
2	American Telephone & Telegraph	20,347	30,838	N/A	3.6
3	Hewlett-Packard Co.	13,182	13,316	(1.0)	N/A
4	General Electric	13,076	8,275	58.0	6.5
5	E.I. du Pont de Nemours	11,980	10,145	18.1	13.2
6	General Motors Corp.	11,025	17,947	(38.6)	1.4
7	Texas Instruments	10,713	12,806	(16.3)	N/A
8	American Express Co.	10,342	7,847	31.8	6.0
9	3M Co.	10,321	9,780	5.5	N/A
10	Motorola Inc.	8,701	7,804	11.5	N/A
11	Xerox Corp.	7,575	11,883	(36.3)	5.9
12	Ford Motor Co.	7,432	13,559	(45.2)	1.3
13	RCA Corp.	6,957	5,013	38.8	2.9
14	Honeywell	6,758	10,953	(38.3)	N/A
15	ITT Corp.	6,539	6,841	(4.4)	3.9
16	Eastman Kodak Co.	6,371	7,155	(11.0)	2.1
17	Digital Equipment Corp.	6,251	11,996	(47.9)	N/A
18	Phibro-Salomon	5,896	4,697	25.5	N/A
19	Rockwell International	5,802	5,365	8.1	N/A
20	First Boston	5,595	2,268	146.7	N/A
21	Goldman Sachs & Co.	5,441	4,323	25.9	N/A
22	Allied Corp.	5,303	5,265	0.7	N/A
23	Gould Inc.	5,171	5,650	(3.5)	N/A
24	GTE Corp.	5,063	4,549	11.3	5.6
25	Harris Corp.	5,048	N/A	N/A	N/A

Source: Rome Reports as reported in *Business Marketing*, a Crain Communications Inc. publication.

$873,000; Hunt products, off 31.6% to $17.7 million; Wesson oils, down 46% to $10 million; La Choy Chinese foods, down 62% to $1.3 million; the Martha White baking mixes line, down 45% to $914,700; Swift meats, down 28% to $11.7 million, and Samsonite luggage and furniture, off by 34% to $2.7 million.

In a time of change at Beatrice Cos., shifts in agencies and personnel continue. Among the agency changes were a shift of the $14 million account for Almay, an International Playtex division, to Saatchi & Saatchi Compton, New York, from Geer, Dubois in New York; a shift of the $15 million Tropicana account to Leo Burnett USA, Chicago, from Benton & Bowles, New York; and—a first for Beatrice—the selection of black-oriented Burrell Advertising, Chicago, to handle U.S. foods segment advertising aimed at black consumers.

At the corporate level, Beatrice has replaced Mr. Dutt as chairman-ceo with a Beatrice retiree, William W. Granger Jr. He started at a Beatrice dairy plant in Norfolk, Va., in 1946, rose through the ranks to become vice-chairman of the Beatrice board, and coordinated the 1984 Beatrice-Esmark merger. As new chairman of the board executive committee, the company has brought back William G. Karnes, 74, former Beatrice chief executive who started to build the many Beatrice companies back in 1952.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	12,340	5,683
Magazines........	43,525	50,250
Network cable......	5,085	90
Spot tv............	57,445	45,955
Network tv.........	111,591	97,685
Spot radio.........	2,986	5,259
Network radio......	3,345	408
Outdoor...........	438	4,422
Total measured..	236,755	209,751
Total unmeasured	443,245	381,048
Estimated total..	680,000	590,799

BEATRICE COS.
2 N. LaSalle St.
Chicago, Ill. 60602
(312) 782-3820

Marketing Personnel

William W. Granger, chmn

U.S. Food

Harold J. Handley, senior vp-mktg services
J.J. McRobbie, senior vp-sales
Barbara M. Knuckles, vp-dir, mktg rsch
Patrick Kane, dir-adv
Keith Landau, mgr-adv

Consumer Goods

George Montaigne, vp-media services

Advertising Agencies

Ted Bates Advertising, New York—Avis car rental—Rick Bosse, acct super; Pat Janicek, acct exec.

Benton & Bowles, New York—U.S. food segment, new prod—T.S. Burnett Jr., senior vp.

Bozell & Jacobs, Minneapolis—Bonkers, Martha White flour & mixes, Swiss-Miss pudding bars & cocoa—Steve Chase, senior vp, Bonkers; Ron Harvieux, acct super, Martha White flour; Steve Chase, senior vp-mgmt super, Swiss-Miss Pudding bars & cocoa; Steve Gumingo, acct exec.

Leo Burnett USA, Chicago—Berliner & Marx veal, Eckrich processed meats, E.W. Kneip corned beef, Plume de Veau veal, Fisher Nuts, Lowry's snack foods, Samsonite prod, Tropicana prod—Marv Polack, acct super; Rick Brenner, acct super, Berliner & Marx veal, Eckrich processed meats, E.W. Kneip corned beef, Plume de Veau veal; Catherine Galuzza, acct exec, Fisher Nut, Lowrey's snack foods; Ray Pokorny, acct exec, Samsonite prod; Ted Jordan, acct exec, Tropicana prod.

Burrell Advertising, Chicago—Black adv—Charles L. Wembley, senior vp-dir client services; Eugene Morris, senior vp-mgmt super; W. Potter, acct super.

Dailey & Associates, Los Angeles—Hunt's All Natural barbeque sauce, Sunlite oil, Peter Pan peanut butter—Steve Chabre, exec super, Hunt's All Natural barbeque sauce; Brian Morris, exec vp-mgmt super, Peter Pan peanut butter.

D'Arcy MacManus Masius, Chicago—County Line cheese, Pauly cheese, Treasure Cave cheese, Reddi Whip whipped cream—Jeff Guerrant, acct super.

Dawson, Johns & Black, Chicago—Rusty Jones rust preventive—Larry Ateaff, acct super; Bob Kumaki, acct exec.

Grey Advertising, New York—Danskin garments, Swift Brown 'N Serve sausage, Butterball turkey, Sizzlean sausage, ham, bacon; Playtex bras, nurser, tampons; Van Vagenen & Schickhaus franks—Jeff Stein, senior vp-mgmt super; David Rosenberg, vp-mgmt super; Simon Abrahams, acct super.

HBM/Creamer-Albert J. Rosenthal, Chicago—International Jensen Discwasher—Paul Spector, acct super; Jim Campbell, vp.

HCM, Chicago—Meadow Gold dairy prod. Viva milk & cottage cheese, Louis Sherry ice cream, Culligan water treatment, Stiffel lamps, Del Mar & Louver Drape window coverings, Beatrice corp, Beatrice food segment—Tom Sharp, exec vp-mng dir.

Ketchum Advertising, San Francisco—Hunt's Ketchup, Manwich & tomato prod, Orville Redenbacher popping corn & oil, Soup Starter, Stew Starter, Wesson oil—Jeff Manning, senior vp-group dir; Diane Snedaker, senior v-group dir; Lynne Upshaw, senior vp-group dir.

Korey, Kay & Partners, New York—Halston fragrances—Jennifer Johnson, acct exec.

Mandabach & Simms, Chicago—Beatrice cheese foodservice, Beatrice warehouses—Lee Lipman, exec vp.

Rosenfeld, Sirowitz & Lawson (RTC), New York—Jhirmack haircare prod, Round-The-Clock & Givenchy hosiery—Jane Hottenson, acct super; Fay Cohen, acct exec.

Saatchi & Saatchi Compton, New York—Almay cosmetics—Linda Joselow, acct super; Andy Lockard, acct exec.

Stern Walters/Earle Ludgin Inc., Chicago—International Entrees—Charlie Featherstone, acct super; Scott Shiav, senior vp-mgmt rep.

J. Walter Thompson USA, Chicago—Aunt Nellie's canned vegetables, Beatrice International food segment, La Choy canned, frozen entrees & soy sauce, Rosarita canned & frozen foods—Dick McCullough, senior vp. Los Angeles—Arrowhead, Great Bear & Ozarka bottled water—Mark Lehman, acct super.

Wells, Rich, Greene, New York—Max Factor cosmetics—Bill McGivney, acct super; Linda Baron, acct exec.

Beecham Group p.l.c. RANK 58
Brentford, Middlesex, U.K.

($ figures – 000,000)

Worldwide	1985	1984	% chg
Sales	2,839	2,472	14.8
Net income	380	332	14.3
U.S.			
Sales	1,024	752	36.1
Operating profits	127	91	39.2
Advertising	137	135	1.8
Division sales			
Pharmaceuticals	817	686	19.1
Consumer prods.	2,022	1,725	17.2

Beecham Group p.l.c., a British pharmaceutical and consumer products company, spent an estimated $137 million on U.S. advertising in 1984, a 1.8% increase over 1983, making it the 58th largest national advertiser.

The U.S. operations of Beecham include Beecham Products Division, Beecham Cosmetics, Beecham Home Improvement Products, Beecham Laboratories Division and the newly acquired Germaine Monteil Cosmetiques.

For Beecham Group's fiscal year ended March 31, 1985, the company reported worldwide sales of $2.84 billion, up 14.8% from the previous fiscal year. The company's worldwide sales increased by 17% when calculated in British pound sterling. Western Hemisphere operations account for $1.02 billion, or 34.5% of the company's total sales volume. Beecham does not make a separate accounting for U.S. sales figures.

Beecham U.S. operations spent $92 million on advertising in nine measured media, up 1.2% from 1983. Of that total, $78.5 million was spent on network tv. The estimated $43 million in unmeasured advertising included co-op, free sampling, sports sponsorship and direct mail.

Beecham Products division, the biggest ad spender of the group's U.S. divisions, continued to heavily advertise its Aqua-fresh toothpaste, spending $22.9 million in the six media measured by Leading National Advertisers, off 6% from 1983. Aqua-fresh, which introduced a pump dispenser with a clear plastic collar in early 1985, holds an 11% market share in the $1 billion dentifrice market, as compared with Crest at 34%, Colgate at 32%, Aim at 10%, Closeup at 7% and Pepsodent's 3%.

Spending for Ace combs increased from $248,000 in 1983 to $1.39 million in 1984. The bulk of this spending—$1.19 million—was for network tv. Fruit-Fresh preservatives, up 158% to $2.09 million, was another product with a major advertising increase, while N'Ice sugarless lozenges' 1984 ad spending fell 65% to $2.2 million in measured media.

Advertising for Calgon bath products also slipped 27.5% to $7.9 million in 1984. Spending for Cling Free fabric softener increased 27.8% to $6.9 million, Geritol in liquid and tablet form increased 17.5% to $9.4 million; Massengil disposable douche increased 12.5% to $8.1 million; Sucrets lozenges for adults and children received $4.8 million, equal to 1983 spending; Sominex received $4.3 million, the same as in 1983.

Sominex is doing battle against Block Drug's Nytol, which received $3.3 million in measured spending in 1984, up 65% over spending levels in 1983. Also going into 1984, the company discontinued Sculptura by Jovan and Star Wars children's bath toiletries—products that received only minimal support in 1983.

During 1984, Beecham Products joined the move toward split-30-second tv spots (combo spots each 15-seconds for two different brands). Calgon, Aqua Velva and Aqua-fresh brands have used split-30s. Avrett, Free & Ginsberg, New York; Cunningham & Walsh, New York, and Grey Advertising, New York, share Beecham products assignments.

In a transaction begun in late 1984, Beecham Group acquired Germaine Monteil Cosmetiques in January, 1985. The cosmetics and fragrance company was purchased from British American Tobacco (B.A.T.) Industries p.l.c., London, for $105 million.

Germaine Monteil, with operations in Europe and the U.S., is operated as a separate subsidiary within the Beecham Group. However, within the U.S. some products from Chicago-based Beecham Cosmetics and Germaine Monteil's New York operation were to be moved from one to the other to effect a better marketing fit by mid-September, 1985. The move represents the breakup of Beecham's Beaute division.

Diane von Furstenberg and Lancaster lines will be sent to Germaine Monteil, New York, from Beecham Cosmetics in Chicago in exchange for Lentheric and Tuvach fragrance and bath products, two brand lines that will be merged into Chicago's Yardley division. Germaine Monteil is expected to further develop the Diane von Furstenberg and Lancaster businesses through its strong distribution network in department and specialty stores.

Vitabath will remain with Beecham Cosmetics, along with Yardley of London and Jovan. Monteil handles its advertising in-house though Beebe & Sons. In 1984, Beecham Cosmetics consolidated all advertising at Zwiren & Wagner, Chicago. Yardley products had been handled by Bozell & Jacobs, Minneapolis, and Beecham Beaute products by Cunningham & Walsh, Chicago.

In February, 1984, Jovan introduced Whisper of Musk fragrance in a move to solidify its 54% share of the $100 million musk segment of the fragrance market. Coty has a 24% share of the market, with Houbigant holding a 16% market share. A $4 million media campaign promoting the Whisper of Musk introduction was aided by a 31 million-piece sampling program.

The new Yardley of London fragrances, Love Notes perfume for young women and Black Label, a revised scent for men, were introduced in the fall of 1984. Yardley also introduced a kitchen hand soap in pump dispenser in May, 1984.

During the second half of 1985, Lancaster rolled out nationally its Lancaster Immediate Peeling Fresh Complexion Masque, a clarifying skin mask.

Spending on other Yardley and Jovan brands remained at or near 1983 levels, which were relatively modest. All Yardley products pulled only $295,100 in measured spending in 1984 compared with $781,600 in 1983, according to six-media figures of LNA. Jovan measured spending reached $3.8 million in 1984 vs. $1.3 million in 1983, primarily the result of the Whisper of Musk campaign.

Barry E. Shipp, founder of Jovan, in June, 1985, assumed the presidency of Beecham Cosmetics, replacing Richard Meyer, who has left the cosmetics industry.

Allan Mottus, a health and beauty products industry consultant and publisher of "The Informationist" newsletter, predicts the Germaine Monteil acquisition will present a challenge for Beecham. "Monteil has had trouble attracting younger women to its counter," he says. Mr. Mottus estimated Beecham Cosmetics sales volume at about $150 million in 1984. The newly reorganized Germaine Monteil, with the addition of Diane Von Furstenberg and Lancaster lines, will have about $50 million in sales volume.

With the purchase of DAP Inc. in March, 1983, Beecham Group entered the home improvement market. In April, 1984, the company purchased Roberts Consolidated Industries, another maker of adhesives and home improvement products. Sale prices for these transactions were not revealed. The two companies were consolidated in April, 1985, as Beecham Home Improvement Products. Product line includes DAP caulk and seal, Weldwood adhesives, Derusto coatings, Woodlife wood treatments and Permabond superglue.

Upon consolidation, Cunningham & Walsh, New York, was named agency of record for the division. According to a spokesman for Beecham Home Improvement Products, spending has been targeted at $1.8 million for the current year, to be divided among trade publications (20%), newspapers (75%) and direct marketing (5%).

Paced by continued popularity of the prescription drug Amoxil, Beecham Laboratories has had further growth with the introduction of two other prescription antibiotics, Augmenten (November, 1984) and Timentin (May, 1985). The company's veterinary products division increased its visibility by being named official supplier of antibiotics and products to the U.S. Equestrian Team during the 1984 Summer Olympics.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	283	6
Magazines........	3,816	3,378
Network cable......	38	127
Spot tv............	8,007	7,151
Network tv.........	78,471	78,007
Spot radio.........	4	27
Network radio......	331	411
Farm pubs.........	1,896	1,891
Total measured..	92,845	90,991
Total unmeasured	44,955	43,610
Estimated total..	137,800	134,601

BEECHAM GROUP p.l.c.
BEECHAM PRODUCTS DIVISION
Box 1467
Pittsburgh, Pa. 15230
(412) 928-1000

Marketing Personnel

R.A. Snell, vp-mktg
R.F. Creighton, vp-mktg
R.M. Lancaster, vp-sales

Advertising Agencies

Avrett, Free & Ginsberg, New York—Brylcreem, Lectric Shave, Calgon water softener & new prod—Norman Sherman, senior vp-mgmt service dir; Larry Riegel, acct super; E. Bingo Wyer, acct super; Janet Bellin, acct exec.

Cunningham & Walsh, New York—Cling Free, Fruit-Fresh, N'Ice, Sominex 2, Sominex 2 Pain Relief Formula—Rodger D. Groves, senior vp; Joe Levene, vp-mgmt super; Debbie Ludgate, acct super; Charlie MacLachlan, acct exec.

Grey Advertising, New York—Ace Combs, Aqua-Fresh, Aqua Velva aftershave, Calgon bath products, Geritol, Massengill, Sucrets, Vivarin, new prod—Robert Burress, senior vp.

BEECHAM COSMETICS USA
Chicago

Marketing Personnel

Barry E. Shipp, president
Joseph Aramana, exec vp
Peggy Sommerfield, vp-dir creative services

JOVAN INC.

Marketing Personnel

Albert Bistany, senior vp-coo
Don Deegan, senior vp
Susan Harris, Carol Brennan, dirs-mktg

YARDLEY OF LONDON

Marketing Personnel

John Small, senior vp-coo
John Southern, vp-sales
Chris Bronen, dir-mktg
Jan Mangos, dir-mktg

Advertising Agency

Zwiren & Wagner, Chicago—Jovan cosmetics & perfumes, Yardley of London, Hermes fragrances, Lancaster cosmetics, Vitabath, Diane Von Furstenberg cosmetics, Zizanie men's fragrances—Katherine Warner, div team dir; Gayle Sandberg, acct mgr, Jovan; Mary Koelle, team dir, Lancaster cosmetics, Vitabath, Diane Von Furstenberg, Zizanie, Hermes; Alan Karo, team dir, Yardley of London; Bill Furlong, acct mgr.

GERMAINE MONTEIL COSMETIQUES
New York

Marketing Personnel

Steve Rohr, president
Sandi Burrows, vp-mktg & adv
Candace Corlett, mktg dir-treatment
Phyllis La Touche, mktg dir-fragrances
Lisa Karp, mktg dir-color, cosmetics

Advertising Agency

Beebe & Sons, New York—Brook Betts, creative dir.

BEECHAM HOME IMPROVEMENT PRODUCTS
Dayton, O.

Marketing Personnel

N.P. Thelen, vp-mktg
Gary Cannella, dir-mktg, adhesives & coatings

Advertising Agency

Cunningham & Walsh, New York—DAP caulk & seal, Weldwood adhesives, Derusto coatings, Woodlife wood treatments, Permabond super glue—Richard Rapp, vp-acct super.

BEECHAM LABORATORIES DIVISION
Bristol, Tenn.

Marketing Personnel

M.M. Jones, president
T.G. Wood, vp-sales & mktg
Gaston Cowell, veterinarian sales & mktg mgr
Jack Johnson, mktg dir
John Battel, natl sales mgr
Edward Ruane, vp-hospital sales & sales services

Advertising Agencies

Frank J. Corbett Inc., Chicago—Timentin, Augmentin, Amoxil, Nucofed, Ticar, oral antistaphs, injectable antibodies—Jim Miller, senior vp; Bill Marotti, vp; Mike Buchanan, acct exec.

Charles Tombras Advertising, Knoxville, Tenn.—veterinary pharmaceuticals—John Welsh, acct exec; Guy Seymour, acct exec; Steve Burton, acct exec.

Trunk/Shea, Clifton, N.J.—Tigan, Anexsia-D, Fastin—dePaul R. Trunk, president; Thomas G. Shea, vp.

Bristol-Myers Co. RANK 31
New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	4,189	3,917	7.0
Net income	472	426	10.8
U.S.			
Sales	3,140	2,880	9.0
Operating profits	593	535	10.8
Advertising	258	242	7.0
Division sales			
Pharmaceutical	1,567	1,446	8.4
Non-prescript. health	1,158	1,040	11.3
Beauty aids	1,021	986	3.5
Household prods.	438	397	10.1

Bristol-Myers during 1984 continued its strategy to place a greater emphasis on its pharmaceutical and nonprescription health products divisions, a ploy to produce better gross margins. In doing so, it spent an estimated $258.4 million in U.S. advertising, a 7% increase over $241.5 million in 1983.

The New York-based company, ranked 31st among the nation's advertisers, spent $257.4 million purely in advertising worldwide in 1984, up from $237.4 million in 1983. The company reports that $486.5 million was spent in product promotion worldwide, up from $414 million in 1983.

During the year, the company improved gross margins despite the marketing shift, which many industry observers say has eroded the company's market share in its traditional segments. In fact, margins edged up from 64.6% in fiscal 1983, to 66.4% in 1984.

Sales for the second quarter ended June 30, 1985, were up only 1.9% to $1.08 billion. Earnings jumped 13.3% to $125.9 million. Unfavorable exchange rate fluctuations reduced total company sales for the quarter by about $37 million, or 4%. U.S. sales improved 4%.

For fiscal 1984, Bristol-Myers reported sales of $4.2 billion, up 7% from 1983. Net earnings improved 15.8% to $472.4 million.

The pharmaceutical and medical products segment, which contributes 38% of sales and 42% of operating profits, registered a 5% increase in sales and 42% boost in operating profits in 1984. Nonprescription health products increased 11% in sales, the greatest sales increase of all segments. The toiletries and beauty aids segment reported a 6% sales increase, and the households products division showed a 10% sales improvement during 1984.

Introductory support for Nuprin, Bristol-Myers' ibuprofen entry, coupled with a high level of spending on new and existing products, increased the percentage of sales for advertising and product promotion expense to 17.8%. That was up from 16.6% of total sales in 1983 and 15.8% in 1982.

In 1984, Bristol-Myers' pinned its hopes on Nuprin. Bristol was able to get into the ibuprofen category, which many thought would garner as much as $400 million of the $1.6 billion analgesic market, early by licensing the brand from Upjohn Co., which sells the product in greater dose forms by prescription under the name Motrin.

But it was a tumultuous year for Nuprin, starting with a lawsuit filed by Johnson & Johnson to halt Nuprin's ad campaign. When advertising finally was launched, consumers were confused by the prescription to over-the-counter conversion message. "One big mistake the ibuprofens made was to assume the public was awaiting these formerly prescription brands," says industry consultant Allan G. Mottus. "For the most part, Americans have been satisfied with their pain relievers." On top of that, Nuprin could use the conversion campaign for only six months, meaning it had to take a new tack in midyear. Nuprin appears to have found a better spot with sympton-specific ads.

With a measured spending budget of almost $20 million (mostly network tv), Nuprin added about $35 million in business to Bristol's product division. Nuprin's addition pushed Bristol's total analgesic sales past $200 million, a 20% increase over 1983. Nuprin, however, did not achieve the share of the market Bristol-Myer had hoped for. Bristol probably is giving it another shot in 1985.

In 1984, Bristol also encountered difficulties trying to inject new life into Datril. Measured media of about $7.2 million could not push Datril past a 1% share of the market. Bristol's other brands, Excedrin (measured media $15.9 million) and Bufferin (measured media $9.7 million), maintained shares of 5.5% and 4.9%, respectively. Competitor Bayer holds 5.7% of the market, while the Advil brand of American Home Products' Whitehall Labs controls a 4.3% share.

Last year, Bristol-Myers sank a great deal of its ad dollars into analgesics. If the measured media dollars devoted to Datril and Nuprin ($27.1 million) are subtracted from total spending, Bristol's spending is actually flat when compared with 1983.

In Bristol's pharmaceutical division, industry analysts are optimistic about the company's new BuSpar, an anti-anxiety drug. BuSpar, according to Robert Benezra, an analyst with Alex, Brown & Sons, Baltimore, is unique in the market because it is not addictive and not a sedative. Mr. Benezra predicts BuSpar could grow into as much as a $300 million brand at maturity in three or four years.

BuSpar will require very little advertising support, analysts say, because 90% of its promotion will be via detail work to doctors and pharmacists.

Toiletries and beauty aids sales hit $1.02 billion in 1984, up from $986.4 million in 1983, but despite the sales increase, Bristol lost some ground in its core business areas. Bristol's Clairol is still the dominant force in hair color, with about 60% of the market, according to Nancy Hall, an analyst at Prudential Bache, New York. But its share did slip a few points in 1984, according to Diana K. Temple of Salomon Brothers, New York.

This year, Bristol is revving up for a hair coloring battle with Cosmair's L'Oreal. L'Oreal will be pitting its new semi-permanent Avantage hair color lotion—backed with a $6 million budget—against Clairol's Loving Care, which received $8.2 million in measured spending in 1984, up 8% from 1983. Loving Care now claims about 11% of the $400 million (manufacturers' dollars) market. Clairol also will stir things up when it takes Ultresse, the first gel hair coloring, national by yearend. Ultresse was test marketed in 1984 on the West Coast with spending at the equivalent annual rate of $10 million.

According to Ms. Temple, Clairol also lost share in hair spray in 1984. Clairol brands sank from a 21% share in 1983, to 19.7% in 1984.

In the $3 billion haircare category, Clairol's share suffered as a marketing battle erupted involving eight major players. Even with the relaunch of Clairol Essence line (a relative of its Herbal Essence brand and Klorane), the company's total share of shampoos was pared from 3.8% last year to 3.3%. In the first quarter of 1985, that share has dropped to 2.8%. In hair conditioning, Clairol brands garner 4.5% of the business, vs. 4.8% in 1983. Clairol extended its Sea Breeze cleanser with a lotion in 1984. Spending behind Sea Breeze totaled $8.5 million.

Ban deodorant, Bristol-Myers' only deodorant line, received measured media spending of $10.1 million. That was not enough to keep the market share for the new, popular sticks from eroding. Ban's share dropped from 9.3% in 1983, to 8.8% in 1984. In 1979, Ban had 16% of the category.

Market share for Bristol's Comtrex, which pioneered the multi-symptom segment of the cough cold business, continued to slip in 1984, to 5%. Spending behind Comtrex dropped 17% to $10.3 million. That is down significantly from the $17 million budget Comtrex enjoyed in 1982.

In Bristol's Drackett division, with sales of $426 million, Bristol introduced O'Cedar No Wax Power Strip sponge mops and Lemon Endust in 1984.

Drackett brands received $28.8 million of measured spending, up 3.6% from 1983.

Management and advertising agency shifts last year at Bristol included the naming of Ronald A. Ahrens as president of Bristol-Myers Products, succeeding Poley H. Disney. Mr. Disney left after two years in the post and almost 20 years with the company.

Bristol split with Kenyon & Eckhardt, assigning many of its accounts to Laurence, Charles & Free. Ally & Gargano, New York, snared Datril, with billings of $13 million, when K&E and Bristol parted ways.

In 1984, Bristol also made its first move into cable program sponsorship with a fitness series called "Alive & Well."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	999	1,380
Magazines	32,624	28,472
Network cable	6,242	6,506
Spot tv	16,996	10,866
Network tv	122,552	120,974
Spot radio	1,809	1,904
Network radio	1,520	1,544
Outdoor	7	0
Farm pubs	290	212
Total measured	183,040	171,858
Total unmeasured	75,400	70,447
Estimated total	258,440	241,505

BRISTOL-MYERS CO.
345 Park Ave.
New York, N.Y. 10154
(212) 546-4000

Corporate Personnel

Marvin Koslow, senior vp-mktg services
Harry Levine, vp-corp communications
Peter J. Spengler, vp-adv services

International Group
Marketing Personnel

Joseph E. Maroun, president
Kenneth E. Weg, president-Europe, Middle East, Africa div
Richard H. Malyan, president-Latin America, Canada div

Advertising Agencies

Robert A. Becker, New York—pharmaceutical—Joel D. Lauber, Edward F. Maitland, Raymond Perry, senior vps; Robert E. Devanna, vp-dir mktg communications; Jacqueline Hunt, vp-media dir.

M.E.D. Communications, Woodbridge, N.J.—Norman Goldberg, vp-mktg; Helene Schwartz, vp-accounting services; Robin Geller, media dir; Dianna Main, pr dir; Mary Lou Spang, acct super.

Products Division
Marketing Personnel

Ronald A. Ahrens, president
Charles E. LaRosa, senior vp-mktg & Sales

Advertising Agencies

Ally & Gargano, New York—Datril-Ed Troncelliti, acct exec.

Doyle, Dane, Bernbach, New York—Excedrin, Tickle, Final Net, Light Effects, Nice 'N Easy, Sea Breeze Line—Rein Luik, exec vp; Lucille Cotugno, senior vp-mgmt super; Jenny Barickman, vp-acct super; John Cannon, acct exec; Michael Perry, asst acct exec.

Grey Advertising, New York—Four-Way, Nuprin, Vitalis, Clairesse, Color Renewal System, Behold, Drano Crystal, Drano line, Windex—Clark Montgomery, exec vp; Herbert Lieberman, senior vp.

Laurence, Charles & Free, New York—Bufferin—Martin Smith, vice chmn; Ann Mahoney, vp-acct super; Porter Blackburn, acct exec. Comtrex—Russ Shaffer, exec vp; Robin Kovel, vp-acct super; Laura Steinman, acct exec. Congesprin—Martin Smith, vice chmn; Robin Kovel, vp-acct super; Laura Steinman, acct exec.

Mendoza, Dillon & Associados, Newport Beach, Cal.—Hispanic adv: Ban Roll-On, Vitalis—Robert Howells, vp-acct services; Martha Julia, acct super.

Siboney Advertising Corp., New York—Hispanic adv: Excedrin—Gary McBride, acct dir; Lynette Guzzino, acct super.

BRISTOL LABORATORIES
Syracuse, N.Y.
Marketing Personnel

Julius L. Pericola, president
Gary P. Gibson, vp-genl mgr
Marvin C. Lemons, vp-sales
Bruce R. Ross, vp-genl mgr, oncology div
Larry W. Zonner, vp-genl mgr, Animal healthcare div

Advertising Agencies

M.E.D. Communications, Woodbridge, N.J.—Norman Goldberg, vp-mktg; Helene Schwartz, vp-accounting services; Robin Geller, media dir; Dianna Main, pr dir; Mary Lou Spang, acct super.

Sieber & McIntyre, Morristown, N.J.—Precef, Stadol—Duane Taylor, acct exec; Cindi Mangal, acct coord.

CLAIROL
Marketing Personnel

C. Benjamin Brooks Jr., president
Gerald C. Beddell, president, consumer prod div
George W. Matson, vp-mktg services
John C. Louise, vp-creative services
William G. Lynch, vp-sales
Michael A. DeGennaro, president, professional prod div
Nancy Flinn, vp-mktg
William H. Ranney, vp-sales
F. Peter Cuneo, exec vp, Clairol appliances
Tom C. Comella, senior vp-sales, Clairol appliances

Advertising Agencies

Calet, Hirsch & Spector, New York—personnel care appliances—Colin Probert, exec vp-acct services; Bette Pazelle, mgmt super; Beth Grossman, acct exec.

Doyle Dane Bernbach, New York—Light Effects, Nice 'N Easy, Sea Breeze line—Milton Harkrader, group senior vp; Maryanne Moore, vp-acct super; Marina Hahn, acct super; Robert Cosinuke, Wendy Urquhart, Patti Willis, acct execs; Vincent Casey, James Breadbeer, Amy Weinberg, asst acct execs.

Foote, Cone & Belding, New York—corp adv, Essence, Final Net, Frost & Tip, Klorane, Loving Care, Miss Clairol, Summer Blonde, Ultress, Condition* BP, Condition* Hot Oil—John Howard, senior vp-group mgmt dir; Nancy Beck, vp-mgmt dir; Denise Plaza, acct dir. Condition* BP, Condition Hot Oil—Steven Morrison, acct exec.

Gleckler & Spiegel Advertising, New York—consumer prod div (new prod); professional prod div (Shimmer Lights, Second Nature, Beautiful Browns, Beautiful Brights, new prod); venture prod group (Born Beautiful, Color Play, Vitapointe)—Gayle Gleckler, chmn-creative dir; Joel R. Spiegel, president; Michael B. Levine, senior vp-dir acct services; Susan Rochlis, vp-acct super.

Grey Advertising, New York—Clark Montgomery, exec vp; Herb Lieberman, senior vp.

DRACKETT
Cincinnati, O.
Marketing Personnel

William F. Flatley, senior vp-sales & mktg
John C. Hassan, vp-mktg

Advertising Agencies

Grey Advertising, New York—Behold, Drano Crystals, Drano line, Windex—Harvi Robinson, mgmt super.

Laurence, Charles & Free, New York—Automatic Vanish, Prepared Vanish, Bowl Brite—Martin Smith, vice chmn; Deborah Anderson, acct super; Warren Leong, asst acct exec. Endust—Al Evans, exec vp; Phil Carroll, acct super. Nutrament—Martin Smith, vice chmn; Richard Goldschmidt, vp-acct super. Renuzit adjustable, Fresh 'N Dry—Russ Shaffer, exec vp; Richard Goldschmidt, vp-acct super; Rick Bradt, asst acct exec. Mr. Muscle—Martin Smith, vice chmn; Tom Keane, acct super.

Wilk/Brichta, Chicago—O-Cedar mops & brooms, Scrubbees, Twinkle, new prod—John Eiffert, senior vp-group acct dir.

MEAD JOHNSON & CO.
Evansville, Ind.
Marketing Personnel

Raymond C. Egan, president
Howard Willson, vp-genl mgr, nutritional div
Donald G. Harris, president, pharmaceutical div

Advertising Agency

Robert A. Becker, New York—pharmaceutical—Joel D. Lauber, Edward F. Maitland, Raymond Perry, senior vps; Robert E. Devanna, vp-dir mktg communications; Jacqueline Hunt, vp-media dir.

PELTON & CRANE
Charlotte, N.C.
Marketing Personnel

Randall J. Wall, president
James W. Perkins, senior vp-mktg

Advertising Agency

D. Myers Advertising, Matthews, N.C.—Darrell Myers, president-acct super

UNITEK
Monrovia, Cal.
Marketing Personnel

Mike Varner, vp-mktg

Advertising Agency

Direct adv.

ZIMMER
Warsaw, Ind.
Marketing Personnel

Thomas H. Hughes, president
Ronald L. Davis, exec vp
Kenneth P. Fallon III, mktg vp

Advertising Agencies

Thomas Ferguson Associates, Parsippany, N.J.—M. Jean Pankow, senior vp-mgmt super; Edward J. Gorzalski, vp-dir mktg rsch & media services; Thomas B. Atkinson, senior vp.

Naimark & Barbra, Cedarknolls, N.J.—patient care div in Charlotte, N.C.—George M. Naimark, president; David Barbra, vp-secretary; Sally Laurin, acct super.

WESTWOOD PHARMACEUTICALS
Buffalo, N.Y.
Marketing Personnel

Wilfred J. Larson, president
Barry L. Burnside, vp-mktg
Joe W. McGarity, vp-sales

Advertising Agencies

Frank J. Corbett Inc., Chicago—Alpha Keri & Keri lotion medical adv, Pre Sun, Staticin/T-Stat, Westcort, Sebulex/Sebucan, Moisturel, corp adv—John P. Burns, senior vp-acct exec.

Laurence, Charles & Free, New York—Fostex, Alpha Keri, Keri Lotion—Al Evans, exec vp; Debbie Hernan, vp-acct super; Cheryl Rego, acct exec.

Brewers' bated breath

There has not been an increase in the 65-cent-a-case federal tax on beer since the Korean War, and no one is seriously considering one right now. But the brewers are worried because federal levies on beer and wine are the only "sin taxes" that have not been increased recently. Last year, tax writers raised the federal tax on hard liquor by 19%, effective next Oct. 1. And, in 1981, they doubled the federal excise tax on cigarets, to 16 cents a pack. More recently, bills have been introduced to increase tobacco and hard-liquor taxes even more, to help finance the troubled Medicaid system.

Apple is getting riper

Apple Computer Co., which has undergone hard times, also entered a new era in 1985 as it parted ways with its two founders, Stephen Wozniac and Steven Jobs, who built Apple into the No. 2 producer in the U.S. Employment had grown to 14,800 before 1985 reductions cut that by 2,200 as part of a reorganizational move. Mr. Wozniac left prior to the reductions. Mr. Jobs, chairman, resigned in mid-September saying under the leadership of president-ceo, John Sculley, he had "no work to do and no access even to regular management reports."

Campbell Soup Co.

RANK
53

Camden, N.J.

($ figures – 000,000)

Worldwide	1985	1984	% chg
Sales	3,989	3,657	9.1
Net income	198	191	3.7
U.S.			
Sales	3,345	3,120	7.2
Operating profits	354	339	4.4
Advertising	142	127	11.6
Division sales			
Campbell U.S.	2,500	2,289	9.2
Pepperidge Farm	426	435	-2.1
Vlasic Foods	199	193	3.1
Mrs. Paul's	138	126	9.5
Other U.S.	81	84	-3.6
International	716	624	14.7

Introduction of new products through reformulation and repositioning, continued aggressive marketing and development of new technology in containers and packaging helped push U.S. advertising spending up an estimated 11.6% to $142 million in 1984 at Campbell Soup Co.

The Camden, N.J., company, ranked the 53rd largest national advertiser, is continuing to develop these same market-building techniques in fiscal 1986 when total ad expenditures are expected to reach $165 million alone for the Campbell U.S. division.

Over-all, the company reported worldwide earnings for the fiscal year ended July 28, 1985, of $197.8 million, up 3.7%, on sales of $3.99 billion, up 9.1% over the prior year.

The company was paced by its Campbell U.S. division, Campbell's largest operating unit, which accounted for $2.5 billion in sales, or 62.7% of consolidated sales, and $292 million in operating income, or 82% of the company total in fiscal 1985. Sales in the division were up 9.2% and operating income, 4.9%, compared with fiscal 1984. Unit volume rose 4% compared with a 9% increase in fiscal 1984. Marketing expenditures were up 14% to $488 million.

As Campbell moved into fiscal 1986, the company's flagship U.S. soup division which accounts for about 25% of the company's consolidated sales—was the focal point of company marketing efforts as it began to roll out nationally a line of new products that fell under the Campbell Quality Soup and Recipe Mix labels.

The line, in test market the past two years, gives Campbell entry into the $430 million dry soup category. In what the company describes as the most aggressive soup introduction in its 116-year history, Campbell will spend an estimated $20 million in the first yearof promoting the six-item line. Print, tv and coupon campaigns are planned. The Quality line features chicken noodle with white meat; noodle soup with real chicken broth; chicken rice with white chicken meat; onion for soup, dips and recipes; onion mushroom for soup, sauce and recipes.

Chunky soups, backed by $5.3 million in ad spending, according to six-media figures monitored by Leading National Advertisers, during fiscal 1985 registered a sales increase, paced by the new Chunky New England clam chowder variety introduced in 1983. Plans to develop, introduce or expand distribution of soup products include dry and refrigerated Home Style soups and frozen varieties of Home Cookin' soups.

Le Menu, with measured media spending totaling $9 million, mainly in tv and print campaigns for the national introduction of Le Menu frozen dinners, completed its first year of full distribution with sales of $150 million. Le Menu introduced five new dinners in 1985, bringing the total number of varieties to 17. Sales for the frozen foods business unit increased 43% in fiscal 1984 ending July 29, 1984. Campbell had not released intradivisional sales by this writing.

Swanson's basic frozen dinner business, with a 55% market share, continued the positive momentum in 1984 that resulted from the previous year's product quality improvement program. The traditional frozen dinner varieties, backed by $11 million in measured media spending, rose 6% in units sold in fiscal 1984. In calendar 1985, Swanson entered test markets with its dinners in table-ready trays suitable for use in either microwave or conventional ovens. Swanson plans to roll out its new packaging across the rest of the country by the end of the year.

The repositioning of the Swanson breakfast line under the Great Starts name, backed by $1.3 million in media spending, doubled the brand's growth during the past year as the product line moved toward national distribution. The line features two new varieties: Cinnamon swirl french toast with sausages, and pancakes and strawberries in sauce.

Prego spaghetti sauce, backed by $12.1 million in tv and print campaigns, went national in 1984 with Prego Plus, a premium spaghetti sauce containing large chunks of meat and slices of vegetables. Prego Plus comes in three varieties: Italian sausage and green pepper chunks, veal and sliced mushrooms, and sliced mushrooms and chunk tomatoes.

Prego has built a 25% market share against Ragu's 50% share in the four years Prego has been on the market. Before Prego's entry into this category, Ragu dominated with $19.3 million in measured media spending, predominantly in tv, radio and magazine campaigns.

Among the Franco-American and Campbell's beans lines, a new product, Superiore canned ravioli, was introduced regionally in print and tv advertising, including couponing. The introduction came near the end of fiscal 1984. The grocery unit entered fiscal 1985 after recording an increase of 14% over fiscal 1983.

The new fruit juice segment of the beverage business unit, created in 1982 with the acquisition of Juice Bowl—said to be the largest producer and supplier of citrus juices to the airlines—provided 22% of the total volume growth. This was in part because of the introduction among grocery retailers in Milwaukee and Chicago of its six-item, 100% pure fruit juice line. Advertising spending totaled $2.3 million in tv advertising.

The JuiceWorks line of 100% pure, natural fruit juices aimed at the children's market expanded into the East and the Midwest in August, 1984, powered by a $10 million campaign in tv and coupons. Themed "Kids are really asking for it," the campaign featured pajama-clad children talking about how much they like JuiceWorks, how it tastes all-natural.

The tomato-based segment, made up of V-8 juice, Campbell's brand of tomato juice and its line extensions, made a good showing within the declining category. In fiscal 1984, V-8 maintained its 50% share of the market. Measured media spending totaled $10.7 million on tv advertising.

The company was able to expand distribution for Campbell's Farm Fresh mushrooms created by the new mushroom-growing facility in Georgia. This led to a 7% sales increase for the Campbell's fresh produce division in fiscal 1984. Sales of the division have not been released in 1985. A similar facility is planned for Hillsboro, Tex.

Fresh tomatoes bearing the Pepperidge Farm and Farm Fresh labels also were marketed for the first time in 1984 in the Northeast and the Midwest.

The pet foods business unit, which markets Recipe canned dog food, Recipe Treats and Dinner Rounds, reported flat results much in line with the general state of the market in 1984. During that fiscal year, the unit showed a 4% increase in sales and a decline in operating earnings and unit volume.

Domsea Farms, Bremerton, Wash., which produces and markets fresh and frozen plate-size salmon, started shipment of fresh salmon to upscale restaurants and supermarkets in large eastern cities in fiscal 1984 when sales increased 90%. That expansion was continued into the 1985 fiscal year for the company, said to be the largest coho aquaculture company in North America.

Near the end of fiscal 1984, Campbell acquired Puerto Rico-based Casera Foods, producer of a line of beans, tomato sauce, olive oil and other canned products that compete in the growing U.S. market for Puerto Rican foods. Casera's preacquisition sales were about $50 million in 1984.

Campbell's Pepperidge Farm subsidiary, the company's second largest, reported fiscal 1985 sales of $426.4 million, down 2.1% from fiscal 1984, and operating income of $38.5 million, up 10.6%. Connecticut-based Pepperidge, which accounts for 10.7% of the company's consolidated sales, in fiscal 1984 had recorded a sales gain of less than 1% over the previous year.

In an attempt to create a secure base for future growth, two new cookie production lines at the Willard, O., plant and the construction of two cookie lines at the Downingtown, Pa., facility are in the works. Pepperidge also divested itself in 1984 of Lexington Gardens, a garden center chain, and several other small operations.

A Dijon rye bread and a new poly-bag packaging, which was developed for the rye bread line to add shelf life, were introduced in 1984 in selected regions. A line of all-butter croissants also was introduced. Pepperidge Farm also rolled out Dijon frankfurter rolls and buns in August, 1984.

A new "distinctive cracker," toasted wheat with onion, completed a national rollout and the Special Collection cookies added "milk chocolate macadamia" to the line.

Pepperidge Farm subsidiary Godiva Chocolatier introduced a line of Petite Truffles during the past year and began offering an assortment box of Grande Truffles. In addition, the New York-based company introduced Grande Truffles a la Menthe to the line. Other new products include a line of Godiva chocolate bars, featuring filled, plain and nut flavors, and Nut Delice, a chocolate bar with nuts.

Campbell's third largest division, Vlasic Foods subsidiary, maintained its position in the retail pickle category as the market leader with a 31% unit share. Sales for fiscal 1985 rose to $198.6 million, a 3.1% increase over the previous year. Operating earnings rose 10.6% to $15.7 million.

With an improved product line and packaging, Bloomfield, Mich.-based Vlasic continues to spend more than 80% of its consumer advertising dollars in the pickle category. Measured media spending for 1984 totaled $7.2 million, mostly from tv and print campaigns.

Three line extensions—Bread & Butter Chunks, Half the Salt pickles and Deli dills—contributed to Vlasic's growth. Late in fiscal 1984, Vlasic introduced new labels that use color bands and a flavor rating scale to help consumers find their favorite tastes quickly on the grocery shelf.

Mrs. Paul's Kitchens subsidiary strengthened its position as the leading marketer of frozen seafood with a 22% share of the frozen prepared seafood market. Mrs. Paul's introduced nationally in 1984 a seven-item entree line under the Light Seafood Entrees banner. Tv and print campaigns in magazines and newspapers, coupons and retail trade promotions stressed the theme, "It tastes good because it is good," for measured media spending totaling $2.2 million.

In fiscal 1985, Philadelphia, Pa.-based Mrs. Paul's sales represented more than 3% of Campbell's total business. Sales reached $138.4 million, up 9.5%. Operating earnings decreased to $14 million, down 21%.

Responding to consumer preferences for convenience seafood products, it strengthened its dominance in the frozen seafood category with Mrs. Paul's Light & Natural fillets in 1983. The improved Mrs. Paul's Crispier Crunchier fillets and sticks were major contributors to the improved sales and earnings performance.

Market testing for Light Seafood Entrees, establishing Mrs. Paul's Kitchens as a producer of upscale, convenient, nutritious, low-calorie, microwavable frozen seafood items, began in early fiscal 1985. The new product line features entrees: Fish Dijon, Fish Florentine, Scallops Mediterranean, Shrimp Oriental, Shrimp Primavera, Seafood Newburg and Fish Mornay.

In 1984, Campbell's continued its strategy to acquire businesses that either give it entries into other markets or build its product positions. In May, 1984, it acquired Mendelson-Zeller Co., a San Francisco-based international distributor of fresh produce. The acquisition enables the international divisions to offer consumers fruit and vegetables with the Campbell brand as well as the opportunity to expand produce sources. In July, 1984, Campbell also acquired D. Lazzaroni, an Italian manufacturer of cookies including the well-known Amaretti di Saronno variety and Biscuits Delacre.

Triangle Mfg. Corp., acquired in 1983, suffered an operating loss in its first full year as a Campbell business in fiscal 1984. It tripled its sales in fiscal 1985, but still reported a net loss due to marketing costs.

The Raleigh, N.C.-based manufacturer of physical fitness and sports medicine equipment diversified its distribution to include mass merchants, department stores, sporting good outlets and drugstores. Its major U.S. retail chains are Sears, Roebuck & Co., J.C. Penney Co. and Montgomery Ward & Co.

The company produces The Band wrist and ankle weights. New products include Triangle Softbells equipment products for the home, sports medicine products and home and healthcare products during the remainder of 1985.

No measured advertising was monitored for the Campbell business.

Top 25 spot tv advertisers

Rank	Advertiser	Spot tv ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	Procter & Gamble Co.	$239,331	$229,245	4.4	27.4
2	PepsiCo Inc.	154,287	121,847	26.6	36.0
3	General Mills	109,253	112,982	(3.3)	38.6
4	Pillsbury Co.	99,106	60,781	63.1	31.1
5	General Foods Corp.	96,869	73,020	32.7	21.5
6	McDonald's Corp.	91,454	105,025	(12.9)	19.1
7	Coca-Cola Co.	64,976	70,673	(8.1)	18.9
8	Anheuser-Busch Co.	60,070	59,370	1.2	16.5
9	Unilever U.S.	59,122	55,789	6.0	14.9
10	Toyota Motor Sales Co.	58,377	47,506	22.9	42.3
11	Beatrice Cos.	57,445	45,955	25.0	8.4
12	Dart & Kraft	53,742	42,525	26.4	20.0
13	R.J. Reynolds Industries	47,611	39,642	20.1	7.0
14	Nestle Enterprises	47,130	32,793	43.7	25.2
15	Philip Morris Inc.	46,589	50,462	(7.7)	8.2
16	Mars Inc.	44,201	44,333	(0.3)	31.7
17	Hasbro Inc.	42,953	32,474	32.3	51.3
18	Nissan Motor Corp.	40,919	37,724	8.5	24.9
19	Kellogg Co.	40,641	34,130	19.1	19.5
20	Warner-Lambert Co.	40,569	39,439	2.9	9.2
21	Ford Motor Co.	39,500	37,857	4.3	7.1
22	Wendy's International	39,354	31,224	26.0	43.3
23	General Motors Corp.	38,520	25,678	50.0	5.0
24	Ralston Purina Co.	35,208	35,745	(1.5)	8.2
25	Sears, Roebuck & Co.	33,552	29,316	14.5	4.5

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers Inc.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	5,401	4,641
Magazines	14,487	12,413
Network cable	1,789	1,203
Spot tv	27,333	21,510
Network tv	68,624	63,058
Spot radio	1,450	3,607
Network radio	4,371	7,429
Outdoor	62	71
Total measured	123,516	113,932
Total unmeasured	18,484	13,271
Estimated total	142,000	127,203

CAMPBELL SOUP CO.

Campbell Place
Camden, N.J. 08101
(609) 342-4800

U.S. Marketing

Marketing Personnel

H.M. Baum, vp-mktg
Zoe Coulson, vp-consumer services
A.J. Adams, dir-mktg rsch
D.F. Macaulay, dir-design
G.D. Mahrlig, dir-media services
W.C. Culp II, dir-special projects
P.N. Mulcahy, mng dir-CSC Advertising Inc.
H. Pierce Pelouze III, corp dir-promo, CSC Advertising Inc.

Soup Division

Marketing Personnel

D.L. Santangelo, group genl mgr-soups
L.A. Carpenter, senior mktg mgr, condensed
R.L. Steenrod, mktg mgr, condensed
L.A. Lynn, assoc mktg mgr, condensed
D.E. Bair, mktg mgr, adv programs
D.E. Goerke, mktg dir, ready to serve
T. Cruikshank, mktg mgr
S. Cameron, mktg mgr

Advertising Agencies

Backer & Spielvogel, New York—red & white label condensed soups—Robert Holmen, exec vp-ceo; Joseph Prior, senior vp-mgmt super; Allan Stone, vp-acct dir; Charles Nemetz, acct super.

BBDO, New York—Chunky soup, Home Cookin—Richard Swanson, mgmt super; Robert McGreevy, acct super.

Conill Advertising, New York—Hispanic adv—Rafael Conill, president; Alicia Conill, exec vp.

Dry Foods

Marketing Personnel

P.P. Masarachbio, genl mgr
P.N. Cominskey, mktg dir
C.E. Battista, mktg mgr

Grocery

Marketing Personnel

J.P. Horn, genl mgr
Kathleen MacDonnell, Arthur Ferrara, John Haring, mktg mgrs
William McLaughlin, Kevin Smith, Mario Alfano, assoc mgrs

Advertising Agencies

Conill Advertising, New York—Hispanic adv—Rafael Conill, president; Alicia Conill, exec vp.

Leber Katz Partners, New York—Prego, Prego Plus, new prod—Jon Adams, president; Maureen Sage, vp-acct super.

Needham Harper Worldwide, New York—Franco American pasta; Campbell's bean prod, Swanson chunk chicken, Casa Bravo, Fresh Chef, new prod—Philip Wallace, senior vp-acct group dir; Richard Murray, senior vp-mgmt rep.

Beverages

Marketing Personnel

Gary L. Hess, genl mgr
Terry W. Simmers, president, Juice Bowl
Phil M. Baehr, mktg dir, Juice Bowl
C. Kevin Price, mktg dir, vegetable juices, JuiceWorks
Patti Goodman, mktg mgr, JuiceWorks
Avis J. Yuni, mktg mgr, red juices
Patricia M. McHale, asst mktg mgr

Advertising Agencies

Backer & Spielvogel, New York—V-8 juice, Juice Works, new prod—Robert Holmein, exec vp-coo; J. Keller, mgmt super; Jeff Andrews, acct dir.

Conill Advertising, New York—Hispanic adv—Rafael Conill, president; Alicia Conill, exec vp.

Leber Katz Partners—Juice Bowl, new prod—Jon Adams, president; Laurel Cutler, vice chmn; Carol Haas, senior vp.

Frozen Foods

Marketing Personnel

S.A. McNeil, group genl mgr
R.F. Bernstock, dir mktg
Tom Noto, mktg dir
D.E. Lynn, George Loesch, A.D. Van Beuren, Sharon Trainor-Smith, Joanna Slocum, Jill Skaler, R.M. Revelle, mktg mgrs
Beth Baldwin, asst mktg mgr

Advertising Agencies

Ogilvy & Mather, New York—Le Menu, Great Starts breakfasts, new prod—Norman Berry, president, N.Y. offices; Cliff Angers, senior vp-acct group dir; Stephanie Becker, David Mechlin, vps-mgmt super; Phil Juliano, vp-acct super; Sally Luce, acct super.

Ogilvy & Mather, San Francisco—Swanson dinners, entrees, meat pies—Ira Zuckerman, senior vp-mgmt super; Patricia Hader, vp-acct super; Margaret Lane, acct exec.

Fresh Foods

Marketing Personnel

Kirk Leighton, group genl mgr
M. Buchaiski, genl mgr, refrigerated foods
F. George, genl mgr, fresh produce
B. Horlbeck, mktg dir, refrigerated foods

Foodservice

Marketing Personnel

A.N. Calabrese, genl mgr
G.W. Thompson, dir-mktg

Advertising Agencies

Conill Advertising Associates, New York—Spanish-speaking market—Rafael Conill, president, Alicia Conill, exec vp.

Lewis & Gilman, Philadelphia—R.G. Wilder, president; T.P. Ferguson, vp-acct super.

Pet Foods

Marketing Personnel

S.M. Regan, genl mgr
Janet Dagrossa, mktg mgr

Advertising Agency

CSC Advertising (in-house)—P.N. Mulcahy, mng dir.

Restaurant Division

Marketing Personnel

John Scales, president

Advertising Agency

The Art Department, Eiral, N.J.—Norm Schmidt, acct super.

PEPPERIDGE FARM

Norwalk, Conn.

Marketing Personnel

R.A. Shea, president
E.W. Sweeney, vp-bakery
B. Falck, vp-mktg & genl mgr, biscuits
J. Tierney, vp-corp relations
P. Callaghan, dir mktg, bakery
C. Rydin, genl mgr, frozen
B. Hastings, dir mktg, rsch

Advertising Agency

Ogilvy & Mather, New York—Graham Phillips, exec vp-genl mgr; S. McGavin, vp-mgmt super.

VLASIC

Bloomfield, Mich.

Marketing Personnel

J.R. Scales, president
T.L. Bitterman, vp-sales, mktg

Advertising Agency

W.B. Doner & Co., Southfield, Mich.—Richard Friday, vp-mgmt super; Trish Doyle, senior acct exec; Fred Dial, acct exec.

MRS. PAUL'S KITCHENS

Philadelphia, Pa.

Marketing Personnel

R.J. Baker, president

G.W. Piszek, senior vp-sales & mktg
T.F. Cohen, senior dir-mktg
R.W. Johnson, mktg mgr
W.A. Whiteside III, mktg mgr

Advertising Agency

Needham Harper Worldwide, New York—Leo J. Mamorsky, vp-senior acct super; Larry Jones, acct exec; Karen D. Couzens, acct exec.

TRIANGLE MFG. CORP.
Raleigh, N.C.
Marketing Personnel

J.W. Post, president-genl mgr
F.A. Dudowicz, vp-mktg
R.G. Scales, vp-sales
N.F. Loscalzo, vp-operations
J.A. Beetle, dir, r&d
E.M. Nesterick, mktg mgr, Fitness prod
C.J. Coughlan, mktg mgr, sports medicine
R.E. Carlson, mktg mgr, supportive incentive programs
E.R. Stahl, dir natl accts
K. Perry, asst mktg mgr, fitness accessories

Advertising Agency

Richardson, Myers & Donofrio, Philadelphia—Mike Erickson, acct exec.

DOMSEA FARMS
Bremerton, Wash.
Marketing Personnel

R.A. Earle, genl mgr
C.M. Monaghan, mktg dir
C.F. Bechtel, natl sales mgr

Advertising Agency

CSC Advertising (in-house)—P.N. Mulcahy, mng dir.

RANK
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Canon Inc.

Lake Success, N.Y.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	3,306	2,619	26.3
Net income	140	113	23.8
U.S.			
Sales	1,260	893	34.9
Operating profits	N/A	N/A	N/A
Advertising	100	80	25.0

Canon U.S.A., Lake Success, N.Y., a division of Tokyo-based Canon Inc., is the 76th largest advertiser with total estimated advertising expenditures of $100 million in 1984, up 25% from a restated $80 million in 1983.

The company, focusing on restimulating sales in the sluggish 35mm single lens reflex camera market while maintaining a leadership position in the business machines market, increased spending in all but one area of measured media.

The largest spending levels were in magazines, a 47% increase to nearly $24 million; a 26% increase in network tv to $33.2 million, and network radio, where spending increased 40% to $2.1 million. The only area where spending was reduced was in outdoor, down 12% to $360,000.

For 1984, Canon U.S.A. reported sales in North America of $1.26 billion, a 34.9% increase over 1983. Worldwide sales of $3.31 billion were up 26.3% over 1983 for the present. Earnings were $139.6 million worldwide, up 23.9% from 1983. Sales and earnings for both 1984 and 1983 fiscal years were converted from yen to dollars at the rate of Y251 = U.S. $1.

In worldwide sales, the business machines segment was up 36% to $2.11 billion, including $1.39 billion for copiers, up 23.3%. Business machines accounted for 63.8% of the company's total sales. Camera sales of $890.6 million remained flat, up 1.9%, and optical and other products rose 59.1% to $308.5 million.

To help boost stagnant sales of 35mm cameras, Canon introduced in the spring of 1984 its T70, a technologically elaborate SLR camera for advanced amateurs and beginners, and the MC, a lens shutter model designed for those looking for the ease of a "point and shoot" camera. Ads for the MC broke that June.

The T70 was kicked off at the Summer Olympics, around which Canon focused its entire 1984 multiproduct campaign. As the official camera of the 1984 Olympics, Canon reportedly purchased some 100 spots broadcast from July 27 to Aug. 13. It is estimated that the company spent nearly $20 million on the launch of the two products. Grey Advertising handles Canon's tv advertising and DYR has print.

To tout the T70, Canon signed hockey superstar Wayne Gretzky. The commercials featuring Mr. Gretzky broke on network tv in September and ran through December.

Canon views the introduction of the T70 as possibly the most significant introduction in its history. Leading National Advertisers, which monitors advertising in six media, reports Canon spent about $25.5 million in measured spending in 1984 to advertise its camera lenses and accessories.

In April, Canon introduced the VC-200 color video camera; in December the company brought out its first 8mm video system, Canovision 8.

At the 1984 Summer Olympics, Canon tested its Color Electronic Still Camera, which transmits photos recorded on miniature floppy discs via telephone lines.

Canon copier sales remained strong in 1984. For more than two years Canon has been the sole entrant in the personal copier field. While its leadership position may be firmly in place, industry talk reported in September, 1984, that Xerox Corp. was preparing to introduce its version of the personal copier. The Xerox home copier would compete directly with Canon's PC-10 and PC-20 Personal Cartridge Copying System. But Xerox subsequently dropped its plan to market a personal copier.

In the meantime, Canon can expect others to enter the market. It was reported that Mita, Sanyo, Toshiba, Ricoh and Minolta also are preparing to enter the personal copier market.

According to Dataquest, a San Jose, Cal., market researcher, the small photocopier market is expected to grow to $452 million in retail sales by 1988, up from $74 million in 1983.

Canon spent more than $26 million in copier advertising last year, reports LNA. More than 60% of that went into network tv.

Adding to its reprographic line, Canon introduced its Laser Copier 9030. The 9030 is the first digital copier capable of manipulating the original image as well as transmitting the image through wire..

In another development, Canon and Rochester, N.Y.-based Eastman Kodak announced in September a cooperative business relationship in the plain copier field. Under the agreement, Canon will supply Kodak with medium-volume copiers employing new photoconductive materials. The copiers will be sold under the Kodak name.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,891	0
Magazines	23,978	16,310
Network cable	1,948	1,949
Spot tv	8,212	7,440
Network tv	33,217	26,295
Spot radio	526	3
Network radio	2,050	1,507
Outdoor	360	410
Total measured	74,182	53,913
Total unmeasured	25,818	26,087
Estimated total	100,000	80,000

CANON U.S.A.
1 Canon Plaza
Lake Success, N.Y. 11042
(516) 488-6700
Marketing Personnel
Cameras

E. Yoshinari, adv-sales promo mgr
T. Hirasawa, adv-sales promo mgr

Copiers

H. Hirai, adv-sales promo mgr
T. Kikuchi, adv-sales promo mgr
Bob Sedlmaier, sales & promo asst
Jerry Callahan, coop adv coord

Calculators

H. Iwanami, adv-sales promo mgr
J. Sharp, mktg planning & admin mgr

Micrographics

M. Iwasaki, dir-genl mgr

Optical products

Isao Nogi, natl sales mgr-broadcast tv

Advertising Agencies

DYR, New York—print/sales promo, tv for cameras, calculators, copiers, medical prod, micrographics, facsimile machines, tv lenses, semiconducter mfg equipment—H. Koriyama, senior vp-creative; Frank Savarese, vp-mgmt super; Bill Barrett, vp-media dir; Payton Pellegrini, asst acct exec, medical & camera; Nick Nakahara, vp-mgmt super; Werner Almazar acct exec, camera, broadcast tv; John Yoon, typewriter, fascimile & micro graphics, vp-mgmt super; Chris Gibson, acct super.

Grey Advertising, New York—typewriters, personal computers, video equipment, tv ads for cameras—William Overend, exec vp-mgmt rep; Hank Greer, vp-senior mgmt super; Larry Geiger, Ray Halowski, George Miller, vps-mgmt supers.

Top 25 network tv advertisers

		Network tv ad expenditures ($000)			as % of co.'s
Rank	Advertiser	1984	1983	% chng	1984 ad total
1	Procter & Gamble Co.	$412,747	$366,663	12.6	47.3
2	American Telephone & Telegraph	253,117	146,604	72.7	44.9
3	General Motors Corp.	231,443	201,350	14.9	30.3
4	General Foods Co.	190,223	170,065	11.9	42.3
5	American Home Products	179,024	161,435	10.9	43.5
6	Sears, Roebuck & Co.	172,446	145,007	18.9	23.1
7	Johnson & Johnson	168,639	131,266	28.5	56.2
8	Anheuser-Busch Cos.	166,416	116,515	42.8	45.7
9	Ford Motor Co.	164,253	172,308	(4.7)	29.4
10	McDonald's Corp.	162,462	80,931	100.7	33.8
11	Philip Morris Inc.	161,716	128,266	26.1	28.3
12	Unilever U.S.	142,982	110,303	29.6	36.1
13	Coca-Cola Co.	140,104	95,889	46.1	40.8
14	Kellogg Co.	128,080	73,006	75.4	61.3
15	Dart & Kraft	123,289	87,415	41.0	45.8
16	Bristol-Myers Co.	122,552	120,974	1.3	47.4
17	General Mills	115,608	100,279	15.3	40.8
18	Beatrice Cos.	111,591	97,605	14.3	16.4
19	Pillsbury Co.	106,983	74,337	43.9	33.6
20	R.J. Reynolds Industries	97,600	69,907	39.6	14.4
21	Chrysler Corp.	93,637	84,194	11.2	29.5
22	Ralston Purina Co.	91,837	94,439	(2.8)	21.4
23	PepsiCo Inc.	90,403	73,955	22.2	21.1
24	U.S. Government	87,697	30,063	191.7	30.5
25	Warner-Lambert Co.	86,976	74,639	16.5	19.8

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers

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CBS Inc.

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,925	4,396	12.0
Net income	212	187	13.4
U.S.			
Sales	4,296	3,783	13.5
Operating profits	N/A	N/A	N/A
Advertising	180	142	26.9
Division sales			
Broadcast group	2,721	2,389	13.9
Records group	1,265	1,159	9.2
Publishing	619	587	5.5
Other	325	266	22.3

CBS Inc., the country's 41th largest advertiser, which has fended off a takeover attempt initiated this spring by Turner Broadcasting System chairman Ted Turner, raised its U.S. advertising expenditures 26.9% in 1984 to an estimated $179.8 million over a restated $141.7 million in 1983.

Advertising expenditures for the New York-based entertainment and communications giant were up significantly in all categories of measured media spending except network cable and outdoor.

During the year, CBS financial results were at peak levels. Earnings in 1984—led by the broadcast group, which has made CBS the prime time leader in household ratings for six consecutive seasons—reached $212.4 million, up 13.4% from 1983. Sales were $4.9 billion, up 11.8%.

CBS Television Network achieved an unprecedented coup last year in winning all four elements of the ratings competition. It finished in the prime-time ratings with a 16.9 share, compared with 16.2 for NBC and 15.4 for ABC. That translated into pretax profits in 1984 of about $310 million, making it tops in network tv.

CBS in the first half of 1985, however, lost steam on the financial side, its operating income falling to $216.3 million, down 21.5% from the corresponding period in 1984, on sales of $2.35 billion, up only 0.8%. Declines in operating income in three of its four business segments—records, publishing and "other"—could not be offset by growth in the broadcast segment.

CBS spent April to July of 1985 in an elaborate financial chess match with Mr. Turner, whose takeover offering amounted to $5.4 billion in so-called "junk bonds" and stock. In June, CBS responded with its own buyback plan, offering to pay $150—$40 in cash and $110 in debt—for each of up to 6.4 million of its shares, in an effort to stymie Mr. Turner.

The strategy foiled Mr. Turner's bid. He dropped the offer in late August and promptly struck a complex deal with Metro-Goldwyn-Mayer Film Co. in which TBS would end up with the MGM film library, film and tv-program production studio and some real estate for about $1 billion in cash.

Last year, CBS continued its strategy of diversification initiated two years ago, paying $362.5 million for the Ziff-Davis magazines and investing $57 million to become a partner in cable's SportsChannel and in Rainbow Service's two national pay cable services, American Movie Classics and Bravo.

Last May, the company agreed to pay $107.5 million to buy five radio stations from Taft Broadcasting. The stations include an am-fm combination in Tampa, Fla., two fm stations in Texas and an fm station in Washington.

In recent years, CBS has entered joint ventures—CBS/20th Century-Fox home video business, the Tri-Star movie studio, production and distribution of the compact laser disc with Sony and the Trintex videotex joint venture with International Business Machines and Sears, Roebuck & Co.—but none has shown profit yet.

The long-term strategy appears to be to involve the company in growth businesses, because CBS managers anticipate trouble down the road for CBS' main money makers. Revenues for the CBS/Record Group still have not built back from the 1980 high-water mark as the baby boomers have begun to mature past the below-24 age group where most records are bought. However, revenues and operating profits have improved each of the past two years. At the same time, cable, videocassette recorders and independent tv stations are eating away at the CBS/Broadcast Group's audience.

Analysts attribute CBS' good earnings picture in recent years largely to an exceedingly successful stable of tv shows, the phenomenal appeal in 1983 of CBS recording superstar Michael Jackson and his "Thriller" album and the cost-cutting and organizational abilities of Thomas H. Wyman, chairman-ceo.

The short-term effects of the diversification strategy were to tie up company funds in acquisitions. This, in itself, discouraged a hostile takeover by depleting corporate cash. Last spring, the company opened a $1.5 billion line of credit with a consortium led by Swiss Bank and Chemical Bank, which was viewed by some analysts as a possible source of funds for new acquisitions.

But Drexel Burnham analyst John Reidy discounts the long-term gloom for broadcasting. "Don't hold your breath waiting for broadcasting to go out of the business," Mr. Reidy says. "Yes, there are pressures on broadcast electronics, and the company is responding with rigorous cost controls. Broadcasting is still CBS' dominant business. It's not possible to diversify away from it."

The company is reported ready to divest itself of such losers as its toy company, last year's "one significant disappointment," according to Mr. Wyman. In August, 1985, CBS did sell its Dallas-Fort Worth cable system to Sammons Communications, Dallas. CBS had bought the system three years ago under a waiver from the Federal Communication Commission, which normally prohibits tv networks from owning cable systems.

CBS this September disposed of its musical instruments (Steinway pianos and Gemeinhardt flutes, among others) and in July it halted manufacturing of videodiscs, after videodisc player suppliers halted operations.

Among CBS' leading "products" drawing company advertising in 1984 was CBS Television, which drew $22.7 million, up 52.3% from the previous year, according to Leading National Advertisers, which monitors six major media. Columbia Record & Tape Club drew $24.6 million in 1984, more than doubled its $9.2 million draw in 1983. Ideal Toys got $11.2 million in measured media spending, up 56%.

Media spending rose most dramatically in magazines. The measured magazine advertising expenditure last year was $47.4 million, more than half of CBS' total measured spending in 1984. The figure represents a 54% increase in that category from 1983.

It was a good year for CBS Television Network, for the first time outperforming the competition in prime time, evening news, daytime and late night. The network hauled in 10 Emmys, four for the perennial ratings leader "The CBS Evening News With Dan Rather." One of its five owned tv stations—WBBM-TV in Chicago—placed first in its market for total audience delivery for the late local news in the Nielsen February sweeps.

Revenues in 1984 for the Broadcast Group reached $408.6 million, an increase of 14%. In the first half of the current fiscal year, the Broadcast Group sales increased only 6.5% as operating income increased 12.5%.

In 1984, CBS/Records Group—which has Cyndi Lauper, Boy George and Bruce Springsteen, as well as Michael Jackson, under contract—saw revenues increase to $1.27 billion, up 9.2% over the previous year, and operating profits improve 12.8% to $123.5 million. But the record company's failure to come up with a blockbuster album so far in 1985 has begun to affect the group. For the first half of the new year, sales for the group were down 12.5% to $574.2 million, and operating income was off 50.1% to $43.8 million.

The picture at the publishing group was pretty bleak in the first half of this year. While sales were up 18.7%, the group suffered a loss of $12.9 million compared with a loss of $5.4 million for the period in 1984. CBS cited the costs associated with its purchase of 12 Ziff-Davis magazines for the drop, primarily coming in the first quarter.

Because CBS has been involved in celebrated lawsuits—from issues of libel to takeover attempts—much of the news about CBS in the past year has come from the courts. Early this year, it beat back a lawsuit by retired Gen. William Westmoreland, who claimed that a special CBS report on the Vietnam War had libeled him. The case reportedly cost CBS $10 million in legal fees.

A few months after the Ziff-Davis purchase was concluded, CBS sued the former publisher, claiming it had overstated the earnings of the 12 consumer magazines that CBS bought. Much of the Turner imbroglio has been argued before the FCC.

CBS also is suing the conservative group, Fairness in Media, after the group and its congressional spokesman, Sen. Jesse Helms (R., N.C.), sent out a circular in January to a million conservatives, urging them to buy shares of CBS stock. CBS is maintaining in federal court that the group is guilty of Security and Exchange Act violations.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	21,519	15,829
Magazines	47,423	30,737
Network cable	662	1,704
Spot tv	13,534	12,761
Network tv	13,852	10,585
Spot radio	1,035	133
Network radio	189	133
Outdoor	923	935
Total measured	99,137	72,819
Total unmeasured	80,663	68,881
Estimated total	179,800	141,700

CBS INC.
51 West 52nd St.
New York, N.Y. 10019
(212) 975-4321

Marketing Personnel

Louis Dorfsman, vp-creative dir adv & design
Warren W. Spellman, vp-media services
James M. Shumaker, dir-operations admin
Maureen A. O'Donnell, dir-media services
Ted Andresakes, senior art dir
Ira Teichber, dir-design services
Naomi Andrews, copy chief
Toby Muller, mgr-adv operations

Advertising Agencies

Deutsch, Shea & Evans, New York—CBS Recruitment Advertising—Kay Winterhalter, acct exec.

Doyle Dane Bernbach, New York—CBS Corporate Media Services, CBS Pre-Retirement program—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-dir, print & outdoor media buying; Anne Oliver, vp-acct super.

Equity Advertising, New York—CBS Recruitment Advertising—Julia Jacobs, vp.

CBS/BROADCAST GROUP

Marketing Personnel

D. Thomas Miller, vp-genl mgr, cable services
David F. Poltrack, vp-rsch
George F. Schweitzer, vp-communications & info

CBS Television Network

Marketing Personnel

William G. Cecil, vp-sales planning, CBS Television Network sales
Jerome H. Dominus, vp-sales
Richard A. R. Pinkham Jr., vp-mktg services, CBS Television Network sales
Donald W. Evers Jr., dir-communications

CBS Entertainment

Marketing Personnel

Herman Aronson, vp-operations & creative services
Ann Kalman, vp-media services, West Coast
Morton J. Pollack, vp-adv & promo, West Coast
Daniel Stern, vp-promo, adv, East Coast
Bruce Weiner, vp-affiliate adv & promo
Kathie Culleton, dir-admin, West Coast
Tetsuya Matsuura, exec art dir

CBS Sports

Marketing Personnel

Robert V. Tassie, vp-communications
Keith Johnson, mgr-adv & media services

CBS News

Marketing Personnel

Robert Chandler, senior vp-admin
Joseph R. Passarella, dir-adv & on-air promo

CBS Television Stations

Marketing Personnel

Douglas C. Clemensen, vp-audience mktg
Rod Perth, vp-genl mgr, natl sales
Eglon Simon, vp-sales
Michael Dainard, dir-mktg
Fran S. Kaufman, mktg services mgr
David LaFountaine, dir-communications, WCBS-TV, New York
Ivan Ladizinsky, dir-communciations, WCAU-TV, Philadelphia
Lillie Eide, dir-communications, WBBM-TV, Chicago
Scott Hunker, mgr, adv & promo, KMOX-TV, St. Louis
Michael G. Mischler, dir-communications, KCBS-TV, Los Angeles

CBS Radio

Marketing Personnel

Michael R. Ewing, vp-genl mgr, CBS radio network
Robert Hyland III, vp-CBS owned fm stations
Edward Kiernan, vp-genl mgr, CBS radio spot sales
Robert Kipperman, vp-genl mgr, RADIORADIO
Eugene Lothery, vp-CBS owned am stations
Stephen J. Youlios, vp-sales, CBS radio networks
Terry Drucker, dir-rsch, CBS radio reps
Norman S. Ginsburg, dir-mktg & promo, RADIORADIO
Judith A. Harper, dir-promo, CBS radio performances
Suzanne M. Sack-Dowden, dir & promo, CBS radio network
Kathleen T. Seipp, dir-mktg, CBS owned fm stations
Louise Hallahan, mgr, sales promo & devel, CBS-FM natl sales
Marguerite Hauck, mgr-rsch & mktg, CBS radio natl sales
Winifred A. Mullen, dir-information services, WCBS, New York
Betsy Bucken, dir-mktg & promo, WCBS-FM, New York
Linda Dartnell, dir-communications, WCAU, Philadelphia
Vincent Benedict Jr., vp-genl mgr, WCAU-FM, Philadelphia
Barbara DiGuido, mgr, information services, WBBM, Chicago
Wayne Jefferson, vp-genl mgr, WBBM-FM, Chicago
Judy Simms, public affairs dir, KXOM, St. Louis
Robert Fulstone, station mgr, KHTR, St. Louis
Fred Bergendorff, promo dir, KNX, Los Angeles
Robert L. Nelson, vp-genl mgr, KKHR, Los Angeles
Ray Barnett, vp-genl mgr, KCBS, San Francisco
George L. Sosson, vp-genl mgr, KRQR, San Francisco
Brian Pussilano,vp-genl mgr, WHTT, Boston

CBS Productions

Marketing Personnel

Ronald W. Chaimowitz, vp-mktg devel
Jonathan M. Kramer, vp-mktg & ancillary rights
Gary J. McCarthy, vp-finance & production mgmt
John M. Eger, senior vp-Worldwide Enterprises
Joseph P. Bellon, vp-mng dir, Worldwide Enterprises
Joseph J. DiCerto, dir, adv & promo, Worldwide Enterprises
Arthur F. Kane, vp-mng dir, CBS Broadcast International
Charles E. Walsh, vp-worldwide adv sales, CBS Broadcast International

Advertising Agencies

Batz-Hodgson-Neuwoehner, St. Louis—KHTR—Clay Hyland, acct exec.

Charisma Communications, New York—*CBS Byline Magazine*—Lorraine Hartigan, exec vp.

Ted Chin & Co., inc., New York—WCBS—Ted Chin, president; Lisa Brummel, Bob Dillon, acct execs.

D'Arcy, Masius, Benton & Bowles, Chicago—CBS spot cable sales, WBBM-TV—William Lunn, senior vp; Anne Rossen, acct exec.

Della Femina, Travisano & Partners, New York—WCAU-TV, WCBS-TV—Bob Sherman, president; Meredith Uhlmann, acct exec.

Doyle Dane Bernbach, New York—CBS/Broadcast Group, CBS radio network div, CBS radio reps, CBS Sports div, CBS TV Stations div, CBS Worldwide Enterprises, RADIORADIO Network, WCBS (fm)—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-dir, print & outdoor media buying; Anne Oliver, vp-acct super.

English & English, St. Louis—KMOX—Alice English, president; Robin Faulk, copywriter.

McAdams & Ong, Philadelphia—WCAU—Brian Adams, president; Steven L. Kreshover, acct exec.

Media 4, St. Louis (in-house)—KMOX-TV—Scott Hunter, mgr-adv & promo.

Media II, Los Angeles (in-house)—KCBS-TV—Mike Mischler, dir-communications.

Ogilvy & Mather, Los Angeles—CBS Entertainment div—Marilyn Fidler, vp-mgmt super.

Poindexter/Osaki/Nissman, Los Angeles, KKHR—Larry Poindexter, president; Michael Heiser, acct exec.

Serali Advertising, Los Angeles—KNX—Jack Seery, president.

Spencer Granville, San Francisco—KCBS—John Leonard, creative dir.

CBS/RECORDS GROUP

Marketing Personnel

Cornelius F. Keating, senior vp-direct mktg
Robert Altshuler, vp-press & public affairs
Gerard Durkin, vp-CBS Music & Video Enterprises
Roger M. Holdredge, vp-mktg, CBS Masterworks
Calvin Roberts, vp-operations mktg (U.S.)
Anne M. McLaughlin, mgr-order services, *Columbia Magazine*

CBS Records

Marketing Personnel

Donald A. Demsey, senior vp-genl mgr, Epic/Portrait/Associated Labels
Albert E. Shulman, senior vp-genl mgr, CBS special prod
Paul R. Smith, senior vp-genl mgr, mktg
Linda Barton, vp-adv & design
John Berg, vp-pkg art & design
Roselind D. Blanch, vp-mktg services
Larry Douglas, vp-mktg, West Coast, Epic/Portrait/Associated Labels
John A. Kotecki, vp-sales
Michael B. Martinovich, vp-merch
Ronald K. McCarrell, vp-mktg, Epic/Portrait/Associated Labels
Thomas McGuiness, vp-mktg, branch distribution
Robert Sherwood, vp-mktg, Columbia Records
Jerry Shulman, vp-mktg devel
Robert Willcox, vp-prod mktg, West Coast, Columbia Records
Roy Wunsch, vp-mktg, Nashville
Thomas S. Asalone, dir-creative services, CBS special prod
Yvonne Ericson, dir-print media

CBS Records International

Marketing Personnel

Robert J. Campbell, vp-mktg
Bernice A. Freidus, vp-creative operations
Mauri Lathowers, vp-creative operations, West Coast
Frank O. Hendricks, dir-mktg admin

Columbia House

Marketing Personnel

Richard Archer, vp-creative services
Sharon Kuroki, vp-Music Club mktg
Brian Wood, vp-Video club
Marshall Wilcoxen, dir-club sales promo

CBS Songs

Marketing Personnel

Harvey J. Shapiro, vp-genl mgr
Danny Strick, dir-creative operations, East Coast

Advertising Agencies

CRU Advertising, New York (in-house)—Columbia/Epic, Columbia special prod, CBS Music Video Enterprises, CBS Records International (domestic adv), CBS Songs div—Yvonne Ericson, dir-media, print & tv.

Wunderman, Ricotta & Kline, New York—CBS Video Club/CBS Video Library, Columbia/Epic, Columbia Record & Tape Club, Columbia Software Club—Ralph Siegler, senior vp; Morris Baumstein, broadcast adv; Peter Rabar, senior vp; Carl Dentino, acct exec.

CBS PUBLISHING GROUP

Educational & Professional Publishing

Marketing Personnel

Division Marketing

Janice Trebbi Richards, vp
Sandra E. Hayes, adv mgr

General Book

Jane S. Pasanen, vp-mktg & subsidiary rights
Blanche I. Brann, publicity mgr
Leslie Rowe, natl sales mgr

College

Barbara Kimball, vp-mktg
John W. Wood, vp-sales
Fred Velardi, mgr-adv & prod information

School

Joseph M. Krassner, vp-mktg & sales
Robert B. McGuire, vp-sales, adoption states
Patricia Nave, dir-mktg
Sally R. Owen, adv mgr

Winston Press

Pamela Johnson, mgr-adv

W.B. Saunders

William L. Gibson, vp-sales & mktg
Joan R. Spaulder, dir-mktg
Lee Ekelof, media mgr

Praeger

Virginia McElroy, dir-mktg
Bob Ryan, direct mail coord

International Publishing

Millard F. Engleka, vp-intl operations

TransMedica

George Rohr, president

CBS SOFTWARE

Marketing Personnel

Arthur S. Barnett, vp-mktg services
Barry Denes, vp-sales
John Rosen, vp-mktg
Ruth Stone, dir-promo services

CBS MAGAZINES

Division Personnel

Paul H. Chook, exec vp-operations
Albert S. Traina, exec vp
Michael J. O'Neill, senior vp-adv
Robert Alexander, president, CBS Magazine mktg
Carl Kopf, vp-genl mgr, CBS Magazine mktg
Bernard B. Lacy, vp-circulation
Marian White, vp-rsch
Robert Checkanover, creative dir
Phyllis G. Crawley, dir, communications

Woman's Day

Anne Sutherland Fuchs, vp, publisher
Robert Mate, vp-adv dir
Meg Callaci, promo dir
Bonnie Geller, dir-adv mktg services

Monthly Magazines

John Miller III, vp-publisher, *American Photographer*
Stephen L. Goldberg, associate publisher, adv dir, *Audio*
Michael A. Hurley, publisher, *Backpacker*
J. Samuel Huey, publisher, *Boating*
Donald M. Hufford, vp-publisher, *Car & Driver*
James A. Frahm, vp-publisher, *Cycle*
James Hansen, vp-publisher, *Cycle World*
Eugene Bay, vp-publisher, *Field & Stream*
Jay Durfee, vp-publisher, *Flying*
Marlene Jensen, vp-publisher, *Home Mechanix*
George E. Morrissey, vp-publisher, *Modern Bride*
Sidney Holtz, vp-publisher, *Popular Photography*
Richard A. Bartkus, vp-publisher, *Road & Track*
George A. Hirsch, publisher, *The Runner*
Henry A. Kaiser, vp-publisher, *Skiing*
Roman Beyer, vp-publisher, *Stereo Review*
Edward D. Muhlfeld, vp-publisher, *Yachting*
Carol L. Klapper, vp-publisher, *Popular Magazines*
Gordon R. Burkhard, vp-publisher, *Woman's Day* specials
James J. Hessel, adv dir-*Woman's Day* specials
James Kopper, vp-publisher, CBS Magazine Network (Ziff-Davis)
Peter Veronis, vp-CBS Magazine Network
Jeffrey Roberts, adv dir, *American Photographer*
Stephen A. Dudley, adv dir, Backpacker
Robert E. Berg, adv dir, *Boating*
Donald R. Cooke, natl adv mgr, *Car & Driver*
Jack Kohr, associate publisher, *Cycle*
Larry M. Little, adv dir, *Cycle World*
John H. Grant, Jr., adv dir, *Field & Stream*
Dick Koenig, associate publisher, *Flying*
Ernest J. Renzulli, adv dir, *Home Mechanix*
Howard Friedberg, adv dir, Modern Bride
H. Clifford Parris, vp-adv dir, *Road & Track*
Belle Jauchen, adv mgr, *The Runner*
James Flynn, adv dir, *Skiing*
Winston A. Johnson, adv dir, *Stereo Review*
Alexander Armentrout, associate publisher, adv dir, *Yachting*
Patricia Jellicoe, associate publisher, mktg, *American Photographer*
Zvia Herrman, mktg mgr, *Car & Driver*
Arnold Gluskin, mktg dir, *Cycle World, Road & Track*
Richard L. Walter, mktg dir, *Field & Stream*
John E. Brown, mktg dir, *Home Mechanix*
Nancy Youngbeck, promo mgr, *Modern Bride*
Molly Davis, promo coord, *The Runner*
Tamra Fischer, promo coord, *Skiing*
Nancy Stevens, promo coord, *Yachting*
Charles Alexander, adv dir, CBS Magazine Network (Ziff-Davis)
Sofia Baron, adv services dir, CBS Magazine Network (Ziff-Davis)
Hank Snee, creative services dir, CBS Magazine Network (Ziff-Davis)

Advertising Agencies

Ad Lib (in-house), Minneapolis, Minn.—Winston Press— Pamela Johnson, mgr-adv.

Atlantis, Hazlet, N.J.—Holt, Rinehart & Winston—Bob Mallm, president.

Calvillo, Shevack, Goldberg & Partners, New York—CBS Magazine mktg, *Woman's Day*—Howard Berg, vice chmn.

CMZ Advertising, New York (in-house)—*Backpacker, Boating, Car & Driver*, CBS Magazine Network (Ziff-Davis), *Cycle, Flying, Modern Bride, Popular Photographer, The Runner, Skiing, Stereo Review, Yachting*—Hank Snee, creative services dir.

Cunningham & Walsh, New York—CBS Software—Maureen Mara, acct super.

David Deutsch Associates, New York—*American Photographer*—Kevin Buckley, media planner.

Flamm Advertising, New York—Holt, Rinehart & Winston, College/Dryden/Saunders—Joe Flamm, president.

Grey, Lyon & King, New York—CEPP div mktg—Eileen Kiel, acct exec.

Jameson Advertising, New York—Holt, Rinehart & Winston general book div—Pasquale Cool, vp-acct exec.

Levy, Flaxman & Associates, New York—*Mechanix Illustrated*—William Ryker, vp.

Lois, Pitts, Gershon, New York—CBS Magazine Network—Patrick Dolan, acct super.

The Marketing Department, New York—Praeger—Richard Thorn, mktg consultant.

J.R. Navarro, Los Angeles—*Road & Track*—Mike Navarro, president.

Nyerges & Paine Advertising, Beverly Hills—*Cycle World*—Mike Nyerges, president.

Warren/Kremer, New York—*Field & Stream*—Peter Warren, partner.

CBS TOYS

Marketing Personnel

Boyd W. Browne, president
Waymon Wittman, senior vp-sales
Allan Blum, dir-adv & sales promo
Ronni Pollack, dir-character licensing
Judith Sussman, dir-pr & prod merch
Marilyn Marsh, mgr adv

Advertising Agency

Towne, Silverstein, Rotter, New York—CBS Toys div—Amy Weltman, vp-acct super.

CBS/FOX

Marketing Personnel

David B. Brown, vp-mktg
Robert Dellis, vp-sales
Dick Davi, dir-adv & creative services

Advertising Agency

Doyle, Dane, Bernbach, New York—CBS/FOX—Bob Stern, acct super.

RANK
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Chesebrough-Pond's

Greenwich, Conn.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,857	1,685	10.2
Net income	120	128	-6.5
U.S.			
Sales	1,480	1,336	10.6
Operating profits	181	192	-5.5
Advertising	146	142	2.2
Division sales			
Packaged foods	334	320	4.0
Health-tex	335	300	11.6
Health/beauty	304	301	1.3
Bass	172	144	19.7
Prince Matchabelli	140	127	9.8
Hospital prods.	75	70	6.3
Prince	65	64	2.1
Polymer	53	N/A	N/A
International	366	345	6.0

Chesebrough-Pond's, Greenwich, Conn., turned in another static year in 1984, boosting its advertising budget a mere 2.2% to an estimated $145.5 million. Among the nation's top 100 advertisers, C-P dropped to 51st from 46th in 1983.

Following the trend of the past two years, advertising and promotion amounted to nearly 8% of sales, which in 1984 rose 10.2% to $1.86 billion. But earnings fell to $119.5 million, down 6.5% from the previous year.

First-quarter results for 1985 show the company is still in a holding pattern. Although sales hit $515.9 million, up 22.5% from the previous year's quarter, and net income reached $18.9 million, up 1.4%, the results included those of Stauffer Chemical Co., acquired in March. Without Stauffer, first-quarter sales increased 4.5% to $440 million and net income dropped 9.5% to $16.8 million.

In an effort to streamline its operations, in June, 1985, C-P agreed to sell its Health-tex division to a management group in a leveraged buyout headed by Robert A. Breakstone, a group vp and former president-general manager of the children's apparel line. Terms of the buyout were not disclosed.

Health-tex division sales of $335.3 million were up 11.6%, but operating income fell, down 10.7% to $34.4 million, proving how the company's slow reaction to changes in fashion and novelty-items hurt earnings. The divestiture relieves the company of a strongly cyclical business.

Sound Waves, Health-tex's upscale line of children's sportswear, was introduced in 1984 with an initial measured ad budget of $119,700, according to Leading National Advertisers. The

Our Gang sportswear took a tremendous jump in the ad budget, up 140% to $372,200, primarily in spot tv and newspaper supplements. The Our Girl apparel line was dropped.

Health-tex acquired Imperial Reading Corp. in June, 1984, for $4.9 million, an acquisition that includes Brittania brand children's apparel.

Bass shoe division was C-P's sales growth leader, chalking up $172.1 million in sales in 1984, up 20% from 1983. The strong sales, however, came in the face of an operating loss of $1.26 million, an 80.7% drop from 1983. Strong retail operations from the Shoe Box chain, acquired in 1983, and sales of men's styles, especially the black penny loafer made popular by singer Michael Jackson, attributed to the division's sales success. But efforts to lower operating costs and become more competitive by closing two U.S. plants and shifting much of its manufacturing overseas contributed to the substantial fall in profits.

Bass spent $1.5 million in advertising, up 2% from 1983 levels, according to Leading National Advertisers, with heavy spending in magazines.

Also scoring well in sales for C-P in 1984 was the Prince Matchabelli division, aided by the introduction of major new fragrance lines and a fancy new nail color innovation. Sales were up 9.7%, to $139.7 million in 1984, marking a second year of sales growth for the division.

The debut of the Aziza Polishing Pen in December, 1984, was likely the company's most revolutionary product introduction of the year. The quick-drying nail color, applied with a fiber-tipped applicator, is the first in the industry.

The Polishing Pen received about $2.8 million in network tv and national print advertising for its introduction. C-P expects the product to garner an 8% market share in its first three months, an impressive goal in its $216 million category in the retail business, according to T.H. Augenbraun, vp-marketing, cosmetics. Revlon is the present market leader with 21% share in drugstore sales. L'Oreal is second with 15% share followed by Noxell's Cover Girl with 13% share.

Several new fragrances were introduced in the $2.5 billion fragrance industry, despite the relatively flat year industrywide. Verve body scenting mist, for the whole body, was introduced in the spring of 1985. Verve is sold in stores' fragrance departments, rather than in the deodorant sections. William Esty Co. handles the print and tv campaign, themed "Play play play. Verve."

Beret also was introduced last year with an ad budget of $2.74 million, nearly 75% in network tv and the remainder in magazines. This fall, Musk for Him will be introduced with ad assignment going to William Esty Co.

Prince Matchabelli also organized a new fragrance branch called Parfums International to handle costlier fragrances such as Decadence, to be introduced in fall, 1985. Parfums International will fold a mail-order program into its ad plan, following the lead of Giorgio, the high-end fragrance sales leader of the decade. Advertising duties were assigned to Kobs & Brady in August, 1985.

Cachet was updated in 1984 with new pink cartons and backed by a $2.4 million campaign. Ad theme is "Make a fantasy real today." Cachet Noir, two years after introduction, saw its budget fall 78% to $662,500 in 1984.

Prince Matchabelli plans to introduce a skincare line in 1986 and has sought actress Barbara Eden to endorse the product. No agreements have been reached at this writing.

In the packaged foods division, C-P racked up sales of $347.5 million for the year, a 3.9% increase from the previous year, yet another falloff in earnings, down nearly 4%, to $59.2 million.

Ragu spaghetti sauces, still No. 1 in its category, lost market share as it fell from 66% to 50% in 1984 in the $760 million-a-year sauce market. Market share for its nearest competitor, Campbell's Prego, has grown from 5% to 26% in 1984 in its four years on the market. Measured spending for Prego in 1984 was $12.1 million. Ragu spaghetti sauce took the largest share of C-P's measured advertising budget in 1984, with $19.3 million, a 129% increase, that helped introduce two new flavors of chunky garden style spaghetti sauce.

C-P reports Ragu Pasta Meals, a combination of pasta and sauce in a jar, received good response in initial testing.

The packaged foods division turned to radio for the first time in several years to advertise Ragu Homestyle sauce, and also turned to the medium for its Pizza Quik brands. C-P dropped measured advertising for Adolph's instant meat tenderizer, a line that spent $378,100 in 1983.

The health & beauty products division scored a rather flat sales year, with $304.3 million, inching up 2% over the previous year. Operating income, however, grew 11%, to $59.2 million in 1984.

In September, several extensions of established lines were introduced, including Cutex lipsticks, Vaseline Lip Therapy petroleum jelly and Q-tips cosmetic applicators. Cutex lipsticks received $2.36 million for its introduction, in magazine, spot tv and network tv. Q-tips applicators got an ad budget of $593.700 for 1984. Rave Hair Masque conditioner was introduced in December, 1984.

One product without significant competition, Vaseline petroleum jelly, received new advertising, predominantly in print. Vaseline has 78% of the petroleum-jelly market, primarily competing against generic brands.

Q-tip cotton swabs received new ad support, spending $6.22 million in measured media, down 35% from 1983 levels.

Vaseline Intensive Care took the second largest share of the C-P's measured advertising budget in 1984, up 34% from 1983, to $12.1 million. In 1984, Vaseline Intensive Care led the $500 million hand-and-body moisturizer category with a 19% share in dollars, according to industry analysts, who peg as the No. 2 market brand, American Brands' Jergens, with 11% share, followed by Westwood Pharmaceutical's Keri lotion at 8.4%; Lubriderm from Warner-Lambert at 5%-plus; Beiersdorf's Curel and Nivea at 4.8%, and Soft Sense by S.C. Johnson & Son at 4.7%.

The two-year ad-claims dispute between C-P's Vaseline Intensive Care and Procter & Gamble's Wondra lotion was settled this year. The Council of Better Business Bureau's National Advertising Division said in June, 1985, that both companies agreed to modify or discontinue ads for their hand lotions. Both stood by their claims, but agreed to modify the claims to end the controversy.

Wondra's advertising, by Benton & Bowles, claimed it has the "most moisturizing glycerin of all leading lotions and . . . is best at turning rough, dry hands soft and smooth." Vaseline Intensive Care ads, by William Esty Co., claimed, "When it comes to relieving dry skin, no leading lotion beats Vaseline Intensive Care."

In its second year, Rave Soft Perm home permanent's ad budget fell 55%, to $3.07 million. Rave Spot Perm home permanent was introduced in 1984 with a $2.35 million ad budget, all in magazines.

The Prince division, marketer of tennis equipment and apparel, was active in new product introductions, including two new sizes of rackets introduced in September, 1984: The midsize Series 90 and a supersize Series 125 for doubles players. Two new advanced additions to the original Prince Series 110 line, the Prince Precision Graphite racket and Prince Magnesium Pro, also made the scene in 1984.

Prince introduced a men's tennis apparel line and warmup gear in January and plans to follow through with a line of women's apparel and an athletic footwear line by the end of this year.

Prince's market share increased, despite the reduction in number of tennis rackets sold in the U.S. Prince held No. 1 with a 30% share of the $250 million quality-tennis racket market in 1984. Head and Wilson, No. 2 and No. 3, respectively, also faced heavy competition in the midsize racket category.

Over-all, Prince tennis rackets combined to spend $2.24 million in measured media, falling 35% from year-earlier levels.

Elsewhere in the company, the hospital products division expanded its Kangaroo line of internal feeding systems and introduced a Respiradyne pulmonary function tester in 1984. The polymer division recorded the company's fastest growing product line with its coating powders. In the international division, an increase in markets brought strong sales for Pond's creams and Vaseline Intensive Care lotions.

C-P was busy in acquisition activity throughout the past year, expanding into new areas and extending its established lines of business. The Polymer Corp., a worldwide manufacturer of engineered plastics, was acquired for $95.6 million in 1984 and became its own operating division.

In March, 1985, the company acquired Stauffer Chemical Co., Westport, Conn., for nearly $1.25 billion. Stauffer, with combined annual sales of more than $3 billion, manufactures and sells chemicals and chemical-related products and services. C-P believes that the acquisition provides needed research and development sources for new consumer products and chemicals.

C-P borrowed most of the purchase price to acquire Stauffer and is expected to reduce the debt by selling Stauffer assets and holding down costs, a measure including a staff reduction. The divestiture of the Health-tex line should help raise cash to reduce the debt incurred in the Stauffer acquisition.

H. Barclay Morley, chairman-ceo at Stauffer since 1974, announced his retirement effective Oct. 1, and Stauffer's executive vice president Roy Sambrook was named president-chief operating officer of Stauffer in June, 1985, elected to the Chesebrough board and given the new title of vice-chairman. He has been running Stauffer since the purchase. Mr. Morley's position will not be filled.

C-P held out the year with its agency affiliations intact. Klemtner Advertising, New York, was added to its roster for professional advertising for Vaseline Petroleum Jelly line, the first agency on record for professional advertising of that brand.

Top 25 spot radio advertisers

		Spot radio ad expenditures ($000)			as % of co.'s
Rank	Advertiser	1984	1983	% chng	1984 ad total
1	Anheuser-Busch Cos.	$38,288	$40,676	(5.9)	10.5
2	General Motors Corp.	30,836	29,079	6.0	4.0
3	Van Munching & Co.	30,651	14,604	109.9	52.0
4	Philip Morris Inc.	26,445	22,483	17.6	4.6
5	PepsiCo Inc.	25,025	14,025	78.4	5.8
6	Delta Air Lines	19,321	15,309	26.2	28.9
7	Adolph Coors Co.	18,927	21,578	(12.3)	13.6
8	Chrysler Corp.	18,777	16,651	12.8	5.9
9	Coca-Cola Co.	13,932	8,048	73.1	4.1
10	Stroh Brewery Co.	13,478	10,532	28.0	15.8
11	Southland Corp.	12,479	12,146	2.7	N/A
12	Pillsbury Co.	12,014	9,640	24.6	3.8
13	AMR Corp.	11,994	8,301	44.5	10.8
14	Ford Motor Co.	10,787	12,993	(17.0)	1.9
15	Sears, Roebuck & Co.	10,078	5,497	83.4	1.3
16	IC Industries	9,993	6,163	62.2	7.9
17	Shell Oil Co.	9,940	7,690	29.3	N/A
18	Ralston Purina Co.	9,617	8,830	8.9	2.2
19	Zayre Stores	9,408	6,927	35.8	N/A
20	Martlett Importers	9,132	10,917	(16.3)	N/A
21	Greyhound Corp.	9,093	8,918	2.0	11.3
22	Apple Computer	8,382	2,230	275.9	8.4
23	Nissan Motor Corp.	7,584	10,881	(30.3)	4.6
24	U.S. Government	7,572	5,679	33.3	2.6
25	UAL Inc.	6,802	14,636	(53.5)	5.0

Source: Radio Advertising Bureau

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,628	2,171
Magazines	16,381	16,687
Network cable	116	1,041
Spot tv	6,664	10,647
Network tv	47,029	42,995
Spot radio	0	325
Network radio	1,546	0
Outdoor	53	81
Total measured	73,418	73,945
Total unmeasured	72,082	68,420
Estimated total	145,500	142,365

CHESEBROUGH POND'S CO.

33 Benedict Place
Greenwich, Conn. 06830
(203) 661-2000

Marketing Personnel

George F. Goebeler, vice chmn-president-coo, consumer prod group
Roy Sambrook, vice chmn-president-coo, chemical prod group
Dennis McCarthy, dir-corp communications, consumer prod group
K.R. Lightcap, vp-investor relations & public affairs
J.A. Russo, creative services dir
J.E. Campion, media dir, consumer prod group

CONSUMER PRODUCTS GROUP

International Division

Marketing Personnel

Anthony Butterworth president, consumer prod

HEALTH & BEAUTY PRODUCTS DIVISION

Marketing Personnel

Gary Malloch, president
William Barker, vp-mktg

Advertising Agencies

William Esty Co., New York—Vaseline brand prod, Pond's prod—Mark Miller, senior vp-mgmt super.

Ogilvy & Mather, New York—Q-tips, Rave, new prod in health & beauty aids—Peter Barnet, senior vp-group dir; Jean Fitzgerald, vp-mgmt super; Roger Wojohn, acct super; Barbara Johnston, acct exec.

Waring & LaRosa, New York—Cutex—Larry Weisberg, acct dir; Gloria Appel, acct super.

HOSPITAL PRODUCTS DIVISION

Marketing Personnel

Robert E. Karlson, president
Paul Dewy vp-mktg

Advertising Agency

Klemtner Advertising, New York—hospital prod div—Gavin Scotti, mgmt super; Greg Gull, acct super; Tony Pisciotta, acct exec.

PACKAGED FOODS DIVISION

Marketing Personnel

Charles B. Strauss, president-genl mgr
Michael Jeans, vp-mktg
Robert Maurer, Ragu group prod mgr
Tom Puccini, Adolph's prod mgr

Advertising Agency

Waring & LaRosa, New York—Ragu, Adolph's—John McCrosky, senior vp-mgmt super; Irwin Levy, senior vp-acct super; Clark Olver, acct super.

PRINCE MATCHABELLI DIVISION

Marketing Personnel

Edward I. Rabin, president
Michael Horowitz, vp-mktg, fragrances
Terry Augenbraun, vp-mktg, cosmetics

Advertising Agencies

William Esty Co., New York—Aviance, Wind Song, Cachet, Chimere, Matchabelli for Men—Tom Hayes, senior vp-acct super; Elizabeth Kimball, vp-mgmt super.

Waring & LaRosa, New York—Aziza—Gloria Appel, acct super.

G.H. BASS DIVISION

Wilton, Me.

Marketing Personnel

Richard Bourret, president
Cheryl Anderson, vp-mktg services

Advertising Agency

Geers Gross, New York—Susan Wishod-Gross, acct super; Noreen DeBonna, acct exec.

PRINCE DIVISION

Lawrenceville, N.J.

Marketing Personnel

John Sullivan, president
Ed Volkwein, vp-mktg
Michelle Gies, mgr-creative services
Robert Long, prod mgr, tennis rackets
Doug Leess, prod mgr, shoes
Pat Taylor, prod mgr, clothes

Advertising Agency

Waring & LaRosa, New York—Louise Erdman, acct super.

CHEMICAL PRODUCTS GROUP

STAUFFER CHEMICAL CO.

Westport, Conn.

Marketing Personnel

R.D. Caruthers, dir-adv
L.H. Wittenberg, pr dir

International Division

Joseph Monpeleone, president

Basic Chemicals Division

Robert E. Crow, president

Agricultural Products Division

Milan Turk, president

Specialty & Food Products Division

Conrad S. Kent, president

Advertising Agency

Bozell & Jacobs, New York—Stacy Stevens, mgmt super-senior vp.

RANK
23

Chrysler Corp.

Highland Park, Mich.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	19,573	13,264	47.6
Net income	2,380	701	239.6
U.S.			
Sales	17,240	11,666	47.8
Operating profits	2,187	642	240.4
Advertising	317	231	37.2

Chrysler Corp., Highland Park, Mich., the 23rd largest national advertiser, increased advertising spending 37.2% to an estimated $317.4 million in 1984.

Chrysler reported 1984 worldwide sales of $19.57 billion, up 47.6% from 1983. Earnings rose to a record $2.4 billion in 1984, a nearly 240% increase from $700.9 million in 1983.

The company's financial position continued to improve during 1984. At yearend, its debt was 19.7% of the total debt plus equity—down from 52.7% in 1983. Chrysler also paid dividends on common stock for the first time since 1979.

Tax-loss carry-forwards were prominent in the company's financial success in 1984. Their exhaustion in 1985 was reflected in returns for the second quarter in which earnings dropped 25.7% to $596.4 million compared with the similar period a year earlier. On a pretax basis, earnings showed a gain of 6% to $852 million.

Sales for the quarter, however, rose 13.9% to $5.98 billion as Chrysler improved its market share dramatically to 14% for the first seven months of 1985, according to analysts. They note the increase basically has been at the expense of General Motors.

Chrysler's share of the U.S. car market rose to 10.4% in 1984, up slightly from 10.3% in 1983. The company's share of the combined U.S. car and truck market rose to 11.1% compared with 9.9% for 1983.

Companywide, Chrysler sold 986,998 cars in the U.S. last year, up 17.3% from 1983. Dodge car sales were up 17.6% from 1983, with unit sales of 369,255 units. Chrysler division sold 328,499 units, up 25.9%, and Plymouth sold 289,244 units, up 8.9%.

The company's biggest sales gains came from the new-for-1984 Dodge Caravan and Plymouth Voyager minivans, and the Chrysler Laser and Dodge Daytona sport coupes. The minivans were so successful that Chrysler sold out the vehicles by spring and was unable to fill a number of orders because it could not make the vehicles quickly enough.

Dodge sold 44,717 Daytonas and Chrysler sold 53,131 Lasers in 1984, the first full year of availability. But Chrysler's K-cars—the Plymouth Reliant and Dodge Aries—continued to be the company's top sellers with unit sales of 138,154 and 111,984, respectively. Truck unit sales were led by pickups, with sales of 134,264.

Chrysler's measured ad spending rose 21.5% to $245 million, paced by a 37% gain for magazines. Network tv remained the big ad line item at $93.6 million, up 11.2%. Some of the major ad spenders in the Chrysler lineup, according to the six media monitored by Leading National Advertisers, included the Dodge Aries K at $12.1 million, up from $3.1 million in 1983; Dodge Caravan, $11.5 million, up from $1.3 million; Dodge Daytona, $15.1 million, up from $6.8 million; Dodge Omni, $7.6 million, up from $3.7 million; Dodge Ramcharger compact trucks, $6.7 million, up from $173,000, and Plymouth Reliant K, $14.6 million, up from $10.8 million.

Declines in spending were recorded for Chrysler New Yorker, down 41.9%, to $7.4 million; Dodge Ram compact trucks, off 23%, to $4.9 million; Plymouth Horizon, off 8.8%, to $6.2 million, and Chrysler passenger cars (unspecified brand), off 37%, to $11.6 million.

Factory contributions to dealer advertising associations increased by more than 46%, from an estimated $28 million in 1983 to $41 million in 1984 as Chrysler followed the industry into much closer cooperation with dealer ad groups, which are collections of dealers in individual markets that pool funds on a per-car basis.

As Chrysler moves toward greater regionalization of national image advertising, it supplements that by putting up matching funds for specific projects with dealer ad groups.

While publicly continuing to battle the GM-Toyota joint venture, in 1985 Chrysler started the wheels turning on a number of moves it had been preparing throughout 1984. Many hinged on the virtual lifting (quotas went up 24%) of Japanese car import restrictions April 1, 1985.

In the spring of 1985, Chrysler announced plans to: Form a joint venture with Japan's Mitsubishi Motors to build 180,000 subcompacts a year in a midwestern state beginning in 1988; increase Chrysler's holdings in Mitsubishi Motors to 24% from 15%; purchase parts from Korea's Samsung Industries, bring an Italian-built, two-seat, front-wheel-drive, $25,000 to $30,000 Maserati luxury sports car to the U.S. for the 1987 model year.

The Maserati will come in hardtop and convertible models based on Chrysler platforms and powertrains, will be limited to 5,000 to 6,000 units annually and will be aimed directly at the 1987 Cadillac Allante and Mercedes 380SL. Chrysler had purchased 5% of Maserati in July, 1984.

The company also signed U.K. auto maker Lotus Cars to develop a performance-oriented cylinder head for Chrysler four-cylinder engines and started studying a joint venture to let the Chinese government build Chrysler's 2.2-liter engine there for Chinese domestic use.

In August, 1985, the company raised capital spending by $1 billion to $11.5 billion over the next five years, much of that going into efforts to improve manufacturing systems and to back Chrysler's Liberty project—the development of a small car competitive with Japanese models.

In 1985, Chrysler announced a long-term goal of diversifying into other high-tech areas of business. In the spring, it bought 20% of Gulfstream Aerospace, Savannah, Ga., for $127 million. The merger will give Chrysler advanced technology in aerodynamics and instrumentation.

Chrysler's Financial Corp. and General Electric Credit Corp., Stamford, Conn., formed CGE Associates as a joint-venture commercial lender, and Chrysler agreed to buy E.F. Hutton Credit Corp., New York, for $125 million and merge it with Chrysler's own financial arm.

In 1984, Chrysler decided to import about 3,000 compact K-cars from its Mexican plant for sale in the Southwest and to move production of some limited-volume vehicles—those with 25,000 to 50,000 in sales—to Mexico.

This was followed by efforts to beef up image and corporate presence in the South and Southwest, traditionally weaker territory than the industrial northeast. Chrysler created more dealers, opened zone offices in New Orleans, Houston and Phoenix and increased dealer participation in regional ad groups from 5% to 97%. Vehicle penetration rose 1.4 points by mid-June to 10% in the region.

Chrysler chairman Lee Iacocca starred in two corporate tv commericals and a four-page color gatefold in newsweeklies. "I have one and only one ambition for Chrysler. To be the best. What else is there?" Mr. Iacocca said. Another ad had him in a factory that produces K-cars, saying, "If it weren't for the great success story of the '80s, I wouldn't be here today."

In September, Chrysler joined Chevrolet in shunning high-cost tv advertising by cutting network spending 8% for the 1985 model year, paring tv's share of the Chrysler ad dollar by 2% or 3%. The company diverted $7 million to $10 million from tv. Chrysler-Plymouth shifted ad dollars to print, radio and cable tv, and Dodge moved toward cable and magazines.

In October, Chrysler "swore off" ambitions of overtaking Ford Motor Co. in sales, deciding to aim at being a profitable No. 3 rather than a struggling No. 2. The philosophy took public form in a 1985 corporate ad theme line, "We want to be the best, not the biggest." The company's two-step strategic plan called for concentrating on high-volume cars in the largest and enduring segments and on beating GM and Ford to market in emerging segments and specialty niches. Holes in product lineup were expected to be filled on the low side by Japanese or Korean-made vehicles and on the luxury side by the joint venture with Maserati.

In late October, Chrysler embarked on a network tv ad strategy that included participation as a multi-million-dollar investor in the production of made-for-tv movies. The five-year plan included co-production ventures for at least two movies per season, beginning in 1986. The scheduling of movies will be pinned to launches of new Chrysler cars, with Chrysler as the exclusive automotive sponsor.

Top 25 network radio advertisers

Rank	Advertiser	Network radio ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	American Telephone & Telegraph	$16,344	$9,512	71.8	2.9
2	Cotter & Co.	10,201	9,648	5.7	16.0
3	Jeffrey Martin Inc.'	8,946	21,731	(5.8)	N/A
4	U.S. Government	8,633	9,293	(7.1)	3.0
5	Sears, Roebuck & Co.	8,630	10,629	(18.8)	1.2
6	Warner-Lambert Co.	8,143	7,823	4.1	1.9
7	General Motors Corp.	6,746	9,411	(28.3)	0.9
8	Purex Industries	6,715	2,788	140.9	N/A
9	Dow Jones & Co.	6,431	8,611	(25.3)	N/A
10	Anheuser-Busch Cos.	6,231	6,914	(9.9)	1.7
11	Triangle Publications	5,228	2,577	102.9	N/A
12	Nabisco Brands	4,938	4,696	5.2	1.5
13	PepsiCo Inc.	4,746	916	418.0	1.1
14	Campbell Soup Co.	4,371	7,429	(41.2)	3.1
15	Chrysler Corp.	4,141	2,858	44.9	1.3
16	Abbott Laboratories	4,017	885	359.3	N/A
17	Procter & Gamble Co.	3,977	1,504	164.4	0.5
18	Beatrice Cos.	3,345	488	585.8	0.5
19	National Distillers & Chemical Corp.	3,184	0	N/A	N/A
20	American Egg Board	2,959	993	198.0	N/A
21	Conagra	2,871	2,146	33.8	N/A
22	Hartz Mountain Industries	2,809	2,978	(5.7)	N/A
23	Kelly Service Inc.	2,734	0	N/A	N/A
24	S.C. Johnson & Sons	2,708	2,526	7.2	3.0
25	American Honda Motor Co.	2,647	2,636	0.4	2.0

Source: Broadcast Advertisers Reports as supplied to Leading National Advertisers Inc.

Chrysler began preparing for life after Mr. Iacocca, who will likely retire in three to five years. The charismatic leader "is the persona of the corporation," said James Tolley, vp-public affairs. "He is seen by millions as Chrysler itself." The company started plans to convert the virtues of Mr. Iacocca's image to that of Chrysler, with a "be the best" corporate image-building effort.

Chrysler introduced its H-body sport sedans, the Chrysler LeBaron GTS and Dodge Lancer, in January, 1985.

In February, Chrysler began a "rebate rerun," packaging incentives into a "Thank you, America" campaign. C-P concentrated on tv and radio, and Dodge on magazines, radio, newspapers and tv. A corporate print ad ran in national newspapers and newsweeklies.

In March, Chrysler launched a corporate image campaign in California, spoofing Chrysler's stodgy image. A tv spot presents quick cuts of cars and California life-style scenes set to hard-rock music. It ends with cars shooting past three men sitting in front of a ramshackle building. One puts down a newspaper and is revealed to be Mr. Iacocca. A wry voiceover says, "This message brought to you by those dull but dependable builders of predictability, Chrysler Corp."

In July, 1985, Chrysler set up a performance-oriented unit to develop high-performance and luxury-image cars. The Special Vehicle Management department, under general manager Donald P. Morrissey, will combine the development of low-volume image-makers at each end of Chrysler's price ladder into a single group.

Meanwhile, Dodge continued to use "new wave" tv spots and the "American Revolution" theme for 1985 model vehicles.

Arthur Kasteloot was named Dodge national ad manager in early 1985, from the same position at C-P, succeeding Joseph Cronin, who went to an ad agency. Michael Howe, former ad director at Volkswagen of America, succeeded Mr. Kasteloot as national ad manager at C-P.

In September, 1984, Chrysler began reestablishing Plymouth as a real competitor through higher quality products. The new Caravelle, a fancy K-car, six-passenger sedan, was presented as a move-up car for Reliant buyers. Ads dared competitors to "Match it! (if you can)" and challenged Buick Century and Olds Ciera.

Chrysler Laser again took on the Camaro Z28, Mustang SVO and Nissan 300ZX with, "We never forget the competition is always on our tail. We intend to keep them there."

C-P introduced the 1985 Chrysler XT, a sportier version of Laser, with a multimedia campaign. A cable and tv ad played on the full-line ad theme, "Because the competition is hot, we had to be hotter."

In May, 1985, two ad managers were named for C-P. George Hunt took the new post of Chrysler ad manager, from forward planning manager. James Jandesek was named to the new post of Plymouth ad manager, from truck ad manager for Dodge marketing.

Plymouth dropped magician Doug Henning as ad pitchman for Voyager minivan after 18 months, as part of a brand repositioning. It also replaced "Match it!" with a transitional "We're doing it right" on a testimonial series of tv commercials for Voyager, preparing for a new theme for 1986.

Plymouth brand image is moving toward a younger, better-educated, family-oriented target. Chrysler brand will stay with luxury, Dodge will keep performance and Plymouth will become functional convenience.

The next vehicle featured in Plymouth advertising as an "image car" will be the 1987 Plymouth Sundance, Chrysler's P-car. Its twin will be the Dodge Shadow.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	34,962	31,846
Magazines	61,596	44,845
Network cable	2,327	1,631
Spot tv	27,446	18,262
Network tv	93,637	84,194
Spot radio	18,777	16,651
Network radio	4,141	2,858
Outdoor	1,587	479
Farm pubs	366	737
Total measured	245,040	201,673
Total unmeasured	72,360	29,605
Estimated total	317,400	231,278

CHRYSLER CORP.
P.O. Box 1919
Detroit, Mich. 48288
(313) 956-5252

U.S. AUTOMOTIVE SALES GROUP
Marketing Personnel

B.E. Bidwell, exec vp-sales & mktg
E.T. Pappert, vp-U.S. auto sales
J.A. Campana, vp-mktg
D.L. Davis, genl sales mgr
G.J. Giocondi, vp-services & parts
T.R. Cunningham, genl mgr-import/export operations
P.J. Keegan, genl mgr-truck operations
H.L. Barton, genl mgr-fleet operations
J.B. Damoose, genl mktg mgr-Dodge
A.C. Liebler, genl mktg mgr
A.C. Kesteloot, natl adv mgr-Dodge car & truck
M.V. Howe, natl adv mgr-Chrysler/Plymouth
J.L. Hickey, corp adv mgr
T. Pride, adv mgr
G.A. Northrup, adv mgr-cars
A.D. Imber, adv mgr-retail
W.H. Tracy, adv mgr-Dodge car
C.J. Stickford, import adv mgr
W.R. Coley, corp merch mgr
C.V. Vitulli, natl merch mgr-Dodge
E.J. Flemming, natl merch mgr-Chrysler/Plymouth
B.F. Mullins, dir-sales & mtkg pr
K.F. Laurence, dealer assn & retail adv mgr-Dodge
J.F. Kelly, forward planning mgr-Dodge

Advertising Agencies

Kenyon & Eckhardt, Inc.—Leo Arthur Kelmenson, president, chmn & ceo; Ron Deluca, vice chmn; Steve Frankfort, vice chmn.

- Detroit—Peter S. P. Dimsey, exec vp-genl mgr; Bruce P. Andrews, senior vp-admin genl mgr; James R. Heekin, senior vp-group mgmt super, Chrysler-Plymouth. Chrysler-Plymouth Dealer Assn—John P. Hickey, senior vp-mgmt super; Jeffrey Jacobs, vp-acct super, Chrysler; Douglas Symons, vp-acct super, Plymouth; William J. Shea, senior vp-mgmt super, corp; James Else, acct super, corp; Philip Matz, senior vp-media dir; Elton Kruger, senior vp-dir, media planning; Dwight Davis, senior vp-creative dir; Brian E. Palmer, senior vp-forward planning.
- New York—Ken Duskin, exec vp-creative dir; Bruce Montgomery, senior vp-associate creative dir; William Tenebruso, senior vp-dir, corp media services; Arnold Kusnetz, senior vp-dir, rsch.
- Los Angeles—John Adams, senior vp-genl mgr; Mark Curran, senior vp-mgmt super, Chrysler Imports; Hy Yablonka, senior vp-creative dir; Nelda Chambers, senior vp-media dir; Renee Frasen, vp-dir, rsch & strategic planning.

BBDO—A. Rosenshine, chmn-ceo; P. Dusenberry, vice-chmn, exec creative dir; T. Clark, president-coo.

- Detroit—W. Kelly, exec vp-genl mgr; R. Schneider, senior vp-finance & admin; P. Swiecicki, vp-finance; D. Goschka, vp-legal counsel. Dodge Car—W. Oswald, exec vp-mgmt super-car; H. Gruache, senior vp-car; B. Williams, G. Berg,vp-acct super-car; D. Williams, vp-acct super, forward planning. Dodge Truck—K. Steadman, senior vp-mgmt super-truck; M. Graham, vp-acct super-truck. Research—T. Neman, senior vp-dir, rsch & planning; T. Townsend, vp-associate rsch dir. California/Imports/Direct Connection—E. McCarthy, senior vp-exec media dir; T. Zahrfeld, vp-media dir, car; K. Ritchie, vp-media dir, truck; S. Stoll, vp-broadcast media dir. Creative—R. Howting, creative dir-car; J. Gahagan, creative dir-truck; R. Folster, vp-associate creative dir. Dodge Dealer Assn.—A.D. Jones, senior vp-mgmt super, Dodge Dealer Adv Assn.; D. Robinson, natl super.
- Los Angeles—D. Christopher, acct super; G. Campbell, pr.

Ross Roy Inc., Detroit—corp merchandising, corp adv for Chyrsler Marine, Chrysler service & parts operations, Chrysler Fleet operaions, Chrysler Institute, Chrysler diversified operations—Glen W. Fortinberry, chmn-ceo; Richard Ward, exec vp-dir merchandising; James Vehko, senior vp-group acct super; John Oliver, senior vp-genl mgr-Ross Roy Productions; Donald Baldwin, Thomas Kemper, James Sanfilippo, Don Scheich, vp-group acct supers; Robert West, vp-acct super; George Abdullah, Clark Reid, Rex Smith, Michael Webster, acct execs; Gerald N. Moody, senior vp-mktg services; Robert Steiger, exec vp-creative dir; Francis Dattilo, Michael Labiak, senior vp-group creative dirs; Sidney Houghton, senior vp-creative dir.

RANK 73

Clorox Co.

Oakland, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,050	975	7.7
Net income	86	80	7.5
Advertising	110	91	19.6

Clorox Co., whose product of the same name is becoming less and less dominant in the company as its Lucite paints, Hidden Valley Ranch salad dressings, Liquid-plumr and various charcoal products continue to grow, was the 73rd largest national advertiser with an estimated spending of $109.6 million in 1984.

Total advertising, representing an increase of 19.9% in the fiscal year ended June 30, 1985 over a restated $91.4 million for fiscal 1984, outpaced earnings, which rose 8% to $86.1 million over the previous year as sales rose 8.2% to $1.05 billion.

During 1984, Clorox expanded its ad budget primarily to boost new products or line extensions—an activity also reflected in the $25 million spent on research and development, up 30% from fiscal 1984. Of the total outlay for advertising, Clorox spent $81.7 million in the nine measured media tracked in this issue, up 31.8% from the previous year.

New products at Clorox included line expansion of the newly gained Lucite paints; national rollout of Fresh Step cat litter; flavor, liquid and reduced calorie additions to the Hidden Valley Ranch salad dressing line; a microwave browning agent under the Kitchen Bouquet brand, and continued testing of Fresh Scent, a scented version of Clorox bleach.

Clorox brand line, pacesetter in the company's core household products business which accounted for 70% of total sales in 1984, covers Clorox 2 bleach, regular liquid bleach, pre-wash spray and Tilex tile cleaner. The brand continued to win the largest ad expenditures among company products with $25.2 million in measured spending in the six media monitored by Leading National Advertisers. That was an 8.2% increase over 1983 media expenditures for the brand.

Clorox is market leader in the $500 million-plus retail bleach business with a 49.9% share in dollars. Individually, its liquid bleach has a 50% dollar share of the liquid bleach market, and Clorox 2 dry bleach holds a 42.6% dollar share of all fabric bleaches.

Clorox continues to test Fresh Scent, a sweeter smelling version of its well-known Clorox liquid bleach. Test cities are Dallas, Memphis, Wichita, Kansas City and Oklahoma City.

Tilex mildew stain remover, introduced in 1981, remains the leader in its category.

Media spending for Tilex dropped 8% to $2.3 million in 1984.

After testing two different versions of Clorox 2 dry bleach, the company introduced Clorox 2 containing an "advanced whitening formula" in 1984. Ads supporting the launch claim it "whitens like a liquid bleach, but is safe on all colors."

Following two efforts at market testing, Clorox withdrew Wave, a heavy duty dry bleach, from test after it failed to perform adequately. Wave competed against Vibrant, a Procter & Gamble brand that has been in test since 1981.

Other household products receiving sizable media backing were Liquid-plumr, a liquid drain cleanser, with $4.8 million in media spending in 1984, up 4.3% from the previous year, and Soft Scrub cleanser, $5.9 million in 1984, the same as in 1983.

Capitalizing on the success of its Hidden Valley Ranch salad dressing mixes, Clorox introduced a bottled version of its product nationally in the spring of 1984. The product first appeared in June, 1983, in three test markets. Already dominant in the dry mix salad dressing market, Clorox hopes its Hidden Valley name will translate to the rapidly growing pourable salad dressing category.

In 1985, the company introduced a Thousand Island flavor to its Original, Country Recipe and Garden Herb bottled varieties.

In March, 1985, Clorox expanded the Hidden Valley Ranch line further. The company introduced a reduced-calorie salad dressing mix.

Clorox spent $13.3 million on Hidden Valley Ranch dips, dressing mixes, salad dressing and sauce mixes in 1984, according to six-media figures provided by LNA. The company spent $5.6 million on the line in 1983 when sauce mixes and dips were not included in the line.

The company expanded further into the food products area in late 1984. Buoyed by increasing microwave usage (microwaves are expected to be in more than 50% of U.S. households by the end of 1985), Clorox became the first major company to market a microwave browning agent nationally. The company introduced Kitchen Bouquet microwave browning spray in December, 1984, backed by magazine, newspaper and tv advertising. The spray is a line extension of its Kitchen Bouquet browning seasoning sauce and gravy aid.

In fiscal 1985, the architectural coatings business (paint and stains) contributed 12% of total sales. The division at Clorox is basically three years in the making, beginning with Clorox's purchase in 1981 of Olympic and Carver Tripp paints and stains from Comerco Inc. and followed by the acquisition in 1983 of marketing rights to Lucite from Du Pont, the latter of which brought Clorox into the interior paint market. Measured advertising for a full year of promoting Lucite was $4.4 million in 1984, up from $324,200 for partial-year 1983. The Olympia brand drew $4.8 million in measured media in 1984, off 29.4% from the previous year.

While the paint and stain lines continue to be profitable, earnings for the division fell because of higher costs associated with new distribution and marketing programs. Combined shipments of the Olympic and Lucite brands of stains and paints were up modestly for the year and were improving at yearend. National market for architectural coatings is $4 billion (retail).

In a consolidation move in 1985, Clorox shifted its Lucite paint account from N W Ayer, New York, to Needham Harper Worldwide, Chicago, which also handles several other Clorox brands.

Clorox also made a major push into the $260 million cat box filler market, introducing nationally in 1984, Fresh Step, an odor-controlling cat litter. The clay-based product, which features a microencapsulated fragrance released whenever a cat steps on or scratches the litter, had been in various test markets since the fall of 1981.

Fresh Step is Clorox's second entry in the category, one of the fastest growing among pet products. Its first, Litter Green, an alfalfa-based cat litter introduced in 1971, has lost share. Clorox denies speculation it may dump the brand. Fresh Step drew $6.6 million in 1984 in measured spending against only $363,900 during tests in 1983. Litter Green spending was far off the new product's mark, with $299,300 in 1984, up 50%.

The company continues to update existing products to keep abreast of changing consumer preferences. In April, 1985, it came out with Kingsford with mesquite, and Clorox is expanding into new household product categories.

In August, 1985, it began testing Act, a heavy-duty laundry detergent combining the active ingredients of both powder and liquids, in a sealed plastic pack, dissolvable form, in Bakersfield, Cal.

During the year, group vp John W. Collins was appointed to the new position of exec vp-operations and Sheldon N. Lewis, group vp, to the new post of exec vp-technology. The company sold in March, 1985, its 75% interest in Sunpole-Clorox Co. Ltd. of Japan to its original Japanese owners. Clorox, in much of its overseas activity, particularly in the developing world, concentrates on building its bleach business. The sales of the Japanese company, a household products operation, is in keeping with that corporate strategy.

In July, 1985, the company signed agreements to build bleach plants in Turkey and Colombia. The company currently is building plants in North Yemen and Egypt.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	367	397
Magazines	13,553	6,270
Network cable	2,813	2,094
Spot tv	12,755	10,154
Network tv	51,499	41,384
Spot radio	426	529
Network radio	243	1,137
Outdoor	1	0
Total measured	81,657	61,963
Total unmeasured	27,943	29,447
Estimated total	109,600	91,410

CLOROX CO.
1221 Broadway
P.O. Box 24305
Oakland, Cal. 94623
(415) 271-7000

Marketing Personnel

John W. Collins, exec vp-operations
R.C. Richter, vp-Olympic Home Care prod
W.E. Lynn, vp-Kingsford prod
G.C. Sullivan, vp-household prod
A.W. Biebl, vp-foodservice prod
David L. Goodman, vp-public affairs & mktg services
R.P. Johnson, adv mgr-household prod
M.A. Perry, adv mgr-Kingsford prod
K.S. Koelman, dir-mktg, Clorox foodservice prod
D. Rice, mktg mgr-Olympic Home Care prod
R.H. Bolte, dir-media operations

Advertising Agencies

Anderson/Miller Communications, San Francisco—Hidden Valley Ranch, Domani Italian Food Products, Pitch 'R—Kim Rothstein, acct super.

Foote, Cone & Belding/Honig, San Francisco—Clorox bleach, Clorox 2, Formula 409, Soft Scrub, Twice As Fresh, Tilex—Kathy Ames, mgmt super.

Needham Harper Worldwide, Chicago—Clorox Pre-Wash, Liquid-plumr, Lucite paints, Kingsford charcoal—S. Sharpe, mgmt super.

Scott Inc., Milwaukee—Moore's frozen foods, Clorox liquid bleach, Formula 409 for food service industry—Charles E. Reynolds, mgmt super.

Young & Rubicam, San Francisco—Matchlight, Kitchen Bouquet, Fresh Step, Hidden Valley Ranch dry salad dressing, bottled Hidden Valley Ranch, Litter Green, Olympic & Carver Tripp stains—Craig Branigan, mgmt super.

RANK 20

Coca-Cola Co.

Atlanta

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	7,364	6,829	7.8
Net income	629	559	12.5
U.S.			
Sales	4,566	4,071	12.2
Operating profits	550	499	10.3
Advertising	343	285	20.6
Division sales			
Soft drinks	5,015	4,695	6.9
Foods	1,465	1,285	14.0
Entertainment	885	850	4.2

Coca-Cola Co. showed its aggressiveness in 1984 and so far in 1985 that marks the style of Roberto C. Goizueta, who took over as ceo four years ago: It has bought two major tv production companies, turned around its Columbia Pictures with movie winners such as "Ghostbusters," begun licensing the Coca-Cola name on more than a dozen products, including a Murjani International line of casual clothes, and unveiled two major new soft drinks.

The Atlanta-based company, the nation's 20th largest advertiser, increased its U.S. advertising spending 20.6% in 1983, to an estimated $343.3 million in 1984. The company spent $535.8 million worldwide on media advertising, up 15.6% from the previous year.

U.S. sales in 1984 increased 12.2%, to $4.57 billion, 62% of worldwide sales of $7.36 billion. Worldwide earnings of $629 million represented a boost of 12.5% over 1983. That pace continued into the current year. In the second quarter, earnings of $196.1 million increased 6% over the corresponding year-earlier period, and sales were $2.04 billion, up 5.7% from the previous year. Revenue growth overseas was at a rate of 11%.

The once-staid company also tinkered with the 99-year-old Coca-Cola formula, replacing it with a sweeter New Coke in late April this year, before electing in mid-July to reintroduce the old formula as Coca-Cola classic. Introduction of the reformulated flagship brand, created to meet the "Pepsi challenge," has been the marketing story of the year so far in 1985.

But by the end of the third quarter, the increased marketing expenses related to the New Coke and then the reintroduction of the old formula led Coca-Cola to project operating income for 1985 would be "up slightly or flat for the year." Sales of Coke's three sugar-sweetened colas increased by more than 10% during July and August, 1985. However, international sales were being affected by unrest in South Africa and Nigeria, two key African markets. Competition in the domestic citrus beverage market also was affecting earnings.

Coca-Cola apparently came out of its odd marketing maneuvers unscathed, with neither Coke nor its major competitor, Pepsi, shifting market shares significantly, according to industry analysts. "I expect them each to end up in about the same place," Prudential-Bache analyst George Thompson says. "If anything, Coke may have a marginal advantage because it has a stronger diet drink."

According to *Beverage Industry* magazine, Coke commanded 21.8% of the domestic soft-drink market in 1984, down from 22.5% in 1983. Pepsi had a 17% share in 1984, up from 16.9% in 1983. Diet Coke, just 2 years old, was in third place by the end of 1984, with 5.1%, edging past 7UP, also with 5.1%. Sprite had a share of 3.3%, compared with 2.8% in 1983; Diet Coke Caffeine Free 0.9% vs. 0.5% in 1983, and Caffeine Free Coke, 0.6% vs. 0.5% in 1983.

All Coca-Cola soft drinks contributed to a market share of 36.4% in 1984, up from 35.3% in 1983 based on a case sale increase of 9.3%.

Last year was a respectable one for Coca-Cola, with all of its business sectors—soft drinks, food and entertainment—showing sales increases. The soft drink sector, with $5.02 billion worldwide sales, up 6.9% from 1983, represented 68% of total sales at Coca-Cola. The segment's operating income of $879.6 million in 1984 was up 2.4% from the prior year and represented 83.2% of total company operating income.

Aggressiveness was the theme in Coca-Cola's soft drink advertising. Among the 1984 advertising highlights were a $20 million Olympics budget for Coca-Cola soft drinks and a five-week tv blitz last November and December, during which ads for Coca-Cola drinks were aired an average of once every three hours.

Responding to Pepsi-Cola's appeal to youth through the signing of rock superstars Michael Jackson and Lionel Ritchie for multi-million-dollar endorsement contracts, Coca-Cola aired its own youth-oriented tv spots. The company put $48.3 million of measured advertising into the old standby, Coke, in 1984, more than $45.4 million of it going to network and spot tv. This compares with $36.6 million for the brand in 1983, some $34.4 million divided between network and spot tv.

A measure of the rivalry between the two titans of soft drinks—Coca-Cola and Pepsi-Cola—has been the testiness of the two companies toward each other's commercials. Last December, Pepsi-Cola accused Coca-Cola of misrepresenting a claim in commercials that its 100% NutraSweet Diet Coke was available in all markets. Coca-Cola took aim at Pepsi-Cola commercials for claiming all Diet Coke contained saccharin.

The fireworks continued this year after Coca-Cola introduced the reformulated Coke in April. Coca-Cola dropped out of tv sponsorship for the July Live Aid concert when it became apparent that other soft drink companies, including Pepsi-Cola, also would sponsor.

Among the Coke spots, handled by McCann-Erickson, were variations of the "Coke is it" theme, with a new subtheme, "The one you grew up with," featuring youth-oriented vignettes, such as a teen ager getting his first driver's license and a boy learning baseball skills. There were also special-market commercials, including one featuring singer Julio Iglesias.

The same agency also handled the New Coke campaign this year, with commercials such as the one featuring comedian Bill Cosby saying Coke tastes better than ever.

The company continued its Diet Coke spots, using the theme "It's One of a Kind," handled by SSC&B. Coca-Cola doled out $42.2 million in measured advertising for Diet Coke last year, again the bulk of it for tv. That was up from $21 million in 1983, the product's debut year.

The Tab account moved to SSC&B as well, after McCann's "Let's Taste New Tab" campaign was widely misinterpreted as sounding like, "Less taste, new Tab."

Tab line's 1984 ad spending was $28.4 million, up 15% over the previous year.

The company began a national rollout of new Cherry Coke in mid-July, 1985. The national introduction took place several months ahead of schedule after successful testing in four geographically dispersed markets with $15 million in support spending. In test market are a reformulated Fresca, a repackaged Mello Yello and a Minute Maid orange soda with 10% real orange juice.

Coca-Cola's foods sector, based in Houston, had another profitable year, with sales up 14% to $1.46 billion, or 19.8% of total company sales. The food sector performed better on the income side than the soft drinks segment, increasing operating income 13% to $137.7 million in 1984, which is 13% of total company operating income of $1.06 billion.

Minute Maid maintained its lead position in the orange juice market, with a 24% share. Actor Richard Thomas, his wife, their 8-year-old son and 3-year-old identical triplets were introduced last December as the new Minute Maid family.

Measured ad spending for the 14 Minute Maid products was up in 1984 about $1 million, to $14.6 million.

Coca-Cola expanded several product lines last year in its food sector, including the introduction of Five Alive citrus beverages in aseptic packages and the national expansion of Bright & Early breakfast beverage in 64-oz. cartons.

The Columbia Pictures subsidiary—Coca-Cola's entertainment segment—was a disappointment in 1983, but it made significant strides in 1984, with operating earnings of $121 million, a 34% increase, and sales of $884.7 million, up 4.2%.

Much of the credit goes to several hit movies. "Ghostbusters," the No. 1 comedy movie ever, grossed more than $220 million. Another major release was "Karate Kid," which grossed more than $90 million.

Columbia's measured ad spending dropped to $33.4 million from $40.6 million in 1983. Some $30 million of that was spent on network tv, with the remainder going to spot tv, outdoor and magazines. "Ghostbusters" and "Karate Kid" each received about $4.5 million in measured media to lead the promotion spending. "Starman" received $3.7 million; "The Razor's Edge," "Sheena," "Moscow on the Hudson," "Micki & Maude," "Body Double," "Against All Odds" and "A Soldier's Story" each received spending in the $2 million range.

In June, 1985, Coca-Cola bought the tv production company, Embassy Communications and its affiliate Tandem Productions, for $485 million. Both were controlled by Norman Lear, with Embassy being the tv production operation and Tandem primarily a holding company for Mr. Lear's tv series library. Frank Biondi, exec vp of the entertainment sector, says the company is looking to expand in various areas, including film, tv and production, music production, publishing and tv stations. The company sold its pasta company, Ronco Enterprises Memphis, to Borden Inc. in October.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,747	6,037
Magazines	10,794	8,582
Network cable	2,756	2,605
Spot tv	64,976	70,673
Network tv	140,104	95,889
Spot radio	13,932	8,048
Outdoor	3,620	3,284
Total measured	242,929	195,118
Total unmeasured	100,371	89,637
Estimated total	343,300	284,755

COCA-COLA CO.

P.O. Drawer 1734
Atlanta, Ga. 30301
(404) 676-2121

Coca-Cola USA

Marketing Personnel

Brian G. Dyson, senior vp, Coca-Cola Co., president, North American Soft Drink Business Sector
Sergio Zyman, senior vp-mktg, Coca-Cola USA
Albert E. Davis, vp-graphics & design services, Coca-Cola USA
Clare Bisceglia, dir-adv & production services
William L. Schermerhorn, dir-mktg, cola brand
C. Patrick Garner, group brand dir-citrus brands
Mike Beindorff, group brand dir-diet brands
Kenneth F. Craft, dir-promo services

Coca-Cola Foods

Marketing Personnel

E.V. Amoroso, senior vp, Coca-Cola Co., president-foods business sector
T.C. Cleveland, senior vp-coffee & foodservice
T.J. Haas, senior vp-sales
S.M. Brody, F.E. Blod, vp-mktg planning
H.S. Robinson III, president-ceo, Coca-Cola Canada Inc.
D.W. Valentine, dir-mktg services

Advertising Agencies

Burrell Advertising, Chicago—Black consumer adv—Tom Burrell, president; Sarah Burrough, senior vp; Freida Curry, acct super; Raynard Hall, asst acct exec; Donna Beasley, acct exec.

Castor Spanish International, New York—Hispanic adv—Castor Fernandez, president; George Reynardus, vp-genl mgr.

Kenyon & Eckhardt, New York—Ramblin' root beer, Sugar-Free Ramblin' root beer—Tom McDonough, acct mgr; Susan Popper, acct exec.

Marschalk Co., New York—Sprite, Diet Sprite, Mr. PiBB, Sugar-Free Mr. PiBB, Minute Maid orange soda, new prod—Eric Einhorn, exec vp; Dana Tower, Rob Petersen, Peg Jump, acct supers; Susan Gold, acct exec; Will Symon, asst acct exec; Shelley Brauner, acct coord.

McCann-Erickson, Atlanta & New York—Coca-Cola, caffeine-free Coca-Cola, Fanta—William C. Thompson Jr., exec vp, McCann-Erickson Worldwide; John Dooner, exec vp, McCann-Erickson, New York; David Clapp, senior vp-mgmt rep, McCann-Erickson, New York; Larry Glucs, acct super-business mgr.

McDonald & Little, Atlanta—Fresca and Mello Yello—Michael McDonald, chmn of the board; Bob Jones, president; Joseph Lonsdorf, exec vp-dir of client services; Karen Giddens, acct exec.

SSC&B: Lintas, New York—Diet Coke, caffeine-free Diet Coke, Cherry Coke, Tab line—Steve Norcia, exec vp-acct services; Rudy Bechtel, senior vp-mgmt super; Michael Skoletsky, vp-acct super; Becky Broers, acct exec; Matt Lake, acct exec; David Alport, asst acct exec. TAB—Spencer Plavoukos, chairman-ceo; Don Lenehan, vp-mgmt super; Neal Wilkins, acct super; Sheila Dailey, acct exec.

COLUMBIA PICTURES INDUSTRIES INC.

New York

Marketing Personnel

Francis T. Vincent, Jr. senior vp-Coca-Cola Co., president-Entertainment business sector, chmn-ceo-Columbia Pictures Industries Inc.
Richard C. Gallop, president-coo
Peter S. Sealey, exec vp, corp mktg dir
Guy McElwaine, chmn-ceo, Columbia Pictures
Steve Sohmer, president-coo, Columbia Pictures
John Balson, president-Columbia Pictures domestic distribution & mktg group
James R. Spitz, president-Columbia Pictures domestic distrib
John Butkovich, senior vp-media
D. Frank Jones, senior vp-mkt rsch
Steven Kasloff, senior vp-creative dir, adv
Katherine Orloff, senior vp-domestic publicity & promo
Shelly Hocron, mktg consultant
Lenore Cantor, vp-rsch
Judith Schwam, vp-publicity, promo & field operations
Mark Urman, exec dir-east coast publicity
Diane Charbanic, senior dir-media, adv
Charles Bigbee, dir-print production
John C. Flinn, dir-industry relations
Jack Friend, dir-co-op adv
Judi Schwamm, dir-natl publicity & promo
Patrick D. Walters, dir-adv admin

Columbia Pictures

Burbank, Cal.

Television Group

Marketing Personnel

Herman Rush, president
Barbara Corday, president-Columbia Pictures Television
Kay Dangaard, vp-adv, publicity, promo
Joseph Indelli, president-Columbia Pictures Television, domestic distribution
Steve Astor, vp-adv, publicity, promo
David Mumford, vp-rsch

Columbia Pictures

Merchandising

Lester J. Borden, vp-genl mgr

Columbia Pictures

Publications

Frank J. Hackinson, president
John Kelleter, vp-mktg

Advertising Agencies

Diener/Hauser/Bates, New York—Norman Trell, exec vp-exec media dir; Eugene B. Cofsky, president-West Coast div.

Ogilvy & Mather, Los Angeles—Mary Ellen Stoetzel, vp-mgmt super; Jules Fine, exec vp-dir, mtkg services.

SSC&B: Lintas, New York—Steve Norcia, exec vp.

McCann-Erickson, New York—Gordon Link, exec vp.

Colgate-Palmolive Co.

New York

RANK 30

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,910	4,864	0.9
Net income	72	198	-63.8

U.S.			
Sales	2,343	2,209	6.1
Operating profits	181	199	-8.9
Advertising	259	270	-4.1

Division sales			
House hold	3,369	3,321	1.4
Health care	803	800	0.4
Food	482	512	-5.9
Consumer	226	231	10.7

Colgate-Palmolive Co., New York, which is selling its food, athletic equipment and textile business to contentrate on its household and personal care product strengths, pared U.S. advertising in 1984 to an estimated $258.7 million, down 4.1%.

The major decline at Colgate, the nation's 30th largest advertiser, was in what it does best, the dentifrice market—Ultra Brite, Dentagard and Colgate toothpastes. Measured spending dropped 22.5% to $27 million. Most of the spending was for the Colgate brand which came close to unseating Procter & Gamble's flagship Crest brand as No. 1 in the U.S. market.

Worldwide sales in 1984 rose a scant 0.9% to $4.9 billion. Net income fell sharply to $72.0 million, down 63.8% from 1983. The decline in earnings reflected heavy marketing spending, the relatively high value of the U.S. dollar, intense price competition and a restructuring program aimed at improving productivity and reducing manufacturing costs worldwide. Earnings also were hit by an after-tax charge of $114 million that accounted for the costs of the restructuring program.

U.S. sales in 1984 rose to $2.34 billion, up 6.1% from 1983, but U.S. operating profit declined 8.9% to $181.1 million. In Europe, sales of $1.1 billion, dropped 6%, and operating profit declined 44.6% to $25.7 million. In the rest of the world, Colgate-Palmolive saw sales slip 1.2%, but it increased its operating profit by 4.6%.

The pattern continued into the current fiscal year. In the first half of 1985, worldwide sales fell 1.3% to $2.49 billion. Income from continuing operations fell 5.8% to $97 million.

In July, Colgate-Palmolive, long rumored on Wall Street to be a takeover target, announced plans to divest businesses outside of its core household-products categories. These include Bike Athletic Co. and Etonic units, which make athletic equipment, and Riviana Foods, the world leader in packaged rice. The company plans to keep its Hill's Pet Products business, however. The company also will sell the medical-electronics and textile operations of its Kendall unit.

The operations to be sold accounted for about 15% of 1984 sales and 22% of 1984 operating profit. Eric J. Larson, investment analyst at Paine Webber, New York, says the divestiture is a "long-range plus" for the company because Colgate is "getting rid of lower gross-margin business that takes a lot of time.

Now they can become a more focused management team and concentrate on household products."

Mr. Larson says he expects advertising as a percent of sales to rise dramatically because Colgate had not been spending nearly as heavily on the lines to be divested as on its household-products items.

On Aug. 1, 1985, Colgate-Palmolive launched an effort to buy back up to 15 million of its shares (18% of outstanding shares) at $29.50 a share, a slight premium over the market price. The buyback could cost $442.5 million.

Reuben Mark, who became ceo in mid-1984, denies takeover speculation and pushed the company into the divestiture. Sir James Goldsmith, the British investor, was known to be one of the suitors in recent months.

The company's strategy is to concentrate on lines "we know best and in which our market position, expertise and technology create the best opportunity," he says. As for the common stock buyback, he says the company believes its shares were undervalued.

Mr. Larson says Colgate-Palmolive under Mr. Mark's leadership is turning out to be a much better marketing company and much more profit-oriented than in the past. One thing Wall Street looks for under Mr. Mark is an acceleration of new products. The company at mid-year 1985 was testing a new automatic dishwashing detergent (Bright Side) and a liquid extension of its Fab laundry detergent with fabric softener. "I believe they [Colgate] are working on a lot more products," says Mr. Larson. "They have bumped research and development spending to 1.7% of sales. They've done a lot of positive things. But it still takes a lot of time to get a good flow of new products from increased r&d spending."

The company shocked the advertising world in 1983 when it lured Young & Rubicam away from P&G as part of a move to consolidate most of its advertising with three agencies (Y&R, Ted Bates Advertising/New York and Foote, Cone & Belding, New York). Agency shifts in 1984, by comparison, were relatively minor. In May, 1984, Colgate abandoned a long-term relationship with William Esty Co., New York. Y&R picked up Ajax work that had been handled by Esty, and FCB got Fab and Ultra Brite.

In measured advertising, spending for all Colgate-Palmolive brands fell 8.3% in 1984 to $96.8 million. Colgate's drive to regain market share in toothpaste, where it has run a distant second to P&G since the mid-1950s, has paid off.

In 1984, Colgate backed its regular and gel dentifrice lines with more than $27 million in measured spending, down from $34.8 million in 1983. Despite reduced spending, by yearend 1984, the Colgate toothpaste brand line was within three share points of Crest, according to warehouse withdrawal figures. Mr. Larson of Paine Webber says that as of mid-1985, Colgate had attained a share of about 31% vs. P&G's Crest line's 32%. Beecham's Aqua-fresh holds a 12% share, Lever Bros.' Aim a 9% share, Lever's Close-Up, 8%. None of the other brand exceeds 4%, with Minnetonka's Check-up, the first to be in a pump dispenser, holding a 1-2% share.

While spending on the Colgate toothpaste line was down as a whole, measured spending on combo ads for Colgate's regular and gel toothpaste soared to $25.6 million, according to six-media figures provided by Leading National Advertisers. Colgate spent only $12.2 million for the tandem promotion in 1983. Colgate has all but abandoned spending for its Ultra Brite brand, dropping its measured spending to $1.5 million in 1984 from $3.5 million in 1983.

Dentagard, in tests in 1983 and 1984, is hitting the market in a big way this year with a $40 million national rollout. Aimed at adults concerned with gum care more than cavities, Dentagard is pitched by agency Young & Rubicam as the "only fluoride toothpaste accepted by the American Dental Assn. that has been proven to help fight gingivitis." The Dentagard brand beat P&G's Crest with tartar-control formula into the national market—a pattern that has helped Colgate gain giant strides in the $1 billion toothpaste market.

Colgate also outraced P&G to the national market with its gel extension and then with the introduction both of its regular and gel versions in pump dispensers.

In laundry detergents, Colgate more than doubled spending for Fab with fabric softener, its leading brand, with a 5.3% national share in its market. Measured spending jumped to $13.4 million in 1984 from $5.3 million. It also rolled out big guns in support of its Dynamo Action Plus liquid laundry detergent, with a 3.4% of the market, boosting measured spending to $9.9 million from $5.1 million. Fresh Start concentrated laundry detergent spending fell to $8.3 million from $11.6 million in 1983.

Measured spending for Palmolive dishwashing liquid was virtually unchanged for 1984 at $9.9 million, yet the company is thought to have boosted its share of the market for this product from about 12% in 1983 to more than 15% in 1984.

Irish Spring deodorant soap, which was reformulated and repackaged late in 1984, was backed by $5.8 million in measured spending in 1984, down about 12% from 1983. But this trend is to be reversed in 1985, with the company pouring an estimated $10 million into the product, which has about 5.3% of the category.

Ajax liquid cleaner got the biggest share of spending on this brand in 1984 at $3.6 million, down from the $7.1 million Colgate pumped into this item in 1983. Ajax dishwashing soda was backed with $2.7 million of measured spending; the line was not reported separately in 1983. Over-all spending on Ajax brands last year declined about 42% to $6.3 million.

Colgate also pulled back on its Curad bandage line, reducing measured expenditures about 26% to $2.9 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,194	1,664
Magazines	4,194	8,478
Network cable	1,198	2,019
Spot tv	21,354	29,596
Network tv	68,570	59,915
Spot radio	263	3,926
Outdoor	10	0
Total measured	96,782	105,598
Total unmeasured	161,949	164,195
Estimated total	258,731	269,793

COLGATE-PALMOLIVE CO.

300 Park Ave.
New York, N.Y. 10022
(212) 310-2000

Corporate Personnel

Reuben Mark, president-ceo
Keith Crane, chairman
William W. Powell, senior exec vp-chief devel officer
William S. Shanahan, senior exec vp-chief of operations, C-P worldwide
J. Dale Sherratt, senior exec vp-C-P; chief of operations-ceo, Kendall Co.
John M. Watkins, senior exec vp-chief strategy & business devel officer
A. Courtenay Shepard, vp-genl mgr-C-P U.S.

U.S. MARKETING

Marketing Personnel

A.A. Allen, vp-creative services
R.E. Blanchard, vp, dir-mktg
A.X. DeNisco, dir-mktg devel & planning
J.A. Uzzolina, J. Benfield, L. Deming, R. Galan, category mgrs
P. Amershadian, E. Dohn, J. Fischer, J. Leach, group prod mgrs

Advertising Agencies

Ted Bates Advertising, New York—Colgate toothpaste, Palmolive dishwashing liquid, Palmolive soap, Colgate toothbrushes, Palmolive Rapid Shave—Roger Pisani, exec vp; Geoffrey L. Clarkson, senior vp-mgmt rep; Don Byer, David Watson, Don Smith, vp-acct supers; Paul McCormick, Steve McDonald, Ted Powell, acct execs; Bill Hallowell, Lynn Hannon, asst execs; Ron Drake, intl coord; David Nes, mgmt trainee.

Foote, Cone & Belding, New York—Dynamo detergent, Fab detergent, Curad bandages, Ultra Brite toothpaste, Fluorigard dental rinse, new prod—Charles Taney, exec vp-worldwide acct dir; James Bonner, senior vp-group mgmt dir; Charles Ballard, acct exec; John Seidl, asst acct exec; Bruce Bollinger, asst acct exec.

Siboney Advertising, New York—Hispanic advertising for Colgate toothpaste, Fresh Start, Fab, Palmolive dishwashing liquid, Palmolive soap, Irish Spring, Ajax dishwashing liquid, Ajax all purpose cleaner, Ajax cleanser, Fabuloso—Gary McBride, vp-genl mgr; Lynette Botsford, Carla Trum, acct execs.

Young & Rubicam, New York—Fresh Start detergent, Irish Spring soap, Ajax all purpose cleaner, Ajax dishwashing liquid, Dentagard toothpaste—Tim Pollak, senior vp-group dir; Bob Fane, senior vp-mgmt super; Phil Asche, vp-mgmt super; John Leonard, Mary Ellen Kenny, Tony Brown, acct supers; Jeff Frankum, Ginny Russo, Mark Davis, Cindy Bedrosian, acct execs.

ASSOCIATED PRODUCTS DIVISION

L. Karl Hollering, vp-genl mgr

Advertising Agency

Ted Bates, New York—Paul McCormick, acct exec.

STERNO, INC.

New York, N.Y.

Marketing Personnel

A.P. Chadourne, business dir
F.J. Groyano, mktg mgr
F.S. Condiotte, sales mgr

Advertising Agency

Stern Walters/Earl Ludgin, Chicago—M.B. Friend, acct exec.

SPORTS & RECREATION

Bike Athletic

Knoxville, Tenn.

Marketing Personnel

James R. Corbett, president
Randy Black, dir-mktg & adv

Etonic Inc.

Brockton, Mass.

Marketing Personnel

Kenneth E. Snyder, president
John R. Larsen, vp-strategy planning & prod devel

Advertising Agencies

HBM/Creamer, Providence, R.I.—Etonic—Guy Corcoran, vp.

Lavidge & Associates, Knoxville, Tenn.—Bike Athletic—Hal Ernst, acct exec.

KENDALL CO.

Hospital Division

Boston, Mass.

Marketing Personnel

T.E. Tierney, group vp
M.B. Cogbill, vp
K. Wester, senior adv mgr
J. Dawson, adv mgr

Advertising Agency

Rizzo, Simons & Cohn—Phil Mathews, acct exec.

Industrial Division

Marketing Personnel

F.J. Zeitvogel, group vp
D. Arena, vp-industrial
J.H. Jacobsmeyer, vp-fabrics
R.C. Gockelman, dir-Special Ventures Group
D. Battelle, senior adv mgr

Advertising Agency

Ingalls Associates—Linda McDonald, acct exec.

Consumer Division

Marketing Personnel

E.E. Hinds, vp-genl mgr
B. Holt, adv mgr

Advertising Agency

Humphrey Browning, MacDougall, Boston—Ann Manning, acct mgr.

International Division

C.P. Bruen, vp

PRINCESS HOUSE

North Dighton, Mass.

Marketing Personnel

Robert J. Haig, president
John Galazin, vp-sales & mktg
Betty Bowes, dir-mktg

Advertising Agency

Leonard Monahan & Saabye—Cathy Ottaviano, acct super.

RIVIANA FOODS

Houston, Tex.

Marketing Personnel

Frank A. Godchaux III, chairman
Joseph A. Hafner Jr., president-ceo
Charles R. Godchaux, president-Riviana Rice USA
Elliot H. Wallin, senior vp-sales & mktg.

Riviana Rice USA
Christopher L. Haines, vp-mktg, Riviana Rice USA
Thomas M. Forshee, natl sales mgr, Riviana Rice USA
Robert C. Wheeler, president, Hill's Pet Products
Gary Harrison, vp-intl, Hill's Pet Products
David Geier, dir-food mktg, Hill's Pet Products
J. Richard Woodall, dir-sales, Hill's Pet Products
Tim Phillips, D.V.M., prescription diets prod mgr, Hill's Pet Products
Jim Glassford, science diets prod mgr-Hill's Pet Products
James C. Humphrey, vp-Pet Chemicals
James L. Means, dir-mktg, Pet Chemicals
Robert L. Davison, Professional Products prod mgr, Pet Chemicals

Advertising Agencies

Bloom Agency, Dallas—Riviana rice, Pet Chemicals—John Cox, vp-president, acct super.

Harmon Smith Advertising, Kansas City—Hill's Pet Products—Marc Ford, acct exec.

Adolph Coors Co.

RANK 55

Golden, Colo.

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,263	1,110	13.7
Net income	45	89	-49.9
Advertising	139	119	17.0
Division sales			
Beer	938	947	-1.0
Other	195	163	19.5

Adolph Coors Co., Golden, Colo., the nation's 55th largest advertiser, spent an estimated $138.7 million on advertising in 1984, a 17% annual increase that was used largely in support of Coors' entry into nine states during 1984.

That expansion continues into 1985. In the first half of the new fiscal year, Coors entered an additional seven states, and in late August, 1985, Coors announced it would build a $70 million packaging plant near Shenandoah, Va., and considered building a $500 million brewery there as well.

Measured spending by the company in 1984 was $58.5 million, up 8.6% from 1983. Martin Romm, a beverage industry analyst for First Boston Corp. in New York, estimates Coors spent an additional $75 million in unmeasured advertising, which includes point of sale, signage and sports event promotion.

Coors' total ad expenditure does not include an additional $120 million attributed to marketing and general administrative costs. Part of that money was used to fund extensive pr efforts during 1984 aimed at improving relations with blacks and Hispanics.

With its first purchase of network prime time tv in late 1984, Coors entered the ranks of advertisers with mass exposure nationwide. By mid-1985, Coors and Coors Light were sold in all but six states. Its presence in 44 states and the District of Columbia justified Coors' decision to make its first major national print buy in July, an extension of its "Coors is the One" tv campaign.

Coors says it has been precluded from sponsorship of some sports events because the networks have exclusive contracts with the leading brewers. In July, 1985, Coors vice-chairman Joseph Coors wrote a letter to the Justice Department expressing sympathy with an effort by Stroh's to open such sponsorship to smaller breweries. The Justice Department issued a statement in late August backing the legality of the exclusive agreements in which advertisers (namely Anheuser-Busch and Miller) pay premium rates to be the only advertiser in a product class for a particular program.

Despite aggressive expansion, worldwide sales for the fifth largest brewer rose only 2% during 1984, and that increase was posted by Coors' nonbeer operations. Beer shipments dropped 4.4% to 13.1 million bbls. in 1984. Net beer business sales dropped 1% to $938 million in 1984. Coors blames the decline on intense competition and a drop in total U.S. beer consumption. Coors' total market share also slipped, from 7.6% in 1983 to 7.4% in 1984.

While sales were dropping, market expansion forced expenses higher, resulting in a drop in net income of 49.9% to $44.7 million in 1984. Coors reached deep into its pockets to pay for advertising to an ever-wider audience.

Coors has one of the highest advertising per barrel spending ratios of major brewers. The company spends $94.50 per bbl. in measured and unmeasured advertising. Last year, using Coors' figures, total spending on advertising and marketing was 11% of gross sales, up from 9.9% the previous year. That expense appears to be reaping rewards.

"For years, Coors has been spending more on advertising per unit than other brewers," says Alan Katz, beer industry analyst for Merrill Lynch, New York. "That strategy finally looks like it's succeeding."

According to Mr. Katz, 1985 shows promise of being Coors' first peak year since 1980. Coors' second-quarter earnings report shows a 25% increase in shipments over the second quarter of 1984. For the 12-week second quarter ended June 16, net income increased to $27.1 million, up 60.8% from the corresponding period a year earlier.

The company is projecting a 10% increase in total sales for 1985. If that projection holds, in 1985 the company will exceed the 14 million-bbl. mark for the first time.

According to Benj Steinman, executive editor of *Beer Marketer's Insights*, Coors' April rollout in New England has produced spectacular results, with Coors capturing 20% of the market in Massachusetts and New Hampshire. The Shenandoah packaging facility, to be on-line in the spring of 1987, will provide shipping efficiencies along with additional packaging capacity (2.5 million bbls per year) that Coors needs in building up the promising Northeast markets and in reaching the states yet to be penetrated—New York, New Jersey, Pennsylvania, Michigan, Indiana and Delaware—areas scheduled for entry by the end of the decade.

Coors has posted impressive results before in new areas—such as the Southeast—only to have market share decline to a mediocre level after the newness wore off. More important, according to Mr. Romm from First Boston, is that Coors' market share in established markets such as Texas and California has stopped declining, and the brewery's market share throughout the country appears to be stabilizing after slipping over the past five years.

He attributes that to more effective advertising, noting that the company has a higher profile than in the past.

Foote, Cone & Belding, Chicago, broke the "Coors is the One" campaign in February, 1985, featuring actor Mark Harmon quietly explaining the merits of Coors' brewing process. In April, Coors was the No. 1 beer for consumer recall, according to Ad-Watch, ADVERTISING AGE's consumer survey; in May it ranked No. 2 and in June, No. 3. Measured spending for Coors' flagship brand grew 23%, to $20.8 million in 1984.

Also contributing to optimism at the brewery was the continuing strength of Coors Light, which in the summer of 1985 ranked No. 2 in sales nationally in the low-calorie segment, although it was distributed in only 44 states. FCB, which also handles Coors Light, created the "Silver Bullet" theme in 1984. Measured spending on Coors Light went up 11% to $11.2 million in 1984.

Coors withdrew Golden Lager in the fall of 1984 after what Rob Klugman, vp-marketing for Coors, terms "disappointing results" in test marketing that began in April, 1983. It had been positioned directly against Anheuser-Busch's Budweiser.

Still seeking success with a heavier-tasting beer, in April, 1985, the company released Coors Extra Gold in 17 test markets. Mr. Klugman says Coors learned something from the Golden Lager experience, and it's taking a different approach with Extra Gold. The advertising, by Tatham-Laird & Kudner, Chicago, delivers a macho message and prominently displays the Coors name. TLK also handled Golden Lager.

In July, Coors began test marketing Colorado Chiller, a nonwine product, to tap the growing market for wine coolers. TLK is handling the test, being conducted in San Diego, Cal.; Orlando, Fla.; Dayton, O.; Lubbock, Tex.; Charlotte, N.C., and Spokane, Wash.

Last fall, J. Walter Thompson USA resigned the assignment for Herman Joseph's 1868, a superpremium, so the agency could pursue the Miller High Life account, which it won. Coors reassigned the business to FCB, which replaced JWT's "Best of Time" theme with "Labor of Love." Herman Joseph's continues to be available only in limited markets. Ad support for the brand rose 46% to $1.2 million in 1984.

FCB also handled advertising for George Killian's Irish Red Ale under the theme "Killian's Red, Instead." Killian's limited market territory was extended into New England in July, 1985. Killian's remains the poor sister among Coors brands in terms of measured advertising, which dropped by 40% to $376,000 in 1984.

Last fall, Coors' corporate advertising moved from Broyles, Allebaugh & Davis, Denver, to Evans/Bartholomew, also Denver. E/B also is handling the market test for Cocono candy bar, a product of Coors Food Products Co., made of a chocolate substitute derived from the company's beer-production by-products.

In May, the company was reorganized into two divisions—brewing and corporate. The reorganization was viewed as an opportunity to give more power to the next generation of the Coors family. William Coors, 68, became chairman-ceo while Joseph Coors, 67, became vice-chairman and chief operating officer. Peter Coors, 38, took over as president of the new brewery division.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	706	1,028
Magazines	380	29
Network cable	751	833
Spot tv	25,957	20,024
Network tv	11,218	9,746
Spot radio	18,927	21,578
Outdoor	522	616
Total measured	58,460	53,854
Total unmeasured	80,240	64,693
Estimated total	138,700	118,547

ADOLPH COORS CO.
Golden, Colo. 80401
(303) 279-6565

Marketing Personnel

Bob Rechholtz, exec vp-sales & mktg
Robert Klugman, vp-mktg
Gary Truitt, vp-mktg devel
Frank L. Spinosa, vp-sales
Gary T. Naifeh, Coors brand dir
Robert Fox, Coors Light brand dir
June Smith, Coors brand mgr
Gary Skovsted, Coors Light brand mgr
Jon Runge, George Killian's brand mgr
Karen Jess-Lindsley, Herman Joseph's brand mgr
Robert McBride, Coors Extra Gold brand mgr
Craig Guthrie, Colorado Chiller brand mgr
Terry Nausler, dir-mkt expansion
Charles B. Ish, dir-sales & mktg operations
Thomas A. Siefkes, dir-mktg services
Mark Reiss, dir-corp media

Advertising Agencies

Evans/Bartholomew, Denver—corp, Cocono food prod—Charles Bartholomew, president-Coors corp; Susan Matthews, acct super-Coors food prod.

Foote, Cone & Belding, Chicago—Coors, Coors Light, George Killian's, Herman Joseph's and expansion—Bill Melzer, senior vp-group mgmt super; Dale Smith, vp-mgmt super, Coors; Jim Gregga, vp-mgmt super, Coors Light; Lisa Baum, vp-mgmt super, expansion; Kent Vlautin, vp-assoc media dir; Mike Rogers, senior vp-exec creative dir.

GSD&M, Austin, Tex.—Hispanic markets—Steve Gurasich, president; Kim Gaynor; exec vp; Chuck Grady, senior vp; Raoul Rodriguez, dir-Hispanic services; Gary Brahl, creative dir; Hank Olguin, public affairs dir.

Tatham-Laird & Kudner, Chicago—Coors Extra Gold, Colorado Chiller wine cooler, new prod—John Wells, senior partner-group acct dir; Bill Ross, chairman-managing partner; Kirk Vorland, senior partner; Jim Hill, mgmt super; Roberta Borst, acct super.

Top 25 outdoor advertisers

Rank	Advertiser	Outdoor ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	R.J. Reynolds Industries	$86,955	$88,920	(2.2)	12.8
2	Philip Morris Inc.	54,951	55,211	(0.5)	9.6
3	Loews Corp.	28,647	37,104	(22.8)	20.8
4	Jos. E. Seagram & Sons Co.	16,772	15,767	6.4	14.5
5	Batus Inc.	12,089	22,429	(46.1)	10.7
6	American Brands	11,894	12,950	(8.2)	8.9
7	Hiram Walker Inc.	7,760	7,559	2.6	N/A
8	National Distillers & Chemical Corp.	5,670	5,204	8.7	N/A
9	Anheuser-Busch Cos.	5,514	4,053	36.0	1.5
10	Grand Metropolitan p.l.c.	5,240	4,933	6.2	6.9
11	McDonald's Corp.	5,129	4,295	19.4	1.1
12	Brown-Forman Co.	5,055	6,182	(18.2)	N/A
13	Rapid-American Corp.	3,714	4,071	8.8	N/A
14	Whirlpool Corp.	3,648	8	N/A	N/A
15	Coca-Cola Co.	3,620	3,284	10.2	1.1
16	Stroh Brewery Co.	3,206	1,313	144.1	3.8
17	General Motors Corp.	3,176	4,183	(24.1)	0.4
18	Holiday Inns	3,002	2,899	3.6	N/A
19	Distillers Co. Ltd.	2,761	N/A	N/A	N/A
20	Bacardi Corp.	2,738	2,217	23.5	N/A
21	Moet-Hennessy	2,372	1,974	20.1	N/A
22	Pan American World Airways	2,274	1,505	51.1	N/A
23	Ford Motor Co.	2,174	1,806	20.4	0.4
24	PepsiCo Inc.	2,093	1,924	8.8	0.5
25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America as supplied to Leading National Advertisers Inc.

Cosmair Inc.

RANK 69

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	665	600	10.8
Net income	N/A	N/A	N/A
Advertising	120	70	70.8

Cosmair Inc., New York, laid out the cash to do market battle with the nation's beauty marketers in 1984, paying $146 million for Warner Cosmetics and increasing its own advertising expenditures to an estimated $119.5 million. The ad expenditures, which increased 70.7% from 1983, made Cosmair the 69th largest national advertiser.

Privately held Cosmair is the U.S. licensee for L'Oreal and Lancome, and traces its origins to 1953 when it opened as a wholesale distributor of L'Oreal hair-care products to American beauty salons.

Cosmair, with sales estimated by the industry of $665 million in 1984, had an annual growth rate in 1984 of 40%, far exceeding Revlon's 1% gain with sales of $798 million in North America, and Estee Lauder's estimated 12% increase on sales of $660 million. Heavy spending on research, advertising and promotion has kept Cosmair from reaping huge profits.

On the basis of those sales results, Cosmair is the third largest beauty company in the $7 billion U.S. market, trailing No. 1 Avon Products ($850 million in sales in 1984), No. 2 Revlon, and nudging No. 4 Estee Lauder, which it passed in total sales for the first time in 1984.

Warner Cosmetics, purchased in January, 1984, may have contributed as much as $160 million to Cosmair sales from its lead products, Lauren perfume, Ralph Lauren cosmetics and Vanderbilt perfume.

Cosmair is challenging Revlon both in market dominance and in advertising outlays. Cosmair's total measured advertising in nine media of $78.7 million in 1984 represented an increase of 80%. Revlon spent $85.4 million in measured advertising, up 3.9%. Estee Lauder trailed at $38 million in measured media. Considerable more monies, however, are spent by all players in the market in promotions, couponing, special events and the like.

Cosmair spent more on tv than Revlon, $42.4 million vs. $41.1 million in 1984, and in magazines, $23.1 million vs. $21.2 million, but trailed in spot tv spending $12.3 million to $18.7 million.

Cosmair's largest ad outlay went in support of L'Oreal Mousse Styling Foam—some $13.7 million in tv, mostly network—according to Leading National Advertisers Inc.

In this new category worth $150 million, Cosmair's Free Hold mousse still outdistances the competition. However, its onetime 40% share of market, claimed prior to the new launch activity by competitors in this market, has dwindled to an estimated 23% of market. Second is Alberto-Culver Mousse Styling Foam, No. 3 is Suave by Helene Curtis, No. 4, Finesse also by Curtis, and No. 5, Flex by Revlon.

L'Oreal, which accounts for an estimated $90 million of Cosmair's total sales, attracted $11 million in measured spending backing eye makeup, $9.8 million of which is network tv and $1.2 million of which is magazines.

L'Oreal, which began the repackaging and reformulation of its lip and nail line three and a half years ago, has built its products into a complete cosmetics line similar to offerings of makeup rivals Revlon, Noxell and Maybelline, especially with the introduction this May of Visuelle facial makeup with a $5.4 million network tv flight and print ads. McCann-Erickson created the network and print for Visuelle, L'Oreal's first foundation, pressed powder and powder blush.

Over-all, L'Oreal spending was up 45.2%, to $44 million. Lancome division spending was up 33.7%, to $10 million in 1984.

The Lancome division, defined as the "cash cow" at Cosmair, spent $10.1 million in measured advertising in 1984, up 34%. New products included Clarifiance, an oil-free moisturizer, Forte Vital night cream, Maquivelours, a liquid foundation, and Stylocerns pencil-tubed lipstick. In 1985 new products included: Conquette du Soleil, a sun skincare; La Crayette Caprice, a powder pencil that releases three colors at once; Boite a Poudre, a powder box and brush in one container, and two waterproof makeup products—Le Crayon eyeliner, and Les Aquatiques cream eyeshadow.

La Crayette and Boite a Poudre were innovative in this highly animated industry that keeps priming the new product pump. For 1986, Lancome will launch in January, Transhydrix, a 24-hour moisturizing cream, and in May, a seven-line men's skincare product family.

Notable advertising shifts occurred behind established fragrances Anais Anais, in which spending was down 15.9% to $3.7 million, and Fidji, where spending dropped from $758,600 to only $91,100.

Among the Warner Cosmetics contributions, Lauren perfume drew $2.8 million, up from $277,600 in 1983; Polo, $2.2 million, up from $1.3 million; Chaps, $3.5 million, down from $4.1 million.

The Vanderbilt line garnered $8.8 million compared with $7.2 million in 1983. Vanderbilt sales of an estimated $65 million-plus trail only Revlon's Charlie in sales among mass market perfumes. Market shares reported in early 1984 were 7% Charlie, and 4% Vanderbilt.

The market for Cosmair and others, however, is tightening. Unit sales for cosmetics rose only 2% in 1984, and will remain stagnant in the next few years, say analysts.

Sales grew steadily during the 1960s and 1970s, reflecting the surge of women into the work force. But that has since leveled off.

Cosmair is fighting for a bigger share of sales from mass market outlets, where 60% of all beauty aids are now sold. The Lauren fragrances and the Vanderbilt line are new entries in that market.

Revlon currently outsells Cosmair 3 to 1 in drug stores. However, the margin used to be about 5 to 1. Cosmair's growth has been faster than that of Revlon in this mass market sector in which Cosmair is positioning L'Oreal at higher, department store prices and getting away with it. Rationale behind the strategy is one-stop shopping—convenience—with a lot of prestige thrown in.

In department stores, where 40% of all cosmetics and fragrances are sold, Cosmair's 20% share is a distant second to that of Estee Lauder's 37%.

L'Oreal is trying to cut into the lead of Bristol-Myers' Clairol in the $400 million (manufacturer's dollars) hair coloring category where it holds a 23.3% dollar share against a 60% dollar share held by Clairol. Moving against a category decline of 2% in hair coloring sales, L'Oreal had a 1% gain in hair coloring share in 1984.

L'Oreal this year introduced its new semi-permanent Avantage hair color lotion with an ad budget of $6 million. It is going head-to-head against Clairol's Loving Care, which holds about 11% of the market.

Loving Care got $8.2 million in measured spending in 1984, up 8% from the previous year.

Avantage is being handled by Geers Gross. So is the introduction of the Biotherm treatment line, the launch of Warner Division's Norma Kamali fragrance in the spring of 1987 and the newly introduced Monogram, a men's fragrance by Ralph Lauren. Monogram, priced 25% higher than Lauren's Polo men's fragrance, could achieve sales of as much as 40% of the Polo line in its first year. Polo has estimated sales of about $30 million, report industry analysts. Chaps is the third Lauren fragrance.

Fragrances at Cosmair represented 33% of sales in 1984; haircare products, 34%; makeup, 25%, and skincare, 8%.

Distribution of media expenditures on a percentage basis remained relatively constant between 1983 and 1984.

Nestle SA owns 62% of Cosmair, with the remaining 38% divided largely between L'Oreal interests—L'Oreal itself; Francois Dalle, head of strategic planning and former chairman at L'Oreal; Liliane Bettencourt, who is the daughter of L'Oreal founder, Eugene Schueller, and Jacques Correze, Cosmair chairman.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	803	665
Magazines.........	23,149	15,265
Network cable......	56	0
Spot tv............	12,274	4,707
Network tv.........	42,381	23,085
Spot radio.........	25	0
Total measured..	78,688	43,722
Total unmeasured	40,812	26,233
Estimated total..	119,500	69,955

COSMAIR INC.
575 Fifth Ave.
New York, N.Y. 10017
(212) 818-1500

Marketing Personnel

Corporate Management

Jacques Correze, chmn
Jean Levy, president-ceo
Michel Somnolet, exec vp, coo

DRUG & MASS
Market Division

James Nixon, president

L'OREAL HAIR CARE DIVISION

Arnold Zimmerman, senior vp-genl mgr
Tip Cornell, vp-sales
Ron Leong, vp-mktg

L'OREAL COSMETIC DIVISION

John Wendt, senior vp-gm
Joe Lamia, vp-sales
Beatrice Dautresme, vp-mktg

WARNER GROUP TWO
Fragrance Division

Roy Benjamn, senior vp-genl mgr
Mike Eiger, vp-mktg

DEPARTMENT & SPECIALTY
Store Division

Joseph Augeri, president

LACOME DIVISION

Simon Critchell, senior vp-genl mgr
Richard Roderick, vp-sales
Tony Michaels, vp-mktg & adv

EUROPEAN FRAGRANCE DIVISION

Richard Recker, senior vp-genl mgr
Barney Feldman, vp-sales
Barbara Gyde, vp-mktg

WARNER GROUP I
FRAGRANCE DIVISION

Robert Ruttenberg, exec vp, genl mgr
Stan Garland, vp-sales, fragrance
Joe Schriver, vp-sales, beauty
Jane Terker, vp-mktg

BIOTHERM

Joseph Augeri, genl mgr
Tom Day, vp-sales
Pam Fields, vp-mktg

L'OREAL PROFESSIONAL DIVISION

Ron Pears, senior vp-genl mgr

Advertising Agencies

Geers Gross, New York—Chris Hansen, senior exec vp; Phyllis Califano, vp-mgmt super, Biotherm, Avantage; Diane Dunst, acct exec, Avantage; Robin Fry, vp-mgmt super, Warner; Dallas Haden, senior acct exec, department stores; Ann Throne-Holst, asst acct exec, department stores; Lauren Woodman, acct super, mass brands; Dory Swenson, acct exec, mass brands.

McCann-Erickson, New York—Steve Bretschneider, senior vp-mgmt rep; Jean-Marc Scwarz, vp-acct dir; Betsy Fifield, acct dir. New Performing Preference—Toni Sennott, acct super; Catherine Bacquelin, acct exec; Nancy Eristoff, asst acct exec. Freehold Styling Mousse, Premiere Perm, Drakkar Noir—David Edwards, acct super; Regine Famigliette, asst acct exec. Color cosmetics—Jeanne Davidson, acct super; Lisa Roberts, senior acct exec; Olivia Wakeman, asst acct exec; Susan Lindyberg, prod coord; Cathie Vaccaro, acct coord.

Intermarco, New York—Lancome—Arlene Hoffman, president.

Top 25 farm publication advertisers

Rank	Advertiser	Ad expenditures($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	Monsanto Co.	$8,996	$8,288	8.6	N/A
2	Ciba-Geigy Ltd.	6,629	5,587	18.7	N/A
3	Elanco Products	6,304	4,859	29.7	N/A
4	Deere & Co.	5,765	4,254	35.5	N/A
5	Stauffer Chemical Co.	4,241	4,317	(1.8)	N/A
6	American Cyanamid	4,173	3,449	21.0	1.5
7	E.I. du Pont de Nemours	4,053	4,119	(1.6)	4.5
8	Bayer AG	3,996	3,070	30.2	3.8
9	International Harvester Co.	3,598	3,906	(7.9)	N/A
10	Ford Motor Co.	3,115	3,431	(9.2)	0.6
11	Shell Chemical Co.	2,538	2,036	24.7	N/A
12	Dow Chemical Co.	2,257	2,437	(7.4)	N/A
13	Sperry Rand Corp.	2,242	2,085	7.5	N/A
14	Union Carbide Corp.	2,210	1,723	28.3	2.4
15	ICI Americas	2,198	994	121.1	N/A
16	Pioneer Hi-bred International	2,036	2,132	(4.5)	N/A
17	Upjohn	2,021	2,283	(11.5)	N/A
18	Rohm & Haas Co.	1,955	1,337	46.2	N/A
19	Pfizer Inc.	1,917	1,552	23.5	0.03
20	FMC Corp.	1,792	1,401	27.9	N/A
21	J.I. Case	1,736	2,105	(17.9)	N/A
22	Merck & Co.	1,678	1,139	47.3	N/A
23	BASF Wyandotte Corp.	1,601	2,008	(20.3)	N/A
24	Allis Chalmers	1,576	1,593	(1.1)	N/A
25	Dekalb	1,559	1,744	(10.6)	N/A

Source: Agricultural Marketing Information Service (AGRICOM)

RANK 98

Cotter & Co.
Chicago

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,653	1,459	13.3
Net income	56	62	-6.5
Advertising	64	52	22.0

Cotter & Co., continuing in the steps of a historic Chicago hardware tradition, has become the biggest U.S. hardware company. It is now an organization of more than 7,500 True Value hardware and variety stores, which in 1984 was the 98th largest national advertiser with advertising of $63.9 million, up 22% from 1983.

In 1984, Cotter revenues totaled $1.65 billion, up 13.3% from 1983. Net earnings fell to $58.2 million in 1984, a decline of 6.5%. Cotter, which is owned by its dealer members and functions as a cooperative, says the decline is a change in the payout of the company income in the form of "patronage dividends" to its members.

These dividends are based individually on the value and volume of goods and services each dealer-member orders from headquarters, and Cotter attributes the apparent 1985 earnings decline to a change from charging the dividends against operating costs in arriving at net earnings to computing the net and then paying out the dividends.

For the latest quarter reported by Cotter, ended March 31, 1985, revenue was $404.9 million, down just 1.5% from $411 million in 1984's corresponding quarter. Net earnings fell 5.5%, to $11.2 million in the 1983 first quarter. Again, says Cotter, the reason was the new method of computing the patronage dividend.

As a private company, Cotter does not delineate its performance record by publishing a promotional annual report, but the record is known. The 10K that Cotter files with the SEC describes its organization as "the largest wholesaler of hardware and related products in the United States."

The 1984 annual letter to its stockholders states, "1984 was a reasonably satisfactory year for your own wholesaler in terms of shipment/billings, with an over-all increase of 13.3%."

Cotter advertising probably has succeeded in familiarizing almost every American with its name, but not *that* name. For 1984, its measured spending of $43.9 million was up 22% from the previous year as the company again leaned heavily on spot tv where it placed 33% of its ad expenditures, followed by 27% on network tv, 23% on network radio and 12% on magazines.

True Value is the moniker that Cotter promotes most widely, using three major forms of advertising: The "Pat Summerall sent me" series on tv and radio, the gravure fliers and the ads in magazines aimed at the homeowner.

The radio and tv commercials are conceived and written by Cotter's in-house agency, Home Products Marketing. For the magazine ads and Yellow Pages promotion, Cotter uses the creative and media services of its outside agency, Christenson, Barclay & Shaw, Chicago. For the electronic media, Cotter is using not only the ubiquitous Summerall but other personalities such as Harry Caray, long known for his "Holy Cow!" as he broadcasts Major League Baseball, and Lee Phillip, a Chicago tv personality.

The big hardware wholesaler produces more than 15 million fliers 12 times a year. Each dealer takes a quantity of fliers in a co-op program with Cotter and distributes them to mailing lists within a five or ten mile radius of the stores.

According to Edward Lanctot, Cotter secretary, treasurer and advertising/merchandising manager, "About 60% of our members are now using this direct mail, mostly in quantities of 10,000 each or less."

In other major marketing efforts, Cotter conducts new-product markets each spring and fall at its Chicago headquarters, giving dealers a chance to see what's new and what will be coming. In response, says Cotter, the dealers "generally place substantial orders."

During 1984, Cotter made marked increases in certain advertising expenditures by media and by product line. Spending for network tv rose 182%, to $11.8 million. Spot radio was up 36%, to $986,000. Outdoor went up 285%, to $35,400. Network cable tv climbed 13%, to $686,000. Other increases were 6% for network radio to $10.2 million, and 4% for spot tv to $14.5 million. Only magazine spending was off for Cotter in 1984, dropping 20% to $5.5 million.

The big increases by product category in 1984 were spent to promote the True Value store concept, while the long, heavily promoted paint line was off sharply. At $40.9 million, total spending to advertise True Value stores in 1984 was about 97% of Cotter's total 1984 six-media spending of $42.4 million. It also represented an increase of 24.3% over measured advertising for True Value stores in 1983, according to Leading National Advertisers, which monitors advertising in six media.

Declines in spending for the True Test paint and finish lines—most of it in magazines—included True Test home paint, down 53% to $341,300 in 1984 from the previous year; True Test home stains, down 65% to $98,600; and X-O rust primer, True Value's Rust-Oleum fighter, down 67% to $45,500. Bucking this trend, spending for the True Test varnish line was up 10%, to $45,500 in 1984.

Across the board, Cotter spent 34% less promoting its household finish lines in 1984 than in 1983, dropping to about $829,000. It spent 25% more in general promotion of the True Value name, jumping to $41.3 million in 1984.

Unlike the household finishes promotion that ran almost entirely in magazines, with only a small fraction in outdoor, the 1984 general True Value promotion spread across print, tv, radio and outdoor media. Magazine spending was the only decline, falling 17.5% to $4.2 million in 1984. Network tv expenditures nearly tripled, climbing to $11.8 million in 1984 from $4.2 million a year earlier. Outdoor also nearly quadrupled, going to $32,800 in 1984 from $8,700 in 1983.

Other gains were more modest, including 5% for spot tv, going to $14.64 million in 1984, and 4% for network radio, rising to $10.2 million in 1984.

Spending for the V&S variety stores fell notably in 1984, to $55,700 from $312,200 in 1983. At the same time, though, Cotter apparently is not dissatisfied with the V&S picture. It says the variety division made "reasonable increases" in 1984, with shipments up 11% over 1983. The variety stores, which are in the dime store mode, typically are family-owned enterprises.

Cotter is expanding the variety product line it offers to the 900 V&S outlets in addition to the approximately 825 combination True Value Hardware and V&S stores. Pure True Value Hardware stores are by far the biggest part of the business.

By product category, Cotter's business breaks down for 1984 into 40% hardware, 30.8% home and maintenance supplies, 19.3% variety goods and 9.9% appliances.

Cotter's main competitors are Ace Hardware Corp., Oak Brook, Ill., with more than 6,000 dealers and exceeding $800 million in sales annually, and Hardware Wholesalers Inc., Fort Wayne, Ind., with more than 4,000 dealers and sales topping $560 million a year. Like Cotter, both are merchandise-buying wholesale co-ops with voluntarily associated dealers, but the nature of the association varies among the three.

Another difference is that Cotter not only buys merchandise for resale to its members but also manufactures it. The general paint and chemical division produces paints and other finishes at a manufacturing plant in Cary, Ill. The general power equipment division produces lawn and garden equipment, electric heaters and snow-clearing products at a plant in Harvard, Ill. Cotter also produces paint at facilities in Chicago and near Allentown, Pa.

It gets the goods to its members' stores from 14 regional warehouses. The newest distribution center, in Woodland, Cal., near Sacramento, will serve Cotter's fast-growing West Coast trade.

As in other fields, foreign competition is a factor in the hardware business. Taiwan is the biggest overseas hardware source; in addition Japan contributes 36% and Korea, 26%.

Cotter advertising and merchandise manager, Edward Lanctot, says "imported tools are getting a good reception. And business is heaviest in tools.

"But we don't go overboard on imports," he notes, indicating that the imports are generally of lower quality, an image TrueValue does not want to court.

Wherever the hardware is coming from, U.S. consumers are not hesitating in taking it home. Chilton's *Hardware Age* reports that although mid-1985 retail sales generally were declining by 0.8% from the same 1983 period, hardware sales were averaging 17% higher at two-thirds of the dealers reporting.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	5,478	6,879
Network cable	686	607
Spot tv	14,640	13,946
Network tv	11,843	4,202
Spot radio	996	724
Network radio	10,201	9,648
Outdoor	35	9
Total measured	43,870	36,015
Total unmeasured	20,030	16,362
Estimated total	63,900	52,377

COTTER & CO.
2740-52 N. Clybourn Ave.
Chicago, Ill. 60614
(312) 975-2700
Corporate Office
John M. Cotter, chmn
Daniel A. Cotter, president
Marketing Personnel
Edward E. Lanctot, secretary, treasurer, adv merch mgr
Gary Coppinger, retail adv mgr
Advertising Agencies

Christenson, Barclay & Shaw, Chicago—print, Yellow Page adv—Jerry Christenson, president; Linda Strom, client relations.

Home Products Marketing (in-house), Chicago—direct mail, tv, radio.

RANK 66

CPC International

Englewood Cliffs, N.J.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	4,373	4,010	9.0
Net income	193	136	42.0
U.S.			
Sales	1,815	1,526	19.0
Operating profits	180	160	12.4
Advertising	124	118	4.7
Division sales			
Grocery products	2,555	2,344	9.0
Corn wet milling	1,660	1,531	8.5
Other	158	136	15.8

CPC International demonstrated strong sales worldwide in 1984 but mixed geographic results during 1984 as it boosted advertising to an estimated $123.5 million in 1984, up 4.7% over a revised $118 million in 1983, making CPC the 66th largest advertiser

The Englewood Cliffs, N.J.-based company, which markets such products as Hellmann's mayonnaise, Mazola corn oil, Knorr soups, Skippy peanut butter, Thomas English muffins and Karo syrup, spent $190 million on advertising and promotion worldwide in 1984, up from $181.5 million in 1983, according to the company.

During 1984, CPC had record sales of $4.37 billion, up 9% from 1983. Net income rose 42% to $193.4 million over $136.2 million in 1983, the latter of which included a write-off of $55.4 million.

The company's operating income rose 4% from the previous year to $401.9 million. Two-thirds of the increase in operating income was because of a 12% improvement in the company's corn wet-milling segment, a segment accounting for 38% of total sales and 22.5% of operating income. However, this segment is finding 1985 less hospitable. In the first quarter of the new year, CPC suffered a decline in earnings of 5.1% to $33.2 million and a 1% slippage in sales to $1 billion primarily traced to the strength of the dollar against foreign currencies and competition in the corn wet-milling industry.

CPC's main business line, grocery products, which includes Best Foods, S.B. Thomas Inc. and Knorr-Special Products, in 1984 accounted for sales of $2.56 million, up 9%, and operating income of $315.5 million, up only 0.2%. Sales of the segment accounted for 58% of the company's worldwide total while operating income represented 78.5% of the company total.

Operating income in the grocery products segment reached the same level in Europe, Africa and the Middle East, where it faced considerable local currency erosion against the dollar. There was a 33% decline in Latin America where consumer buying power dropped because of poor local economies, but a 9% increase in North America and a 37% increase in Asia.

In the U.S. where the Best Foods division is the major arm of the grocery products segment, Best Foods reported sales increased 20% in 1984, with about half the gain stemming from the December, 1983, acquisition of C.F. Mueller Co. for about $122 million.

This division attracted most of the advertising spending at CPC as in the past. Measured spending in nine media tracked for this report, however, dropped 1% to $44.8 million in 1984 from 1983.

Mueller's pasta products received a substantial increase in measured advertising support from CPC, with $1.5 million spent in media, all spot tv, up from $127,700 in the previous year, according to Leading National Advertisers, which monitors six media. CPC is No. 2 in the U.S. pasta market with a 15.5% share, trailing Hershey Foods Corp.'s (American Beauty) 17.2% share. Borden is third at 11.9%.

Hellmann's mayonnaise recorded media spending of $9.3 million, up 5.7%. Best Foods mayonnaise received $1.5 million, up 15%. Both Hellmann's and Best Foods mayonnaise were promoted in 1984 as having high quality, good taste and creative uses. According to George Novello, food industry analyst with E.F. Hutton Inc. in New York City, Hellmann's and Best Foods hold together a 50% dollar share of the mayonnaise market, with the closest competitor being Kraft mayonnaise, which has a dollar share in the low teens.

Both Best Foods and Hellmann's were marketed individually as well as in combination with other products—Lipton soup, Progresso bread crumbs, Hershey's cocoa—to show versatility.

Skippy peanut butter advertising—$9.5 million in 1984 vs. $8.6 million in 1983—was apportioned two-thirds network tv and a third spot tv. Skippy is the market leader holding a share of more than 20%, followed by Procter & Gamble's Jif and Beatrice's Peter Pan, respectively.

Skippy advertising continued to tie into strong consumer interest in good health and physical fitness.

A new 5-lb. container for use in the food service business was introduced by CPC Foodservice in September, 1984.

Thomas English muffins were expanded to Atlanta in January, 1985, following the expansion into 14 new markets in early 1984 making the muffin available in 73% of the nation. The muffins were backed by $6.2 million in measured advertising, all in spot tv, an increase of 11% from 1983.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

Thomas Toast-r-Cakes were expanded to Atlanta and Pittsburgh and were supported by a 42% increase in advertising in 1984 to $481,200, all in spot tv, according to LNA.

S.B. Thomas also tested a three-item croissant line that feature butter, chocolate and almond-flavored croissants. Supported by $185,900 in spot tv, the croissants were linked to Thomas English muffins with the tag line, "As French as our muffin is English." The croissants, however, were subsequently withdrawn from the market and there are no immediate plans for the line, the company says. Thomas' cinnamon raisin and sourdough muffins also were introduced in the fall of 1984.

CPC's line of Knorr dehydrated soups, sauces, bouillons, seasonings and mixes reported higher volume sales in 1984, but the brand suffered a decline of 3% in worldwide dollar sales primarily because of fluctuating currency values in Europe, where 60% of Knorr product revenues are derived.

Knorr introduced several new products in 1984, including Knorr Homestyle soup, a hearty dry soup; Knorr salad dressings, imported oil and vinegar dressings, and line extensions to Knorr soups and sauces. Minimal advertising support is given Knorr products. Knorr soup mix received $421,800 in new ad support and Knorr-Swiss Mixes garnered ad support of $325,800, up from $93,400 in 1983.

The major drop in spending at CPC was in Mazola oil, a year-to-year decline of 31% to $6.4 million. Mazola margarine, which received some $2.4 million in measured media spending in 1983, was pared back to $83,900 in 1984.

Other grocery products included Argo packaged corn starch, Karo and Golden Griddle syrups, Niagara spray starch and Alsa desserts. The Karo syrup line received $1.9 million, all spent in magazines, a 20% decrease from the year before, according to LNA. As in the past year, Karo syrup was advertised in conjunction with other food products such as Hormel hams. Argo received $654,500 in measured media, down 12% from 1983, while Niagara received about $50,000 both years.

In early 1985, Best Foods introduced Best Foods Instant Thickener for gravies and sauces. Positioned to "end lumpy gravy," advertising asked, "Doesn't your famly take encugh lumps in life without taking them in your gravy?"

CPC also restructured its Best Foods division in October, 1984. Best Foods U.S. and the Consumer Development Cos. were merged to form Best Foods North America. Business unit directors were given responsibility for a group of Best Foods' traditional brand products.

CPC's corn wet-milling operations, which include 40 plants in 21 countries, showed an increase in worldwide sales of 8% in 1984 to $1.66 billion. Worldwide operating income also was up 12%, to $90.4 million. About one-fourth of CPC's grocery products volume is derived from ingredients supplied by corn wet milling operations.

The company invested more than $180 million in 1984 to expand capacity, lower costs and boost productivity in its wet-milling operations. The project includes rebuilding CPC's Argo, Ill., plant and other projects in plants in the Netherlands, North Carolina, California and Brazil.

In April, 1984, a CPC corn wet milling division entered into an agreement with John Labatt Ltd. of Canada to merge the two companies' corn wet milling operations into a partnership called the Casco Co., which produces a full line of corn wet milling products. CPC holds a 70% interest in the partnership.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,736	0
Magazines	8,647	7,907
Network cable	0	12
Spot tv	16,264	15,545
Network tv	16,944	21,669
Spot radio	1,211	126
Outdoor	0	1
Total measured	44,802	45,259
Total unmeasured	78,698	72,741
Estimated total	123,500	118,000

CPC INTERNATIONAL
International Plaza
Englewood Cliffs, N.J. 07632
(201) 894-4000
BEST FOODS
Marketing Personnel
Richard W. Siebrasse, president
Robert J. Gillespie, exec vp
Jan van Amerongen, acct exec asst
Robert O. Herman, vp-sales
Donald C. Berman, Joan S. Dargery, William F. Masterson, business unit dirs
Jean Burtis, dir-consumer service
Dennis C. Beaumont, Aaron Strauss, dirs-mktg rsch
Advertising Agencies

Dancer Fitzgerald Sample, New York—Mazola corn oil, Skippy peanut butter, Mazola margarine, Golden Griddle syrup, Karo syrups, Argo corn starch, Mazola No Stick—George Dean, mgmt dir; John Kaiser, mgmt super; Oliver Payne, Bill Champion, Peter Mitchell, acct supers; Orson Munn, Andy Bonaparte, Mona Kornfield, acct execs.

Ogilvy & Mather, New York—Cliff Angers, senior vp-acct group dir; Jean Fitzgerald, vp-mgmt super. Hellmann's/Best Foods mayonnaise—Bruce Nathanson, acct super; Patricia Dillion, acct exec. Mueller's pasta prod & new prod—Natasha Kavanagh, acct super; Garrett Vreeland, acct exec.

S.B. THOMAS INC.
Totowa, N.J.
Marketing Personnel
Richard C. Miller, president-ceo
Nina Henderson, vp-mktg
Octavian S. Pechar, group prod dir
Michael J. Lebo, senior prod dir
Robert Anderson, vp-sales
Advertising Agency

Young & Rubicam, New York—Thomas English muffins, Toast-r-Cakes, Thomas Protogen Protein bread—John Foote, mgmt super; Anthony Pace, acct super.

CPC FOODSERVICE
Marketing Personnel
William R. Nelson, president
Robert J. Nemec, vp-mktg
Keith Chatting, mktg dir
Ronald Brown, natl sales mgr
Advertising Agency

Devine/Tri-Com, New York—Hellmann's/Best Foods mayonnaise, Thomas English muffins, Knorr prod, Skippy peanut butter—William Schulkin, Charles Sirey, acct execs.

KNORR-SPECIAL PRODUCTS
Marketing Personnel
Albert A. Witz, president
Bruce D. Hillenbrand, mktg mgr
Craig Lesser, Cecelia Inwentarz, mktg assts
Advertising Agencies

Font & Vaamonde Associates, New York—Knorr bouillons, P. Font, president; H.V. Flores, acct super.

Warwick Advertising, New York—Knorr soups, sauces, bouillons, Rit dye, H-O cereals, Fanning's pickles, Bosco milk amplifier, Rit, NuSoft, Linit laundry aids—D.K. Felt, exec vp; R.D. Lamley, vp; N. Harner, acct exec; C. Wiley, asst acct exec.

BEST FOODS CARIBBEAN
Plinio Gonzalez, president
Jaime Pericas, exec vp-genl mgr
J.F. Tonarely, vp-sales
Advertising Agency

Premier Maldonado, San Juan, P.R.

CORN PRODUCTS
Marketing Personnel
Fred C. Meendsen, president
S.C. Scott, vp-sales
Rosemarie A. Burns, mgr-adv & sales promo
Advertising Agency

Gianettino & Meredith, Mountainside, N.J.—Marc Grossberg, acct exec.

An expansive market

Big League food producers are savvy enough to sense a good thing in the possibility of supplying victuals to the most numerous of all the world's peoples, the Chinese, and they are doing so.

The Pillsbury Co. entered a joint venture in October, 1984, with the Great Wall Co., Taiwan, the Republic of China, to produce flour and specialty foods.

Beatrice Cos. in November, 1984, announced a joint venture, Guangmei Foods Ltd., in Guangzhou (formerly Canton) in the People's Republic of China. Beatrice owns 50% of the venture.

RANK 29

Dart & Kraft

Northbrook, Ill.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	9,759	9,714	0.5
Net income	456	435	4.8
U.S.			
Sales	7,129	6,905	3.2
Operating profits	646	612	5.5
Advertising	269	212	27.0
Division sales			
Food prods.	6,838	6,660	2.7
Direct selling	777	825	-5.9
Consumer prods.	1,245	1,181	5.4
Commercial prods.	899	1,048	-14.2

Dart & Kraft, the nation's 29th largest advertiser in 1984, increased ad spending 27% to an estimated $269.2 million during a year in which the Northbrook, Ill.-based company found stagnant: Net earnings were $455.8 million, up 4.8% from 1983, on sales of $9.76 billion, up 0.5% from the previous year.

D&K again was dominated by its food products division, which accounted for 70% of the company's sales and 63% of its operating profit. Sales for the Kraft division increased 3% to $6.8 billion for the year.

Dart & Kraft, which collected 23% of its sales and 34.7% of its operating income from international business in 1984, had worldwide advertising expenditures of $418.6 million, up 23% over 1983 expenditures of $339.6 million, according to the company.

The most disappointing results were turned in by the Direct Selling division, otherwise known as Tupperware International. Profits for Tupperware declined 27% to $138.8 million as sales, which accounted for 8% of total D&K sales, fell 6% to $776.9 million.

In an attempt to reverse the division's fortunes, the company has announced plans to restructure the Tupperware party format, adding one-hour, lunch-hour and rush-hour parties to bring working people back into the fold. Tupperware also launched its biggest advertising effort—a $10 million tv campaign, focusing on products such as the new Ultra 21 cookware line, rather than parties and salesperson positions. The company expects to begin seeing signs of a turnaround late this year or in early 1986, after absorbing the startup costs associated with Ultra 21.

Over-all, D&K continued its period of transition in 1984. It purchased four businesses during the year: Precor, a Redmond, Wash.-based marketer of exercise bicycles and rowing machines, and Health Examinetics, a San Diego-based health testing service, in April; Celestial Seasonings, a Boulder, Colo.-based maker of herb teas, and Lender's Bagel Bakery, West Haven, Conn. The company says these acquisitions reflect its intention to focus on food and consumer products in growth categories.

D&K attempted to purchase Chicago-based CFS Continental, the nation's second-largest foodservice company, but was outbid by A.E. Staley Co., now known as Staley Continental. D&K says it plans to make up for the lost opportunity by acquiring a number of smaller foodservice companies. Foodservice already accounts for 11% of total Kraft sales.

In turn, the company sold some businesses that did not fit into its plans, including fluid milk, packaging and plastic specialties units.

D&K carried those reorganizational practices into this year. In January, it purchased Borg-Erickson, a Chicago-based maker of bathroom scales. In March, it acquired Frusen Gladje, a Lindenhurst, N.Y.-based maker of superpremium ice cream. In February, it announced plans to sell to Whirlpool Corp. its KitchenAid division, for which it spent more than $6 million in measured media advertising in 1984.

The KitchenAid sale was contested by White Consolidated Industries and Magic Chef, which filed an antitrust suit to stop the transaction, claiming it would lessen competition. After a five-week trial in district court, an injunction was placed on the sale. That bar was then lifted in August, 1985, pending an appeal.

Following completion of all but the KitchenAid deal, the company declared that "the period of reassessment is winding down."

Part of that reassessment program included separating the retail food group into three divisions: Refrigerated, dry grocery and retail ventures. The latter will be reponsible for managing two new businesses—Celestial Seasonings and Lender's—and the development of new food lines, such as Cheese Classics frozen entrees, which are being tested in Phoenix.

D&K intends to increase distribution and marketing support for Celestial Seasonings, which held an estimated 40% share of the $90 million to $100 million herb tea category at the time of purchase. The company has said it also will introduce new products in herb tea and other categories under the Celestial Seasonings name.

For Lender's, whose baked goods have been marketed primarily on the East Coast, D&K plans to increase capacity about 50% in 1985 and greatly expand its distribution area. D&K sees the bagel maker as an ideal match for its market-leading Philadelphia Brand cream cheese products.

Kraft's dairy group, which accounts for 9% of Kraft sales, made a poor showing in 1984, despite a substantial increase in advertising. While Breyer's ice cream performed well in initial midwestern expansion markets, Sealtest ice cream volume was lower. In 1984, Kraft doubled measured ad spending for Sealtest to $7 million and increased Breyer's from $3.4 million to $8 million.

The most positive news from the dairy group was created by Light n' Lively lowfat yogurt six-packs, whose volume was up about 40%, the company reported. National rollout of the yogurt, which received $2.8 million in spot tv support in 1984, was scheduled to be completed in 1985.

Because D&K is placing more emphasis on consumer products, it says, it has given higher priority to marketing and advertising. In 1984, the company projected a 12% to 15% increase in ad spending for 1985.

Cheese represented almost 57% of the retail food group's sales, despite continued lower demand caused by the federal government's cheese giveaway program. Consumer demand lowered as more than 470 million lbs. were distributed through the government program, about 28% of the pre-giveaway commercial market, the company says.

The most heavily advertised products in 1984 were Kraft cheeses and Velveeta, both of which received about $21.5 million in measured media support, according to six media LNA figures. Velveeta process cheese food measured spending represented more than a 40% increase over 1983.

Two new Velveeta products introduced in 1984 included Shells & Cheese dinner and Mexican Velveeta pasteurized process cheese spread in mild and hot versions. Mexican Velveeta, which hit the shelves in the fourth quarter, was responsible for a sales gain of almost 2% in the total Velveeta loaf category, the company says. Early this year, Velveeta extra thick slices were introduced.

Those were among 15 products that were introduced nationally and 30 others that were either placed in test markets or introduced regionally, making for Kraft's busiest product-introduction year ever.

One line extension that is expected to contribute substantial volume is Miracle Whip Light, a reduced-calorie version of Miracle Whip salad dressing. In May, 1985, Kraft followed up by rolling national with Kraft Light reduced-calorie mayonnaise. Ads for Light, via J. Walter Thompson USA, say it has "creamy taste with half the fat of real mayonnaise."

Another line extension is Cracker Barrel cheese balls and cheese logs, which were placed in national distribution in time for the holiday season.

Kraft placed three different blend spreads into test markets in 1984. Parkay Plus, a margarine with 28% real cream, was testing in midwestern and western markets, while two butter blends—Sheffield Farms and Touch of Butter—also were in test.

In March, Kraft introduced Presto Italian salad dressing into national distribution. Presto's special blending process makes it thicker and it stays mixed after shaking.

The most dramatic increase in spending for any one product in 1984 was for Kraft barbecue sauce. Measured support for the product in 1983 totaled $1.9 million; in 1984 that figure jumped to more than $10 million, $8 million of which was on network tv. Kraft showed it means to hang on to its leading market share when it introduced a premium barbecue sauce called Thick 'n Spicy.

The company's interest in sauces was spelled out further when it revamped its sauce department and produced Sauceworks, a repackaged line of sauces that includes hot dog sauce, hamburger sauce, tartar, seafood cocktail, sweet and sour, and horseradish.

The consumer products and commercial products segments, consisting of Duracell, Hobart Corp. and West Bend Co., contributed 22% of D&K's sales and profits in 1984.

Duracell, the world's leading producer of high-performance consumer batteries, continued strong ad support for its batteries and Durabeam line of portable lighting products.

Duracell and Union Carbide's Eveready are locked in combat for market share. The two are estimated to hold a combined 90% of the battery market. Measured spending for the two product lines in 1984 totaled about $28 million each, up from $23 million in 1983.

West Bend, which the company says has been "redirected" and focused on faster-growing, more profitable businesses, is led by a new cordless iron that went into national distribution late in 1984. New product lines attained through acquisition of Precor and Borg-Erickson are expected to strengthen the West Bend unit, which reported that products introduced since 1980 accounted for one-third of its 1984 sales.

In August, Kraft consolidated responsibility for its approximately $100 million in network tv buying at Foote, Cone & Belding, Chicago. That responsibility previously had been split between FCB, Needham Harper Worldwide and J. Walter Thompson USA, both of Chicago. N W Ayer retained responsibility for all tv spot buying for Kraft.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,920	7,067
Magazines	36,233	33,219
Network cable	1,391	1,661
Spot tv	53,742	42,525
Network tv	123,289	87,415
Spot radio	2,326	1,814
Network radio	2,381	3,161
Outdoor	40	32
Total measured	226,321	176,894
Total unmeasured	42,879	35,047
Estimated total	269,200	211,940

DART & KRAFT
2211 Sanders Rd.
Northbrook, Ill. 60062
(312) 498-8000

DURACELL INC.
Bethel, Conn.
Marketing Personnel

William S. Saint, vp-mktg & devel
Kevin J. Kelley, group prod mgr
Mark E. Lucas, prod mgr-U.S. brands
Leonard Black, mkt & planning mgr, intl

Advertising Agencies

Jordan, Case, Taylor & McGrath—Durabeam lighting prod, Breakfree lubricant—John Taylor, exec vp, John Havrilla, vp-mgmt super.

Ogilvy & Mather, New York—Duracell batteries—Jack Reed, senior vp-group dir; Philippe Defechereux, senior vp-mgmt super.

HOBART CORP.
Troy, Ohio
Commercial Equipment Division
Marketing Personnel

John Kinnick, vp-mktg
John C. Heithaus, dir-mktg services
William F. Lohrer, mgr-adv

Advertising Agency

Willis, Case, Harwood, Dayton, O.—Lew Bonadies, acct super.

TUPPERWARE
Kissimmee, Fla.
Marketing Personnel

Don Hoffman, vp-mktg
David Haan, dir-adv & mktg strategy
Bill Clark, dir-adv
Jerry Lake, vp-sales promo
Mayee Leung, dir-sales promo

Advertising Agency

Young & Rubicam, Chicago—Bill Flynn, vp, group dir.

WEST BEND CO.
West Bend, Wis.
Marketing Personnel

G.H. Miller, vp-mktg
Debra Kumm, mgr-adv & pr

Advertising Agency

Cramer-Krasselt, Milwaukee—Susan Bishop, acct super.

PRECOR
Redmond, Wash.
Marketing Personnel

David Smith, president

Advertising Agency

Imanaka & Co., Seattle, Wash.—David Imanaka, acct exec.

HEALTH EXAMINETICS
San Diego, Cal.
Marketing Personnel

Robert Dempsey, president

KRAFT DAIRY GROUP
Philadelphia, Pa.
Marketing Personnel

Thomas Herskovits, group vp-president
Robert Creighton, vp-dir, mktg

Advertising Agencies

N W Ayer, New York—Sealtest ice cream, sherbet, Polar B'ar ice cream squares, Breyers yogurt—David Gantman, senior vp-exec acct dir; Kenneth McCarren, senior vp-mgmt super; Peter Varvara, vp-acct super.

Geers, Gross, New York—Breakstone cottage cheese, sour cream, dip; Light n' Lively yogurt, cottage cheese & ice milk; Fresh Delights cottage cheese with fruit; Frusen Gladje ice cream; Lender's bagels—Kent DeFelice, exec vp-dir acct services; Dennis Fogarty, senior vp-mgmt super.

Hispania Advertising, New York, subsidiary of J. Walter Thompson USA—Hispanic & multi-product adv—Caroline Demy, senior vp-genl mgr.

Young & Rubicam, New York—Breyers ice cream—William Green, senior vp-mgmt super.

KRAFT RETAIL FOOD GROUP
Glenview, Ill.
Marketing Personnel

H.K. Ridgway, group vp & president—Refrigerated prod div
Robert S. Morrison, exec vp-genl mgr
Winthrop W. Hamilton, vp-dir mktg, grocery prod div
J.P. Durrett, exec vp-genl mgr
J.S. Craig, vp-dir of mktg, retail ventures div
J.D. Weiner, exec vp-genl mgr

Advertising Agencies

N W Ayer, Chicago—A la Carte main dishes, La Creme whipped topping—Leslie Carothers, senior vp-mgmt super.

N W Ayer, New York—agency of record Kraft Inc. spot tv pool—George Burrows, vp.

Leo Burnett USA—Velveeta loaf, slices—Tom Ross, exec vp-client service; Brian Williams, vp-acct dir.

Foote, Cone & Belding, Chicago—caramels, marshmallows, marshmallow creme, sauces and toppings, packaged dinners, youth program; agency of record for network tv; new prod—James Cerasani, group acct dir; Terri Shapiro, acct dir.

Hispania Advertising (JWT USA subsidiary), New York—Hispanic & multi-prod adv—Caroline Demy, senior vp-genl mgr.

Needham Harper Worldwide, Chicago—margarines, fruit spreads, mustard, Philadelphia Brand pourable dressings, Handi-snacks—Jack Copher, group acct dir; Kathie McKirdy, mgmt rep.

Proctor & Gardner, Chicago—Black consumer mktg, multi-prod adv—Rolfe Kolconay, vp-acct super.

J. Walter Thompson USA, Chicago—cheese, viscous & pourable dressings, foodservice, corp adv—Lloyd Stein, senior vp-group acct dir, Kraft, Kraft International; Rick Anderson, vp-acct dir international; David Blanton, Tim Dorgan, Jerry Johnston, George Schott, vps-acct dir domestic prod.

KRAFT INC.
INDUSTRIAL FOODS GROUP
Memphis, Tenn.
Marketing Personnel

Frank D. Donovan, vp-sales & mktg, private label prod
C.A. Arnoult, vp-mktg, oil prod
Fred Betzel, vp-mktg & sales, industrial prod
William O. DeBerry, vp-sales
G.E. Maynard, vp-sales
R.E. Wenzler, vp-mktg

Advertising Agency

Ward Archer & Associates, Memphis, Tenn.—Joan White, acct exec.

Delta Air Lines

Atlanta

RANK 95

($ figures – 000,000)

Worldwide	1985	1984	% chg
Sales	4,684	4,263	10.0
Net income	259	176	48
Advertising	67	65	2.9
Division sales			
Passenger	4,376	3,960	10.5
Cargo	235	240	-2.1
Other	72	61	18.0

Buoyed by rising passenger traffic and improving passenger yields, Delta Air Lines recorded record profits in fiscal 1985. But the Atlanta, Ga.-based carrier, the nation's 95th leading advertiser in 1984, is fine tuning its advertising and marketing strategies in the face of formidable competition from low-cost and regional carriers, and from aggressive expansion by other major carriers.

Delta, with estimated ad expenditures in 1984 of $66.9 million, up 2.9% from 1983, had net income for the fiscal year ended June 30, 1985, of $259 million, up 48% from the previous year. Operating revenue was $4.68 billion, up 10% over fiscal 1984.

Delta is making a strong comeback from its fiscal 1983 net loss of $86.7 million, which resulted mainly from cutthroat fare wars with low-cost airlines. Fiscal 1984-85 improvements reflect increasing passenger traffic, higher passenger yield (a measure of revenue from flying one paying passenger one mile) and better cost-control measures. Delta also benefited from lower fuel costs and a 29-day strike at United Airlines in May and June, 1985.

Revenue passenger mileage flown in fiscal 1985 was up 11%, but passenger yield was down 1% from fiscal 1984, indicating downward pressure on fares as a result of rising competition, analysts say. Revenue from cargo traffic also was down 2% from fiscal 1984. Operating costs increased 7% in fiscal 1985.

Total measured advertising in calendar 1984 as monitored in nine media was $63.1 million, up 2% from 1983. The largest single category, however, $26 million in retail newspaper spending, fell 17% in 1984 as Delta shifted some of its media spending to more image-oriented spot radio and spot tv advertising, using variations of its "Delta Gets You There" theme. Spot radio was up 26% to $19.3 million in 1984, and spot tv was up 32% to $10.8 million, the latter according to Leading National Advertisers.

Delta's improved financial performance allows it to modernize its fleet of 244 aircraft, and expand operations through internally generated revenues, Delta executives and securities analysts say. Delta invested $365 million in flight equipment improvements in fiscal 1984 and $529.6 million in fiscal 1985. Projected equipment improvements through fiscal 1987 will average $500 million annually, a Delta spokesman says.

Delta accepted delivery through the end of fiscal 1985 of ten Boeing 757-232, 13 leased Boeing 737-232 aircraft and three L-1011-500 Lockheed aircraft, the latter for international routes, which join the three already in service. Delta has orders and options for an additional Boeing 767-332s through 1992 and 60 Boeing 757-232s.

The purchases help Delta in controlling long-term fuel and labor costs by replacing older aircraft with fuel-efficient newer models that require two-instead of three-pilot crews.

The extensive aircraft purchases are possible because of Delta's falling levels of long-term debt, which totaled less than $600 million at the close of calendar 1984, representing a 34%-to-66% debt-to-equity ratio. For comparison, Delta's debt of $1.1 billion at the end of fiscal 1983 represented a ratio of 55% debt to 45% equity, according to company reports.

Aircraft acquisition is an integral part of Delta's conservative growth strategy in domestic and international routes, says Robert Coggin, Delta's assistant vp-marketing development. Delta is concentrating on expanding service through its Atlanta, Dallas-Fort Worth and Cincinnati hubs, and its smaller hubs in Boston and Memphis, in addition to international routes, Mr. Coggin says.

Delta's expansion may increase slightly its domestic market share, measured in terms of total operating revenues, from 1984 levels of 8.9%, compared with United Airlines' 14%; American Airlines' 12.3%, and Eastern Air Lines' 10%.

On the domestic scene, Delta faces stiff competition from American in the East and Southwest with Delta's greatly increased presence at Dallas-Fort Worth, the nation's fourth largest airport with 32 million passengers arriving and departing in 1984. Dallas-Fort Worth also is American's base of operations. American is seeking a greater presence in the East and has created hubs at Raleigh-Durham, N.C., and Nashville, Tenn., to accomplish this.

Delta initiated nonstop service 1984 between Dallas-Fort Worth a Detroit; El Paso; Louisville; and Ontario. Delta also began nonstops 1984 between Dallas-Fort Worth, Honolulu and Nassau, Bahamas. Del inaugurated international service June, 1984, between Dallas-Fort Worth and Frankfurt, West Germany, markets.

From its Atlanta hub, Delta beg nonstop service to Paris on April 1985, and nonstops to Honolulu o June 1, 1985. Six months earlier, Delta had introduced a one-stop to Honolulu from Atlanta.

Delta has dramatically increased flights into and out of Atlanta, where is the dominant carrier. It set tra records in spring, 1985, with three consecutive months of 1 million passengers boarding there.

In the East, Delta competes mo heavily with People Express Airlines and Eastern Air Lines for north-south business and vacation traffic in t eastern U.S. Meeting these carri head-on, Delta built a $100 milli terminal at New York's La Gua Airport in fiscal 1983. It opened stop service June 1, 1985, from Lauderdale to Nassau, with con tions from Delta's domestic route tem, and made La Guardia its York gateway to Nassau. Delta added a second daily flight to Nas from Atlanta. These changes increa the number of available seats Delta's Bahamas markets by 40.8%.

In July, 1985, Delta began offeri 375 daily departures from Atlanta, a total of 58,000 seats. Atlanta was nation's second busiest airport 1984, with 38.9 million passengers a riving and departing that year.

It is Atlanta and other hubs wh Delta has benefited from its De Connection program, initiated 1984, which links several commu airlines into Delta's passenger reserv tions system to provide direct connections with Delta's long-haul flights, plus some fare advantages. Partici pants include Atlantic Southeast Air lines, Rio Airways, COMAIR and Ransome Airlines.

Other major carriers are starting similar programs. For example, American introduced its equivalent, the American Eagle connections. Eastern is making connections with regional Metro Airlines.

Delta also is seeking to extend its Pacific routes. The U.S. Department of Transportation is considering opening three new routes between the U.S. and Japan, and Delta is fighting to be one of possibly three carriers selected, Mr. Coggin says.

Delta faces a formidable problem in reducing its operating costs. Before deregulation, labor costs reached nearly 58% of total operating expenses for most air carriers. Since 1981, many carriers have been able to drastically reduce labor costs as a percentage of total costs through wage rollbacks, new work rules and bargaining with unions for the right to hire new workers at much lower wage rates. Delta, primarily a nonunion company, continues to be plagued by high labor costs.

In the second quarter of 1985, for example, labor costs were 43% of total operating expenses, up from 41% in the same quarter of 1984. That compares with highly unionized Eastern's labor expenses of 36% in second quarter of 1985, and 23% at Continental Air Lines, a nonunion company that pared its labor costs to the bone through Chapter 11 bankruptcy proceedings.

Delta has the chance in coming months to make some headway in labor negotiations. The pilots' union contract expired Aug. 31, 1985, and is in renegotiation.

Delta's board on May 1, 1985, appointed Whitley Hawkins senior vp-marketing, succeeding J.A. Cooper, who retired. At the same time, Delta promoted several system managers to directors, including Harry Dunham, director-marketing services; Al Kolakowski, director-field marketing; Charles E. Doherty, director-dining service; and Jenny R. Poole, director-inflight service.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	26,332	31,810
Magazines	340	1,077
Network cable	296	56
Spot tv	10,823	8,227
Network tv	4,396	3,603
Spot radio	19,321	15,309
Outdoor	1,591	1,768
Total measured	63,098	61,849
Total unmeasured	3,802	3,151
Estimated total	66,900	64,999

DELTA AIR LINES
Hartsfield Atlanta International Airport
Atlanta, Ga. 30320
(404) 765-2600
Marketing Personnel

W. Whitley Hawkins, senior vp-mktg
Robert W. Coggin, asst vp-mktg devel
Dave Anderson, system mgr-mktg devel
Bob Stevenson, system mgr-scheduling
Marcy McCann, system mgr-traffic
John Such, system mgr-mktg automation
Joe Betts, regional traffic mgr-north
Gloria Reichard, regional traffic mgr-west
Sam Murphy, regional traffic mgr-south
Kevin Smith, regional traffic mgr-central
Albert Kolakowski, dir field mktg
Bill Downes, regional mgr mktg-south
Fred Rollins, regional mgr mktg-east
Vince Durocher, regional mgr mktg-west
Russ Gariota, regional mgr mktg-north
Harry Dunham, dir-mktg services
Fred Hopmeier, dir-intl mktg
James N. Porter, dir-adv & sales promo
Wayne Soph, mgr adv
John N. White, mgr-promo media
Leslie Reiken, mgr-promo programs
Jim Rutledge, mgr-sales promo production

Advertising Agencies

BDA/BBDO, Atlanta—Glenn Verrill, president-mgmt super; Jack Walz, senior vp-acct super; Al Boam, vp-acct exec; Gail Waldrop, vp-acct exec; Bill Cromartie, acct exec.

E.I. du Pont de Nemours & Co.

RANK 79

Wilmington, Del.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	35,915	35,387	1.5
Net income	1,431	1,127	27.0
U.S.			
Sales	24,286	24,562	-0.3
Operating profits	1,318	982	34.2
Advertising	91	77	18.2
Division sales			
Biomedical prods.	1025	1,050	-2.4
Industrial prods.	2,831	2,546	11.2
Fibers	4,660	4,772	-2.4
Polymer prods.	3,641	3,401	7.1
Agri./industr. chem.	3,704	3,534	4.8
Petro. production	2,067	1,865	10.8
Petroleum mktg.	16,415	16,803	-2.3
Coal	1,572	1,407	11.7

E.I. du Pont de Nemours & Co., Wilmington, Del., which reported net income of $1.43 billion in 1984, up 27% from 1983, on sales of $35.9 million, up 1.5%, was the nation's 79th largest advertiser.

Estimated total U.S. advertising was $91 million, up 18.2% from a restated $77 million in 1983. Of the total, measured advertising increased to $57.2 million from $50.3 million in 1983.

Sales were down substantially in the second half of 1984 and continued to slide into the first quarter of 1985, forcing earnings down in the process. In the second quarter of the current fiscal year, Du Pont earnings dropped to $268 million from $437 million in the corresponding period a year ago, as sales dropped 6% to $8.5 billion.

During 1984, five of Du Pont's eight industry segments showed sales gains: Industrial and consumer products were up 11.2%, to $2.83 billion; polymer products rose 7.1%, to $3.64 billion; agricultural and industrial chemicals showed a 4.8% increase, to $3.7 billion; petroleum exploration and production was up 10.8%, to $2.07 billion, and coal sales increased 11.7%, to $1.57 billion.

Sales losses in almost identical percentages were experienced in biomedical products, down 2.4%, to $1.03 billion; fibers, down 2.4%, to $4.66 billion, and petroleum refining, marketing and transportation, down 2.3%, to $16.42 billion.

Du Pont fibers accounted for the biggest part of the corporation's $57.2 million in measured 1984 advertising. Antron fibers, used in carpets and wearing apparel, drew $8.5 million in measured advertising, up 16.4% from 1983. About $2.3 million was spent in tv and radio for the products; the remainder was in magazines and newspaper supplements.

Du Pont's Dacron fibers drew $3.6 million in measured advertising in 1984, down almost 22% from 1983. All the 1984 Dacron advertising was in magazines and newspaper supplements.

Another big advertising category was Du Pont's Lycra fabrics, with $3.5 million in measured advertising, again all in magazines and supplements. Lycra advertising was down almost 35% from 1983. A general fabric category, which includes Jantzen and Sea Fashions of California brands, drew slightly less than $2 million in advertising, up 33% from 1983.

Other large advertising expenditures in 1984 were Silverstone cookware coatings, $8.8 million, up 17.3%. Of that total, $4.1 million was generic tv advertising, with the remainder magazine ads for specific Silverstone-coated products such as Bake King, Mirro and Regal Ware.

Du Pont's Teflon products accounted for $2.9 million in advertising expenditures for carpeting protectors, coatings and stain repellents, all but $78,000 of that was in magazine ads. Expenditures for Remington Arms, a subsidiary of Du Pont, dropped 32% to $359,300.

For years one of nation's largest corporate-image advertisers, Du Pont spent $9.3 million in that category in 1984—99% of it on tv—a 24% increase over 1983.

Over-all in 1984, Du Pont spent $27.4 million in magazines, $22.5 million on tv, $2.2 million in radio and $4.1 million in farm publications. Network cable expenditures increased 58% to $152,000 in 1984.

F.G. Smith, manager of Du Pont's industrial accounting section, says the $33 million in unmeasured 1984 advertising included prizes, premiums, promotions, trade shows and salaries for advertising staff. Among specific expenditures in 1984 in this category were $10 million for trade shows and $11 million for technical literature for corporate customers, he says.

Like many other large companies that once dealt almost exclusively in chemical products, largely a no-growth industry in the past five years, Du Pont has been diversifying.

In 1981, Du Pont paid $7.8 billion for Conoco, a petroleum company, a move that drew criticism among industry analysts. But Du Pont has reduced its debt ratio to 25% from 42% since 1981, at the same time investing $12.5 billion in capital products, petroleum exploration and r&d. Last fall it opened an $85 million life sciences complex near Wilmington, a new biotechnology development facility at Glasgow, Del., and a new biomedical research laboratory in Billerica, Mass.

More than 50% of Du Pont's businesses are specialty products; it has been regularly buying into electronics and biotechnology companies.

In 1984, Du Pont was licensed by the University of Pennsylvania School of Medicine to develop and market an artificial blood product patented by the institution. The product could be on the market within three years.

New areas in which Du Pont is advertising heavily include a $1 million tv and radio campaign for a new stretch polyester fiber called Denimotion and a radio and tv campaign keyed to Detroit designed to persuade auto designers to abandon steel in favor of a new generation of plastics in automotive bodies. Developed by N W Ayer, New York, the tv commercials show the use of Du Pont thermoplastic auto body parts in the Pontiac Fiero and other cars. Spots carry the theme, "For quality in automotive development."

The $2 billion-a-year automotive plastic market will increase to some $10 billion by the year 2000, Du Pont executives forecast.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	752	1,532
Magazines	27,430	26,147
Network cable	152	96
Spot tv	5,465	2,554
Network tv	17,105	13,435
Spot radio	1,391	1,633
Network radio	818	771
Outdoor	8	3
Farm pubs	4,053	4,119
Total measured	57,173	50,289
Total unmeasured	33,827	26,711
Estimated total	91,000	77,000

DU PONT
1107 Market St.
Wilmington, Del. 19898
(302) 774-2424
Marketing Personnel

C.E. Crowley, vp
H.E. Davis, div dir
P.G. Byers, polymer prod dept, engineering materials, corp automotive communications
C.M. Ferraro, polymer prod dept, specialty polymers & pkg prod
E.S. Weber, polymer prod dept, industrial polymers & industrial films
J.P. Swan, chemicals & pigments, petrochemicals dept
J.M. Murray II, div dir
T.E. Minnich, biomedical prod dept, diagnostic & bioresearch systems & pharmaceuticals operations
J.C. Maneval, photosystems & electronic prod dept, Berg electronics, electronic specialties
D.E. Weiss, photosystems & electronic prod dept, photosystems
G.W. Hale, agricultural chemicals dept
R.W. Nightingale Jr., div dir
R.A. Hotchkiss, intl dir
J.B. Boyer, textile fibers dept, industrial fibers, engineered non-woven structures, carpet fibers, fiberfill
M.R. Tyler, textile fibers dept, apparel, home fabrics
R.E. Williams, div dir
D.E. Motz, finishes & fabricated prod dept, refinish, Tedlar, Dymetrel, heat exchangers, Vespel, Remington abrasives, intrument systems, Kalrez, Remington powder metals, methacrylates, specialty services, adhesives
N. Kwick, finishes & fabricated prod dept, explosives (smokeless powder), Stren, Remington Arms Co.
J.S. Swajeski, finishes & fabricated prod dept, Silverstone cookware, Teflon, industrial, Teflon lubes, Corian
J.B. Brett, finishes & fabricated prod dept, maintenance painting services, Aldyl pipe, filaments, new business devel
C.E. McCurdy, div dir, graphic communications
H.P. Root, div dir, mktg rsch
J.B. Brett, corp adv
J.R. Murphy, publications section
F.G. Oswald, adv mgr-textile fibers dept, apparel & home fabrics

Advertising Agencies

N W Ayer, New York—finishes & fabricated prod, polymer prod, photosystems & electronic prod, chemicals & pigments, petrochemicals, staff depts, textile fibers' industrial & spunbonded prod—George H. Eversman, exec acct dir.

Barnum Communications, New York—pharmaceutical prod, diagnostic & bioresearch, medical X-ray prod—Marvin Amster, vp-acct super.

BBDO, New York—textile fibers' apparel, carpet fibers, home furnishings, fiberfill prod, corp ad programs—Bernard Gross, senior vp-mgmt super; Joseph Crowley, senior vp-mgmt super.

Kelly Advertising, Lancaster, Pa.—Berg electronics & electronic specialties—R.L. Kelly, president.

Rumrill-Hoyt, Rochester, N.Y.—agricultural chemicals, Remington Arms, chemicals & pigments, petrochemicals—R.D. Thomson, senior vp; D. Weber, dir-client services.

Sudler & Hennessey, New York—biomedical prod—L. Gamza, senior vp-president, mgmt super.

Eastern Air Lines

RANK 99

Miami

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,364	3,942	10.7
Net income	-38	-184	79.4
Advertising	61	71	-14.4
Division sales			
Passenger	3,898	3,608	10.6
Cargo	209	183	14.2
Other	166	151	9.8

Eastern Air Lines, long considered an endangered species, is flying high as it makes its way back to record profitability in 1985 after five consecutive years of losses. But Miami-based Eastern, the nation's 99th largest advertiser in 1984, still may be in for a bumpy flight in the hotly competitive market for air passenger travel, analysts say.

Eastern's estimated ad spending in 1984 fell 14.4% over-all to $60.8 million, including $53.5 million in spending in nine measured media. The biggest cut in measured spending was for newspapers, which fell 18% to $18.7 million.

The largest percentage cut was for network tv, dropping 58% to a measured $3.8 million as Eastern shifted its advertising strategy to bolster traffic in spot markets, a company spokesman says. Measured spending for spot tv increased 30% to $15.9 million in 1984, but spot radio fell 32% to $5.7 million in 1984.

The year 1984 was a watershed financially for troubled Eastern, with $4.36 billion in revenues, up about 10% over 1983, a year characterized by bloody fare wars between major carriers and upstart low-cost airlines.

Eastern's $189.6 million in operating profits for 1984 was the highest in its history, and compared with an operating loss of $100.1 million. Despite this performance, however, Eastern took a net loss in 1984 of $37.9 million, which still was a vast improvement over its net loss of $183.7 million in 1983.

First-half performance in 1985 was significantly improved with total revenues of $2.5 billion, up 13% over 1984. Net income in the first half of 1985 was $49.8 million, compared with a net loss of $52.3 million for the same period in 1984.

But Eastern's net income in the first half of 1985 was even better than reported figures would indicate, considering Eastern deducted $72.5 million in profit sharing before arriving at the $49.8 million figure. During labor negotiations, Eastern granted profit sharing payment if 1985 earnings exceeded $90 million.

Under cost-saving agreements, which Eastern said it needed to avert bankruptcy, most employes gave up 18% to 22% of their pay in exchange for 25% of Eastern's common stock, according to company reports. Employes also received 3 million shares of junior convertible preferred stock and representation on the board of directors. The wage agreements gave Eastern a $290 million improvement in operating profits in 1984.

Because Eastern made provisions in mid-1985 to disburse profit sharing funds, its earnings for 1985 are expected to well exceed the $90 million target, analysts say. Earnings in 1986 will not be hurt because the dispersement is for one year only.

Eastern's 1984 advertising focused heavily on its 38,400 employes, emphasizing their service and commitment, expressed in the theme: "We earn our wings every day."

Another important reason for Eastern's increased profitability is record-setting U.S. domestic and international passenger traffic. Experts say discount fares have stimulated discretionary air travel. Salomon Brothers, New York, estimates over-all domestic traffic growth for the industry through 1985 could reach 12%.

Industry capacity growth also has lagged traffic growth, resulting in increased load factors of more than 5% per month for the months March through July, 1985. Eastern's traffic in July, 1985, for example, was up 17.5% over July, 1984. The added traffic outstripped Eastern's capacity increase of 9.8% in 1985, increasing its load factor 4.2% over July, 1984.

At the same time, however, Eastern's passenger yield, a measure of average revenue from flying a paying passenger one mile, fell 2% in the second quarter of 1985. This followed an industrywide downward trend in yields during the first half of 1985, especially in the second quarter when many carriers matched fare reductions introduced by United Airlines as it sought to recover from its 29-day strike in May and June, 1985.

While Eastern's domestic market share in the first half of 1985 remained virtually unchanged at 11.3%, the number of passengers systemwide increased to 21.3 million in the first half of 1985, up 12% over the same period in 1984. United's market share dropped to 14.4% from 18.6% over the same period, according to First Boston Corp., New York.

For the industry as a whole, the percentage of passengers flying on discount increased from 77.6% in January, 1984, with an average discount of 48.1%, to 84% in June, 1985, with an average discount of 55.2%, according to Salomon Brothers. But the rising number of discount fares, in some instances, had a positive effect on earnings as a result of innovative marketing.

Eastern, for example, introduced in late 1983 its "Get-Up-And-Go" passport for senior citizens, which sold for $1,199 and allowed unlimited travel between 100 mainly domestic Eastern cities as often as once a week. The program generated millions in revenue for Eastern, which announced its continuation in 1985, with international travel options through British Airways, El Al, Air France, Alitalia and Eastern's Latin American service.

Route restructure and yield management, which help to make the most of limited resources, also played a role in Eastern's improved performance. For example, in the Houston market, where Eastern competes heavily with Houston-based Continental Airlines, the nation's largest low-cost carrier, Eastern in 1984 announced a 50% reduction in operations. Eastern cut daily flights from 36 to 20, and reallocated 12 aircraft to its more profitable Atlanta hub, where it added 35 flights and service to four cities.

This paid off in the northeast-to-Florida markets, where it competes heavily with low-cost People Express and with Delta Air Lines. Eastern in 1984 matched People's fares, and increased capacity in this market by 23% in 1984, strengthening its dominant position.

In scaling back scheduled service in Houston, Eastern found a way to compete with low-cost carriers' fares, and to capitalize on its passenger and cargo handling strengths there through an agreement with CF Airfreight, a Palo Alto, Cal.-based subsidiary of Consolidated Freightways. Eastern also began April 1, 1985, providing overnight freight delivery to and from 10 U.S. cities and its Houston hub, and no-frills, low-cost passenger service that it calls "Moonlight Special."

Using seven wide-body A-300 Airbus planes, Eastern is able to offer the aircraft's 252 seats at almost pure profit, covering operating costs with the freight-hauling agreement. Load factors for the new service have been running about 90%, company sources say. Another advantage of Moonlight Special is that it taps into price-sensitive markets without drawing heavily from higher-yield business travelers.

In the important business passenger

segment, Eastern nearly doubled membership in its Frequent Traveler Bonus Program to 1 million members in 1984 with added incentives and a membership drive. Eastern expanded the program to include travelers using Trans World Airlines, British Caledonian, Aer Lingus, SAS, CP Air, 11 commuter carriers, plus Hertz Rent-A-Car, General Rental and Marriott Hotels.

Eastern also wooed vacation travelers in 1984 with "See Your Way Clear" vacation packages designed to increase off-peak travel to the Caribbean. The attractively priced vacations included airfare and land arrangements utilizing a three-zone pricing scheme for travelers originating in the East, Midwest and West.

Eastern's international routes were bolstered in July, 1985, when Eastern began service between Miami and London, a route previously operated by now defunct Air Florida.

Eastern Airlines also benefited in 1984 by a 27-day strike at Pan American World Airways in February and March, 1985.

International air travel, however, is an area of concern to securities analysts. While industrywide international traffic in the summer of 1985 experienced double-digit growth rates, capacity increases exceeded traffic additions, and load factors (percentage of seats filled) fell 2.5%, with a corresponding drop in earnings. Trans-Atlantic traffic is projected to fall in 1986 by 5% because of a weakening U.S. dollar.

In other developments at Eastern, a major reorganization of senior management early in 1985 gave Joe Leonard, formerly senior vp-operations service, responsibility for day-to-day operation of the company.

It was the first indication of a possible successor to Frank Borman, chairman, president and ceo. Mr. Borman, 57, said he is turning his full attention to strategic and external issues affecting the long-term course of the airline.

Mr. Leonard left American Airlines in April, 1984, to join Eastern as vp-operations services and was promoted to senior vp in January, 1985. Other possible successors to Mr. Borman are members of the newly created office of the chairman, including Morton Ehrlich, senior vp-planning, and Wayne Yeoman, senior vp-finance.

Other appointments Aug. 1, 1985, included John Nelson, senior vp-marketing; G.J. Brennan, vp-passenger sales, and R.F. Blake, vp-marketing, planning and research.

Also noteworthy was the departure in mid-1985 of Russell Ray, former senior vp-marketing, to PSA Airlines.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	18,654	22,461
Magazines.........	3,955	5,838
Network cable.....	3,395	0
Spot tv............	15,879	12,237
Network tv.........	3,860	9,398
Spot radio.........	5,708	9,218
Outdoor..........	2,071	2,469
Total measured..	53,521	61,621
Total unmeasured	7,279	9,379
Estimated total..	60,800	71,000

EASTERN AIR LINES
Miami International Airport
Miami, Fla. 33148
(305) 873-2211

Marketing Personnel

John Nelson, senior vp-mktg
G.J. Brennan, vp-passenger sales
Paul C. Auger, vp-mktg programs
W.H. Dowse, vp-adv
R.F. Blake, vp-mktg, planning & rsch
Mike McPhillips, mgr-vacation adv
R.A. deCespedes, mgr-intnl adv
B.F. Walsh, mgr-business adv
R.A. Wolf, mgr-adv services
Robert J. Bauer, mgr-sales promo

Advertising Agency

Campbell-Ewald, Warren, Mich.—Joseph V. Karle Jr., group senior vp-mgmt super; Robert F. Henry, senior vp-associate mgmt super; David W. Roddy, Michael Rogers, Jerry Yarbrough, vp acct supers; Dale McAfee, acct super; Teri Steele, senior acct exec; Steve Janicak, Marylisa Germain, asst acct execs; Jacquie Hurley, acct exec-mgr traffic. Miami-Latin America—Gunther Saupe, senior vp-mgmt super; James Power, vp-acct super; Maruja Roger, vp-acct super; Fernando Bonet, asst acct exec; Vicky Perez, asst acct exec.

Eastman Kodak Co.

RANK
24

Rochester, N.Y.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	10,600	10,170	4.2
Net income	923	565	63.4
U.S.			
Sales	7,118	6,636	7.3
Operating profits	N/A	N/A	N/A
Advertising	301	273	10.3
Division sales			
Imaging	8,380	8,097	3.5
Chemicals	2,464	2,285	7.8

Mired in a mature market for photographic products, Eastman Kodak Co., Rochester, N.Y., underwent fundamental change in 1984 as it sought new opportunities in electronic imaging and information handling.

The company was the 24th largest national advertiser in 1984 with an estimated $301 million spent in the U.S. on advertising and promotion, up 10.2% over a restated $273 million in advertising and promotion in 1983. Worldwide, Kodak spent $430 million in 1984, compared with $390 million on advertising and promotion in 1983, according to the company.

While still deriving 80% of its $10.6 billion in 1984 sales from photographic products, Kodak began focusing on high technology in 1984, consumer and commercial electronic products and magnetic media. Their growing importance was indicated by a restructure early in 1985 of the huge photographic division, breaking operations into product lines handled by 17 operating units, each with profit-and-loss responsibility. Kodak also created a venture capital review board to stimulate fast entrance into new markets.

The renamed Photographic and Information Management division signals Kodak's decision to place development of new business on an equal footing with film sales, Kodak's cash cow, analysts say.

"What they are doing is trying to have more entrepreneurial groups so they can move into high technologies much more quickly than in the past," says Eugene G. Glazer, securities analyst with Dean Witter Reynolds, New York.

"They want to become a lot more flexible," agrees Peter Enderlin, of Smith Barney, Harris, Upham, New York. "They're looking for products with shorter life cycles, and they are trying not to do everything internally."

Kodak's centralized, vertical integration, which traditionally has controlled every step in manufacture of a product, to the extent of making the plastic in camera housings, limits its ability to compete in fast-paced markets, Mr. Enderlin says. The company needs to further trim personnel, decentralize and hone the ability to react quickly in new markets, he says.

Mr. Glazer says Kodak hasn't much choice but to pursue new opportunities if it hopes to meet its eventual goal of 20% annual growth. Its huge market share of amateur color film leaves little room for growth. Partly for this reason, average return on assets has slipped from 20% in the late 1970s to 7.5% in 1983 and 12.6% in 1984.

Although 1984 was a strong year for earnings, the anticipated lukewarm followup in 1985 points up weakness. Sales in 1984 were $10.6 billion, up 4% from 1983, with net earnings of $923 million, up 63%. Sales for the first half of 1985 were $4.58 billion, down 2% from the same period in 1984, with net earnings of $279.5 million, down 28%.

Colby Chandler, chairman-ceo, and Kay Whitmore, president, attributed the declining 1985 results mainly to the adverse impact of the overvalued U.S. dollar, coupled with depressed selling prices in the chemicals industry, among other factors.

Analysts recognize these conditions, but also point out the increasing competition and Kodak's reliance on sales of amateur film and cameras as other problems. Competition, for example, forced Kodak to hold steady on film prices in the first half of 1985 and offer a 3% dealer rebate on sales exceeding 1984 levels, Mr. Enderlin says.

Such wariness for a company with an estimated 80% to 85% market share of amateur color film reflects concern about competitors, such as Fuji Photo Film Co., which is believed to have a 9% market share, and Agfa-Gavaert, 3M and Konishi Roku, which are thought to control about equal shares of the remaining 10% to 12%.

Kodak's new marketing directives had an impact on 1984 ad spending. Measured outlays for amateur film fell 21% to $32 million in 1984, 66% of which was for network tv, 20% spot tv, 9% magazine, and 5% network radio and outdoor. However, measured spending for instant cameras and film received $12.5 million in 1984, divided roughly 80% network tv, 20% magazine. The spending was nearly quadruple 1983 introductory levels.

Kodak's measured media boomed for product categories in markets with fast growth potential, such as office automation, consumer electronics and commercial imaging systems. Measured spending for copiers, for example, jumped 67% to $3.4 million. Kodak also announced plans in mid-1985 to introduce electronic publishing and image management systems, further evolving its base from photography to imaging.

An acquisition binge that began in 1981 has brought five new subsidiaries into the corporation, making ink-jet printing systems, electronic publishing and magnetic data recording systems. Kodak executives say these acquisitions and others may be necessary to acquire technology not available in-house, or to buy market share that would be hard to build.

An example of the latter is Kodak's entrance into the $4 billion market for floppy discs with its March, 1985, acquisition of Verbatim Corp., Sunnyvale, Cal., for $174.5 million. Verbatim, the market leader, has an estimated 18% share, about equal to Xidex Corp. Next are 3M, Hitachi and Maxell, each with 10%-plus market-share, analysts say.

The move puts Kodak well ahead of archrival Polaroid, which also aggressively entered the floppy disc market in 1984. Kodak and Polaroid are keen on the technology because the product increasingly will be used to store photographic and electronically produced images.

Videocassettes represent another new market for Kodak with introduction in 1984 of half-inch tapes in VHS and Beta formats. Measured 1984 spending for Kodak videocassettes vaulted to $7.5 million. Analysts say Kodak, with its far-flung distribution system and its image as America's premier picture-taker, is positioned to dominate the $500 million market, although its market share is now estimated to be less than 10%.

Kodak's videocassettes are made by TDK Corp. of America, but analysts speculate manufacturing will be brought in-house. Once again, Polaroid, which introduced half-inch videocassettes in 1984, is a key competitor.

Kodak also attacked the consumer electronics market with its "camcorder," an 8mm camera/video recorder unit introduced in September, 1984, which received only $1.2 million in 1984 measured media, but is expected to blossom in 1985. The product is manufactured by Matsushita Corp. McCann-Erickson, New York, received the advertising assignment.

Kodak is encountering tough competition in the fledgling camera/recorder business from Sony Corp., RCA and General Electric. The latest development in spring of 1985 was introduction of 8mm videocassette recorders by Kodak and Sony with digital stereo sound, indicating evolution beyond simple picture-taking/playback devices.

Kodak apparently is having difficulty cracking the sagging instant camera and film market. Polaroid dominated the market in 1984 with sales of 3.6 million cameras, down 5.6% from 1983. Annual unit sales of instant cameras have fallen dramatically from their peak of 9.4 million units in 1979. Analysts attribute the problem to a saturated market and consumer preference for better-quality photos from 35mm cameras.

Kodak announced in March, 1985, plans to produce a 35mm unit in a joint venture with Chinon Industries of Japan, a technology partner. However, analysts doubt the camera will see U.S. introduction because of competition at mid- to high-price points, and because it would erode sales of Kodak's other cameras at lower price points.

Other major measured spending in 1984 included $6.2 million for photographic paper, mostly in network tv, which was unchanged from 1983 levels.

Kodak also had measured spending of $30 million, mostly network and spot tv, for several new disc cameras and new color disc film, down 3% from 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	4,523	5,163
Magazines.........	16,932	1,665
Network cable.....	583	965
Spot tv............	9,328	8,649
Network tv.........	65,707	56,454
Spot radio.........	1,729	988
Network radio.....	904	726
Outdoor..........	1,355	1,719
Total measured..	101,060	76,329
Total unmeasured	199,940	196,671
Estimated total..	301,000	273,000

EASTMAN KODAK CO.
343 State
Rochester, N.Y. 14650
(716) 724-4000

Marketing Personnel

Photographic & Information

J. Phillip Samper, exec vp-genl mgr

Commercial & Information Systems

Lawrence J. Matteson, group vp-genl mgr
Edgar J. Greco, vp-genl mgr, business imaging systems div
J. Raymond Sutcliffe, vp-genl mgr, mktg, business imaging systems div
Chas L. Trowbridge, vp-genl mgr, govt systems div
C. Harold Gaffin, vp-genl mgr, graphics imaging systems div
William E. Sherman, vp-genl mgr, mktg, graphics imaging systems

Diversified Technologies

Wm F. Fowble, grp vp, genl mgr
Robert T. Hamilton, vp-genl mgr, clinical prod div
Peter M. Palermo, vp-genl mgr, health sciences div
John R. Zeman, vp-genl mgr, mktg, health sciences div
Peter Giles, vp, genl mgr, mass memory div

Photographic Products

Wilbur Prezzano, group vp-genl mgr
Ronald L. Heidke, vp-genl mgr, consumer prod div
John J. Powers, vp-genl mgr, mktg, consumer prod div
William P. McCarrick, vp-genl mgr, Kodak Processing Labs
William A. Koch, vp-genl mgr, motion picture & av products div
Robert C. Sharp, vp-genl mgr, photofinishing systems div
Raymond H. DeMoulin, vp-genl mgr, professional photography div

Manufacturing Equipment

Richard Kleinhans, senior vp-genl mgr
Chas P. Spoelhof, vp-asst genl mgr, Kodak apparatus div

Manufacturing & Support

Cornelius Murphy, senior vp-genl mgr
Wendel W. Cook, vp-genl mgr, Kodak park div
Gordon C. Belshaw, R. Frederick Porter, vps-asst genl mgr, Kodak park div

Customer/Marketing Support

Frank P. Strong, senior vp-genl mgr
Anthony Frothingham, vp-dir, internl support services
John Barnes, vp-dir, mktg services
Robert Van Duyne, vp-genl mgr, customer equipment services
Robert H. Graulich, vp-genl mgr, distribution

International

John E. Riggs, vp-genl mgr, Asia, Africa, Australia
W. Richard Haines, vp-genl mgr, Europe
Albert L. Sieg, vp-genl mgr, Japan
Robert L. Smith, vp-genl mgr, Latin America

Advertising Agencies

Baker, Lovick Ltd., Toronto—Canadian

Top 25 network cable advertisers

Rank	Advertiser	Network cable ad expenditures ($000) 1984	1983	% chng	as % of co.'s 1984 ad total
1	Procter & Gamble Co.	$24,182	$15,172	59.4	2.8
2	Anheuser-Busch Cos.	15,478	15,761	(1.8)	4.2
3	General Foods Corp.	13,169	11,290	16.6	2.9
4	General Mills	11,339	10,259	10.5	4.0
5	Time Inc.	7,192	5,518	30.3	5.4
6	Ford Motor Co.	6,892	5,087	35.5	1.2
7	Bristol-Myers Co.	6,242	6,506	(4.0)	2.4
8	Toyota Motor Sales Co.	5,391	5,248	2.7	3.9
9	Beatrice Cos.	5,085	90	N/A	0.7
10	Thompson Medical Co.	4,456	1,016	338.5	N/A
11	Kellogg Co.	3,594	2,462	46.0	1.7
12	American Telephone & Telegraph	3,457	2,789	23.9	0.6
13	Eastern Air Lines	3,395	0	N/A	5.6
14	American Home Products	3,352	4,387	(23.6)	0.8
15	General Motors Corp.	3,157	4,549	(30.6)	0.4
16	Sears, Roebuck & Co.	3,120	2,566	21.6	0.4
17	Warner-Lambert Co.	2,922	1,997	46.4	0.7
18	Wm. Wrigley Jr. Co.	2,884	2,514	14.7	4.1
19	Clorox Co.	2,813	2,094	34.3	2.6
20	Coca-Cola Co.	2,756	2,605	5.8	0.8
21	Chrysler Corp.	2,327	1,621	43.5	0.7
22	Ralston Purina Co.	2,131	1,098	94.0	0.5
23	Canon Inc.	1,948	1,949	(.0)	1.9
24	Campbell Soup Co.	1,789	1,203	48.8	1.3
25	Urban General Corp.	1,760	2,100	(16.2)	N/A

Source: Broadcast Advertisers Reports

commercial prod—Murray Lamont, senior vp-acct dir; G. Schich, vp-acct exec; John Huckle, acct coord; Dave MacLeod, acct consultant; Frank Wehrmann, senior planner.

McCann-Erickson, New York—consumer electronics, videotape cassettes, 8mm Camcorder—Michael Sennott, senior vp-mgmt rep; John Donner, senior vp-acct dir; Mark Tartell, acct exec.

McCann-Erickson, Toronto—Canadian photographic & electronic prod—Peter Finlayson, vp-group head; Chris Cathcart, acct dir; Hinal Matthew, acct super; Nancy MacKay, acct exec; David Gordon, acct super-cameras; Byron Garby, acct exec-cameras; Martha MacDonald, asst acct exec-cameras.

Rumrill-Hoyt, Rochester, N.Y.—print trade, audiovisuals, some business, scientific & industrial—J.M. Valerio, president-ceo; D. Fisher, senior vp-group mgr.; Vicki Lewis, vp-assoc group mgr; Robert Davison, vp-acct super; Ralph Simolo, vp-acct super; Cheryl Schifino, acct exec; Marlene Morgan, acct exec; David Nevergall, acct exec.

Sieber & McIntyre, Chicago—health care prod—David McCarty, exec vp; Eric Edstrom, group acct super.

J. Walter Thompson USA, New York—traditional photo prod, disc cameras & film, some business, industrial & technical—Peter Schweitzer, senior vp-acct dir; Mitchell Brooks, senior acct super-film; Warren Milich, acct super-film; Patricia Ioannides, acct exec-film; Nevill Smythe, acct exec-film; Gary Steele, vp-senior acct super-disc cameras; Judi Francis, acct super-disc cameras; Diane Wainwright, acct exec-disc cameras.

Young & Rubicam, New York—instant photo prod—Roby Harrington, senior vp; Mitch Kurz, vp-mgmt super; Paul Abry, vp-acct super; Susan Santinelli, acct exec.

EASTMAN CHEMICAL PRODUCTS

Kingsport, Tenn.

Marketing Personnel

G.O. Trabue, senior vp-mktg, Eastman chemical prod div
T.L. Shealey Jr., mktg dir-textile fibers
J.C. VanAudenhove, mktg dir-filter prod div
C.B. Fox, mktg dir-new prod div
B.E. Moore, mktg dir, intl dir
W.T. Ambrogi Jr., dir-chemicals field mktg div
N.M. Atkins, dir-prod mktg mgmt, chemicals div
P.J. Trent, dir-plastics field mktg div

Advertising Personnel
(New York)

B.F. Roberts, vp-adv
A. LaManna, dir-adv
K.P. Lawless, mgr-fibers adv
V.V. Reisig, mgr-chemicals adv
T.W. Lyons, mgr-plastics adv
M. Hennessy, mgr-intl adv
J.F. Horne, mgr-promo
H.E. Reebel, mgr-adv services

Advertising Agency

Leber Katz Partners, New York—all prod worldwide—Chip Evans, exec vp; Jack Benoze, senior vp-mgmt super; Randie Goldstein, acct exec.

VERBATIM CORP.

Sunnyvale, Cal.

Marketing Personnel

Joerg Agin, acting vp mktg.

Advertising Agency

D'Arcy McManus Masius, San Francisco, Cal.—all prod—Doug Glen, senior vp-mgmt super.

Ford Motor Co.

RANK 8

Dearborn, Mich.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	52,366	44,455	17.8
Net income	2,907	1,867	55.7
U.S.			
Sales	36,788	28,375	29.6
Operating profits	2,391	1,516	57.7
Advertising	559	484	15.5

Ford Motor Co., Dearborn, Mich., which in 1983 recorded the largest turnaround from a loss position in U.S. corporate history, built on that strong performance in 1984 as it increased U.S. advertising spending by 3.8%, to $559.4 million, over the previous year.

Ford, the 8th largest national advertiser, posted worldwide earnings of $2.91 billion, up 55.7% from 1983. Worldwide sales rose 17.8% to $52.4 billion.

The increase was a result of higher unit sales and an increased mix of larger vehicles.

In the U.S., net income was $2.4 billion, compared with $1.5 billion in 1983. The company's 1984 U.S. car market share improved to 19.2%, a 2% surge from 1983 and Ford's highest share since 1979. General Motors share was 44.6% and Chrysler's 10.4%.

Ford is expected to build on that market share in 1985. In the first half there was heavy selling of Tempo, Topaz and Escorts although profits were reduced because of financing programs. Such stepped-up marketing costs added to a higher tax rate (38% in 1985 vs. 27% in 1984) contributing to a 23.1% drop in second-quarter income to $699 million. Sales slipped in the quarter 1.3% to $13.8 billion on factory sales of 1.45 million units compared with 1.51 million a year earlier.

Outside the U.S., net income during 1984 rose 47% to $516 million because of higher earnings in Canada and the Asia-Pacific region and reduced losses in Latin America. In Europe, 1984 profits declined even though Ford was the car sales leader there for the first time. The decline reflected higher marketing costs and a less profitable mix of vehicle sales. Analysts say Ford, like General Motors, "bought share" with lower prices.

Ford channeled virtually all of its increased ad spending into factory contributions to dealer advertising associations: Groups of dealers in individual markets that pool advertising funds to promote special sales or ongoing events and are usually big enough to hire their own agencies.

Ford and Lincoln-Mercury divisions plan special projects with various dealer associations and typically contribute $1 for every $2 or $3 the dealer groups put up.

Ford's direct factory media spending actually dropped $2.06 million in 1984 to $477 million, which can in part be traced to less rebate and low-cost financing advertising and fewer new products than in 1983. Ford division factory advertising was virtually unchanged at an estimated $297 million and L-M rose 15% to an estimated $115 million.

But Ford division contributions increased to an estimated $59.4 million from $45 million in 1983, and L-M rose to an estimated $23 million from $16 million in 1983. Cars in the Ford division recorded some of the larger measured media totals, according to the six-media monitored by Leading National Advertisers—Escort $17.5 million, down 11% from 1983; Ford LTD $13.9 million, up 10.3%; Ford Mustang $14.8 million, up 59%; Ford Tempo $28.1 million, up 1.8%.

Ford sold 1,979,317 cars in the U.S. in 1984, up 26% over 1983. Ford division, which accounted for 1,300,644 units, showed a unit sales increase of 22.7% over 1983. L-M sales reached 678,673 units, up 32.8%.

The Ford Escort continued to be the company's top seller with 353,578 units sold in 1984, reflecting an 8.4% increase over 1983. The Lincoln Continental, however, showed the greatest unit sales increase—up 127.2%—with 31,110 vehicles sold.

Ford also sold 1,166,715 trucks in the U.S., the greatest volume coming from pickups and the Ford Ranger with unit sales of 540,885 and 220,687, respectively. The largest increases were in heavies, up 59.1%, and the Bronco II, up 55.2%.

Ford has been on the diversification path since 1983 and has had the cash to do so. In 1984, Ford purchased a 70% interest in the California-based Starnet Corp., a commercial telecommunications company. In 1985, Ford made a bid for Hughes Aircraft Co., El Segundo, Cal., but lost out to GM.

In July, Ford Motor Credit Co. formed a heavy equipment leasing company and Ford agreed to purchase for $493 million First Nationwide Financial Corp., San Francisco, the ninth largest U.S. sales & loan, to diversify its financial services. Ford also announced it will spend $20 million for a minority interest in American Robot Corp., Pittsburgh, and it has an agreement with General Electric to jointly develop a fully automated operation to produce electric motors.

During 1984, Ford increased its measured advertising 4.5% to $387.4 million. In doing so, it boosted newspapers 25% to $62.1 million; magazines 21% to $97.1 million; network cable 33% to $6.9 million, and spot tv 5.4% to $39.5 million. However, it cut spending in three media—network tv by 4.7% to $164.3 million, spot radio 17% to $10.8 million and network radio 79% to $1.5 million. Outdoor and farm, both minor media for the agency, remained stable.

Ford got into advertising hot water in April, 1984, when BMW of North America sued Ford for a comparative magazine ad, via Wells, Rich, Greene, Detroit, that said the Ford Thunderbird Turbo Coupe "outhandled" the BMW 633CSi. The case was settled out of court when Ford agreed to drop the ad.

In early 1984, Ford division asked for magazine concessions of rate, position and circulation guarantees in return for guaranteed ad spending. Response was "almost 100%," says Charles Schneider, ad media analysis manager. Newsweeklies that refused to go along with rate-freeze guarantees lost ad pages.

In June, Ford decided to extend the program into 1985. However, several publications rapped the division for "rate busting" when Ford asked for increased emphasis on multiyear rate protection and less on merchandising awards. Ford's 1985 magazine planning requests included a positioning package and "discounts, network pricing and multiyear commitments." The division also cut 31 magazines from its 1985 new-car announcement quarter. Instead it went with spreads that cost twice as much as single-page units, reducing the number of insertions.

Ford's tv media strategy in 1984 called for buying total or partial exclusivity on high-profile tv events. Network tv ad spending for the year dropped 4.7% to $164.3 million, however, as the company swung to what it considered better values in magazines, newspaper, network cable and direct mail.

In November, the company closed a deal with ABC-TV, snagging the domestic auto sponsorship of the 1985 Super Bowl after GM's Chevrolet division relinquished it. The $10 million package buy included the Super Bowl sponsorship as part of a prime-time big-events package rather than a standalone sports buy. It also included $7 million in time on the fall, 1985, ABC 10-hour Civil War miniseries, "North and South."

Ford also bought U.S. auto exclusivity on NBC's 1984 World Series coverage.

With the relaxing of car import restrictions, Ford began gearing up for the import deluge in 1985. In January, it introduced the Merkur XR4Ti, known as the Sierra XR4 in Europe, with projected first-year sales of 12,000-14,000. The sporty coupe is imported from Germany and marketed by L-M. By 1990 Merkur will market four import models based on three different platforms. Ford has projected 100,000 Merkur annual sales by 1990, but later revised that figure downward.

Ford continued plans to import into the U.S. and Canada a car built in Mexico by Ford and its Japanese affiliate, Mazda. It, too, will be marketed by L-M and may replace the Mercury Capri in the next few years. An Australian version is called the Telstar and is similar to the popular Mazda 626.

Ford plans to market an undetermined portion of the small cars that Mazda will begin producing in 1987 in a former Ford plant in Flat Rock, Mich. Ford also plans to import a minicar made by Korean manufacturer Kia for North American marketing beginning in the 1988 model year. Importing the Korean car will be a joint venture with Mazda, of which Ford owns 25%.

In February, 1985, Ford underwent upper management shifts. Philip Caldwell retired as Ford chairman-ceo and was succeeded by Donald Petersen. In the same move, former exec vp Harold Poling was named president-chief operating officer, replacing Mr. Petersen.

Top officials quickly went to work to shore up the bottom line, announcing a plan to cut the white-collar work force on the auto side by 20%, or 10,000 workers, by 1990. Cuts, to be made primarily through attrition, a retirement incentive program and voluntary termination plan, are designed to hold costs down and make Ford cars more competitive. Such payroll reductions are not without precedent in the industry. Chrysler pared its white-collar work force in half during its crisis period between 1979 and 1982.

In other management moves, Thomas Page's retirement as exec vp-diversified products operations triggered other changes: Mr. Page was succeeded by Philip Benton Jr. Louis Lataif succeeded Mr. Benton as vp-sales operations for North American automotive operations. Robert Rewey succeeded Mr. Lataif as vp-general manager, Ford division. Thomas Wagner replaced Mr. Rewey as vp-general manager of L-M. Ross Roberts succeeded Mr. Wagner as general marketing manager, Ford division. Edsel Ford II succeeded Mr. Roberts as general marketing manager of L-M division. John Vanderzee succeeded Mr. Ford as ad manager of Ford division. And Thomas Ryan Jr., former manager at Ford's Houston district sales office, replaced Mr. Vanderzee as ad manager of L-M.

In April, 1985, Ford signed a multiyear deal with ABC Sports for sponsorship of "Monday Night Football," breaking the domestic-auto-exclusivity hold that Chevrolet has had for years. Under an alternating arrangement. Ford and Nissan will share a game, and the next Monday Chevrolet will be the exclusive auto sponsor. Ford also became a major sponsor of NBC-TV's Major League Baseball coverage.

Meanwhile, ads for Ford division continued to aim at the young, upwardly mobile professional market with messages attuned to the group's life style. Ford used youthful personalities such as football stars John Riggins and Joe Montana and skater Dorothy Hamill. A magazine ad for Ford's lineup of station wagons used clothing sizes to describe "Ford people carriers."

To further attract these young professionals, Ford began testing computerized "selection centers" in dealerships. The division will install the system in 1,500 to 2,000 dealerships in the 1986 model year if successful. The selection center also is part of a larger Ford program exploring other potential sales methods, including satellite dealer showrooms, telemarketing and direct-computer ordering.

On the Lincoln-Mercury side, three cars got most of the spring attention in 1984: Cougar for a sales success, Topaz to strengthen brand awareness and Mark VII because the luxury car was new for the model year. The Cougar got $20.9 million in measured spending, down 12.6%; Topaz $22.9 million, up 16.8%, and Mark VII $14.1 million (for all Continentals), up 90.5%.

With the fall introduction of 1985 cars, L-M took a five-state "complete car" test program national. The "complete car" has some optional equipment standard or available in packages, with option availability severely reduced. It is expected to be companywide by 1987. The idea was part of Ford's marketing thrust to cover new segments of the market "that seem to be identified every six months," said Philip Benton, then vp-sales operations, North American Automotive Operations.

L-M singled out only those vehicles with aerodynamic designs for company media spending for model year 1985. The stars under the Mercury label were Cougar, Cougar XR7 and Topaz. For Lincoln it was the Continental Mark VII LSC. All others were banished to dealer group ad efforts, except for the Mercury Capri, which received virtually no ad spending.

Music from the 1960s dominated ads. A Topaz ad cut between a young couple at a drive-in and the same couple, married and with children, returning to the drive-in. Merkur ads compared it to Audi, BMW, Saab and Volvo. A Cougar commercial showed a male baby boomer fleeing his office for a driving vacation "out on the highway looking for adventure." Mark VII took on Mercedes-Benz with "judge it by the competition."

In early 1985, L-M ads took after young buyers. L-M said it had intentions on capturing 10% of the U.S. new-car market by 1990. It used Beatles music as part of this ambitious effort and broke four 60-second commercials during CBS' Grammy Awards telecast that were designed to start forging emotional links between Mercury cars and younger buyers. The Beatles song "Help" played over one spot as 30-ish actors scattered in their Mercurys on a scavenger hunt for surfboards, hula hoops and old-fashioned Yellow Cab caps. A Topaz ad was pitched to "Be My Baby" as a father loaded two preschoolers into the car for a trip to the hospital, where mom is a doctor.

In June, 1985, L-M decided to delay until the 1990s plans to capture that full 10th of the U.S. market. Instead it focused on splitting L-M into three separate brands: Lincoln, Mercury and imported Ford of Europe Merkur. While dealers would still carry all three lines, each would get a separate umbrella campaign. L-M expects to distinguish Merkur as a brand name before it brings over the Scorpio from Europe.

Ford trucks continued to be "built Ford-tough." However, Ford quit running ads showing its Ranger pickup truck being parachuted from airplanes or over cliffs. Instead, the 1985 model Rangers went to the moon. Ads for the compact Ranger show the truck handling city potholes with the line, "Some of the roughest roads aren't in the mountains but on city streets, perhaps your street." Ford spent $40.3 million in measured media on trucks, down 7.4%, placing $15.3 million of that behind Ranger, down 33.5%, and $4.8 million in support of Bronco, down 20%.

In spring, 1985, Ford prepared for the fall introduction of its 1986 Aerostar minivan. Ads for the "yuppiemobile" positioned the Aerostar as a second personal-use vehicle for young families. They also stressed ease of driving for women and versatility for recreation. Aerostar will get an initial ad push of $20 million, and Ford expects calendar 1985 sales of 50,000.

Both Ford and L-M began gearing up for the November, 1985, debut of the high-volume, midsize front-wheel-drive 1986 models Ford Taurus and Mercury Sable, with projected 400,000-unit first year sales. Other future products include a U.S.-built small car, code-named Alpha Project to compete with GM's Saturn, aimed at competing profitably with Japanese imports; an on-demand, four-wheel-drive option for its Tempo-Topaz compacts, and a turbocharged engine for a Beatrice-sponsored Formula One team for the 1986 Grand Prix season.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	62,063	49,603
Magazines	97,101	80,346
Network cable	6,892	5,087
Spot tv	39,500	37,857
Network tv	164,253	172,308
Spot radio	10,787	12,993
Network radio	1,525	7,186
Outdoor	2,174	1,806
Farm pubs	3,115	3,431
Total measured	387,411	370,617
Total unmeasured	171,989	113,530
Estimated total	559,400	484,147

FORD MOTOR CO.

The American Road
Dearborn, Mich. 48121
(313) 322-3000

Corporate Marketing Personnel

B.J. Coughlan, exec dir-mktg
D.T. McClure, dir-adv office
R.C. Reynolds, mgr-corp adv
F.R. Wuellner, mgr-adv communications

Advertising Agency

Wells, Rich, Greene, New York—James B. Lawrence, senior vp-genl mgr, Detroit.

FORD DIVISION

Marketing Personnel

R.L. Rewey, vp-genl mgr
P.M. Novell, genl sales mgr
L.J. Alaimo, exec asst-dealer affairs
R.H. Roberts, genl mktg mgr

R.C. Olsen, truck sales promo mgr
J.B. Vanderzee, adv mgr
R.J. Gillooly, car adv mgr
W.D. Lancaster, merch mgr
D.M. Pohlod, car sales promo mgr
J.D. Oldfield, training-communications mgr

Truck Operations

E.P. Williams, vp-genl mgr
J.H. Merrifield, heavy truck sales mgr
D.D. Litchfield, heavy truck adv-merch mgr

Advertising Agency

J. Walter Thompson USA, Detroit, Mich. —J.G. Sch[illegible], exec vp, Detroit office mgr; Bill Lane, senior vp-exec creative dir; Bill Williams, senior vp, Ford acct dir; Larry Mastro, vp-truck mgmt super; Hugh Trenkamp, senior vp-group mgmt dir; D.L. Sinclair, senior vp-mgmt super, car; Tom Healy, senior vp-media dir.

LINCOLN-MERCURY DIVISION

Marketing Personnel

Thomas J. Wagner, vp-genl mgr
T.D. Mignanelli, genl sales mgr
E.B. Ford II, genl mktg mgr
Thomas B. Ryan, adv mgr
Carl Bergmon, merch mgr
Chuck Schneider, major market, dealer adv mgr

Advertising Agency

Young & Rubicam, Detroit, William A. Power, exec vp-genl mgr; Roby Harrington, exec vp-regional dir; John Sanders, exec vp, deputy mgr; Chuck Riley, senior vp-group dir, L-M acct support services; Greg Stein, vp-dir of client services, WRK; Ken Pool, vp-dir media relations & planning; Warren Winstanley, vp-mgmt super, planning; George Bak, vp-mgmt super, Merkur; Tim Hart, vp-mgmt super, Mercury; Tim Cooney, mgmt super, Lincoln-luxury; Conrad Welsing Jr., senior acct exec, luxury adv; Sandy Rowland, acct exec, Mercury; Scott Thornton, acct exec Merkur.

FORD PARTS & SERVICE DIVISION

Marketing Personnel

J. A. Kordick, genl mgr
L.R. Miskowski, natl service devel
K.W. Myers, prod & mktg mgr
M.L. Jones, mktg office mgr
T.G. King, adv & sales promo

Advertising Agency

Young & Rubicam, Detroit—Robert Sontag, vp-mgmt super; Carol Canestraight, acct super-parts & service; Chris Konal, John Scales, acct execs.

NORTH AMERICAN SALES OPERATIONS
FORD TRACTOR OPERATIONS

Marketing Personnel

R.F. Moglia, vp-genl mgr
G.A. Covl, asst genl mgr-sales & mktg
R.J. Nicolazzi, genl operations mgr
E.S. Hasel, genl sales mgr
J.N. Chuchman, mktg mgr
A.H. Pridgeon, adv & sales promo mgr

Advertising Agency

Meldrum & Fewsmith, Southfield, Mich. —Jack Bryan, exec vp; Rol Kracoe, senior acct exec; Robert Drake, acct execs.

FORD MOTOR CREDIT CO.

Marketing Personnel

W.E. Odom, exec vp-North American automotive financing operations
J.R. Gilker, mktg & business devel mgr
W.E. Beathard, mktg & operations mgr
C.B. Rosenberg, mktg & business devel mgr-diversified financing operations

Advertising Agency

Wells, Rich, Greene, New York—J.D. McKay, exec vp-mgmt group head.

General Electric Co.

RANK 37

Fairfield, Conn.

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	27,947	26,797	4.3
Net income	2,280	2,024	12.6
U.S.			
Sales	25,968	25,513	10.4
Operating profits	2,061	1,667	23.6
Advertising	202	197	3.0
Division sales			
Consumer prods.	3,372	3,650	2.3
Major appliances	3,650	3,078	18.6
Industrial systems	3,935	3,880	1.5
Power systems	5,797	5,686	2.0
Aircraft engines	3,731	3,436	8.7
Materials	2,117	1,964	7.8
Technical prods.	4,578	3,759	21.8

General Electric Co., Fairfield, Conn., the 37th largest national advertiser, increased its U.S. advertising by 3% to an estimated $202.4 million as sales in 1984 showed narrow gains of 4.3% to $27.95 billion.

Earnings, however, showed a substantial increase of 12.6% to $2.28 billion.

But earnings, too, have slipped in the first part of 1985. Second-quarter results compared with the year-earlier period show earnings increasing 1.9% to $590 million and sales advancing 2.7% to $6.84 billion.

GE in the second quarter of the current fiscal year also paid the U.S. government about $2 million as part of a fine and payback required after the company pleaded guilty in May to defrauding the Air Force. GE had allegedly filed false claims for payment on a missile contract.

GE holds a 3.5% share in dollars of prime government contracts valued at $4.52 billion, ranking it fourth behind General Dynamics, McDonnell Douglas and Rockwell International, in that order. GE, indicted for the alterations in March, 1985, was immediately suspended from receiving new military contracts, but that suspension was lifted in April for all divisions but its space division, a minor government contractor.

During 1984, the company tuned up for a number of new entries in the consumer products and small appliance segments. It introduced an automatic shutoff iron and spent an estimated $5.8 million touting its line of highly featurized phones.

Company chairman John Welch Jr. also was reported as saying the company might discontinue manufacturing tv and audio products or even pull out of the consumer-electronics business. However, subsequent published reports indicate GE instead might carve up its consumer electronics business into a smaller, more manageable business, or that the company could merely become a distributor of products manufactured to GE specifications.

During 1984, the largest increase in measured media appeared in spot tv, where spending went to $7.8 million from $4.5 million in 1983. The largest cut came in magazine spending where it fell to $8.5 million from $13.1 million in 1983. The company also began to dabble in network radio, spending $75,000 in the medium.

GE products receiving most advertising attention in 1984 besides home telephone included color tv sets backed with $6.7 million in advertising, up from only $406,000 in 1983; major appliance (nonspecific) advertising of $7.4 million, up from $1 million; rechargeable battery system, $3.2 million, up 14.3%; refrigerator and freezer $5.1 million, up from $927,700. Home light bulbs dropped 24.8% in advertising to $7.6 million; dishwashers fell 42.9% to $3.6 million, and general promotion dropped 17.7% to $6.5 million.

GE acquired new businesses in 1984 and sold a number of properties. It acquired Employers Reinsurance Corp. for $1.1 billion and entered partnerships with Ungermann-Bass, a company that makes networks for everything from personal computers to mainframes, and Coherent Inc., involved in laser technology, supporting its industrial electronics segment.

GE entered new areas of businesses: Ceramics for the electronics packaging market; and a graphics processor venture—a highly leveraged means of substituting silicon for software in image generation.

The company created a new affiliate, General Electric (U.S.A.) China Co. Ltd., designed to serve as the focal point for all GE business activities with the People's Republic of China.

At the same time, the company completed the sale of Utah International, its natural resources subsidiary, to Broken Hill Proprietary Co. Ltd. in April, 1984; sold its housewares business to Black & Decker for $300 million in April, 1984, and sold its Family Financial Services, a second mortgage subsidiary of General Electric Credit Corp., to the Philadelphia Saving Fund Society. In total, the three divestitures were valued at $3.3 billion.

Also, late last year, GE agreed to merge its General Electric Cablevision Corp., its cable tv subsidiary, into a wholly owned subsidiary of United Artists Cable TV unit, United Artists Cablesystems Corp. Under the agreement, GE received $132 million plus 37% of the stock of United Artists Cablesystems.

During the third quarter of 1984, GE introduced HomeMinder, a space-age device that makes it possible for the user to control household lights, heating, cooling and appliances through a tv set. HomeMinder is available in two models. For $1,300 the consumer gets the top-of-the-line GE tv set equipped with the system. The HomeMinder module, which resembles a videocassette recorder and connects to an existing tv set, can be purchased for $500. BBDO, New York, is the agency.

Last year, GE introduced its Automatic Shut-Off iron. Priced at about $60, the iron features an audible signal that beeps when the temperature selected by the user has been reached and when the iron has not been moved in 10 minutes. Print and tv via BBDO supported the introduction.

The company had an estimated 50% market share for irons when it was beaten to the market by Sunbeam's Monitor automatic shutoff iron. Sunbeam's share was expected to rise from 15% to 20%, stealing points from GE. Hamilton-Beach and Dart & Kraft's West Bend division joined the fray, with West Bend adding further heat by introducing an automatic shut-off iron that was also cordless.

Jumping headlong into the phone manufacturing fracas, GE spent $5.8 million in measured media, mostly network tv, pushing its line of new and revised highly featurized phones. The segment of the market for its sophisticated unit grew an estimated 2.8 million unit sales by the end of 1984, up 55% from the previous year—primarily the result of marketer and retailer advertising.

GE is providing additional advertising support to its appliance line in Mexico. Early last year it named J. Walter Thompson de Mexico to handle its $900,000 appliance account.

The company also shifted its major appliance business group account to Symon & Hilliard, New York, from BBDO. The account is estimated at $3 million.

In the industrial sector, GE's plastics group, Pittsfield, Mass., assigned its $4 million-plus account to Marsteller Inc., New York, from R T. Blass Inc., Old Chatham, N.Y.

On the corporation front, GE began an image campaign last fall on Screenvision Cinema Network, a service that places commercials in movie theaters before films are shown. The campaign, by BBDO, is aimed at young adults.

Also, GE reassigned its corporate business print advertising to Jim Johnston Advertising from Chiat/Day.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	14,984	12,220
Magazines	8,510	13,129
Network cable	5	76
Spot tv	7,825	4,502
Network tv	40,343	39,158
Spot radio	494	507
Network radio	75	0
Outdoor	415	243
Total measured	72,651	69,835
Total unmeasured	129,749	126,748
Estimated total	202,400	196,583

GENERAL ELECTRIC CO.

3135 Easton Turnpike
Fairfield, Conn. 06431
(203) 373-2211

Marketing Personnel

Leonard Vickers, vp-corp mktg
R.A. Costello, mgr-corp brand communications
K.L. Koss, mgr-corp adv
H.M. Snider, mgr-business communications & media planning
E.J. Clark, mgr-educational communications programs
A.C. Walker, media coord

CONSUMER PRODUCTS SECTOR

Marketing Personnel

R.Q. LaFond, genl mgr-lamp consumer mktg & sales operations
W. Rogers, mgr-mktg communications, C&I lamp
V.H. Alcott, mgr-adv & industrial design, major appliance
R. Richman, mgr-mktg services, consumer electronics.

Advertising Agencies

BBDO, New York—corp & consumer brand image, consumer lighting, commercial & industrial lighting, consumer electronics (excluding trade)—F. Perkins, exec vp.

Dancer Fitzgerald Sample, New York—rechargeable batteries—Robert Weekes, exec vp.

Jim Johnston Advertising, New York—corp business, GE brand trade adv—James J. Johnston, chmn-ceo.

Stuart Ford, Richmond, Va.—mobile communications—Stuart Ford, ceo.

Symon & Hilliard, New York—major appliance, GE brand trade adv, Hotpoint, brand & consumer trade adv—Jim Symon, chmn.

General Foods Corp.

RANK 12

White Plains, N.Y.

($ figures – 000,000)

Worldwide	1985	1984	% chg
Sales	9,020	8,600	4.9
Net income	325	317	2.6
U.S.			
Sales	N/A	6,680	N/A
Operating profits	N/A	602	
Advertising	450	397	13.2
Division sales			
Pkg. grocery prods.	N/A	3,788	N/A
Grocery coffee	N/A	2,300	N/A
Processed meats	N/A	1,533	N/A
Food service/other	N/A	979	N/A

General Foods Corp., which has been rumored on Wall Street this fall as being a possible buyout candidate, ranked the 12th largest national advertiser in 1984 with estimated advertising of $450 million, a 13.2% increase over 1983.

The White Plains, N.Y.-based company plans to prime its ad budget with a 20% increase in 1985. The 1984 outlay pushed the company past the record $429.1 million it spent two years ago.

The heavier ad support accompanied worldwide sales of $9.02 billion, up 4.3%, for the fiscal 1985 ended March 30, as net earnings increased 2.5% to $324.9 million worldwide.

In mid-September of this year, GF was purported the subject of a buyout by Philip Morris Inc., the beer, cigaret and soft drink marketer. GF stock took off when it was learned that Philip Morris, viewed as a potential buyer of GF for several months, had arranged a $6 billion line of credit, presumably to make an acquisition. GF also was believed to be a target of Unilever N.V., which made a bid in mid-September instead for Richardson-Vicks, the Wilton, Conn.-marketer of personal care and otc drug products.

General Food's modest returns for fiscal 1985 felt the impact of several special items: The sale of the Gaines pet food division, a provision to restructure certain international operations and an accounting change relating to advertising/promotion costs of powdered drink mixes. Excluding these items, net earnings from operations were down 4.5% to $302.8 million. For the first quarter ended June 30, sales rose 0.4% to $2.27 billion, while net earnings increased 7% to $77.7 million.

While GF got out of the pet food business by selling Gaines to Anderson, Clayton & Co. for an after-tax gain of $59.8 million, the company expanded its operations with the $60 million acquisition of Oroweat Foods Co., a specialty bread company, and the $52 million purchase of Ronzoni Foods Corp., a pasta maker.

Although GF continues to reduce its dependence on the grocery coffee business, that division received the most measured media dollars last year at $87.9 million. Of that, the Maxwell House line received $29 million, including $17 million for a newly introduced decaffeinated version.

Leading both the ground and instant segments, regular Maxwell House coffee holds an 18.9% unit share of the ground market and 22.5% of the instant business. Maxwell House Master Blend holds an additional 8.7% of the ground segment, while Maxim has 2.4% of the instant.

GF did not limit its new product introductions to that line. Over the past 18 months, the company also has launched Yuban decaffeinated coffee, International Coffees with NutraSweet, and in a limited test, a line of premium ground items called the Maxwell House Master Collection. For consumers who prefer a full-flavored decaffeinated coffee, the company added Dark Roast to the Brim line.

With higher margins and greater growth opportunity, GF is committed to retaining the lion's share of the decaffeinated business.

The company invested $20 million in the International Coffee launch and by yearend held 1.9% of the instant segment. Brim, which has 4.5% of the instant market, also was supported heavily in measured media with $19 million. The brand holds about 2% of the ground segment.

Sanka, which pioneered the decaffeinated segment, held onto 10% of the instant market and 4.4% case share of the ground market. The line received $17 million in measured media backing.

Yuban, the only nationally marketed product in the premium category, was put on notice to gear up for a battle by the entry into test of a product, Gold Blend, from Nestle's Hills Bros. subsidiary. Yuban holds less than a 1% share of the instant and regular categories. It received $3.3 million in ad support last year.

Although disappointed by sales and earnings growth of beverages last year, the company still invested $63 million in measured media to support them. GF cited poor summer weather and a large number of competitive products as reasons for flat sales and a decline in earnings.

Although Kool-Aid was especially disappointing, the company invested $27 million in measured media in the line, adding new flavors and aseptically packaged cartons, called Kool-Aid Koolers. The powdered line holds an estimated 65% of the $800 million powdered beverage market.

During its first year of national distribution, Crystal Light, an adult powdered drink mix, received $20 million in measured media support. The brand already had achieved a 10% market share while in only 40% of the country and continued to perform well during its national rollout.

The company also invested $7 million in the restaging of Country Time lemonade mix, including a sugar-free version, and achieved close to a 5% market share.

In March, GF sold its Awake and Orange Plus frozen orange concentrates to TreeSweet Products for an undisclosed amount. Sales of the two brands exceeded $20 million.

In the separately considered orange/breakfast beverage category, Tang holds about an 8% share and received $8 million in measured media last year.

This year, GF began testing still another powdered drink mix called Diet Sun, with emphasis on the taste attribute of the diet beverage and its 10% juice content.

Desserts, led by the frozen novelty business, had a banner year. Projected to grow from $150 million in manufacturer dollars today to possibly $500 million soon, GF's frozen novelties now include Jell-O Pudding and Gelatin Pops as well as two test items, Fruit & Cream and Soft Swirl.

Pudding Pops were supported by $9 million in measured media last year, while Gelatin Pops received $13 million during their national rollout. Also in the division, Cool Whip whipped topping received $10 million in measured media support.

After years of declines, the gelatin dessert market received a shot in the arm from the introduction of Jell-O sugar-free gelatin, sweetened with NutraSweet. The product was backed by $12 million in measured media during its introductory year, a separate campaign from the $13 million invested in regular Jell-O gelatin. Also contributing to strong growth was the regular Jell-O pudding and pie filling line, supported by $11 million.

GF holds a major share of the frozen novelty market as well as the package dessert business.

In breakfast foods, GF has long struggled to remain a strong No. 3 in the $4 billion cold cereal market. Of the top 17 brands, accounting for 58% of the ready-to-eat cereal market, GF has only two, Grape Nuts and Post Raisin Bran. According to Paine Webber figures, these are the No. 9 and No. 10 brands, respectively, holding 3.3% and 2.9% shares.

With new products, the company has been most successful recently with Fruit & Fibre, which has grown to a 1.5% market share. This summer the company added two new flavors to the line using the same "tastes so good you forget the fiber" ad theme.

The company also has put into test Post Cheyenne corn cereal, with the theme, "Eat right to live right."

Of the $52 million spent to advertise Post cereals, $12 million each went into Grape Nuts and Raisin Bran and $10 million into Fruit & Fibre.

Other brands receiving between $2 million and $4 million each were Alpha Bits, Honeycombs, Pebbles, Strawberry Crunch and Super Golden Crisp.

The focus in GF's reorganized meals division is on future growth, although established brands continue to perform well. Stove Top stuffing mix, which holds more than 70% of the category, received $10 million in measured media. The division introduced a new container during the year that allows a flexible number of servings.

Shake 'n Bake coating mix, also a category leader, was supported by $8 million in measured media. Minute Rice, also a dominant brand in its category, received $9 million.

Although Birds Eye frozen foods—vegetables and fruits—had good growth, earnings were lower than expected because of heavy competition in the regular vegetable segment. Spending in measured media was about $9 million. Several new varieties of frozen vegetables with sauce were added to the line.

The division expanded its salad dressing business, adding Good Seasons Lite mixes and supported the line with $8 million in measured media.

The company is working on several projects that would put it in the growing entree business, both in frozen and refrigerated products as well as possibly shelf stable. At least one of those projects should end up in test market this year, the company said.

Although still a small business, Ronzoni pasta has been integrated into the Birds Eye division. GF plans to expand geographically as well as add frozen Italian entrees to the line. Spending totaled $2 million last year.

In processed meats, a business GF entered through the 1981 acquisition of Oscar Mayer, the company found niches in the difficult red meat market with bacon and cheddar cheese hot dogs and Stuffin' Burgers, the company's first entry in the frozen meat case.

Louis Rich processed turkey products turned in an excellent performance with volumes exceeding 15% over last year. The company says Rich processed turkey luncheon meats are No. 2 behind Oscar Mayer. Spending last year for Mayer totaled $12 million and for Rich, $13 million.

Although Entenmann's baked goods and Oroweat specialty breads did not receive heavy ad spending (less than $1 million each), the company has begun a major geographical expansion of these businesses.

Other areas of interest include specialty cheeses and direct mail distribution of specialty foods. The company began testing Beaux Villages cheeses in four markets and introduced via direct marketing Gevalia Kaffee, brought to the U.S. from the company's Swedish operations.

Last November, the company introduced a new corporate logo that began appearing on all brands and company communications. The symbol above the company name is a two-tone green leaf surrounded by a black band.

Several agency changes occurred during the year. Louis Rich products were moved to Ted Bates Advertising/New York from Tatham-Laird & Kudner, Chicago. Ronzoni pasta was assigned to Young & Rubicam, New York, from Firestone & Associates. Oroweat Foods went to Benton & Bowles, Los Angeles, from Foote, Cone & Belding, New York.

General Foods this month moved Tang and sugar free Tang orange drink mix to Ogilvy & Mather, New York, from Young & Rubicam as part of a move to reduce the number of agencies handling its beverage division.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,018	4,201
Magazines	48,578	33,373
Network cable	13,269	11,290
Spot tv	96,869	73,020
Network tv	190,223	170,065
Spot radio	2,946	2,333
Network radio	1,704	1,711
Outdoor	626	69
Farm pub's	216	55
Total measured	358,349	296,117
Total unmeasured	91,651	101,363
Estimated total	450,000	397,480

GENERAL FOODS CORP.
250 North St.
White Plains, N.Y. 10625
(914) 335-2500

Marketing Personnel

James L. Ferguson, chmn-ceo
Philip L. Smith, president-coo
E.R. Shames, exec vp-president, GF intl operations
D.J. Keller, exec vp-coffee & foodservice
W.F Dordelman, group vp-planning & devel
J.M. Hiegel, exec vp-ceo, Oscar Mayer Foods Corp.
R.L. Seelert, exec vp-president, package convenience foods
J.C. Tappan, group vp-breakfast & bakery
J.M. Keenan, corp group vp-president, GF Europe
F.K. Mitchel, vp-mktg staffs
L.A. Nelson, vp-sales
D.W. Johnson, vp-president, ceo, Entenmann's Inc.
R.E. Haynes, creative services dir
D.K. Braun, media services dir
W. Shaw, promo services dir

Breakfast & Bakery Sector
Marketing Personnel

J.C. Tappan, group vp

Breakfast Foods Division
Marketing Personnel

D.F. Hurwitt, vp-genl mgr
D.J. Gustin, mktg mgr-cereals
Gary Voorhees, devel mgr

Advertising Agencies

Ted Bates Advertising/New York—Log Cabin—Lawrence Epting, exec vp; Michael Townsend, senior vp-mgmt rep; Stuart Upson, Janet Stanton, vp-acct supers.

Grey Advertising, New York—Post Raisin Bran, Grape Nuts, Honeycomb, Grape Nuts Flakes, Fruit & Fibre, 40% Bran Flakes—Malcolm Mace, senior vp-mgmt rep; Pam Marcus-Fruit & Fibre, Carolyn Carter-Grape Nuts, Carol Herman-all other cereals, vp-mgmt supers.

Ogilvy & Mather, New York—Alpha Bits, Pebbles, Super Golden Crisp, Honey Nut Crunch, Raisin Bran, Post Tens, Smurfberry Crunch, new prod—Peter Barnet, senior vp-group dir; Cynthia Round, vp-mgmt super; Sandi Reitelman, acct super; David Vipond, Larry Bloomenkranz, acct execs.

ENTENMANN'S INC.
Marketing Personnel

D.W. Johnson, GF vp, president-ceo

Advertising Agency

Benton & Bowles, New York—William Munroe, acct dir; Nat Stein, acct super; Minott Wessinger, acct exec.

Coffee/Food
Service Sector
Marketing Personnel

D.J. Keller, exec vp-coffee & foodservice

MAXWELL HOUSE DIVISION

S.B. Morris, GF vp-genl mgr
C.R. Hummel, dir-long range planning
J.W. Johnson, mktg mgr

Advertising Agenices

Ted Bates Advertising/New York—Maxim, Mellow Roast coffee—Lawrence Epting, exec vp; Michael Townsend, senior vp-mgmt rep; Stuart Upson, Janet Stanton, vp-acct supers.

Benton & Bowles, New York—Brim, Yuban—Bill Munroe, acct dir; William Badger, mgmt super; Lance Smith, acct super, Brim; Nat Stein, acct super, Yuban; Priscilla Natkins, acct exec, Brim; Adrienne Kuman, acct exec, Yuban.

Ogilvy & Mather, New York—Maxwell House brands—Peter Barnet, senior vp-group dir; Mel Kiselik, vp-mgmt super; Rick Roth, Mark Greene, vp-acct supers; Melissa Bernhardt, Betsy Lembeck, Debra Kohn, acct execs.

Young & Rubicam, New York—Sanka, International Coffees—Larry Shapiro, group dir; Mitch Kurz, mgmt super, intl coffee; Marcia Wasser, acct super, intl coffee; Larraine Alhadeff, acct exec, intl coffee; Cathy Damico, asst acct exec, intl coffee; Dave Findel, acct super, Sanka; Betsy Latt, acct exec, Sanka; Bruce Cheesebrough, asst acct exec, Sanka; Jay Stewart, acct coord, Sanka.

Foodservice Product Division
Marketing Personnel

A.R. Plasche, GF vp-div president
E.S. Caso, operating & logistics dir
J.M. Harran, mktg & devel dir

Package Convenience
Foods Sector
Business Divisions

R.L. Seelert, group vp-package convenience foods business div

Beverage Division
Marketing Personnel

R. Sansone, GF vp-genl mgr
G. Murphy, mktg mgr
Bob Tuckis, devel dir

Advertising Agencies

Benton & Bowles, New York—Crystal Light, new prod—Richard V. Hopple, senior vp-acct dir; William Perkins, mgmt super; Mike Dabrowski, acct super, Crystal Light; Joe Goldstein, acct super, new prod; Stuart Pearlman, acct exec, Crystal Light.

Grey Advertising, New York—Kool-Aid, Diet Sun—Malcolm Mace, senior vp-mgmt rep; Carol Herman, Patti Dyson, vp-mgmt supers.

Ogilvy & Mather, New York—Country Time, sugar free Tang, Tang—Peter Barnet, senior vp-group dir; Curtis LeSage, vp-mgmt super; Eva Page, acct super; Tim Sager, acct exec.

Desserts Division
Marketing Personnel

R.G. Viault, GF vp-group exec
D.A. Smith, mktg mgr-established brands
Rick DeSantis, mktg mgr-frozen novelties

Advertising Agencies

Benton & Bowles, New York—Cool Whip, new prod—Richard V. Hopple, senior vp-acct dir; William Badger, mgmt super; Joe Goldstein, acct super; Susan Freeman, acct exec.

Grey Advertising, New York—Baker's chocolate, coconut, D-Zerta, Dream Whip, Minute Tapioca, Calumet, Certo, Sure-Jell—Jack Frantz, senior vp-mgmt rep; Jerry Zaret, vp-mgmt super.

Young & Rubicam, New York—Jell-O Fruit & Cream, Jell-O gelatin, Jell-O Fruit Bars, Jell-O Gelatin Pops, Sugar-free Jell-O, Jell-O Pudding Pops, Jell-O pudding—Larry Shapiro, group dir; Rick Bodge, mgmt super; Susan Vary, acct super, Fruit & Cream, fruit bars, gelatin pops, pudding pops; Chris Becker, acct super, gelatin, sugar-free & pudding; Ellen Hyde, acct exec, Fruit & Cream, gelatin pops; Miriam Kogan, acct exec, gelatin, sugar-free; Debra Coughlin, acct exec, pudding pops; Bryce Ott, acct exec, pudding; Bob Reith, acct mgmt intern, Fruit & Cream, gelatin pops; Hugh Nesbit, asst acct exec, gelatin, sugar-free; Adrienne Darling, asst acct exec, fruit bars, pudding pops; Kim Zimmerman, acct coord, Fruit & Cream, fruit bars, gelatin pops; Abbe MacLise, acct coord, pudding pops, pudding.

Meals Division
Marketing Personnel

C.J. Bowen, vp-genl mgr

BIRDS EYE AGRICULTURAL UNIT
Marketing Personnel

C.A. Adamo, mgr

Advertising Agency

Young & Rubicam, New York—Birds Eye frozen vegetables, fruits—Larry Shapiro, group dir; Mitch Kurz, mgmt super; Chris Ponzio, acct super; Claudia Eisen, Laurie Matthews, acct execs; Tom French, asst acct exec; Lisa Senters, acct coord.

Dry Grocery Product Unit
Marketing Personnel

L.D. Juliber, mgr

Advertising Agencies

Benton & Bowles, New York—new prod—Richard V. Hopple, senior vp-acct dir; Diane Jones, mgmt super; Andrew Sulzmann, acct super; Phylis Spinelli-Evans, acct exec.

Grey Advertising, New York—Minute Rice, Minute Rice mixes, Stove Top stuffing mix, Oven Fry coating—Jerry Zaret, vp-mgmt super.

Ogilvy & Mather, New York—Shake 'n Bake, Open Pit—Peter Barnet, senior vp-group dir; Cynthia Grant, vp-mgmt super; Lisa Glatzer, acct exec.

RONZONI FOODS CORP.
Marketing Personnel

R. Ronzoni, president
R.J. Pizzuti, mktg mgr

Advertising Agency

Young & Rubicam, New York—pasta, other prod—Larry Shapiro, group dir; Paul Lorant, acct super; Ray Katz, acct exec; Jane Chatzky, asst acct exec; Jennifer Brown, acct coord.

OSCAR MAYER SECTOR
OSCAR MAYER FOODS
Chicago, Ill.
Marketing Personnel

J.M. Hiegel, GF exec vp-div chairman/ceo
J.W. McVey, GF vp-div president
R.L. Tolleson, GF vp-div exec vp

Advertising Agency

J. Walter Thompson USA, Chicago—Oscar Mayer brands—John Furr, senior vp-group acct dir; Tom Goettsche, senior vp-acct dir; Frans Stevens, vp-acct dir; Chris Rector, Rudy Nadilo, acct supers; Lex Matteini, Cathy Warga, Corinne Sidler, acct reps; Pam Berland, Diane Kucera, asst acct reps.

LOUIS RICH
Marketing Personnel

Bryan Stockton, mktg mgr

Advertising Agency

Ted Bates Advertising/New York—Louis Rich meats—Lawrence Epting, exec vp; Michael Townsend, senior vp-mgmt rep; Stuart Upson, Janet Stanton, vp-acct supers.

Cheese Division
Marketing Personnel

B.G. Laragh, GF vp-div president
R.H. Ogden, mktg mgr

GF INTERNATIONAL
Advertising Agency

Ogilvy & Mather, New York—Peter Barnet, senior vp-group dir; Curtis LeSage, vp-mgmt super; Larry Bloomenkranz, David Vipond, acct execs.

RANK
28
General Mills
Minneapolis

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	4,290	4,120	4.2
Net income	-73	233	-131.4
U.S.			
Sales	N/A	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising*	283	279	1.6
Division sales			
Consumer foods	2,771	2,713	2.2
Restaurants	1,140	1,079	5.7
Toys	N/A	783	N/A
Fashion	N/A	587	N/A

*For calender 1984

General Mills, the country's 28th largest advertiser, increased ad spending 1.6% to an estimated $283.4 million in 1984 as measured ad spending went up 1.1% to $266.1 million.

Declaring its intent to "get back to basics," the Minneapolis company spun off or sold several of its operations this year. As a result, it showed a net loss in fiscal 1985 closing the end of May of $72.9 million on sales of $4.29 billion. The loss includes a charge of $188.3 million for discontinued operations. In fiscal 1984, the company earned $233.4 million on sales of $4.12 billion (restated from $5.6 billion to reflect discontinued toy, fashion and non-apparel specialty retailing operations).

In January, General Mills announced it would sell both its toy and fashion divisions with the hope of raising $750 million. By spring, the company had decided to spin off the two properties, leading to speculation that bids for the properties failed to meet expectations. General Mills plans to complete the spinoffs by the end of the year.

The new toy company will include Kenner Products, Parker Brothers games and Fundimensions, a unit selling model kits and Lionel trains. The company will be headed by Ronald Jackson, former president of Stride Rite Corp. and one-time president of General Mills' The Talbots division, and is expected to come onto the market at $7 to $10 a share. James G. Fifield, former exec vp-toy group, had been expected to head the company, but he resigned in June saying the position did not meet his personal career goals.

The toy group contributed $782.7 million in sales to General Mills in fiscal 1984 ended May 27, 1984, up 7.5% from fiscal 1983. At $72 million, profits were down 31.2%, a decline attributed to the soft market for videogame software. The company did not break out operating results of the toy segment in fiscal 1985.

In 1984, General Mills spent $25.6 million advertising Kenner Products, up slightly from $25 million in 1983, according to six-media LNA figures. The company spent an additional $6.5 million to advertise stuffed Care Bears, a product developed jointly with American Greetings. Sales for the bears exceeded $50 million in 1984, the product's first year on the market. Care Bear Cousins, a line featuring other stuffed animals, will debut in 1985. Measured ad spending for Parker Brothers games, books, records and tapes reached $13 million, $17 million less than in 1983, according to LNA. Advertising for Fundimensions products also declined to $883,500 in 1984, down 15% from 1983.

General Mills' fashion division had a tough time in fiscal 1984. Sales declined 4.7% to $587.4 million and operating profits dropped nearly 36% to $48.8 million. The company did not break out operating results for this segment in fiscal 1985. The 1984 fiscal results were attributed to a continuing slump at the company's Izod Ltd. unit, which produces classic knitted sportswear, a declining category. In November, 1984, the company announced plans to cut expenses at Izod by one-third, but by early 1985, the decision was made to divest that division.

The spinoff fashion company will be headed by Richard F. Kral, former exec vp-fashion at General Mills, and is expected to go public at $3 to $4 a share. The company spent $884,400 in measured media for Izod Lacoste in 1984, compared with $4.7 million in 1983, according to LNA. In addition to Izod, the new fashion company will include Monet jewelry and Ship 'N Shore separates.

Monet expanded its costume jewelry line in 1984 from classic, tailored pieces to more contemporary fashion designs. The unit, considered the fashion group's most promising, was supported with $700,000 in magazine ads and an additional $85,000 in newspaper supplements.

Demand for Ship 'N Shore moderately priced separates declined in 1984, but the company experienced some success with the Wyndham Collection, a line developed for distribution in J.C. Penney Co. stores. Ad spending for Ship 'N Shore products reached $268,000 in 1984, primarily in magazines, with some spot tv. The company spent $346,000 advertising the line in 1983.

In April, General Mills sold its Foot-Joy subsidiary, formerly part of the fashion group, to American Brands for $53 million. During 1984, the golf shoe and accessories unit introduced Ultra-Joy, a lightweight leather golf shoe. The company spent $2 million advertising Foot-Joy products in 1984, some 48% of that in network tv.

In July, 1985, the company sold its Lee Ward crafts retail operations to Munford Inc. for an undisclosed sum. The 46-store chain contributed $61 million to General Mills sales in fiscal 1985. The company also has decided to sell its 22-store We Are Sportswear chain and the 87-store Wallpapers To Go decorating centers. Also this summer, W.R. Grace & Co. agreed to buy the company's 27 Darryl's theme restaurants, and W.R. Grace's majority-owned El Torito's chain will buy General Mills' 25 Casa Gallardo restaurants. General Mills also is planning to sell its Good Earth restaurants.

The restaurant segment as a whole contributed $1.14 billion in sales and operating profits of $91.5 million in fiscal 1985, up 4.7% and 30.7% respectively. The operating profit figure was prior to redeployment of toy, fashion and several specialty operations.

The company is maintaining its presence in the restaurant market with Red Lobster Inn seafood restaurants. At the end of fiscal year 1984, the company had 367 company-operated Red Lobster restaurants in 36 states. A $104 million chainwide remodeling was completed, giving the restaurants oyster/seafood bars, salad bars and open mesquite grills—all additions based on consumer preference tests. Red Lobster advertising topped $30 million in 1984. In addition to Red Lobster, General Mills has maintained its 130-unit York Steak House chain, adding lighter meals to its menu of budget steaks.

General Mills acquired two properties in May, 1985, Leeann Chin's, a Minneapolis-based Chinese restaurant chain, and Vroman Foods, an ice cream novelties manufacturer and distributor based in Toledo, O. Ad agencies have not been assigned for the new units, and it is not known how General Mills' sales and spinoffs will affect advertising for other brands.

Analysts generally applaud General

Mills' decision to play to its strengths by concentrating on package foods. Clinton O. Mayer III, a food industry analyst with Bear, Stearns in New York, says the company is looking good. "Everything is finally in order, the problem areas of the past year have been dealt with, and they have paved the way for future growth," he says. "I think we're going to see some good numbers there."

Mr. Mayer says General Mills always has done well with its cereal business and he expects even better results in that category now that the company will be "devoting even greater energy to it." He also predicts more intensive promotion in the cereal area.

The consumer foods segment, by far the largest business segment at General Mills, had sales of $2.77 billion, up 2.1%, and operating profit of $265.6 million, down 3.5% from $275.3 million in 1983. The operating profit figure was taken prior to redeployment of toy, fashion and several specialty retailing operations.

In 1984, General Mills spent $90.7 million promoting Big G cereals, up 25% from 1983. The company maintained its dollar volume share of the $3.8 billion ready-to-eat cereal market at about 23%, second only to Kellogg Co., with 40%, according to market estimates.

Cheerios remained the company's market leader although it slipped to a 5.2% pound-volume share last year from 5.5% in 1983 and to a 5.5% dollar-volume share in 1984 from 5.8% in 1983.

General Mills spent $14.1 million in measured media on Cheerios in 1984, up from $12.8 million in 1983, according to LNA.

Wheaties continued its ear-catching "Big Boys" campaign in 1984, with a slight twist. Olympic gold-medalist Mary Lou Retton signed a three-year, estimated $400,000 pact with the company, putting her face on Wheaties boxes and her gymnastic feats on the brand's tv spots.

The "Big Boy" jingle was retooled to accommodate the new spots. The company spent $9.7 million to advertise Wheaties in 1984, up from $4.8 million in 1983.

General Mills dropped advertising for Strawberry Shortcake cereal to only $1,300 in 1984 from a high of $3.9 million in 1983. Advertising for Donutz cereal, billed at $2,400 in 1983, was dropped.

The company introduced Bran Muffin Crisp cereal nationally in June, 1985, followed by a July rollout of Fiber One cereal, backed by a $13.5 million tv, coupon and magazine campaign.

Last fall, General Mills tried to update the image of trademark Betty Crocker with male-targeted tv spots touting Betty Crocker cake mixes and frosting. The company spent $9.9 million advertising its cake and muffin mixes in 1984, up 15% from 1983. It added a "Butter Recipe" line of mixes in December, 1984, a banana-nut muffin mix early in 1985, and it dropped its Dark Chocolate Fudge flavor of Ready-to-Spread frosting. The company's Supermoist cake mix achieved a 25% market share in fiscal 1984, and reformulated Creamy Deluxe Frosting reached a 50% share. A new Betty Crocker Classics dessert, cheesecake, is expected to be distributed nationally this fall.

New Tuna Helper varieties were added in May, 1985—Tuna au Gratin and Tuna Salad—and a new Chicken Helper—Chicken, Potatoes and Country Gravy—rolled out in April. The company also added PizzaBake, a new home pizza kit, to its lineup.

The Yoplait yogurt line took a 23.2% share of the national $750 million yogurt market in 1984. Still in second place, the brand increased unit sales 14% over 1983. General Mills gave its Yoplait lines $13.3 million in ad support in 1984, up 77.3% from 1983, according to LNA. New additions to the Yoplait line include Fruit-on-the-Bottom yogurt, rolled out in August, a mixed berry flavor extension to the custard-style line, Sunrise Peach and Strawberry-Banana added to the Breakfast Yogurt line, and the addition of Strawberry-Rhubarb to the original Yoplait.

To the $126 million dried fruit snack category, General Mills added orange-flavored Fruit Roll-Ups, and a raspberry flavor is planned for the fall. During fiscal 1985, the company completed its national rollout of Fruit Bars in strawberry, cherry, grape and orange-pineapple flavors.

The company spent more than $14 million advertising its dried fruit snack lines in 1984.

Unmeasured ad spending at General Mills increased 10% in 1984 to $17.3 million and includes direct mail promotions, contests, co-op advertising, free-standing inserts, point-of-purchase displays and sampling.

According to Randy Mayer, director of promotion services and Betty Crocker enterprises, the General Mills promotion budget also includes a significant amount of couponing.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,737	5,621
Magazines	19,094	25,452
Network cable	11,339	10,259
Spot tv	109,253	112,982
Network tv	115,609	100,279
Spot radio	5,351	6,180
Network radio	2,429	2,364
Outdoor	300	197
Total measured	266,112	263,333
Total unmeasured	17,288	15,598
Estimated total	283,400	278,931

GENERAL MILLS
9200 Wayzata Blvd.
Minneapolis, Minn. 55440
(612) 540-2311
Marketing personnel

F. Caleb Blodgett, vice-chmn, consumer foods
Walter R. Barry, exec vp-consumer foods
Arthur Schulze, exec vp-consumer foods
Steven M. Rothschild, exec vp-consumer foods
Stephen R. Demeritt, vp-genl mgr, mktg services
Joe R. Lee, exec vp-restaurant group
Robert J. Blake, dir-adv services, consumer foods
Hal H. Nitch, dir-media services, consumer foods

Advertising Agencies

Backer & Spielvogel, New York—Red Lobster Inns—Wendy Kessler, field acct exec; Susan Nimock, acct exec, mktg & menu planning; Tobi Hochman, acct exec.

Bozell & Jacobs, Minneapolis—grocery, military—Frank Miller, acct super; Mary Schaffhausen, asst acct exec.

Campbell-Mithun, Minneapolis—Big G cereals (Cinnamon Toast Crunch, Crispy Wheats 'n Raisins, Buc-Wheats, Golden Grahams, S'mores), Nature Valley prod, Betty Crocker potatoes, S'mores Crunch—Madeleine Betsch, exec dir-mgmt super; Bruce Sutherland, exec dir-mgmt super, potatoes. Natural Valley—Les Mouser, acct super. Cereal—Rich Rosengern, mgmt rep; Kate Richardson, acct super; John Purdy, acct super.

Dancer Fitzgerald Sample, New York—Big G cereals (Cheerios, Honey Nut Cheerios, Total, Kix, Trix, Lucky Charms, Cocoa Puffs, Monster Cereals, Pac-Man, new prods), Gold Medal flour, Gold Medal Whole Wheat blend flour, Yoplait yogurt, Fiber One cereal—Freeman Bunn, mgmt dir; Marion D. Sims, mgmt super; Anne Altmaier, Anthony Dale, acct supers; Peter Mitchel, Ingrid Jacobson, Jean Shaw, George Carey, Barbara Ryan, Owen Rankin, Debbie Sawch, Frank Pastor, acct execs.

Dancer Fitzgerald Sample, San Francisco—Betty Crocker pancake mix, Wheat Hearts hot cereal, LaPina—Brian Burns, mgmt super.

Hill, Holliday, Connors, Cosmopulos, Boston—Talbots—Pat Casale, mgmt super; Kathy Sharpless, acct super; Diana Dunbar, acct exec.

Laurence, Charles & Free, New York—Gorton Fish, Market Fresh—Susan Hessler, acct exec.

Needham Harper Worldwide, Chicago—Betty Crocker dessert mixes, Bisquick, Fruit Corners (Fruit Roll-Ups, Fruit Bars, Snackin' Fruit), new main meals, new instant meals, Bac-Os, Wheaties, Hamburger, Chicken & Tuna Helper—Robert Savard, exec vp; dir client services; Ray Gillette, mgmt rep, Betty Crocker; Alan Alexander, acct super, Golden Valley; Mark Holtzer, acct super, Minnetonka business; Karen Wagenknecht, acct super, Northstar.

Red Barron Inc./Midland Advertising, Minnetonka, Minn.—foodservice—Ted Young, vp-acct super; Susan VanMaasdam, acct exec.

Wattenmaker, Cleveland—Gorton's Blue Water label frozen seafood—James S. Wattenmaker, acct mgr.

General Motors Corp.

RANK 2

Detroit

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	83,890	74,582	12.5
Net income	4,517	3,730	21.1
U.S.			
Sales	69,350	58,680	18.2
Operating profits	3,872	3,460	11.8
Advertising	764	675	13.2
Division sales in U.S.			
Automotive prods.	73,083	63,665	14.8
Nonauto prods.	2,108	1,670	26.2
Defense/space	1,323	827	60.0
Computer systems	140	N/A	N/A

General Motors Corp., Detroit, the 2nd largest U.S. advertiser, increased 1984 ad expenditures in the U.S. by 18.4% to an estimated $763.8 million on record sales and earnings.

Net income in 1984 was $4.517 billion, up 21% from 1983, on $83.89 billion in revenue, up 12.5%.

Returns for General Motors in the second quarter of its current year, however, showed net income of $1.16 billion, a 27.9% drop from the year-earlier period when GM took a $422 million tax credit related to an accounting change.

Second quarter revenues were $24.8 billion, up 14.8%. New product expenses, plant development costs and declining market share caused in part by shortages of some cars were credited with the earnings decline.

Of total ad expenditures in 1984, $520.9 million was in the nine media measured in this report, up 14.8% from 1983. GM's major increases were in newspapers, up 23.9% to $109.4 million; magazines, 7.9% to $96.1 million; spot tv, 52% to $38.5 million, and network tv, up 14.1% to $231.4 million, the largest outlay for any media.

The year was characterized by a massive effort toward diversification and acquisition, expansion in overseas markets and implementing a huge domestic reorganization into small-car and big-car marketing groups.

All activities were masterminded and coordinated by chairman Roger B. Smith, who is putting more of a personal imprint on the No. 1 auto maker than any individual since Alfred Sloan, who ran the company first as president, then chairman from 1923 to 1956.

While acquisitions helped reduce somewhat GM's dependence on the highly cyclical auto industry, the new companies were in related fields and increased the giant auto maker's technological capability. The purchases (computers, aerospace and manufacturing technology and financial services) also provided clues to Mr. Smith's vision of future auto making.

GM kicked off 1984 by purchasing Dallas-based Electronic Data Systems for $2.5 billion. EDS' task is to streamline GM computer and internal communications operations, help diversify the company with ~~outside~~ computer systems management business and eventually serve as the marketing agent for GM computer-aided manufacturing technology.

GM entered the financial services field by acquiring Norwest Mortgage of Minneapolis and the Colonial Mortgage Service group (seventh largest mortgage banker in the U.S.) from Philadelphia-based CoreStates Financial Corp., making GM the nation's fifth largest mortgage lender, but also giving it an entree into financial services beyond its car-loan and dealer-servicing arm, General Motors Acceptance Corp.

Norwest and Colonial mortgage banks were merged Sept. 1, 1985, into a new company, General Motors Mortgage Co., which falls under General Motors Acceptance Corp. G.M.A.C., established to finance cars, through Norwest alone, gains the right to service $11 billion of real estate loans. Colonial has seven companies that together service a mortgage portfolio valued at $9.8 billion.

In mid-1985, GM agreed to purchase for $5 billion Hughes Aircraft, El Segundo, Cal., which gives GM a greatly enhanced presence in U.S. defense contracting and access to aerospace and satellite communications technology. It outbid Boeing and Ford for Hughes.

In between GM bought into five companies, one a specialist in knowledge engineering and the rest specializing in machine-vision processes, a developing technology that allows industrial robots to "see." Typically, GM purchased a minority position and an option for more in exchange for large investments for research and development.

The reorganization of GM domestic operations is designed to make it leaner, more market-oriented and quicker to react to changing market conditions.

Much of 1984 was needed to flesh out key marketing and engineering positions in the Buick-Oldsmobile-Cadillac large-car group headed by Robert Stempel, vp-group exec, and the Chevrolet-Pontiac-GM of Canada small-car group headed by Lloyd Reuss, vp-group exec.

The reorganization moved much of the responsibility of engineering and developing new cars from the divisions to the two groups and made the divisions much more marketing oriented.

In mid-1984 as the reorganization began to take form, the GM Media Council was formed to take a comprehensive look at GM's relationship with its advertising agencies and to maximize effectiveness of the auto maker's advertising. Several sweeping changes occured in the first year of the council's operation.

GM accelerated its one-to-two matching contributions to dealer advertising groups (associations of dealers in individual markets), making that the fastest growing area of GM ad spending with an estimated $105.8 million in factory contributions to match contributions from dealer groups.

Following a month-long study by McKinsey & Co., New York, a management consultant, the media council changed the rules for GM advertising in 1985. Its core agencies were forced to accept lower compensation equivalent to cutting the standard 15% agency commission on media buying to between 12.5% and 13.5%.

Negotiating tv and magazine buys were consolidated corporatewide with individual agencies being assigned to dicker for all GM divisions in a particular tv daypart or in a specific magazine group, although actual media buys once negotiated still were placed by that division's agency.

GM's biggest surprise came Jan. 8, 1985, when it announced the formation of a new subsidiary, Saturn Corp., which eventually will form a sixth car division when the new product is ready in the late 1980s.

It will be GM's "experimental laboratory" for new manufacturing technology, marketing methods and labor and management relations aimed at making GM fully competitive with Japanese auto makers.

Competition between states hoping to land the $2 billion new plant for Saturn became so fierce and widely publicized, GM delayed naming an ad agency until 1986, saying it needed to cool public anticipation of Saturn.

In the midst of these activities, GM's share of domestic car sales slipped 2%, from 59.7% in calendar 1983 to 57.7% in 1984. Its total market share remained at a constant 44.1% but that largely reflected a decline in Japanese share because of import restrictions.

Chevrolet posted a sharp increase in both sales and share with its passenger cars in 1984, reflecting the continued recovery of the domestic auto market. Sales of cars rose 217,696 in 1984 to 1,565,000, or 16.2%. That pushed the Chevy total market share up .38 percentage points to 15.06%. Chevy trucks sales rose from 904,672 in 193 to 1,089,853 in 1984, but Chevy's share fell 3.46 percentage points to 26.93% amidst a market surge to more than four million units.

Chevy altered its marketing strategy to broad-based promotions of large-volume "core vehicles" like the Caprice, Celebrity and Cavalier and supplementary and narrowly-focused campaigns for "niche-fillers" like Corvette, Camaro and Chevette. This was part of a drive to push Chevy's share to 20% of the U.S. market by 1987-88 announced in early 1985 by general manager Robert Burger.

Chevrolet concentrated on rolling out its three-car "Japanese strategy" in 1984-85 despite supply problems due to tighter than anticipated Japanese import quotas. The effort is aimed at increasing penetration in the small-car market and the number of younger buyers, both important if Chevy is to achieve its one-fifth of the market goal.

The first link came in June, 1984, with the West Coast introduction of the Chevy Sprint, a three-cylinder Japanese minicar built by Suzuki Motor Co., Mamamatsu, Japan, in which GM holds a 5.3% stake.

Later in 1984, GM unveiled the Chevy Spectrum on the East Coast. Spectrum is a slightly larger small car built in Japan by Isuzu Motors Limited, Tokyo, in which GM has a 34.2% stake.

The capstone of the strategy is the Chevy Nova, a California-assembled version of the Toyota Corolla made by New United Motors Inc., a joint venture between GM and Toyota. The car was initially marketed in 25 midwest states starting in June, 1985, with a Campbell-Ewald campaign themed "The best of both worlds" and aimed at import-inclined buyers with guilty consciences about not buying domestic.

Although Nova is the only one of the three not completely imported, it is the only one prominently identified in ads as having Japanese roots.

The regional distribution is expected to end early in the 1986 model year as supplies increase.

Chevrolet led a mini-revolt among auto marketers towards the continually rising network tv time costs in the fall, when it dropped its domestic-exclusivity for the 1985 Super Bowl, saying the $1 million-a-minute price-tag was too high to justify.

Pontiac division continued the "We build excitement" advertising campaign into a third year as part of an effort to move its marketing image into younger and sportier territory. Unit sales surged 27.4% to 704,684 in 1984. Pontiac also posted GM's largest divisional share gain, up .76% to 6.78%.

Under the reorganization, Pontiac is charged with holding down the GM lower-cost-sporty quandrant, less expensive than Buick and "more expressive" than Chevrolet. That makes it the division most directly positioned against Japanese imports.

Pontiacs that cannot compete against imports, the aging 1000 subcompact and large Grand Prix, Bonneville and Parisienne, were relegated to a total of $3.26 million in magazine advertising, and ignored in the heavy tv spending Pontiac is using as an imagery tool. "If we can move the public perception of Pontiac to where we want it in a decade, we'll be doing great," says Ed Benson, Pontiac director of market planning. Over-all, tv network and spot spending got four-fifths of Pontiac weight via agency D'Arcy MacManus Masius, Bloomfield Hills, Mich.

The Grand Am, Pontiac's version of the two-door "N-body" compact, became the fifth Pontiac "image" car with a fall 1984 introduction. With roughly 100,000 unit sales in its first model year ending Oct. 1, 1985 and 175,000 projected for 1986, Grand Am is the locomotive for Pontiac sales gains. Introductory ad spending for Grand Am totalled $6.3 million in the last three months of calendar 1984, 90% in network tv and most of the rest for magazines.

Other spending, which was for all of 1984, was concentrated on the other four image cars: Sunbird (formerly

2000), $8.28 million; 6000, $6.59 million; Firebird (including Trans Am), $6.71 million; and Fiero, $779,000. Among the image cars, tv got $27.04 million, magazines got $3.84 million.

To bolster the youthful, sporty pitch, Pontiac sponsored concert tours and increased its participation in motorsports.

Pontiac sent rock duo Hall & Oates on a multi-city U.S. tour, backed by a $200,000 promotional ad budget.

And to top off stock car and sports car racing efforts, Pontiac sponsored the 1984 Trans Am-series race in Detroit to support the Formula One Grand Prix there. Ford Motor Co.'s Mercury division swept the 1984 race and sponsored it in 1985.

Oldsmobile kept to its policy of consistency in advertising that has served it the past decade. Olds' biggest visible change in 1985 advertising was putting gold borders on magazine ads.

Sales rose marginally to 1,056,000 from 1,008,000 in 1983 for another record, but share slipped .81 percentage points to 10.16% as the market for diesel-powered cars evaporated.

Olds had been the biggest diesel-car marketer, so it was hit hardest. GM dropped diesels for passenger cars for the 1986 model year.

Olds' stand-pat attitude on imagery is in line with its task of reaching upscale, conservative buyers under GM's reorganization. All divisions are trying to make their marketing image more distinctive from the others. But as the market moves toward more expressive, sporty cars, Olds only has to stay put to gain that distinction while Buick and Pontiac must leapfrog the market.

Buick division's efforts to move its marketing image were reflected in introductory advertising for the front-wheel-drive Electra in the spring of 1984.

Although plush Park Avenue models dominated sales, ads featured the sporty Electra T-types being tested in Australia and Europe, complete with rally lights, 'roo bars and lots and lots of dust and mud splashes. Copy stressed functional capability, not beauty or deep upholstery. Buick hopes for younger buyers showed up in the fall with the debut of Somerset Regal. "Introducing Buick on the move," trumpeted ads showing the small personal coupe taking a corner.

Buick continued experimenting with a variety of innovative marketing programs, many coordinated by a new Marketing Through Technology office headed by Kirk Aubrey. Computer information centers in shopping malls, telemarketing pilot programs in two cities, a toll-free number for consumers to contact directly Buick personnel and others are designed to make it easier for potential customers to learn about Buick products without having to go to a conventional dealership and to serve as a referral service for dealers.

Cadillac increased corporate sponsorships and broadcast ties to upscale, toney sporting events such as polo and golf and sponsored the competition to select the U.S. entry for the 1986 America's Cup 12-meter ocean racing.

Cadillac's long-term plan calls for moving its marketing image even more upscale and sportier, to appeal to younger, more affluent buyers and head off pricy European imports.

The fwd De Villes introduced in early 1984 are touted as Cadillacs of the future and designed to appeal to younger prospects, although continued demand among traditional, older buyers and resistance from limousine converters has scotched plans to discontinue the rwd Fleetwood Brougham, at least until 1990.

With all-new 1986 Seville and Eldorado models coming in November, 1985, Cadillac's lineup—except for the pardoned Fleetwood Brougham—has changed to front-drive and smaller since 1982. A sports-luxury, two-seater, Allante, is due in 1987 with an Italian body from Pininfarina on a U.S. platform and assembled in Detroit. Cadillac is considering importing an Opel from GM's German operations as a replacement for the Cimarron for 1988.

General Motors continued to establish separate brand identities, for parts and services. Ad spending on Delco Electronic division's stereo systems and the GM-Bose Electronics premium sound systems rose 30% to $3.9 million. Mr. Goodwrench brand oil in its first year on the market received $3.85 million in measured ad support.

Corporate advertising handled by N W Ayer rose 18.1% to $29.4 million in measured media. Only G.M.A.C. saw a sizable decline, 33% to $8.17 million.

GM-PROVIDED ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspaper	$109,359	$88,579
Magazine	96,064	89,020
Network cable	3,157	4,549
Spot tv	38,520	25,678
Network tv	231,443	201,350
Spot radio	30,836	29,079
Network radio	6,746	9,411
Outdoor	3,176	4,183
Farm publication	1,612	1,741
Total measured	520,912	453,591
Total unmeasured	242,888	221,259
Estimated total	$763,800	*$644,850

*Revised

BUICK DIVISION ($000)

	1984	1983
Magazine	$14,853	$10,655
Newspaper	237	153
Network tv	17,520	17,797
Spot tv	4,489	1,619
Network radio	2,367	1,723
Outdoor	257	242
Total Measured	$39,723	$32,189

CADILLAC DIVISION ($000)

	1984	1983
Magazine	7,350	6,094
Newspaper	43	123
Network tv	8,777	7,583
Spot tv	923	432
Network radio	0	1,714
Outdoor	194	26
Total Measured	$17,288	$15,972

CHEVROLET DIVISION ($000)

	1984	1983
Magazine	$24,771	$31,557
Newspaper	0	394
Network tv	117,296	93,362
Spot tv	6,691	3,093
Network radio	268	159
Outdoor	1,925	3,276
Total Measured	$150,951	$131,841

OLDSMOBILE DIVISION ($000)

	1984	1983
Magazine	14,829	9,116
Network tv	15,807	12,084
Spot tv	11,092	6,864
Network radio	0	184
Outdoor	361	303
Total measured	42,089	28,551

PONTIAC DIVISION ($000)

	1984	1983
Magazine	7,492	11,684
Network tv	20,744	19,696
Spot tv	6,702	10,877
Outdoor	121	104
Total measured	35,048	42,361

GMC DIVISION ($000)

	1984	1983
Magazine	3,684	3,200
Newspaper	3	0
Network tv	3,619	5,553
Spot tv	63	366
Network radio	443	1,276
Outdoor	4	2
Total measured	7,816	10,397

GENERAL MOTORS CORP.

3044 W. Grand Blvd.
Detroit, Mich. 48202
(313) 556-5000

Mktg & Product Planning Staff

R.T. O'Connell, vp
J.N. Stewart, exec dir-mktg & prod planning
L. Greg DeYonker, genl dir, mktg planning
D.J. Teasdale, dir-adv
J.W. Finney, asst adv mgr-media
D.P. Bolen, asst adv mgr
Margaret M. Rafferty, super-adv contract dept
Margaret Hudzik, adv traffic coord

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—Ronald Monchak, chmn; Theodore T. Teegarden, exec vp-mgmt super; William A. Mara, vp-acct super; Stephen Kopcha, exec vp-creative dir.

Public Relations Staff

J.W. McNulty, vp-pr
G.H. Pruette Jr., dir-public affairs adv
Hugh Wells, mgr-creative service
R.T. Beaman, coord-public affairs adv

Advertising Agency

N W Ayer, Detroit—Louis T. Hagopian, chmn-ceo; Robert R. Kingsbury, senior vp-genl mgr; Richard N. Prince, senior vp-mgmt super; Deborah Worrell, vp-acct super; Catherine Teeple, Annette Merritt, senior acct execs; Debra Jacopelli, acct exec; Jerry Siano, vice chmn-worldwide creative dir; John Walsh, Earl Shorris, senior vps-corp planning; Bill Ford, vp-creative dir; Tom Wehner, Ora Frutkin, vp-creative supers; Edward Gross, senior writer; Bruce Engelson, Laura Pollak, art dirs; Randall Schroeder, vp-media dir, Detroit; Richard Doyle, associate media buyer; Denise Mazetti, media buyer; Robert Igiel, vp-network broadcast dir; Frederick Dubin-network broadcast super.

CHEVROLET MOTOR DIVISION

Marketing Personnel

R.D. Burger, genl mgr
R.W. Starr, genl sales & service mgr
T.A. Staudt, genl mktg mgr
C.N. Moore, asst genl sales mgr
M.H. Erdman, mktg mgr-trucks
T.R. Chick, mgr-passenger car adv
H.J. Cordes, mgr-truck & station wagon adv
J.J. Williams, pr dir

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—P.L. John, chmn-ceo; P.A. Dow, president-coo; S.K. Fitzpatrick, exec vp-creative dir; R.W. Mitchell, exec vp-dir agency planning; W.J. Tausch, exec vp-acct dir; A.J. Hopp, D.D. Williams, group senior vp-group mgmt supers; D.H. Plansker, group senior vp-creative dir, broadcast; R.A. Anderman, J.A. Barczyk, T.J. Birchfield, T.R. Boyd, R.D. Eick, J.B. Hammond, senior vp-mgmt supers; D.L. Gould, senior vp-creative dir, print; L.M. Rau, senior vp-dir creative operations; R.G. Smith, senior vp-mgr strategic planning & rsch; D.C. Bryant, J.F. Else, R.M. Hrtanek, M.J. Sandling, T.A. Thomson, vp-acct supers; F. Fraser, vp-dir automotive mktg; W.R. Kennedy, vp-dir prod info; B.E. Smiley, vp-mgr prod info; E.A. Skowronski, vp-senior acct exec.

PONTIAC MOTOR DIVISION

Pontiac, Mich.

Marketing Personnel

J. Michael Losh, genl mgr
E.M. Schlesinger, genl sales mgr
H.S. Christie, asst genl sales mgr-East
C.E. Chambliss, asst genl sales mgr-West
R.J. Sherman, asst genl sales mgr-service
R.E. Benson, dir mkt planning
W.H. Ross, asst genl sales mgr-admin
C.A. Curry, adv mgr
E.H. Smith, merch mgr
W.J. O'Neill, dir-pr
J.H. Graham, dir-productions & communications

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—William W. Haney, senior vp-dir, corp communications; Ronald Monshak, chmn; Robin Smith, vice chmn; James P. Doyle, president; Stephen C. Kopcha, exec vp-exec creative dir; John T. Greening, senior vp-dir of strategic planning. Pontiac acct group—Mark Gjovik, senior vp-mgmt super; George Acree, vp-merchandising; Michael Valant, vp-group acct super, adv; Richard W. Halladay, senior acct exec-sales aid; Patricia Brown, acct mgr; Noel Nauber, senior vp-group creative dir; Peter DeLorenzo, vp-associate creative dir; George Rogers, senior vp-dir media services; Charles Stannard, senior vp-dir mktg & rsch; R. Patrick McCarthy, senior vp-dir communications; Jo Bourjaily, mgr-communications; Lucien DiSalvo, George Scott, senior vps, Greenhouse (new product division); Ronald Wroblewski, vp-mgr, spot broadcast; Robert Brownell, vp-dir traffic & production.

BUICK MOTOR DIVISION

Marketing Personnel

D.E. Hackworth, vp-General Motors Corp., genl mgr Buick Motor div
W.J. Atkinson, genl sales mgr
R.J. Adams, asst genl sales mgr-admin
R.E. Coletta, asst genl sales mgr-northeast
R.L. Ingersoll, asst genl sales mgr-central
J.J. Faerber, asst genl sales mgr-southeast
F.H. Dorgin, asst genl sales mgr-midwest
W.K. Ramsey, asst genl sales mgr-west
L.D. Robbins, asst genl sales mgr-service
H.E. Savage Jr., dir-adv
T.M. Edwards, adv mgr
T.L. Pond, dir-pr
A.L. Roman, dir-merchandising

Advertising Agency

McCann-Erickson, Troy, Mich.—Gerald C. Atkin, exec vp-genl mgr; Jan Starr, senior vp-mgmt rep; James L. Ramsey, senior vp-exec creative dir; W. Brien Schweikart, senior vp-dir, media services; Richard A. Hill, vp-natl group acct super; Glynn Armitage, vp-regional group acct super; Harold W. Randall, vp-acct super-collateral; Jan L. Woznick, vp-dir-strategy devel & rsch; Barbara J. Gaston, vp-pr coord; James Moore, acct super-tactical group; Keith Mandish, acct super-brand devel group; Helen Seligman, associate media dir; Patrick Simmons,

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You say tomato . . .

For those who wish to celebrate, let it be known that last year marked the 206th anniversary of the first recorded mention of catsup in America, tomatoes having been used for that worthy purpose in New Orleans in 1779.

In The Nation's Richest Hispanic Market, We Deliver The Cream.

The Miami Hispanic Market is unlike any other Hispanic market in the U.S. It's richer in per capita income. More dynamic. More powerful. More loyal to the Spanish language than any other Hispanic community.

And Miami's biggest Hispanic spenders spend a lot of time with one media in particular: Diario Las Américas—The Spanish language daily newspaper.

	Miami Hispanic Market Households	Diario Las Américas Reader Households
FAMILY INCOME	$24.996	$28,050
PERSONS PER HOUSEHOLD	3.2	3.4
PERSONS EMPLOYED PER HOUSEHOLD	1.3	2.0
HOUSEHOLDS WITH SCHOOL-AGE CHILDREN (UNDER 18)	22.5%	32%
EDUCATIONAL LEVEL OF HEAD OF HOUSEHOLD–UNIVERSITY/COLLEGE	21.6%	29.8%
OCCUPATION OF HEAD OF HOUSEHOLD WHITE COLLAR	25.5%	45.4%
HOMEOWNERSHIP	41.9%	60.5%
CAR OWNERSHIP	78.4%	92.2%
TWO OR MORE CARS	49.8%	62.4%
CREDIT CARD OWNERSHIP	36.2%	77.8%
FOOD EXPENDITURES (PER WEEK)	$98.54	$102.60

SOURCES:
The 1985 South Florida Latin Market and
Diario Las Américas 1985 Reader Profile,
both conducted by Strategy Research Corporation.

We Deliver The Cream.

For your free Diario Las Américas 1985 Reader Profile, call Enrique J. Pérez, Advertising Director, or just mail your business card to us.

Diario Las Américas
The Spanish-language Daily Newspaper
Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street
Miami, Florida 33142-5193
(305) 633-3341

Represented nationally by: Cramer, Woodward, O'Mara & Ormsbee, Inc. (CWO&O)

senior acct exec-tactical group; Todd Ralph, regional mktg coord; Robert Kleary, acct exec-tactical group; Cathy Thompson, acct exec-collateral group.

OLDSMOBILE DIVISION

Marketing Personnel

W.W. Lane, genl mgr
J.F. Mattox, genl sales mgr
D.L. Nojech, asst genl sales mgr-east
P.R. Gerosa, asst genl sales mgr-mktg & dealer activities
F.J. Asbell, asst genl sales mgr-west
G.W. Sigman, admin asst to genl sales mgr
R.L. Ross, dir-mktg
P.F. Workman, dir-pr

Advertising Agency

Leo Burnett Co. of Michigan, Southfield, Mich.—John C. Ryan, exec vp-genl mgr; Roger K. Bailey, vp-acct super; Joseph P. Henry, vp-media dir; Robert G. Smith, Lawrence Doyle, acct execs; William F. Swink Jr., vp-mktg & merch super; Roger Bodo, vp-creative dir (Detroit); Edwin L. Scully, vp-office mgr, secretary-treasurer; Thomas J. Boyle, vp-acct dir.,

CADILLAC MOTOR CAR DIVISION

Marketing Personnel

J.O. Grettenberger, genl mgr
L.B. Pryor, genl sales mgr
W.R. Lewellen, asst genl sales mgr-service
Ellie R. Torre, asst genl sales mgr-mktg
J.R. Kitzmiller, asst genl sales mgr-field personnel
F.R. Cadicamo, dir-merch
Sheri J. Perelli, dir-pr
R.L. Forbush, asst genl sales mgr-admin

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—H.G. Bay Jr., chairman and ceo-worldwide; William V. Haney, senior vp, exec asst to chmn-worldwide; Ronald W. Monchak, chmn (Bloomfield Hills); Alex Morton, senior vp-mgmt super; Selby (Sy) Cook, vp-Cadillac creative super; Ned Sale, vp-group super; Jo Bourjaily, mgr, internal-external communications; Robert Wallace, John Kraussmann, vps-acct supers.

GM TRUCK & BUS GROUP
(GMC Truck)

Marketing Personnel

Charles Katko, GM vp-truck & bus group exec
Alexander A. Cunningham, GM exec vp
John D. Rock, mgr-GMC truck & coach operation
Duncan A. Brodie, genl dir-truck sales
Richard Weston, mktg dir
James E. Wenzel, merch mgr
Donald C. Huss, dir-pr
Candace M. Robbins, mgr-natl adv

Advertising Agency

McCann-Erickson, Troy, Mich.—Gerald C. Atkin, exec vp-genl mgr; James L. Ramsey, senior vp-exec creative dir; Ronald F. Gauss, senior vp-mgmt super; Steve Olson, vp-acct super-tactical group; Martin M. Schemm, acct super-brand devel group; W. Brian Schweikart, senior vp-dir, media services; Jan L. Woznick, vp-dir strategy devel & rsch; Barbara Gaston, vp-pr coord; Garry Nielson, vp-group creative dir; Edward A. Fleig, associate media dir; Deborah Fadool, media planner; Steven A. Burch, associate dir-consumer rsch; Michael Hearons, senior copywriter; Wayne Graydon, senior art dir; Eli Greenbaum, Keith Dickinson, copywriters; Karen Kennedy, art dir.

AC-DELCO

Marketing Personnel

R.J. Smith, genl mgr
A.H. Schwerzel, dir-operations
T.D. Lang, sales mgr-operations
D.K. Colliver, mgr-adv sales promo & pr

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—P.L. John, chmn of board-ceo; P.A. Dow, president-coo; R.H. Schirmer, exec vp-dir acct services; F.E. Hoag Jr. group senior vp-group dir; I.W. Beaton, senior vp-group mgmt super; H.E. Allen, vp-mgmt super; G.O. Wold, vp-senior acct super; R.E. Guerrier, vp-acct super; P.C. Curtis, vp-acct super; E.F. Taylor, exec vp, dir-creative services; L.M. Schultz, exec vp, dir-media services.

DELCO ELECTRONICS DIVISION

Marketing Personnel

D.J. Almquist, genl mgr
J.C. Crawford, genl sales mgr
A.W. Mattaliano, asst genl sales mgr
Luis Eado, adv mgr
W.B. Draper, director pr

Advertising Agency

Campbell-Ewald Co., Warren Mich.—R.D. O'Connor, chmn (New York); P.L. John, chmn-ceo; P.A. Dow, president-coo; R.H. Shirmer, exec vp-acct mgmt; J.E. Hong Jr., senior vp-mgmt group super; O.G. Connhaughton, senior vp-mgmt super; D.J. Nuzma, senior acct exec.

GENERAL MOTORS PARTS
Detroit, Mich.

Marketing Personnel

V.R. Peters, genl dir
J.T. O'Connor, sales mgr-west
S.D. Segalini, sales mgr-east
C.S. Wagner II, sales mgr-central
E.L. Schreitmueller, dir, intl sales & mktg
E.M. Green, sales mgr, admin
E.J. Carey, sales mgr-dealer devel & services
R.T. Strohm, sales promo-adv mgr
D.E. Poole, dir-pr

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—Harold G. Bay Jr., chmn-ceo, worldwide; Ronald W. Monchak, chmn, Bloomfield Hills office; Theodore T. Teegarden, exec vp-mgmt super; Charles S. Brandt, vp-group acct super; D. Bruce Hutchinson, acct super; F. Michael Koch, Cheryl A. Kerns, acct execs; Patrick C. Fannin, Karen L. Ayala, asst acct execs.

GENERAL MOTORS ACCEPTANCE CORP.
(includes General Motors Mortgage Co.)

Marketing Personnel

R.F. Murphy, president
G.G. Fenner, group vp-mktg
C.A. Krauss Jr., vp-public affairs & adv

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—P.L. Jones, chmn; P.A. Dow, president-coo; J.J. O'Neal, group senior vp.

SATURN CORP.
Troy, Mich.

Marketing Personnel

W.E. Hoglund, president
J.G. Middlebrook, vp-mktg

HUGHES AIRCRAFT CO.
El Segundo, Cal.

Marketing Personnel

J.L. Winkel, senior vp-mktg
Lee Pitt, vp-corp communications
Alma Gonzalez, adv mgr

Advertising Agency

Bernard Hodes Advertising, Encino, Cal.—recruitment—Debbie Socheck, mgmt super.

FCB/Honig, Los Angeles—Dave Lewis, mgmt dir.

Gillette Co.
RANK 46
Boston

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,289	2,183	4.8
Net income	159	146	9.2
U.S.			
Sales	1,102	1,020	8.1
Operating profits	183	173	5.9
Advertising	166	178	-6.7

Gillette Co., the 46th largest national advertiser, decreased its U.S. ad spending 6.1%, to an estimated $165.7 million in 1984. Worldwide sales for the year increased 4.8% to $2.29 billion, and earnings rose 9.2% to $159.3 million. Sales for the U.S. and Canada rose 8.1% to $1.1 billion.

Gillette continued to show increases in the first half of 1985 with sales for the six months ended June 30 rising 4.8% to $1.153 billion and net income increasing 4.6% to $81.9 million.

Worldwide advertising, including sampling, decreased slightly to $242 million from $243.7 million. Sales promotion rose 13.1%, to $148.1 million, according to Boston-based Gillette.

For 1984, among the four business segments, sales of blades and razors rose 2%, to $768 million (still below 1982's $781 million), while operating profits advanced 4% to $256 million. Sales of toiletries and cosmetics inched ahead 1%, to $697 million, while operating profit declined 7% to $57 million.

Operating profits had been $66 million in 1982. The two segments respectively make up 34% and 30% of Gillette's total sales.

Writing instruments and office products moved ahead 9% to $275 million, accompanied by an operating profit increase to $11 million from $3 million, or 367%. Sales of the West Germany-based Braun Products segment rose 3% to $394 million, with operating profits of $44 million, up 16%.

In the crucial blades and razors segment, Gillette holds a 60% share of the blade market, 70% of the razor market, according to David Preston, president of Safety Razor division. Diana Temple, vp of Salomon Brothers, New York gives razor blades a 61.5% share of a $680 million market.

Atra cartridges and razors increased their market shares in the U.S. Contour-pivoting head razors remained the best seller in Europe. Led by the Good News! Pivot razor, domestic sales of disposable razors moved ahead, and the brand held the top position in its category. Gillette also maintained the top position in the declining double-edge blade market.

As measured by Leading National Advertisers, spending in six major media on Atra razors declined 6.7% to $9.7 million. Measured spending on the Good News! disposable razor increased 9.6%, to $5.7 million. Network tv accounted for $2.8 million of the spending, and network radio for $1.1 million.

"We are very steady in support of major systems and disposables," Mr. Preston says. "Atra and Good News! get relatively equal weight, reflecting the significance of the segment."

New in 1985 is the Atra-Plus shaving system, a refillable Atra cartridge with a lubricating strip. It sells for $3.99 to $4.95. Late this year Gillette will ship the disposable MicroTrac twin blades razor, with a package of five expected to sell for 99¢. The campaign is expected to receive $11 million. Ms. Temple says the product's importance stems from its use of low-cost manufacturing technology. She linked this to Gillette's "emphasis on cost savings," as well as a move into lower-priced products.

In toiletries and cosmetics, gains by White Rain hair spray countered weaker sales by other brands. Gillette held a 17.8% share of hair sprays. Broader European distribution of Silkience hair spray boosted international sales for that category. Silkience's market share among conditioners slipped a point, to 8.2%. Domestic shave cream sales moved ahead, buoyed by the Brush Plus shaving system introduced in October, 1984. Measured spending on Brush Plus, a shave cream and brush package, was $3.2 million. Network tv took $2.8 million of that.

Foamy brand products remained the top seller in the U.S., according to Gillette, as Ms. Temple gave them a 27.5% market share. Measured spending for the Foamy gel rose sharply to $4.9 million from $1.4 million, while spending on Foamy shave cream dipped to $435,000 from $3.1 million. Measured spending on Right Guard antiperspirant more than doubled, to $2.7 million from $1.3 million, while spending on Right Guard antiperspirant spray dipped to $3.6 million from $9.5 million.

Domestic shampoo sales fell, and advertising for Mink replenishing shampoo, for example, nose dived to only $331,000 from $5.4 million. Measured spending on For Oily Hair Only shampoo disappeared, from $6.1 million in 1983. Ms. Temple says market share for shampoo slipped a point, to 3.2%, noting, "They didn't increase advertising to match the great battles in shampoo."

Measured spending for Body Flowers body spray was $8.6 million, although market share came slowly. Ms. Temple says, "I'm not sure why it hasn't lived up to its earlier promise. Maybe a broader position would help."

Gillette also shifted measured spending among Soft & Dri antiperspirants, cutting back on support for roll-ons and solids in favor of sprays.

Gillette started to extend its Good News! brand name, previously used only on disposable razors. This spring Gillette introduced deodorant, antiperspirant, shampoo and shaving cream with the brand name in a Seattle test market. If it works, the new line could be rolled out nationally next year. Ms. Temple saw this as a means of getting more floor space from retailers. Also, it fits with increasing "polarization" of income levels, as the number of lower-income Americans rises. "A lot of people are constrained on budgets and want value," she says.

In a growing U.S. market for ball-point pens, Gillette's writing instruments division increased measured advertising for Paper Mate ball-point pens to $4.5 million from $1 million. Sales fell in the refillable category, but rose in disposable ball-point pens, especially with the Write Bros. stick pen.

New product introductions were Accu-Point rolling-point pen and the Paper Mate Sharpwriter pencil, Gillette's first disposable mechanical pencil. Also new was the Rollerstick pen and the Advancer pencil. Office products rose, with Liquid Paper correction fluid improving its leading share as measured advertising rose to $1.3 million from zero.

The Braun segment set up an American subsidiary with plans to market electric shavers and personal care products in the U.S. A Northeast rollout was set for July with men's and women's shavers. The market is led now by Norelco and Remington with 50% and 35% market shares, respectively.

Gillette also assumed a leadership role in using split-30s in its tv advertising. Foamy, Bare Elegance and razor blades got the treatment. Gillette also used them during the World Series telecasts. Ultimately, 22 major brands were to be affected, with the 15-second units used to build reach and frequency, as well as build exposure for products with smaller budgets. The creative approach is to edit 30-second commercials to a core message of 15 seconds.

In October, Gillette sold its Cricket disposable lighter line to the Swedish company, Stockholm.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,669	1,839
Magazines	10,830	924
Network cable	254	221
Spot tv	11,800	11,394
Network tv	60,800	75,286
Spot radio	1,095	1,456
Network radio	1,425	2,692
Total measured	87,873	93,812
Total unmeasured	77,800	83,700
Estimated total	165,673	177,512

GILLETTE CO.
Prudential Tower Bldg.
Boston, Mass. 02199
(617) 421-7000

Advertising Services Division

Thomas A. Lux, dir spot/print/barter/-new technologies
Allen K. Gibbs, dir-media services
Ronald Harding, dir-tv commercial production
Howard Fisher, dir-tv-network buying
Robert J. Evans, dir-promo services

SAFETY RAZOR DIVISION

Marketing Personnel

Derek W.F. Coward, vp-mktg
Joseph H. Crist, mtkg mgr-disposable razors
Robert Leger, mktg mgr-permanent refillable razors
W. Scott Roberts, vp-sales

Advertising Agencies

BBDO, New York—Atra, Good News!, Pivot, Trac II, Atra Plus—Ken Rodgers, exec vp-senior mgmt rep; Michael Paxton, senior vp-mgmt super; Phil Dusenberry, vice-chmn of the board, exec creative dir; Ted Sands, exec vp-creative dir; Harvey Hoffenberg, senior vp-assoc creative dir; Lenny Kruse, acct coord; Helen Ix, acct exec, Goods News!, Pivot, Atra.

Marschalk Co., New York—Daisy—Andrew Langer, president; John Lucas, assoc creative group head; Stan Karp, vp-acct super; Barry Linsky, exec vp; Jim Overend, acct exec.

PERSONAL CARE DIVISION

Marketing Personnel

Robert N. Forman, vp-mktg
John Darmon, mktg mgr-styling aids, shaving preps
Michael Nadelberg, mktg mgr-deodorants, antiperspirants & skincare
M. Gage Heath, mktg mgr-new prod
Linda B. Keene, mktg mgr-shampoos & conditioners

Advertising Agencies

N W Ayer, New York—Adorn, Body Flowers, White Rain, Mink Difference, Aapri—Janet Keeler, senior vp-mgmt super.

BBDO, New York—Soft & Dri, Dry Look, Dry Idea—Anthony Brescia, vp-mgmt super.

Marschalk Co., New York—Trac II and Foamy shave creams, Foamy gel, Bare Elegance moisturizing soap, Tame, Toni, Brush Plus—Lil Panettiere, vp-mgmt super.

Young & Rubicam, New York—Right Guard, FOHO shampoos and rinses, Silkience shampoo and conditioner—Ed Lebar senior vp-mgmt super.

PAPER MATE DIVISION

Marketing Personnel

Carmen A. Comite, vp-mktg.
Maureen C. Moriarty, mktg mgr-new prod/new business
Robert D. Warren, mktg mgr-existing brands
J.A. Morrison, prod mgr-refillable systems
Scott G. Searle, prod mgr-porous prod
Kathleen Leone, senior prod mgr-correction fluids

Advertising Agencies

Hill, Holliday, Connors, Cosmopulos, Boston—Liquid Paper, safety razor, new prod, Paper Mate trade adv—Pat Casale, mgmt super; John Riley, acct super.

McCann-Erickson, New York—Paper Mate ball-point pens, Eraser Mate, Flair porous prod, Accu-point, Sharpwriter, Advancer, Rollerstick—Ian Hooper, senior vp-mgmt rep, Larry Coppersmith, acct super.

JAFRA COSMETICS INC. (USA)
Westlake Village, Cal.

Ronald B. CLark, president

Goodyear Tire & Rubber Co.
RANK 97
Akron,. O.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	10,241	9,736	5.2
Net income	411	306	34.5
U.S.			
Sales	7,092	6,672	6.3
Operating profits	643	577	11.6
Advertising	65	59	10.2

Goodyear Tire & Rubber Co., Akron, O., the world's largest manufacturer of tires and rubber products, was the 97th largest national advertiser in 1984 with an estimated $64.7 million in ad expenditures, an increase of 12% over 1983.

Goodyear reported net income of $411 million, up 34.5% from 1983, on sales of $10.2 billion, up 5.2%. Revenues from U.S. operations accounted for $7.1 billion, or nearly 70% of total sales.

Goodyear's principal business is the manufacturing, distribution and sale of tires, where it is the market leader with a 31% share, but the company also produces and sells a broad spectrum of metal, rubber and plastics products for the transportation industry and various industrial and consumer markets.

In addition, the company manufactures synthetic rubber, chemicals, numerous high-tech products for aerospace, defense and nuclear energy applications. The company also engages in various gas and oil transmission, exploration and production activities, primarily through the Celeron group of companies acquired in 1983.

For the first quarter of 1985, Goodyear reported a drop in net earnings of 22.5% to $86.7 million from the comparable quarter of 1984. Revenues for the first quarter declined 2% to $2.46 billion. The company attributed the lower sales and earnings to a general decline in the replacement tire market, a strike at its Valley Field, Quebec, plant, price-cutting by some competitors and the strong U.S. dollar.

In early 1984, Goodyear, along with other U.S. tire marketers, began reshaping its marketing strategy in an effort to ward off low-priced foreign competition. The emphasis shifted from low-priced goods to upgraded all-season tires and performance tires.

Early last year, Goodyear launched a tv campaign for Vector, its all-season tire. It also put heavy advertising support behind Eagle GT, its premium performance line. Last October, Goodyear introduced the Unisteel G159, a radial light truck tire for commercial vehicles.

The company also introduced Wing-Fil, a soft durable polyurethane rubber that replaces air in the tire and rim cavity. Wing-Fil is being offered by truck tire dealers, following its initial introduction through 19 Goodyear truck tire centers.

During the year, Goodyear, which had measured advertising in nine media of $47.4 million, up 13.7% from 1983, plowed most of that increase into Goodyear car tires. Car tire spending was $11.5 million, up from $4.8 million. Other fluctuations included a decline of 10.2% to $21.8 million for auto & truck tire promotions as a combo; a drop of 7.6% in Goodyear Service Stores automotive advertising to $6.2 million.

Increases in 1984 measured spending were registered in magazine, spot tv, network tv and network radio advertising. The largest increase was in spot tv where spending was increased 36% to $5.8 million. This was followed by magazine advertising, up 32% to $6.6 million, and network tv, up 8% to slightly more than $30 million. The company spent $420,000 on network radio last year. In 1983, network radio was not on the schedule.

During the first quarter of 1984, Goodyear awarded its $30 million international account to McCann-Erickson, New York. McCann, which handles most of the company's overseas business, beat out J. Walter Thompson USA, which handles the $40 million domestic business for Goodyear.

Goodyear announced in June that Tenneco Inc. had agreed to buy three of its natural gas pipelines for $440 million.

The sale appeared to indicate that the company, in part, has been re-evaluating its decision to diversify into the gas and oil industry.

In 1983, Goodyear reportedly paid $822 million in stock for the pipelines and other assets of Celeron Corp. According to one report, Goodyear has called the sale to Tenneco a "refinement" of that diversification and indicated that it will retain oil reserves and certain other assets of the Celeron Group.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	6,513	4,999
Network cable	609	879
Spot tv	10,457	11,653
Network tv	26,957	22,633
Spot radio	732	262
Network radio	999	655
Outdoor	713	223
Farm pubs	332	407
Total measured	47,412	41,711
Total unmeasured	17,288	17,000
Estimated total	64,700	58,711

GOODYEAR TIRE & RUBBER CO.
1144 E. Market St.
Akron, O. 44136
(216) 796-2121

Marketing Personnel

George S. Lenox, vp
James K. Devoe, dir
Norbert J. Drol, adv mgr-truck & farm tires
David G. Oby, mgr-retail adv
Davis M. Jones, mgr-retail adv planning
Charles P. Lehman, adv mgr-dealer adv
C. Ronald Graham, mgr-genl prod adv
James T. Manning, adv mgr, chemicals, roofing, aerospace
Lee Wrobbel, adv mgr-industrial prod & films
George S. Drop, mgr-media services
Grant R. Erikson, mgr-audiovisual center
Donald H. Watt, mgr-visual merch
W. John Schick, mgr-adv admin
Jack R. Houlette, mgr-creative adv

Advertising Agencies

Norman Malone Associates, Akron, O.—Harry Stitzlein, chmn; Joe Mazzagatti, acct exec.

McCann-Erickson Worldwide, New York—intl business—Peter J. Kennaby, worldwide mgmt dir.

J. Walter Thompson USA, New York—domestic business—Robert G. Beauregard, North America mgmt dir; Peter Hanley, senior vp-acct dir.

Humble Nebraska start

Beatrice Cos., Chicago, began in 1894 as a butter and egg supplier in the Southeastern Nebraska town of Beatrice, about 40 miles south of Lincoln. Spreading beyond its original area, the company marketed a wider range of dairy products, and by the 1940s and 50s its Meadow Gold dairy brand was familiar in the central U.S. Beatrice now reaches around the world, producing products in more than 30 countries and marketing in more than 100. It has 600 brands, 350 companies, nearly 9,000 products, and in the past two years alone has introduced more than 140 new products.

Grand Metropolitan p.l.c.

London, U.K.

RANK 90

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	7,000	6,200	12.2
Net income	661	561	17.8
U.S.			
Sales	2,040	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	76	57	34.2
U.S. division sales			
Pet foods	30	23	30.4
Soft drinks	31.4	27.7	13.4
Cigarets	78	61	27.9
Fitness	24.2	17.8	36.0
Paddington	240	N/A	N/A
Carillon	95	N/A	N/A

GrandMet USA, Montvale, N.J., which includes Liggett & Myer's tobacco products and Alpo dog food, was the nation's 90th largest advertiser, spending an estimated $76.2 million advertising in the U.S. in 1984, a 34.2% increase over 1983.

GrandMet USA is a subsidiary of Grand Metropolitan p.l.c., London, which had worldwide sales of $7 billion in 1984, up 12.2% from 1983. Net income increased 17.8% to $661.4 million in 1984.

Sales and earnings for both 1984 and 1983 fiscal years were converted from pounds to dollars at the rate of £1.3774 = U.S.$1.

U.S. sales for GrandMet USA were up 27% to $1.7 billion in 1984. GrandMet USA figures do not include several nonconsolidated U.S. subsidiaries of Grand Metropolitan p.l.c. Among these nonconsolidated units are Paddington Corp. and Carillon Importers.

GrandMet by October, 1985, will have added another U.S. subsidiary—Pearle Health Services Inc. of Dallas—when it completes a purchase it began earlier in the year.

Paddington, marketer of J&B Scotch, had 1984 sales of $240 million, and Carillon Importers (Absolut vodka) had sales of $95 million, according to the 1986 edition of *Impact Yearbook*. Sales from these companies, GrandMet USA and minor contributions from other subsidiaries, delivered $2.04 billion in total U.S. sales to Grand Metropolitan p.l.c. in 1984.

Liggett & Myers Tobacco Co., Durham, N.C., which accounts for most of GrandMet's U.S. sales, increased its total share of market 21% to 5.8% in 1984 from 1983, according to a report by analyst John C. Maxwell Jr.

The dramatic increase in market share in the static cigaret market was because of Liggett's generic brands, despite the influx of generic competition from market leaders R.J. Reynolds Tobacco Co. and Brown & Williamson. (Philip Morris leads the cigaret market with a 34.5% market share.)

Competition has been so intense that it has even been waged on marketing nuances.

When Brown & Williamson introduced its generic cigaret in 1984, the package had an "O" on the top seal. Liggett, whose generic cigaret packs display a "Q"—the Quality Seal—sued Brown & Williamson alleging trademark infringement and predatory pricing. The litigation continues.

Liggett spent the bulk of cigaret ad dollars on the Eve brand. Total measured spending for Eve decreased 2.9% to $6.8 million in 1984, but the brand steadily receives one of GrandMet's largest advertising commitments.

Although L&M and Dorado brands had combined advertising expenditures of less than $1 million, Liggett research found the L&M name had good recognition. New packaging and advertising are being tested in the northeastern U.S.

Liggett introduced Stride as a mid-price cigaret ($1 less per carton, 10 cents less per pack) in January, 1985. Testing of the new brand during 1984 accounted for $455,000 in measured media spending, according to Leading National Advertisers, and was partially responsible for GrandMet's 193.5% increase in newspaper advertising as reported by Media Records.

Operating income for cigarets in the U.S. increased 28.8% to $77.9 million in 1984.

GrandMet sold Pinkerton Tobacco Co., Owensboro, Ky., in July, 1985, for about $138.5 million to Svenska Tabaks A.B. Pinkerton's principal brand is Red Man, a smokeless tobacco, which in 1984 accounted for about $2.4 million in GrandMet ad spending.

GrandMet's largest single advertising expenditure, however, went to Alpo Petfoods (formerly Allen Products). Alpo canned dog food was the market leader, with a 27.5% share of dollars, in canned dog food sales in 1984 with sales up 15.0% to $230 million from 1982, according to the Maxwell Report. Alpo's share in 1983 was 25% of the market.

Ad spending of $10.8 million in 1984 for Alpo canned dog food increased dramatically from $4.7 million in 1983, according to LNA. Alpo canned, dry and beef bit products had combined ad spending of $17.7 million in 1984, up 38.3% from 1983.

Nearly 63% of ad spending for Alpo brands, or $11.1 million, went to network tv. About $2.5 million went to spot tv and another $2.5 million went to magazine advertising.

Another Petfoods product, Liv-A-Snaps, showed a 51% decrease in ad spending, to $177,500 in 1984.

Paddington Corp.'s largest ad spending went to J&B Scotch, the 16th largest distilled spirit by case depletion, according to *Impact Databank*, and the second largest scotch by case depletion, behind Schenley Imports' Dewars.

New York-based Paddington boosted J&B's ad spending 15.8% to $6.6 million in 1984.

Paddington decreased measured spending for Baileys Original Irish Cream liqueur, the 40th largest distilled spirit by case depletions, according to *Impact*.

Spending dipped 1.9% from 1983 to $5.1 million in 1984. Liquor industry estimates place Baileys' share of the cream liqueur market at 50%, making it the undisputed leader.

Among Carillon Importers' products, Absolut vodka got an increase in ad spending of 40.9% to $2.4 million in 1984. Bombay English gin also received an ad spending boost of 72.7% to $1.7 million in 1984.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding the profiles to indicate "not available."

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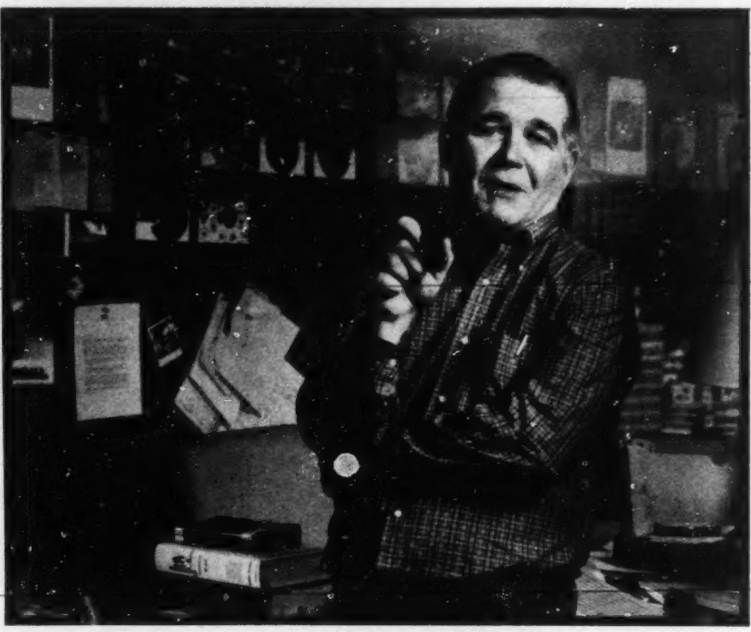

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ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	12,842	4,375
Magazines	28,523	26,180
Network cable	1,058	1,229
Spot tv	6,113	6,941
Network tv	17,007	9,083
Spot radio	70	55
Outdoor	5,240	4,933
Total measured	70,852	52,795
Total unmeasured	5,348	4,000
Estimated total	76,200	56,795

GRAND METROPOLITAN p.l.c.

100 Paragon Dr.
Montvale, N.J. 07645
(201) 573-4000

Corporate Marketing Personnel

Walter Scott, chmn of the board
Jonathan W. Old, president-ceo
Tom Gaffey, chief financial officer
Jim Adams, vp-corp devel & strategic planning
Al Kalish, dir-corp adv

LIGGETT & MYERS TOBACCO CO.

Durham, N.C.

Marketing Personnel

K.V.R. Dey Jr., president-ceo
Hal Grant, vp-sales & mktg
Don Fish, natl dir-adv & promo
Walt McDonald, product mgr
Fred DiMenna, adv promo mgr
Joe Drescher, group promo mgr
Bob Seher, dir-sales admin & services
Jim McPartland, eastern region sales mgr
Ennis Laws, southern region sales mgr
Dave Jackson, natl dir-trade & sales promo
Steven Cohen, dir-mktg private label & generic
Bobby Rigsbee, dir-purchasing

Advertising Agency

The Bloom Cos., Dallas—Eve Lights, L&M, Chesterfield, test prod—Alan Armstrong, senior acct super; Bob Robinson, senior acct exec; Cathy Patterson, asst acct exec; Steve Price, mgmt super; Charlotte Weissenberger, senior vp-media dir; Bev Leibee, associate media dir.

PADDINGTON CORP.

New York, N.Y.

Marketing Personnel

Peter Thompson, president-ceo
Frank Zuracino, vp-natl accts
Chuck Nardizzi, vp-mktg
Al Giordano, vp-rsch planning
Joe McKenna, vp-pr
Paul Tynan, brand mgr, Bailey's Original Irish Cream
Lisa Donati, brand mgr, J&B
Kevin Meltugh, vp-eastern
Andrew Cohen, sales promo dir
Robert Green, senior vp-sales
Ann E. Berenger, mgr-sales, rsch

Advertising Agency

Backer & Spielvogel, New York—J&B rare scotch, Catto's Gold Label scotch, Royal Ages scotch, Knockando scotch, Baileys Original Irish Cream liqueur, Demi-Tasse coffee cream liqueur, Malibu rum, Steidl's wine cooler—James D. Kahn; Christopher J. Marentis, asst acct execs; Lawrence J. Rosenthal, vp-acct dir; Constantine E. Scaros, senior vp-mgmt super; David A. Stein, vp-mgmt super.

CARILLON IMPORTERS

New York, N.Y.

Marketing Personnel

Michel Roux, president-ceo
Dick McEvoy, vp-mktg
John Aletano, natl sales mgr
Ernie Capria, mgr-mktg services & planning

Advertising Agency

TBWA Advertising, New York—Grand Marnier, Absolut vodka, Bombay gin, Piat D'Or wine, La Grand Passion—William Tragos, chmn-ceo; Richard Costello, president; Brian Barry, vp-mgmt super; John Doman, senior vp-mgmt super; Claude Fromm, senior vp-media dir; Reatha Braxton, media super; Terrie Palidino, acct exec; Darren Finnie, acct exec.

ALPO PETFOODS INC.

Allentown, Pa.

Marketing Personnel

Joe Sestak, president-ceo
Jack Foley, senior vp
Frank Krum, senior vp-mktg & sales
Bob Beckwith, vp-sales
Jim Schmoyer, senior vp-operations
Ty Allen, group mktg mgr
Katherine Hillman, group mkgt mgr
Bill Crompton, group mktg mgr
Bart Campbell, dir-communications & pr

Advertising Agency

Weightman Inc., Philadelphia—Alpo canned & dry dog food, Ei-ta dog biscuits, Liv-A-Snaps pet treats, Alamo dry dog food—John Goodchild, president; Ralph Day, senior acct super; Doug Schorres, Mark Plamondon, acct supers, Alpo; William Annesley, acct super, Liv-A-Snaps pet treats; Leslie Bloch, acct exec; Neil Harrison, vp-media dir; Ray Dundas, associate media dir.

DIVERSIFIED PRODUCTS CORP.

Opelika, Ala.

Marketing Personnel

Calvin E. James, president-ceo
Buddy Pilgrim, exec vp
Ira Silberman, senior vp
Ira Pollack, vp-corp mktg & purchasing
James Thompson, vp-mktg & sales
Lanier Johnson, mktg dir
Greg Eveland, group prod mgr

Advertising Agency

Walker & Associates, Memphis—Deloss Walker, president-acct exec; Dick Rogers, asst acct exec.

PEPSI-COLA BOTTLING CO. OF FRESNO

Fresno, Cal.

Marketing Personnel

Ron Dorrell, president-ceo

ATLANTIC SOFT DRINK CO.

Columbia, S.C.

Marketing Personnel

James Moore, president-ceo
Len Rosinkski, vp-mktg
Bob Buys, vp-operations

RANK 86

Greyhound Corp.

Phoenix

($ figures = 000,000)

U.S.	1984	1983	% chg
Sales	2,757	2,628	4.9
Net income	125.0	105.5	18.5
Advertising	80	84	-4.6
Division sales			
Transport. serv.	862	830	3.9
Transport. mfg.	243	282	-13.9
Consumer prods.	465	475	-2.3
Food services	706	619	14.4
Financial	537	444	20.9

Greyhound Corp., Phoenix, Ariz., the 86th largest national advertiser, cut its advertising by 4.6% in 1984, to an estimated $80.2 million, as Greyhound Lines continued to be hounded by poor results.

The bus line's continued plight in 1985 prompted the company to undergo major restructuring, including abolishing 400 management jobs and laying off 1,500 rank-and-file workers involved in the intercity bus business.

During 1984, over-all company sales rose 4.8% to $2.7 billion, and net income went up 18.5% to $125 million. None of the company's 1984 growth, however, was in the scheduled bus service that founded Greyhound. That service is estimated to have dropped to an estimated loss of $3.2 million.

During 1984, the net income for the entire transportation services group, which includes several subsidiaries besides Greyhound Lines, the bus service, rose to $20.5 million, compared with a loss in 1983 of $8.8 million. But 1983 brought a costly 47-day strike against Greyhound Lines, so comparisons are meaningless.

What does have meaning is that, 1983 aside, revenues for the transportation service group have been dropping steadily since 1981.

The company was optimistic at the end of 1983 that a 15% cut in labor costs would make Greyhound Lines profitable. But in 1984, both number of passengers and passenger miles continued to fall.

So, despite improved performance by transportation services during the first half of 1985, Greyhound Corp. has been rolling straight ahead on a strategy that calls for shrinking its bus service while using the cash it generates to move into more profitable areas such as the acquisition in March, 1985, of the consumer products division of Purex Industries for $264 million.

In announcing employe reductions, amounting to 16% of the work force, but 30% of management and supervisory staff, John W. Teets, chairman, said later phases of the plan call for some of Greyhound's 127 terminals to be sold and unprofitable routes to be shut down. The routes were selected, according to the company, because "low passenger traffic has resulted for many years in chronic losses, despite massive infusions of advertising, marketing and promotional dollars." The cutbacks could save Greyhound as much as $45 million a year.

Greyhound apparently has withdrawn from an earlier view that aggressive marketing would bring the bus lines around. In 1983, the marketing department for the bus lines had grown from five to 19 people, and in 1984 the bus company's $21 million ad budget, a 33% increase from the previous year and its biggest ever, focused on a campaign stressing lowered fares and aimed at increasing Greyhound's 66% market share of the intercity bus business. Greyhound has more than three times the market share of its nearest competitor, Trailways Inc., Dallas. But Greyhound cut that campaign short in September in order to reconsider the marketplace.

That process of reconsideration is still going on, according to Ralph Borland, director of marketing for scheduled passenger service. Mr. Borland says a similar amount to 1984's $21 million was budgeted for 1985, but all of it would not be spent because of the cutbacks. He says although 1985's spending would be down "only a couple of percentage points" from 1984, in 1986 he expects advertising for Greyhound Lines to drop "a double digit" percentage. Measured spending for the Greyhound bus lines was $4.1 million in 1984, down 30% from $5.9 million in 1983.

In its advertising, handled by Bozell & Jacobs Southwest, Dallas, Greyhound Lines focused on a safety message and closely targeted the limited groups that remain loyal to buses—students, military personnel and the elderly. It also expanded its base by launching an airport service in conjunction with People Express Airlines in late 1984 and extended its casino, charter and package express services. Greyhound Lines is lowering overhead and raising cash—as much as $200 million over the next two years—by selling or leasing downtown terminals and garages throughout the country and by offering bus line franchises.

Greyhound calls its franchising program, implemented in April, 1985, "the keystone of Greyhound Lines in transition." The company hopes that, by offering franchises on routes it found unprofitable, it can generate cash while cutting expenses and feeding traffic into its system.

Greyhound is part of an industry whose profits have declined from $132.1 million in 1980 to $40 million in 1984, according to figures from the American Bus Assn. Much of the decline is from an infusion of small, low-cost companies. In fact, the number of bus companies has grown from 1,100 to 3,000 in that four-year period.

But the March purchase of the 30 household cleaning products made by Purex Industries emphasizes that Greyhound Corp. does not see its future along a bus route. The purchase makes Armour-Dial Greyhound's largest division, with annual sales of about $1 billion.

Chairman Teets has said he intends to boost advertising for the Purex products, which in addition to Purex bleach, include Brillo soap pads, Sta-Puf fabric softener and Old Dutch cleanser. In the last year before acquisition, Purex spent $5.5 million in measured media, according to Leading National Advertisers.

Analysts expect Greyhound to use a

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"push" marketing strategy for the newly acquired line, promoting the products as bargains, as opposed to the "pull" strategy that has created demand for Dial and Tone because of their quality name brand.

Analysts see the purchase as a good fit. Soap industry analyst Hercules Segalas of Drexel, Burnham Lambert in New York says Purex products have suffered from poor distribution and will benefit from Armour-Dial's access to store shelves. Phua Young of Shearson/Lehman Brothers sees very little overlap between Purex and Armour-Dial and adds that so far the purchase has been ahead of schedule in terms of profitability.

Net income for Greyhound's consumer divison rose 20.5% in 1984, to $26.8 million. During the first half of 1985, profit surged by another $6 million, rising 31% year-to-year.

Dial is one of the best-selling brands in the $1 billion, bar-soap industry. Armour-Dial's top two soaps, Dial and Tone, account for a 16% market share; it is estimated that 14% of that belongs to Dial. The company reported that Dial sales rose in 1984. That despite the fact that the entire deodorant soap segment has been declining, with industrywide sales for the most popular size dropping 4.7% in 1984, according to Selling Areas-Marketing Inc.

In LNA measured media, Greyhound spent more than twice as much in 1984 advertising Dial than on any other of its products—$11.9 million, up 6.2% from 1983. LNA measured media spending for all Armour-Dial products in 1984 was $20.2 million, down 10.1%.

After a year of test marketing, in 1984 Armour-Dial rolled out Pure & Natural, a competitor to Ivory, in the eastern 10% of U.S. markets. It is test marketing a premium soap, Imperial Leather, in Denver, Colo., and Grand Rapids, Mich.

Armour-Dial also launched a summer promotion this year with $15 million marked for Dial and Tone soaps. Ancillary promotional support, including an inflatable boat, canvas beach chair and nylon windbreaker, is part of the "fun in the sun" theme, with supermarkets carrying the items on display.

The Armour Star canned meat product line introduced three new items in 1984: Hot chili, Hot 'n Spicy Vienna sausage and Hot 'n Spicy potted meat. Distribution was expanded for three products introduced during 1983: A 24-oz. can of Armour Star chili, a 15-oz. can of roast beef hash and sliced beef in vacuum-sealed foil pouches.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,057	8,926
Magazines	6,901	3,637
Network cable	372	521
Spot tv	5,046	6,640
Network tv	12,102	19,750
Spot radio	9,093	8,918
Network radio	2,058	1,366
Outdoor	93	290
Total measured	39,722	50,048
Total unmeasured	40,478	34,036
Estimated total	80,200	84,084

GREYHOUND CORP.
111 W. Clarendon
Phoenix, Ariz. 85013
(602) 248-4000
GREYHOUND LINES
Marketing personnel

Terry Underwood, vp-passenger mktg
Ralph Borland, dir, scheduled passenger services
E.S. Cross III, dir-franchising
A. Pulk, mgr-intl sales & service
K. Sanders, F. Middleton, J. King, S. Crawley, mkt mgrs

Advertising Agency

Bozell & Jacobs/Southwest, Dallas—Lynne Christopher, group media dir; Sheryl Standifer, assoc media dir; Brian Gardenhire, media super; Rob Boverie, media planner; Kelly Holton, asst media planner. Greyhound passenger lines—Henry Lewczyk, group acct dir; Jim Martin, vp-acct super; Greg Drane, acct super; Andy Day, Linda Edgemon, Sandra Flippo, acct execs.

ARMOUR-DIAL CO.
Marketing Personnel

Edward J. Walsh, president, ceo-Armour-Dial
Allan Marcy, senior mgr-adv, Armour-Dial
Paul J. Lustig, vp-mktg, personal care & food prod
William F. Robertson, vp-mktg, household & laundry prod

Advertising Agencies

Conill Advertising, New York—Hispanic adv, Dial anti-perspirant—Rafael M. Conill, chmn; Alicia M. Conill, president; Bibiana Grau, senior vp.

Foote, Cone & Belding, San Francisco—Tone soap—Robert Imel, group mgmt super; Jon Dale, vp-mgmt super.

Needham, Harper Worldwide, Chicago—Dial soap—Gene Yovetich, senior vp-mgmt rep; Victoria Mondae, vp-acct super.

Ogilvy & Mather, Chicago—Dial anti-perspirant—Wim Slootweg, senior vp-genl mgr; Jack Giroux, vp-acct super.

Ramey Communications, Los Angeles—Purex—Cheri Ramey, president, creative dir; Adrienne Lowe, exec vp; Thomas Heinz, exec vp, vp-acct client service dir

GTE Corp. RANK 82
Stamford, Conn.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	14,547	12,944	12.4
Net income	1,125	996	17.7
U.S.			
Sales	13,422	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	90	70	27.6
Division sales			
Telephone operat.	9,065	8,369	8.3
Commun. serv.	1,245	578	[illegible].4
Diversified commun.	2,495	2,551	-2.2
Diversified electr.	1,853	1,480	25.2

GTE Corp., Stamford, Conn., the 82th largest national advertiser, increased U.S. ad spending 27.6% in 1984 to an estimated $89.8 million, as earnings reached $1.1 billion, up 17.7%, on revenues of $14.5 billion, an increase of 12.4%.

For the first quarter of 1985, revenues continued moving upward, at a 6% clip to $3.7 billion, and net income was $273 million, compared with $267 million in the similar period in 1984, a figure excluding a one-time credit of $45 million because of an accounting policy change.

GTE's lead revenue generating group, telephone operating group, logged revenues during the year of $9.1 billion, up 8.3%, with a 14% increase in operating income to $2.6 billion. This includes telephone companies, directories and Mobilnet, a cellular mobile telephone service.

The diversified products group, consisting of communications and electrical products segments, had a 2.2% sales drop to $2.5 billion, while operating income sank 83% to $24 million. Overcapacity and excessive inventories in the retail telephone market, combined with lower prices and sales, caused much of the problem.

Revenues of the communications services group rose to $1.2 billion from $578 million, although operating income dropped 18% to $82 million. This group consists of GTE Sprint Communications, the long-distance service; Spacenet satellite communications, and Telenet data communications network with Telemail and medical and financial information services. The group saw the most action in 1984 in terms of new activity and ad spending. MED/MAIL, a mail service for medical device problems, debuted in April. The group expanded its GTE TeleMessager voice messenger service, after a 1983 Dallas introduction, to other leading markets, and inserts in leading national newspapers announced the introduction of new service centers.

Major advertising outlays supported GTE Sprint Communications, Burlingame, Cal., and GTE corporate advertising. Measured spending on Sprint increased 7% to $22 million, according to six media measurements of Leading National Advertisers.

Yet, the company pulled back on 1984 advertising through September, according to Ralph Sherman, Sprint's director of advertising. Spending for the year was 30% to 40% below initial plans, although this paralleled Sprint's income.

"There's not a lot to gain in advertising when there's no product to deliver," Mr. Sherman says. Spending picked up last fall as capacity emerged, accelerating in April and May, 1985.

Sprint ran a consistent schedule in the *Wall Street Journal* and business publications to reach business users, while the sell to residences consisted of tv and direct mail. Mr. Sherman says direct mail worked well with ad messages reaching target households where "equal access" had arrived. This is done in "very finite" geographic areas defined by telephone prefixes, ranging from hundreds to hundreds of thousands of households. Sprint lobbied for equal access to new customers, because AT&T was automatically assigned customers who did not state a preference for a long-distance carrier. The FCC in June, 1985, approved a non-biased method of assigning carriers to such non-preference parties.

Tv marketing retained the "straight talk" theme used since late 1983. The over-all strategy was to stress value and price. That approach evolved over two years as Sprint has added features such as WATS service and "The Billing Solution" for businesses.

Sprint also explored alternatives to advertising as a means of message distribution. The fall boxes of Nabisco Brands' Shredded Wheat cereal carried coupons worth $5 in calls for new and current customers. In July, business audiences read about the "Sprint to the Series" Sweepstakes, with 10 World Series tickets as the grand prize. Through August the promotion attracted 13,000 inquiries.

Mr. Sherman places 1985 advertising and marketing spending at $60 million for Sprint, which by year's end hopes to have 1.5 million customers. Neil Yelsey, telecommunications analyst for Salomon Brothers, gave Sprint a 2% share of the $45 billion domestic long-distance market. AT&T leads with 90%, followed by MCI with about 4.5%.

GTE corporate advertising measured spending rose almost 50%, to $15 million, according to Leading National Advertisers. Almost $8 million went into network tv. The approach continues the "Gee! (No GTE!)" campaign with shifts to a more pragmatic message, according to Philip C. Stevens, corporate ad manager. Three or four applications-oriented ads will appear in October, highlighting activities of various GTE units.

In advertising for specific product areas, Phone Mart stores, Sylvania light bulbs, Mobilnet and Telenet are getting substantial support, says Dennis P. Crosley, group senior vp at Doyle Dane Bernbach. Measured advertising in Phone Mart stores doubled to $2.5 million. They operate in regions where GTE provides local telephone service, such as Tampa-St. Petersburg, Fla. In some regions the stores also are selling business products and services.

On election night, 1984, GTE launched a tv campaign for Sylvania light bulbs with a $4 million to $5 million campaign. A four-spot campaign beginning in April introduced spokesbeing "Mr. Light," a million-dollar animated creation, for soft white light bulbs. It introduces product differentiation, such as longer life and energy savings, to a commodity-type product category, Mr. Crosley says. The approach will continue this fall in network and spot tv, with some print. Measured spending on Sylvania home light bulbs rose 27%, to $3.7 million. Almost all of that went into network and spot tv.

In March, GTE introduced a Sylvania Blue Dot disc camera, in its new Consumer Communications Products Division. With a list price of $19.95, the disc camera aims to create a niche for low-priced cameras. A campaign will start this fall.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	11,631	12,414
Magazines	8,017	6,744
Network cable	168	198
Spot tv	28,003	32,443
Network tv	16,677	6,082
Spot radio	4,377	2,458
Outdoor	185	39
Total measured	69,058	60,378
Total unmeasured	20,717	10,000
Estimated total	89,775	70,378

GTE CORP.
One Stamford Forum
Stamford, Conn. 06904
(203) 965-2000
Marketing Personnel

Theodore F. Brophy, chmn-ceo
Allan N. Stewart, vp-mktg
William R. Dixon, vp-mktg services
Edward C. MacEwen, vp-corp communications
Philip C. Stevens, dir-corp adv & mktg communications

GTE Telephone Operating Group

James L. Johnson, president-ceo
Henry W. Donaldson, vp-mktg & business planning

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Richard L. Sharman, vp-mktg, GTE Mobilnet

GTE Communications Services Group
Marketing Personnel

James L. Broadhead, president-coo
David M. Holland, vp-mktg, GTE Sprint
Gabriel Battista, vp-U.S. sales & field mktg, GTE Telenet
Jon E. Porter, mktg mgr, GTE TeleMessenger

GTE Diversified Products Group
Marketing Personnel

Allan L. Rayfield, president-coo
B.P. Adams, vp-mktg operations, GTE communication systems mktg div
James M. Locker, dir-mktg, consumer communications prod div
Walter R. Edgington, vp-mktg, GTE govt systems
Donald M. Canfield, vp-mktg, U.S. lighting div
Joseph W. Parks, vp-mktg, GTE precision materials

Advertising Agencies

Doyle Dane Bernbach, New York—all adv except GTE Sprint—Lawrence J. Iannuzzelli, exec vp; Denis P. Crosley, senior vp-mgmt super; Joseph McParland, vp-mgmt super, telephone operations; Joseph F. Belle Isle, vp-acct super, corp; Nancy Brett, vp-acct super, diversified prod & services.

J. Walter Thompson USA, San Francisco—GTE Sprint—Jeff Smith, acct dir; Steve Sanchez, mgmt super; Sherry Carniglia, acct super.

Gulf & Western Industries
New York

RANK 50

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	4,182	3,691	13.3
Net income	263	243	8.5
U.S.			
Sales	4,867	4,298	13.2
Operating profits	390	235	66.2
Advertising	149	146	2.3
Division sales			
Business segments	2,690	2,414	11.4
Entertainment	1,492	1,276	16.9
Financial services	1,174	1,073	9.4

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London EC4A 3JB, U.K. Tel: (01) 353-5675.
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Gulf & Western Industries, New York, the nation's 50th leading advertiser, spent an estimated $149.2 million in advertising in 1984, an increase of 2.3% from 1983 as it took steps to focus on entertainment, publishing and financial services businesses.

Of the advertising total, G&W spent $59.2 million in nine measured media in the U.S., up 1.5% over 1983.

And of the measured total, 50% was in its divisions divested in June, 1985. The group includes clothing licensed under the Calvin Klein, Liz Claiborne and Jonathan Logan labels, as well as Simmons mattresses, automotive parts distribution and manufacturing.

G&W, which announced in 1984 that it was launching a program of targeted divestiture and acquisition to become a "stronger, leaner, more profitable, more growth-oriented" company, sold $900 million in stock held in other companies and 46 G&W-owned businesses.

Then in 1985, it continued the divestiture policy by disposing of its sugar operations and related holdings in Florida and the Dominican Republic before unloading its entire consumer and industrial products group in June to Wickes Cos. for $1 billion in cash and the assumption of $90 million in long-term debt. The businesses sold to Wickes accounted for more than half of G&W's measured media advertising buy last year of $58.8 million.

At the same time, with G&W's acquisition of Esquire Inc. and, last December, of Prentice-Hall Inc., Gulf & Western has consolidated and strengthened its publishing holdings to become a factor in every important segment of the book publishing business.

The takeover of Prentice-Hall, at a cost of about $700 million, represented the largest acquisition in G&W history.

The takeover is all part of a restructuring plan devised two years ago by chairman-ceo Martin S. Davis to focus on G&W's profitable core group in entertainment, publishing and financial services.

The sale of the Gulf & Western's consumer and industrial products group "substantially completes" the restructuring plan, Mr. Davis said this June.

Net sales in fiscal year 1984 (the company is on an Aug. 1 to July 31 fiscal year) were $4.18 billion for continuing operations, up 13.3% for the equivalent sectors in 1983. Earnings for continuing operations were $263.3 million, up 8.5% from the period a year earlier.

The entertainment and communications group grossed $1.49 billion, the major part of that—$1.01 billion—from Paramount Pictures Corp. The motion picture and tv production and distribution company also consumed the greatest portion of G&W's advertising expenditures in 1984—$20.6 million, up from $19.2 million in 1983.

Paramount had its most successful year at the box office in fiscal 1984, led by the summer blockbusters "Indiana Jones and the Temple of Doom" (spending: $2.3 million) and "Star Trek III: The Search for Spock," ($2.1 million) which were followed during the Christmas holiday by "Beverly Hills Cop" ($1.6 million). The latter became the highest grosser ever among nonsummer releases.

Those feature films have been followed this year by the high-grossing "Witness," a detective story starring Harrison Ford.

During June and July, 1984, the peak summer months, Paramount had booked 5,000 screens, 25% of the nation's total, to show the "Indiana Jones" and "Star Trek" movies.

Last January, *Variety* listed Paramount as the leading film distributor in the U.S. and Canada, ahead of Warner Bros. and Columbia Pictures.

Paramount Home Video continued to have great success in the videocassette field.

The company has accounted for seven of the ten all-time best-selling cassettes, including "Raiders of the Lost Ark," which became the first million-seller ever.

Paramount's tv group won five Emmy awards in 1984; four for the comedy show "Cheers" and one for "Solid Gold," the highest-rated weekly syndicated tv show, now seen on 204 stations, covering 97% of the U.S. Paramount also has spun off the "Solid Gold Five-Day Workout" videocassette. The company boasts a record for the "America" daily tv magazine show, which begins airing this month, saying it's the first syndicated tv show to achieve full placement in all major markets.

The big corporate news at Paramount was the departure of chairman Barry Diller, who in September, 1984, moved to the top spot at 20th Century-Fox Film Corp. after a 10-year reign at the G&W affiliate. He reportedly had some policy differences with Mr. Davis, who wanted Paramount to emphasize distribution over capital-intensive production. Mr. Diller has been replaced by Frank Mancuso, formerly the company's president of distribution and marketing.

Under Mr. Diller, Paramount had become a major money maker, exploiting the music video potential of "Flashdance" and devising new strategies for marketing home video and tv syndication, as well as turning out a series of high-grossing and critically acclaimed feature movies.

Simon & Schuster had its fourth straight record-breaking year, commemorating its 60th anniversary by generating operating income of $31.6 million, a rise of 89.2%, and sales of $285.7 million, up 35%. It doubled its size through the expansion of Esquire Inc., a leader in educational publishing.

Measured media spending at Simon & Schuster was up slightly, to $404,200 from $320,700 in 1983. The company had a memorable summer in 1984, at one point placing 11 books on the *New York Times* best-seller list, including "Wired" and "The Kennedys."

The company is researching and developing a magazine spinoff from Paramount's syndicated tv series "Entertainment Tonight," along with Paramount's partners in the show, Cox Broadcasting, Taft Television Productions and Tele-Rep.

First issue of the new magazine, which is in keeping with Mr. Davis' strategy to expand communications and leisure-time ventures, is imminent, a spokesman says.

Prentice-Hall, which spent $94,800 in measured advertising during fiscal 1984, moved G&W into the college textbook, business information and training and professional information services, all growth markets.

G&W last year reorganized its publishing group into six operating units, each with its own president reporting to S&S chairman Richard E. Snyder.

The company's financial services sector, whose cornerstone is Associates Financial Services Co., continued expanding into new markets. The financial services institution now operates 515 branches in 40 states under the title of Associates Financial Services Co. The sector accounted for $179.2 million in operating income on revenues of $1.17 billion, a 27% increase over 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,788	2,365
Magazines	5,302	6,027
Network cable	1,076	432
Spot tv	23,119	20,897
Network tv	24,773	23,346
Spot radio	308	3,683
Network radio	1,810	1,266
Outdoor	73	262
Total measured	59,249	58,278
Total unmeasured	90,000	87,655
Estimated total	149,249	145,932

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1 Gulf & Western Plaza
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Corporate Personnel

Jerry Sherman, vp-corp communications

ENTERTAINMENT & COMMUNICATIONS GROUP
PARAMOUNT PICTURES CORP.
Corporate Personnel

Jon J. Gould, vp-corp communications

Motion Pictures Group
Marketing Personnel

Buffy Shutt, exec vp-mktg
Thomas Campanella, senior vp-natl adv
Shelly Hochron, senior vp-creative services
Kathy Jones, senior vp-publicity & promo

Television Group
Marketing Personnel

Michael Tanner, vp-adv & promo services
Hollace Brown, vp-adv & sales promo
Robert Gutkowski, vp-adv program sales

Advertising Agency

Diener/Hauser/Bates, New York—Ernie Shapiro, acct vp; Gilda Hicks, acct super; Norman Trell, exec vp-media; Cheryl Lodinger, vp-media.

MADISON SQUARE GARDEN CORP.
Corporate Personnel

James Trecker, dir-corp communications

Advertising Agencies

Ash-LeDonne-Fisher, New York—Sidney Chabus, acct super.

MSG Advertising (in-house).

PUBLISHING & INFORMATION RESOURCES GROUP
Marketing Personnel

Strome Lamon, vp-adv dir, trade book div
Pat Cool, vp-adv dir, Pocket Books
John Schneider, adv mgr, Simon & Schuster General Reference Group

Advertising Agencies

Jameson Advertising, New York—Pocket Books—Susan Ball, vp-acct super; Elissa Cohen, acct exec.

Franklin Spier, New York—trade book div—Lee Simmons, chmn of the board; Kathleen Kelly, asst acct exec.

Sussman & Sugar, New York—general reference—Lisa Gyllenhaal, acct exec; Shelley Himmelstein, asst acct exec.

FINANICAL SERVICES GROUP
Associates Corp.
of North America
Marketing Personnel

Frederick H. Stern, vp-corp communications

Associates Consumer Financial Services
Marketing Personnel

James F. Metevier, senior vp-corp consumer mktg
Michael J. Carney, senior vp-consumer mktg

Associates Commercial Corp.
Marketing Personnel

Clifton B. Noble, vp-corp mktg services
David F. Edwards, senior vp-transportation mktg
David F. Herrick, senior vp-business loans & factoring mktg
Robert C. Miramonti, senior vp-equipment mktg
Jon Roman, vp-communications mktg
Stephen J. Larkin, vp-fleet leasing mktg
Lee J. Crittenden, vp-corp communications

Advertising Agency

Grant/Jacoby Inc., Chicago—Thomas W. McGavin, senior vp.

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U.S.News

A careful retraction

Last Christmas, the Mental Health Assn. of Indiana complained bitterly when Hasbro marketed its Zartan enemy doll as a "paranoid schizophrenic who grows into various personalities." Hasbro changed Zartan's label, apologized and made a donation to mental health research.

Hasbro Inc.

RANK 85

Pawtucket, R.I.

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	719	224	220.9
Net income	52	15	244.0
U.S.			
Sales	561	194	188.5
Operating profits	101	25	308.9
Advertising	84	57	47.8

Hasbro Inc., Pawtucket, R.I., vaulted into a virtual tie with Mattel as the nation's largest toy marketer following its 1984 acquisition of Milton Bradley Co., Springfield, Mass. A corresponding leap in ad spending made Hasbro the 85th largest national advertiser in 1984.

Hasbro increased total advertising to an estimated $83.7 million in 1984, compared with $56.6 million in 1983—the latter figure a combination of Hasbro and Milton Bradley in 1983.*

Dramatic increases in spending, primarily for spot and network tv, reflect the growing strength of the company's toy lines and the acquisition of Milton Bradley begun June, 1984, with the purchase of 51% of stock, and completed in September, 1984, with payment of $180 million cash for the remainder.

Hasbro's reports its own ad spending in 1984 of $71 million for both Hasbro and a merged Milton Bradley, which is an increase of 132% over expenditures of $30.6 million reported by Hasbro separately in 1983.

The company says its tv spending is below that reported by Broadcast Advertisers Reports (supplied to Leading National Advertisers) because the company's tv time is calculated at rate card rates by those monitoring its advertising, but the time is actually bartered (obviously at a discount). Hasbro advertises often on its own syndicated programs such as its weekly "TransFormers," and on its two shows appearing periodically, "My Little Pony" and "G.I. Joe," and is paid in tv time.

The merger of Milton Bradley, including its Playskool subsidiary, into a wholly owned subsidiary doubled Hasbro's revenue base. Net revenues for 1984 were $718.9 million (including a contribution of $205 million in Milton Bradley net revenues from July 1, 1984) with earnings of $52.4 million. That compares with Hasbro Industries' 1983 net revenues of $223.9 million and earnings of $15.2 million.

Hasbro's revenues for the first six months of 1985 were $537.4 million, up from $191.9 million for the same period in 1984. (If including Milton Bradley revenues of $121.2 million in the first half of 1983, the comparable period would have been $313.1 million.).

Net earnings for the first six months of 1985 more than doubled to $41.6 million from $18.5 million over the similar period in 1984. (Again, including Milton Bradley's net income of a loss of $4.3 million, combined net earnings for the prior year would have been $14.2 million.).

Hasbro's net revenues in 1985 are expected to top $1.1 billion, with earnings of about $90 million, a projected 25% improvement over 1984, analysts say.

With the addition of Milton Bradley's strengths in games, puzzles and children's educational toys, the merger reduced Hasbro's single product risk, says John Campbell, U.S. equity analyst with Pemberton Houston Willoughby in Vancouver, B.C.

For example, TransFormers, transformable robots and vehicles introduced in May, 1984, accounted for about 30% of Hasbro's net revenues in 1984, but the percentage drops to about 13% as a result of the merger, Mr. Campbell says. Milton Bradley's Playskool subsidiary, which accounts for about $120 million in annual sales, also gives Hasbro a base in educational toys, putting it in competition with the Fisher Price subsidiary of Quaker Oats and Mattel, the category leaders. This is a difficult market to crack, Mr. Campbell says, but Playskool should do well with Hasbro's more aggressive style. The addition of Playskool also will create synergies with Hasbro's expanding array of soft toys for infants and toddlers, he says.

In addition, Milton Bradley's far-flung manufacturing and distribution also give Hasbro instant access to international markets, particularly Europe, where Hasbro has had little presence. TransFormers, for example, are being introduced in the U.K. in 1985, Mr. Campbell says.

Analysts are predicting a long-term growth rate for Hasbro of 15% to 20% a year. Slow growth in 1985 in the market for children's educational toys and in board games, following the phenomenal success in 1984 of competitors such as Trivial Pursuit, means the addition of Milton Bradley may not produce a positive effect on earnings immediately.

Analysts are optimistic about 1985 earnings, however, because of the great success of the Hasbro Toys division, which by far represents the largest portion of Hasbro's sales and advertising. Led by TransFormers, G.I. Joe and My Little Pony, the category received $13.5 million in ad spending in 1984—63% spot tv and 37% network, according to Leading National Advertisers. Spending in 1984 was 60.4% more than 1983 expenditures, which were divided 76% spot tv, 21% network tv and 3% magazine.

One of the largest advertising shifts was for TransFormers, the No. 1 boys' toy of 1984. TransFormers accounted for $105 million in sales in 1984, more than triple original estimates. In 1985, the line is expected to bring in $200 million. Equally important, however, is the long-standing G.I. Joe line of products, which accounts for an equal level of sales (about 13%) and a similar level of advertising.

In 1985, Hasbro is introducing an extensive line of new and reformulated products to reach additional niches in the toy, games and crafts markets. Topping the list is a co-venture with Walt Disney Productions called Wuzzles. These six plush fantasy characters from the "Land of Wuz" combine elements of two animals. For example, a Hoppopotamus is part bunny and part hippo.

Advance licensing of Wuzzles has exceeded that of any new character ever, the companies say. Hasbro licenses in the U.S. and Disney licenses internationally. A multi-million-dollar print and tv kickoff began in May, 1985.

New products in the girls' toy line include: Get in Shape Girl!, a line of workout equipment and accessories promoted by Mary Lou Retton; Real Baby, a soft vinyl re-creation of master doll maker Judith Turner's porcelain collectibles, and extensions of the My Little Pony line of vinyl collectibles and plush toys.

For infants and preschoolers, the company is introducing several products scheduled for extensive tv and print advertising around "spokesmom" Joan Lunden, co-host of ABC's "Good Morning America." Ms. Lunden also hosts "Mothers' Minutes," a daily series of one-minute public service programs on child rearing that are fully sponsored by Hasbro Preschool and Playskool divisions.

Most unusual of the preschool products is a rough-and-tumble doll called My Buddy, targeted at boys. Also new is the Muppet Babies Talking Phone, rounding out a group of phone products that includes characters such as Mickey Mouse and Big Family, introducing Baby Potato Head; Musical GloWorm, which has a touch-sensitive computer chip, and additions to the Hasbro Softies and Activity Toys lines.

The lead item in Playskool's 1985 line is Casey, a sing-along, read-along cassette player supported by a multi-million-dollar print and tv campaign beginning in August. Casey's eyes and mouth appear on an electronic screen and make about 64 facial expressions corresponding to sounds from cassette recordings. Casey comes with book and tape sets of stories and educational materials. The product is an attempt to establish Playskool in the audiovisual toy category, which has seen 60% growth over the past two years, analysts say.

Milton Bradley is pursuing an aggressive strategy on its 125th anniversary in 1985. This follows spending last year of about $2.6 million, most of which was for spot tv promoting game products. Tapping the market for trivia games, the division is introducing Stage II, with a tv and print campaign featuring Gene Shalit, NBC's "Today" show movie critic. Mr. Shalit's message is: "Once you've played Trivial Pursuit, you're ready for Stage II."

The division also is introducing a variety of board games this year, including Rodney Dangerfield's No Respect, a strategy game, and Scotland Yard. Other new products include word games, action/adventure and other games, many of which relate to licensed characters, such as the Wuzzles, and are targeted at children and adults.

Hasbro has undergone some corporate restructuring in consolidation. Milton Bradley remains relatively autonomous in its domestic and international operations, while its former Playskool subsidiary has been folded into operations at Hasbro. Playskool headquarters were relocated early in 1985 from Chicago to Hasbro's Pawtucket, R.I., headquarters.

Production facilities in 1985 are being relocated to Milton Bradley's East Longmeadow, Mass., facility. The goal is to consolidate Playskool and Hasbro's marketing and research and development staffs.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	2,567	948
Network cable	951	1,181
Spot tv	42,953	32,474
Network tv	27,221	14,031
Total measured	73,691	48,634
Total unmeasured	10,000	8,000
Estimated total	83,691	56,634

HASBRO INC.
1011 Newport Ave.
Pawtucket, R.I. 02861
(401) 727-5000

Marketing Personnel

Stephen A. Schwartz, senior vp-mktg
Alfred C. Carosi Jr., vp-mktg services
Robert Prupis, associate vp-boys' toys
Maurene Souza, associate vp-girls' toys
Sharon Hartley, senior mktg dir-preschool
Robert Stebene, vp-infants prod
Neil Friedman, vp-Hasbro's Softies

MILTON BRADLEY DIVISION

Marketing Personnel

Jake O'Donnell, president
Lawrence I. Bernstein, senior vp-mktg
David Wilson, senior vp-sales

Advertising Agencies

BBDO-Direct, New York—all direct mktg—George Orme, exec vp-client services; Patrick Marrinan, acct mgr.

Griffin Bacal, New York—all toy & game prod—Tom Griffin, president; Joe Bacal, exec vp-dir creative services; Paul Kurnit, exec vp-client services; Leonard Leokum, senior vp-creative dir; Art Heller, exec vp-dir media services; Michele Litzky, vp-dir, pr. Playskool/Playskool Baby/Hasbro Softies—Bob Marden, vp-mgmt super, Playskool, Playskool Baby, Hasbro Softies; Susan Evans, acct super, Playskool; Helen Hedges, acct super, Playskool Baby, Aviva; Jonathan Breiter, acct super, Playskool Baby. Boys Toys—Gary Wald, vp-mgmt super, boys' toys; Jannette Cooper, acct super, TransFormers; David Biebelberg, acct super, G.I. Joe, SST, Robotix. Milton Bradley—Jeff Zwetchkenbaum, vp-mgmt super, Milton Bradley girls' toys; Loraine Miller, acct super, Milton Bradley.

H.J. Heinz Co.

RANK 34

Pittsburgh

($ figures = 000,000)

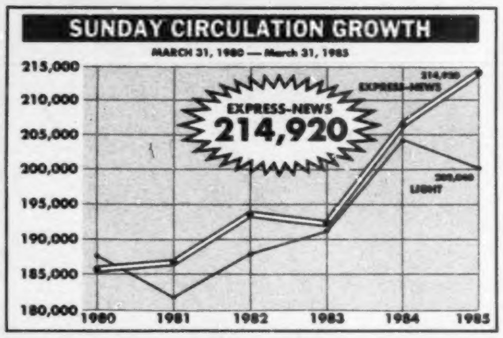
Worldwide	1985	1984	% chg
Sales	4,040	3,954	2.2
Net income	266	238	12.0
U.S.			
Sales	N/A	2,555	N/A
Operating profits	491	291	8.2
Advertising	227	220	3.1

H.J. Heinz Co., Pittsburgh, the nation's 34th largest advertiser, spent an estimated $227.3 million in U.S. national advertising in 1984, a 3.1% increase over the previous year.

The company's marketing budget increased 9% in fiscal 1985 to $303 million, and is slated to rise about 10% in fiscal 1986.

Sales for the 1985 fiscal year, which ended May 1, 1985, were $4.04 billion, a 2.2% increase from the 1984 fiscal year. Net income rose nearly 12% to $265.9 million. Operating income rose 8.2% to $491.4 million. Sales for the year were reduced by about $200 mil-

New ABC Audit Shows Express-News Strengthens Its Lead, Grows Faster Than San Antonio And South Texas...



Latest Audit Bureau of Circulations figures for the period ending March 31, 1985 (and released Aug. 3) show the Sunday Express-News continues to exceed the population growth rate of San Antonio and South Texas while the Sunday San Antonio Light is losing circulation.

The fully audited figures show the Express-News leading the Light by 14,880 on Sunday and by 32,549 daily.

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SOURCES: ABC Newspapers Publisher's Statements, 6 months ending 3/31/80-3/31/85. Newspaper Publisher's Statements for 3/31/83 & 3/31/85 Special 6 month Statements audited by ABC Calculations computed by Express-News Research Dept.

AUDIT BUREAU OF CIRCULATIONS

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See page 101

lion because of foreign-currency exchanges.

Anthony J.F. O'Reilly, president-ceo, called the year "satisfactory, given the strength of the U.S. dollar, which adversely affected translation of foreign operations." Fourth-quarter sales for the year were $1 billion, down 3.5% from the previous year because of lower foreign exchange rates and an extra week in the 1984 fiscal period, the company says.

Measured advertising for calendar year 1984 was $90 million, an 18.2% increase over the nine-media measurement in 1983. Heinz ketchup received the most measured ad support, with $17 million in network and spot tv, up 5.6% from 1983, according to six-media figures monitored by Leading National Advertisers.

Weight Watchers frozen meals received $10.6 million in ad support, up 79.7% from 1983, and 9-Lives canned cat food with $8.8 million spent in network and spot tv advertising, was up 20.5% from 1983, according to LNA.

Heinz ketchup, for which the company is best known, continued to gain market share in fiscal 1985, holding a 51% share in case sales and 58% in dollar share for the 52 weeks ended June 21, 1985. Heinz's introduction of ketchup in a 28-oz. squeezable plastic bottle in 1983 fostered the line extension of ketchup in a 64-oz. plastic bottle in 1984. The larger unit is being tested in more than 50% of the country and is scheduled for national distribution, although the company won't say when.

Heinz also introduced Pouch Pak ketchup in metalized bags in 1985 as a replacement for 10-lb. cans used in the foodservice industry.

Ad spending for Heinz vinegars rose substantially, to $3.4 million in 1984 from $256,000 in 1983, virtually all in network and spot tv, according to LNA. While Heinz five specialty vinegars had been the focus of the previous year's advertising to support redesigned packaging, Heinz white and cider vinegars received attention in 1984. New uses were pushed.

In the spring of 1984, Heinz built on a print campaign with tv advertising urging consumers to use Heinz white vinegar to clean automatic drip coffee makers. Sales of Heinz white and cider vinegars rose 30.1% in three test cities as a result of test advertising, the company says. Heinz also launched a network tv campaign for the white and cider vinegars with the theme "The natural vinegar for 100 years."

The company introduced Heinz picante sauce in 1984. Supported with $100,400 in advertising, all magazine, the 12-oz. jars of seuce in mild, medium and hot varieties were promoted as containing "fresh chunks of jalapeno, onions, tomato with just the right kick."

A reformulated Heinz 57 sauce received $5.03 million in network and spot tv advertising, using as spokesman, actor Vic Tayback who plays Mel on CBS' "Alice." Mr. Tayback also promoted the sauce as "all-purpose" on an extended media tour.

Hoping to boost its 13% share in the $650 million baby-food market, Heinz introduced a line of dried-instant baby foods. Prepared by adding water, Heinz instant baby food initially was available in 23 varieties.

Rolled out in September, 1984, in test markets in the Southeast, Southwest and West, the product was expanded to national distribution in February, 1985. Ad spending for the new product line through the end of 1984 was $966,500, some 94% of that in spot tv, according to LNA.

Heinz has added four new varieties to its instant baby food line, which will reach western markets first, with national distribution slated for January, 1986. The company says its share in the wet and instant baby food market has risen to 17% as a result of the 1984 dried-instant line introduction.

Heinz barbecue sauce was reformulated and given the name of Heinz Thick and Rich barbecue sauce. Available in six varieties, it was rolled into national markets in the spring of 1985.

The company has repositioned its Alba hot cocoa mix as a high-calcium drink to reflect a growing interest among women for high-calcium products. New packaging displays the product as Alba high calcium sugar free hot cocoa mix. The Alba line got $3 million in ad spending in 1984, up 67% from the previous year.

In food for four-legged creatures, Heinz subsidiary Star-Kist Foods, Terminal Island, Cal., retained finicky Morris the cat for promotions for two new cat food lines under the 9-Lives brand—9-Lives Tender Meals semimoist cat food and 9-Lives Crunch Meals dry food products. The company is targeting the semimoist and dry cat food market segments for strong growth opportunities; it already has garnered the top spot in the canned cat food market segment, according to Stephen Carnes, food industry aalyst with Piper Jaffray & Hopwood Inc., Minneapolis, Minn.

In a $20 million campaign, the largest ever for Star-Kist Foods, Morris the cat was featured in commercials with the message: "Now there is a dry cat food and a soft moist good enough for Morris." Ad spending for 9-Lives canned cat food rose 21.2% in 1984 to $8.8 million, divided almost equally between network and spot tv.

Ad spending for Meaty Bone dog biscuits rose to $3.5 million in 1984 from $1.4 million in 1983, and advertising focus shifted to network tv from spot tv. The product reached national distribution in May, 1984.

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Continuing to slice up the frozen potato market, Heinz subsidiary Ore-Ida Foods in Boise, Ida., introduced a low-calorie line of fried potatoes called Lites. Lites french fries have 100 calories per serving as compared with 160 calories in other potato cuts and were introduced in test market in July, 1984, with a national rollout in the summer of 1985.

Ore-Ida also expanded its Cheddar Browns frozen hash brown and cheese potatoes from test markets to national distribution in October, 1984. Ore-Ida bolstered its ad spending for its line of Ore-Ida Tater Tots to $1.4 million in network and spot tv from $124,900 in 1983, mostly in newspaper supplements. The new low-calorie line was supported with $466,200 in spot tv advertising in 1984, according to LNA.

Ore-Ida spent $8.8 million on its entire line in 1984 with Golden Fries and French Fries getting the big dollars, up 39.7% from 1983. Ore-Ida continued to use the theme, "You can't go wrong with Ore-Ida," to support its existing products, with a combination of 30-second and split 30-second spots.

In a move to concentrate resources elsewhere, Ore-Ida sold its La Pizzeria frozen pizza and Mrs. Goodcookie frozen cookie lines to United Products, Sarasota, Fla. The company would not disclose the amount of the August, 1984, sale. Under terms of the sale, Ore-Ida will continue to produce La Pizzeria pizzas for three years at its Ohio plant, and Mrs. Goodcookie will be produced by United Products, which distributes Dutchies brand frozen pretzels and Butter Gems frozen rolls.

Weight Watchers International, Manhasset, N.Y., in the six media measured by LNA, increased its ad expenditure in 1984 by 22.9% to $21.5 million, with frozen meals getting about half of that.

Spending was increased 78% for the Weight Watchers diet program to $5.4 million.

Weight Watchers entered test markets with a line of turkey-based, low-calorie luncheon meats.

The meats, which have fewer than 100 calories per serving, include franks, sausage, ham, salami, pastrami and turkey breasts.

The Weight Watchers bread line was expanded to include cinnamon-raisin and honey multigrain breads, joining light rye, white and cracked wheat breads.

Heinz shifted its Weight Watchers ice cream, bread, fruit snacks and new products to MCA Advertising from Doyle Dane Bernbach in July, 1984. DDB continued as the agency for the Weight Watchers frozen meals and other Weight Watchers products sold through Heinz subsidiaries Foodways National and Ore-Ida Foods.

Weight Watchers products that received new ad spending in 1984 included Weight Watchers margarine, mayonnaise, meat products, non-fat yogurt in four varieties and spaghetti sauce in three varieties. Most of the spending was concentrated in magazines.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	2,130	2,750
Magazines	6,134	6,869
Network cable	1,040	721
Spot tv	28,051	17,636
Network tv	52,687	47,864
Spot radio	0	261
Outdoor	6	63
Total measured	90,048	6,163
Total unmeasured	137,238	144,316
Estimated total	227,286	220,479

HEINZ U.S.A.
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Marketing Personal

Consumer Products Division

William R. Johnson, vp
Mike Milone, group prod mgr-ketchup & 57 sauce
S.W. Scott, genl mgr-new prod & condiment mktg
M. Vincent, group prod mgr-nutrition prod
J.P. Berger, genl mgr-foodservice & export mktg
J.A. Gordon, senior mgr-adv, promo & design

Package Goods Division

W. Springer, vp
J. Crawshaw, genl business mgr-soups, beans, wet baby food
S. Schickler, business unit mgr-pickles, relish, foodservice vinegar
D. Pellegrino, business unit mgr-soups & entrees
S. Pease, business unit mgr-grocery vinegar & sauces
B. Stein, genl mgr-pickles, vinegar & sauces

Sales Division

W.V. Costello, vp
Jon Peterson, genl mgr-grocery sales
T.R. Jonell, genl mgr-foodservice

Advertising Agencies

Adelante, Inc., New York—ketchup/Hispanic-H. Fried, vp.

Leo Burnett USA, Chicago—ketchup, pickles, relishes, gravy, wet & instant baby food—T. Ross, exec vp; J. Herscovitz, vp-acct dir.

Food Group, New York—foodservice prod—D. Axleroad, president

Ketchum Advertising, Pittsburgh—57 & barbecue sauces, vinegar, Alba prods—J. McBride, senior vp-client services, L. Werner, exec vp, pr.

STAR-KIST FOODS
Terminal Island, Cal.

Marketing Personnel

W.H. Gassett, vp-mktg, pet foods
T.W. Sanford, mgr-mktg services
A. Ayotte, vp-sales
J.T. O'Meara, genl mgr-seafood mktg
P.L. Bowen, mgr-cat food mktg
E.S. Moersch, mgr-dog food mktg
R. Worsham, genl mgr-sales devel
R. Roberts, field sales mgr

Advertising Agency

Leo Burnett USA, Chicago—Star-Kist tuna, 9-Lives cat food, Amore cat food, Jerky Treats dog treats, Meaty Bone dog snacks—C. Mills, senior vp-acct dir; B. Krause, H. Kogan, acct supers.

ORE-IDA FOODS
Boise, Ida.

Marketing Personnel

Dietmar Kluth, vp-sales and mktg
Wayne Durfey, genl mgr-food services sales
David D. Bohecker, genl mgr-retail mktg
M. Vince Shaar, genl mgr-retail sales
Martin V. Thomas, genl mgr-sales & mktg services
Stanford P. Darger, genl mgr-mktg-Foodways National
Geoffrey V. Supko, vp-sales & mktg, Gagliardi Bros.
John W. Bauer, genl mgr-retail mktg, Gagliardi Bros.

Advertising Agency

Doyle Dane Bernbach, New York—Grant Roberts, group senior vp.

WEIGHT WATCHERS INTERNATIONAL
Manhasset, N.Y.

Marketing Personnel

Dr. Lelio G. Parducci, vp-mktg & operations
Steve M. Heyl, genl mgr-mktg
M. Jane McIntosh, senior mgr-new services mktg
Leonard J. Tacconi, Michael Schiffmiller, mktg mgrs
Michael D. Kelly, vp-mktg

Advertising Agencies

Doyle Dane Bernbach, New York—Bob Freeman, senior vp-mgmt super; Mark Abrams, vp-acct super.

MCA Advertising, New York—Weight Watchers prod—T. Atkinson, senior vp.

Hershey Foods Corp.

Hershey, Pa.

RANK 88

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	1,893	1,700	11.3
Net income	109	100	8.5
Advertising	79	69	15.3
Division sales			
Chocolate/confection	1,287	1,159	11.1
Restaurant	427	384	11.4
Other food	178	163	9.1

Hershey Foods Corp., Hershey, Pa., spent an estimated $79.2 million in U.S. advertising, a 15.3% increase from 1983, making it the nation's 88th largest advertiser.

Hershey had $1.89 billion in worldwide sales in 1984 and $109 million in earnings, for a 11.3% increase in sales and an 8.5% increase in net income from 1983.

The company's business is primarily in the chocolate and confectionery business, but other business range from Friendly Ice Cream and Family Restaurants to pasta products and a commercial coffee service.

Hershey Chocolate led Hershey's three divisions with 68% of sales or $1.3 billion, and operating income of $195.8 million. Friendly Ice Cream Corp. contributed 22% of sales, $427.1 million, and operating income of $41.7 million, while other food products and services contributed $178 million in sales and operating income of $4 million.

Increased sales for Hershey Chocolate resulted from both an increased sales volume and a hike in the bar product retail price from 30¢ to 35¢ in early 1984, according to the company.

Hershey spent $60.5 million in measured media during 1984. Its estimated $18.7 million in unmeasured advertising was spent on coupons and promotional advertising, according to a company spokesman.

Hershey Chocolate continued in a heated battle with Mars Inc. for dominance of the $8 billion-a-year U.S. candy market. Combined, the companies sell about 70% of the candy bars in the U.S., while Peter Paul Cadbury sells about 9% and Nestle about 6%.

Such Hershey familiars as the Hershey Bar, Reese's peanut butter cups and Mr. Goodbar anchor Hershey in the competition. The company now heavily promotes new products that last year contributed 20% to the company's candy sales.

"Increasingly, Hershey is looking to tap an adult market for its products," says G. Leonard Teitelbaum, an analyst at Merrill Lynch, New York. "They want to reposition candy away from a kid's snack."

Such products as Skor and Take Five are aimed at adult consumers. Spending on Skor, a chocolate-coated toffee bar introduced in 1982, was increased by 32% over 1983 levels, to $3.2 million in measured media, according to totals for six-media monitored by Leading National Advertisers.

In a move to broaden product lines, Y&S licorice Twizzlers were rolled out nationally with the support of $1.2 million worth of spot and network tv.

Another important diversification for Hershey has been its entrance into the highly competitive $440 million granola bar market. Quaker holds a key 45% to 49% share of the market; General Mills, 28% to 30%; Pillsbury, 8% to 10%; Hershey's New Trail, 6% to 7%, and Ralston Purina, less than 1%.

"We're still in there fighting," says Tony Pingitore, director of new product development for Hershey Chocolate.

To maintain its stake, Hershey last year increased its measured advertising spending on New Trail by 62% to $4.7 million. Network tv claimed $4 million of the total, with the remainder spent on magazines. New Trail also expanded its product line to six varieties and unveiled new packaging.

In another big move, Hershey rolled out nationally its Hershey chocolate milk in 1984. Licensing its name to the dairies which produce the milk, Hershey spent $2 million in measured spending for the chocolate milk which represented an increase of 135% over product-introductory spending levels.

Measured spending for Friendly Ice Cream and Family Restaurants declined by 24%, to $3.4 million. During the year, the company opened 47 restaurants for a total of 707 in 16 northeastern and midwestern states.

"The company is making a move to broaden its geographic dispersion from the Northeast where emphasis on a seasonal business based on a dessert item has deterred its growth," says Mr. Teitelbaum of Merrill Lynch. Friendly Ice Cream is sold at a counter in Family Restaurants a la Howard Johnson's. With many patrons using the restaurant just for its ice cream, Nestle needs to either expand the business where ice cream is more year-round, or emphasize the restaurant part of the business.

The company also is testing a concept for ice-cream dip shops called O'goodies! A second store opened in 1984 where customers create their own sundaes and ice cream flavors and can obtain a variety of beverages and products baked on the premises.

With the November acquisition of American Beauty Macaroni from Pillsbury for $55 million, Hershey has bought the No. 1 market position in the $1.3 billion domestic pasta industry. To signify the consolidation, this Hershey subsidiary was renamed Hershey Pasta Group from San Giorgio-Skinner Co. Hershey holds an estimated 17.2% share of market followed by CPC International (Mueller pasta) at 15.5% and Borden 11.9% (Creamette, Luxury and Ronco). In 1983, Mueller held a 16% share to Hershey's 10%.

Hershey's five regional pasta brands, San Giorgio, P&R, Skinner, Delmonico and American Beauty, are carried in stores in 40 of the 48 continental states.

The only down note to Hershey's bottom line during 1984 was Cory Food Services, which sustained an operating loss, despite a modest increase in sales.

Significant changes at the top of Hershey Foods Corp. found Richard A. Zimmerman becoming chairman-ceo upon the retirement of William E.C. Dearden. Kenneth L. Wolfe succeeded Mr. Zimmerman as president-chief operating officer from senior vp-chief financial officer.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	555	1,540
Magazines	9,924	7,272
Network cable	488	444
Spot tv	13,843	15,519
Network tv	33,642	28,679
Spot radio	1,193	597
Network radio	870	396
Outdoor	0	2
Total measured	60,514	54,410
Total unmeasured	18,686	14,292
Estimated total	79,200	68,702

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HERSHEY FOODS CORP.
14 E. Chocolate Ave.
Hershey, Pa. 17033
(717) 534-4000
Hershey Chocolate Co.
Marketing Personnel

Joseph Viviano, president
Jay F. Carr, vp-mktg
John H. Dowd, vp-new business devel
Anthony J. Pingitore, dir-new prod devel

Advertising Agencies

Doyle Dane Bernbach, New York—Kit Kat, Mr. Goodbar, Take Five, Whatchamacallit, Y&S candies, Reese's Pieces, Skor, Hershey's chocolate milk, new prod—Peter Tate, senior vp-mgmt super.

Ogilvy & Mather, New York—Hershey's Kisses, Hershey's milk chocolate bar, Hershey's milk chocolate bar with almonds, Hershey's baking chocolate, Hershey's chocolate chips, Hershey's cocoa, Hershey's fudge topping, Golden Almond bar, Golden Almond Solitaires, Reese's peanut butter cups, Reese's peanut butter chips, Big Block, Rolo, Hershey's miniatures, New Trail granola snack bar, Giant Kiss, Marabou milk chocolate rolls, new prod—Michael Vaughan, senior vp-mgmt super.

FRIENDLY ICE CREAM CORP.
Wilbraham, Mass.
Marketing Personnel

James D. Staggs, chairman-ceo
John F. Cauley, president
Joseph A. O'Shaughnessy, exec vp
John M. Sauve, vp-mktg

Advertising Agency

Quinn & Johnson/BBDO, Boston—Carol Trifone, acct super; Patricia Heath, acct super, new prod; Mike Moranchek, senior acct exec; Lou Yanucci, acct exec.

HERSHEY PASTA GROUP
Marketing Personnel

C. Mickey Skinner, president-ceo
Clifford K. Larsen, vp-mktg

Advertising Agency

Creamer Inc., New York—San Giorgio pasta prod, P&R Macaroni, Skinner, Delmonico & American Beauty brands—Albert J. Bouchard, exec vp.

RANK
65

IC Industries

Chicago

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	4,324	3,735	15.8
Net income	123	93	32.3
U.S.			
Sales	3,875	3,390	14.3
Operating profits	334	214	56.1
Advertising	127	112	13.5
Division sales			
Pet	1,141	1,148	-0.6
Midas	298	272	9.7
Soft drinks	420	394	6.7
Abex	702	611	14.9
Hussman	443	392	12.9
Aerospace/industrial	61	N/A	N/A
Food/drug	144	N/A	N/A
Railroad activities	1,015	907	11.8

IC Industries has evolved from a Midwest railroad into a diversified, multinational company with a strong concentration in three areas—specialty foods, consumer services and commercial products. The railroad, Illinois Central Gulf, remains a successful, albeit less-dominant, part of the operation.

Consumer products at the Chicago-based company, ranked 65th among national advertisers with an estimated $127.3 million in advertising in 1984, up 13.5% from 1983, accounted for $1.86 billion of the company's sales for the year, a 2.7% increase over 1983.

Of total sales, St. Louis-based Pet Inc. products accounted for $1.14 billion, down 1% from 1983, primarily because of a restructuring of Stuckey's operations and closing of 29 of its marginal roadside units. Pet sales would have increased 4% excluding Stuckey's from the figures.

Then in May, 1985, Stuckey's was sold back to W.S. Stuckey Jr., whose father began the group in the 1930s in Eastman, Ga., as a roadside resting place that sold pecans and candies made by his wife.

Pet, the main advertised line at IC, continued a strategy of developing high-margin specialty food products and concentrating on four core businesses—Old El Paso Mexican foods, frozen foods, Whitman's candies and confections; and international operations, which utilize Underwood's manufacturing facilities and distribution systems.

Of the company's total advertising, promotion and marketing spending of $170 million in 1984, more than $90 million was spent by Pet in advertising and promotion, according to the company. Most was in support of Pet's high-margin specialty food products. Change was evident late in the year as the Pet units divided assignments for the specialty and dry grocery groups between Grey Advertising, New York, and Workshop West, Beverly Hills, Cal., which previously handled both.

Workshop West was assigned the creative for Old El Paso dry grocery items and given selected projects for Pet evaporated milk, Underwood spreads, Ac'cent flavor enhancer, B&M baked beans and other small brands.

The same agency also is involved with the unveiling of a collection of 18 new products by the dry grocery group. These include a three-item line of Thick & Chunky Mexican sauce mixes without preservatives, two new Ac'cent products and two new baked bean varieties.

The creative work for the specialty group turned over to Grey Advertising included Downyflake frozen breakfast foods, Old El Paso frozen Mexican entrees, Pet-Ritz pie crusts and Whitman's chocolates.

Pet has been a leader in the frozen pie-shell market with its Pet-Ritz pie crust claiming 60% of that market, but it is facing challenges from Pillsbury, Keebler, Kellogg and others. A tv and magazine campaign, launched in September, 1984, was aimed at expanding that market by emphasizing convenience. The "just fill and bake" theme was targeted for daytime and prime-time tv and women's magazines, with a special *Reader's Digest* eight-page supplement offering new recipes. Media spending for the campaign was slightly less than $600,000.

Pet products received 38% of IC's six-media measured spending of $46.1 million, according to Leading National Advertisers. Measured totals for newspapers and spot radio—not part of LNA totals—increase IC's total to $57.2 million. Major advertising support for Pet products, focusing on broadcast, included $3.2 million for Ac'cent flavor enhancer, up 28%; Old El Paso Mexican line, $6.4 million, down 4.5%, and B&M baked beans, $1.5 million, up 50.9%. The company puts heavier emphasis on point-of-purchase and other nonmedia advertising.

Midas Muffler Shops had record revenues of $298 million in 1984, up 10%, and pretax income of $37.6 million, down 4.8% from 1983 when Midas had a $6 million favorable adjustment to its warranty expenses. Midas shops were supported by $46 million in advertising and promotion.

Of that total, $37.7 million was spent in measured media, about $26.5 million split evenly between spot and network tv, and the rest in spot radio. The balance was used for production, point-of-purchase materials, dealer incentive programs and a pr effort now in its fourth year. Midas spent $32.1 million in measured media in 1983.

Midas added 74 automotive service shops in the U.S. in 1984. It also expanded its services to include front-end suspension systems, brakes and shock absorbers. By the end of the year, there were 1,415 Midas shops in the U.S., 165 in Canada, 209 in Europe and 36 elsewhere in the world.

IC's soft drink operations, principally Pepsi-Cola General Bottlers (IC also has Dad's root beer), had record sales of $420.2 million, a 7% increase over the previous year. Profits were $37.8 million, down 8.3% because of increased competitive pressures and higher ingredient costs.

By acquiring three new franchises in Missouri and Iowa, the company expanded its total market to more than 16 million people. Pepsi-Cola General Bottlers now has 11 franchise areas, including the major market areas of

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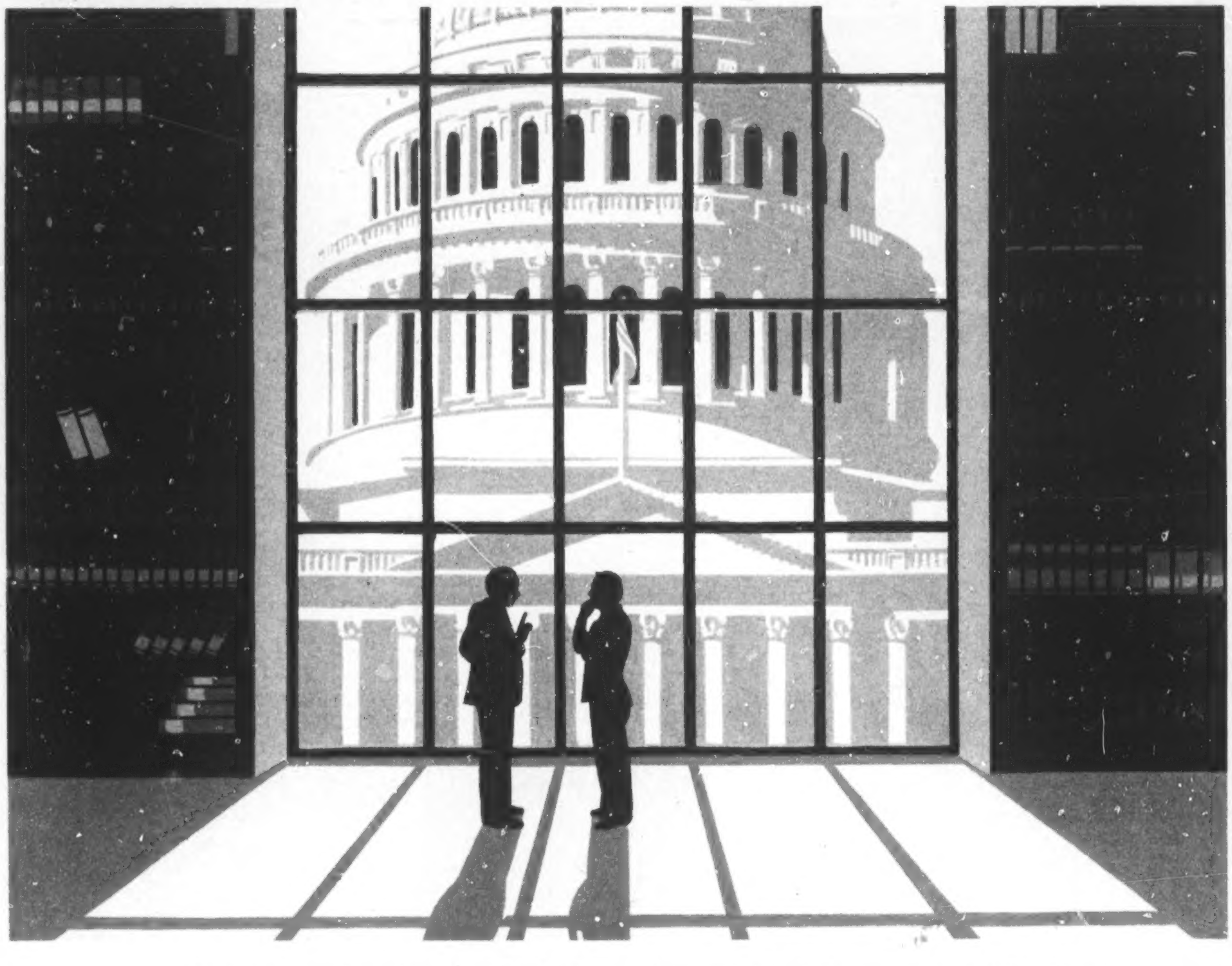

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The changing face of the soft drink market had its impact on Pepsi General, as the bottler was in the forefront of bringing to market a new diet Pepsi-Cola sweetened entirely with NutraSweet. It also test-marketed Slice, a new lemon-flavored product from Pepsi-Cola.

Pepsi General, in a joint effort with Pet, developed Orchard Sun to compete in the $59.3 million aseptic fruit-drink market. Orchard Sun is a 10%-juice beverage packed in 12-oz. aseptic boxes. It is available in orange, punch, grape and apple flavors.

Orchard Sun faces competition from Shasta's Capri Sun, which has 35.6% of the market, and from other products such as Coca-Cola's Hi-C, Del Monte's Hawaiian Punch and Ocean Spray Cranberry juice drinks. The regional introduction of Orchard Sun was supported by a $250,000 ad schedule on spot tv.

In October, 1984, IC Industries acquired for $592.8 million Pneumo Corp., a Boston-based defense contractor. First-quarter 1985 results at Pneumo showed a backlog of $1.2 billion, 75% of which are firm contracts and the balanced authorized contracts. Of those, about 70% were military.

Pneumo has four operating divisions, including Cleveland Pneumatic, a designer and producer of aircraft landing gear. National Water Lift Division in Kalamazoo, Mich., designs and manufactures aircraft flight and engine controls. The Claud S. Gordon Co. in Richmond, Ill., produces thermocouple wire. Carls Drug, Rome, N.Y., is a chain of drugstores.

IC's fifth division, P&C Food Markets, the country's 26th largest supermarket chain, was sold in May to a company formed by P&C senior management and an investor group. In commenting on the sale, IC officials said it was consistent with its plan to concentrate on specialty foods, consumer services and aerospace products.

The dairy division was sold in August, 1985, to Southern Dairy, a new unit of Miami-based KMC Group. The sale did not affect Pet's evaporated milk business.

Other companies under the IC umbrella are Abex Corp., maker of hydraulic pumps and motors and servovalves for many of the free world's airplanes and space vehicles; Hussman Corp., manufacturer of environmental control and refrigeration systems, and the Illinois Central Gulf Railroad operations.

As a result of the acquisition of Pneumo, the managements of both Pneumo and Abex have begun to explore ways they can combine their expertise to develop complete aircraft flight control systems. This could generate combined aerospace sales and earnings greater than either could achieve separately.

Illinois Central Gulf regained profitability in 1984 and is reshaping itself as a balanced transportation company serving the area between the Great Lakes and the Gulf of Mexico. The ICG has a system of freight movement with expanding trucking services to complement its railroad operations.

In keeping with this streamlining, the railroad unit announced during the third quarter of 1985 the sale of 713 miles of rail lines, located primarily in eastern Mississippi, to Gulf & Mississippi Railroad. ICG is the country's seventh-largest railroad, with $1 billion in revenue, and represented less than one-fourth of IC Industries' income in 1984.

IC Industries has struck it rich in the franchise business, both as a franchiser with Midas International and as a franchisee with Pepsi-Cola General Bottlers. The company is relying on that experience as it plies the acquisition trail in search of one or more service-oriented companies cast in the Midas mold.

In a campaign created by Gardner Advertising, St. Louis, the company spent close to $1 million in an attempt to attract investors. Each of the ads emphasized a single market fact about one of the IC companies. The ads were placed in carefully selected media targeted at the investment community and resulted in a 500% increase in queries from potential investors.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,062	1,176
Magazines	3,571	3,689
Network cable	0	16
Spot tv	24,500	20,971
Network tv	17,466	17,698
Spot radio	9,993	6,163
Network radio	504	599
Outdoor	93	51
Total measured	57,189	50,362
Total unmeasured	70,100	61,754
Estimated total	127,289	112,116

IC INDUSTRIES
111 E. Wacker Dr.
Chicago, Ill. 60601
(312) 565-3000
Marketing Personnel
Wendell W. Larsen, senior vp-corp affairs
Harry A. Grove, dir-adv
Advertising Agency
Gardner Advertising, St. Louis—Tom Jonas, acct super.

PET INC.
St. Louis, Mo.
Marketing Personnel
Grocery Group
A. James Matson, group president
Syl Stevenson, Gerald Hayes, John Ferguson, dirs-mktg
Swaran Saxena, dir-mktg, rsch
Hank Grese, vp-genl sales mgr
Specialty Group
W. Rufus Jones, president
Theodore G. Keller, exec vp-sales & mktg
Frozen Foods Division
Raymond N. Felitto Jr., president
John J. Kramer, vp-mktg
Vernon A. Boehler, vp-sales
WHITMAN'S CHOCOLATES DIVISION
James W. Nixon, president
Robert C. Camelier, natl sales mgr
Demar R. Moeller, dir-mktg
Bakery Division
Ted Keller, acting president
Jerry H. Burchyett, vp-sales & mktg
Specialty printing division
Walter H. Busch, president
Ben Kraft, vp-sales
International Group
Larry D. Umlauf, president
P. David Searles, exec vp-Europe
William Gene Norman, exec vp, Latin America
Advertising Agencies
Grey Advertising, New York—Downyflake frozen breakfast foods, Old El Paso frozen Mexican entrees, Pet-Ritz pie crusts, Whitman's chocolates—Nancy Bruya, group head, dir-spot traffic.
Haworth Group Inc., Minneapolis—grocery group media planning & buying—Claude W. Stevens, exec vp.
Workshop West, Beverly Hills, Cal.—Old El Paso dry grocery items—Elliot Uberstein, acct exec.

MIDAS INTERNATIONAL
Chicago, Ill.
Marketing Personnel
R.J. Richards, vp-mktg franchise operations
John Masen, dir adv & sales promo
R.F. Linder, vp-mktg
Advertising Agency
Wells, Rich, Greene, Chicago—Larry Singer, president; Jim Avery, senior vp-mng dir; Al Lerman, senior vp-exec creative dir; Lee Berenbaum, natl acct exec.

PEPSI-COLA GENERAL BOTTLERS INC.
Chicago, Ill.
Marketing Personnel
P.J. McCarthy, dir-adv
Advertising Agency
Genadco (in-house agency), Chicago.

International Business Machines

RANK 18

Armonk, N.Y.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	45,937	40,180	14.3
Net income	6,582	5,485	20.0
U.S.			
Sales	27,371	23,127	18.4
Operating profits	3,981	3,296	20.8
Advertising	376	297	26.6
Division sales			
Processors	11,823	10,782	9.7
Peripherals	11,698	11,093	5.5
Office systems	9,837	7,756	26.8
Program prods.	3,197	2,302	38.9
Maintenance	5,266	4,577	15.1
Other	2,403	2,431	-1.2
Federal systems	1,645	1,176	39.9
Other business	68	63	7.9

International Business Machines Corp., Armonk, N.Y., the 18th largest advertiser, increased national advertising spending by 26.6% to $376 million in 1984.

A significant boost in measured spending was recorded in IBM's line of personal computers, which received $62.6 million in 1984, up 160%. Uncertainty reigns, however, in 1985 because of softness in PC sales and IBM's decision to halt production in, March, 1985 of PCjr, a product accounting for $32.5 million, or 17.1% of 1984 measured media spending.

PCjr represented IBM's largest 1984 outlay, divided 60% network tv, 36% magazine, and 4% spot tv.

But halting PCjr is expected to do less damage to IBM's profitability than to its reputation. While shipments of IBM personal computers tripled in 1984, jumping IBM's marketshare to 35% from 24% in 1983, their sales accounted for less than 7% of IBM's $45.94 billion in 1984 sales, says Bill Ablondi, vp-markets group at Future Computing, Dallas. And while home PCs accounted for 40% of units shipped in 1984, they accounted for only 20% of revenues. IBM's earnings in 1984 were $6.58 billion, up 20%.

IBM has perhaps 100,000-plus PCjrs to unload, but being a low-cost producer, it is not expected to take a beating even if predictions by Future Computing hold that home computer sales fall to 3.2 million units, compared with 4.6 million units in 1984. Future Computing predicts that total personal computer sales will fall from 7.6 million units in 1984 to 7.3 million in 1985, jumping to 9.2 million units in 1986.

Price-cutting and rebates on the PCjr stimulated sales in the fourth quarter of 1984, when about a third of all PC sales normally take place. About 275,000 PCjrs were sold in 1984. But the discounts also cut heavily into Apple Computer's sales.

Apple had a 17% share of personal computers in 1984, but was pushed out of first place by IBM, with a 35% share. Apple's share is expected to drop to 14% in 1985, Mr. Ablondi says.

IBM's sales for the first six months of 1985 were $21.2 billion, down 2% from the same period in 1984, with net earnings falling to $2.4 billion, down 15%.

Matthew Meehan, analyst for Salomon Bros, New York, attributes the decline to delays in orders as a result of announcing key new products. Another factor was the strong U.S. dollar, which slashed foreign sales from roughly 50% of revenue in 1980 to 40% in 1984, and cut net revenue in the first half of 1985 by 8%.

IBM accelerated introduction and-delivery of the 3380 "double capacity" disk drive, and the IBM 3090, a new generation mainframe known as Sierra. IBM began shipping the products in August 1985, three months ahead of its October target.

IBM, which controls 78.2% of the U.S. market for mainframes, needed the introductions to maintain growth objectives that would make it a $200 billion company in 1995, says Thomas Fontana, research analyst for The Gartner Group, Stamford, Conn. Accelerating Sierra and the 3380 drive could add $1 billion-plus to IBM's third quarter revenues, analysts say.

IBM spent $16 million in 1984 on measured media for business computer systems, divided 83% network tv, 15% magazine and 2% spot tv. Another $4 million in measured media was for medium-size business computers in 1984. The measured outlay for general promotion was $22.7 million, divided 70% network tv and about 30% magazine. Much of IBM's general promotion focused on its sponsorship of the 1984 Summer Olympics.

Revenues for the first nine months of 1985 are expected to fall as a result of sluggish domestic orders, Mr. Meehan says. Perhaps for this reason, IBM announced price cuts of 6% to 23% in June, 1985, to stimulate demand for mainframe and minicomputers. IBM derived an estimated 60% of its 1984 revenues from sales of mainframes services, Mr. Fontana says.

Additional growth is expected from IBM's moves into convergent technologies, such as telecommunications. IBM on Nov. 21, 1984, acquired Rolm Corp., Santa Clara, Calif., a maker of telecommunications products, for $1.26 billion. But IBM was forced to sell Rolm's Mil-Spec military computer division to Loral Corp., New York, for about $100 million.

IBM's pending trade of Satellite Business Systems with MCI for 16% of MCI's stock and warrants for 2%, would enable IBM to rid itself of a marginal business and open opportunities in telecommunications with the second largest long-distance carrier, Mr. Meehan says. The trade is valued at about $400 million, depending on the price of MCI stock on regulatory approval of the trade, which is expected by year-end. IBM can acquire

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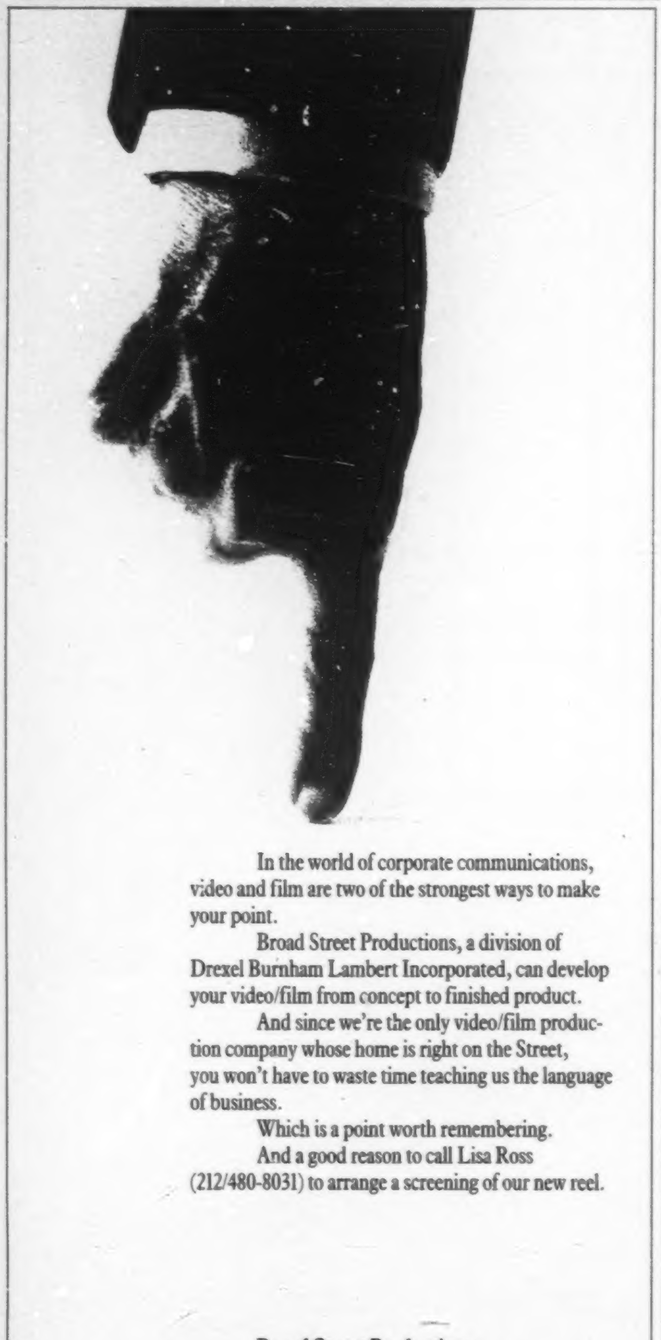

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U.S.News

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In February, 1984, IBM formed a joint venture with CBS Inc. and Sears, Roebuck & Co. to form a videotex service for people with personal computers, dubbed Trintex. IBM also formed a joint venture in March, 1984, with Merrill Lynch, called International MarketNet, to replace "dumb" stock quote terminals on brokers' desks with personal computers that perform a variety of functions.

Yet another joint venture in September, 1984, with Genoa, Italy-based Selenia Elsag Group seeks to develop software and automated products used in various manufacturing environments.

John F. Akers, IBM's president since February, 1983, was elected chief executive in February, 1985. John R. Opel retains the title of chairman.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	36,036	11,720
Magazines	63,098	27,172
Network cable	599	1,263
Spot tv	5,669	5,006
Network tv	78,617	52,409
Spot radio	6,386	5,474
Network radio	0	507
Outdoor	17	13
Total measured	190,422	103,564
Total unmeasured	185,578	193,436
Estimated total	376,000	297,000

IBM CORP.
Old Orchard Road
Armonk, N.Y. 10504
(914) 765-1900

ADVERTISING PERSONNEL

Marketing Personnel

C.G. Francis, dir-adv
W.F. Barton, dir-adv programs
J.F. King, dir-adv operations
M.C. Gury, mgr-corp tv adv
R.W.W. Baker, mgr-corp print adv

Advertising Agency

Lord, Geller, Federico, Einstein, New York—Al Berger, senior vp-mgmt super.

INFORMATION SYSTEMS GROUP

Marketing Personnel

A.A. Emerson, dir-adv
D.H. Butters, mgr-adv
W.H. Harrison, mgr-adv

Advertising Agencies

Doyle Dane Bernbach, New York—Joe Dell'Aquila, vp-mgmt super.

Geer, DuBois, New York—John Allen, senior vp-group acct super.

NATIONAL DISTRIBUTION DIVISION

Marketing Personnel

I.J. Seligsohn, mgr-adv & promo
J.J. Godin, mgr-adv operations
T.B. Heckel, mgr-adv & promo, retail mktg
J.C. Mahlbacher, mgr-adv, retail mktg

Advertising Agency

Doyle Dane Bernbach, New York—N. Brown, vp-acct super.

FEDERAL SYSTEMS DIVISION

Marketing Personnel

M.J. Barnes, asst-adv & operations

Advertising Agency

HCM, New York—Jim Posiello, vp-acct super.

ENTRY SYSTEMS DIVISION

Marketing Personnel

D.T. Coker, dir-adv & promo programs
R.J. O'Leary, mgr-adv

Advertising Agency

Lord, Geller, Federico, Einstein, New York—C.D. Titsworth, senior vp-mgmt super.

ITT Corp.

New York

RANK 44

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	12,701	12,480	1.7
Net income	448	675	-33.6
U.S.			
Sales	6,685	5,969	12.0
Operating profits	309	396	-22.0
Advertising	168	134	25.2
Division sales			
Telecommunications	5,584	5,544	-0.9
Industrial technology	4,337	4,027	7.7
Diversified services	8,352	7,384	13.1
Natural resources	1,002	932	7.5

ITT Corp., New York, was the nation's 44th largest advertiser in 1984 with total estimated U.S. ad spending of $168 million, up 25.2%. Product line was narrowed through divestiture by the conglomerate to firm up three broad areas of concentration—telecommunications, engineered products and services.

The sale of oil and gas interests and a publishing arm earlier this year are part of a two-year plan to divest another $1.7 billion in assets through 1986. Not included in this total was the sale in September, 1984, of Continental Baking Co. As of September, 1984, the book value of ITT's assets totaled $14.1 billion.

Funds obtained from the divestments will go to lessening ITT's $4 billion debt load and providing the money needed for its expansion plans, primarily in the hotly competitive telecommunications industry.

In July, 1984, ITT reduced its quarterly common share dividend from 69¢ per share to 25¢ per share. This cash-saving measure brought the company's dividend-to-earnings ratio in line with the high-tech environment in which ITT is concentrating.

During 1984, net income totaled $448 million, down 33.6% from 1983. Sales totaled $12.7 billion, up 1.7%. Discontinued operations were factored out of prior year reporting to show year-to-year comparables. As of the end of the first half, 1985, ITT sales had increased to $5.1 billion, up 5.7%, and net income improved 50.7% to $118 million.

Total measured advertising expenditures for 1984 were $43.5 million, down 20.8% from 1983. ITT budgets much of its advertising on consumer-oriented businesses like Scott lawn products, Sheraton Hotels and Hartford Insurance. Its biggest outlay generally is for general promotion to build ITT recognition.

Major shifts in media in 1984 included spot tv, down 54.6%, to $11.8 million, and spot radio, down 65%, to $1.1 million. Network tv expenditures went up 33.4%, to $13.2 million. Newspaper spending was up 21.8%, to $4 million, and network cable jumped from $8,000 in 1983 to $681,000.

ITT general promotion received $13.1 million in measured advertising in 1984, mostly network tv and magazines, compared with spending of $6.1 million the previous year.

ITT's entry into the personal computer field, the Xtra, took one of the largest media budgets—$5.7 million—with spot tv receiving $3.6 million and magazines, $1.3 million, and spot radio, $833,000. It was given a voice command option in an effort to make the Xtra more competitive with other personal computers. The Talking Xtra will respond to a vocabulary of up to 200 words; to promote this, ITT's corporate agency, Biederman & Co., created a tv spot featuring a boy, accompanied by his St. Bernard dog, who operates an Xtra with voice commands and barks.

Spending on Sheraton was down 11.4%, to $8 million, according to Leading National Advertisers, which monitors six media. The Sheraton system presently includes more than 475 hotels and inns in 55 countries, with a projected increase to 700 hotels in 60 countries by 1989. In March, 1985, the Sheraton Corp. signed a contract to operate a 1,007-room luxury hotel in Beijing. The Great Wall Sheraton Hotel Beijing is the first hotel in the People's Republic of China to bear the name of an international hotel company.

Spending for Hartford Insurance Group was down 22.4%, to $2.8 million. The major reduction came in the life insurance category. According to six-media LNA figures, spending in life insurance dropped from $1.1 million in 1983 to $6,300, all in magazines. Hartford ranked 10th in the U.S. property and casualty field on the basis of 1983 written premiums. Earnings were off for 1984, principally because of weather-related losses.

ITT's billion-dollar gamble—its attempt to adapt the 3-year-old System 12 digital switching system to North American standards—appears to be paying off. In the first half of 1985,

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AA 92685

ITT sold System 12 equipment to Southern Bell and Pacific Bell—the first time a Bell operating company has purchased the equipment. The system will enable the companies to provide customers with new custom local-area voice and data services, new credit card applications, 800 number projects within the service area and city-wide centrex.

Reflecting the introduction of new products and improved market share in its retail segment, spending for O.M. Scott & Sons Co. was up to $2.8 million from $670,000 in 1983, primarily in spot tv for Scott's Turf Builder and lawn multi-product advertising, according to LNA.

ITT also divested in August, 1984, one of its perennial ad spending leaders when it sold Continental Baking Co., Rye, N.Y., to Ralston Purina for $475 million in cash. Continental's 1983 sales were $1.5 billion, yielding net earnings of $41 million. Wonder and Home Pride breads and Hostess baked goods are the primary brands at Continental, which spent about $20 million on measured advertising in 1983. Also, during the first quarter of 1985, ITT sold a majority of the assets of Eason Oil to Sohio and Sonat Inc. for $239 million.

In April, 1985, ITT's publishing businesses were sold to Macmillan Inc. for $75 million. Included in the sale were Bobbs-Merrill Co., Intertec Publishing Corp., Marquis Who's Who, G.K. Hall Corp. and Michie Co. Also sold were Research & Review Service of America, Character Licensing and ITT Bobbs-Merrill Educational Publishing Co. The ITT publishing group had 1984 sales of more than $95 million.

ITT sold 12 Industrial Technology Corp. companies for $400 million to Forstmann Little & Co., a private investment company specializing in acquiring companies through management buyouts. Additionally, the company has on the block a bevy of companies from its Industrial Technology group. The companies involved had sales of about $600 million last year, or about 13.8% of the total sales and revenues of the Industrial Technology group.

In May, 1985, ITT announced plans to sell Pennsylvania Glass Sand Corp. to United States Borax & Chemical Corp. of Los Angeles, a subsidiary of Rio Tinto-Zinc Corp. p.l.c. of London. Pennsylvania Glass Sand is a producer of silica sand and attapulgite clay products for the glass, chemical, oil and gas, and agricultural industries. Net sales in 1984 were $83.5 million.

During 1984, ITT acquired Valtec in West Boylston, Mass., from U.S. Philips Corp., to complement its position in fiber optics, and took a 44% interest in Christian-Rovsing in Denmark to enhance its presence in software systems.

In April, 1985, ITT acquired Baylock Mfg., Leonard, Mich., a producer of high-quality plastic tubing and other plastic parts and assemblies for the automotive industry.

ITT named Edmund Carpenter president-chief operating officer in July, 1985, giving him one of the titles held by Rand Araskog, who continues as chairman-ceo. It also consolidated management of the company's businesses into two groups, manufacturing and services. ITT also promoted two exec vps, DeRoy Thomas and M. Cabell Woodward Jr., to vice-chairmen.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,042	3,162
Magazines	11,797	11,664
Network cable	681	8
Spot tv	11,750	25,895
Network tv	13,175	9,875
Spot radio	1,132	3,235
Network radio	167	314
Outdoor	767	747
Total measured	43,511	54,899
Total unmeasured	124,489	79,338
Estimated total	168,000	134,237

ITT CORP.
320 Park Ave.
New York, N.Y. 10022
(212) 752-6000
Corporate
Marketing Personnel
Juan C. Cappello, senior vp-dir, government relations, corp relations & adv
J.P. Jannuzzo, dir-adv & sales promo
R.A. Cronenwett, mgr-adv & sales promo services
M.B. Clifford, mgr-sales promo services
Advertising Agencies
Biederman & Co., New York—corp—Barry Biederman, chmn; John Kelly, exec vp; Michael Rowland, vp-mgmt rep.
Fritchman Associates, Ridgefield, Conn. —telephone directories— Bill Grech, mgmt super.

THE HARTFORD
Hartford, Conn.
Marketing Personnel
Roger Dove, senior vp-corp relations
Peter Egan, asst vp-dir adv
Greg King, asst dir adv
Advertising Agency
McCaffrey & McCall, New York—corp adv—Bruce Sherman, senior vp-acct super.

SHERATON CORP.
Boston, Mass.
Marketing Personnel
Robert Collier, dir-mktg
Robert Quinn, vp-dir adv
Adrienne Davis, vp-associate dir adv
Advertising Agency
HBM/Creamer, New York—Stanley Levitz, exec vp-mgmt super; Steven Godsick, senior vp-group super; Ruth Godfrey, acct super; Teresa Rogovsky, Louise Draper, Carol Ranzenhofer, acct execs.

O.M. SCOTT & SONS
Marysville, Ohio
Marketing Personnel
Bernard Ford, dir-mktg
Schrade Radtke, dir-consumer lawn mktg
James Fretter, mktg mgr-professional prod
Ashton Ritchie, mktg mgr-lawn prod, North
Donna Rosenstock, asst mktg mgr-professional garden mktg
Elaine Reece, mktg asst-lawns
Robert Rinehart, mgr-business information
Mark Bater, dir-professional gardens mktg
James Hoyt, mktg mgr-irrigation prod
Robert Bell, dir-direct mktg, W. Atlee Burpee Co.
Advertising Agencies
Doyle Dane Bernbach, New York—O.M. Scott lawn prod—Arie Kopelman, vice chmn; Gordon Sleeper, senior vp-mgmt super; Lauren Burger, vp-acct super; Connie Sinnaeve, acct exec.
Rapp & Collins, New York—Burpee prod—David Scholes, exec vp-dir mktg services; Dominick Perone, senior acct exec.

RANK **25**

Johnson & Johnson

New Brunswick, N.J.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	6,125	5,972	2.5
Net income	515	489	5.2
U.S.			
Sales	3,736	3,611	3.5
Operating profits	430	457	-5.9
Advertising	300	297	1.1
Division sales			
Consumer	2,601	2,531	2.8
Professional	2,004	2,043	-1.9
Pharmaceutical	1,296	1,176	10.2
Industrial	224	223	0.3

Johnson & Johnson, the 25th largest national advertiser with an estimated $300 million in spending, returned a static performance in 1984, a period marked by encroachment from competitors in its analgesic and sanitary protection markets, reduced hospital admissions caused by hospital containment measures, and fluctuations in foreign currency against the dollar.

The New Brunswick, N.J.-based company's worldwide earnings increased 5.2% on sales that improved only 2.5% in 1984 as Johnson & Johnson boosted its U.S. advertising 1.1% over the previous year—a percentage that, coupled with J&J's aggressive introduction of new products and movement, meant considerable fluctuations in the ad support of its battery of products.

Domestic sales rose 3.5% in 1984 to $3.74 billion, or 61% of worldwide sales, while operating profit in the U.S. dropped 5.9% to $429.9 million, or 48.7% of worldwide operating profit. Foreign sales over-all rose 1.2%, to $2.39 billion.

Johnson & Johnson's consumer segment continues to pace the company's business segments in both sales and advertising. In 1984, 42.5% of total sales, or $2.60 billion, was generated by the consumer division, although operating profit slumped 26.1% to $305 million, or 34.6% of total operating profit. The company says declining operating profits were the result of increased investment spending to meet competitive activity in consumer markets. Johnson & Johnson spent virtually all of its measured media of $210.7 million, up 24.5% from 1983, on consumer products.

Despite the pressures, Johnson & Johnson in 1984 still ranked No. 1 in the U.S. in nine consumer product markets: External sanitary protection, baby toiletries, sunscreens, adult and children analgesics, adhesive bandages, dental floss, first aid products, fluoride mouth rinses and over-the-counter female contraceptives.

Some of Johnson & Johnson's key brands are experiencing strong competition, including its three sanitary protection brands—Stayfree, Sure & Natural and Assure!. Elbowing their way into J&J's traditional markets were new products introduced by Tambrands' Petal Soft and Procter & Gamble's Always. J&J's Tylenol is being pressured by new nonprescription analgesics introduced by American Brands' Whitehall Laboratories' and Bristol-Myers's Datril.

Increased competition in these areas has led Johnson & Johnson to spend about $62.2 million alone on Tylenol in its various forms, an increase of 9.5% over the previous year. The company reported that the dollar market share of Tylenol has improved from 33.5% a year ago to 34.7% in a market with substantial new high priced entries.

In the January/February period of 1985, Tylenol had 98% of the dollar share that it had in the period immediately preceding the 1982 Tylenol cyanide poisoning tragedies. Moreover, the new share is in a market worth $1.2 billion, some 35% larger than it was just prior to the scare. Included in the Tylenol measured ad figure is $2.6 million J&J spent to introduce Extra Strength Tylenol Caplets, capsule-shaped, coated tablets that are smaller than both Extra-Strength Tylenol and Extra-Strength Tylenol tablets and easier to swallow.

Similar in consistency is the newly introduced Junior Strength Tylenol tablets. Designed for children 6 through 14, this Tylenol product also features the same ease-of-swallowing benefit of its adult-strength counterpart. Advertising expenditures for the introduction of this product were $3 million. From the over-all Tylenol line, the Tylenol Regular and Extra Strength pain reliever received $22.1 million in measured spending.

PediaCare, introduced nationally in 1984 by the McNeil Consumer Products unit of J&J, is the company's first line of cold products designed especially for children. PediaCare cough formula received $1.1 million in ad backing and the children's cold products received $356,100 in backing. The medication is available in three forms: cough suppressant, decongestant/antihistamine and combination cough suppressant, decongestant and antihistamine. The PediaCare line is alcohol-free and is the company's first non-Tylenol analgesic product line marketed nationally. The company has launched a $3.6 million multimedia campaign.

J&J continues to hold a 42% over-all market share of the $730 million sanitary product market, despite heavy competition, spending $23.4 million on Stayfree products vs. $12 million in 1983, $13.9 million on Sure & Natural vs. $16.6 million in 1983, and $8.9 million on Assure! in its first year.

J&J's over-all market share in this category was buttressed in 1984 with the introduction of Stayfree Maxi-pad Thins, Sure & Natural Maxishields and Stayfree Silhouettes Body-Shape Maxi-pads on which the company spent $3.6 million in measured advertising. J&J's Ortho Pharmaceutical's Dimensyn Maximum Strength menstrual discomfort relief product received $989,000 in measured spending in its introductory year. It claims to relieve irritability and nervous tension, menstrual cramps and swelling. The total Dimensyn line of capsules, remedy and tablets collected $2.9 million in spending.

Johnson & Johnson Products commands a 64% share of the adhesive-bandage market. This year, the company launched a Band-Aid brand line-extension: Band-Aid medicated adhesive bandages designed to kill germs and help prevent infection. J&J spent $8 million in measured media for Band-Aid products in 1984.

Johnson & Johnson's personal products division launched Take-Off makeup remover cloths in 1984 under the direction of Saatchi & Saatchi Compton. A new product within the category, Take-Off cloths are moistened with special makeup removal ingredients. A minimal $60,300 was spent on Take-Off in test at the close of 1984. The product has gone national in 1985.

Measured spending for J&J's Reach toothbrush increased to $5.1 million in 1984, up 10.9% from the previous year. To date, Reach holds the leadership position among dental products along with Johnson & Johnson dental floss ($5.1 million in measured spending, up from $1.8 million in 1983) and Stim-U-Dent interdental cleaners ($210,200 in measured advertising vs. $28,200 in 1983).

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See page 101

This year, the Health Care Division's ACT fluoride dental rinse was accepted by the American Dental Assn.'s Council on Dental Therapeutics. ACT, with measured ad spending in 1984 of $4.5 million, down 19.6% from 1983, was the leading fluoridated dental rinse.

Affinity shampoo was backed with $12.8 million in measured spending in its introductory year beginning February, 1984.

Among J&J's baby items, these are the leading advertised products with their 1984 measured expenditures followed by 1983 spending according to the six-media monitored by Leading National Advertiser: Johnson's Baby Shampoo, $5.9 million vs. $7.2 million; baby oil, $5.6 million vs. $4.3 million; child development toys, $2.2 million vs. $2.4 million, and baby powder, $2.6 million vs. $4.8 million.

Other consumer products with sizable measured advertising outlays were Micatin athlete's foot remedy, $3.8 million vs. $3.3 million; Johnson & Johnson o.b. tampons, $4.2 million vs. $3.5 million; Co-Tylenol adult and children cold medicine products, $11 million vs. $9.6 million; Secure denture adhesive seals, $2.9 million in its first year on the market; Sine-Aid sinus remedy, $4.7 million vs. $4.3 million, and Stretch 'n Dust cleaning cloth, $5.3 million vs. $384,100.

Internationally, Johnson & Johnson launched Affinity shampoo in Austria, Germany, Ireland, Italy, Sweden, Switzerland and the U.K. In Ontario, a new plant was constructed to manufacture Tylenol. In Brazil, Johnson & Johnson completed the national introduction of Shower-to-Shower deodorant body powder.

In the pharmaceutical division, 1984 sales of $1.3 billion accounted for 21.3% of worldwide sales but operating profit of $427 million contributed 48.4% of the company total. J&J introduced in 1984 Ortho-Novum 7/7/7, the first triphasic oral contraceptive in the U.S. The new prescription product provides three gradually increasing levels of progestogen and a constant low dose of estrogen during the first three weeks of the menstrual cycle. The fourth week is drug-free. Ortho Pharmaceutical in 1984 also introduced Advance, a home pregnancy test.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	976	1,977
Magazines	31,424	23,239
Network cable	1,432	1,721
Spot tv	6,482	9,213
Network tv	168,639	131,266
Spot radio	0	319
Network radio	1,729	1,594
Outdoor	33	0
Total measured	210,715	169,329
Total unmeasured	89,285	127,290
Estimated total	300,000	296,618

JOHNSON & JOHNSON
1 Johnson & Johnson Plaza
New Brunswick, N.J. 08933
(201) 524-0400
Marketing Personnel
G.F. (Pete) Tyrrell, vp-adv, corp staff

JOHNSON & JOHNSON PRODUCTS
Marketing Personnel
Healthcare Division
P.M. Lonergan, vp-genl mgr
C.M. Selquist, dir-prod mgmt
C.A. Roberts, natl sales mgr
A.P. Sullivan, natl sales mgr-Home Health Care
M.S. Fink, dir-mktg & consumer rsch
R.E. Scott, dir-military & athletic mktg
Orthopaedic Division
A.J. Prince, vp-genl mgr
G.K. Kunkle, dir-sales
L.R. Williams, dir-new business devel
Patient Care Division
A.J. Vitarius, vp-genl mgr
J.W. Nelson, dir-mktg
G.P. Kutsop, dir-federal & industrial sales
Special Markets
R.E. Scott, dir-military & athletic mktg
G.P. Kutsop, dir-federal & industrial sales
Advertising Agencies

Cadwell Davis Partners, New York—Reach toothbrushes—Eliot Glazer, mgmt super.

Cummins, MacFail & Nutry, Somerset, N.J.—specialty prod—G. MacFail, president.

Kallir, Philips, Ross, New York—professional mktg programs—John Racik, mgmt super.

MED Communications, Woodbridge, N.J.—patient care div—Jim Walter, acct exec; Ann Marie Murray, acct coord.

Simms & McIvor, Bound Brook, N.J.—orthopaedic div, patient care div, Ethicon—Gene Holland, exec vp-acct coord; Eugene McLoughlin, acct super, Ethicon & patient care div; Allison Brown, acct exec, Ethicon; Joe Cramps, acct super, orthopaedic div; Lisa Thompson, acct exec, orthopaedic div; Elaine Cooper, acct exec, patient care div.

Young & Rubicam, New York—ACT fluoride rinse, dental floss, Band-Aid Adhesive Bandages—Mike Feldman, mgmt super.

JOHNSON & JOHNSON
BABY PRODUCTS
Skillman, N.J.
Marketing Personnel
W.C. Egan, vp-genl mgr, consumer prod div
C.J. Johnson, dir prod mgmt, consumer prod div
P.S. Boorujy, vp-genl mgr, child devel prod
Advertising Agencies

McCann-Erickson, New York—Baby Wash Cloths, Baby Bar, Baby Bath—Michael Sennott, senior vp; Terry Fitzgerald, Trish Roberts, Matthew McGuire, acct supers.

SSC&B, New York—Baby Shampoo, No More Tangles, Swabs—Ian McGregor, senior vp; Cynthia Williams, mgmt super; Bruno Velcich, acct super; Patrick Keough, acct exec; Jodi Wiethoff, acct super; Ann Schoonover, acct exec.

Young & Rubicam, New York—Baby Powder, Baby Cornstarch, Sundown, Baby Oil, Baby Lotion, Baby Cream—John Glorieux, group dir; John Foote, mgmt super; Patrick Knisley, acct super; Raphael Saenz, acct exec; David Safran, acct exec.

McNEIL CONSUMER
PRODUCTS CO.
Fort Washington, Pa.
Marketing Personnel
C.D. Simonds, vp-mktg
J.J. Gallagher, natl sales mgr
J.T. Lenehan, dir-prod mgmt, pediatric prods
R.E. Whittaker, dir-prod mgmt, adult prods
V.E. Brunell, natl professional sales mgr
J.R. McGann, dir-sales promo
E.A. Behmer, dir-communications
J.L. Strickler, dir-mktg rsch
Advertising Agencies

Kallir, Philips, Ross, New York—direct mail, professional journals—J. Racik, senior vp; E. McCarren, acct super; J. Gruver, acct exec.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Richard E. Dillon, president.

Saatchi & Saatchi Compton Inc, New York—Tylenol, Co-Tylenol, Sine-Aid—T. Lom, exec vp-mgmt dir; J. Sloan, senior vp-mgmt dir; P. Furey, acct super.

McNEIL PHARMACEUTICAL
Spring House, Pa.
Marketing Personnel
J.A. Kitchen, vp-mktg
J.C. Vaughan, natl sales mgr
N.A. Panzenbeck, dir-mktg rsch
H.R. Rutter, exec dir-prod mgmt
Advertising Agencies

Botto, Roessner, Horne & Messinger, New York—Pancrease (brand of pancrelipase)—R.J. Botto, president.

Kallir, Philips, Ross, New York—Haldol, Haloperidol, Parafon Forte—Meryl Fischmann, vp-acct mgr.

Sudler & Hennessey, New York—Tolectin tolmetin sodium, Tylenol with Codeine, Tylox—R. J. Brancaccio, senior vp.

PERSONAL PRODUCTS
Milltown, N.J.
Marketing Personnel
J.B. Ziegler, group vp-mktg
B.D. Snyder, dir-prod mgmt ESP
P.S. Michaels, dir prod mgmt ISP/Personal Care
P.T. Smith, C. Bergman, group prod dirs
Advertising Agencies

Cadwell Davis Partners, New York—o.b. tampons—Jeffrey Ziegler, mgmt super.

Saatchi & Saatchi Compton Inc., New York—Stayfree Silhouettes Body-Shape Maxi's, Take Off make-up remover cloths—D. Bausch, exec vp-mgmt dir.

SSC&B, New York—Carefree panty shields, Assure! Breathable panty liners—George C. Bauerschmidt, senior vp-mgmt super.

Young & Rubicam, New York—Stayfree maxipads, minipads & thins, Shower-To-Shower body powder—Anne Zopfi, mgmt super.

JOHNSON & JOHNSON
DENTAL PRODUCTS CO.
East Windsor, N.J.
Marketing Personnel
T.M. Casciato, dir-mktg
M.E. Stein, vp-worldwide business devel
Advertising Agency

Mel Richman Inc., Bala-Cynwyd, Pa.—Douglas Jung, acct super.

ORTHO
PHARMACEUTICAL CORP.
Raritan, N.J.
Marketing Personnel
M.D. Casey, vp
Advertising Agency

Kallir, Phillips, Ross, New York—L.

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Palmer, vp-acct super.

Advanced Care Products Division

Marketing Personnel

D.B. Bellaire, vp-mktg
J.L. Abramson, dir-mktg info & strategic planning

Advertising Agencies

Barnum Communications, New York—R. Bond, senior vp-mktg.

McCann-Erickson, New York—Fact Home pregnancy test—H.L. O'Brien, senior vp-mgmt rep.

Dermatological Division

Marketing Personnel

L.G. Pickering, dir-mktg

Advertising Agency

Kallir, Philips, Ross, New York—L. Palmer, vp-acct super.

ORTHO DIAGNOSTIC SYSTEMS

Raritan, N.J.

Marketing Personnel

J. Neil Kazan, vp-mktg

CHICOPEE

New Brunswick, N.J.

Marketing Personnel

R.L. Bramson, vp-mktg, specialty prods div
J.S. Neely, vp-mktg, consumer div
R.I. Munoz, vp-mktg, affiliate div

Advertising Agencies

ST&L Associates, New Brunswick, N.J.—Howard Rich, acct exec.

SSC&B, New York—George Bauerschmidt, senior vp; Lucy Loux, vp-acct super; Kevin Driscoll, acct exec.

CODMAN & SHURTLEFF

Randolph, Mass.

Marketing Personnel

Robert Dick, vp-mktg

Advertising Agency

Grover & Carroll, Boston—C. Stuart Grover, acct exec.

ETHICON INC.

Somerville, N.J.

Marketing Personnel

L.J. Armour, vp-sales
R.N. Jones, vp-mktg services
F.J. Ryan, vp-mktg, sutures

Advertising Agency

Simms & McIvor, Bound Brook, Mass.—P.A. McIvor, acct super.

PITMAN-MOORE INC.

Washington Crossing, N.J.

Marketing Personnel

V.T Scialli, vp-mktg & sales
D.R. Arnold, group dir
M.C. Rodenbaugh, dir-diagnostic mktg
J.H. Ritter, group dir

Advertising Agency

Brady Co., Menomonee, Wis.—Cy Halada, Bert Hutchison, Eric Slayton, Rich Peterson, acct execs.

SURGIKOS INC.

Arlington, Tex.

Marketing Personnel

J.D. Terry, vp-sales
J.J. Beshel, vp-mktg
J.W. Midgley, dir-mktg rsch & new prods

Advertising Agency

Pierce Davis, Arlington, Tex.—Bill Pierce, mgmt super; Karen Sperl, acct exec.

S.C. Johnson & Son

RANK 81

Racine, Wis.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,000	2,000	0
Net income	N/A	N/A	N/A
Advertising	90	87	3.3

S.C. Johnson & Son Inc., the 81st largest national advertiser, supported its brands with an estimated $90 million in advertising during 1984, up 3.4% from the previous year.

For the third consecutive year, the Racine, Wis.-based company felt the poor economic conditions worldwide. Worldwide sales were at an estimated $2 billion, the same level as reported in 1983. The privately held company is estimated to have had U.S. earnings for the fiscal year, ended June 30, 1985, of $80 million.

Johnson entered the marketplace in 1886 as a manufacturer of parquet flooring. After a number of transitions, the company in the past few years has concentrated its expansion on the personal care and over-the-counter drug categories, although it continues backing its polishes and waxes with heavy ending and new-product introductions.

However, in 1984, those traditional categories did not receive as much support as did the company's line of Raid insecticides. Those 24 brands, advertised both nationally and regionally as the insecticides that "Kill bugs dead!" received more than $10.2 million in magazine, newspaper, radio and tv support, or 22% of total measured media advertising of $46.3 million as monitored by Leading National Advertisers, a measured media total 28% off spending levels in 1983. The Raid brand spending in measured media was 20.3% off spending levels in 1983, the main difference being spending for Raid insecticides (nonspecific) of $2.5 million, down from $6 million in 1983.

The largest single share of measured media spending in this category, $2.6 million, went to Raid Flea Killer. That was up from only $616,200 in 1983. Raid Fogger got $2.4 million, up from $203,700 in 1983, and Raid Yard Guard receiving $1.1 million, up from $150,900.

Raid's case share grew 2.9 points to a record high 47.3% in 1984, and Raid now outsells its nearest 10 competitors combined. According to Charles Kline & Co., a Fairfield, N.J., marketing consulting company, Raid holds a 45% share of the estimated $637 million insecticide category.

Off! personal insect repellent held media spending even at $2.5 million, and continued to lead the market by a wide margin with a 77.7% case share in 1984.

In a late year introduction from the personal care division, the company launched Halsa, its third major entry into the $3 billion haircare category. The 10-item line of Swedish botanical-formulated shampoos and conditioners comes in five formulas for five different hair colors. Each formula contains natural ingredients to accent the hair and emphasize shine, the company says.

Halsa received an estimated $12 million in advertising support, the largest single share of media spending. According to Hugh Zurkuhlen, household products analyst with Salomon Brothers, New York, Halsa has achieved a 2.5% share of the shampoo category and a 5% share of the conditioner segment since January. The company's own estimate is a 3.5% share of market in the shampoo category. J. Walter Thompson USA, Chicago, handles.

While Halsa is targeted to an older audience, Johnson's other main shampoo and conditioner entry, Agree, remained a young adult's brand. Agree received more than $5 million in measured media spending with heavy emphasis on spot radio. The line was repositioned as the products to "Turn up the volume in your hair and add softness."

In a further attempt to reach its 12-to-25-year-old target audience, Johnson joined forces with NBC's "Friday Night Videos" and American Airlines for a "Be a video star sweepstakes." The sweepstake marked Agree's debut on a noncable music video show.

Capri haircare products, marketed by Johnson's Northern Laboratories subsidiary, received an estimated $500,000 in national support.

"S.C. Johnson made a couple of good moves with Halsa and Curel [the company's new therapeutic skin lotion]. Halsa could turn out to be Johnson's best new product introduction. By luck or design, the company wisely waited until this year to roll out a new shampoo, avoiding the thundering herd last year trying to get through the revolving door at the same time," a new-products consultant says. "At the same time, Halsa does what Clairol does, but at a lower cost."

Curel, a therapeutic entry in the $440 million hand and body lotion category, was introduced nationally in October, 1984, after a year in test. The brand is supported by an estimated $10 million ad budget, with at least $3 million spent on network tv.

By the end of the first quarter of 1985, Curel had achieved a 6.5% retail market share, trailing Buffalo, N.Y.-based Westwood Pharmaceutical's Keri lotion, 7.0%, and Greenwich, Conn.-based Chesebrough-Pond's Vaseline Intensive Care (VIC), the market leader with 22%, Salomon Brothers' Mr. Zurkuhlen says. Other analysts put the VIC share as low as 19% in dollars and Keri at 8.4%, and Lubriderm from Warner-Lambert at 5%-plus.

Soft Sense, Johnson's earlier hand and body lotion entry, has an estimated 6% share. The brand continued losing media support, dropping 9.7% to $3.7 million in measured media spending. Soft Sense continued stressing its cosmetic benefits and returned to 1981 introductory positioning with a campaign via Foote, Cone & Belding, Chicago.

Johnson is testing a new skincare product, Skintastic, in Bakersfield, Cal., and Lexington, Ky. Called a moisturizing all-over body gel, Skintastic comes in five fragrances—floral breeze, snow blossom, flower shower, cool musk and spicy tingle. The budget for Skintastic was not disclosed.

The company has high expectations for Skintastic, which an industry consultant says "is more satisfactory than Vaseline Intensive Care when applied on the skin, but I'm not sure women will pay more for that."

Johnson's Edge shaving gel continues to hold the No. 1 position in the men's shaving preparation category, despite heavy competition from Gillette Co.'s Foamy gel. Edge received more than $2.1 million in measured media spending, spread between magazines, network and spot tv.

Johnson's Rydelle Laboratories subsidiary paid $18 million to acquire Cooper Dermatological Laboratories, Palo Alto, Cal., for further development of its skincare activities. Marschalk Co., N.Y., remains the agency of record for the $2.9 million account, which includes Aveeno cleansing bars and bath products, Pentrax medicated shampoo, Rhuli antiseptics and anti-itch products for treatment of skin irritation.

Rydelle also set up a joint venture with Lion Corp., one of Japan's largest consumer product companies, to market oral-care products in the U.S. and Canada. Rydelle initially is distributing Lion's Zact, a smoker's toothpaste.

The over-the-counter drug division in early 1985 also introduced Fiberall laxative wafers, a line extension to its Fiberall sugar-free, high-fiber laxative powder. Fiberall has carved out an estimated 10% share of the bulk laxative market and 3.4% of the total market, according to the latest readings, says Johnson. The laxative category is worth an estimated $380 million, according to Charles Kline & Co. Laurence, Charles & Free, New York, handles the estimated $7 million ad account.

Despite Johnson's new emphasis on its personal care and otc divisions, the company also breathed new life into its Home Care group by introducing in March, 1985, Duster Plus, a wax-free dusting and cleaning aid.

Johnson's Pledge furniture wax continued leading the home care division in measured media spending of $5.2 million, down 20% from 1983. Pledge commands a 37% case share of the $141 million household polish market, down three share points from 1983. The company has a 49% case share of the total category, according to Charles Kline & Co. Favor, holding less than a 7% share, received $365,000 in measured media spending, while Complete, with an estimated 2.0% share, received no measured media support.

Glade Spinfresh air freshener bathroom tissue holder has a 6% case share, down one share point from 1984, of the $222 million (manufacturer's level) air freshener segment. Spinfresh received $1.7 million in measured media spending, down 43% from $3 million spent in 1983. Glade aerosol spray, holding a 21% share, received $665,000 in measured spending.

Johnson in late 1984 introduced Glade Fabric Fresh dry aerosol air freshener in Spring Green and Ultrafresh scents. The introduction was supported by an estimated $1.7 million print and tv campaign via JWT.

The company reformulated Shout prewash laundry soil and stain remover, which continues holding a 31% case market share of the $139 million (manufacturer's level) category. Shout, the No. 2 brand behind Dow Chemical's Texize division's Spray 'n Wash, held measured media spending even at $3.1 million. Among Johnson's floor care products, Future liquid floor finish and Brite liquid floor finish received the most in measured media spending, with $2.1 million each. Clean 'n Clear, an all-purpose cleaner introduced in January, 1983, received almost no measured media support, dropping 88% to $836,300.

Of the declining $108 million floor care category, Johnson continues holding a 55% share, with Johnson's Future, a 34% share, and Brite, 12%, leading the company's entries in that category. Johnson's Glo-Coat received modest media expenditures of $1,800, down 72% from 1983, while Step Saver, a one-step liquid floor wax, received $656,600, a 65% drop, mainly spent in magazines.

In addition to its skincare activities, Northern Laboratories introduced two J/Wax automotive products—Sleek Ultimate Performance car wax (liquid and paste) and Kit car wash concentrate. Its companion Kit liquid car wax was restaged with a new formula that removes film and grime. Johnson spent $253,000 in measured media spending on its J/Wax car care products in magazines and spot tv.

The subsidiary also introduced Capri Moisture Rich bubbling bath foam in November, 1984. The collagen-based product moisturizes skin. The Capri bubbling bath oil line was restaged also in November, with new packaging and an improved, emollient-enriched formula to soften and moisturize skin.

In October, Northern Labs switched its accounts to Zwiren & Wagner, Chicago, from G.M. Feldman, Chicago. In addition to the J/Wax and Capri product lines, the account includes advertising for Hot-Shots, a new hand warmer, receiving $69,200 in measured media media, and Goddard household cleaners.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	636	2,340
Magazines.........	12,017	11,967
Network cable.....	256	119
Spot tv............	5,206	6,020
Network tv.........	21,782	40,717
Spot radio.........	3,654	551
Network radio.....	2,708	2,526
Total measured..	46,260	64,241
Total unmeasured	43,740	22,883
Estimated total..	90,000	87,123

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S.C. JOHNSON & CO.
U.S. CONSUMER PRODUCTS
1525 Howe St.
Racine, Wis. 534u3
(414) 631-2000
Marketing Personnel

S.A. Preston, exec vp
D.C. Henry, vp-sales
N.R. Nottleson, vp-mktg & financial services
H.A. Suess, vp-genl mgr-home care
R.E. Posey, vp-genl mgr-insect control
C.J. Goldthwaite Jr., vp-genl mgr-personal care
A.B. Priemer, dir-media & consumer relations
P.J. Grieger, pr mgr
New prod devel mgrs: R.D. Perry, J.M. Hutterly
Category mgrs: K.H. Smith, H.B. Beighley, S.E. Johnson, C.L. Colman, R.L. Ziegenhagen, W.C. Thomson, J.F. Bleharski
Product mgrs: S.S. Liguori, D.L. May, J.R. Charles, S.L. Lieberman, D.M. Eade, R.K. Saligram, P.J. O'Brien, K.C. Murray, R.G. Starr, L.G. Krueger, C.F. Allison, P.P. Scalera, M.E. Leopold, O. Thourault, F.C. Chud, P.E. Peterson, G.T. Schutz, N. Comstock, J. Fernandez, R.G. Beller, G.R. Latz, R.C. Howard, J.G. Mullen, D.A. Callewaert, R.L. Caulk

Advertising Agencies

Foote, Cone & Belding, Chicago—Soft Sense, Raid, Off!, Future, Brite, Shout, Duster Plus—P. Vernon, senior vp-group acct dir.

J. Walter Thompson USA, Chicago—Pledge, Favor, Step Saver, Clean 'N Clear, Halsa, Complete, Glade aerosol, Glade Spinfresh, Edge, Agree, Enhance—J. Furr, senior vp-group acct dir.

JOHNSON WAX ASSOCIATES
Marketing Personnel

T.S. Malone, exec vp
W.O. Herbst, mgr-special mkts
F.J. Herre, president-genl mgr, Worldwide Under Sea Industries Inc.
A.S. Getz, president-genl mgr-Johnson Creative Arts
J.R. Reyen, president-genl mgr-Johnson Camping Inc.
J.J. Blass, genl mgr-Old Town Canoe
W.R. Tenney, president-genl mgr-Johnson Fishing Inc.
D.D. Drab, president-genl mgr-Porelon Inc.

WORLDWIDE INNOCHEM OPERATIONS
Marketing Personnel

R.M. Carpenter, exec vp
J.C. Moll, vp-commercial mkts group U.S.
W.J. Freund, dir-global specialty chemicals
G.L. Konarske, dir-mktg
J.O. Scherer, dir-prod mgmt

INTERNATIONAL CONSUMER PRODUCTS
Marketing Personnel

L.R. Peterson, exec vp
W.D. George, exec vp-consumer prod-Europe/Africa/Near East
M.B. Miller, vp-regional dir-consumer prod, Africa/Near East
J.D. Crabb, vp-regional dir-consumer prod, Pacific/Far East
W.D. Perez, vp-regional dir-consumer prod, Americas

NORTHERN LABORATORIES
Manitowoc, Wis.
Marketing Personnel

Neil Weingarth, vp-genl mgr
J.R. Jones, personnel mgr
Charles Garvey, dir-natl sales & mktg

Advertising Agency

Zwiren & Wagner, Chicago—personal care prod, home car prod, automotive care prod—Mary Koelle, acct super, home prod; Gail Sandberg, acct exec, home prod; Bill Scott, acct super, automotive; Bill Furlong, acct exec, automotive.

RYDELLE LABORATORIES
Racine, Wis.
Marketing Personnel

James F. Keane, president-genl mgr
Rebecca M. Pike, mktg mgr
Lawrence Behringer, dir sales

Advertising Agency

(In-house).

COOPER DERMATOLOGICAL LABORATORIES
Palo Alto, Cal.
Marketing Personnel

Mike Mullaly, adv mgr
Rebbecca Stern, vp-mktg

Advertising Agency

Marschalk Co., New York—Aveeno cleansing bars & bath prod, Rhuli antiseptics & anti-itch prod—Kenneth Roffe, exec vp; Peter Detels, mgmt service dir.

A beginning for bikers

American Honda Motor Co. began 25 years ago in a small storefront office on Pico Blvd. in Los Angeles. During the first year, it produced only six motorcycle models and had eight employes. The odds against the company were high; after all, Americans at that time thought little of motorcycles—or the people who rode them.

Kellogg Co.

RANK 35

Battle Creek, Mich.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,602	2,381	9.3
Net income	251	243	3.2
U.S.			
Sales	1,790	1,560	14.7
Operating profits	194	171	14.2
Advertising	209	179	16.8

Still battling back from a slip in market share in the early 1980s, Battle Creek, Mich.-based Kellogg Co. increased its advertising in the U.S. 16.8% to an estimated $208.8 million, making the company the 35th largest national advertiser.

Worldwide, the company spent $261 million on advertising in 1984, and will increase that 20% to about $313 million during 1985, says Kellogg chairman William LaMothe.

Kellogg's 1984 earnings rose 3.2% to a record $250.5 million on sales of $2.6 billion, up 9.3% from 1983. For the first half of fiscal 1985, Kellogg reported a 2.7% increase in net earnings to $133.3 million on sales of $1.42 billion, up 10%. Kellogg does about 30% of its business outside the U.S., making the company vulnerable to foreign exchange rate fluctuations resulting from a strong dollar.

Kellogg continued to cement its lead position in the domestic cereal business, regaining the market share it lost between 1980 and 1982, when its share hit an all-time low of 35%. Generic and private label copies of old-line Kellogg favorites abounded then.

Kellogg's share in the $4.1 billion U.S. ready-to-eat cereal market is now 42.5%, up from 37.8% last year, according to analysts. Growth came from steady volume gains averaging 12.5% across the board for Kellogg brands and timely new product introductions. Only Kellogg's flagship Corn Flakes sales remained relatively flat.

The company's pound volume grew faster last year than the cereal industry as a whole. Kellogg's pound volume jumped 10% while pound volume for the industry only gained 3%.

Kellogg's nearest competitors, General Mills and General Foods, reported mediocre years. General Mills' share remained stable at 20%, while General Foods lost ground to 14% from 16% in 1983.

Despite industry analysts' predictions, Kellogg doesn't see an end to growth in the domestic cereal market, Mr. LaMothe says. The U.S. rte (ready to eat) cereal market's expected growth of 3% to 4% a year is good enough for Kellogg, which said it expects its own cereal volume to grow between 7% and 11% in 1985.

In measured advertising, Kellogg spent $176.5 million in nine media, up 47.7% from 1983. Once again, Kellogg relied heavily on spot and network tv advertising to keep its brand identities strong. The company's network tv budget jumped 75.4% in 1984 to $128.0 million, and its spot tv spending shot up 68.8% to $40.6 million. Kellogg's magazine spending fell 70% to $1.9 million.

Keeping its tradition of successful new product introductions, Kellogg added Apple Raisin Crisp to its line in April, 1984, backed by a $16 million to $20 million ad campaign. Measured media totals for its abbreviated intro year was $7.6 million, all in network and spot tv. The company added Kellogg's Raisin Squares in August, 1984, and added peaches to Kellogg's Fruitful Bran, originally introduced in the fall of 1983. Fruitful Bran was one of the company's big spenders in measured media, with $10.7 million, all in network and spot tv.

Thus far in 1985, the company sounded a winner with Kellogg's OJ's, introduced in March. The presweetened corn, wheat and oat cereal also

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Already this year, Kellogg is the growth leader in the cereal segment with 12% volume growth in February and March, according to A.C. Nielsen Co. data.

General Foods' volume was down 8% in the period; General Mills', down 2%; Quaker Oats, down 10%; Nabisco, down 1%, and Ralston Purina, down 12%.

To keep momentum, Kellogg's 1985 ad plans include promotional tie-ins with the singing Jacksons, the Statue of Liberty and M&M's candies for Kellogg's "big four" cereals: Corn Flakes, Raisin Bran, Rice Krispies and Frosted Flakes. Those brands are handled by Leo Burnett USA, Chicago.

Kellogg kept up with America's health kick in an October tv and print campaign for its All-Bran cereal. The ads quoted National Cancer Institute findings that a high-fiber, low-fat diet may reduce the risk of some cancers.

The ads have continued to run despite Food & Drug Administration scrutiny. The FDA is working on new package labeling guidelines that would encompass food products that make health claims.

General Mills recently introduced Fiber One, with 12 grams of fiber per serving rather than All-Bran's nine grams per serving. General Mills also quotes the NCI data.

Meanwhile, Kellogg has been testing Extra Fiber All-Bran, now with 12 grams of fiber. Ads for the new product downplay the NCI data while highlighting the cereal's high-fiber, low-sugar content.

With its upstate New York factory complete, Kellogg has expanded distribution of its Whitney's yogurt. Kellogg also began regional distribution of its Rice Krispies Bars, a granola-type bar it had been working on since early 1984.

Whitney's was first expanded from its original Baltimore/Washington and New York City markets into San Francisco and northern California in January, 1985. By mid-May, Whitney's was in Chicago and upstate New York. Entry into Florida was set for mid-July. The yogurt pulled in $1.4 million in measured spending in 1984, mostly in spot tv, up 50.7% in spending for a more restricted area of coverage the previous year.

In April, 1985, Kellogg began regional distribution of its granola bar entry—Rice Krispies Bar. The bar pits Kellogg against familiar cereal category rivals including Quaker Oats Co. and General Mills.

Quaker Oats has gained a 40% share in the $400 million granola bar market. Running a close second is General Mills' Nature Valley granola bar line.

Especially strong sales of Kellogg's Mrs. Smith's Natural Juice and Lattice Crust pies, introduced in June, 1984, pushed that unit's market share to 52% of the frozen pie market last year, the company says.

Kellogg's Eggo unit's market share jumped 8 percentage points in 1984 to 35%. This year, Eggo added Nutri-Grain frozen waffles made from whole grains for the health-conscious. The name was taken from Kellogg's Nutri-Grain cereal.

In September, Kellogg's Salada Tea unit introduced naturally caffeine-reduced tea in bags in New England, New York, Pennsylvania and Ohio. Leo Burnett USA, Chicago, handles.

Kellogg is currently analyzing its international operations to see where potential for long-term growth is greatest. In 1984, 46% of Kellogg's assets were abroad, but international operations accounted for only 22% of operating profits. Profits fell 23% abroad while sales there fell 1% for the year. Domestic profits and sales increased 14% and 15%, respectively.

Capital improvements cut deeply into foreign earnings, especially the $229 million Kellogg spent boosting production capacity, including more than $150 million spent at its London, Ontario, plant in Canada, the company says. Another $250 million in capital improvements is set for 1985.

International raw material prices (excluding grain) rose last year, also cutting into profits, Kellogg says. Drops in noncereal volume, especially from the sale of NeoCitran cold remedy in Canada, also hurt foreign earnings.

Additionally, Kellogg has added former Ford Motor chairman Philip Caldwell and G.D. Searle & Co. chairman-ceo Donald Rumsfeld to its board, hoping to benefit from their "strong international marketing experience," Mr. LaMothe says.

In 1984, Kellogg introduced Kellogg's Start in the U.K., Kellogg's Extra in Belgium and France, Mueslix in West Germany, Honey Nut Corn Flakes and Just Right in Australia, Marshmallow Krispies in Canada, Sky Corn Twists in Brazil and Genmai Flakes in Japan.

Analysts predict demographic factors will continue to look promising in the cereal market through the end of the decade as the number of children and young adults in both the U.S and abroad continues to grow and consumers' health concerns continue to make grain-based products a popular diet staple.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,978	3,258
Magazines	1,859	6,181
Network cable	3,594	2,462
Spot tv	40,641	34,130
Network tv	128,080	73,006
Spot radio	370	469
Outdoor	11	8
Total measured	176,533	119,504
Total unmeasured	32,267	59,264
Estimated total	208,800	178,768

KELLOGG U.S. FOOD
PRODUCTS DIVISION
235 Porter St.
Battle Creek, Mich. 49016
(616) 966-2000

Marketing Personnel

M.D. Simpson, exec vp-sales & mktg
W.T. Lambert, vp-sales
W.H. Weintraub, vp-mktg-cereal
K.C. Smith, dir-mktg services

Advertising Agencies

Leo Burnett USA, Chicago—cereals, toaster pastries—W. Lynch, vice chmn; J. Jenness, senior vp; B. Whitman, vp-acct dir; G. Singer, T. O'Day, A. Roehl, acct supers; R. Remick, P. Picard, D. Fletcher, R. Paluta, L. Paul, G. Adilman, E. Callison, A. Kramer, acct execs.

Vince Cullers Advertising, Chicago—Black mktg—V. Cullers, president.

J. Walter Thompson USA, Chicago—cereals—J. Tukey, senior vp-group acct dir; Matt Kurz, vp-acct dir; Barry Soloff, vp-senior acct super; G. Lange, vp-senior acct super; P. Muldoon, acct super; D. Sciafani, M. Lans, E. Clark, K. Kaplan, acct reps.

U.S. SUBSIDIARIES

Marketing Personnel

A.G. Langbo, president

MRS. SMITH'S
FROZEN FOODS CO.
Pottstown, Pa.

Marketing Personnel

A.G. Langbo, president
J.J. Feeney, exec vp-admin
J. MacDonald, eastern zone mgr
P. Bartos, western zone mgr

SALADA FOODS
Little Falls, N.Y.

R.J. Lievense, president
E.F. Kline, senior vp-mktg & sales

WHITNEY'S FOODS
Battle Creek, Mich.

Marketing Personnel

M.L. Wolfe, president

Advertising Agency

Leo Burnett USA, Chicago—teas, pies, waffles, yogurt—D. Collins, acct dir; B. Key, acct super; S. Braudo, A. McBeth, A. Chichester, acct execs.

FEARN
INTERNATIONAL
Franklin Park, Ill.

Marketing Personnel

D.E. Thompson, president
E.K. Jorgenson, senior vp-sales & mktg

Advertising Agency

West, Morris, Davis & Munder—Rockford, Ill.—Percy J. Muender, vp.

Kimberly-Clark Corp.

RANK 87

Neenah, Wis.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	3,616	3,274	10.4
Net income	225	189	19.2
U.S.			
Sales	2,655	2,326	14.2
Operating profits	316	271	16.5
Advertising	80	78	2.5
Division sales			
Disposable paper	2,735	2,464	11.0
Newsprint	845	795	6.3
Aircraft/furnishing	97	75	28.9

Kimberly-Clark Corp., Neenah, Wis., the 87th largest advertiser in the U.S., spent an estimated $80 million in advertising, up 2.5% from 1983.

Sales increased 10.4% to $3.62 billion in 1984. Net income rose 19.2% to $225 million. After two years of posting lower earnings, K-C made a strong earnings comeback, primarily on the continued success of its Huggies premium disposable diapers.

The company says larger unit sales volumes and higher prices for consumer products in the U.S. were major contributors to K-C's improved results in 1984. The larger unit volumes accounted for about two-thirds of the gain in sales.

U.S. operations provided K-C with sales of $2.66 billion, or 73.4% of total sales, and net income of $170.5 million, or 79.6% of total net income.

The company's sales and earnings momentum carried through into the first half of 1985, with sales up 12% to a record $2 billion from $1.79 billion in the same period of the previous year. Earnings increased 26.5% to $151.2 million. Again, the company attributed the earnings gain to strong unit growth of disposable diapers in the U.S.

In the last quarter of 1984, the company divided its products into three classes. Class I includes household and institutional tissues; feminine, infant and incontinence care products; industrial and commercial wipers; hospital and home healthcare products and related products. Class II includes premium business and correspondence papers, tobacco industry papers and products, newsprint and other printing papers, technical and specialty papers and related products. Class III includes aircraft services, air and truck transportation and other miscellaneous products and services.

The largest group, Class I, accounted for $2.73 billion in sales, or 74.4% of combined class sales in 1984, up from 73.9% of the total in 1983. The class again had strong volume sales for most of its products. Operating profit for Class I in 1984 was a record $262.6 million, or 63.5% of combined class operating profit, up 19% for the year, with volume gains particularly strong for Kleenex facial tissues and Huggies disposable diapers.

Class II accounted for 23% of K-C's sales, while operating profit rose 18.4% to a record $139.2 million in 1984. Newsprint operations provided the largest portion of the gain through a combination of higher product prices, high-capacity mill operations and moderately higher unit volume.

In Class III, an outgrowth of the company's air fleet is the one-year-old Midwest Express, which received $5,600 in measured media spending in 1984. The business-class airline was founded in the summer of 1984 to fill the gap left by Republic Airlines when it skuttled its Milwaukee-Atlanta run. Other markets were subsequently added. The airline suffered a setback earlier this month when one of its three planes crashed near Milwaukee killing all 31 aboard.

The consumer division, which receives virtually all of K-C's ad dollars, devoted most attention in 1984 to marketing Huggies disposable diapers. In the U.S., unit volume growth of the disposable diaper provided more than half of the 14% increase in combined sales, more than offsetting the effect of lower unit sales of feminine care products due to intense competition.

In the $2.8 billion disposable diaper market, K-C grabbed an estimated 32% share, according to George Adler, a paper products analyst with Smith Barney of New York. Huggies quickly outpaced sales of rival Procter & Gamble's Pampers disposable diapers, which currently holds a 30% share. Huggies overtook P&G's Luvs brand, currently holding a 20% share. However, P&G's combined 50% still leads K-C. K-C continued to upgrade Huggies, launching in mid-1985 Huggies Extra Absorbent Medium 40s. Mr. Adler calls the new Huggies "a front-loaded diaper," containing a cellulose crotch insert panel as well as an elasticized gathered waistband.

Ad spending for Huggies rose again in 1984 to $24.8 million, an increase of 31% over 1983. The bulk of the measured media spending went to network tv, with additional magazine and spot tv support, according to Leading National Advertisers, which monitors six major media.

"K-C has the momentum since consumer loyalties have switched from Pampers to Huggies. It remains to be seen whether K-C can stand up to P&G's diaper steamroller," Mr. Adler says, referring to P&G's new improved Pampers currently being distributed nationally.

For feminine hygiene products, K-C continued its ad support of the New Freedom line, spending $17.1 million in measured media, up 9.3% over 1983. However, K-C faced intense competition as P&G launched nationally its Always line of feminine protection products. K-C currently holds an estimated 26.7% share, split between New Freedom and Kotex, in the $1.5 billion category. P&G's Always, supported by a $100 million introductory budget, holds an estimated 18%, according to Mr. Adler.

Mr. Adler says K-C was wise to pull back from the promotion wars for feminine hygiene products waged by Johnson & Johnson and P&G, "waiting instead for P&G to end its introductory year spending." K-C's Kotex, its economy-priced feminine protection line, received $6.7 million in measured media spending, down 19% from $8.3 million in 1983.

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The company added a new Kotex thin supermaxi and regular maxipad to the line to better position the brand against other "thin" pad marketers. Ads themed, "The sensible choice," ran in magazines and in tv spots.

Ad spending on K-C's Kleenex facial tissues was $10.3 million, up 22.6% over spending for the brand in 1983. Kleenex Softique tissues continued to receive the lion's share of measured media spending, $5 million, up 16% from 1983. An animated, sore "Runny Nose" character was introduced via Foote, Cone & Belding, in what K-C hopes will be a long-running campaign.

American Greetings Corp. and K-C joined forces to market the Care Bears collection of Kleenex brand tissues. The rainbow-colored tissues are packed in boxes with Care Bears graphics, which can be cut out and made into badges, mobiles or clips.

K-C in late 1984 began testing Avert virucidal tissues in two upstate New York markets, supported by $294,000 in measured media spending. The three-layer tissues were treated with citric acid, malic acid and sodium lauryl sulfate, substances K-C says are effective in preventing the spread of cold germs.

In mid-1985, K-C withdrew the tissues from retail shelves for further research and development.

With all its Kleenex brand tissues, K-C controls 50% of the $1 billion facial tissue category.

K-C's economy priced Hi Dri paper towels received $172,000 in measured media spending, up 160% from $66,000 in 1983.

Measured media support for K-C's Depend line of incontinence products rose 81.2% to $5.8 million, the majority placed in network and spot tv commercials.

The brand's competition comes from Procter & Gamble's Attends line. While P&G is concentrating on attracting the institutional incontinent market, K-C is positioning Depend for the general consumer market. Depend holds an 8% share of the $250 million consumer market, with P&G holding a 52% share, according to Smith Barney's Mr. Adler.

Late in 1984, K-C chairman Darwin Smith announced the company had formed an office of the chairman consisting of himself and three vice-chairmen. Joining Mr. Smith in this restructuring, which took effect Jan. 1, were Robert C. Ernest, currently president of Kimberly-Clark; Marvin F. Gade, vice-chairman, and Donald R. Hibbert, senior exec vp-chief financial officer.

Mr. Hibbert continues as chief financial officer. Mr. Ernest is the senior corporate officer at K-C's Neenah headquarters, and Mr. Gade is in charge of operations at the company's Roswell, Ga., offices.

At the same time, K-C also is moving its main headquarters to Irving, Tex., a suburb of Dallas. Mr. Smith, along with about 50 employes, will be based there.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	463	3,069
Magazines	8,728	11,139
Network cable	501	560
Spot tv	9,572	11,308
Network tv	47,148	30,683
Spot radio	143	24
Outdoor	6	0
Total measured	66,560	58,583
Total unmeasured	13,440	19,437
Estimated total	80,000	78,020

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Personal Care Sector

T.L. Dahl, president
R.F. Auchter, vp-infant care
T.A. Newby Jr., vp-feminine care
G.J. Ker Jr., dir-adv services

Health Care Sector

P.S. Geisler, vp-home health care
J.S. Metz, vp-hospital business unit sales & mktg
J.S. Sumner Jr., vp-geriatric care business unit
R.D. Carter, vp-medical & nonwoven fabrics
R.F. Rieter, vp-new business

Spenco Medical Center

W.R. Spence, M.D., chmn of the board & ceo
H.J. Beloin, Jr., president

Household Products Sector

J.D. Bernd, president
R.C. Van Driest, vp-consumer tissue business
R.S. Fountaine, vp-U.S. mktg rsch

Service & Industrial Sector

G.A. Zins, president

New Business Development

W.M. Heran, vp

Paper Sector

J.G. Grosklaus, president-technical paper & specialty prod
R. Plaut, Jr., vp-technical paper & specialty prod business
J.S. Rauach, vp-genl mgr, technical papers
J.E. Carter, genl mgr, specialty prod
R.W. Kohl, president, Karoltown Envelope
J.O. Skagen, president, Neenah Paper

North American Pulp & Newsprint Sector

J.T. McCauley, president
S.B. Pinkerton, president, U.S. Pulp & Newsprint

Advertising Agencies

Campbell-Mithun, Minneapolis—Depend incontinence prod, new prod—M. Berach, mgmt super.

Cargill, Wilson & Acree, Atlanta—envelopes—Bob Cargill, acct super.

Carillon Advertising, West Dillon, Ohio—gummed papers—Mario Smiraldo, president.

Foote, Cone & Belding, Chicago—Kleenex & Softique facial tissues, roll prod, table napkins—D.W. Fox, group mgmt super

Kamstra Communications, St. Paul, Minn.—writing & printing papers—John Warner, acct super.

M.E.D. Communications, Woodbridge, N.J.—professional healthcare prod—Lew Savarese, acct super.

Ogilvy & Mather, New York—Huggies diapers, New Freedom feminine care prod, Kotex feminine care prod—C.N. Angers, group dir.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

K mart Corp.

RANK 9

Troy, Mich.

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	21,096	18,598	13.4
Net income	499	492	1.4
U.S.			
Sales	20,329	17,786	14.3
Operating profits	N/A	N/A	N/A
Advertising	554	430	38.6

K mart Corp., Troy, Mich., the nation's No. 2 retailer in sales volume, increased its advertising 38.6% to an estimated $554.4 million in 1984, making K mart the 9th largest national advertiser.

Ad spending was bolstered by a $20 million Olympics tv campaign that emphasized an upgraded image and also by an effort to raise customer awareness of new merchandise choices, including national brand name goods.

K mart's net income in fiscal 1984, which ended Jan. 23, 1985, was $499.1 million, an increase of 1.4% over 1983. Total sales were $21.1 billion, up 13.4% over the previous year.

The retailer's strategy for growth is twofold, involving both a diversification into new retailing ventures and attracting bigger-spending customers to K mart stores.

That strategy is cutting deeply into earnings as well. In the first six months of the current fiscal year, K mart net income decreased 34.2% to $133.3 million on sales of $10.44 billion, up 13.2% from the corresponding period a year earlier. The problem has been a slower-than-expected movement of both high margin, upscale merchandise and interest payments relating to K mart acquisitions. Interest paid in the first six months was $92.6 million, for example, compared with payments

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On Television

of only $23.7 million in the corresponding six-month period in 1984.

Analyst Jeffrey Edelman of Dean Witter Reynolds, New York, says the results indicate consumers have been slow to buy the new upscale image. "So far it [upscale image] has not worked, at least on the surface. Earnings are down because sales are down." In the second quarter, for example, sales in comparable K mart stores open a full year declined 1.5% from the same period in 1984. Mr. Edelman calls the interest expenses from acquisitions "a minor negative." The acquisitions "will probably work out in the long run," he says.

Diversification was accomplished largely through a $900 million buying binge in 1984 and into early 1985, as K mart acquired specialty retailers Waldenbooks, Builders Square (formerly Home Centers of America) and Pay Less Drug Stores Northwest.

The retailer that coined "blue light specials" set out to woo upscale shoppers by offering more name brands, a larger assortment of higher-price merchandise and a more contemporary presentation of its goods.

One result of offering more name brands is that K mart boosted co-op ad spending from $24.6 million in 1983 to $90.4 million in 1984 to promote availability of brand name goods. Co-op spending, newspaper inserts, direct mail and point-of-purchase are among the unmeasured media ad expenditures that have boosted K mart ad spending far beyond the $80 million the company spent in the nine monitored media in this issue. That measured total was an increase of 60.7% from the previous year.

K mart is going after new customers while trying to keep its strength with its traditionally price-conscious shoppers. "While our objective was to reposition our assortments of merchandise, it was always with the understanding that this would not affect our reputation for offering good retail prices," chairman Bernard Fauber says.

K mart in 1984 decided to restrict its interest in acquisitions to retailing. It has looked for prospects in segments with high growth potential and then narrowed its choices to companies with a management team that would commit to remain at the helm of the business as an operating subsidiary. The strategy was based on a belief that acquisition was a fast and effective way of diversifying.

Before 1984, K mart's acquisitions were limited to two regional cafeteria chains, Furr's Cafeterias and Bishop Buffets, purchased in 1980 and 1983, respectively.

K mart acquired Walden Books Co., the nation's largest U.S. retailer of books, in August, 1984, for $300 million in cash. There were 898 Waldenbooks stores at yearend, and K mart intends to add 70 units a year for five years in both shopping centers and free-standing locations, along with the expansion of Builders Square.

Builders Square, formerly Home Centers of America, was taken over in September, 1984, for $88.2 million in cash. Builders Square operates warehouse home centers that cater to do-it-yourselfers and small building contractors. There were 15 centers at the end of 1984; K mart intends to add 50 by 1986 and to reach 100 by 1987.

A retail drugstore chain, Pay Less Drug Stores Northwest, with 164 units, became a wholly owned subsidiary of K Mart Corp. in March, 1985, in a transaction estimated at $500 million. K mart intends to add 30 units this year.

In addition, K mart has its homegrown Designer Depot, a 51-unit, off-price apparel chain started in 1982. It operates Accents, a Birmingham, Mich., outlet for top-quality home accessories.

K mart's 2,400 general merchandise stores accounted for more than 95% of the company's total sales in 1984, but specialty retail stores are targeted to provide 15% of the company's projected $40 billion in sales in 1990.

Diversification also is going on inside the general merchandise stores, with K mart adding a range of insurance and financial centers.

Insurance centers, offering life, health, home and auto insurance and individual retirement accounts, were operating in 118 stores at the end of the year, with 29 of them allowing customers to apply for certificates of deposit and money-market accounts.

Meanwhile, the company is testing a wider variety of financial services, including discount brokerages, real estate services, consumer lending and mortgage financing, with an eye toward eventually mixing and matching programs nationally, based on demand and regulatory climate.

K mart in 1984 continued its program of giving its self-described "piperack" stores a contemporary face lift. The K mart "Store of the '90s" makes each department more visually distinctive, giving branded merchandise more prominence than in the past.

National brand, higher-priced merchandise began to be featured in new departments such as Kitchen Korner, Home Care Centers and Home Electronic Centers. The most noticeable upgrading may have been in soft goods. In 1984, 18% of sales in family apparel came from national-brand products.

The emphasis on upgrading image continued with the August, 1985, launch of a Jaclyn Smith line of women's fall sportswear. The actress touted the line in tv and magazine ads, via the Ross Roy agency, Detroit. Ms. Smith's husband, Tony Richmond, directed the commercials, as he does her work for Max Factor.

Lines of Jaclyn Smith swimwear and lingerie are planned in 1986, as K mart uses Ms. Smith as a way to focus attention on its changed image, much the way No. 1 retailer Sears, Roebuck & Co. uses model Cheryl Tiegs as a spokeswoman.

K mart's 1984 Olympics campaign was part of its effort to reach an upscale audience. Network tv and print ads were tied to in-store promotions, a customer sweepstakes and promotions with outside companies to generate awareness of the retailer's sponsorship of ABC telecasts of the games.

After emphasizing that upscale image, K mart in early 1985 sought to reassure its traditional customers that its general merchandise stores were still centers of value. Effects included revival of "the savings place" theme line and downplaying the Olympics year theme of "we've got it good."

It also meant a tilt toward print and away from tv advertising until 1987, flat ad spending in 1985 with a final figure expected to come in at $590 million and a temporary loss in billings by Ross Roy, which handles broadcast and some magazine advertising. Media Momentum, the Troy, Mich.-based in-house agency, handles the bulk of K mart print advertising creative, particularly rotogravure newspaper inserts.

K mart in December, 1984, announced a major restructuring of its organization, partly as a reflection of its diversification and partly to groom managers for the 1990s.

Board chairman Bernard Fauber appointed three executives to head the company's three operating units, K mart stores, specialty retailing and administration, with each of them to report directly to Mr. Fauber.

Norman Milley, who had been exec vp-merchandising and subsidiaries, filled the new position of group president for the K mart stores, the bread-and-butter division. Frederick Stevens was named to continue as exec vp-specialty retailing, which gained in importance as a result of diversification moves. Joseph R. Thomas filled the new post of exec vp-chief administrative officer.

Larry Parkin moved from chairman of the K mart apparel subsidiary to exec vp, K mart stores, reporting to Mr. Milley.

President-chief operating officer Samuel Leftwich became vice-chairman of the corporation. The post of president was replaced by the group president title, filled by Mr. Milley, and the ceo title was eliminated. Grant Morck moved from exec vp-store operations to exec vp-new concepts implementation, to assist Mr. Leftwich.

Michael Wellman, who had been director of planning and research, received the new post of vp-corporate planning.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	16,791	11,039
Network cable	452	52
Spot tv	13,372	10,051
Network tv	42,088	23,539
Spot radio	6,512	4,867
Network radio	490	0
Outdoor	238	204
Total measured	79,945	49,752
Total unmeasured	474,455	350,300
Estimated total	554,400	400,052

K MART CORP.
3100 W. Big Beaver Rd.
Troy, Mich. 48084
(313) 643-1000
Marketing Personnel

T.H. Nigolian, senior vp-sales & genl merch mgr
J.L. Moser, vp-mktg & sales promo
R.R. Dejaeghere, vp-mktg
G.K. Habeck, dir-adv
E.J. Kreitz, dir-mktg
R.G. Boone, K mart adv mgr
R.F. Larkin, budget systems mgr
M.W. Moors, adv mgr-roto distribution & broadcast media

Advertising Agencies

Media Momentum (in-house), Troy, Mich.—print adv for K mart div, print for Designer Depot div—M.R. McClure, dir.

Ross Roy Inc., Detroit—print adv, broadcast media for K mart, U.S.A., K mart Ltd., Canada, Furr's Cafeteria div—Peter C. Vetowich, senior vp-acct mgr; B.K. Schaffer, R.F. Sherman, acct supers.

Levi Strauss & Co.

RANK 67

San Francisco

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,514	2,731	-8.0
Net income	41	195	78.7
U.S.			
Sales	1,912	2,019	-5.3
Operating profits	165	371	-55.5
Advertising	122	95	28.2
Division sales			
Jeans Co.	1,433	1,498	-4.3
Battery Street	485	529	-8.3
Levi Strauss Int'l	591	701	-12.6

Levi Strauss & Co., San Francisco, the nation's 67th largest advertiser in 1984 with estimated advertising of $122 million, up 28.2% from the prior year, was taken private on Aug. 30, 1985, in a $1.45 billion buyout led by Robert D. Haas, Levi Strauss's president and ceo.

Worldwide, Levi Strauss spent $152 million on advertising and promotion, up 27.7% from $119 million in 1983, says the company.

Worldwide ad spending this year is expected to fall to this year's U.S. level of $122 million, including cooperative programs, media and sales promotion, according to the company.

The leveraged buyout of 30 million common shares, financed by a group led by Wells Fargo and 10 other banks, returns ownership of the 134-year-old company to the families that are descendants of founder Levi Strauss. Mr. Haas is a great-great-grandnephew of the elder Strauss.

Levi Strauss & Co. had been public for only the past 14 years. It began selling common shares in 1971 to finance expanded manufacturing capability during the jeans craze. At the time of the buyout, it was 60% publicly owned.

But the fashion trends that made Levi Strauss a huge company have been waning in recent years. The apparel giant had boosted total measured ad spending 50% in 1984 to $55.2 million, in hopes of pumping new life into the sagging jeans category.

The spending increases were accounted for almost entirely by a 94% hike to $42 million in measured network tv promoting Levi's sponsorship of the 1984 Summer Olympics, and a huge campaign promoting its 501 jeans line. The company admits sales of Olympics-related products were not as strong as expected.

Examples of measured spending increases in 1984, according to Leading National Advertisers, include a 90% jump to $19 million in media for family sportswear, 1984's largest single category, divided largely between network tv (87%), and spot tv (7%). Measured media also jumped 105% in 1984 to $23.9 million for jeans advertising targeted at men, women and families.

Network tv accounted for 84% of the total for jeans.

Internal problems, however, overshadowed marketing moves in 1984. Net sales for the year ending Nov. 25 totaled $2.5 billion, down 8% for the year, while net income fell 78.7% to $41.4 million.

Sales for the first half of 1985 were $1.1 billion, down 5% from the same period in 1984. Net income in the first half of fiscal 1985, however, jumped 165% to $45.6 million.

The seemingly large net income jump, however, includes a 1984 expense of $24.5 million in business consolidation costs.

The huge differential between 1984 sales and earnings resulted from higher production costs from underutilized capacity, inventory adjustments and markdowns, and the expense of closing facilities, and other business consolidations.

Levi Strauss reduced production capacity 15% in 1984, closing 14 plants in the U.S. and five in international locations, which eliminated 5,000 jobs.

Levi also discontinued its Accessories division, with 1984 sales of $14 million, and sold Rainfair Inc., a $10 million producer of protective apparel. And the company streamlined its apparel offerings in 1984, reducing the breadth of its product range by more than 25%.

At the same time, Levi reorganized its corporate structure in October, 1984, shifting domestic operating units to enhance marketing of its core jeans products, and to more effectively support diversification into more fashion-sensitive businesses.

The former Levi Strauss USA division was renamed "The Jeans Company," and "Battery Street Enterprises," a unit formed late in 1983, was expanded with the transfer of men's and women's sportwear and all other nonjeans product lines.

A new business development unit in Battery Street Enterprises started a new company in January, 1985, with Perry Ellis, called Perry Ellis America, to manufacture and market a collection of men's, women's and children's active sportswear.

Battery Street Enterprises also established a joint marketing venture in March, 1985, with Andrew Fezza to market and license couture sportswear for men and women.

In a third business development, exclusive agreement was reached in March, 1985, to design, manufacture and market an Alexander Julian couture collection and the "Colours by Alexander Julian" line.

The structural realignment at Levi also caused significant shifts in top management.

Key changes include: Robert D. Haas was promoted from coo to president-ceo in April, 1984, following retirement of Robert T. Grohman; Thomas W. Tusher replaced Mr. Haas as senior vp-coo in October, 1984; Peter Thigpen, senior vp, was named president of "The Jeans Company"; Lee C. Smith replaced Mr. Tusher as president of Levi Strauss international, and was elected senior vp; Leo P. Isotalo, president of Battery Street Enterprises, was elected senior vp; and Thomas Kasten, a corporate vp and former president of the Jeanswear Division was appointed to head the corporation's new business development function.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	180	0
Magazines	7,138	6,806
Network cable	1,520	1,466
Spot tv	3,992	5,367
Network tv	42,244	21,621
Spot radio	321	889
Network radio	23	197
Outdoor	9	269
Total measured	55,427	36,615
Total unmeasured	66,573	58,585
Estimated total	122,000	95,200

LEVI STRAUSS & CO.
Levi's Plaza
1155 Battery Street
P.O. Box 7215
San Francisco, Cal. 94120-6928
(415) 544-6000
Marketing Personnel

Thomas W. Tusher, exec vp-coo
Thomas W. Kasten, exec vp-new business
John Ankeny, corp mktg dir

THE JEANS COMPANY

Peter Thigpen, president
Peter Jacobi, exec vp-mktg & merch
John Frechette, vp-genl mgr-men's jeans
George Porter, vp-genl mgr-men's tops
Carl Von Buskirk, vp-genl mgr-women's jeans
William Oldenberg, vp-genl mgr-children's jeans
Jo Ann Flath, consumer mktg dir-men's jeans
Nancy McCready, consumer mktg dir-women's jeans
Julie Palley, consumer mktg dir-children's jeans

BATTERY STREET ENTERPRISE

Leo Isotalo, president
Steve Goldstein, consumer mktg dir-men's sportswear
Bob Alexander, adv mgr-women's sportswear

LEVI STRAUSS INTERNATIONAL

Lee Smith, president-Levis Strauss Intl
Jim Chriss, vp mktg-Levis Strauss Intl

Advertising Agencies

Foote, Cone & Belding, San Francisco-U.S. sales of Levi Strauss branded prod-Denny Wilkinson, senior vp-group mgmt super; Barbara Pauly, vp-mgmt super; Ted Block, mgmt super; Jack Jacobs, Marianne Michael, acct supers; Laurel Hollis, acct exec-501 jeans; Alan Jewett, acct exec-womenswear; Liz Levy, acct exec-men's & youthwear; Barry Breede, acct exec-jeanswear.

McCann-Erickson Worldwide, San Francisco—intl adv for all products in 22 countries—Stuart Davis, senior vp-worldwide coord.

Loews Corp.

RANK 56

New York

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	5,602	5,260	6.5
Net income	329	341	-3.7
Advertising	138	135	1.9
Division sales			
Prop./cas'lty ins.	2,254	1,950	15.6
Life insurance	1,473	1,320	11.6
Cigarets	1,431	1,490	-4.0
Hotels	157	217	-27.8
Theatres	80	70	11.9
Watches	148	152	-3.0
Investment	48	50	-3.2

Loews Corp., New York, the nation's 56th largest advertiser, lowered its ad spending 1.9% in 1984 to an estimated $137.9 million, as revenues rose 6.5% to $5.6 billion and net income declined 3.7% to $329.6 million.

Loews was engaged in five businesses in 1984, though that number was pared to four with the $165 million sale of its Loews theaters unit in the spring of 1985.

The movie theater unit, which operates 226 screens in six states, was sold to a group headed by A. Jerrold Perenchio, producer and former co-owner of Embassy Communications. The division accounted for $20.3 million in 1984 Loews revenues, or 1.4% of the corporate total. The theater chain was expected to add 40 new screens in 1985.

The remaining contributors to Loews operations are Lorillard Tobacco Co., Loews Hotels, CNA Financial Corp., an insurer, and Bulova Watch Co.

The company's CNA unit, including property-casualty and life insurance, accounted for $3.73 billion in revenues, or 66.5% of the corporate total. Lorillard Tobacco, maker of Kent,

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Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

Newport and other cigaret brands, represented another 25.5% of corporate revenues.

In a stagnant tobacco market, Lorillard's revenues declined 3.9%, with unit sales down 9.9%. These contributed to a 1 point share decline, to 8.1%, in the unit's over-all share of the cigaret market, following a 1983 increase of 0.4% to 9.1%. Still, Lorillard remained in fourth place among cigaret makers behind Philip Morris Inc., R.J. Reynolds Industries and Brown & Williamson.

Lorillard's Newport brand nonetheless remained one of only two ongoing brands in the industry to report unit sales gains in 1984. (The other was Philip Morris' Marlboro). The Newport family—including all packaging and size formats—gained a 0.2 market share, rising to 3%, while sales volume increased 7.7%, to 18.12 billion units. In contrast, Newport claimed only a 1.9% market share in 1980. Newport ad spending in measured magazines and outdoor media was up 25%, to $18.9 million, via MCA Advertising, New York.

Lorillard in 1984 discontinued its nonmenthol Newport Red brand, distributed in about half the U.S., as sales plummeted to half their 1982 peak of 140 million units (AA, May 17, 1984).

Significant share declines threatened Kent's position as the No. 1 Lorillard brand. Though Kent still commanded a 3.2% share at yearend 1984—compared with 5.1% in 1980 and 3.9% in 1983—Newport remains close behind at 3%.

Kent unit sales were off 15.9% in 1984, to 19.62 billion units. The brand *family, including Kent, Kent III and* Kent Golden Lights, had 1984 measured ad spending of $14.6 million, down 32% from 1983.

True, which introduced a new laser-cut filter in 1984, slipped to a 1.2% share of the market, down from 1.8% in 1980 and 1.4% in 1983, as unit sales fell 15.4%, to 7.05 billion cigarets. Measured ad spending for the brand, via Dancer Fitzgerald Sample, New York, was $12.2 million, down 15.7%.

Among all of the company's brands, Satin 100s—introduced in 1983—ranks as perhaps the biggest disappointment. It now commands only a 0.3% share compared with 0.5% in 1983. The company cut measured ad spending 35% to $14.7 million for the brand in 1984.

Other marginal brands and their respective market shares are Old Gold (0.3%), Max (0.1%) and Spring 100s, whose 40 million units don't show up in market share tallies. None were advertised in 1984, though Max, a 120mm cigaret, received $791,000 in 1983 measured ad support, according to Leading National Advertisers.

In a move to increase efficiency, Lorillard will shut down in early 1986 cigaret operations in Louisville, although little cigars and chewing tobacco will continue to be produced.

In addition to cigaret brands, Lorillard markets Beech-Nut, Big Red and Havana Blossom chewing tobaccos, which received combined ad support totaling $1.6 million in 1984, up 23%.

In the 10th year since Loews acquired a controlling interest in CNA Financial Corp., the unit blamed "severe profitability pressures" due to "unrealistic pricing" for the property-casualty division's weaker performance. Despite $2.25 billion in 1984 revenues, a 15.6% increase, net income from property-casualty insurance was $59.7 million, down 34% from 1983. The life insurance segment performed considerably better, with $1.47 billion in revenues representing an 11.6% gain and $66.2 million in net income, up 59%.

To spur performance, CNA has improved compensation for insurance agents, while equipping them with automated marketing and sales lead generators. It has increased ad spending 35%, to $4 million, and has introduced new Universal Life products and a new commercial insurance program.

In 1984, Loews Hotels opened two new Arizona properties and completed expansion of two others. The Loews Paradise Valley Resort opened in February, 1984, in Scottsdale, Ariz., while Loews Ventana Canyon Resort last December opened in Tucson. Completion of a $110 million renovation program at the Loews Anatole in Dallas made the 1,620-room hotel the "largest [hotel] in the Southwest," the company says. The Loews Regency in New York also completed the first phase of a $10 million program by constructing a new fitness center.

The division posted revenues of $156.7 million, up 27.8%, though net income plummeted 75%, to $12.5 million. (The 1983 results included one-time gains from sales of two international properties.) The unit spent a modest $550,000 on measured advertising.

The Bulova Watch division posted revenues of $147.7 million in 1984, a 3% gain, and produced its first profit in several years, earning net income of $11.7 million compared with losses of $8.4 million in 1983 and $17.4 million in 1982.

Competition and oversupply of watches and other timing devices have made price discounting a fact of life for the unit, which contributed 2.6% of Loews revenues. Bulova spent $2.6 million on advertising in spot tv and consumer magazines last year, about the same as in 1983.

The division introduced 172 new Bulova watches and 79 new timepieces in the Caravelle line in 1984. It also became the U.S. representative for the L'Epee line of French-made carriage clocks.

In other corporate developments, Loews earlier this year purchased 9.9% of CBS Inc. stock, then tendered its shares in a CBS stock buyback program aimed at thwarting a takeover move by Atlanta-based media mogul Ted Turner.

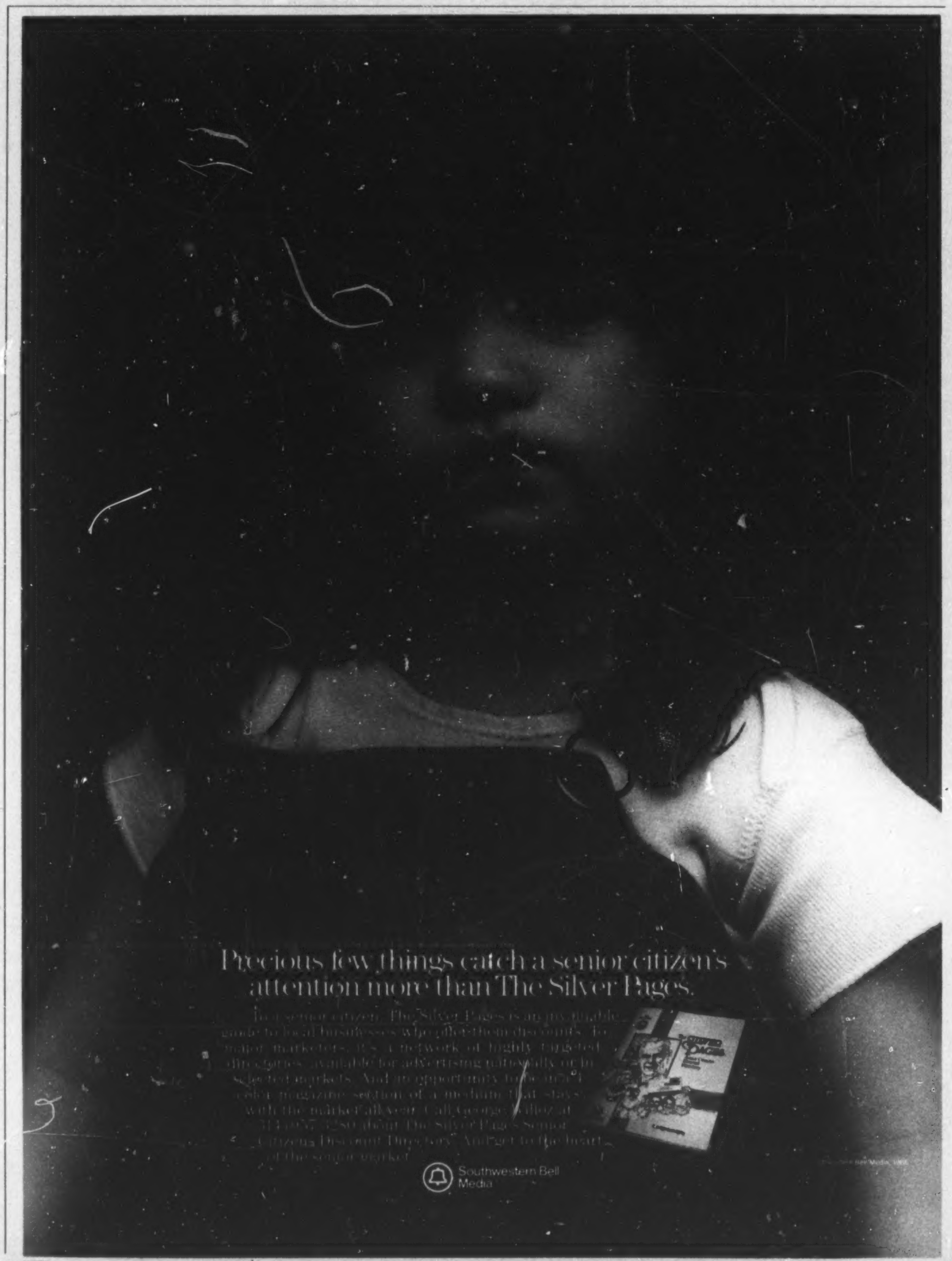
Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	17,095	22,533
Magazines	49,255	45,250
Network cable	154	278
Spot tv	2,417	1,277
Network tv	0	1,795
Spot radio	0	156
Outdoor	28,647	37,104
Total measured	97,567	108,393
Total unmeasured	40,333	27,000
Estimated total	137,900	135,393

LOEWS CORP.
666 Fifth Ave.
New York, N.Y. 10103
(212) 841-1000

LORILLARD DIVISION
Marketing Personnel
J.R. Ave, president
R.H. Orcutt, senior vp-sales


Precious few things catch a senior citizen's attention more than The Silver Pages.
Southwestern Bell Media
To a senior citizen, The Silver Pages is an invaluable guide to local businesses who offer them discounts. To major marketers, it's a network of highly targeted directories available for advertising nationally or in selected markets. And an opportunity to be in a 4-color magazine section of a medium that stays with the market all year. Call George [illegible] at 314-[illegible] about The Silver Pages Senior Citizens Discount Directory. And get to the heart of the senior market.

T.H. Mau, senior vp-adv & brand mgmt
S.R. Ridgway, vp-pr
J.P. Mastandrea, vp-sales
L. Gordon, vp-trade devel
G.R. Telford, group brand dir
C.W. Toti, dir-mktg services
M.K. Capra, dir-mktg devel
W. Sands, media dir
P.A. Lawless, sales promo dir
S.T. Jones, mktg research dir
R.D. Hammer, E.M. Kiernan, A. Pasheluk, senior brand mgrs
K. Curren, C. Garbin, M.A. Kayiatos, C. Ray, brand mgrs
V.L. Lamb, V. Lindsley, associate brand mgrs
J.A. Guardino, associate brand mgr

Advertising Agencies

Carl Byoir & Associates, New York—pr—Gene Oliva, acct super; Judy Whitmore, acct exec.

Dancer Fitzgerald Sample, New York—Triumph, True, Beech-Nut chewing tobaccos, new prod—Tom Bohan, mgmt dir; Joe Albanese, Mike Jeary, mgmt supers.

Foote, Cone & Belding, New York—Kent Family (Kent, Kent III, Kent Golden Lights), Max, new prod, corp trade—Jack Angus, group mgmt dir; Paul Iffland, mgmt dir; Fidel Plantilla, acct super; Pat Pugno, acct exec.

Jordan, Case & McGrath, New York—new prod—Pat McGrath, president; Norm Carrier, mgmt super.

MCA Advertising, New York—Newport.

LOEWS HOTELS

Marketing Personnel

Robert Hausman, president
William Maibach, exec vp-domestic operations
Ann Bontempo, vp-pr
Philippe Borel, vp-mktg
Marian Succoso, dir-adv & sales promo

Advertising Agencies

Cavalieri & Kleier, Inc., New York—Ian Kleier, acct exec.

Cavillo, Shevack, Goldberg & Partners, New York—Vernon Mosheim, acct exec.

Enterprise Advertising Associates, Ltd., Toronto—Alan C. Middleton, genl mgr.

Warren/Kremer Advertising, New York—Christine Marino, acct exec.

LOEWS THEATRES

Marketing Personnel

Donald E. Baker, vp-adv & pr
Ted J. Arnow, asst vp-natl dir adv & sales promo
Henry I. Goldenberg, adv dir

Advertising Agency

Grey Advertising, New York—Herb Joseph, vp-acct exec.

CNA INSURANCE COMPANIES

Chicago, Ill.

Marketing Personnel

Edward J. Noha, chmn-ceo
Philip N. Engel, vp-mktg
Jay G. Pettorini, asst vp, life/health/pensions distribution, field operations
Susan Hogan, senior mgr-corp communications

Advertising Agency

Frank C. Nahser Inc., Chicago—business, trade publications—Frank Nahser, president.

BULOVA WATCH COMPANY

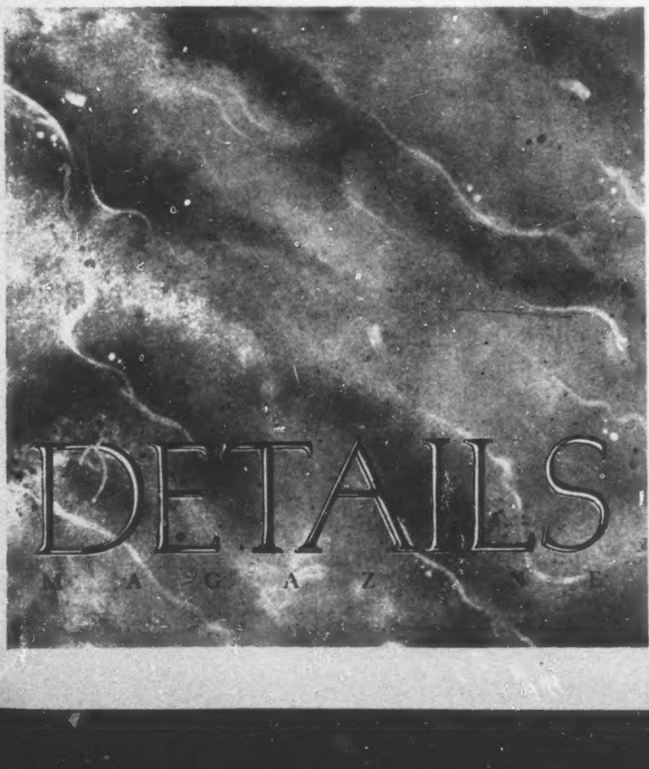
Jackson Heights, N.J.

Marketing Personnel

A.H. Tisch, president
George Forman, vp-adv

Advertising Agency

Sherwood & Schneider, New York—Jim Massey, senior vp.



Mars Inc.

McLean, Va.

RANK 54

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	N/A	2,083	N/A
Net income	N/A	N/A	N/A
Advertising	139	121	14.8

Mars Inc., confronted by increased competition in the candy and snack foods market, boosted ad spending 14.8% in 1984 to an estimated $139.3 million in 1984. That hefty increase for the nation's 54th largest advertiser contrasts with its meager 0.3% ad budget hike in 1983 over 1982.

Mars Inc., headquartered in McLean, Va., is privately held and refuses to release sales figures, ad budgets or profit statements. The company has been the focus of much scrutiny this year by the confection industry as analysts predict candy-rival Hershey may surpass Mars' sales for the first time.

M&M/Mars candy division monitored ad spending rose 20.1% in 1984 to $66.9 million, with one of the more notable promotions being the naming of M&Ms and Snickers as the "official snack food of the 1984 Olympic Games."

Analysts estimate Mars has about 37% of the candy bar market, a 4% drop in share from a year ago, while archrival Hershey, which leads in introducing new products, has about 36%.

Part of the Mars problem, according to industry watchers, is the marketer's failure to introduce any new products nationally since Twix caramel bar in 1976. Royals mint chocolates, an M&M-like confection aimed at the adult market, remains in test for the second year in Washington, Baltimore and several other markets.

A kingsize version of Snickers, still considered the nation's best-selling candy bar, was introduced late last year and is doing well, according to M&M/Mars executives.

Measured media spending for major Mars Inc. candy brands includes: 3 Musketeers, $4.8 million, up 118%; M&Ms (plain and peanut), $14.2 million, up 6.8%; Lockets cough drops, $300,000, down 36%; Mars bar, $3.4 million, down 24.7%; Milky Way, $6.4 million, up 39.1%; Royals mint chocolates (in test), $100,000; Skittles, $3.9 million, up 200%; Snickers, $18.2 million, up 4.4%; Starburst, $4.9 million, up 14.4%; Summit, $1.1 million, up 31.7%, and Twix, $7.4 million, up 21.1%.

Spending for Uncle Ben's rice products rose 89% to $17.4 million, although the brands' sales still lag behind market leader Colgate-Palmolive's Riviana rice. Uncle Ben's is believed to retain about a 20% market share. Uncle Ben's has introduced nationwide its premium mixed rice product, Rice Florentine, but has yet to expand into other flavors as has rival Lipton's.

Mars' Snack-master division showed a jump of 10.5% in ad spending in 1984 to $6.3 million, a year in which ad support jumped 211%. Kal Kan pet foods spending, however, dropped 34% to $19.4 million.

The snack food line expanded last year with a new Combo flavor, cheddar cheese filled crackers. Combos cheese-filled pretzels are also now available in 60% of the country; the new cracker, sold in 21% of the U.S., received $4.3 million in measured spending, down 14.3% from 1983. Cornquistos filled snacks are sold largely in the Southwest, with two new flavors, mild and jalapeno cheese. Measured spending on the snack was $2 million, up from $466,000 in 1983.

Dooley's, a crispy potato chip shell filled with sour cream, onion or cheese, is Snack-master's newest venture, introduced this summer in Minneapolis, Des Moines, Kansas City and St. Louis. Advertising is handled by D'Arcy MacManus Masius, St. Louis.

Mars' pet food division, Kal Kan, the only division to cut spending in 1984, did not lose pet food market share, which increased slightly to 8.9% in 1984 with sales of $421.8, according to estimates by John C. Maxwell, an analyst for Furman Selz Mager Dietz & Birney, New York. The division introduced no new products in 1984.

Kal Kan remains the No. 2 position behind Alpo in canned dog food, according to Mr. Maxwell, with 1984 sales of $149 million. Kal Kan canned cat food, with $165 million in sales, remains behind top-selling H.J. Heinz Co.'s 9-Lives, while Crave dry cat food moved to fourth place in its category with $57.2 million in sales. Mealtime dry dog food moved up to fifth place with $80.5 million in sales, replacing Carnation's Come 'N Get It.

In measured spending, Kal Kan canned cat food received $4.6 million, down 15.3%; Kal Kan canned dog food, $9.5 million, up 23.4%; Crave dry cat food, $5.3 million, down 18.5%; Mealtime dry dog food, $7.5 million, down 16.7%.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	609	1,864
Magazines	6,728	2,812
Network cable	851	949
Spot tv	44,201	44,333
Network tv	65,655	52,102
Spot radio	2,353	351
Network radio	479	774
Outdoor	106	0
Total measured	120,982	103,184
Total unmeasured	18,300	18,116
Estimated total	139,282	121,300

MARS INC.
1651 Old Meadow Rd.
Westgate Park
McLean, Va. 22102
(703) 821-4900

Marketing Personnel

M&M/MARS DIVISION

Hackettstown, N.J.

Howard L. Walker, president
J. Langdon, senior vp-brands & sales

MARS BROKER DIVISION

Joseph Stalenhoef, vp

SNACK-MASTER

Albany, Ga.

Sam Dewar, president

UNCLE BEN'S INC.

Houston, Tex.

Thomas Armstrong, president
Al Aragona, vp-mktg & sales

KAL KAN FOODS INC.

Vernon, Cal.

John H. Barrow, president
Al Poe, vp-brands

Advertising Agencies

Ted Bates Advertising, New York—pet foods—Jerry Brady, exec vp; Ron Gudinskas, John Stranger, mgmt reps, Kal Kan canned dog food, Kal Kan canned cat food, Mealtime dry dog food. Candy & snacks—Larry Light, Sheila Paterson, exec vp, M&M's chocolate candies (plain and peanut), Snickers, Milky Way, Royals mint chocolates, Starburst fruit chews, Summit bar, Snack-master's Combos filled snack. Uncle Ben's—Randy Hackett, exec vp; Michael Passert, mgmt rep; Paul Daniusis, acct super.

Leo Burnett USA, Chicago—candy, snacks—3 Musketeers bar, Twix caramel cookie bar, Mars almond bar, new prod—Dan Reid, acct dir.

D'Arcy MacManus Masius, St. Louis—pet foods, Crave dry cat food, MPS canned dog food, candy, snacks, Cornquistos filled snack, Dooley's filled potato chips, Skittles bite size candies, new prod—Tom O'Neal, senior mgmt rep.

Mattel Inc.

Hawthorne, Cal.

RANK 63

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	881	633	39.1
Net income	71	-394	-118.1
U.S.			
Sales	697	507	37.6
Operating profits	106	65	63.5
Advertising	133	88	50

After being on the brink of bankruptcy and shifting from financially draining videogames to concentrate on one major category—toys—Mattel Inc. rebounded in 1984 and faces a profitable 1985. The company also increased U.S. advertising 50.2% to an estimated $132.9 million to become the 63rd largest advertiser.

According to market analyst Carlton Lutts of the "Cabot Market Letter," the company is poised for major growth and profit after experiencing "an orgy of expansion way beyond reality."

Mattel had sales of $880.9 million, up 39%, for the fiscal year ended Dec. 29, 1984, and net income of $71.3 million, up from a loss of $394.1 million for the year-earlier period. Operating profit was $136.9 million, compared with $81.5 million the previous year.

Advertising got the benefit of the Mattel sales volume growth, rising from 15% of sales to 16%. Worldwide, Mattel spent $139.9 million in advertising and promotion in 1984, compared with $93.1 million in 1983.

By hitching its star to its toy division, the company is soothing its fiscal ills that have led to a subsequent sell-off of subsidiaries that had nothing to do with toys (including a circus, theme parks and other amusements).

Three of its toy products rank among the nation's top 10 sales producers in 1984. Masters of the Universe, Rainbow Brite and Barbie doll, posting second, seventh and ninth place, respectively, in the 1984 Christmas polls. Hot Wheels also was a big sales-getter.

While conditions began to turn around in 1984, indications so far in 1985 show that Mattel's recovery is continuing to gain momentum. For the first six months ended June 29, Mattel posted sales of $478.5 million, up 51% from the same period in 1984. Net income climbed 61.5% to $42 million.

Perhaps setting the trend for the next six months, advertising and promotion for the first half of the year increased 56% to $77.7 million. Sales increases during this period are traced to Mattel's new emphasis on shipping products earlier in the year and stepped up advertising.

Over the past three years, Mattel's share of the domestic toy market has risen from 7.5% to 12%, while its share of the international toy market has nearly doubled from 4.5% to 8.5%.

In 1985, Mattel has introduced four new lines of toys and has begun to expand into related markets. New products, with advertising handled by Ogilvy & Mather, Los Angeles, introduced during the first six months of 1985 include the Angel Bunny collection of 14 infant toys and the four-member Heart Family doll line.

Based on the success of the He-Man and Masters of the Universe boys' action figures, Mattel also created a "fashion-action" collection for girls called She-Ra: Princess of Power. Mattel also developed a Wheeled Warrior line of plastic cars, delivered to stores in May.

The Angel Bunny products were introduced early in 1985 with print ads directed at young mothers in a number of women's service books and followed by insertions in baby books, as well as some late-night network television.

Princess of Power debuted in early April with spot tv. As the national rollout began, commercials shifted to weekend network, syndication and cable, as well as additional coverage via print in women's service books.

The Heart Family's introduction occurred in late spring with full-page newspaper announcements in key markets, supplemented by late-night tv spots.

Wheeled Warriors was the last to arrive at market, in mid-June, with heavy spot tv and as it rolled out nationally, it moved to weekend network, cable and an expanded use of spot tv.

In 1984, the vast majority of Mattel's $59 million ad spending in measured media was directed at network and spot tv, which combined accounted for $50.4 million.

Dolls and doll accessories accounted for nearly $25 million of the measured ad budget, with the boys' action toys representing the second highest allocation of ad dollars—$24 million.

This year's larger ad budget is supporting production of nearly 85 tv commercials that are in various stages of production, and officials, forecasting an over-all shift in the media mix, see more use of syndicated and cable placement than in the past when network weekend tv was the primary target.

Mattel stepped up production at its worldwide manufacturing operations by 27% and initiated a new operations planning function to speed up the filling of orders. This means that a line of products can be produced for advance order well before the annual Toy Fair in February. According to a Mattel spokesperson, prefall consumer spending, as opposed to the traditional Christmas season, has greatly increased in recent years.

In January, 1985, Mattel showcased a new line of products in Scottsdale, Ariz., one month before the industry Toy Fair in New York. This year the company plans an October preview of its 1986 toys in Tucson. Additional toy shows highlighting Mattel products will be in Scottsdale next January and February.

Mattel established a new corporate structure. The company's 10 senior officers now report to what is called the Office of the Chief Executive, headed by chairman Arthur S. Spear and president Glenn A. Hastings. Thomas J. Kalinske is president of Mattel, U.S.A. and John W. Amerman is president of Mattel International.

Mattel in November, 1984, split its advertising between Ogilvy & Mather, Los Angeles, which has handled the company almost exclusively since 1954, and Dailey & Associates, Los Angeles, part of Interpublic Group of Cos. Dailey will handle Mattel's $6 million Hot Wheels account and unspecified future projects.

Ed Libov & Associates, Los Angeles, the media buying agency, no longer handles occasional special projects. The changes came after Mattel conducted a 60-day search, considering several top contenders in the Los Angeles area, all full-service agencies with strong international networks. Mattel says the new assignments are simply a result of increased advertising, rather than a loosening of the grip Ogilvy & Mather has had on the account.

In 1984, Mattel placed unprecedented emphasis on licensing tie-ins and cooperative promotions. Royalty income from sales of licensed products increased 72% to $8.1 million.

Mattel had licensing agreements with Marvel Comics, Ralston Purina Co., Telepictures Inc., Group W Productions and SRM Entertainment among others.

Over-all, Mattel has concentrated its licensing agreements on Masters of the Universe, Barbie and Hot Wheels as well as three of its four product introductions: Princess of Power, Wheeled Warriors and Angel Bunny.

In the U.S., the company has 159 different licensing agreements with 83 companies on one or more of Mattel's products. Overseas, Mattel has about 300 licensing agreements with 226 companies. Licenses for animated tv series based on Mattel toys are expected to be the most lucrative of these deals.

Mattel also participated in cooperative promotions with Kellogg, Nestle and Campbell Soup Co.

Following the success of last year's 30-minute series, "He-Man," produced through Group W Production, Mattel has licensed "She-Ra: Princess of Power," for back-to-back programing. Through SFM Enterprises, a third program, "Wheeled Warriors," based on Mattel's new line of plastic cars, was to be aired this month. Hallmark Cards is producing a five-part, miniseries based on its Rainbow Brite characters, which Mattel has licensed as a successful line of dolls.

In addition, Mattel and Filmation Inc., Reseda, Cal., produced a feature-length animated film, "The Secret of the Sword," which showed this summer in theaters nationwide. Telepictures Inc. has found another market for Mattel toy-related products. Its licensed *Barbie* and *Masters of the Universe* "fashion and life style" quarterly magazines aimed at children have each exceeded 1 million in circulation.

Magazines and animated tv programs linked to toy manufacturers have been criticized by the National Assn. for Better Broadcasting and other nonprofit consumer groups that argue these products are essentially advertising for Mattel and should be classified as such. FTC regulations prevent advertisements for Barbie, for example, from appearing on the pages of the *Barbie* magazine. However, Barbie is featured prominently in the editorial content of the *Barbie* magazine, but not in ads.

In the future, Mattel ads may take on a different look. The FTC lifted restrictions on the filming of toy commercials that had been in effect since 1971. Mattel may now use camera tracking methods, stroboscopic lighting and other special effects to enhance the appearance of its Hot Wheels die-cast cars.

Mattel agreed to submit to the FTC market research demonstrating that the commercials are not deceptive to children. In response to angered consumer groups, the FTC pledged it will provide "additional guidance as to the circumstances under which these camera techniques may be used."

Mattel says the change in regulations has not led to any significant changes in advertising policy nor is it expected to in the immediate future.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,883	2,032
Magazines	5,122	4,783
Network cable	1,011	928
Spot tv	14,404	18,520
Network tv	36,036	52,075
Spot radio	135	418
Network radio	0	131
Outdoor	414	234
Total measured	59,004	79,120
Total unmeasured	73,888	9,337
Estimated total	132,892	88,457

MATTEL INC.
5150 Rosecrans Ave.
Hawthorne, Cal. 90250
(213) 978-5150

Marketing Personnel

Glenn A. Hastings, president-office of the chief executive
Thomas J. Kalinske, president, Mattel USA
John W. Amerman, president, Mattel Intl.
Joseph F. Morrison, senior vp-mktg services, admin., entertainment & licensing
Judith A. Shackelford, senior vp-worldwide category mgmt
Bruce Stein, Marc Witzer, Jill Barad, Paul Cleveland, vps-worldwide category mgmt

Advertising Agencies

Dailey & Associates—Hot Wheels, girls' toys—Cliff Einstein, president, corp creative dir.

Ogilvy & Mather, Los Angeles—Mattel Preschool—Marilyn Fidler, acct mgmt; Amy Gusman, Jean Harfenists, Cathy Kellner, acct execs. Mattel games, publishing & corp—Marilyn Fidler, mgmt super; Ginger Sherman, acct super; Russ Kamalski, acct exec. Male Action—Susan Chittum, mgmt super; Alice Wheelwright, acct exec. Wings & Wheels—Susan Chittum, mgmt super; Rand Brenner, acct exec. Rainbow Brite—Freddie Bee, mgmt super; Harriet Lipson, acct super; Lisa Elliott, acct exec. Heart Family—Freddie Bee, mgmt super; Harriet Lipson, acct super; Michael Vernon, acct exec. Barbie—Freddie Bee, mgmt super; Olga Gil, acct super; Paula Heath, acct exec. Princess of Power & Baby Kickie—Freddie Bee, mgmt super; Olga Gil, acct super; Patti Beadle, acct exec.

Mazda Motors of America

RANK 92

Rancho Dominguez, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	5,844	5,566	5.0
Net income	121	105	15.7
Advertising	72	75	-4.5

Mazda Motors of America, the fourth largest Japanese auto importer in the U.S. and latest to announce plans to produce cars in the U.S., was the 92nd largest national advertiser in 1984 with ad expenditures estimated at $71.8 million, down 4.5% from a year earlier.

Mazda set record highs in worldwide sales and earnings for fiscal 1984 for the ninth consecutive year, posting a 15.7% increase in net income to $121.1 million and a 5% gain in sales to $5.84 billion. Sales and earnings for both 1984 and 1983 fiscal years, ending Oct. 31, were converted from yen to dollars at the rate of Y245 = U.S.$1.

An upgraded model mix helped produce the boost in total sales over fiscal 1983, because factory sales were down worldwide at Mazda Motor Corp. to 1,331,541 units (including knockdown sets), down 0.8% from 1983. Of total production, factory sales for the Japanese market declined 9.6% to 367,805 (for cars and trucks), while export sales improved 3.1%. Exports account for 72.4% of total factory sales.

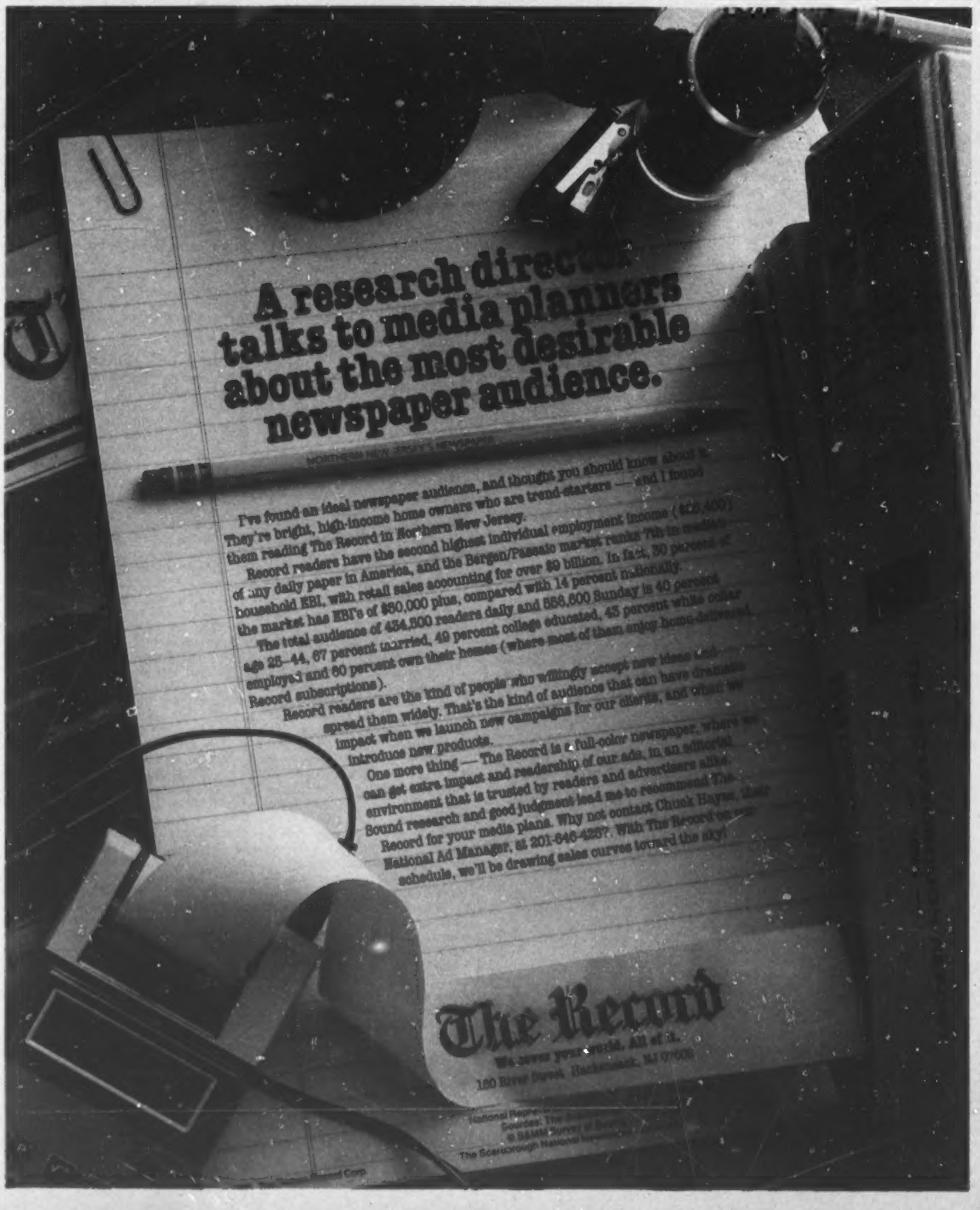
Mazda's U.S. sales for 1984 increased 2.2% to a record 288,793 units—169,666 cars (down 2.2% from 1983) and 119,127 trucks (up 56.4% over 1983). The car/truck combination gave Mazda a 2.3% share of the total U.S. market (1.6% share just for the autos). Mazda took an 8.7% share of the total import market in the U.S., up from 8.4% in 1983. Over-all, its share made it the fourth largest Japanese importer to the U.S. behind Toyota at 23%, Honda at 20.9% and Nissan at 20%.

For the year, Mazda car sales were just below the "voluntary" restrictions imposed on the company (173,500 for Mazda) by the Voluntary Restraint Agreement. The quota for 1985, beginning April 1, 1985, has been raised to 229,720 imported cars. That does not count domestically produced Mazda cars or foreign or domestically produced trucks, which Mazda took great advantage of in 1984 by increasing truck sales 56.4%.

Aiming to ensure continued future success in the face of VRA limits, Mazda said it will begin production at a new $450 million auto assembly plant in Flat Rock, Mich., in the fall of 1987. The plant, operated by the newly formed Mazda Motor Mfg. (USA) Corp., will have an annual production capacity of 240,000 vehicles and will make Mazda the fourth Japanese auto maker to locate vehicle assembly operations in the U.S. Honda, Nissan and Toyota already have plants here.

Ford Motor Co., which has a 25% stake in Mazda, is expected to place its nameplate on as much as 50% of the Flat Rock plant's car output. The car to be produced will be a version of Mazda's popular front-wheel drive 626 model.

Mazda in the U.S. is a combination of Mazda Motors of America (Central), Rancho Dominguez, Cal., and Mazda Motors of America (East), Jacksonville, Fla. The California unit


A research director talks to media planners about the most desirable newspaper audience.
NORTHERN NEW JERSEY'S NEWSPAPER
The Record
We cover your world. All of it.

I've found an ideal newspaper audience, and thought you should know about it. They're bright, high-income home owners who are trend-starters — and I found them reading The Record in Northern New Jersey.

Record readers have the second highest individual employment income ($26,400) of any daily paper in America, and the Bergen/Passaic market ranks 7th in median household EBI, with retail sales accounting for over $9 billion. In fact, 30 percent of the market has EBI's of $50,000 plus, compared with 14 percent nationally.

The total audience of 434,500 readers daily and 558,600 Sunday is 40 percent age 25–44, 67 percent married, 49 percent college educated, 43 percent white collar employed and 80 percent own their homes (where most of them enjoy home-delivered Record subscriptions).

Record readers are the kind of people who willingly accept new ideas and spread them widely. That's the kind of audience that can have dramatic impact when we launch new campaigns for our clients, and when we introduce new products.

One more thing — The Record is a full-color newspaper, where we can get extra impact and readership of our ads, in an editorial environment that is trusted by readers and advertisers alike.

Sound research and good judgment lead me to recommend The Record for your media plans. Why not contact Chuck Hayes, their National Ad Manager, at 201-646-4237? With The Record on our schedule, we'll be drawing sales curves toward the sky!

150 River Street, Hackensack, NJ 07602

National Repre [illegible]
Sources: The [illegible]
© S&MM Survey of [illegible]
The Scarborough National [illegible]

is a joint venture of Mazda Motors Corp. (formerly known at Toyo Kogyo Co. Ltd. until the name change in May, 1984) and Sumitomo Corp. and handles car and truck imports to the Pacific Northwest, Great Lakes and Gulf regions. The Florida operation is a subsidiary of C. Itoh Co. and handles imports to an 18-state region in the East and Midwest.

Mazda spent $51.8 million in measured media in 1984, up 11.2% from the previous year. The measured total for 1984 includes $1.3 million for cable tv, a category not reflected in last year's monitored figures. However, it does not include a measured $10.2 million in dealer advertising.

Network and spot tv and continued use of auto enthusiast magazines and national newsweeklies once again were the media mainstays behind the introduction of Mazda's 1985 model line. Measured ad spending broke down to $26.3 million in network tv, down 3.3% from 1983; $4.1 million in spot tv, up 78.3%, and $16.8 million in magazines, up 15.1%. Mazda probably spends a higher percentage of media dollars for magazines than most other automotive advertisers.

Mazda's lineup of advertising and promotion for the 1985 model year stayed close to the successful patterns established earlier. Tv and print ads continued to keep up the price/value theme of previous years, as well as stressing the "total performance" of the full Mazda line.

In the fall, the company continued its "weekend" use of network tv, with the promotion strategy aimed at reaching the upscale male audience with annual incomes of more than $35,000. Sponsorship was heavily weighted with sports programing, highly rated weekend shows such as "60 Minutes," weekend movies and prime time programs on Friday nights.

In the fall of 1984, as U.S. auto makers Chevrolet and Chrysler both announced plans to cut back on tv sports buys, Mazda maintained and aggressively expanded its sponsorship of football, basketball and other events. This included use of televised games of the NCAA, NBA, NFL and USFL. The "Mazda Sportslook" series of sports journalism programs on cable's ESPN continued for a fifth year with Mazda sponsorship, as well as the new "Monday Night Match-Up," also on ESPN, which profiles the two teams matched in the Monday night football game on ABC-TV. "Match-Up" returns to ESPN this fall.

Mazda continues to build a presence in ladies professional and senior professional golf. The company is an advertiser on the 74-tournament LPGA women's tour and was major sponsor of the first tournament of the year, the Mazda Classic at Deer Creek, Fla.; the Mazda Hall of Fame Classic in Texas over the July 4 weekend, and the final LPGA tournament of the year, the Mazda Japan Classic in Hiroshima. Mazda was also a sponsor of the Senior PGA golf tour.

Mazda continued its involvement in auto racing with its RX-7, high-performance rotary engine sports passenger car winning an unprecedented fifth consecutive GTU championship of the International Motor Sports Assn. Sales of the RX-7, priced at $10,945 for the S model five-speed coupe, gained slightly in 1984 to 53,038 units, up from 52,514 the previous year. But a competitor, the Fiero from Pontiac with sales of 92,374 units, unseated the RX-7 as the top-selling, two-seat sports car in the U.S. Measured ad spending on the RX-7 was $6.1 million, including $3.7 million in network, $2.3 million in magazines, and $183,400 spot tv.

The popular 626 model, with sales of 71,407 units in 1984, continued to be the company's best-selling car for the second straight year. The 626 model, priced between $8,845 and $11,625, was supported with an expenditure of $9 million, of which $4.7 million went to magazines, $3.2 million to network and $1.1 million to spot tv.

Sales of the GLC economy cars ($5,195 the lowest price for the four-speed three-door hatchback) totaled 45,221 units in 1984. Measured media spending for the GLC models totaled $6 million—$3.5 million in network tv and $2.5 million for magazines.

Print and tv advertising for the 1985 line once again incorporated the "Experience Mazda" theme, with print ads featuring full-body shots of the GLC, RX-7 and 626 cars. The theme also played well in network spots that showed the cars on a track, stressing over-all performance and features.

Aggressive promotion of the 1985 B2000 and SE-5 pickup trucks accounted for more than one-third of the total annual budget and included $19 million in measured media. The major portion, $14.8 million, went for network and spot tv and $3.5 million for magazines. Such was the main thrust of the media effort that accounted for record 1984 truck sales using a price/value theme for a fourth year, "Sakes Alive! Only Mazda has a truck for $5,995."

The "Sakes Alive!" theme was discarded in early 1985 when Mazda unveiled its redesigned pickup truck line and announced plans to go after a bigger share of the compact truck market. Introduced as 1986 models, the new B2000 was promoted as "bigger and better, a redesigned technically sophisticated product that is still a great value for the money." Base price of the standard truck is $5,995. The sportier SE-5 starts at $6,395, while the higher-content LX model is priced at $7,645. Mazda truck marketers forecast 1985 truck sales of 120,000 units, about the same as in 1984.

REACH
those who read "the irreverent, avant-garde fashion magazine that is making waves in New York City"
...because "it has an honesty that's refreshing in journalism ..." —Perry Ellis
—New York Times
DETAILS
MAGAZINE

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,018	1,971
Magazines	16,857	14,551
Network cable	1,382	665
Spot tv	4,187	2,771
Network tv	26,382	27,160
Outdoor	6	0
Total measured	51,832	46,616
Total unmeasured	19,965	28,549
Estimated total	71,797	75,165

MAZDA MOTORS OF AMERICA
(Central)
3040 E. Ana St.
Rancho Dominguez, Cal. 90221
(714) 537-2332
Marketing Personnel

T. Ogawa, president
Rod Hayden, senior vp-genl mgr
Duane Bowen, vp-mktg
Robert Parker, sales mgr
William Wolf, public affairs mgr

(East)
Post Office Box 16305
Jacksonville, Fla. 32245
(904) 731-4010
Marketing Personnel

Seizo Kano, president
Eric Sundstrom, senior vp-genl mgr
James Trado, vp-sales & mktg
George McCabe, genl sales mgr

Advertising Agency

Foote, Cone & Belding, Los Angeles—Wilton Mansfield, senior vp-group mgmt dir; James Arnold, vp-mgt dir; Brad Fogel, natl adv acct dir-cars; Steven Morrissey, natl adv acct dir-trucks; Robert MacDonald, media dir; James Barr, senior vp-creative dir; Henry Caroselli, vp-asst creative dir.

RANK 89

MCA Inc.

Universal City, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,651	1,585	4.2
Net income	95	147	-35.4
U.S.			
Sales	1,381	1,255	-69.6
Operating profits	70	121	-42.1
Advertising	77	73	5.5
Division sales			
Filmed entertainment	889	927	-4.2
Records/music	256	188	31.1
Retail/mail order	311	288	7.9
Book publishing	117	106	10.1
Other	79	75	4.9

MCA Inc., Universal City, Cal.-based parent of Universal Studios, was the nation's 89th largest advertiser with advertising of $77.1 million, up 5.5% from the previous year.

The rise in advertising, coming mainly from the Filmed Entertainment division, primarily reflects an increase in film advertising, particularly in the use of network tv to promote film openings.

Filmed entertainment accounted for 54% of total sales of $1.65 billion at MCA for the year ended Dec. 31, 1984, down 4.2% from 1983. Earnings of $94.9 million, were down 35.4% from 1983. Despite improvements in the first-quarter 1985 earnings from tv, home video and pay tv operations, overall net income dropped 13% to $18.4 million on revenues of $431.6 million, up 10% from the year-earlier period. Operating losses were recorded in retail and mail-order businesses. Merchandising revenues were lower compared with the year-earlier period, while book publishing, records and music group revenues reached record highs for the quarter.

During 1984, most of MCA's media advertising as usual went toward Universal Pictures. Frank Price, chairman, MCA motion picture group, and Marvin Antonowsky, exec vp-advertising, publicity and promotion, brought a philosophy favoring large network tv campaigns to the studio when they joined the company in November, 1983.

The result can be seen in an 11% increase in tv advertising, but more significantly in the division between network and spot ads. Whereas the two categories were split fairly evenly —54% network, 46% spot—for 1983, network accounted for more than 90% of tv advertising in 1984. MCA spent $30.5 million on network tv, nearly doubling its network expenditures in 1983.

By the same token, magazine advertising has become a low priority, plummeting from more than $2.5 million to $739,000 in 1984, while network radio increased 400% to $1.2 million.

Most new releases received between $2 million and $3 million in measured backing.

They included: "All of Me," "Cloak & Dagger," "Conan the Barbarian," "Dune," "Hard to Hold," "Iceman," "Psycho II," "Streets of Fire," "Tank" and "The Wild Life." The studio's "The River" received only limited promotion in 1984 before its yearend release.

Universal plans to increase its number of theatrical productions, a strategy designed to tap the growing pay tv and home videocassette markets.

Home video sales and pay tv licensing contracts were up 34% over 1983, exceeding $160 million. In a statement to stockholders, president-ceo Sidney Jay Sheinberg noted videocassettes and major pay tv contracts have combined "to significantly reduce the risk of investment in theatrical production."

The drop in motion picture revenue in 1984 alarmed some MCA stockholders but comes as no surprise. Universal enjoyed two years of huge profits largely because of "E.T.—The ExtraTerrestial," the $360 million blockbuster that put the filmed entertainment division's gross at more than $1 billion in 1982 and spilled over into 1983's $927 million output.

Lacking a blockbuster of "E.T.'s" caliber, Universal had a respectable 1984, with revenues of $888.9 million, down 4%.

Revenue could drop again for 1985 because the studio released only 17 films, compared with 21 in 1984. Another blockbuster would make a difference, however.

Of this year's releases, Universal's relationship with Steven Spielberg—whose Amblin Entertainment took up residence on the lot in the spring of 1984—continues to bear fruit.

In addition to the hit "Back to the Future," the No. 2 attraction (behind Tri-Star Pictures' "Rambo: First Blood Part II") in an otherwise-sluggish summer at the box office, Mr. Spielberg is producing 44 half-hour segments of "Amazing Stories" for Universal tv and "The Money Pit," a theatrical romantic comedy, for Christmas release. Both productions figure to receive heavy advertising capitalizing on the Spielberg name.

Universal also reaped bountiful rewards in tv syndication in 1984, raising $470 million from licensing agreements.

That figure should rise markedly in 1985, as a number of successful Universal shows become available for syndication. Among them is "Magnum P.I.," "Knight Rider" and "Simon and Simon." "Magnum" alone is expected to produce more than $200 million in syndicated revenues.

MCA also took a step toward increasing its potential viewers abroad to 1 billion consumers. Universal is negotiating to be the first American studio to broadly distribute its film product to the People's Republic of China.

Skip Paul was named president, MCA Enterprises, in June to oversee the effort. Mr. Paul's duties entail expanding existing lines—including film, recorded music and video—into China and throughout the Pacific Rim, as well as exploring the creation of new product lines tailored to those markets.

Universal's other operations were relatively stable in 1984—with the exception of the Universal Studios Tour, which, like other local theme parks, suffered a summer decline in attendance attributed to the 1984 Olympics.

MCA Development remained active in local real estate, completing construction on three major projects during 1984. Foremost among these is the Sheraton Premiere, a 457-room luxury hotel, which opened in May, 1984.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,165	5,165
Magazines	739	2,563
Network cable	538	526
Spot tv	1,883	13,835
Network tv	30,518	16,068
Spot radio	1,546	1,390
Network radio	1,248	254
Outdoor	355	351
Total measured	42,993	39,262
Total unmeasured	34,065	33,750
Estimated total	77,058	73,012

MCA INC.
100 Universal City Plaza
Universal City, Cal. 91608
(213) 985-4321
UNIVERSAL PICTURES
Marketing Personnel

Frank Price, vp-MCA, chmn Universal Pictures
Marvin Antonowsky, president-Universal Pictures, mktg div
Edward Roginski, senior vp-Universal Pictures, gen mgr mktg
Michele Reese, vp-publicity & promo, west coast & natl field operations
Ken Harman, vp-creative dir mktg
William Soady, president, Universal Pictures, distribution div
Teri Korban, vp-media & coop adv
Roger Seltzer, vp-mkt rsch
Roger Edwards, dir-mktg rsch
Don Barrett, natl dir, promo & field activities
Frank Wright, dir-natl publicity

Advertising Agency

Doyle Dane Bernbach/West—Simon Kornblit, exec vp-dir acct services; Jim Spero, senior vp-media dir; Alycia Paul, media super; Ann-Marie Whitman, acct exec; Steve Thompson, asst acct exec.

MCA HOME VIDEO
Marketing Personnel

Gerry Giaquinto, president
Jerry Hartman, vp-mktg, MCA Home Entertainment

Advertising Agency

Cavalieri & Kleier Advertising, New York —Ian Kleier, vice chmn-mgmt super; John Cavalieri, chmn-creative dir; Paul F. Purcell, acct super; Mark Siegfried, acct exec; Michael Katz, media dir.

MCA RECREATION SERVICES
Marketing Personnel

J.S. Stein, vp-MCA Inc., president-MCA Recreation Services
Gordon Armstrong, exec vp-mktg
Herb Steinberg, vp-corp relations

Advertising Agency

FCB/Entertainment, Los Angeles—Universal Studios Tour, Universal Amphitheatre, Womphoppers Wagon Works Restaurant, Yosemite Park & Curry Co., MCA Concerts—Steve Hayman, senior vp-dir entertainment div; Phyllis Vernick, creative dir; Denise Hitchcock, acct dir; Nancy Johnson, media super.

SPENCER GIFTS
Atlantic City, N.J.
Marketing Personnel

J. Eugene Brog, president
Charles H. Ross, exec vp-genl mgr-retail div
George R. Zilling, vp-mktg, planning, rsch, devel

Mail-Order Operations

George R. Zilling, president
S. Gary Stern, exec vp-merch
Dotti J. Watts, intl mktg admin

Advertising Agencies

(In-house)—Edward Israel, adv dir.

Fairfax Inc., New York—James Fishel, acct exec; Peter Joyce, media dir.

MCA RECORDS & MUSIC GROUP
Marketing Personnel

Irving Azoff, president
Sam Passamano Jr., vp-promo mktg
Larry Solters, vp-artist devel

Advertising Agency

Lankershim Advertising (in-house).

MCA DISTRIBUTING

John Burns, senior vp

RANK 10

McDonald's Corp.

Oak Brook, Ill.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	10,007	8,687	15.2
Net income	389	343	13.4
U.S.			
Sales	2,625	2,389	9.9
Operating profits	683	615	11.0
Advertising	480	312	54.0

McDonald's Corp., Oak Brook, Ill., was the nation's 10th largest advertiser in 1984, increasing domestic advertising and promotion spending 54% to $480.3 million.

The company says 6% of systemwide sales of $10 billion, or $600 million, was spent worldwide on advertising and promotion by the company, its franchisees and affiliates. An estimated 80% of that total was spent in the U.S. While the amount spent on advertising increased from 1983 to 1984, the percentage of systemwide sales allocated to advertising declined to 6% from 6.1% in 1983 and 6.7% in 1982.

A shift in advertising expenditures that skewed spending more heavily to network tv and away from local tv and promotional spending created efficiencies that account for the decrease in ad spending as a percentage of sales.

McDonald's retained its status as the world's largest foodservice company last year as it became the first restaurant company to achieve sales of $10 billion, a 15% increase over 1983. Total number of restaurants open by yearend rose 7% to 8,304.

The company's foreign presence continued to increase. The 1,709 stores outside the U.S. accounted for sales of $1.94 billion, or 21% of the systemwide total, up from 1,527 stores and sales of $1.62 billion (20% of the total) in 1983. In 1984, McDonald's opened its first stores in Andorra, Finland and Taiwan. Thailand, Mexico, Yugoslavia and Venezuela were scheduled to be added this year.

For many years, McDonald's marketing strategy has been built on four main elements: Heavy media advertising to reinforce the chain's "food, folks and fun" message; a limited but flexible menu selectively changed to reflect consumer preferences; steady physical expansion that has meant adding at least 500 stores to the system each year, and community involvement that keeps the McDonald's name visible while returning some of the profits to the local communities.

In 1984, McDonald's made significant changes in all four of those areas.

To begin with, the over-all message of the chain's advertising was changed to "food, food, folks and fun," a more substantial alteration than it might at first appear. McDonald's advertising long has sold the chain's image, atmosphere and a "good feeling"—what the company calls the "McDonald's Experience"—as much as it has hyped hamburgers. While a touch of warm sentimentality still can be found in some commercials, it's sandwiched between more evident product photography and fast-paced, upbeat elements reminiscent of music videos.

Along with that change in style, McDonald's and national agency Leo Burnett USA, Chicago, in June changed the ad theme to "It's a good time for the great taste of McDonald's" from "Together, McDonald's & You." Chain executives endorsed the new theme because its emphasis on "taste" fit the plan to pay more attention in advertising to individual menu items. McDonald's media schedule is built around those products, with each major food item getting several weeks of attention throughout the year.

The new Burnett theme was similar to one experimented with in the Washington and Baltimore markets. Needham Harper Worldwide, local agency for the operators' co-op in those two markets, produced a campaign themed "I've got a taste for McDonald's" that used an offbeat, avant-garde visual style to sell the chain. Speculation that Needham might win back the national McDonald's account on the basis of those spots didn't pan out, and the D.C. campaign was phased out in July, 1984, after a six-month run.

But it did show that McDonald's corporate marketing staff would accept a more modern advertising approach, and that lesson was quickly learned and absorbed by Burnett's creative. The chain's tv commercials have become much more visually contemporary and less sentimental.

The media schedule itself came in for some changes. McDonald's owner/operators voted to increase to 2% from 1.25% of their sales in contribution to the Operators National Advertising Fund, which funds network tv advertising. Concurrently, the system's commitment to local tv advertising and promotional expenditures was reduced.

The results of that shift were evident in 1984. Spending for network tv more than doubled to $162.5 million from $80.9 million. Spot tv expenditures fell 13% to $91.5 million.

The dramatic increase in the network tv budget required an adjustment in buying strategies. McDonald's already was one of the major sponsors of children's programing, so the added funds were channeled into prime-time adult programing, where McDonald's message previously had had only limited presence.

McDonald's has become a significant factor in the upfront prime-time market and has bought time during such programs as "Dynasty," "Dallas" and adult-theme, made-for-tv movies.

A significant portion of that tv budget was spent during the 1984 Summer Olympics. McDonald's was a major sponsor of the games; its operators contributed $4 million to construct the complex used for swimming and diving events. During ABC-TV's telecast of the games, McDonald's spent an estimated $35 million for commercial time.

Additionally, the chain ran a scratch-card promotion during the games called "When the U.S. wins, you win." The boycott by the U.S.S.R. and other Eastern Bloc countries greatly helped the showing by American athletes and increased the number of food-prize winners, a development that McDonald's maintained was surprising but welcome.

The Olympics were not McDonald's only involvement with sports. A controversy erupted at the start of the 1984 baseball season when McDonald's, working with San Diego Padres first baseman Steve Garvey, enlisted at least one player on every major league team to wear a wristband that carried the McDonald's Golden Arches logo and the Ronald McDonald House logo. The wristband was intended to call attention to the 10th anniversary of the Ronald McDonald House charity.

Some critics questioned whether such a program might lead to baseball players wearing endorsement logos on their uniforms as tennis pros and other athletes do on their clothing. An agreement finally was reached that allowed players to wear the wristbands, but without the Golden Arches logo.

McDonald's also expanded its sponsorship of amateur athletics, including swimming, diving, gymnastics and cycling competitions. And it signed Olympic gymnast Mary Lou Retton as a national spokesperson (while its Chicago operators signed Olympic star and NBA rookie-of-the-year Michael Jordan).

While picking up the pace on ad spending, McDonald's also was moving more quickly when it came to new menu items. The chain traditionally has been slow to begin in-store testing of new products and slow to make yes-or-no decisions about those products once testing began. McDonald's claims never to have killed any item that had been introduced nationally, but such items as the McRib and McChicken sandwiches languished in several thousand stores before being pulled.

Lately, McDonald's and its franchisees have become more experimental and more bold in new-product testing, seemingly less afraid to learn that they might be wrong about a product's appeal. Two items, the McCrescent sandwich and Maple McCrisps breakfast nuggets, got the ax after brief regional tryouts. But other test items continued to be evaluated.

Sales of its Quarter Pounder reportedly have been weakening, and McDonald's has tested several new variations for that and other sandwiches. These include the Cheddar Melt, a ⅓-lb. cheeseburger tested in late 1984 in Wisconsin, and a sandwich originally tested in Shreveport, La., and Cleveland as the Lettuce & Tomato Special and redubbed the

When you have a $100,000 home in the suburbs,
you want to protect your investment.

After all, a home is probably the largest investment a person makes in their lifetime. To protect its value, you'd have to know the circumstances that could hurt its worth, and prevent them from happening. You'd have to know about zoning board meetings, tax proposals, proposed school closings, and countless other proceedings. You can't find out about local issues and events from the network news.

If you live in the suburbs, the only place to get the news, issues and information that affect your everyday lives is from Suburban Newspapers.

USSPI makes it simple for you to reach this suburban audience, where nearly 70% of all metropolitan sales are made. USSPI is a nationwide network of over 1000 quality newspapers covering 45 major metro areas, with an audience of 31,000,000 readers.

USSPI papers have won over 500 local and national editorial awards. All are audited, and subscribe to the new SAU standard advertising units, so your ad can run unaltered from coast to coast.

We can give you demographics and CPMs by market. And you can buy as many as you like with just one insertion order. One rate. One invoice. One check. To reach the suburban market, buy what the suburban market reads. USSPI.

USSPI
U.S. Suburban Press, Inc.
The suburbs' source for news

McD.L.T. when the test was expanded. By mid-1985, the sandwich was available in about 1,800 stores and showing potential. The McD.L.T is sold in a special two-compartment container that allows the beef patty to remain warm without wilting the lettuce and tomato (which are in the adjoining compartment).

Other sandwiches tested have included the Lite Mac, a lower-calorie version of the Big Mac; Chicken McSwiss, a cheese-topped version of the McChicken, and regular and bacon double cheeseburgers. McDonald's officials even confided that its test-kitchen staff has developed a McPizza item, although it hasn't yet been tested in a restaurant.

McDonald's also has begun exploring salads, a labor-intensive, low-margin product category from which it has shied despite other chains' rush to add salads and salad bars. McDonald's so far has limited itself to pre-prepared salads rather than salad bars, but has been testing some innovative versions. In several urban markets, the chain has been evaluating tossed salad, chef salad, shrimp salad and pasta salad. Ad support has been limited to in-store materials because the salads have been tested only in selected (primarily center-city) stores within the test markets.

The chain's most daring new-product test has been breakfast biscuits prepared from scratch and baked fresh within the test stores. Requiring additional equipment and extensive staff training, the biscuit test (ongoing in several major markets) will tell McDonald's how feasible on-site food preparation can be for its tightly regulated system. If it proves viable, biscuits could be only the first of several subsequent menu items—such as pizza—that could be evaluated.

The third element in McDonald's marketing strategy is physical expansion. The decision to patronize a fast-food restaurant often is made on the road, so the first chain a customer encounters likely will get the business. Continually increasing the number of stores continually increases the odds in McDonald's favor.

Every year it exceeds its annual goal of adding 500 stores to its system (526 opened in 1984) and every year critics ask how it can possibly repeat the feat the next year. The good sites have all been taken, the critics say, adding that the fast-food market is saturated. McDonald's founder and past chairman Ray Kroc, who died in January, 1984, once replied to that criticism with the observation that "saturation is for sponges," and the chain continues to add restaurants at the rate of nearly three every two days.

The growth strategy has not changed, but the kind of sites McDonald's is looking for has altered as the number of streetcorner plots diminishes. McDonald's and rivals Burger King and Wendy's are looking to add stores wherever large numbers of potential customers congregate. As a result, McDonald's has opened restaurants in office buildings, zoos, train stations, hospitals and schools. In 1985, it opened a store in Chicago's Field Museum of Natural History and 10 stores on the Connecticut Turnpike.

In August, 1984, the chain was awarded a contract with the U.S. Navy that could put McDonald's units on as many as 300 naval bases around the world.

Similarly, it has become flexible and imaginative in the design for its free-standing units. In some small sites it has opened limited-menu "McSnack" stores. Where major off-highway sites are available, it is opening "McStop" complexes that include gasoline stations and convenience stores as well as large McDonald's units.

McDonald's reached two milestones in 1984. On Oct. 12 in Duluth, Ga., it opened its 8,000th store. That unit includes a number of technological innovations—including a laser-disc point-of-purchase advertising system—that will be used in selected future stores.

On Nov. 20, the 50 billionth hamburger was served in New York, almost 30 years after the chain began. The second 50 billion is expected to go much faster: Burger 100 billion is projected to slide off the grill May 13, 1993.

One major change in the chain's marketing staff was the addition in October, 1984, of Peter Nelson as senior vp-marketing. Mr. Nelson previously had been president-chief operating officer of Needham Harper Worldwide, an agency he had been with for 28 years.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	672	249
Network cable	82	240
Spot tv	91,454	105,025
Network tv	162,462	80,931
Spot radio	3,827	2,077
Network radio	0	781
Outdoor	5,129	4,295
Total measured	263,626	193,597
Total unmeasured	216,374	118,021
Estimated total	480,000	311,618

MCDONALD'S CORP.
One McDonald Plaza
Oak Brook, Ill. 60521
(312) 887-3200

Marketing Personnel

Paul D. Schrage, senior exec vp-chief mktg officer
Peter A. Nelson, senior vp-mktg
Roy T. Bergold Jr., vp-adv
Richard G. Starmann, vp-communications
Thomas A. Gruber, vp-intl mktg
Ronald W. Miessler, vp-communications services
David B. Green, vp-natl mktg
Emil Terri, asst vp-mktg & media services
Chuck Ebeling, dir-corp communications
Dean Barrett, John Davis, dirs-field mktg
Laurie Grace, dir-media
Sandy Silver, dir-natl mktg
David Dandurand, dir-sports mktg
Linda Kravitz, dir-youth mktg
Thomas Kettle, dir-consumer mktg
Jim Rand, dir-mktg services
Don Lorr, dir-mktg rsch
Mike Gordon, dir-pr
Robert Keyser, dir-media relations

Advertising Agencies

Leo Burnett USA, Chicago—John Miller, senior vp-client service dir; Mike Allen, vp-acct dir; Linda Wolf, vp-acct super, youth; Barry Krause, acct super, adults; Pam Tournier, acct super, new prod; Don Cummings, vp-acct super, field mktg; Tom Roth, acct super, field mktg.

Burrell Advertising, Chicago—Black consumer mktg—Ron Williams, vp-acct dir.

Conill Advertising, New York—Hispanic consumer mktg—Charles Magee, vp-acct super; Martha Castro, acct super.

Frankel & Co., Chicago—sales promo—Jim Mack, acct dir; Bob Schneider, group super, youth mktg; Rick Bollinger, group super, adult mktg; Poger Lipker, group super, new prod.

Golin/Harris Communications, Chicago—pr—Henry Lienau, acct coord.

Simon Marketing, Los Angeles—sales promo consultant—Allan I. Brown, chmn; Eric S. Stanton, co-chmn; Edwin D. Rickerson, president; Jerry D. Beckman, exec vp.

REACH
those who buy "a vivacious guide to the
garde clubs, artists and designers."
—Newsweek
DETAILS
MAGAZINE

RANK
42

Mobil Corp.

New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	60,474	58,998	2.5
Net income	1,268	1,503	-15.6
U.S.			
Sales	25,574	23,499	8.8
Operating profits	902	874	3.2
Advertising	173	160	7.8
Division sales			
U.S. petro.	15,223	14,302	6.4
Foreign petro.	35,041	35,660	-1.7
Chemical	2,763	2,420	14.2
Paperboard pkg.	2,036	1,779	14.5
Retail merch.	7,138	6,646	7.4

Mobil Corp., New York, the nation's third largest corporation and second largest oil company, was the 42nd largest national advertiser in 1984 when it increased estimated ad spending 7.8% from a restated $160 million to $172.5 million, most of that going to Montgomery Ward & Co., which Mobil intends to sell.

Despite a continuing energy glut, worldwide sales at Mobil increased 2.5% in 1984 to $60.48 billion. Earnings, meanwhile, fell to $1.27 billion, a drop of 15.6%.

The company has stated it is "taking advantage of the present business climate to prepare ourselves for a better market in the future." One obvious attempt at doing so was the $5.7 billion acquisition of Superior Oil Co., a move that substantially increased Mobil's North American production capacity and reserves, both of which have been named as major corporate goals.

Petroleum operations, both foreign and domestic, was the only segment of the company's four that turned in negative results. Other operating segments are chemical, paperboard packaging and retail merchandising.

Mobil's single biggest ad expenditure was for subsidiary Montgomery Ward, the nation's sixth largest retailer, which operates 322 conventional retail stores, 2,099 catalog facilities, 44 Jefferson Ward upscale discount stores and 38 liquidation centers.

In 1984, Montgomery Ward posted its second consecutive profitable year, with earnings of $53 million on net sales of $6.5 billion. Those figures represented increases of 33% and 8%, respectively.

Montgomery Ward's total measured ad budget for 1984 was $11.1 million, up about 15% from 1983, according to six media figures of Leading National Advertisers. Virtually all ad spending for Ward went into spot tv buys; none went to network tv.

Montgomery Ward's discount retail chain, Jefferson Ward, had measured media spending of $1.4 million after getting almost none in 1983. Again, nearly all Jefferson Ward spending went to spot tv. Newspaper inserts, direct mail and catalog production are among unmeasured media that drive up the retailer's ad budget.

Mobil chairman Rawleigh Warner Jr. announced earlier this year the company's intention to spin off or sell the Montgomery Ward & Co. unit.

That announcement came six months after Ward ceo Stephen Pistner bailed out to become chairman of McCrory Corp., the retail subsidiary of Rapid-American Corp., New York. Bernard Brennan, brother of Sears president Edward Brennan, returned to Montgomery Ward in June to replace Mr. Pistner. Mr. Brennan had been exec vp of Montgomery Ward before leaving to head Household Merchandising, a subsidiary of Household International.

Mr. Brennan returned to Ward in the midst of an austerity and improvement program that may lead to the closing of as many as 100 department stores within two years. Meanwhile, the retailer continued testing a new merchandising strategy that it calls "the seven worlds of Wards." The plan calls for creation of specialized "stores-within-a-store" in seven merchandise areas: Apparel, automotive, home electronics, home furnishings, appliances, recreation and leisure.

In 1984, Ward tested automotive and home electronics units in Las Vegas; home electronics and home furnishings in Colorado Springs, Colo., and Lombard, Ill.; automotive in Phoenix, Ariz., and appliances in Albuquerque, N.M. On Aug. 15, 1985, the company opened its first full-scale prototype store in Annapolis, Md. It planned to open two others later this year, one in Lombard, Ill., and the other in Torrance, Cal.

The company, founded by one of the pioneers of direct merchandising, announced in early August it would abandon its catalog operations at yearend to concentrate on retailing. The move came as a surprise because Ward had begun revamping its catalog operations to focus on specialty catalogs aimed at specific customer groups.

Measured media ad spending for Mobil Chemical Corp.'s Hefty plastic trash bags was slightly more than $12 million, an increase of more than 30% over 1983. In October, Mobil introduced nationally Hefty Cinch Sak trash bags, which sport a yellow drawstring that makes them easy to open, close and lift. Advertising for Cinch Sak was created by Ted Bates Advertising/New York, but the account was awarded to Wells, Rich, Greene, New York, in September. Bates refused to participate in an agency review for the Hefty and Baggies plastic bags accounts, both won by WRG.

Baggies freezer bags were backed with about $3.3 million in measured media support in 1984, split almost evenly between network and spot tv. Mobil spent only about $670,000 in measured media on Baggies food storage bags.

Mobil oil and gas product advertising attracted sizable ad outlays, including about $5 million in measured spending for gas and about $4 million for Mobil 1 motor oil. Advertising for both was concentrated in spot tv buys. Doyle Dane Bernbach, New York, handles the account.

In August, 1984, Mobil was forced to revise ads for Mobil 1 after the National Advertising Division of the Better Business Bureaus found that a superiority claim the company made came up short. In response, Mobil removed the claim, "The best engine protection for your car," from its ads.

The 1984 acquisition of more than 100 service stations in Florida, Texas and Arizona furthered the company's marketing strategy of concentrating in areas of most potential. The company also moved ahead with a worldwide program to construct new stations and refurbish existing ones. Many full-service stations are being transformed into self-service stations combined with "Snack Shop" convenience stores.

Measured spending for Mobil's corporate advertising campaign, also via DDB, held steady at about $4 million. The company in December announced it had "adopted a policy of not having anything to do with" the *Wall Street Journal*, and no longer advertise in or provide information about corporate developments to the *Journal*.

The company said the decision came about "after five years of problems" with the paper, but it apparently was touched off by a Nov. 16 article that described Mobil's plan to build an office tower in Chicago in conjunction with a real estate company that employed a relative of Mr. Warner.

The ad boycott, estimated to cost the *Journal* about $500,000 a year, seemed odd because of the type of corporate advertising Mobil runs: Op-ed messages from Mobil management to the general public, often attacking what it apparently perceives as a liberal bias within the media.

William P. Tavoulareas retired in November after 16 years as Mobil's president-chief operating officer. Allen E. Murray succeeded Mr. Tavoulareas, who will remain with the company as a member of its board of directors. Mr. Murray is expected to become chairman-ceo of Mobil upon Mr. Warner's expected retirement in February, 1986.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,757	7,045
Magazines	3,799	3,924
Network cable	1,616	1,299
Spot tv	26,377	20,825
Network tv	11,321	7,170
Spot radio	1,188	2,433
Outdoor	44	53
Farm pubs	932	823
Total measured	52,034	43,571
Total unmeasured	120,466	116,429
Estimated total	172,500	160,000

MOBIL CORP.
150 E. 42nd St.
New York, N.Y. 10017
(212) 883-4242

Corporate Public Affairs Personnel

H. Schmertz, vp
J.B. Merrell, genl mgr

Marketing Personnel
Marketing & Refining Division

R.L. Abbott, vp, genl mgr-mktg
H. Hokamp, genl mgr-resale mktg
R.J. McCool, genl mgr-commercial mktg
K.C. Esty, genl mgr-mktg services
A.G. Spiess, adv mgr

Advertising Agency

Doyle Dane Bernbach, New York—Mobil consumer & public affairs adv—Larry Iannuzzelli, exec vp; W.F. Mattes, senior vp-mgmt super; Anne Oliver, vp-acct super; Les Allison, acct super; Donna Aird, acct exec.

MOBIL CHEMICAL
Marketing Personnel
Plastics Division
Consumer Products Department

P. Luchsinger, vp-mktg & sales
M.L. Sweeney, mgr-mktg services
A. Ferrari, bus mgr-bags
R Cauffman, bus mgr-disposables

Advertising Agency

Wells, Rich, Greene, New York—consumer prod, Hefty bags, Hefty disposable prod, Baggies—Ronald Sherman, president; Bob Moehl, acct group head; Joanne Davis, mgmt super; Brian Craig, acct super.

Packaging Department

R. Sax, mgr-graphics communications
L. Boudens, mkt devel mgr-industrial films
G. Auth, prod mgr-food prod
D. Galbraith, prod mgr-institutional prod

Advertising Agency

Gordon Bailey Associates, Stone Mountain, Ga.—institutional prod—Joe Skillen, acct exec. Industrial films—Ron Strauss, acct exec.

FILMS DIVISION
Design Products Department

E. Simpson, prod mgr

Advertising Agency

Conklin Labs & BeBee, Syracuse, N.Y.—Films division design prod—Thomas Colligen, president.

Commerical Films Department

J. Murphy, prod mgr

Advertising Agency

Hutchins/Young & Rubicam, Rochester, N.Y.—commercial films dept—Larry Smith, acct exec.

MONTGOMERY WARD & CO.
Marketing Personnel

D. Snell, vp-adv & sales promo
C.P. Brewster, media dir

Advertising Agency

Media Bureau International, Chicago—

Richard Pickett, president; Norma Wren, vp.

CONTAINER CORP.
OF AMERICA
Marketing Personnel

L. Ruhmann, vp-design & mktg
R. Best, mgr-corp mktg communications

Advertising Agency

CPM Inc., Chicago—Norman Goldring, president.

Philip Morris Inc.

RANK 6

New York

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	13,814	12,976	6.5
Net income	889	904	-1.7
U.S.			
Sales	10,034	9,303	7.9
Operating profits	2,150	1,804	19.1
Advertising	570	530	7.7
Division sales			
Tobacco	9,802	9,096	7.8
Beer	2,940	2,936	0.2
Other	1,072	946	13.4

Despite limited success in its cigaret business, 1984 was not particularly hospitable to Philip Morris Co. The nation's 6th largest advertiser faced a year of advertising and marketing shakeups, continuing government and societal pressure, and off-years in its beverage subsidiaries.

New York-based Philip Morris had total U.S. advertising of an estimated $570.4 million in 1984, up 7.7% from 1983. The company reported worldwide revenues of $13.8 billion, up 6.5% from 1983, and net earnings of $888.5 million, down 1.7%. U.S. sales accounted for $10 billion of PM's total revenues.

Philip Morris' business is organized into five operating groups: Philip Morris USA, Philip Morris International, Miller Brewing Co., Seven-Up Co. and Southern California's Mission Viejo Realty Group.

After a sharp decrease in earnings for the fourth quarter of 1984—due to a write-down on Miller Brewing's unused Trenton, O., plant—the cigaret and beverage giant reported earnings increases of 25% each in the first and second quarters of 1985.

In addition, the first-half 1985 cigaret statistics compiled by John Maxwell of Laidlaw Ansbacher show Marlboro brand increasing its No. 1 market share to 22.3% in a declining market.

Despite these successes, barrel shipments of the company's Miller subsidiary and revenues for Seven-Up Co. both were down in 1985's second quarter, reflecting continuing problems in reaching profitability in these two acquisitions of the 1970s.

Of PM's $13.8 billion in revenues, Philip Morris USA, the company's domestic tobacco-products division, contributed 44.5%, or $6.1 billion.

Although its lead decreased slightly, PM remained ahead of R.J. Reynolds Industries as the nation's largest cigaret marketer.

PM, which grabbed the No. 1 position from RJR in 1983, commanded a total market share of 34.5% in 1984, compared with 32% for RJR. PM chalked up a 34.4% share in 1983 vs. RJR's 31.5%.

PM USA upped its measured-media spending, according to Leading National Advertisers, which assembles six major media totals, to $209 million in 1984, up about 12%, in support of a product list that includes three of the nation's top 10 cigaret brands. The division also contributed 75% of PM's 1984 operating profit.

Sources within the tobacco industry say PM's Marlboro brand contributes 60% of that profit.

According to analyst Mr. Maxwell, this world's best-selling cigaret increased its U.S. market share to 21.1% in 1984, up 1%—a remarkable accomplishment in an industry where 0.5% share is considered a success.

Marlboro 25s were rolled out across the nation Jan. 1, 1985. Analysts say PM's strategy with the larger packs—available at the same per-cigaret price as conventional 20-unit packs (25s means 25 cigarets)—is to increase consumption and thus market share in the essentially stagnant cigaret industry. LNA measured-media spending on Marlboro dipped 7.1%, to $55.3 million in 1984.

Reportedly disappointed with the performance of Players, its upscale but popularly priced brand, PM introduced a line extension, Players Lights 25s, into test June 1, 1985. Simultaneously, the company moved Dunhill, another low-tar premium brand targeted at an upscale audience, into test. Two PM agencies, Leo Burnett USA and Wells, Rich, Greene, are handling the test campaigns for Players Lights and Dunhill, respectively.

After 1983, its big introductory year, when LNA measured ad spending totaled $41.5 million, Players' ad support predictably leveled off at $17.4 million, as PM directed ad dollars to support sagging brands.

Merit, the nation's No. 7 brand, received a 42.4% boost in LNA-reported ad dollars, to $45.4 million, partly in support of the November rollout of low-tar Merit in boxes. The brand's market share dropped from 4.4% to 4.1% in 1984 and remained there for the first six months of 1985.

Benson & Hedges also received renewed ad support, as LNA measured-media spending rose 11.2%, to $37.1 million. The No. 5 cigaret watched market share slip to 4.8% in 1984 and to 4.7% most recently, from 1983's 5%.

In 1984, PM withdrew Cambridge, Saratoga and Raffles from test market, as well as its Virginia Slims line extension, Ovals 100s, pulled after a five-month test. Presumably PM is scuttling the brands. Total ad spending for the Virginia Slims brand decreased slightly, to $26.5 million, in 1984, according to LNA.

After considerable talk about working on new creative approaches with Doyle Dane Bernbach, New York, PM shifted the creative work on its Parliament brand to the longtime Miller agency, Backer & Spielvogel, New York. Parliament, which had dropped to a 1% market share by 1984, received no measured ad spending last year.

Although PM as yet has no entry in the cigaret industry's fastest-growing segment, low-priced generics, the company has left the door open for that possible expansion.

Philip Morris International, which coordinates overseas sales of both PM tobacco products and soft drinks, achieved revenues of $3.74 billion, up 2.5%, and operating profits of $420.9 million, up 15%.

Milwaukee-based Miller Brewing, still struggling to right the slipping market share of its flagship High Life brand, reported 1984 revenues up 0.2% to $2.94 billion—representing 21.2% of PM's business. Operating profits were $116.2 million, down 48.9%.

The decline in operating profits primarily was the result of writing down the assets of Miller's newly completed Trenton, O., brewery to net value levels. The new facility remains fallow because of general market declines in beer sales, including sales of Miller High Life, and improved productivity in other Miller breweries.

According to Beverage Industry statistics, Miller's total shipments rose slightly in 1984, from 37.4 million bbls. to 37.9 million bbls. That increase, however, was primarily because of the introduction of two popular-priced brands, Meister Brau and Milwaukee's Best; High Life shipments fell 15%, to 14.5 million bbls. in 1984, while Lite shipments remained virtually unchanged.

Miller held even with an over-all U.S. market share of 21% of total industry shipments in 1984, as estimated by R.S. Weinberg & Associates, St. Louis. That placed Miller second behind giant Anheuser-Busch (which increased its share to 36% from 1983's 33.6%) and far ahead of No. 3 Stroh

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THE NASHVILLE NETWORK
AMERICA'S COUNTRY HOME

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*RAY CHARLES WITH WILLIE NELSON ON "THE WILLIE NELSON SPECIAL"

Brewery, at 13.4%. Miller's industry market share peaked in 1981, at 22.5%; A-B has increased steadily its over-all share of shipments.

Miller is trying to boost sagging market share, shipments and profits with continuing attempts to revitalize High Life and by expanding its product line. That latter helps satisfy volume requirements of distributors and retains shelf and cooler space in retail outlets.

Although everything from the U.S. economy and the product formula to Lite's cannibalizing influence has been tossed out as a reason for High Life's decline, sources say PM blames poor advertising and market positioning for at least part of the brand's six-year sales slide.

Accordingly, on Nov. 12, advertising for the nation's No. 3 beer brand was shifted to J. Walter Thompson USA, New York, from Backer & Spielvogel after a drawn-out, 11-month review. During the process, several key members of the High Life brand-management team resigned from Miller.

LNA measured-media spending in six media for High Life increased 11%, to $57.2 million, over 1983. Although creative responsibility for High Life has moved to JWT, media buying for all Miller brands remains in the hands of Backer & Spielvogel, New York, which had control of the High Life account since 1979.

Other agencies participating in the High Life review received assignments from Miller. PM favorite Leo Burnett USA, Chicago, was handed Sharp's LA low-alcohol product, while Chiat/Day, New York, took the new Plank Road premium brand, which moved into test in October, 1984. Six-media spending for Plank Road totaled $421,000 in 1984; Sharp's received $798,000.

JWT received an early thanks for its "Made the American Way" High Life work when its Chicago office was awarded Miller's Lowenbrau account in July. Ad spending for the superpremium beer, suffering from competition with A-B's Michelob brands, declined 10.5% in 1984, to $18.6 million. *Beverage Industry* reports Lowenbrau production fell 20% in 1984, as the brand's shipments declined to 1.2 million bbls.

Despite losing High Life and Lowenbrau, however, Backer & Spielvogel retained Miller's largest account, Lite. LNA measured-media spending for the nation's No. 2 beer rose 33%, to $67 million, in 1984; shipments stayed even at 18 million bbls. Although industry insiders have reported some grumbling between client and agency about the freshness of Lite's longtime celebrity sports stars campaign, B&S continues to produce the "less filling-tastes great" ads.

Lite has retained nearly 50% of the market, depite the influx of brewers into the light beer category. A-B's Bud Light, however, came on strong with nearly a 10% increase in shipments in 1984. *Beverage Industry* editor Gary Hemphill predicts the brand's 1985 numbers will look even stronger.

B&S also retained creative control over Meister Brau, Miller's October, 1983, entry into the popular-priced beer category—a segment growing much faster than anyone had expected. Meister Brau, acquired by Miller in the 1970s under PM, was reintroduced and positioned as a lower-priced alternative to A-B's Budweiser. Meister Brau received $21.3 million in LNA measured-media support during 1984; spending for Milwaukee's Best, another popular-priced beer introduced in spring, 1984, hit $4 million. Shipments for each totaled 2 million bbls. in 1984.

Although pulling Miller Special Reserve superpremium beer from the market in 1984, the brewer recently put yet another new beer, Miller High Life Genuine Draft, into test in the Midwest.

Despite this boom in new products, Miller keeps its new but never-used Trenton, O., facility vacant; industry analysts estimate that Miller's 1984 production was 15% below the capacity of its half-dozen plants. The brewer also reduced its work force in September, 1984.

Like Miller, thus far in 1985, advertising battles have made the biggest news for PM's Seven-Up Co. subsidiary, as seven-year agency N W Ayer was fired in July. Longtime PM agency, Leo Burnett, will take over the estimated $60 million account in October, 1985.

Seven-Up posted a 2% sales increase in 1984, as case shipments rose to 479.5 million. That growth, however, lagged far behind the total industry's 6.1% increase.

LNA measured-media spending for flagship 7UP brand rose to $22.8 million in 1984, up about 8.8%—similar to 1983's increase. Sales for brand 7UP increased slightly in 1984, to 355.5 million cases, representing 5.2% of the total U.S. soft drink market.

Diet 7UP had a banner year, posting an 11.6% increase in shipments and claiming a 1.4% market share. LNA figures for Diet 7UP show 1984 spending at nearly $12 million, up a slight 0.9% from 1983.

Although 7UP and Diet 7UP together still hold 51.7% of the lemon-lime soft drink market, according to *Beverage Industry*, the company faces a tough challenge from Coca-Cola USA's renewed focus on Sprite and diet Sprite. The latter two brands received $30.7 million in LNA measured-media spending in 1984, up more than 18% from 1983. Spending was especially heavy for diet Sprite, which received $7.5 million, up nearly 60%.

Apparently, the bet has paid off for Coca-Cola; combined sales of Sprite and diet Sprite rose to 301.5 million cases in 1984, representing 34.6% of the lemon-lime market. That's a 24.6% increase in case sales over 1983, leaving Seven-Up's 3.1% total sales increase in the dust.

In addition, PepsiCo has rolled its with-juice Slice product into major markets. Although numbers are scarce, Mr. Hemphill says Slice is doing very well in preliminary reports.

Despite these signals that the nation's two largest soft-drink companies may be invading Seven-Up's territory with a vengeance, the No. 3 producer in 1984 reported its first profitable year since 1979 (the year after it was acquired by PM). The subsidiary reported revenues of $734 million in 1984, up 12.9% from 1983, and operating income of $5.3 million, up from a loss in 1983 of $10.8 million.

Burnett had been handling Seven-Up's new products and international accounts since 1983, and was awarded from Ayer the domestic account after a reported client-agency dispute over the resurrection of the company's "Uncola" theme. Created in 1968 by then-Seven-Up agency JWT, the theme returned in spring's "Un's the One" ads, which replaced Ayer's previous no-caffeine emphasis.

Both of Seven-Up's low-calorie drinks, Diet 7UP and Sugar Free Like cola, were reintroduced with a 100% NutraSweet formulation during 1984. In addition, Like and Sugar Free Like, introduced in 1982, were reformulated recently. Typical of Seven-Up's problems, the new products were introduced almost simultaneously with Coca-Cola's flashy debut of its new Coke.

Like cola, Mr. Hemphill says, has three basic problems stymieing growth. First, he says, the no-caffeine market is not as strong as many bottlers hoped. On top of that, most of the consumers interested in a caffeine-free drink also want that product to be sugar-free (which may account, he says, for Sugar-Free Like's 1984 sales increase of 19% in the face of regular Like's 16.7% decline). Finally, the lack of available bottlers has knocked Like out of several markets; most bottle either rival Coke or Pepsi.

Reflecting those problems and the reformulation, LNA measured-media spending for Like and Sugar Free Like was cut in half during 1984, dropping to $5.8 million.

Seven-Up also consolidated its food products companies into two divisions, the freeze dried division and the citrus products division. The California-based citrus products division has rolled Juice Up frozen concentrated lemonade and lemon-limeade—branded with the 7UP logo—into markets nationwide.

PM sold its Philip Morris Industrial division in two separate transactions in early 1985, commenting that the paper-products businesses did not fit into the company's longterm strategies.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	69,023	65,272
Magazines	140,070	140,367
Network cable	1,642	2,182
Spot tv	46,589	50,462
Network tv	161,716	128,266
Spot radio	26,445	22,483
Outdoor	54,951	55,211
Total measured	500,435	464,241
Total unmeasured	70,000	65,453
Estimated total	570,435	529,694

PHILIP MORRIS CO.
120 Park Ave.
New York, N.Y. 10017
(212) 880-5000

PHILIP MORRIS USA

Marketing Personnel

William I. Campbell, exec vp-mktg
James L. Thompson, vp-media
Vincent J. Buccellato, vp-sales
John J. Gillis, vp-natl accts
Edwin J. McQuigg, dir-sales services
Thomas R. Keim, dir-mktg communications
Robert P. Roper, Ellen Merlo, group dirs-brand mgmt
James Spector, dir-new brand mgmt
Jon N. Zoler, dir-mktg rsch
William K. Cutler, dir-merch materials
Claude A. Beck, dir-media
Vincent J. Weiner, dir-special media
Richard L. Stirlen, brand mgr-Merit
H.H. Foster, brand mgr-Benson & Hedges
Cathy L. Leiber, brand mgr-Virginia Slims
Duane T. Watts, brand mgr-Players, Parliament, Saratoga
Susan H. Alter, mgr-new brand devel
James A. Scully Jr., mgr-brand programs, Marlboro
Celestia B. Kohl, mgr-brand programs, Virginia Slims

Advertising Agencies

Backer & Spielvogel, New York—Parliament—Chuck Nemetz, vp-acct dir; Carol Turrentine, acct super.

Leo Burnett USA, Chicago—Marlboro, Merit, Virginia Slims, new prod—Jim Oates, acct dir, Marlboro; Peter Volz, acct dir, Virginia Slims, Merit, new prod.

Wells, Rich, Greene, New York—Benson & Hedges, Players—Jayne Eastman, senior vp-acct group head; Frank Mangin, mgmt super; Arnold Weinrib, senior vp-acct mgmt; John Chandler, acct exec, new prod; Harry Kannar, acct exec, Players; Julie Tracy, acct exec, Benson & Hedges; Peter Dolgin, junior acct exec, Benson & Hedges; Irene Cyprus, junior acct exec, new prod.

PHILIP MORRIS INTERNATIONAL
New York, N.Y.

Marketing Personnel

Elizabeth Butson, vp-mktg services, PMI
Dominick Mazzitelli, dir-mktg services, Seven-Up Intl
Franklin Caton, mgr-mktg support services, PMI
Alice Liu, mgr-consumer rsch
Inga Vought, adv coord, PMI

Advertising Agency

Leo Burnett USA, Chicago—Jim Oates, acct dir.

MILLER BREWING CO.
Milwaukee, Wis.

Marketing Personnel

Bob Toledo, vp-brand mgmt
Leonard J. Goldstein, vp-sales
Thomas B. Shropshire, senior vp-mkt planning, asst to the president, treasurer
Jerome F. Schmutte, group prod dir, Miller High Life
Jay R. Neidenberg, group prod dir, Lite, Meister Brau, Lowenbrau, Milwaukee's Best, Magnum
William H. Barrett, dir-mktg services
Tamara J. Hauck, brand mgr, Lowenbrau
Michael J. Boykin, brand mgr, Meister Brau, Milwaukee's Best, Magnum
Thomas M. Greak, new prod brand mgr

Advertising Agencies

Backer & Spielvogel, New York—Lite, Meister Brau, Milwaukee's Best, new prod—Jeffrey Palmer, senior vp-group mgmt rep; Constantine Scaros, senior vp-mgmt super, new prod; Howard K. Sherman, vp-acct dir; Frank Assuma, vp-mgmt ser; Michael R. Russell, acct super; Roberto Calderin, acct super-Hispanic; Carolyn Curtis, J. Russell Isaac, Thomas J. Mendl, acct execs; William C. Renwick, asst acct exec.

Leo Burnett USA, Chicago—Sharp's LA—John Kovos, acct dir; Bob Heller, acct super; Mark Zimmerman, acct exec.

Chiat/Day, New York—Plank Road—Tom Carroll, mgmt super; Steve Mitgang, acct exec; Lauren Press, acct planner.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Hispanic adv, Miller High Life, Miller Life, Lowenbrau—Eduardo Del Rivero, vp-client services, acct super.

Mingo Jones Advertising, New York—genl & black mktg, Miller High Life, Lite Beer. Miller High Life—Sam Chisholm, senior vp-dir client services; Jon Williams, vp-mgmt super; Bill McGugins, acct super. Lite—Sam Chisholm, senior vp-dir client services; Roland Chandler, mgmt super.

J. Walter Thompson USA, Chicago—Lowenbrau—William Howard, senior vp-acct dir.

J. Walter Thompson USA, New York—High Life—Steven Bowen, genl mgr, exec vp; Jim Heekin, senior vp-mgmt dir; Marty Susz, vp-senior acct super; Andrew Rider, vp-acct super; Ander Wensberg, acct exec.

SEVEN-UP CO.
St. Louis, Mo.

Marketing Personnel

Edward W. Frantel, president
Charles W. Schmid, exec vp
David Haffner, vp-brand mgmt
Anthony J. Rebello, dir-foodservice prod
Ralph L. Countryman Jr., vp-media services
David L. Smith, vp-creative services
Brian H. Schuyler, dir-brand planning

Advertising Agency

Leo Burnett USA, Chicago—7UP, Diet 7UP, Like—John Kozas, acct dir.

OREGON FREEZE DRIED FOODS

Marketing Personnel

Ellis M. Byer, chmn of the board
Herbert Aschkenasy, president
William Impey, dir-mktg & sales

Advertising Agency

Evans/Portland, Portland, Ore.—freeze dried foods, Mountain House—Jim Clune, acct super.

MISSION VIEJO CO.
Mission Viejo, Cal.

Marketing Personnel

Philip J. Reilly, president
James G. Gilleran, exec vp
Jack G. Raub, James G. Toepfer, exec vps

Advertising Agency

William Green Associates, Costa Mesa, Cal.—Bill Green, president; Pauline Johnson, Dave Martin, acct execs.

RANK 21

Nabisco Brands

Parsippany, N.J.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	6,253	5,985	4.5
Net income	309	323	-4.2
U.S.			
Sales	3,950	3,622	9.1
Operating profits	451	475	-5.1
Advertising	335	250	33.8
Division sales			
Biscuit prods.	1,799	1,549	16.1
Confectionary	1,110	1,053	5.4
Grocery prods.	1,041	1,020	2.1

Nabisco Brands, which merged with R.J. Reynolds Industries in June, 1985, during 1984 ranked 21st among the nation's leading advertisers with an estimated $335 million in spending on U.S. advertising and promotion, compared with a restated $250.3 million in 1983, or an increase of 33.8%.

The Parsippany, N.J., company, which beefed up its ad and promotional spending worldwide by 30% to $478.5 million, plowed a major chunk of its domestic budget into Almost Home cookies, which is battling in the dynamic soft cookie market against such competitors as Frito-Lay, Keebler and Procter & Gamble.

The extraordinary marketing expenses had an impact on the company's 1984 earnings. Over-all earnings were $308.9 million, down 4.2%, on sales of $6.25 billion, up 4.5%. Nabisco Brands USA, the company's domestic operation, contributed sales of $3.95 billion, a 9.1% increase over the previous year, although operating income declined 5% to $451 million.

The segment of Nabisco's domestic business that attracted the most attention in 1984 was the biscuit division, home of cookie products, Oreo, Chips Ahoy! and Almost Home, as well as Ritz premium crackers.

Sales of $1.8 billion were recorded for that division in 1984, a 16.1% increase over the previous year. Operating income was $177 million, down 15.3%. The division received an aggregate $47.4 million of measured advertising, up 53.9% from 1983. Nabisco's cookies got $27.9 million of the division spending.

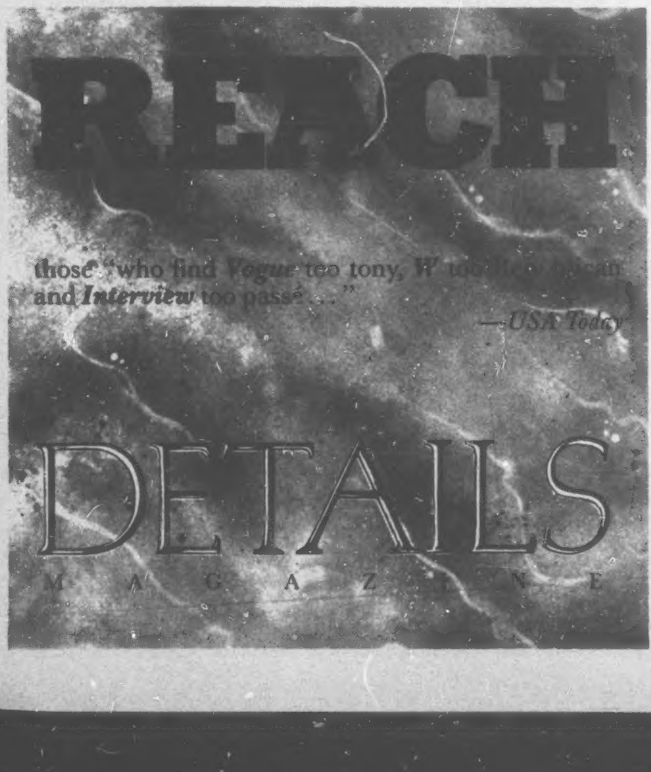
The Oreo chocolate sandwich cookie is the world's best-selling package cookie, but even Oreo could not do to the $4.2 billion cookie market what the introduction of the moist and chewy brands did when they were introduced in 1982.

Even though many of the line extensions were not in national distribution through all of 1984, the package cookie segment grew by 24% over-all, thanks to Procter & Gamble's Duncan Hines chocolate chip cookies, Frito-Lay's GrandMa's Rich 'n Chewy cookies, Keebler's Soft Batch and Nabisco's Almost Home. The volume increase was more than double the 9% increase registered by the total industry.

Nabisco entered the cookie wars in August, 1983, when it introduced its 15-item line to 10% of the country.

Called the "king of cookies" by analyst Stanley H. Fishman of Fahnestock & Co., Nabisco introduced its Almost Home line to protect its market-leading position. Not only did Nabisco maintain market share, but with the Almost Home line contributing annual sales approaching $250 million for the first year, the company's market share increased to almost 40%.

Nabisco's biscuit division in 1984 introduced into test a blueberry flavor addition to the Newton cookie line, which also includes apple and fig. The Chips Ahoy! line also was extended, and through a licensing agreement with Popsicle Industries, Oreo Cookies 'n Cream ice cream made its debut.


REACH
those "who find Vogue too tony, W too
and Interview too passé . . ."
—USA Today
DETAILS
MAGAZINE

Nabisco's Ritz crackers, supported by $4.7 million of measured advertising, completed 50 years on store shelves and maintained market leadership with a volume gain of 3%. A new snack cracker, Herbs & Spice Twigs, was introduced early in the year, and low-salt varieties of Triscuit Wafers and Wheat Thins made their debuts during the year. The introductions received nearly $3 million in measured advertising.

The snack cracker lines were given a heavy boost in the early stages of 1985. Advertising and trade support for Wheat Thins, Better Cheddars, Great Crisps! and Triscuits focused on health and nutrition plus convenience, and included network tv and free-standing inserts in Sunday newspapers.

Nabisco extended its Mr. Salty snack food line, adding seven new products for a total of 10. Mr. Salty is the country's top-selling pretzel. The new products were introduced with a campaign that included newspaper inserts and was supported by an additional $7[illegible]0,000 of measured advertising.

Nabisco's confectionery and snack products segments had sales of $1.11 billion in 1984, up 5.4%, and operating income of $134 million, up 5.5%. Both represented gains over the previous year. Life Savers and Breath Savers sugarless candy, both market leaders gained in market share—Life Savers to 87% of the hard-rolled candy market. In the mint-flavored market, Life Savers took 13% of market and Breath Savers 12%, a combined total close to market leader Warner-Lambert's Certs at 29%. The products were backed by heavy media advertising, $7.8 million for Life Savers and $4.5 million for Breath Savers, all in tv and radio.

In bubble gum categories, Nabisco's Bubble Yum and Care*Free's sugarless bubble gum, are the market leaders. Bubble Yum was supported by $4.3 million of measured media advertising. Care*Free's advertising support totaled $7.4 million.

Nearly $2.5 million in measured advertising support helped introduce Bonkers! chewy fruit candy last year in the fastest-growing industry category. A strong "Guaranteed Fresh" advertising campaign for Butterfinger and Baby Ruth candy bars led to significant sales increases for the brands during 1984. The $5.1 million campaign in measured media was coupled with merchandising help from the Life Savers sales force.

In the meantime, Planters Nuts maintained its position as the top-selling nut brand, even though the brand did experience a volume decline. More than $18 million in measured advertising backed the various Planters products in 1984, and indications are that 1985 will see product innovations and new introductions in an effort to stimulate sales. A new product, Planters Sweet-N-Crunchy peanuts, was available throughout the country in February, 1985.

Charleston Chew candy bar, Eat More candy bar, Glosettes candy, Junior Mints candy, Sugar Babies candy and Sugar Daddys together together got less than $500,000 in spending.

Nabisco's third domestic segment, the grocery products division, contributed sales of $1.04 billion, up 2.1%, with earnings of $140 million, up only 0.7%. The segment includes Nabisco cereals, cold and hot, pet foods and Fleischmann's margarine and yeast.

Shredded Wheat is Nabisco's best-known and best-selling entry in the cold cereal category, and it receives a sizable chunk of the company's advertising dollars. In 1984, that amount grew to $6 million, up substantially from $1.8 million the previous year. The line also includes Spoon Size Shredded Wheat and Toasted Wheat & Raisins, a recent addition and an answer to consumer demand for fruit.

Nabisco teamed up with GTE Sprint for a promotional campaign, which had as its central theme "Phone home for the holidays." Ten million specially marked boxes of Shredded Wheat in 30,000 grocery stores around the country carried the offer of a $5 credit on long-distance calls, redeemed with two proofs of purchase.

In the hot cereal category, which is experiencing resurgence as a result of the popularity of instant cereals, Nabisco's Mix & Eat Cream of Wheat and regular Cream of Rice gained close to a 20% share of the market. Measured advertising support for the brands exceeded $1.1 million.

Advertising expenditures for Nabisco's pet snacks were down last year, although Milk-Bone brand dog biscuits remained the market leader in that category. Measured ad spending included $1.25 million for Milk-Bone Butcher Bones biscuits and $3.6 million for Milk-Bone dog biscuits.

Nabisco's efforts to stimulate the use of its home-baked products consisted of the introduction, in 1983, of Home Hearth yeast bread mix that requires no kneading or second rising and, in 1984, the debut of Fleischmann's RapidRise yeast, advertised as cutting rising time in half.

In the $50 million yeast market, Fleischmann's is the clear leader, and its recent moves are a clear indication it intends to stay there and build the market.

RapidRise got more than $10 million in introductory spending, much of which went into couponing. Fleischmann's Light margarine was supported by $2.9 million in measured advertising.

It appears that Nabisco will give cable tv a greater role in its ad media mix given the company's September, 1984, purchase of 20% of Entertainment & Sports Programming Network for $60 million from ABC. ABC had bought it earlier in the year from Texaco. In the deal, the principals of Ohlmeyer Communications, which Nabisco co-owns with principals Don Ohlmeyer, chairman, and Dean Heitler, president, will consult and advise ESPN in marketing and programing. Messrs. Martin and Ohlmeyer also will serve on the ESPN board. Mr. Ohlmeyer was a former executive producer at NBC Sports. ESPN has clinched a three-year, $70 million deal with the United States Football League to broadcast its games.

Nabisco spending of $1.7 million on network cable tv in 1984 more than tripled its spending on that medium in 1983.

In management changes, John Greeniaus was named president of the biscuit division. He had headed the company's London operations. Larry Kleinberg became president of the combined Planters/Life Savers division. He was former president of Life Savers.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	5,466	6,174
Magazines	10,966	9,168
Network cable	1,731	577
Spot tv	30,069	22,127
Network tv	75,803	82,018
Spot radio	737	985
Network radio	4,938	4,696
Outdoor	123	364
Total measured	129,834	126,107
Total unmeasured	205,143	124,206
Estimated total	334,977	250,313

NABISCO BRANDS USA
Nabisco Brands Plaza
Route 10
Parsippany, N.J. 07054
(201) 898-7100

Marketing Personnel

Robert J. Carbonell, president, Nabisco Brands USA
Peter N. Rogers, exec vp, president, Biscuit Group
Claude P. Hampton, senior vp-group exec
Edward P. Redding, senior vp-group exec
John H. Clarke, exec vp-corp technology
Ray Wright, senior vp-finance, Nabisco Brands USA
Harold E. Powell, exec vp-admin

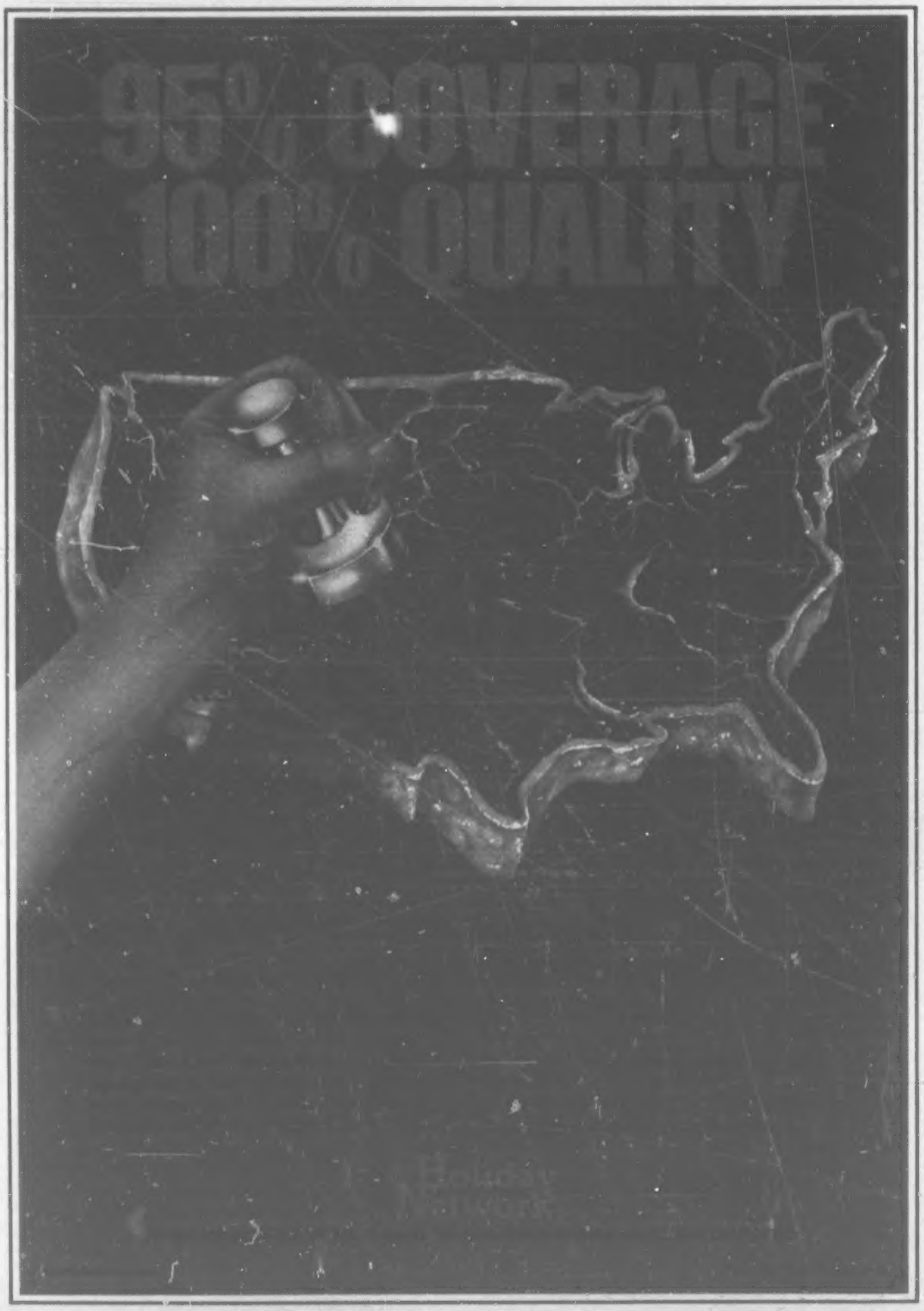
Marketing Services

W. Lee Abbott, vp-Nabisco Brands USA
Samuel B. Haines, div vp-mktg support
Louis J. Rubinacci, dir-media
Ronald C. Roedema, dir-sales promo

BISCUIT DIVISION

Marketing Personnel

Peter Rogers, president, exec vp-NB USA
Neil Westermayer, vp-mktg
William Stuart, dir-mktg, sweet goods
Robert Lanham, dir-mktg, crackers
William Brown, dir-mktg, snacks
Dante Bonardi, dir-adv



Advertising Agencies

Dancer Fitzgerald Sample, New York—Almost Home cookies—Brad Kuhardt, acct exec; S. Hart, acct super; R. Caro, mgmt super; J. Mack, mgmt dir.

William Esty Co., New York—cookies, crackers, snack foods—T. Hayes, senior vp-mgmt super; Peyton Sise, vp-mgmt super.

Ohlmeyer Communications Co., New York- -(joint venture with Nabisco), crackers—Dean Heitler, president.

NABISCO CONFECTIONS INC.

Cambridge, Mass.

Marketing Personnel

Edward L. Bjornson, president
David Evanich, vp-mktg

Advertising Agency

Arnold & Co., Boston—J. Brown, acct super; L. Green, acct dir.

FOOD SERVICE DIVISION

East Hanover, N.J.

Marketing Personnel

William J. Tobin, president
John T. Mitchell, vp-mktg
William Jones, vp-sales

Advertising Agency

The Food Group, New York—D. Axelrod, president.

MARGARINE DIVISION

Marketing Personnel

Ellen R. Marram, vp-mktg
Roger L. Wagner, dir, margarine prod
Robin Schofield, dir, desserts prod

Advertising Agencies

Ted Chin, New York—Royal desserts, Egg Beaters—Ted Chin, president; R. Dillon, acct exec.

Deltakos, New York—pharmaceutical adv, Fleischmann's Lite, Egg Beaters—Victoria N. Roberts, vp-acct exec.

GROCERY PRODUCTS DIVISION

Marketing Personnel

George A. Erfurt, vp-mktg
Ruth L. Brodsky, group brand mgr-hot cereals, Dromedary prod
Stephen G. Wilkerson, group brand mgr-pet snacks
Marianne B. MacManus, senior brand mgr-ready-to-eat cereals

Advertising Agencies

William Esty Co., New York—Milk-Bone brand pet snacks—Colleen Gowl, mgmt super.

McCann-Erickson, New York—rte & hot cereals, Dromedary prod—Marsha Badanes, senior vp-mgmt rep; G. Schwinder, acct dir; P. Higgins, acct super.

J. Walter Thompson, New York—Home Hearth bread mixes, Fleischmann's yeast—J. Birkbeck, acct super; Robert M. Bird, mgmt super.

ALL BRAND IMPORTERS

New York, N.Y.

Marketing Personnel

P.F. Lohmeyer, chmn
John J. Kucich, president
Leo Begleiter, senior vp-mktg

Advertising Agency

Bloom Agency, New York—J. Signorile, acct super; Brad Friedman, asst acct exec; Steve McCloskey, senior vp.

LIFE SAVERS INC.

Parsippany, N.J.

Marketing Personnel

Robert W. Denny, vp-mktg
Eric N. Shullman, dir-mktg
Michael W. Gretz, dir-mktg, Curtiss

Advertising Agencies

Bozell & Jacobs, New York—Baby Ruth, Butterfinger—Ron Benza, senior vp-mgmt super; Michele Kay, Steve Centrilla, vps-acct supers.

Dancer Fitzgerald Sample, New York—Life Savers prod—Joseph P. Mack, exec vp-mgmt dir; R. Egan, senior vp-mgmt super; Marty Gertler, Suzanne Tongue, Terry Loar, acct supers.

PLANTERS

Parsippany, N.J.

Marketing Personnel

W. VonPein, exec vp
D. Smiley, dir-adv, consumer promo
Robert Wienke, dir-snacks, oils, new prod
David Bacon, group prod mgr-oil/dry roast nuts

RANK 39

Nestle Enterprises

White Plains, N.Y.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	5,100	2,508	103.3
Net income	N/A	N/A	N/A
Advertising	-187	169	10.4

Nestle Enterprises, the Vevey, Switzerland-based food giant which increased its presence in the U.S. market in 1984 by acquiring Carnation Co. and Hills Bros., spent $186.9 million in estimated U.S. advertising, up 10.4% from 1983, ranking it as the 39th largest national advertiser.

The privately held company, whose U.S. operations are based in White Plains, N.Y., generated less than one-fourth of its worldwide sales from the U.S. operations prior to the Carnation acquisition, but now Nestle is thought to obtain one-third of its sales from the U.S. operations.

Prior to its acquisition spree, Nestle had sales of an estimated $10 billion in 1983, up slightly over the prior year. Carnation will add another $3.37 billion (1983 figure) to that $2.2 billion of which was domestic. Together, Nestle and Carnation would generate an estimated $5.1 billion in U.S. sales. Carnation's brands added to those of Nestle have created a powerful advertising force, one whose measured spending in 1984 was estimated at $148.3 million, up 54.5% over 1983 (includes Carnation).

Carnation in 1983 had total ad spending of an estimated $54.3 million, which included a measured media total of $39.3 million.

The Carnation acquisition brings to the Nestle product mix several pet food lines.

In this area, Nestle will be plowing new ground, since it has had no presence in that market.

Significant advertising expenditures in this category in 1984 were for Bright Eyes canned cat food, $3.78 million, up from only $889,300 in 1983; Carnation Come 'N Get It dry dog food, $900,000, down from $3 million; Fancy Feast canned cat food, $4.4 million, up from $3.9 million; Friskies Canned Buffet cat food, $3.2 million, down from $4.2 million; Friskies dry cat food, $7.16 million, up from $3.1 million; and Mighty Dog canned dog food, $4.2 million, up from $3.9 million.

The total almost matched ad spending for all of Carnation's pet food products the year before.

Acquiring Carnation made the biggest splash, but Nestle also bought Fruit Crest, a Florida-based juice company in 1984, and then in January, 1985, purchased Hills Bros., San Francisco.

In the meantime, the company also picked up Ward-Johnston Co., a Chicago candy marketer. Foremost among the Ward-Johnston candies are O Henry!, Chunky, Bit-O-Honey, Goobers and Raisinets.

Nestle threw its considerable advertising muscle behind its chocolate candy bar and Nestle's morsels in 1984. Total measured ad spending for the two was $21.1 million.

This was down fractionally from 1983 spending, according to six-media measurements in Leading National Advertisers.

As the Ward-Johnston line formed a nice fit with Nestle's other candies, so did the Hills Bros. acquisition fit nicely with Nestle's coffee lines. Nestle S.A. managing director Helmut Maucher, in an interview with Advertising Age, described it as an important first step in establishing Nestle in the domestic roast and ground coffee market.

Before the Hills Bros. acquisition, Nestle's coffee presence in this country was in the instant coffee market, with Nescafe, Taster's Choice and Sunrise. Nestle had 25.8% of the soluble coffee market. Hills Bros. has a 7.4% share of the ground coffee market.

Building its coffee presence further, Nestle in May, 1985, acquired MJB Co., a San Francisco-based coffee, tea and rice producer. Add the Hills Bros.' purchase in September, 1984, of Miami-based Chase & Sanborn—popular in the Northeast and Southeast—and Nestle has gained U.S.-wide coverage.

Such moves underscored the Nestle philosophy of growth through acquisition. And in this case, Nestle had reason to move aggressively into the ground roast market inasmuch as the instant market has remained relatively flat.

With level sales of instant brands in 1984, Nestle remained No. 2 behind General Foods, even though the leader's market share declined three-tenths to 44%.

On the other hand, ground coffee consumption is on the increase. Nestle faces an uphill climb, because General Foods and Procter & Gamble between them hold more than 60% of the U.S. coffee business.

Merely establishing a presence in the ground roast market will not necessarily guarantee increasing market shares for Nestle and Hills Bros. A new entry in the premium coffee market was Gold Blend, which Hills Bros. began testing in the fall, 1984, in Green Bay, Wis.

And while Nestle invaded the ground roast market with Hills Bros. and other coffees, the company also took steps to pump new life into Nescafe, Taster's Choice and Sunrise, its instant brands.

The company spent heavily—some estimates placed the spending at an annual rate of $30 million—to introduce Nescafe Custom Blended coffees, a line of four instants with differing flavors.

Still another Nestle brand, Taster's Choice, attempted a repositioning by scrapping its "Times like these are made for Taster's Choice" theme and emphasizing flavor with "The choice for taste is Taster's Choice." More than $11.5 million in measured media was used to promote Taster's Choice, and some estimates placed total spending for the brand at $20 million.

Nestle's total measured spending for Nescafe, Nescafe Decaffeinated, Sunrise and Taster's Choice amounted to $15.1 million. That figure pales in comparison to the $67.5 million General Foods spent in measured media on Maxwell House, Sanka, Yuban and Brim in 1984, and the $49.5 million that Procter & Gamble spent on its Folger's and High Point brands. In 1984, Folger's led the regular coffee market with a 24.9% share, Maxwell House was No. 2 with a 19 share, Maxwell House Master Blend was No. 3 with a 7.5 share, and Hills Bros. was fourth with its 7.4 share.

To perk up sales for its Nestle's Quik powdered chocolate drink mix, Nestle went the repackaging route in 1984. The effort, which followed research showing most people favored cold milk for their chocolate drink, featured cold milk prominently on the package along with increased visibility of the Nestle name.

Nestle's Quik was supported by $6.1 million in measured advertising, up 5.2% from 1983.

Selling Areas-Marketing Inc. (SAMI) shows total sales of $1.8 billion in the frozen single-serving category. Lean Cuisine, a recent Stouffer entry in that category and aimed at that growing segment of the diet and nutrition conscious American public, is said to be heading toward $500 million in annual sales.

Measured spending for Lean Cuisine increased 35.8% over 1983 to more than $11 million, the most for any of Stouffer's frozen food entries. Stouffer's frozen pizza was backed by $4.2 million of advertising, up 5%, while Stouffer's other frozen entrees received $8.9 million of media support, including $2.6 million for Stouffer's frozen side dishes.

Nestle's candy distribution has found new life. The unit had almost totally ignored impulse buying at movie theater counters. In 1984, with substantially more distribution outlets and a greater checkout counter presence, Nestle's candy bar sales increased 70%.

Another dramatic product change has occurred with Nestle's Beech-Nut baby foods. Responding to the Stouffer influence, Beech-Nut's reformulated line now features name-brand ingredients (such as Chiquita bananas) and uses no preservatives. Beech-Nut was promoted as a "natural" alternative, and backed by $3.4 million in measured spending.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,766	1,933
Magazines	21,594	11,638
Network cab	973	623
Spot tv	47,130	32,793
Network tv	73,959	47,259
Spot radio	1,334	428
Network radio	1,148	748
Outdoor	94	158
Farm pubs	296	266
Total measured	148,292	95,846
Total unmeasured	38,556	20,000
Estimated total	186,848	169,241

NESTLE ENTERPRISES

100 Bloomingdale Rd.
White Plains, N.Y. 10605
(914) 682-6000

Marketing Personnel

B.E. Gensamer, senior vp-mktg & strategic planning
Bonnie Webster, vp-mktg services

Advertising Agencies

HBM/Creamer, Pittsburgh—Taster's Choice—Ira Bass, acct exec.

Jordan, Case & McGrath, New York—Deer Park Water, Crunch bar, Bit-O-Honey, Goobers, Raisinets, $100,000 bar, Rich 'n Creamy Hot Cocoa mix, Chamourcy Desserts, Wispride, Nestle Fund Raising—Jack Taylor, exec vp; Matthew McHenry, Steven Badenhop, mgmt supers; Tom Magnus, acct super.

McCann-Erickson, New York—Nescafe regular & decaffeinated, Quik—John Boyd, senior vp-mgmt rep; Ted Donahue, vp-acct dir.

J. Walter Thompson USA, New York—Sunrise, Nestea, Nestle milk chocolate, Chunky, O Henry! bars, Morsels, Choco-Bake, Alpine White—Peter Schweitzer, senior vp-group acct dir; Don Challis, senior vp-acct dir; Philip Forman, vp-acct dir; Susan Allard, acct rep; Jack Morrissey, mgmt dir; Steve Dworin, acct dir; Ann Morrow, acct super; Michael White, acct exec.

BEECH-NUT NUTRITION CORP.

Fort Washington, Pa.

Marketing Personnel

Martin Kimmel, dir-mktg
Robert Bartz, dir-new business
Marian Ferreri, mgr-consumer services

Advertising Agency

Sherwood & Schneider, New York—James Massey, mgmt super; M. Abramson, acct super.

BOREL RESTAURANT CORP.

San Mateo, Cal.

Marketing Personnel

Fredric W. Tippett, president
Suzette Cavanaugh, dir-mktg

Advertising Agency

Michael Sellers, San Francisco—Marcia Michael, senior vp; Pam Heritage, acct exec.

CARNATION CO.

Los Angeles, Cal.

Marketing Personnel

John McMennamin, vp-mktg services
A.W. Fox, mgr-corp media
L. Dickinson, adv controller
R.E. Mott, promo materials mgr
J.R. Richards, associate prod mgr
J. Davidson, Q. Trujillo, art dirs, promo materials

Grocery Product Division

Pet Foods

Dwight Stuart Jr., vp-div mgr
L. Mark Reiser, asst mgr-finance
Miguel Osborne, group prod mgr-canned food
H.R. Chamberlin, mgr-new prod
John Harris, group prod mgr-dry food

Instant/Evaporated Milk

John Darcy, div mgr
Greg Mazares, group prod mgr

Contadina

Dick Sieminski, vp-div mgr
Gene Boykins, group prod mgr

Food Service

Jim Dintaman, vp-dir mgr
Carl Dienst, dir
Bob Miller, associate dir

Industrial Vending

Joseph Hollingsworth, div mgr
Duncan Shaw, prod mgr

Specialty Foods

Glynn Morris, div mgr
Lew Paine, group prod mgr

Market Research Division

Doss Struse, dir

Advertising Agency

Dailey & Associates, Los Angeles—Evaporated Milk, promo adv—Bob Brownson, acct group dir.

Foote, Cone & Belding, Los Angeles—Fancy Feast canned cat food, Do-It-Yourself Diet, Bon Bons—Joanna Garrett, acct exec, pet foods, Do-It Yourself Diet; Lisa Perenshio, acct exec, specialty foods; Bill Greig, acct exec, pet foods.

Lew Lesser & Associates, San Francisco—milling div—Lew Lesser, president-acct super.

The Merchandising Factory, San Francisco—foodservice—John Weatherwax, acct super.

SSC&B, New York—dog & cat food, Coffee Mate, Instant Breakfast & Breakfast Bars, Contadina—Cynthia Wilford, acct super.

HILLS BROS.

San Francisco, Cal.

Marketing Personnel

Barry Reis, vp-mktg

Advertising Agency

Cohen & Johnson, Los Angeles—Douglas Tripp, acct super.

LIBBY, MCNEILL & LIBBY

Chicago, Ill.

Marketing Personnel

L.P. Judy, president
W.J. Barry, vp-natl sales mgr, grocery prod
W. Cuff, vp-specialty foods & prod devel
G.D. James, vp-grocery prod
J.W. Stevenson, senior vp

Advertising Agencies

Bloom Cos.—canned juices & drinks, canned pumpkin, canned meats, nectar prod, produce prod, specialty prod, new prod—Kay Fowler, Tobi Cox, acct execs.

Chiat-Day, New York—Juicy Juice—Lori Schaeder, acct exec.

STOUFFER FOODS CORP.

Solon, O.

Marketing Personnel

Robert L. McGuigan, president
Gerald V. DeCroce, vp-mktg
Jeff Peck, mktg mgr-entrees, side dishes
Richard B. Annett, mktg mgr-Lean Cuisine prod
Paul D. DeVries, mktg mgr-new ventures
Joe Gaetto, mkt mgr, pizzas

Advertising Agency

HBM/Creamer, Pittsburgh—frozen foods—Richard Weber, Howard S. Gittins, vps.

STOUFFER HOTEL CO.

Solon, O.

Marketing Personnel

William N. Hulett, president
Ronald A. Nykiel, senior vp-mktg
Robert Nance, dir-adv & promo

Advertising Agency

Wyse Advertising, Cleveland—Chuck Boggs, senior vp-group super; Jim Hunt, acct dir.

STOUFFER RESTAURANT CO.

Solon, O.

Marketing Personnel

John Qualgliata, president
Rick Cassara, dir-mktg

Advertising Agency

Wyse Advertising, Cleveland—Chuck

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Council of Fashion Designers of America Award
for a fresh approach to fashion journalism

Briggs, senior vp-group super; Jim LeSueur, acct exec.

WINE WORLD
St. Helena, Cal.
Marketing Personnel

Mike Moone, president
J.F. Tonjum, vp-sales & mktg
E.R. Wallingford, genl mgr-C&B Vintage Cellars
Richard Carter, vp-natl sales mgr
J.E. Thompson, vp-group prod mgr, C&B Vintage Cellars

Advertising Agency

Allen & Dorward, San Francisco—John Galbraith, mgmt super; Barbara Frazier, acct super.

Nissan Motor Corp. in U.S.A.

RANK 47

Carson, Cal.

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	15,447	14,237	8.5
Net income	315	426	-26.1
U.S. advertising	164	124	32.5

Nissan Motor Corp. U.S.A., Carson, Cal., a subsidiary of Nissan Motor Co. Ltd., Toyko, was the 47th largest national advertiser in 1984, with an estimated expenditure of $164.2 million, up 32.5% from 1983.

In the 1984 fiscal year, ended March 31, 1984, the parent Nissan Motor Co. Ltd. reported earnings of $315 million, down 26.1% from 1983, on sales of $15.45 billion, up 8.5%. Sales and earnings for both 1984 and 1983 fiscal years were converted from yen to dollars at the rate of Y224 = U.S.$1.

Fiscal 1984 also saw worldwide sales of the Japanese marketer of Nissan cars and trucks of 2,499,368 units, up 1.5% from the previous year, but down from highs of 1981-82.

Nissan's sales of cars and trucks in the U.S. rose to an all-time high of 689,022 units, up 4.5% from the 659,257 units sold in 1983.

Limited by availability under the Voluntary Restraint Agreement, 1984 car sales slipped to 485,298, down from 521,902 sold a year earlier. Nissan sees market conditions improving in 1985 in the U.S., followed by growth in other markets.

In an effort to overcome VRA restrictions on the importation of cars (Nissan's share in 1985 is 547,920, compared with 1984's 551,800), Nissan boosted its truck promotions and this spring began building the popular Sentra subcompact at its truck plant in Smyrna, Tenn., becoming the third Japanese auto maker to build cars in the U.S.

Honda and Toyota also build cars in the U.S. and Mazda recently broke ground for a new plant.

Initial production at Smyrna will total about 10,000 trucks and 5,000 cars a month. The first U.S.-built Sentra rolled off the Smyrna assembly line on March 26, 1985. Car and truck output will be 240,000 per year by the spring of 1987.

The company's share of the over-all U.S. market dropped to 4.5%, down from 5.5% in 1983. It trailed Toyota at 5.4% and Honda at 4.9%, but remained ahead of Mazda at 2.3% and Volkswagen at 1.7%. Nissan's share of the import market stood at 20%, down from 22% in 1983 and behind the leading Toyota at 23%.

The best-selling Sentra, priced at $5,499 for the standard five-speed, two-door sedan, accounted for U.S. sales of 189,480 units, down 10.8% from 209,861 units in 1983, but still the No. 1 selling import model in the U.S. The Sentra was also the highest volume production car in the world.

Sales of other Nissan models in 1984, compared with the previous year, were Pulsar, 37,287 (62,183); Stanza, 44,619 (64,429); Maxima, 68,209 (76,209); 200SX, 63,465 (31,158), and 300ZX, 73,907 (71,144). The Maxima, priced at $13,499 for the five-speed, four-door sedan, was the leader in its upper-middle price market segment, positioned against Toyota Cressida, Audi, Volvo, BMW 318i, Peugeot and Saab.

The upscale cars in the Nissan lineup accounted for a major portion of the measured ad spending in 1984, with a total of $15.5 million recorded for the 300ZX, up 115% from 1983, and $12.2 million for the 200SX model, up from $1.9 million in 1983, according to Leading National Advertisers, which tracks six media spending. Tv, both spot and network ($22.9 million), and magazines ($4.5 million) provided the main thrust of the promotional effort behind these models. Nissan spent only $1.9 million on the 200 SX and $7.2 million on the 300 ZX in 1983.

Measured media ad expenditures for the top-selling Sentra dropped to $8 million, from $14.6 million in 1983. The Maxima drew $7.3 million in measured spending, up from $1.2 million the prior year.

General promotion as a category drew $7.4 million, up from $2.6 million in measured spending in 1983, and Nissan passenger cars, apart from specific promotional budgets, spent $4.9 million vs. $288,500 in 1983.

In addition to the total ad expenditure of $129.3 million in measured media, Nissan Motor Co. local dealers and franchises spent $12 million. In unmeasured media estimated at $35 million, spending was for a wide spectrum of promotional activities: Dealer promotions, auto racing program, trade shows, point-of-sale materials, merchandising aids and collateral materials and expenses related to the re-signing and re-identification program for the company, formerly known as Datsun.

It also encompasses such marketing activities as a telemarketing/direct mail program that was tested in connection with fleet sales.

During the year, Nissan set a new sales record in the U.S. for compact trucks at 203,724 units, up 48.3% over 1983. The number of trucks sold was 29.8% of all Nissan units sold in the U.S. in 1984, up from 26.3% the previous year. Truck production at the company's assembly plant in Smyrna accounted for 47% of all Nissan trucks sold in the U.S.

Truck sales got the benefit of both a steady source of supply from its domestic production facilities in the U.S. and a special 8.8% financing, which was heavily promoted in both national and local advertising at the dealer level.

Nissan compact trucks drew $36.9 million ($20 million in spot tv and $13.8 million from network tv); King Cab compact trucks got $6.1 million, up from $1.2 million in 1983, and the S/T compact truck received $4.2 million, up from $1.6 million in 1983.

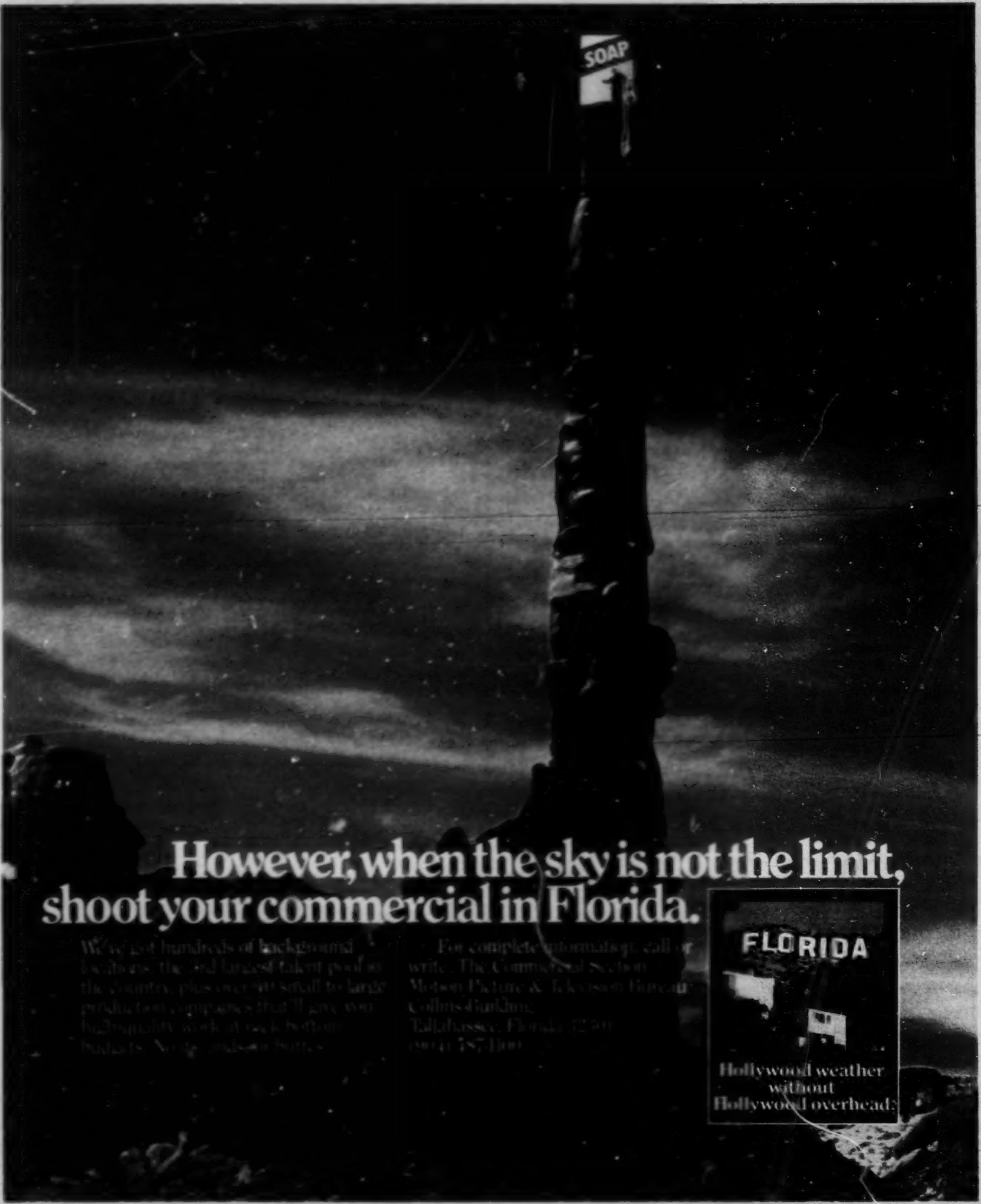
The spending trend in measured media for virtually all Nissan/Datsun lines in 1985 was network tv, 39%; spot tv, 32%; magazines, 11%; newspapers, 10%, and lesser amounts in the remaining measured media.

The first half of the 1985 model year at Nissan saw a continuation of the creative umbrella, "Come alive, come and drive, major motion from Nissan," with sustaining support behind most of the product lines.

The effort, split almost evenly between cars and trucks, had the support of the biggest advertising budget in Nissan history.

Introduction of the all-new 1985 Maxima, the $14,399 luxury sedan model, took place at a dealer announcement show in late 1984 at the Shrine Auditorium in Los Angeles, officially completing the transition of all products from the Datsun name to the Nissan badge.

Nissan began dropping the Datsun name from its cars and trucks in 1981 with the introduction of the 1982 model Nissan Stanza and now has completed the change with the 1985 Maxima. Rather than change names of the vehicles and dealerships overnight, Nissan chose to stretch the process over several years to establish the Nissan name in the minds of car and truck buyers. The replacement of Datsun identification with the 6,000 new blue



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and white Nissan signs at 1,100 U.S dealerships began in the Dallas market. It's expected to be completed by next summer.

Major cost of the sign conversion is being borne by Nissan, with the support of a new ad campaign and creative focus, "The name is Nissan," which became the official theme in May, 1985. Creative executions of the old "Major Motion" theme were adapted and updated with "The Name is Nissan" slogan. The campaign began in mid-May on tv and radio and in June in national and local print and out-of-home ads.

Start of "The Name is Nissan" promotion coincided with the midyear introduction of new 1986 truck models, the first to employ the new slogan. Once again the campaign focused on Nissan's commitment to quality and technologically advanced products.

Making use of network and spot tv, heavily weighted with sports programming and magazines, the commercial message positioned Nissan trucks as a full line of quality-built compact vehicles featuring toughness, durability, power and economy in terms of purchase price and operation.

Print ads focused on features, and tv spots established the tough truck value-oriented positioning and emphasized the change in corporate name to Nissan. One midyear introduction in print ads featured the new 1986 Stanza wagon, "the first and only wagon with dual sliding doors" with the headline "Nissan Innovation Strikes Again."

In support of the 1985 car line, the media mix of tv, radio, newspapers and magazines followed patterns established a year earlier, but with greater support in local markets. Network tv exposure with the Olympic Games campaign found Nissan the dominant advertiser with 121 major network spots. The year included continued sponsorship of "Monday Night Football" on ABC-TV, the seventh consecutive year. Nissan also bought five 30-second spots on the NFL's Super Bowl, the first such buy by Nissan.

Passenger car advertising led off with strong support for the Maxima in the fall (the world class sedan that doesn't cost the world), followed mainly by car line advertising through the winter and spring, promotion of trucks and the first 1986 wagon models at midyear, and wound up with strong support of 300ZX sports car and Sentra at the end of the model year.

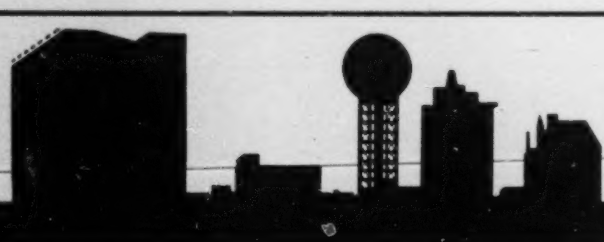
"The Name is Nissan" theme and umbrella now cover all the company's product offerings, and although critics had regarded the massive name conversion as "unsound marketing," the name "Datsun" seemed to be fading from memory.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	13,170	9,444
Magazines	15,022	13,352
Network cable	1,070	1,269
Spot tv	40,919	37,724
Network tv	50,666	33,603
Spot radio	7,584	10,881
Outdoor	846	995
Total measured	129,275	107,266
Total unmeasured	34,925	16,619
Estimated total	164,200	123,885

NISSAN MOTOR CORP.
in U.S.A.
Post Office Box 191
Gardena, Cal. 90247-7635
(213) 532-3111
Marketing Personnel
Robert B. Kent, vp-mktg services
Joseph M. Opre, adv dir
Jay Collier, dealer support dir
Terry Foutz, natl auto adv mgr
David Hubbard, natl truck adv mgr
Gary Ewald, natl sales promo & merch mgr
Susan Furedi, media planning mgr
Robert Cosmai, natl dealer adv mgr
Advertising Agency

William Esty Co., New York and Los Angeles—all Nissan vehicles—Richard Macedo, mgmt super.



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Noxell Corp.

Baltimore

RANK 91

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	350	304	14.9
Net income	28	23	22.0
Advertising	74	68	9.3

Noxell Corp., Baltimore, the 91st largest national advertiser, increased its U.S. advertising spending 9.3% in 1984 to an estimated $74.2 million, as net income improved 22% to $28.3 million on sales of $349.5 million, up 14.9%.

Domestic sales of cosmetics, toiletries and specialty foods increased in dollars and units for the year. As in previous years, Cover Girl brand products derived the greatest volume gains according to market analysts who note the brand continued to benefit from the surge in lower-priced cosmetics sales in supermarkets.

Cover Girl makeup, in its 23rd year on the market, had a 1984 ad spending increase of 30% to $11.9 million, according to six media Leading National Advertisers figures. Cover Girl makeup had the largest supermarket dollar share with 56.4% of the market in 1984, double the share of Cutex by Chesebrough-Pond's, its next leading competitor, according to Salomon Brothers analyst Diana Temple.

The special category of Cover Girl MoistureWear makeup got $5.5 million in advertising, down 31% from last year.

Cover Girl eye makeup was backed by $3 million in advertising, a 77% increase over last year. Cover Girl mascara received $9.8 million in advertising. Cover Girl mascara's 29% of the supermarket dollar share is second only to the leading Maybelline, according to Ms. Temple. Cover Girl also is second after Schering-Plough's Maybelline in eye shadow, with 23.8% of the dollar market share, but it surges into first place with its eyeliner, taking 35% of the dollar share. This growth was due in part to the introduction of Thick 'N Thin pencils, a color-coordinated pencil with a thin tip for lining and a thick tip for shading and contouring eyes.

Cover Girl lipstick achieved a 19.6% dollar share in supermarkets, second to leader Maybelline. The company spent $4.5 million in lipstick advertising in 1984, an increase of 64%.

Cover Girl spent $10.6 million advertising nail polish in 1984, up 79% from last year. Although supermarket shares declined one percentage point to 32.6%, Cover Girl led the market, far outpacing runnerup Cutex.

Cover Girl introduced the new Opulence nail color line in March, 1984, and strengthened its presence in the nailcare category with the June, 1984, introduction of Ten Terrific Nails, a line of nail treatment products.

Tv accounts for 69%, or $44.3 million, of total measured spending for the company, with Cover Girls Cheryl Tiegs, Christie Brinkley, Kelly Emberg and Jennifer O'Neill promoting "That Clean Make-Up Look." Company spending on tv declined slightly over last year, while magazine advertising increased by $9.3 million, or 14%.

Noxell's Noxzema slid to a 15.6% market share in the first quarter in the no-growth $450 million mass-outlet facial segment of the hand and body moisturizer market, continuing its steady descent from a 1979 peak of 28%. A new advertising campaign—"Are You Washing Your Face or Drying Your Face?"—will try to put the product back on the growth track. A more convenient package, Noxzema skin cream in a pump, was introduced to the trade in July, 1985, with national ad schedule slated for the autumn.

Richardson-Vick's Oil of Olay leads the highly competitive market with a 23% market share, but its sales have slipped, too. Revlon has made progress with its European Collagen Complex and has relaunched its Moon Drops line. American Cyanamid's Shulton USA division has been testing Equa-Balance, aimed at Oil of Olay, a more upscale mass brand. St. Ives brand, with heavy promotion, has taken 5.8% of the market.

Advertising expenditures for 1984 for Noxzema medicated skin cream amounted to $10.5 million, an increase of 34% over last year.

Strategically, Noxell has adapted its Cover Girl line to the "graying of America," continuing to use Cheryl Tiegs (now in her late 30s), while promoting its separate MoistureWear line for the over-30 age group. In light of continued benefits from expanding shelf space and consumers "trading down" to lower-priced cosmetics, says Salomon Brothers analyst Ms. Temple, the Cover Girl brand—61% of total sales in 1984—should grow by more than 20% this year.

Sales of RainTree hand and body lotion continued to decline, to 1.1% of net sales in the first quarter of 1985, down from 1.4% in 1984. The company did not advertise in 1984, but is planning to promote it in the spring of 1986 with a 16-oz. package for the price of the 10-oz. size in an effort to regain diminishing sales.

Noxell's acne treatment group achieved a 6.3% market share in 1984, down slightly from 7.1% in 1983. In mid-1984, Noxell completed restaging Noxzema antiseptic skin cleanser and Acne 12. This included the introduction of a new advertising campaign behind each item and new package graphics. Medicated cleansing pads also are being restaged, with the name change to Noxzema Clear-Ups. The product also will get new package graphics and a new ad campaign.

In January, 1984, Noxzema for Extra Sensitive Skin was added to the aerosol shave cream line. As a result, the supermarket dollar share rose to 12.2% in the first quarter of 1985 despite competitive new product introductions and advertising. A market analysis by Salomon Brothers finds the shaving creams fourth in the market.

In household products, Lestoil liquid cleaner sales remained even with 1983, contributing 4% of net sales. In January, 1984, Noxell assigned its $1.5 million Lestoil household cleaner advertising to William Esty Co., from Backer & Spielvogel, and a new tv campaign was introduced.

The Caliente Chili subsidiary increased sales with Wick Fowler's 2-Alarm Chili ingredients during 1984. The brand was supported with spot tv for the first time. Concentrated in a narrow market within the Southwest, the chili is being expanded into the broader Southwest market.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4	11
Magazines	19,195	9,879
Network cable	917	1,812
Spot tv	3,045	2,935
Network tv	40,318	42,791
Spot radio	0	200
Network radio	751	869
Total measured	64,230	58,495
Total unmeasured	9,970	9,405
Estimated total	74,200	67,900

NOXELL CORP.
11050 York Rd.
Hunt Valley, Md. 21030-2098
(301) 628-7300
Marketing Personnel
George L. Bunting Jr., president-ceo
Marvin L. Hathaway, exec vp-domestic coo
R.G. Duke, senior vp-corp devel
F.J. Harrison, senior vp-mktg
P.M. Troup, vp-cosmetics mktg
R.H. Yeager, dir-new prod
E.H. Levering, senior vp-sales
D.J. Gallow, dir-mktg rsch
C.J. Busta, mktg dir toiletries
B.F. Nelson, exec vp-genl mgr-Caliente Chili
E.M. McNamara, mktg dir-cosmetics
Advertising Agencies

William Esty Co., New York—Noxzema shave cream, Lestoil, Caliente Chili, new prod—Steve Moynahan, vp-mgmt super; Mike Nelson, acct exec.

SSC&B, New York—Noxzema skin cream, Cover Girl prod, new prod—Sheri Colonel, senior vp-mgmt super, acct exec, nails, lips; Donna Squilla, vp-acct super, makeup & new prod; Linda Emanuel, vp-acct super, eyes, moisture wear; Kenneth Ramsey, vp-acct super, nails, lips; Lynn Eaton, acct exec, eyes; Marjorie Wachtler, acct exec, new prod; Stuart Sklar, acct exec, makeup; Kathleen Cusack, acct exec, eyes; Courtney Cowart, staff asst, makeup & new prod; Alma Miller, staff asst, eyes; Neill Myers, mgmt super; Leonard Saboie, acct super; Judith Finer, acct exec.

J.C. Penney Co.

New York

RANK 11

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	13,451	12,078	11.4
Net income	435	467	-6.9
U.S.			
Sales	12,963	11,546	12.3
Operating profits	N/A	N/A	N/A
Advertising	460	376	22.3
Division sales			
JCPenney stores	11,913	10,625	12.1
Catalog	1,928	1,831	5.3
Other retail	1,079	1,045	3.3

J.C. Penney Co., the nation's third largest retailer, spent an estimated $460 million on advertising in the U.S. in 1984, a 22.3% jump from the year earlier ad total of a restated $376 million, as it continued to reposition itself as a fashion center.

The New York-based retailer, the 11th largest national advertiser, spent $465 million worldwide in 1984 vs. $381 million in 1983. The only major center of company activity outside the U.S. was in Belgium, where sales of $488 million were recorded in 1984, down 4.9% from 1983. The total ad figure includes major media, but not catalog preparation and distribution costs, according to the company.

The company had sales of $13.45 billion in 1984, an 11.4% increase over 1983. Earnings were $435 million, 6.9% below 1983's record figures, reflecting an intensely competitive retail environment fueled by accelerated markdowns and promotional activity.

Most sales were in Penney's so-called metropolitan stores, divided into department stores with sales of $9.18 billion, up 12.2% among comparative units from 1983, and soft line stores with sales of $1.02 billion, up 9.6% among comparative units. Metro store sales represented 85.6% of total store sales, with the remainder, $1.71 billion, coming from so-called nonmetro stores, up 8.3%.

Reflecting similar moves by competitors both in the department and specialty retail business, Penney moved to promote catalog sales more heavily. The company reported that 1984 catalog sales increased 5.6% among comparative units over the previous year, to $1.93 billion.

Penney is in the throes of an image change. Systemwide rehab has been completed. Apparel lines from design-

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ers Halston, Lee Wright and Mary McFadden among others are attempting to replace the company's private-label image with a designer-tag one.

This new image is going to take some getting used to. Financially, so far it has not borne fruit. However, most retailers are battling a tightening market regardless of their image.

During the first half of fiscal 1985, Penney has continued to struggle. Sales have increased slightly to $5.82 billion from $5.81 billion, but net income has dropped 33% to $80 million from the corresponding period in 1984. Profits during the period were affected by markdowns in summer and spring merchandise and higher spending for promotions.

Commenting on Penney's drop in net income, some market observers consider the retailer as being hampered by dislocation. Walter Loeb, a senior retail analyst with Morgan Stanley, says the movement toward fashion has "blurred the company's identity... Penney's has not captured the customer as [a store] being on the leading edge of fashion. Even though Penney's move into the fashion world is bold and many of its fashion presentations are innovative, the customer has not gotten the message."

Penney, nevertheless, continues a costly modernization program geared to fashion. About 30% of the stores contributing to 1984 department store sales have been updated. The updating program, now completed, involved rehabbing 150 stores during 1983 and an additional 200 units in 1984. The new face has basically involved space reallocation to accommodate the new merchandise mix and a more contemporary look conveyed through minor refixturing and carpeting. Expenditures have run an average $4 million per store.

Sales of both women's and junior lines increased about 17%, and national brands in these categories rose more than 26% in 1984, results the company attributes to a customer vote for fashion.

The company has characterized its key customer as "the contemporary, fashion-conscious consumer who expects timeliness and fashionability in merchandise as well as quality and value."

Both the Wyndham line for the contemporary career woman, supplied by Ship 'N Shore, and the Lee Wright Collection of men's wear have produced good results during their first year with the retailer in 1984, the company says. A line of updated junior sportswear for women by Lee Wright was introduced this spring. Additional designer wear scheduled to be introduced at undisclosed dates includes a Mary McFadden collection of sportswear and dresses for career women and a men's sweater and shirt line by Alan Flusser to be developed into a coordinated sportswear collection.

In step with the popularity of both classic and trendy British fashions, the company is planning a three-week "Best of Britain" promotion Oct. 16 to Nov. 9 that will feature merchandise from the U.K. A national marketing program of about $9 million will support the promotion.

Highlights of both national and local advertising campaigns designed to reach two-thirds of all metropolitan households include an insert about the British event to be sent to 20 million J.C. Penney credit card customers; network tv advertising as well as local radio and tv advertising; full-page ads in newspapers, and a color circular to be distributed as a supplement to newspapers throughout the country.

In 1984, a large portion of the unmeasured advertising totaling $305.7 million, up 27.8% from the previous year, was directed at the catalogs, although not their production or distribution. In measured media spending in 1984, Penney's invested $69.3 million, down 1.5%, according to Leading National Advertisers.

Among individual media, the mass merchandiser increased network tv expenditure 6.6% to $34 million. Spending in magazines dropped 14.7% to $16.9 million, and spot tv dropped 8.3% to $16.6 million.

Penney spent $22.9 million on joint promotion of men's and women's apparel, up from $11.9 million in 1983, while advertising allocations for men's and women's sportswear dropped to a combined total of $3.2 million from $10 million last year, reflecting the retailer's move to incorporate designer lines.

The retailer had 564 metropolitan stores in 1984, after opening 14 and closing two. There were 801 stores in nonmetropolitan areas operating at yearend, after 30 were opened and 52 closed.

Penney's catalog centers numbered 1,815 at yearend, up from 1,805 the year before. The company's drugstores, operating under the name Thrift Drug or Treasury Drug Center, opened 16 stores and closed six, for a 1984 total of 369. Drug units recorded total sales of $591 million, up 11% for all units and 9.9% for comparative units. The drug units spent $3.9 million, the same as in 1983, in advertising, virtually all in spot tv for both years.

In 1984, in the course of its image makeover, Penney's severed its 14-year relationship with McCaffrey & McCall and took its $50 million-plus national advertising account to N W Ayer.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines........	16,943	19,745
Network cable.....	232	142
Spot tv...........	16,619	18,151
Network tv.........	34,030	31,858
Spot radio.........	1,145	198
Outdoor..........	299	237
Total measured..	69,267	70,330
Total unmeasured	390,733	305,670
Estimated total..	460,000	376,000

J.C. PENNEY CO.
1301 Avenue of the Americas
42nd Floor
New York, N.Y. 10019
(212) 957-4321

Marketing Personnel

T.S. (Terry) Prindiville, senior vp-dir, corp mktg
William Ferguson, mgr-mktg communications
Lanni Benson, dir-visual mktg
Edward Haywood, mgr-adv
Jim Boyton, mgr-media services
Jeanne Fiscina, corp mktg personnel, admin mgr
Karen Edds, mgr-merch publicity
Bob Jung, mktg publications coord
Tom Jewell, mgr-corp mktg projects
Gerry Tester, mgr-presentation
Robert Burke, controller-corp mktg
Mal Bliss, mgr-packaging & labeling
Bill Speer, mgr-store design
Sid Stein, mgr-mktg rsch & plans services

Advertising Agencies

N W Ayer, New York—natl adv—Thomas Maxey, exec vp-exec acct dir; Chuck Meding, senior vp-mgmt super; Agi Clark, senior vp-exec creative dir; Jeanne Chenard, senior vp-creative dir; Irma Damhuis, vp-acct super; R.C. Morrison, vp-acct super. J.C. Penney Financial Services—John Nichols, vp-acct super, insurance; Jack Rayher, vp-acct supers, new business; Ruth Salevouris, senior vp-exec acct dir; H. Hart well, vp-acct super.

D'Arcy MacManus Masius, New York—J.C. Penney catalog—Steve Seiter, exec vp-acct group dir; Dan Cole, vp-mgmt super; John Roth, vp-acct super.

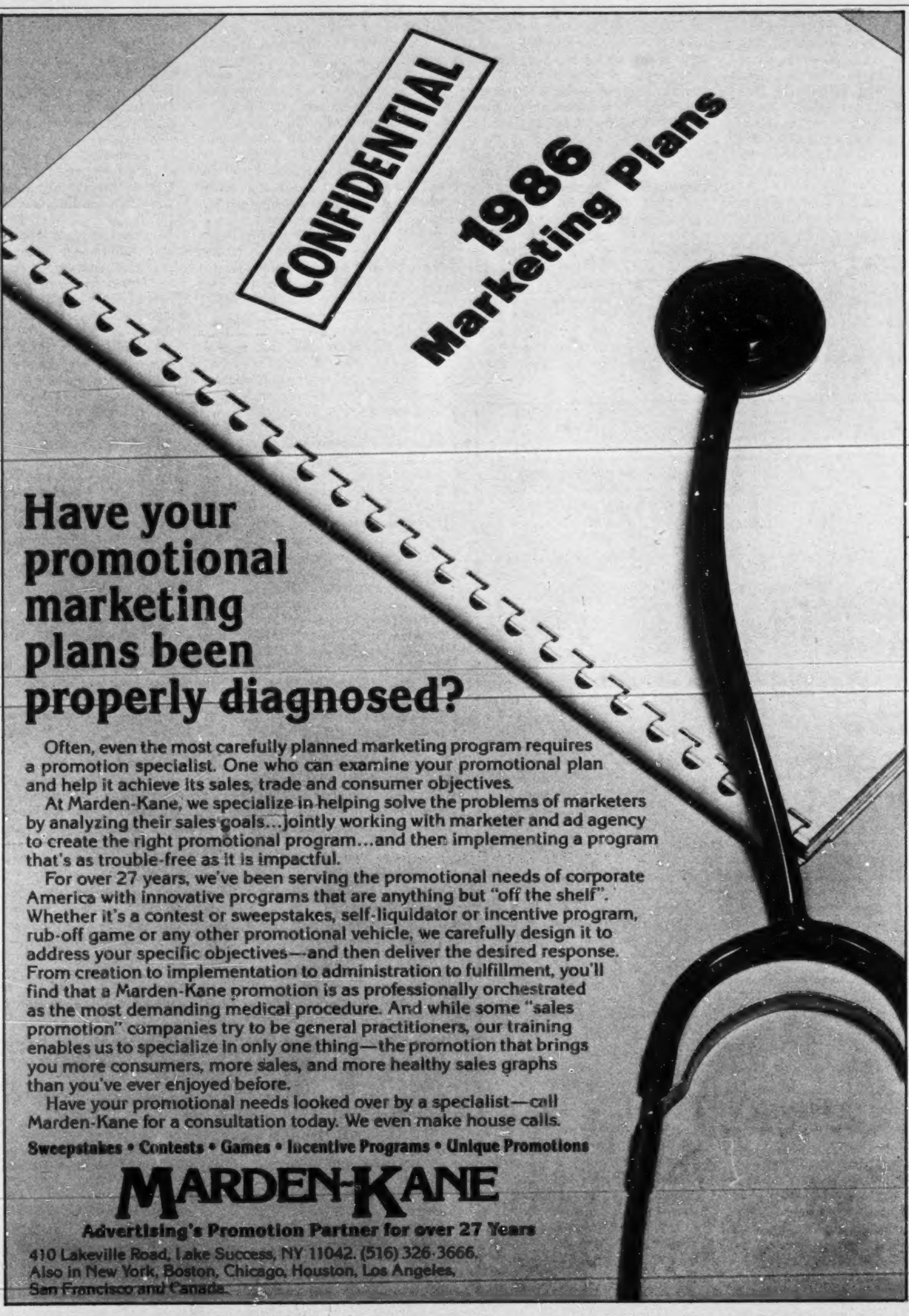
RANK
15

PepsiCo Inc.

Purchase, N.Y.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	7,699	7,166	7.4
Net income	213	284	-25.0
U.S.			
Sales	6,707	6,012	11.6
Operating profits	761	715	6.4
Advertising	428	357	20.0
Division sales			
Beverage	2,908	2,940	-1.1
Food products	2,709	2,430	11.2
Food service	1,834	1,529	19.9
Sporting goods	248	266	6.8



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San Francisco and Canada.

PepsiCo Inc., which reorganized in 1984 to concentrate on its strengths—beverages, food products and foodservice—was the 15th largest national advertiser in 1984 with estimated spending of $428.2 million, up 20% from 1983.

The Purchase, N.Y., company, parent of Frito-Lay, Pizza Hut, Taco Bell and Pepsi-Cola soft-drink empire, continued to cut into the market leadership of Coca-Cola. It sharpened up for further battle by divesting a money-losing subsidiary and preparing plans to sell two others. PepsiCo also lost its president to Harvard University Graduate School of Business Administration, a move that triggered a wholesale change in the executive ranks.

PepsiCo reported sales for the year of $7.7 billion, up 7.4% from the previous year, and net income of $212.6 million, down 25%—a decline that included a $15 million after-tax loss on the sale of Lee Way Motor Freight.

The sale of subsidiaries Wilson Sporting Goods and North American Van Lines in the first half of 1985 have shored up the bottom line. In the second quarter of the current fiscal year, the company reported earnings of $256.3 million compared with a year-earlier loss of $42.5 million, the 1985 period including a gain of $129.7 million, the difference between the sale of North American Van Lines and a loss from the sale of Wilson Sporting Goods. Sales increased 5.8% to $3.56 billion.

Beverages continued to be PepsiCo's major segment with $2.9 billion in worldwide sales in 1984, a decline of 1.1% that excluded results from foreign bottling operations, which were omitted when the company refranchised the operation. Beverages captured 37.8% of total sales.

PepsiCo's domestic soft drink entries under the Pepsi-Cola USA banner—Pepsi, Diet Pepsi, Diet Pepsi Free, Pepsi Light, Mountain Dew and the new Slice lemon-lime flavor—recorded a growth rate of 8% in 1984, according to the company. All Pepsi brands grabbed a 25.6% share of market (case sales) in 1984, up from 25.3% in 1983. Coca-Cola's soft drink brands had a market share of 36.4%, up from 35.3%, according to *Beverage Industry*.

The company's main brand, Pepsi, had a market share of 17%, up from 16.9% on the basis of a 6.8% increase in case sales in a total market that expanded at a 6.1% clip in 1984. This compares with Coke's 21.8% share of market, down from a 22.5% share despite an increase in case sales of 3.1%, according to the *Beverage Industry*.

Reformulated Diet Pepsi had a 2.9% share of market, up from 2.4%. Diet Coke, however, rose to 5.1% from 3.2%. Mountain Dew maintained its market share of 2.7% vs. Coca-Cola's Sprite's 3.3%, up from 2.8%. Sugar Free Pepsi Free was 1% for both years. Diet Coke Caffeine Free had a market share of 0.9% compared with 0.5% in 1983. Pepsi also had a boost in fountain syrup sales, helped by Burger King's late-1983 decision to convert to Pepsi-Cola products in its 3,200 restaurants nationwide.

The logo, "Pepsi. The Choice of a New Generation," was introduced in March, 1984, in commercials by popular singing star Michael Jackson. At no small cost, and perhaps with an assist from rival Coca-Cola's decision to reformulate and then bring back Coke Classic, it seems to be working.

By midyear, Pepsi's ads had climbed to the top of the charts in ADVERTISING AGE's monthly survey of unaided recall. More than one-third of the respondents queried by the SRI Research Center in Lincoln, Neb., identified Pepsi when they first heard the spots.

The upfront cost for Pepsi to strike a deal with Michael and the rest of the Jacksons was an estimated $7.5 million—$5.5 million for the Victory Tour and another $2 million to produce the spots. Pepsi spent another $40 million for the advertising time and space.

Measured media expenditures for the Pepsi brand, including Diet Pepsi and Pepsi Light, totaled $86.9 million, according to six media figures from Leading National Advertisers. Coca-Cola on the other hand spent $121 million on its Coke brand products (including the diet and Tab products). This does not include the expenditures for Mountain Dew ($7.8 million) or the introduction of Slice ($1.8 million). Of the $86.9 million targeted Pepsi brand, more than 95% was committed to network or spot tv.

Lionel Ritchie followed Michael Jackson in the Pepsi Generation spotlight, and San Francisco 49ers' quarterback Joe Montana joined the huddle, following his stellar performance in the January, 1985, Super Bowl XIX, to do three spots. Mr. Montana, paid $400,000 in a two-year contract for the spots, appeared in the first spot with his friendly adversary in that Super Bowl matchup, Dan Marino, quarterback of the Miami Dolphins.

One of the challenges for Pepsi-Cola USA in 1984 was to narrow the gap between diet Coke and Diet Pepsi, Diet Pepsi Free and Pepsi Light. Diet soft drinks are about 20% of the $25 billion soft-drink industry. But estimates put the share for diet soft drinks as high as 50% by 1990. Diet Pepsi is riding the fame of New York Met pitching ace Dwight Gooden, who has joined Jim "Catfish" Hunter in a 30-second spot.

In November, Pepsi-Cola USA announced it was switching to a 100% NutraSweet formula for all of its diet cola products. At the time, Roger A. Enrico, president of Pepsi-Cola USA, compared the move to the Michael Jackson commitment, maintaining that the investment in Jackson had been returned in five short weeks and a similar return was likely on the switch to the NutraSweet formula.

It did not take long for the rest of the industry to follow Pepsi's lead, and the company seems entirely satisfied with the results. Similarly, the introduction of Slice into the lemon-lime market has been successful. With 10% real fruit juice, Slice is already in 70% of the country and standing second in the category, behind Philip Morris' 7UP but ahead of Coca-Cola's Sprite.

Among the nonmedia buys that boosted Pepsi's 1984 advertising expenditures was its $72,000 partial sponsorship of Educational News Service's package of sound filmstrips about the 1984 political campaign. "Campaign '84: The Primaries" was distributed to 16,000 high schools nationwide along with Pepsi's Michael Jackson commercials.

On the international front, there were two significant developments involving advertising for Pepsi-Cola. In April, 1985, new Pepsi spots were introduced in 30 foreign markets. The spots debuted in Spain and with minimal changes were scheduled to run later throughout the world.

Taking a page out of the Michael Jackson book, Pepsi International signed the Puerto Rican rock group Menudo to make a series of commercials for the market in Mexico, where Pepsi has been running a distant second to Coca-Cola in market share. Elsewhere in Latin America, Pepsi is continuing to issue the Pepsi Challenge taste test in an effort to bolster market share.

PepsiCo's food products segment includes Frito-Lay, a Dallas-based, snack-food concern, and PepsiCo Foods International, which operates in 10 foreign markets. The segment in 1984 recorded sales of $2.7 billion, up 11.2% from the previous year, and operating profits of $393.9 million, up 13%. The segment accounted for 35% of total sales and 49% of operating profits.

Frito-Lay's $25 million campaign to introduce O'Grady's brand extra-thick potato chips was launched in February on the network tv premiere of the movie "Arthur." Hailed as the largest new-product launch in the company's history, the 40-week effort enabled O'Grady's to quickly surpass the $100 million mark in annual sales. O'Grady's became the seventh Frito-Lay "core" brand to top that annual sales figure.

The year also saw Frito-Lay reformulate the nacho-cheese flavor in its Doritos brand tortilla chips, the nation's largest-selling snack food. Industry estimates place 1984 sales of Doritos at $513.6 million, a sizable share of the snack food market. Future growth projections for the brand are in the 7% annual range.

A new 60-second musical and special effects extravaganza, first aired on ABC's telecast of "Star Trek II: The Wrath of Khan," ballyhooed the addition of one-third more nacho cheese to the Doritos chip. Ad spending for Doritos in 1984 exceeded $18 million, according to Earl Shirley, Frito-Lay marketing director. More than $13 million of that was spent on the tv schedule.

Frito-Lay continued to heavily promote its products in the soft and chewy cookies war, backing the introduction of GrandMa's brand Rich 'n Chewy. Measured advertising support for GrandMa's topped $5 million, a marked increase over the $3.8 million of the previous year.

Over-all, Frito-Lay products received $57.5 million in measured advertising support in 1984. This compares with $41 million expenditure in 1983 and does not include expenditures in the cookie category.

In late summer, Frito-Lay gave the pink slip to Young & Rubicam, its agency of 23 years, pulling $15 million in billings divided among Ruffles potato chips, Rold Gold pretzels and Chee-Tos cheese puffs from the New York agency. Needham Harper Worldwide, Chicago, was assigned the business in mid-September.

Change, controversy and continued growth marked the foodservice division in 1984, which had sales of $1.8 billion, up 19.9%, and operating profits of $175.2 million. The segment's sales accounted for 24% of the company total and operating profits, 22%.

In May, 1984, Pizza Hut named Chiat/Day, Los Angeles, to replace Foote, Cone & Belding, its agency of long-standing. The controversy surfaced during the agency review process when it was learned that a number of former Pizza Hut executives had joined rival Godfather's Pizza, also in agency review. Chiat/Day withdrew from an agency review by Godfather's and subsequently won the Pizza Hut business, amid conflict of interest charges.

Despite the controversy, Chiat/Day and Pizza Hut launched the first systemwide promotional campaign and a series of well-received tv commercials featuring "Pizza Hut people." The promotion, geared to children, offered coloring/sticker books featuring Care Bear characters. Spending for the four-week promotion, including network and regional tv, was estimated at more than $10 million.

Late in the year, Pizza Hut began to test a pizza-related product called Priazzo. A product with top and bottom crusts filled with pizza toppings, Priazzo was priced comparably with a large pizza and designed to feed several customers. Priazzo was rolled out nationally in 1985. Like the introduction of Personal Pan pizza aimed at singles and other recent new products, Priazzo is part of an over-all strategy to expand the chain's customer base.

Measured ad spending for Pizza Hut increased 19% in 1984 to $58.4 million. This was divided among spot tv ($40 million), network tv ($18.2 million), and minor outdoor and magazine contributions.

PepsiCo's other foodservice chain, Taco Bell, is the leader among the Mexican fast-food restaurants. Taco Bell is in the top 10 among all fast-food chains. Fast-food sales nationwide totaled $40.3 billion in 1984, up 9%. Of that, Mexican fast food accounted for $1.61 billion, a 25% increase from 1983. Taco Bell's increase exceeded that as sales reached $918 million by year end, up from $600 million in 1983. The growth was spurred by an expansion program that added 170 new restaurants to the chain, bringing the total to 925 company-owned and 908 franchised, and by new products, Taco Salad and Nachos BellGrande.

Taco Bell is in the process of a face lift to reposition the chain in the mainstream of the fast-food chains. A redesign of the corporate logo and of the restaurant exteriors begun in Denver in 1984 and is to be completed nationwide within three years. Accompanying the repositioning was a significant increase in the advertising budget. Whereas measured expenditures in 1983 totaled $18.7 million, the 1984 total was $28.7 million.

In October, PepsiCo president-coo since 1971, Andrall E. Pearson, announced he had accepted an offer to join the faculty at Harvard Business School, effective Jan. 1, 1985. Mr. Pearson's retirement set in motion a chain of events that will culminate with the retirement in May, 1986, of Donald M. Kendall as PepsiCo's chairman-ceo. D. Wayne Calloway has been elevated from exec vp-chief financial officer to replace Mr. Pearson, and he in turn will be succeeded by Michael H. Jordan, president-ceo at Frito-Lay.

Willard Korn, who had been president of Wilson Sporting Goods, replaced Mr. Jordan at Frito-Lay, and W. Leo Kiely was named to the new post of senior vp-sales and marketing.

A major restructuring of the company throughout 1984 and continuing into the midpoint of 1985 has enabled PepsiCo to focus on the businesses that historically have produced the best results. The restructuring was accomplished in three steps.

First, a number of company-owned international bottling operations were refranchised and placed in the hands of local businessmen. The hoped-for result when the program is completed this year is a stronger international franchise bottler network. PepsiCo is taking immediate aim on increasing its soft drink market share in Latin America.

Second, the company withdrew from the transportation business by selling its North American Van Lines and Lee Way Motor Freight subsidiaries.

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See page 101

Finally, the company in May sold its Wilson Sporting Goods division. The division has sales of $247.6 million in 1984, up 6.8% from the prior year, and an operating loss of $16.7 million compared with an operating loss of $11.2 million in 1983. The division, acquired in 1970, has failed to turn a profit since 1982. It was sold to Wesray Sporting, a division of Wesray Capital Corp., a New York-based investment banking company. The sales price was not disclosed, although estimates suggested a range of $150 million to $200 million.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	5,036	6,002
Magazines	3,511	3,895
Network cable	1,323	590
Spot tv	154,287	121,847
Network tv	90,403	73,953
Spot radio	25,025	14,025
Network radio	4,746	916
Outdoor	2,090	1,924
Total measured	286,420	223,154
Total unmeasured	141,752	133,656
Estimated total	428,172	356,810

PEPSICO INC.
Anderson Hill Rd.
Purchase, N.Y. 10577
(914) 253-2000
PEPSI-COLA USA
Marketing Personnel
Roger Enrico, president, ceo
John Costello, senior vp-sales & mktg
Richard Blossom, vp-brand mktg
Alan Pottasch, senior vp-creative services
Henry Hayes, media dir
PEPSI-COLA BOTTLING GROUP
Marketing Personnel
Roger G. Dettmer, president
Craig Weatherup, senior vp-sales
Advertising Agencies

BBDO, New York—Pepsi-Cola, Diet Pepsi, Pepsi Free, Mountain Dew, packaging & promo—Gary dePaolo, senior mgmt rep; William Katz, mgmt super; Andy Russem, Jeff Mordos, Wendell Crosswhite, mgmt supers.

J. Walter Thompson USA, New York—Slice, Diet Slice, Teem, On Tap root beer—Jeremy Birkbeck, acct super.

Hispania Advertising, New York—domestic Hispanic adv, all brands—Caroline Denny, genl mgr.

Mingo-Jones, New York—black consumer adv—Sam Chisholm, senior mgmt rep; John Williams, mgmt super; Gina Ross, acct exec.

Tracy-Locke/BBDO, Dallas—Pepsi Light—Lanny Houillion, senior vp; Bruce Orr, acct exec.

PEPSI-COLA INTERNATIONAL
Marketing Personnel
Robert H. Beeby, president-ceo
Robert M. Walker, vp-mktg & sales
Rod [illegible] Malcolm, dir, creative services
Advertising Agencies

J. Walter Thompson USA, New York—Tony Claravall, acct dir; Jeremy Birkbeck, senior acct super.

PEPSICO FOODS INTERNATIONAL
Marketing Personnel
John S. Pingel, president
Kenneth J. Constable, vp mktg
Advertising Agencies

Foote, Cone & Belding, New York—John Howard, William McDonough, mgmt dirs.

Tracy-Locke/BBDO, Dallas—David Novak, Mike Rawlings, intl coords.

Young & Rubicam, New York—Jane Brite, Barbara Jack, acct execs.

FRITO-LAY
Dallas, Tex.
Marketing Personnel
Willard C. Korn, president-ceo
Leo Kiely, senior vp-sales & mktg
Dennis Freezo, vp-sales operations & planning
Joe Pyland, vp-field sales
Laurie Beeson, vp-brand mktg
Advertising Agencies

Foote, Cone & Belding, New York—GrandMa's cookies, Fritos corn chips, Ta-Tos potato chips, O'Grady's potato chips—John Howard, senior vp-mgmt dir; William McDonough, vp-mgmt dir; Chris Novak, vp-acct dir; Anne Lynn, vp-acct dir; Mary Love-Mattox, acct exec; John Roberts, Alise Yates, Michael Colacchio, acct execs.

Tracy-Locke/BBDO, Dallas—Doritos, Tostitos, Baconettes, Funyons onion flavored rings—David Novak, vp-mgmt rep; Terry Davenport, Cindy Hughes, acct supers; Shipley Munson, Leslie Cochrane, Bob St. Julian, Scott Hall, acct execs.

Needham Harper Worldwide, Chicago—Ruffles potato chips, Cheetos cheese puffs, Rolled Gold pretzels, new prod—Stuart Sharpe-group acct dir.

PIZZA HUT
Marketing Personnel
Arthur G. Gunther, president-ceo
Michael Jenkins, mgr, corp pr
Bud Gates, vp-restaurant franchise
Advertising Agency

Chiat-Day, Los Angeles—Lee Clow, creative dir; Guy Day, acct exec.

TACO BELL
Irvine, Cal.
Marketing Personnel
Jim Loser, vp-mktg
George Reynolds, vp-adv
Dane Waitkus, vp-field mktg
Art Redmond, dir-mkt rsch
Advertising Agency

Tracy-Locke/BBDO, Dallas—Rod Underhill, president, TL/BBDO, Los Angeles; Anne Osberg, vp-mgmt rep.

Generics mainstream

Generic drugs now command 20% of the U.S market, and many industry specialists think the generics' share of the market will continue to rise over the next few years, according to *Business Week* (Jan. 11, 1985). The driving force: Washington's prospective payment plan for reimbursing the medical bills of medicare patients, which will continue to force hospitals and nursing homes to restrict their drug purchases.

Pfizer Inc.

New York

RANK 83

($ figures – 000,000)

Worldwide	1984	1983	% chg
Sales	3,855	3,750	2.8
Net income	508	447	13.6
U.S.			
Sales	2,150	1,950	10.3
Operating profits	538	414	30.1
Advertising	86	72	19.8
Division sales			
Health care	2,382	2,325	2.5
Agriculture	472	462	2.3
Specialty chemicals	377	394	-4.4
Other	623	569	9.5

Pfizer Inc., New York, whose products include Coty, Pacquin, Visine, Barbasol and Ben-Gay, ranked as the 83rd largest national advertiser with an estimated $86.4 million in total ad expenditures in 1984, up 19.8% from 1983.

Pfizer, which spends virtually all of its measured advertising on its consumer division, was monitored allocating $58 million in nine measured media, a 13.2% increase over the previous year. Worldwide advertising, however, dropped from $166.5 million in 1983 to $161.6 million in 1984, according to the company.

Earnings at the largely pharmaceutical company rose to $508 million, up 13.6%, although sales increased only 2.8% to $3.85 billion. Financial returns held to the same pattern in the first two quarters of the current fiscal year as earnings rose 15% to $147.3 million on sales of $945.7 million, up 15%, in the first quarter over the corresponding period in 1984. In the second quarter, sales flattened out at less than a 1% gain as earnings rose 15.6% to $137.5 million over the year-earlier period.

Consumer products made up of two divisions, Leeming/Pacquin and Coty, accounts for 8% of Pfizer's business. Sales increased 9% to $319.8 million in 1984. A similar sales increase continued into the first quarter of 1985.

Pfizer's consumer product market leaders—Visine, Desitin, Barbasol and Unisom—helped to lead the segment to an all-time high in earnings. Visine eye drops and Ben-Gay analgesic ointment were the segment's best performers. Visine, available in two formulations, Original and A.C. (allergy and colds formula), leads the $100 million eye drop category. It received measured backing in 1984 of $12.3 million, up 20.6%.

Uses for Ben-Gay—the ointment that debuted to the French public at the turn of the century—are being extended, along with the age spread of the audience. Measured ad support was $12.2 million, up 64.9%. Close to $8 million was spent on a campaign that seeks to establish Ben-Gay as a family-fitness product, in addition to its traditional use in treating arthritis and sore

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muscles. Ben-Gay holds a 35% share of the $100 million topical analgesic category, in which Thompson Medical Co.'s Aspercreme reportedly occupies second place with a 25% share. Thompson Medical is suing Pfizer over an offshoot product of Ben-Gay, SportsGel, which Thompson claims infringes on its Sportscreme trademark.

In the perfume category, Pfizer's measured expenditures declined for Nuance (down 55% to $583,500) and Sophia (down 38.5% to $2.3 million), and were slightly up for Emeraude (up 11.4% to $2.9 million).

The budget for Coty's Wild Musk (for women) was raised substantially because of heavier support of the men's musk version. Advertising for Musk, with men's and women's versions each receiving close to $900,000 in support, was concentrated on tv. Coty's other fragrance for men, Stetson, also received substantial backing, $5.7 million, up 35.7%, as Pfizer augmented its presence in the growing men's fragrance category. Sales of the Stetson line, which accounts for one-fourth of Coty's business, grew 41% in 1984.

The measured media budget for Coty's Overnight Success women's skincare product more than doubled, from $1.5 million to $3.1 million. Support for Pfizer's established brand of baby care products under the Desitin banner was minimal, $171,000, and the product received no advertising support the prior year.

Pfizer spent $4 million on advertising in medical journals, one of the largest media print budgets in the pharmaceuticals industry.

Pfizer's ongoing "Partners in Healthcare" print ad series was supplemented by four 30-second tv spots that dealt with common health problems such as hypertension, diabetes and depression.

Pfizer was one of the few pioneering companies to support a controversial subject for tv fare, incest, when it advertised on ABC's "Something About Amelia," a made-for-tv movie that was aired in January, 1984.

Pfizer continued its commitment to r&d in 1984, pumping more than $250 million into that area. That expenditure is expected to hit $300 million in 1985. Beneficiary of such r&d is Pfizer's healthcare segment, which includes hospital products and pharmaceuticals divisions. The segment represents 62% of Pfizer's business.

Fully 80% of the healthcare segment is dominated by the pharmaceuticals division, which garnered $1.9 billion in sales in 1984. A 14% increase in U.S. sales was offset by a 9% drop in international sales, sharing the plight of U.S. companies with large foreign interests in a dollar-strong worldwide economy. Consequently, pharmaceutical sales rose by only 1% for the year.

More encouraging was healthcare's hospital products subdivision in which over-all sales rose 7% to $491 million and domestic sales 13%. Sales of the agricultural segment increased 2% to $472.2 million in 1984, although sales for the segment dropped 2% in the first quarter of 1985.

The performance of Pfizer's pharmaceutical products was enhanced by sales of a few key products. Topping the list was Feldene, which had $406 million in sales. Feldene, an arthritis treatment product, is the top-selling anti-inflammatory agent in the world. Sold in more than 100 countries, Feldene has been on the market in Europe since 1979, and in the U.S. since 1982. It holds between 25% and 30% of the $3 billion U.S. market for anti-inflammatories, competing against Upjohn's Motrin and Syntex Laboratories' Naprosyn products.

The $4 billion cardiovascular category in the U.S. is dominated by another Pfizer pharmaceutical product, Procardia, with sales of $159 million in 1984, a 29.8% increase for the product leased from Bayer A.G. of West Germany since 1976. The drug, company spokespersons say, holds half of the U.S. market for calcium channel blockers. Its primary competitor is Cardizem from Marion Laboratories. Pfizer is conducting studies to further stimulate use and sales of the product beyond the prevention of spasms of the coronary artery in angina sufferers—Procardia's current usage. The drug also is undergoing testing in the treatment of two other ailments, Silent Myocardial Ischemia and hypertension, which is said to affect more than 40 million Americans.

Another Pfizer drug, the antihypertensive Minipress, increased its sales 19% in 1984, to $200 million, becoming the segment's second biggest seller. It will go off patent in a few years, however, making it available for generic distribution.

Cefobid is the third member of a trio, which also includes Feldene and Procardia, that accounted for one-third of Pfizer's pharmaceuticals' worldwide sales. The broad spectrum antibiotic's sales rose 5% to $124 million last year, aided by its low dosage (twice a day), which presents Cefobid as a cost-efficient choice for hospital use. But as a category, antibiotic sales plummeted 13% at Pfizer. The company attributes part of the downward trend to the increasing use of generic substitutes for Pfizer's Vibramycin product.

Pfizer's own participation in the $2 billion generics market through its Pfipharmecs division is a matter of controversy within the company. Still a small part of the Pfizer business, (about $50 million worth), Pfipharmec's future role may expand, including the possible marketing of non-Pfizer generics, which would naturally become the thrust of the new division. Continued erosion of Pfizer's branded products through off-patent action is certain to be a determining factor. Diabinese, an antidiabetic treatment product that went off-patent last October, contributed more than $150 million in sales last year.

Pfizer is fighting back generic competition to its drugs through the development of new products. Among these is Glucotrol, an oral antidiabetic drug that entered the market through Pfizer's Roerig division in June, 1984. Advertising for the new drug, targeted for use by diabetics not dependent on insulin, is handled by William Douglas McAdams Inc., New York. Another product, Sorbinil, which counters the complications of diabetes, is still under study, and Pfizer hopes to launch the drug within the next few years.

Acquisition activity dominated Pfizer's hospital products division of the healthcare segment. The most recent was Pfizer's purchase of American Medical Systems on May 10, 1985, for $106 million in stock. The Minnetonka, Minn.-based company manufactures urological devices for the treatment of impotence and incontinence. Other purchases included Brent Surgical, a Canadian distributor of hospital cardiovascular products, which Pfizer bought in May, 1984, at an undisclosed price, and Swiss-based Schneider-Medintag, manufacturer of angioplasty products such as the MultiPro balloon catheter, used to dilate narrowed coronary arteries, providing an alternative to coronary bypass surgery. The hospital products group also sold its dental division in a leveraged buyout to management.

The hospital product group's performance was bolstered by $90 million in sales of various new specialty products. Pfizer's share of the $200 million cardiovascular supplies market totals 10%, an area dominated by American Hospital Supply Corp.'s 50% share and C.R. Bard and Baxter-Travenol's 15% and 12% respective shares.

Pfizer's agricultural division received FDA approval in February, 1985, for a system that protects cattle against parasites.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	764	1,333
Magazines	13,956	10,955
Network cable	190	35
Spot tv	2,396	2,860
Network tv	38,730	34,689
Spot radio	0	84
Network radio	130	446
Outdoor	93	7
Farm pubs	1,917	1,082
Total measured	[illegible]	51,171
Total unmeasured	28,573	20,949
Estimated total	[illegible]	72,120

PFIZER INC.
235 E. 42nd St.
New York, N.Y. 10017
(212) 573-2323

Agricultural Division
Marketing Personnel

R.M. Hendrickson, president
E.T. Hughes, vp-sales
R.N. Fountain, vp-mktg
J.F. Mieren, vp-operations
R.A. Stacchini, mktg mgr, communications
R.G. Klein, mktg mgr-animal health
L.W. Sein, mktg mgr-feed supplement prod

Advertising Agencies

Barickman Advertising, Kansas City—animal health—Jim Acri, acct super.

Brewer Advertising, Kansas City—genetics—A.J. Adolfi, acct super.

LEEMING/PACQUIN DIVISIONS
Marketing Personnel

J.F. Harmon, president-consumer prod
J.F. Anderson, senior vp-mktg
R.L. Unger, vp-mktg
T.F. Coughlin, vp-sales
G.H. Schulze, vp-new prod devel

Advertising Agencies

Avrett, Free & Ginsberg, New York—Unisom, Sleep aid—Don Bandman, exec vp; Marlene Wheeler, acct super.

Ted Bates Advertising, New York—Visine, Visine A.C., Visalens—Lee Hines, exec vp; Vickie Mendlesohn, acct super.

McCaffrey & McCall, New York—Ben-Gay, Desitin, Pacquin, Rheaban—Burtis Flounders, mgmt super; Janet Boyle, acct super.

COTY DIVISION
Marketing Personnel

J.F. Harmon, president, consumer prod
J.T. Markowski, vp-mktg
J.L. Abernathy, senior vp-sales
J. Webster, vp-sales

Advertising Agencies

Adforce Inc. (in-house), New York—media planning & buying activities—Robert Geller, president; John McAvity, vp-broadcast; Martin Gennusa, vp-media.

Hicks & Greist, New York—Sophia, Overnight Success, cosmetics—Joanna Avery, acct exec.

John Paul Itta Inc., New York—Nuance, Musk—Marc Engelsman, acct exec.

Warwick Advertising, New York—Emeraude, Stetson—Pam Sarnoff, acct exec.

LEEMING/PACQUIN & COTY MARKET RESEARCH

S.W. Newman, vp-mktg rsch
H.K. Gray, vp-purchasing & packaging devel
W.T. Doran, vp-rsch & devel

CHEMICAL DIVISION
Marketing Personnel

D.F. Farley, vp-operations
P.J. Regan, vp-operations
W.D. Bender, vp-U.S. sales
F.P. Chapman, vp-field operations
Vincent DeGennaro, dir-adv & promo

Advertising Agency

D'Arcy MacManus Masius, New York—F.P. Harvey, senior vp-mgmt super; Charles Rose, vp-acct super; D.E. Bray, acct exec.

PFIZER PHARMACEUTICALS
Marketing Personnel

S.G. Gilgore, president
J.T. Curti, senior vp-medical & pharmaceutical devel
J.N. Arvesen, dir-mktg rsch & planning

PFIZER LABORATORIES
Marketing/Sales Personnel

W.C. Steere, exec vp-dir-operations
G.N. Jortner, vp-mktg
W.J. Robison, vp-sales
W.B. Surran, dir-mktg services

Advertising Agencies

Carrafiello Diehl & Associates, Irvington, N.Y.—Sinequan—T. Bennett, vp; W. Hanley, acct exec.

Dorritie & Lyons, New York—Minipress, Minizide, Feldene, Procardia, Renese—John Dorritie, president.

Klemtner Advertisng, New York—Vibramycin, Terramycin, Oral Vistaril, other ethical drugs—Morgan Cline, president.

William Douglas McAdams Inc., New York—Diabinese, Glucotrol—Stephen Heber, vp; Howard Mandlebaum, senior vp.

ROERIG DIVISION
Marketing Personnel

P.G. Tombros, senior vp, dir-operations
K.L. Katen, vp-mktg
L.L. Larkin, vp-sales

Advertising Agencies

Robert A. Becker Inc., New York—Geopen, Geocillin, Antivert, Atarax—James Stroup, acct exec.

Cline Davis & Mann, New York—Glucotrol, Spectrobid, branded ethical drugs—Jack Slonaker, vp; Jed Beitler, vp-acct exec.

Dorritie & Lyons, New York—Cefobid, Marax—John Dorritie, president.

PFIPHARMECS DIVISION
Marketing Personnel

F.D. Price, vp, dir-operations
S.B. Harr, dir-mktg & sales

Advertising Agency

S.J. Weinstein Associates, New York—Bonine, Geopen, Rid—Barry Frankel, vp-mgmt super.

MINERALS, PIGMENTS & METALS DIVISION
Marketing Personnel

D.R. Thacker, president
W. Nazarewicz, vp-minerals
P.A. Guercio, vp-metals
G.L. Metcalf, vp-pigments & magnetics mktg & sales

Advertising Agency

Adforce Inc. (in-house), New York—Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

HOSPITAL PRODUCTS

E.C. Bessey, president-ceo
R.B. Whitman, senior vp
D.M. Fitzgerald, senior vp-worldwide orthopedics, president-Howmedica Inc.

Advertising Agency

Techni-Graphics—Hugh Phares, president.

QUIGLEY CO.
Marketing Personnel

J.P. Bartels, chmn
J.C. O'Donoghue, president
D.R. Holmes, vp-intl operations
L.J. Dreyling, vp-technical
R.M. Galloway, vp-sales & mfg

AD FORCE INC.
Marketing Personnel

Robert J. Geller, president
John M. McAvity, vp-broadcast
Martin J. Gennusa, vp-media

RANK
22

Pillsbury Co.

Minneapolis

($ figures = 000,000)

	1985	1984	% chg
Worldwide			
Sales	4,700	4,172	12.0
Net income	192	170	13
U.S.			
Sales	N/A	3,817	N/A
Operating profits	N/A	166	N/A
Advertising	318	214	48.7
Division sales			
Consumer foods	2,410	2,166	11.3
Restaurants	2,053	1,769	16.1
Commodities	207	238	-12.8

Pillsbury Co., Minneapolis, ranked as the 22nd largest national advertiser in 1984, increasing its total U.S. advertising and promotion spending to an estimated $318.4 million, up 48.7% from the previous year.

Worldwide, the company says it recorded $473.7 million in advertising and promotion-related costs in 1984, compared with $390.6 million in 1983. Worldwide figures also include some selling costs.

Fiscal 1985, ended in May, was

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Pillsbury's 14th consecutive year of increased sales and net earnings. Revenue for the period was up 12%, to $4.7 billion. Net earnings rose 13% from fiscal 1984, to $191.8 million.

Pillsbury's domestic spending in nine measured media during calendar 1984 was $224.2 million, up 49% from 1983. The big increase came in spending for its restaurants, including Burger King, and for Green Giant frozen foods, new formula yeast-dough products and the new microwave food line.

The image of the flour miller, the purveyor of basic ingredients for home food making, is hardly accurate anymore. In 1984, Pillsbury spent about $80,000 to advertise Pillsbury's Best flour. It spent $130.5 million to advertise Burger King, its biggest restaurant subsidiary.

Reflecting the evolution affecting the company, Pillsbury in February, 1985, reorganized its corporate structure along consumer lines instead of distribution lines. Essentially, food product function (meals) rather than commodities is the new approach.

In marketing goals and expenditures, microwave items were Pillsbury's biggest food new-product area in 1984. Introductions included Totino microwave pizza and Pillsbury microwave pancakes. These products are based on a new technology making use of a pad in the product to collect and concentrate microwave energy. Totino is the No. 1 producer of frozen pizzas, accounting for more than a third of the $550 million U.S. market.

A second area of new development in 1984 was bakery products. Among those introductions were items based on a new yeast-dough technology that is said to bring "bakery-fresh flavor" into the home kitchen. Included were soft breadsticks and also apple danish and cinnamon sweet rolls, all refrigerated to-be-baked products.

Other new bakery products were Pudding Pockets cupcakes, small cakes with a custard-like filling, and the heavily promoted Toaster Strudel, available with several fillings. Also introduced were several new flavors of Pillsbury cake mixes.

Disappointing in this baked goods area were the 1984 introductions of Dry Mix yeast bread, a home baking product, and the Milk Break bar, a cereal snack bar, both of which fell flat in the marketplace, although Pillsbury continues to push the products.

New vegetable products for 1984 included a line of prepared combination Green Giant frozen vegetables and boil-in-bag stuffing, a side dish, both supported by heavy advertising—$4.2 million for the Green Giant vegetables (including existing line items also) and $2.6 million for the stuffing.

Consumer foods segment sales for fiscal 1985 were up 4.3%, to $2.4 billion. Operating profit was up 22%, to $211.5 million. Sales of the meals and snacks section were up 46% to $373 million. Vegetables and side dishes sales rose 12% to $434 million. Bread and baking products increased just 1% to $1.21 billion, and ice cream climbed 34% to $130 million in sales.

Major developments in consumer foods included the acquisition of Van de Kamp's Foods, Long Beach, Cal., from General Host Corp., Stamford, Conn., in November, 1984, for $102 million. The addition gives Pillsbury a frozen fish line, one of the fastest growing areas in grocery sales. Van de Kamp is the third-ranking frozen fish processor behind Mrs. Paul's (Campbell Soup Co.) and Gorton's of Gloucester (General Mills).

Pleased with the performance of its Haagen-Dazs Ice Cream acquisition of 1983, Pillsbury added another premium ice cream maker in 1984—Sedutto Co., a New York producer of premium ice creams.

Pillsbury is now the biggest single operator in the $125 billion-a-year restaurant industry with its two restaurant companies, Burger King Corp. and S&A Restaurant Corp.

Serving more than 40 million meals a week, the restaurant group had fiscal 1985 sales of $2.05 billion, up 16.1%. Operating profits climbed 17.4%, to $220 million. The group had 477 new restaurants in 1984, the most ever in a single year, bringing the total to 4,601.

Current developments for Burger King include introduction of the Croisan'wich, a breakfast croissant that has pushed Burger King's breakfast sales share to 12% of market from 5%; beefing up of the famed Whopper hamburger with a meatier patty and kaiser roll-style bun, and the Burger King debut of a new restaurant concept, the Quik Wok, an Oriental-mode eatery.

Burger King bought the nine-unit Quik Wok chain in San Antonio, Tex., and expects to use it as the base for blending its fast-food savvy with ethnic food in a new restaurant effort.

Perhaps the biggest development from Burger King is the acquisition, in May, 1985, of Diversifoods, Itasca, Ill., for approximately $386.4 million in cash. This was Burger King's largest franchisee, with 377 units, many in Chicago and New Orleans, and its acquisition will enable Burger King, by 1986, to reach its goal of 20% company-owned units in the chain.

Also owned by Diversifoods were 1,000 other restaurants, including Godfather's Pizza, Luther's Bar-B-Q, Moxie's Delux Grille, Cork & Cleaver and Cisco's Mexican restaurants. Pillsbury is keeping Godfather's, but has yet to decide whether to develop or dispose of the other properties.

To back marketing strategies in its three business segments, Pillsbury says that its ad spending will increase 20% in 1985-86.

Heavy increases in spending for 1984 were made for restaurant advertising, most of it on tv, both network and spot.

According to product advertising in six media monitored by Leading National Advertisers, spending for S&A unit, Bennigan's, quadrupled, to $2.7 million in 1984 from $621,900 in 1983, nearly all for spot tv.

Burger King spending was $130.5 million, up 53% from 1983. Magazine spending by Burger King dropped 62% in 1984, to $320,100, but network tv was up 44%, to $51.3 million. Spot tv rose 67% for Burger King, to $78.1 million.

Steak & Ale 1984 ad spending in measured media was $6.4 million, up 39% from 1983. While spending was roughly an even split between network and spot tv in 1983, network grew to 63% of the total in 1984, with the balance going to spot tv.

Over-all, Pillsbury spending for media advertising in 1984 included: Magazine expenditures, about even at $2.5 million for both years; network cable, up 37%, to $757,000; spot tv, 63% higher, reaching $99.1 million; network tv, 44% higher, rising to nearly $107 million, and spot radio, larger by 25%, reaching $12 million. Outdoor spending by Pillsbury in 1984 dropped 14%, to $849,000.

Spending for media advertising of the Green Giant frozen vegetables and entrees nearly tripled, going to $12.7 million in 1984. All was for spot and network tv in 1984 and 1983.

Measured spending for the new microwave foods line reached $4.8 million in 1984, more than triple the $1.3 million spent in 1983, and largely because of introducing the new microwave frozen pizza, which received backing of $1.7 million.

Advertising backing for the new-formula yeast dough products was slightly more than $8.5 million, including $8.47 million on network tv, $177,200 on spot tv, and $29,100 in magazines. Media spending for the refrigerated dough line rose 14% in 1984, climbing to $16.4 million over 1983. In 1984, network and spot tv received all but $617,000 of this total, which went to magazines.

The Pillsbury line of cake mixes, brownie mixes and frostings received ad backing of $8.5 million in 1984, down 18% from 1983. Refrigerated biscuits had total ad spending of $2.4

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million in 1984, up from approximately $49,000 spent in 1983. Although the Van de Kamp's fish line acquisition was not made until December, 1984, that spending totaled $3.9 million, all of it for spot tv.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,965	917
Magazines	2,499	2,498
Network cable	757	551
Spot tv	99,106	60,781
Network tv	106,983	74,337
Spot radio	12,014	9,640
Network radio	0	810
Outdoor	849	988
Total measured	224,173	150,522
Total unmeasured	94,300	40,973
Estimated total	318,473	214,100

PILLSBURY CO.
200 S. 6th St.
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Marketing Personnel
Consumer Products Group

Tom McBurney, president, Pillsbury Foods
Tom Gartner, vp-genl mgr, growth & devel
Don Osell, vp-mktg services
Ron Kos, dir-adv services

Refrigerated Dough Products

Bob Lindsay, vp-genl mgr
Bill Howe, dir-mktg

Light Meals & Snacks

Dick Nickel, vp-genl mgr
Dick Anderson, dir-mktg, pizza
Tom Neidhart, dir-mktg, microwave prod
Jeff Christenson, business unit mgr, toaster prod
Mike Paxton, business mgr, Mexican & new prod

Vegetables & Side Dishes

Gary Klingl, vp-genl mgr
Dave Webber, dir-mktg, processed vegetables
Larry Wheeler, dir-mktg, fresh vegetables

Desserts & Sweet Goods

Kent Larson, exec vp
Dan Locke, vp-genl mgr, Value Added specialty prod
Dudley Hauser, dir-mktg, Value Added specialty prod
Robbie Westmoreland, group vp-industrial foods
Bill Hay, vp-genl mgr, flour milling
Darwin Borden, dir-mktg, flour milling (west)
L.D. Compton, dir-mktg, flour milling (east)
Larry Youngblood, vp-genl mgr, bakery prod
Jerry Hanna, dir-bakery mix mktg
Chuck George, dir-foodservice mktg

Main Meals

Steve Pokress, vp-genl mgr
Dan Barnett, vp-dir mktg

BURGER KING CORP.
Miami, Fla.
Marketing Personnel

Don Dempsey, exec vp-mktg
Ray Hood Phillips, Tom Kupciunas, Tom Kettinger, dirs-adv & promo
Tom Sawyer, dir-field mktg
Denis Hitchmough, dir-media
Mike McCaffrey, vp-mkt rsch
Steve Rann, dir-mkt rsch
Barry Schwartz, dir-mkt rsch

Advertising Agencies

Batten, Barton, Durstine & Osborn, New York—cake & bread mixes, frostings, All-ready pie crusts, Pillsbury Microwave prod, artificial sweetners, new prod—Robert Spofford, mgmt super.

Leo Burnett USA, Chicago—Green Giant prod, refrigerated foods, Hungry Jack potatoes & pancakes, Totino's pizza—Bill Boris, exec vp; Edson Sessions, acct dir.

Ketchum Advertising, San Francisco—family flour, Figurines, Milk Break milk bars, new prod—Robert Kroyer, ceo; Anne Fisher, mgmt super; Rosilyn Young, acct super; Kathleen Brunswick, acct exec.

Marketing Southwest, San Antonio, Tex.—Quik Wok restaurants—Nancy McWethy, acct super.

Pride, Barber & Pride, Minneapolis—bakery flour, mixes & equipment, foodservice—William Barber, president, dir client services.

SSC&B: Lintas, New York—Steak & Ale, Bennigan's restaurants—Terry Rosenquist, mgmt super.

J. Walter Thompson USA, New York—Burger King—Stephen G. Bowen, Jr. senior vp.

HAAGEN-DAZS ICE CREAM
(including Sedutto Ice Cream)
Teaneck, N.J.
Marketing Personnel

Jeff Shoal, vp-mktg
James E. Richards, Jim Gollhofer, vps-sales

Advertising Agency

McCann-Erickson, New York—Haagen-Dazs—John Dooner, head acct rep; Steve Hurwitz, mgmt rep; Dana Ferguson, acct super; Denise Madison, acct exec.

S&A RESTAURANT CORP.
(Steak & Ale, Bennigan's)
Marketing Personnel

Lane Cardwell, vp-strategic planning
Scott Burcham, vp-mktg, Bennigan's
Norma Karter, mktg mgr, Bennigan's
Tom Koeningsberg, senior mktg mgr, Bennigan's
Ruth Reed, dir-mktg, S&A
Rich Martino, mktg mgr, S&A

Advertising Agencies

Rosenberg & Co., Dallas, Tex.—Bennigan's—Trey Morgan, acct exec.

SSC&B, New York—Steak & Ale—Robert D. Wadsworth, exec vp.

VAN DE KAMPS
Long Beach, Cal.
Marketing Personnel

Daniel Barnett, vp-mktg
Peter Nolan, vp-sales

Advertising Agency

Benton & Bowles, Los Angeles, Cal.—Today's Catch frozen fish—Andy Beilansky, mgmt super; Diane Krouse, acct exec.

AZTECA CORN PRODUCTS CORP.
Chicago, Ill.
Marketing Personnel

Jerome Chambless, dir-mktg & sales
Thomas P. Gworek, natl retail sales mgr
Renee Pogher, mktg mgr

Advertising Agency

Keroff & Rosenberg Advertising, Chicago, Ill.—Azteca brand tortillas—Chas Rosenberg, exec vp-creative dir.

GODFATHER'S PIZZA
Omaha, Neb.
Marketing Personnel

Peter Stewart, vp-mktg
James McBride, vp-adv & sales promo
Joann Kelly, dir-field mktg

Advertising Agencies

Cole & Weber, Seattle, Wash.—media—Stephanie Welch, media mgr.

Dailey & Associates, Los Angeles, Cal.—Godfather's pizza—Reilly Leonard, acct super; Doug Hector, mgmt super.

Procter & Gamble Co.

RANK 1

Cincinnati

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	13,550	12,946	5.0
Net income	635	890	-29.0
U.S.			
Sales	10,240	9,544	7.2
Operating profits	N/A	N/A	N/A
Advertising	872	789	10.5
Division sales			
Cleaning prods.	4,884	4,715	3.6
Personal care	5,107	4,930	3.6
Food prods.	2,815	2,461	14.4
Other prods.	1,237	1,309	-5.5

Procter & Gamble Co. remained the largest national advertiser in 1984 with total U.S. advertising and promotion expenditures of an estimated $872 million, an increase of 10.5% over the previous year.

The Cincinnati-based household products marketer had fiscal 1985 sales of $13.55 billion, up 5% from the previous year. Worldwide earnings, however, were $635 million, a drop of 29%. The U.S. contribution to earnings was $521 million.

Procter & Gamble spent an estimated $1.09 billion in worldwide advertising in fiscal 1985, up 11.7% over fiscal 1984, according to household products analyst Hugh Zurkuhlen of Salomon Brothers. Of that total, an estimated 80% was spent on U.S. advertising—$132 million of which was in unmeasured media and promotions.

According to nine measured media, P&G measured advertising for 1984 totaled $740.4 million in the U.S., up 3.8% from 1983. P&G became the leader in network cable spending in the U.S. during 1984 with an expenditure of $24.[illegible] million, up 59.2%, passing 1983's No. 1 cable advertiser, Anheuser-Busch.

U.S. sales for P&G in fiscal 1985 were $10.24 billion, 75.6% of the worldwide total, and up from 73.8% of the worldwide total in 1984.

About halfway through fiscal 1985, P&G announced it would report the company's first earnings decline in 33 years. P&G's last earnings decline was a 19% drop for 1952. This year's drop of 29% was more dramatic. Analysts attribute the drop to a series of marketing mistakes the company made in a number of its key product categories.

However, analysts are more optimistic about earnings potential for fiscal year 1985-86. Hercules Segalas of Drexel Burnham Lambert, New York, predicts a positive earnings swing for P&G in the new fiscal year, which began July 1, because "there will not be as heavy a level of spending, [allowing] earnings to climb again."

During 1985, P&G found itself spending more than it expected in its key product categories of disposable diapers, dentifrices and laundry detergents, while at the same time supporting the introduction of 15 new products. However, all of the new P&G products introduced during 1984 sported familiar brand names as the company moved full speed ahead with a brand-expansion strategy not previously associated with it. Analysts say the strategy reflects P&G's facing up to the realities of today's competitive marketplace.

Products introduced nationally this year under established brand names are Bounty Microwave paper towels; Citrus Hill Select; Crest tartar control formula toothpaste; Duncan Hines oatmeal and peanut butter ready-to-eat cookies; Folgers decaffeinated instant and regular coffee; Lilt shampoo and conditioner, plus a reformulated line of Lilt home permanent products; Luvs Baby Pants; new Pampers diapers; Prell conditioner; Pringle's sour cream & onion potato chips; Spic & Span pine cleaner, and Liquid Tide laundry detergent.

In the $2.8 billion disposable diaper market, P&G still holds a 46% total market share, although its Luvs and Pampers diapers have steadily lost market share to Neenah, Wis.-based Kimberly-Clark Corp.'s Huggies disposable diapers. K-C's share has grown to 32%, cutting deeply into P&G's once-most-profitable division.

P&G in January announced a $500 million revamping of its diaper production facilities "to market a new generation of Pampers." In addition, P&G will spend another $225 million in advertising and promotion to launch the new diaper via Benton & Bowles, New York.

In measured media spending, P&G spent $26.4 million, up 12% from 1983, with almost all that amount put into network and spot tv time. P&G also spent $23.2 million in measured media to support its Luvs premium disposable diapers. Luvs regular or premium also was upgraded in mid-1985 and renamed Luvs Baby Pants, with an elasticized waistband as well as elastic legbands. Dancer Fitzgerald Sample, New York, is the agency.

The Always line of feminine protection products, P&G's first entry into the estimated $1.5 billion feminine protection category since its Rely tampons were pulled from the market because of their link to toxic shock syndrome, did very well in its first year of national distribution.

P&G spent an estimated $100 million to launch the four-item line and got quick results. Latest market share estimates show Always with a 17% share, slightly less than P&G's projected 20% share. Market leader Johnson & Johnson, New Brunswick, N.J., has a 38% share for its two lines, Stayfree and Sure & Natural; Kimberly-Clark, 32.1% for New Freedom and Kotex, and Tambrands, Lake Success, N.Y., has 9% for Maxithins.

Always received $17.8 million in measured media spending, almost evenly split between network tv and magazines.

Support for P&G's other consumer paper products appears to be gradually dropping. The company's 1984 measured spending totaled $29.4 million, down 12.5% from 1983 for the eight products in this category.

Only Bounty paper towels and Banner bathroom tissue recorded increases, with Bounty up 27% to $11.2 million in measured spending, and Banner up 38% to $7.6 million. Bounty holds almost 20% of the $1.3 billion paper towel business, and late in the year introduced Bounty microwave towels.

At the same time, P&G also began testing Special Touch by Puffs, a facial tissue impregnated with lanolin. The lotioned facial tissue is similar to Procter & Gamble's Certain, a lotion-impregnated bathroom tissue.

Special Touch, positioned as the tissue that "helps take the 'Ow' out of blowing," was backed with $67,200 in measured media spending, compared with $5.09 million for regular Puffs. Puffs is the third-largest facial tissue in the $1 billion category, trailing K-C's Kleenex and Philadelphia-based Scott Paper Co.'s Scotties.

P&G is the leading marketer nationally of bathroom tissue, holding close to a 30% share of the $2 billion market. In addition to Charmin, which received $7.5 million in measured media spending, other brands include White Cloud with 8.3% and Banner with 3.1%. White Cloud was backed with $2.56 million in measured spending, down 12% from 1983.

In the personal care area, P&G had trouble defending its market share in the $1 billion dentifrice category. At the end of 1984, Crest's share had fallen to 30.5%, from 36% six months earlier. New York-based Colgate-Palmolive Co.'s Colgate gained the most, picking up at least 3 share points to hold a 26% share. Latest figures show Crest at slightly more than 29% and Colgate a bit more than 28%.

Industry watchers predict Crest will win back some share with its $37 million introduction of Crest tartar control formula, P&G's effort to combat Colgate's $40 million national launch for its plaque-fighting Dentagard toothpaste.

In measured media spending, P&G spent $31.7 million on Crest, down 14.5% from 1983 measured spending, including $2.1 million for a separate Crest gel toothpaste campaign. The bulk of Crest's media buy consisted of network and spot tv, with some magazine support.

P&G's cosmetic Gleem toothpaste spending dropped 46% to $4.4 million in measured media spending, mainly through spot tv buys. Leo Burnett USA, Chicago, handles.

Measured media support for Scope mouthwash declined slightly to $12.8 million.

In the nearly $1.3 billion (retail sales) deodorant/antiperspirant market, P&G's Secret and Sure held steady throughout the fiscal year. Secret holds an 11.1% share and Sure has 12.5%.

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See page 101

Measured media spending increased slightly to $31.8 million for both Secret and Sure.

P&G last summer introduced an eight-item Ivory shampoo and conditioner line into the $3 billion haircare category, backed with an estimated $35 million budget, $10.5 million of that in measured media spending. The economy priced line to date holds an estimated 5.1% share of unit sales in the shampoo category, according to the A.C. Nielsen Co., Northbrook, Ill.

P&G's Head & Shoulders dandruff shampoo is considered to be the No. 1 product in the category, claiming an estimated 10% share of unit sales. Salomon Brothers' Mr. Zurkuhlen estimates P&G owns 28% of the retail shampoo market, a coverage split between five brands—Head & Shoulders, Ivory, Lilt, Pert and Prell.

In early autumn, P&G introduced a premium-priced shampoo and conditioner for permed hair under its Lilt franchise, making the company the fourth competitor to enter the permed and color-treated haircare category. The line is positioned as "the permed haircare system," via Burnett.

Measured media spending fell for Pert and Prell during fiscal 1985, Pert declining 10.4% to $6.3 million, and Prell plummeting 33% to $8.4 million, despite the introduction of new Prell conditioner. Head & Shoulders' budget increased 21% to $16.7 million.

After battling Greenwich, Conn.-based Chesebrough-Pond's over advertising for their competing hand lotions, both companies in July finally agreed to modify or discontinue ads for Vaseline Intensive Care and Wondra hand lotions, respectively.

The Wondra ad claimed the product "has the most moisturizing glycerin of all leading lotions and Wondra is best at turning rough, dry hands soft and smooth." Benton & Bowles, New York, is the agency.

The Vaseline Intensive Care ad claimed, "When it comes to relieving dry skin, no leading lotion beats Vaseline Intensive Care." William Esty Co., New York, handles.

Measured media support for Wondra decreased 2.1% to $3.9 million during fiscal 1985.

P&G decreased measured media spending for its bar soaps, dropping 14.8% to $44.3 million during the fiscal year. Ivory bar and liquid soaps were up slightly to $16.5 million, although all other brands reported decreases, including Camay, Coast, Lava, Safeguard and Zest. Measured media spending also dropped 30% to $306,000 for Monchel, a face and body soap currently in test market.

P&G fared slightly better in the $3 billion detergent category, mainly because the company responded early to coming competition. The company rolled nationally an unscented Tide powder and added a Tide liquid to its line in recognition that liquids, though accounting for only 22% of total business, are the fastest growing segment.

That trend hit close to home when New York-based Lever Bros.'s Wisk ousted Cheer for the No. 2 slot in the total market. P&G backed the late 1984 introduction of Liquid Tide with a $50 million campaign via Saatchi & Saatchi Compton, New York.

For the April-and-May 1985 period, Liquid Tide captured 6.9% of the total category, but regular Tide slipped from 14.7% in December and January to 13.2% in April and May, while unscented Tide is down to 4.7% from 5.3%.

Backed by slightly lower measured media spending of $16.5 million, Era Plus dropped to a 3.5% market share. Cheer, backed with $9.4 million, slipped to less than 7% from 7.3%. With the exception of Liquid Tide, P&G's laundry detergent division recorded a 25% drop in measured support to $71.6 million.

P&G also faced heavy competition from Lever in three categories—fabric softeners, automatic dishwasher detergents and dishwashing liquids—that P&G has dominated for years. Lever's Snuggle fabric softener, now with both liquid and sheets-for-the-dryer versions, has taken share from P&G's Downy liquid and Bounce sheets by carving out a lower-price but parity-performance niche.

While Bounce lost 16% of its measured media support during the year, Downy's budget was up 50% to $19.5 million over the previous year. Biz all-fabric bleach also rose 53.6% to measured media support of $7.1 million.

With the introduction of Sunlight for automatic dishwashers, P&G's Cascade automatic dishwasher detergent has dipped under the 50% share mark for the first time in years, despite a 27% increase in Cascade's measured media spending to $16 million and the introduction of lemon-scented Cascade.

Sunlight light-duty liquid, although still in fifth place, has eaten away at the shares of P&G's Joy, Ivory and Dawn liquids. P&G increased spending 4.4% to $41.5 million in the light-duty dishwashing category.

In the general household cleaning category, P&G introduced Spic 'N Span pine liquid cleaner, backed with $2.8 million in media spending. Comet cleanser received a 26% increase to $6.4 million, while both Mr. Clean and Top Job lost measured media support—Mr. Clean dropped 5.6% to $7.2 million, while Top Job slipped 2.5% to $7 million.

Over the past few years, P&G has been relatively quiet on the coffee front; however, last August, the company did move swiftly into national distribution with Folgers instant and regular decaffeinated coffee, without prolonged test-marketing.

Instant coffee accounts for some $1.5 billion in retail sales, about half the size of the ground-coffee market. P&G's share in instant, with High Point and Folgers brands, has edged up to 17%. In ground coffee, Folgers holds a 27% market share.

Last September, P&G ended its 20-year relationship with Mrs. Olson, restaging Folgers with a Folgers' ad campaign.

P&G's key coffee competitor, General Foods Corp., White Plains, N.Y., unleashed several new coffee products during the year, including Yuban decaffeinated coffee; Maxwell House decaffeinated, both instant and ground; International Coffees with NutraSweet, and is testing a line of premium ground items called Maxwell House Master Collection.

"P&G's feeling is that it's time to make some money, so they're calming down in terms of marketing expenditures in coffee, which historically has been big in sales and small in profits," Mr. Zurkuhlen says.

Folgers increased measured media spending 33% to $34.6 million in 1984. Spending for High Point rose 20.7% to $14.7 million.

In 1982, P&G acquired the Tender Leaf tea business, but to date has not done much in this companion category. Measured media spending totaled $174,000 in 1984.

P&G tried to make a major splash with its Citrus Hill Select chilled and frozen concentrate orange juice brand, but to date, has made only small waves. The company knew it would be expensive to enter the $2.5 billion market, and some analysts peg P&G's loss between $80 million and $110 million during calendar year 1984.

The juice has garnered an 11% share in the chilled segment and a 7% share in the frozen segment for an estimated 9% total share, according to Eric Larson, an analyst at Paine Webber, New York.

Analysts don't expect Citrus Hill to rise above a 10% share during 1985 in a market that's dominated by generic and private-label brands, even though ad spending is estimated at $50 million.

P&G may have bitten off more than it could comfortably chew by entering the $3.1 billion ready-to-eat cookie market in 1984 with a product that's now considered a parity product at

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During the year, P&G concentrated on expanding its Duncan Hines soft center cookies. The 10-item line now includes oatmeal chocolate chip, oatmeal cinnamon, oatmeal raisin and peanut butter nut, in addition to its original chocolate-chip based varieties.

The latest available market share data show P&G has a 5% share of the category; Nabisco Brands, Parsippany, N.J., has retained its tight grip on the market, however, with an estimated 40% share.

P&G entered the market with a product based on a new technology—a cookie that was crunchy on the outside, soft on the inside. However, Frito-Lay, Dallas, Nabisco and Keebler Co., Elmhurst, Ill., came up with the same kind of cookie before P&G concluded its lengthy test marketing, leaving P&G with a parity product. P&G now has patent-infringement suits pending against the three cookie companies.

P&G spent $14 million in measured media during 1984 to support the Duncan Hines cookie line, with an additional $27 million for its other Duncan Hines cake, cookie and muffin mixes and frostings.

The company's soft drink business, which started with the purchase of Crush International, has done little more than gain a 1% share of the $25 billion retail soft-drink market. The major brands are Orange Crush (and other Crush flavors), Hires root beer and lemon-lime-flavor Sun Drop. Ad spending for Crush and Hires is minimal, less than $7 million in measured media for all soft-drink brands last year.

Fiscal 1985 was thought by many P&G analysts to be the breakthrough year for the company's Norwich Eaton Pharmaceuticals division, Norwich, N.Y. The unit's best-known consumer product is Pepto-Bismol stomach remedy, which received $15.1 million in measured media support during the year.

After what was possibly one of the shortest market tests in P&G history, the company rolled nationally in May, 1984, with Encaprin, an enteric-coated, extra-strength arthritis pain reliever.

Unfortunately for P&G, Encaprin's launch into the $1.2 billion analgesics category was answered by the introduction of ibuprofen-based pain relievers by Bristol-Myers Co. and American Home Products Corp., both based in New York.

B-M's Nuprin, via Grey, and AHP's Advil, via Young & Rubicam, each received more than $50 million in advertising and media support. The Encaprin budget is estimated to be between $35 million and $50 million; the brand received $18.7 million in measured media support. However, the brand's market share has failed to rise much above 1%.

"The introduction of Advil and Nuprin made for a competitive environment, but we feel Encaprin's introduction was not overshadowed nor drowned out," a P&G spokeswoman says.

P&G also handed longtime agency Leo Burnett USA, Chicago, two additional accounts in the division: Chloraseptic sore-throat spray and lozenges and Head & Chest cold medicine, which had been handled by Henderson Advertising, Greenville, S.C. Henderson is no longer a P&G agency. Head & Chest received $4.3 million in measured media spending in 1984 and Chloraseptic received $6 million.

During fiscal 1985, P&G also battled a resurgence of rumors falsely connecting the company to the Church of Satan. However, in April, P&G announced it would drop its familiar moon-and-stars logo from product packaging, following repeated unsuccessful efforts to stem rumors that the logo's symbolism represented an association with the devil. The company also filed suits against a minister, a schoolteacher and two others, alleging they spread "false and malicious" rumors that the company worships Satan. The suits are pending in federal courts in Virginia, Pennsylvania and Kansas.

As in product development, P&G used its internal advertising department and agencies to get the fastest and most cost-efficient ad response. As part of its re-evaluation, P&G and the ABC Television Network in November announced cancelation of "The Edge of Night," ending a 28-year run.

Cable tv and broadcast syndication now are thought to be the company's major growth areas for its product advertising budgets.

Over-all, P&G's spending for eight measured media increased 11.2% to $788.8 million, including network cable tv up 59%; broadcast network tv, 12.5%; spot tv, 4.3%; magazines, 23.7%; spot radio, 25.7%; network radio, 164%, and outdoor, 98%. Only newspapers declined, falling 33%.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,547	9,831
Magazines	49,735	40,185
Network cable	24,182	15,172
Spot tv	239,331	229,245
Network tv	412,747	366,663
Spot radio	3,517	2,796
Network radio	3,977	1,504
Outdoor	380	191
Total measured	740,416	665,587
Total unmeasured	131,584	123,200
Estimated total	872,000	788,791

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Marketing Personnel

L.A. Pritchett, vp-sales
W.P. Nock, sales mgr-beverage div
F.W. Caswell, sales mgr-beauty care div
M.E. Szymanczyk, sales mgr-bar soap & household cleaning prod div
A.H. Welch, sales mgr-packaged soap & detergent div
J.K. Goodwin, sales mgr-paper prod div
T.A. Muccio, sales mgr-food prod div
G.M. Breissinger, sales mgr-health & personal care div
H. Tecklenberg, senior vp-Norwich div
J. Palmer, sales mgr-soft drink div

Advertising Personnel

A. Harris, senior vp-genl adv & mgmt systems div
R.V. Goldstein, vp-adv
M. Upson, adv mgr-beverage div
J.T. Smith, adv mgr-food prod div
B.L. Byrnes, adv mgr-packaged soap & detergent div
R.H. Van Wagener, adv mgr-bar soap & household cleaning prod
M.S. Levy, adv mgr-health & personal care div
T.A. Moore, adv mgr-beauty care div
W.J. Wallace, adv mgr-paper prod div
E.C. Strobel, mktg mgr-soft drink div
R.J. Herbold, mgr-mkt rsch dept
V.O. Hamilton, G.G. Carey, R.L. Wehling, div mgrs-genl adv dept
L.R. Love, div mgr-genl adv dept

Advertising Agencies

Benton & Bowles, New York—Bounce, Charmin, Crest, Dawn, Ivory Snow, Pampers, Scope, Wondra, Vibrant, Attends, Ivory shampoo, Pepto-Bismol, Dash, Oasis, Always, Crest Tartar Control Formula, Norwich Aspirin—T. Carey, senior vp-acct dir; R. Hopple, senior vp-acct dir.

Leo Burnett USA, Chicago—Cheer, Era Plus, Camay, Lava, Lilt, Lilt Shampoo & Conditioner, Head & Chest cold medicine, Chloraseptic throat spray & lozenges, Secret, Gleem, Cinch, Pert, White Cloud—Peter M. Husting, senior vp-client services dir.

Burrell Advertising, Chicago—Crest—Linda Pharr, vp-mgmt super; Elisa King, Fay Ferguson, acct execs.

Cunningham & Walsh, New York—Folgers, Crush, Hires, Special Touch by Puffs, Citrus Hill Select, Certain, Citrus Hill—W. Albright, exec vp-acct group dir; Jack Snow, vp-mgmt super; Peter Hochman, mgmt rep-dir, Folger's, Citrus Hill, Crush, Hires; Rodger Groves, mgmt rep-dir, Puffs.

Dancer Fitzgerald Sample, New York—Bounty, Encaprin, Oxydol, Dreft, Luvs, Solo, Tender Leaf—J. Fuller, mgmt group dir; T. Love, R. Pounder, mgmt supers; Dick O'Brien, J. Plumez, mgmt group dirs.

Grey Advertising, New York—Downy, Joy, Bold 3, Jif, Puffs, Duncan Hines cookie mix and ready-to-serve cookies, Puritan.

Jordan Case Taylor & McGrath, New York—Zest—Alice Bond, vp-mgmt super.

Klemtmer Advertising, New York—professional Highpoint coffee, Ivory soap—Chris Woodbury, acct super; Mark Fine, acct exec.

Lally, McFarland & Pantello, New York—ethical pharmaceutical prod—Ron Pantello, president; Beverly Breitenback, acct exec.

Mandabach & Simms, Chicago—fats, oils & shortenings for foodservice—Lee Lippman, senior acct super; William Schoenwald, Andrea Mallen, acct supers; John Corbett, acct exec.

Northlich, Stolley Inc., Cincinnati—coffees, cleaning prod, bar soaps for food service & lodging, coin-vended laundry prod—Bruce Mackey, vp-acct super.

Saatchi & Saatchi Compton, New York—Tide, Cascade, Crisco, Crisco Oil, Top Job, Comet, Comet Liquid, Ivory bar & liquid, High Point, Duncan Hines cake, frosting, brownie and muffin mixes.

Tatham-Laird & Kudner, Chicago—Biz, Mr. Clean, Coast, Head & Shoulders—Bob Hielscher, senior partner; Rawdy Parry, mgmt super.

Wells, Rich, Greene, New York—Pringle's, Safeguard, Sure, Prell, Spic 'N Span, Gain, Banner, Spic 'N Span Pine—Dick Byrne, Bruce Kelley, acct group heads.

Quaker Oats Co.

Chicago

RANK 49

($ figures = 000,000)

	1985	1984	% chg
Worldwide			
Sales	3,520	3,344	5.3
Net income	157	139	13.0
U.S.			
Sales	2,586	2,402	7.7
Advertising	161	149	8.2
Division sales			
Grocery	1,923	1,720	11.8
Int'l grocery	835	841	-0.8
Fisher-Price	422	383	10.2
Specialty	172	130	32.6

Quaker Oats Co., Chicago, boosted it advertising budget 8.2% to an estimated $161.3 million in 1984 to become the nation's 49th largest advertiser. The company already has announced it will increase that figure by another 24% in 1985 to about $200 million and bring its total advertising, merchandising and selling budget to $600 million.

The company's increased commitment to advertising comes on a sales rebound the past two years. In fiscal 1985, ended June 30, for example, sales at Quaker rose to $3.52 billion, up 5.3% from fiscal 1984, itself a 28% improvement over the prior year. Net earnings, meanwhile, have shown similar movement, rising in fiscal 1985 to $156.6 million, up 13% over net earnings in 1984, up 144% over the prior year.

Quaker is structured in four major segments: U.S. grocery, which produces about half of Quaker's total sales and almost two-thirds of its operating income; international grocery products, about one-third of sales and a fifth of operating income; Fisher-Price toy division, good for about 12% of sales and 10% of operating income, and specialty retailing group, about 5% each of sales and operating income.

Having shed unproductive businesses during the past decade, Quaker has begun some internal belt-tightening. Chairman William Smithburg reorganized Quaker's $2 billion U.S. and Canadian grocery products division, possibly to begin grooming a successor to president Frank Morgan, due to retire in a few years.

The division that was chopped up accounts for two-thirds of Quaker's sales and has expanded its product mix beyond the traditional breakfast and pet foods strengths to include beans, beverages, frozen foods and snacks.

Hedric Rhodes, formerly president at Quaker's food division, is now exec vp-U.S. foods, which includes cereals, corn products, frozen foods, mixes and syrups, snacks and grocery business development.

New exec vp of Quaker's diversified grocery products unit is Douglas Maxwell, former pet foods division president. The group includes foodservice, Gatorade thirst quencher, pet foods, Quaker-Canada, Van Camp products and Wolf brand chili.

The new exec vp-grocery products services is David Nogle, former vp-operations, food division. He is responsible for advertising, distribution, marketing research, r&d and sales as well as watching over Quaker's controller and personnel departments.

Quaker also began consolidating its international division to increase that unit's profitability. The company sliced capital expenditures by increasing brand sharing of production facilities and distribution networks while beefing up its marketing, promotion and ad outlays in that division.

The strong U.S dollar held back growth in international profits last year. Quaker's operating income in its international grocery products division fell for the second straight year to $41.5 million, down 11.5% from fiscal 1984, a year that dropped off 20.6% from fiscal 1983.

Most of Quaker's international revenues—representing almost 29% of total sales—come from highly competitive European markets. Pet food sales account for more than half of Quaker's international businesses and ready-to-eat cereals for much of the rest.

The continued strength of Quaker has made the company a likely takeover target. To reduce the risk of such an event, shareholders approved two measures in 1984 designed to discourage takeover attempts. One measure requires that certain tender offers gain 80% shareholder approval unless approved by a majority of directors.

In another, shareholders voted to authorize 100 million common shares, up from 35 million, to allow the company to take advantage of favorable market conditions. Quaker also bought back 2 million of the 40 million outstanding shares, hoping to cash in on its own 20.3% return on investment ratio.

The majority of Quaker's new product efforts during 1984 came from line extensions. To the $425 million granola bar catagory, Quaker added three new Granola Dipps flavors: Caramel nut, rocky road and mint chocolate chip. To its Chewy granola bar line, Quaker added banana chocolate chip and chocolate mint chip. The company introduced Quaker Peanut Butter Whipps granola bars covered with a whipped peanut butter coating.

Quaker added ButterLite syrup, a low-calorie, butter-flavored syrup backed by a $12 million ad push, and frozen pancakes, in plain, buttermilk and blueberry flavors to its Aunt Jemima line.

New Quaker Instant Oatmeal flavors—strawberries & cream and raisins, dates & walnuts—were added in September. To help boost sagging pet food sales, Ken-L Ration Smorgasburger semi-moist dog food was introduced in May, 1985, and Ken-L Ration Burgers, its semimoist, hamburger-shaped dog food, was reformulated then. Fisher-Price added more than 60 new toys, too.

In January, Quaker bought Arden Organics, an Asheville, N.C.-based rice cakes marketer. The move by Quaker seems to have been more of one upmanship than buying market share through acquisition in a growing market, because the move into this new but small market followed H.J. Heinz Co.'s purchase of Chico, Cal.-based Chico-San, another rice cakes marketer.

Quaker also purchased Liqui-Dri Foods, Louisville, a custom blending and packaging company, to strengthen its foodservice unit. The acquisition will help Quaker expand that business in the breakfast category, where it already sells items such as hot and ready-to-eat cereals, pancake mix, grits, English muffins, juices, jams and jellies.

Also in foodservice last year, Quaker began distributing its Chewy granola bars in smaller, single-serve sizes for schools and hospitals.

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ucts, a Chicago marketer of industrial products made from vegetable oils and detergents.

Last year, Quaker concentrated on growth from its top profit centers, grocery products and Fisher-Price toys.

The toy division's over-all sales reached $422.4 million in fiscal 1985, up 10.2% over 1984. Domestic sales accounted for an estimated 75% of sales. Domestic sales have grown at a compound rate of 8% a year for the past six years. Over-all operating profit improved 8% to $47.1 million. Quaker says increased sales in the division came particularly from the U.S. and Canada and credited advertising and merchandising spending levels, up 15% over the previous year, with stimulated product movement.

The division's volume increases have been driven by growth in its infant and preschool categories, its new space and alien themed building set line, Construx, and the expansion of its existing audiovisual line, according to R. Bruce Sampsell, Fisher-Price president.

Fisher-Price boosted its $18.5 million advertising budget to about $22 million for fiscal 1985. Included in that was a spring campaign, via Waring & LaRosa, New York, themed "Fisher-Price toys keep their promise." Network tv and print in women's magazines touted new products, including the Sesame Street Cookie Counter, a calculator-type toy to help preschoolers learn mathematics that is Fisher-Price's first venture into licensed characters.

To combat the strength of the U.S. dollar abroad, Fisher-Price increased operating efficiency and expanded its Peterlee, U.K., plant to provide almost 95% of its self-manufactured finished goods, rather than bring those products over from the states, Mr. Sampsell added. Fisher-Price will concentrate on the preschool category, more significant abroad than in the U.S., and become more aggressive in advertising and merchandising its products.

Production problems tripped up Fisher-Price's infant and toddler playwear line earlier this year. The company had to cancel its spring line but will be back on the market for fall.

Quaker's specialty retailing unit is made up of Brookstone, a supplier of hobby tools, Jos. A. Bank Clothiers and Eyelab, a New Jersey-based eyewear chain. Eyelab opened seven new stores in second-quarter 1985, bringing its total to 19.

This July, Quaker sold Herrschners, the nation's largest mail-order crafts company, for $19.3 million to H I Acquisitions Corp.

Quaker concentrated on four food categories in 1984: Convenient breakfast foods, grain-based snacks, Gatorade thirst quencher and convenient dinner foods. These were grouped in its U.S. grocery products segment, which in fiscal 1985 had operating income of $238.4 million, up 13%, on sales of $1.92 billion, up 12%. Sales of the segment represent 55% of total sales.

The company is predicting 10% growth in its convenient breakfast food division this year, after growing 8% last year. Quaker is doing particularly well in hot cereals, pancakes, syrup and frozen waffles. Its ready-to-eat cereal market share has slipped to 8% from 8.6% in 1983, mostly because of Kellogg Co.'s aggressive stance in gaining back its own lost market share.

Quaker again is rolling over competitors in the $425 million granola bar category, where it holds a 43% share versus General Mill's 35% share. Flavor extensions of existing product lines and the introduction of Peanut Butter Whipps helped solidify Quaker's standing in that market.

Gatorade Thirst Quencher sales should reach $170 million this year with a 23% increase in sales volume, despite pressure from Coca-Cola Co.'s Max Energy & Fluid Replacement Drink as well as several regional entries. Gatorade reportedly was backed by $15 million in advertising via AdCom last year. That budget should reach $18 million this year, analysts report.

Gatorade also spends about $3.5 million yearly on promotions, mostly surrounding sporting events such as the slam-dunk contest in conjunction with the National Basketball Assn.'s All-Star Game. Marketing expenditures for the product should reach $50 million in 1985.

Quaker's 1984 over-all measured media spending rose 26% to $107.7 million from calendar 1983. Unmeasured ad spending fell 18.9% to $53.5 million.

Major shifts in media spending came in spot radio, where spending leaped 147.6% to $5.5 million; network cable, where spending rose 92% to $1.3 million, and network tv, where spending increased 48% to $71 million. Outdoor advertising spending dropped 95.6% to $1.7 million, while magazine spending fell 20% to $9.1 million.

Agency shifts or additions last year included the addition of Norton Associates, Los Angeles, to handle foodservice products.

The company moved its $1.5 million Van Camp's pork & beans and specialty products account to Berry-Brown, Dallas, from Foote, Cone & Belding, Chicago. That was Foote, Cone's last Quaker account, having lost the Gatorade Thirst Quencher account to Quaker's in-house AdCom last year.

J. Walter Thompson USA, Chicago, which already handles ad work for Granola Dipps, was assigned the new Quaker Peanut Butter Whipps account.

Recently, Quaker shifted about $20 million in business, including the coveted $8 million Life Cereal account, to BBDO, Chicago, from that agency's New York office.

Other brands involved in the move were the $3 million Quaker 100% Natural cereal, $1 million Quaker puffed cereals, $8 million Ken-L Ration Love Me Tender Chunks dog food and $1.2 million Puss'n Boots cat food.

Also completed in late July this year was Quaker's sale of its in-house agency, AdCom, to Backer & Spielvogel, New York, for an undisclosed sum.

B&S is expected to pay between $5 million and $10 million for the agency, Quaker's largest with 30% of its business. AdCom (now B&S/Chicago) under new ownership has not lost any Quaker business. B&S also handles the $1 million Celeste frozen pizza account and several new product assignments.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,452	1,341
Magazines	9,140	11,433
Network cable	1,338	696
Spot tv	19,270	21,468
Network tv	70,993	47,980
Spot radio	5,480	2,213
Network radio	174	0
Outdoor	17	388
Total measured	107,864	85,520
Total unmeasured	53,436	63,618
Estimated total	161,300	149,138

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U.S. GROCERY PRODUCTS
Marketing Personnel

Charles E. Decker, vp-adv
J. Byron Felter, vp-sales
Peter C. Consolazio, dir-promo
Max M. Lomont, vp-art & packaging
Katherine E. Smith, vp-consumer affairs

U.S. FOODS
Marketing Personnel

H.E. Rhodes, president
James A. Criss, Philip A. Marineau, vp-prod mgmt
Barbara R. Allen, M. Catherine Jaros, Frederick J. Fritz, J. Scott Talgo, dirs-prod mgmt
Elaine D. Bolle, S.M. Posa, prod group mgrs

DIVERSIFIED GROCERY PRODUCTS
Grocery Specialties Division
Marketing Personnel

Philip A. Marineau, president
William D. Schmidt, dir-sports devel, sports promo
Serafino M. Posa, prod group mgr

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George J. Yapp, president
Nancy S. Pitz, vp-prod mgmt
Peter J. Vitulli, dir-prod mgmt
Angie Jarrott-Smith, prod group mgr
Food Service Division
Marketing Personnel
Russell L. Jones, president
Paul V. Baron, dir-mktg
Robert D. Stoothoff, dir
Wolf Brand Products
Dallas, Tex.
Marketing Personnel
U.B. Shockley, president
Kenneth Barrons, mktg dir
THE QUAKER OATS CO. OF CANADA, Ltd.
Marketing Personnel
Jon K. Grant, president
David L. Morton, vp-mktg & sales
SPECIALTY RETAILING
Brookstone Co.
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Douglas D. Anderson, president
Jos. A. Bank clothiers
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Robert S. Hillman, Lawrence E. Kohan, co-presidents
FISHER-PRICE TOYS
Marketing Personnel
R. Bruce Sampsell, president
James R. Tindall, vp-genl mgr, U.S.
Sandra R. Danon, vp-U.S. mktg
James Arnold-Baker, vp-mng dir, Europe
David B. Fisher, vp-diversified prod

Advertising Agencies

Becker & Spielvogel, Chicago—Cap'n Crunch, Mr. T, regular & instant oatmeal, Corn Bran cereal, Gatorade, Chewy Granola bars, new prod—Gary Bayer, president-creative dir; Joan G. Stark, vp-media dir; Dennis Roy, dir-acct mgmt.

Becker & Spielvogel, New York—Celeste pizza, new prod—G. Robert Holman, exec vp-coo.

Cunningham & Walsh/BBDM Advertising, Chicago—industrial cereals, Mother's Oats—Kathleen Trudy, acct super.

BBDO, Chicago—Ken-L Ration Love Me Tender Chunks, Life cereal, puffed cereals, 100% Natural cereal Puss'n Boots cat foods, new prod—Rick Swanson, vp-mgmt super.

Berry-Brown Advertising, Dallas—Wolf Brand prod, Quaker Corn Goods & Grits, Van Camp's pork & beans & specialty prod—Robert E. Berry, chmn.

Campbell-Mithun, Chicago—foodservice prod—Karen Smith, acct dir.

Conill & Associates, Los Angeles—Hispanic adv—Rafael Conill, president.

Norton Associates, Los Angeles—foodservice prod—Patricia Venuso, mgmt super.

J. Walter Thompson USA, Chicago—Granola Dipps, Peanut Butter Whipps granola bars, Aunt Jemima breakfast prod, mixes & syrup, Ken-L Ration dog food, new prod—Lloyd Stein, senior vp-mgmt super; Ben Gilmore, senior vp-mgmt super.

Waring & LaRosa, New York—Fisher-Price toys—Saul Waring, president.

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Ralston Purina Co.

St. Louis

RANK 14

($ figures – 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	4,980	4,872	2.2
Net income	243	256	-5.2
Advertising	429	438	-2.2
Division sales			
Grocery prods.	1,887	1,862	1.3
Agricultural prods.	2,230	2,104	6.0
Restaurants	628	669	6.1
Diversified bus.	235.1	236.9	0.8

Ralston Purina Co., St. Louis, the 14th largest national advertiser, trimmed its 1983 ad budget by 2.2% to a 1984 spending level of an estimated $428.6 million.

Measured advertising in nine media for Ralston Purina, best known for its cereal and pet food products, experienced a similar pattern, dropping 1.1% to $157.9 million.

The difference between the measured and total advertising is the "unmeasured" spending figure that includes Ralston's promotional budget, mostly made up of couponing and case allowances to retailers (to put product on sale), which runs high in the cereal and pet food businesses.

For the fiscal year ended Sept. 30, 1984, Ralston's net sales rose only 2% to $4.98 billion. Net income dropped 5.2% to $242.7 million as strong gains by the pet food division were not enough to offset losses from cereals, cookies and crackers, according to the company. Additionally, tuna operations were hit by high operation costs at its San Diego cannery, which since has been closed. Over-all, the company felt the impact of lower margins for agriproducts caused by inflated worldwide commodity prices.

However, the company's Jack in the Box restaurants operating profits were above 1983 levels, and Ralston's protein technologies unit continued to be a strong performer.

For the first nine months of fiscal 1985, Ralston showed a 15.8% gain in sales compared with the same period in 1984, to $4.44 billion. Earnings for three quarters increased 7% from the previous year to $197.5 million.

Pet food sales are up again this year, bolstered by a flurry of new product introductions, while agriproducts, restaurants and protein technologies operating profits are off 1984 levels.

Advertising expenditures thus far in 1985 are at the $400.2 million level, 28.2% ahead of third quarter 1984, and running about 9% of total sales as compared with 8% in the previous year.

Fiscal 1985 results also reflect the $475 million acquisition from ITT of Continental Baking Co. in October, 1984. Quarterly comparisons for the three quarters in 1985 take into account a full three quarters' results from Continental Baking, best known for its Wonder and Home Pride breads and Hostess baked goods. The unit's fleet of direct-to-store delivery trucks may carry additional Ralston brands in the future.

Continental Baking has been testing two new snack foods, Peanut Putters and Chip Flips, but expansion plans have not been announced. Continental spent $20 million in measured media for the year. Total annual spending for Continental, which includes unmeasured media, has run about $25 million the past several years.

Ralston has been hot with new product introductions in its main businesses—cereal and pet foods. Last year, Ralston introduced Sun Maid hot cereal, Rainbow Brite, Gremlins, Cracker Jack and Donkey Kong Jr. cereals. In pet foods, Purina added Happy Cat and Special Dinners Gourmet Dinners for cats and Sea Dog, Waggles and T-Bonz for dogs.

Also introduced in 1984 were S'Mores Chewy granola bars and Chex snack mix, a boxed snack product using Ralston's recipe from its Chex brand cereals.

Thus far in 1985, Ralston has added Sun Flakes, a cereal sweetened with NutraSweet, Sun Flakes wheat & rice, Cabbage Patch Kids ($12 million in spending), Almond Delight ($20 million) and G.I. Joe Action Stars ($12 million) cereals. In cat food, Purina added Alley Cat, Tender Vittle Pick-a-Pouch, Happy Kitten and Catviar ($25 million). It expanded its dog line to include Lucky Dog, Puppy Chow Chewy Morsels ($35 million) and Field Master dog foods.

The company also has begun testing Goody Two Chews cat food in seven markets and Purina Kibbles and Chunks dog food.

A skinless, boneless canned salmon product under its Chicken of the Sea brand name also is in test.

The flurry of new products in test market gave a 7.6% boost to Ralston's magazine spending to $15.7 million, leaving spot and network tv spending relatively unchanged. The company bolstered its network cable tv budget 94%, spending $2.1 million on that medium in 1984.

Ralston's share in the $5.3 billion pet food market slipped to 27.1% from 28.3% in 1983. The company's share in the $3.3 billion dog food segment also fell, dropping to 23.7% from 24.1% the year earlier. Ralston also lost ground in the $1.2 billion cat food segment to a 33.1% share from 34.3% a year earlier, according to data from Furman, Selz Mager Dietz & Birney, New York. Much of Ralston's sales are lost to tracking services through sales from livestock dealers and feed stores, a segment Ralston dominates.

Ad spending on cat foods fell 6.8% to $53.2 million in 1983, while spending on dog foods dropped 3.1% to $55.4 million, although that decline is being reversed—Ralston hit the market earlier this year with a $35 million introduction of Puppy Chow Chewy Morsels, a softer version of its market leading Puppy Chow.

While new cereal introductions—such as last year's Cracker Jack and Gremlins and the recent flood of licensed cereal products—have helped boost Ralston's cereal sales, Ralston's private label business was down 7% in 1984, according to John C. Maxwell, a Furman Selz Mager Dietz & Birney analyst.

Ralston's market share remained relatively stable at 6.3% of the market, making it the fifth largest U.S. cereal maker behind Kellogg Co., General Mills, General Foods and Quaker Oats Co. Measured ad spending dropped 17.2% to $1[illegible].2 million from $23.2 million in 1983.

Ralston's S'mores Chewy granola bars, introduced in July, 1984, have garnered a 5% share in the $425 million granola bar market. The product pits the company against Quaker Oats and General Mills, rivals familiar from the cereal market. S'mores is backed by a $20 million to $24 million multimedia campaign via MCA Advertising, New York.

The company took a big step toward becoming *the* canned seafood company by introducing into five test markets a skinless, boneless canned pink salmon under its Chicken of the Sea brand name. Sources also say the company may add canned shrimp and canned crab to the line, but Ralston declined comment.

Themed "No waste. All salmon," the $7 million campaign focuses on Ralston's new packaging method that makes the product more closely resemble canned tuna. TBWA, St. Louis, handles paid media; Kosmas Advertising, Minneapolis, handles point-of-purchase.

Measured spending on Chicken of the Sea tuna fell 62.7% to $254,100, but the product held its 20% share of the $1 billion chunk-light-tuna market.

Agriproducts sales rose 6% to $2.2 billion on higher prices due to higher raw materials costs. Operating profit fell 12% to $92.5 million though, mostly due to lower over-all volume in the formula feed business.

Higher sales and operating profits in the protein technologies division continued to be a big contributor to Ralston's total sales and net profits. Soy protein product sales were the biggest contributor to that unit's 7% gain in operating profits. Ralston then sold its soybean processing operations to Cargill Inc., Minneapolis, on Jan. 2, but continues to market protein products.

Average unit sales for a Jack-in-the-Box fast food outlet was $753,000, up 7.6% from 1983. Average sales should hit $1 million per unit during 1985, Ralston says. Over-all, sales generated by the company's restaurant division fell 6% to $628.3 million while operating profits rose 5% to $61.4 million.

Jack in the Box added eight new units for a total of 788. In October, the chain sold six Brazilian units, its only outlets outside the U.S.

An attempted $500 million leveraged buyout of Jack in the Box backed by Forstmann Little & Co., New York, failed when lower Jack in the Box earnings in the second-quarter of 1985 made it less attractive.

Last November, Ralston announced it would begin changing the fast-food chain's name to Monterey Jack's. A 30-second tv spot explains that the former name is childish in light of menu improvements made since the late 1970s. Wells, Rich, Greene/West, Los Angeles, handles.

Jack in the Box put the $20 million account on review in July, 1985, which should be completed this fall, the company says.

The chain added several new products to its menu last year, including Ham & Swiss Burger Classic, Mushroom Burger Classic, Pita Pocket Supreme, Deli Crescent sandwich, Canadian Crescent breakfast and nachos.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,770	3,170
Magazines	15,691	14,579
Network cable	2,131	1,098
Spot tv	35,208	35,745
Network tv	91,837	94,439
Spot radio	9,617	8,830
Network radio	232	0
Outdoor	211	287
Farm pubs	1,282	1,654
Total measured	157,979	159,802
Total unmeasured	270,621	278,227
Estimated total	428,600	438,029

RALSTON PURINA CO.
835 S. 8th St.
St. Louis, Mo. 63164
(314) 982-1000
GROCERY PRODUCTS
Marketing Personnel
W.P. McGinnis, exec vp
W.M. Claggett, vp-dir, adv, mktg services
T.E. Toohill, vp-dir, mktg, cat food group
T.E. Block, vp-dir, mktg, dry dog food group
J.A. Nichols, vp-dir, mktg, branded cereal group

Advertising Agencies

Avrett, Free & Ginsberg, New York—Kitten Chow, Cat Chow, Sun-Maid instant hot cereal, new prod—Jack Avrett, president; Norman Sherman, senior vp, dir-client services.

Della Femina, Travisano & Partners, New York—Meow Mix cat food—Matthew Mansfield, vp-mgmt super; Ken Gilbert, acct super.

Gardner Advertising Co., St. Louis—Puppy Chow, Fit & Trim, Alley Cat—John Fox, senior vp-mgmt rep; Bill Lahrman, senior vp-mgmt rep. Chuck Wagon—John Fox, senior vp-acct dir. Rainbow Brite—Doug Hermann, senior vp. PayDay—Steve Eaker, senior vp. Bonz dog snacks—Jim Lucas, vp-acct dir. Sea Dog—Nancy Winchester, acct exec.

MCA Advertising, New York—Mainstay dog food, Purina Hi-Pro dog meal, S'mores chewy granola bars, new prod—Warren Dechter, exec vp.

Tatham-Laird & Kudner, Chicago—Happy Cat cat food, Top Secret cat litter deodorizer, Sunflakes, new prod—John Wells, senior partner, group acct dir.

TBWA Advertising, New York & St. Louis—Chicken of the Sea tuna, pink salmon, Waggles dog snacks, Cracker Jack cereal, new prod—Bill Oakley, genl mgr, St. Louis. Chicken of the Sea—Art Gramer, mgmt super; Becky Burnett, acct exec. Waggles—Mark Polan, mgmt super; Maria Beltrametti, acct dir. Cracker Jack—Mark Polan, mgmt super; Jim Callahan, acct exec.

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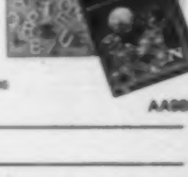

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See page 101

Don Tennant Co., Chicago—Praise dog food, Thrive cat foods, Donkey Kong Junior, Cookie Crisp, Gremlins cereals, new prod—Uwe Wende, mgmt super; Guy Bentivenga, mgmt super.

Wells, Rich, Greene, New York—Purina Dog Chow, Butcher's Blend, Moist & Chunky dog foods, Tender Vittles cat food, Chex cereals, new prod—Jim Weinstein, senior vp-acct group head.

RESTAURANT DIVISION
FOODMAKER INC.
Marketing Personnel

B. Klein, corp vp-mktg, Jack-in-the-Box

Advertising Agency

WRG/West, Los Angeles—Monterey Jack—Larry Olshan, mgmt super.

PURINA MILLS INC.
Marketing Personnel
Chow

B.M. Lutz, vp-dir-mktg & rsch

Advertising Agencies

BFV&L Advertising, St. Louis—health industries—Tom Birkenmeier, mgmt rep.

Checkerboard Advertising Co. (in-house), St. Louis—special projects—G.C. Cook, dir, Checkerboard mktg.

Dorf & Stanton, New York—prod publicity projects—Alex Stanton, acct super.

Fletcher/Mayo, St. Joseph, Mo.—mineral business, animal nutrition—Ed Clement, acct super.

Valentine Radford, Kansas City—dealer adv—Alan McClure, acct super.

RALSTON PURINA
INTERNATIONAL
Marketing Personnel

P.H. Hatfield, president
C.E. Scott, president-ceo, Ralston Purina, Canada Inc.
R.A. Green, vp-dir, mktg, Ralston Purina International
D.A. Mefford, vp-mng dir, Agri-prod Europe/Asia Pacific, Andean, sales, mktg, mfg & engineering
R.N. Morrow, vp-mng dir, Mexican div
L.A. Van Houten, vp-mng dir, South & Central American div
R.M. Moeller, president, Ralston Purina International devel company, Hong Kong

DIVERSIFIED BUSINESSES
DIVISION
Marketing Personnel

P.H. Hatfield, president
A.C. Edwards, vp-mng dir, protein div
J.V. Heinz, dir-sales, processed meats
R.M. Moeller, vp-dir, mkt, protein div

Advertising Agency

Mandabach & Simms, Chicago—food service—Ron W. Plummer, vp-dir.

KEYSTONE

F.J. Corwell, vp-dir, business devel
J.D. Jones, president, Keystone Resort
T.R. Shipman, president-Keystone Resort's mgmt
W.D. Hanisch, vp-human resources & admin

Advertising Agencies

Checkerboard Advertising Co. (in-house agency), St. Louis—media for Keystone.

Heckler Associates, Seattle—Keystone—Terry Heckler, president.

CONTINENTAL BAKING CO.
Marketing Personnel

J.W. Brown, chmn-ceo
S. Herrick, corp vp-prod mgmt
R.R. Norris, vp-cake mkt

Advertising Agencies

Ted Bates, New York—Hostess Snacks, Wonder Bread, Home Pride bread—Lawrence Epting, acct group dir.

Grey Advertising, New York—Beef Steak Rye bread, Town Talk bread—Robert Schoenfein, exec vp-mgmt rep.

RCA Corp.

New York

RANK
33

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	10,112	8,977	12.6
Net income	341	227	50.2
U.S.			
Sales	9,164	8,082	13.4
Operating profits	308	196	57.2
Advertising	239	210	14.0
Division sales			
Electronics	4,942	4,241	16.5
Entertainment	2,993	2,694	11.1
Communications	417	377	10.7
Transportation	1,440	1,372	5.0
Other	319	294	8.7

RCA Corp., the 33rd largest national advertiser, has seen its financial fortunes brighten in the past year as its NBC TV Network rose dramatically to second in the prime-time ratings in 1984, and as it divested poorly performing Hertz Corp. to concentrate on its core businesses—entertainment, communications and electronics.

RCA in the process increased total U.S. advertising spending an estimated 14% to $239.4 million in 1984.

Of that, the company spent a reported $128.5 million in measured advertising in nine media tracked in this report and $110.9 million in unmeasured advertising consisting of direct mail, point of purchase, promotion and co-op advertising.

RCA reported its worldwide advertising costs as $329.5 million, a figure that also includes in-house ad department expenses including salaries, supplies and equipment and cost of space.

The company, ranked fourth in terms of revenue among the nation's media companies, continued its pattern of spending the bulk of its measured advertising dollars in magazines. The advertising media getting the largest percentage increase was cable television, which rose 68%.

Its magazine advertising budget climbed 34.8%, to $47.6 million; newspaper advertising was up 17%, to almost $37 million; cable tv rose 67.8%, to $1.03 million; spot tv increased by 23%, to $12.8 million; network tv climbed 14%, to $24.2 million; spot radio was up 35%, to $4.7 million, and outdoor advertising rose 35%, to $523,000. The big loser was network radio, which dropped 73% from $2.6 million to $712,000.

RCA's product advertising, according to Leading National Advertisers, was paced by color televisions. The company spent $7.08 million on the product in 1983, and more than doubled that to $16.1 million in 1984.

Other major spending categories included advertising for the NBC television network, which rose 23% to $23.4 million in 1984; and Hertz, up 0.8% to $12.3 million.

The company put $521,200 into advertising its new Dimensia audio-video system late in 1984. Dimensia is considered RCA's predecessor to a new generation of integrated audi-video products. The system includes a color tv set, videocassette recorder, hi-fidelity speakers and more that can be operated through a single remote control.

Dimensia, according to George J. Podrasky Jr., an analyst who follows RCA for Duff & Phelps, is expected to play a larger role in RCA's electronic segment this year. In fact, it could be RCA's answer to setting it apart from the influx of imports that have forced RCA to drop its prices resulting in high unit sales but low profits. RCA in fact has become the No. 1 U.S. maker of color tv sets in addition to being the leading importer of video recorders from Japan.

RCA this fall also plans to introduce larger, flatter square-screen color tvs, along with its new camcorder vcr, which is a portable videotape camera and recorder combination. The user still will need a separate vcr to play the tapes.

After 2½ years of dormancy, the company resurrected its corporate image advertising program, after switching the account to Needham, Harper Worldwide, New York, from Ted Bates Advertising, New York.

Joel S. Wolk, director-advertising liaison and media services, says part of the decision to renew the corporate image advertising, which focuses on the accomplishments of the company, was the fact that RCA had returned to profitabilty.

During the year, RCA set records for both sales and net income, as sales jumped just under 12.6% to $10.11 billion; and net income rose a dramatic 50% to $341 million, compared with restated 1983 net income of $227 million.

Earnings in 1983 were lowered from $240.8 million because of a change in accounting requirements for the multinational company. The U.S. contribution was $9.2 billion, or 94% of total sales.

For the first half of 1985, sales are running slightly ahead, up 2.1% to $4.9 billion, and income is $180.8 million,

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up 12.6%, compared with the first half of the 1984. Income in the 1984 period, however, was affected by a $97.7 million loss in the first quarter.

Major developments at RCA in 1985 have included the elevation of its president, Robert R. Frederick, to ceo, assuming that title from chairman Thornton F. Bradshaw.

In June, 1985, RCA agreed to sell Hertz Corp. to UAL Inc., the parent of United Airlines.

RCA had been trying to sell the Hertz Corp. for about three years as it moved to concentrate on its core businesses.

The company reported that Hertz, which has a 33% market share, had generated record revenues in 1984 of $1.4 billion, but because of heavy competition in the business and less traffic than expected as it geared up for the Summer Olympics, its pretax profits were only $50 million, compared with a restated $68.2 million in 1983.

In July, the company affirmed that it had been conducting merger talks with MCA Inc., the parent company of Universal Pictures, but no agreements have been reached. MCA has been considered an attractive takeover candidate.

RCA's 1984 performance was led by the entertainment component, particularly NBC, its broadcasting arm. RCA's entertainment segment—broadcasting, records and tapes—had sales of $2.99 billion and pretax income of about $250 million for 1984, compared with $2.7 billion and $186 million, respectively, the previous year.

NBC alone accounted for one quarter of the RCA's annual revenues. The tv and radio network together accounted for $2.37 billion in sales, up 13.4%, and pretax earnings of $218.1 million, up 40% from 1983.

A major reason for its performance was its surge in ratings tracked by A.C. Nielsen Co., which showed NBC advancing from third to second in the 1984-85 prime time season behind only CBS. NBC held a 16.2 share compared with a 16.9 share for CBS and 15.4 for ABC.

However, the network is still third in daytime television.

NBC touts its demographic reach more than the sheer numbers, because it led during the ratings period among adults aged 18 to 49, the greatest appeal to advertisers, and among those aged 25 to 54—the segment CBS has long touted as the most attractive.

RCA Records got a new marketing manager and a new approach to record selling last year when Michael Omansky came over from Nabisco Brands Inc.

He brought many of the same techniques used at Nabisco to the record industry—money-back coupons, sampling and joint promotions with other consumer-oriented companies. Promotional linkups with Pepsi-Cola Co.'s Mountain Dew, whose bottle caps could be redeemed for record discounts, boosted album sales by 30%, he contends.

Such techniques should stimulate sales in the nation's record industry where shipments rose 15% in 1984 to $4.37 billion. According to LNA figures on product spending in six measured media, RCA supported records and tapes with some $1.6 million in measured advertising, down 15.8% from 1983.

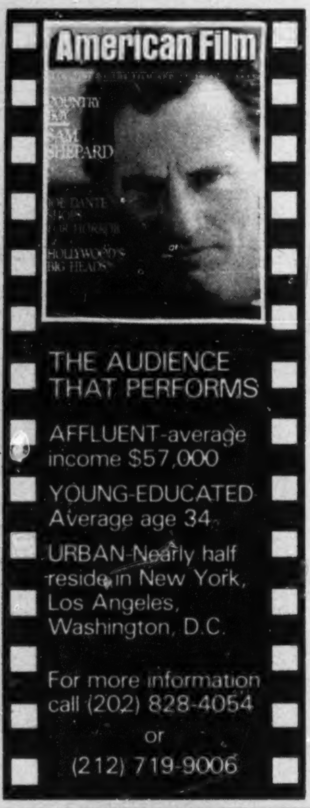
In the electronics segment, which includes consumer products and services, commercial products and services and government systems and services, sales totaled $4.9 billion and pretax income, $199 million, compared with $4.2 billion in sales and $163.6 million in pretax income for 1983.

This division is in charge of the new Dimensia audio-video system, which will get a satellite receiver and signal decoder attachment sometime this year.

Although a satellite dish still will be needed with satellite receiver and decoder, the company's new K-band high-powered satellites will require a much smaller dish for reception. RCA is to launch the satellites this fall.

The decoder will be available through cable companies initially, says Mr. McCann, but later will be built into the Dimensia system, although it will have to be activated by the cable company's computer. The company also is introducing an optional 40-inch projection television for Dimensia.

The communications segment, consisting of satellite communications services and products, generated $417.2 million in sales, $107 million in pretax income compared with 1983 figures of $377 million and $95.2 million, respectively.



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60 E. 42nd Street, New York, NY 10165 (212) 661-3050
1250 Ponce de Leon Avenue, San Juan, PR 00907 (809) 724-6120

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	36,963	31,716
Magazines	47,564	35,302
Network cable	1,029	613
Spot tv	12,816	10,431
Network tv	24,167	21,273
Spot radio	4,733	3,512
Network radio	712	3,304
Outdoor	523	386
Total measured	128,507	106,537
Total unmeasured	110,893	103,376
Estimated total	239,400	209,913

RCA CORP.
30 Rockefeller Plaza
New York, N.Y. 10020
(212) 621-6000

Corporate Marketing Staff

Thomas B. Ross, senior vp-corp affairs
Samuel Convissor, staff vp-corp relations
Joel Wolk, dir-adv, govt liaison & media services

Advertising Agencies

Needham, Harper Worldwide, New York—RCA corp adv—Dick Murray, mgmt super; James Schanek, acct super.

Uniworld Group, New York—RCA community affairs—Herb Kemp, president; Wayne Shealy, acct exec.

Consumer Electronics
Indianapolis, Ind.
Marketing Personnel

Stephen S. Stepnes, division vp-mktg
William. S. Beres, vp-adv & sales promo
David Croner, vp-mktg operations

Advertising Agency

Leo Burnett USA, Chicago—Dennis Dunlap, vp-mgmt dir; Jackson Brown, vp-acct dir, color tv & vcr; John Kerastas, acct exec, tv; Jim McNitt, acct exec, vcr.

RCA LTD. (CANADA)
Marketing Personnel

Laurence Small, retail & Canadian adv mgr

RCA SERVICE CO.
Cherry Hill, N.J.
Marketing Personnel

E.A. Malm, div vp-telephone systems & data services
L.D. Chitwood, div vp-commercial prod mktg
R. Zieselman, mktg services mgr

Advertising Agencies

Richard Bandler Co., New York—William Young, vp.

Al Paul Lefton Co., New York and Philadelphia—J.W. North, mgmt super; Herb Rose, acct super; Robert Ellis, acct exec.

Distributor & Special
Products Division
Deptford, N.J.
Marketing Personnel

D. Weisenstein, div vp-merch
A.D. Ricketti, mgr-adv & sales promo

Advertising Agency

Al Paul Lefton Co., Philadelphia—Ken Haverstick, acct exec.

Solid State Division
Somerville, N.J.
Marketing Personnel

Lon Cantor, dir-communications & adv
D.W. Ludlum, mgr-adv & sales promo, solid state

Advertising Agency

Cappiello & Chabrowe, New York—Terry Chabrowe, acct super.

RCA RECORDS
New York, N.Y.
Marketing Personnel

John Ford, division vp-RCA Records, U.S. & Canada
Jack Chudnoff, div vp-creative services
Lawrence Gallagher, vp-sales
Michael Omansky, vp-mktg
Barbara Sisilli, dir-adv media
Devarajan S. Puthukarai, div vp-dir mktg

Advertising Agency

Grey Advertising, New York—Len Fogge, acct exec.

HERTZ CORP.
New York, N.Y.
Marketing Personnel

Brian Kennedy, vp-mktg

Advertising Agency

Scali, McCabe, Sloves, New York—car div—Murray Gaylord, mgmt super; Steve Friedman, acct super.

NATIONAL BROADCASTING CO./-
NBC ENTERTAINMENT
New York, N.Y.
Marketing Personnel

Steve Sohmer, senior vp, NBC Entertainment
Robert Niles, vp-mktg
John Miller, vp-adv & promo, West Coast
Frank Pintauro, vp-corp adv & promo
Jay Michelis, vp-talent relations & creative services
John Luma, vp-on-air promo
Jenness Brewer, vp-print adv
Chuck Stepner, vp-special promo projects, West Coast
Martha Stanville, vp-affiliate/promo services
Joseph Gerardi Jr., dir-corp adv operations
Don Eddy, dir-mktg services
Hal Alterman, dir-mktg projects
Charles V. Blake, dir-corp logo implementations
Arthur Hecht, creative dir-corp adv & promo
Robert Blackmore, senior vp-sales, NBC-TV Network
Larry Hoffner, vp-natl sales, NBC-TV Network

Advertising Agency

Diener/Hauser/Bates, Los Angeles—NBC-TV Network adv—Barry Orell, acct exec.

BROADCAST SYSTEMS
DIVISIONS
Camden, N.J.
Marketing Personnel

W.A. Taylor, div vp-mktg
Miles Moon, creative services mgr

Advertising Agency

RCA Creative Services (in-house)—Miles Moon, dept mgr; A.M. Hilliard, adv & sales promo dept mgr.

RCA GLOBAL
COMMUNICATIONS
New York, N.Y.
Marketing Personnel

Ken Gross, vp-mktg & sales
Dan Dwyer, senior ad rep
Jon Plet, senior adv admin

Advertising Agency

Ronald B. Mitchell Advertising, Bethesda, Md.—Ron Mitchell, president.

RCA AMERICAN
COMMUNICATIONS
Princeton, N.J.
Marketing Personnel

John Williamson, dir-public affairs

Advertising Agencies

Ally & Gargano, New York—John Wood, vp-mgmt super.

Hammond & Farrell, New York—Jeff Kaumeyer, vp.

GOVERNMENT
SYSTEMS DIVISION
Moorestown, N.J.
Marketing Personnel

F.H. Stelter, div vp-mktg
J.G. Mullen, mgr, mktg rel & adv
N.F. Pensiero, dir-public affairs

Advertising Agency

Al Paul Lefton Co., Philadelphia—Richard Rossi, acct exec.

Revlon Inc.
New York

RANK 36

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,399	2,379	0.9
Net income	112	111	0.8
U.S.			
Sales	1,729	1,661	4.1
Operating profits	221	224	-1.4
Advertising	205	179	14.5

Revlon Inc., New York, currently fending off a takeover attempt, was the 36th largest national advertiser in 1984, increasing its U.S. advertising spending to an estimated $205 million, up 14.5% from a restated $179 million in 1983.

Worldwide, Revlon's advertising costs were $273.3 million, up 14.2% from the previous year. Revlon derives about 70% of its sales from the U.S., Canada and Puerto Rico.

Sales in 1984 increased slightly to $2.40 billion, up 0.9% from 1983, while earnings rose 0.8% to $112.1 million. Operating profits dropped by $3 million to $298.3 million.

Despite several years of lackluster performance in the financial column—Revlon's earnings peak was in 1980 when it reached $192 million—Revlon is considered a strong company in the market, particularly because of its acquisitions in the healthcare area the past decade.

It is the perceived market value of such healthcare divisions as Norcliff Thayer and National Health Laboratories that helped promote a takeover attempt in August, 1985, by Pantry Pride Inc. The properties could be sold by a new owner at top dollar to repay debt incurred in a takeover. Takeover rumors had circulated before any move by Pantry Pride, however, when chairman Michel Bergerac and several of his key executives in 1983 got so-called golden parachute contract clauses that would provide them with a generous severance and compensation package should the company be merged or acquired.

The takeover battle between Revlon and Pantry Pride continues at a heady pace with offers and counteroffers by Pantry Pride and defensive actions from Revlon, including adoption of a "bitter pill" that calls for a new dividend distribution and stock buyback scheme.

Revlon, segmented into beauty products and healthcare, generated approximately two-thirds of its operating profit in 1984 and more than half its sales from its healthcare segment. Its healthcare segment, marketing such items as soft contact lenses, lens solutions, NoSalt salt substitute, Oxy acne remedy and Tums antacid tablets, generated $1.3 billion in sales (54% of the total) and $198 million of operating profit (66% of the total).

Beauty products accounted for 46% of total sales and 33% of operating income in 1984. The cosmetics division for the U.S., Canada and Puerto Rico accounted for 32% of total operating income, while international cosmetics contributed 1%. U.S. ethicals accounted for 12% of operating income; international ethicals, 16%; diagnostics, 15%; optical, 13%, and other 11%.

Revlon, which recorded national measured media spending of $85.4 million in nine media, up 4% from 1983, concentrated $30.6 million on cosmetics (makeup, eye makeup, lipstick, nail polish). The greatest share went to the Revlon brand lines for makeup, mascara and nail polish, with $4.4 million credited to Ultima II cosmetic products line, up 4.5% from 1983, and $2.6 million on the Natural Wonder line, up 40.5%.

The media mix for advertising in 1984 was tilted strongly toward national tv, which took 48% of the measured spending. Magazines followed with a 25% share. Cable and spot tv saw increases.

Revlon also gained market share for the first time in several years in the $800 million U.S. cosmetics market in which sales rose by 9% in 1984, according to market analyst Diana Temple of Salomon Brothers.

The company's first-quarter 1985 U.S. cosmetic's sales rose by more than 10%, Ms. Temple says, noting the figure excluded Hair's Daily Requirements shampoo. In the same period, Revlon's facial makeup rose to 6.4% of the supermarket dollar share, third in volume after Maybelline. Revlon is also No. 3 in eye makeup. It holds a 5% market share for mascara, 5.5% for eyeliner and 4.8% for eye shadow.

Revlon Natural Wonder lipstick is fourth (trailing No. 1 Noxell's Cover Girl) with 10.2% of the supermarket dollar share. Revlon nail polish is also fourth with 7.9% of dollar share.

In the highly competitive market for facial creams and lotions worth $450 million, Revlon's sales advanced a dramatic 34%, increasing share to 2% in the first quarter of 1985, Ms. Temple says. Revlon's Moon Drops will be repackaged, reformulated and repositioned, as well as supported by advertising for the first time in five years. In the same market Revlon has made steady progress with its European Collagen Complex.

Revlon's Oxy-5 overtook Richardson-Vick's Clearasil for the first time with an energetic 21% sales growth, gaining 1.5 percentage points to attain a 21.3% share of the market for the top spot.

Its hand lotions, however, are at the bottom of the market, declining a tenth of a percentage point to a 0.5% dollar share.

There has been less activity in the shampoo market in 1985 than in 1984 when five major shampoos—each backed by about $25 million in advertising and promotion—were launched. Because the new shampoos have achieved only minimal share of market, the companies have cut back expenditures to focus on other brands. Revlon, one of these companies, is expected to cut spending on Hair's Daily Requirements. The product was targeted for a 6% market share in its first year, but ended up with only 0.7% in 1984, according to Ms. Temple of Salomon Brothers.

The market leader among Revlon shampoos is Flex, with a 6% share, third in the market behind leader Helene Curtis.

Among hair conditioners, Flex hair conditioner holds an 11.5% market share, second only to Helene Curtis. Two lines of Revlon hair coloring hold a small 3.3% share after the leaders, Clairol and L'Oreal.

Flex hair spray dropped near the bottom of the list, with a 1.9% supermarket dollar share.

The positive surprise of 1984 was the mousse market. Sales of these aerosol styling foams, meshing with greater consumer interest in products for shorter hair, reached $150 million in 1984, according to Ms. Temple. Revlon planned a major mousse launch in the second quarter of 1985.

In over-all sales in the $7 billion U.S. cosmetics and fragrance industry, Revlon's U.S. sales of $798 million in 1984 placed the company second to Avon Products, which had sales of about $950 million. However, Cosmair and Estee Lauder, both of which have experienced faster growth rates, are closing in on Revlon, whose sales in the industry in 1984 were up only about 1%.

In the fragrance segment, Revlon's Jontue gained 0.8 percentage points in market share, to 6.6%, aided by the Fleurs de Jontue line extension, introduced in 1984. Perfume advertising rose to $12.4 million, or 14.7% of the 1984 measured advertising budget, up 6% from the previous year.

Among the new products introduced in 1984 were Naturally Glamorous Blush-On, a long-wearing powder formulation; Natural Wonder Super Nails with a new formulation in 24 cream and 16 frost fashion shades; Ultima II Advanced Formula mascara, developed with Barnes-Hind as the first irritant-free mascara designed for contact-lens wearers, and Advanced Formula compact liquid makeup with sunscreen protection.

In advertising, the company more closely coordinated advertising and in-store displays so each multiplied the impact of the other to increase consumer awareness.

Healthcare operating profits rose by 6% in 1984 to nearly $200 million on $1.3 billion in sales, despite profit declines for Technicon (blood analyzers) and Hydrocurve (extended-wear soft lenses).

Measured media advertising for contact lenses also declined in 1984 to $4.4 million, down from $7.1 million.

Healthcare operating profits also benefited from new products—including the U.S. launch of Calcimar for the treatment of osteoporosis, a new premium-priced bifocal contact lens and the 1984 launch of the YAG laser (for secondary cataracts).

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers.......	653	711
Magazines........	21,188	16,402
Network cable.....	517	153
Spot tv...........	18,687	15,602
Network tv........	41,128	47,101
Spot radio........	1,427	851
Network radio.....	1,716	1,414
Outdoor..........	117	0
Total measured..	85,433	82,233
Total unmeasured	119,567	96,267
Estimated total..	205,000	179,000

REVLON INC.
767 5th Ave.
New York, N.Y. 10022
(212) 572-5000

Marketing Personnel

Sanford Buchsbaum, exec vp-adv
John Maisano, exec vp-mkt planning & devel
George W. Feld, vp-adv services
Kenneth Angel, adv dir
Stephen Gebb, vp-adv dir
Anthony Cozzolino, media, budget dir
Benjamin Sottile, president, Group I
Harvey Schwartz, president, Group II
Lawrence Wechsler, president, Group III

Advertising Agencies

50th Floor Workshop, Revlon's in-house agency—Revlon lipstick, nail enamel & face makeup, Chaz, Ultima II, Ciara, Norell, Princess Marcella Borghese, Bill Blass—Martin Stevens, senior vp-creative services; George W. Feld, vp-adv services; Rita Grisman, vp-creative dir.

Grey Advertising, New York—all Classic Revlon eye makeup, Natural Wonder prod, Flex, Jontue, Scoundrel, Eterna 27, European Collagen Complex and intl adv—Robert Zimmern, exec vp.

Scali, McCabe, Sloves, New York—Charlie, Mitchum—Lucy Rogenstein, acct super.

PROFESSIONAL PRODUCTS GROUP
Jacksonville, Fla.

Marketing Personnel

Irving J. Bottner, president
Robert Crane, senior vp-mktg
Mitchell Levy, vp-creative services

Advertising Agency

Merchandising Workshop, New York—Joanie Curcio, senior vp.

USV LABORATORIES DOMESTIC
Tuckahoe, N.Y.
Tarrytown, N.Y.

Marketing Personnel

James O'Brien, president
Robert Beckman, vp-mktg services

Advertising Agencies

Thomas G. Ferguson Associates, Parsippany, N.J.—Calcimar, Nicobid, DDAVP—Jean Pankow, senior vp-mgmt super.

Klemtner Advertising, New York—Hygroton, Regroton, Lozol, MVI—Jay Conlan, exec mgmt dir.

NORCLIFF-THAYER
Tuckahoe, N.Y.

Marketing Personnel

Charles A. Pergola, president
Theodore N. Williams, senior vp
Lawrence D. White, vp-mktg
Frank J. Coppola, vp-sales

Advertising Agencies

Cadwell Davis & Partners, New York—NoSalt—Bob Michaels, vp-acct super.

Carrafiello, Diehl & Associates, Irvington, N.Y.—A-200 Pyrinate, Liquiprin—John Muhlfeld, vp.

Jordan, Case & McGrath, New York—Tums—Claudia Horty, senior vp.

Marschalk Co., New York—Esoterica, Nature's Remedy—Peter Detels, senior vp.

Specht, Gilbert & Partners, New York—Oxy line—Don Gilbert, president; Robert Patton, partner.

TECHNICON CORP.
Tarrytown, N.Y.

Marketing Personnel

Dr. Henry Simon, president
Frederick Stubbins, dir-mktg communications

Advertising Agency

All advertising done in-house.

ARMOUR PHARMACEUTICAL
Tarrytown, N.Y.

Marketing Personnel

Jim O'Brien, president
Robert Beckman, vp-mktg & sales

Advertising Agency

Botto, Rossner, Horne & Messinger, New York—Thomas Vargas, vp-acct super.

BARNES-HIND/HYDROCURVE
Sunnyvale, Cal.

Marketing Personnel

Kevin J. Ryan, president
Richard Wright, exec vp
George McCrary, vp-mktg
Robert Pace, vp-sales

Advertising Agencies

Grey Advertising, New York—extended wear contact lenses & contact lens solution prod—Mike Ouimette, William Deval, vp-acct supers.

Zechman & Associates, Chicago—specialist prod—Bud Davis, vp-acct services.

NATIONAL HEALTH LABORATORIES
San Diego, Cal.

Marketing Personnel

Robert E. Draper, president

Advertising Agency

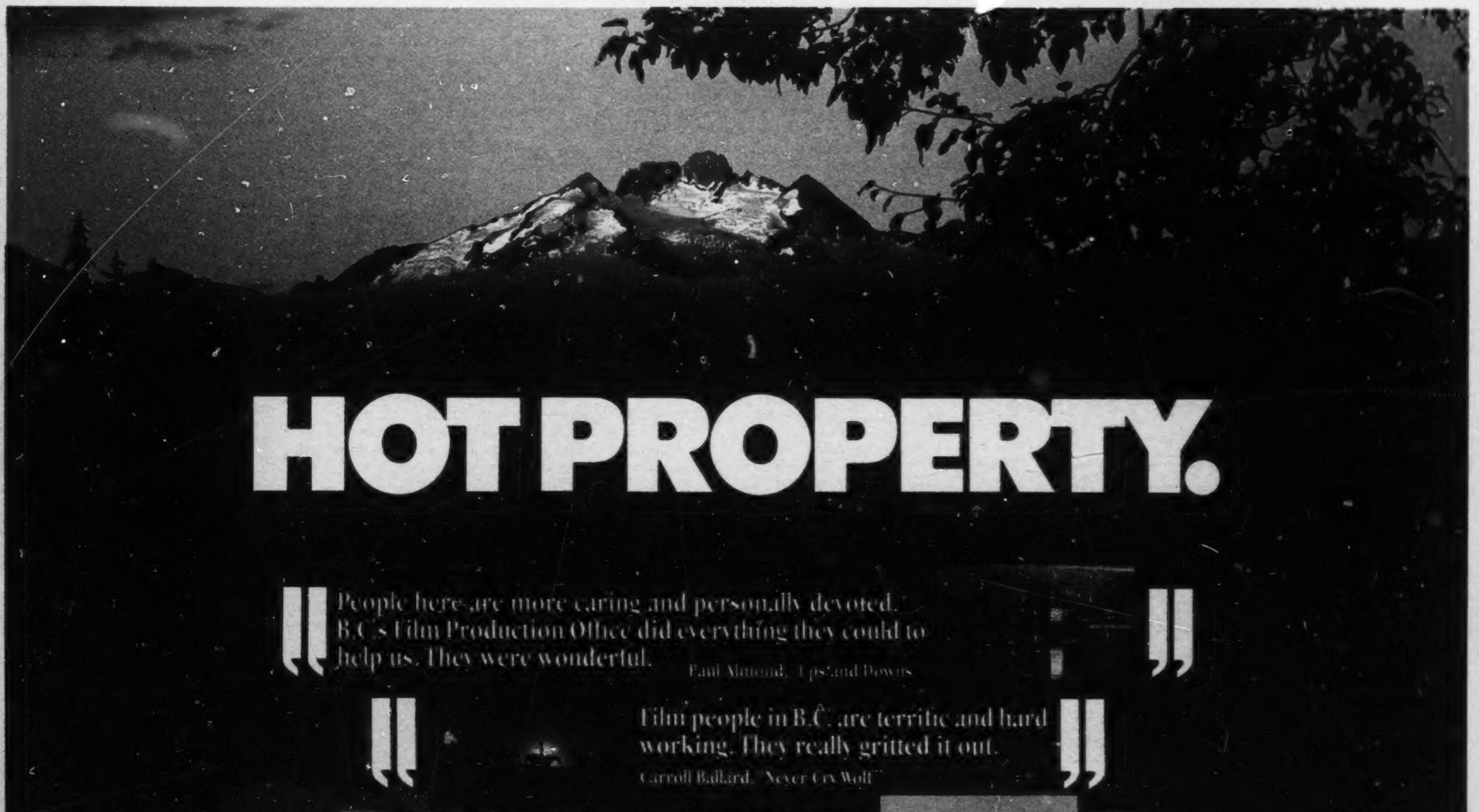
All advertising is done in-house

MELOY LABORATORIES
Springfield, Va.

Marketing Personnel

William Terry, president

When you're hot you're hot!
UP 28% in Domestic Car ad pages, first half '85 over first half '84. Join the trend!
PIB/LNA
U.S.News


HOT PROPERTY.
"People here are more caring and personally devoted. B.C.'s Film Production Office did everything they could to help us. They were wonderful."
Paul Almond, "Ups and Downs"
"Film people in B.C. are terrific and hard working. They really gritted it out."
Carroll Ballard, "Never Cry Wolf"
"The budget would have allowed us 15 shooting days in Hollywood, compared to 30 up here."
Stuart Margolin, "Glitterdome"
SUPER, NATURAL BRITISH COLUMBIA, CANADA.

R.J. Reynolds Industries

RANK 5

Winston-Salem, N.C.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	12,974	12,312	5.4
Net income	843	702	20.1
U.S.			
Sales	10,216	9,584	6.6
Operating profits	1,464	1,297	12.9
Advertising	678	594	14.2
Division sales			
Tobacco	7,085	7,388	4.0
Food/beverages	4,696	4,491	4.6
Other	738	580	27.2

R.J. Reynolds Industries, Winston-Salem, N.C., which climbed into 5th place among advertisers in 1984, could challenge perennial leader Procter & Gamble for the top spot next year because of its acquisition earlier this year of Nabisco Brands, ranked 21st in this report.

RJR had total advertising in 1984 of an estimated $678.2 million, up 14.2% from 1983. Of the total, $533.2 million was in measured spending.

Nabisco had estimated ad spending of $335 million for the year, giving the two a total of $1.01 billion in advertising.

Procter & Gamble in 1984 spent an estimated $872 million. P&G's measured total in 1984 of $740.4 million, however, still would outpace the combined RJR/Nabisco measured tally of $681.7 million in 1984.

The addition of Nabisco Brands to RJR's stable of companies is certain to assure the company of realizing its oft-stated goal of becoming the largest consumer products company in the world, with 1984 sales in excess of $19 billion.

RJR for the year had a sales gain of 5.4% to $12.97 billion and net earnings from continuing operations of $843 million, up 20.1%. Discounting gains from the sale of Sea-Land Corp. and Aminoil Inc., sold to maintain focus entirely on consumer products, earnings from continuing operations were $1.62 billion, up 15.9%.

The U.S. cigaret market was flat in 1984, although RJR did manage a modest volume gain of 1.2%. Over-all tobacco sales were $7.69 billion. Earnings of $1.29 billion, however, represented a 14% increase.

Industry analyst John C. Maxwell Jr., analyst at Furman, Selz, Mager, Dietz & Birney. New York, says the industry bright spot continues to be the economy brands, including RJR's Doral. Phased out of production in 1980 Doral resurfaced in May as a branded item at a generic price.

Mr. Maxwell says generics, private-label brands and the 25-unit, popularly priced brands now account for 6% of industry sales. This low-priced category is likely to continue to grow, but not at the stepped-up rate of the past two years.

RJR's share of the domestic market was up slightly to 31.6%, reflecting a stabilization of existing brands and the success of brands introduced in the past two years. In addition to Doral, Century and Sterling accounted for more than 5% of the company's total volume and a combined market share nearing 2%.

In August, 1985, a half-page color ad in *Parade* introduced the country to Century 25s, an RJR package of 25 cigarets priced similarly to packs of 20.

R.J. Reynolds seemed to get the jump on the competition in the upscale brand category with the introduction of low-tar Sterling, but now is in a fight as other cigaret marketers have followed suit.

In mid-1985, market leader Philip Morris began testing Dunhill, a low-tar entry, in both 85mm and 100mm styles, while Sterling was undergoing a packaging change to identify more clearly the menthol and regular styles. Also in the works is a national introduction of a soft-pack version.

Measured ad spending for all Century brands in 1984 totaled $13.6 million, much of that support coming in magazines. The Sterling introduction drew considerably more support—$41.2 million.

RJR's Winston, Salem, Camel and Vantage brands continue to rank among the best-selling brands in the country. Winston, second behind Philip Morris' Marlboro, increased its market share fractionally. Measured ad support dipped 6.8% to $34.4 million.

Salem was the company's next best-selling brand with a market share of 8.1%, unchanged from 1983. Measured advertising support for Salem also fell off in 1984 to $31.1 million, but the brand did claim substantial promotional support by sponsoring the Salem Spirit concert series. RJR officials declined to reveal the cost of the promotion.

Spending for Camels increased 49.6% to $37 million in 1984 even though the brand's market share was down slightly. Added support also went to Vantage, another low-tar entry, with a declining market share. Media spending for Vantage amounted to $43.6 million, up 38.4% from 1983.

For the year, total spending for all RJR cigaret brands was $267.5 million. None of that caused more controversy or attracted more attention than the series of ads created to focus attention on the issue of smoking and health.

Public smoking, fire safety and youth smoking are among the issues Reynolds has tackled in the campaign, which has been greeted with plaudits in some corners and drawn fire from antismoking forces. The cost in 1984 was pegged at $7.7 million.

Flat sales notwithstanding, the company is in the midst of a $2 billion manufacturing modernization program designed for cost efficiencies. At the end of 1984, 29% of the company's cigarets were being manufactured on new equipment. By 1993, when the modernization plan will be completed, the company expects a 60% improvement in productivity.

During the year, RJR International improved its market share in 16 of its top 20 foreign markets. Volume increased to 84.7 billion units, although the year was marked by unfavorable currency transactions.

Camel again was the company's fastest-growing international brand, gaining market share in nine of the top 10 markets. Volume increase was 13%, and up to 18% in the established markets of Western Europe.

Brazil, Turkey and Ecuador were among the foreign markets where Reynolds' brand were introduced during 1984, but the biggest splash was made in Japan.

That market, second-largest cigaret market in the world behind the U.S., is a $10 billion market and was witness to a $5 million campaign to introduce Camel Mild. The entry was fueled by about 1,000 tv spots in Tokyo alone and print ads and outdoor boards in the rest of the country.

Cigaret prices in Brazil are structured in tiers, and the battle for market share in 1984 was being waged at the low end. RJR's entry in the fray was Mustang, and it became the company's best-selling brand with a 5% market share. The company's total market share is 9%.

In an agreement with two Chinese partners in the province of Xiamen, RJR International became the first foreign tobacco company to gain access to the People's Republic of China. The company will begin production of a joint-venture brand by 1986.

While tobacco remains the principal business of RJR Industries, the food and beverage segment contributed $4.7 billion in sales, or 36% of total sales, and operating earnings of $391 million.

A major contributor to the segment, Heublein Inc., had a 2% increase in spirits sales and an earnings increase of 7% in 1984, according to the company. Its California and imported wine business grew about 1%.

Heublein's Smirnoff vodka, the company's flagship brand, and the top-selling domestic vodka, was given a $12 million advertising shot in the arm late in the year. For years the top-selling liquor brand in the country, Smirnoff vodka, has been overtaken in recent years by Bacardi rum. This and the impact of imported vodkas on the market prompted the renewed effort in 1984.

Also benefiting from a freshly mounted campaign in 1984 was Heublein's Inglenook wine. Spending totaled about $6 million in magazines and tv. Over-all, ad spending in the spirits category amounted to $32.9 million, with considerable advertising support going to Black Velvet Canadian whisky and to Jose Cuervo tequila.

Agency creative reassigments in the past year included Black Velvet and Irish Mist to McCann-Erickson in New York; Jose Cuervo, Lancers and Valbon to Young & Rubicam in New York; Club Cocktails and Arrow Cordials to Leber Katz, and Inglenook and Citronet to DYR, New York.

Heublein is the acknowledged leader in the pre-mix cocktail market with a 55% share, although the market has been stagnant.

Edwin Gualtieri, group marketing director for Heublein, thinks the market might be helped by more advertising, but those playing second fiddle in the category are not spending much in advertising. Aiming at the young and active drinker with its convenient Club Cocktail, Heublein is spending slightly more than $2 million in measured media. Additional spending is directed at the retail level for prominent displays.

Del Monte's products are marketed in more than 60 nations and include canned fruits and vegetables, prepared and frozen foods, beverage products and fresh fruit. The addition of Canada Dry and Sunkist soft drinks in 1984 to the $30 billion soft drink market gives Del Monte a foothold where its only previous presence had been Hawaiian Punch.

Both Canada Dry and Sunkist are leaders in their respective beverage categories. Sunkist holds more than a third of the $1.65 billion orange-flavored carbonated beverage category. Procter & Gamble's Orange Crush has a 15% share and Coca-Cola's Fanta 8%. The segment represents just 5.5% of the soft drink market.

Canada Dry ginger ale controls more than 40% of that soft drink segment and has a 30% share in mixers. It spent in excess of $12.3 million in support of its beverages in 1984.

Not lost in the acquisition of Canada Dry was its extensive worldwide franchise bottling operations, which hold enormous potential for added distribution of Sunkist and Del Monte's Hawaiian punch. There also is the opportunity to increase vending and other on-premises sales.

Del Monte's Hawaiian Punch, with a 17% market share behind Shasta's Capri Sun and Coca-Cola's Hi-C, was supported with $10.6 million of measured advertising during 1984. Other Del Monte products were supported by spending of $20.9 million, most of it going for canned fruits and vegetables.

The final consumer behemoth in the RJR family is Kentucky Fried Chicken, which in 1984 had worldwide sales of $2.8 billion. Total revenues rose 19% from 1983, almost twice the industry average. With 50% of the chicken segment, KFC is by far the largest fast-food chicken chain in the world.

KFC began its highly successful roll-out of Kentucky Nuggets during the year. Advertising support for the restaurant chain reached $63.3 million in 1984, almost all of it in tv.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	101,990	112,343
Magazines	193,816	155,063
Network cable	825	364
Spot tv	47,611	39,642
Network tv	97,600	69,907
Spot radio	4,379	3,851
Outdoor	86,955	88,920
Total measured	533,176	470,090
Total unmeasured	145,000	123,625
Estimated total	678,176	593,715

R.J. REYNOLDS INDUSTRIES
Winston-Salem, N.C. 27102
(919) 773-2000

R.J. Reynolds Tobacco Co.
Marketing Personnel

G.H. Long, president-ceo
M.L. Orlowsky, senior vp-mktg
H. J. Lees, vp-mktg, established brands
S.A. MacKinnon, vp-mktg, new brands
R.A. Kampe, vp-mkt planning
D.B. Fisel, vp-pr
Jerry McKenna, group dir-mktg
John Winebrenner, group dir-mktg
Richard Sanders, dir-mktg
John Herberger, dir-new brand mktg
David Iauco, dir-new brand mktg
George Baroody, group dir-mktg services
Dan Pearson, dir-media
Larry Hall, vp-mktg devel

Advertising Agencies

William Esty Co., New York—Salem, trade adv—Laurence M. Wassong, president-ceo; John E. Neal, Thomas Hamilton, senior vp-mgmt supers; Philip Shaner, Gerald McMahon, vp-acct supers; Dominick Pelliccio, Martin Seider, vp-creative dirs.

Leber Katz Partners, New York—Vantage, More, Now, Bright, public issues campaigns—Stanley H. Katz, chmn; Jerome Davidow, Robert T. Hirsch, exec vp-mgmt reps; Andrew C. Millar, Angelika Adler, Janice C. Lee, vp-mgmt supers; Alexander Mohtares, Jack Silverman, Charles Piccirillo, senior vp-exec creative dirs.

Long, Haymes & Carr, Winston-Salem, N.C.—Doral, special events—Donald N. Adams, exec vp-mgmt super; Francie Thompson, acct exec.

McCann-Erickson, New York—Camel, Winston—John Bergin, vice-chmn Greg Bathon, exec vp; Simon Marlow, Bob Dunn, senior vps-mgmt reps; Barry Schwieg, David Matthews, acct supers; Lonnie Soury, Dave Pastore, acct execs; Bob Hiller, acct super, promo; Jay Beckerman, senior vp-creative dir.

Tatham-Laird & Kudner, Chicago—Century, Sterling, smoking & chewing tobacco, special projects—Charlotte Beers, mng partner-ceo; William Youngclaus, mng partner-coo; James R. Hill, mgmt super; Richard Everett, acct super; John McKee, senior partner-creative dir.

R.J. REYNOLDS
TOBACCO INTERNATIONAL
Marketing Personnel

Lester W. Pullen, president-ceo
Dale F. Sisel, exec vp
Rouben V. Chakalian, exec vp
Peter J. Hoult, vp-mktg
G.E. Harlow, dir-mktg
Ron Field, dir-pr

Advertising Agencies

McCann-Erickson, New York and international affiliates—Camel worldwide.

Other brands handled through a variety of agency assignments country by country.

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How much is the liquor industry spending on a market by market basis?
Turn to LNA for answers.
See page 101

DEL MONTE CORP.

San Francisco, Cal.

Corporate Personnel

Robert A. Fox, president-ceo
Charles J. Chapman, president-coo

A consolidation of dry grocery and beverage products divizion and the frozen and specialty products division.

Del Monte USA

Marketing Personnel

Fernando Gumucio, president
Ewan MacDonald, senior vp-mktg
Charles Weiss, Stephen Rothschild, vps-mktg
Richard Lynch, vp-mktg, seasonal prod
Frank Cheli, dir-mktg, formulated prod
John Creel, dir-mktg, beverages
Skip Ballew, dir-consumer promo
John Mitchell, dir-mktg, frozen food
Brenda Bock, dir-mktg, Patio, Chun King, devel brands
Ted Taft, dir-mktg, A.1 Sauce, Grey Poupon Dijon mustard, Ortega

Fresh Fruit

Sam Gordon, chmn-ceo
John Polychron, president-coo
Ben Klein, senior vp-mktg
G.F. Norwood, vp-mktg, pineapple

International

Grocery Products

Robert Kroll, president
Robert McDougall, dir-mktg, formulated & seasonal food prod
Don F. Chmiel, dir-mktg, beverages

Franchise Beverage Products

Jack Argabright, president
Fran Mullin, president, franchise beverages USA
R. Lockyer, president, Canada Dry Ltd. (Canada)
Neville Williams, president, Canada Dry International

Advertising Agencies

Dentsu Young & Rubicam (DYR), Los Angeles—Hawaiian Punch—David Willoughby, exec vp-genl mgr; Susan Pare, vp-mgmt super; Bob Sutter, acct super; Hal Steinberg, acct exec; Jane Irwin, acct asst.

Foote, Cone & Belding, Chicago—Sunkist, Diet Sunkist—Joan Black, group acct dir; David Haan, vp-acct dir; Julie Gorell, acct dir; Don Hoffman, acct exec; Lisa Fabian, asst acct exec; Wendy French, asst acct exec; Nancy Walker, acct coord.

Marschalk, San Francisco—John Most, mgmt super, F&SP; Sharon Lack, acct super, A.1., Grey Poupon; Margaret Paradis, acct exec, A.1.; Clare LeGros, acct exec, Grey Poupon, Award; Deborah Demarest, acct super, Ortega, devel brands*; Erin Geiszler, acct exec, Ortega; Brett Klein, asst acct exec, Ortega; Amy Monteleone, acct exec, devel brands*; Mary Doan, acct exec, Chun King; Jim Downs, acct super, DM Brand frozen foods; Julie Belott, acct exec, DM brand frozen foods; Cheryl Pierce, asst acct exec, DM brands frozen foods; Jane Stephenson, asst acct exec, A.1., Grey Poupon, Award; Beverly Schwartz, budget coord, DM brand frozen foods.

McCann-Erickson, San Francisco—canned fruits & vegetables, pineapple, tomato prod, fresh fruit—Wayne Fulcher, senior vp-mgmt super, fresh fruits, consumer promo, vegetables, canned fruit, canned pineapple, tomato prod; Walter Menzel, vp-mgmt super, healthy snacks, juice prod; Fred Miller, acct super, consumer promo; Debra Fisher-Brown, acct super, vegetables, canned fruit, canned pineapples; Barbara McCann, acct exec, tomato prod; John Oda, vp-acct super, healthy snacks; Jina Hanft, acct super, juice prod; Katrina Chu, acct exec, consumer promo; Barbara Christen, acct exec, canned fruit, canned pineapple; Lisa Rechtschaffner, acct exec, vegetables; Anson Moore, acct exec, tomato prod; Sarah Delaney, acct exec, healthy snacks; Karen Hertz, acct exec, juice prod; Fabia Butler, asst acct exec, fresh fruit.

Young & Rubicam, New York—Canada Dry—William Thompson, group dir; John Swan, acct super; Chris Callas, acct exec, seltzers & mixers; Andrew Schilling, acct exec, Ginger Ale, soft drinks.

* Development brands include Patio, Morton and any other development brand.

HEUBLEIN INC.

Farmington, Conn.

Marketing Personnel

John A. Powers, president-ceo
Robert M. Furek, exec vp-sales & mktg worldwide
William R. Henn, exec vp-devel
Barry M. Rowles, exec vp-intl
John J. Manning, senior vp-mktg worldwide
Frank McCarthy, senior vp-wines mktg worldwide
James W. Marsh, senior vp-worldwide sales
Erik J. Pierce, vp-pr
David G. Eickholt, vp-mktg services
Robert C. Springer, dir-adv services

Advertising Agencies

Asch Advertising, New York—(out-of-home agency-of-record)—Richard Asch, president; Gordon Asch, chmn.

Castor Spanish International, New York—Hispanic adv—Smirnoff vodka, Don Q rum, Jose Cuervo tequila, Black Velvet Canadian whisky, Viejo Vergel Mexicen brandy—Castor Fernandez, creative dir; Arturo Andrade, exec vp.

DYR, New York—Harveys Bristol Cream, Don Q rum, Inglenook wine, Citronet, Torresella wine, Fazi Battaglia wine, Babycham Perry wine, new prod—Robert J. Donahoe, senior vp-group dir; Bill Barrett, dir-media services.

Leber Katz Partners, New York—Club Cocktails, Arrow Cordials, Vikin Fjord vodka, Harbor Lights, Heublein F.S. Cocktails, new prod—Stuart Kissel, vp-acct super; Russ Finley, vp-broadcast operations.

Marschalk Co., New York—Beaulieu Vineyard, spot broadcast agency-of-record—Bob Glassman, acct super; Jay Cossey, media planner.

McCann-Erickson, New York—Smirnoff vodka, Black Velvet Canadian whisky, Irish Mist Liqueur, The Famous Grouse scotch whisky, Regal Velvet Canadian whisky, new prod—Victor Linn, senior vp-mgmt rep; Rick Gallagher, assoc planning dir.

UniWorld Group, New York—ethnic & general adv—Smirnoff vodka, Harvey's Bristol Cream, Club Cocktails, Brass Monkey, Don Q rum—Byron Lewis, ceo; Herman Moles, acct super.

Young & Rubicam, New York—Lancers wine, Vaibon wine, Jose Cuervo tequila, network broadcast agency-of-record—John Stokes, senior vp-mgmt super; Nancy Smith, senior vp-group super.

KENTUCKY FRIED CHICKEN CORP.

Louisville, Ky.

Marketing Personnel

Richard Mayer, chmn-ceo
Robert Hiatt, president-KFC Intl
Donald E. Doyle, president-KFC USA.
Richard Campbell, vp-Zantiago Restaurants
Mick McGraw, senior vp-Worldwide Services
Robert Lee, vp-field mktg
Scott Conner, vp-prod devel mktg
Gregg M. Reynolds, vp-public affairs
Raymond Colon, dir-mktg research
Alvin Hulvey, dir-strategic planning

Advertising Agencies

Mingo-Jones, New York—Kentucky Fried Chicken Corp. black media—Samuel Chisholm, vp-mgmt super.

Young & Rubicam, New York—Kentucky Fried Chicken Corp. natl co-op & company-owned outlets—John P. McGarry, exec vp-group dir.

RANK
48

Richardson-Vicks

Wilton, Conn.

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	1,220	1,281	-4.4
Net income	72.2	72	0.4
U.S.			
Sales	N/A	734	N/A
Operating profits	N/A	58	N/A
Advertising	164	151	8.3
Division sales			
Consumer prods.	N/A	1,109	N/A
Other prods.	N/A	172	N/A

Richard-Vicks, Wilton, Conn., became the 48th largest U.S. national advertiser with spending of $163.5 million, up 8.3% over 1983, increasing its emphasis on the consumer healthcare and beauty segments of its businesses, which include vitamin, cough and cold products, and toiletry items. Personal care represents nearly half of the Richardson-Vicks over-all sales.

Sales declined by 4.4% to $1.22 billion, while net income rose 0.4% to $72.2 million during the 1985 fiscal year, ended June 30.

Company officials say lower sales were the result of negative impact of continuing U.S. dollar strength abroad (about 43% of total company sales come from abroad), and point to the over-all sluggish retail environment for health and beauty aid products in this country.

On the international front where Richardson-Vicks markets its products in more than 100 countries, sales were up by 15% in local currencies, but conversion to dollars reduced contribu-

Toy safety

The Consumer Product Safety Commission, which oversees toy safety, reported 118,000 toy-related injuries in 1983. In the 1977, the first year the commission kept records, 146,000 injuries were reported.

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The Rotarian
Advertising Department
1600 Ridge Avenue
Evanston, Illinois 60201
(312) 328-0100

tions by $69 million compared with the prior year.

Advertising expenditures climbed to an estimated $163.5 million, as Richardson-Vicks supported four new product launches during the past year. The company also sold Lavoris brand of mouthwash to Jeffrey Martin Inc. of Union, N.J., for a reported $8.5 million in cash during the first quarter fiscal 1985. Advertising had all but stopped on Lavoris.

Lavoris holds an estimated 2% share of the $430 million mouthwash category, which corresponds to the selling price of the brand. The category is led by Warner-Lambert's Listerine, with a 32% share of the market. Richardson-Vicks also sold in March, 1985, its two-year-old line of Plus line of vitamin and mineral supplements to Faraday Laboratories of Hillside, N.J., for an undisclosed price.

Another divestiture was the company's sale of its Pea-Beu insecticide business in Australia to an Australian company, Reckitt & Colman Pty. Ltd.

At the same time, Richardson-Vicks acquired two Italian products. Keramine H, a line of haircare products based on a patented process for manufacturing hydrolyzed keratin, was bought in January, 1985, from Hanorah Italiana, a leading Milan-based cosmetics and toiletries manufacturer. And Pierrel S.p.a., a pharmaceutical manufacturer in Italy, sold its toothpaste to Richardson-Vicks' consumer products division in June, 1985.

Oil of Olay, Richardson-Vicks' facial moisturizer for the mass market, continues to dominate that segment with around $100 million in sales. Measured spending continued high, as Richardson-Vicks outspent the competition, devoting nearly $25 million in measured spending to the product last year.

By contrast, Noxell, with a 15.6% share of market, with its Noxzema brand, and American Home Products' Youth Guard, reportedly spent $10 million each on their facial moisturizer products.

Oil of Olay has been joined by two line extensions, both facial cleansing products. Olay Beauty Bar, introduced in 1983, is estimated to have recorded a mediocre $5 million to $6 million in sales. Olay Beauty Cleanser, targeted to the mass market non-bar user, was supported by a $10 million campaign in its launch early this year. Young & Rubicam handles Oil of Olay.

Facial cleansing is one of two growth categories Richardson-Vicks has entered.

The second is men's skincare, a category in its infancy, but which by various accounts is growing. Saxon lotion for men, an aftershave conditioner launched in 1983, was joined by Golden Musk fragrance line extension. Saxon sales have not been exuberant, and this year's $680,000 measured spending advertising budget represented a significant drop in support to about one-fourth of last year's $3 million budget.

Clearasil, a name long associated with teen skincare, is extending its base to the 20-34 young adult market, as this country's teen population declines. The Latin American and Asian markets, however, continue to provide Clearasil with a growing teen audience. Clearasil adult care acne medicine entered the $140 million-plus, acne-remedy market last fall. Clearasil was edged out in the battle for market leader by Revlon's OXY 5. Market share for both is in the low 20% range. Noxell's Acne 12 trails with a 6.3% share.

Richarson-Vicks' activity in the $750 million cold remedy market was augmented by a line extension, and a reformulation, in hope of strengthening its well-known Vicks line against the onslaught of new products that continue to enter the segment.

Richardson-Vicks holds an estimated 20% share of the $300 million cough syrup market, mainly because of its Vicks Formula 44 line, in which Vicks Formula 44 remains the individual top-selling brand, company officials say.

Throughout the first half of fiscal 1984, company officials reported a 14% unit sales growth for the line, with strongest performance in supermarkets. Because each product in the line provides the maximum allowable level of cough suppressant, the advertising stresses the products' "adult" strength with the theme, the "Adult formulas for the coughs adults get with the strength adults need."

For the first time, the entire line is featured in the campaign, which reached its highest level of spending in the category's history.

The Vicks Formula 44 line got more than $8.5 million in measured support in 1984, up 42%. Most of it was in network tv. An improved version was introduced last year. Formula 44 has been on the market since 1958.

However, the October, 1984, launch of Vicks Formula 44 M was the first addition to the line since 1973. Riding on the Vicks Formula 44 name, and appearing at the start of the cough and cold season, Vicks Formula 44 M is performing unusually well as a product that combines a cough suppressant with an expectorant, nasal decongestant and an analgesic.

While Formula 44 profits from its adult skew, the Cremacoat line, launched in fiscal 1984 with pharmacy-exclusive distribution, is positioned as a whole family line.

Advertising is directed to physicians and pharmacists via professional journals and patient samples to establish Cremacoat as a professionally recommended, pharmacy-only product.

During the past year, Richardson-Vicks filed four investigative new drug applications with the Food & Drug Administration in the cough/cold analgesic areas.

Although sales for the Vidal Sassoon line of haircare products lagged, advertising and promotional expenses were increased, with measured media support climbing to $21.2 million in 1984, up 49.3%.

Richardson-Vicas attributes the lag in sales to an adjustment in inventory trade levels.

Two new product introductions were a factor in the boost in advertising spending.

Breaking into a booming new category were Vidal Sassoon's styling mousse and gel products, which were introduced in March, 1984, and which already have added $175 million in retail sales to the segment in just over a year. In a category in which more than a dozen new entrants in one year were jockeying for position, Vidal Sassoon mousse established itself in the top three, reportedly along with earlier arrival L'Oreal (Cosmair) and Alberto (Alberto-Culver Corp.) mousse products.

Company officials claim the Vidal Sassoon gel product has taken the lead in mass outlet distribution. The $450 million hair spray category has grown faster than most other hair segments, mainly because of the mousse and gel entries in the market. Surprisingly, company officials report there has been no cannibalization of the Vidal Sassoon hair spray since the introduction of the mousse and gel. They point to research that demonstrates that most women use hair spray in combination with a mousse or gel.

Vidal Sassoon mousse and gel are the first products in a planned line of other styling products yet to appear on the market, all of which are designed to satisfy women's broad range of styling needs. Included in the future intro lineup are a sculpting gel for achieving a "wet look," a body glaze for fullness and shine, and a "style fix" product for avant-garde hairstyles. With so many new products planned, and a recognizable name established, Vidal Sassoon's advertising efforts aim for a total line, rather than a single-product approach.

Richardson-Vicks' second major haircare line, Pantene, which is skewed toward a more upscale audience, also launched mousse and gel products last year, in October.

The Pantene products were the first to reach department store counters, where company officials claim they have established the lead, with their pro-vitamin and sunscreen products for the hair.

Measured spending on Pantene, basically print in nature, almost doubled to $1.5 million in 1984 from $759,300 in 1983. This fiscal year, Pantene introduced its Sunbrella line of mousse and hair sprays, which offer higher levels of sunscreen for summertime use.

Mill Creek, Richardson-Vicks' natural products business, also added a line of suncare products, for distribution in health food outlets.

Richardson-Vicks' homecare products segment had a difficult year despite the lead position of its Formby's line in the refinishing market. Company officials blame the lower sales on the declining number of home refinishing activities.

Baker Instruments Corp. will be marketing a line of monoclonal antibody-based diagnostic kits for use in physicians' offices, and by hospitals and laboratories.

One such kit is Confidot, in which testing can be performed as early as 10 days after pregnancy has occurred. Results are available within minutes.

R-V in 1984 helped establish a Center for Alternatives to Animal Testing at Johns Hopkins University to examine alternatives to the use of animals in product testing.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	160	0
Magazines	15,442	11,131
Network cable	930	197
Spot tv	22,796	20,928
Network tv	61,131	59,139
Spot radio	1,863	813
Network radio	1,600	919
Total measured	103,921	94,127
Total unmeasured	59,579	56,884
Estimated total	163,500	151,011

RICHARDSON-VICKS CO.
Ten Westport Rd.
Wilton, Conn. 06897
(203) 762-2222

Vicks Europe/Africa Division
Marketing Personnel

J. Kraebber, president-genl mgr

Americas/Far East
Division
Marketing Personnel

T.A. Garrett, president-genl mgr
C. Nash, exec vp-mktg dir
W.A. Crowther, mktg dir-communications
P. Draper, dir-mktg rsch

Health Care
Products Division
Marketing Personnel

N.O. Matt, president-genl mgr
Stephen E. Bear, vp-mktg dir
W.J. O'Neill, vp-mktg dir
W.S. McGranahan, vp-mktg service

Advertising Agencies

Benton & Bowles, New York—Lifestage vitamins, Cremacoat cough medicines, Day-Care cold medicine, NyQuil, Sinex, Vaporub, Vicks Blue cough drops, Victor's cough drops, Vicks cough drops—Richard Hopple, senior vp-acct dir; Alan Goltz, senior vp-mgmt super.

Slater Hanft Martin, New York—Percogesic analgesic—Jerry Martin, chmn-mgmt super; Rick Dorin, acct super.

Young & Rubicam, New York—Tempo, Formula 44D—Robert Gleckler, senior vp-mgmt super.

Personal Care
Product Division

J.D. Anty, president—genl mgr
T. Laughlin, vp-mktg dir
W.S. McGranahan, vp-mktg services
R. Rogge, vp-mktg dir

Advertising Agencies

Benton & Bowles, New York—Clearasil, denture prod—Richard Hopple, senior vp-acct super; Pat Doody, senior vp-mgmt super.

Carrafiello-Diehl & Associates, Irvington-on-Hudson, N.Y.—Fasteeth, Fixodent, Complete, Denquel, oral health prod—Pat Manderano, vp-mgmt super; Tom Heigl, acct exec.

Leber Katz Partners, New York—Saxon aftershave, Pantene prod—Cynthia Perry, acct group super, Vivian Loewenstein, acct exec.

Young & Rubicam, New York—Olay prod—Robert Gleckler, senior vp-mgmt super.

VIDAL SASSOON INC.
Los Angeles, Cal.
Marketing Personnel

P.L. Wilson, president
S. Krawczyk, coo
L.Taylor, senior vp, dir-creative services
T.B. Quarton, dir mktg

Advertising Agency

Peter Rogers Associates, New York—Sassoon shampoos, conditioners, rinses, coordinators—Peter Rogers, president; Len Favara, creative dir; Gerry Tabaczyk, senior vp-acct services dir.

NATURAL CARE
Products Division
Irvine, Cal.
Marketing Personnel

D. Hoffmeister, vp-genl mgr
R.E. Carter, mktg mgr

J.T. BAKER
CHEMICAL CO.
Phillipsburg, N.J.
Marketing Personnel

T.M. McGuire, chmn
B.M. Rein, vp-mktg, specialty chemicals
J.L. Zapf, director-mktg admin

Advertising Agencies

Cunningham & Walsh, Chicago—Andrea Barr, acct super; Jim Davidson, mgmt super.

Romann, Kremer & Slawter, New York—Abraham Kremer, president-acct exec; Paul Slawter, acct exec.

Stiegler Wells Agency, Allentown, Pa.—Daniel C. Wells, president; Jo Ann Petro, acct exec.

BAKER INSTRUMENTS CORP.
Allentown, Pa.
Marketing Personnel

G.E Lewis, president-genl mgr
R.A. Sullivan, vp-mktg
D.J. Holland, vp-sales
M.G. Hossom, vp-mgr, chemistry systems

Advertising Agencies

Barbetta Miller, Fairfield, N.J.—Rebel Robertson III, acct super.

RVI HOME CARE
Products Division
Memphis, Tenn.
Marketing Personnel

J.B. Cappio, president-genl mgr
J.D. Mitchell, dir-mktg & sales
W.P. Melvin, dir-mktg & sales
S.G. Staves, mktg mgr
B. Sharpe, mktg mgr

Advertising Agency

Slater Hanft Martin, New York—Formby's furniture refinisher, paint remover, Tri-Flow lubricant, Thompson's Water Seal—Jerry Martin, chmn-mgmt super; Rick Dorin, acct exec.

Sara Lee Corp.

Chicago

RANK 32

($ figures = 000,000)

	1985	1984	% chg
Worldwide			
Sales	8,120	7,000	16.0
Net income	206.3	184.4	9.5
U.S.			
Sales	6,631	5,632	17.7
Operating profits	N/A	340	N/A
Advertising	258	197	31.1
Division sales			
Consumer foods	2,615	1,896	37.9
Food service	1,484	1,363	8.9
Beverages	1,453	1,440	0.9
Personal prods.	1,641	1,446	13.5
Direct sales	1,039	962.3	8.0

Sara Lee Corp., formerly called Consolidated Foods, had a total advertising estimate of $258.4 million, up 31.1% over 1984, to rank as the 32nd largest national advertiser. Sales for 1984 rose 16%, to $8.12 billion from 1983. Net income climbed 9.5% to $206.3 million in 1984, off slightly from the 10% earnings increase a year earlier.

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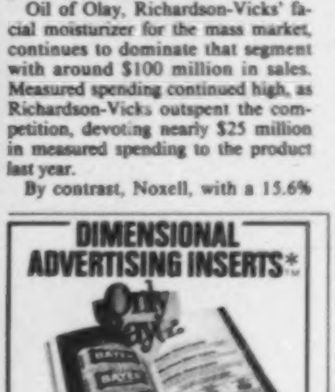

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PIB/LNA
U.S.NEWS

Sara Lee's 16% sales increase looks good compared to the food industry as a whole, which has been growing about 2% annually in sales.

In the view of analyst Laurie Lively of Oppenheimer & Co., New York, "Sara Lee is well known for its strengths in unit volume growth. They're [Sara Lee] going where markets are growing—unlike the breakfast cereal market which has just 3% to 4% growth. Sara Lee is less willing to sacrifice earnings to advertising." Ms. Lively estimates that food earnings in general are going up 17% for 1985.

Those growth markets are in areas like meats, in which sales are 70% of the revenue in the big consumer foods segment of Sara Lee, specialty food products, baked goods and intimate apparel. Ad spending reflected developments in those markets. Spending for meat brands was up 66%, to $9.4 million. Hanes men's underwear line measured advertising rose 68%, to $9.95 million, and its women's hosiery/pantyhose lines, with L'eggs, rose 35% to $36.3 million while the Hanes brand, grew 29% to $28.1 million.

Ad spending also ballooned in promotions of specific new products such as Popsicle Industries' OREO Cookies n' Cream line of ice cream sticks, sandwiches, and half gallons ($3.5 million).

In spite of its success, Sara Lee recently seemed to face an identity crisis as acquisitions pulled in more and more nonfood companies. A study in the investment community found that only 22% of those polled knew what Consolidated Foods did. After testing for a new name, Sara Lee Corp. was agreed upon by shareholders in April, 1985. The Sara Lee name itself came from an acquisition, Kitchens of Sara Lee, named for the daughter of the Kitchen's founder, Charles Lubin.

Company chairman-ceo, John Bryan, is said to oppose maxi-acquisitions that may load the company with big debt and unknown factors. He largely advocates growth from within.

But he has engineered a number of acquisitions and divestitures in 1984 and so far in 1985. The major acquisition was made in October, 1984, when Sara Lee acquired all of Melbourne, Australia-based Nicholas Kiwi Ltd.'s outside of Australia and about 15% of the Australian business for an estimated U.S. $300 million. The Sara Lee portion accounts for 75% to 80% of Kiwi's annual sales of $287 million and earnings of $26 million.

Kiwi's well-known Kiwi, Cavalier, Saver, and other shoe care brands account for nearly $100 million in sales. The rest comes from a varied line of personal care and household products including Bloo toilet bowl scrubber, Miracle White laundry detergent, Ambi skin care products for black consumers, and Wood Preen floor and furniture polish.

In July, 1985, Sara Lee acquired Coach Leatherware, a New York-based maker of high-quality leather handbags and accessories.

Among divestitures included the sale, in April, 1984, of C&C Cola, which had not performed as hoped, and in June, 1985, the divestiture of Idaho Frozen Foods, Twin Falls, Ida., to potato processor, Universal Foods. The same month, Sara Lee sold service merchandiser Sav-A-Stop, Jacksonville, Fla., to ZF Corp., because of disappointing performance. And Sara Lee sold its 670 Lawson's convenience stores in the mid-East to Dairy Mart Convenience Stores Inc. of Enfield, Conn., and is phasing out Sara Lee Ice Cream, produced in the 1970s, discontinued, then reintroduced in 1982.

Sara Lee's biggest operating segment, consumer foods, had fiscal 1985 sales of $2.62 billion, up 38.2% from 1983. Operating income was up 21%, to $149.8 million. Within the segment, unit volume of frozen baked goods, including Kitchens of Sara Lee and Chef Pierre Lloyd J. Harriss pies, was up 9%. Biggest new product items for Kitchens of Sara Lee, which now markets 80 products, are its 11 varieties of frozen croissants and five flavors of Bagel Time Bagels. Ad spending for Sara Lee brand was down slightly, 2%, to $5.6 million from a year earlier. Expenditures for Chef Pierre and Harriss were up about 7%, to $536,600.

Eric Larson, securities analyst with PaineWebber, New York, says, "The bakery business, especially fresh baked goods, is another growth business, and doing well. General Foods understood this in acquiring Entenmann's. Sara Lee gets good shelf space for its fresh and frozen croissants, for main meals, and hors d'oeuvres."

In specialty meats, unit volume was up 11%. This is a food line in which Sara Lee uses a different approach than that of other meat companies, says Mr. Larson. "Sara Lee looks at it on a regional basis. John Bryan has a meat background . . . He's 'beefing' that area up—adding through acquisition—and knowing consumer tastes are different, region by region."

Perhaps the one exception to its regionalization is its Jimmy Dean brand, the largest U.S. brand of fresh sausage and, with some of the other sausage lines, has made Sara Lee the nation's biggest producer of fresh sausage. This fall Jimmy Dean is introducing Steak & Biscuit packs and Chicken & Biscuit packs in the Southeast and Southwest and also a line of Jimmy Dean Party Link cocktail sausages in major metro areas. In 1986, the Jimmy Dean line will hit New York City.

Biggest advertising spending for the meat companies was for Hillshire Farm, New London, Wis., and Cincinnati, up 62% to $5.6 million.

Other big spending in the food group was for Popsicle's OREO Cookies 'n Cream and for Chocolaty PayDay, which debuted in December with spending of $1.1 million that month. The new product came from Hollywood Brands, Centralia, Ill., which also produces regular PayDay, Milk Shake, Butternut, and Zero candy bars, but until now with little ad backing, according to Hollywood's vp-marketing Bob Gulovsen. Hollywood Brands has just started consumer marketing to augment sales which have more than doubled in the past two years.

In the beverages segment, sales rose less than 1%, to $1.45 billion, although operating income rose 13%, to $54.9 million in 1984. Holland-based Douwe Egberts, marketer of coffee, tea, and tobacco products in Western Europe, had a sharp rise in operating income, helping the figures in the beverage segment.

Measured advertising for the Shasta beverage line, with annual sales estimated at $400 million, was off 17% in 1984, to $10.2 million. One big drop within the line was a 48% decrease in backing for Capri Sun Natural Fruit Drink, to $2.9 million. At the same time, support for the Shasta diet soft drink line more than tripled, rising to $3 million.

Capri Sun's market share has fallen to 29% of product volume since it introduced Capri Sun and its German-developed aseptic carton packaging to the U.S. in 1979. Coca-Cola's Hi-C has grown to 25% of market, Del Monte's Hawaiian Punch, 17%, and Ocean Spray, 10%.

Shasta, based in Hayward, Cal., reformulated its entire diet line of 18 flavors with aspartame sweetener. The top six flavors are 100% aspartame, and the others are sweetened with an aspartame-saccharin blend. The company is test marketing Spree All-Natural soft drink, now with seven flavors, in northern California, Ohio and Florida. New flavors for Capri Sun are Wild Cherry and Red Berry.

PaineWebber analyst Mr. Larson questions the Shasta product line. "It's too small to compete with the major soft drink producers . . . Sara Lee wanted to go for all-natural drinks to try for a bigger part of the market—if only 3%—but the big pop companies fought back."

The consumer personal products segment had a sales increase of 13%, to $1.64 billion. Operating income rose

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19%, to $137.9 million for the year. Nicholas Kiwi was credited with part of this rise, along with the hosiery companies, L'eggs and Hanes, and the knitwear units, Hanes Knitwear and Hanes Printables, which made 7% gains in unit volume.

Ad backing for the Aris Isotonor line of men's and women's gloves and women's slippers and knitwear increased 47%, to $7.9 million. Aris, New York City, plans another $7 million year in 1985 in both print and network tv.

Isotonor is introducing Stain Guard water-and-stain resistant leather gloves, said to be a first on the market, and new light-weight Isotonor gloves for women.

Bali Co., New York introduced new Bali brand Neo Classic bras and panties in "male look" dark fabrics; a line of A-OK A-cup bras to give the small-breasted woman new stylish materials and designs; Ce Soir European styled bras and panties with the sheer European look and Something Else panties in light-control materials—all to be merchandised at a self-contained in-store environment called the "island of Bali."

Spending for the intimate apparel line was down 10% for 1984, falling to $2.3 million. Bali has its problems according to Laurie Lively of Oppenheimer, who believes a reason for lower profits at Bali may be that management was not reacting to changes in style and taste.

"So Sara Lee replaced Bali management. And they had inventory problems. The women's lingerie business must be fashion-oriented," Lively says.

The 29% increase to $28.1 million in 1984 spending for the Hanes hosiery and pantyhose line reflects the vitality of that line which is offering seven new products for the summer and fall. Hanes Hosiery, Inc., Winston Salem, N.C., announced Fitting Pretty brand, a full-line brand of panty hose for hard-to-fit women and a line extension called Hanes Alive Light Support pantyhose. Also announced were Hanes Light Tights, a line extension that is a lightweight tight; Silk Reflections, a spandex sheer style; Papillon Brand, a full-line premium-priced flanker designed to compete with Evan Picone, Christian Dior, etc.; Summeralls, a summerweight panty top; and Isotonor Brand, a new full-line spandex panty hose made of three different deniers of spandex.

New from Hanes Knitwear, Winston Salem, the second biggest men's underwear maker, are a new men's fashion underwear program, "Bill Blass for Hanes," and the ShowToons series of cartoon-decorated underwear for girls, duplicating a style started for boys.

Ad spending for the ShowToons grew 9% in 1984, to $853,700. The spending increase of 68% for the men's lines was the heaviest of all Sara Lee products.

While Hanes spread its 1984 ad spending of $28.1 million for women's hosiery products across both print and electronic media, L'eggs went almost entirely to magazines with its purse of $36.3 million.

Capitalizing on the fitness boom, L'eggs will now mass merchandise tights for its little plastic egg packages. Also, there will be three line extensions—Just My Size Silky Sheer, Just My Size Regular in fashion dark colors, and Just My Size Winter wear. Rollouts for these products will be this fall.

Consumer direct sales passed the $1 billion mark for that segment in 1984, boosting revenues 8%, to $1.04 billion and operating income 6%, to $91.1 million.

Sara Lee attributes the performance to good results from Fuller Brush, the direct marketing division which offers mail order sales mainly of L'eggs irregulars and white hosiery for nurses; and the Electrolux Corp., the largest division of this segment, up 9% for the year in volume sales of its vacuum cleaners and other floor-care equipment.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	4,812	2,834
Magazines	20,368	16,672
Network cable	1,262	1,191
Spot tv	27,919	17,077
Network tv	69,557	56,150
Spot radio	2,345	1,983
Network radio	1,921	2,552
Outdoor	179	251
Total measured	128,362	98,708
Total unmeasured	130,000	98,341
Estimated total	258,362	197,049

SARA LEE SUPPLIED ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	25,475	16,954
Magazines	22,677	20,641
Network tv & cable	75,237	69,821
Spot tv	34,968	27,176
Network tv	69,557	56,150
Spot radio	3,050	3,814
Network radio	1,584	2,693
Outdoor	2,952	1,412
Total measured	165,943	143,511
Total unmeasured	154,130	135,226
Estimated total	320,073	278,737

SARA LEE CORP.
Three First National Plaza
Chicago, Ill. 60602-4260
(312) 726-2600

Marketing Personnel

Charles Ostrander, vp-mktg, Aris Isotoner
Al Dold, vp-mktg, Bali Co.
Robert B. Crawford, vp-sales & mktg
Steen A. Metz, vp-corp business devel, Booth Fisheries
John Lox, vp-mktg, Bryan Foods
Jack Thomas, senior vp-sales & mktg, Buring food group
R.D. Bullard, vp-mktg & genl mgr, retail sales
Gary Ramey, mktg mgr, retail
Stephanie Walter, mktg mgr-foodservices, Chef Pierre
William Douque, genl mktg mgr, Douwe Egberts, The Netherlands
Patrick W. Tolbert, group vp-growth & business devel, Electrolux Corp.
Robert McGurkin, dir-household mktg, Fuller Brush Co.
Ron Dix, dir-mktg, Gallo Salame
Robert E. Simms, vp-mktg, Hanes Hosiery
Kirk Beaudin, vp-mktg, Hanes Printables
Charles Lehamn, vp-mktg
Sherri Swihart, dir-mktg, Hi-Brand West
Teri Burgess, pord mgr, Hi-Brand Foods
James M. Williams, vp-retail sales & mktg
Kathleen Horner, natl dir-mktg, Hillshire Farm Co.
Bob Gulovsen, vp-mktg
Joe McGraw, dir-mktg, Hollywood Brands
Ed Jenkins, vp-mktg, Jimmy Dean Co.
Steven P. Stanbrook, vp-mktg, Kiwi Brands
Robert Fraser, vp-mktg, Lyon's Restaurants
Tom Reddy senior vp, genl mgr, Emmber Brands, Peck Meat Packing Corp.
Paul J. Kadin, vp-mktg, Popsicle Industries
Ronald Elmquist, vp-sales & mktg, PYA/Monarch
Ted Kengla, vp, Poultry Specialties
Larry Wucher, vp-sales & mktg, R.B. Rice
Greg Morre, vp-mktg, retail sales
Glen Mazepa, dir mktg
Bob Roberts, retail prod mgr, Rudy's Farms
Charles F. Marcy, vp-retail mktg, Kitchens of Sara Lee
Robert H. Cohen, dir-mktg, Shasta Beverages Inc.
Joe Kaminsky, senior vp-sales & mktg, Sirena Inc.
Ed Breclaw, vp-mktg
Sheldon Kail, prod mgr, coffee
Bill Mortimer, prod mgr, foods
Randall Voorn, genl mgr, Moccomat, Superior coffee & foods

Advertising Agencies

Ally & Gargano, New York—Bryan (processed meats including Smoky Hollow brand)—Peter Bates, senior vp-acct mgmt; Chuck McMellon, senior vp-mgmt super; Barry Vetere, creative dir.

Aris Isotoner Inc. (handles all advertising & media placement in-house).

Barkley & Evergreen, Kansas City, Kansas—R.B. Rice creative & pr—Connie Bookmyer, acct exec.

Basinger & Associates, Atlanta—Hi-Brand Foods—John Basinger, acct exec.

Berry-Brown, Dallas—Jimmy Dean Sausage.

Brooks-Pollard, Little Rock, Ariz.—Rudy's Farm foodservice—Doug Williford, acct exec.

Burrell Advertising, Chicago, Ill.—Black adv: L'Eggs hosiery—Edward Morris, senior vp.

Cooper Jenner Stafford, Waterloo, Ia.—Hillshire Farm—Jim Stafford, vp.

Dancer Fitzgerald Sample, New York—Hanes, Hanes Too!, Papillon, Light Tights, Casuales—Harley Griffith, Sue McClellin, acct supers; Mary Lander, Catherine Streich, acct execs. Bali—Tom Bohan, exec vp-acct dir; Dennis Keane, senior vp; Jacquleen Ferrell, acct exec, Bali Brand; John Grant, acct exec, Something Else; Marianne Bess, acct exec, Bali, A-OK, CeSoir; Barbara McKale, acct exec, Something Else, A-OK, CeSoir. Popsicle—Mike Jeary, vp-mgmt super; Marc Luchansky, vp-acct super; Carey Field, acct exec. L'eggs—Michael Donahue, exec vp-acct dir; Michael Leahy, senior vp-mgmt super.

Dillard & Lavine, Dallas—Standard Meat Co.—Steve Lavine, acct exec.

W.B. Doner & Co., Baltimore—Bali corp co-op adv—David Sackey, senior vp-acct dir; Ellen Gordon, acct super; Deborah Goetz, acct services.

Doyle Dane Bernbach, New York—100% d'Lite—Michael Perkins, acct super.

Evans, Lynch, Rockey, San Francisco—Lyon's Restaurants—Greg Pabst, exec vp-acct services; Martin D. Rockey, creative dir.

Food Group, Los Angeles—Hi-Brand foods—Bob Hager, acct exec.

Foote, Cone & Belding, Chicago—Sara Lee (retail)—Dan Fox, senior vp; Scottie Perry, acct super; Helen Johnson, Marilyn Vender, acct reps.

Foster & Green, Baltimore—Kiwi Brands Inc., Saver & Cavalier.

Frankenberry, Laughlin & Constable, Milwaukee—Hillshire Farm heartland state region—Dick Papke, vp-acct services; Maribeth Scaaf, acct exec.

HBM/Creamer, Pittsburgh—Chef Pierre, Lloyd J. Harriss Pies—William E. Sprague, exec vp; Howard Gittins, senior vp; Pat Wood, acct mgr; Dave Biggar, acct exec.

Henderson Advertising, Greenville, S.C.—Hanes Printables consumer adv—Ralph Callahan, president-acct services dir; Hayward Whetsall, vp-mgmt super.

Holt Enterprises, Greensboro, N.C.—Hanes Printables trade adv— Jim Houghtaling, president; Leta Pittman, graphics designer.

Ketchum Advertising, New York—Today's Girl—Don Burkett, acct super; Caroline Moore, acct exec.

Lewis, Gilman & Kynett, Philadelphia—Kiwi Brands Inc. Kiwi, Bloo, Miracle White, Johnny Mop, Wood Preen.

Long, Haymes & Carr, Winston-Salem, N.C.—Fitting Pretty, Isotoner—Don Van Erden, acct super; Patrick O'Sullivan, acct exec. Hanes Knitwear brands of mens, boys, girls underwear—Loren Chamberlain, exec vp-acct mgr.

John Malmo, Memphis—Buring Food Group—Bob O'Connor, vp.

Mandabach & Simms, Chicago—Sara Lee foodservice—Lee Lippman, senior acct super; Jim Flurry, acct super; Joy Mizell, acct exec.

Mandabach & Simms, New York—PYA/Monarch—Harry Delaney, mktg rep; Ken Seiter, acct exec.

Maris West & Baker, Jackson, Miss.—Bryan canned meats—Gerrit Maris, president; Henry B. Ford, vp-mktg.

Lynn Medberry Associates, Los Angeles—Sirena swimwear line, Wear About beachwear line—Lynn Medberry, owner-acct exec; Edward Freeman, acct exec.

Needham, Harper & Steers, Chicago—Shasta, C&C, Capri Sun, Spree—Ron Bess, group acct dir; Mary Conrad, acct super, Shasta; Madeline Gryll, acct super, Capri Sun; Martin Sherrod, acct exec, Capri Sun; Susan Graham, acct exec, Shasta; Brian Goodall, mgmt rep, Shasta, Capri Sun; Mark Holtzer, mgmt rep, Shasta.

Noble & Associates, Chicago—superior coffee & foods—Raymond Jorns, vp-acct service.

Proctor & Gardner Advertisng, Chicago—R.B. Rice media services—Rolfe Kolconay, acct exec.

Scott Advertising, Milwaukee—Emmber Brands, Preck Meat Packing—Chuck Reynolds, acct exec.

Sive Associates (div of Young & Rubicam), Cincinnati—Kahn's, natl mktg for Hillshire Farm, media services—Phil Mandel, vp-mktg planning; Susie Perkins, acct exec.

Specht, Gilbert & Partners, New York—Underalls, Slenderalls, Winteralls, Coloralls—Don Gilbert, president; Anne Kirkwood, acct super; Katie Ryan, acct exec.

Uniworld Group, New York—Kiwi Brand, Ambi, Mia.

Venet Advertising , New York—Hillshire Farm creative.

Young & Rubicam, San Francisco—Gallo Salame—Skye Hallberg, vp-mgr; Andrea Alfano, acct exec.

The ball's right on par

Through its Titleist line of golf balls, American Brands served up 87 million balls to linksmen in 1984. The Titleist 384 Tour, introduced in 1983, is the most-played ball of golf professionals on the PGA Tour, while Pinnacle, a two-piece construction ball manufactured under the Titleist banner, is one of the most-played balls in the country by amateurs.

Schering-Plough Corp.

RANK 52

Madison, N.J.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	1,874	1,809	3.6
Net income	177	179	-0.7
U.S.			
Sales	1,076	985	9.2
Operating profits	238	215	10.9
Advertising	144	118	22.3
Division sales			
Pharmaceutical	1,057	996	6.1
Consumer prods.	818	813	0.6

Schering-Plough Corp. was the country's 52th largest advertiser with estimated total advertising expenditures of $144.3 million, or 22.3% higher than 1983 expenditures.

The Madison, N.J.-based company had U.S. sales of $1.08 billion, up 9.2%, and U.S. operating income of $237.9 million, up 10.9%. In the U.S., measured media expenditures decreased slightly in 1984, down 0.1% to $69.3 million. Worldwide sales were $1.87 billion, up 3.4%, and operating income from continuing operatins was $177.2 million, down 1%.

Pharmaceuticals, Schering-Plough's main business segment, recorded $1.06 billion in sales, up 6.1%, as domestic pharmaceuticals propped up the division with sales of $536 million, up 13%. Foreign pharmaceutical sales declined 0.5% to $520.8 million, a figure affected by foreign currency conversions.

Schering-Plough's major business line outside of research-based human pharmaceuticals is its personal and healthcare products sector—a consumer products-oriented sector that had 1984 sales of $817.5 million, an increase of less than 1% from 1983. International consumer sales dropped 7%, or $22.1 million, while over-all proprietary product sales were generally slow partly because of lower sales of laxative products and the St. Joseph brand of aspirin products. Domestic sales rose 5%, which the company attributed to the success of its Maybelline cosmetics line, including new product launches.

Company returns did not quicken much in the first quarter of 1985. Sales and earnings rose slightly to $487 million and $54.1 million, respectively, versus $486.5 million and $53.3 million for the first quarter the previous year.

Schering-Plough completed its broadcasting divestiture activity last year by selling its radio operations, which netted the company $53.9 million. Capital expansion totaled $140 million in 1984 and included the construction of an interferon plant in Ireland, a pharmaceutical development facility in Kenilworth, N.J., and the completion of new headquarters in Madison, N.J.

In the consumer segment, sales for the Maybelline line rose 14%, to an estimated $231 million. Maybelline is the market leader in the mass-marketed cosmetics category. Aided by the 1984 introduction of new products such as Expert Touch makeup implements and the largest advertising budget in Maybelline history, Schering told women around the country they could "be at their best with Maybelline," through a Bloom Agency of Dallas-inspired campaign. Joining the Expert Touch line of facial brushes and makeup tools in bolstering Maybelline's sales were the Long Wearing line of lipsticks and foundation makeup and the Shine Free Oil Control line of makeup.

All in all, Maybelline received close to $34 million in measured advertising support, a 13.7% increase over 1983 levels. The Maybelline spending represented 49% of total measured advertising of $69.3 million. The Moisture

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** Dayton only, 1984 Paragon Survey; *** 1983, Ohio Data Users Center

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See page 101

Whip line got a slight boost in advertising, totaling slightly more than $7 million. By contrast, Shine Free cosmetics received only $811,600 in measured media support, according to six-media figures monitored by Leading National Advertisers, which reflected a slight gain in budget.

The line receiving the highest support as a single type of product was Maybelline's mascaras, which had $10.3 million in support, closely paralleling last year's expenditures. Other eye products, excluding the Shine Free line versions, got $7.2 million in spending.

Schering-Plough suncare products experienced slow growth because of inclement weather last year, but analysts say the market has improved this year. Coppertone suncare products maintained their dominant market position, aided by a $4.4 million measured media budget. Solarcaine was aided by a line extension, an aloe version.

Late last year, Schering-Plough brought its sun products full circle with the launch of Shade, a line of sunscreen products which it armed with a $5 million advertising budget. Positioned against Johnson & Johnson's Sundown sunscreens in a segment growing at 20% annually, Shade received $1.5 million in measured support and earned a 3% and 5% share of the suncare product universe, a strong showing for a new product, says Kidder Peabody analyst Arnold Snider III.

The Coppertone name has been licensed for a line of fashion sunglasses that protect against ultraviolet light. Schering-Plough acquired its own license for use of the popular Ocean Pacific brand name to grace a new line of sun products to be sold exclusively in certain coastal areas, poolside and beachfront outlets.

The Paas line of children's Easter products was expanded to Halloween faces with Paas halloween makeup kits. Following favorable reception, Paas has plans to tackle other holidays. Its Easter product line garnered a 60% share of that market in 1984.

In another area, Schering-Plough in 1985 placed warning labels on bottles of St. Joseph aspirin for children warning of the aspirin-Reye's syndrome link.

Laxative sales declined, though Schering-Plough has introduced the first fiber laxative containing natural grain and fruit fiber under the Correctol brand name in August, 1985.

The Dr. Scholl line of footcare products, which company officials claim exceeds a 90% share in some product areas, saw U.S. sales rise by 10% last year, to $265 million, of which $111 million came from the U.S. market.

Three new products were added to the Dr. Scholl's lineup: A shoe insole scented in microencapsulated timed-release form called Fresh Step; Hidden Comfort half-insoles, which provide discreet foot relief for women to wear with bare toes or heels, and Eliminator, which absorbs foot shock. Dr. Scholl's products, excluding the softening sandal business, received $4.8 million in measured spending, with nearly $3 million supporting last year's launch of Odor Attackers shoe inserts.

Sales at the Wesley-Jessen vision care division leaped 28% in the U.S. Healthy growth was sustained despite industrywide price cuts. Ophthalmic drug sales grew by 16%, but the big news and sales were captured by Wesley-Jessen's introduction of three new types of contact lenses and one improved version.

The DuraSoft line launched two new entries: A new type of extended-wear lens and lenses for astigmatism. Wesley-Jessen also brought to the U.S market its AIRLens gas-permeable lenses that deliver oxygen to the cornea. AIRLens has been selling in Canada for several years. An improved version of DuraSoft 2 bifocal lenses joined the contact lens lineup.

After two years of testing, the Wesley-Jessen division became an advertiser for the first time in 1985. The DuraSoft line of contact lenses and Wesley-Jessen's advertised product line received a $5 million budget to run national tv, radio and magazine advertising throughout the year.

Schering-Plough's pharmaceutical division stepped up its long-term plans to establish a dominant position in recombinant DNA technology, immunology, and to continue its drug discovery program. These include the development of a new anti-insomnia drug, a nonsedating antihistamine and a beta lactum antibiotic.

The division plans to introduce Intron A, its genetically derived alpha-2 interferon product into several markets this year. Intron A is already marketed in Ireland, where an interferon-producing plant is expected to be completed soon, and has been approved for marketing in the Philippines in 1985.

Pharmaceutical companies are in a hot contest to market interferon, a drug used for cancer treatment and even the common cold. Schering-Plough got a jump on the rest in 1984 when Geneva-based Biogen S.A. its interferon licensor, received a generic patent for alpha interferon from the European Patent Office. It still must be approved, however, by regulatory bodies within each country.

However, that patent was challenged by Hoffman-LaRoche, claiming it covered only the "precursor" of the alpha interferon product, not the mature form. Schering-Plough and Hoffman-LaRouche, which markets under the name Roferon A, reached an agreement during the year to sell its interferon free from liability for patent right infringement, worldwide, excluding Japan. The agreement does not affect the administrative proceedings. This marks the first such agreement between pharmaceutical companies in the growing interferon market. In July, Biogen received U.S. patent covering production of recombinant Alpha-2 interferon.

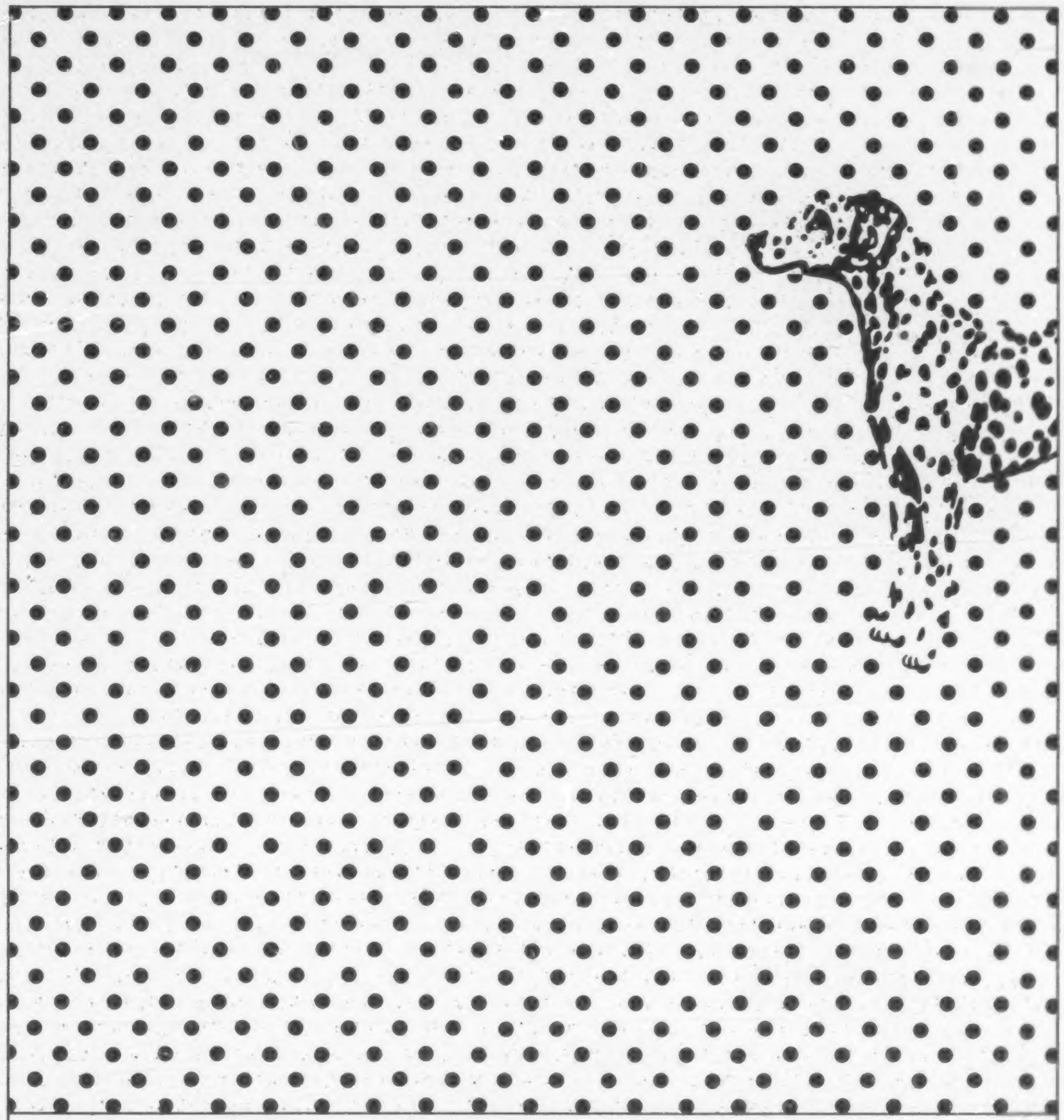
In the U.S., the company took interferon to the Food & Drug Administration, filing new drug applications for four anticancer indications and a preventative treatment for the common cold.

The pharmaceuticals division also is beginning clinical trials of gamma interferon, as part of a biotechnology agreement with the Japanese company Suntory Ltd. However, interferon represents just one chapter in the company's international pharmaceutical activity. Sales gained 14% on the international market over last year in local currencies, but declined by $2.6 million, or slightly less than 1%, in currency conversion.

Quazepam nighttime therapy for insomnia is awaiting U.S. approval late this year or early in 1986. The product has been approved for use in France, the Netherlands, Portugal and South Africa. Eulexin, an oral treatment for prostatic cancer, received approval for marketing in Canada, Chile, Denmark, Portugal and West Germany. Schering-Plough's U.S. pharmaceuticals, which totaled $536 million in sales, exceeded the 1983 figure by $63 million. Over-the-counter products account for 35% of the U.S. pharmaceuticals business.

As a first major step in realizing its goal to expand in the growing cardiovascular market, Normodyne, a prescription anti-hypertensive agent that Schering-Plough officials claim has a superior ability to control and protect cardiac function, was introduced last year. Initial sales of Normodyne exceeded that of any prescription product Schering-Plough has ever launched. Since its introduction last September, through August of this year, $13.7 million worth of Normodyne has been sold. In July alone, 32,000 new prescriptions were filled, while competitor Trandate sold 14,000 prescriptions in the same period. Schering-Plough estimates 1985 sales of Normadyne will approach $15 million and will exceed $50 million per year by 1988.

Normodyne is the Schering-Plough name for labetalol, which is licensed to



Sometimes another look can change the whole picture.

● When you look at the circulation numbers for the two Dallas papers, you may form the wrong image if the information isn't current. Because in an environment that's constantly changing, the picture rarely stays the same. So you need to take another look.

The latest ABC figures show The Dallas Morning News with a commanding lead over the Dallas Times Herald. With more than 127,000 copies daily and over 130,000 on Sunday, The Dallas Morning News gives you more of Dallas. In fact, not only do we lead in total circulation, but we lead in Dallas County as well.* All of which means when you run advertising in The Dallas Morning News, you'll be looking at one thing.

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The Dallas Morning News

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*Source: ABC Publisher's Statement for the period ending March 31, 1985. Calculations by The Dallas Morning News. Media Records, year end 1984.
Represented by Cresmer, Woodward, O'Mara & Ormsbee, Inc.; The Leonard Co.; Florida, Mexico, Caribbean; Lenha [illegible]

Schering-Plough by U.K.-based Glaxo. Glaxo also is the producer of the competition, Trandate.

The dermatological products market grew, aided by sales of Lotrisone cream, a combination antifungal/steroid, which was introduced in July, 1984.

In the first eight months of 1985, Lotrisone achieved $7.6 million in sales. This was partially offset, however, by a drop in sales of Schering-Plough's longstanding dermatological product Valisone, which went off-patent in April, 1984.

Tinactin, an antifungal, held a 35% dollar share of the market at the end of the first quarter, 1985, according to the company.

Schering-Plough has plans to expand in the area of inflammatory and allergic disorders.

Its Chlor-Trimeton allergy product maintained a leading position in that category with a 57.9% share of market.

The product underwent an agency change during the year, moving from Ketchum Advertising, New York, to Ogilvy & Mather, New York.

Drixoral, a former prescription product, now is otc. It reported strong growth. Sales rose 21% to 8 million in drug stores, giving it 9.[illegible]% market share.

In management, Donald R. Conklin was promoted to president-Schering U.S., a new position in the company. And a chapter of corporate history closed in 1984 when Abe Plough, founder of Plough Inc., died Sept. 14, 1984, at age 92. He had been Schering-Plough's first board chairman, a post he held from 1971 to 1976.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	260	94
Magazines	22,025	18,926
Network cable	41	53
Spot tv	5,346	5,497
Network tv	33,121	37,879
Spot radio	5,016	2,094
Network radio	1,423	2,829
Outdoor	1,544	1,609
Farm pubs	496	433
Total measured	69,271	69,414
Total unmeasured	75,029	48,553
Estimated total	144,300	117,967

SCHERING-PLOUGH CORP.
One Giralda Farms
Madison, N.J. 07940-1026
(201) 822-7000

SCHOLL U.S. DIVISION
Memphis
Marketing Personnel

James Hardwood, president
Fred Spangler, senior vp-operations
James Roudebush, vp-mktg
Ray Madjeski, vp-sales
Ken Shaw, vp-adv
Alan Beychok, senior vp-mtkg dir, new prod
Tim Ballage, dir-business mgmt
Don Anderson, dir-mktg
Kathleen McCarthy, dir-mktg info

U.S. PROPRIETARY DRUGS & TOILETRIES
Marketing Personnel

J. Richard Briscoe, president
Gerry Nobrega, senior vp-mktg & adv
Russell Elliot, senior vp-adv & mktg rsch
William Manley, adv dir
Tony Guiliano, business dir-suncare prod
JoAnne Brown, senior business dir-proprietary drug prod
Bill Stratton, senior business dir-new ventures

Sales Personnel

Lake-Spiro-Shurman, an in-house agency, Memphis—all Plough, Maybelline & Scholl media placements in the U.S., Pro-Comfort Eliminator Athletic Shoe Insert—Avron Spiro Jr., president; Gene Camerik, vp-media resources; Lewis Nolan, vp-communications; Lynn Sanders, vp-natl media; Ron Wiggins, president, American Image Productions; Robert Maxwell, dir-mktg services; Win Weber, senior vp-sales; Charley Naff, senior vp-sales devel; Ray Wojcik, senior vp-direct sales; Joe Edmondson, senior vp-sales admin & planning

U.S. COSMETICS DIVISION
Marketing Personnel

David Brittain, president
Hank Pellegrin, exec vp
Gary Mulloy, senior vp-mktg, adv & mktg rsch
Bob Schreiber, vp-adv
Chris Berry, vp-new ventures
Roz Daiboch, vp-prod devel
Geoff Crane, group mktg mgr-fragrances, Long Wearing, special projects
Nick Andrus, dir-Blooming Colors, shadows/liners, lip prod
Curt Hicks, dir-Expert Eyes, Expert Touch, Shine Free, Long Wearing
Roger Lewis, dir-Moisture Whip, mascara (excluding Expert Eyes), face prod

WESLEY-JESSEN DIVISION
Chicago
Marketing Personnel

Thomas Steiner, mktg dir

Advertising Agencies

Ted Bates Advertising/New York—Maybelline eye cosmetics & nail enamel, Expert Eyes, Dr. Scholl's—Lynn King, acct super; Joan Rothberg, exec vp.

Robert A. Becker Inc., New York—prescription prod—Robert A. Becker, president; Raymont Perry, senior vp-mgmt super; Doug Frank acct exec.

Bergelt Advertising, New York—Schering veterinary ethical prod—Edward Bergelt, chmn; Robert Trybus, president; John Fraoli, vp-art dir; Jay Levy, acct exec.

Bloom Agency, Dallas—Moisture Whip, Aftate, Feen-a-mint, Solarcaine, Tropical Blend—Sherri Babcock, acct super.

Bryant, Lahey & Barnes, Overland Park, Kan.—Continental Animal Health, American Scientific Laboratories—Forrest Bryant, president; Lorraine Barnes, vp-acct super.

Della Femina, Travisano & Partners, New York—Coppertone—Michael Meyer, group dir; Barbara Carr, acct super; Karee Rubinstein, asst acct exec.

Ketchum Advertising, New York—medical, paramedical, trade & consumer promo otc prod—Paul J. Abrams, senior vp-dir, sales promo; Donald W. Burkett, senior vp-mgr, acct super; Greg Faust, acct super.

Lake-Spiro-Shurman (in-house)—all Plough media placements in the U.S.—Gene Camerik, vp-media resources; Lewis Nolan, vp-communications; Lynn Sanders, vp-natl media; Robert Maxwell, dir-mktg services.

Lewis, Gilman & Kynett, Philadelphia—prescription prod—Charles Mathias, vp-acct super; Warren Dordine, acct exec.

William Douglas McAdams Inc., New York—prescription prod—Irwin Gerson, president; Anthony D'Onofrio, senior vp; Joseph Carobene, vp-acct super; Irving Swab, acct super.

Ogilvy & Mather, New York—Chlor-Trimetron, Fibre Trim, new prod—Doug Bruce, senior vp-mgmt super.

Rolf Werner Rosenthal, New York—prescription prod—Rolf W. Rosenthal, president-ceo; Ronald J. Souza, senior vp-dir, client services; Phil Brady, vp-acct group super; Paul Schnieder, acct super.

Warwick Advertising, New York—St. Joseph's prod, Duration, Sardo, Artra, Sulfer-8 line, Black & White line, QT Prod, Correctol laxatives, Mexsana medicated powder, Aspergum, Sudden Tan—Charles Levy, mgmt super.

Jos. E. Seagram & Sons

New York

RANK 70

($ figures = 000,000)

Worldwide	1985	1984	% chg
Sales	2,800	2,648	5.7
Net income	384	318	20.8
U.S.			
Sales	1,752	1,639	6.9
Operating profits	37	33	12.1
Advertising	116	120	-3.2

Joseph E. Seagram & Sons, New York, a subsidiary of Seagram Co. Ltd., Montreal, was the 70th largest national advertiser in 1984 with estimated national advertising of $115.8 million, a decrease of 3.2%.

Worldwide sales for fiscal 1985 ended Jan. 31, 1985, for the parent, were $2.8 billion, an increase of 5.7% over 1984 sales of $2.65 billion. Net income rose to $383.6 million, including $141.4 million in dividends received from the company's holding in E.I. du Pont Nemours & Co.

It is this holding in Du Pont that may be as much Seagram's future as its distilled spirits. Seagram, in fact, is setting aside this dividend stream to buy more Du Pont stock, edging its holdings up from 20% in 1981 to the current 22.5%.

As the world's largest producer of distilled spirits and wines, Seagram Ltd. markets some 175 spirits and 300 wines, champagnes, ports and sherries. Like all companies in the field, Seagram has been feeling the lingering effects of the recession, coupled with intense competition for consumers no longer as inclined to drink alcohol as they once were.

The company, like others in the business, is likely to feel a slight tremor this October when the federal excise tax on liquor will be increased 19%, adding about 30¢ to the price of a fifth. The industry estimates the tax could reduce revenues by as much as $74 million—and that decline coming on top of another sluggish year predicted for 1985. The company has re-evaluated its marketing strategy, and this January initiated a sweeping reorganizaton of its U.S. operations. The move eliminated two operating units and roughly 200 sales and marketing people in a move to make Seagram into a leaner marketing entity.

The Seagram reorganization, which took effect Feb. 1, dissolved Calvert Distillers and General Wine & Spirits in favor of two new strategically separate companies, 375 Spirits Co. and Perennial Sales Co. Both Seagram Distillers Co. and Summit Sales unit remained, but with redefined mandates.

"Under the new approach, our sales companies and brands will no longer compete with one another," Mr. Bronfman said at the time the move was announced. "Instead they will be guided by a comprehensive, integrated company-wide marketing strategy."

The plan calls for Seagram Distillers to market those brands carrying the Seagram name—ergo, Seagram gin and imported vodka—as well as other high-volume items: Seagram's V.O. Canadian (Ogilvy & Mather), Crown Royal Canadian, Kessler whisky (Warwick Advertising) Captain Morgan's spiced rum (North Castle Partners) and Leroux cordials (Warwick).

For its part, 375 Spirits, named for the Seagram corporate headquarters located at 375 Park Ave., will market such premium and super-premium products as Chivas Regal scotch (Doyle Dane Bernbach), Glenlivet single malt scotch (Warwick) and Jameson whisky (Doyle Dane Bernbach).

The name of the new unit, Perennial, reflects its product base—those that have been around for a long time, and have steady, loyal followings—such as Calvert Extra and Wolfschmidt vodka, which maintain pockets of strength regionally.

For the first time, the company's new product development will fall outside the domain of the various sales companies, previously responsible for their individual efforts. In addition, the test-marketing function has been transferred to the new products development group.

The allocation of Seagram ad dollars will be affected—in some cases to a large degree—by the restructure, as will brand development activities, as the company is jettisoning a scattershot marketing approach for one targeting support for fewer products.

The move, which eliminated some 200 overlapping sales and marketing positions, resulted in some key top management changes at Seagram. Martin Bart, formerly president of Calvert Distillers, replaced Walter Haimann as president of Seagram Distillers. Mr. Haimann has since retired from the company.

Seagram has made news this year in other ways. In March, the company approached the three tv networks with a proposal to go on the airwaves with a Warwick Advertising-created ad campaign equating the alcohol content of a typical serving of beer, wine and alcohol. All three networks declined to run the advertising on the grounds that it violated their policy banning advertising for alcohol on the airwaves.

Seagram was not amused and in early April commenced a 90-day, $5 million print campaign in 75 major metropolitan areas chastising the networks for their decision. Daily newspapers and newsweeklies bore the ads.

Headlined "It's time America knew the facts about drinking," the campaign asserted that "It's time ABC, CBS and NBC let the facts be heard." As in the equivalency ads rejected by the networks, copy and visuals stressed that "12 ozs. of beer, 5 ozs. of wine and 1.25 ozs. of liquor all have the same alcohol content."

In addition, the distiller filed a formal complaint with the Federal Communications Commission accusing the networks of violating the Fairness Doctrine, which requires them to present all valid viewpoints on controversial issues. Although the networks have continued to stalemate Seagram's attempts to broadcast its equivalency campaign, the company's vocal activities have positioned it as a catalyst in reversing negative public opinion vis-a-vis alcohol.

According to the 1984 "*Impact* American Distilled Spirits Market Review and Forecast," Seagram last year was the leading distilled spirits advertiser in the U.S., despite the fact that the company has slashed its advertising dramatically over the past two to three years. Seagram's financial commitment is more than twice that of the No. 2 marketer, Hiram Walker Resources.

Seagram's cut in advertising has clearly hurt magazines the most. In 1984, spending in the medium dropped 16.9% to $37.9 million. Among those budgets cut most sharply was Seagram's V.O., down 19% to $6 million. In 1984, magazine advertising for V.O. was 62% of its budget compared with 84% of its budget in 1983. Although maintaining the No. 8 position among distilled spirits in the U.S., V.O. declined slightly to 3.3 million case depletions in 1984.

By the same token, Seagram's gin, the No. 9 U.S. brand, declined from 3.4 million to 3.3 million case depletions. Recently, the company has started a new campaigned themed "Everything they say is true" for Seagram's gin, via newly selected agency Mingo Jones.

With 5.4 million case depletions, Seagram's 7 Crown is the No. 3 largest U.S. selling spirit brand, and the No. 1 whisky. No. 1 regardless of liquor type is Bacardi Imports' Bacardi rum, and No. 2 is Heublein's Smirnoff vodka.

Both of the top two brands, however, have suffered sales declines in the past two years. Seagram's 7 Crown, however, suffers more sales erosion than most of heavy hitters. In 1984, it had a 4% decline in depletions to 5.2 million from 1983, according to "*Impact.*"

Measured advertising for the brand, according to the six-media monitored by Leading National Advertisers, was $6.4 million in 1984, a drop of 6%.

In 1984, Seagram's major new spirits introduction was Royal Paisley scotch, which the company is positioning as a lower-price alternative with a a premium cachet. Although costing $11 per bottle—about the price of J&B, Johnnie Walker Red, Cutty Sark and Dewar's White Label—Royal Paisley borrows heavily from the high-brow aura of Chivas Regal, Seagram's ultra premium entry that is the fifth best selling scotch in the U.S.

Seagram is now reaping the benefits of its 1983 purchase of the Wine Spectrum from Coca-Cola. In the deal, Seagram acquired the popular Taylor California Cellars line, the Taylor New York State brands and the California wineries of Sterling Vineyards and Monterey Vineyards. The sale, which immediately made Seagram the No. 2 wine producer behind E. & J. Gallo, also gave the company adrenalin via growth oriented brands.

In fact, earlier this year, Seagram Wine Co. introduced a line of blush wines under the Taylor name, a move the company feels will give it pioneering momentum in the blush wine category, which to date has been limited to more expensive varietals.

Although California currently accounts for some 85% to 90% of U.S. wine sales, the over-all performance of California wines—like those of the market in general—has been sluggish. For one thing, the wine boom as a hot consumer trend ended in the 1970s; for another, California has produced two bumper crops since 1980.

But there is good news. Wine coolers have emerged as the hottest thing since the white wine spritzer, and over the last year, Seagram has entered the market with Seagram Wine Coolers, backed by heavy ad spending and a campaign that positions the drink as perfect for outdoorsy, young and on-the-go consumers.

Seagram's allocated many of their other wine products larger ad budgets: B&G Imported, $1.5 million; Black Tower Wine, $3 million; California Cellars, $8.6 million; Great Western, $1.2 million; Partager Wine, $1.5 million, and Paul Masson, $6.8 million.

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ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers........	9,426	8,477
Magazines.........	37,918	45,643
Network cable......	134	77
Spot tv............	8,917	7,233
Network tv.........	13,415	10,740
Spot radio.........	246	65
Outdoor...........	16,772	15,767
Total measured..	86,827	88,001
Total unmeasured	29,000	31,680
Estimated total..	115,827	119,681

JOS. E. SEAGRAM & SONS INC.
375 Park Ave.
New York, N.Y. 10152
(212) 572-7000

Marketing Personnel

Edgar M. Bronfman, chmn
Philip E. Beekman, president
David G. Sacks, exec vp-finance & admin
Stephen E. Banner, legal counsel to the corp
Jerome S. Mann, senior vp
Robert Beller, vp-mkt rsch
Leslie Bluhn, vp-rsch & devel
John L. Brady, vp-pr
Wesley, A. Corner, vp-packaging
Edward Falkenberg, vp-controller
William K. Friedman, vp-corp affairs
Alain deGunzburg, vp-acquisitions & devel
Richard K. Goeltz, vp-finance
Marc Henrion, president, worldwide wine operations
John Huston, vp-special projects
Kenneth Levine, vp-government affairs
M. Jacqueline McCurdy, vp-industrial relations
Russell W. McLauchlin, vp-quality control
John A. Minor, president, St. Regis Vineyards
Daniel R. Paladino, vp-genl counsel
C. Richard Polzello, vp-admin
Bernard Stolbof, vp-OUTCO/dir-media services

HOUSE OF SEAGRAM

Marketing Personnel

Edgar Bronfman Jr., president
Peter Dimsey, exec vp-mktg
Paul J. Tillotson, senior vp-dir, new prod
Michael R. Stagliano, vp-control states relations

SEAGRAM DISTILLERS CO.

Marketing Personnel

Martin H. Bart, president
Frank J. Arcella, exec vp-sales
Thomas K. McInerney, exec vp-mktg
Victor S. Samaha, vp-admin
Richard D. McCarthy, John L. Chadwick, Barbara Rakov, vps-group prod dirs
Donald R. Keeton, vp-natl chain store mgr
James Spillane, vp-natl programing
Fred Rothstein, vp-mktg services
Prod Mgrs: Carl Horton, Seagram's gin; Vincent Partridge, Royal Crown; Ellice Matsil, Seagram's V.O.; Peter Angus, Seagram's Imported Vodka; Peter Mihalos, 7 Crown; Robert Dubin, Kessler whisky; Tony Bongiovanni, Leroux cordials; Robert Warren, Captain Morgan spiced rum; Gil Solnin, Seagram's Canadian Hunter
Jules Erwin, mktg communications dir
David Grossman, dir-mktg analysis
Eileen McMahon, group sales promo mgr
James J. Schiro, operations mgr

375 SPIRITS CO.

Marketing Personnel

Seymour L. Leikind, president
Richard Basser, exec vp-sales
Richard P. Shaw, exec vp-mktg
Andrew Harmon, vp-natl devel mgr
Robert A. Watkins, vp-natl programing
Robert Vosswinkel, vp-admin
Rodger De Sarno, Jonathon Giesberg, Angelo Vassallo, vps-mktg
Prod mgrs: Mark Gothberg, Royal Paisley, The Glenlivet; Martin Johnson, Myers's rum; Laurie Rovner, Dr. McGillicuddy's; Jerry Greenstein, Mumm VSOP Cognac; John Hartrey, Chivas Regal; Peter Bucci, Royal Salute, Jameson Irish whisky
Robert Regulinski, dir-mktg analysis
Jeff Grossman, budget mgr
Andreas Panagis, operations mgr
Robert Dow, Arthur Kayser, sales promo mgrs
Dorothy Lebach, pr mgr

PERENNIAL SALES CO.

Marketing Personnel

Robert Monroe, president
James Reichardt, exec vp-sales
Mark Taxel, exec vp-mktg
Tom Collins, vp-admin
Mike Ford, vp-mktg services
Joseph Buckhalter, natl programing mgr
Prod mgrs: Dennis Brophy, Lord Calvert; Deborah Chertok, Tuaca Liqueur & Passport scotch; Fred G. Ronai, Burnett's gin, Ronrico rum; Patricia Oehler, Calvert Extra; Errol Holt, Nikolai, Wolfschmidt, Crown Russe vodkas, Calvert Extra
Robert Zukowski, operations mgr
Al Sanchez, budget mgr
Patricia Oehler, sales promo, adv mgr

SUMMIT SALES CO.

Marketing Personnel

Sheldoon Katz, president
Robert Taylor, vp-dir-admin
Thomas Cekay, sales mgr
Patrick Norris, sales mgr
Lynn Snodgrass, operations mgr

SEAGRAM WINES CO.

Marketing Personnel

Richard L. Maher, president
C. Richard Coffey, exec vp-sales
Jay Morris, exec vp-mktg
Anna G. Resnick, exec vp-finance & admin
Jason Drapkin, vp-merch dir
John Oliver, pr dir
Robert Roos, export dir
Glenn Wilen, mktg analysis dir
Louis Keyes, Kevin MacDougall, Henry Hawley, Jim Erlick, prod group dirs

SEAGRAM VINTNERS

Includes Seagram Classics Wine Company and Seagram Chateau & Estate Wines Company.

Abdallah H. Simon, chmn

SEAGRAM CLASSICS WINE CO.

Sam Bronfman II, president
James L. Bareuther, exec vp-mktg & sales
John Agate, prod group dir, Mumm, Domaine Mumm
Arnould Despointes, prod group dir, prod group dir, Bersano, Brolio, DeMontal, B&G, Kayser
Bernard Ganter, dir, Mumm North America
Barbara Edelman, pr dir
George Sandeman, prod mgr, Sterling Vineyards, The Monterey Vineyard, California Boutiques

SEAGRAM CHATEAU & ESTATE WINES CO.

Marketing Personnel

Abdallah H. Simon, president
David S. Milligan, exec vp-sales & mktg
Maurice Lartigua, senior vp
John W. Laird, vp-mktg
Charles K. Frankel, vp-finance & admin

Advertising Agencies

Conill Advertising, New York—The Glenlivet, Chivas Regal—Trancisco Garcia, media coord; Fernando Garcia, acct exec.

Della Femina, Travisano, New York—mixers—Ed Tedeschi, group dir; Bill Keeshan, mgmt super; Tom Furlong, assoc media dir.

Doyle Dane Bernbach, New York—Chivas Regal scotch, Jameson Irish whisky, Royal Paisley scotch, Royal Salute scotch, Calvert Extra, Crown Russe vodka, Ronrico rum, Passport scotch, Lord Calvert Canadian, Paul Masson, Partager, B&G French wines, Mumm champagnes—Martin Kreston, exec vp; Stephen Donenfeld, senior vp-mgmt super; Herbert Jacobs, vp-acct super; Ardean Fishman, acct super; Lorraine Arado, Jean Stroh, acct exec; Jospeh Trombino, vp-acct super; Hope Kaye, acct exec.

William Esty, New York—Myers's rums, Myers's Original Rum Cream, Wolfschmidt vodka, Burnett's gin, Gold Seal, Henri Marchant, Seagram's Cooler, Partager, Black Tower, Prego, Ricasoli Italian wine, Bersano Italian wine, Kayser German wine—Robert Suhr, senior vp-acct mgmt; John Scott, senior vp-mgmt super; Carlo Demetrio, acct super; Bob Admas, acct exec; Karen Helle, asst acct exec.

Kenyon & Eckhardt, New York—Taylor California Cellars, Taylor New York, Great Western, The Monterey Vineyard/The Seagram Classics Wine Co., Sterling Vineyards, Brolio Italian wine—Regina Resnik, acct exec; Thomas S. Jasinski, vp-mgmt super; Thomas M. McDonough, senior vp-mgmt rep.

Mingo-Jones, New York—Cherry Kijafa, Something Special scotch, Seagram's gin—Samuel Chisholm, vp-mgmt super; Roland Chandler, vp-mgmt super; Marla Currie, Martin Fortes, acct supers; Ray Brown, media dir.

North Castle Partners, Greenwich, Conn.—Captain Morgan spiced rum, Mumm VSOP cognac, Dr. McGillicuddy's Mentholmint schnapps—Len Ferraguzzi, exec vp; Evelyn Coghlan, Bob Pallota, vp-acct supers; Chris Angelus, acct exec.

Ogilvy & Mather, New York—Seagram's V.O., Glen Grant—Norman Berry, president, N.Y. office, creative head worldwide; Clifford Angers, senior vp-acct group dir; Michael Newbrand, mgmt super; Adam Sunderland, acct super; Harold Sogard, acct exec.

Warwick Advertising, New York—Seagram's 7 Crown, Crown Royal, Seagram's Canadian Hunter, Seagram's Imported Vodka, Kessler whisky, Leroux cordials, The Glenlivet scotch, Nikolai vodka, Tuacu Liqueur, Multi-brands—James Driscoll, exec vp; Mike Graham, senior vp; Leon Hanson, vp; Walker Berwick, vp-mgmt super; Peter Black, mgmt super, 7 Crown, Crown Royal; Joe Friel, mgmt super, vodka overseas; Teddy Strain, acct exec; Alan Goldberg, acct exec, 7 Crown; Bart Henderson, acct exec, vodka; Rick Booth, acct exec, Crown Royal; Jaime Kelly, asst acct exec; John Meskil, exec vp-media & admin; Richard Rock, senior vp-media dir; Jerry Seuferling, group mgmt super, Crown Royal; Diane Metzler, media super, 7 Crown; Larry Loiello, media super, vodka; Lou Costa, media super, Crown Royal; Peggy Murphy,

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Now, with database marketing available, older marketing techniques that relied on intuition are fast becoming obsolete. Today it's no longer necessary to commit a major portion of the marketing budget to a campaign designed by hunch (and pray the campaign was inspired).

With database marketing, companies are effectively:
- Segmenting market audiences to identify their most profitable customers and best prospects;
- Testing many marketing and advertising ideas to determine which work best before committing their marketing budgets to full-scale campaigns;
- Communicating with their market in a highly-personal way. A way that builds longer-term, more valuable customer relationships;
- And measuring campaign results scientifically, with the intention of improving marketing strategy and advertising tactics in the future.

What Can Database Marketing Do For You?

Nearly all companies could use database marketing. Some really shouldn't be without it. Typically they're companies with large computerized lists of customers and prospects who sell products that generate repeat purchases.

If your business fits that general definition, you can take full advantage of database marketing's many important benefits.

Pan Am did. Its frequent flier program is one of the best examples of what an integrated database marketing program can do.

By tracking the mileage and purchases of its best customers — and rewarding those customers with discounts and free tickets — Pan Am has built brand loyalty worth many millions of dollars each year.

Information gathered from customer records and market research lets the airline communicate directly to segments with specific interests (regular fliers to London, skiers, etc.)...and target special promotions to each of them.

With your present knowledge of your company's operation — and a little imagination — you can probably think of some profitable database marketing applications on your own.

But why not leave that to the experts.

Where Do You Go For The Best?

You'll find everything you'll need at Epsilon...The Database Marketing Company.

Epsilon was specializing in database marketing before the phrase was even coined. Long before it became marketing and advertising's fastest growth area.

For over 15 years, Epsilon has been the leader in merging sophisticated database technology with modern direct response techniques. Defining what database marketing has become — and where it is going.

In the process, we've helped our clients establish ongoing, personal communications with each of their individual customers. (Even when those customers number in the millions).

Epsilon is the only company to offer businesses the right combination of managerial, technical, creative and production services that's essential for truly successful database marketing ...all under one roof.

Epsilon's ability to provide totally-integrated, measurable, database marketing is a very important advantage to our clients. It could be for you too.

So why not join Pan Am, Texas Instruments, Emery Worldwide and over 100 other companies who've discovered the easy answer to the Database Marketing question.

It's easy to do. Just call John Groman, Senior Vice President, at 617-273-0250. Or mail the reply form below and we'll rush you a copy of our Database Marketing Kit.

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media super, overseas; Luciele Fuess, media planner, 7 Crown; Kit Nugent, media planner, vodka, overseas; Steven Soldano, media planner, Crown Royal.

Sears, Roebuck & Co.

Chicago

RANK 3

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	38,828	35,883	8.2
Net income	1,465	1,342	8.4
U.S.			
Sales	35,885	32,637	10.0
Operating profits	1,440	1,359	6.0
Advertising	747	726	2.9
Division sales			
Sears merch.	26,508	25,089	5.7
Allstate insurance	8,989	8,124	10.7
Dean Witter	2,496	2,108	18.4
Coldwell Banker	826	704	17.3
Sears World Trade	189	79	139.3

Sears, Roebuck & Co., Chicago, the nation's largest retailer, ranked No. 3 among national advertisers, increasing U.S. ad spending 2.9% in 1984, to a total estimated $746.9 million.

The figure does not include the cost of producing its annual catalog.

Worldwide, Sears spent $925.1 million, compared with $898.8 million in 1983, according to the company, which places Sears No. 2 in worldwide spending among U.S. companies behind P&G's estimated $1.09 billion. Sears generates 89% of its sales in the U.S., while 77% of P&G's sales are domestic.

Sears, the company where "there is more for your life," services 40 million customers in its five operating units: Sears Merchandise Group, Chicago, which operates 796 retail department stores and 1,119 catalog outlets in the U.S.; Allstate Insurance Group, Northbrook, Ill., which sells property-liability, life and commercial insurance; Coldwell Banker Real Estate Group, Los Angeles, a nationwide real estate company; Dean Witter Financial Services Group, New York, a stock brokerage and consumer deposit and lending operation, and Sears World Trade, a Chicago-based, import-export consultancy.

Allstate, Coldwell Banker and Dean Witter together operate as the Sears Financial Network in 300 Sears retail stores.

Revenues for the company increased 8.2% to $38.8 billion in 1984. Net income rose 8.4%, to $1.46 billion, though operating income dropped 12.1%, to $1.55 billion.

A slowing economy and a highly competitive marketplace slowed Sears' growth in the first half of 1985. While revenues climbed 4.5% to $18.6 billion, net income fell 14.2% to $488.8 million.

The Sears Merchandise Group's retail, credit and international operations in 1984 constitute 68% of the company's total revenues and 62% of its net income, making it by far the largest of Sears, Roebuck & Co.'s units.

The division reported 1984 revenues of $26.5 billion, up 5.7% from 1984, and posted net income of $905 million, a 16% increase from a year earlier. For the first six months of 1985, the merchandise unit reported net income of $214.3 million, a 27% drop, on flat revenues of $11.87 billion vs. $11.86 billion in 1983.

The group in 1984 also accounted for most of the $237.4 million in measured media monitored by Leading National Advertisers. Newspaper display ads, inserts and spot radio are not included in the Leading National Advertiser total. The company says its merchandise group spent $726.2 million in 1934 advertising.

Last November, G. Joseph Reddington was promoted from vp-marketing for Sears Merchandise Group to senior vp-administration and planning. Succeeding Mr. Reddington as vp-marketing was Wayne Holsinger, formerly national merchandising manager-apparel.

Other operating units and their respective measured media spending include: Allstate Insurance Group, which posted revenues of nearly $9 billion, up 11% from 1983, and net income of $661 million, up 19% from a year earlier. Allstate spent $29.2 million in national measured media, up 14%.

The Coldwell Banker Real Estate Group generated $826 million in revenues, a 17% increase over 1983, and earned net income of $76 million, a 58% jump over 1983, when the division reported an 8.7% decline. The real estate unit spent $3.2 million in measured media, up 44% from $2.2 million.

Dean Witter Financial Services Group posted 1984 revenues of $2.5 billion, up 18%, while the division posted a net loss of $33 million, compared with a year-earlier gain of $100 million. The company attributed the loss to an "unfavorable securities market environment." The unit spent $7.3 million on measured advertising in 1984, a 3% decline from 1983.

Sears World Trade, completing its second full year of operation in 1984, posted $189 million in revenues, a 139% increase, but increased its net loss to $25 million from $12 million in 1983.

Perhaps the most significant of Sears' activities so far in 1985 has been the debut of its long-awaited Discover credit card, which the company believes will compete with MasterCard, Visa and other financial-service credit cards. Discover, to be issued by Sears' Greenwood Trust Co. in Delaware, will be operated by the Dean Witter group.

Discover will be offered with a low annual fee, though interest will be charged as is the case with bank credit cards.

The card will grant Sears customers access to automated teller machines, enable them to deposit checks by mail, and provide access to money-market and brokerage accounts. It also will be accepted at Sears stores (along with the original Sears credit card) and at merchants nationwide.

So far, companies including American Airlines, Budget Rent-a-Car, Denny's restaurants, Hilton Hotels, Holiday Inns and Hospital Corp. of America and Pizza Hut have agreed to honor the card, which entered test market this fall in Atlanta and San Diego. National rollout in the spring is expected. J. Walter Thompson USA, Chicago, handles the estimated $20 million advertising budget for Discover. (Nearly 63 million original Sears cards are outstanding, with about 28 million in active use.)

Other recent developments include two tests by Sears of smaller, specialty-store formats in markets with populations of less than 100,000. The first test store, opened Feb. 1, 1985, in Alma, Mich., is an 8,300-sq.-ft. unit containing hardware, paint, appliances, electronics and a catalog office. Another such store was opened in Monroe, N.C., and two more are expected in 1985, though the company would not disclose locations. Sears says it will add 50 of the smaller hard-lines stores each year beginning in 1986, through remodeling of existing stores or construction of new ones.

The second test store emphasizes home fashion and apparel in 35,000 sq. ft. The prototype store will open in 1985 at an undisclosed location, and the company hopes to add 15 more per year to its system beginning in 1986.

Both tests seek to improve Sears' position in smaller markets, where it historically has lagged behind rivals J.C. Penney Co. and Montgomery Ward & Co.

Meanwhile, Sears continued its "Store of the Future" retail and marketing concept, with 110 stores added or remodeled at the end of 1984. The company expects to have 206 such stores in operation by yearend 1985, and 600 units at the end of the five-year, $1.7 billion plan.

The company also has more than 100 stand-alone Sears Business Systems centers in operation, selling computer hardware, software and furniture.

Expansion plans initially called for 50 new stores to open in 1985, but growth plans have been scaled back to five new units because of uncertain conditions in the computer industry. Ogilvy & Mather, Chicago, handles advertising for the chain.

The company also has 11 Sears Paint and Hardware Centers, including nine in the Chicago area and one each in New York and New Jersey.

As the "Store of the Future" concept progressed, Sears placed increasing emphasis in 1984 on brand-name merchandise as it sought to distinguish its departments from those of other mass merchandisers. The concept calls for establishing boutique-style, stores-within-a-store. The company has opened or remodeled 155 such stores and expects to operate 206 by the end of 1985.

The merchandise group divides its retail advertising responsibilities into two areas: "Hard goods," including automotive, appliances, electronics and home improvements, handled by Ogilvy & Mather, Chicago, as are the Sears Business Systems centers; "soft goods," including apparel, home furnishings and general merchandise, handled by Needham Harper Worldwide, Chicago. Both agencies use the same tag line—"There's more for your life at Sears"—created by Needham in a "creative shootout" to develop an over-all image campaign. The company itself produces promotion-oriented newspaper display ads and free-standing inserts.

Last year, Sears unveiled a new, modernized logo, and its agencies continued a gradual process of updating tv advertising with a more stylized approach.

In separate developments, Sears continues its 4-year-old test of frozen-food home delivery service in Detroit, a joint venture with American Frozen Foods, Stratford, Conn. In June, 1985, Sears announced plans to test an electronic kiosk service, offering shoppers information about its financial services and selected merchandise. That test is under way in Atlanta, Chicago and San Diego stores.

Sears Financial Network, the combined financial services group, currently operates in 309 Sears stores. Advertising for the umbrella group began two years ago with spokesman Hal Holbrook and is handled by Foote, Cone & Belding, Chicago. The 1984 budget was $27 million.

Allstate continues to broaden its product lines and has added agent incentives to increase new business. It also plans to increase the number of outlets outside of Sears stores and to step up direct-marketing activity.

The Allstate group also publishes two magazines: *Discovery*, for members of Allstate Motor Club, and *Mature Outlook* for those 50 and older. Each offers its readers discounts from Sears' merchandise group and other divisions, as well as coupons from some outside merchants.

Coldwell Banker chairman-ceo C. Wesley Poulson resigned Aug. 29, 1985, to take early retirement. Sears named Arthur J. Hill to the post, pending approval of the board in October. Mr. Hill will move up from chairman-ceo of Homart Development Co., Coldwell Banker's real estate development unit. Coldwell Banker spent an estimated $3.2 million in measured advertising in 1984, up 45.5% from 1983.

Dean Witter, in addition to its Discover card responsibilities, also has broadened the customer base for its securities brokerage service. The unit has placed more emphasis on business development through Sears Financial Network centers located in Sears' retail stores. Its purchase of two banking operations also permits Dean Witter to engage in consumer deposit and lending activity. It hopes also to attract first-time securities investors through customer service and an improved research program.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	21,919	33,630
Network cable	3,120	2,566
Spot tv	33,552	29,316
Network tv	172,446	145,007
Spot radio	10,078	5,497
Network radio	8,630	10,629
Outdoor	332	339
Total measured	250,077	226,982
Total unmeasured	496,860	498,818
Estimated total	746,937	725,800

SEARS, ROEBUCK & CO.
Sears Tower
Chicago, Ill., 60684
(312) 875-2500

SEARS MERCHANDISE GROUP
Marketing Personnel

William I. Bass, chmn & ceo-merch
Joseph Batogowski, senior exec vp-merch
G. Joseph Reddington, senior vp-admin & planning
Wayne T. Holsinger, vp-mktg
Ralph Hoch, natl retail genl merch mgr
Theodore Weldon, natl catalog genl merch mgr
William Corn, natl retail adv mgr

Advertising Agencies

Vince Cullers Advertising, Chicago—black consumer adv—Jeffery Cullers, mgmt super.

Hispania Advertising, New York, subsidiary of J. Walter Thompson USA—Caroline Demy, senior vp-genl mgr; Chicago—Marta Perez Gerdez, Daniel Nance, acct reps.

Needham Harper Worldwide, Chicago—apparel, home fashion, merch group. Apparel—Tom Hanft, mgmt rep; Carole Black, acct super, apparel; Mike Baker, acct exec, menswear; Dawn Reithel, acct exec, womenswear; Catherine Herrman, acct exec, children's apparel. Home fashion—Nancy Bernstein, acct super; Peggy Anderson, acct exec. Merchandise Group—Mike Baker, acct exec.

Nelson-Woodward Inc., Chicago—Yellow Pages adv—Garry Woodward, acct exec.

Ogilvy & Mather, Chicago—hard lines, Sears Business Systems centers—Bill Whitney, senior vp-mng dir; Allan Mager, senior vp-group mgmt super. Sears Business Systems Centers—Robert Vail, vp-mgmt super; Ole Riise, acct exec. Automotive & appliances—John Seifert, vp-mgmt super; Don Campbell, acct super; Jeff Totaro, acct exec; Arthur Schulbaum, vp-acct super; Brenda Miller, acct exec. Home improvements—Robert Carleton, vp-mgmt super; Dan Delaney, acct super; Paula Serios, acct exec.

Stern Walters/Earle Ludgin Inc., Chicago—Sears catalogs & contract sales—Tom Radloff, vp-acct super; Maryenne Friend, senior vp-mgt rep.

Stone & Adler Inc., Chicago—direct mktg—Catherine Bartholow, vp-mgmt super.

SEARS FINANCIAL NETWORK
Marketing Personnel

Donald Holmes, mktg mgr

Advertising Agency

Foote, Cone & Belding, Chicago— Paul Vernon, senior vp-group acct dir; Lance Hecker, vp-acct dir; Sheri Kramer, acct exec; Pat Medintz; vp-group media dir.

ALLSTATE INSURANCE GROUP
Marketing Personnel

John K. O'Loughlin, senior exec vp
John Flieder, asst vp-adv
Terry Tuzzolino, ad dir
Edward R. Kuby, vp-prod mktg
William Henderson, vp-mktg sales
Edward J. Dixon, asst vp-mktg sales
Richard C. Morrisse, asst vp-mktg sales

Advertising Agency

Leo Burnett USA, Chicago-Ron Sims, acct dir; Nancy Voorhees, Ashton Lee, acct super; Tim Pretzsch, Susan Ball, acct execs.

COLDWELL BANKER
REAL ESTATE GROUP
Marketing Personnel

Fred Morasche, vp-mktg

Advertising Agency

BBDO/West, Los Angeles—Patrick Rogge, acct mgr; Karen Sharp, acct super; Madeline Greenberg, acct exec.

DEAN WITTER FINANCIAL
SERVICES GROUP
Marketing Personnel

Carl Hulick, exec vp-mktg dir
William Walsh, vp-dir adv
Ernest Campo, dir-adv, Discover Card Service Inc.
Richard Wright, vp-mktg, Sears Savings Bank, Glendale, Cal.

Advertising Agencies

BBDO, New York—corp tv work for Dean Witter brokerage—Kenneth Rogers, exec vp; Doremus & Co., New York-tv & print prod adv—George Preston, senior vp; Audrey Zamler, senior acct exec; Wendy Yeager, acct exec.

BBDO/Direct, New York—direct mktg—Charles Moser, senior vp.

Greyhound's struggles

Greyhound Corp. began 50 years ago in Minnesota by transporting miners to and from work across the Mesabi Iron Range. Now unemployment is skyhigh at the Mesabi fields in northeast Minnesota, and Phoenix-based Greyhound is paring its workforce because of lower bus ridership and competitive encroachment by smaller operators.

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11 million readers with the highest median earned income of all magazines with more than 10 million readers. Talk to them!

Source: 1985 Spring MRI

U.S.News

J. Walter Thompson USA, Chicago—Discover Card Service Inc.—Bruce Beach, senior vp-group acct dir; Bill Hooe, senior vp; Dinny Cosyns, acct dir; Nancy Limberg-Meyer, Michael Kahn, Dawn Walsh, Thomas Condon, acct reps.

RANK 45

Sterling Drug

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,827	1,850	-1.2
Net income	143	137	4.8
U.S.			
Sales	1,188	1,191	-0.3
Operating profits	169	167	1.2
Advertising	167	172	-3.2
Division sales			
Pharmaceutical	268	258	3.8
Proprietary prods.	273	298	-8.3
Household prods.	481	479	0.5
Chemicals/other	145	136	6.2

Sterling Drug, New York, the nation's 45th largest national advertiser in 1984 with $166.6 million in spending, suffered sales declines in two of its five operating groups in 1984, including international, and only marginal increases in the other three.

Sales over-all dropped 1% to $1.83 billion, as net income increased 4.8% to $143.0 million.

Of total sales, 38%, or $690.9 million, came from Sterling's international groups, up 1% from 1983 but far short of the 47% contribution in 1980. International sales were down 3% from the 1983 total of $710 million.

Estimated total U.S. advertising in 1983 dropped 3% to $166.6 million. Measured advertising fell to $113.5 million from $115.2 million.

Worldwide advertising and promotion costs were $336.4 million, down 3.4%.

The corporation's proprietary products group, which includes Bayer aspirin, Phillips' Milk of Magnesia, Panadol pain relievers and Diaparene baby products, was the big loser, dropping 8.4% in sales to $273 million, and operating profits declined 34.9% to $26.9 million.

Sales performances mirrored advertising expenditures for two of these products, Bayer and Panadol.

Bayer, which remained No. 2 in the $1.4 billion analgesics market, but with only 8% of the market, dropped in sales. Advertising expenditures also decreased 37.5% to $12 million. One Bayer ad in 1984 was a popup ad in *Woman's Day*. As readers opened the four-page unit in the Feb. 7 magazine, an extra fold of paper popped up, proclaiming "Only Bayer." The ad cost $400,000.

Panadol, on the other hand, grew in sales, aided by the introduction of Panadol products for children. Advertising jumped 67.2% to $20.4 million.

A print media campaign for children's Panadol, developed by SSC&B, claimed the product is the only line of children's liquid fever reducers free of alcohol.

Most children's fever reducers, the ad said, contain at least 7% alcohol. The campaign takes aim at Tylenol, which dominates both adult and children's analgesic markets.

Sterling and other aspirin makers ran into criticism from federal agencies in 1984 over a tv public service spot they sponsored. The Food & Drug Administration called it "misleading" for not pointing out medical authorities' belief that there is a connection between aspirin and Reye's syndrome, a potentially fatal children's disease. The Committee for the Care of Children, funded by Sterling and several other aspirin makers, refused to withdraw the ad, and the FDA sent out its own psas to some 10,000 radio and tv stations.

Sterling backed Stri-Dex medicated pads with $1.3 million, down from $2 million in 1983.

Sterling launched what is expected to be a $2 million ad campaign in baby magazines and on daytime network tv to support a new product, Diaparene Nursery Fresh aerosol room disinfectant. The line also includes baby wash clothes and powder.

Sales in the company's household and personal products group, the Lehn & Fink group, were flat in 1984, increasing only 0.5%, to $481.2 million. The group includes such products as Lysol, Love My Carpet, Mop & Glo, d-Con and Miniwax. Market shares for both Mop & Glo and Perk floor care products improvement in 1984.

Lysol disinfectants were the most heavily advertised Sterling products in 1984, although ad expenditures dropped 2.7% to $32.4 million. Among new Lysol products introduced with national advertising campaigns last year was Lysol Cling toilet bowl cleaner. D-Con insecticide products placed $5.7 million in advertising in 1984, down 24%. An extensive ad campaign was mounted for d-Con Exact, a roach and ant killer with a felt-tip "pen" dispenser.

Little advertising is done for Sterling's pharmaceutical specialties.

Three new Sterling products were approved for marketing by the FDA last year, including a drug for short-term treatment of patients with congestive heart failure.

Sterling in 1984 sold 11 over-the-counter drugs to Mentholatum Co., Buffalo, N.Y., and disposed of Zimpro Inc., its environmental control business, through a combination sale and donation to Michigan Technological University and its affiliate, Michigan Tech Ventures.

Other divestitures in 1984 included the sale of Nilok Chemicals, manufacturer of a product used in the production of an agricultural chemical; Sterwin Laboratories, a producer of poultry biologics, and Parfums Givenchy Inc., producer of fragrances. Early this year, Sterling sold Thompson-Koch Co., its in-house advertising agency.

In May, 1985, exec vp James G. Andress became president-chief operating officer, succeeding John M. Pietruski who was named chairman, replacing the retired W. Clarke Wescoe.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,300	288
Magazines	9,844	6,632
Network cable	117	333
Spot tv	16,583	24,375
Network tv	83,565	82,660
Spot radio	817	820
Network radio	1,189	0
Outdoor	11	71
Total measured	113,506	115,179
Total unmeasured	53,094	57,000
Estimated total	166,600	172,179

STERLING DRUG
90 Park Ave.
New York, N.Y. 10016
(212) 907-2000

GLENBROOK LABORATORIES DIVISION

Marketing Personnel

Robin D. Mills, president
John T. Whitmer, vp-mktg
Paul H. Kalikstein, vp-new prod
Albert R. Kelly, dir-mktg
Robert A. Pearlman, dir-mktg

Advertising Agencies

Cunningham & Walsh, New York—Phillips' line—James A. Friedman, vp-acct mgmt super; Roger D. Groves, vp-dir acct mgmt; Ian R. Gomar, acct exec.

Dugan/Farley Communications Associates, Montvale, N.J.—medical communications—John P. Dugan, president.

Font & Vaamonde (Spanish), New York—Bayer line, Phillips' line, Panadol—Pedro Font, president.

Marschalk Co., New York—Diaparene line—Barry R. Linsky, exec vp-dir acct mgmt; Peter A. Detels, mgmt super; Terry S. Levine, acct super; James Overand, acct exec.

SSC&B, New York—Bayer line, Panadol—Alan R. Grazio, exec vp; Elliot G. Dorfman, senior vp-mgmt super; Frederic S. Rubin, Mark S. Robinson, vp-acct supers; Stephen G. Barrett, acct super.

Warwick Advertising, New York—Stri-Dex—Wilder D. Baker, president; Sean Driscoll, senior vp-group mgmt super; Victoria M. Amon, vp-mgmt super; Sheldon W. Woodbury, acct super; Douglas E. Sweetbaum, acct exec.

LEHN & FINK PRODUCTS GROUP
Montvale, N.J.
Marketing Personnel

habit forming

Buying the Rocky Mountain News, Denver's 7-day leader.

Rocky Mountain News
News' Building slated for completion Fall 1985

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Total Advertising Linage—Daily and Sunday

	Rocky Mountain News	Denver Post
1980	66,898,383	70,492,477
1984	87,311,422	69,773,955

Source: Media Records year end, 1980, 1984. Belden '84. ABC Publisher's Statement of average paid circulation for six months ending 3/31/85.

Make a habit of buying the Rocky Mountain News. Denver's readers do. Rocky Mountain News (303) 892-5411.

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Personal Products division

Herb Waller, president
Peter Stearns, vp-mktg
Dean Reeves, natl sales mgr

Consumer Products division

Michael R. Gallagher, president
Richard Gaccione, vp-mktg
Joseph Healy, dir-mktg
F.M. Fox, vp-sales

Industrial Products division

S. Ray Mitchell, president
Stephen D. Hinden, dir-mktg
Donald Nowlin, vp-sales

MINWAX CO.
Clifton, N.J.
Marketing Personnel

Donald H. Henderson, president
Peter Black, exec vp
Ridgely W. Harrison III, vp-sales
Paul R. Righter, vp-construction prod div

The d-CON COMPANY
Montvale, N.J.
Marketing Personnel

Earle K. Borman, president
John J. McFadden, vp-sales dir
John Harwood, new prods dir
William Hogate, dir-new prod
Marvin Matises, dir-mktg
John Caputo, prod line mgr, rodenticides

Advertising Agencies

Avrett, Free & Ginsberg, New York—Pic Action—Jack Avrett, president; Barbara Hill, acct super.

Geers Gross, New York—Tussy, Ogilvie, Dorothy Gray—Don Kurtz, Dick Tarlow, deputy chairmen; Chris Hanson, exec vp; Joseph Pascale, vp-mgmt super; Ann MacLeod, acct exec.

Gilbert, Whitney & Johns, Whippany, N.J.—Minwax consumer & industrial prod —John Mimnaugh, exec vp.

SSC&B, New York—Lysol prods, Love My Carpet, Beacon Wax, Mop & Glo—Robert Wadsworth, exec vp; Elliot Dorfman, vp-mgmt super; Bruce Kravetz, John Barnes, vp-acct supers; Steve Barcan, acct super.

Thompson-Koch Co., New York—d-Con line, Rid-X septic tank condition, Energine line, House & Garden bug killer, Stay Away outdoor fogger, Warpath powder spray, Ant/Roach killer, Ant-Prufe, Four/Gone (indoor fogger), wasp & hornet killer, Double Power, Roach Traps—E.J. Eberle, acct super; John Klapmuts, Joshua Martin, acct execs.

WINTHROP-BREON LABORATORIES
New York
Marketing Personnel

Joseph Scarlata, president
Herbert E. Smith, vp-sales
Robert J. DeLuccia, vp-mktg, Winthrop prod

Advertising Agency

Robert A. Becker, New York—Talacen, Talwin NX, Talwin Injection—Norbert Lampert, vp-acct super; Edward Maitland, exec vp.

Frank J. Corbett Inc., Chicago—all Breon ethical prod—F.J. Corbett, mgmt super; John M. Alderman, acct super.

Kallir, Philips, Ross Inc., New York—Inocor I.V.—J. Kallir, president; N. Cooper, exec vp.

Lavey/Wolff/Swift, New York—Neg-Gram, Danocrine, Demerol, pHisoHex, Hypaque, Telepaque, Bilopaque, Amipaque—Charles Rockefeller, senior vp.

WINTHROP VETERINARY
Marketing Personnel

H. Dwight Koger, exec vp
Michael Beaudrias, prod mgr, ethical
Bron Zienkiewicz, prod mgr, otc

Advertising Agency

Sawyer, Riley, Compton, Gainesville, Ga. —veterinary pharmaceuticals & disinfectants, pet care prod—Louis Sawyer, acct exec; Richard Riley, acct super.

COOK-WAITE LABORATORIES
New York, N.Y.
Marketing Personnel

Larry A. Falls, president
W. McKinney Dean Jr., D.D.S, vp-dental dir
Jim Laufer, Mary Lee Belleville, div mgrs

Advertising Agency

Paul A. De Jesse Inc., Freehold, N.J.—Periograf, Alveograf, Carbocaine, Carbocaine with Neo-Cobefin, Marcaine with Epinephrine, other local anesthetic solutions, Carpule aspirator syringe, Greene Trans-View & Darc-View X-ray film mounts, Greene filmholders, record cards—Paul A. De Jesse, president.

Stroh Brewery Co.

Detroit

RANK 84

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	1,600	1,646	-2.8
Net income	N/A	N/A	N/A
Advertising	85	74	14.9

Privately held Stroh Brewery Co., Detroit, the 84th largest national advertiser, increased its ad spending 14.9% to $85.2 million in 1984.

Stroh's, with estimated sales of $1.6 billion, down 2.8% from 1983, is the nation's No. 3 beer maker behind giants Anheuser-Busch and Philip Morris' Miller Brewing.

Like the rest of the industry, it felt the effects of the decline in over-all U.S. beer consumption, the first such drop in almost three decades. Stroh's total shipments in 1984 were 23.9 million barrels from the combined production of seven breweries, a 1.5% decrease from 1983.

Stroh's share of the market was 13.4% in 1984, down from 13.5% the previous year as it continued consolidation after acquiring Jos. Schlitz Brewing Co. in 1982. It trails Anheuser-Busch with a 36% share (up from 33.6% in 1983), and Philip Morris' Miller Brewing with 21% (even with 1983).

During 1984, the brewer completed a national rollout of its flagship brand, Stroh's and Stroh Light, and increased its brand offerings with a second malt liquor and a low alcohol content beer. Silver Thunder malt liquor was presented to selected regions in August, 1984, as a flanker for the brewer's Schlitz malt liquor brand, the segment leader. Schaefer Low Alcohol, Stroh's first entry in the low-alcohol category, was introduced in Texas in July, 1984, and has expanded into other markets.

Stroh funneled its biggest ad expenditures in measured media into Stroh's beer—$32 million in 1984 vs. $19.8 million in 1983. Old Milwaukee got $16.4 million, up 16.3%; Stroh's Light took only $1.3 million, down from $10.8; Schaefer beer spending stayed even at $1.1 million, and Schlitz beer declined to $1.6 million, down from $2.9 million, although Schlitz malt liquor got a boost to $3.4 million from $2.7 million. Stroh spends 90% of its measured media spending on tv, primarily network.

Much of the news that Stroh brewed during 1984 and into 1985 was on the legal front. Stroh challenged tv advertising exclusivities, sued to stop another brewer's expansion plans, got embroiled in a dispute over the use of the term "LA," and lobbied to stave off the movement to ban beer and wine broadcast advertising.

Stroh took its complaint about product exclusivities to the U.S. Justice Department, which opened an investigation of network and local tv contracts with advertisers, under which an advertiser generally pays a premium for the guarantee it will be the sole sponsor of its kind during a particular program.

Stroh said network sports programing contracts with A-B and Miller prevented Stroh from gaining access to the most effective programing vehicles for reaching the beer target audience. The Justice Department issued a statement late last month backing the legality of the exclusive agreements between the networks and advertisers.

Stroh also dealt with the problem by hooking up with sports and events not already dominated by the big two. It entered a three-year sponsorship agreement with USA Cable Network for National Hockey League broadcasts and put up $200,000 in prizes for a new statistical category, "Stroh's Power Ratings" (an assessment of team penalty-killing and power-play effectiveness) intended to give Stroh access to news columns.

In addition, the brewer set out to create more of its own tv programing. Ohlmeyer Communications Cos., New York, developed "Stroh's Circle of Sports," an anthology show that debuted in June, 1985, on USA Cable Network and a broadcast tv syndicate. Ohlmeyer is expected to develop two or three projects a year for Stroh. These kind of ventures are expensive. Stroh's David Martin, exec vp-corporate media director, says the company is spending almost $200 million in 1985 on all advertising and sales promotions.

In April, 1984, A-B introduced LA brand low-alcohol beer in a dozen test markets, and when Heileman and Stroh introduced their own low-alcohol products, A-B sued to stop them from using the "LA" designation. A federal judge in May enjoined Stroh from using "LA," forcing Stroh to rechristen its Schaefer LA brew as Schaefer Low Alcohol.

In December, 1984, Stroh and Philadelphia-based C. Schmidt & Sons sued to stop the attempt by G. Heileman Brewing Co., La Crosse, Wis., to buy out Pabst Brewing Co., Milwaukee. The acquisition would have moved Heileman, the No. 4 national brewer, past Stroh. Stroh and Schmidt, arguing antitrust violations, won a temporary restraining order against the buyout. Pabst subsequently was acquired by S&P Co., Corte Madera, Cal.

Also in December, Stroh officials met with top network tv executives to measure their resolve to stave off the movement to ban beer and wine broadcast advertising. The meetings were initiated by Stroh, which said it would not agree to run "matching" public service ads advocating moderation in alcohol consumption as a compromise.

During 1984, Stroh's strength was in the low-price but high-volume segments, with the Schaefer brand in the low end and Old Milwaukee in the popular price segment. Schaefer was taken national in October, leading to an increase in the brand's shipments of 22% for the year. Old Milwaukee, once an ailing regional brand, topped the popular price category and was the fifth best-selling American beer.

Major promotions for Old Milwaukee included sponsorship of Tim Richmond on the NASCAR race circuit, and a Play-for-the-Gold sweepstakes in which the winner received the weight of an Old Milwaukee six pack in gold. The contest drew 682,000 entries.

Shipments of the ailing Schlitz premium brand fell for the sixth straight year. Schlitz was positioned a little below the Stroh's flagship brand, also a premium. Stroh virtually abandoned advertising the Schlitz brand, except in some Texas markets with ads developed on contract by Point Communications, Dallas.

Stroh's and Stroh's Light brand sales were flat, despite the cult-like popularity of two humorous Alex the Dog commercials via Marschalk Co., New York. In early 1984 the spots were ranked by a tracking company as the third most popular on the air, even though it had been shown in only 65% of the country. Alex was retired as the Stroh spokesdog in July, 1984, because of worries that he might come to overshadow the product.

The first Stroh's Run for Liberty was held in October to help create awareness that Stroh had moved from a regional to a national brewer. The run was a merchandising tie-in to Stroh's $3 million sponsorship of the Statue of Liberty-Ellis Island restoration fund. About 150,000 runners took part, raising $500,000. The 1985 run is set for Oct. 12 in 127 cities and 15 military bases, with Chrysler Corp.'s Plymouth brand also a major sponsor.

Stroh brand sponsored other sporting events, including the 1984 Dallas and 1985 Detroit Formula One Grand Prix races, six American Motorcycle Assn. races and a series of American Board Sailing Assn. races.

Responding to the flat beer industry sales, Stroh set out to look for new niches, setting up a marketing hothouse headed by John Bissell to create new money makers in nonmainstream areas. Besides nonbeer products, Mr. Bissell's group also took over the Erlanger superpremium and Primo premium Hawaiian brands.

One of the group's first efforts was White Mountain Cooler, introduced in March, 1985, and quickly taken national in July. The citrus-flavored, 5% alcohol beverage uses beer-making technology, and competes in the growing cooler segment that also includes entries from other brewers, A-B, Coors and Heileman.

Stroh's diversification took another form with the January, 1984, establishment of its River Place Financial Corp., a limited-purpose bank to package loans for development projects along a 30-acre stretch of the Detroit River, where the brewer's corporate headquarters are located.

In September, 1984, J. Wayne Jones, vp-corporate marketing operations for Coca-Cola Co., Atlanta, moved to Stroh to handle the new post of exec vp-sales and marketing.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	632	767
Magazines	1,988	265
Network cable	1,524	649
Spot tv	12,924	14,304
Network tv	43,101	37,774
Spot radio	13,478	10,532
Network radio	0	826
Outdoor	3,206	1,313
Total measured	76,853	66,430
Total unmeasured	8,347	7,751
Estimated total	85,200	74,181

STROH BREWERY CO.
One Stroh Dr.
Detroit, Mich. 48226
(313) 446-2000
Marketing Personnel

J. Wayne Jones, exec vp-sales & mktg
Hunter Hastings, vp-brand mgmt
J. Hellweg, vp-mktg services
Dave Martin, vp-corp media
Marsha Atwater, dir-new prod
Ray Gross, dir, mkt rsch & planning
Mike Jaeger, dir-Stroh's/Stroh Light
Charles Powell, dir-Old Milwaukee/Old Milwaukee Light
Mike Mataro, brand mgr-Signature
Ed Kopecky, brand mgr-Goebel/-Schaefer/Piels
Tom Noble, brand mgr-Schlitz/Schlitz Light
Mike Porter, brand mgr-Schlitz Malt Liquor

Advertising Agencies

Badillo/Compton, San Juan, P.R.—Schaefer Export—Erasto Freytes, acct exec; Jose Colon, acct exec.

BBDO, New York—Old Milwaukee, Old Milwaukee Light—Arnold Ross, mgmt super; Robert Gibralter, acct super; Lisa Partrick, acct exec.

Bermudez & Associates, Los Angeles—Hispanic adv—Eduardo Bermudez, ceo; Lloyd Lopez, acct exec.

Burrell Advertising, Chicago—black adv —Don Coleman, Julius Jones, vp-acct execs; Leroy Kemp, asst acct exec.

Marschalk Co., New York—Stroh's, Stroh Light—Stephen Bayer, exec vp; Paul Norwich, acct super.

MCA Advertising, New York—Schlitz, Schlitz Light, Signature, Schaefer and Schaefer Light—Richard Sellers, exec vp; Vic Sandham, vp-acct dir; Bill Schmermund, acct dir.

Ohlmeyer Communications, New York—special assignments—Don Ohlmeyer, ceo; Dean Heitler, president.

Wyse Advertising, Cleveland—Goebel, Goebel Light, Piels—John Jefferson, acct super.

Tandy Corp.

Fort Worth

RANK 38

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	2,840	2,737	3.7
Net income	189	282	-33.0
Advertising	190	157	21.1

Tandy Corp., Fort Worth, Tex., is the nation's 38th largest advertiser with an estimated total U.S. advertising expenditures of $190 million in 1984, representing a 21.2% increase over 1983 spending.

In Tandy's fiscal year 1985, which ended June 30, 1985, the company reported worldwide advertising expenditures of $237.8 million, up 7.4% from 1984 fiscal year advertising expenditures of $221.5 million.

Tandy has shown strong increases in advertising the past few years. Spending in fiscal 1984 was up 11.2% from $199.1 million spent worldwide in fiscal 1983, which, in turn, was 23.8% greater than the $160.9 million reported spent in fiscal 1982.

During calendar 1984, Tandy media spending was measured at $44.4 million, not including newspaper, direct mail, special events and other promotional expenditures, which make up the remainder of Tandy's total domestic budget.

Heavy competition, particularly in the personal computer marketplace, prompted Tandy to increase advertising expenditures to achieve sales gains in 1984. The year was plagued with rapid price changes in the microcomputer market, delayed introductions and limited availabilities of certain computer products, and extraordinary price cuts throughout Tandy's own line based on cost reductions and inventory shortages.

Tandy introduced its first IBM-compatible computers in late 1984, the Tandy 1200 HD and the Tandy 1000. Other computers introduced recently include the Tandy 6000, a multi-user business computer, and the Tandy 200 lap-top computer. A hard disc version of the Tandy 1000 was introduced in June, 1985.

Tandy's thrust into telecommunications was accelerated in fiscal 1985 with the opening of 83 telephone centers within existing Tandy computer centers, bringing the number of telephone centers to 108.

In the fiscal year ended June 30, 1985, Tandy reported net income of $189.1 million, down 33% from the prior year, on net sales of $2.84 billion, up 3.7% from fiscal 1984. Fiscal 1985 was affected by a plunge in profits in the third quarter. That drop was the result of a writedown of the Tandy 2000 computer and parts, which has not been a big seller, although it was introduced with great fanfare in November, 1983. The newer computers, the 1000 and 1200, are selling ahead of the 2000, which is not fully IBM compatible.

Fourth-quarter net income for fiscal

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1985 fell 9% to $53.2 million on net sales of $652.1 million, up 7%.

However, powered by improved computer sales in July, 1985, and a rebound in earnings, Tandy has begun to emerge from its year-and-a-half slump. July, 1985, sales for Tandy's U.S. retail operations rose 15% to $174.9 million compared with the previous July. The company's total sales for the month rose 12% to $216.3 million.

Tandy attributed part of the turnaround in sales to the company's IBM-compatible Tandy 1000 and 1200 personal computers. In June, 1985, Tandy lowered the price of the Tandy 1000, from $1,199 to $999, making it the only MS-DOS (most common operating system for personal computers) available for less than $1,000. July, 1985, computer center sales responded by rising about 15% in contrast to a 12% decline the previous month.

Eugene Glazer, research analyst with Dean Witter of New York, says the strength in Tandy's computer operation is encouraging and puts the company back on an upward trend in its computer business.

Mark Manson, analyst with Donaldson, Lufkin & Jenrette of New York, says the real test should come as Tandy enters the fall selling period and moves toward Christmas.

Tandy also is diversifying its marketing strategy, which some analysts say could lead to Tandy becoming the largest chain of discount name-brand consumer electronics in the country. Tandy has not participated in the boom in brand name consumer electronics because of the house-brand marketing concept behind its Radio Shack stores.

But with the acquisition last April of Memphis-based Scott Appliances Group (24 stores) and the acquisition of American Home Video Corp. (207 Video Concept stores) from Jack Eckerd Corp. in early fiscal 1986, Tandy is adding a branded concept to its strategy.

For now, Tandy officials say, the acquired stores will remain autonomous and continue operating under their respective names, separate from Tandy's traditional Radio Shack stores. Thus far, Tandy has announced plans to open 12 to 15 McDuff Supercenters (one of three names under which Scott Appliance stores operate).

Other relatively new directions for Tandy include its strong move into the mobile cellular telephone market with its first cellular phone introduced in 1984 and several new products in the catalog for 1986.

Additionally, Radio Shack will make its own version of the satellite dish, "user installable," available through 4,800 company-owned stores, priced at approximately $1,999.

Although some analysts have hailed the new direction, some have been moderately critical of Tandy's Video Concept Stores acquisition, saying the new business will draw attention away from Tandy's established main lines.

And critics of the Video Concept acquisition point to the chain's reports of losses and reduced sales at a time when other chains were growing. But others say the undisclosed terms were favorable to Tandy, which reported it purchased American Home Video at a price at least $72 million (pretax) below the audited net book value of the assets as of Aug. 3, 1985.

Dean Witter's Mr. Glazer says that because of Tandy's long-term retailing expertise and financial strength, it "earns the benefit of the doubt" on the Video Concept venture. Mr. Manson views the acquisition as a "minor positive."

Tandy officials say that in the current fiscal year that began July 1, 1985, Radio Shack plans to continue its expansion with the addition of more than 100 full-line stores, about the same number added last year. Tandy also plans to open 50 Radio Shack computer centers and 50 telephone centers this year. Only one computer center was opened in fiscal 1985. Radio Shack has more than 7,000 stores in the U.S.

Computer related sales contributed 33.6% of 1984 worldwide warehouse shipments (compared with 34.6% in 1983), followed by audio equipment and related accessories, with 17.8% (from 18.2% in 1983). Shipments in the electronic parts category, including batteries and test equipment, were 13.7% (compared with 13.2% in 1983) toys, antennas, security devices, timers and calculators accounted for 11.9% of shipments (down from 12.5% in 1983).

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	4,448	4,944
Network cable	378	351
Spot tv	5,749	4,238
Network tv	30,009	27,716
Spot radio	3,135	3,497
Network radio	420	0
Farm pubs	301	323
Total measured	44,440	41,069
Total unmeasured	143,860	115,659
Estimated total	190,300	156,728

TANDY CORP.
1800 One Tandy Center
Fort Worth, Tex. 76102
(817) 390-3700

Radio Shack
Marketing Personnel
Bernard Appel, president
Ron Stegall, senior vp-business prod
Graham Beachum, vp-computer merch
Robert Miller, vp-consumer merch
David Beckerman, vp-adv
Ed Juge, dir-mktg planning
Mike Wood, genl adv mgr
Fred Roeben, admin adv mgr
Advertising Agency
Central Advertising Agency (in-house agency), Fort Worth—Greg Lincoln, media dir; Gail Graham, asst media dir.

SCOTT APPLIANCES
Memphis, Tenn.
Marketing Personnel
C.C. Thomas, president
Mike Stell, adv, audio buyer
Advertising Agency
(In-house).

VIDEO CONCEPTS
Englewood, Colo.
Marketing Personnel
William G. Kelley, president
Murray Unell, dir-adv
Advertising Agency
W.B. Doner & Co., Southfield, Mich.—Alan Calter, exec vp.

Time Inc.
New York

RANK
61

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	3,067	2,717	12.9
Net income	216	169	28.1
U.S.			
Sales	N/A	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	134	125	6.9
Division sales			
Magazines	1,321	1,131	16.8
Books/information	491	505	-2.8
Video	1,255	1,081	16.1

Time Inc., New York, the nation's 61st largest national advertiser, raised advertising expenditures to an estimated $133.9 million in 1984, an increase of 6.9% spending levels in 1983. Of the total advertising outlay, Time Inc. spent $107.2 million in measured media, up 18.7%.

Time Inc., ranked the third largest U.S. media company in terms of media revenues by ADVERTISING AGE, reported net income of $216.4 million in 1984, an increase of 28% over 1983. Sales were $3.07 billion, up 12.9% over the previous year.

A good part of the increase was posted in Time Inc.'s magazine division, where revenues rose to a record $1.32 billion, up 16.8% from 1983, and operating income rose to $188 million, up 78% from the previous year when Time wrote off $47 million in losses incurred by the now defunct *TV-Cable Week*.

In the magazine division, Time Inc. concentrated its advertising outlay on promoting its three biggest sellers: *People, Time* and *Sports Illustrated*.

People led the pack, with measured media spending of $15 million, up 8.6%. *Time* followed with $11 million, about the same as in 1983. *Sports Illus-*

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BAR LNA

trated spent $3.8 million, an 18% increase over the previous year.

The spending of all three magazines was concentrated on spot tv, with *Sports Illustrated* and *Time* using lots of direct-response subscription promotion. In contrast, *People* promotes only newsstand sales, according to Jim Calloway, president of Holland & Calloway, New York, which handles the account.

During the year, *Sports Illustrated's* 540-page, two-pound special Summer Olympics issue set an ad dollar record for a single issue when it brought in $24 million in advertising. Over-all, *SI* ad revenues rose 26.1% to $230.8 million and ad pages climbed 10% to 3,035.

Time magazine, aided by the presidential election advertising, again beat all its competitors for ad dollars, pulling in $335.6 million, up 12.1% on 2,817 ad pages, up 4.2%.

People, celebrating its 10th anniversary, also had an exceptional year, with ad revenues rising 32.8% to $232.9 million, on 4,063 ad pages, up 17.9%. Ad revenues also rose by 7.4% to $111.7 million at *Fortune*; 35.1% to $57 million at *Money*, and 19.8% to $35 million at *Life*.

The poor performer of the group was the science monthly *Discover*, where ad revenues dropped 10.4% to $10.6 million as ad pages dropped 14.5% to 434. Time Inc. began revamping *Discover* with its September issue, and will devote a large portion of each issue to a special report on one topic. Michael Luftman, spokesman for Time Inc., says the company is offering a guarantee: dissatisfied *Discover* advertisers can swap for linage in one of Time Inc.'s other magazines.

The magazine development group focused its attention on *Picture Week* early this year. Potential advertisers criticized the first prototype of the photoweekly, released in May, as looking cheap. A revamped prototype with more hard news and a four-color cover got better reviews.

Picture Week currently is in test, and should reach broad distribution in early 1986 if all goes well.

The major magazines all showed circulation gains for the year: *People* circulation for the six month period ended Dec. 31, 1984, totaled 2.84 million, up 2.1%, compared with the same period in 1983; *SI* circulation rose 7.6% to 2.64 million; *Time* circulation hit 4.62 million at year-end, up 0.1%; *Fortune* rose 2.6% to 710,141; *Money* totaled 1.51 million, up 9.6%.

Time Inc. solidified its business interest—books, magazines and cable—in October, 1984, when it sold Pioneer Press, a chain of suburban Chicago weeklies, to Marshall Field V's Field Corp. for $25 million, taking itself out of the newspaper business. "Pioneer Press just didn't fit in," says Mr. Luftman.

The company purchased Southern Progress Corp. of Birmingham, Ala., in March in a $480 million deal. Earnings reflected that acquisition for the first time in the second-quarter. Without the three Southern Progress magazines —*Southern Living, Progressive Farmer* and *Creative Ideas for Living*—magazine revenues would have increased only 6.8% over the second quarter of 1985. With them, revenues for that quarter rose 17%. Pretax profits for the magazine operation slowed to a more typical 13% gain in the first half of 1985—$95.4 million, compared with $83.8 million in the first half of 1984 —while revenues rose 12%, to $700 million.

Southern Progress also includes Oxmoor House, a direct marketer of books. This fall, the subsidiary is launching a fourth magazine, *Southern Living Classics*, aimed at an upscale audience.

The video portion of Time's business slowed in 1984, dragged down by high programing costs at Home Box Office Inc. and a softening of the pay-tv market.

The company does not publish separate figures for HBO, but Jay Nelson, an analyst with the Wall Street firm of Brown Brothers, Harriman, estimates that HBO's 1984 profits declined 20%, to $118 million from $148 million in 1983.

As a result, operating profit for the video operations, which also include Denver-based subsidiary, American Television & Communications, and one-third of USA Network, dropped by 1.4%, to $212 million in 1984, although in the first six months of 1985, they rose 7.6% to $116 million.

The video holdings in mid-1985 took out in hot pursuit after Warner Amex Cable Communications, the sixth largest multiple systems cable operator in the U.S. Time Inc. and Denver-based Tele-Communications Inc. jointly offered $900 million for that operation.

The deal evaporated in August, 1985, when Warner Communications announced it would buy out American Express' share of the operation and stay in the cable business. (The two own Warner Amex 50/50.)

Although ATC and TCI are still studying Warner-Amex with an eye toward making another offer, success seems remote. ATC spokesman Jim Duffy says cash-strong ATC would actively continue to seek new investments—from new systems to new technologies.

ATC, the nation's second largest cable television company, is the strength of the video division, and Time Inc. expects it to set profit records in 1985.

As a corporate entity, ATC does very little advertising, in 1984 spending less than $20,000 nationwide. Mr. Duffy says that's because ATC has just completed a long decentralization process that gave marketing responsibility to the local systems. "I'm responsible for the corporate advertising budget, which is about $10,000, and I think I've spent $1,100 of it," Mr. Duffy said this August. "We don't view ourselves as a consumer company."

Meanwhile, the video division has been focusing on improving the performance of HBO. The second quarter of 1984 brought HBO's first reduction in profitability in seven years, and the company immediately responded with a major reorganization that began a period of cost-cutting and staff reduction.

In October, HBO replaced chairman-ceo Frank Biondi with former president and chief operating officer Michael Fuchs. Many of the problems at HBO are traced to contracts for movies that were predicated on a growing subscriber base that failed to materialize. Those contracts have been renegotiated based on lower subscription levels but most will not take effect this year.

But Mr. Luftman says the cost-cutting measures are beginning to show results, noting that the second quarter of 1985 brought a rise in HBO profits —the first in a year—although subscription levels remained flat.

Tough times have brought aggressive marketing to HBO, which began 1985 with its first national direct-response tv campaign.

The company revamped its HBO schedule to cut down on repetitious programing, and spent $10 million on a summer campaign to explain the new schedule. Mr. Luftman says the results of that campaign have been good, with June prime-time ratings the best in three years.

The company spent 57% more on advertising HBO in 1984 than it did in 1983—going to $15.3 million from $9.7 million in measured media spending.

For the entire video group, media spending rose by a third, to $18.1 million in 1984 from $13.6 million in 1983.

After two years of losses, Time-Life Books division turned a profit in 1984. Time-Life Books, the largest component of the books and information division, underwent a cost-cutting reorganization in 1984. Pretax income for the books and information division more than tripled, to $65 million from $21 million. Desite a lackluster second quarter, pretax income for the first half of 1985 rose in the book division by 18%.

The division is one of the company's largest ad spenders, and its big spenders in measured media were Time-Life Books and its products at $18.2 million, up by 22% from 1983, and Book-of-the-Month Club products at $4.6 million, down 8% from 1983.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	13,320	11,428
Magazines	39,539	35,330
Network cable	7,192	5,518
Spot tv	33,070	31,328
Network tv	12,129	5,013
Spot radio	1,885	625
Network radio	0	926
Outdoor	50	123
Total measured	107,183	90,298
Total unmeasured	26,717	35,005
Estimated total	133,900	125,303

TIME INC.
Time & Life Bldg.
Rockefeller Center
New York
(212) 586-1212

Marketing Personnel

Time

John A. Meyers, vp-publisher
Richard B. Thomas, vp-associate publisher, worldwide adv sales dir
Robert B. Sweeney, worldwide public affairs dir
Katherine R. Erskine, promo dir
Robert D. McCoach, circulation dir

People

S. Christopher Meigher III, vp-publisher
William S. Myers, associate publisher-adv sales dir
Robert B. Kyle Jr., promo dir
Michael J. Owen, circulation dir

Fortune

James B. Hoefer, publisher
E. William Kenyon, associate publisher
R. Timothy Leedy, adv sales dir
Jeremy B. Koch, circulation dir
David L. Nimz, promo dir

Discover

James B. Hayes, publisher
John E. Jay, adv sales dir
Harry C. Rubicam, promo dir
G. Lindsay Valk, circulation dir

Money

William M. Kelly Jr., publisher
Charles Rubens II, adv sales dir
Michael Rich, promo dir
Ruth Shields, circulation dir

Sports Illustrated

Robert L. Miller, publisher
Donald J. Barr, associate publisher-adv sales dir
Thomas J. Hickey Jr., adv sales mgr
George P. Berger, promo planning dir
E.P. Valk, circulation dir

Life

Charles A. Whittingham, publisher
Allen T. Wragg, adv sales dir
Gilbert Lesser, promo dir
H. McLean Smith, circulation dir

Progressive Farmer

Gerald Jehle, publisher
David V. Hemphill, adv sales mgr
Jim Moon, adv services mgr
Bill Capps, circulation dir

Southern Living

James E. DeVira, publisher
H.B. Flora, adv sales mgr
Jim Hurd, adv services mgr
Bill Capps, circulation dir

Creative Ideas for Living

Richard M. Fontana, publisher (N.Y.)
Howard Gurian, adv sales mgr (N.Y.)
Pam Powell, promo mgr
Bill Caps, circulation dir

Southern Living Classics

Don Logan, publisher
George de Man, adv sales dir
Jeanetta Keller, dir-pr
Bill Caps, circulation dir

AMERICAN TELEVISION
& COMMUNICATIONS CORP.

Gary Bryson, exec vp-mktg
Richard B. Holcomb, vp-public affairs
James C. Duffy, dir-public information

HOME BOX OFFICE

John Billock, senior vp-mktg
Matthew Blank, senior vp-consumer mktg

TIME-LIFE BOOKS

Christopher T. Linen, senior vp-mktg

BOOK-OF-THE-MONTH CLUB

Lorraine Shanley, exec vp-edit & mktg

LITTLE, BROWN & CO.

David Goehring, dir sales & mktg, trade div
William A. Guthrie, adv mgr-trade div
Doreen Del Rosario, publicity mgr-trade div
George Pratt II, adv & sales promo mgr-law div
Vincent Douglas, mktg dir-medical div
Janet Carlson, mktg dir-college div
Robert Hyde, intl mktg dir

TIME-LIFE VIDEO

Dorothy Dunbar, adv & promo dir

SELLING AREAS-
MARKETING INC. (SAMI)

Carlyle C. Daniel, president
Karl L. Pruess, exec vp-operations
Alan B. Miller Jr., vp-sales services mgr

Advertising Agencies

Austin Kelly, Atlanta—*Southern Living Classics* (trade)—Cynthia Rogers, acct super.

Creamer Inc., New York—Selling Areas-Marketing Inc. (SAMI)—Harvey Dreyer, acct super.

A. Eicoff & Co., Chicago—Time-Life Books—Ron Bliwas, president-mgmt super; Francie Barson, vp-media dir.

John Emmerling Inc., New York—*Money* (adv promo), *Discover*—Jim Guthrie, acct super.

Fletcher/Mayo/Associates, Atlanta—*Progressive Farmer* (trade)—Kathy Freebairn, acct exec.

Geer, DuBois, New York—*Life* (adv promo)—Doria Steedman, acct super; Kathy Reps, media super. *Life* (circulation promo)—John Allen, senior vp; Dawn Dresher, Cindy Waxman, acct execs; Michael Garcia, acct super.

Holland & Calloway Advertising, New York—*People* (circulation promo)—Jim Calloway president; Ron Holland chmn of the board, copywriter; Russ Kaiser, producer.

Needham, Harper & Steers, D.C.—*Southern Living* (trade)—no account personnel currently assigned.

Norwest Communications, New York—*Creative Ideas for Living* (adv promo)—Bill Silinsky, president.

Ogilvy & Mather, New York—*Sports Illustrated* (adv promo)—Denise Johnson, acct exec; David Warren, acct super.

Richards Group, Dallas—*Sports Illustrated* (circulation promo), Time—Brad Todd, mgmt super.

Scali, McCabe, Sloves Direct, New York —*Time* (circulation, promo)—Bruce Lee, vp-creative dir.

Franklin Spier Inc., New York—Little, Brown & Co.—Rhonda Hall, acct exec; Helen Strauss, media dir.

Wunderman International, Montreal—*Time International* (circulation)—Mona Goldstein, directing mgr; Mark Goodman, acct exec.

Wunderman, Ricotta & Kline, New York —*Time* (circulation promo)—Worth Linen, vp-mgmt super; Phil Cheevers, acct exec; Bev Stetson, acct exec. Time-Life Books—Worth Linen, vp-mgmt super; Judy Keane, acct super; Michael Darling, acct exec. Time-Life Records—Worth Linen, vp-mgmt super; David Henderson, acct exec. *Discover*—Worth Linen, vp-mgmt super; Kate Springfellow, acct exec.

Young & Rubicam, New York—*Fortune*-Tom Spangenberg, mgmt super; Terry Pranses, acct exec. *People* (adv promo)—James Tyrell, acct super; Robert D. Boucher, acct exec. *Time* (circulation promo)—Tom Spangenberg, mgmt super; Ann Depsey, acct exec. *Time* (adv promo)-James Tyrell, acct super.

AMERICAN TELEVISION &
COMMUNICATIONS CORP.
Englewood, Colo.

Marketing Personnel

Trygrve E. Myhren, chmn of the board, president
Stephen St. Maire, vp-mktg, programing
Allan Eisenberg, dir-adv
Dan Smith, dir-adv

Advertising Agency

Wells & Evans, New York.

BOOK-OF-THE-MONTH CLUB
New York

Marketing Personnel

Lorraine Shanley, exec vp-editorial & mktg
Betsy Poris, vp-adv dir
John Hall, mktg dir

Advertising Agency

Lord Geller, Federico, New York/—/Albert Berger, mgmt super; Brian Magalski, asst acct exec.

HOME BOX OFFICE INC.
New York

Marketing Personnel

Susan Greene, senior vp-corp affairs
Dan Levinson, vp-adv
John K. Billock, senior vp-mktg
Barbara Bellafiore, dir-network planning

Advertising Agency

Ted Bates, New York—Cinemax—Ken Corrigan, mgmt rep; Susan Johnson, associate media dir; Mark Weinkoop, acct mgr.

BBDO, New York—HBO—David Seal, vp-mgmt super; Ellen Walsh, acct super; Russell Schare, acct exec; Michael Bailey, asst acct exec.

LITTLE, BROWN & CO.
Boston

Marketing Personnel

William A. Gutherie, adv mgr
David Goehring, mktg mgr-trade div
Munro Magruder, trade sales mgr

Advertising Agency

Franklin Spier, New York—Rhonda Hall, acct exec.

Toyota Motor Sales Corp.

RANK 57

Torrence, Cal.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	24,828	22,368	11.0
Net income	1,238	958	29.2
Advertising	138	124	11.3

Worldwide Toyota Motor Sales U.S.A., Torrance, Cal., which has announced plans to build an auto plant in the U.S. by 1988, is the 57th leading national advertiser with estimated U.S. ad expenditures of $137.9 million, up 11.3% from the previous year.

The Japanese auto maker holds a 23% share of the U.S. import market in cars sold and 5.4% of the nation's total market.

The company is a subsidiary of Toyota Motor Corp., Japan, which for 1984 reported record worldwide sales of $22.83 billion, up 11% over 1983,

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and earnings of $1.7 billion, up 33.5% from a year earlier for another all-time high. Sales and earnings for both 1985 and 1984 fiscal years were converted from yen to dollars at the rate of Y238 to = U.S.$1.

Toyota currently ranks third in worldwide auto production behind General Motors and Ford and is followed by Nissan in fourth place.

More than half of Toyota cars and trucks are exported worldwide, with a record 1,710,352 units of a total 1984 production of 3,376,224 units being sold in overseas markets. The export figure includes 1,076,662 passenger cars, up 1.4% from 1983, and 633,690 trucks and buses, up 10.3%.

Loosening of voluntary restraints on passenger car exports to the U.S. and the strong sales performance of Toyota's light trucks helped account for an 11.9% increase in exports to North America in 1984.

For the seventh consecutive year, the company set a U.S. total vehicle sales record, with sales of 822,164 units, up 13.1% over the previous high of 726,818 units sold in 1983. It was the first import to sell more than 800,000 units in a year. The total included 557,981 cars (up 0.4%) and 264,183 trucks, a booming 54.4% jump and a record high for trucks for 10 straight years.

The self-imposed quotas assumed by Japanese marketers, under the Voluntary Restraint Agreement for the year beginning April 1, 1985, limit Toyota to an allotment of 620,000 cars, up 12.5% from last year. Despite record sales, Toyota's U.S. market shares again shrank slightly. The company ended the year with a 23% unit share of the U.S. import market, down from 23.4% in 1983, and 5.4% of the total market, down from a 6.1% share a year earlier.

Also, Toyota is the leader in the sale of import forklifts, a record 5,606 units sold in 1984, marketed through its Toyota industrial equipment division.

Toyota responded to its reduced U.S. car market share with a substantial increase in advertising, boosting measured media expenditures in the nine media tracked in this report to $119.9 million, up 12.9% from 1983. Of these measured expenditures, Toyota spent $18.5 million on network tv and $58.3 million on spot tv, a total of $76.8 million compared with $70 million in 1983. Toyota is the only Japanese importer to spend more money on spot tv than network tv. The company also spent $15.4 million for magazines, a $3 million increase over year-earlier figures.

Once again cable tv was part of the Toyota ad budget, with a total of $5.3 million spent for packages on the sports-oriented USA Cable Network and superstation WTBS. The expenditure was only slightly higher than for 1983.

Among the many significant unmeasured expenditures budgeted for the 1985 model year was Toyota's participation in a record 21 auto shows in major metropolitan areas throughout the U.S. The exhibits featured $1 million worth of new high-tech displays, which debuted at the Dallas dealer meeting in October.

The unmeasured total also encompassed Toyota's heavy involvement in a motor sports program that included the Toyota Grand Prix and pro-celebrity race at Long Beach and the Olympus Toyota Pro Rally, largest motor sports rally in the U.S., held at Tumwater, Wash. Also not measured were expenditures for merchandising and promotion materials used to support the marketing effort at the dealer level.

The Corolla once again was Toyota's U.S. sales leader, with unit sales of 157,885, up 10% over 1983. Accounting for nearly $20 million in measured media expenditures during the year, the Corolla was the company's most heavily advertised nameplate.

But as a category, Toyota trucks of every variety took $43.4 million of the measured spending, up 50.7% from the previous year in the six media traced by Leading National Advertisers. Record expenditures in most media supported the "Oh What A Feeling" ad slogan for the sixth consecutive year.

One of the first campaigns of the 1985 model year was for the all-new Corolla GT-S and its 16-valve engine ($9,538 for the liftback model) that kicked off in *Road & Track* magazine in September, 1984. The three-page spread was followed by similar spreads in other enthusiast magazines, plus a youth-oriented, 30-second network tv spot.

A 60-second spot playing off the magazine creative ran on the youth-oriented MTV:Music Television, the video music channel on cable tv. The spots also ran on popular network series and National Football League games.

Toyota continued its use of celebrity spokesmen for the 1985 line, such as baritone Sherrill Milnes featured in tv spots singing the praises of van models that "can seat a seven-person orchestra or carry 1,500 lbs. of sheet music." Race driver Dan Gurney took to the streets of New York to demonstrate the performance of the $17,158 luxury Supra sportscar; five members of the Los Angeles Lakers basketball team showed off the roominess of the Camry models ($8,948 to $10,698) and off-road champ Ivan "Ironman" Stewart pitched the toughness of Toyota trucks on the 1,000-mile Baja endurance race.

The spring of 1985 saw tv personality Ed McMahon making a special, one-time pitch for Toyota's new sport/performance MR2 offering. The MR2 is a wedge-shaped two-seater priced at $10,999 and positioned to sell against the Mazda RX-7 and the Pontiac Fiero. Mr. McMahon called it "the new game in town," pointing out it had been selected as *Motor Trend's* "Import Car of the Year."

The MR2 spots featured a giant-scale pinball machine with the car racing between the bumpers and flippers to emphasize the fun and excitement of driving the new model.

Pro golfer Lee Trevino pitched Toyota vans and trucks and signed on as an official Toyota spokesman for the next three years.

Toyota print ads again used big action photos of the vehicle accompanied by a bold headline. One new 1985 page ad, headed "Van of A Thousand Faces," detailed the specifics of the Toyota cargo van for the rapidly growing fleet market. Print ads appeared in major consumer and enthusiast magazines and *USA Today*, while tv ads were seen on such major network shows as "Hill Street Blues," "Dallas," "Cagney and Lacey" and "60 Minutes."

The company once again advertised heavily on sporting events. Sponsorship included 14 NFL games on CBS-TV, four hockey and 18 basketball games and eight college football bowl games on network and cable tv, including the Rose Bowl. The schedule also included first-time sponsorship of PAC 10 and Big 10 college football.

Outdoor posters, designed to boost sales at individual dealerships, featured the Corolla GT-S, the 4x4 Xtracab truck, the van and Tercel three-door liftback.

Contributing to Toyota's continued dominance of small truck sales in the U.S.—245,596 units compared with 220,000 for Ford, 203,724 for Nissan, 187,065 for Chevy and 119,127 for Mazda—was sustained promotion, both nationally and at the dealer level. Once such effort was the "Steal A Deal" ad package, which featured five tv and three radio spots and a wide range of merchandising materials for dealer use.

In mid-model year, the truck campaign came to encompass the 1985 1/2 4x2 Xtracab SR5 trucks, the first in the industry to feature gas turbochargers and electronically controlled transmission, as well as Toyota's first use of a four-wheel drive automatic transmission.

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Toyota joined the ranks of Japanese auto marketers with U.S. production facilities in April, 1985, when it joined with General Motors in the formal dedication of the New United Motor Mfg. Inc. plant in Fremont, Cal. The former GM assembly plant is a 50-50 joint venture between GM and Toyota to produce the new Nova to be sold by Chevrolet, according to the joint agreement signed in February, 1983. Resembling a Corolla, the Nova is being targeted as a family car for the upscale youth market, positioned between Spectrum and Cavalier.

NUMMI is producing 75 Novas a day, with plans to build 20,000 units a month by April, 1986. When introduced to U.S. car buyers in June, 1985, ads for the Nova called it "the best of both worlds" and mentioned Toyota as a partner with GM and Chevrolet in the joint venture. Toyota, however, views the Nova as just another competitor.

Production of Toyota Celica GT-S convertibles, a joint venture with ASC Inc., Southgate, Mich., was halted at the factory in Compton, Cal., on completion of a contract for 5,000 of the ragtop units.

On June 23, 1985, Toyota announced it would build its own U.S. and Canadian manufacturing plants at as yet undisclosed locations by 1988. The U.S. plant, expected to cost an estimated $625 million, is to produce Toyota's mid-sized Camry at an annual production capacity of 200,000. The Camry is the largest upscale model either being built or scheduled to be built by a Japanese auto maker in the U.S.

Opening of the plant will make Toyota the last major Japanese auto maker to manufacture in the U.S. Honda Motor Co. has been making subcompacts in Ohio since 1982 and Nissan started production at its Tennessee truck factory this spring. Mazda Motor Corp., Japan's No. 3 auto maker, has plans to build a factory in Michigan, to start production in 1987.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	14,913	12,571
Magazines	15,403	12,416
Network cable	5,391	5,248
Spot tv	58,377	47,506
Network tv	18,544	22,853
Spot radio	5,263	3,343
Network radio	54	20
Outdoor	1,793	2,284
Farm pubs	183	0
Total measured	119,920	106,240
Total unmeasured	17,980	17,657
Estimated total	137,900	123,897

TOYOTA MOTOR SALES U.S.A.
19001 S. Western Ave.
Torrance, Cal. 90509
(213) 618-4000

Marketing Personnel

Robert McCurry, senior vp
James Perkins, group vp-sales, mktg & distribution
James Press, genl mgr-mktg & distribution
George Borst, corp mktg mgr
B. Barney Brogan, corp public affairs mgr
Charles Valentine, natl adv mgr
Joseph R. Corey, adv mgr-creative
Sylvia S. Voegele, adv mgr-media

Advertising Agency

Dancer Fitzgerald Sample, Torrance, Cal.—Stuart Upson, chmn-ceo; Norm Lauchner, mg dir, Jim Lindsey, mgmt super.

THE BLACK $ MARKET

Last year the Black Consumer spent over 150 billion dollars in consumer goods, that's more than the GNP of many third World Nations. This year that number will exceed 157 billion dollars. How much longer are you going to miss out?

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HOW MUCH DID YOU MISS?

NPC associates
Baltimore/Washington
301/731-5355

Trans World Airlines

New York

RANK 96

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	3,657	3,354	9.0
Net income	30	-12	341.1
U.S.			
Sales	2,048	1,955	4.8
Operating profit	-85	-228	-62.3
Advertising	66	59	12.2
Division sales			
Passenger	3,107	2,869	8.3
Freight/mail	211	179	17.8
Other	339	306	10.5

The past year has been a stormy journey for Trans World Airlines, New York, N.Y., which ranked as the 96th largest national advertiser in 1984 with $66.2 million in advertising.

Total measured spending in nine-media for TWA was $42.7 million in 1984, up 9.2% from the previous year when TWA was a subsidiary of Trans World Corp., New York, now a conglomerate with hotel and food service properties.

Worldwide, TWA says it spent $80.2 million on all aspects of advertising and promotion in 1984, up 12%. Components of this spending, notes the airline, were $66.2 million for domestic advertising and promotion, including $58.7 million for all types of media outlets. The balance was spent on international advertising/promotion. For 1983. The full U.S. total was $59 million, including $52.3 million for all kinds of media placement. International 1983 spending was $12.9 million.

During the past year the airline has weathered its own corporate spinoff, the post-deregulation fare wars, tough union negotiations on wage cuts, a squadron of new air transport discounters, and the cross fire of would-be TWA owners Frank Lorenzo and his Texas Air Corp. vs. Carl C. Icahn and his group of investors. Icahn forces, now with 52% of TWA's common stock, are the new owners.

TWA's total revenue reached $3.66 billion, up 9%, continuing a generally gradual year-to-year increase since 1980.

Net income was $29.9 million, the first full year of profit in the past four years.

In the second quarter of 1985, ended June 30, the company had net income of $18.1 million, a drop of 67% from the second quarter, 1984. Sales for the same quarter increased 8%, to $1.04 billion. For the first half of 1985, total revenue increased 10.8% to $1.81 billion, but there was a net loss of $56.2 million, compared with a net loss of $31.9 million in the prior year period.

The continued availability of deeply discounted industry fare programs, principally on domestic routes, has diluted earnings along with measured costs of salary, wage, and benefits related to an increase in capacity-related employment levels and the expiration of a 1984 wage-reduction program.

TWA is the fifth largest airline in U.S. domestic service with a 7.6% share, behind American, United, Eastern and Delta in that order. It is the largest U.S. airline in the trans-Atlantic service to Europe. Its share of the U.S. domestic market has slipped from 8.7% in 1982. By contrast, its market share of the trans-Atlantic service in 1984 was 19.3% and rising, from 16.9% in 1982.

For that part of the trans-Atlantic market going to TWA and its chief U.S. rival in that service, Pan American, TWA consistently takes an increasing majority of the business—66.4% in 1984, up from 54.4% in 1982 and 55.3% in 1983.

Consistent with the recent trends in its total sales and income figures, the airline had international traffic growth of 20.2% in 1984 but a domestic traffic decline of 7.1%.

TWA, which became part of Transworld Corp. in January, 1979, was spun off Feb. 1, 1984, into an independent publicly-owned company.

Since 1978, TWA has restructured its domestic routes keying in on two hubs, Lambert-St. Louis International Airport in St. Louis and John F. Kennedy International Airport, New York.

Since TWA now gets 48% of its total revenues from its strategy of feeding from its domestic system into the international system, it is at pains to further develop and carefully market that combination. Its efforts seem to be paying off.

The 1984 gain of 20.2% in traffic overseas outpaced the U.S. airline industry-wide gain of 13%.

TWA gives major credit for the cut in its 1984 operating loss to the efficiency of its St. Louis hub. Domestic revenue for 1984 was up 4.8%, to $2.05 billion. The domestic pre-tax loss of $122.2 million in 1984 was an improvement over the 1983 loss of $191.2 million. International system revenue was $1.61 billion, up 14.9%. Pre-tax income of $156.6 million rose 0.8%.

TWA pursues a marketing strategy emphasizing its identity as a full-service quality airline providing a product mix clearly differentiated from "no-frills" low-fare travel. This strategy can only be possible if operating costs are held down.

One way the major airlines can compete with discounters like the Peoples Express is to offer alternative fares, "but the single biggest adjustable element is wages . . . the one thing management can control," says Louis A. Markesano, securities analyst with Janney Montgomery Scott Inc., Philadelphia.

And TWA has been whittling away at its labor costs of 36.1% of total operating expenses compared, for example, with 21% at the Continental Airlines unit of Texas Air Corpn., headed by fare-discounting, cost-cutting president/ceo Frank Lorenzo.

In 1984, costs of salaries, wages, and benefits fell slightly to $1.29 billion, resulting from 10% wage concessions granted by about 43% of TWA's employes, including pilots, during November, 1983, to January, 1985. Also, the total labor force decreased 3.3% during 1984, to 27,320 from 28,242. Since then, the company has suffered a "snap-back" effect from restoring the cut wages while the signatures still have not been inked on lower-cost contracts with the other 57% of TWA workers, the flight attendants and machinists, also unionized like the pilots.

Added to the jostling turbulence of TWA's past year was the activity of outside investors. Sizable TWA stock purchases were begun in December, 1984, by Carl C. Icahn interests. Mr. Icahn ultimately won out over Resorts International, a hotel and gambling casino company, and Texas Air Corp. and a TWA employes group seeking a leveraged buyout as the bidding price rose from an original $18 a share to $26.

During the bidding, TWA pilot-members of the Airline Pilots Assn. struck a deal with Mr. Icahn to take benefit and salary cuts up to 20% through Dec. 31, 1988, as a tradeoff for 20% ownership and 20% profit-sharing in the airline.

Union concessions were in response primarily to Texas Air's involvement because of the union-busting reputation of the president, Frank Lorenzo.

Analyzing this campaign for TWA control, Janney Montgomery Scott's Frank Markesano says that "if Texas Air had won control, parts of TWA would have been merged into parts of Texas Air or Continental and no longer would have been the TWA we recognize.

With Icahn, the promise is that the basis will be found for a profitable TWA by 1986 or '89."

TWA in the meantime built innovation into new services to create more traffic and introduced new marketing-advertising techniques to sell those services.

Beginning in April, 1984, and continuing to today, TWA has introduced countless new domestic and international routes. The broadening service now encompasses 207 flights each way weekly across the Atlantic, with the 71,649 total seats each week 18% greater than 1984.

A small but telling equipment innovation is the new Ambassador Class lounger chair, now installed aboard trans-Atlantic 747s in the business-class section.

In the same genre as Pan Am's business-class lounge seat and British Airways' Super Club seat, the Ambassador Class (which TWA claims is the widest of the three) is transformed at the flip of a lever into a three-position, home-style recliner.

In other innovations, TWA linked its automated PARS reservations-ticketing system with Amtrak's automated ARROW system, allowing cross-ticketing between the two networks. Also, TWA plugged into H&R Block Co.'s CompuServe information service for computer users giving more than 185,000 subscribers direct access through their PCs.

A major advertising change for TWA broke on Jan. 21, 1985, as the company switched scenes from its familiar soaring, "You're Going To Like Us, TWA" theme to a new ad series titled, "Leading the Way, TWA," created by Ogilvy & Mather, New York for tv and print.

The campaign says hot coffee, in-flight movies, express check-in, boarding passes, and separate sections for business class flyers were original with TWA.

Less splashy, was the late-1984 advertising promotion that Polaroid Corp., Cambridge, Mass., and TWA produced in concert. Ally & Gargano, New York, created the program that offered buyers of $25 or more in Polaroid camera and film 25% fare discounts on all round-trip TWA overseas flights. In addition to a campaign on network and spot tv, spot radio, magazines and newspapers, Polaroid sent 1.5 million direct mail pieces to Polaroid customers and TWA frequent flyers. TWA says the company expected 150,000 redemptions, but got 350,000.

Passenger-service advertising received 99.8% of the TWA ad budget in six measured media, up 38% for 1984, to $19 million. Freight ad costs were just $12,000 for 1984.

Spot tv was the clear preference for TWA campaigns in 1984, totaling $12.1 million, a sharp jump of 45%. Network tv received nothing in 1984 after just $99,000 in 1983 spending.

Magazine spending, the second largest category, had a total of $5.2 million, up 27%, and spending for newspaper supplements jumped 103%, to $611,200. Spot radio for 1984 was off 24%, dropping to $2.9 million, ad outdoor spending increased 102% to $310,000.

C.E. Meyer, who resigned as TWA's president-ceo in June, 1985, during the Icahn takeover efforts, left to become president-ceo of the Hilton International Co. unit of Transworld Corp., TWA's former owner. He was replaced by Richard D. Pearson, who moved up from his former executive vice president-ceo position with TWA.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	21,436	21,935
Magazines	5,190	4,086
Network cable	11	0
Spot tv	12,093	8,336
Network tv	0	99
Spot radio	2,895	3,811
Network radio	802	723
Outdoor	310	153
Total measured	42,737	39,144
Total unmeasured	23,463	19,856
Estimated total	66,200	59,000

TRANS WORLD AIRLINES
605 Third Avenue
New York, N.Y. 10158
(212) 692-3000

Marketing Personnel

S.G. Long, senior vp-mktg & sales
Edward Gehrlein, vp-sales
Erv Kaufman, staff vp-mktg

Advertising Agency

Ogilvy & Mather, New York—Tim Elliott, senior vp-mgmt super.

UAL Inc.

Elk Grove Township, Ill.

RANK 59

($ figures — 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	6,968	6,022	15.7
Net income	643	216	197.7
Advertising	137	132	4.0
Division sales			
Airline	6,210	5,373	15.6
Hotels	567	495	14.7
Business services	192	164	17.5

UAL Inc., parent company of United Airlines and the nation's 59th largest advertiser in 1984 with an estimated total advertising of $136.7 million, up 4% from the previous year, took both the high and the low road in 1985 in agreeing to buy Pan American World Airway's Pacific division and Hertz Corp. rental car company, at a combined cost of $1.34 billion.

A merger of both acquisitions into the Elk Grove Village, Ill.-based UAL would greatly extend the company's marketing opportunities in the travel service industry. They also reduce its attractiveness as a takeover target, analysts say.

UAL made significant shifts in measured media spending in 1984 to focus on network tv for United, its principal subsidiary. United cut measured outlays for spot tv by 20% to $18.9 million, and for spot radio by 54% to $6.8 million in 1984 over 1983, while tripling outlays for network tv to $25.8 million with image-oriented ads focusing on targeted market segments, using the longstanding "fly the friendly skies" theme.

United's rising network tv spending parallels growing confidence in the long-term profitability of the nation's largest carrier. United's 1984 operating revenue of $5.6 billion was up 16% from 1983; it accounted for 89% of UAL's 1984 revenue of $6.97 billion, up 15.7%.

United's 1984 earnings of $564 million were up from $160 million in 1983, a 253% increase. United's earnings accounted for most of UAL's net income of $643 million, up 198% from 1983, and the best since 1978.

Profitability in the first six months of 1985 was another story, however, with UAL posting an operating loss of $183.7 million and net loss of $91.7 million, almost entirely the result of a 29-day pilots strike at United in May and June, 1985. For comparison, UAL earned $148.6 million on operating income of $260.1 million for the same period in 1984. The strike is expected to wipe out after-tax earnings for 1985, analysts say.

The strike also helped to lift American Airlines into the lead of domestic traffic and market shares during the first half of 1985.

American's domestic market share for the period was 15.2%, up from 14.1% the previous year's first half, according to Michael Derchin of First Boston Corp., New York.

United, in the same period, had a 14.4% share, down from its previous year's first half market share of 18.1%. The next largest carriers were Eastern and Delta, with 11.6% and 11% shares, respectively, followed by Trans World Airlines with 6.4%, Continental with 5.7% and Northwest with 4.3%.

United quickly began rebuilding national market share following the strike, offering a 50% rebate on flights from July 1 to 7, reductions in advance purchase requirements for discount seats, double mileage for frequent fliers and free upgrades. Other carriers matched its promotions, except for the rebates.

United's scheduled service was back to normal in August, and Mr. Derchin predicts United's operations will be normal by the fourth quarter of 1985. United also is benefiting from strong passenger traffic growth in 1985, which could exceed 1984 levels by 12% to 13%, and which is expected to grow another 9% in 1986, Mr. Derchin says.

The temporary setback from the strike will be far outweighed by concessions United was able to wring from pilots and other unions in 1984 and 1985, which will significantly reduce operating costs over time, he adds. The new pilots' agreement, for example, establishes a two-tier wage scale with new pilots hiring on at 40% lower pay for the first five years, with wage scales afterward set at competitive levels through arbitration. Wages are to merge with former pay scales when a pilot reaches the rank of captain, which takes about 18 years, according to United.

With favorable labor contracts, United is now in a position to grow more profitably at major hubs and elsewhere, says John Zeeman, United's exec vp-marketing and planning. Operating costs per seat mile of all expanded service will now be competitive with those of low-cost carriers. "We're now in a position where expansion makes sense," he says.

United's route expansion and schedule enhancements in 1984 allowed it to become the only airline serving all 50 states. This helped to make its shift to national tv advertising an economical move, Mr. Zeeman says. New "spokes" were added at hubs in Chicago, Denver and San Francisco, and 24 cities were added to United's system, bringing the yearend total to 159 cities served through 139 airports. United announced plans in January, 1985, for a $300 million 42-gate "Terminal for Tomorrow" in Chicago, and in September, 1985, for $100 million in improvements at Denver, its second-largest hub.

United's growth strategy in recent years has focused on increasing its dominance in the western U.S. Interestingly, American Airlines in recent years began focusing on growth to the East, with several new trans-Atlantic routes and new hubs at Raleigh/Durham, N.C., and Nashville, Tenn., prompting speculation that the two carriers are staying out of each other's way.

Pan Am's Pacific division, which United agreed to buy for $750 million, will greatly enhance the profitability of United's domestic network by tying in long-haul flights across the Pacific, the industry's fastest growing area, says Mark Daugherty, airlines analyst with Dean Witter Reynolds.

Likewise, the pending acquisition of Hertz Corp. from RCA for $587.5 million would allow UAL to benefit from synergies in the air passenger, car rental and hotel markets, he says. UAL-owned Westin Hotels manages 54 hotels containing more than 25,000 rooms worldwide and owns 24 of those hotels. Hertz has 6,300 locations worldwide, 30,000 employes and 36% of the domestic car-rental business. It reported a $74 million net profit on revenues of $1.44 billion in 1984.

United's Mr. Zeeman says the most important effect of the Hertz acquisition will be operational—such as the ability to share computerized reservations systems for better marketing management and promotion, which would reduce the number of empty seats on airplanes, unrented automobiles and empty hotel rooms.

Hertz will bring to UAL a list of America's business and pleasure travelers nearly equal in value to its own. If the Hertz sale is approved by RCA shareholders, Hertz would become a separate UAL unit, similar to the Westin Hotel subsidiary, which would be free to continue its contractual obligations as a member of the frequent flier programs of other airlines, a UAL spokesman says.

The U.S. Department of Transportation plans to rule by Oct. 31 on whether the UAL-Pan Am deal is okay as stands or Pan Am's Pacific routes should be open for competitive bidding. Already, the Justice Department has issued an opinion that the acquisition would "substantially reduce" U.S.-Tokyo competition, that it violates merger guidelines, and that United should sell one of Pan Am's three Tokyo-to-U.S. routes, in addition to possibly divest other Tokyo-Orient routes. United in late September had not responded to the Justice Department's comments.

If United gets the routes, it will immediately be a force in the Pacific with an estimated 23% market share of trans-Pacific traffic. Pan Am currently has a 19% market share in that sector, and United has about 4%.

But the Pan Am division is only a base to grow from, Mr. Daugherty says. United would need more long-haul B-747 aircraft, and would have a tough pricing battle with Northwest and Continental, the two major U.S. carriers with the lowest unit operating costs, and with Pacific market shares of 26% and 3%, respectively. Another factor is Japan Air Lines, which has a 45% to 50% trans-Pacific traffic share.

Fleet acquisition and modernization will intensify as a result of United's new labor contracts and will certainly be affected by the DOT's decision on the Pacific routes, United's Mr. Zeeman says. United in mid-1985 increased its capacity by about 5% and had aircraft purchase agreements totaling $1.3 billion as of Dec. 31, 1984.

Financing for UAL's massive acquisition strategy comes from two sources: An overfunded pension plan, and from sales of equity in hotels owned by the Westin unit. In June, 1985, UAL recovered $962 million surplus from its pension fund by buying annuities for all 59,600 eligible employes. The $962 million was transferred into a trust fund earmarked for corporate expansion activity.

In June, 1985, UAL announced its intention to sell several properties owned by Westin Hotels. In September, 1985, UAL plans to offer interest in three hotels to the public for $360 million. UAL through its Westin unit will retain the lucrative management contracts and will split any equity appreciation 50-50 with the limited partners. If the deal works well, a second offering of $300 million-plus could be in the works as early as 1986.

UAL also sold GAB Business Services, an insurance claims adjusting unit, for an undisclosed sum in July, 1985, to SGS North America, a subsidiary of Societe Generale de Surveillance Holding S.A., of Switzerland.

UAL's financial maneuverings accomplish two important goals, says Mr. Daugherty of Dean Witter. First, the actions concentrate resources in the travel service industry; second, they minimize UAL's attractiveness as a takeover target by removing liquid assets from the potential reach of corporate raiders.

Fearing the latter, UAL shareholders in April, 1985, also approved an increase in authorized UAL common shares, which could be used to repel a takeover.

Mr. Derchin of First Boston says UAL's actions to transform itself from an investment company to more of an operating company have caused many analysts, himself included, to become more bullish about earnings prospects in the future. Mr. Derchin believes UAL's stock is undervalued, and it will rise in value when the effects of its aggressive marketing moves become clear.

An example is found in UAL's Westin unit, Seattle, which announced Aug. 31 that it is moving its $8 million corporate account of 30 years from Seattle-based Cole & Weber to DYR, Los Angeles, as part of a total restructure of its marketing strategy, a Westin spokesman says. The change is part of a long-range plan to double its market share. The change is effective Jan. 1, 1986. Cole & Weber retains publicity and some hotel ad accounts.

UAL's results since 1978 have been plagued by various misfortunes, ranging from the grounding of all DC-10s in 1979 to skyrocketing fuel prices, labor problems, fare wars with low-cost carriers and the air traffic controller's strike.

Perhaps now UAL will have a chance, free of unusual events, to prove what it can do, Mr. Derchin adds. "I'm very optimistic," he says.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	6,112	5,432
Magazines	4,561	4,704
Network cable	674	494
Spot tv	18,931	23,539
Network tv	25,839	8,175
Spot radio	6,802	14,636
Network radio	0	847
Outdoor	524	293
Total measured	63,443	58,119
Total unmeasured	73,257	73,381
Estimated total	136,700	131,500

UAL INC.
1200 Algonquin Rd.
Elk Grove Township, Ill. 60007
(312) 952-4000

UNITED AIRLINES
Elk Grove Village, Ill.
Marketing Personnel

J.R. Zeeman, exec vp-mktg & planning
J.E. Ruhaak, vp-adv & promo
J.C. Blackman, vp-genl sales mgr

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Savvy
Breaking Through To the Top
how to dress right
REDBOOK
New Woman
Ms
WOMEN—A NEW SUPERPOWER?

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ESSENCE
ESSENCE WOMEN MEAN BUSINESS

D.C Moonjian, vp-mktg mgmt
C.D. Bowers, acting vp-mktg mgmt

Advertising Personnel

W.F. Alenson, dir-adv & promo
A.E Sortwell, mgr-adv
W.D. Groundwater, mgr-adv
R.A. Veatch, mgr-promo
S.B. Weiss, mgr-Mileage Plus

Advertising Agency

Leo Burnett USA—United Airlines—Jim Thompson, vp-acct dir; John Goad, vp-acct super; Jack Woods, Bud McCullen, acct supers; Joe Baskin, Mike Arnold, Dave Palmer, Cara Rosengarden, Jim Dotter, acct execs.

WESTIN HOTELS
Seattle, Wash.

Marketing Personnel

William Newman, senior vp-mktg
David Evans, vp-group sales
Ulrich Schwartz, vp tour, travel & incentive sales
Ron Olstad, vp corp sales
Harvey Cannova, mgr-reservations system
Jim Weiss, mgr-travel industry sales

Advertising Personnel

R.D. LaRue, dir-adv & pr
Barbara Sand, adv mgr
Michele Holter, asst to dir-pr

Advertising Agencies

Cole & Weber, Seattle—some Westin Hotels, publicity—Jim McFarland, vp-publicity.

DYR, Los Angeles—Westin Hotels corp—David Willoughby, exec vp-genl mgr.

The second 100 leading national advertisers by rank ($000)

Rank	Company	Advertising
101	Matsushita Elec. Corp.	$42,572.5
102	Hallmark Cards	40,333.0
103	Estee Lauder Inc.	39,600.6
104	Thompson Medical Co.	39,302.9
105	G.D. Searle & Co.	39,271.0
106	Dayton-Hudson Corp.	37,947.2
107	Mercedes-Benz of N. America	37,940.1
108	Southland Corp.	37,027.5
109	Dow Chemical Co.	36,943.9
110	Jeffrey Martin Inc.	36,775.2
111	MCI Communications Corp.	36,084.1
112	Hattori Corp. of America	35,572.5
113	A.H. Robins Co.	35,544.0
114	Ciba-Geigy Corp.	35,303.5
115	Federal Express Corp.	34,866.9
116	Brown-Forman Distillers	34,667.5
117	Whirlpool Corp.	34,256.8
118	Commodore International	34,244.4
119	Triangle Publications	33,326.6
120	Helene Curtis Industries	33,265.7
121	20th Century-Fox Film Corp.	33,163.5
122	E&J Gallo Winery	32,887.7
123	Imasco U.S.A.	32,554.5
124	Household International	32,366.9
125	Sony Corp. of America	32,285.7
126	Citicorp	31,970.1
127	Tambrands	31,832.6
128	Rapid-American Corp.	31,284.9
129	Polaroid Corp.	31,260.2
130	State of Florida	31,008.0
131	Mennen Co.	30,971.4
132	Block Drug Co.	30,894.5
133	United Biscuits Ltd.	30,748.0
134	Hiram Walker Resources	30,483.5
135	Federated Department Stores	$30,279.0
136	North American Philips	29,965.6
137	MGM/UA Entertainment Co.	29,771.5
138	Black & Decker Corp.	29,533.7
139	National Distillers & Chemical	29,200.4
140	ConAgra	29,190.3
141	American Dairy Assn.	29,112.1
142	SmithKline Beckman Corp.	28,841.3
143	Scott Paper Co.	28,547.0
144	American Stores Co.	28,251.2
145	Borden	28,116.8
146	Southwestern Bell Corp.	27,877.8
147	MasterCard International	27,845.9
148	Pan American World Airways	27,644.3
149	Chevron Corp.	27,040.1
150	Shell Oil Co.	26,499.0
151	Reynolds Metal Co.	26,048.5
152	Subaru of America	25,397.2
153	Exxon Corp.	25,591.3
154	Prudential Insurance Co.	25,405.2
155	BMW of North America	25,371.2
156	Tr[illegible]sworld Corp.	25,085.5
157	C[illegible]-Revell	24,947.5
158	Chesapeake Financial Corp.	24,837.1
159	Texas Instruments	24,831.7
160	Safeway Stores	24,527.9
161	Geo. A. Hormel & Co.	24,448.0
162	Texaco	24,320.9
163	NCR Corp.	24,244.1
164	Wang Laboratories	24,035.5
165	Carter-Wallace	23,822.5
166	Republic Airlines	23,818.4
167	Castle & Cooke	23,734.0
168	Denny's Inc.	23,724.0
169	DeBeers Consolidated Mines	$23,703.7
170	Atlantic Richfield Co.	23,538.5
171	Anderson, Clayton & Co.	23,449.3
172	Hewlett-Packard Co.	23,247.0
173	Sandoz	23,245.6
174	Lucky Stores	23,115.0
175	Kroger Co.	22,991.1
176	G. Heileman Brewing Co.	22,981.3
177	Texas Air Corp.	22,947.3
178	Alberto-Culver Co.	22,864.6
179	Volvo Cars N.A.	22,722.8
180	BellSouth Corp.	22,329.3
181	Pacific Telesis Group	22,184.5
182	Sharp Electronics Corp.	22,112.0
183	Cadbury Schweppes	21,986.7
184	Coleco Industries	21,679.2
185	May Department Stores Co.	21,598.8
186	Atari Corp.	21,159.7
187	Blue Bell Inc.	21,101.3
188	Visa International	21,039.7
189	F.W. Woolworth Co.	20,977.5
190	Marriott Corp.	20,756.1
191	Monsanto Co.	20,616.5
192	Walt Disney Productions	20,246.5
193	Jerrico Inc.	20,200.8
194	Amoco Corp.	20,078.5
195	Orion Pictures Corp.	20,057.9
196	Transamerica Corp.	20,043.3
197	NYNEX	20,011.1
198	Blue Cross & Blue Shield	19,984.6
199	Firestone Tire & Rubber Co.	19,881.5
200	Avon Products	19,821.5

RANK 26

U.S. Government

Washington

($ figures = 000,000)

Worldwide/U.S.	1984	1983	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Advertising	288	235	22.7

Congress may moan about the rising federal deficit, but its concern hasn't been reflected in government ad spending, which last year leaped 22.7% to an estimated $287.8 million, making the government the nation's 26th largest advertiser.

That spiraling increase in the government's ad budget seems likely to continue. The three main advertisers—the military services, Amtrak and the USPS, whose combined budgets represent four-fifths of the government total—all will spend more this year and will likely have even bigger budgets in 1986, depending on Congressional politics. Amtrak's future as a quasi-goverment agency is still under debate.

Adding another huge chunk to last year's spending was the Treasury Department's $40 million Olympic coin sales program, which raised $65 million in donations for the Olympic games committee. Next year, Treasury intends to spend as much as $30 million to promote Statue of Liberty coins. Proceeds from those sales will go toward restoring the 100-year-old landmark.

Spending to bring in new military recruits had dropped slightly in 1983, but rose 8% this year to $166.3 million. Pentagon ad personnel estimate they will spend $191.5 million this year and have asked for $228.5 million in 1986.

While they believe advertising of the various services has been successful in the last three years—recent high school graduates are signing up in large numbers—Defense marketers are frightened that the dwindling pool of 18 to 22-year-old males signals trouble ahead. Many government officials predict recruiting will become more difficult by 1987.

So, they have convinced Congress bigger ad budgets are necessary to reel in recruits. Their efforts may be given a boost with a new GI education bill which went into effect July 1. Education is one of the main draws for high school graduates, and the new bill promises recruits larger chunks of money for college.

The Army, which also has increased its own college education fund, expects to benefit most from the new program, while other services say it may have only a marginal effect on their recruiting efforts.

The Pentagon's spending looks like this for 1984/85:

- The Army (N W Ayer, New York), the biggest spender, had a $90.5 million budget, up from last year's $85.1 million, with $6.5 million going to the Army Reserve Officers Training Corps and $16.2 million for the Army Reserve. It will spend $93.5 million in 1985, and seeks $116.2 million next year.
- The Navy (Ted Bates Advertising, New York), $13.1 million, down 20.6%. The Navy regained ground this year with a $20.8 million budget.
- Marine Corps (J. Walter Thompson USA, Washington), $16.8 million; $17.25 million in 1986.
- Air Force (D'Arcy MacManus Masius, New York), $16.1 million; $16.85 million in 1986.
- Army National Guard, $8.4 million; $12.6 million and Air National Guard, $2.3 million; $2.6 million in 1986 (both Needham Harper Worldwide, Washington).
- The military's joint service advertising, via Grey Advertising, New York, dropped 5.7% to $18.2 million in 1984 and will be $17.6 this year, but it has asked for $21.3 million in 1986. It will spend more money on network tv buys, rather than in magazines, where most of the other services' money goes.
- The Coast Guard (Thomas Buffington & Associates, Washington), $926,000; $762,500 in 1986. The Coast Guard is hardest hit because of its affiliation with the Transportation Department, which has been hurt by budget cuts. Guard officials expect to miss their recruiting goals by 30% this year, a situation only slightly alleviated by a 68% re-enlistment rate.

The Postal Service (Young & Rubicam, New York) had perhaps one of the largest budget increases, a hefty 41%, to $42 million in 1984. An estimated $18.7 million in measured media, a nearly $2 million increase, went to promoting its Express Mail overnight delivery service. The service delivered 43.9 million pieces of overnight mail in 1984, producing revenue of $489.9 million, increases of 19.3% and 16%, respectively. This year a new campaign aimed at corporate users broke in magazines and newspapers.

The USPS, which expects a total ad budget of $46 million this year, also promotes stamp-collecting, a business which last year had sales of $188.6 million. Other parts of the budget went to international express mail and E-Com, the electronic message service which went out of business this September.

The post office declined to break down its budget by categories because of the fierce competition among overnight delivery services, led by Federal Express with the USPS placing second in volume handled.

Amtrak (Needham Harper Worldwide, New York), which saw its ridership rise a healthy 4.8% in 1984 to 19.9 million, rolled in with a 25% hike, to $26.3 million, even though it changed neither its advertising strategy nor its campaign, "All aboard Amtrak."

New paid ad campaigns which began last year include General Services Administration's $2 million promotion to sell off unwanted government buildings such as the $45 million Hamilton Air Force Base in Marin County, Cal. Kennedy-Wilson, Santa Monica, Cal., a real estate advertising firm, handles.

The U.S. Travel and Tourism Administration finally had $1.2 million of its 1984 budget freed up to promote the U.S. this year, although the fate of the program remains tied up in Congress. The outlook, say officials of the program, is clouded.

A test print campaign, via N W Ayer, New York, is scheduled to break in Germany this fall.

Other paid government campaigns, however, are being phased out. The Federal Crop Insurance Corp. spent $1.7 million in 1984, but will spend only $500,000 this year and in 1986 will let private insurance companies inform farmers about federal insurance programs.

The U.S. Treasury stopped advertising for gold medallions and spent only $110,000 to promote gold and silver coin sales.

Efforts by Transportation secretary Elizabeth Dole to launch a four-year, $80 million seatbelt safety awareness campaign quietly died in Congress this spring. Transportation officials earlier this year issued a request for proposals from agencies, but now say the program will not be revived. Instead, the department will spend $495,000 on a public service campaign via the Advertising Council.

The U.S. Export-Import Bank abandoned plans to advertise its services to small businesses after promotions in test markets resulted in few, if any, inquiries.

Public service campaigns last year added only $7.9 million to the total budget, with few new efforts launched last year. The National Cancer Institute, part of the National Institute of Health, spent $329,000 on the first phase of a cancer prevention program, including tv spots warning against sun exposure.

The Food & Drug Administration spent $200,000 on a Reyes Syndrome information campaign and $150,000 on patient education. Fish & Wildlife Service spent $25,000 to promote the 50th anniversary of the duck stamp.

Some government agencies have increased their budgets.

The National Heart, Lung and Blood Institute this year signed a three-year, $2.1 million contract with Needham Porter Novelli, Washington, to spend as much as $200,000 more a year on its high blood pressure awareness campaign.

The Ad Council's revenue in 1984 dropped dramatically, to $2.4 million from $3.8 million. The non-profit organization will likely not regain that ground, because an April 1 change in contracting rules now makes it more difficult for government officials to hire the Ad Council instead of a for-profit agency.

New Ad Council campaigns include the Social Security Administration, which began with a $4,000 research program. This year, the council also picked up a $496,000 effort for seatbelts for NHTSA, but it also lost its $228,000 campaign for Treasury's direct deposit $228,000 campaign. Treasury asked for bids for the program, but now says it will not likely have any funding next year.

The Council retains long-time clients Smokey the Bear (Foote, Cone & Belding), the Peace Corps (Ted Bates), and Employee Support of the Guard and Reserves (D'Arcy MacManus Masius).

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	11,497	11,548
Magazines	40,043	25,499
Network cable	131	
Spot tv	16,591	16,258
Network tv	92,697	30,063
Spot radio	7,572	5,679
Network radio	8,633	9,393
Outdoor	1,290	1,474
Total measured	178,453	99,815
Total unmeasured	109,354	134,790
Estimated total	287,807	234,604

U.S. GOVERNMENT
DEPARTMENT OF DEFENSE
Washington, D.C.

Marketing Personnel

Lawrence J. Korb, asst secretary-force mgmt & personnel
James H. Webb, asst secretary-reserve affairs
Steve Sellman, dir-accession (recruiting) policy

U.S ARMY/ARMY RESERVE

Marketing Personnel

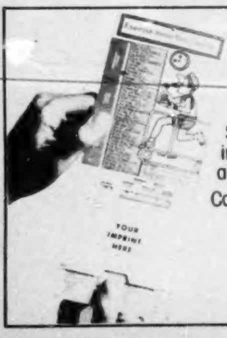
Devert Spurlock, asst secretary for man power & reserve affairs
Lt. Gen. Robert M. Elton, deputy chief of staff for personnel
Lt. Col. James Simon, dir-mktg & adv

Advertising Agencies

N W Ayer, New York—Army, Army Reserve—George Eversman, exec acct dir; Lamarr LeMonte, mgmt super; James Stone, acct super—active Army; Ephraim Goldstein, acct. super—strategic planning and rsch; Richard May, mgmt super; David Harris, acct super—Army Reserve; Phoebe Moore, acct super—direct mktg & pr; Richard Tobin, acct super—Army field force.

Lockhart & Pettus, New York—Minority Recruiting—Ronn D. Harris, senior vp.

Sosa & Assoc., San Antonio—Army Hispanic Recruiting—Lionel Sosa, president.



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Promotional Slideguide Corp.
Box D9532
33-49 Rockwell Place
Brooklyn, NY 11217

Staff personnel

Maj. Gen. Jack O. Bradshaw, commanding general, U.S. Army recruiting command
Maj. Gen. Allen K. Ono, commanding general, U.S. Army recruiting command
Col. Donald Borden, dir—adv & sales promo, U.S. Army recruiting command

U.S. ARMY ROTC

Marketing Personnel

Maj. Gen. John P. Prillaman, deputy chief of staff-ROTC, U.S. Army Training & Doctrine Command
Col. Michael C. Schmidtman, chief-adv & media div

Advertising Agency

N W Ayer, New York— Army ROTC—George Eversman, exec acct dir; Lamarr LeMonte, mgmt super; Wm. P. Kelly, acct super—ROTC.

U.S. NAVY

Marketing Personnel

Capt. L.A. Halye, dir-recruiting adv
Cdr. Allen Sherwood, dir-adv operations div

Advertising Agency

Ted Bates Advertising, New York—Navy—Jack Costello, mgmt rep; Mark Morris, exec vp; Dennis Zolnierzak, acct dir.

U.S. MARINE CORP.

Marketing Personnel

Brig. Genl. J.R. Joy, dir-personnel procurement div
Col. C.E. McDaniel, dir-personnel procurement div
Lt. Col. J.T. Luken Jr., head-mktg branch
Maj. David J. Turner, head-mktg branch

Advertising Agency

J. Walter Thompson USA, Washington—Marines—Michael Greene, group acct dir; Jeff White, mgmt super; Hal Chase, acct super.

U.S. AIR FORCE

Marketing Personnel

Brig. Gen. Robert L. Rutherford, commander, U.S. Air Force Recruiting Service
Brig. Gen. William J. Porter, commander, U.S. Air Force recruiting service
Col. Melvyn Cummings, dir-Air Force recruiting adv & publicity

Advertising Agency

D'Arcy MacManus Masius, New York—U.S. Air Force—Steven Seiter, exec vp-acct group dir; Dan Cole, vp-mgmt super; John Roth, vp-acct super; Jim Bridges, business mgr; Shari Bleir, acct exec; Doug Laughlin, acct super; Jim Bridges, business mgr; Shari Bleier, acct exec.

NATIONAL GUARD

Marketing Personnel

Lt. Col. Norman Goldstein, Chief, National Guard Bureau Advertising Support Center
Lt. Col. Durward M. Rushforth, Chief, Army National Guard Recruiting & Retention Management Center
Lt. Col. Larry W. Martin, Chief, Air National Guard Recuiting & Retention Branch
Lt. Col. Robert Baxter, Chief, recruiting & Retention Mgmt Center

Advertising Agency

Needham Harper Worldwide, Washington—National Guard—Fred Jaffke, acct dir; Tim Labus, acct super Army Natl Guard; Al Cockrell, acct super, Air Natl Guard; Carl Henderson, field force super.

TRANSPORTATION DEPT
(Coast Guard)

Marketing Personnel

Capt. Gary F. Van Nebel, chief, recruiting division
Lt. Cmdr. Charles Winfrey, chief, recruiting adv branch
Lt. Cmdr. Philip G. Matyas, chief, recruiting adv branch

JOINT RECRUITING

Marketing Personnel

Lynn Lucchetti, dir
Maj. Yolan Laporte, USAF, chief, joint adv operations
Maj. John Schlegel, financial mgmt officer
Capt. George Last USMC, program adv mgr
Lt. I. Ortiz, USMC, program adv mgr

Advertising Agencies

N W Ayer—Bill Blumer, acct super, ROTC; Dave Clark, Vivian Niemann, acct supers, active Army; James Hanzlik, mgmt super; David Harris, acct super, Army reserves; Nancy Erickson, acct super-dir mktg; Tom Ford, acct super for pr.

Grey Advertising—joint recruiting program—John G. Marder, mgmt rep; Harvey Robinson, mgmt super; Gary Niebauer, mgmt super; Robert Ravitz, mgmt rep; Len Susman, acct super; Peter Johnson, acct super; Sherman Landwehr, senior acct exec.

U.S. POSTAL SERVICE

Marketing Personnel

William Morison, asst postmaster genl-customer services
John Wargo, dir-commercial mktg
Gary Stevens, mgr-adv services branch
Gordon Morison, asst postmaster genl-customer services

Advertising Agency

Young & Rubicam, New York—Bud Hall, mgmt rep; Richard Kebbon, Bill McGorry, Terry Pranses, acct supers; Jay Foley, Jack Lipton, Josh Moritz, acct execs.

AMTRAK

Marketing Personnel

William S. Norman, exec vp-mktg & business devel
Robert E. Gall, vp-transportation mktg, sales & adv
William Castleberry, dir-adv & sales promo

Advertising Agency

Needham Harper Worldwide, New York—Roy Lancaster, senior vp-mgmt rep; Warren Ruden, mgmt rep; Sharon Teal, Cheryl Wright, acct supers.

TREASURY DEPT.
BUREAU OF THE MINT

Marketing Personnel

Dean Mitchell, exec dir-Olympic Coin Program, Olympic medal sales
Francis Frere, asst dir-mktg, U.S. Gold

Advertising Agency

D'Arcy MacManus Masius, New York—Poppe Tyson, president-acct super; Charles McConnell, project dir; Jim Bridges, business mgr; Fergus O'Daley, acct super.

RANK 17

Unilever U.S.

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	18,760	19,140	-2.0
Net income	583	558	4.3
U.S.			
Sales	3,606	3,119	15.6
Operating profits	220	203	8.4
Advertising	396	326	21.5
Division sales			
Margarine/dairy	5,149	4,850	6.2
Other foods	5,044	5,214	-3.3
Detergents	3,889	4,031	-3.5
Personal products	1,036	1,047	-1.0
Chemicals	1,505	1,437	4.7
Paper/plastic/pkg.	566	626	-9.6
Animal feeds	1,035	1,417	-27.0
UAC International	1,001	1,179	-15.1
Plantations/other	690	798	13.5

During 1984, Unilever U.S., New York, dug deep into its pockets to support a plethora of new products, particularly those in its largest U.S. division, Lever Brothers. National spending in advertising climbed 21.5% over 1983, to an estimated $395.7 million, making Unilever U.S. the nation's 17th leading advertiser.

Combined sales of the three major companies attached to Unilever U.S.—Lever Brothers, Thomas J. Lipton Inc. and National Starch & Chemical Corp.—climbed 15.2% to $3.8 billion in 1984. Net earnings rose 6% to $133.4 million.

Unilever B.V, the Netherlands' parent, in mid-September, 1985, made a move to expand its U.S. holdings by seeking to buy Richardson-Vicks, Wilton, Conn. The offer amounted to $54 a share, or $1.24 billion. The offer was rejected by Richardson-Vicks, which markets Vicks cough drops, Clearasil acne treatment and Vidal Sassoon shampoo.

The move demonstrated Unilever is not only on the prowl for expansion, but also is moving into the market as an unfriendly suitor. The company took over Brooke Bond tea merchants in Britain in a hostile takeover in the fall of 1984 and reportedly had given R-V preoffer assurances it would not engage in an unfriendly takeover. R-V took the cash offer, judged fair in most financial quarters, as hostile.

Lipton reported earnings of $71.3 million on sales of $1.1 billion, a 10.5% and 13.1% jump, respectively. Sales at National Starch rose 11.3% to $842.6 million. Improved cost-control measures helped push up earnings 17.7% to $55 million.

Sluggish earnings at Lever, however, held down total results. Lever's earnings dropped from $14.6 million in 1983, to $7.1 million for the same period in 1984, on sales that were up 15% to $1.8 billion. Despite the downturn in profits, it was only the second year since 1977 that Lever showed a profit.

Unilever is not holding back in advertising for Lever and others. Measured spending for its three U.S. divisions was up 21.6% to $226 million in 1984. The company also spent an additional $169.7 million in unmeasured advertising, up 22% from 1983. The unmeasured primarily included spending on point-of-purchase, coupons and direct mail.

A rash of new product launches and intensified ad support for existing brands put a crimp in Lever's earnings. Lever made a gutsy midyear decision to accelerate the launch of a crop of new products, including Sunlight automatic dishwashing detergent, Snuggle fabric softener and Surf laundry detergent. During 1984, Lever made its greatest marketing push to date against archrival Procter & Gamble in several household products areas.

Lever's Wisk liquid laundry detergent, backed with $18.4 million in measured media spending, held on to its top spot in the liquid segment of the detergent market with a 9% share. It also held a second-place spot in the total detergent business behind P&G's Tide powder. To capitalize on the strong Wisk name, Lever is planning a Wisk powder version.

The company fired another salvo with its new Surf powder. This is Lever's shot at gaining share in standard-density powders, the largest segment of the $3 billion heavy-duty laundry business. In its Houston test market, Surf, backed with $1.6 million measured spending, grabbed an impressive 13% share. The ad pitch for Surf is that it removes laundry odors. P&G liked the theme so much it borrowed it in its campaign for unscented Tide.

Backed with a $2.8 million measured spending budget, Lever set out to steal share away from P&G's Downy and Bounce fabric softeners. According to New York-based Salomon Brothers analyst Hugh Zurkuhlen, Snuggle has garnered about a 10% to 20% share and has eroded P&G's hold on the category. Lever's push for Sunlight automatic dishwashing detergent helped pull P&G's Cascade to less than a 50% share for the first time in years. A spending budget of $11.6 million helped Sunlight liquid light-duty detergent steal share from P&G's Joy, Ivory and Dawn. It ended the year with an 8% share.

In bar soaps, heavier spending behind Dove ($12.8 million in measured media), Caress ($8 million in measured media) and Shield ($7.3 million in measured media) helped increase Lever's total share of market from 18.5% in 1983 to 24% in 1984. Although Dove remains its biggest brand, Shield was able to carve out a 3.5% share and Caress a 4% share of the soap business, according to Mr. Zurkuhlen.

The toothpaste war was a bit rougher for Lever. "Lever was hit hard in toothpaste," Mr. Zurkuhlen says. "Share for Aim dropped to 10% while Close-Up came in at 6%." The decline in Aim's market share—it once controlled 14% of the market—hurt the most. Recently, Lever shifted the $20 million Aim account from Ogilvy & Mather, New York, to SSC&B. Lever called the move a consolidation, but many industry observers believe it was designed to provide Aim with a needed shot in the arm. Aim has a reported 9% share in the market, and Lever Bros.' Close-Up holds 8%.

Lever increased spending in 1984 on Signal mouthwash 37.5% to $4.4 million in an effort to score higher than a 10% share of the mouthwash business.

Lever also found itself up against some heady competition in the haircare market. The company's Dimension shampoo and conditioner line (backed with $15 million measured media) met up with eight other new product launches all vying for a chunk of the $3 billion market.

Dimension shampoo lost share during 1984, dropping from a one-time high of 6% to 3.6% at year's end. In the first quarter of 1985, Dimension's share dipped to 2.6% in supermarkets, according to Diana Temple, an analyst with Salomon Brothers, New York. In 1985, Lever will begin its assault on the botanical end of the shampoo business with Timotei, a brand Unilever currently sells in Norway, Sweden and Switzerland. J. Walter Thompson USA handles the account with the theme, "So mild you can wash your hair as often as you like."

Body sprays, a category Lever pioneered in the U.S., did not pan out to be the $100 million category industry suppliers had hoped for. In 1984, body sprays grew to only $65 million in sales. The flattening of the market hurt Impulse's total share, which dropped from a one-time high of 3.5% to 2.4%, according to Ms. Temple. Lever lowered its spending on Impulse—to reflect the market trend—by 17.6% to $6.1 million.

Unilever completed its acquisition of Shedd's Food Products during 1984, and those products were incorporated in Lever's food business. The foods division, aided by the strength of Shedd's Country Crock brand, achieved its first profit in 10 years.

Measured spending for Shedd's was $6.1 million. Shedd's joins Lever's Mrs. Butterworth's syrup and Imperial margarine as Lever food brands. Spending was down for Mrs. Butterworth's from $2.7 million in 1983, to $2.5 million. A new Imperial light margarine was launched. Imperial was backed with $2.3 million of measured spending, up 15% from 1983.

Lipton was also active on the new products front. Early in 1985, the company introduced decaffeinated beverages including an instant tea, sugar iced tea mix and a NutraSweet decaffeinated version. During 1984, Lipton continued to put heavy media dollars—$17.3 million measured—into teas to retain its dominant position. Lipton continued to market its popular instant soup mixes and introduced a new line of International Soup Classics.

Wish-Bone salad dressings received a face lift and a new ad pitch last year. The packaging now includes a tamper-evident seal, while the new campaign encourages consumers to "Give salads their fondest wish." Last year, Lipton sank $5.4 million of measured media into Wish-Bone. This year, Lipton is testing Wish-Bone Country Inn refrigerated spoonable dressing.

Two big launches falling under Lipton's Sunkist logo are Fun Fruits, bite-sized chewy fruit pieces, and Sunkist Light, a NutraSweet enhanced powdered drink. In total, Lipton backed its Sunkist products with $5.2 million of measured spending in 1984.

In addition to its shift of the Aim account, Lever shuffled Impulse body spray from JWT, New York, to SSC&B, New York. Thompson was assigned to handle Dimension and the new Timotei shampoo and conditioner.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	3,141	4,589
Magazines	18,688	13,020
Network cable	1,004	909
Spot tv	59,122	55,789
Network tv	142,982	110,303
Spot radio	1,034	336
Network radio	0	683
Outdoor	0	46
Total measured	225,970	185,775
Total unmeasured	169,730	140,000
Estimated total	395,700	325,775

UNILEVER U.S.

390 Park Ave.
New York, N.Y. 10022
(212) 688-6000

LEVER BROS. CO.

Marketing Personnel

Richard C. Butler, dir, Lever media group

Household Products Division

Marketing Personnel

Andrew Seth, mktg vp
John R. Speirs, dir-mktg
Shelly A. Bigelman, mktg mgr-bar soaps
John A. Turner, mktg mgr-hard surface cleaners
George T. Mayer, mktg mgr-laundry care
David B. Sharp, mktg mgr-laundry additives
George J. Franzen Jr., sales vp
Edward L. Kiefhaber, genl sales mgr
Gloria B. Deragon, mktg rsch dir
Nancy S. DeKraker, dir-promo services

Personal Products Division

Marketing Personnel

Patrick J. Choel, mktg vp
Stephen B. Galasso, mktg mgr-hair, skin, oral
Eugene C. Marotta, mktg mgr-oral hygiene
Paul E. Regan, sales vp
Patrick J. Peters Jr., genl sales mgr
James D. Clokey, mktg rsch dir
Carl J. Napor, promo planning dir

Foods Division

Marketing Personnel

John O'C. Nugent, mktg vp
Michael E. Bauer, Robert A. Forrester, Celene Varasano, mktg mgrs
Leonard C. Giambrone, sales vp
Lynn Johnson, mktg rsch dir

Special Markets Division

Marketing Personnel

Gerald V. Batti, vp
E. Russell Sherwood, mktg dir
James J. Barone Jr., genl sales mgr, armed forces, domestic
Thurlow C. Morgan, genl sales mgr, civilian markets
S. Ray Marks, sales planning dir

Industrial Division

Marketing Personnel

Conrad W. Petersen, genl mgr
Riley N. Stone Jr., mktg mgr
Harold W. Jackson, sales mgr-detergents & toiletries
Joseph P. Kysel, mgr-detergent & chemical prod
David L. Gershman, sales mgr-government accts

Advertising Agencies

BBDO, New York—Wisk, Sunlight dishwashing detergents, Caress bar, Lux liquid, Signal mouthwash, Mrs. Butterworth's syrup, selected brands in Puerto Rico for Special Markets div—Margaret Evans, mgmt super; Amy Ross, acct super; Lauren Abbe, acct exec; Gretchen Hoffman, asst acct exec.

McCann-Erickson, New York—Promise margarines—Pat Higgins, acct super; Linda Luca, acct dir; Marsha Badanes, senior vp-mgmt rep; Jeff Owens, asst acct exec.

Moss & Co., New York—military market, Hawaii, Alaska & Guam for Special Markets div—Harry Rhiengold, acct super.

Ogilvy & Mather, New York—Dove bar, Final Touch fabric softener, Imperial margarines, Surf detergent. Imperial—David Mechlin, vp-mgmt super; Michael Edmeades, acct super; Gale Sprecter, acct exec. Dove—Jerry Lantz, vp-mgmt super; Pat Pilkonis, acct super; Lea Boyar, acct exec. Final Touch—Jerry Lantz, vp-mgmt super; Sally Luce, acct super; Meryl Pearlstein, acct exec. Surf—Amy Kroninger, acct super; Steve Kennedy, acct exec.

Richard Lewis Corp., Scarsdale, N.Y.—industrial & institutional prod—Richard Byer, president.

SSC&B, New York—Concentrated All, Liquid All, Dishwasher All, Shield, Lifebuoy soaps, Snuggle fabric softeners, Aim & Pepsodent toothpastes, Impulse body spray, Pepsodent & Life Line toothbrushes, Autumn margarine, selected brands in Puetro Rico for Special Markets div. Aim—Tom Eley, mgmt super; Bill Vitriol, acct super; Sarah Bell, acct exec. Impulse—Tom Eley, mgmgt super; Dorothy Cohen, acct super; Deborah Burke, acct exec. All—Claire Berkeley, mgmt super; Russell Nype, acct super; Tom McDermott, acct exec. Snuggle—Claire Berkeley, mgmgt super; Nancy Korda, acct super; Susan Janetta, acct exec. Shield—Claire Berkeley, mgmt super; Russell Nype, acct super; Irene Little, acct exec.

Stone & Simons, Southfield, Mich.—Shedd's spread, Country Crock spread—Howard Dembs, super; Doug Stone, Lori Young, acct execs.

Sudler & Hennessey, New York—professional programs—Wayne Traub, vp-acct super.

J. Walter Thompson USA, New York—Close-Up toothpaste, Dimension shampoo & conditioner, Timotei shampoo. Close-Up—Steve Dworin, senior vp-mgmt dir; Bea Lothrop, vp-senior acct super. Dimension & Timotei—Steve Dworin, senior vp-mgmt dir; Bill Gross, vp-senior acct super; John Mittnacht, acct exec.

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Marketing Personnel

Dolph W. von Arx, exec vp-genl mgmt group
James W. Benson, senior vp-mktg
Gerald B. Boycks, vp-beverage div
Anthony L. Franke, vp-foods div
Edmund Ladendorff Jr., vp-mktg support
Elwood L. Qualls, vp-genl mgr, Broker, Products & Special Markets div
Max J. Ballard, genl mgr-Good Humor
Peter Newton, genl mgr-foodservice
Anthony G. Montuori, dir-sales promo & coord
Vivian Bruno, dir-mkt rsch
Bruce Hoenig, dir-media services
Theodore Labiner, dir-creative services
David P. Bell, dir-prod mgmt, soup & recipe prod
Allen L. Carlson, dir-prod mgmt, new beverages projects
Daniel Morrison, dir-prod mgmt, frozen & chilled prod
Arthur P. Gonis, dir-prod mgmt, regular & specialty teas
Richard P. Kundrat, dir-prod mgmt, meals, side dishes & new prod
Angelo LaMantia, dir-prod mgmt, condiments & snacks
Gregory G. Knoll, dir-prod mgmt, convenience teas

Advertising Agencies

Bozell & Jacobs, Chicago—Lipton Noodles & Sauce, Lipton Rice & Sauce, Pennsylvania Dutch Egg Noodles, Knox Gelatin—Michael Peroff, senior vp-mgmt super; Sven Welander, acct super.

Dailey & Associates, Los Angeles—Lawry's Foods—Stephen Chabre, genl mgr-coo; John Hartig, acct exec.

Foote, Cone & Belding, New York—Wish-Bone salad dressing, Sunkist juices, Sunkist Fruit Rolls, Sunkist Fun Fruits—David M. Roethgen, vp-mgmt dir.

Matsumoto-Herzog Inc., Los Angeles—Lawry's Restaurants—Robert Herzog, acct exec.

Albert Jay Rosenthal & Co., New York—foodservice—Marvin Haas, mgmt super.

SSC&B, New York—teas, Cup-A-Soup, Good Humor ice cream—Harold Rover, vice chmn; Donald Linton, Edward Parker, senior vps-mgmt supers; Brad Majors, Robert Nadelman, Nancy Poor, Jody Wiethoff, vp-acct supers.

Young & Rubicam, New York—Lipton Soup Mix—John Hatheway, exec vp, group dir; Edward Concannon, vp-acct super; Cathy McCarthy, acct exec.

Union Carbide Corp.

RANK 78

Danbury, Conn.

($ figures – 000,000)

	1984	1983	% chg
Worldwide			
Sales	9,508	9,001	5.6
Net income	323	79	308.9
U.S.			
Sales	6,766	6,189	9.3
Operating profits	677	416	62.7
Advertising	93	89	4.2
Division sales			
Petrochemicals	2,636	2,551	3.3
Industrial gases	1,522	1,361	11.8
Metals/carbon prods.	977	1,024	-4.6
Consumer prods.	1,907	1,895	0.6
Specialty products	2,486	2,170	13.7

For Union Carbide Corp., the 78th largest national advertiser with estimated ad expenditures of $93 million in 1984, up 4.2% over the previous year, 1984 was a year of extremes—substantial increases in sales and net income on one hand and tragedy in Bhopal, India, on the other.

Sales for the Danbury, Conn.-based company in 1984 were $9.5 billion, a 6% increase from 1983, and net income was $323 million, a substantial increase from $79 million in 1983. The immediate effect of the disastrous chemical leak in Bhopal, India, on Dec. 3, 1984, showed up in reduced earnings as the company took $18 million from the net income figure to cover operating, distribution and administrative costs incurred and anticipated relating to the accident.

The company took major steps to shore up its business performance in 1984-85 through reorganization at the company and job eliminations. The company also took efforts to thwart takeover attempts by parties accumulating Union Carbide stock, which has shot up because of takeover rumors and because of Carbide's announced plan to purchase its own shares.

Although 80% of Carbide's sales are in industrial products and technology services, the consumer products division, accounting for 20% of sales, is responsible for virtually all of the company's advertising. Division products include Eveready and Energizer battery products, Glad bags, Prestone antifreeze and Simoniz wax and car products. Revenues from consumer products were a little more than $1.9 billion, up less than 1% from 1983. The company realized 23% of its operating profit from consumer products in 1984, down from 32% in 1983.

The weak performance of the company's consumer products segment reflected a 5% drop in international sales. Domestic consumer product sales were up 4% from 1983, despite a 4.5% drop in measured domestic advertising expenditures.

The December accident at the Bhopal pesticides plant, which killed more than 2,000 people, cost the company more in bad publicity than it apparently did in strictly financial terms, at least in the short run. Officials set aside $17.6 million for initial expenses involved in coping with the disaster, but still reported earnings of $13 million in the fourth quarter of 1984.

However, recent signs have been more ominous. Revenues in the first quarter of 1985 dropped 9% from the first quarter of 1984, to $2.2 billion. The second quarter results also were down 6.2%, to $2.3 billion.

Analysts say, however, that Bhopal is not a factor in the financial decline. "The entire industry is down," says Leslie C. Ravitz, a vp at Salomon Brothers, New York. "There's been a significant erosion in petrochemicals, and U.S. productivity in general has been going nowhere in the past 10 or 11 months. Union Carbide's performance is about on par with the rest of the industry."

U.S. contribution to 1984 Union Carbide sales was $6.8 billion, or 71% of corporate sales, while U.S. profits were $677 million, 69% of total profits.

Measured ad expenditures in the U.S. last year totaled $50.6 million, down from $53.1 million in 1983, with tv accounting for 72% of the total, or $42.1 million. The decline in measured spending was accounted for in tv outlays, which dropped $3.1 million.

Union Carbide put the biggest share of its tv advertising budget into its Eveready products—almost $21 million for both spot and network. The company's new line of Energizer halogen flashlights, introduced last fall, was promoted with a $1.6 million tv budget, virtually all of it on network.

Among Union Carbide's unmeasured advertising estimate of $43 million in 1984 were efforts in the Summer Olympics, in which the company was designated exclusive supplier of flashlights and batteries. Union Carbide also financially supported several U.S. teams.

Media receiving year-to-year increases were spot radio, which had advertising of $3.6 million, up 28.6%; farm publications for Union Carbide agricultural chemicals, $2.2 million in 1984, up 28%, and outdoor, $1,000 in 1984 vs. zero expenditure in 1983. In all other measured advertising categories Union Carbide spent less in 1984 than in 1983. Magazine ad expenditures were down 47%; network cable, 21%; spot tv, 32%; network tv, 4%, and network radio, 3%.

The Eveready line represented about 44% of total measured advertising in 1984, or $22.2 million, with $18.9 million of that going to network tv and almost $1.3 million for newspaper supplements.

The second largest consumer product advertising budget was for Glad bags, for which Union Carbide spent $13.2 million, down from slightly more than $14 million in 1983. Again, the biggest share of that went for network tv. New products introduced in 1984 included a Glad cling wrap and a redesigned Glad disposer bag using fewer resins, made from Union Carbide's linear low-density polyethylene.

Prestone antifreeze advertising also dropped slightly to $7.4 million in 1984 from $7.5 million in 1983. The company says Prestone II's market share increased, even though prices were up. Prestone's market share was estimated at 53% in 1984, and later rose one or two percentage points. Brian Corvese, analyst with Drexel Burnham Lambert of New York, expects the share to rise more in 1985 because Dow chemical stopped producing competitor, Dowguard. The No. 2 share was held by Peak, put out by Northern Petroleum.

For Simoniz automotive products, Union Carbide spent $927,000 in advertising in 1984, down almost 50% from 1983. According to the company, sales of Simoniz products were hurt by a market swing to lower-priced waxes, but the products' over-all market position did not change.

Simoniz, with a 10% to 12% of the market, ranks third or fourth after Turtle wax of Turtle Wax Inc. at No. 1 and Du Pont's Rain Dance at No. 2.

The Bhopal incident, however, haunted Union Carbide, which replaced the president of the agricultural products division, Robert Oldford at his own request (the division has authority over the pesticides plants in Bhopal and Institute, W. Va., where there also have been leaks). Mr. Oldford, responsible for operations at the Institute plant, has taken other assignments.

The agricultural products division has been included in a reorganization of the company's chemicals and plastics businesses.

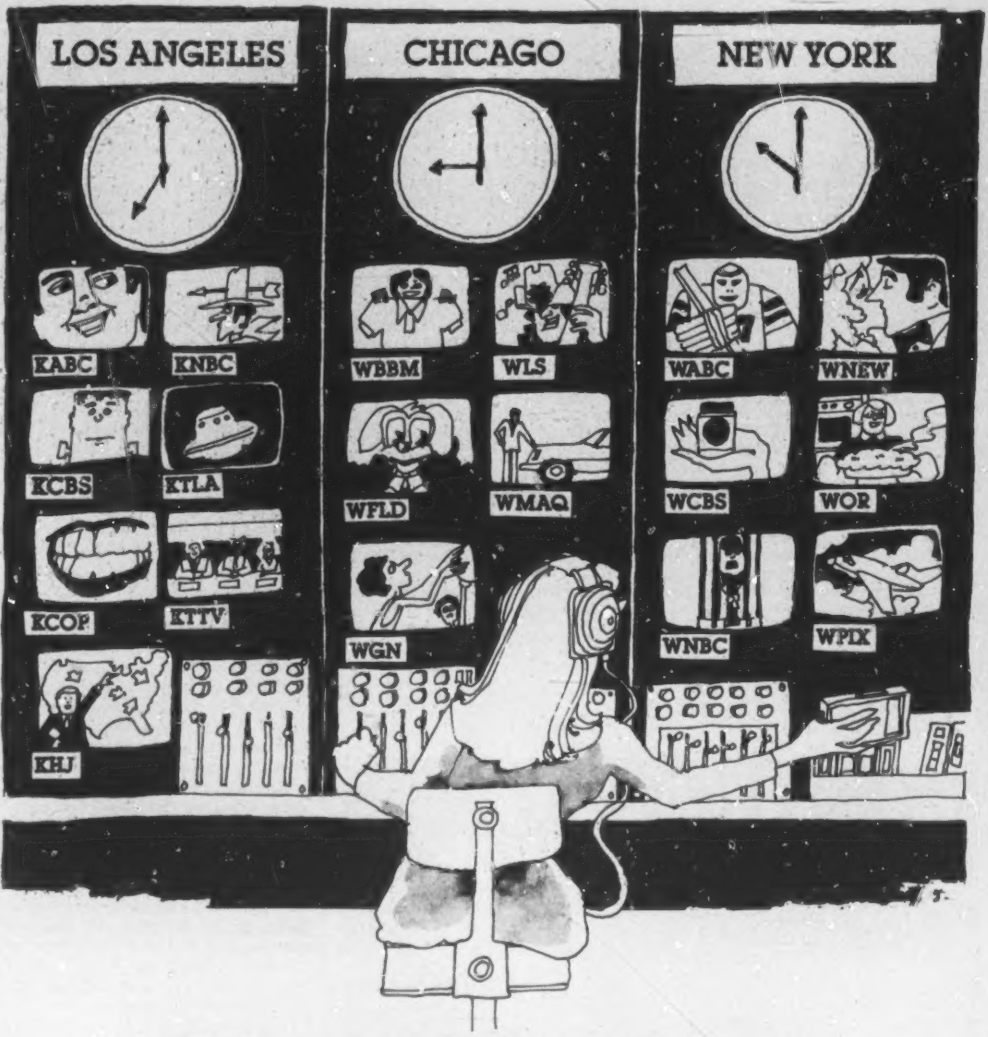
Announced in late August, 1985, it involved the consolidation of diverse units within the divisions and the elimination of 4,000 jobs by early 1986, many of those in the Danbury corporate headquarters. Analysts believe the consolidations will make it easier for Carbide to sell or close some business lines.

The company also has been moving rapidly in buying back its own stock. In late August, it announced a plan to buy 10 million of its 70.5 million shares. Such a move, typical of companies facing takeover, increases a company's earnings per share, raises the share value and ultimately makes a takeover more expensive. This came at the time GAF Corp. disclosed it had increased its holdings in Carbide stock from 7.1% to 9.9% with intent to possibly merge.

Although Union Carbide historically has sought its major revenues from petrochemicals and its metals and carbon products division, the former faces a worldwide overcapacity, and the latter has been hurt by its dependence on the long-ailing American steel industry.

In recent years, Union Carbide has been concentrating investment in its industrial gases, consumer products, and technology, services and specialty products division.

Union Carbide also is moving to divest itself of unproductive holdings. Besides closing the Bhopal plant, it indefinitely closed a major petrochemical facility in Puerto Rico and completed the sale of its interest in a Swed-



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However, operations did begin in 1984 at an ethylene glycol plant in Alberta, Canada, as did an oxo-alcohol facility at Carbide's Texas City, Tex., plant. It announced this year that it will build a plant in Ohio to produce resins used in making plastic products.

Carbide paid $78 million to Beatrice Cos. for STP Corp., the Boca Raton, Fla., company that makes oil and fuel additives. STP had measured ad spending in 1984 of $5.5 million, up 31% from 1983, according to LNA. STP reported sales of $97 million in 1984. Its products will fit in with other aftermarket Carbide products, Simoniz and Prestone.

In one major 1984 marketing move, Union Carbide moved its $2 million home products account from Leo Burnett USA, Chicago, to SSC&B:Lintas New York.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,649	1,803
Magazines	376	715
Network cable	419	531
Spot tv	2,985	4,420
Network tv	39,088	40,716
Spot radio	3,581	2,847
Network radio	291	300
Outdoor	1	0
Farm pubs	2,210	1,723
Total measured	50,599	53,054
Total unmeasured	42,401	36,199
Estimated total	93,000	89,253

UNION CARBIDE CORP.
39 Old Ridgebury Rd.
Danbury, Conn. 06817-0001
(203) 794-2000
Marketing Personnel
Corporate

J.W. Goetz, dir-corp communications
E.J. O'Keeffe, dir-headquarters operations

Divisions

W.J. McDermott, dir-adv & sales promo, home auto prod
G.D. Klein, mktg mgr-adv, battery prod div
D.A. Koss, super-mktg communications, electronics div, components dept
J.S. Witemeyer, mgr-communications, silicones urethane intermediates div
J.D. Secor Jr., dir-communications, Linde div
P.J. Lavelle, mgr-communications, specialty polymers composites
W.E. Mainella, mgr-communications, specialty chemicals div; solvents & coatings materials div, UCAR emulsion systems
P.A. Hiznay, mgr-communications, ethylene oxide/glycol div
L.A. Agnello, dir-communications, polyolefins div & unipol systems
E. Jusko, mgr-communications, engineering & technology services div
R.A. Mariani, mgr-communications process systems & services, catalysts & process systems div
James F. Haskins, mgr-communications agricultural prod
John Crane, mgr-communications, metals div
D.C. Kaminsky, mktg communications mgr, molecular sieves, catalysts & process systems div
R.W. Badger, mktg communications mgr, cyrogenics equipment, engineering prod div
C.R. McKinsey, mgr-mktg services, coatings services, engineering prod div
P.A. Liptrot, mktg services, electrode systems div
Mark Miller, mktg communications mgr, engineering prod & process div

Advertising Agencies

Ally & Gargano, New York— Simoniz car waxes & Prestone car care prod—Dennis Visich, mgmt dir; Louis Killeffer, vp-acct super.

Bozell & Jacobs, New York—corp issues —Dave Venghaus, mgmt super.

Leo Burnett USA, Chicago—automotive prod—Bill Haljun, mgmt dir; Mike Miller, vp-acct super; Michelle Kristula-Green, Warren Guthrie, acct execs, Glad prod; Hank Feeley, mgmt dir; David Smith, acct super; Tim Ronan, acct exec, Prestone Anti-Freeze.

Downs Group, Charlotte, N.C.—electronics div—Tyler Glen, acct exec.

William Esty Co., New York—battery prod div—Harold Greer, senior vp-mgmt super; Randolph Mercien, senior vp-senior acct super; Whitney Beebe, vp-acct super; William Gibbons, Donald Gahan, John Owen, acct execs.

Fletcher/Mayo/Associates, Atlanta—agricultural prod div—Dennis Eilers, acct super.

Fulton & Partners, New York—Linde div —Joseph Rinaldi, exec vp-acct super.

Garrison Jasper, Rose & Co., Indianapolis—coatings service, cyrogenic equipment, engineering prod, Linde div—Tom Jasper, Jim Gray, acct execs.

The Highland Group, Southport, Conn.— Ethylene oxide/glycol div— Bob Heintz, vp.

J.P. Hogan Inc., Knoxville, Tenn. —chemicals & plastics—R.J. Luedeka, vp-acct super.

Manning & Associates, San Diego—materials group electronics div—Donald S. Manning, acct mgr.

Marquardt & Roche, Stamford, Conn.— engineering prod & processes—Bill Hinds, acct exec.

Mintz & Hoke, Avon, Conn.—molecular sieves, catalysts & process systems div—Joseph M. Hoke, president-creative dir; Dale Kesel, exec vp-genl mgr.

Needham Harper Worldwide, New York —chemicals, plastics, carbon fibers—H.F. Berteau, acct super; Abby Mann, acct exec.

Ogilvy & Mather, Atlanta—agricultural prod div (specialty markets)—Ed Brown, acct super.

Poppe Tyson, division of D'Arcy MacManus Masius, New York—chemicals, Linde div—Roy Duffus, vp-acct super; F. Messner, Howard Gauvain, Diane Frattine, G. Miknich, acct execs.

STG Marketing Communications, Fairfield, Conn.—electrode systems div— George Crosby, vp-acct super.

Van Munching & Co.

RANK
100

New York

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	350	N/A	N/A
Net income	9	N/A	N/A
Advertising	59	39	50.8

Van Munching & Co., New York, was the 100th largest national advertiser in 1984 with estimated national advertising of $59 million, an increase of 50.8% over 1983.

The major boost in advertising was attributed to the introduction of Grizzly beer at a measured ad cost of $6.2 million—all in spot radio, and to a 47% increase in measured spending for Amstel Light to $14.7 million, and an increase of 31% in Heineken measured spending to $28.7 million.

Advertising was weighted heavily toward spot radio, in which Munching spending soared to $30.7 million, up 110% from the previous year.

At a time when domestic beer sales are slowly moving at a 2.5% growth rate, imports continue to thrive—the category increased 16.8% in 1984. Van Munching is in good shape with its market leader, Heineken. Amstel Light and Grizzly Canadian Lager are both growing forces in the field.

Industry sources attribute as much of the company's success to Van Munching's work ethic as to the products themselves.

Leo Van Munching Jr., who succeeded his father as company president in 1980, takes a hands-on operating approach to the company that keeps employes—from top executives to distributors—on their toes.

But his success as a manager is not surprising. Mr. Van Munching trained for many years watching his father operate in much the same fashion, which established the Van Munching style as intense, smart, thorough and enormously successful.

Leo Van Munching Sr. had been awaiting his opportunity to enter the U.S. beer market, and on Dec. 6, 1933 —the day after prohibition ended—he got his chance. With his wife, two children and 25 cases of Heineken, he headed for the States. His mission: to win the hearts of America with the Dutchmen's favorite beer.

Van Munching & Co. was incorporated as the exclusive U.S. importer for Amsterdam-based Heineken in 1946. The private company in 1984 had estimated sales $350 million and aftertax profits of $9 million.

Cash shipments at Van Munching grew to 32.2 million in 1983 (1984 figures have not been released), according to "Impact," an industry newsletter published by M. Shanken Communications, New York. Heineken in 1984 accounted for about 34% of total import shipments of 87 million cases. Imports shipments between 1973 and 1983 enjoyed an annual annual growth rate of 18% per year.

Heineken's import share in 1984, however, slipped from 37% the previous year, losing the couple of points to German beers such as Beck's and St. Pauli Girl. It still holds a comfortable lead over No. 2 Molson, which has a 15.9% share of the market.

As other foreign brewers have recognized the opportunities for success in the import category, the competition has mounted. Most importers stepped up their ad budgets, but none to the extent of Van Munching, whose accounts are handled by SSC&B, New York.

Van Munching spent a measured $28.5 million on Heineken in 1984 and $14.7 on Amstel Light. Molson, the next biggest importer, spent a measured $11.5 million on its Molson brands in 1984.

Both Van Munching and Molson spend heavily on spot radio. Van Munching's total measured ad budget allotted 61.9% to the medium, while Molson put 79.1% of its measured advertising into spot radio.

Van Munching's approach to promoting Heineken has been to communicate its implied import quality, and to ascribe to it a special mystique. Since 1981, Heineken's ads have carried the theme, "Come to think of it, I'll have a Heineken."

Although a member of the SSC&B team has explained that "the real challenge is for other beers to differentiate themselves from Heineken," Van Munching is by no means relying solely on the momentum that propelled Heineken into its No. 1 position to keep the company on top. Over the last few years the company has expanded its product line to include Amstel Light, introduced in 1981, and Grizzly beer, Van Munching's entry into the fast-growing Canadian Lager category. Grizzly was introduced in 1984 with a $6.2 million splash on spot radio.

Responding to consumer interest in low-calorie alternatives, Van Munching in 1981 introduced Amstel Light as the first premium imported light beer. The timing came on the tail end of the light beer explosion (industry growth figures dropped from double digit annual growth rates in the 1970s to 4.9% in 1983). But Amstel Light in four years has become the No. 1 imported light beer and the No. 10 imported beer over-all. The brand has also tripled its sales—from 300,000 cases in 1981 to 1 million cases last year—the bulk of growth occurring from 1982-1983 according to *Market Watch*, which monitors the industry.

Additionally, there is speculation that the popularity of Amstel Light has contributed to the slight falloff in Heineken market share.

Amstel remains one of the most supported imported beers by any importer, with $11.5 million of its $14.7 million total spending going into spot radio. The company says it plans continued budget increases.

The brand's SSC&B-created campaign, "95 calories never tasted so imported, 'til they imported Amstel Light," debuted only in radio and print, later moving into tv in 1984. The popular theme will be maintained in the coming months.

Of late the Van Munching entry to watch is Grizzly Canadian Lager. Van Munching introduced Grizzly in 1983 during the rise in popularity of Canadian lagers spurred on by the success of All Brand Importers' Moosehead Bear—now the No. 4 import.

And Moosehead isn't the only Canadian lager faring well in the U.S. Three of the top five imported beers hail from Canada: No. 2, Molson which showed 10% growth in 1983; No. 4, Moosehead, which charted 18% growth; and No. 5, Labatt's which showed 7% growth. In total, the three held 28.1% of the total import market in 1983.

Originally Grizzly, billed as "the bear of beers," was geared to a college-age market, younger than that of Amstel Light or Heineken. Its humor-laced radio spots, built around a "Grizzly encounters" theme, featured characters ranging from stockbrokers to Valley Girls describing their first, strange encounters with Grizzly. They ran primarily on young adult radio stations. Supporting print ads picturing the shadow of a large grizzly billed the product as "the new party animal."

Recently, however, Van Munching has rethought its focus. New Grizzly spots are being aimed at an older more established segment. The bulk of advertising will still be done on radio, however. This year's campaign spending, is not expected to come close to the $8 million to $10 million that All Brands plans to spend on Moosehead in 1985.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	321	2,712
Magazines	6,218	5,280
Network cable	0	248
Spot tv	8,828	5,532
Network tv	3,004	2,895
Spot radio	30,651	14,604
Network radio	548	1,645
Total measured	49,570	32,916
Total unmeasured	9,400	6,200
Estimated total	58,970	39,116

VAN MUNCHING & CO.
1270 Avenue of the Americas
New York, N.Y. 10020
(212) 265-2685
Marketing Personnel

Leo Van Munching Jr., president
John McAna, vp-natl sales mgr
Alvin Nilson, adv mgr

Advertising Agency

SSC&B, New York—Heineken, Amstel Light, Grizzly Canadian Lager—John Grogan, exec vp; Rick Evans, vp-mgmt super; Peter Foulds, vp-acct super, Heineken; Gerry Meagher, acct exec, Heineken; Ron Ossip, asst acct exec, Heineken; Elaine Malave, budget coord; Robert Rosenthal, acct super, Amstel Light, Grizzly; Steve Amos, acct exec, Amstel Light, Grizzly.

Volkswagen of America

RANK
75

Troy, Mich.

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	16,364	14,364	2.1
Net income	82	-77	206.5
Advertising	103	113	-8.8

Volkswagen of America, Troy, Mich., a subsidiary of Volkswagen AG, Wolfsburg, West Germany, reduced its U.S. advertising spending in 1984 by 8.7%, to an estimated $103 million, making it the 75th largest national advertiser.

A sustained economic upturn and continued profitability of the company's VOA division in the U.S. helped the company to return to the profit column in 1984 as it netted $81.8 million in income on $16.36 billion in sales. This compared with a loss in 1983 of $77.1 million on sales of $14.36 billion worldwide.

Sales and earnings for both 1984 and 1983 were converted from DM to dollars at the rate of DM2.79=U.S.$1.

In 1984, Volkswagen AG delivered 2,147,706 vehicles worldwide, a 1.6% sales increase, in spite of short supplies caused by a seven-week strike last summer by metalworkers in West Germany. VOA sales in the U.S. rose to 248,523 units, a jump of 15.9% over a year earlier.

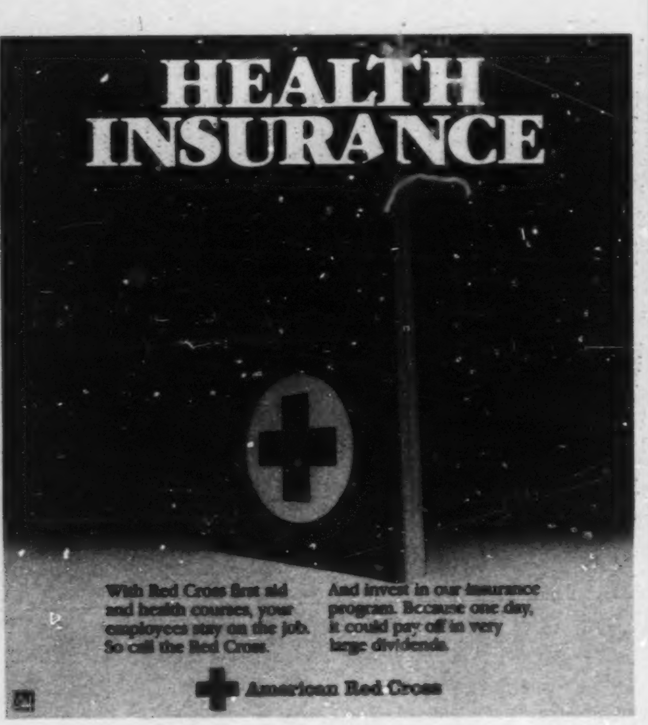
Phasing out the Rabbit from production at VOA's Westmoreland, Pa., assembly plant also ate into available supplies. But total domestic sales of 73,838 Rabbits and the Golf models at Westmoreland helped meet demand in 1984, along with sale of 103,479 imported units last year, up from 77,009 units in 1983.

These sales gave VOA a 6.7% unit share of the import market, up from 6.4% in 1983, and a 2.3% share of the total U.S. auto market, same as 1983.

VOA moved up to a 2.5% share on sales for the first six months of 1985. The second half of 1984 saw production of the new Golf started up at the Westmoreland plant. In mid-November the new U.S.-built Golf and the new imported Jetta were introduced in the U.S. VOA's 1984 import sales consisted of 37,997 for the best-selling Jetta, up from 22,017 in 1983; 18,646 for the Quantum, up from 16,485; 17,251 for the Scirocco, from 13,703; 18,025 for the Vanagon, from 15,191; and 11,559 for the Rabbit convertible, marketed since the beginning of 1985 as the Cabriolet, from 9,613.

VOA had projected sales of the imported Vanagon at 25,000 for 1984 and reportedly had doubled its Vanagon ad budget over 1983 spending.

Two new models in the VW 1985 product line, the new Jetta sedan (priced at $7,975 for five-speed two-door sedan) and the Golf coupe



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BP-85

($6,790 for five-speed diesel, and $6,990 for the fuel-injected model), were on the receiving end of the biggest introductory budget in the company's history. Both got strong emphasis on their German heritage as VW attempted to shed its image as "the Rabbit Car Co.," with the upscale Jetta getting about 60% of the ad budget.

Measured media figures for 1984 found a major portion of VOA ad expenditures devoted to the Jetta, a total of $14.6 million, with the spending evenly divided between network tv and magazines. Budget for the new Golf in measured media was $9.6 million, $5.8 million for tv and $3.5 million for magazines.

The Audi models, which account for 0.7% of the U.S. market, had the support of $16 million in measured media, with about $8.7 million devoted to the Rabbit and $5 million for the Quantum.

Use of tv in 1984, according to measured media, remained virtually unchanged from the previous year, with spot at $16 million and network at the $22 million level. Magazines, however, registered a $4.4 milion drop in 1984, to $33.5 million, from $37.9 million in 1983.

Unmeasured media, say VOA marketers, consisted of heavy involvement in motor sports activity and sponsorship of promotional caravans to Super Vee races; direct mail merchandising program, and collateral, point-of-sale and dealer advertising materials.

The new U.S.-built Golf and the imported Jetta were introduced in November. The Golf is positioned as the "gold standard" in the hatchback segment of the subcompact market against the Honda Civic, Renault Encore, Mazda GLC and Ford Escort-Mercury Lynx. The Jetta will compete against the Mazda 626, Honda Accord, Ford Tempo and Mercury Topaz.

Ad spending for the eight-week introductory campaign began in November, 1984, and for pre-launch teasers came to more than $26 million, up 20% over the entire fourth quarter of a year earlier. Another substantial expenditure was budgeted for the introduction of the new Golf GTI in January.

With production of the elderly Rabbit halted at VOA's Westmoreland, Pa., plant in June, sales emphasis shifted to its replacement, the Golf (Golf as in "Golf Strom" or German for Gulf Stream), an entry which is expected to boost VW's fortunes in this country. The company hopes to ride the Golf to a 3.5% share of the U.S. market by the end of the decade. The Jetta and the Golf represent 75% of VOA's 1985 offerings in the U.S., compared with 50% for VW worldwide.

Ads for the upscale Jetta two-door five-speed sedan ($7,975) got a new line—"The affordable German road car." The Golf convertible, recently named the Cabriolet, ($11,595 for the five-speed), borrowed the old Chevrolet theme with "See the U.S.A. in a Cabriolet." One tv spot showed a Golf with a driver flying into the driver's seat, much like the old Hertz commercials. But the old tag line, "It's not a car. It's a Volkswagen." was continued for another year to also be used in ads for the GTI, Quantrum, Scirocco, Cabriolet and Vanagon models.

Ads for the U.S.-made GTI, priced at $8,990, also pointed out the car's selection as the *Motor Trend* domestic 1985 Car of the Year. The GTI, like the new Golf, is made at VW's plant in Pennsylvania.

Tv ads for the 1985 introductions broke in November on CBS-TV's mini-series "Ellis Island." Except for this and "60 Minutes," all other programing buys consisted of sports, mostly football coverage. In addition to the network tv, which received 55% of the budget, national magazines came in for a 41% allotment, with the remainder of introduction expenditures going into newspapers, outdoor advertising and telemarketing.

Another 1985 entry was the Jetta GLI, a 100-hp version of the restyled Jetta (priced at $9,995 for the five-speed four-door), which was introduced with little support, mainly with word-of-mouth, a few magazine ads and no tv. VW sales executives expect to sell 20,000 GLI models, about 20% of the 100,000 Jetta sales forecast for 1985.

In mid-1985, VW introduced three of its limited Wolfsburg Edition models—the Scirocco, the Cabriolet and the Vanagon camper—which received the last gasp of the company's advertising for the model year. The mid-year introductions had the support of newsweeklies and outdoor magazines, a print-only campaign.

The end of August, 1984, saw the end of the distribution agreement between Porsche and VOA, a $9 million annual marketing effort formerly handled by the VOA Porsche-Audi division. Loss of the Porsche advertising is reflected in the reduced ad expenditures reported for VOA in 1984.

The company underwent a reorganization in September, 1985, in which Volkswagen AG set up a direct reporting tier called Volkswagen U.S. Inc. Under this umbrella sits Volkswagen of America Inc. and Audi of America Inc. The Audi division has mounted an aggressive drive to record a 25% increase—"85,000 in '85"—allowing the division possibly to overtake Mercedes as the best-selling German import in the U.S. For 1984 Audi sold more than 71,000 units, a 48.5% increase over 1983 and almost 40% more than its previous high of 50,817 units sold in 1981.

Audi sales gains were posted even with departure of Porsche, although most of Audi's 409 U.S. dealers continue to sell Porsches. Leading National Advertisers reported Audi's measured media spending for 1983 at $15 million, a figure that rose near the $20 million level in 1984 as Audi placed strong emphasis on models in a more upscale price range—the 4000-S Quattro five-speed four-door sedan at $17,450, the 5000-S five-speed wagon at $23,675 and the Quattro Turbo five-speed coupe at $35,000.

The upscale models took a portion of the 1984 ad dollars and again in 1985. But the face lifted Audi 4000 and 5000 models, which remain the bread-and-butter cars in the Audi lineup, accounted for the lion's share, or about $17.5 million, of the total $20 million 1984 ad budget.

Audi's 1985 advertising emphasizes the brand marque while setting up distinct roles for each model to help sort out previously confused car identities. At one point, earlier ads for the Audi 4000 had positioned it as a high-performance sports sedan as well as a fuel-stingy family sedan. "The art of engineering" remains the main ad theme.

The smaller 4000 was marketed on its performance, and a 4000-S Quattro tv spot focused on functional driver benefits, such as fulltime 4WD. One of few traditional glamor shots of the revamped 4000 carried the headline "The understatement of the year."

The 1985 marketing plan also saw Audi step up significantly its use of a variety of unmeasured promotional media, including support of local dealer council ad efforts, direct mail and an owners magazine, "The Spirit of Audi," which debuted in December.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	11,051	9,947
Magazines	33,515	37,902
Network cable	139	382
Spot tv	16,236	16,922
Network tv	22,034	22,170
Spot radio	843	2,980
Outdoor	774	4
Total measured	84,592	90,320
Total unmeasured	18,418	22,562
Estimated total	103,000	112,882

VOLKSWAGEN OF AMERICA
888 W. Big Beaver
P.O. Box 3951
Troy, Mich. 48007-3951
(313) 362-6000

Marketing Personnel

James R. Fuller, vp-Volkswagen United States Inc.
Peter Fischer, vp-Audi of America Inc.
Richard Marcy, mgr-Volkswagen mktg, VW, U.S.
Anthony Kirton, mgr-Audi mktg Audi of America
William A. Geigota Jr., mgr-Volkswagen adv, VW, U.S.
Bruce Butzier, Volkswagen, mgr Audi adv
George Pizzo, Audi creative adv mgr

Advertising Agency

Doyle Dane Bernbach, Troy, Mich.—Robert Ross, president; Al Steiner, senior vp-mgmt super, VW; Willie Hopkins, senior vp-mgmt super, Audi; Sal Triano, vp-acct super, VW; Lawrence Wallace, vp-acct super, Audi; Ron Ragginger, vp-acct super VW; Jack Cooney, vp-acct super, Audi; Peter Tounder, senior acct exec, VW; Ron Zarowitz, acct super, VW.

RANK 40

Warner Communications

New York

($ figures — 000,000)

Worldwide	1984	1983	% chg
Sales	2,024	1,720	17.4
Net income	-586	-417	40.5
U.S.			
Sales	1,737	1,366	27.2
Operating profits	224	148	51.3
Advertising	182	168	8.3
Division sales			
Film	1,080	840	28.6
Recorded music	818	796	5.8
Publishing/other	116	109	6.6

Warner Communications, New York, the 40th largest national advertiser, increased its advertising 8.3% to $181.7 million in 1984, however, divestitures of heavily advertised subsidiaries will likely cut deeply into spending levels for the media and entertainment conglomerate in 1985.

Warner's considerable sales have to do with selling off nonperforming units as well as zeroing in on its biggest and best-performing segment—entertainment.

In 1984, the company reported a net loss of $586 million, or 40% above losses in the previous year. This included $611 million in losses from discontinued operations. Total revenue increased 17% to $2.0 billion.

Ending the year with $830 million in debt, the company has been in a divestiture mode to rid itself of businesses not essential to its core operations and spin off unprofitable units.

The company also has trimmed executive and staff personnel, which has curbed corporate overhead costs by 50%. The divestitures:

- Divestitures were led by Atari, on which Warner spent $67 million of its corporatewide $81.7 million in nine measured media in 1984. Atari, a producer of home computer and home video games—the latter of which caused huge losses at Warner in the first half of 1984—was sold in June, 1984, to Jack Tramiel, former president of Commodore International, for $240 million in notes, with the option to buy up to 32% in the new company. Atari lost nearly $540 million in 1983.
- Franklin Mint, the world's largest direct marketer on which Warner spent $27.1 million in media in 1984, was sold to American Protection Industries for $167.5 million in cash and stock. Warner kept a 15% interest.
- Panavision, involved in the manufacture and leasing of photographic equipment used primarily in the motion picture and television industries, was sold for about $52 million.
- In March, 1984, Warner sold its cosmetics and fragrance division to Cosmair Inc. for $146 million; Warner Leisure, an 88.5%-owned subsidiary of Warner, halted the operation of 10 of its Gadgets restaurants; Warner disposed of controlling interest in the Cosmos Soccer Club, in July, 1984, and it sold its Pittsburgh Warner-Amex franchise to Tele-Communications Inc. (TCI) for $93.4 million.

All these efforts have begun to pay off. In the first half of 1985, Warner reported gains in both the first and second quarters. Earnings from continuing operations tripled in the first quarter, rising to $21.4 million; losses from Warner Amex shrank from $16.3 million to $4.4 million for the period (Warner and American Express hold a 50% share of Warner Amex).

In both quarters, the company cited the recorded music division as especially strong, as well as the filmed entertainment division. The broadcast and cable division also improved in the second quarter, with operating income at $356,000, compared with losses of $13.3 million in 1984.

Even with such high debt, Warner

The market and the media to ring up food store sales

The St. Petersburg-Tampa-Clearwater metro area is the super market of Florida. Not only is it the most populous and fastest growing major metro in the state, it is also the largest in food store sales … ringing up $2.4-billion in register receipts in 1984.

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has become a target for takeover. The latest in a long line of suitors has been Lorimar, the entertainment and advertising conglomerate that has been seeking media properties. Lorimar owns New York-based agencies Bozell & Jacobs and Kenyon & Eckhardt.

Lorimar, in a filing with the Federal Trade Commission in late August, 1985, reported it might buy up to 15% of Warner stock at a cost of about $312.5 million. There has been much speculation that Chris-Craft Industries is interested in buying out Warner as well. Chris-Craft holds about 29.4% of Warner stock, much of it bought with Warner encouragement to fend off an unfriendly takeover attempt of Warner by publisher Rupert Murdoch in 1983.

Amid such attempts by outsiders to buy up the company, it is thought that chairman-ceo Steven J. Ross, is seeking to go private.

Warner in early September took action to buy the half of Warner Amex cable system it does not own when partner, Amex, received an offer to sell the system for $900 million from Time Inc.'s American Television & Communications Corp. and TCI.

Warner, under the joint agreement, can match any offer Amex should receive.

It in effect, countered the ATC/Tele-Communications offer in its sale of its two-thirds ownership in MTV Network and its half-interest in Showtime/Movie Channel to major communications company Viacom (half-owner already of the latter). The sales agreement contained a clause for Viacom to buy out Amex's half interest in Warner Amex within three months, or by late 1985.

Warner had spun off MTV Networks (MTV and Nickelodeon) into a public company in February, 1984, placing one-third of its stock on the market. Both MTV and Nickelodeon are supported by advertising.

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In March, 1985, Warner agreed to buy back 5.6 million shares held by Mr. Murdoch's News International at a price of $180.6 million, or $31 a share, plus $8 million in legal fees. Warner's relationship with one-time white knight, Chris-Craft, however, has soured, and now Warner is looking to regain control of the shares held by Chris-Craft.

Even though 1984 was a poor year for most of the company, some divisions did well. The recorded music and music publishing division, with performers like Prince, Madonna and Phil Collins, reported that operating income rose 48% to $89.6 million and sales of $817.6 million, up 6.8%. A proposed merger of Warner's record division, which holds about 17% of the U.S. market, and PolyGram, was halted by an injunction requested by the FTC. However, in May, 1985, the Motown Record Corp. was approached as a potential buyer of Warner's record division.

Warner's filmed entertainment division claimed 1984 as the best year in its history. Operating income rose about 36%, to about $150 million for a 19% share of the domestic box office market. Sales were $1.09 billion, up 28.6%. It is doubtful that this performance will hold up in 1985. A glut of movies in the crucial summer months has intensified competition, although two of Warner Bros.' summer releases, "Mad Max III" and "Pale Rider," were relatively successful. A total of 25 movies are scheduled for release in 1985. Warner Bros. paid more than $47 million to advertise its movies in 1984, up about $10 million from 1983.

The biggest expenditure in measured media for new releases—and virtually all spending on movies is in network tv and spot tv—was $6 million for "Gremlins." The next largest outlay, $3.8 million, went to "City Heat." Both "The Little Drummer Girl" and "Protocol" received $3.5 million. "Tightrope" got $3 million.

In the $2 million to $3 million range was "American Dreamer," "Cannonball Run II," "Never Ending Story" and "Police Academy."

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	7,912	15,718
Magazines	18,616	25,609
Network cable	1,069	1,048
Spot tv	21,219	27,445
Network tv	31,524	2
Spot radio	1,317	2,249
Network radio	0	486
Outdoor	91	300
Total measured	81,749	72,856
Total unmeasured	100,000	95,000
Estimated total	181,749	167,856

WARNER COMMUNICATIONS
75 Rockefeller Plaza
New York, N.Y. 10019
(212) 484-8000

WARNER BROS.
Burbank, Cal.
Marketing Personnel
Sandy Reisenbach, exec vp-worldwide adv & publicity
Rick Kallet, dir-co-op adv
Joe Hyams, vp-publicity
Mardi Marand, vp-dir of media
Advertising Agency
Grey Advertising, New York—Don Foley, mgmt super; Len Fogge, acct super; Frank Pellegrino, acct exec.

WARNER BROS. TELEVISION
New York
Marketing Personnel
Marsha Greenberg, dir-adv & publicity
Doug Duitsman, vp-senior adv, publicity & promo exec
Ken Fournier, vp-adv, publicity & promo
Eric Frankel, dir-pay tv mktg
Stanley Solson, vp-pay tv mktg
Jeffrey Calman, vp-sales devel
Advertising Agency
Pearlman, Rowe, Kolomatsky, New York—Gerald E. Rowe, chmn

WARNER BROS. RECORDS
Burbank, Cal.
Marketing Personnel
Lou Dennis, vp-sales
Russ Thyret, senior vp-mktg
Tom Draper, vp-black music
Sophie Beauvy, ad dir
Adam Somers, vp-creative services & operations
Pete Johnson, vp-creative dir of adv
Howard Rosen, vp-promo
Vic Faraci, vp-country music mktg
Jeff Ayeroff, vp-creative mktg
Advertising Agency
Burbank Agency (in-house)—Sophie Beauvy, dir-adv.

ELEKTRA/ASYLUM RECORDS
New York
Marketing Personnel
Lou Maglia, exec vp-mktg
Randy Edwards, vp-creative services
Mike Bone, vp-promo
Greg Peck, vp-special markets
Dave Urso, vp-pop promo
Eddie Gilreath, vp-sales
Bryn Bridenthal, vp-publicity & artist devel
Bill Berger, vp-intl
Dave Cline, West Coast genl mgr, regional mktg mgr

ATLANTIC RECORDS
New York
Marketing Personnel
David Glew, exec vp-genl mgr
Mark Schulman, vp-adv
Sal Uterano, vp-sales
Larry Yasgar, vp-singles sales
Hank Caldwell, vp-black music mktg
James Gallo, dir-merch
Advertising Agency
East/West Advertising (in-house)—Marsha Green, media dir.

MTV NETWORKS INC.
New York
Marketing Personnel
David H. Horowitz, president-ceo
Robert W. Pittman, exec vp-coo
Domenick Fioravanti, senior vp-genl mgr, MTV: Music Television, Nickelodeon
Robert Roganti, senior vp-genl mgr, adv sales
Advertising Agencies
LPG Pon, subsidiary of Lois Pitts Gershon, New York—MTV—Dale Pon, president-LPG Pon; Dick Gerson, president-LPG; Leslia Fenn, acct exec.
Scali, McCabe, Sloves, New York—Movie Channel, Nickelodeon—Patrick Hillman, vp-mgmt super; Donald Jackson, acct super; Ann Allerhand, acct exec; Susan Gordon, Stella Barisic, asst acct execs.

WARNER BOOKS
New York
Marketing Personnel
Sol Himmelman, president
Dorothy Crouch, vp-genl mgr
Bill Shinker, vp-mktg
Advertising Agency
Publishers Advertising Associates (in-house)—Mark Greenberg, president.

WEA CORP.
Burbank, Cal.
Marketing Personnel
Robert Moering, natl dir-mktg services
George Rossi, exec vp-sales, promo
Russ Bach, exec vp-mktg devel
Skid Weiss, natl dir-communications
Barbara Burns, natl adv dir
Alan Perper, natl dir-product mgmt
Earl Sayles, dir-black music mktg
Jody Raithel, natl special projects coord
Fran Aliberte, dir-natl sales
Dave Mount, natl video sales mgr
Advertising Agency
WEA Advertising (in-house)—Barbara Burns, natl adv dir.

WARNER SPECIAL PRODUCTS
Burbank, Cal.
Marketing Personnel
Michael Kapp, president
Tony Pipitone, exec vp-treasurer

LICENSING CO. OF AMERICA
New York
Marketing Personnel
Robert F. Bell, exec vp
Leonard F. Reitner, dir-mktg
Advertising Agency
Ferber, Janklow, Chimbel & Bender, New York—Bruce Janklow, president.

WARNER HOME VIDEO
Burbank, Cal.
Marketing Personnel
Warren Leiberfarb, exec vp-genl mgr, worldwide
Gary Marenzi, dir-natl sales
Barbara O'Sullivan, vp-adv & promo

DC COMICS
New York
Marketing Personnel
Jenette Kahn, president-publisher
Paul Levitz, vp-operations
Bruce Bristow, mktg dir
Advertising Agency
Sanford Schwarz & Co., New York—Bernie Slotnik, adv rep.

MAD MAGAZINE
New York
Marketing Personnel
William Gaines, president

WARNER PUBLISHER SERVICES
New York, N.Y.
Marketing Personnel
Lee Rodgers, president
Pat Flaherty, vp-mktg
Mark Greenberg, vp-adv & pr
Advertising Agency
Publishers Advertising Associates (in-house)—Mark Greenberg, president.

LEISURE DEVELOPMENT CORP. OF AMERICA
New York
Marketing Personnel
Norm Elder, vp-mktg
Advertising Agency
Berenter, Elgort and Greenhouse, New York—Bill Berenter, acct exec.

Warner-Lambert Co.

Morris Plains, N.J.

RANK 13

($ figures = 000,000)

Worldwide	1984	1983	% chg
Sales	3,167	3,108	1.9
Net income	224	200	11.7
U.S.			
Sales	1,910	1,822	4.8
Operating profits	413	380	8.7
Advertising	440	346	27.3
Division sales			
Health care	2,303	2,247	2.5
Gums & mints	635	624	1.8
Other products	229	237	-3.4

Warner-Lambert, Morris Plains, N.J., marketer of popular over-the-counter brands like Rolaids, Listerine, Trident, Dentyne, Certs and Bubblicious, was the 13th largest advertiser with estimated U.S. advertising spending of $440 million in 1984, an increase of 27.3% over 1983 expenditures.

Warner-Lambert's measured ad spending increased 12.8% to $151.5 million, with nonprescription remedy products, gums and mints and the company's "other product" category—which includes Schick and other shaving products—reaping the ad harvest. Worldwide advertising and promotion totaled $607 million, up 2.5% from 1983, according to the company.

The company had total earnings in 1984 of $223.9 million, up 11.7% from 1983, on sales of $3.17 billion, up only 2%. The pattern continued in the first quarter of the current fiscal year as net income rose 11.1% to $60 million and sales edged upward to $795 million, a 2.3% increase over the corresponding period in 1984.

Although ethical healthcare products and prescription pharmaceuticals—sold in the U.S. under such trade names as Parke-Davis and Goedecke—represent 45% of the corporation's sales, little advertising was placed for these products in measured media. One of the few products getting measured support was Warner-Lambert's Lifestyle brand condoms. Thirty-second test spots created by J. Walter Thompson USA were aired on Columbus, O., radio stations and were expanded to cable tv and national radio.

Potential spending waits in the wings for Lopid, an anticholesterol drug now in use tests that may reduce the risk of a second heart attack by 20% to 40%. It could receive regulatory approval for that use by early 1986 if a four-year study of 4,000 men in Finland proves favorable. It is a potential $100 million market.

Warner-Lambert's over-the-counter products, including such widely known names as Gelusil, Rolaids, Bromo-Seltzer, Sinutab, Halls, Mediquell, Listerine and Efferdent, were paced in advertising spending by Listerine and Listermint mouthwashes, which got a 55% increase in ad spending in 1984 over 1983 to a combined $24.7 million. More than 80% of the outlay went to tv. The 105-year-old-Listerine, whose share of the combined total was $17 million, up 19.7%, increased its market share to a record 32% in 1984.

But Listermint slipped one notch in 1984 to No. 4 in the market behind Lever Bros.' Signal brand, the current No. 3. During the year, Warner-Lambert changed the Listermint formulation to fluoride and increased the brand's ad budget to $7.7 million.

Rolaids, Warner-Lambert's market leader in the antacid field with a 35% share of market, showed a 12% increase in measured advertising to $10.7 million, all of it in tv and radio. Split 30-second tv spots were used for the Rolaids and Efferdent denture products in 1984. Efferdent advertising itself dipped slightly in 1984 to $7.2 million from $7.3 million. Advertising for the cough suppressant tablet Mediquell, on the other hand, increased dramatically in 1984, to $6.9 million from $256,900, all on radio and tv.

With 20% of corporate sales in its gums and mint segments, Warner-Lambert puts big advertising dollars into such products as Dentyne, Certs, Chlorets, Chiclets, Trident, Ultramint and Bubblicious bubble gum.

Advertising for Trident sugarless gum and mints increased 17% in 1984, to $17.7 million, as Warner-Lambert faced a big advertising campaign by Wm. Wrigley Jr. Co.'s new aspartame-sweetened Extra gum. Trident gum is in a virtual dead heat with Wrigley's Doublemint as No. 1 seller in the $3 billion worldwide gum market.

Measured advertising for another top-of-the-market Warner-Lambert product, Halls cough tablets—with 55% of the market—remained almost constant at $7.1 million in 1984.

Schick and other shaving products are the major segments of Warner-Lambert's "other products" category, accounting for 7% of company sales in 1984. Although total Schick sales dropped off in 1984, Warner-Lambert is making a strong push for its 2-year-old Schick disposable razors, which are fighting Gillette and Bic products. A tv campaign for Schick disposable razors features San Francisco 49er quarterback Joe Montana, whom Schick officials hope will counter the Bic pitch by pro tennis star John McEnroe. Schick measured advertising in 1984 dropped 28%, despite the new ad campaign, to $5.9 million.

In Warner-Lambert's total measured media advertising in 1984, spending was up for all media except spot radio, which declined 19% to $1.3 million. Magazine was up 40%, to $10.1 million; network tv increased 16.6% to $87 million; network radio was up 4%, to $8.1 million, and cable increased 46%, to $2.9 million.

This year W-L's Joseph D. Williams was elected chairman-ceo. He was named to the ceo post in late 1984, succeeding Ward S. Hagan, who remained as chairman at the time. Mr. Hagan then retired in June, 1985, opening the door for Mr. Williams to step in.

In a major agency change in 1984, Warner-Lambert ended its longtime relationship with William Esty Co. for consumer products such as Clorets, Schick, Lifestyle and Personal Touch women's shavers. The accounts, totaling about $14 million annually, went to J. Walter Thompson USA and Ted Bates Advertising/New York.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	1,394	1,506
Magazines	10,148	7,266
Network cable	2,922	1,997
Spot tv	40,569	39,439
Network tv	86,976	74,639
Spot radio	1,340	1,661
Network radio	8,143	7,823
Total measured	151,493	134,329
Total unmeasured	288,507	211,221
Estimated total	440,000	345,550

WARNER-LAMBERT CO.
201 Tabor Rd.
Morris Plains, N.J. 07950
(201) 540-2000
Corporate Personnel
Joseph D. Williams, chmn-ceo
Melvin R. Goodes, president-coo
Robert J. Dircks, senior vp-chief financial officer

AMERICAN CHICLE GROUP
Marketing Personnel
John C. Carroll, president
Frederick E. Finlayson, vp-sales
Michael Soriano, dir-prod mgmt

Consumer Health Products Group
Marketing Personnel
Jay M. Gwynne, president
John F. Walsh, vp-prod mgmt
Theodore G. Schable, vp-sales
Advertising Agencies
Ted Bates Advertising/New York—Bubblicious, Halls cough tablets, Mediquell, Rolaids, Trident gum & mints, Efferdent, Effergrip, Suplical, Listermint—Larry Epting, exec vp; Mike Townsend, senior vp-mgmt rep; Tom Hedrick, vp-acct super; Cindy Rosenwald, Shelley Diamond, Carl Nichols, vps-acct supers.
J. Walter Thompson USA, New York—Chewels, Clorets, Listerine antiseptic, e.p.t., Sinutab, Lifestyle, Early Detector, Lubriderm, Schick shaving systems, Personal Touch women's razors—Jack Morrissey, senior vp-group acct dir; Jerry Gottliev, senior vp-mgmt super; Dolly Bodick, Andrew Neisser, Adele Fanalli, Elaine Etkin, acct supers.

Young & Rubicam, New York—Certs, Dentyne—Bill Thompson, group super; Tom Spangenberg, mgmt super; Arlene Frickner, acct super.

PARKE-DAVIS GROUP

Marketing Personnel

James E. Wavle Jr., president
Cal J. Cowles, vp-mktg
Donald A. Swanson, vp-sales
Harry F. Oberkfell, vp-mkt devel
Wayne L. Dickerson, group prod dir
Robert A. Anderson, group prod dir
Russ Moran, group prod dir, otc prod

Advertising Agencies

William Bologna International, New York—Steve Girgenti, exec vp; Frank Hughes, creative dir; Bill Butler, vp-acct super; Phyllis Kehoe, media dir; Joe Garamell, copy super; Mark McDowell, art dir.

Sudler & Hennessey (medical group), New York—Donald Masterson, exec vp-mgmt super; John Rinaldi, James Carlson, senior vps-acct supers; Wendy Mantel, Peter Christopher, Kathleen Jennings, acct execs; Pam Goldman, associate media dir.

Sudler & Hennessey (consumer group), New York—Arthur Rosen, exec vp-group dir, Hano Fuchs, senior vp-group creative dir; Walter Bernd, vp-acct super; Mark Merriman, acct super; Lisa Blumenstein, acct exec; Ken Kopas, media dir.

J. Walter Thompson USA, New York—Jack Morrissey, senior vp-mgmt dir; Jerry Gottlieb, senior vp-mgmt super; Anne Allen, Dolly Bodick, Marty Susz, acct supers; Peggy Yervanian, assoc media dir.

HEALTH TECHNOLOGIES GROUP

Marketing Personnel

Donald E. O'Neill, president
Kirk Merritt, vp-business plan & devel

DESERET MEDICAL INC.

Sandy, Utah

Marketing Personnel

Charles R. Krause, president
Michael S. Fleming, vp-U.S. mktg

Advertising Agencies

Baxter, Gurian and Mazzei, Beverly Hills, Cal.—J.J. Gurian, president.

Tom Ferguson Associates, Parsippany, N.J.—Tom Ferguson, president.

IMED CORP.

Marketing Personnel

John C. Sifers, president
Mark McKenna, dir-product mktg
C.E. Humphrey Jr., dir-natl field sales

Advertising Agency

Maher, Kaump & Clark, Hollywood, Cal.—Norman Maher and Bruce Kaump, principals & acct execs.

REICHERT SCIENTIFIC INSTRUMENTS DIVISION

Buffalo, N.Y.

Marketing Personnel

Paul Creager, president
Louis J. Rodino, dir-mktg & sales
Ron Bridge, genl mgr, fiber optics
Peter N. Kotsifas, mgr-medical mktg & sales
David A. McNally, mgr-industrial mktg & sales

Advertising Agencies

Casey Associates, Holyoke, Mass.—industrial fiber optics prod—Robert Sullivan, acct exec.

Faller, Klenk & Quinlan, Buffalo, N.Y.—scientific & ophthalmic instruments—Lawlor Quinlan, vp.

Legasse Associates, Walpole, N.H.—medical fiber optics prod—David Legasse, president.

Wendy's International

RANK 80

Dublin, O.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	945	720	31.1
Net income	69	55	24.4
U.S.			
Sales	945	720	31.1
Operating profits	69	55	24.4
Advertising	91	64	40.9
Division sales			
Retail sales	877	666	33.3
Royalties	62	50	24.9
Other	5	5	7.5

Wendy's International, Dublin, O., ranked as the 80th largest advertiser in 1984, with domestic ad spending rising 40.9% to an estimated $90.8 million, as the company achieved what it termed "one of the most successful years in its history."

That is a far too modest appraisal by almost any standard. In truth, the chain experienced one of the most successful years in the history of the restaurant industry as a result of successful new product introductions and a marketing program that became near legendary.

Systemwide (company and franchise-operated stores) sales rose 26% to $2.42 billion in 1983, while the number of restaurants operating rose only 12% to 2,992.

Systemwide average-unit volumes increased better than 13% in 1984, rising to $861,000. By contrast, average-unit volumes at industry leader McDonald's are higher ($1,264,000), but rose only 8% last year.

Some of Wendy's 1984 sales gain can be attributed to the five-variety line of "Hot Stuffed" baked potatoes introduced in November, 1983. That product line was met with skepticism in some corners when introduced, but analysts estimate the item accounted for perhaps 25% of per-store sales at the peak of its initial popularity early in 1984. Wendy's now sells more than 600,000 baked potatoes daily, and the item still represents between 10% and 15% of sales.

The successes of the "Hot Stuffed" potatoes and Wendy's "Garden Spot" salad bars, behind which the chain launched its first magazine advertising campaign, made the chain especially attractive to women. As a result, Wendy's customer base expanded demographically as well as numerically.

But it was one woman in particular who largely was responsible for Wendy's substantial sales gains last year. An octogenarian former beautician named Clara Pelier, who had never eaten in a Wendy's until last year, did more for the chain when she simply croaked, "Where's the beef?" than 14 years of previous advertising by Wendy's.

In the summer of 1983, Wendy's national agency Dancer Fitzgerald Sample, New York, and Chicago director Joe Sedelmaier had created a series of commercials depicting customers being "victimized" at "some other hamburger places." The indignities included using frozen beef or making customers wait in line while special orders were prepared.

To begin 1984, a second series of two new ads on the victimization theme were launched. Both featured bewildered customers asking the question, "Where's the beef?" when served small burgers on giant buns.

Mr. Sedelmaier and executives at Wendy's and DFS thought they had two memorable commercials on their hands. And they thought one line, "Yes, it is a big, fluffy bun," delivered by actress Mildred Lane (one of three elderly women featured in one spot), might catch on.

They had the right premonition for the wrong line. After a slow initial reception for the campaign, launched Jan. 9, Wendy's executives began receiving funny field reports. At Watterson High School in Columbus, O., students were chanting "Where's the beef? Where's the beef?" when opposing teams ran out at basketball games. A Denver radio station was running a contest to find someone who could say "Where's the beef?" like actress Clara Peller.

Wendy's extended the commercial's network flight to six weeks from the originally budgeted five weeks. But even after the spot disappeared from the airwaves, "Where's the beef?" mania continued to build.

The commercial became famous enough to attract detractors, among them Gray Panthers national president Margaret Kuhn, and quick-buck artists. Wendy's finally organized an official licensing program to cut off t-shirt and trinket marketers using the advertising line without paying royalties.

When Democratic presidential hopeful Walter Mondale used the line to disparage the programs of rival Sen. Gary Hart, "Where's the beef?" moved from fame to immortality as political cartoonists everywhere incorporated the line into drawings. *Time* and *Newsweek* both covered the ad campaign. Syndicated columnist Bob Greene profiled DFS copywriter Cliff Freeman. Awareness of Wendy's reached an all-time high.

At the end of February, everyone was back in Mr. Sedelmaier's studio to shoot a sequel. A slight delay ensued when Ms. Peller engaged a lawyer/agent to renegotiate her contract. But an agreement was reached, and filming was completed for the spot, in which Ms. Peller and her friends phone the owner of the Big Bun chain that had served the skimpy burger.

"Where's the beef?" III debuted in late August, 1984, coupled with a scratch-card game tied to ABC-TV's "Monday Night Football." One of the new spots—not directed by Mr. Sedelmaier—depicted Clara Peller at a political rally, while another showed her and her two companions roaring through the streets in a 1949 Dodge in their continuing search for "the beef."

The one-time happy working relationship between Wendy's and Clara Peller came to an end this year after the actress appeared in a commercial for Campbell Soup Co.'s Prego Plus spaghetti sauce. When the diminutive actress held up a jar of the sauce and barked "I found it," Wendy's ended the relationship. If "the beef" was going to be found, they argued, it was going to be at a Wendy's rather than on a supermarket shelf.

Wendy's new-found popularity happily coincided with an earlier-devised plan to increase the chain's national advertising profile. Operators had voted to increase their contributions to fund network advertising from 1% to 1.5% of their sales, beginning in 1984.

As a result, the chain had at its disposal a larger tv budget. For the year, Wendy's network tv jumped 86% to $34.7 million from 1983. Spot tv spending rose 25% to $39.4 million.

There's more to dining than beef, and, in November, Wendy's surprised consumers expecting Part IV of the "Where's the beef?" saga by promoting chicken instead. Mr. Sedelmaier produced a new commercial that asserted "parts is parts," to explain that Wendy's chicken sandwich is a breast fillet rather than the chopped "parts" used by some other guys. For "The Challenge of the Chickens," Wendy's spent $15 million.

In 1985, Wendy's has been concentrating on still other nonbeef menu favorites.

It introduced nationally its "Light Menu," which brings together its baked potatoes and salad bar and adds such low-calorie options as light dressings and whole-grain buns. For the "License to eat" campaign, Wendy's also returned to magazine advertising in women's books, which had worked well with the baked potato rollout.

For those who think fast-food should be fun as well as healthy, Wendy's began testing hot dogs in several markets. Soups have appeared on menus in other test sites.

In July, Wendy's finally introduced nationally the breakfast menu it had been tinkering with for years in a succession of test markets. McDonald's already has muffins and biscuits, Burger King has croissants on its breakfast menu, so Wendy's has built its morning menu around that old standby, toast.

La Opinion
La Opinion
La Opinion
La Opinion

The leading Spanish language daily newspaper in the U.S. 213/748-1191

The "Only Wendy's" network tv campaign for the breakfast rollout featured customers lip-syncing a jingle set to the Platters' 1950s hit "Only You." The chain had used a similar technique and the same tune in advertising two years earlier.

Wendy's next move could be expanded availability of a line of dinner platters that have been testing in Cincinnati for several years. Quality-control and preparation snags have kept the line from being rolled out, but Wendy's is known to want to increase dinner business and be the first major chain to introduce a separate dinner menu.

While adding to its menu, Wendy's also has added to its roster of advertising agencies.

Lockhart & Pettus, New York, was added as the chain's first agency of record for black consumer advertising. Similarly, Mendoza, Dillon & Asociados, Newport Beach, Cal., has been assigned advertising for the Hispanic market.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	15	467
Network cable	57	7
Spot tv	39,354	31,224
Network tv	34,688	18,683
Spot radio	489	900
Outdoor	1,730	1,149
Total measured	76,333	52,430
Total unmeasured	14,500	12,022
Estimated total	90,833	64,452

WENDY'S INTERNATIONAL

P.O. Box 256
Dublin, O. 43017
(614) 764-3100

Marketing Personnel

William M. Welter, exec vp-mktg
Bruce M. Ley, vp-corp mktg
Donald F. Calhoon, vp-field mktg and mktg services
Daniel Dahlen, vp-natl adv
Michael Sapienza, vp-mktg analysis, new prod
Denny Lynch, vp-corp communications

Advertising Agencies

Dancer Fitzgerald Sample, New York—Joe Mack, exec vp-mgmt dir; Charles Rath, senior vp-mgmt super; Robert Reed, senior vp-mgmt super.

Lockhart & Pettus, New York—black consumer adv—Keith Lockhart, president; Ronn D. Harris, senior vp, dir-client services; Howard Mason, acct exec; Alicia Evans, acct coord.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Hispanic consumer adv—Dick Dillon, president; Eduardo del Rivero, acct exec.

SISTERS INTERNATIONAL

Marketing Personnel

J.W. Near; president-coo

Advertising Agency

Stockton West Burkhart, Cincinnati—Ron Klein, acct super.

Some foreign and/or private companies do not divulge sales or income figures. Where estimates could not be obtained, N/As appear in charts and the boxed information preceding each profile to indicate "not available."

Wm. Wrigley Jr. Co.

Chicago

RANK 93

($ figures – 000,000)

	1984	1983	% chg
Worldwide			
Sales	591	582	1.5
Net income	40	39	1.3
U.S.			
Sales	417	406	2.8
Operating profits	47	46	0.7
Advertising	70	66	5.9

Wm. Wrigley Jr. Co., Chicago, the nation's 93rd largest advertiser, spent an estimated $70.4 million on national advertising in 1984, up 5.9% from 1983.

Net earnings for the year were $39.7 million on worldwide sales of $590.5 million, increases of 1.3% and 1.5%, respectively. The company attributed the revenue increase to higher unit sales in the U.S., from which it derived about 71% of its total sales.

International sales revenues, especially in West Germany, Austria, Taiwan and Canada, also were higher, in local currencies. But a strong U.S. dollar forced consolidated revenues downward. Wrigley reported its "advertising costs" worldwide as $82.8 million in 1984, down 8.7% from $90.7 million in 1983.

Wrigley continued to spend the bulk of its ad budget on network and spot tv buys. In 1984 Wrigley's total tv spending remained near the $60 million level. Meanwhile, the company moved about $2 million into magazines, a medium it did not use the previous year, according to Leading National Advertisers, which monitors six media. Network radio buys decreased from $3 million in 1983 to less than $1 million in 1984, basically reflecting a halving of measured ad spending for

All advertisers' total 1984 ad spending

Product category	Newspaper	Magazine	Net cable	[illegible]	[illegible]	[illegible]
Apparel, footwear & accessories	$39,589	$239,991	$6,216	$242,378	$116,002	$3,914
Business & consumer services	17,043	412,065	10,834	602,118	505,817	33,539
Insurance & real estate	101,507	78,767	5,948	131,778	79,381	6,155
Computers, office equip.	132,610	320,565	6,672	373,113	63,369	10,598
Publishing & media	230,462	160,715	17,892	29,852	97,977	2,953
Industrial materials	36,348	47,885	N/A	29,070	4,515	271
Freight, ind./agric. devel.	N/A	35,724	2,002	50,406	16,172	2,860
Bus. propositions & employe recruit.	113,919	13,089	66	2,165	1,749	1,252
Toiletries & cosmetics	21,624	333,698	19,886	989,171	278,468	24,610
Drugs & remedies	34,700	129,030	16,620	671,996	176,282	23,198
Food & food products	139,878	289,192	38,170	1,299,819	829,155	31,691
Confectionery, snacks & soft drinks	26,414	46,192	15,651	451,665	337,454	17,853
Beer, wine & liquor	105,292	230,307	2,139	450,659	208,213	11,506
Cigarets, tobacco & accessories	236,354	422,560	2,589	9,680	13,998	233
Jewelry, optical goods & cameras	34,948	107,012	6,325	139,710	64,631	904
Entertainment & amusements	14,239	17,361	5,100	521,013	689,519	2,759
Sporting goods. toys & games	10,655	89,385	8,309	180,002	157,270	174
Pets, pet foods, supplies	8,381	27,320	7,593	174,791	56,249	3,040
Mail order	49,242	290,759	39	59,868	148,660	15,903
Retail	N/A	127,727	8,452	321,298	847,195	26,323
Misc. not itemized	64,915	71,294	611	N/A	76	N/A
Misc. not elsewhere classified	344,028	56,313	8	18,612	381	16
Household furnish./supplies	21,823	93,597	1,570	18,816	35,266	2,943
Household equipment & supplies	27,659	98,054	7,452	251,892	169,153	7,514
Electronic entertainment equip.	N/A	86,719	10,118	73,662	68,164	3,888
Soaps, cleansers & polishes	12,282	35,442	13,673	357,430	142,676	7,243
Bldg. materials, equip & fixtures	93,676	68,707	5,434	120,750	59,553	2,502
Automotive & accessories	499,630	473,704	29,768	800,772	758,564	16,968
Gasoline, lubricants & fuels	21,541	25,553	4,225	48,310	105,277	1,937
Airplanes/aviation access.	3,119	10,003	N/A	5,875	41	N/A
Travel, hotels & resorts	686,601	212,136	8,253	98,119	227,863	4,073
Horticulture & farming	32,885	17,918	1,102	30,531	64,107	3,629
TOTALS	3,161,364	4,668,784	262,717	8,555,321	6,323,197	270,449

Sources: Newspaper figures from Media Records; magazine, net tv, spot tv and net radio from Broadcast Advertisers Reports as supplied by Leading Nationa Advertisers; outdoor from Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America as supplied by Leading National Advertisers; net cable fro Broadcast Advertisers Reports; spot radio from Radio Advertising Bureau.

Hubba Bubba bubble gum.

Leading the company out of a stagnant period was the national introduction of Extra, a sugar-free gum containing NutraSweet, the trade name for G.D. Searle's artificial sweetener aspartame. Wrigley rolled out Extra last summer, several months after placing it in western test markets.

Extra's rollout was backed with a heavy tv and magazine campaign. Although it was not shipped nationwide until mid-year, Extra received more ad support than all but three Wrigley brands: Doublemint, Spearmint and Freedent.

Wrigley has placed heavy emphasis on the sugar-free category because it is the only gum segment that has shown significant growth in recent years. Early this year, the company extended the Extra line by introducing Extra bubble gum. The new product was the first bubble gum with NutraSweet to hit the market. Extra already has proven far more successful than the company's first sugar-free entry, Orbit, whose market share never reached double digits before the brand was phased out last year. By the end of 1984, Extra had moved into the No. 3 position among sugar-free gums, having grabbed an estimated 23% of the fast-growing segment. Warner-Lambert responded by beefing up support for its market-leading brand, Trident. Advertising for Trident sugarless gum and mints increased 17% in 1984, to $17.7 million.

Several other brands are doing battle for market share with Extra and Trident, including Warner-Lambert's Chewels, Life Savers' Care Free and Ragold's Velamints.

Wrigley's top four sugared brands—Doublemint, Spearmint, Juicy Fruit and Big Red—control a combined share of at least 40% of the $1.8 billion in total gum sales. Doublemint continues to reign over all other gum brands with an estimated 17% market share, although Trident is close behind.

The Doublemint campaign, which continued with its longstanding "Double your pleasure" theme, was given a more contemporary look in 1984. More than $15 million was spent on the campaign in 1984, the heaviest support for any Wrigley brand.

Wrigley invested more than $12 million in the Spearmint "Really keeps you hummin' " campaign that was begun in 1982. A new Spearmint campaign, themed "Get the little lift," was launched in June, 1985. The brand currently holds an estimated 10% share of chewing gum sales.

Juicy Fruit, which claims an estimated 8% market share, continued in 1984 using its upbeat youth-oriented theme, "The taste that's gonna move ya," which was begun in 1983.

The company reported that Big Red, a cinnamon-flavored chewing gum, posted its fourth consecutive year of growth. The brand received about $8 million in ad support in 1984, down from close to $10 million the previous year.

To widen its appeal among older consumers, Wrigley added a cinnamon flavor to its Freedent brand. The company continued to back the brand with tv and magazine ads that stressed its breath-freshening ability and the fact that it will not stick to most dental work.

Amurol Products, Chicago, Wrigley's associated company, recorded 1984 sales revenues that were almost even with its all-time high the previous year. Amurol's product roster changes from year to year because many of its gums are novelty brands tied to current fads. In 1985, the company introduced two new flavors: one linked to the Dr Pepper soft drink label and another to the feature film "Rambo," one of the year's biggest box-office draws. The Rambo gum was shaped like bits of shrapnel.

Big League Chew, a shredded bubble gum that has been on the market for several years, continued to be the major contributor to Amurol's performance. Big League Chew, which is packaged in much the same way as chewing tobacco, is very popular with young males who seek to emulate big-league baseball players.

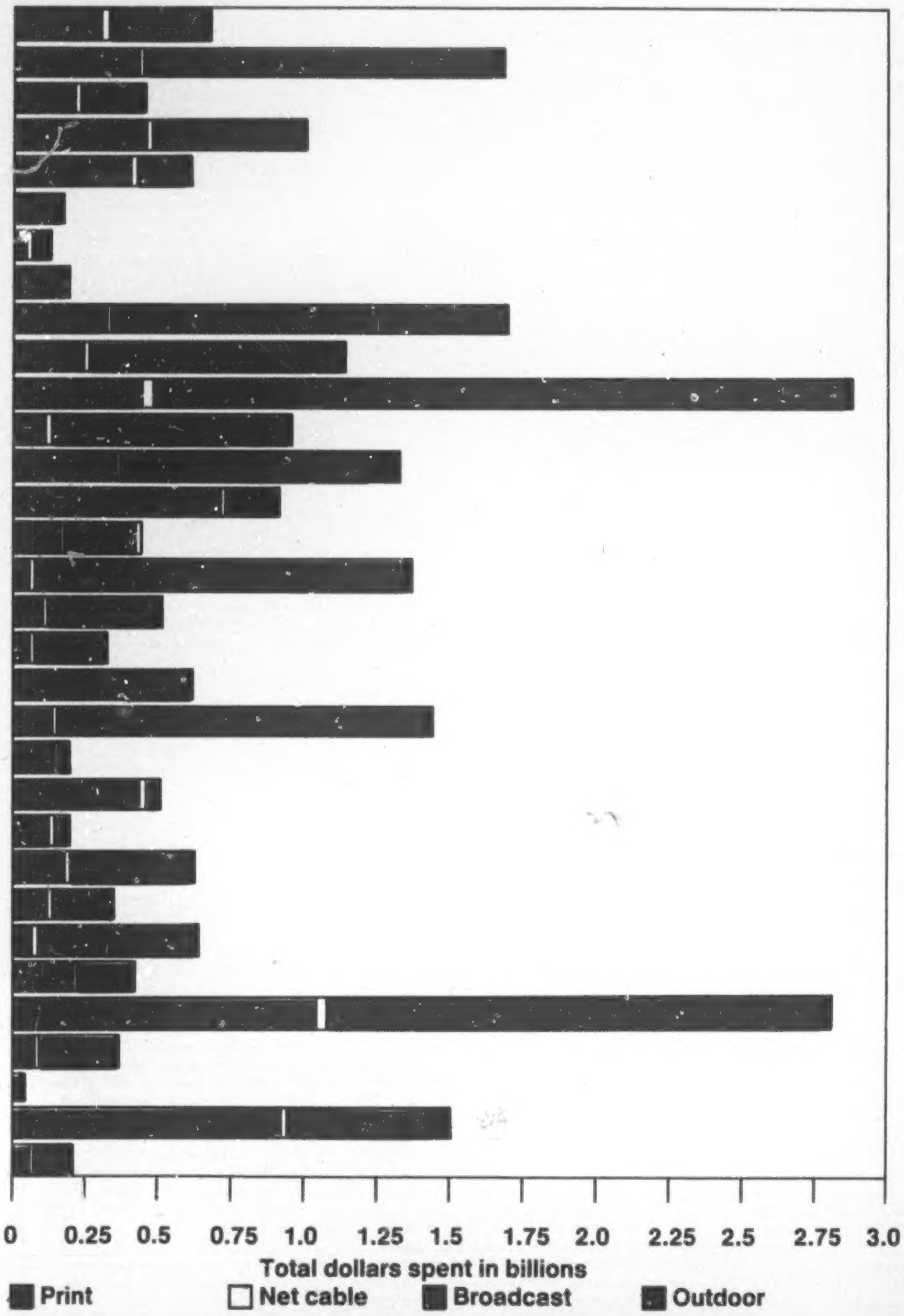
The company has said it plans to continue to focus on the sugar-free segment and that it will substantially increase marketing and promotional support for its brands in the near future to boost volume worldwide.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Magazines	1,986	0
Network cable	2,884	2,514
Spot tv	14,920	17,874
Network tv	43,715	42,343
Spot radio	30	24
Network radio	962	2,908
Total measured	64,496	65,663
Total unmeasured	5,904	800
Estimated total	70,400	66,463

by media and product category (000)

	Outdoor	Totals
$44,874	$6,219	$699,183
98,202	37,676	1,717,294
32,896	19,346	455,778
45,027	2,639	954,593
15,177	28,054	583,082
N/A	800	118,889
N/A	352	107,516
N/A	337	132,577
29,092	1,631	1,698,180
19,542	4,911	1,076,279
234,277	9,625	2,871,807
40,033	7,383	942,645
177,861	86,804	1,272,781
2,937	184,019	872,370
34,270	3,340	391,140
27,446	32,579	1,310,016
8,281	416	454,492
3,359	63	280,796
N/A	1,438	565,909
42,304	25,211	1,398,510
35,722	N/A	172,618
12,011	52,606	483,975
16,245	753	191,013
N/A	4,516	566,240
13,767	2,105	258,423
31,859	9	600,614
17,913	1,742	370,277
126,462	34,634	2,740,502
43,765	3,052	253,660
N/A	13	19,051
151,857	43,615	1,432,517
28,146	873	179,191
1,333,325	596,761	25,171,918



Top 200 advertisers' spending as % of all advertisers'*

Medium	100 leading national advertisers: Advertising expenditures 1984	1983	% chng.	$ as % of U.S. measured spending by all advertisers 1984	1983	Second 100 leading national advertisers**: Advertising expenditures 1984	1983	% chng.	$ as % of U.S. measured spending by all advertisers 1984	1983	All advertisers: U.S. measured advertising expenditures 1984	1983	% chng.
Newspaper	$986	$946	4.2	31.2	36.8	$167	$159	5.1	5.3	6.2	$3,161	$2,572	22.9
Magazine	2,210	1,904	16.1	47.3	48.3	440	322	36.3	9.4	8.2	4,669	3,939	18.5
Network cable	184	153	20.7	70.2	66.0	24	12	101.0	9.3	5.2	263	232	13.4
Spot tv	2,695	2,484	8.5	42.6	44.7	932	734	26.9	14.7	13.2	6,323	5,558	13.8
Network tv	6,462	5,207	24.1	75.5	74.0	951	751	26.6	11.1	10.7	8,555	7,040	21.5
Spot radio	485	451	7.6	36.4	40.6	164	119	37.9	12.3	10.7	1,333	1,108	20.3
Network radio	144	153	(6.0)	53.1	58.0	34	38	(11.3)	12.5	14.4	270	263	2.7
Outdoor	270	292	(7.3)	45.3	53.0	42	36	16.0	7.0	6.6	597	550	8.6
Farm pubs.	28	26	7.1	37.9	35.6	22	20	12.2	30.5	27.4	73	73	0.7
TOTAL	13,463	11,615	15.9	53.3	54.4	2,776	2,192	26.6	11.0	10.3	25,245	21,335	18.3

* Dollar figures in millions

** ADVERTISING AGE published profiles of the second 100 leading national advertisers June 13, 1985. A list of the second 100 and their total measured advertising expenditures can be found on Page 148 of this issue.

Sources: Newspaper from Media Records; magazine from Publishers Information Bureau as supplied to Leading National Advertisers; network cable from Broadcast Advertisers Reports; spot tv, network tv and network radio from Broadcast Advertisers Reports as supplied to Leading National Advertisers; spot Radio from Radio Advertising Bureau; outdoor from Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America as supplied to Leading National Advertisers; farm publications from Agricultural Marketing Information Services (AGRICOM).

WM. WRIGLEY JR. CO.
410 N. Michigan Ave.
Chicago, Ill. 60611
(312) 644-2121

Marketing Personnel

William Wrigley, president, ceo
Ronald O. Cox, group vp-mktg
R. Darrell Ewers, exec vp-intl
A. Cipollina, vp-sales
N. Hoegh-Guldberg, mktg dir
R.O. Thurlow, genl sales mgr
Sales mgrs: J.C. Barger, southern district; James Johnson, southeastern district; George Palmer, western south district; Ron Kariofiles, eastern district; H.F. Constant, midwestern district; Ron van Rekom, western north district; H.W. Gray, southwestern district; E.L. Kimzey, mid-Atlantic district; L.R. Klein, west central district; J.M. Kroyer, north central district

Advertising Personnel

R.O. Cox, group vp-mktg
Douglas S. Barrie, group vp-intl
Henry J. Berchert, vp-adv

Advertising Agencies

BBDO, Chicago—Doublemint, Spearmint, Big Red, Juicy Fruit, Freedent, Extra—Eric Harkna, president; Andrew Donchak, vp-mgmt super; Dean Proctor, exec vp-mgmt super.

Needham Harper Worldwide, Chicago—Hubba Bubba, Amurol prod, Big League Chew, Tidal Wave—Victoria Mondae, vp-mgmt rep; Mary Ellen Holland, asst acct exec.

Xerox Corp.

RANK 64

Stamford, Conn.

($ figures = 000,000)

	1984	1983	% chg
Worldwide			
Sales	8,792	8,288	6.3
Net income	291	466	-37.7
U.S.			
Sales	5,585	4,968	12.4
Operating profits	212	341	-37.9
Advertising	128	111	15.3
Division sales			
Info systems/repro.	8,299	7,769	6.5
Financial serv.	2,817	2,395	17.6
Other	493	479	3.0

Xerox Corp., Stamford, Conn., the country's 64th largest national advertiser, spent an estimated $127.6 million on U.S. advertising in 1984, up 15.3% from 1983.

Worldwide, Xerox had a total ad budget of $241.4 million, up 13.5% from 1983, according to the company. The U.S. ad budget included measured advertising of $58.7 million, down 1.1% from 1983, and unmeasured advertising of $68.0 million, up 34%. A Xerox spokesman says unmeasured advertising includes support costs such as direct mail, brochures and advertising salaries, space and materials.

Xerox realigned its measured advertising budget by increasing its network tv spending 51% to $34.3 million and eliminating its network radio budget of $875,000. It also increased its outdoor advertising budget to $108,000 from $4,000.

Other losers were spot radio, down $2.1 million, or 82%; spot tv, down $1.6 million, or 54%; newspapers, down $5.2 million, or 38%; magazines, down $2.3 million, or 15%, and cable tv, down $161,000, or 28%.

Despite the over-all advertising cuts, the company boosted it expenditures for general promotional advertising substantially. Xerox put $8.2 million, or 61.3% more, into promotional advertising in 1984.

This is indicative of the change in mentality the company is going through, says Phil Cavalier, who follows Xerox for Pershing & Co., an arm of Donaldson, Lufkin & Jenrette, New York.

Mr. Cavalier says Xerox has spent the past several years trying to re-establish the reprographics side of its business and has done so. Now it is shifting its attention to the computer output business, particularly its laser printer, copier products and computer communications.

The increased advertising in general promotion, Mr. Cavalier says, represents an attempt to educate buyers and corporate executives about the quality and availability of Xerox computer products.

Xerox points out that this spring Xerox launched its "Directions" campaign, which represented a departure from the company's previous new-product introduction methods.

In the past, the company had introduced one or two products at a time. In April, during "Directions I," it introduced 14 or more new office systems products at one time.

"Directions II," the second of four such announcements scheduled over the next two years, will introduce a like number of new products.

The change to announcing new products in batches gives the company "greater focus if it's done all at once," Xerox says and "reassures the public that Xerox is serious in the office automation area."

Another area that showed a major jump in spending on advertising was that of business machines, which climbed to more than $9.1 million from less than $673,000. This, too, is part of the company's drive to support its computer-oriented business, Mr. Cavalier adds.

He cites the strength of the company's software r&d program and the sophisticated research aimed at intercomputer communications, which he says is the next major area for growth in the company business.

Xerox's r&d spending also reflects the shift in corporate emphasis. Spending on reprographics research has fallen to an estimated $290 million for this year from an estimated $371 million in 1982. Meanwhile, research spending in the information systems area has climbed this year to an estimated $210 million to $225 million from $106 million in 1983.

Xerox also raised spending for its electronic typewriters, whose measured advertising climbed 14.7% to $12.8 million for the year.

The company substantially reduced its advertising for copiers, trimming 34% off its 1983 spending to $15.1 million. It also cut advertising for its Crum & Forster insurance subsidiary by 68% to $62,600.

The drop in copier advertising represented a shift from the startup program supporting the very successful Series 10 copiers, which first were offered in 1983, to "maintenance advertising, which doesn't have to be at such high levels," Mr. Cavalier says.

The strength of the dollar against overseas currencies and the continuing problems in the property and casualty insurance field hurt the company's balance sheet, company officials report.

Operating revenues rose 6.3% to about $8.8 billion, while net income fell 38% to $290.5 million.

The first quarter of this year was not much better. Xerox reported a 9.8% earnings drop for the first quarter to $114 million. Much of the problem was laid to the Crum & Forster insurance subsidiary, whose net income fell 60% to $10 million. The company has raised the insurance subsidiary prices, which it contends have been "grossly inadequate" for several years along with prices among other industry players.

With the higher prices now rolling through, Crum & Forster has begun to show substantial improvement. Within the first half of the current fiscal year, C&F earned $10 million in the first quarter and $4 million in the second, compared with a $25 million gain and a $15 million loss recorded in the respective quarters of 1984. Overall first-half earnings in 1985 at Xerox rose 5.6% to $233.9 million.

Two other segments of Xerox's financial services business—Xerox Credit Corp. and Van Kampen Merritt—did well in 1984. The entire financial services segment generated $2.8 billion in revenues, up 18%, but contributed only $22 million to the company's net income, down from the $163 million the previous year.

Xerox shut down and wrote off its Shugart disc drive operation in 1984, and announced plans to move its Diablo computer printer operations to a highly automated plant in California.

In April, Xerox announced plans to sell its educational publishing operations for a total of more than $500 million. International Thomson Organisation agreed to buy Autex Systems; Gulf & Western Industries will get Ginn & Co.; Field Co. agreed to buy Xerox Education Publications, and Times Mirror Co. will buy Xerox Learning Systems. Reed Holdings, Inc., will buy R.R. Bowker Co., and Elsevier U.S. Holdings Inc. will buy University Microfilms International.

The company also licensed some parts of Savin Technology for possible application in copying and printing. This could lead to a return to the computer wars with possible introduction of a new line of computers manufactured by Olivetti & Co. of Italy.

ADVERTISING EXPENDITURES ($000)

	1984	1983
Newspapers	8,595	13,824
Magazines	13,351	15,650
Network cable	402	567
Spot tv	1,393	2,997
Network tv	34,258	22,733
Spot radio	477	2,613
Network radio	0	875
Outdoor	108	4
Total measured	58,583	59,263
Total unmeasured	69,000	51,403
Estimated total	127,583	110,666

XEROX CORP
800 Long Ridge Rd.
Stamford, Conn. 06904
(203) 329-8700

Marketing Personnel

Michael Kirby, dir-corp adv & promo
Joseph M. Cooper, mgr-corp adv & promo
David T. Erwin, vp-mktg strategies & services, Business group, Rochester
Douglas McLaine, mgr-mktg communications, Business systems group, Rochester

Advertising Agencies

Needham Harper Worldwide, New York—copiers/duplicators, electronic printers, professional work stations, information processors, personal computers, facsimile transceivers, local area network (Ethernet), computer services—Don Bigda senior vp, group mgmt rep; Bud Gilson, vp-mgmt super.

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$1.25 a copy; $55 a year

Monday, September 30, 1985

C2710 - 1

Advertising Age®

Crain's International Newspaper of Marketing

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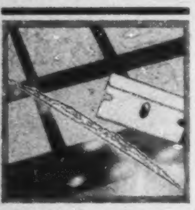
Cocaine: Equal opportunity for addiction



Second of two parts.

Feds eye coke link in Landau case. P. 64
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Baseball's coke trial raises concern. P. 70

By JOSEPH M. WINSKI

Here's something else you've come a long way in, baby: Cocaine abuse.

In advertising and other fields, there are signs that cocaine use among women not only is growing, but growing rapidly.

Two years ago, when the 800-COCAINE Helpline began operating in Summit, N.J., one of every four callers was a woman. Today, women account for about half of the 900-to-1,500 calls received daily from people with cocaine problems, a Helpline spokesman says.

Specific numbers on over-all cocaine use by women aren't available, but drug-abuse experts say the 50% figure probably holds across the board. That is, about half the estimated 5 million-to-6 million people who regularly use cocaine are women.

This is believed to represent a rapid rise in use—and abuse—among women in the last few years. Experts attribute the increase partly to the influx of women into the workplace, where exposure to cocaine is more likely. In addition, heightened career aspirations among women have introduced them to the kinds of frustrations and pressures that make the physical and mental "lift" provided by cocaine all the more tempting.

Cocaine dependency poses different problems for women than it does for men, the experts say. One obvious area of concern is cocaine's effect during pregnancy. A study published earlier this month by doctors at Northwestern University Medical School found that women who used cocaine during pregnancy suffered more spontaneous abortions and suggested that their children are more likely

(Continued on Page 62)

PM-GF combine would top the advertiser list

New York—Philip Morris Inc.'s announcement last week of its intention to acquire General Foods Corp. will create the nation's largest consumer-products company and possibly its largest advertiser.

Chairmen of both companies said Sept. 27 they would urge their respective boards to approve the merger this week. Several days after PM approached the company, GF management accepted a $120-per-share bid for a total price of $5.7 billion.

The deal will combine two companies that last year had total worldwide sales of $22.8 billion ($13.8 billion from PM and $9.02 billion from GF), and a combined ad budget of $1.02 billion ($570 million from PM and $450 million from GF).

This surpasses the newly completed acquisition by R.J. Reynolds Industries of Nabisco Brands, which created a $19.2 billion worldwide company. Those two last year spent a total of $1.01 billion in advertising ($678 million for RJR and $335 million for Nabisco Brands).

Final 1985 ad figures will determine if PM thus has denied archrival RJR a place in the sun as the nation's leading national advertiser. (The 1984 leader was Procter & Gamble with $872 million.)

A look at the agency rosters of PM and GF indicate few apparent client conflicts. Most at risk, observers believe, is Young & Rubicam. Y&R is a major GF agency, and also serves RJR as agency for Canada Dry and Kentucky Fried Chicken. RJR is known to have a strict agency-conflict policy regarding other tobacco companies, even though the products involved may not compete.

Other agencies for GF include Ogilvy & Mather; Grey Advertising; Ted Bates Advertising, and D'Arcy Masius Benton & Bowles. Philip Morris' major shops are Leo Burnett USA; Backer & Spielvogel, and Wells, Rich, Greene.

Terms of the deal, apparently concluded as Hurricane Gloria roared through the Northeast last week, indicate GF will operate as a separate company within Philip Morris. GF chairman James Ferguson will become vice-chairman of PM.

The acquisition of a company the size of GF is a clear signal that no publicly held package-goods marketer is immune to a takeover bid.

With Nabisco recently acquired by RJR and Carnation Co. in Swiss-based Nestle's fold, size apparently is not a key issue in today's frenzied search for established brand names in the U.S. (AA, Sept. 23).

Among the names of other companies bandied about

(Continued on Page 94)

Bottlers say margins as high as 9 to 1

Classic laps new Coke

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An Advertising Age roundup

Coca-Cola Classic, the old American favorite, is beating the reformulated Coke hands down in almost all markets across the U.S., according to an informal survey of bottlers by Advertising Age.

Only one bottler contacted by AA, Coca-Cola Bottlers of Detroit, reported new Coke selling better than Classic. In some markets, the old favorite was ahead by a 9-to-1 margin.

Officials at Coca-Cola USA in Atlanta said they are giving the marketplace 60 to 90 days to settle down before looking for a definite trend. They also suggested that with the new megabrand strategy, sales of new Coke versus Classic is not an issue. The company brought original formula Coke Classic to market last summer following consumer protests after the company reformulated the 99-year-old drink.

An exec at Coca-Cola Bottling Co. of New York said he was rooting for the new taste because it was the best hope for regaining share that Coca-Cola has lost to rival Pepsi-Cola over the last two decades.

In New York, the old favorite is ahead by a 2-to-1 margin. In blind taste tests, consumers pick the new taste, but when the blindfold is removed, they go for Classic, an offi-

(Continued on Page 96)

A-B pops Baybry's as its cooler

By SCOTT HUME

Anheuser-Busch, the nation's leading brewer, will announce Oct. 3 that it will test in San Francisco a "cooler" beverage marketed under the brand name of Baybry's, sources said last week.

St. Louis-based A-B has held off entering the fast-growing, $350 million cooler segment of the beverage industry while it searched for something more than a "me-too" product.

Although details were scarce last week, sources said Baybry's is not a

(Continued on Page 92)

Last Minute News

Joint-venture brew to be named Masters III

Alexandria, Va.—Masters Brewing Co. will announce this week that its first beer will be named Masters III. The label is said to bear medallions depicting the founders of the three breweries that have created Masters Brewing under a joint venture (AA, Aug. 5): Adolph Coors (Adolph Coors Co., Golden, Colo.), John Molson (Molson Cos., Toronto) and Prince Ludwig II of Bavaria (Kaltenberg Castle brewery, Kaltenberg, West Germany). Coors already is brewing the beer. Molson will handle marketing, and sources named Dancer Fitzgerald Sample, New York, U.S. agency for Molson Golden, as most likely to get the Masters Brewing account.

Beatrice eyes new agency on County Line

Chicago—Beatrice Cos. is reviewing its $5 million County Line cheese account, now at D'Arcy Masius Benton & Bowles. Bozell & Jacobs and "a few other Beatrice agencies" are pitching the account, sources say. The product is in the process of going national (AA, Aug. 5).

Jack in the Box revives review

San Diego—Jack in the Box has reopened the review of its $20 million account (AA, Sept. 9) to HCM and Tatham-Laird & Kudner, both Chicago; TBWA, St. Louis; Marschalk Co., San Francisco, and W.B. Doner & Co., Southfield, Mich. Incumbent Wells, Rich, Greene/West, also is taking part. A decision is expected in mid-October.

(Continued on Page 8)

NEWSPAPER

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HIGHLIGHTS

Busch forecast: Coolers 1

Anheuser-Busch, the nation's leading brewer, will announce Oct. 3 that it will test in San Francisco a "cooler" beverage marketed under the brand name of Baybry's. A-B held off on the fast-growing cooler segment while it searched for something more than a "me-too" product.

A Classic triumph 1

Coca-Cola Classic is beating the reformulated Coke hands down in most U.S. markets, according to an informal nationwide survey of bottlers by Advertising Age.

Dorland moves on Dancer 3

A top executive with Saatchi & Saatchi's Dorland Advertising agency in the U.K. confirmed that Dorland is negotiating to take a new equity position in Dancer Fitzgerald Sample, but denied that the U.K. agency wants to buy Dancer outright.

Admen wait for aftershock 4

Most of Mexico's ad industry escaped serious damage from the worst earthquake in that country's history, but the industry, one of the biggest in Latin America, and dominated by U.S. agencies, may be in for some big ad budget cutbacks following the quake.

AAF taps FTC exec 6

The chief of the Federal Trade Commission's ad regulation unit next month will join the American Advertising Federation in the latest reshuffling of ad industry lobbyists.

Doctors team up 10

"Out-of-the-ordinary" Dr Pepper will take a wacky turn next year when pop sex therapist Dr. Ruth Westheimer joins the Pepper bandwagon, as part of a campaign featuring parodies of her own radio call-in program.

Burger King's momentum ebbs 12

Burger King has found it difficult to sustain the momentum it gained from its 1982 "broiling vs. frying" ad salvo. Awareness of BK's advertising, as measured by Advertising Age's monthly adWatch survey, jumped nearly 16 percentage points after the first campaign broke. Subsequent campaigns have moved the awareness needle by smaller and smaller increments.

Cosmair's dollars and scents 32

The decision by Cosmair's Warner Cosmetics division to drop its Ralph Lauren cosmetics and skincare lines means more new fragrances and increased advertising on existing brands can be expected next year.

Pressing the Japanese 36

Japanese car and truck marketers may be forced to step up ad spending as competition in the low end of the automotive market intensifies this fall. New competitors from Europe and Asia are joining the fray.

On-Cor takes to tv 42

On-Cor Frozen Foods took on the heavyweights of the low-calorie frozen-entree business in September when it served up a major tv ad blitz produced by commercial comic whiz Joe Sedelmaier. Created by Grant/Jacoby, the campaign marks the first time the Chicago-based food marketer has used tv ads to support the fast-growing On-Cor Lite frozen dinners.

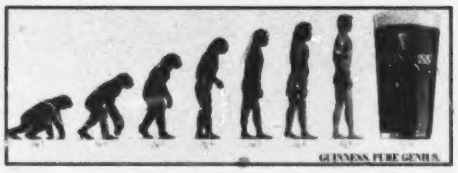
Going out on your own 48

The rewards reaped from starting one's own agency are well worth the risks involved, according to a survey of personnel at small to medium-size agencies. The satisfaction of running their own show more than compensates for the headaches incurred.

A blast from Western's past 87

Western Airlines is using top Hollywood talent, including Gene Kelly, Fred Astaire, William Shatner and Leonard Nimoy, and its former "The only way to fly" slogan in a new campaign it hopes will reestablish it as the dominant airline in the West.

INTERNATIONAL


GUINNESS. PURE GENIUS.

Pure genius for Guinness 52

U.K. beer giant Guinness Brewing, via Ogilvy & Mather, is launching a new campaign with a global strategy—but not execution—for Guinness beer. The campaign will position the stout as an upmarket brew, but the advertising will look different from market to market.

IBM invokes the gods 53

IBM Corp., in a recent test campaign via J. Walter Thompson Co., Hong Kong, dropped the Charlie Chaplin character as its company spokesman and replaced him with Lu Pan, the patron god of Chinese craftsmen and toolmakers, and Zong Zhi, a Taoist sage.

OTHER NEWS

U.S. ad agencies with interests in Mexico are beginning to organize relief efforts to help the victims of that country's recent devastating earthquake. Page 4.

Time Inc. is moving on two fronts to boost its international unit. In Hong Kong, Time agreed in principle to buy 80% of one of the leading English-language publications in the Far East, *Asiaweek*, from the Readers Digest Assn. In Canada, Time was exploring the possibility of establishing a new Canadian edition of its flagship publication *Time*. Page 38.

Ohlmeyer Advertising, the ad agency half-owned by Nabisco Brands, is being sued by a 64-year-old former senior vp-director of broadcast media on grounds of age discrimination. Page 38.

Times Mirror Co. is firing the latest and largest research salvo in the newspaper industry's running battle with direct mailers and alternate-delivery companies to win the hearts and minds of retail advertisers. Times Mirror is ready to release to major advertisers what the media conglomerate says is the most comprehensive study ever done of the relative effectiveness of the circular advertising format compared with traditional run-of-press advertising. Page 47.

Johnson & Johnson, which often turns to the courts to complain about competitors' advertising, has itself been named in a lawsuit challenging ad claims for its Reach toothbrush. The suit, filed in federal court by Oral-B, a subsidiary of Gillette Co., charges J&J with devising deceptive performance tests for the Reach toothbrush. Page 54.

The growing importance of Jeep to the survival of American Motors Corp. played a key role in the auto maker's decision to consolidate its advertising at Saatchi & Saatchi Compton. Page 80.

Ralston Purina Co. will spend $5 million on the national rollout of the industry's first skinless, boneless canned pink salmon. Ralston is telling retail buyers that figure is nearly triple the ad dollars spent in the salmon industry this year. Page 91.

COMING THURSDAY

Time Inc.'s Richard Stolley is watching the debut of his brainchild, Picture Week, *in a 13-city test, which began Sept. 23 and is to run through yearend. If Time deems test results satisfactory, it would begin early next year a national rollout of the self-styled "magazine of news and human interest."*

Special Report examines the magazine industry and its changing expectations. After 10 years of outstanding growth, business is leveling off, but that doesn't necessarily mean bad news for everyone.

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Nynex will join videotex venture

By BRIAN MORAN

New York—Nynex Corp. reportedly has pledged $50 million to join RCA Corp. and Citicorp in a $150 million videotex venture.

In joining the three-way venture, the Northeast's Baby Bell operating company would replace J.C. Penney Co., which bowed out of the RCA-Citicorp partnership late last year.

RCA and Citicorp have been searching in earnest for another partner since early summer and reportedly are close to bringing Nynex into the fold.

J.C. Penney is now exploring a videotex project with GTE Corp. and a group of French companies.

A Nynex spokesman declined comment on the report. RCA and

(Continued on Page 94)

Burnett, Needham after Mac?

By SCOTT HUME

Leo Burnett USA and Needham Harper Worldwide will go head-to-head in a creative shootout for the Assn. of Chicagoland McDonald's Restaurants' $8 million-to-$10 million co-op account.

In announcing these two finalists, the co-op set up a match-up between McDonald's national agency, Burnett, and the shop it succeeded on that account nearly three years ago. Needham officials declined comment on the co-op's announcement, and it was unclear at press time whether the agency would continue to seek the Chicago assignment.

Despite losing McDonald's

(Continued on Page 96)

West Coast news

Arco puts $8M job in review

Atlantic Richfield Co.'s products division, Los Angeles, which includes the company's AM/PM minimarkets, MPG Tune-Up Centers and its retail gasoline business, is reviewing its $7 million-to-$8 million account. The account has been at Foote, Cone & Belding, Los Angeles, since 1978. Chiat/Day, Keye/Donna/Pearlstein, Scali McCabe, Sloves, all Los Angeles, plus the incumbent, will take part, as will a few others. Della Femina, Travisano & Partners, Los An-

(Continued on Page 92)

ADWATCH

BK sees ad awareness slipping away

By SCOTT HUME

Burger King's "Battle of the burgers" marketing strategy appears to be losing its sizzle.

The nation's No. 2 hamburger chain changed the focus of fast-food restaurant advertising nearly overnight in the fall of 1982 when it launched its "broiling vs. frying" campaign. Tough, comparative advertising—some called BK's approach snide—suddenly was acceptable in what had been a fairly gentlemanly marketing arena.

In the months since BK's ad assault, harder-edged advertising has evolved into a necessity as competition in the maturing market has sharpened. Another effect has been a steady increase in ad spending, especially for tv advertising, by the nation's chains.

But Burger King has found it increasingly difficult to sustain the momentum it gained from that initial ad salvo, although it has tried heartily and spent heavily. Awareness of BK's advertising, as measured by ADVERTISING AGE's monthly adWatch survey, jumped nearly 16 percentage points in October, 1982, after the first "Broiling vs. frying" campaign broke. Subsequent campaigns under its continuing "Aren't you hungry?" theme have moved the awareness needle by smaller and smaller increments.

In June of this year, Burger King launched one of its most important and most heavily supported ad campaigns since the burger battle broke out. The $30 million campaign (AA, May 13) announced that it had enlarged its flagship Whopper hamburger by nearly 20% in weight and enlisted a bevy of tv personalities (Mr. T, Mr. Bill, Loretta Swit, Bruce Weitz and others) to deliver the news.

The results: In the July adWatch survey, 19% of the 1,000 persons nationwide asked to name the first fast-food advertising that came to mind named Burger King, a 3.6 percentage-point increase from its 15.4% share in June.

In August, $30 million later, the thrill was gone. Last month, Burger King's advertising came to mind first for only 13.4% of the sample, a 5.6 percentage-point drop from July. That decline put the chain's ad awareness score lower than it has been since November, when it still was looking for a way to combat the success of Wendy's "Where's the beef?" and subsequent campaigns.

Last month, BK's share of top-of-mind awareness was in third place, behind leader McDonald's (36.2% of first mentions) and Wendy's (14.8%). In other words, BK's awareness this summer took one step forward, then two steps back.

The mid-August campaign featuring the "He-Man and Masters of the Universe" characters (AA, Aug. 19) seemingly didn't do anything to help its score (although the September survey results may yet reflect some gain). Those spots were targeted primarily to children, but still represented a hefty, $20 million effort.

Clara Peller and Wendy's proved that unexpected creative can boost ad awareness even for a chain that is outspent by its competitors. But those increases are hard to maintain over time. While BK and Wendy's have sought to sustain their creative momentums, McDonald's has been steadily and sharply increasing its league-leading tv advertising budget.

Through the first six months of 1985, McDonald's spent $143.3 million on tv advertising ($88.4 million of it on network), according to figures released last week by the Television Bureau of Advertising. Over-all, that was a 40% increase compared with what Big Mac spent during the first two quarters of 1984.

Burger King's tv advertising bill during that period came to $64.1 million ($26.9 million on network). That was only a 5% increase compared with the same period in 1984, as BK readied for the second-half Whopper and He-Man spending spree.

Wendy's tv budget increased 12%, to $37.7 million ($19 million on network). It, too, set its sights on the second half, launching its $15 million "Choose fresh. Choose Wendy's" campaign last month (AA, Sept. 9).

But the legacy of Burger King's lesson that fast-food has become a marketing-driven industry continues. Ad spending is increasing at more than just the big burger chains. Domino's Pizza spent $7.5 million from January to June (including $4.3 million on the networks), up 313% from last year's first-half, all-spot tv budget.

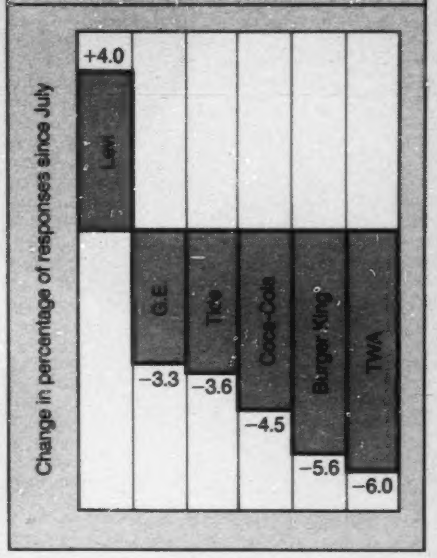
Taco Bell, heavily backing its Pizzazz pizza item, boosted spending 61% to $19.5. Church's Fried Chicken spent $6.1 million, up 62%. Long John Silver's, with its new "Sounds good to me" campaign, boosted spending to $11.7 million from $9.3 million.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad aware-

(Continued on Page 88)

August winners, losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. *Source: SRI Research Center Inc., Lincoln, Neb.*



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Sources: Simmons-Scarborough and Scarborough Newspaper Studies, 1984/1985.
New England Newspaper Association Linage Reports, June 1984, 1985.

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Joe Scheringer, Grocers' Spotlight's Special Assignment Editor, is one of the most knowledgeable people in the food industry. He is nationally known for his best-read feature "THE COLUMN" and for his inciseful reporting of major industry conventions. For more than nineteen years he has been a valuable member of our "professionally yours" news team.

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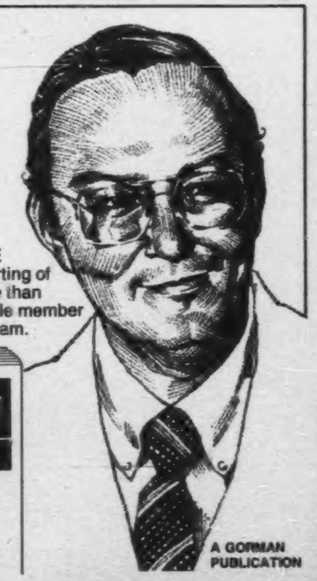

AdWatch

(Continued from Page 12)

ness is measured by asking a nationally projectable sample of consumers to name advertising in a variety of product categories that first comes to mind from all seen, heard or read in the previous 30 days.

In August, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

In the other long-running ad-awareness battle, last month some of the fizz began to come out of Coca-Cola's dominance.

Coke, whose share of first mentions in the soft-drink category grew from 27% in January to 53.4% in July, had a gulp taken out of its lead in August as the flurry of attention given the reformulation and Coca-Cola Classic introduction subsided. But its advertising still is No. 1 in consumers' minds by a wide margin. Last month, 48.9% of the sample said Coke's ads came to mind first, down 4.5 points from July. Pepsi held steady in the No. 2 slot at 25.7% of first mentions; 7UP was third with 2.2%.

Among other significant changes in the August survey results:

- The single largest loser in last month's survey was TWA. Its share of first mentions in the **airlines** category dropped six points to 9.2% of first mentions from 15.2% in July. That decline also moved it from the No. 2 to the No. 3 slot behind United (18.4%) and Delta (10.9%, up 5 points). Just as some of TWA's awareness gain appeared to come from its involvement with the Lebanese hijacking incident, so, too, some of Delta's gain may have been the result of the plane crash in Dallas.
- Levi Strauss returned to a double-digit share of first mentions in the **apparel** category for the first time since February's 10.8% score by gaining four percentage points in August to a 13.4% share. Jordache remained No. 2 with 4.6%; Sears remained No. 3 with a 3.3% share.
- Advertising for no brand but Procter & Gamble's Tide ever has registered a significant gain or loss of share in the **laundry products** category. Probably because no other brand has a large enough share or top-of-mind awareness to make such a swing possible. August was a "down-glitch" month for Tide, its share of first mentions dropping 3.6 points to 25.6% from 29.2% in July. All moved into the No. 2 slot by a whisker with 4.1%, easing ahead of Cheer's 4%.
- The top 10 in unaided awareness (without a specific product category mentioned) in August were, in descending order: Coca-Cola, Pepsi, Miller/Miller Lite; Budweiser/Bud Light; McDonald's; Burger King; Wendy's: Pizza Hut; Tide, and AT&T.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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Pepper

(Continued from Page 10)

unidentified top recording artists. Dr Pepper is woven into the lyrics of each song, some of which are two minutes long. Pop, middle-of-the-road, country and rock are all part of the lineup.

A male singer in one spot warns that "You can take me to the cleaners, but leave my Dr Pepper behind." That will be followed by a parody response sung by a female singer.

Three new tv spots for Diet Dr Pepper, combined with the sure-to-be-talked-about Dr. Ruth radio spots, reflect the company's belief that its problems in the diet soft-drink market relate to marketing rather than to formulation.

Dr Pepper, though, is going along with bottler requests that it test a 100% NutraSweet diet version. That product soon will be in two as-yet-unidentified test markets for an almost yearlong test.

The company, however, still thinks the appeal of 100% NutraSweet soft-drink formulas is more a matter of perception than taste. Dr Pepper is concerned about the stability and shelf life of 100% NutraSweet soft drinks, because its brand remains on many shelves longer than brands of its leading competitors, Mr. Hamlin said.

Thus, Dr Pepper is boosting support of its diet brand with three new tv spots, also with science-fiction-inspired story lines.

Dr Pepper's love affair with the beast Godzilla will extend into 1986 with a sequel to this year's spot. "Godzilla Too" picks up with Godzilla's thirst having been appeased by regular Dr Pepper.

Now comes "Mszilla," a *femme fatale* monster wearing a polka-dot bow on her head. As she storms in a rage along Tokyo harbor, toppling buildings in her path, Godzilla becomes smitten with her and ultimately wins her affection with a Diet Dr Pepper.

A spot titled "Droids" portrays efforts to ferret out the real human being from the computerized replicas. The efforts succeed when the human selects Diet Dr Pepper, and the droids choose their ordinary diet soft drink.

"You can teach a replicant to drink—but you can't teach it to taste," the spot concludes.

The new Diet Dr Pepper theme line is "Diet Dr Pepper. The taste for out-of-the-ordinary bodies."

Dr Pepper will turn to a "burst" media strategy in 1986, when it will try to concentrate its $25 million-plus budget in roadblock-type bursts and in sponsorship of key media events.

A July 4 burst will be augmented by a four-week national Screen Vision buy, in which spots will be placed in movie theaters.

Also, Dr Pepper will continue its heavy schedule with MTV: Music Television and will introduce a syndicated tv program being produced by Young & Rubicam, New York, Dr Pepper's agency.

The program, initially a 13-week series, is entitled "The Canned Film Festival" and features a series of what Mr. Hamlin said are "the worst movies ever made, so bad that they are classics."

Lorraine Newman, a former "Saturday Night Live" regular and a star of the recent movie "Perfect," will host the exclusive Dr Pepper series.

Y&R's team for the 1986 Dr Pepper campaign included Louis DiJoseph, creative director and art director; copywriter Lee Kovel, and producer Christine Jones. Director Bob Brooks of BFCS, London, directed the tv spots. HEA Productions, New York, created the music. Copywriters Victor Levin and Howard Gould generated the Dr. Ruth radio spots.#

Strickland heads ad group

CHARLOTTE, N.C.—Downs Group account exec Kirby Strickland has been elected 1985-86 president of the Carolinas chapter of the Business/Professional Advertising Assn.

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Advertising Age Thursday

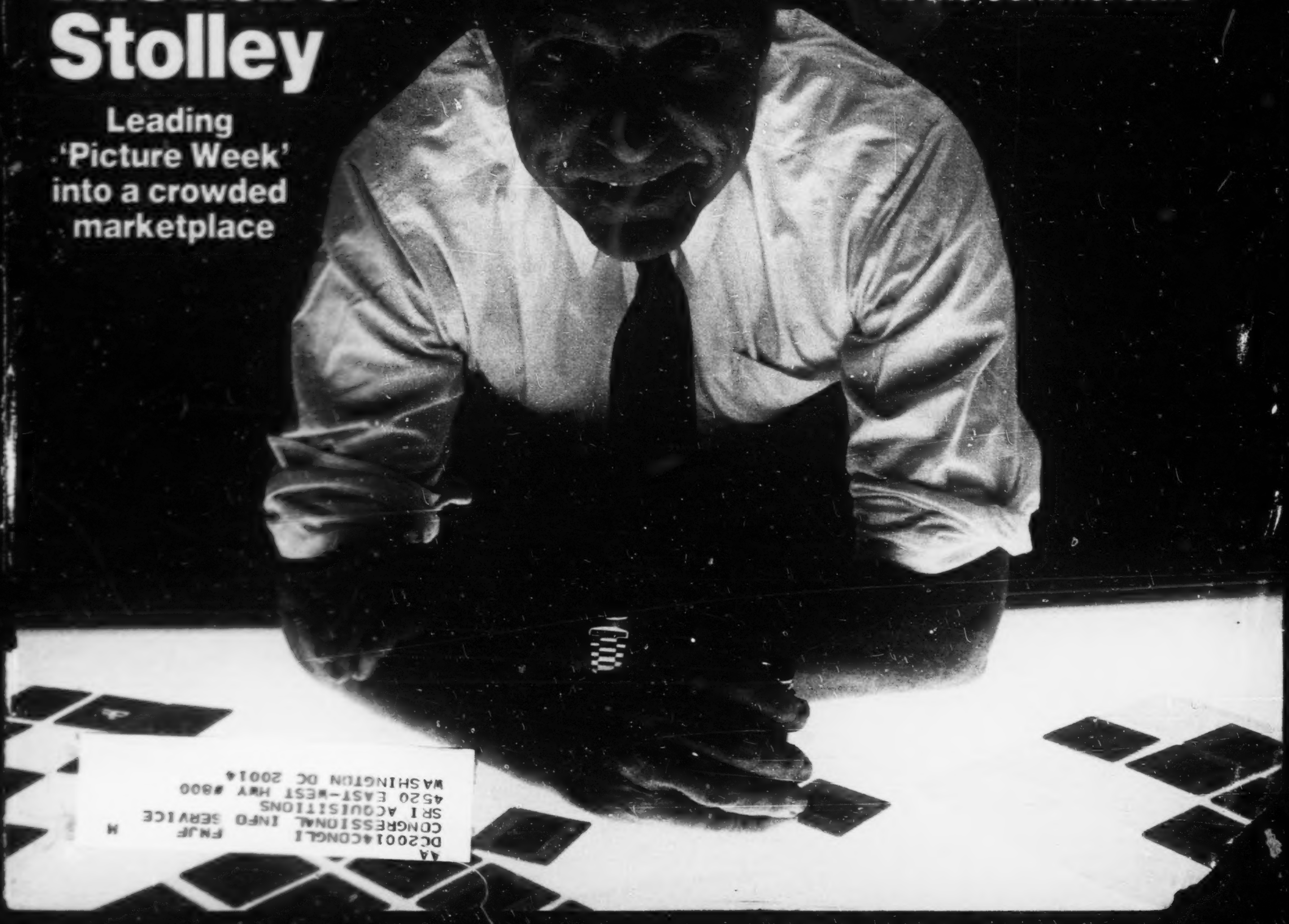
Crain's Magazine of the Creative Process

Special Report
Magazines

Richard Stolley

Leading 'Picture Week' into a crowded marketplace

Also: Siskel & Ebert return with 'At the Commercials'



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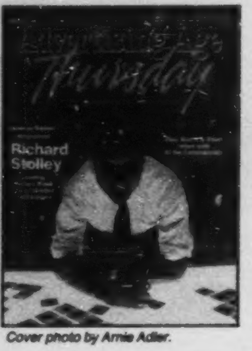
Thursday

Stolley's time has come

Richard Stolley is watching the debut of his brainchild, *Picture Week*, in a 13-city test, which began Sept. 23 and is to run through yearend. If Time deems test results satisfactory, it would begin early next year a national rollout of the self-styled "magazine of news and human interest." Estimates of the price tag for introducing what would be the company's eighth magazine run from $10 million to $20 million. *See Page 20.*



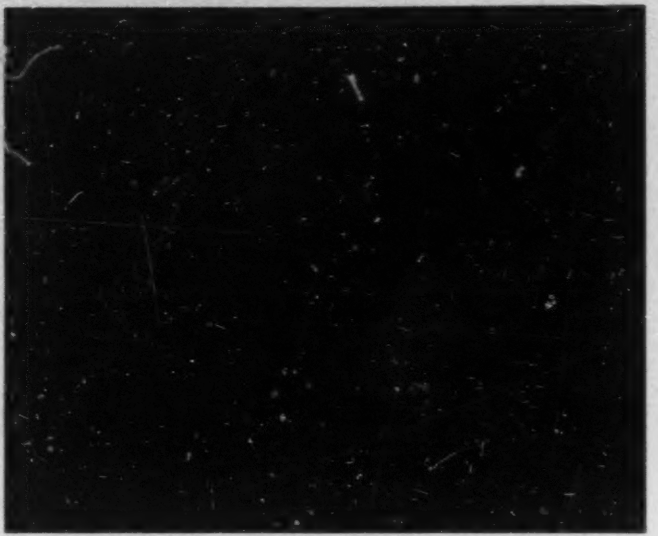
Cover photo by Arnie Adler.

Saatchi

Procter & Gamble's gentle attempt to break away from its traditional pattern of campaign execution *(see story at right)* is being matched, on an agency level, by Saatchi & Saatchi Compton. The agency's new animated commercial for Ivory bar soap, now in test, uses a style resembling that used in ads for Perrier. Strategy is the traditional one for the brand, but the execution represents P&G's continued attempts to break out of some of its executional molds. It's also one of the new spots that Saatchi hopes conveys the same message about the agency. The spot is the lead commercial on Saatchi's new reel, meant to represent work done at the agency under Robert Levenson. *See Page 65.*

Special Report— Magazines

After 10 years of outstanding growth, business is leveling off for the magazine industry, but that doesn't necessarily mean bad news for everyone. *Starting on Page 15.*



Mom and Pop Cloud proudly watch as their son creates his first roll of Procter & Gamble's White Cloud bathroom tissue, in new tv spots from Leo Burnett USA, Chicago.

New P&G ads not always cut from slice-of-life

By Laurie Freeman

Talking cartoon clouds? Bouncing laundry products? Animated bars of soap?

This is the new look of Procter & Gamble advertising, now that the package-goods giant is giving its agencies more freedom to experiment with creative executions.

The current campaign for Bounce fabric softener sheets is a creative breakthrough for Cincinnati-based P&G, some agency executives say. The tv spot, via Benton & Bowles, New York, is set to the Pointer Sisters' pop hit "Jump" (AA, Sept. 16), an appropriately bouncy tune but not the sort P&G's advertising has danced to in the past.

At least three other P&G agencies now feel comfortable enough to try animation instead of the company's traditional live-action, slice-of-life scenarios.

The newest animated P&G commercial, for Ivory bar soap, will air soon in test markets.

The spot, from Saatchi & Saatchi Compton, uses detailed b&w outlines of people washing with Ivory soap. Copy describes Ivory as the soap that's "pure and naturally wonderful," while the line drawings are enhanced with carefully placed splashes of color.

By the end of the 30-second spot, the animated characters have decided there's nothing better than to "experience Ivory for a real feeling of clean."

Animation

"We needed a fresh way to tell a familiar story and animation fit right in," said S&SC president-ceo Ed Wax.

"We're taking advantage of P&G's desire to experiment with different executions, which we both feel will allow us to focus on better creative," Mr. Wax said.

The changes are more evolutionary than revolutionary, with animated spots generally being worked in as one of several executions produced for ongoing campaigns.

Dancer Fitzgerald Sample, for instance, has animated the same basic story line used earlier for a live-action Solo detergent spot.

In both spots, a woman is pictured as having forgotten to add fabric softener to her wash. After running down the stairs, tripping over a cat and begging the washing machine to "please wait," she flings herself against the machine, only to find that she's too late.

The most recent campaign for White Cloud bathroom tissue, from Leo Burnett USA, Chicago, is entirely animated (AA, July 1).

The idea to use animated, talking, puffy white clouds was "a creative cloudburst," said Peter Husting, Burnett exec vp-client services.

"With White Cloud, the idea just burst out of the product's positioning, to emphasize its fullness and softness," he said. "Animated clouds made it easier to talk about the product."

In the campaign, consisting of 30 and 45-second tv spots, two proud White Cloud "parents" watch over their cloud son as he creates his first roll of bathroom tissue. The theme is "The softest and thickest bathroom tissue ever."

Although Burnett has thought about using animation for various P&G products over the years, "it's difficult to fit the animation to a brand," Mr. Husting said.

Neither Mr. Husting nor S&SC's Mr. Wax believes P&G is in the midst of an animation trend, but they do say the company is looking for new ways to "intelligently sell their products' efficacy."

S&SC executive vp Kit Mill added: "P&G is looking with enthusiasm at stuff they refused to look at before.

"There will still be plenty of typical P&G slice-of-life ads, but more and more there will be some fun stuff." ■

Presstime

Budget returns to tv...

CHICAGO—Budget Rent A Car on Oct. 12 breaks its first network tv spots in several years as part of a $5 million fourth-quarter campaign. Print ads in consumer and trade magazines support. D'Arcy Masius Benton & Bowles handles.

...As Napa winery arrives

YOUNTVILLE, CAL.—Domaine Chandon on Nov. 18 will use tv for the first time with a 30-second spot promoting Chandon Napa Valley Brut sparkling wine. The spot will appear in Los Angeles, Miami, New York and San Francisco during the seven-week, $800,000 campaign. Tatham-Laird & Kudner, San Francisco, handles.

Co-op to Burnett today?

CHICAGO—Assn. of Chicagoland McDonald's Operators is expected today to assign its $8 million-to-$10 million co-op account to Leo Burnett USA, following the withdrawal of the other finalist, Needham Harper Worldwide (AA, Sept. 30).

Van de Kamp's drops shop

LOS ANGELES—Van de Kamp's Frozen Foods has dropped DiIorio, Wergeles, New York, from its $5.5 million ethnic entree account to consolidate all advertising at D'Arcy Masius Benton & Bowles. B&B for the last eight years has handled the $5.5 million seafood account for Van de Kamp's, which is a division of Pillsbury Co., Minneapolis.

Beatrice brings in Bozell

CHICAGO—Beatrice Cos. has moved its $5 million County Line cheese account (AA, Sept. 30) to Bozell & Jacobs from D'Arcy Masius Benton & Bowles. Separately, Beatrice has confirmed that it is seeking buyers for its Avis, Danskin, Pennaco Hosiery and International Jensen units (AA, March 11). Those units have projected 1985 sales of $1.1 billion. Ted Bates Advertising/New York, handles Avis; Grey has Danskin; Rosenfeld, Sirowitz & Lawson has Pennaco, and HBM/Creamer here handles Jensen. Beatrice's stock continued climbing this week, fueled in part by rumors that former Esmark chairman Don Kelly will orchestrate a leveraged buyout.

'USA Today' makes gains

ROSSLYN, VA.—Gannett Co. will report in the Audit Bureau of Circulations FAS-FAX report that paid circulation of *USA Today* for the six months ending Sept. 30 has risen to 1.36 million, up about 5% from a year ago. Combined paid and bulk circulation now exceeds 1.4 million. Gannett has hiked the paper's rate base 7.7%—a b&w page goes to $26,849 and a color page to $33,561. The circulation figure follows by a month the daily's newsstand price hike to 50¢ from 35¢. Circulation losses due to the price increase were averaged in with circulation gains made earlier in the year.

ABP lowers dues

NEW YORK—Assn. of Business Publishers has reduced member dues by 25%, effective with billings for the quarter starting Oct. 1. The move is

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ABP MPA RED TAG ABC ANPA

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VOGUE
WORKING MOTHER

Magazines

Jeffrey Toth

Viewing the future in a new light

By Belinda Hulin-Salkin

These are anticlimactic times for the consumer magazine industry. Newsstand sales are down, ad pages are down, and big-ticket/big-name mergers are almost commonplace.

After 10 years of seemingly limitless growth, capped by a record-breaking 1984, business is leveling off. While no one is predicting gloom, most observers look to the future with a slightly wary eye.

"I think one of the problems with the magazine industry is that we've come through a period of enjoying our success, and now that we've hit a plateau, we forgot how far we've come," says John Mack Carter, editor-in-chief of *Good Housekeeping* and director-magazine development for Hearst Corp., New York.

He says things weren't nearly as bright in 1975 as they are today, and ad revenues still are growing. "When you have that much success, two things happen," he says. "The first is that we begin to take success for granted.

"The second is that we forget how we got here—namely, by exceptionally hard work and in spite of intense competition."

The good news for magazines, Mr. Carter says, is they are getting more serious attention from advertisers than ever before, largely because of the search for network tv alternatives.

According to the Publishers Information Bureau, New York, total consumer magazine ad revenues reached $2.4 billion for the first half of 1985, up 8.2% from 1984, although ad pages were down 1.4% for the same period.

"The industry is coming off of last year's Olympic doings, so the decline is not too surprising," says Marianne Howatson, senior vp-marketing development for the Magazine Publishers Assn., New York.

Ms. Howatson cites a few national advertising categories for which magazine spending is down from last year. Tobacco advertising, for instance, dropped more than $30 million from 1984 for a decline of 15%. Computer advertising is down; liquor advertising is leveling off.

Offsetting those categories, revenue gains were made in the areas of food (up 20% for the first half of 1985, compared with the similar period last year), entertainment (up 27%), snack and soft drink (up 32%), and soap and cleanser advertising (up 62%). Still, the net revenue increase of 8.2% is modest by recent standards.

"From 1982 to 1984 advertising revenues increased 33%," Ms. Howatson says, "a staggeringly big jump. [Because] 1984 was such a big year, for anyone to even compete with that massive level of spending is difficult."

The bad news for the magazine industry comes largely from outside influences. Although paper and printing costs seem to be stabilizing, postal rates are expected to increase. "We continue to be at the mercy of the Postal Service both for rates and efficiency," one executive says, "and we can't do anything but pay the bill."

There's more bad news from the racks. Declining newsstand

(Continued on Page 16)

Belinda Hulin-Salkin, Advertising Age's Philadelphia correspondent, examined the science category in last October's Special Report on magazines.

Unless otherwise noted, all circulation figures used in this Special Report represent total paid circulation as reported to Audit Bureau of Circulations for the six months ended June 30, 1985.

Viewing

(Continued from Page 15)

sales for magazines are a concern throughout the industry as publishers rely on the kindness of retailers for market penetration and display space.

"There have been some pretty dramatic losses in single-copy sales," says Michael Garavalia, newsstand sales manager for Advance Publications' Conde Nast subsidiary, New York. "And even if subscriptions go up, it's much more economical to have a newsstand sale than it is to get a new subscriber."

Mr. Garavalia says videocassette recorders are at least partly responsible for declining single-copy sales.

"There are at least 10 million vcrs out there, and people don't read while they're watching the vcr," he says. "The same people who buy publications are the ones buying vcrs. Even after people have bought the machine, they're renting and buying movies with money they might have spent on magazines."

According to the MPA, single-copy magazine sales dropped to a combined per issue average of 81.8 million for 473 magazines in 1984, down from a high of 92.8 million for only 372 titles in 1978. That 1984 figure represents a decline of 2 million from 1983.

David Lee, MPA vp, says the industry is working with distributors and retailers to reverse the trend; he says over-all circulation continues to grow.

Still, the industry's rack sales have declined 10% over the past five years, a fact Mr. Lee partially attributes to consumer price resistance. Magazine cover prices have increased 40%, on the average, over the same period.

In the same vein, the industry is suffering from a decline in multiple purchases. Consumers who once grabbed two or three magazines at the checkout counter now are reaching for only one.

To some extent, newsstand sales are a victim of increased subscriptions. "The industry has gotten very sophisticated at marketing subscriptions," Mr. Lee says. "As a result of direct mail techniques, large subscription agencies, direct marketing and tv ad support, the over-all public is buying more magazines than ever before . . . 312 million paid copies per issue in 1984."

Bucking newsstand trends, New York-based Family Media expects rack sales of *Ladies' Home Journal* to go up by 100,000 units in 1985, over the nearly 1 million sold in 1984. Michael Senior, the company's newsstands sales director, credits a strategic price-reduction campaign for the success.

"In November, 1982, we priced 25% of our newsstand copies at $1.19," Mr. Senior says. "We built up to 40% in May, 1983, and by 1984 all newsstand copies were $1.19. Just as slowly, we rolled the price back to $1.50, where it is today.

"It was our way of saying 'Try me, you'll like me.' "

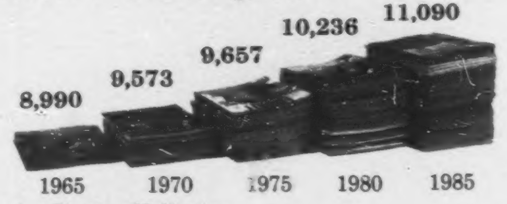
According to Mr. Senior, Family Media did no advertising to support its price promotion.

"The purchaser that bought two or three magazines each month is gone," he says. "And when one-magazine shoppers saw *Ladies' Home Journal* at $1.19 and *McCall's* and other magazines priced higher, they bought us."

Mr. Senior says the company has seen no decline in sales since reinstating the old cover price. The experiment was so successful, the company is trying it on recently acquired *World Tennis* and *Savvy*.

They keep stacking up . . .

Growth of U.S. magazines



Source: Ayer Directory of Publications

Competitive pricing aside, magazines have to secure a place at the checkout counter or newsstand before they can catch a shopper's eye, and with the ever-increasing number of titles—estimated by the "Ayer Directory of Publications" at 11,090 for 1984—that can be difficult.

"The proliferation of titles bothers us," says Gay Bryant, editor of *Family Circle*, New York. "In the good old days it was us and *Woman's Day* at the checkout counter and that was it. These days there are as many as 30 other titles up there—along with razor blades and cookies.

"Instead of sitting back and waiting for a woman to spot us, we've got to really work to catch her eye."

Ms. Bryant says such seemingly unrelated magazines as *People* give *Family Circle* strong competition for discretionary dollars. In addition, magazines have fewer opportunities to entice shoppers. "Women used to average five trips to the store a week," she says. "Now they make one trip."

Changing consumer profiles and interests continue to contribute not only to magazine marketing, but also to the character of individual magazines. As the industry attempts to cash in on surfacing consumer passions, the number of narrowly focused magazines multiplies. Observers expect the trend toward specialized consumer titles to continue, possibly at the expense of more general-interest publications.

One relatively new tenet of the magazine industry is that every publication has its price. After the sale of The New Yorker Magazine Inc. to Advance Publications and Ziff-Davis Publishing's consumer titles to CBS, no company could be considered too elite or too large to be a candidate for sale.

"Mergers and acquisitions are a fact of life in business today, and not only in the magazine industry," says Peter Diamandis, president of CBS Magazines, New York. "You're going to be involved in one sometime in your life, so you might as well get ready.

"Magazine publishing is a tough business these days and size gives an economy of scale," he says, predicting that 1986 will be another tough year for the industry. "There's been a slowing of the total economy; it's a time of consolidation."

(However, Mr. Diamandis says that doesn't extend to CBS' own publications. Through its $362.5 million acquisition of 12 Ziff-Davis titles this year, CBS acquired several publications that directly compete with its own magazines. He says speculation that the company eventually will combine the competing books is off-base. "People don't seem to grasp the Procter & Gamble concept of marketing," he says. "Procter & Gamble has 18 soaps. They're not going to drop Tide just because they have 17 other brands.")

Outside the magazine industry, observers expect to see more title acquisitions in the coming months. "There are a lot of sellers who simply want to move on to other things," says Steven Rattner, vp at Morgan Stanley, New York.

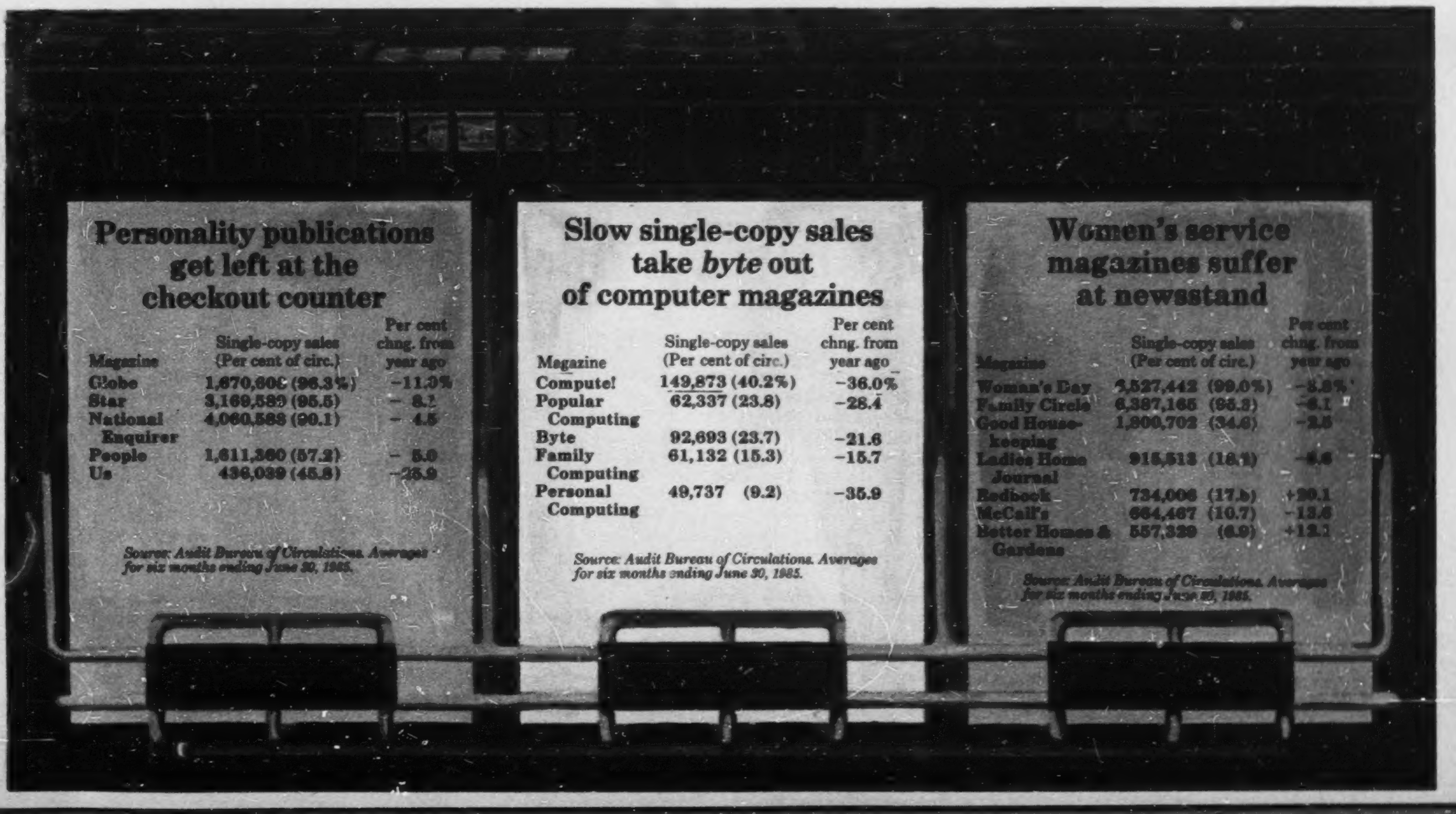
"The magazine industry has always been characterized by a lot of entrepreneurial companies, and at some point entrepreneurs often come to the conclusion that they want to get their money out and retire or do something else."

Mr. Rattner says the high prices magazines are commanding are tempting a lot of privately held publishing companies to sell. There is still a market for established magazines because, over-all, he says the industry is very healthy.

"The rate of growth of advertising over the last 30 years has been phenomenal, and that's what has fueled this industry," he says. "And the outlook is good because advertising is still going to grow as fast or faster than the [gross national product].

"There's no question that magazine advertising has been soft this year," he says. "But that's becauce things were so heady last year. And don't forget—this is an industry that views a year in which ad revenues increase 4% to be a disaster.

"The steel industry would love to have such a 'bad' year." ∎



Personality publications get left at the checkout counter

Magazine	Single-copy sales (Per cent of circ.)	Per cent chng. from year ago
Globe	1,670,608 (96.3%)	−11.0%
Star	3,169,589 (95.5)	− 8.1
National Enquirer	4,060,588 (90.1)	− 4.5
People	1,611,360 (57.2)	− 5.0
Us	436,039 (45.8)	−25.9

Source: Audit Bureau of Circulations. Averages for six months ending June 30, 1985.

Slow single-copy sales take *byte* out of computer magazines

Magazine	Single-copy sales (Per cent of circ.)	Per cent chng. from year ago
Compute!	149,873 (40.2%)	−36.0%
Popular Computing	62,337 (23.8)	−28.4
Byte	92,693 (23.7)	−21.6
Family Computing	61,132 (15.3)	−15.7
Personal Computing	49,737 (9.2)	−35.9

Source: Audit Bureau of Circulations. Averages for six months ending June 30, 1985.

Women's service magazines suffer at newsstand

Magazine	Single-copy sales (Per cent of circ.)	Per cent chng. from year ago
Woman's Day	3,527,442 (99.0%)	−8.8%
Family Circle	6,387,165 (83.3)	−6.1
Good Housekeeping	1,800,702 (34.6)	−2.5
Ladies Home Journal	915,513 (18.1)	−6.6
Redbook	734,006 (17.5)	+20.1
McCall's	664,467 (10.7)	−13.6
Better Homes & Gardens	557,329 (6.9)	+12.1

Source: Audit Bureau of Circulations. Averages for six months ending June 30, 1985.

Smithsonian builds on solid footing

By Van Wallach

Every year more than 30 million potential subscribers drop by *Smithsonian* magazine's headquarters to look around. But they don't visit some bland high rise. The offices are in the Smithsonian Institution, six huge museums lining the Mall in Washington.

Merchandising to these masses demands tact. A high-decibel push for subscriptions, or "memberships," would clash with the august image of the 139-year-old *Smithsonian*, which strives for "the increase and diffusion of knowledge among men" as an establishment chartered by the U.S. Congress. Executives at the magazine prefer caution over collar-grabbing amid the exhibits.

"We could do more marketing, but it must be done discreetly," publisher Joseph J. Bonsignore s)ays. "We have counter displays in gift shops. We want to make our presence a little more known. There's a potential out there."

The museums register about 900 memberships a month from visitors. The $18 annual "national membership" includes book and gift discounts, entry into a dining room and reception center, and free admission to New York's Cooper-Hewitt Museum (part of the institution), as well as 12 issues of *Smithsonian*.

The magazine thrives on a rock-steady operational style that mirrors this marketing. Connoisseurs of back room intrigue should look elsewhere.

Mr. Bonsignore signed on as general manager in 1969, before the premiere April, 1970, issue, after 24 years at Time Inc. Thomas H. Black also joined then as advertising director/associate publisher, a position he still holds.

"The magazine has stayed incredibly consistent," Mr. Black says. "We've had two editors. Focus group interviewers try to get hints for change, but people say, 'Leave it alone.' "

Readers and advertisers like the stability. Circulation has soared from the initial 164,000 to 2,172,831. Ad pages increased 7.7% in 1984, to 1,012.4, according to the Publishers Information Bureau. Ad dollars rose 19.6%, to $30.7 million.

So far, 1985 looks strong, too; ad pages for the first six months of 1985 were 548.7, up from 523.8, according to the PIB.

Mr. Black characterizes *Smithsonian* as a magazine in search of a category. S. Dillon Ripley, the institution's secretary from 1964 to 1984, wanted a magazine to help diffuse knowledge. "We were a museum magazine and people saw us as old and stodgy," Mr. Black says.

Circulation came naturally, and in 1973 surpassed the initial expectation of 500,000. With growth came comparisons to *Harper's*, *Atlantic Monthly*, *The New Yorker* and *Saturday Review*. The current status, Mr. Black says, combines "quality-class" magazine demographics and editorial with newsweekly size.

According to a 1982 subscriber study conducted by Belknap Data Solutions Ltd., *Smithsonian* subscribers have a median age of 47.7 and median annual income of $39,000; 85.4% attended or graduated from college, 82% own homes, and 58% are male.

Smithsonian always has respected the intelligence and patience of its readers. The magazine offers leisurely reading on a mix of topics, covered at length with plentiful illustration.

The August issue featured 12 pages on New York's garment center (18 color photos) and other articles on innovative playgrounds, poison ivy and satellite repairs in space. Columns note institution activities, but the magazine doesn't dwell on in-house news.

"The institution covers everything and we do, too," Mr. Bonsignore says. "There will always be people who like to read, who will take their time to relax and look at something handsome. We don't compete with tv or radio or newspapers or vcrs. [Our readership] is a category of people who are armchair travelers, curious to do things at their own pace."

Taking a historical view, Mr. Black compares *Smithsonian* to general-interest magazines such as *Look* and *Life*. *Smithsonian* maintained its original vision while other magazines adopted narrower formats. This defied the logic of the times, but "the more educated people are, the more varied their interests," he says.

The demographics have led to a similarly eclectic mix on the ad side. With a median age pushing 50, it's not the hallowed yuppie audience—and that suits Mr. Black just fine. "The market never narrowed down to them," the 60-year-old Mr. Black says. What the audience lacks in youth it gains in purchasing power.

From *Smithsonian's* viewpoint, education is the bond linking the consumers advertisers want to reach. Be the product yogurt machines, imported cars or exercise programs, "the whole *gestalt* flows out of the education market," Mr. Black says. "Educated men and women, both young and old, are linked by their talent, environment, and culture."

Smithsonian

Smithsonian ***offers a mix of topics covered at length and includes plentiful illustration.***

Several food advertisers signed on in the past year, including Stouffer Corp., Sara Lee Corp. and Dart & Kraft. Growth in national accounts counters the sharp drop in direct mail advertisers, down 60 pages last year as catalogs cut into the magazine's business. Pages are distributed among travel, auto, corporate, direct mail and liquor categories (no cigarets). Overall, *Smithsonian* gets advertising from 26 of 28 PIB categories, Mr. Black says—excluding tobacco products and industrial.

The institution soon will mount a new venture, *Air & Space* magazine, which has been given a possible April, 1986, launch date.

Inspired by the hugely popular National Air and Space Museum—housing Charles Lindbergh's Spirit of St. Louis, the Wright brothers' airplane and National Aeronautics & Space Administration spacecrafts—*Air & Space* would extend the museum's influence beyond visitors to a wider audience, says Paul A. Hanle, the museum's associate director for research and project manager.

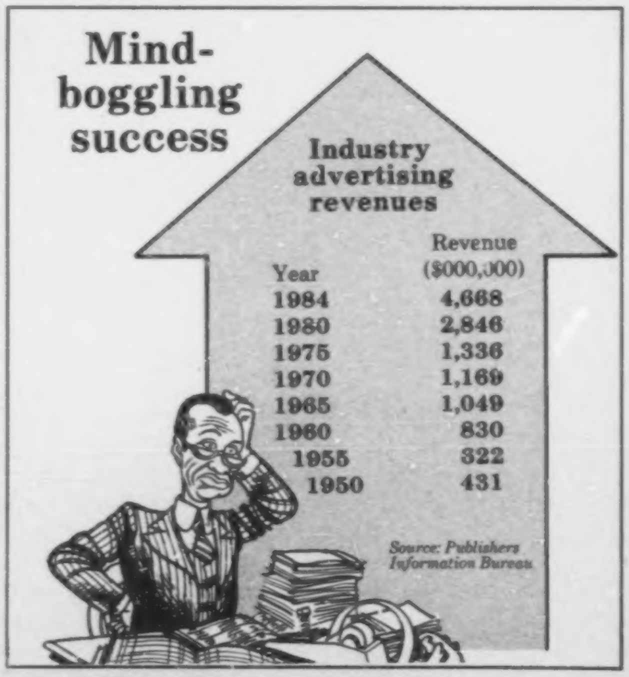
A test mailing to 250,000 readers of *Smithsonian* and 17 other magazines got an "extraordinarily favorable" response, Mr. Hanle says.

He says circulation conceivably would start near 200,000 and grow to 500,000. The magazine would seek a 50-50 mix of consumer and civilian aerospace advertising in a consumer-style editorial setting.

"We found a niche no one else occupies," says Mr. Hanle, who's examined enough magazine proposals to distinguish a rocket from a turkey. "It's a general magazine on aeronautics and space, not a trade or buff magazine. It's for anybody who's looked up at planets or wanted to go into space."

Although a separate project from *Smithsonian*, *Air & Space* would continue its older sibling's outlook, which Mr. Bonsignore defines as high standards in content and physical product. These factors enhance quality magazines as other publications lower their standards and the electronic media become increasingly cluttered.

"There are lots of images coming at you, but you'll still have this kind of enjoyable magazine," he says. "As other things get quicker, magazines that retain quality will stand out more and more."



Mind-boggling success

Industry advertising revenues

Year	Revenue ($000,000)
1984	4,668
1980	2,846
1975	1,336
1970	1,169
1965	1,049
1960	830
1955	322
1950	431

Source: Publishers Information Bureau

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Tailoring medium to marketers' needs

By Gary Levin

Marketers have discovered it sometimes takes more than a good product, creative advertising and extensive media placement to foster brand loyalty. Not content with scattered exposures in mass media, many consumer product and service companies have created their own editorial environments by sponsoring customized magazines.

Custom magazines are nothing new in the airline industry, which has used its own in-flight magazines to capitalize on a captive audience. But following the success of magazines from companies as diverse as Polaroid Corp.; Sears, Roebuck & Co., and R.J. Reynolds Industries, others have joined the airline crowd with general-interest titles aimed at a potential or existing customer base. The custom publishing houses produce about 40 regularly published titles, excluding in-flight magazines, employe publications and one-shot issues.

R.J. Reynolds, for example, is the exclusive advertiser in *Moviegoer*, edited for the young film buff by Knoxville, Tenn.-based 13-30 Corp. and distributed free in hundreds of movie theaters nationwide. Polaroid, Sears and Martin-Senour Co. each have developed loyalty-building "clubs" for their customers, offering discounts on merchandise and exposing likely sales prospects to several pages of advertising each month. Wagner Spray Tech Corp. has developed *Time Off* for professional painters.

Building on the trend, new projects are in the works from American Honda Motor Co., Toys "R" Us and even Motherhood Maternity Shops.

"This is the ultimate segmented marketing tool," says Henry Fiola, vp-creative communications at Webb Co., St. Paul, Minn. "It's no more expensive than direct mail, but you wrap your message in credibility, with [the presence of] editorial content."

Advertisers often choose an editorial focus that complements their businesses, although some—such as R.J. Reynolds—publish magazines unrelated to their product lineups. Meredith Corp., Des Moines, Ia., edits and sells advertising in an annual *Poc[illegible]e* magazine for Olin Corp., a maker of pool chemicals and supplies, in addition to Polaroid's *Instants* (a club magazine) and others.

Last month, Meredith, publisher of *Better Homes & Gardens* and other consumer titles, launched *Motherhood*, edited for expectant mothers and distributed in Motherhood Maternity Shops. The company also acquired two titles from rival Webb Co.: Farmers Insurance Group's monthly *Friendly Exchange* (circulation: 4.25 million) and Kampgrounds of America's annual KOA Directory.

KEVIN KLINE

R.J. Reynolds Industries is the exclusive advertiser in Moviegoer, distributed free in movie theaters.

Western Publishing Co.'s **Toys "R" Us** ***magazine will be distributed at the retailer's toy stores.***

Instants
State Fair

Meredith Corp. edits and sells advertising in Polaroid Corp.'s **Instants** ***club magazine.***

Webb, once a leader in the in-flight market, produces many titles, including *Healthscenes* for local hospitals; *moneytalk*, customized for local banks and savings and loan associations; *AAA World*, which circulates 2 million copies to members of 13 regional American Automobile Assn. clubs, and a magazine for Kawasaki motorcycle owners. It plans soon to begin publishing a magazine for selected Honda automobile owners encouraging loyalty to Honda dealers' service departments.

Western Publishing Co., the Racine, Wis.-based publisher of Little Golden Books for children, is readying the launch of *Toys "R" Us* magazine, to be distributed at the toy retailer's stores. Edited for children, the title features puzzles and articles and includes ads from toy makers.

Most often, companies will approach publishers with an idea for a project, although sometimes a custom house will identify a marketing need.

Ad agencies are not always content to watch their clients' ad dollars shifted to media over which they have little control. "When you're spending a significant amount of an ad budget, there's a natural reluctance for agencies to have their hands tied," Mr. Fiola says.

But publishers maintain that such magazines often serve clients' interests more effectively with less intrusive and more relevant messages.

"All of these publications do reach a target audience of their [sponsor] companies, even though it may not be exclusively users of that product," says Nick Glover, 13-30's president. "The idea is to reach an audience that has the highest propensity to use the product."

For R.J. Reynolds, the audience is the broad universe of moviegoers, but other companies target their readers more narrowly.

House of Seagram, for example, last fall began issuing *Tables*, a monthly magazine whose ultimate goal is to encourage restaurant waiters and bartenders to recommend and serve Seagram's distilled spirits. The October issue of the magazine includes 23 pages of Seagram advertising interspersed with articles on "America's best servers" and money-management techniques.

When starting a new custom project, Meredith's Mr. Benson says, "We ask potential clients, 'How would you like people to think about you in the future?' You have to get a platform or foundation on which you build an editorial premise, [because] if a magazine is not read by its recipients then it won't do its job."

Although some magazines seek tangible results—product or magazine sales, for example—in other cases the job is advocacy of a particular view. New York-based Hearst Corp. recently published the first issue of *Philip Morris* magazine on behalf of the cigaret maker to dispel so-called myths about cigaret smoking.

Farmers Insurance Group's *Friendly Exchange* subtly injects its political perspective into occasional articles related to the industry, says Richard Pittenger, vp-pr at the Los Angeles-based company and publisher of its magazine. "We don't push [insurance] sales," he says. "We leave that to the agents."

Although many titles in the category accept ads only from a single sponsor, others—including *Friendly Exchange*—have found revenues from other advertisers essential in offsetting production costs.

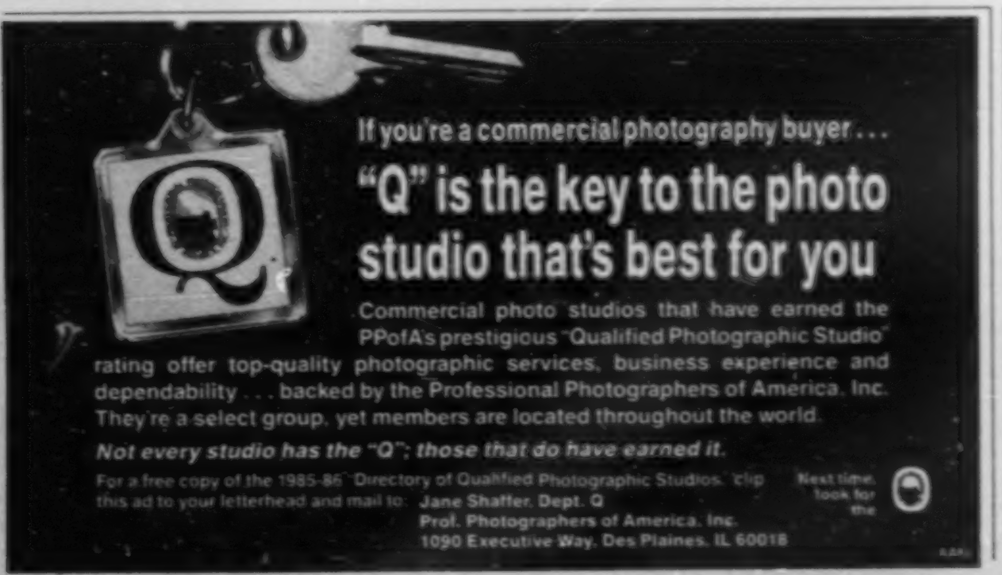
Farmers Insurance spends about $5.5 million a year on *Friendly Exchange*, which at Webb offered color page ads for $20,000 and brought in annual ad revenues of $3.6 million. "We'd sure like to have it paid for [entirely by ads]," Mr. Pittenger says, but "we don't expect to break even—not by a long shot." Others discount the need for outside revenue, but offer space anyway because they want to make it look more like a real magazine, Meredith's Mr. Benson says.

From a pr standpoint, ad revenues are less important than good will and new or increased business generated by a well-written publication. "The success of a [custom] magazine has to be based on insurance renewals or new business, not on the success of advertising sales," Mr. Fiola says. "There's no way in custom publishing that an ad pays for anything more than the page on which it's published."

Indeed, it costs marketers anywhere from 40 cents to $1 per copy, including postage, for an average-size 32-page magazine that reaches more than 100,000 readers. Publishers normally take a commission on advertising sold through outside reps, although sometimes sponsors receive all ad revenues less sales expenses.

But because editorial success can't be measured by subscription renewals or newsstand sales, marketers believe the ultimate measure of a custom magazine's value is how readers respond to and become involved with the book.

"What makes a client happy with the publication is that the audience it's intended for is in fact reading the publication, that they like what they're reading and that they're spending time with it," Mr. Glover says. If that goal is achieved, he says, the rest—product sales—takes care of itself.


If you're a commercial photography buyer . . .

"Q" is the key to the photo studio that's best for you

Commercial photo studios that have earned the PPofA's prestigious "Qualified Photographic Studio" rating offer top-quality photographic services, business experience and dependability . . . backed by the Professional Photographers of America, Inc. They're a select group, yet members are located throughout the world.

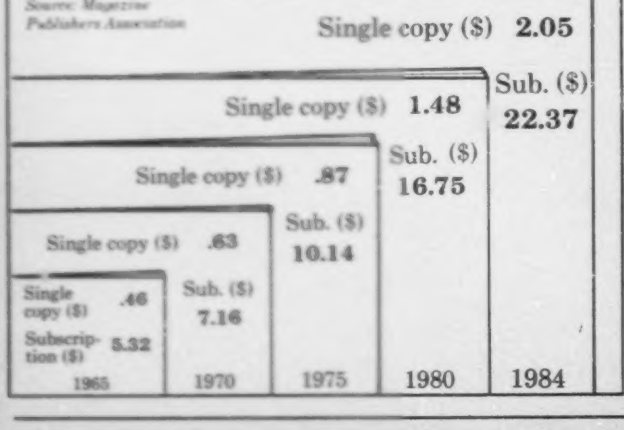
Not every studio has the "Q"; those that do have earned it.

For a free copy of the 1985-86 "Directory of Qualified Photographic Studios," clip this ad to your letterhead and mail to: Jane Shaffer, Dept. Q
Prof. Photographers of America, Inc.
1090 Executive Way, Des Plaines, IL 60018

Next time, look for the

Cheaper by the subscription

The chart represents the average single copy and one-year subscription prices for the 50 leading magazines in advertising revenue as reported to the Audit Bureau of Circulations for that year.



Source: Magazine Publishers Association

Men's sophisticate titles feel circulation pinch

By Gary Levin

The market for men's magazines has grown skimpier lately, as trendsetting titles, such as *Playboy* and *Penthouse*, encounter rough times caused by life style changes and new competitors.

So far this year, total paid circulation of every major magazine in the politely termed "men's sophisticate" category has dropped—by as much as 22%—with newsstand sales declines leading the pack.

Although an over-all downward trend has hit the magazine industry, men's titles are perhaps most vulnerable to attack on several fronts.

In addition to the category's heavy dependence on newsstand sales, X-rated videocassettes have duplicated more graphic "girlie" magazine pictorials, forcing many publishers into producing soft-core "video magazines" or more explicit films themselves.

"The stark attraction of nudity is not what it used to be," says David Leibowitz, an analyst at American Securities, New York, who follows the magazine industry. "The battle lines are drawn, and these magazines now are going to have to survive and prosper based on editorial content and a unique product. Sex alone is not the answer."

Publishers of both *Playboy* and *Penthouse* blame a more conservative social environment on readership declines. *Playboy's* current 4,202,324 circulation is far below the 7.2 million it claimed at its peak in 1972. *Penthouse's* circulation, which peaked at 4,711,849 in 1979, now stands at 3,200,863.

Executives from both magazines say these circulation drops are in large part a result of boycotts by groups, such as the National Federation for Decency, that have lobbied to prevent distribution of the magazines at convenience stores. In addition, *Penthouse* last year was banned in Canada after a pictorial on women in bondage.

PENTHOUSE
MEDICAL GENOCIDE
MISS AMERICA: NOT WHAT SHE USED TO BE
THE NEW MAFIA MORE VIOLENT THAN EVER

Penthouse *publisher Bob Guccione says his magazine is "more sexual in parts . . . because that's what our readers want."*

Playboy associate publisher Arthur Kretchmer says his magazine's circulation decline was a "marketing dilemma" attributable to increasing competition and changing mores. "*Playboy* definitely lost part of its franchise," he says. "It lived in a crystal palace," fostered by the mystique surrounding founder Hugh Hefner.

Illustrating what Mr. Kretchmer calls "intentional anachronisms" in the magazine today, Chicago-based *Playboy* has downplayed skin, instead focusing more on fiction, service features and other material that could be found as easily in *Esquire* or *Gentlemen's Quarterly*.

Although *Playboy* still contains such 1950s-era holdovers as Playboy Party Jokes, "we're trying to make the magazine more appropriate for the '80s and '90s than for the '60s and '70s," says Mr. Hefner, editor and publisher of the magazine as well as chairman of parent Playboy Enterprises.

As a step in that direction, *Playboy* last month unveiled its first perfect-bound issue, heralded as a collector's edition but editorially similar to previous issues. Mr. Hefner describes the move as "being something more . . . . It's a dramatic way of symbolizing change," he says, citing the product's fewer pictorials, shorter articles and gradual expansion of monthly columnists.

The October-dated *Playboy*, while replacing the navel-piercing staple with a perforated centerfold, also permits advertisers greater flexibility in using blow-in cards and bound inserts, Mr. Kretchmer says.

More arresting—but less revealing—cover designs are intended to boost sagging newsstand sales, which have resulted not only from changing values, but also from continued price increases: Both *Playboy's* and *Penthouse's* regular issues—excluding Christmas and anniversary editions—sell for $3.50.

Both editorial and design changes are aimed at making the magazine a more upscale, coffee-table product, Mr. Kretchmer says, and thus more acceptable to advertisers beyond *Playboy's* core group of alcohol, cigaret, car and stereo marketers.

PLAYBOY
ENTERTAINMENT FOR MEN
COLLECTOR'S EDITION
THERE'S A BOLD NEW LOOK UNDER OUR COVERS
SUPERMODEL JERRY HALL PHOTOS BY ANNIE LEIBOVITZ
PLUS TOM McGUANE • ROBERT STONE
BUCK HENRY • ROSANNA ARQUETTE • BOB GREENE

Publisher Hugh Hefner says* Playboy *is making changes to meet the demands of readers of the '80s and '90s.

In addition, Mr. Hefner says, these changes are designed to "move us away from other [men's] magazines, where the primary emphasis is sexual. But that doesn't mean the magazine is going to lose its personality." Instead, Mr. Kretchmer says, *Playboy* will refine its editorial voice and its use of cartoons to make both less outdated.

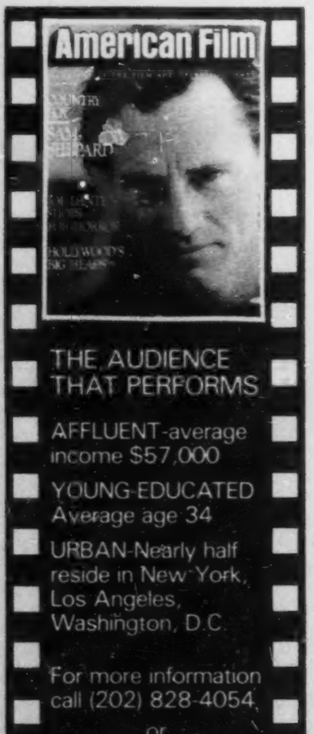
But *Penthouse* publisher Bob Guccione says his magazine "is more sexual in parts than *Playboy* because that's what our readers want. We haven't changed our mix as far as sex is concerned," he says, adding, however, that *Penthouse* has increased its investigative reporting and is now more politically minded.

The magazine, whose circulation includes nearly 3 million newsstand copies, has taken an opposite tack than *Playboy* by downplaying service journalism. It has done so, Mr. Guccione says, "because in my opinion they're just puffery for advertising that detracts from the credibility of the magazine's editorial content."

In an unusual move on the advertising side, Mr. Guccione last January began limiting ad space in *Penthouse* by increasing the editorial-ad ratio to 4 to 1. He says *Penthouse* now accepts only 30 ad pages for each regular issue and 50 pages for its larger January, September and December issues, a self-imposed limit Mr. Guccione says offers advertisers an "optimum window: They're not crushed between page after page of advertising."

Mr. Kretchmer, however, says this ad policy is merely a shield to hide the fact that *Penthouse* can't get ads.

Whether self-imposed or not, *Penthouse* sold only 274 ad pages in the first seven months of 1985, compared with 343.8



THE AUDIENCE THAT PERFORMS
AFFLUENT-average income $57,000
YOUNG-EDUCATED Average age 34
URBAN-Nearly half reside in New York, Los Angeles, Washington, D.C.
For more information call (202) 828-4054 or (212) 719-9006

Teens

(Continued from Page 51)

the increase in working mothers, young women are merged in an ever greater arena of involvement. Changes in society dictate that we cover pertinent topics such as stepparents, sexual abuse and many other subjects."

A changing sexual attitude among teens has yielded various philosophies on dealing with the subject.

"We have an obligation to educate," *Seventeen's* Ms. Richardson says. "Forty years ago, in keeping with a moral code, navels were airbrushed out of a model. Within the last 10 years, we've been dealing with more serious, previously taboo subjects." For example, in 1977, the magazine introduced a Sex and Your Body column.

However, *Seventeen*, like *'Teen* and *YM*, will not accept birth control ads. "We don't run birth control advertising because we feel it is somewhat misleading," Ms. Richardson says.

Seventeen's publisher, Mr. Bunge, concurs.

"We have no plans to accept birth control advertising, but we do think the subject should be addressed editorially," he says.

'Teen's approach is similar to *Seventeen's*. In the late 1960s, the magazine began sex education articles, "one of the first to have the courage to do so," says publisher Robert MacLeod. "We cover the subject of sex in a clinical way."

Although *YM* also addresses serious, previously taboo subjects, teen age sex is an area it handles somewhat differently from its competitors.

"It's not our role to educate, but to guide them to organizations that are better equipped to do so," editor Ms. Schneider says. "We don't tell them 'don't have sex,' we give them information and let them make up their own mind."

However, *YM* considers birth control a hands-off subject. "We don't have articles on birth control because it would sound as though we're condoning teen age sex," she says.

"I think the other teen magazines that cover that subject felt pressured," she says. "We don't have enough space to cover that subject accurately, and I don't feel any magazine covers the topic of birth control properly."

Although each publication varies slightly in its over-all editorial philosophy, providing information remains a common denominator.

"We're very concerned and responsible about young America," Mr. MacLeod says. "Our editorial is more educational than entertaining."

Entertaining or not, *'Teen*, as well as *YM*, is not reaching the older segment of female teens. While Mr. MacLeod sings the praises of a pure teen readership, he admits *Seventeen* receives the bulk of teen advertising. "They certainly have a lot of business I'd like to see," he says.

While these three publications appear to co-exist peacefully, some in the industry question the absence of more rivals.

"I'd like to see more competition among teen magazines," says Stone Roberts, exec vp at SSC&B, New York, the agency for Noxell Corp., a predominant teen magazine advertiser.

Teen magazines and radio are the two most efficient vehicles for reaching a teen audience,

Working

(Continued from Page 51)

New York, has built her magazine around the same objective as *Self*—covering the multifaceted life style of today's woman in one magazine. Because 72% of its 1,093,590 readers work outside the home, *New Woman* also keeps a wary eye on *Savvy*, *Self* and *Working Woman*.

"Even *Savvy* and *Working Woman* have accepted the fact that the battle of the sexes is over," Ms. Miller says.

"Now it's time to move on and prove that women can not only handle the responsibilities of a job but a life outside of the office as well."

She says *New Woman* likes to think its readers "can have not only bank accounts, but orgasms, too."

during the same period of 1984. The 25% drop in ad pages was accompanied by a 6.2% decline in ad revenues, to $11.3 million, for the period. The magazine estimates it will finish the year with 410 ad pages sold, compared to 701 for all of 1984.

Playboy, following increased advertorial promotion activity, sold 519 pages from January to July, for revenues of $31.7 million, compared with 518.4 pages sold and revenues of $30.1 million in the first seven months of 1984. Through October, the magazine is up by barely a page over year-to-date 1984 figures.

Reflecting the summer firings of senior vp-ad director Charles Stentiford and two other top *Playboy* marketing executives, Mr. Kretchmer says such promotional activity will be de-emphasized in the future (AA, July 29). He since has replaced Mr. Stentiford with Saul Stone, a former vp-group publisher at Ziff-Davis Publishing Co., New York (AA, Sept. 23).

Other magazines in the category, including *Club*, *Genesis*, *High Society* and *Hustler*, survive mainly on mail-order advertising for adult films and sex toys despite declining circulation.

Hustler, published in Los Angeles by Larry Flynt Publishing, temporarily has been suspended by the Audit Bureau of Circulations, although it probably ranks third in the category, behind *Playboy* and *Penthouse*, in terms of circulation.

Club's 407,000 paid circulation makes it the largest of the other currently audited sex magazines.

Meanwhile, with both softcore and more explicit videocassettes readily available, publishers have challenged the relatively recent soft-porn video upstarts with cable and video projects of their own. But the Playboy Channel, launched in November, 1982, has not been received well by local cable operators, whose subscribers and local governments have resisted such adult programing.

Mr. Guccione says Playboy Enterprises' cable problems are deterring a similar attempt by New York-based Penthouse International. Both magazine publishers, however, sell videotapes through outside distributors with varying success rates.

Penthouse, capitalizing on what Mr. Guccione terms a more visual orientation among readers, has launched *Newlook*, an unusual monthly hybrid of *Penthouse* and a newsweekly that has juxtaposed pictorials of nude women with news photos. The title is an American version of an existing French pictorial magazine.

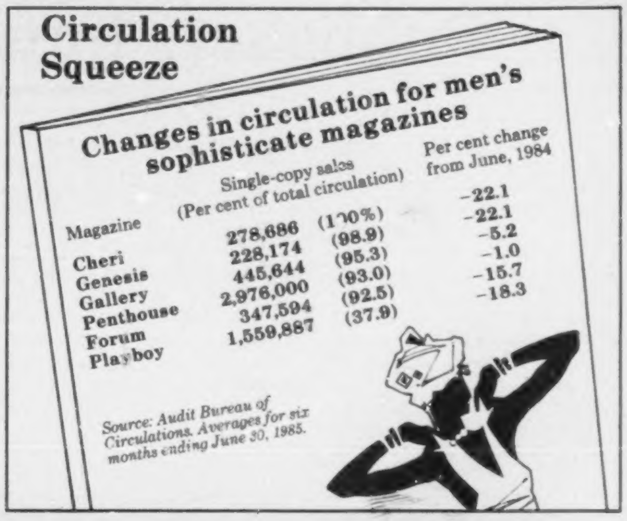
Observers say the future of the men's sophisticate category depends not on corporate diversification, but on such publishing events as *Penthouse's* pictorial on former Miss America, Vanessa Williams, which sold 5 million copies in four days, according to the magazine.

More recently, the *Playboy-Penthouse* skirmish over photos of pop singer Madonna resulted in issues of both magazines hitting the newsstands within hours of one another and weeks earlier than scheduled.

The competition generated heavy publicity in the mass media and at least temporarily boosted newsstand sales of both magazines.

Who will be the next celebrity revealed? Neither publisher will say, but both promise more events are soon to come. ■

Circulation Squeeze



Changes in circulation for men's sophisticate magazines

Magazine	Single-copy sales (Per cent of total circulation)		Per cent change from June, 1984
Cheri	278,686	(100%)	–22.1
Genesis	228,174	(98.9)	–22.1
Gallery	445,644	(95.3)	–5.2
Penthouse	2,976,000	(93.0)	–1.0
Forum	347,594	(92.5)	–15.7
Playboy	1,559,887	(37.9)	–18.3

Source: Audit Bureau of Circulations. Averages for six months ending June 30, 1985.

Mr. Roberts says. However, many products require a visual message, which eliminates the use of radio. "If you look at the first 20 pages of each publication [*Teen*, *YM* and *Seventeen*] you see a tremendous amount of duplication among advertisers." However, *Seventeen* garners similar advertisers and then some, according to Mr. Roberts.

"They seem to be getting greedy," he says. "*Seventeen* has so much clutter that it's become a concern that our message gets lost."

Although the magazine's average advertising-editorial ratio for 1985 is 55% to 45%, publisher Mr. Bunge cites a 1984 Starch Adnorms Report from Starch INRA Hooper, Mamaroneck, N.Y., that ranked *Seventeen* No. 1 in over-all ad awareness.

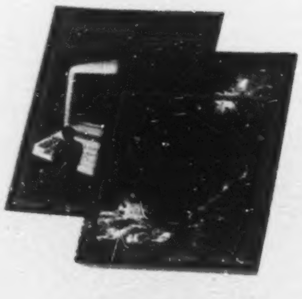
"With young readers, every ad is an adventure. They read every single line of it," he says.

Nevertheless, Mr. Roberts questions the limited print media available to target teens.

"Maybe this [need for higher visibility] will present a situation for a fourth power." ■

ROTARIANS...you can't find a better upscale male audience!

Uncommonly affluent. Achievers with a keen taste for accumulative purchasing. Businessmen, owners, executives who call the purchasing shots for their companies. 13.5% have leased a plane for business or pleasure; 5.7% expect to buy or lease during the next two years.



480,000 successful, dedicated subscribers with an average household income of $65,000, an average net worth of $390,000! They travel and entertain extensively, have sizable investment portfolios, are well educated...and they're available through THE ROTARIAN.

THE ROTARIAN is the magazine of Rotary International...and it plays an important role in the everyday life of Rotarians. Here is a market of prequalified business/consumer readers and THE ROTARIAN is their magazine. 92% do not subscribe to TRAVEL AND LEISURE, 90% do not subscribe to FORBES or FORTUNE.

If you want to give your advertising program a demographic edge that means business with an upscale male audience, contact:

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International Publishers' Representatives
CHICAGO: 4761 W. Touhy Avenue, Lincolnwood, IL 60646; (312) 679-1100
NEW YORK: 1 Park Avenue, New York, NY 10016; (212) 686-8400
LOS ANGELES: 1800 N. Highland Avenue, Hollywood, CA 90028; (213) 462-2700
MIAMI: 7600 Red Road, Miami, FL 33143; (305) 665-6263
TORONTO: 501 Eglinton Avenue, East, Suite 202, Toronto, M4P 1N4 Ontario; (416) 482-6288
LONDON: 33A Station Road, North Harrow, Middx, HA2 7SU, England; (01) 427 9000

The Rotarian
Advertising Department
1600 Ridge Avenue
Evanston, Illinois 60201
(312) 328-0100

C2710-1

$1.25 a copy; $55 a year

Monday, October 7, 1985

Advertising Age®

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YOU'VE GOT EVERY REASON TO CELEBRATE!"

Celebration time

"You've got every reason to celebrate!" proclaim test-market ads for Anheuser-Busch's Baybry's Champagne Cooler, but production staffers at magazines in which A-B plans to run the copy-intrusive ads may disagree. The celebration, which includes tv and radio, as well as print, begins next month. *(See story on Page 3.)*

BK embroiled in ad-plan review

By BRIAN MORAN

Burger King Corp. chairman J. Jeffrey Campbell, dissatisfied with "marginal" sales gains from recent ad campaigns and facing a crisis of confidence among his franchisees, says the chain will make radical changes in its marketing strategy this fall.

The Burger King chief said he senses consumer "boredom" with more than three years of hard-edged, comparative strikes against McDonald's Corp., and that the company will attempt to forge its own identity as a quality-driven chain in future advertising.

His displeasure was registered during an interview last week that followed a shakeup in Miami-based Burger King's marketing staff. The changes saw exec-vp marketing Donald Dempsey reassigned to an operations training program (AA, Sept. 30). Mr. Campbell

(Continued on Page 92)

Last Minute News

Beiersdorf pulls plug on tv advertising

Norwalk, Conn.—Beiersdorf Inc. has decided to pull its $5 million-to-$7 million advertising budget for toiletries out of daytime network tv and channel its entire budget in women's magazines beginning this month, with a new campaign from agency Posey & Quest, Greenwich, Conn.

American Airlines eyes int'l ad streamlining

Dallas—American Airlines says it will consolidate its estimated $2 million international advertising account "in the near future," and is talking to several New York-based agencies. Presently, TBWA, New York, handles Germany and France, and Woodyer, Hudson & Chapman, London, handles the U.K. AA's domestic account is at Bozell & Jacobs/Southwest.

USDA exec in line to replace Miller at FTC

Washington—Agriculture Department general counsel Daniel Oliver is

(Continued on Page 8)

NEWSPAPER

AA
DC20014CONGLI FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Stage set for agency reviews at P&G-Vicks

By NANCY GIGES

Procter & Gamble is expected to play musical chairs with the agencies of soon-to-be acquired Richardson-Vicks, despite its more relaxed stance recently on agency conflicts.

Especially vulnerable are the $40 million R-V assignments at Young & Rubicam, which dropped P&G two years ago to handle a more flexible advertiser, Colgate-Palmolive. Less clear is how P&G will deal with smaller agencies that handle some of R-V's business.

The fast action may also put P&G once again in the leading advertiser slot, a position being contested by R.J. Reynolds Industries with its new Nabisco subsidiary and Philip Morris Inc. with General Foods as its partner. Within a few short months, these three companies have emerged as $1 billion advertisers, the first time any company has topped that figure annually in this country.

Ironically, the Y&R-P&G split related in part to Y&R's handling of Oil of Olay beauty soap, an R-V

(Continued on Page 92)

Billionaires

It looked for a while there as if the flurry of megamergers would knock Procter & Gamble from atop Advertising Age's list of 100 Leading National Advertisers.

Now, with P&G itself jumping into the merger business, there will be no less than three giants vying for the top spot in 1985—all with combined ad budgets exceeding $1 billion.

Here's the lineup, based on Advertising Age estimates:

Procter & Gamble ($872 million)
+Richardson-Vicks ($163.5 million)=$1,035.5

Philip Morris Inc. ($570.4 million)
+General Foods ($450 million)=$1,020.4

R.J. Reynolds ($678.2 million)
+Nabisco Brands ($335 million)=$1,013.2

Advertiser, affiliate objections growing

NBC, ABC take 15s

By VERNE GAY

New York—NBC-TV and ABC-TV will begin accepting stand-alone 15-second commercials throughout their schedules by January, even though the NBC affiliate board has threatened to boycott the unit, and major advertisers, including Procter & Gamble, have expressed displeasure with the 15 to the nets.

NBC-TV Network president Pier Mapes told Advertising Age that NBC soon "will go to [selling] 15s in newsbreaks only as a practical matter." He added that the supply of 10-second commercials for those breaks is drying up.

CBS was the first network to accept the 15 in news and sports breaks (AA, Aug. 12, 19), and then rolled the unit into about 25% of its total inventory. ABC quickly started taking the 15s in newsbreaks. Now agency sources report NBC is telling advertisers it will soon begin accepting the unit. If NBC goes, most observers believe ABC will follow suit.

Mr. Mapes said, however, that NBC had "no immediate plans" to adopt the unit across its entire schedule. He said he wanted to see how many CBS affiliates preempt

(Continued on Page 90)

South Africa's crisis

Marketers see ad budgets crumble

By JOHN WOLFE

Johannesburg—Ray Ackerman, one of South Africa's top consumer goods marketers, puffs on his cigar while pondering a question from an American visitor. His brow is furrowed and his eyes hint of desperation.

"There's no question that we're facing a crisis of enormous magnitude," says the chairman and managing director of Pick 'n Pay, an 86-unit chain of supermarket-retail stores with about $1 billion in annual sales. "Our problems are deep and we must be careful not to let our country go down the tube."

Mr. Ackerman, who spends about $8 million a year on advertising via Hedley-Byrne, Cape Town, is not the only one worried. Other advertisers, as well as ad agency executives, say a year of bitter racial violence and economic strife sparked by South Africa's apartheid policies have left deep scars on the South African advertising and marketing industries.

It has turned a fast-growing and stable advertising market into a nightmare for many U.S. agencies and marketers with interests here.

"The events of 1976-77 were a blip compared to this," said Mike Wells, managing director of Bates Wells Advertising, in reference to the racial turmoil almost 10 years ago in Soweto. "Psychologically and economically, it was not as serious then. There's a great deal of pessimism in the country now and a lot of people are leaving."

A report on South Africa begins on Page 34.

Two major problems facing the ad industry are a 12% general sales tax on billings for all ad agencies and the severe decline of the rand. This nation's currency has lost more than 50% of its value in the last year.

Admen say these elements have caused a ripple effect throughout the industry that has led to dwindling profits and ad budgets, increased staff layoffs and quick, "hard-sell" advertising that lacks the creativity the industry is capable of in better times. The situation also has led a handful of agencies, such as McCann-Erickson

(Continued on Page 36)

HIGHLIGHTS

R-V agencies in suspense 1

Procter & Gamble is expected to play musical chairs with the agencies of soon-to-be acquired Richardson-Vicks, despite its more relaxed stance recently on agency conflicts. Especially vulnerable are the $40 million R-V assignments at Young & Rubicam, which dropped P&G two years ago to handle a more flexible advertiser, Colgate-Palmolive.

Burger King cooking up changes 1

Burger King Corp. chairman J. Jeffrey Campbell, dissatisfied with "marginal" sales gains from recent ad campaigns and facing a crisis of confidence among his franchisees, says the chain will radically change its marketing strategy this fall.

Yessir, that's Baybry's 3

Anheuser-Busch next month will pop the cork on an aggressive campaign to introduce its Baybry's Champagne Cooler in western test markets. A-B's long-awaited cooler entry will be backed by two 30-second tv spots, six copy-intrusive magazine ads and a battery of 18 radio spots.

Target: Beatrice 10

Beatrice Cos.' intention to sell four of its units, combined with promising sales in the first half of the year, could bring its debt ratio back in line. The bad news for Beatrice is that such a rebound once again would make the company a ripe takeover target.

Budget takes to the air 10

Budget Rent a Car Corp. turns its attention to the leisure market this week as the company breaks its first tv campaign in more than two years. Budget will use diminutive actor Herve Villechaize in a $3 million network tv effort beginning Oct. 12.

Ward's shines up image 14

Montgomery Ward & Co., which claims "Things are changing," is poised to make a bold change in the look of its advertising. Off to a fast start with "Seven Worlds of Ward's," its version of the store-within-a-store strategy, Ward's is about to spruce up its advertising image to match the new-store concept's sleek, modern look.

Chevy turning Japanese 32

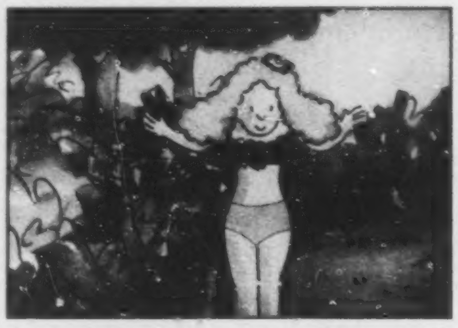
The next Japanese invasion on the West Coast will be led by Chevrolet. The General Motors division last week began an all-out push to let prospective import buyers in the West know that Japanese cars are available from an American manufacturer.

Matters of principals 40

In addition to deciding whether to strike out on their own, principals of small to medium-size agencies have to ask themselves whether to specialize, which clients to add or drop, and how to promote their agencies.

Political ads under fire 60

An internal committee of the American Assn. of Advertising Agencies is mulling whether the trade group should push for legislated changes in political advertising.



Fruit of the Loom goes distaff 62

Union Underwear Co. is beginning its first tv spot for Fruit of the Loom women's underwear as it tries to extend its brand name to other product categories. Union's fruity band of characters are absent from the 30-second tv spot. Instead, the brand is using its first animated commercial.

CORPORATE CLOSEUP

Nielsen on the attack 4

Facing one of the most serious competitive threats in its history, from London-based AGB Research, the media research group of A.C. Nielsen Co. is about to undertake a number of changes that could affect the entire company.

INTERNATIONAL

Latin diet 50

Consumer marketers are going on a "diet" in Latin America. Dozens of low-calorie food products have been launched in the last three years, and more are on the way.

Finnish ads in Moscow 51

Finnish communications company Finnav has just renewed an earlier deal with the Soviet Union, giving it the right to handle all foreign advertising on U.S.S.R. outdoor boards at sports events, for the period 1986 to 1988.

CATEGORY REVIEW

Call of the mousse 68

With sales in the mousse category expected to grow to $175 million by yearend, marketers are spinning off what has been a women's hair-styling product into men's styling and women's hair coloring.

OTHER NEWS

As industry leaders gather for the 1985 American Magazine Conference, many are echoing the rueful cry of the baseball fans whose season ended yesterday: "Wait till next year." Those attending the conference Oct. 6 to 9 at the Hyatt on Hilton Head Island, S.C., for the most part are putting 1985 behind them as a disappointment after the record-setting pace of 1984. Page 6.

Hesselbart & Mitten, Fairlawn, O., has landed the General Tire account, worth $5 million to $7 million, beating out Marschalk Co., Meldrum & Fewsmith and Wyse Advertising. Page 32.

CAMPAIGNS BREAKING

Ralston Purina, St. Louis, breaks a new tv campaign for its G.I. Joe Action Stars cereal today through Nov. 23. Gardner Advertising, St. Louis, handles (AA, July 29). Ralston also breaks a $20 million campaign for its new Almond Delight cereal with tv and coupons via freestanding insert today. Print appears in November and December issues of 12 women's service magazines. Tatham-Laird & Kudner, Chicago, handles (AA, July 15).

A couponed freestanding newspaper insert Oct. 13 kicks off the third annual Italian Dining promotion, via J. Walter Thompson USA, Chicago, sponsored by Campbell Soup Co.'s Prego Plus spaghetti sauce with meat, Kraft Inc.'s 100% Grated Parmesan cheese and Pillsbury's Soft Breadsticks. A 90-second tv spot will run Oct. 14 on "The Country Music Awards" show (AA, Aug. 12). Campbell also breaks its first national advertising for Campbell's Dry Quality Soup and Recipe Mixes today in newspapers, followed by network tv Oct. 14. Leber Katz Partners, New York, handles (AA, July 11).

RCA Consumer Electronics, Indianapolis, will distribute a $2 million freestanding co-op insert Oct. 13 in 587 newspapers comprising its "Video Showcase '86" products. The insert was produced in-house (AA, Sept. 16).

COMING THURSDAY

They range from writers and composers of the words and music you hear in tv and radio commercials to presidents and ceos of very large agencies. Some work for the nation's largest agencies and some are with small or medium-size shops. All are exceptional in one way or another and all are under 40. They are "100 of the best and brightest young people in advertising," as chosen by the editors of ADVERTISING AGE.

Special Report focuses on the creative aspects of global business-to-business marketing. Profiles of the state of the art in various countries and some of the luminaries in the field will be included.

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ABP MPA RED TAG ABC ANPA

Olympics deal has admen on guard

By ROBERT RAISSMAN

Advertisers reacted with caution to NBC-TV's winning bid for the 1988 Summer Olympic Games, wondering how the network will try to price commercial time for the games and whether the revenue-sharing aspect of the bid will be extended to advertisers.

"If they're talking about sharing, then have them share in the deficiencies," said one agency executive who declined to be identified. "If we buy at an expected rating level and it isn't met, then we should get a discount. That's sharing too, isn't it?"

Under NBC's winning bid, pegged to advertising revenues, the network guarantees the Seoul Olympic Organizing Committee

(Continued on Page 90)

New shows not solving nets' woes

By JAMES P. FORKAN

NEW YORK—With one weekly win to its credit in the embryonic fall tv season, NBC seemed to have the fewest potential weak links. ABC had the most. NBC led ABC midway through Week 2, but NBC and CBS dominated the season-to-date Nielsens through Oct. 2.

More than midway through the second week of the prime time season, there already were indications most of the three networks' problem slots of last season (and earlier, in some cases) would continue into this fall. On the other hand, each network could point to some bright spots as well.

ABC, a distant third in "pre-

(Continued on Page 90)

West Coast news

MJB brews account for Riney

MJB, San Francisco, has selected the newly christened Hal Riney & Partners, formerly Ogilvy & Mather, as the agency for its $3 million-to-$4 million account. Director of marketing Tony Adomich said the coffee company will continue to use spot tv as its primary medium, with new ads appearing in January. Liebowitz, Olshever, Vogel & Baruch/Los Angeles had been MJB's agency for 12 years. O&M's name change takes effect Dec. 1, establishing the

(Continued on Page 90)

Wine market rides 'cool' breeze

By JOHN C. MAXWELL JR.

U.S. wine market: Sales and shares

Shipments of imported wines grew faster in 1983 than the domestics. [1]Both Paul Masson and Wine Spectrum now owned by Seagram. (Combined 1983 volume would rank second). [2]As of 1982, Sierra Wine Co. includes Perelli-Minetti. [3]Concannon transferred its accounts to Pacific Land & Viticulture in 1982 and re-emerged as Concannon in 1983. Figures are in millions of gallons and share of market. *Source: John C. Maxwell Jr.*

Rank			1982		1983		1984		Change
1984	1983	Company	Amount	Share	Amount	Share	Amount	Share	1983-84
1	1	E. & J. Gallo	135.2	24.7	144.0	25.4	142.0	23.5	(1.4)
2	2	Heublein	47.5	8.7	39.5	7.0	40.1	6.6	1.5
3	3	Wine Spectrum[1]	31.6	5.8	32.0	5.7	32.6	5.4	1.9
4	4	Almaden	28.4	5.2	26.6	4.7	26.9	4.5	1.1
5	5	Canandaigua	17.6	3.2	18.9	3.3	19.5	3.2	3.2
6	6	Paul Masson[1]	15.9	2.9	17.9	3.2	17.3	2.9	(3.4)
7	9	Franzia	15.7	2.9	10.8	1.9	14.3	2.4	32.4
8	7	Monarch	12.6	2.3	12.8	2.3	13.0	2.2	1.6
9	8	Guild	10.9	2.0	11.1	2.0	10.5	1.7	(5.4)
10	17	Robert Mondavi	1.3	0.2	3.5	0.6	6.7	1.1	91.4
11	10	Sebastiani	7.2	1.3	6.5	1.1	6.0	1.0	(7.7)
12	12	Gibson	3.9	0.7	4.0	0.7	4.3	0.7	7.5
13	13	Mogen David	4.5	0.8	4.0	0.7	4.0	0.7	—
14	14	Beringer	4.1	0.7	3.8	0.7	3.8	0.6	—
15	16	Lamont	3.0	0.5	3.5	0.6	3.6	0.6	2.9
16	18	Christian Bros.	3.7	0.7	3.3	0.6	3.3	0.5	—
17	15	C. Mondavi	3.5	0.6	3.7	0.7	3.2	0.5	(13.5)
18	19	Bronco	3.3	0.6	3.3	0.6	2.9	0.5	(12.1)
19	21	Delicato	2.6	0.5	2.2	0.4	2.2	0.4	—
20	23	F. Korbel	1.5	0.3	1.8	0.3	2.1	0.3	16.7
21	20	Guimarra	2.2	0.4	2.4	0.4	1.9	0.3	(20.8)
22	22	Weibel	1.8	0.3	1.9	0.3	1.7	0.3	(10.5)
23	24	Wente	1.3	0.2	1.5	0.3	1.4	0.2	(6.7)
24	26	Sierra Wines[2]	—	—	0.7	0.1	0.9	0.1	28.6
25	25	Sonoma	1.1	0.2	1.0	0.2	0.8	0.1	(20.0)
26	28	San Martin	0.7	0.1	0.7	0.1	0.7	0.1	—
27	27	Mirasou	0.8	0.1	0.7	0.1	0.6	0.1	(14.3)
28	29	Louis Martini	0.6	0.1	0.6	0.1	0.6	0.1	—
29	30	M&H	0.5	0.1	0.5	0.1	0.6	0.1	20.0
30	32	California Growers	0.5	0.1	0.4	0.1	0.4	—	—
31	31	East-Side	1.1	0.2	0.4	0.1	0.3	—	(25.0)
32	33	Brookside	0.6	0.1	0.3	0.1	0.2	—	(33.3)
—	34	Pacific Land & Viticulture[3]	0.1	—	0.1	—	—	—	—
—	—	Concannon[3]	—	—	0.1	—	—	—	—
		Subtotal	365.3	66.7	364.5	69.0	368.4	66.5	1.1
		Other Domestic	26.7	5.2	32.6	6.2	43.6	7.9	33.7
		Total Domestic	392.0	76.2	397.1	75.2	412.0	74.3	3.7
		Imports	122.1	23.8	131.0	24.8	142.4	25.7	8.7
		Total	514.1	100.0	528.1	100.0	554.4	100.0	5.0

If we were to sum up the wine industry's 1984 performance in one word, it would be "coolers."

The wine-cooler market has taken off like gangbusters. We estimate that, if it had not been for wine coolers, the U.S. wine market would have experienced close to a 3% decline in shipments. Thanks to the more-than-quadruple growth of coolers, however, the total domestic shipments reported a gain of 4%.

Imports also continued their excellent growth, up nearly 9% compared with 1983. However, if the dollar continues its current slide, the party could be over for imports, at least temporarily.

The U.S. wine industry's performance is not strictly dollar-related. One other factor may be the increasingly vocal public sentiment against the ingestion of any alcoholic beverage, be it beer, wine or liquor. With New York scheduled, as of Dec. 1, to join those states that have raised their drinking age to 21, it appears to be only a matter of time before the age is raised to 21 on a national level.

Another minor item giving the industry some problems over time is President Reagan's proposal relating to a $25-per-person cap on tax deductions for business meals. There are many cities in the U.S. where it is difficult for one to eat a business meal, particularly dinner, for less than $25. We cannot see people cutting back on their food consumption at these functions, so it may be the extra martini or the second glass of wine that is eliminated.

As noted earlier, wine coolers during 1984 achieved phenomenal success. These products fit the American population's trend toward a more moderate and a healthier life style as well as the penchant for cold and sweet drinks. Wine coolers are wine combined with equal parts citrus or other fruit juices. Coolers generally have an alcohol content of 3% to 7%, making them lower in proof than liquor or straight wine.

The lower alcoholic content obviously complements the trend toward moderate liquor consumption. This movement began with liquor, moved to light beers and has finally come to the wine industry. We believe that this trend toward moderation will continue and that coolers are here to stay. The entry of the bigger players such as E. & J. Gallo Winery and Jos. E. Seagram & Sons into the market serves to strengthen this thesis. Another piece of evidence is the recent acquisition by Brown-Forman Inc. of California Cooler, the premier wine-cooler company, which commands more than 50% of the total market and whose estimated sales passed the 7 million case mark in 1984.

While California Cooler is the dominant product in the market, there are several other formidable competitors, such as Gallo's Bartles and Jaymes. With Brown-Forman behind it, we expect California Cooler will fight hard to maintain market share. There are more than 125 products now on the market classified as coolers, and most of these are wine-based. It is estimated that in 1984 the cooler market achieved sales of nearly 35 million gals., versus 6.5 million in 1983. California marketers dominate the wine-cooler market, which partially helped offset the continued strong performance by imports in 1984. Coolers have also slowed the growth of Italian lambruscos.

The typical wine-cooler drinker appears to be a white, middle-class female in her late 20s or early 30s, who is upwardly mobile or aspires to be. Those consumers who seem most likely to switch into wine coolers from other beverages appear to be the beer and soft-drink set. One might say that this product, due to its sweet, cold and refreshing nature, appeals to the "Pepsi generation" who were raised on cold, sweet drinks. By using innovative packaging and making itself available in smaller containers, wine coolers have achieved something that the wine industry has never done before—to overcome the snobbish image and feelings of intimidation people have built up in connection with wine.

It is estimated that the cooler market will double during the next two to three years compared with 1984 shipments and will then probably settle down to an annual growth of between 4% and 6%. The one concern with regard to wine coolers is that, with the name "cooler," they may be perceived as seasonal drinks. Studies have shown that nearly two-thirds of all coolers are purchased during the spring and summer months. Some in the industry believe this product will become a year-round drink, as are beer and soft drinks, with peak consumption occurring during the summer months.

With all the wine-cooler products on the market, we have probably seen the end of the expansion phase, and the industry is now going through a shakeout.

Imports

Imports managed to grab more than one-quarter of the total domestic market, gaining 8.8% compared with 1983's shipments. France achieved the largest year-to-year gain, rising 26.3%. Spain had the second-best performance, up 12.5% compared with 1983. All of the five major importing countries achieved gains compared with 1983.

We still face a situation in the U.S. in which a good bottle of French or Italian wine occasionally can be had for less than a California vintage, but this is changing. While the dollar is declining, European countries continue to subsidize shipments of wine to the U.S. and consumption of imports could continue to increase. Because the price of imports had been low, it has taken some fancy marketing by domestic producers to get consumers to buy their product.

One of the reasons that Italian wine has done so well relates not only to price, but also to taste. For the same reason wine coolers have succeeded, they have capitalized on the American taste for chilled, sweet drinks.

Company rankings

Despite a total decline in shipments of about 1.4%, Gallo retained its No. 1 position with shipments of 142.0 million gals. in 1984. Seagram experienced a decline of 9% with its Taylor and Paul Masson brands. Heublein Inc. managed a shipment increase of more than 1.5%.

In terms of the top 10 performers, the first five rankings remained unchanged.

Franzia Bros. Winery moved from No. 9 to No. 7, while Monarch Wine Co. dropped to No. 8 and Guild Wineries & Distilleries to No. 9. Robert Mondavi Ltd. jumped from 17th to the No. 10 spot, displacing Sebastiani Inc., which fell to No. 11.

Per capita consumption

Total per capita consumption of wines (including coolers and imports) rose in 1984 to 2.55 gals., versus 2.41 gals. in 1983. In terms of categories, we estimate that about 67% of all domestic wine consumed in 1984 was the white variety, with about 16% red and the remaining 17% rosé. ∮

Mr. Maxwell is an analyst with Furman Selz Mager Dietz & Birney, New York.

BPA relocates office

CHICAGO—Business Publications Audit of Circulation, New York, will relocate its central division office here Oct. 1.

The new address is 20 N. Wacker Dr., Suite 770, 60601. BPA's new Chicago telephone number is (312) 558-3606. ∮

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CATEGORY REVIEW: MOUSSE

Herd of mousse sellers stampedes market

By PAT SLOAN

New York—With mousse sales expected to grow to $175 million from $130 million by yearend, marketers are spinning off what has been a women's hair-styling product into men's styling and women's hair coloring.

Vidal Sassoon Inc., Century City, Cal., is introducing its first men's mousse, following the lead of Alberto-Culver Co., Melrose Park, Ill., which in late 1984 came out with Alberto VO5 Hair Grooming Mousse for Men.

A-C, meanwhile, has just signed race-car driver Danny Sullivan, Indianapolis 500 winner, to appear in print ads and tv commercials beginning in 1986. Bozell & Jacobs, Chicago, handles.

Sassoon, through agency Peter Rogers Associates, began a print campaign this month using celebrities as well as "real people" for its men's haircare products, which include the new mousse plus aerosol and nonaerosol hair sprays and a styling gel (AA, Aug. 19).

Speaking up for Vidal Sassoon Grooming Mousse for men is Olympic swimmer Steve Lundquist, who says, "Everything else is all wet," and a Charlotte, N.C., police officer, who calls the mousse "a secret I like to keep under my hat."

Sassoon, which brought out a women's mousse in 1984, is among the first to target men with its own product. And it is at the forefront again in the introduction of a women's mousse that both styles and imparts a temporary color change and highlighting to hair (AA, Sept. 16).

Until now, with the exception of Clairol Inc.'s Loving Care Foam Mousse, hair-coloring mousses have been sold primarily at beauty salons. But there are indications this is about to change.

Besides Sassoon's entry, which will be introduced in March, Revlon's Roux division is about to introduce a Fanciful coloring mousse. And A-C has begun marketing an Alberto-Culver Color Styling Mousse in the U.K., which A-C's competitors think eventually will be sold in the U.S. if it succeeds there.

"People will follow, but we will have been among the first in this segment," said Sassoon president Peter Wilson. While Sassoon will spend $10 million on the March introduction of its coloring mousse and gel, only $1 million has been allotted to the introductory advertising for its men's styling products.

"I don't think the men's market will explode overnight," said Mr. Wilson, but "hair styling makes sense to them. Right now, 35% of all men use a hair spray, 20% use a gel and 10% use a mousse."

A-C's Malcolm Lloyd, group vp, said his company's research showed that "men are not satisfied with existing grooming products." Mr. Wilson shares that belief and sees Sassoon's new men's line as the next generation of men's styling products that will replace established brands, such as Pittsburgh-based Beecham Products division's Brylcreem and Bristol-Myers Co.'s Vitalis. Vitalis itself, though, via Grey Advertising, this month introduced new super-hold and natural-hold hair sprays under the theme "The new neat look." A spokesman also said tv commercials, which have not been used in several years, are planned for a later date.

Neither Sassoon nor A-C has broken out sales figures for men's mousse. Salomon Brothers vp Diana Temple gauges total sales of mousse at between $100 million and $150 million for 1984 and projects a possible 30% increase in 1985 sales, "despite a decline in average prices" as a result of price-conscious competition in the form of Faberge's Aqua Net mousse, Revlon's Flex and Chicago-based

(Continued on Page 70)

Shares of the mousse market

Source: Salomon Brothers.

Product	1983	1984	1Q 85	2Q 85
L'Oreal Free Hold	—	28.3	18.9	17.7
L'Oreal Setting Lotion	2.8	0.7	0.5	0.5
Alberto Mousse	—	19.0	14.2	14.2
Suave Mousse	—	6.2	12.7	10.5
Finesse Mousse	—	—	—	1.8
Sassoon Mousse	—	11.8	10.9	8.6
Sassoon Style Gel	—	3.6	2.7	2.6
Breck Mousse	—	1.6	6.8	6.3
Breckset Lotion	9.6	1.3	0.6	0.6
Dep	24.0	7.2	5.8	7.5
Gelle Mousse	—	2.5	4.3	3.9
Jheri Redding	—	3.9	3.4	2.3
Wella	—	0.3	3.1	1.2
Dippity-Do	30.7	5.0	2.9	2.6
Faberge Mousse	—	1.0	2.1	1.5
St. Ives Mousse	—	0.2	1.5	0.7
Get Set	6.8	0.7	0.3	0.3
Clairol Condition Mousse	—	—	0.8	2.7
Other	26.1	6.7	8.5	14.5
CHANGE IN DOLLAR VOLUME				
L'Oreal Free Hold	—	Inf	28.0	42.5
L'Oreal Setting Lotion	—	—	−11.1	9.1
Sassoon Mousse	—	—	NM	−1.3
Dippity-Do	—	—	5.4	6.1
Total	16.0	552.1	197.3	112.1

Inf - Infinity, NM - Not meaningful.

B/PAA seeks Pro Comm contestants

New York—The Business/Professional Advertising Assn. has made a call for entries for its 11th annual Pro Comm International Awards.

Entries in space advertising, direct mail, broadcast media, promotional material, annual reports, corporate identity programs and trade show exhibits are eligible. The efforts must have been directed to business or industry and published between Oct. 1, 1984, and Oct. 1, 1985.

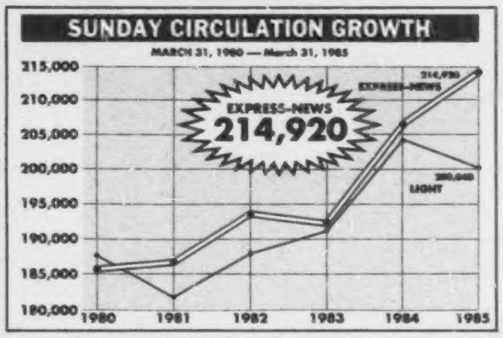
Entry fee is $50 for B/PAA members and $65 for nonmembers; deadline is Oct. 18. Judging will take place in November.

Contestants should mail entries to B/PAA, 205 E. 42nd St., 10017.#

Morton agency moves

New York—Morton Dennis Wax & Associates pr agency has moved to 1560 Broadway, 10036.

New ABC Audit Shows Express-News Strengthens Its Lead, Grows Faster Than San Antonio And South Texas...



Latest Audit Bureau of Circulations figures for the period ending March 31, 1985 (and released Aug. 3) show the Sunday Express-News continues to exceed the population growth rate of San Antonio and South Texas while the Sunday San Antonio Light is losing circulation.

The fully audited figures show the Express-News leading the Light by 14,880 on Sunday and by 32,549 daily.

The Express-News continues to be the paper of choice for the state's third largest market area.

The San Antonio ADI is home to more than 1½ million adults who earn $13.1 billion annually and spend $7.3 billion on goods and services.

Growing South Texas demands a quality and aggressive newspaper whose circulation is outpacing the area's growth. In addition, we lead the San Antonio Light in number of pages printed, volume of news presented, and in all categories of advertising. The Express-News also leads in the all-important area of upscale demographics.

SOURCES: ABC Newspapers Publisher's Statements, 6 months ending 3/31/80-3/31/85. Newspaper Publisher's Statements for 3/31/83 & 3/31/85 Special 6 month Statements audited by ABC Calculations computed by Express-News Research Dept.

ABC AUDIT BUREAU OF CIRCULATIONS

The March 31, 1985 Audit shows these daily figures:

EXPRESS-NEWS	LIGHT
166,943	134,394

Express-News leads the daily Light by 32,549.

Express-News

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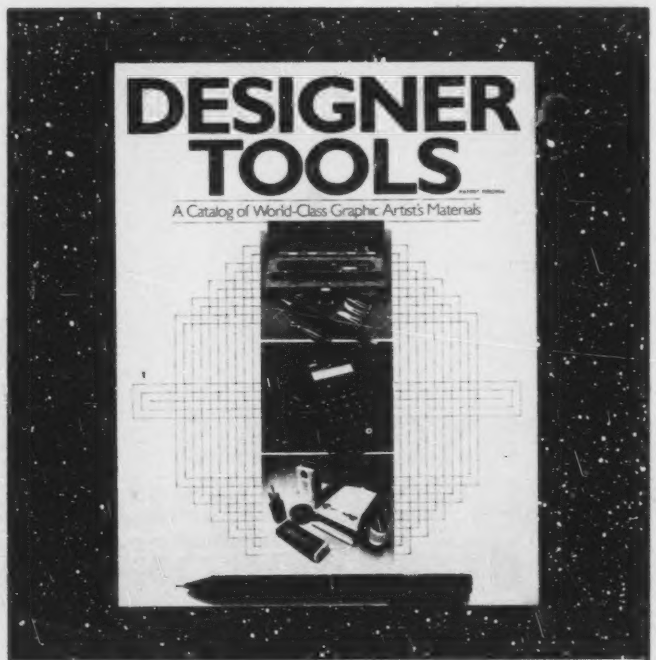

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Mousse

(Continued from Page 68)

Helene Curtis Industries' Suave.

Despite that healthy growth curve, however, Sassoon's Mr. Wilson wonders when mousses will shake out, since he sees the popularity of mousse owing not so much to the product itself as the consumers' greater awareness of hair-styling needs and possibilities as a result of shorter and more versatile haircuts. In fact, Mr. Wilson seems more enthusiastic about long-term prospects for gels and other styling products.

"Currently, styling gels account for 25% of styling-product sales in the general market, or about $45 million to $50 million at retail, and we think that could hit $75 million at retail soon," he said.

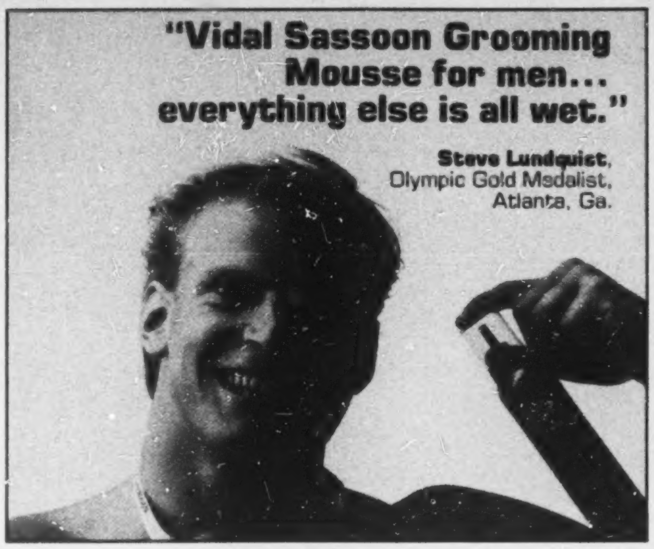
According to Salomon Brothers figures, Sassoon ranks fourth in the mousse market, with almost a 9% dollar share (food stores), trailing L'Oreal's Free Hold, from Cosmair Inc., which has a 17.7% share, A-C with a 14.2% share and Helene Curtis' Suave with a 10.5% share.

No market-share data were available for Revlon's Flex mousse, introduced during the second quarter of this year. But Revlon also seems intent on segmenting the mousse market.

This fall, the company is introducing a Flex medicated antidandruff shampoo with a companion dandruff-control styling mousse aimed at both men and women. The products will not be supported individually, but as part of the Flex line.

Alcohol-free mousse may, in fact, be the next major spinoff for the mousse category. Marketers of these products claim they dry hair and scalp less.

Besides Revlon, Clairol has entered this segment with Condition mousse, while Sassoon says it is considering it and Minneapolis-based LaMaur Inc. is said to be planning an alcohol-free Perma Soft mousse.#


"Vidal Sassoon Grooming Mousse for men... everything else is all wet."
Steve Lundquist,
Olympic Gold Medalist,
Atlanta, Ga.

Vidal Sassoon Inc. tries the celebrity/slice-of-life approach for its men's mousse. In this ad, Olympic gold medalist Steve Lundquist claims "Everything else is all wet."

GF rebuts ABC study on barter

By VERNE GAY

General Foods Corp. has attacked an ABC-TV study on barter syndication, disputing the ABC claim that advertisers use spot tv budgets to fund their forays into barter.

In a letter sent to hundreds of stations and the three networks, Dave Braun, GF director of media and program services, said ABC's conclusions were "totally inconsistent with the facts as they relate to General Foods."

Mr. Braun added that GF's total network tv spending declined this year by 14%, while "spot cash expenditures" increased 12%. Total tv broadcast spending by GF rose 10% over 1984, Mr. Braun said. Using Leading National Advertisers data for 1984, ADVERTISING AGE estimates, based on Mr. Braun's percentage changes in spending, that in 1985 GF will spend $163.6 million in network tv, $108.4 million in cash spot tv and $43.7 million in national barter syndication.

"Our strategy is to utilize national syndication vehicles to offset escalating network television costs per thousand," Mr. Braun explained in his letter.

The Assn. of National Advertisers issued a statement Sept. 18 saying that its members funded "more than 99% of their barter syndication as an alternative to network television."

ABC, in response to GF, said, "The purpose of our presentation was to encourage stations to look closely at the more indirect effects of barter in their local market. The subject of barter's impact on spot is a very complex one and much of the controversy has been fueled by misinterpretation."

The ABC study was widely perceived as a tactic to convince affiliate stations that if they air barter syndicated programs they will abet the diversion of spot money spent directly with stations to national syndicators. The ABC study said that 66.4% of barter spending is coming from spot tv budgets (AA, Sept. 9).

In spot tv, advertisers purchase time directly from the station or its representative. In barter, the station pays nothing for the program but gives half of the commercial time or more back to the syndicator for national sale.

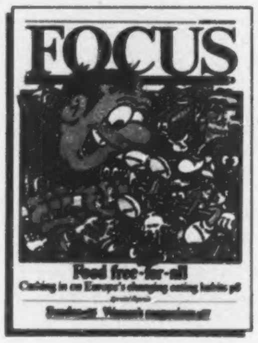
There has been a series of volleys among ABC, syndicators and advertisers on the origin of barter advertising funds and even the size of the barter syndication field. Syndicators claim barter this year will reach $700 million, while the networks put it at less than $400 million.

Syndicators also attacked the ABC study. Telepictures issued a heated rebuttal earlier this month (AA, Sept. 9).

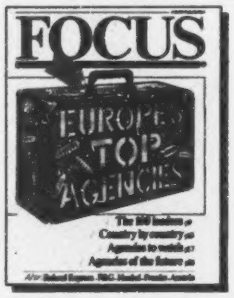
The industry trade association, Advertiser Syndicated Television Assn., also lambasted the study.#

Most European countries have advertising and marketing publications which do an excellent job monitoring local developments. Some occasionally include items about Europe, or even publish a one-off, in-depth glance at Europe in the form of a special issue.

But FOCUS is different. FOCUS is the monthly magazine written for advertising and marketing professionals. Europe as a whole is their exclusive, full-time assignment.



Successful pan-European marketers need insights into complex cultural and legal concepts, and the ability to make difficult media choices. There is no simple, all-purpose, enduring formula which guarantees success. So FOCUS provides a forum where pan-European professionals find the information they need to solve their problems and do a better job.



FOCUS is based on the premise that forward-looking companies will recognize Europe as the most promising growth market of the decade, with better-than-average profit potential for those who understand the opportunities and the special marketing skills that are required.

FOCUS serves pan-European marketers. It has correspondents permanently stationed in every European country and an editorial staff of senior professional business journalists. It has access to the worldwide resources of Crain Communications and can draw on Crain's seven years of experience as publishers for pan-European marketers.

Call London 831 9681 for advertising and circulation information

Anne Hinds – northern Europe sales manager
Lionel O'Hara – advertisement manager
Mark Service – international sales development manager
Bryan Todd – publisher, advertisement director
20-22 Bedford Row, London WC1R 4EB

ABC Audited Circulation: Jan – Dec 1984 – 9,376 June 1985 – 11,050 copies June 1985 – 10,728 label count

ADVERTISING AGE'S SPOTLIGHT ON PAN-EUROPEAN MARKETING

Newspaper Advertising MRCS/SAU Inches

July 1985 vs. July 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	86.684	21.095	86.931	26.122
Beacon Journal (S)	52.772	12.075	70.119	12.051
Grand Total	139.456	33.170	157.050	38.173

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Constitution (M)	163.340	36.780	141.813	29.886
Journal (E)	177.067	43.275	147.410	31.943
Journal & Constitution (S)	107.603	41.068	133.661	56.129
Journal & Constitution (Sat)	37.235	——	33.471	——
Grand Total	485.245	121.123	456.355	117.958

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News-American (S)	30.751	5.010	34.480	684
News-American (E)	36.323	7.121	37.719	4.074
Sun (M)	105.714	1.689	90.551	3.256
Sun (E)	86.782	1.689	72.259	3.490
Sun (S)	114.713	16.907	136.178	16.822
Grand Total	374.283	32.416	371.187	28.326

BERGEN COUNTY, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Record (E)	131.264	25.594	114.771	20.442
Record (S)	96.179	15.643	119.656	22.749
Grand Total	227.443	41.237	234.427	43.191

NOTE: Record Evening published five days a week only.

BOSTON, MA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	43.429	——	36.141	——
Herald (S)	14.120	17.147	13.478	18.352
Globe (M)	112.577	6.767	108.674	6.101
Globe (S)	129.011	14.150	163.616	11.543
Grand Total	299.137	38.064	321.909	35.996

BUFFALO, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (AD)	99.157	21.145	94.990	23.246
News (S)	41.964	20.834	45.660	27.232
Grand Total	141.121	41.979	140.650	50.478

CAMDEN, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier-Post (E)	100.927	13.775	93.950	14.722
Courier-Post (S)	46.443	2.230	53.636	3.751
Grand Total	147.370	16.005	147.586	18.473

CHARLOTTE, NC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (E)	68.538	——	63.072	——
Observer (M)	113.286	——	97.836	——
Observer (S)	55.447	——	67.141	——
Grand Total	237.271	——	228.049	——

NOTE: News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Sun Times (M)	114.571	77.135	110.157	46.154
Sun-Times (S)	43.438	23.068	54.712	31.185
*Tribune (AD)	137.079	211.237	145.138	204.724
*Tribune (S)	131.916	80.138	125.087	86.239

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 7/1/85 through 8/4/85. Due to strike conditions effective July 20, 1985, the Tribune experienced a reduction in full run advertising and a suspension or reduction in part run distribution.

CINCINNATI, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Enquirer (M)	143.645	8.123	138.176	8.171
Enquirer (S)	91.313	6.672	109.442	7.779
Post (E)	68.402	17.674	59.892	10.693
Grand Total	303.360	32.469	307.510	26.643

CLEVELAND, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Plain Dealer (M)	121.720	29.422	123.031	20.530
Plain Dealer (S)	81.563	5.499	94.634	5.379
Grand Total	203.283	34.921	217.665	25.909

DALLAS, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	283.586	11.956	289.614	11.247
News (S)	150.830	5.995	191.966	9.137
Times-Herald (AD)	239.170	23.509	251.639	12.870
Times-Herald (S)	111.124	7.429	147.650	30.209
Grand Total	784.710	49.889	880.869	63.463

DENVER, CO

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Rocky Mt. News (M)	268.611	——	274.442	966
Rocky Mt. News (S)	75.662	1.441	87.657	——
Post (M)	174.112	5.353	159.136	8.976
Post (S)	92.561	3.193	129.988	4.184
Grand Total	610.946	9.987	651.223	14.126

DETROIT, MI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Free Press (M)	93.498	27.602	83.192	35.660
Free Press (S)	34.243	20.902	42.399	14.850
News (AD)	142.078	38.562	112.688	24.356
News (S)	76.806	18.345	92.545	16.913
Grand Total	346.625	105.411	330.824	91.779

FORT LAUDERDALE, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News & Sun Sentinel (S)	83.507	——	110.315	——
Sun Sentinel (M)	243.798	——	262.874	——
Grand Total	327.305	——	373.189	——

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal Gazette (M)	76.804	——	66.736	——
Journal Gazette (S)	51.453	——	54.032	——
News Sentinel (E)	87.692	——	81.770	——
Grand Total	215.949	——	202.538	——

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Time (E)	66.734	——	68.081	——
Time (S)	33.124	——	37.061	——
Advocate (E)	84.616	163	83.336	——
Advocate (S)	36.258	——	38.076	——
Grand Total	220.732	163	226.554	——

HARTFORD, CT

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courant (M)	116.565	29.424	108.144	27.866
Courant (S)	68.350	88.697	80.340	115.520
Grand Total	184.915	118.121	188.484	143.386

HONOLULU, HI

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Advertiser (M)	119.903	——	113.571	——
Star-Bulletin (E)	115.204	——	112.212	——
Star-Bulletin & Advertiser (S)	66.528	——	80.445	——
Grand Total	301.635	——	306.228	——

HOUSTON, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (AD)	265.036	31.661	307.479	27.119
Chronicle (S)	107.103	18.990	152.224	27.853
Post (M)	163.287	31.396	181.332	24.330
Post (S)	60.996	16.524	76.858	28.537
Grand Total	596.422	98.571	717.893	107.839

LONG BEACH, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Press Telegram (M)	89.677	——	91.530	——
Press Telegram (S)	42.159	——	58.036	——
Grand Total	131.836	——	149.566	——

NOTE: Part run figures not available.

LONG ISLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Newsday (E)	162.288	38.969	140.293	36.333
Newsday (S)	75.124	48.594	85.076	55.293
Grand Total	237.412	87.563	225.369	91.626

LOS ANGELES, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	263.754	262.808	269.592	207.317
Times (S)	145.196	88.345	201.267	95.453
Herald-Examiner (M)	62.285	12.390	48.294	15.686
Herald-Examiner (S)	11.640	4.466	16.286	6.580
Grand Total	482.875	368.009	535.439	325.036

LOS ANGELES/SAN FERNANDO VALLEY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
News (M)	188.884	36.371	169.354	19.428
News (S)	66.559	2.906	81.944	2.033
Grand Total	255.443	39.277	251.298	21.461

*LOS ANGELES/TORRANCE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Breeze (E & S)	190.622	——	182.069	——
Grand Total	190.622	——	182.069	——

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Courier Journal (M)	91.835	37.429	85.140	33.052
Courier Journal (S)	54.962	42.436	66.934	51.600
Times (E)	86.838	59.472	84.736	46.723
Grand Total	233.635	139.337	236.810	131.375

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald (M)	139.936	——	152.363	——
Herald (S)	72.284	——	94.579	——
News (E)	57.296	——	62.072	——
Grand Total	269.516	——	309.014	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star & Tribune (AD)	97.746	19.803	87.942	22.613
Star & Tribune (S)	106.851	1.237	131.950	1.483
Star & Tribune (Sat)	20.087	——	19.784	——
Grand Total	224.684	21.040	239.676	24.096

*NASHVILLE, TN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Banner (E)	109.023	——	90.044	——
Tennessean (M)	106.013	——	90.867	——
Tennessean (S)	71.029	——	72.648	——
Grand Total	286.065	——	253.559	——

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Home News (E)	80.945	493	——	——
Home News (Sun)	52.792	1.039	——	——
Grand Total	133.737	1.532	——	——

NOTE: 1984 figures not available.

NEW YORK, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Times (M)	123.922	15.197	116.009	15.689
Times (S)	133.615	57.171	163.783	75.293
News (M)	50.898	97.475	52.282	79.290
News (S)	27.620	51.728	30.835	62.325
Post (AD)	52.220	1.360	49.987	——
Grand Total	388.275	222.931	412.896	232.597

NEWARK, NJ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Star Ledger (M)	187.247	5.780	160.514	5.125
Star Ledger (S)	128.017	12.703	153.889	20.993
Grand Total	315.264	18.483	314.403	26.118

OAKLAND, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (M)	84.910	58.350	81.718	26.232
Tribune (S)	36.530	24.704	49.767	23.465
Grand Total	121.440	83.054	131.485	49.697

OCEANSIDE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Blade-Tribune (E)	86.842	6.212	——	——
Blade-Tribune (S)	36.397	658	——	——
Grand Total	123.239	6.870	——	——

NOTE: 1984 figures not available.

ORANGE COUNTY, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Register (AD)	291.829	88.721	254.246	64.603
Register (S)	109.998	3.187	138.126	3.049
Grand Total	401.827	91.908	392.372	67.652

PHILADELPHIA, PA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Inquirer (M)	133.183	37.262	122.766	35.317
Inquirer (S)	101.838	20.593	118.211	25.120
News (E)	68.603	1.447	65.083	5.114
Grand Total	303.624	59.302	306.060	65.551

*PHOENIX, AZ

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Arizona Republic (M)	211.875	7.653	216.903	4.429
Arizona Republic (S)	121.709	——	124.982	——
Gazette (E)	203.065	7.940	210.943	4.528
Grand Total	536.649	15.593	552.828	8.957

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Democrat & Chronicle (M)	86.957	12.124	78.079	9.912
Democrat & Chronicle (S)	53.284	15.460	68.645	14.130
Times Union (E)	76.956	14.706	72.238	13.798
Grand Total	217.197	42.290	218.962	37.840

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Bee (M)	206.036	20.562	196.396	12.630
Bee (S)	85.431	11.349	107.715	2.944
Grand Total	291.467	31.911	304.111	15.574

*ST. LOUIS, MO

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post Dispatch (M)	85.308	31.303	84.598	27.255
Post Dispatch (S)	88.082	——	111.178	——
Grand Total	173.390	31.303	195.776	27.255

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Pioneer Press Dispatch (AD)	84.482	——	69.759	——
Pioneer Press Dispatch (S)	77.982	——	93.994	——
Press (E)	——	——	74.014	——
Grand Total	162.464	——	237.767	——

NOTE: Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition. Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Express-News (AD)	132.941	14.096	114.543	22.368
Express-News (S)	76.447	13.223	91.503	20.776
Express-News (Sat)	39.203	——	39.902	——
News (E)	——	——	107.306	11.983
Light (AD)	135.055	26.390	108.975	28.150
Light (S)	74.102	13.808	85.840	26.367
Light (Sat)	33.208	——	30.604	——
Grand Total	490.957	67.517	578.673	109.644

NOTE: Express Morning and News Evening combined to one edition, Express News All Day effective September 10, 1984. The Express Morning activity is shown in the Express News All Day listing. Prior to September 10, 1984, Express Morning and News Evening published five days a week only.

Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Union (M)	206.968	16.295	184.013	10.354
Union (S)	104.371	——	124.473	——
Tribune (E)	220.697	18.973	190.088	10.877
Grand Total	532.036	35.268	498.574	21.231

SAN FRANCISCO, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Chronicle (M)	128.487	56.296	118.625	51.720
Examiner (E)	127.018	55.450	116.597	54.753
Examiner & Chronicle (S)	66.212	26.901	80.884	26.894
Grand Total	321.717	138.647	316.106	133.367

SAN JOSE, CA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Mercury News (AD)	277.877	33.840	275.044	24.898
Mercury News (S)	120.058	——	148.539	——
Grand Total	397.935	33.840	423.583	24.898

SHREVEPORT, LA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Journal (E)	88.088	5.980	73.337	5.823
Times (M)	108.650	18.701	95.091	12.053
Times (S)	57.219	2.425	69.375	9.571
Grand Total	253.957	27.106	237.803	27.447

*STATE COLLEGE, PA

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Centre Times (E)	70.570	3.252	63.323	2.846
Centre Times (S)	27.434	1.084	33.768	271
Grand Total	98.004	4.336	97.091	3.117

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Herald Journal (E)	79.255	31.967	75.879	20.179
Herald American (S)	39.581	24.498	53.220	24.327
Post-Standard (M)	71.156	30.597	63.836	20.412
Grand Total	189.992	86.662	192.935	64.918

*TAMPA, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Tribune (AD&S)	258.562	87.583	290.569	61.282
Grand Total	258.562	87.583	290.569	61.282

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Blade (E)	82.428	——	81.413	——
Blade (S)	72.382	——	82.697	——
Grand Total	154.810	——	164.110	——

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	240.421	38.398	227.952	27.474
Post (S)	128.319	13.332	145.009	28.462
Grand Total	368.740	51.730	372.961	55.936
Alexandria Journal (M)	58.957	——	42.686	341
Prince George's Journal (M)	56.318	522	37.810	——
Montgomery Journal (M)	54.123	486	38.146	181
Fairfax Journal (M)	59.727	777	43.989	809
Arlington Journal (M)	59.285	——	43.491	522

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

*WEST PALM BEACH, FL

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Post (M)	182.631	37.879	161.419	28.685
Times (E)	158.723	1.097	127.967	3.544
Post (S)	98.234	10.293	120.942	13.459
Grand Total	439.588	49.269	410.328	45.688

NOTE: Figures supplied by publisher to Media Records.

Times Evening published five days a week only.

WESTCHESTER ROCKLAND, NY

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Reporter Dispatch (E)	64.446	6.424	61.225	12.825
Reporter Dispatch (S)	45.432	12.643	55.508	12.749
Grand Total	109.878	19.067	116.733	25.574

WICHITA, KS

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Eagle-Beacon (M)	107.838	——	105.762	——
Eagle-Beacon (S)	59.742	——	68.219	——
Grand Total	167.580	——	173.981	——

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS/SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page......
   Width and Depth in Inches.
2. Determine Square Inches of Page......
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page......
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page......
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches......
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

P&G-Vicks

(Continued from Page 1)

product. Now that Y&R directs some $120 million worth of Colgate business worldwide, Y&R's $40 million R-V business, which also includes Vicks Formula 44-D cough syrup and Tempo antacid, pales in size.

Y&R had no comment on the effects of this deal on its assignments, but president-ceo Alex Kroll told employes in an internal memo last Friday he is not concerned with megamerger mania as long as the agency holds to its task of being the best at helping build a client's business with creative ideas.

There are signs that P&G is taking a more relaxed view toward agency conflicts. Before the proposed acquisition of Richardson-Vicks, P&G had chosen to overlook the over-the-counter drugs that P&G agency D'Arcy Masius Benton & Bowles handled for R-V, including Vicks NyQuil and DayCare cold medicines, Sinex sinus remedy, Cremacoat cough medicines, Vicks cough drops and Clearasil acne medicine.

Since DMB&B also has some P&G drugs, such as Pepto-Bismol stomach remedy and Norwich aspirin, traditionally the relationship would not have been condoned.

P&G's longstanding policy states that a conflict exists when an agency handles any product anywhere that might compete with any brand in the P&G division of the assigned product.

The policy is "designed to keep agencies from ending up in a compromising position," P&G officials said. But they would not elaborate.

Besides Y&R, R-V's other major shop is DMB&B. Since P&G has already overlooked a previous apparent R-V/P&G conflict at DMB&B, that relationship should be secure. The big question lies in what will happen to agencies that handle smaller pieces of R-V business: Slater, Hanft, Martin (Percogesic analgesic, Formby's furniture refinishing products), Carrafiello-Diehl & Associates (Fasteeth, Fixodent, Complete, Denquel oral healthcare products), Leber Katz Partners (Saxon aftershave, Pantene haircare products) and Peter Rogers Associates (Vidal Sassoon haircare line).

Only last May, P&G went outside its familiar fold, assigning Zest soap to Jordan, Case, Taylor & McGrath. But agencies that had come with other P&G acquisitions in the past have gradually been dropped and brands consolidated at shops already on P&G's roster.

In announcing a definitive merger agreement, Cincinnati-based P&G said R-V would maintain its headquarters in Wilton, Conn., and operate as a wholly owned subsidiary. When P&G bought the Norwich-Eaton pharmaceutical business in 1982 (from, at that time, Morton-Norwich), the company said it planned no immediate changes. But most of those operations have been consolidated.

P&G scored extra points in proving it is a revitalized marketing machine by emerging as the surprise winner in the R-V winner-take-all sweepstakes. But the mode of growth—acquisition vs. internal development—is new to this company that for years prided itself on its internal-development capabilities. While P&G in the past has acquired small companies and then turned their brands into major products, it has never made an acquisition near the size of R-V.

In offering $69 a share for Richardson-Vicks, which had been fighting a hostile takeover attempt by Unilever N.V., P&G is not intensifying to any great degree the bitter marketplace rivalry between it and its two traditional U.S. competitors—Colgate-Palmolive and Unilever's Lever Bros., both New York.

Instead, the $1.55 billion acquisition already approved by both boards, will put P&G up against the likes of Gillette, Noxell, Helene Curtis, Chesebrough-Pond's, SmithKline Beckman, American Home Products—even Burroughs Wellcome.

But the bidding war that erupted when R-V sought a partner other than Unilever did pit the household products company then against its two traditional rivals as well as other interested parties.

Unilever bowed out gracefully with a $60-per-share high bid, congratulating the winner but noting that the price exceeded the value of the business to Unilever.

Colgate-Palmolive, another prospective purchaser, pulled out when its board refused to support chairman Reuben Mark's bid of $70 a share because it would weaken the company's financial standing.

Analysts generally approved the R-V buy despite the price tag that some considered high.

Hugh Zurkuhlen, an analyst at Salomon Bros., said, "The buyout of R-V is a good fit, both productwise and debtwise. R-V and P&G have synergies in distribution and marketing channels, which will be helpful to both companies. It appears, given P&G's [uneven] success in new products, that it's easier to acquire existing products with name recognition" and market them heavily.

Commented Jay Freedman, analyst at Kidder, Peabody, "Conceptually the merger is positive. It will give P&G exposure in businesses they've been trying to build, an entree into skincare and nutrition, plus more products in areas where they are already strong, like Vidal Sassoon's haircare products."

R-V will do much to expand P&G's struggling pharmaceutical business, an area P&G has selected for major investment, but where its marketing muscle has not won any awards. Its best known otc is Pepto-Bismol, but P&G has had high hopes for Encaprin analgesic, Head & Chest cold remedy and Chloraseptic sore-throat remedies.

Before the opportunity with R-V arose, P&G was known to be interested in the G.D. Searle & Co. consumer products business now owned by Monsanto: Metamucil and Prompt laxatives, Dramamine antinauseant, Icy Hot analgesic balm and Equal sugar substitute.

Mr. Freedman believes P&G "could and probably will continue" its efforts to buy those.#

Also contributing to this story were reporters Julie Franz and Laurie Freeman in Chicago.

soft
tempo
Antacid
FORMULA 44D

A client conflict? Young & Rubicam, a major Colgate agency, handles these Richardson-Vicks brands, soon to be part of P&G.

GF staff fear: Where PM smokes, they're fired

New York—The proposed $5.8 billion acquisition of General Foods by Philip Morris Inc. has many GF staffers on edge.

"Morale is low," said one GF insider. "People are nervous."

Among their concerns are rumors that GF will speed up planned across-the-board staff cuts, said to be as high as 20%—although GF denied that figure. The cuts had been expected to unfold over a longer period of time.

Similar rumors are circulating in PM's executive suite.

PM, in documents sent to GF shareholders, said it does not plan to sell off any GF operations.

A spokesman for White Plains, N.Y.-based GF said it has been tightening up for some time.

"We have had an ongoing effort to reduce overtime and examine administrative costs," he said. "It is absolutely untrue that we are reducing staff by 20%."

In the meantime, a half-dozen agency executives are nervously eyeing potential account conflicts and wondering whether megamergers are forcing a redefinition of the traditional agency/client relationship.

Even without improved productivity in the GF unit, some analysts already are predicting that PM's earnings growth will suffer little if at all after GF is absorbed.

"I'm not as upset with the acquisition as I gather some people are," said Diana Temple, tobacco-industry analyst for Salomon Brothers in New York. "I think it's a positive for PM because it diversifies its earnings base."

Ms. Temple believes PM can maintain its operating earnings growth at its present 16% to 17% level and increase earnings per share from the present $10.50 to up to $12. "If General Foods just grows about 10% at the operating level, it [would translate into] very strong growth at Philip Morris."

PM had to make an acquisition, a big acquisition, analysts believe. The specter of product-liability suits now being heard in several courtrooms around the country has worried tobacco executives, most notably those at PM, which is the least diversified of the major tobacco marketers. Only 8% of PM's operating income was from nontobacco sources. After the GF merger, 24% of operating earnings will come from nontobacco businesses, including GF, Miller Brewing and Seven-Up Co.

As for the agencies, PM is offering neither words of encouragement nor enlightenment. It isn't talking about agency conflicts.

However, there are several potentially explosive situations in the PM/GF agency stable, among them D'Arcy Masius Benton & Bowles, which, besides GF business, handles Miller archrival Anheuser-Busch; Leo Burnett USA, a major PM USA agency that also handles GF's Post unit's competitor, Kellogg Co.; Ogilvy & Mather, which is Brown & Williamson Tobacco Co.'s agency of record for media as well as its agency on several brands; Ted Bates, a GF agency that handles A-B's Michelob and also owns William Esty Co., the second-largest agency on RJR's roster; Young & Rubicam, a GF agency that handles several products for PM's rival, R.J. Reynolds Industries, including Kentucky Fried Chicken, Canada Dry and Heublein products, and Grey Advertising, which handles special assignments for Lorillard.

One agency executive familiar with the tobacco business said, "You won't see a bloodbath quickly, but there certainly will be changes down the road as a result of the merger. You will probably see a lot of statesmanship on the part of the tobacco companies." But, he added, "I think it's the tobacco conflicts that count."#

BK review

(Continued from Page 1)

dressed down BK's recent marketing strategy for its lack of focus and continuity, particularly during the last six months. While individual programs generated some excitement, the company's ad messages, including ads for last summer's rollout of a larger Whopper sandwich—have failed to project a consistent image for consumers, Mr. Campbell said.

"The competitive pressures are so great in this industry that you can't afford to go 18 to 24 months without consciously articulating to people what your over-all purpose is," Mr. Campbell said.

Despite McDonald's steady increases in ad spending, which threaten to blunt BK's ads even more, Mr. Campbell believes sharply focused messages will get BK awareness. He pointed out that despite a $30 million blitz to support the new Whopper, that campaign primarily appealed to existing Whopper eaters and failed to attract new customers.

(Advertising Age, in its latest monthly adWatch survey [AA, Sept. 30], found that Burger King's $30 million July Whopper campaign resulted in a 3.6 percentage point awareness increase compared with June, to 19%. That was a far cry from the 16% gain BK made with its first "broil vs. fry" campaign in October, 1982. When the new Whopper campaign ended, BK's awareness level dropped 5.6%, to 13.4%.)

Mr. Campbell attributed the early success of BK's comparative "Battle of the burgers" approach in 1982-83 to its ability to clearly state the chain's positioning. Followup campaigns based on menu items—such as one last spring for double hamburgers—hammered away at the broiling vs. frying question with less effectiveness, he said.

"There's never going to be the kind of surge from a short-term marketing event that you can get by actually taking people through your whole business in a campaign," Mr. Campbell said.

BK's way of doing business is likely to change rapidly during the next year as Mr. Campbell attempts to introduce more full-service restaurant amenities into the burger chain's operation. BK parent Pillsbury Co. this year has acquired Diversifoods Inc.'s Godfather's Pizza chain and Quick Wok, a Japanese chain. And Mr. Campbell, who heads Minneapolis-based Pillsbury's restaurant operations as exec vp, says he plans to borrow heavily from those concepts in a drive to upgrade BK's image.

Improvements in restaurant decor (less plastic, more flowers and greenery) and more value-added services, including free soft-drink refill dispensers (AA, Sept. 19), are part of his plan to upgrade BK's image. Consistently speedier, more courteous service than Big Mac also is a goal that is likely to find its way into the marketing strategy, Mr. Campbell said.

As he sees it, the rapid maturity of the business will mean market share battles will hinge on other factors besides who has the biggest or best-tasting burger.

"To avoid becoming the Howard Johnson's of 1995, we're going to have to operate more like a restaurant and less like a factory," Mr. Campbell said. "The ultimate success of our business will be how much quality we can put into each customer visit. There's a lot of room for improvement there, both in our operations and marketing."

To oversee these changes, Mr. Campbell is depending on Jay Darling, who was named president, Burger King USA, earlier this year. With Mr. Dempsey's departure, Mr. Darling has assumed day-to-day responsibility for marketing. Mr. Dempsey could not be reached for comment.

Mr. Campbell asserted that BK's marketing shakeup will have no effect on the company's relationship with J. Walter Thompson USA, New York.

"I'm very satisfied with Thompson. On balance, my confidence in them has never wavered," Mr. Campbell said.

However, one indication of the sweeping changes planned by Burger King is the active participation these days of Thompson exec vp-general manager Steve Bowen, who headed the now $125 million account during the inception of the "Battle of the burgers." JWT's first new creative featuring the repositioning is set for November.#

Baybry's

(Continued from Page 3)

field's birthday, East Coast Black Out Day and the anniversary of New York's Holland Tunnel).

Bloom Agency chairman Paul McMahon said the campaign strategy is to help people find everyday occasions for celebration.

Baybry's is the first cooler with a champagne base. The champagne is being supplied through an agreement with Franzia Brothers Winery, Ripon, Cal., which markets its own wines and champanges under the Franzia and Mogen David names. Baybry's is packaged to resemble a half-bottle of champagne, and is targeted to consumers from minimum drinking age to mid-40s, Mr. McMahon said.

The initial wave of tv and radio ads, all of which depict a variety of humorous reasons to celebrate, are only the beginning. Mr. Price said he hopes anticipating the next occasion to be spotlighted will be a sort of game for consumers.

Bloom's creative team was led by associate creative director Richard Schiera and art directors Don Fields and Marion Johnson. Music was created and the singing talent assembled by Richard Look, Look & Co., New York, along with Bloom's Mr. Schiera and Heidi Beckerman. The account team includes Mr. Price, along with vp-management supervisor Alan Armstrong, senior vp-media Charlotte Wenberger, vp-director of planning Jim Rienstra and group media director Beverly Leidee.#

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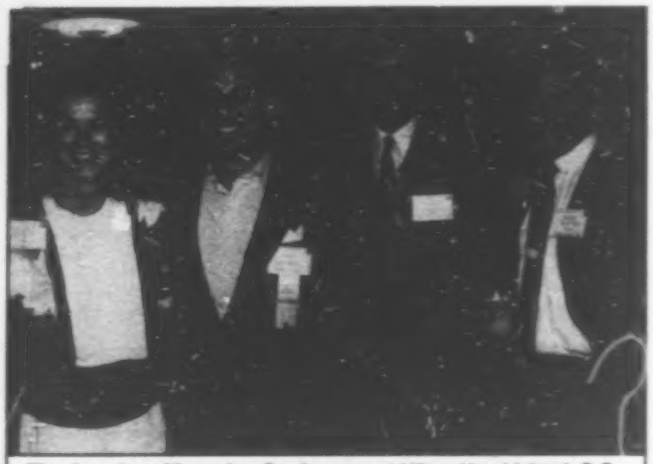

The American Magazine Conference at Hilton Head Island, S.C., drew a number of publication notables, including (from l.) Christie Hefner of *Playboy*, Ed Kosner of *New York*, Kent Brownridge of *Rolling Stone* and Chris Whittle of *Esquire*.

The 'challenging' economy tops magazine meet

By STUART J. ELLIOTT

HILTON HEAD ISLAND, S.C.—That song they kept playing here last week during the 1985 American Magazine Conference—was it "What a Difference a Year Makes"?

At last year's conference, the urge to merge was all the rage, as industry players reveled in what turned out to be "a vintage year" for attracting advertising, as it was described by Jack Rehm, president-publishing group, Meredith Corp., and 1984-85 chairman of the Magazine Publishers Assn.

Discussions with many of the approximately 650 persons attending this year's conference, co-sponsored by MPA and the American Society of Magazine Editors Oct. 6 to 9, disclosed different, changing, attitudes.

That is not to say media merger mania is over. One deal—the purchase of *Early Years/K-8*, Darien, Conn., by Highlights for Children Inc., Columbus, O.—was announced during the conference. Another—the merger of Telepictures Corp., parent of Telepictures Publications, with Lorimar Inc.—cost the conference the scheduled appearance of Michael Garin, Telepictures' president-chief operating officer.

There also was the proverbial buzzing in the corridors about more buying and selling to come, with such names as CBS Magazines, Hearst Magazines and Time Inc. being mentioned.

And even with the slowdown in marketers' purchases of magazine ad pages, which is becoming more pronounced as '85 comes to a close (AA, Oct. 7), it still should be "the best year for the magazine industry in revenues," predicted William Gorog, MPA president, following "two incredible years" during which those revenues soared 33%.

Yet there is a belief the easy times, the easy gains, are pretty much over.

In this new environment, which executives here termed "challenging"—the polite version of "tough as all get-out"—the emphasis is on working harder and smarter to achieve increases in both ad dollars and share of market.

Mr. Gorog said the industry could expect ad revenues to advance 5% to 6% in '86 "if we just roll with the economy." But he said the

(Continued on Page 105)

Falling net tv prices pinch other media

By VERNE GAY

NEW YORK—A pall has settled over all national media in the fourth quarter as many key advertising categories pull back short-term spending and falling network tv prices create pressure on other media.

While the network tv fourth-quarter scatter market started October with as much as $100 million in unsold inventory, it is starting to pick up some sales steam. But prices are still reduced from the upfront market of last summer.

The attractive pricing in network tv is zapping what little strength there was in the national spot tv market, although tv reps still hope to come in between 6% and 9% ahead of the same period last year.

The lure of low-cost network time is also leveling a severe blow against barter syndication. With network cost-per-thousand rates so low, syndication can no longer offer advertisers a "cheap" alternative. In addition, most of the prime barter syndication programing was sold out earlier in the year, and the inventory remaining doesn't have the appeal to compete with network prime time or daytime. Don Stump, vp-media sales of Telepictures, said, "The networks are in a tight situation and [they're saying]: 'We're not gonna share a dime with syndication.' "

Magazines are experiencing an especially poor fourth quarter in what has been a soft market for the past six months. Major ad categories,

(Continued on Page 107)

U.K. shop, DFS draft agreement on client concerns

Dorland conflict pact

By LAUREL WENTZ and DENNIS CHASE

Dorland Advertising in the U.K. and Dancer Fitzgerald Sample in the U.S. are drafting an agreement to resolve client-conflict concerns in any DFS-Dorland deal, said Jack Rubins, Dorland chairman.

Saatchi & Saatchi, which owns 100% of Dorland, also will sign the agreement, which Mr. Rubins described as "unique."

Mr. Rubins acknowledged for the first time that a buyout of DFS by Dorland was a possibility. When asked whether Dorland, using Saatchi money, might buy DFS outright, he said, "I do not preclude that."

He said the deal, first reported last month (AA, Sept. 23), might be concluded by the end of the year and that DFS chairman Stu Upson would become chairman of the new group.

Other sources said the purchase could happen within the next several weeks, and that Saatchi offered to buy DFS for $130 million. Mr. Rubins will be in DFS' New York offices before the end of October.

Previously, Mr. Rubins had outlined a three-zone approach in which Dorland and DFS would exchange equity in Europe, the U.S. and Asia, and divide responsibility for looking after each other's clients (AA, Sept. 30).

To allay fears of clients—mostly in the U.S.—that there are too many conflicting Saatchi and DFS accounts, DFS and Dorland lawyers have drafted what they call a "watertight" legal agreement preventing conflicts.

The confidential, three-page document would prevent Saatchi from receiving information from Dorland and DFS about clients, personnel or reporting procedures—"all the things clients would expect to keep confidential," said Michael Geraghty, Dorland's commercial manager.

The agreement restricts everyone from top managers to low-level employes from exchanging information. The agreement specifies, for example, that Saatchi cannot require information from Dorland or DFS about clients or require the services of any director or

(Continued on Page 102)

Last Minute News

Hasbro gives birth to new baby products

NORTHVALE, N.J.—Hasbro Inc.'s Tommee Tippee Playskool, included in the 1984 acquisition of Milton Bradley Co., will unveil its updated line of preschool toys and other infant products at the Juvenile Products Merchandising Show in Dallas this week. Sources said the company and Griffin Bacal, New York, are planning to aim a hefty ad campaign at "baby-boomers," perhaps as much as $20 million in tv and print.

FCC expands look into RKO

WASHINGTON—Federal Communications Commission last week expanded the investigation into alleged improprieties by the RKO Radio Networks during 1983. A challenger to RKO General's Los Angeles tv license has claimed the networks falsified network clearance data.

Fiber products in fashion

NEW YORK—Thompson Medical is planning a heavy multimedia national introduction for a new fiber diet tablet called Fiber Full. Saatchi & Saatchi Compton handles. Schering Corp. also is considering a rollout from West Coast markets of Fibre Trim, described as a fiber supplement. Ogilvy & Mather is the agency.

Lever tries new butter substitute

NEW YORK—Lever Bros. is testing Krona spread in Grand Rapids and

(Continued on Page 8)

Seagram spots go to cable

By GAY JERVEY

After six months of trying in vain to buy network tv time, Joseph E. Seagram & Sons will take its controversial "public service" campaign to at least three cable networks Oct. 16 with a four-week, $1.2 million flight.

Seagram declined to comment on the effort, which will be announced in Washington tomorrow.

The spots, which argue that 1¼ ozs. of whisky contains no more alcohol than 5 ozs. of wine or 12 ozs. of beer, will run on USA Network, Turner Broadcasting System's

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Net prices squeeze other media 1

A pall has settled over all national media in the fourth quarter as many key advertising categories pull back spending and falling network tv prices create pressure on other media.

Conflict pact for Dorland, DFS 1

The U.K.'s Dorland Advertising said it and Dancer Fitzgerald Sample are drafting an agreement designed to solve client conflict concerns that might be created should the shops merge. Dorland chairman Jack Rubins called the agreement with DFS "unique."

Polaroid snaps up new ad focus 3

Polaroid breaks an estimated $20 million tv and print campaign on Oct. 20 that focuses on the benefits of instant photography rather than on cameras. That's a creative and strategic shift away from Polaroid's ads of recent years.

JWT, O&M stay on top 3

After three quarters of polling, J. Walter Thompson USA and Ogilvy & Mather remain deadlocked as the best of the nation's advertising agencies, according to Agency Watch, an ADVERTISING AGE survey of company ad directors.

Chiat Gaines a big one 4

Chiat/Day won its first major package-goods account last week by picking up the $19 million account for Gaines Foods. It includes the Gravy Train, Cycle, Top Choice and Gaines Burgers dog foods.

Smokes take it slow 10

The new wisdom in the tobacco business says that you test a product, practically to death, before you take it national. With few notable exceptions, cigaret marketers are starting tests in two-to-four traditional test cities, then expanding the tests, often to entire regions.

Federal, UPS in foreign fight 12

Federal Express and United Parcel Service, two giant rivals in the U.S. package-delivery business, both made significant moves last week to extend their horizons into the growing international air-courier market.

Master-ing the beer market 32

Masters Brewing Co.—the joint venture by breweries from the U.S., Canada and West Germany—last week launched its first beer, Masters, a superpremium brand introduced in Miami, Washington, Boston and Columbus, O.

Upgrade your Japanese.

You never know where the road might lead you. So be prepared. In a take-just-about-anything, take-just-about-anywhere Vista wagon. Now with optional four wheel drive. Four wheel drive translates some of the nastiest words in the language—detours, dirt, gravel, potholes, slush—into a pleasant communication with the road. And it does so at the push of a button. Colt Vista's interior adapts handily too. Middle and rear seats fold backwards and forwards. So you can change the set-up as easily as you change your mind. Don't get stuck with a fair weather friend. Get an '86 Colt Vista wagon. Perfect Japanese for an imperfect world.

Vista is imported for Dodge and Plymouth, built by Mitsubishi Motors Corporation in Japan.

Colt. It's all the Japanese you need to know.

Chrysler's yen for market share 72

Japanese-built Dodges and Plymouths suddenly are outselling American Motors Corp. and Volkswagen of America. Chrysler is projecting about a 60% increase for the 1986 model year in captive-import sales because of eased restrictions on Japanese imports.

CATEGORY REVIEW

Stirring up the yogurt market 74

In a market overrun with new products and line extensions, making an impact on the nearly $1 billion yogurt industry is no easy task. But To-FITNESS Inc., a Miami-based health food marketer, hopes to do it in an instant. To-FITNESS has gained exclusive U.S. rights to a process that allows yogurt cultures to remain dormant in powdered form until activated by moisture.

INTERNATIONAL

Argentine cigaret ad ban 56

A proposed government bill banning cigaret and tobacco advertising in Argentina is sending tremors through the advertising community here. The health ministry bill about to be introduced bans electronic media, print and outdoor ads for cigarets and promotions and sponsorships by cigaret marketers.

New Shah paper 56

Eddy Shah, a Londoner of Iranian descent, is launching a new newspaper that will break all the rules London's newspaper industry has lived by for decades. Ad rates will be 75% cheaper than his competitors' and the seven-day-a-week tabloid will be the first newspaper here to use color every day.

OTHER NEWS

G.D. Searle & Co.'s NutraSweet Group will spend $1 million on a November-December print campaign to counter the "bad press" its nonnutritive aspartame sweetener received during the summer. Page 4.

Procter & Gamble has given birth to a new character, Sud-Z Lemon, to introduce a new Joy dishwashing liquid. Page 4.

The Benevolent Dictators: Would she or wouldn't she have made a great president for Foote, Cone & Belding? No one will ever know because Shirley Polykoff never reached that position. The creative force behind Clairol's famous tag lines spent 18 years of her career at Foote, Cone & Belding before starting her own agency. Page 48.

Georgia-Pacific Corp.'s recent announcement that it had completed its acquisition of the Riegel Textile Corp. went virtually unnoticed amid the merger news from larger companies. Yet it means G-P, already the nation's second-largest private-label disposable-diaper marketer, has gained Riegel's Cabbage Patch Kids diaper line, considered the best known private-label disposable diaper. Page 78.

Xerox's award of its direct-marketing account to Marschalk Co. two weeks ago was a source of consternation at many direct-marketing agencies. Unlike its competitors, Marschalk has no dedicated direct-marketing capability. In Direct Marketing. Page 88.

CAMPAIGNS BREAKING

Ralston Purina today breaks tv spots for its Alley Cat, a lower-price cat food. The spots are scheduled to run through Nov. 22, accompanied by on-pack couponing (AA, July 15).

J.C. Penney breaks a network tv campaign Oct. 16 as part of its $9 million campaign for its Best of Britain fall fashion promotion from N W Ayer (AA, May 20).

Kitchens of Sara Lee today breaks 30-second tv spots introducing its Bagel Time bagels, themed "Eat 'em slow." On-pack coupons and radio, via Foote, Cone & Belding, also support (AA, July 15).

COMING THURSDAY

Good creative isn't easy. It just appears that way when the results are strikingly successful, as they have been at W.B. Doner & Co., Southfield, Mich., consistently the most honored shop in the Detroit area, the third-largest advertising market (based on billings) in the country.

Special Report: While direct response enters new fields and reaches new creative heights, alternative media fall flat.

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Calvani to head FTC for interim

WASHINGTON—The Federal Trade Commission was placed under a caretaker regime last week, with Republican FTC commissioner Terry Calvani, an antitrust law specialist, as acting chairman.

The departure of FTC chairman James C. Miller III to his new post as chief of the federal Office of Management & Budget (AA, Oct. 10) also triggered an exodus among top Miller aides at the commission who opted to join Mr. Miller at OMB.

The departures stripped FTC's bureaus of consumer protection (responsible for ad regulation), competition and economics of their directors, allowing the next FTC chairman to install his own team.

Mr. Calvani is not expected to disturb the policies established by

(Continued on Page 102)

'SI' eyes expanded franchise

By STEWART ALTER

NEW YORK—Time Inc.'s *Sports Illustrated* has begun to look into opportunities for starting up or acquiring magazines, or otherwise extending the magazine's "franchise" into other media. In an unusual step, the work is being done by a group separate from parent Time Inc.'s magazine development staff.

One of the projects is said to be a health and fitness publication aimed at women and scheduled to be put into test in January.

An *SI* spokesman, while confirming that the publication was looking into magazine development and acquisition, maintained it was "a little prema-

(Continued on Page 106)

West Coast news

Bankers deposit with FCB

First Interstate Bank of Nevada named Foote, Cone & Belding, Los Angeles, to handle its $1 million account, which had been at N W Ayer, Los Angeles, for 14 years. The fourth-largest bank in the First Interstate system joins First Interstate of Arizona, California, Denver and Oregon at FCB, which also represents the bank holding company, First Interstate Bancorp. First Interstate of Washington, the only affiliate not represented by FCB, continues with

(Continued on Page 102)

Polaroid heavies up in 4th quarter

By LISA E. PHILLIPS

NEW YORK—Polaroid breaks an estimated $20 million tv and print campaign on Oct. 20 that focuses on the benefits of instant photography rather than on cameras.

The new tag line, delivered by actor Martin Sheen at the end of every tv spot, tells consumers their Polaroids "do what no other kind of camera can do."

That's a creative and strategic shift away from Polaroid's ads of recent years. Last year's fourth-quarter campaign, traditionally Polaroid's biggest, was strongly tied to a Trans World Airlines promotion that offered a 25% discount on trans-Atlantic airfares with the purchase of a Polaroid camera.

This year's ad spending has been spotty thus far, with only one flight of tv ads running for six weeks last summer. Fourth-quarter spending this year will be up 45% over last year's fourth quarter, said Peter Eichorn, Polaroid vp-North American marketing.

Polaroid, still the market leader in instant photography, breaks its Christmas season promotion Oct. 20. The new strategy focuses on special events, such as a new baby (above), and is tagged "Polaroid instant cameras do what no other kind of camera can do."

Enthusiasm for the new ad campaign within Polaroid was so strong that "we squirreled away our quarters from the rest of the year to put behind this campaign," said Frank Nolan, acting vp-advertising.

The new, use-oriented strategy and heavy ad spending come at a critical time for Polaroid because the company plans to introduce a new instant photography system next spring. Mr. Eichorn would say only that the new camera will be on sale in retail stores in the first half of 1986, and that it would be positioned as a higher price, higher-end camera than its current top model, the 680.

Troubled in recent years by a decline in camera sales, Polaroid had flat sales in the first half of 1985. But according to a recent Gallup poll and an internal study of dealer inventory, instant camera and film sales should pick up for the Christmas season, Mr. Eichorn said.

A 60-second spot in the fall campaign, via Ally & Gargano, features the pounding beat of the

(Continued on Page 103)

Solin name cut from shop title

By STEWART ALTER

NEW YORK—Altschiller Reitzfeld Solin has been renamed Altschiller Reitzfeld following the departure of partner and president Darrol Solin.

Chairman David Altschiller cited "real philosophical differences as to the future direction of the agency" as the reason for Mr. Solin's departure.

In a separate phone conversation, Mr. Solin did not dispute Mr.

(Continued on Page 101)

World News Roundup

TORONTO—New formula Coke outsold Classic Coke two to one during its first two weeks of distribution in Ontario, according to Coca-Cola Ltd. Classic was introduced in Canada Sept. 21.

BARCELONA—J. Walter Thompson Co. acquired GDD, a Spanish agency with 1984 billings of $12.3 million.

HERZOGENAURACH, W. GERMANY—Adidas will take its first step into global advertising in November, with a print campaign in Europe and the U.S. followed by a tv campaign. Young & Rubicam handles.

MUEHLHEIM—Pepsi-Cola signed an agreement with Tengelmann Group to open 40 Pizza Hut restaurants in Germany by 1988.

MONTREAL—A joint federal and Quebec provincial government review committee recommended that stringent laws prohibiting advertising to children under 14 in Quebec be relaxed. The report

(Continued on Page 56)

U.S. shops on prowl—Page 56

Personals classified as daily profit makers

By WILLIAM F. GLOEDE

To most daily newspaper readers, the "personal" column in the classifieds is a *meet*market for one-man bands and party clowns, separated by an occasional invocation to St. Jude.

Newsday, Times Mirror Co.'s Pulitzer Prize-winning tabloid that circulates throughout Long Island and in New York City, is finding that romance in the personal columns can both increase readership and contribute to the bottom line.

Personal ads, once the province of alternative weeklies like New York's *Village Voice*, regional magazines and the *New York Review of Books*, are slowly making their way into the daily newspaper as publishers react to the increasing number of singles.

In the last 12 months, several major dailies—and a raft of smaller ones—have begun mining the personals market, which is populated with young, upwardly mobile people who are among the least frequent readers of daily newspapers. Among the dailies jumping on the

(Continued on Page 103)

AGENCY WATCH

Which agency's best?

Response by company ad directors to question, "Based on your experience and the experience of your peers, and regardless of size, which ad agency, in your opinion, provides the best overall services and products to its clients?" Up to three responses were allowed. *Not among leaders during period. Source: SRI Research Center Inc.

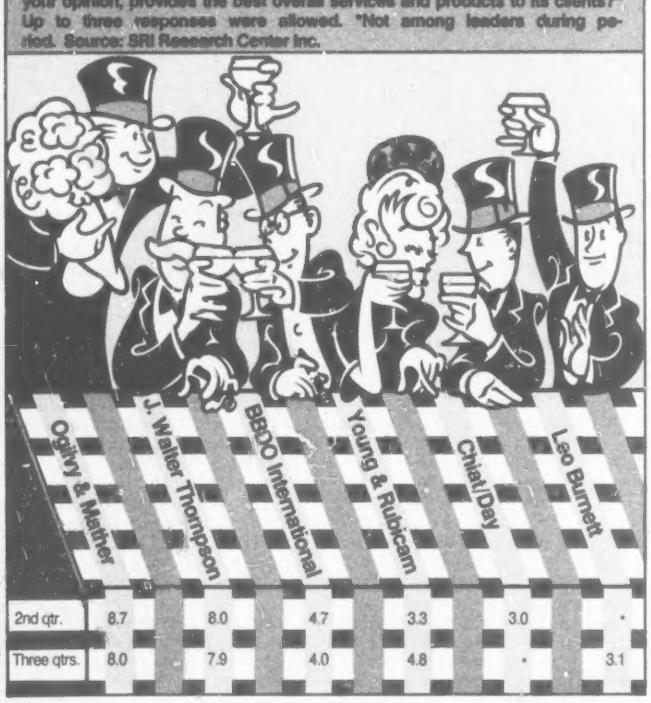


Chart by Steve Musgrave

JWT, Ogilvy still on top

But Chiat/Day turns up as 'hottest'

By JOSEPH M. WINSKI

After three quarters of polling, J. Walter Thompson USA and Ogilvy & Mather remain deadlocked as the best of the nation's advertising agencies, according to Agency Watch, a survey of company ad directors.

The two agencies could hardly be closer.

In the April-June quarter, the latest period for which results are available, Ogilvy & Mather was named best agency by 8.7%, or 26, of the 300 ad directors questioned. JWT was named best by 8.0%, or 24 ad directors.

And in the cumulative totals for the three quarters from October, 1984, through June, 1985, just one vote separates the two agencies. Ogilvy & Mather received 72 mentions, or 8.0% of the total; JWT received 71 mentions, or 7.9% of the total.

Agency Watch is a quarterly survey conducted for ADVERTISING AGE by SRI Research Center of Lincoln, Neb. In each survey period, the research company questions a random sample of 300 ad directors of companies with $25 million or more in sales that are based in one of the 20 largest U.S. markets.

Stories based on the survey will be published at least twice a year. Highlights of the first survey, conducted in the last quarter of 1984, were published in AA's 1985 Agency Income issue (AA, March 28).

Respondents are asked the question "Which ad agency, regardless of size, provides the best over-all services and products to its clients?"

They are allowed to respond with the names of up to three agencies. Each mention is counted as one vote, whether it is the respondent's first answer or not.

JWT and Ogilvy have ranked No. 1 and No. 2 in each of the three surveys to date, and stand well above the rest of the field, as far as the ad directors are concerned. BBDO International was No. 3 in the most recent quarter with 4.7% of the mentions.

In the three-quarter totals, Young & Rubicam was No. 3 with 4.8% of the mentions.

Rounding out the top five in the latest survey were Young & Rubicam (3.4% of mentions) and Grey Advertising and Chiat/Day (tied with 3.0%).

In the three-quarter totals, BBDO International was No. 4 with 4.0% of the mentions and Leo Burnett USA No. 5 with 3.1%.

Ad directors also are asked to name the first agency that comes to mind. JWT wins handily in this measure, with an awareness score more than twice that of any other agency.

In the latest quarter, JWT was named as coming first to mind by 29.7% of the respondents, compared to 13.0% for No. 2 BBDO, 11.3% for No. 3 Young & Rubicam, 10.3% for No. 4 Ogilvy and 7.7% for No. 5 Grey.

The cumulative awareness rankings for the three quarters were JWT (26.6%), Ogilvy (13.2%), BBDO (12.1%), Young & Rubicam (11.5%) and Doyle Dane Bernbach International (8.0%).

Ironically, given their obvious belief in the power of advertising, agencies apparently do little self-

(Continued on Page 92)

Shop salary survey under way

New York—You *can* put a price tag on creativity and it's called salaries and incentives.

Advertising Age, in cooperation with Cole Surveys, Boston, the leading compensation survey company, has begun mailing out questionnaires for its first Survey of Advertising Agency Compensation. When published in January, the report will contain accurate statistics on how much the top creative and managerial talents in the industry are paid, arranged by national, regional and size groups. Pay differentials will be shown by organizational types, including multiunit headquarters, independent single-unit agencies, subsidiary agencies and branch office operations.

With more than 20 years' experience in conducting compensation studies, Cole Surveys is a subsidiary of Wyatt Co., a worldwide compensation and benefit consultant company. In 1985, more than 2,000 organizations, including the 100 largest commercial banks, have entrusted Cole with their data and participated in its surveys.

Cole's advertising survey will seek base salary and incentive information on the 10 highest-paid executives at an agency, ranked from highest to lowest on the basis of Dec. 31, 1984, base salaries. The survey also will include base salary data as of Oct. 1, 1985, for the same 10 peopie.

Positions included in the survey are: Ceo II-independent; ceo I-subsidiary; president-chief operating officer; branch office manager; exec vp; chief financial officer; traffic manager; creative director; associate creative director; senior art director; senior copywriter; media director; associate media director; broadcast production manager; print production manager; public relations manager; director of account management; senior account exec, and market research manager.

Data also will include compensation of managers who are not among the 10 highest paid but perform duties in one of the described positions. Financial data collected on each agency are used to categorize

(Continued on Page 103)

Hume to head Chi. bureau; 2 promoted

S. Moran

P. Sloan

Chicago—Scott Hume has been named Chicago bureau chief of Advertising Age. Mr. Hume has been serving as acting bureau chief since last April, when his predecessor, Sarah Moran, began maternity leave.

Ms. Moran is rejoining the Chicago AA staff as a senior editor with new responsibilities for expanding coverage of retail news and features into a new national format.

Working with her to expand retail coverage is New York-based senior reporter Pat Sloan, who has been promoted to senior editor. She will continue to spearhead retail coverage from New York, where she reports on national retail trends and retailers in the Northeast, and in addition will continue to cover cosmetics and fashion.

S. Hume

Mr. Hume, who joined AA in April, 1983 as a reporter, previously served with Cahners Publishing Co.'s *Restaurants & Institutions* as senior editor and as editor of a weekly newsletter, "Chain Marketing & Management." In his new post, he will continue to report on the fast-food and domestic beer industries. Mr. Hume holds a degree in English literature from Denison University, and a master's degree in English literature from the University of Chicago.

Ms. Moran, a business reporter for the *Chicago Sun-Times* who developed into the newspaper's leading retailing reporter, joined AA as Chicago bureau chief in July, 1984. From 1979 to 1982, she served as an associate editor of the "Kiplinger Washington Letter" and contributing editor to *Changing Times*. Ms. Moran earlier served as the editor of "Postal World," associate editor of McGraw-Hill's "Inside D.O.E.," covering the oil industry, and editor of "Fuel Oil Week" and "U.S. Oil Week" for Observer Publishing. She is a graduate of Duke University.

Ms. Sloan joined AA as a reporter in October, 1977, from Fairchild's *Daily News Record*. At the Fairchild daily from March, 1975, until joining AA, Ms. Sloan served as copy editor, men's grooming editor and men's accessories editor. She is a graduate of the University of Missouri. At AA, she has specialized in coverage of retailing, cosmetics, fragrance and fashion.#

CORRECTIONS & CLARIFICATIONS

- Marschalk Co., San Francisco, not Houston, is the agency for Del Monte USA, San Francisco (AA, Sept. 30, P. 91).
- Linage figures for *W* were omitted from the September Consumer Magazine Ad Linage report (AA, Sept. 23, P. 34). Updated figures should read: Sept., 1985—163.3; Sept., 1984—143.7; Year-to-date, 1985—965.3; Year-to-date, 1984—956.8.
- The photograph of the Willie Bear Gummy Bears incorrectly was identified as belonging to the Foreign Candy Co., Hull, Ia. The Willie Bear brand is marketed by C&J Willenborg Inc., Ramsey, N.J. Foreign Candy markets the Black Forest brand (AA, Sept. 12, P. 8).
- J. Walter Thompson USA, San Francisco, is the advertising agency of record for the Embarcadero Center retail development, San Francisco. The agency was incorrectly reported to be the Los Angeles office of JWT USA (AA, Sept. 30, P. 92).
- J'Roget L'Orangerie, a bottled mimosa cocktail from Canandaigua Wine Co., Canandaigua, N.Y., is made with J. Roget champagne, orange juice and triple sec flavoring, not the liqueur (AA, Aug. 26, P. 1).
- French advertising agency Publicis S.A. is a privately held company, not a state-run agency (AA, Sept. 30, P. 52).#

What's in Boston?

The Boston Herald!

Everything's UP but our CPM's!

Readership . . .
UP 35% daily/25% Sunday!

College Grads . . .
UP 28% daily/6% Sunday!

Professional/ Managerial . . .
UP 55% daily/48% Sunday!

Household Income $35,000+ . . .
UP 28% daily/16% Sunday!

Own Residence . . .
UP 41% daily/34% Sunday!

Supermarket Expenditure $100+/wk . . .
UP 115% daily/100% Sunday!

Total Advertising . . .
UP 19%!

Now The Boston Herald gives you more total audience and readership in the important demographic areas you need to reach. National advertisers can get that "local" feeling! Call Jim Blinn, Vice President/ Advertising at (617) 426-3000 and ask about our preferred position package that gives you 45% off existing national rates. Shouldn't you be buying The Herald? You'll be in good company!

The Boston Herald!

Represented nationally by Branham Newspaper Sales.

Sources: Simmons-Scarborough and Scarborough Newspaper Studies, 1984/1985.
New England Newspaper Association Linage Reports, June 1984, 1985.

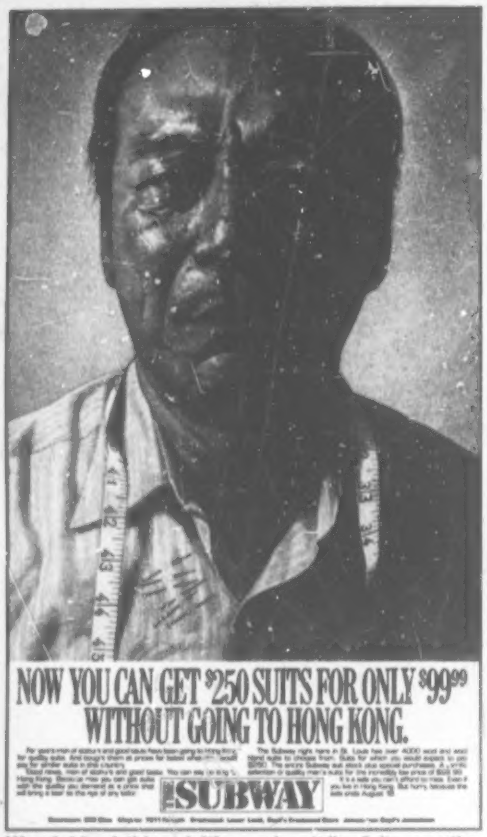
Here's Ryan...

News Editor Ryan Mathews coordinates all of the incoming reports from **Grocers' Spotlight's** correspondents and maintains a regular contact with more than forty-five food industry state and local association executives. His annual Legisline Roundup, from all of our nation's state legislatures, is one of **Grocers' Spotlight's** best read features. Ryan Mathews has been a prominent member of our "professionally yours" news team for more than eight years.

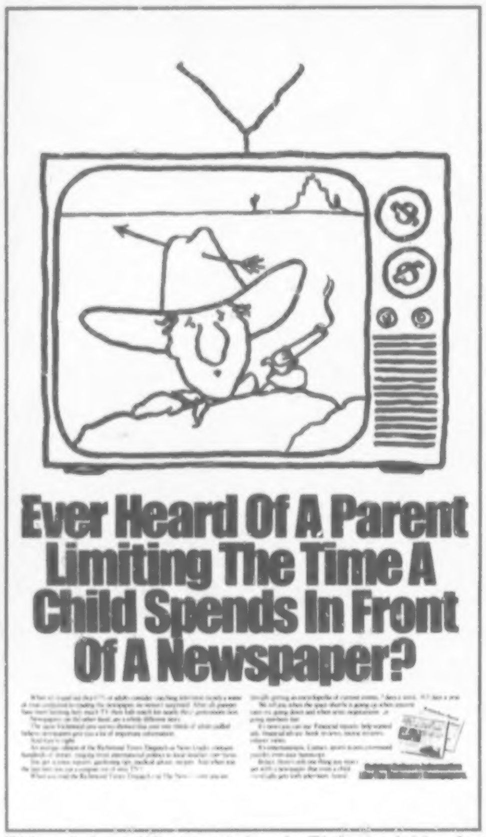
Grocers' Spotlight
THE NEWSPAPER FOR THE FOOD INDUSTRY
DETROIT—(313) 779-4940
25689 Kelly Road, Roseville, MI 48066
CLEVELAND —(216) 781-2654
CHICAGO —(312) 751-0805
LOS ANGELES —(213) 461-3627
ATLANTA —(404) 320-6644
TORONTO —(416) 833-6200
NEW YORK —(212) 944-0159

A GORMAN PUBLICATION

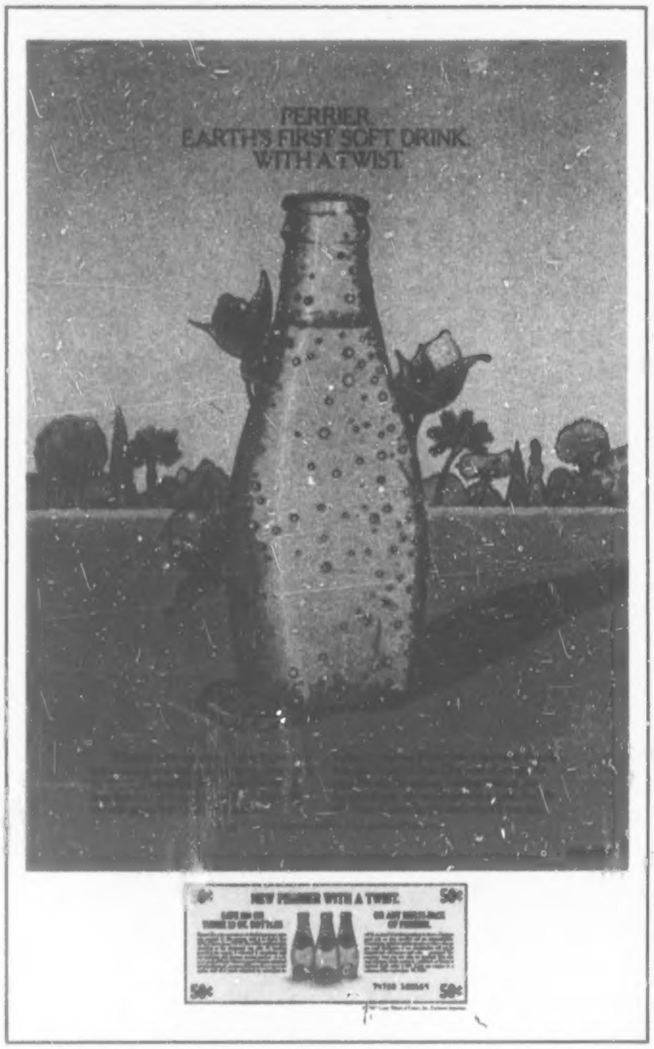
BEST OF PRESS


NOW YOU CAN GET $250 SUITS FOR ONLY $99.99 WITHOUT GOING TO HONG KONG.
THE SUBWAY

We dubbed this ad "the crying tailor." Its creative use of illustration and headline made this ad from Bartels & Carstens for The Subway in St. Louis a real standout. Art director, David Bartels; copywriter, Donn Carstens; illustrator, Bill Vuksanovich.

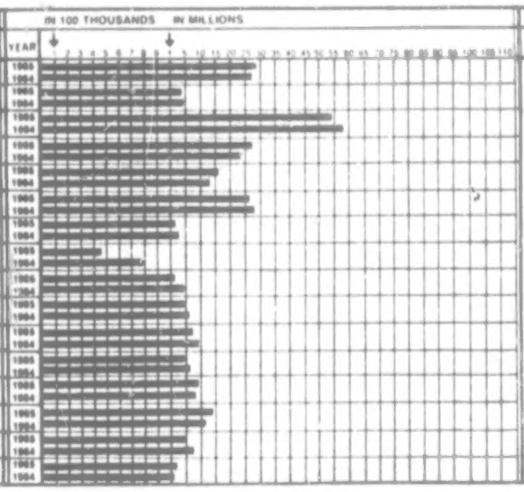

Ever Heard Of A Parent Limiting The Time A Child Spends In Front Of A Newspaper?

This ad, from Westbrook Inc. in Richmond, Va., for Richmond Newspapers, exemplifies that simple line art and a strong headline can drive home a point. Creative director and copywriter, Bill Westbrook; art director and illustrator, Carolyn Tye.


PERRIER. EARTH'S FIRST SOFT DRINK. WITH A TWIST.
NEW PERRIER WITH A TWIST.
50¢
50¢
50¢
50¢

This Milton Glaser illustration for Perrier's new sparkling water caught the judges' eyes and put Waring & LaRosa in the top color spot in this month's Best of Press display. Creative director, Joe LaRosa; copywriter, Francesca Blumenthal; illustrator, Milton Glaser.

FLASH REPORT: Newspaper advertising investment for July



July 1985 CATEGORIES	YEAR	DOLLARS 1985	DOLLARS 1984	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	1985 1984	$28,462,510	$26,776,781	+1,685,729	+6.3
Computer stores & supplies	1985 1984	3,632,218	4,339,077	-706,859	-16.3
Department stores	1985 1984	54,841,629	57,814,981	-2,973,352	-5.1
Food stores	1985 1984	26,726,570	22,546,980	+4,179,590	+18.5
Radio, tv, phonographs, records	1985 1984	15,142,349	13,687,910	+1,454,439	+10.6
General merchandise stores	1985 1984	26,484,693	27,998,015	-1,513,322	-5.4
Alcoholic beverages	1985 1984	1,629,819	2,213,927	-584,108	-26.4
Cameras, photo supplies & services	1985 1984	457,728	785,647	-327,919	-41.7
Computers, equipment & services	1985 1984	1,310,125	3,945,722	-2,635,597	-66.8
Public service utilities & communications	1985 1984	4,402,442	5,683,438	-1,280,996	-22.5
Publishing & media	1985 1984	6,386,624	8,582,869	-2,196,245	-25.6
Cigarets	1985 1984	4,508,281	5,477,987	-969,706	-17.7
Airlines	1985 1984	8,351,369	7,772,866	+578,503	+7.4
Passenger cars-new	1985 1984	13,814,194	10,414,852	+3,399,342	+32.6
Banks & trust companies	1985 1984	4,886,167	6,928,241	-2,042,074	-29.5
Stock, bond & investment houses	1985 1984	1,712,711	1,287,918	+424,793	+33.0

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown. #

Source: Media Records Inc.

Summer doldrums hit papers

By WILLIAM F. GLOEDE

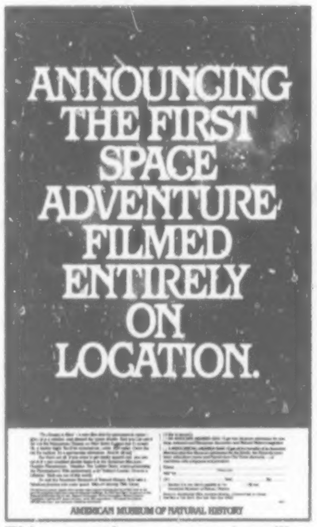
NEW YORK—The traditional summer slowdown in advertiser spending in daily newspapers was particularly pronounced in July as advertisers in 10 of 16 major categories cut spending from July, 1984, levels, according to the ADVERTISING AGE Flash Report of Newspaper Advertising Investments prepared by Media Records.

Total spending in 16 measured categories in 15 major markets fell by roughly $3 million in July compared with the same month last year, with total spending coming in at $202.7 million.

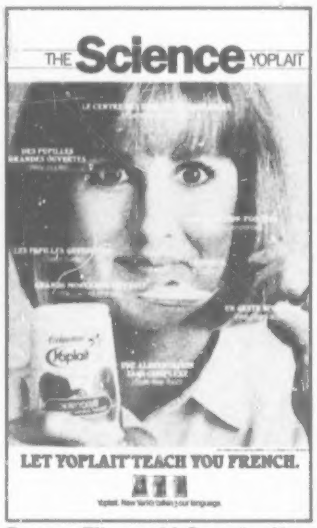
Among the six advertiser categories posting gains were food stores, up 18.5% to $26.7 million; radio-tv-phonographs and records retailers, up 10.6% to $15.1 million; new passenger-car sellers and marketers, up 32.6% to $13.8 million; amusements advertisers, up 6.3% to $28.4 million; airlines, up 7.4% to $8.4 million, and stock, bond and investment houses, up 33% to $1.7 million.

Losing retail categories included department stores, down 5.1% to $54.8 million; general-merchandise stores, down 5.4% to $26.5 million; computer stores and supplies, down 16.3% to $3.6 million, and, in the financial category, banks and trust companies, a drop of 29.5%, decreasing to $4.9 million.

Among the general categories posting declines were alcoholic beverages, down 26.4% to $1.6 million; cameras, photo supplies and services, down 41.7% to $457,728; computers, equipment and services, down 66.8% to $1.3 million; public service utilities and commissions, down 22.5% to $4.4 million; publishing and media, down 25.6% to $6.4 million, and cigarets, down 17.7% to $4.5 million. #


ANNOUNCING THE FIRST SPACE ADVENTURE FILMED ENTIRELY ON LOCATION.
AMERICAN MUSEUM OF NATURAL HISTORY

This arresting reverse headline set against the night sky made this Ogilvy & Mather ad for the American Museum of Natural History in New York stand out. Creative director, Tom Rost; art director, Paul Scolaro; copywriter, Tony Gomes; illustrator, Mark Tocchet.



Dancer Fitzgerald Sample, New York, tailored this ad for General Mills' Yoplait to the medium in which it was presented, the *New York Times'* "Science Times" section. Creative director, Stanley Becker; copywriter, Jill Danenberg; art director, Nina Salzberg; photographer, Larry Robins.

Best of Press selections are made by a committee of three: Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunawey, vp-information at the bureau, and William F. Gloede, ADVERTISING AGE's newspaper industry reporter. National System Inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Gloede at AA's New York bureau.

CATEGORY REVIEW: YOGURT

To-FITNESS hopes for instant yogurt success

By JULIE FRANZ

Shares of the yogurt market

Dannon and Yoplait yogurts continue to battle it out for the lead against pressure from heavy-hitting marketers like Beatrice Cos. and Kellogg. Time Inc.'s Selling Areas-Marketing Inc. reports dollar sales of refrigerated yogurt hit $552.5 million in 1984, up 23.4% over $448 million in 1983. In 1985, sales are now at $576 million. Source: [1]A.C. Nielsen Co. and [2]Leading National Advertisers

Brand	Share[1]	Ad spending ($)[2]	Agency
Dannon	25.2	5.7 million	Saatchi & Saatchi/Compton and HCM
General Mills' Yoplait	14.5	13.3 million	Dancer Fitzgerald Sample
Kraft Light & Lively and Breyer's	8.0	4.4 million	Geers Gross
Kellogg's Whitney's	2.0	1.4 million	Leo Burnett USA
Beatrice's Mountain High	2.0	1.0 million	Bozell & Jacobs

AT LAST, A YOGURT YOU CAN SINK YOUR TEETH INTO. DANNON HEARTY NUTS & RAISINS
15¢
15¢
LET YOPLAIT TEACH YOU FRENCH.
Yoplait. The Yogurt of France
Mountain High Plain Yoghurt.
It's big news.
Save 15¢
Save 10¢

Dannon introduced its Hearty Nuts & Raisin flavor in mid-1984. Yoplait, meanwhile, is trying to strengthen its brand name with a campaign linked to the French language. The Beatrice entry, Mountain High, holds a 2% market share nationally, but as much as 8% in its key markets.

In a market overrun with new products and line extensions, making an impact on the nearly $1 billion yogurt industry is no easy task. But To-FITNESS Inc., a Miami-based health food marketer, hopes to do it in an instant.

To-FITNESS has gained exclusive U.S. rights to a process that allows yogurt cultures to remain dormant in powdered form until activated by the addition of moisture, much like powdered yeast is activated by warm water.

The company intends to market three brands based upon the patented process—Instant Culture, a yogurt shake; Jet Set yogurt, and To-FITNESS Frozen Yogurt. All are powdered yogurt products that can be mixed with either milk or water.

Willa Rose Abramson, To-FITNESS president, cites instant coffee as an example of what the product can do for the yogurt market, which has been growing at a 14% pace yearly. Instant coffee has garnered 40% of the coffee market and acted as a catalyst to growth.

Jet Set powdered yogurt's 14-flavor line will begin testing in southeastern markets in January. But the product may have several obstacles to hurdle in gaining significant market share. Consumers may perceive the product as something suited for survivalists or campers. Like powdered milk, powdered yogurt may have to battle doubts that it tastes as good as the "real" thing.

The company's marketing plan addresses both problems, said Ms. Abramson. All To-FITNESS products, which include tofu, pasta and whole grain/seed bread, must pass three tests. "First and foremost, they have to taste great," she said. "Then they have to be high in nutritional value and low in calories."

To-FITNESS is banking on an aggressive, in-store, taste-testing program to get Jet Set yogurt and Instant Culture off the ground.

Advertising for the brands, now in the works, will stress the products' active yogurt cultures, which aid in digestion.

The process upon which the products are based, developed at Israel's Ben Gurion University, overcomes the problem of keeping yogurt cultures active through pasteurization and dehydration, Ms. Abramson said. Powdered yogurt will have an indefinite shelf life and, because Jet Set can be mixed with water, it's good for consumers allergic to lactose, a substance found in milk, she added.

The company hopes to garner a 2% share by the end of next year, said Ms. Abramson; she expects powdered yogurt to expand the market rather than grab share from other marketers. Richard Rosen Co., Miami, handles the account.

The competition has been careful in its reaction to powdered yogurt. "The success of any yogurt product depends on its quality and taste," a General Mill's spokeswoman said. Kellogg's Whitney's Foods doesn't consider powdered yogurt competition to ready-made yogurt, much like powdered and fluid milk aren't considered to be competing for the same dollar, a spokeswoman said.

"A powder conflicts with yogurt's all-natural image," said a Dannon spokesman. Powders "just don't seem to be all that good for you." For example, active cultures aside, yogurt and powdered chocolate drink mix in milk have relatively the same nutritional value, he said. "But you don't see people wolfing down chocolate milk for its nutritional value."

To keep up with the Dannons and Yoplaits, however, To-FITNESS is developing a powdered yogurt product with dried fruit that will retain its indefinite shelf-life. "We're about 95% sure we'll be able to do this," Ms. Abramson said.

Trying to shore up its leading position in the yogurt market, Dannon Milk Products this year has introduced Dannon Supreme, reformulated its Dannon Y.E.S. into Dannon Extra Smooth, and started selling its Dannon regular in a perforated four-pack package.

The company also boosted its advertising budget and streamlined its distribution system to neutralize the pressure exerted by Yoplait, General Mill's yogurt entry and the market's second-leading brand.

Dannon leads the market with a 25.2% share; Yoplait has a 14.5% share, down from 16.1% earlier this year. Kraft's Lite & Lively and Breyer's brands combined hold an estimated 8% share, sources say. Kellogg's new Whitney's brand has a 2% share nationally, but is distributed in only seven markets. Beatrice's entry, Mountain High, nationally holds about a 2% share while capturing as much as 8% in some of its 11 markets, sources say. Regional and store brands complete the remainder of the market.

Time Inc.'s Selling Areas-Marketing Inc. reports $552.5 million in refrigerated yogurt sales in 1984, 23.4% above the 1983 sales mark of $448 million. Thus far in 1985, sales have hit $576 million, SAMI reports. (SAMI does not track direct-to-store delivery, where Dannon is particularly strong; its figures also exclude frozen yogurt and yogurt drinks.)

The market made its largest sales jump between 1980 and 1981, when refrigerated yogurt volume climbed 38% to $298.5 million. While part of the increase can be attributed to inflation, the boom in "health" food started then, an industry source said.

The steady 14% growth of the yogurt market should continue, since sales are driven by consumer concern over wholesome foods, ready-to-eat items and rising prices of fresh fruit, vegetables and other healthy snacks, a Dannon spokesman said.

New-product introductions, sparked by more sophisticated processing methods, also will boost yogurt consumption, he added.

Dannon Supreme combines Dannon Extra Smooth, formerly Y.E.S. (yogurt extra smooth), and regular yogurt to make a richer, sweeter product, the Dannon spokesman said. The new product is flavored but also has fruit on the bottom. Ads call it "Yogurt good enough to be dessert."

Ad copy for the renamed Dannon Extra Smooth, a premixed product, says: "What we created turned out to be so extra smooth and creamy, we finally had to call it the way it is." Once the product is fully introduced, Dannon will drop the Y.E.S. initials from packaging all together, the spokesman said. Both products are getting print and tv from Saatchi & Saatchi/Compton, New York. HCM, New York, handles Dannon regular.

In an effort to cut costs, Dannon is reducing its fleet of store-delivery trucks while increasing distribution through traditional warehouse channels, a source said. Dannon nearly has stopped direct delivery in southeastern markets, where its market share is lower than elsewhere, he added.

The move also will boost Dannon's numerical share of the market and increase the total market size, since its direct-to-store delivery system wasn't tracked by SAMI and other market share services. Dannon declined comment

(Continued on Page 76)

CUSTOM IMPRINTED PRODUCTS

ORGANIZE AND PROMOTE YOUR BUSINESS WITH QUALITY PRODUCTS *FREE 1-COLOR IMPRINT INCLUDED

CUSTOM IMPRINTED BINDERS AND INDEX SETS
REPORT COVERS
CLIPBOARDS

$1.20* 1" Ring binders
48¢ 5-Tab Index Sets
Quickshipped in 10 working days

74¢* Inexpensively adds a professional touch to presentations

$1.60* with spring clip and inside pocket

*In 1,000 quantity, other quantities available. All items for 11" x 8½" size paper.

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1986
SPORTS CALENDAR APPOINTMENT BOOK
US SPORTS

Yogurt

(Continued from Page 74)

on the subject.

The company boosted its measured media budget by 24% to $5.7 million in 1984, up from $4.6 million a year earlier, according to Leading National Advertisers. Dannon said those figures are "grossly understated" but wouldn't divulge its actual budget. For first-quarter 1985, Dannon spent $2.0 million, mostly in network, spot and cable tv. The LNA figures neglect to account for any magazine ads, which Dannon relies on heavily, the company said.

General Mill's Yoplait has been playing tit-for-tat with Dannon since the brand went national in 1977. Yoplait beat Dannon to market with its Breakfast Yogurt, a product with fruit and nuts mixed in, introduced in 1983. Dannon introduced Hearty Nuts & Raisins in mid-'84. The two also are battling it out with flavored yogurts that also have fruit on the bottom—Dannon's Supreme and Yoplait's Fruit-on-the-Bottom.

French lesson

Yoplait is trying to strengthen the brand name with a campaign themed "Let Yoplait teach you French." Print ads, via Dancer Fitzgerald Sample, New York, translate a cowboy's and a sunbather's garments, expressions and yogurt into French. Tv spots feature people bursting into French after eating Yoplait.

Yoplait's 1984 ad budget jumped 77% to $13.3 million from $7.5 million in 1983, according to LNA figures. The company is spending at the same rate in 1985, sources say.

Yoplait isn't the only heavy hitter taking jabs at Dannon's market position. Food marketing giants Beatrice Cos. and Kellogg Co. entered the market last year while Kraft continues to be a threat with its Light & Lively and Breyer's brands.

Kraft seems to be relying more on its Light & Lively brand than the Breyer's brand, which is distributed heavily in the Northeast. Light & Lively, in perforated six-packs, has been dipping into Breyer's sales in those markets, though, industry sources said.

Breyer's share began slipping late last year when it converted to a 6-oz. from an 8-oz. package without offering a price break, according to one industry executive. Breyer's was trying to capture the attention of yogurt snackers, he added.

But an industry analyst says the strategy "blew up in their faces" as consumers proved their price sensitivity. Luckily, some of Breyer's sales went to Light & Lively, so Kraft didn't loose too badly. Light & Lively's multipack concept boosted sales when first introduced 18 months ago, but the concept is too easily imitated, as seen by Dannon's introduction of the Dannon regular four-pack, he added.

While Kraft wouldn't comment on its strategy, a spokesman said it's not planning to discontinue the Breyer's brand. The brand gets about $1.5 million in spot tv support and Kraft doesn't plan to change the budget significantly, the company says.

Kraft will continue its "Stock a stack" tv and print campaign for Light & Lively, via Geers Gross, New York, the company says.

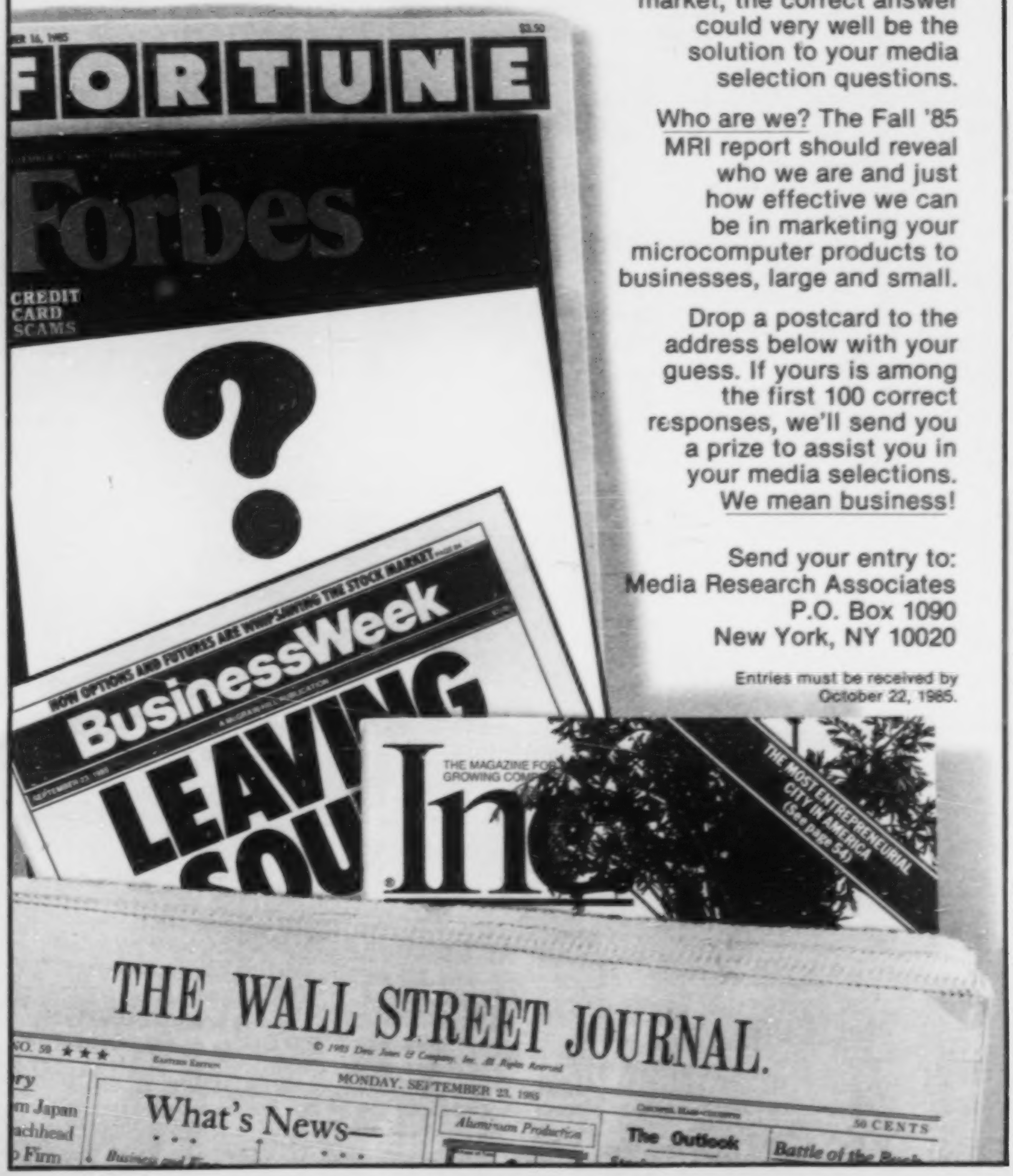
Whitney's gaining

Kellogg has made a big splash with its Whitney's brand, quickly capturing strong market share in some of its seven markets, said Whitney's Foods president Mike Wolfe. The brand's high-quality, custard-like consistency will bring new consumers to the category, he believes. Whitney's has a national share of 2%, but the brand is grabbing 8% to 10% of the market in its "more mature markets," Mr. Wolfe said.

Roughly 30% of the population consumes all the yogurt in the U.S., Mr. Wolfe said. Focused new products, such as multipacks and breakfast yogurts, brought in new consumers in the past and future growth will come from constantly refining existing products, he added.

There's no telling when the yogurt market will top out, the Dannon spokesman said. Americans now consume an average 1.8 lbs. of yogurt a year, while European consumption is 10 to 12 times greater.#

Guess who's missing.



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Old-timers sweet on ice cream

By NANCY GIGES

STAMFORD, CONN.—The greatest per capita consumption of ice cream occurs among Americans 55 years and older, according to a study on frozen sweets by MRCA Information Services.

The average American eats ice cream at home 41 times per year, but the older group averages 56 times annually—even more than children aged 6 to 12, which average 43 times a year.

The group that eats ice cream least often at home are the 18-to-34-year-olds, averaging only 29 occasions.

According to David Fencl, publisher of the study, eating dessert at home has been declining steadily for years. Ice cream consumption has declined 2% per year since 1977, but premium and all natural ice creams have stemmed some of the erosion, he said. Last year consumption of premium ice cream rose 38%.

Among other findings in the study are that vanilla ice cream is 2.5 times more popular than the runner-up flavor, chocolate; men eat ice cream at home nearly 10% more often than women; consumption of frozen pies fell by 16% last year and frozen cakes 20%.

On the up side, consumption of frozen croissants was up 161%; frozen gelatin bars up 344%; frozen juice bars up 72%; frozen pancakes up 41%, and ice cream sandwiches up 38%.#

AGENCY WATCH

Watch

(Continued from Page 3)

advertising that creates an impression: Of the ad directors questioned in the three quarters, 69% said they hadn't seen recently or couldn't remember seeing any ads or promotions for ad agencies.

Only two agencies—JWT and Ogilvy—did house advertising that was remembered by more than 2% of the respondents. JWT advertising was mentioned by 8% of the ad directors and Ogilvy advertising for itself was mentioned by 3%.

For the third straight quarter Chiat/Day was named most often as the industry's "hottest, up-and-coming" agency, receiving even more mentions (8.7%) in the latest quarter than it did in the previous two quarters. Fallon McElligott Rice (4.6%) remained second, while Saatchi & Saatchi Compton Worldwide (2.6%) broke into the top three among the hottest agencies for the first time.

Another agency that seems to be attracting attention is Grey Advertising. Its awareness score jumped to 7.7% in the third quarterly study, good for No. 5 among all agencies, from less than 3% in each of the first two survey periods.

Moreover, Grey made impressive gains in four of the six criteria in which ad directors were asked to name best agencies. It moved to No. 2 in media planning and buying, to No. 3 in account executives, to No. 3 in research and to a tie for No. 4 in top management. The agency previously had received 2% or less of the mentions and had failed to rank among the top five in each of these categories.

Grey is in the second year of a five-year program to upgrade its creative image and also has launched an ambitious expansion plan (AA, Jan. 21, *et seq.*). Grey's rank in creativity has improved slightly since the first survey, but still isn't among the leaders in that attribute.

Asked to assess the importance of the six criteria, the ad directors ranked them in the same order in all three surveys: Creativity (termed very important by 91% of the total respondents in the three surveys), account executives (79%), media (68%), top management (56%), marketing (39%) and research (39%).

In the latest survey, JWT ranked No. 1 in account executives, media, top management and research. Ogilvy was No. 1 in marketing and tied with Chiat/Day for No. 1 in creativity.

Asked to volunteer reasons why they named a particular agency best over-all, the ad directors most frequently cited past satisfactory experience with the agency or its reputation and awards. However, the ad directors applied certain key reasons significantly more to some agencies than to others.

For example, Young & Rubicam, No. 3 in the cumulative "best" rankings for the three quarters, was named more often than other agencies for its reputation/awards and general experience, while respondents named BBDO more often because of their satisfactory past experience with the agency. Understanding of the client's business was cited more often for JWT; quality of staff was cited more often for Ogilvy.

In all three survey periods, the ad directors said lack of knowledge about the client's business was the most important weakness at agencies generally, followed by agency shortcomings in controlling and estimating costs.

Agencies continue to prowl for business: Of the ad directors in the most recent survey, 62% said they had been approached by an account-hunting agency within the previous three months. But many of the overtures were less than impressive: Forty-seven per cent of those approached said the quality of the contact was only fair or poor.#

Additional information is available from Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb., 68510. Phone: (402) 489-0351.

Which agency first comes to mind

Response by company ad directors to question, "When I mention advertising agencies, which single advertising agency first comes to mind?" Up to three responses were allowed. Source: SRI Research Center Inc.

Agency	2nd quarter	Three quarters
J. Walter Thompson	29.7	26.6
BBDO International	13.0	12.1
Young & Rubicam	11.3	11.5
Ogilvy & Mather	10.3	13.2
Grey Advertising	7.7	*
Doyle Dane Bernbach	*	8.0

**Not in top five.*

Which agency's best at

Response by company ad directors to question, "Which agency, in your opinion and from your experience, regardless of size, is the best agency for the following attribute?" Interviewers then named the six attributes below. Source: SRI Research Center Inc.

CREATIVITY

1.(tie) Ogilvy & Mather
1.(tie) Chiat/Day
3. J. Walter Thompson

ACCOUNT EXECS

1. J. Walter Thompson
2. Ogilvy & Mather
3. Grey Advertising

MEDIA

1. J. Walter Thompson
2. Grey Advertising
3.(tie) Ogilvy & Mather
3.(tie) BBDO International

TOP MANAGEMENT

1. J. Walter Thompson
2. Ogilvy & Mather
3. BBDO International

MARKETING

1. Ogilvy & Mather
2. J. Walter Thompson
3. Young & Rubicam

RESEARCH

1. J. Walter Thompson
2. Ogilvy & Mather
3. Grey Advertising

MEDIAMOVES

'Life' celebrates 50th anniversary

New York—Events planned to celebrate *Life's* 50th anniversary next year include a fall prime time ABC News special, a book and a special 13th issue in November, 1986. In addition, retrospectives will run in every regular monthly issue.

Publisher Charles Whittingham expects the special issue, with perfect binding, to be *Life's* largest ever, topping 300 pages; circulation will be 2 million, 500,000 above the current rate base.

NBC

NBC-TV has recaptured two former affiliates: KOMU-TV, Columbia, Mo., and KCEN-TV, Waco/-Temple, Tex., both previously at ABC; they replace KCBJ-TV and KXXV-TV, respectively.

Harcourt Brace Jovanovich

Harcourt Brace Jovanovich, Cleveland, has ceased publication of *Quick Frozen Foods* following the monthly's October issue. The publication had a mostly nonpaid circulation of 21,223. Three editorial staffers and additional sales personnel were dismissed.

Marvel Comics Group

Marvel Comics Group, New York, will publish a "Voltron" comics book, starting in December. The comics is inspired by World Events Productions' syndicated cartoon series.

'Gulf Coast Golfer'

Gulf Coast Golfer, Houston, a monthly magazine covering amateur and professional golf in the southern PGA district of Texas and Lousiana, will increase both circulation and ad rates, effective February, 1986. Circulation rate base will reach 33,000, and ad rates will increase by 5%.

Satellite Music Network

Satellite Music Network, Dallas, will premiere its fifth full-service live radio programing format in November with the airing of "Heart and Soul." The new programing will be approximately 70% classics and 30% currents and recurrents.

Satellite Syndicated Systems

Satellite Syndicated Systems, Tulsa, has purchased two cable tv systems in Holdenville and Okemah, bringing the company's cable holdings to 22 systems serving 22,000 subscribers. Also, Tulsa-based Ann Arbor subscription tv service, IT TV, a subsidiary of SSS, will convert to a fulltime commercial tv station in November, 1985.

'Billboard'

Billboard, New York, has set an Oct. 25 advertising deadline for its special section, the "World of Video Music," keyed to its seventh annual Video Music Conference to be held Nov. 21 to 23 in Universal City, Cal.

'New Home'

A consumer magazine targeted to new-home purchasers, *New Home*, Laconia, N.H., will begin publication in April from Salls-Wright Publishing Group. Advertising rates are $8,500 for a b&w page and $12,300 for a color page. Rate base is 200,000.

'Audio'

The 1985 annual equipment directory published by *Audio*, New York, includes a Yellow Pages section that lists 3,000 stores in the U.S. and Canada according to city and Zip code. The directory also carries 70,000 statistics on 4,000 high-fidelity products in 19 categories and contains 220 ad pages. For more information, contact CBS Magazines, 1515 Broadway, 10036.

'NASA Tech Briefs'

New York-based *NASA Tech Briefs* reports that circulation has increased 25%, to 100,000, from its spring issue. In 1986, the magazine will increase its frequency to every other month, from quarterly. Ad rates will be raised, effective Dec. 1, to $4,990 for a b&w page, from $3,990; a color page will cost $5,840, up from $4,840.

'PEOPLExpressions'

A new in-flight magazine for People Express Airlines, *PEOPLExpressions*, Miami, has begun monthly publication. With a controlled circulation of 200,000, a b&w page is $7,590 and a color page is $10,850.

'Arab Media Book 1985'

Promovente International, London, has published a marketing guide to the Mideast, the *Arab Media Book 1985*, which profiles 550 media in the Arab marketplace. Designed as a source book for planning and executing an advertising campaign in the Mideast, the directory, to be updated annually, costs $69.95. For further information, contact America Direct Mail Co., 350 Hudson St., New York 10014.

'The Sporting News'

The *Sporting News*, St. Louis, will introduce a design change and a new editorial direction in its January issue. A bolder graphic style will be adopted, including more color photography, graphics and illustrations, and a change from three-column layout to five columns. Editorial focus will expand to include collegiate sports, golf, tennis and auto racing.

'The Advocate'

The Advocate, Malibu, Cal., a national gay news magazine, has adopted a standard 8-by-10⅞ in. format to target it as a magazine rather than a newspaper. The every-other-weekly is also planning to expand newsstand distribution and increase national advertising.

'Jewish Week'

Jewish Week, New York, reports it has been accepted as a member of the Audit Bureau of Circulations—with an audited total circulation of 113,693—and is expanding its local reporting coverage in an effort to increase advertising. It will add vending machines with the publication's logo in Manhattan and has just completed a Simmons readership study that places *Jewish Week* readers' median household income at $55,680.

'New England Living'

New England Living, Worcester, Mass., will change from its 5⅜-by-8⅜-in. format to the standard 8⅜-by-10⅞-in. trim size with its December/January issue. The issue will contain a special section called "Ski New England," with an ad close date of Oct. 15. Paid circulation is 78,000; advertising rates are $1,200 for a b&w page and $1,700 for a color page.

'Newsweek'

Listing 500 media research studies published during 1950-84, the second Media Research Index has been published by *Newsweek*, New York. The index contains international contributions, journal articles, conference papers and books listed in chronological order by year of publicaton within a given media category. The book is available for $10 from the publisher at 444 Madison Ave., 10022.

'New Jersey Monthly'

New Jersey Monthly, Morristown, reports it is accepting nominations until Nov. 30 for its New Jersey Pride Awards. Nine recipients will be recognized for their accomplishments and will be profiled in the May issue. An awards ceremony will be held May 1.

BPA

The Busines Publications Audit of Circulation, New York, has added 10 new publications, bringing its total to 1,153. Also, BPA reports its central division Chicago office has relocated to 20 N. Wacker Dr., Suite 770, 60606.

'Creative Ideas for Living'

Creative Ideas for Living, New York, will publish a "Catalog Spring & Summer Showcase" in the February and September issues. The section, in 1/9 b&w page format, carries an ad close date of Nov. 22 for the February showcase and May 22 for the September showcase. A discount is available for advertisers in both issues.#

Ad pages in farm publications for 9 months, 1985-84

Third-quarter figures for U.S. and Canadian publications reporting to Advertising Age

Canadian

	Pages July-Sept. 1985	July-Sept. 1984	Jan.-Sept. 1985	Jan.-Sept. 1984
Country Guide:				
Eastern Edition	102.3	94.8	381.5	380.5
National Edition	200.9	175.4	741.4	733.4
Western Edition	128.3	129.2	496.9	516.3
Le Bulletin des				
Agriculteurs	171.0	167.0	657.3	649.0
Total Group	**602.5**	**566.4**	**2,277.1**	**2,279.2**
% change	**+6.4**		**−0.8%**	

Dairy & livestock

	July-Sept. 1985	July-Sept. 1984	Jan.-Sept. 1985	Jan.-Sept. 1984
Beef Magazine A.	147.7	195.8	503.6	578.9
Beefweek	219.9	335.4	487.5	641.6
The Cattleman	—	—	—	—
Colorado Rancher and Farmer	54.5	84.0	250.1	357.7
Dairy Herd Management	49.4	80.1	197.7	347.2
Drovers Journal (52X) A.	166.7	188.0	592.0	786.0
Farm Progress Hog Producer	15.3	18.9	47.3	65.7
Feedlot Management	55.0	64.6	162.8	207.5
Florida Cattleman	213.5	217.6	630.5	675.0
Hoards Dairyman (23X) A.	147.3	160.0	532.3	596.9
Hog Farm Management	24.6	63.6	113.9	232.3
National Hog Farmer	117.7	160.2	458.3	559.2
Pork '85	76.8	53.8	289.0	222.7
Southern Beef Producer (8X)	53.3	42.7	154.1	122.2
Southern Hog Producer (6X) A.	—	—	—	—
Sunbelt Dairyman (6X)	20.8	18.1	46.5	48.5
Dairy	69.2	—	226.2	—
Western Livestock Journal				
Weekly:				
Central Edition	61.9	90.4	205.2	295.4
Western Edition	104.1	115.1	274.6	321.7
Western LivestockReporter/-				
Montwyo News (52X)	77.8	87.7	334.8	376.3
Total Group	**1,675.5**	**1,976.0**	**5,506.4**	**6,434.8**
% change	**−15.0%**		**−14.0%**	

Fruit & vegetable

	July-Sept. 1985	July-Sept. 1984	Jan.-Sept. 1985	Jan.-Sept. 1984
American Fruit Grower	106.9	110.0	409.7	403.7
American				
Vegetable Grower	161.5	136.8	476.1	379.9
Citrus & Vegetable	146.8	143.5	442.4	425.7
Total Group	**415.2**	**390.3**	**1,328.2**	**1,209.3**
% change	**+6.4%**		**+9.8%**	

General farm publications

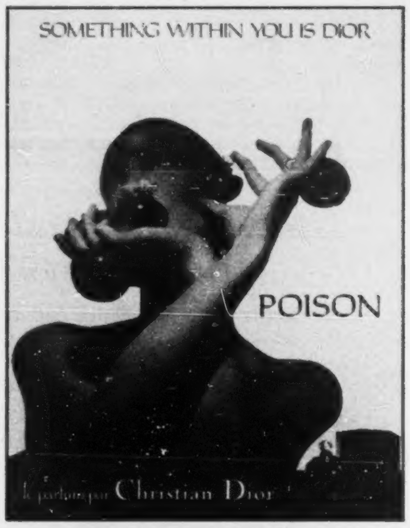
	July-Sept. 1985	July-Sept. 1984	Jan.-Sept. 1985	Jan.-Sept. 1984
American Agriculturist	57.6	67.1	225.2	273.5
Arizona Farmer-Stockman	46.0	68.2	188.3	217.0
California Farmer (21X) A.	88.0	119.3	453.0	498.9
Farm Futures A.	—	—	—	—
Farm Industry News (10X)	74.2	78.2	383.8	387.1
Farm Journal (14X)	74.3	105.6	519.3	618.4
Farm Journal				
Top Producer Extra	22.2	13.0	127.9	40.0
Florida Grower & Rancher	86.2	56.3	249.8	188.8
Farmer-Stockman Unit:				
Oklahoma Farmer-Stockman	39.8	42.4	120.4	130.2
Texas Farmer-Stockman	32.5	34.2	96.8	114.6
Harvest Publishing Unit				
Kansas Farmer (21X)	94.6	116.0	428.3	527.1
Michigan Farmer (21X)	141.2	153.1	468.3	491.9
Missouri Ruralist (21X)	106.4	135.4	500.3	557.8
Ohio Farmer (21X)	160.3	189.5	606.2	641.8
Pennsylvania Farmer (21X)	102.7	106.2	393.9	385.9
High Plains Journal:				
Central Kansas (52X)	517.4	514.5	1,587.2	1,749.7
Colorado	509.0	513.6	1,555.2	1,713.4
Nebraska	488.8	507.7	1,518.0	1,698.7
Oklahoma-Texas	530.9	536.5	1,604.2	1,761.9
Western Kansas	552.5	567.6	1,715.2	1,894.7
Irrigation Age (10X) A.	—	—	—	—
Kentucky Farmer	36.3	39.0	221.5	219.0
Lancaster Farming (52X)	1,346.5	1,320.0	4,377.9	4,091.4
Midwest Farm				
Paper Unit: (24X)				
The Farmer	193.7	234.3	749.4	921.3
Nebraska Farmer	254.7	370.2	923.5	1,162.3
Prairie Farmer A.	245.7	376.7	919.6	1,060.7
Indiana Edition	262.9	330.6	903.0	996.7
Wallaces Farmer (24X) A.	169.9	271.8	751.1	920.2
Wisconsin Agriculturalist	138.3	206.7	512.0	716.9
Pecan South (6X)	34.8	18.8	64.5	36.1
Progressive Farmer A.	107.6	121.3	525.9	568.8
Specialized Agricultural				
Publications:				
Flue Cured Tobacco				
Farmer (8X) A.	—	—	76.1	101.8
Peanut Farmer (8X) A.	10.5	15.7	85.9	96.0
Successful Farming A.	76.3	93.1	483.2	553.4
Tennessee Farmer	22.5	25.6	121.9	118.1
Western Farmer-Stockman				
Magazines: (20X)				
Idaho Farmer-Stockman	72.7	103.6	387.8	485.6
Montana Farmer-Stockman	122.6	149.9	607.7	694.7
Oregon Farmer-Stockman	63.9	76.7	317.2	356.3
Texas Farmer-Stockman	32.5	34.2	96.8	114.6
Utah Farmer-Stockman	60.1	71.6	293.6	314.5
Washington Farmer-Stockman	68.0	86.3	336.7	385.6
Total Group	**7,044.1**	**7,870.5**	**25,496.6**	**27,805.4**
% change	**−10.0%**		**−8.0%**	

Poultry

	July-Sept. 1985	July-Sept. 1984	Jan.-Sept. 1985	Jan.-Sept. 1984
Broiler Industry	117.5	98.2	414.2	386.2
Poultry Digest	54.8	48.3	151.4	141.1
Poultry Tribune	49.9	58.6	160.2	200.1
Poultry & Egg News:				
Southeast Edition	—	—	—	—
Southwest Edition	—	—	—	—
Northeast/Midwest	—	—	—	—
Pacific Edition	—	—	—	—
Poultry & Egg Mktg.	—	—	—	—
Total Group	**222.2**	**205.1**	**725.8**	**727.7**
% change	**+0.8%**		**0%**	

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions.

Pretty Poison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Ponderosa cool to USACafes

By SUSAN GARLAND

"Don't fence me in" was last week's polite but firm response by the Dayton, O.-based Ponderosa steak house chain to a $160 million buyout from USACafes, the Dallas-based franchiser of the Bonanza steak house chain.

Calling USACafes' $16 per share offer "inadequate" and "excessively vague," Ponderosa officials made clear their determination to remain independent. But USACafes said it will continue to pursue the buyout, which would create a new national restaurant power with sales in excess of $1 billion.

USACafes, the smaller of the two restaurant companies, licenses and provides support services to nearly 600 Bonanza family steak house restaurants in 43 states and Canada.

Revenues for the year just ended are estimated at $425 million, up 9% from 1984.

Ponderosa, the nation's largest family steak house chain, reported revenues of $513.3 million for the fiscal year ended Feb. 28. Systemwide sales from its 625 Ponderosa units were nearly $700 million.

Ponderosa controls about 24% of the $2.9 billion steak house category, putting it ahead of Los Angeles-based Sizzler's 16% and Bonanza's 15%.

Ponderosa is by far the larger advertiser as well. Kenyon & Eckhardt, New York, handles the chain's estimated $15 million account. Advertising for USACafes' Bonanza chain, including $2 million in measured media last year, is handled in-house.

Steven Rockwell, restaurant analyst at Alex. Brown & Sons, Baltimore, admitted to being surprised by USACafe's move, but said the acquisition "has a reasonably good chance of working out. It will be able to use Ponderosa's resources to fund debt service, should USACafes borrow the money for the merger."#

All's McQuiet on McPizza front

By SCOTT HUME

McDonald's Corp.'s franchisees Les and Alan Dukart have put up a sign outside their Wilmington, Del., restaurant proclaiming "First restaurant in the country to serve McPizza."

And right now that's the extent of the advertising support being given the item Big Mac is testing in 10 stores there and in the Philadelphia area. The Dukart brothers reportedly wanted to buy outdoor board space on a nearby interstate highway to alert travelers, but McDonald's denied approval.

But that doesn't mean McPizza hasn't been noticed. Once word of the test got out (AA, Sept. 30), newspapers across the country picked it up, including several that ran the news on their front pages.

The nation's 10th-largest advertiser isn't advertising McPizza because the chain is testing its "operational feasibility" rather than its sales appeal, according to a McDonald's spokeswoman. That means the company wants to know if there's room at the deep fryer for one more product. Chicken McNuggets, Filet O' Fish sandwiches, fries and pies already are lined up for fryer time and, said the spokeswoman, "we need to know how the addition of a McPizza might affect the system."

Oak Brook, Ill.-based McDonald's takes such operational "shakedown cruises" seriously. Operationally disruptive menu items don't make the grade even if they become front-page news. As senior exec vp-chief marketing officer Paul Schrage told ADVERTISING AGE earlier this year (AA, Jan. 21), "We would never introduce a new item that would disrupt our system. Never. No product is worth that."

As a result, national agency Leo Burnett USA, Chicago, hasn't been asked to prepare advertising to support the test. Yet. Should McPizza pass the operations test, a full-scale market test of sales appeal could follow.

At that point, the nation's pizza chains may become more concerned than they were last week. Wichita, Kan.-based Pizza Hut, the nation's largest pizza chain, had no comment on the McDonald's test.#

King, Konior team up

BOSTON—James King and Lynne Konior have left the Arnold Public Relations division of Arnold & Co. to form King Konior & Co., a new public relations agency, located here at 10 Thatcher St., 02113.

Mr. King formerly was Arnold PR's president-chief operating officer, and Ms. Konior most recently served as vp. Succeeding Mr. King is Gerald Broderick, also president of Arnold & Co.; Arnold Rosoff is chairman of both Arnold and the pr division. No successor to Ms. Konior has been named.#

Target takes aim

BETHLEHEM, PA.—Target Marketing & Communications, a new company specializing in marketing research, planning communications and direct marketing, has opened here at 2045 Westgate Dr., Suite 200, 18017.

The company is headed by president Francis Storm Jr., formerly director-national marketing, A.W. Marketing & Communications, also Bethlehem.#

C2710-1

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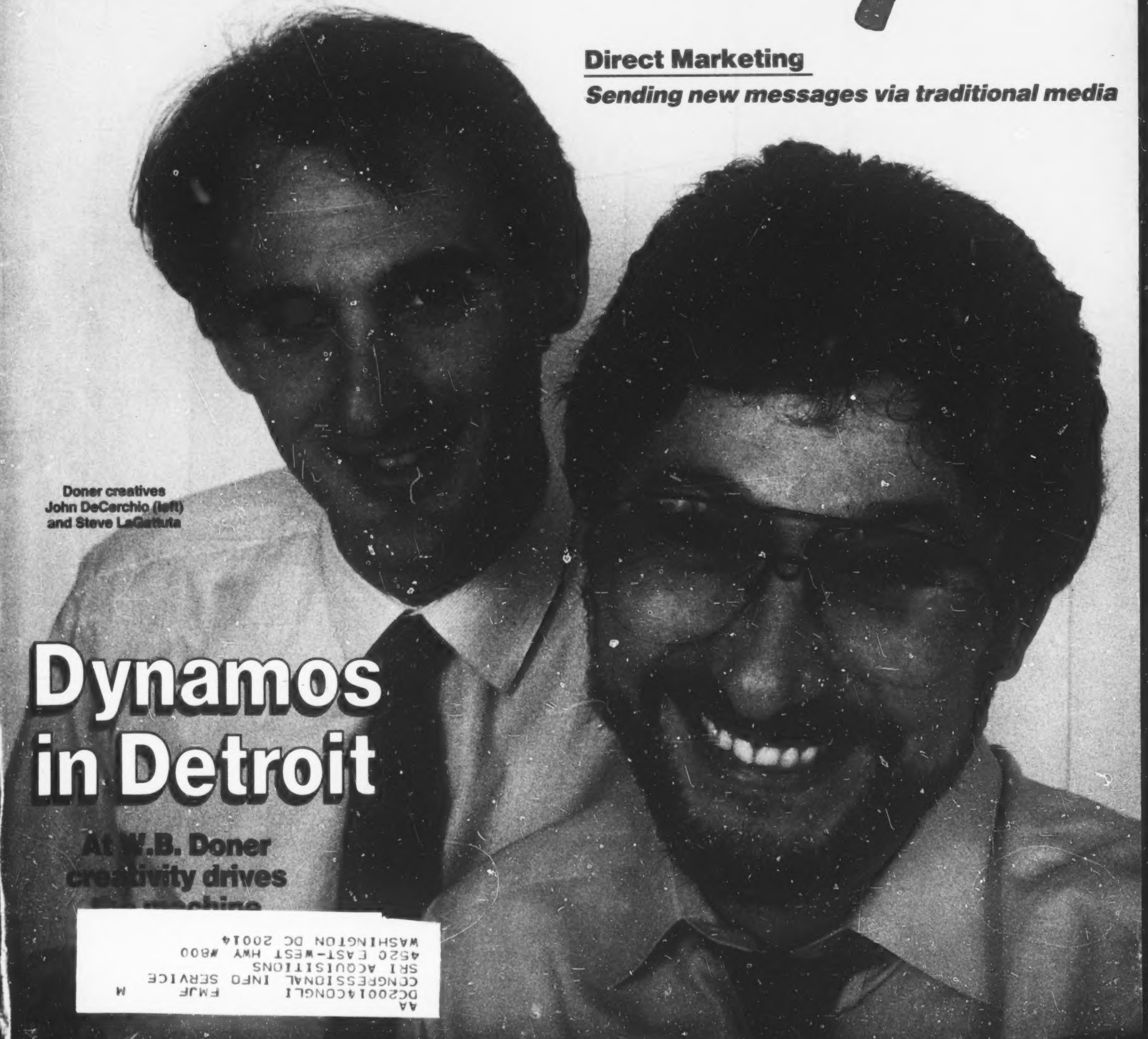
Crain's Magazine of the Creative Process©

Direct Marketing

Sending new messages via traditional media



Doner creatives
John DeCerchio (left)
and Steve LaGattuta

Dynamos in Detroit

At W.B. Doner
creativity drives
the machine

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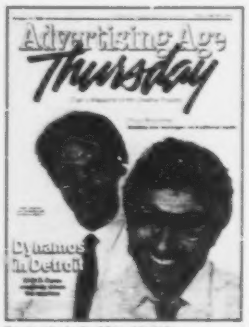
Thursday

Distinctive Doner

Good creative isn't easy. It just appears that way when the results are strikingly successful, as they have been at W.B. Doner & Co., Southfield, Mich., consistently the most honored shop in the Detroit area, the third-largest advertising market (based on billings) in the country. The agency won two Clios this year, one in tv for a Canadian Tire spot called "Screwdriver," the other in radio for a Highland Superstores spot called "Disclaimer." The same spots also won first-place Mobius Awards at the U.S. Television & Radio Commercials Festival. Other clients for whom Doner produced award-winning campaigns this year include the *Detroit Free Press*, the Michigan State Lottery and Canada's Wonderland. *See Page 4.*



Cover photo by Mary Herlehy

Giving positioning a buzz

When the Alfred A. Knopf publishing house was considering a new edition of Rosser Reeves' "Reality in Advertising," a continuing seller around the world since 1961, Mr. Reeves drafted, but ultimately did not publish, a chapter on "The New Buzzword." The chapter draft, and consultant Joe Sacco's comments, appear on *Page 13.*

Special Report—Direct Marketing

Traditional direct-response media find new users and high levels of creativity as alternative media try to get their foot in the direct-marketing door. *Starting on Page 15.*

Presstime

SB&A lures 'Playboy'

CHICAGO—*Playboy* has named Smith Burke & Azzam, Baltimore, to handle its $1.2 million trade account, replacing Levy, Flaxman & Associates, New York (AA, Sept. 9). SB&A will be invited to pitch *Playboy's* $2.8 million consumer account, now in-house. CPM handles media buying for that business.

New scoop on Care Bears

CINCINNATI—Pierre's French Ice Cream Nov. 1 breaks spot tv, radio and newspaper ads for its Care Bears Ice Cream, a superpremium children's product. Distribution of the eight-flavor line, packaged in toy buckets, begins in East Coast markets. Ads are handled in-house.

Columbia taps Sealey

BURBANK, CAL.—Peter Sealey, exec vp-corporate marketing director, Columbia Pictures, succeeds Ashley Boone as president-domestic marketing, distribution group. Mr. Sealey, a former vp-manager, marketing operations, Coca-Cola Co., joined Columbia in 1983.

Seagram stands by ads

WASHINGTON—Jos. E. Seagram & Sons president Edgar Bronfman told an Oct. 15 press conference he is committed to running the company's controversial equivalency advertising campaign "until a majority knows and understands" the relative alcohol content of distilled spirits versus beer and wine. Mr. Bronfman formally announced the start of a $1.2 million cable tv ad campaign (AA, Oct. 14).

Kodak to appeal injunction

ROCHESTER, N.Y.—Eastman Kodak Co., found guilty of infringing on Cambridge, Mass.-based Polaroid patents by a federal judge in Boston, will appeal an injunction that bars it from manufacturing or selling instant cameras or film, effective Jan. 9. Kodak said it will not alter current marketing and manufacturing schedules, pending resolution of the appeal.

Stroh strikes during Series

DETROIT—Stroh Brewery Co. during the Oct. 19 World Series telecast breaks its new campaign for flagship Stroh's and Stroh's Light, themed "Stroh's is spoken here." The brewer told its distributors in Atlanta this week it will spend $50 million for the campaign in the next 12 months in order to position Stroh's as "a mainstream premium beer." Spot tv, radio, print, outdoor and point-of-sale support, via Marschalk Co., New York.

JWT tries sales promotion

LOS ANGELES—JWT here will start its first sales promotion division later in the month, headed by Mike Wiglesworth, formerly vp-director of sales promotion, Eisner & Associates, Baltimore. Separately, DFS/Southern California has started a six-member direct marketing arm, DFS/SC Direct, headed by former general manager Ayer-

(Continued on Page 67)

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ABP MPA RED TAG ABC

This contest is for ad ideas that couldn't pass the test

By Stewart Alter

A new advertising awards show is in the works for great ideas that have gone a'glimmering.

The First International Animatics Festival will honor advertising that its creators thought was pretty hot stuff but that got thumbs down from pretesting.

"I know the brilliance that goes into advertising, and you start to wonder what happens along the way," said Peter Tannen, a former agency creative executive who hatched the idea for the show.

"When you rely completely on testing, there's a constant homogenization that goes on. There have got to be some brilliant ideas along the way that somehow got weeded out."

His call-for-entries letter, which will be sent to agencies shortly, phrases the creative frustrations of the advertising business even more strongly: "Are those commercials I see on tv the very best that our generation has created? Or are there some superb ideas that have been pushed aside and forgotten—ideas that fell victim to 'judgment by committee' or 'timid brand manager' or 'day-after recall'? Now we'll find out."

Mr. Tannen, who is now in a consultancy business with Joel Baumwoll, a onetime president of Needham Harper Worldwide/New York, has held a number of creative posts, including senior vp-creative director of Benton & Bowles, associate creative director of Campbell-Ewald/-New York and international creative director of Foote, Cone & Belding in Canada and Australia.

Mr Tannen also has owned and run his own agency in Toronto.

For the First International Animatics Festival, work done since 1980 is eligible, though subsequent festivals will cover only one year. The deadline for entries is Dec. 31; the entry fee is $19.95 per animatic or two animatics for $35.

Animatics are basically video versions of slide shows with music. They're unfinished translations of what the storyboard would look like on tv, used for testing purposes before the winning commercial idea triumphs in research and goes on to big-budget production.

Any animatic that has gone on to full production is ineligible, Mr. Tannen said. Anyone can enter, but recognizing the political realities of the business, animatics can be entered under pseudonyms.

However, as the rules point out, "If you win an award under an alias, accepting it at our Awards Dinner could be embarrassing."

If this contest idea catches on, a black-tie dinner will be held in the spring, at which awards will be given for four categories of animatics. They will be regular animatics (the slide show of illustrations accompanied by music); enhanced animatics (if something, *i.e.*, a hand, toothbrush or car actually moves in the spot); photomatics (animatics that use either original or stock photos instead of drawings), and live-matics (which are cheap, rough versions of commercials that use live people and cost $5,000 to $10,000 to make, but are not meant for airing).

In each of those categories, awards will be given separately to 30-second spots and 60-second spots.

Only first and second prizes will be awarded.

The address of the company running this is the First International Animatics Festival, c/o Baumwoll & Tannen Associates, 888 Seventh Ave. (28th floor), New York 10106. ■

Photo by Arnold Adler

Peter Tannen is staging the First International Animatics Festival to honor commercial ideas that didn't make it into production.

Special Report

Direct Marketing
YOU MIGHT WIN

Steve Boswick

Alternative media try to get their feet in the door

By Eileen Norris

Ask a marketing executive about the status of at-home shopping and you likely will hear a long sigh and then something like: "It's coming, it's coming . . . but it's not here yet." Not to any great degree, anyway.

The electronic two-way communications revolution we've been hearing about for more than a decade has yet to evolve. Mail is still king of the direct marketing hill, and the insurgents have yet to organize an effective coup or even to gain much recognition by the court.

Eileen Norris, a frequent contributor to Special Report, wrote about remaining independent in the merger-intensive direct response business in last October's Direct Marketing section.

Direct mail and catalogs each accounted for 24% of direct response offers that led to orders.

In its October, 1984, landmark study, New York-based Rapp & Collins and Simmons Market Research Bureau asked consumers how they learned of direct response offers that led to orders over a month's time. Direct mail and catalogs each accounted for 24% of the sources of information, followed by telephone and circulars at 7% each, magazine and newspaper ads at 6% each, Yellow Pages ads at 5% and "take-ones," tv commercials and bill inserts each were the source of information for 3% of the sample.

Interactive media pulled nary a percentage point.

"We never asked anyone if they had an interactive system," says Wally Lepkin, vp-research at Doyle Dane Bernbach, Rapp & Collins' parent company. "But they had plenty of opportunities to tell us about it and I'm sure it

(Continued on Page 58)

Alternative

(Continued from Page 15)

would have come out."

Lack of industry interest is not a factor in interactive media's marketplace obscurity. An astounding 80% of direct response professionals who responded to a recent ADVERTISING AGE mail survey on industry trends say new media and technologies will affect direct marketing significantly.

It's not that the new technology is lacking, either. The media forms are here—although at a consumer price tag that far outdistances the cost of answering the phone or opening the mail.

The major roadblock to this revolution is the great majority of consumers have not purchased the required technology. Therefore, advertisers are understandably leery of spending their money to reach a currently minuscule audience.

> **"Videotex will be a direct marketer's dream when it gets off and is operational because it is truly a two-way communication."**
>
> *—Steve Dapper*
> *Wunderman, Ricotta & Kline*

Four media forms—cable, videotex, personal computers and videocassettes—are bandied about when folks look into their crystal balls and talk about interactive technology's potential in direct marketing. There is a lot of talk—and again, little action—about how they will restructure direct response.

Cable is the only category that has achieved some sense of reality, thanks to a 45.7% penetration rate, according to Cabletelevision Advertising Bureau. Cable also holds the greatest potential for direct marketers because it's very easy to sell a specific product to a specific audience on a particular cable show, says Steve Dapper, president-chief executive officer, Wunderman, Ricotta & Kline, New York. "For example, we advertise Columbia Record and Tape Club on MTV because we know the audience is right," he says.

But even cable is underutilized by direct marketers, says Sandy Clark, president of New York-based Clark Direct Marketing. Nevertheless, "tv is still the dominant influence in our lives and I think it will live with us the longest," he says.

Cable is here to stay because it has the largest penetration, says David Soskin, president of J. Walter Thompson Direct Network, New York. "Cable is good in terms of response because, No. 1, you can select your audience by the programing. No. 2, and more importantly, the subscriber is qualified in advance. He tends to be used to dealing through the mail; he probably pays his cable bill through the mail. You can use direct mail to support cable audiences."

Cable may hold the most fascination because it delivers a real audience. But in the not-too-distant future, videotex could become very big, much the way it has in Europe, says Jim Kobs, president of Kobs & Brady Advertising, Chicago.

Videotex encompasses a handful of systems that allow two-way communication from the home to the marketplace or vice versa. It operates through a standard tv set, a telephone and either a computer or a special control unit. Unlike cable, it is interactive—the user can select and manipulate the information.

It promises affluent consumers—primarily *only* affluent consumers because of its high equipment costs—the chance to shop at home. Advertisers are provided the opportunity to sell their wares through electronic brochures or catalogs or in direct response ads that run along the bottom of the screen. Consumers can dial a scrolled 800 number for more information on displayed products and services.

But videotex, too, has problems. The required equipment includes a dedicated videotex terminal, which ranges from $200 to $800 to purchase or $25 to $30 a month to rent. Because the terminal has only one use—videotex—a spokesperson for the Videotex Industry Assn. says most people opt for computer-based systems.

Even here the system is rather equipment intensive, demanding a personal computer; a modem, which costs between $100 and $800, and software, which can be free or cost $200 depending on the service. Add in service fees of $25 to $30 a month or $5 to $25 an hour and the potential market narrows.

"When it comes down in price, it could be *the* form of direct mail, exclusively," Mr. Dapper says. "But it's not a factor in the market yet and I'd say it's about five years off. Videotex will be a direct marketer's dream when it gets off and is operational because it is truly a two-way communication."

The bankroll required to buy and maintain a system poses the main problem, Mr. Kobs says, but future penetration will be strong. "There's the feeling among the big agencies that they won't use a medium unless there's a 30% penetration level; that it's not worth looking at for the most part." But, he says, "don't forget, even cable advertising was slow to get national advertiser acceptance."

Currently, the Videotex Industry Assn. reports 500,000 consumers subscribe to personal computer-based videotex services. The association does not have figures on the number of dedicated terminal-based consumers, although the spokesperson says it is significantly less.

It's one thing to have the technology but quite another to have customer acceptance, says Jonah Gitlitz, president of the Direct Marketing Assn. in New York. "People need these things in their homes to be a significant factor. Obviously, some of the new technology will be part of the media mix, but I don't think it will supplant direct mail."

With videotex still in the experimental stage, it's definitely not likely to reach the mass audience numbers by 1990, as predicted by some, JWT Direct's Mr. Soskin says. "There will be a slower build. The problem is hardware sales, which would be driven if videotex was available at a reasonable price."

Mr. Clark says videotex's biggest problem is it isn't very interesting to watch. "It's sort of bibliographic, like a research function. Somehow, it has to be made interesting," he says. "It's great on paper, but you don't run into many using it well."

Advertisers are afraid of new ideas because they don't want to be the first, especially if the idea turns out to be a bomb, he says. "Our clients are hesitant. There's little evidence or inclination to explore videotex yet."

The biggest disappointment to direct marketers looking for new ways to communicate to consumers has been the lackluster growth of the personal computer. Industry observers say the roller-coaster computer market possibly could be boosted by an option like videotex. "The fact that videotex can be a nice add-on for subscribers could be another reason to buy a personal computer," Mr. Soskin says.

The personal computer market's peak and valley sales personality is a result of overpromising—"a great deal of fanfare but not a great deal of utility," Mr. Kobs says. "I remember hearing computer companies suggest you could put your checkbook on your personal computer. Now that's great, but do people bring their personal computers with them when they go to cash a check at the supermarket? Some practical utility could help bring some dusty personal computers out of the closet," he says.

Even utility may not turn skeptical consumers into keypunching converts. "I think it's a mechanical achievement when you can blow your horn in your car," jokes Mr. Gitlitz. "A lot of us are not born with technology at our sides. But the children in elementary and high schools will be the consumers of electronic interaction because they have a greater acceptance of and immediacy toward it."

Technological penetration has not held back videocassettes' potential as a direct marketing tool because many people—20% of U.S. households, according to A.C. Nielsen Co.—own videocassette recorders. Direct marketers are just not taking advantage of the audience, Mr. Soskin says.

Alternative media don't make the mix

Initial sources of direct response orders during July, 1984

Direct mail	24%
Catalogs	24%
Telephone	7%
Circulars	7%
Magazine ads	6%
Newspaper ads	6%
Yellow Pages ads	5%
"Take-ones"	3%
Tv commercials	3%
Bill inserts	3%

Source: Simmons Market Research Bureau; Rapp & Collins

"There's no reason why Beech Aircraft, for example, couldn't send cassettes to 100 people it knew wanted to buy planes," Mr. Dapper says. "Those people are likely to have videocassette recorders and it would be a good bet." A detailed and highly targeted videocassette presentation probably is the industry's closest approximation of a personal sales call.

For all the negatives and skepticism surrounding interactive technology, some factors appear to be driving advertisers to at least consider the new media forms.

Some say interest has resulted from society's increasing technological bent. "That's how we're communicating today and that's how kids are being schooled," Mr. Dapper says. "The American populace is a tinkering one."

It also is an experimenting crowd with "a general desire to try something new," Mr. Kobs says. Advertiser interest will result from a desire to get a leg up on the competition, he says. "We've been hearing about interactive technology for 10 years or more and those that are not tired of hearing about how it's coming are actually trying it."

While soaring postal costs may have nudged direct marketers to expand the outlets available to reach customers, Mr. Soskin says the ability to highly define and target audiences is fueling the move to electronic interactive marketing. "It's a convenience factor, what with all the working couples. But more so, I believe it's the ability to segment and target special interest groups," he says. "When it's a part of enough people's lives, that's when we will be able to sell the media.

Direct market consumers follow from media to media, Mr. Soskin says. "We just have to get the environment correct for them," he says. The way to achieve the ideal climate is to present the new media forms as an intriguing and interesting consumer-oriented service.

Some of the conditions may be out of direct marketers' reach, Mr. Gitlitz says. "If we expect people to buy videotex or a pc, you have to make it economical. I just don't get the impression consumers are banging down the doors yet," he says.

Cable already is a viable medium for direct marketers; videotex, personal computers and videocassettes may never be common. Many agree the impact of all of the technologies will be felt, however.

The changes certainly will affect the way consumers buy products, the experts say. "It will be service oriented, because you can get the products you need just about anywhere," Mr. Dapper says. "We'll be buying the service, not really the product."

Department stores and catalogs should be able to latch onto these new electronic media forms beautifully, Mr. Clark says. Home shopping and banking are the two categories that will be affected most, Mr. Soskin says, basically because the concept is sensible and attractive enough to appeal to a mass of consumers.

While a majority of the public may not know about the new media forms or their capabilities, once their neighbor has it, watch out, Mr. Kobs says. He predicts that when the forms fit the life style of the working couple, their popularity will soar because of their ability to handle shopping needs and allow access to information for time-starved consumers.

That day of reckoning may be a bit down the electronic highway. "If I put my optimist's hat on, I'd say, yes, down the road . . . probably," Mr. Gitlitz says.

His observation may be a little too pessimistic. Others say they know it's coming; they just don't know when.

One thing is certain. It's a subject direct marketers cannot ignore. As one marketing executive puts it, "You certainly don't want the technology to sneak up on you." By the looks of things, that won't happen.

Associate editor Ed Fitch coordinated this report on Direct Marketing.

Coming

Next week ADVERTISING AGE's Special Report will focus on Healthcare Marketing.

C2710-1

$1.25 a copy; $55 a year

Monday, October 21, 1985

Advertising Age®

Crain's International Newspaper of Marketing

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4A's meet in Monterey

Record attendance at the American Assn. of Advertising Agencies' western region meeting in Monterey, Cal., last week left cohosts Adrienne Hall (l.), vice-chairman, Eisaman, Johns & Laws, Los Angeles, and Jerry Gibbons, president-ceo, Doyle Dane Bernbach, San Francisco, with plenty to smile about. The convention drew 570 participants. *(See story on Page 104.)*

Seagram's 7 shops get cut down to 3

By WILLIAM F. GLOEDE

New York—The House of Seagram, the $1.45 billion marketer of distilled spirits and other alcoholic beverages, shook up its stable of seven agencies last week as it pulled more than $50 million in business from four shops, assigning it to three others.

The news came as a shock to the four losers, sources say. The two big winners, however, apparently knew for some time that the shakeup was in the offing.

Ogilvy & Mather and Doyle Dane Bernbach become Seagram's two primary agencies Feb. 1, leaving Warwick Advertising, William Esty Co., Kenyon & Eckhardt and North Castle Partners, Greenwich, Conn., high and dry. Mingo-Jones Advertising lost Seagram's gin, but gained special market advertising on House of Seagram brands.

Peter Dimsey, exec vp-marketing of the House of Seagram, headed by Edgar Bronfman Jr., said, "This shift in strategy is certainly no reflection on the creative efforts of any of our agencies. It merely reflects our conviction that there will be greater strength in consolidating our accounts at a smaller number of agencies. In particular, we feel that there is considerable synergy to be achieved having all the brands which share Seagram's name at the same agency."

"It's unbelievable. Absolutely unbelievable," one stunned agency executive said of the decision. As the word circulated Oct. 18, one executive remarked, "Now I know why Edgar [Bronfman] Jr. left yesterday for a two-week tour of the Orient."

Mr. Dimsey added that Seagram believes its previous roster was long compared with the agency lineups of other major advertisers.

The consolidation of its brands at two shops with strong international capabilities seems to fit the company's intent to expand its

(Continued on Page 104)

Buyout seen leading to fragmentation

Beatrice sell-off due

By JULIE FRANZ

Chicago—Beatrice Cos. stands little chance of surviving a leveraged buyout bid intact, Wall Street sources say.

Active bidder Kohlberg, Kravis, Roberts & Co., backed by financial house Drexel Burnham Lambert, said last week in a letter to the Beatrice board it intends to keep it whole as "a decentralized holding company with its headquarters in Chicago. We have no intention of liquidating or dismembering Beatrice."

But the company's $4.9 billion price tag and $2.5 billion debt load have financial observers already speculating on what plums will fall from the Beatrice tree if the company is sold.

Buttressing expectations of a selloff is the investment community's assumption that the forces behind the KKR bid include former Esmark chairman Donald Kelly and at least three other Esmark executives, including former Swift/Hunt Wesson head Frederick Rentschler, Joel Smilow, former head of Beatrice's International Playtex unit and Roger Briggs, who had been Esmark vice-chairman.

"It's definitely Mr. Kelly behind the buyout, judging by the fact that Kohlberg is involved with making the deal. Mr. Kelly has been very close to Kohlberg, and I'm sure Mr. Rentschler is in there too because [he] hasn't found employment yet," said Ronald Morrow, food-industry analyst with Smith Barney, Harris Upham, New York. Should Mr. Kelly in fact be behind the KKR proposal, it's hard to believe he "doesn't want to unload some operations," Mr. Morrow said. "Don Kelly is *not* an operating manager. He'll shake out what he doesn't like."

"If Mr. Kelly were involved, he is known for keep-

(Continued on Page 108)

Last Minute News

Is SSC&B it for Coca-Cola?

Atlanta—Coca-Cola Co. is reported to be considering moving its U.S. ad account for its Coca-Cola brand from McCann-Erickson Worldwide to sister Interpublic Group of Cos. agency SSC&B:Lintas, which already handles Diet Coke, Cherry Coke and Tab. While the move could take place "in the spring or the winter," sources indicate, it is not a fait accompli and will depend on McCann's new 1986 campaign developed under the auspices of its new New York creative director, Curvin O'Rielly. A statement issued by Coca-Cola on Oct. 18 and attributed to Ira Herbert, Coca-Cola exec vp, said, in part, "We have encouraged Interpublic to organize their creative process as they see fit to help us take advantage of the tremendous opportunity which we now have with the new Coca-Cola megabrand." A McCann spokesperson said only, "Other Interpublic agencies have been involved in Coca-Cola projects throughout 1985." McCann reportedly asked sister agencies SSC&B and Marschalk to help out with ideas earlier this year (AA, Aug. 12). Sources indicate the work SSC&B has done for the three Coca-Cola brands has impressed company brass. McCann would keep U.S. media buying, as it does with the other brands, but media planning, marketing and creative would shift.

Carbide consolidates accounts at Y&R

Danbury, Conn.—Union Carbide Corp. reportedly has assigned its $10

(Continued on Page 8)

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Lorillard reviews shops for Kent

By WILLIAM F. GLOEDE

New York—Lorillard, the tobacco marketing unit of Loew's Corp., quietly has solicited presentations from four agencies for its $20 million Kent cigaret account and perhaps some other Lorillard business.

Ad spending for Kent broke the $20 million mark in 1984, but its budget this year has been much lower.

The agencies involved in the Kent cigaret review are incumbent Foote, Cone & Belding; BBDO; Grey Advertising, and Jordan, Case, Taylor & McGrath, all New York.

Among the four agencies that are pitching the business, BBDO, a former R.J. Reynolds Tobacco shop, and Grey, a former Lorillard shop, are not handling cigaret business.

Among the Lorillard shops not involved in the Kent review are Dancer Fitzgerald Sample, which handles True and Triumph cigarets, and MCA Advertising, which handles Lorillard's flagship Newport as well as Satin and Old Gold smokes. Besides Kent, FCB handles Max 120s. Jordon, Case, Taylor & McGrath has new-product responsibilities.

The agencies have been given "creative exploration" assignments, sources said, and a decision

(Continued on Page 104)

Chase defends MM story

Monterey, Cal.—The decision by ABC News to spike a controversial "20/20" report by correspondent Sylvia Chase on Marilyn Monroe was still being debated last week.

Ms. Chase defended her story in a speech to the American Assn. of Advertising Agencies western region convention here amid rumors that CBS and NBC are preparing similar reports on Ms. Monroe.

Officials at those two networks had no comment. But a BBC special delving into allega-

(Continued on Page 104)

HIGHLIGHTS

Beatrice to lose some units? 1

Beatrice Cos. stands little chance of surviving a leveraged buyout bid intact, Wall Street sources say. The company's $4.9 billion price tag and $2.5 billion debt load have financial observers already speculating on what plums will fall from the Beatrice tree if the company is sold.

Lorillard hunting for Kent shop 1

Lorillard, the tobacco marketing unit of Loew's Corp., has quietly solicited presentations from at least four agencies for its $20 million Kent cigaret account and perhaps some other business.

Restaurants look for fast fix 3

Powerless to hike prices in a low-inflation economy and facing a legion of fitness-focused customers, restaurant chains are whipping up new menus and delivery methods to boost sales. Judging from the array of remedies served up at last week's Multi-unit Food Service Operators conference, the industry clearly has liberalized its view of what differentiates a full-service restaurant from a fast-food outlet.

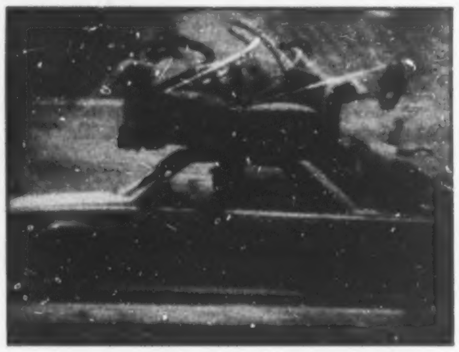
Beer imports up, ad dollars down 6

Look for a continued increase in the number of imported and low or nonalcoholic beer brands entering the market. But the U.S. dollar's increasingly less-favorable position against foreign currencies may mean less consumer advertising spending in support of those entries.

Kodak development threatened 12

A federal court judge's injunction barring Eastman Kodak Co. from marketing or selling its instant cameras and film after Jan. 9 could affect Kodak's industrial and commercial applications.

Subaru takes its own road 14



Subaru of America is trying to hold onto its four-wheel-drive niche, while carving out new ones, in an increasingly combative U.S. auto industry. Instead of competing across the board, No. 5 Subaru will defend its rural-use, dependable four-wheel-drive image, while seeking narrow, low-volume markets for expansion.

Braniff ad dollars soar 14

Braniff will boost its ad spending to about $7 million in 1986 from $4 million this year, stimulated by strong load factors and growing profits. The revived airline already has begun to use tv for the first time and is adding a new round of radio spots to its pool.

Getting a cable education 40

You can't tune in Cableshop on your tv set anymore, but you can read about some of the lessons to be learned from the cable infomercial venture.

A follow-up foul-up 48

Running the ad is just the beginning of the marketing effort. Carl Zucker shares an experience he had in 1958 that shows how an ad's power was spoiled by poor follow-up in the marketplace.

No Laugh-In matter 74

Gary Owens, the omnipresent radio-tv commercials spokesman, launched a new phase of his broadcasting career last month when he joined KKGO (fm), the all-jazz radio outlet, as its 6 a.m.-to-10 a.m. personality.

CATEGORY REVIEW

Coke, Pepsi turn on the juice 3

It's not likely that Coca-Cola and Pepsi-Cola can be squeezed out of any soft-drink category, but the two cola giants will now go head-on against the nation's top three ad spenders in what's shaping up to be the fastest-growing soft-drink segment—juice-added citrus beverages.

INTERNATIONAL

'IHT' to print in U.S. 58

The *International Herald Tribune* will start printing in the U.S. for the first time early next year in a move to boost its global presence. At the same time, the newspaper also will take its first steps in Latin America.

Multinationals discover Portugal 58

The image of Portugal as a tiny nation with sunny beaches, famous port wine and a seafaring history is changing fast now that U.S. multinational marketers are establishing there.

Bank heavies up campaign 58

Serfin, one of Mexico's largest banks, is using female bodybuilders in an unusual new ad campaign to dispel the myth that investments and banking chores are handled primarily by men.

OTHER NEWS

No part of Time Inc. will be spared from a goal to reduce corporate operating costs next year by $75 million, or 2.5%. Page 12.

Superpower one-upmanship may stand between the 1986 World Exposition and a rebound from the New Orleans Expo debacle. Page 34.

Ansa Software, a startup from Lotus Development Corp. and Compaq Computer, broke advertising last week for Paradox, its first product. The company will promote its $695 database management software in a print campaign that unabashedly likens the program to the technological breakthroughs of Henry Ford and Thomas Edison. Page 36.

CAMPAIGNS BREAKING

Hansen's Foods, City of Industry, Cal., will break new ads for its Natural Soda in the western U.S. today. Singer Stevie Wonder is featured in two 30-second tv spots and one 60-second radio spot for the soda. Ketchum Advertising/San Francisco is Hansen's agency (AA, Oct. 7).

ConAgra's Armour Processed Meats today breaks a $10 million network tv campaign for its five-item lower-salt line. Coupons and in-store sampling, via Bozell & Jacobs, Dallas, also support (AA, Sept. 16).

Xanaro Technologies begins a promotional campaign for the samples of its Ability computer software that will be bound into the November issue of *PC World* (AA, Sept. 2). Ads touting the free samples are scheduled to run in *Barron's*, *Newsweek's* executive edition, *USA Today* and the *Wall Street Journal*. Ronalds-Reynolds, Toronto, handles creative; DFS, New York, handles media buys.

Lorillard Inc., New York, today breaks a major new campaign in national magazines, newspapers and Sunday magazines as well as in outdoor media in support of True Gold, a new, higher-tar extension of its True brand family. Dancer Fitzgerald Sample, New York, handles (AA, Sept. 23).

COMING THURSDAY

Beber Silverstein & Partners is now the largest privately owned, female-controled ad agency in the nation. With 103 employes and offices in Miami, Washington and New York, it also is far and away the largest agency based in Florida. The agency also has had phenomenal success, climbing to a billings level now around $65 million and earning a reputation as one of Miami's hottest creative shops.

Healthcare marketing is in its infancy, but the competitive marketplace requires maturity. Special Report will examine the different competitors and the unusual obstacles they face.

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Loews' Tisch in control at CBS

By MAURINE CHRISTOPHER

Laurence Tisch, chairman of Loews Corp., New York, billed as a friendly rescuer in a white hat, has succeeded where Turner Broadcasting System chairman Ted Turner, the brusque raider in a black hat, failed. Mr. Tisch's effective control of CBS Inc. may have been achieved without firing a single cross word, in public at least.

Thomas Wyman, the incumbent chairman of CBS Inc. who built up a wall of debt to repel Mr. Turner's run at taking over CBS earlier this year, welcomed Mr. Tisch with open arms after Loews increased its holdings in CBS from 11% to 25%. Whatever Mr. Tisch's reasons for acquiring such a huge chunk of CBS, Mr. Wyman & Co. on the surface have greeted him warmly as

(Continued on Page 108)

Athletes demand logo rights

By ROBERT RAISSMAN

San Diego Padres first baseman Steve Garvey and the National Basketball Assn. Players Assn. are independently preparing to press professional baseball and basketball for rulings on what rights players have to sell parts of their uniforms to advertisers.

The issue surfaced last year when some star baseball players began wearing wristbands carrying McDonald's Corp.'s golden arches logo and has now spread to basketball and could become a major issue in professional hockey as well.

For pro basketball, the question rose during last season's All-Star Game, and reached a

(Continued on Page 106)

West Coast news

Review list trimmed by 'Famous'

Famous Amos Chocolate Chip Cookie Corp., Van Nuys, Cal., has narrowed its search for an agency to handle its $1.5 million cookie and new ice cream account. Finalists include Eisaman, Johns & Laws; Kenyon & Eckhardt, and Vic Olesen & Partners, all Los Angeles, and Venet Advertising, New York. One or two additional Los Angeles agencies may be named later. Venet handles White Rock Products Corp., East Coast distributor

(Continued on Page 106)

Some reassuring facts about Mexico you may not hear on the news.

Western Airlines
The only way to fly

After shock

Western Airlines hopes to restore business on its Mexican routes with this newspaper campaign that broke in key U.S. markets last week. Ad campaigns by others tied to the Mexican tourism industry are also in development. *(See story on Page 108.)*

Interpublic revamps Marschalk network

By STEWART ALTER and LAUREL WENTZ

Interpublic Group of Cos. last week created a new international network to bail out an unsuccessful Marschalk Campbell-Ewald network, and its first move will be to expand in Europe.

The new $500 million network, called Lowe Marschalk Worldwide, will replace the existing U.S.-based Marschalk Campbell-Ewald network.

Frank Lowe, chairman of Lowe Howard-Spink Campbell-Ewald, a publicly held agency in the U.K., will become chairman of the new network. Lester Delano, president of MC-E, will be named chairman of the executive committee.

Besides Messrs. Lowe and Delano, that committee will include Richard O'Connor, chairman-ceo of Campbell-Ewald Co. and of MC-E, Tim Bell, LH-S ceo and a former key executive at Saatchi & Saatchi, and Michael Lesser, who remains chairman-ceo of Marschalk as he becomes president of the new network.

"It's a new company," Mr. Lesser said. "It's listed separately on a different stock exchange and it has a different point of view."

Philip Geier Jr., Interpublic chairman, said, "It will give us the ability to do a lot of things Interpublic couldn't do, such as attracting good agencies into the system. A lot of those problems had to do with image and attitude, which we won't have with a U.K.-run agency."

Interpublic holds 30% of Lowe Howard-Spink, but will increase that as part of the deal. The new network will take over six MC-E European agencies, one Australian agency and one Canadian agency. All the agencies were 100%-owned

(Continued on Page 108)

World News Roundup

London—Pepsi-Cola International is moving $2 million worth of Middle East business out of J. Walter Thompson Co. and BBDO. Bartle Bogle Hergarty will handle Pepsi and Diet Pepsi, worth more than $1 million, and Davis Wilkins, a new agency, will handle Miranda, Shani and Teem soft drinks, worth less than $1 million.

Johannesburg—Bridge Advertising bought back a 33% share in its agency, owned by Venture/BBDO, the new agency created after BBDO pulled out of South Africa last month (AA, Sept. 23).

Sydney—D'Arcy Masius Benton & Bowles sold its 15% stake in Mojo, the agency behind the "Paul Hogan" Australian tourism campaign, back to Mojo's principals.

London—J. Walter Thompson Co. won British Telecom's "call stimulation" account. The account is worth over $10 million. JWT beat out incumbent KMP and Abbott Mead Vickers.

Mexico City—American Motors Corp. gave its $1.5 million Jeep account to Iconic, which already handles Renault de Mexico, AMC's partner. Previously the account was handled by Publicidad Agusto Elias.

Buenos Aires—Nestle picked J. Walter Thompson Co. to handle its instant coffee, mashed potatoes and baby foods accounts, previously with Leo Burnett Co. No budget available.

Amsterdam—The Dutch government is proposing to ban radio and tv commercials for all alcoholic beverages as part of a nation-

(Continued on Page 58)

Restaurateurs seek new growth recipes

By BRIAN MORAN

ORLANDO, FLA.—Powerless to hike prices in a low-inflation economy and facing a growing legion of fitness-focused customers, restaurant chains are whipping up new menus and delivery methods to boost sales.

Judging from the array of remedies served up at last week's Multi-unit Food Service Operators conference here, the industry clearly has liberalized its view of what differentiates a full-service restaurant from a fast-food outlet. Both segments intend to raid each other's concepts in response to changing consumer preferences. As a result, the traditional definition of one's competition is beginning to blur.

"The era of product and price differentiation in this industry is gone forever," said J. Jeffrey Campbell, chairman-ceo of Burger King Corp. "The winners now will provide the best total dining experience."

In an era of negligible price increases, even the most successful chains can look forward to annual growth of only about 10%—a far cry from the 1970s, when the industry regularly feasted on sales increases of 20% and more.

"Back in the '60s and '70s, price was the real marketing leverage," said Fred Gonzales, senior vp-marketing, Church's Fried Chicken. "All you had to do to increase volume was raise your price. The customer today has become very price-sensitive."

With the proliferation of new concepts and small chains threatening to saturate the restaurant landscape, the hottest strategies to build sales involve faster ways to get the product into consumers' hands. McDonald's Corp. is marching into military bases, hospitals and zoos. Burger King is marshaling a fleet of 20

(Continued on Page 106)

'Uncola' unhappy with Ayer work

Seven-Up kills net tv ads

By GARY LEVIN

Seven-Up Co. has canceled an estimated $8 million in fourth-quarter network tv buys due to "creative and other marketing considerations" related to the brand's July reassignment from N W Ayer, New York, to Leo Burnett USA, Chicago (AA, July 15).

A spokesman for the St. Louis-based unit of Philip Morris Cos. implied that dissatisfaction with Ayer's creative work—said to have been the primary cause for the agency switch—contributed to the decision to pull the remainder of Seven-Up's 1985 tv schedule, purchased last June in the prime time upfront market.

Seven-Up said the network tv time would be shifted to its 1986 ad schedule. It was unclear how the company's print and radio ad plans would be affected.

The tv schedule reportedly was canceled, at Seven-Up's insistence, by Ayer shortly after it lost the account. Burnett is not expected to purchase any media domestically for Seven-Up before its first U.S. campaign for the brand breaks in the first quarter of 1986. Burnett has handled international assignments for Seven-Up since 1980. The estimated $60 million U.S. account includes 7UP, Diet 7UP, Like cola and Sugar-free Like, in addition to new products.

A source close to the company said the canceled time represented "well less than half" of the estimated $20 million spent on network tv this year.

Burnett, which officially assumed Seven-Up's U.S. business Oct. 12, has been working for months on new creative work for the soft-drink maker. "The level of activity has been intensive for some time," said an agency source.

Burnett was handed the domestic account—without a review—following what sources called a disagreement between Seven-Up and Ayer over use of the brand's "Uncola" ad theme.#

CATEGORY REVIEW: JUICE-BASED SOFT DRINKS

Soft-drink giants squeeze into citrus soda segment

By NANCY GIGES and GARY LEVIN

It's not likely that Coca-Cola and Pepsi-Cola can be squeezed out of any soft-drink category, but the two cola giants will now go head-on against the nation's top three ad spenders in what's shaping up to be the fastest growing soft-drink segment—juice-added citrus beverages.

Encouraged by Pepsi-Cola's introduction last year of Slice lemon/lime with 10% juice, Philip Morris Co.'s Seven-Up Co., Procter & Gamble with its Crush line and R.J. Reynolds Industries, marketer of Sunkist, are all readying lemon/lime and orange entries containing some juice. These three marketing giants have emerged recently as a result of mergers and acquisitions to become the first U.S. advertisers to exceed $1 billion in ad spending annually.

Royal Crown Cola Co., Rolling Meadows, Ill., also has confirmed it is testing formulations of a with-juice soft drink, but said it has not set plans for introducing the new brand.

Not to be outdone, Coca-Cola and Pepsi-Cola also have new product and geographical expansion plans in the works. Pepsi is especially pleased that its Slice entry is proving to be a formidable challenger to Coca-Cola's Sprite in the lemon/lime segment.

Next week P&G's Crush International, Cincinnati, begins a new ad campaign in Marion, Ill., and surrounding markets in Arkansas, Kentucky, Missouri and Tennessee, to support its test of Crush and diet Crush with 10% juice. The tv and couponing effort, via Cunningham & Walsh, New York, is themed "We turned up the juice, and turned the flavor loose."

Ads feature life-style vignettes of Crush drinkers, accompanied by "upbeat music," and stress the increased-juice content of Orange Crush, diet Orange Crush, Grape Crush and Strawberry Crush. Orange Crush sold in other markets contains 0.1% juice. Grape Crush now contains grape and pear juices, while the strawberry variety contains grape, pear and strawberry. New packaging for all brands includes a pinstripe design.

Ad support for the Crush test has been delayed twice, first by inadequate distribution and then by what P&G described as a "technical glitch" in production of the tv spot. The ads were originally set to

(Continued on Page 103)

Citrus-flavored soft-drink shares

Pepsi-Cola's Slice lemon/lime with 10% juice has emerged as a major soft drink in just a year's time. When these shares, which are percentages of the total soft-drink market, were calculated in June/July, the brand was only in 60% of the country. In those markets, it was holding a strong No. 2 position behind only 7UP. The lemon/lime and orange flavor segments account for 17% of the total soft-drink category. Source: Advertising Age.

Brand	Company	Share	Agency
7UP	Philip Morris	7.0	Leo Burnett
Slice	PepsiCo	2.1	J. Walter Thompson
Sprite	Coca-Cola	3.6	Marschalk
Sunkist	R.J. Reynolds	2.0	Foote, Cone & Belding
Crush	Procter & Gamble	under 1	Cunningham & Walsh
Minute Maid	Coca-Cola	(test)	Marschalk

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

October

Art & antiques

	Current month		Year-to-date	
	1985	1984	1985	1984
American Artist	78.1	102.0	742.5	738.5
Antiques	—	—	—	—
Art in America	—	—	—	—
Southwest Art	154.2	143.3	848.3	885.8
Total Group	**232.3**	**245.3**	**1,590.8**	**1,624.3**
% change		**− 5.3%**		**− 2.1%**

Auto/cycle/rec. vehicles

	Current month		Year-to-date	
	1985	1984	1985	1984
Autoweek (52X)	1,330.7	1,304.9	2,474.2	2,354.6
Car & Driver	82.1	85.0	1,018.0	923.4
Car Collector & Car Classics	20.8	21.0	187.4	194.5
Car Craft	68.5	74.2	753.9	726.7
Circle Track	40.0	48.2	527.2	471.7
Cycle	34.2	28.3	516.1	452.1
Cycle Guide (11X)	23.3	19.3	399.8	393.5
Cycle World	30.9	28.9	556.4	515.5
Dirt Rider	26.5	22.6	312.1	260.4
Dune Buggies & Hot VWs	93.2	77.3	938.7	805.9
Family Motor Coaching	137.1	138.7	1,465.3	1,456.9
4 Wheel & Off-Road	91.7	78.0	776.7	723.9
Four Wheeler	91.2	98.8	870.3	794.3
Hot Rod	51.5	72.0	602.8	623.1
Motorcyclist	27.0	22.2	386.8	363.4
Motor Trend	63.1	67.3	751.5	639.2
Motorhome Life	88.5	82.9	959.8	902.8
Rider	33.3	37.8	541.6	578.9
Road & Track	107.2	97.2	996.9	1,016.0
3 Wheeling	69.9	35.3	592.5	213.4
Trailer Life	97.8	107.3	1,218.0	1,240.1
Total Group	**2,608.5**	**2,547.2**	**16,846.0**	**15,750.3**
% change		**+ 2.4%**		**+ 7.0%**

Boating & yachting

	Current month		Year-to-date	
	1985	1984	1985	1984
Boating	113.9	117.1	1,363.5	1,378.9
Chesapeake Bay	56.3	42.0	356.9	294.8
Cruising World	312.3	302.9	1,442.9	1,542.2
Lakeland Boating (10X)	61.5	65.5	591.0	543.3
Motor Boating & Sailing	—	—	—	—
Sail	131.7	162.4	1,326.1	1,423.4
Sea	30.4	47.1	469.0	585.0
Small Boat Journal	—	—	—	—
Trailer Boats	29.4	20.5	345.8	332.6
Western Boatman	43.9	19.0	233.8	121.2
Yachting	151.7	198.3	1,647.9	1,754.7
Total Group	**941.1**	**974.8**	**7,776.9**	**7,976.1**
% change		**− 3.5%**		**− 2.5%**

Canadian

	Current month		Year-to-date	
	1985	1984	1985	1984
L'Actualite	102.3	94.5	631.9	651.9
Chatelaine				
English Edition A.	112.3	127.8	895.9	964.3
French Edition A.	86.4	117.2	714.4	824.2
Country Home (8X)	—	—	—	—
Equinox (6X)	—	—	—	—
Financial Post A.	43.9	60.1	320.1	431.2
Flare A.	91.4	70.0	678.7	548.1
Homemaker's (10X)	62.5	62.8	323.5	296.8
Macleans (52X) A.	209.2	236.8	1,212.7	1,233.4
Montreal Calendar	41.0	53.0	287.0	392.0
Montreal Ce Mois Ci	46.3	63.0	292.3	425.0
Reader's Digest				
Canadian-English A.	90.2	91.6	601.3	692.5
Canadian-French A.	69.0	84.9	497.1	613.3
Toronto Life	124.0	158.5	821.3	916.0
Vancouver	86.8	95.2	736.1	707.9
Total Group	**1,165.3**	**1,315.4**	**8,012.3**	**8,696.6**
% change		**− 11.4%**		**− 7.9%**

Civic/fraternal

	Current month		Year-to-date	
	1985	1984	1985	1984
American Legion	28.3	24.9	260.0	239.6
Elks (10X)	20.8	25.3	173.7	203.3
Kiwanis	18.8	17.3	152.1	123.1
Lion (10X)	6.0	6.0	52.0	57.8
Rotarian	11.6	15.6	110.6	119.4
V.F.W. (11X)	33.6	25.3	284.2	266.8
Total Group	**119.1**	**114.4**	**1,032.6**	**1,010.0**
% change		**+ 4.1%**		**+ 2.2%**

Comics

	Current month		Year-to-date	
	1985	1984	1985	1984
DC Comics	6.0	7.0	69.5	75.0
Marvel Comics Group	10.0	9.0	73.5	83.5
Total Group	**16.0**	**16.0**	**143.0**	**158.5**
% change		**0.0%**		**− 9.8%**

General

	Current month		Year-to-date	
	1985	1984	1985	1984
American Health (10X)	53.8	44.6	414.9	327.8
American West (6X)	—	—	—	—
The Atlantic A.	43.1	46.0	450.1	440.7
Audubon Magazine (6X)	—	—	—	—
Bon Appetit A.	121.4	120.1	857.3	837.5
Changing Times	43.8	55.5	385.4	445.3
Connoisseur	115.6	81.7	622.0	522.4
Consumers Digest (8X)	20.6	12.3	163.3	89.0
Ebony	84.2	103.3	909.7	906.3
[illegible]	45.5	51.7	330.8	348.8
Food & Wine	57.5	52.6	471.6	366.5
[illegible]	21.2	16.8	171.3	203.5
Gourmet	—	—	—	—
Home Entertainment	29.3	30.0	184.0	133.6
[illegible]'s Magazine A.	23.6	32.8	253.6	240.3
Life	89.6	57.9	622.4	573.9
Modern Maturity	—	—	—	—
Money	131.6	126.7	1,162.9	1,180.4
[illegible]orth (4X)	14.2	13.8	51.4	53.8
Mother Earth News (6X)	50.8	54.2	230.0	263.0
Mother Jones (9X)	17.7	17.2	132.1	132.7
Natural History	56.1	56.2	416.6	420.6
Prevention	63.3	67.6	601.1	684.4
Psychology Today	—	—	—	—
Reader's Digest A.	95.0	81.8	773.5	763.2
Saturday Evening Post (9X)	35.5	38.3	293.6	304.6
Signature	69.4	66.3	536.2	531.5
Smithsonian	112.1	98.3	882.5	803.7
Success B.	58.7	39.8	310.0	340.1
Sylvia Porter's Personal Finance (6X)	—	—	—	—
Town & Country	182.1	219.7	1,303.1	1,424.0
Travel	59.3	50.1	448.4	434.7
Travel & Leisure	109.8	126.7	1,022.1	1,052.4
Vanity Fair	40.5	38.5	330.3	248.2
Writer's Digest	22.9	25.0	242.4	241.5
Yankee	112.2	103.9	777.5	800.9
Total Group	**1,980.4**	**1,929.4**	**15,350.1**	**15,115.3.9**
% change		**+ 3.0%**		**+ 2.0%**

Home

	Current month		Year-to-date	
	1985	1984	1985	1984
Americana (6X)	45.1	48.3	182.9	192.9
Architectural Digest A.	159.6	168.1	1,242.9	1,279.1
Better Homes & Gardens	117.7	164.8	1,083.0	1,176.9
Colonial Homes (6X)	—	—	317.5	339.3
Country Journal	31.7	38.7	288.5	321.6
Country Living	86.3	83.9	688.4	651.4
Dallas/Ft. Worth Home & Garden	103.8	101.9	799.0	738.4
Family Handyman (10X) A.	71.6	87.6	558.7	646.7
Flower & Garden (6X)	46.6	28.5	205.4	183.6
Home	53.0	54.3	489.5	536.9
The Homeowner (10X)	38.3	28.8	242.1	217.1
House Beautiful	91.9	129.3	823.2	929.8
House & Garden	121.4	132.8	938.8	876.3
Houston Home/Garden	—	—	—	—
Metropolitan Home	80.4	143.0	639.0	706.7
New Shelter (9X)	58.6	47.4	451.8	396.7
1,001 Home Ideas	—	—	—	—
Phoenix Home/Garden	89.8	59.3	659.4	548.5
Rodale's Organic Gardening	51.4	43.8	557.8	629.7
San Diego Home/Garden	76.5	64.2	773.4	725.2
South Florida Home/Garden	46.2	41.1	387.0	—
Southern Accents (6X)	—	—	424.9	376.0
Southern Living	158.7	142.4	1,301.4	1,315.9
Southern Living Classics	58.1	—	58.1	—
Sunset Magazine A.	191.0	166.0	1,427.9	1,365.5
Texas Homes	91.5	81.2	801.1	796.6
Workbench (6X)	—	—	264.7	296.4
Total Group	**1,869.2**	**1,858.4**	**15,606.4**	**15,247.2**
% change		**+ 0.6%**		**+ 2.4%**

In-flight & other passenger

	Current month		Year-to-date	
	1985	1984	1985	1984
Aboard Group (7) (6X)	—	—	—	—
Alaska Airlines	57.8	63.0	493.0	521.7
American Way (26X)	170.4	118.4	1,177.5	995.5
East/West Network:				
Eastern Review	98.8	116.0	950.4	1,145.6
Northwest Orient	56.3	40.0	420.3	326.6
Ozark	57.8	43.5	425.5	451.2
PSA Magazine	105.7	110.0	828.0	1,020.7
Pan Am Clipper	68.2	63.4	591.4	615.2
Republic Scene	63.2	57.2	474.4	589.8
Spirit	136.3	125.0	960.8	959.8
United	127.0	112.7	934.7	1,139.5
Western's World	72.7	63.8	547.4	664.1
Halsey Publications:				
Air Cal	61.8	79.5	495.1	506.5
Delta Sky	87.0	89.3	732.5	752.7
Skylite	23.0	32.0	208.4	202.0
USAir	57.4	65.2	532.2	606.5
Hawaii (6X)	—	—	—	—
Pace	78.3	102.8	706.5	569.1
Spirit of Aloha (6X)	—	—	—	—
TWA Ambassador	61.9	61.7	555.9	584.8
Total Group	**1,383.6**	**1,343.5**	**• 11,034.0**	**11,655.3**
% change		**+ 3.0%**		**− 5.3%**

Men's

	Current month		Year-to-date	
	1985	1984	1985	1984
Esquire A.	118.0	135.3	1,024.6	1,014.3
Firehouse Magazine (13X)	51.3	94.4	489.1	501.1
Gentlemen's Quarterly A.	209.1	222.1	1,503.4	1,569.5
M Magazine	72.0	88.0	543.7	639.0
Penthouse A.	42.7	50.4	399.6	497.0
Playboy A.	92.1	84.1	723.9	713.3
Total Group	**585.2**	**674.3**	**4,684.3**	**4,934.2**
% change		**− 13.2%**		**+ 5.1%**

Metropolitan

	Current month		Year-to-date	
	1985	1984	1985	1984
Aloha (6X)	32.3	29.7	165.5	145.9
Atlanta	62.5	71.9	529.3	583.9
Baltimore	80.8	77.7	786.8	620.0
Boston	178.7	166.6	1,529.0	1,408.7
California	85.4	75.9	682.2	644.9
Charlotte (10X)	—	—	—	—
Chicago	172.0	168.5	1,332.8	1,373.2
Chicago's North Shore	105.6	105.4	791.4	844.8
Cincinnati	102.1	73.1	581.2	514.1
Cleveland	92.5	93.3	797.4	764.9
Coast (38X)	274.9	294.9	2,890.4	2,757.7
Columbus Monthly	81.3	91.7	702.4	697.2
Commonwealth	—	—	—	—
Connecticut	110.9	99.1	896.2	820.7
Country Magazine	53.7	50.0	474.5	414.9
D/Magazine, Dallas/Ft. Worth	164.2	187.9	1,314.5	1,270.1
Denver	53.0	44.2	337.1	278.8
Grand Rapids	38.3	42.7	515.8	523.5
Gulfshore Life (10X)	38.7	33.5	482.1	540.9
Honolulu	—	—	—	—
Houston City	69.3	100.9	684.9	840.5
Indianapolis	70.1	51.3	456.0	418.4
Kansas City	41.8	40.9	330.1	335.1
Los Angeles	190.6	190.0	1,757.7	2,020.0
Louisiana Life (6X)	—	—	277.5	367.0
Madison	60.0	45.2	612.6	506.6
Metropolitan Detroit	82.0	71.5	723.5	548.4
Miami Mensual	48.5	41.1	409.1	392.1
Miami/South Florida	104.1	77.6	888.0	837.2
Milwaukee	83.3	63.0	638.4	439.5
Minneapolis/St. Paul	95.2	117.3	954.1	928.5
Monthly Detroit	94.7	73.5	612.2	651.0
New England Monthly	39.7	15.7	308.9	86.8
New Jersey Monthly	76.9	62.6	611.6	543.6
New Mexico	31.5	46.4	363.7	392.0
Ohio	66.1	57.7	689.2	640.0
Oregon	29.8	24.0	331.5	245.2
Orlando	89.7	83.3	991.2	844.8
Palm Beach Life	73.7	80.2	678.6	694.7
Palm Springs Life	83.5	103.5	1,159.1	1,232.9
Philadelphia	164.9	151.9	1,360.7	1,299.6
Phoenix	86.9	103.9	972.1	889.1
Pittsburgh	72.8	63.1	632.0	603.3
San Diego	150.5	165.9	1,541.3	1,484.4
San Francisco	—	—	—	—
San Francisco Focus	—	—	—	—
Texas Monthly	—	—	—	—
Twin Cities	—	—	—	—
Ultra	—	—	—	—
Washington Dossier (11X)	—	—	—	—
The Washingtonian	224.4	174.1	1,572.4	1,485.6
The Virginian (6X)	—	—	277.0	183.8
Total Group	**3,856.9**	**3,730.7**	**34,643.0**	**33,114.3**
% change		**+ 3.4%**		**+ 4.6%**

Movie/romance/radio/tv

	Current month		Year-to-date	
	1985	1984	1985	1984
Macfadden's Women's Group				
Modern Romances	24.6	21.0	195.4	240.9
Secrets	24.6	21.0	195.4	240.9
True Confessions	24.6	21.0	195.4	240.9
True Experience	24.6	21.0	195.4	240.9
True Love	24.6	21.0	195.4	240.9
True Romance	24.6	21.0	195.4	240.9
Sterling Women's Group:				
Daytime TV	27.5	28.5	284.0	280.0
Modern Screen	15.5	20.5	73.8	101.5
Movie Mirror (6X)	15.5	20.5	87.0	102.5
Soap Opera Stars	16.5	16.5	93.6	106.0
TV Picture Life (6X)	9.0	5.0	33.0	92.0
TV Movie Screen (6X)	8.0	4.0	35.3	19.0
Total Group	**239.6**	**221.0**	**1,779.1**	**2,146.4**
% change		**+ 8.4%**		**− 17.1%**

Music/entertainment

	Current month		Year-to-date	
	1985	1984	1985	1984
American Film (10X)	25.0	35.4	208.3	209.5
Audio D.	220.0	231.5	907.6	787.2
Circus Magazine	57.3	49.6	494.6	370.6
Dance Magazine	60.1	56.3	545.0	601.2
Musician	66.3	58.4	586.3	598.8
Playbill	57.2	56.2	486.0	562.2
Record	21.4	27.8	213.1	236.3
Stereo Review	67.8	55.0	489.7	452.7
Video Magazine	77.1	77.2	737.9	677.9
Video Review	79.2	54.3	588.8	527.2
Total Group	**731.4**	**701.7**	**5,257.3**	**5,023.6**
% change		**+ 4.2%**		**+ 4.7%**

National Sunday magazines

	Current month		Year-to-date	
	1985	1984	1985	1984
Parade (52X)	68.5	50.1	537.5	529.0
USA Weekend (52X) A.	67.8	50.3	534.4	576.1
Total Group	**136.3**	**100.4**	**1,071.9**	**1,105.1**
% change		**+ 35.8%**		**− 3.0%**

Outdoor & sport

	Current month		Year-to-date	
	1985	1984	1985	1984
Alaska	46.3	44.1	475.2	415.7
The American Handgunner (6X)	37.0	39.0	257.0	258.0
American Hunter	27.6	25.6	205.7	205.1
American Rifleman	33.5	37.5	269.4	295.5
Backpacker (6X)	—	—	168.6	213.0
Bass Master (9X) A.	—	—	421.5	384.5
Bicycling (9X)	—	—	756.6	857.9
Ducks Unlimited (6X)	65.3	52.0	159.0	174.9
Equus	51.5	60.2	600.0	603.7
Field & Stream	79.2	93.8	881.9	847.6
Fins & Feathers A.	—	—	—	—
Fishing World	—	—	185.9	203.5
Florida Sportsman	74.1	68.3	976.0	847.1
Flying	48.2	48.8	464.3	466.9
Fur-Fish-Game	34.5	32.8	206.6	236.8
Golf Digest	74.4	62.9	619.1	925.0
Golf Magazine	35.5	38.4	635.4	705.6
Guns	33.0	34.0	329.0	343.0
Guns & Ammo	57.8	62.3	452.8	480.7
In-Fisherman (6X)	41.0	48.0	471.0	488.0
Muscle & Fitness	109.0	117.5	1,066.3	1,096.1

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. D. Annual Equipment Directory responsible for increase in ad pages in October. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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October

	Current month		Year-to-date	
	1985	1984	1985	1984
Outdoor Life	77.1	87.0	715.0	777.4
Outside Magazine	49.8	40.0	409.8	371.2
Petersen's Hunting	81.2	69.7	457.5	434.8
The Runner	45.7	66.5	356.5	507.8
Runner's World (13X)	53.6	72.5	394.2	541.7
Salt Water Sportsman	67.6	63.3	730.0	709.4
Sierra	48.3	36.8	184.6	180.2
Ski (8X) A.	121.7	142.4	479.3	523.0
Skiing (7X)	181.2	180.4	586.5	597.5
Skin Diver	71.0	57.6	805.1	754.7
Southern Outdoors (8X)	34.6	34.8	283.9	314.5
Sport	60.2	48.8	437.2	457.0
Sports Afield	101.9	98.3	858.2	874.2
Tennis	48.9	75.0	869.8	902.2
Western Outdoors (10X)	34.9	33.5	392.5	382.5
Total Group	**1,925.6**	**1,971.8**	**17,561.4**	**18,376.7**
% change		**– 2.3%**		**– 4.4%**

— Photography —

	Current month		Year-to-date	
	1985	1984	1985	1984
American Photographer	45.3	46.0	408.8	406.9
Petersen's Photographic	30.9	39.8	284.6	328.4
Popular Photography	78.5	98.0	861.2	960.3
Total Group	**154.7**	**183.8**	**1,554.6**	**1,695.6**
% change		**– 15.8%**		**– 8.3%**

— Religious —

	Current month		Year-to-date	
	1985	1984	1985	1984
BBI Jewish Monthly (10X)	16.5	23.9	177.9	206.5
Christian Herald (11X)	32.8	50.3	287.2	318.8
Christian Life	19.2	38.1	247.5	280.7
Christianity Today (18X)	77.7	115.0	583.3	640.0
Inside (4X)	110.1	98.7	251.6	249.8
Moody Monthly (11X)	72.2	68.0	473.2	465.5
Today's Christian Woman	53.8	44.3	215.2	172.0
Total Group	**382.3**	**438.3**	**2,235.9**	**2,333.3**
% change		**–12.8%**		**–4.2%**

— Science/electronic/mechanic —

	Current month		Year-to-date	
	1985	1984	1985	1984
Compute	50.0	81.0	469.1	766.8
Creative Computing	—	—	—	—
Discover	41.4	28.7	328.0	347.8
Family Computing	35.1	—	—	—
Home Mechanix	77.2	96.9	657.6	711.4
Info World (52X)	158.0	192.0	1,269.0	1,732.0
Omni	85.4	89.8	590.1	640.9
Personal Computing	147.1	163.5	1,445.0	1,536.2
Popular Mechanics	110.4	105.1	959.5	943.6
Popular Science	83.5	85.5	645.7	814.8
Science 85 (10X)	27.7	36.6	232.9	271.5
Scientific American	42.2	53.1	441.9	666.0
Spectrum	86.5	128.2	1,031.9	998.7
Total Group	**944.5**	**1,060.4**	**8,070.7**	**9,429.7**
% change		**–10.9%**		**–14.4%**

— Women/fashion/service —

	Current month		Year-to-date	
	1985	1984	1985	1984
Cosmopolitan A.	236.3	225.3	1,965.0	2,099.6
Essence	74.0	71.1	721.7	845.1
Family Circle (24X) A.	139.1	232.0	1,471.1	1,478.3
Family Magazine	55.0	51.0	403.1	356.2
Glamour	199.7	210.7	1,791.6	1,815.7
Good Housekeeping A.	175.8	198.9	1,602.6	1,595.7
Harper's Bazaar	168.7	163.5	1,476.4	1,500.0
Health	47.4	42.9	403.1	356.6
Ladies' Home Journal	130.6	124.9	1,092.0	1,009.3
Mademoiselle	129.3	144.2	1,262.1	1,428.4
McCall's	104.7	116.2	910.1	927.0
Military Lifestyle (10X)	49.0	58.0	303.7	366.8
Modern Bride (6X)	163.3	—	1,665.9	1,395.9
Ms.	54.5	59.9	473.4	515.8
New Woman	64.2	52.2	540.5	469.1
Parents Magazine A.	111.8	98.1	875.5	759.7
Playgirl	34.3	33.2	345.8	337.8
Redbook	122.3	123.6	925.9	943.4
Self	121.4	120.9	971.1	991.6
Seventeen	116.2	100.4	1,257.2	1,303.2
Shape	55.0	63.0	620.6	593.4
Soap Opera Digest (26X)	23.0	23.5	276.5	280.3
'Teen Magazine	40.4	46.0	508.1	550.8
True Story A.	64.4	59.4	490.2	578.0
Vogue	376.7	466.9	2,716.1	2,897.1
W Magazine	140.7	161.0	1,106.0	1,117.8
Weight Watchers	31.3	43.4	282.9	307.8
Woman's Day (16X) A.	116.8	196.4	1,107.8	1,236.5
The Workbasket (10X)	36.2	49.2	341.4	344.0
Working Mother	102.4	95.4	749.7	715.7
Working Woman	127.5	113.3	1,003.6	1,043.1
Total Group	**3,412.0**	**3,564.5**	**29,660.7**	**30,159.7**
% change		**–4.3%**		**–1.7%**

— Youth —

	Current month		Year-to-date	
	1985	1984	1985	1984
Boys' Life	12.2	13.0	181.4	162.1
Campus Life (10X)	97.1	86.3	430.1	397.3
Total Group	**109.3**	**99.3**	**611.5**	**559.4**
% change		**+ 10.1%**		**+ 9.3%**

September

— Business —

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Business Gazette (52X)	39.3	29.3	251.4	227.9
Atlanta Business Chronicle (52X)	74.1	44.2	473.5	418.1
Austin Business Journal (52X)	62.0	45.1	522.5	400.8
Baltimore Business Journal	78.4	74.6	580.3	501.0
Barron's (52X)	223.5	190.1	1,676.3	1,663.8
Boston Business Journal (52X)	189.7	96.2	1,263.8	812.8
Business Atlanta	69.2	69.0	597.2	508.7
Business First of Buffalo	77.8	—	588.7	—
Business First of Columbus	76.8	—	580.3	—
Business North Carolina	34.8	35.0	—	—
Business Week (52X) A.	—	—	—	—
California Business	73.3	100.6	676.4	794.8
Capitol District Business Review (25X)	51.4	50.5	380.9	410.0
Cincinnati Business Currier	86.1	47.9	264.1	178.0
Corporate Report/Kansas City	36.4	68.7	408.4	546.3
Corporate Report/Minnesota	89.7	90.8	814.6	751.8
Crain's Chicago Bus. (52X)	198.7	146.0	1,392.9	1,155.0
Crain's Cleveland Business (52X)	86.7	75.5	675.7	581.2
Dallas/Ft. Worth Bus. (52X)	71.0	37.0	—	—
Dun's Business Month	45.0	64.0	407.0	558.0
Financial World (24X)	55.9	24.6	369.4	262.3
Florida Trend (13X)	100.0	86.2	808.3	757.7
Forbes (26X)	339.3	302.5	2,435.2	2,470.3
Fortune (26X) A.	195.9	226.4	2,215.5	2,346.8
Frequent Flyer	99.2	58.5	567.6	501.8
Futures (13X)	—	—	—	—
Georgia Trend	46.0	—	106.1	—
Hawaii Business	40.3	57.1	445.0	454.2
High Technology	21.1	28.9	273.8	280.2
Houston Bus. Journal (52X)	216.0	256.0	1,226.6	1,431.8
Inc. Magazine A.	95.2	146.0	804.9	1,061.1
Income Opportunities	57.0	46.4	376.2	371.7
Industry Week (25X) A.	138.7	143.1	796.1	951.8
Indianapolis Bus. Journal (52X)	160.1	121.4	1,105.8	993.2
Kansas City Business Journal	202.1	142.3	1,339.5	1,154.3
Milwaukee Business Journal	136.3	98.6	897.3	705.1
Minnesota Business Journal	51.5	54.7	436.8	449.7
Nation's Business A.	34.1	43.8	293.5	292.5
New England Business (20X)	122.3	112.4	811.2	630.2
New Orleans Citibusiness	81.8	53.3	650.2	560.0
Pacific Business News (52X)	128.2	92.6	995.0	902.8
Philadelphia Business Journal (52X)	191.8	72.4	929.3	730.1
Pittsburgh Business Times (52X)	112.2	63.7	707.3	481.2
San Jose Business Journal	112.8	66.8	963.1	731.0
Savvy	36.6	44.1	253.5	318.9
St. Louis Business Journal (52X)	191.6	130.9	1,303.4	1,201.1
South Florida Business Journal	149.6	64.4	812.4	568.1
Texas Business	73.1	92.3	562.9	568.4
Venture	63.7	95.6	624.9	732.3
Total Group	**4,881.5**	**3,989.3**	**34,739.8**	**31,416.8**
% change		**+ 22.4%**		**+ 10.6%**

— Newspaper Sunday magazines —

	Current month		Year-to-date	
	1985	1984	1985	1984
Arizona Republic	—	—	—	—
Boston Globe	245.4	223.8	1,722.3	1,622.5
California Living	—	—	—	—
Chicago Tribune	174.0	108.0	1,001.2	644.7
Cleveland Plain Dealer	78.9	66.9	416.5	517.2
Columbus Dispatch	81.7	72.8	434.1	441.8
Denver Post	—	—	—	—
Detroit News	164.0	148.0	1,144.0	1,206.0
L.A. Times Home Magazine	—	—	—	—
Louisville Courier-Journal	—	—	—	—
Miami Herald	52.9	50.2	360.6	462.0
New York News	—	—	—	—
New York Times Magazine	505.6	536.8	3,069.6	3,266.1
Philadelphia Enquirer	—	—	—	—
Seattle Times/-Post Intelligencer	65.0	26.0	402.0	161.0
Toledo Blade Magazine	59.8	65.2	377.3	461.4
Washington Post	157.9	149.8	1,017.1	974.7
Total Group	**1,585.2**	**1,447.5**	**9,944.7**	**9,757.4**
% change		**+ 9.5%**		**+ 1.9%**

— Weeklies/bi-weeklies —

	Current month		Year-to-date	
	1985	1984	1985	1984
The Advocate (26X)	98.1	113.9	865.7	1,030.1
Army Times Military Group:				
Air Force Times (52X)	187.0	143.5	1,408.8	1,314.6
Army Times (52X)	181.0	138.4	1,374.4	1,251.1
Navy Times (52X)	190.0	153.1	1,492.4	1,411.5
The Times Magazine	14.2	25.9	100.1	145.3
The Blood-Horse (52X)	261.1	291.1	3,688.8	3,800.8
Capper's Weekly (26X)	48.5	30.3	240.3	236.4
Commonweal (22X)	7.5	3.3	53.4	53.6
Golf World (43X)	45.8	55.4	706.1	726.9
Grit (52X) A.	24.4	26.0	176.3	210.2
National Journal (50X)	59.0	36.0	423.0	206.0
National Review (25X)	29.8	28.2	207.7	234.3
New Republic (48X)	38.5	27.7	262.8	263.5
New York Magazine (50X)	320.2	311.7	2,084.1	1,976.6
New Yorker (52X)	268.0	344.1	1,943.7	2,353.8
Newsweek (52X) A.	273.7	207.3	1,862.7	1,954.0
People (52X)	337.7	387.3	2,580.2	2,731.4
Rolling Stone (25X)	123.4	106.4	789.5	765.9
Sporting News (52X)	76.4	54.2	384.0	438.6
Sports Illustrated (52X) A.	281.5	226.5	1,967.6	2,169.9
Time (52X) A.	242.4	194.1	1,827.6	1,884.0
Travelhost (52X) C.	3,498.5	3,361.0	28,802.5	28,945.0
TV Guide (52X) A.	398.2	460.1	2,628.9	2,696.9
Us Magazine (26X)	52.0	29.2	285.6	337.6
U.S. News & World Report (52X) A.	167.8	121.8	1,203.7	1,169.9
Total Group	**3,726.2**	**3,515.5**	**28,557.4**	**29,362.9**
% change		**+ 6.0%**		**– 2.7%**

— Foreign —

	Current month		Year-to-date	
	1985	1984	1985	1984
Business Week Int'l	—	—	—	—
Cosmopolitan en Espanol:				
Central America	1.5	—	10.5	7.0
Colombia	24.0	15.2	120.0	88.5
Ecuador	1.0	—	3.0	3.0
Mexico	47.8	54.5	374.2	372.2
Peru	2.0	4.0	23.0	23.0
Puerto Rico	16.0	28.5	140.8	254.7
U.S. (Spanish language)	18.8	23.8	150.5	170.0
Venezuela	12.8	20.5	194.3	142.0
Cosmopolitan Foreign Editions:				
Australia	79.8	77.2	550.5	502.6
Brazil	—	—	—	—
France	105.4	95.2	820.0	1,084.8
Germany	102.8	94.0	817.5	754.9
Great Britain	135.0	120.0	993.0	965.3
Greece	20.0	30.0	475.4	437.0
Holland	74.0	65.0	546.3	414.0
Italy	38.2	65.3	415.6	431.7
Japan	29.7	29.0	296.6	266.7
Good Housekeeping Foreign Editions:				
Australia	40.4	44.1	505.2	292.3
Great Britain	139.5	163.0	1,083.2	1,044.2
Japan	67.5	65.1	360.0	635.1
Geomundo:				
Central America	4.0	8.0	40.5	50.8
Chile	5.0	7.5	43.5	47.8
Colombia	10.0	12.0	76.5	78.5
Ecuador	4.0	5.0	34.0	33.0
Mexico	16.0	10.5	70.5	66.3
Peru	5.0	7.5	41.5	46.8
Puerto Rico	16.0	28.5	140.8	254.7
Venezuela	12.8	20.5	194.3	142.0
Hombre De Mundo:				
Central America	4.5	9.0	31.5	56.0
Chile	4.5	9.0	38.5	55.0
Colombia	19.3	12.5	70.2	86.0
Ecuador	5.5	7.0	34.0	40.0
Mexico	18.5	20.7	96.0	118.2
Peru	3.5	9.0	26.5	53.0
Puerto Rico	13.0	9.0	56.0	76.0
Venezuela	47.0	23.5	177.0	158.5
Ideas Para Su Hogar:				
Central America	—	—	—	1.5
Chile	—	—	—	1.0
Colombia	25.5	29.0	133.2	166.0
Ecuador	5.0	4.0	42.0	45.5
Mexico	12.7	13.0	81.3	76.2
Peru	3.0	6.0	20.0	53.0
Puerto Rico	—	—	10.5	5.0
Venezuela	16.0	25.0	143.8	140.0
International Communications:				
The Middle East	—	—	—	—
International Management:				
Africa	—	—	—	—
Europe	—	—	—	—
Latin America	—	—	—	—
Middle East	—	—	—	—
Pacific	—	—	—	—
Johnston International:				
Alam Attijarat	48.8	79.3	401.2	482.1
Modern Africa (6X)	14.8	36.3	634.0	117.1
Modern Asia (11X)	29.2	49.1	258.4	252.6
Mecanica Popular:				
Argentina	—	3.8	16.3	47.8
Central America	8.2	9.8	82.8	113.2
Chile	3.3	6.2	29.2	55.2
Colombia	15.7	12.5	120.7	123.5
Mexico	18.2	16.3	127.7	112.7
Peru	10.5	13.0	99.5	139.0
Puerto Rico	5.0	13.3	79.3	126.3
Venezuela	11.8	14.8	115.5	145.0
Newsweek International A.:				
Atlantic (52X)	122.7	94.9	717.1	712.7
Latin America (52X)	44.4	23.7	242.1	208.6
Pacific (52X)	81.5	66.8	528.3	558.2
Progreso (9X)	14.2	8.7	85.3	44.0
Reader's Digest:				
Arabic	10.0	12.0	78.5	79.0
Asian	230.0	231.0	1,779.0	1,553.0
Australian	58.0	72.0	485.7	657.8
Belgian-Flemish	66.0	63.5	648.0	672.0
Belgian-French	35.5	32.5	428.0	431.0
British	54.0	57.6	387.0	442.4
Chinese	1[illegible]3.0	123.0	1,058.5	844.2
Danish	45.5	42.0	277.0	270.8
Dutch	51.0	42.0	358.5	319.3
Finnish	35.5	29.0	388.4	339.5
French	28.2	44.3	373.6	395.7
German	50.4	47.8	532.8	569.9
Iberian	1.0	24.5	32.0	148.0
Indian-English	62.0	65.0	794.5	632.5
Indiana-Hindi	10.0	10.0	96.5	45.5
Italian	23.5	25.0	282.0	294.0
Japanese	28.4	32.9	382.3	384.3
Korean	23.0	25.0	216.2	208.0
Latin American:				
Argentina	13.0	26.0	167.5	173.0
Brazil	1.0	1.5	38.0	22.5
Central American	10.0	12.0	74.0	83.5
Chile	10.0	5.0	94.5	97.0
Colombia	33.0	35.0	236.5	264.5
Ecuador	9.0	12.0	76.0	71.5
Mexico	58.3	57.3	411.8	408.0
Peru	12.0	12.0	84.5	80.0
Puerto Rico	5.0	9.5	42.0	49.5
U.P.B.	7.0	10.0	60.5	65.0
U.S. Spanish	13.5	14.5	83.5	83.5
Venezuela	8.5	16.0	89.5	98.0
New Zealand	64.0	98.3	475.5	754.3
Norwegian	14.0	32.8	167.4	287.9
Portugal	42.5	31.0	303.3	321.0
South African	104.0	98.5	798.0	803.8
Swedish	16.5	4.5	135.0	92.0
Swiss-French	23.6	19.7	203.9	216.6
Swiss-German	37.6	25.7	289.0	287.0
The Ring en Espanol:				
Mexico	0.3	0.2	16.5	0.5
Puerto Rico	—	1.0	—	1.0
U.S.	2.0	5.0	42.7	37.3
Venezuela	1.0	2.0	9.0	12.0
Time International:				
Time-Asia	112.6	112.7	727.4	754.6
Time-Atlantic	160.7	130.5	853.6	852.9
Time-Canada	235.1	205.4	1,379.5	1,462.4
Time-Latin America	78.2	75.1	386.2	393.0
Time-South Pacific	148.4	123.1	986.4	964.0
Vanidades Continental:				
Central America	19.5	6.8	65.2	54.5
Chile	6.3	2.3	26.0	18.0
Colombia	100.3	93.2	580.8	522.5
Visao (52X)	162.2	376.8	1,085.4	1,576.4
Vision/Latin America (26X) A.	32.2	44.9	222.6	251.4
Total Group	**4,010.8**	**4,310.2**	**31,114.2**	**31,694.8**
% change		**–6.9%**		**–1.8%**

Citrus

(Continued from Page 3)

break Oct. 14 (AA, Oct. 7).

In its recently established Atlanta headquarters, Reynolds' Del Monte Franchise Beverages group has hired a former Coca-Cola hand, Henry Cardello, to fill a newly created vp-marketing slot. Mr. Cardello was director-marketing, cola brands, at Coca-Cola USA until a year ago, when he joined Lotus Development Corp. as marketing director.

He and other members of the Del Monte management team are on a multicity road tour telling bottlers about Diet Sunkist Plus with 10% juice, which will be available in February, as well as a juice-added Sunkist Plus sugar orange option for markets that may see action from Coca-Cola's Minute Maid orange soda, which contains 10% juice.

Although Del Monte has told bottlers it is aiming to push higher the upper age range of its target market with the juice-added products, advertising still has a teeny-bopper tone. Foote, Cone & Belding, Chicago, is the agency.

Seven-Up Co., St. Louis, which one analyst termed "most vulnerable" to attack on the juice front, also is preparing a juice brand for test-marketing by early next year, a spokesman said. The Philip Morris unit already has done extensive testing of juice formulations and brand names, though it may decide to use the still-dominant 7UP name in a line extension.

The juice prospect was made more likely with the launch earlier this year of Juice Up, a frozen concentrate for lemonade and limeade, by Seven-Up's citrus products division in Ventura, Cal. Leo Burnett USA, Chicago, earlier this year replaced N W Ayer, New York, on Seven-Up's domestic account.

George Thompson, a Prudential-Bache analyst, questions Philip Morris' commitment to the company if it markets, as expected, a juice-content beverage. "Anyone can introduce a product. Whether they'll give it the ad support it needs just to compete on a marketing basis with Coke and Pepsi is another question," he said.

The juice-added segment was actually conceived by Holland, Mich.-based SquirtCo., which last week introduced to its bottlers a reformulated, vitamin-enriched Diet Squirt Plus. The new product will be available in some markets by Dec. 1, with co-op ad support planned via Beber Silverstein & Partners, Miami.

But Pepsi has reaped the greatest rewards of consumer demand in the juice segment. Introduced into test markets in April, 1984, Pepsi's Slice is now sold in 75% of the country and has exceeded all expectations. Pepsi is hoping that Slice will become so successful that bottlers in the remaining 25% of the country, where Pepsi franchisees also sell 7UP, will drop the latter for the Pepsi entry. Just last week, Pepsi persuaded Wendy's International to drop Sunkist to take on Slice in its 1,100 company-owned fast-food restaurants.

Pepsi claims Slice is a strong No. 2 in the markets where it is sold, behind only 7UP, putting that brand's share ahead of Sprite, running at a 3.6% national average. For the June/July period, when Slice had distribution in about 60% of the country, its national share in retail outlets was 2.1%.

Especially successful has been the diet version of the brand, which has moved into the No. 1 spot in the diet lemon/lime segment in many areas. Diet 7UP remains the market leader.

During the June/July period, diet Slice accounted for 1.0% of the total Slice share (regular at 1.1%) while Sprite broke down as 2.7% for regular and 0.9% for diet.

Beverage Marketing Assn., a New York-based trade group, says lemon-lime brands accounted for 12.7% of total packaged soft-drink sales in 1984, up from 11.2% of the 1983 total. The packaged lemon/-lime segment itself grew nearly 20%, to 986.6 million gals., in the same period.

During the first half of this year, Sprite was showing year-to-year growth of about 25%, due in part to the conversion of McDonald's to Sprite from 7UP. This growth is not reflected in the shares, which measure take-home sales. The growth has slowed somewhat lately, but the brand will finish the year with a strong yearly growth record.

Although the demographics of the heavy juice-added-soft-drink user closely parallel the diet drink consumer, Pepsi has intentionally taken a shotgun approach.

Said John Costello, senior vp-sales and marketing, Pepsi-Cola USA, "It doesn't make sense to restrict ourselves from a demographic standpoint. We are targeting at people who are interested in the benefits of juice in soft drinks."

And those, he said, are "better taste and refreshment." Mr. Costello attributes Slice's campaign, themed "We got the juice" and created by J. Walter Thompson USA, as contributing a great deal to the brand's success.

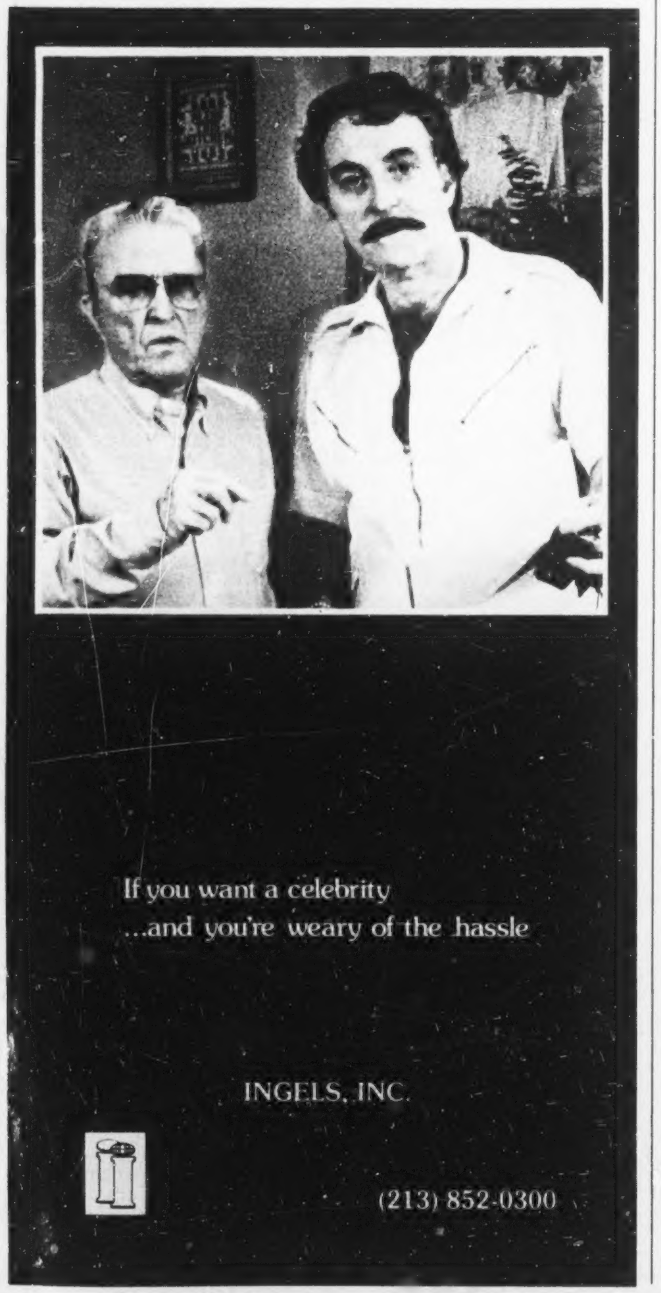
With a lead in the juice-added lemon/lime segment, Pepsi plans to put mandarin orange Slice into test before yearend.

Meanwhile, rival Coca-Cola is focusing on the orange flavor, planning to roll Minute Maid orange soda into the Southwest from the Washington area. This flavor segment, accounting for about 4% of total soft-drink sales, is led by Sunkist, with 2% of the total soft-drink business, followed by Crush at under 1%.

Coca-Cola is cautious on the juice-added segment as a whole. "We think it is too early to determine whether the juice-added segment is major," said a company spokesman.

Coca-Cola is predictably mum about its plans for Sprite and whether a juice-added line extension is being considered. "That is certainly an option open to us, but we have no plans at this time," the spokesman said. Meanwhile, the company continues to test Fresca with juice in the Boston area.

Positive or not, at least one analyst believes competition among the giants in smaller market segments is the way of the future. Said Emanuel Goldman, analyst, Montgomery Securities, San Francisco, "This is a portent of things to come as giant companies enter relatively small markets via acquisition. Sunkist is not a Winston or Salem or Camel to RJR, but it is part of their business and they can't let their share go. So these large companies will end up doing funny things like getting in an orange-soda war."#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For the Record

R.J. REYNOLDS INDUSTRIES, Winston-Salem, N.C., will dissolve its RJR Development Corp. subsidiary Jan. 1. Since the unit started identifying potential acquisition targets in 1981, RJR has acquired Heublein Inc. (including Kentucky Fried Chicken) and Nabisco Brands.

TELESCAN, a commercial monitoring service, today begins measuring tv flights of 24 advertisers in New York by encoding commercials with a special signal that traces when and where the ad runs. Advertisers, including Nabisco Brands, Quaker Oats, Pepsi-Cola and Ralston Purina, pay a fee of 10¢ each time their ads are monitored. Chicago and Los Angeles will be measured starting next January, Telescan says.

CBS won Week 3 in the fall prime time ratings race, its 17.7 Nielsen ratings average topping NBC's 17.3 and ABC's 15.6.

VIDEOCASSETTE UNIT sales to dealers for the first nine months of 1985 "nearly equal" the total sold last year, said Electronic Industries Assn.'s Consumer Electronics Group, Washington. Nine-month sales rose 57% to 7.5 million sets, and EIA estimates 11.5 million vcrs will be sold by yearend.

AMERICAN AIRLINES, Dallas, targets achievers and society-conscious business executives in a new tv and print ad set to run through December in the 12 largest U.S. markets. The line, "When you're something special, people know it," is added to American's regular theme line "Something special in the air." Bozell & Jacobs/Southwest handles.

COMPLIANCE with federal truth-in-advertising laws by real estate advertisers increased to 90% in 1984 from 70% two years earlier, and compliance by auto advertisers rose to 92%, according to a Federal Trade Commission review.

PARKER PEN CO., Janesville, Wis., has sold its writing instrument group to Schroder Ventures, London, a group of investors lead by Jack Magre, head of Parker Pen-Europe, and Peter Kibble, head of Parker Pen-Asia and Australia, for an undisclosed price. Mitchell Fromstein, Parker's president, will remain in charge of Manpower Inc., the temporary-help subsidiary that now becomes the parent company, operating under that name. No changes in agencies are planned by the company as yet; Marcus Advertising, Cleveland, is Manpower's agency. Ogilvy & Mather's Chicago and London offices handle Parker's estimated $8 million global account.

THE NEW YORK TIMES CO. will have the national edition of the *New York Times* printed by the *Atlanta Journal & Constitution* beginning in mid-'86. The paper will be distributed throughout the Southeast except for Florida, where the national edition is printed by the *Lakeland Ledger*, a subsidiary of the Times Co.

K MART CORP., Troy, Mich., will end a two-year test on Dec. 28 by closing Accents, a discount gift and tableware store in Birmingham, Mich., and its adjacent sit-down restaurant, The Annex, because of low profits.

INTERNATIONAL HERALD TRIBUNE, Paris, reports its advertising revenue increased 35%, up $3.4 million, through the first half of 1985. Circulation, at 164,639, is up 27% since 1980.

ACCOUNT ACTIVITY: **Dean Witter Reynolds** to **Lord, Geller, Federico, Einstein**, for its $10 million retail account, from Doremus & Co., all New York. . .**Northwest Orient Airlines**, St. Paul, will hear presentations next month from Fallon McElligott Rice and agency of record Grey Advertising, Minneapolis, for a special project reportedly aimed at business travelers. The new project is expected to bill "somewhat less" than $10 million; its effect on Grey's $23 million in Northwest business is uncertain. Bryan Moon, Northwest's vp-advertising, insists the airline is satisfied with Grey's work. . .

WORTH NOTING: **Paul Woolard**, president of Revlon's worldwide beauty group, has confirmed industry reports that he will remain with the cosmetics company (AA, Oct. 14). There had been speculation that he might leave if the division is acquired in a leveraged buyout by Adler & Shaykin and Linda Wachner, former Max Factor ceo. . .**Charles Weaver**, president and chief operating officer of Oakland, Cal.-based Clorox Co., has been named ceo, succeeding Calvin Hatch, who continues as chairman. Exec vp **John Collins** becomes chief operating officer. . .**George Simpson**, former communications director for *Newsweek*, to vp-corporate communications, Simon & Schuster, New York, succeeding **Peter Minichiello**, now president, George Trescher Associates (AA, Oct. 14) . . .**Young & Rubicam/Zemp**, St. Petersburg, Fla., has formed an association with Garcia-Serra & Blanco, an Hispanic ad agency in Miami, and separately absorbed Cohn & Wolfe pr agency, with offices in Tampa and Orlando, via a merger. . .**Deutsch, Shea & Evans'** Los Angeles office has formed a collateral communications divison to be headed by **Morris Hertz**, former vp-creative director/branch manager of Ogilvy & Mather, Los Angeles' recruitment division. . .**Hearst Corp.**, New York, has established the Helen Gurley Brown research professorship at Medill School of Journalism, Northwestern University, Evanston, Ill. Ms. Brown celebrates her 20th year as editor of *Cosmopolitan* with a special November issue (AA, July 22). . .**Pacific Southwest Airlines**, San Diego, is emphasizing its expanded number of flights between Los Angeles and San Francisco, with a new tv, radio and print campaign reviving the "Catch our smile" theme. . .**Vista**, the Coral Gables, Fla.-based English-language Sunday newspaper magazine for Hispanic Americans, has increased its circulation 41%, to 601,000, effective with its Nov. 3 issue. . .**Rayovac Corp.**, Madison, Wis., is introducing nationally three additions to its Workhorse flashlight line—a AA-size minilight, a 6-volt beam lantern and a fluorescent lamp. Print ads support, via Leber Katz Partners, New York, which handles the estimated $15 million Rayovac account. . .**Alberto-Culver Co.**, Melrose Park, Ill., has acquired Victory Beauty Systems, Hillside, Ill., a 38-store professional beauty supply outlet chain under the Bee Discount and Beauty Care Discount Center names in Chicago, Cleveland, Detroit, Milwaukee and St. Louis. Victory will be operated by Alberto's 260-store, wholly owned subsidiary, Sally Beauty Supply Co. . . .**Schering-Plough's** Plough unit, Memphis, Tenn., is introducing nationally Correctol Natural Grain and Fruit fiber powder laxative, an extension of its tablet and liquid line. Network tv and print will break in mid-November, with more than 96 million coupons distributed through freestanding newspaper inserts. Warwick Advertising, New York, handles.

October 24, 1985

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75¢ a copy; $55 a year

Advertising Age Thursday

— Crain's Magazine of the Creative Process

Elaine Silverstein (left)
and Joyce Beber
in their Miami office.

MIAMI SPICE

The Beber Silverstein agency keeps growing— and making headlines

Special Report: Healthcare Marketing

Thursday

Sweet home Miami

If there's one thing that still vexes Joyce Beber and Elaine Silverstein after 14 years in Miami advertising, it's that lingering label: "Two Jewish doctors' wives." Beber Silverstein & Partners is the largest privately owned, female-controlled ad agency in the nation. With 103 employes and offices in Miami, Washington and New York, it also is far and away the largest agency based in Florida. The agency also has had phenomenal success, climbing to a billings level now at approximately $65 million and earning a reputation as one of Miami's hottest shops. *See Page 4.*

Advertising Age
Thursday
MIAMI
SPICE

Cover photo by Tom Elliott

Hyatt hotels are hot

They did not mention glass elevators or soaring atriums, but readers who responded to ADVERTISING AGE *Thursday's* hotel-motel poll came out strongly in favor of the Hyatt Hotels Corp. The poll, in the form of a questionnaire that ran in August in *Thursday*, asked readers to select their three favorite U.S. hotel-motel chains and also asked them to name their favorite single U.S. business and vacation hotel. Marriott Hotels Inc. was second, and Westin Hotel Co. came in third. *See Page 12.*

Special Report—Healthcare Marketing

Healthcare marketing is in its infancy, but the competitive marketplace requires maturity. Special Report examines the competitors and the unusual obstacles they face. *See Page 15.*

Presstime

Hot Wheels roll to O&M

HAWTHORNE, CAL.—Mattel Toys is shifting an estimated $6 million in billings from Dailey & Associates, Los Angeles, back to its longtime agency, Ogilvy & Mather. The split ends the toy company's 11-month association with Dailey, which had won Hot Wheels and unspecified future brands. "The relationship has not worked out in the best interest of either party," Mattel said.

Agencies plug for Edison

WASHINGTON—Edison Electric Institute is considering six agencies to handle the electrical utilities consortium's $5 million account—Ketchum Advertising and Needham Harper Worldwide here; BBDO and Young & Rubicam, New York, and W.B. Doner & Co. and Smith Burke & Azzam, Baltimore. D'Arcy Masius Benton & Bowles, New York, previously handled.

Profits plummet at BBDO

NEW YORK—BBDO International saw its profits squeezed in the third quarter due to losses from transfer of its BBDO Holdings unit in South Africa to local management (AA, Aug. 26). It posted a 6% rise in worldwide revenues for the quarter, reaching $76.5 million, but, as expected, net income suffered. At $464,000, net income was down 88% from a year ago. Earnings per share plunged to 7¢ from 62¢; 50¢ of the drop was attributed to the South African transaction. For nine months, net income sank 30% to $10.6 million and worldwide revenues were up 6% to $236 million.

On Rumrill's bandwagon

NEW YORK—Rumrill-Hoyt, which has agreed to work free on a campaign to benefit the Live Aid Fund and promote the "Live Aid World Concert Book," has received offers from Tina Turner, Jack Nicholson, Robin Williams, Michael Douglas and Cher to appear in the commercials, and from directors such as Bob Giraldi, Jim Johnston and Steve Horn to direct for no cost.

Video gels for Sassoon

CENTURY CITY, CAL.—Richardson-Vicks' Vidal Sassoon Inc. subsidiary is producing a music video for Mr. Mister's RCA recording "Is It Love?" Actors in the video, which will make its premiere early next year on MTV: Music Television, use the company's new Colorific products, unusual styling mousses and gels that temporarily dye hair in intense punk-ish colors. Sassoon will

(Continued on Page 43)

Monday: Megamergers

The marketing impact of giant mergers sweeping the consumer goods industries is the subject of special articles in the Oct. 28 issue of ADVERTISING AGE. They will examine the new starring role national brands are playing in merger decisions, the impact these mergers are having on media and the growing problem of agency-client conflicts. Also in next Monday's issue: A roundtable discussion on all these facets and more by seven leading marketing and agency executives.

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ABP MPA RED TAG ABC ANPA

O&M animates abstractions in latest spots

By Stewart Alter

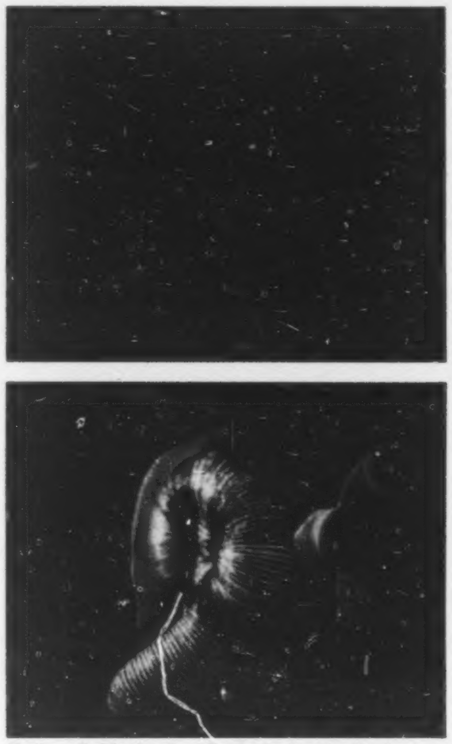
Ogilvy & Mather, New York, recently launched a series of 10-second animated commercials for Trans World Airlines that brings advertising into the era of abstract art.

One typical spot in the series, intended for the St. Louis market, shows different-colored lines zooming out of a ball. "TWA gives you a choice of 200 flights a day from Lambert Field. . ." says the voice-over. As it completes the sentence by saying ". . .and back," the colored lines reverse direction and start shooting back into the ball, while the tag line "Leading the way—TWA" flashes on the screen.

Since O&M this year also launched a campaign for AT&T Information Systems using the Mummenschanz Swiss mime troupe translating points about computer-system compatibility into abstract mime-demonstrated visualizations, one might wonder if there weren't some creative trend going on within this agency.

Consider also some other recent O&M commercials that have a similar intensity if not the same abstract visual emphasis: The much-publicized Hersheys New Trails spots that also toy with the viewer's sense of sight by having children lip-sync familiar rock songs, or the also-reported-on General Foods Maxwell House campaign in test in Ohio in which stand-up comedians are shown simply working coffee into their routines while the unmentioned brand name only flashes on at the end.

Has this agency become convinced that it's time to say goodby to commercials showing real people expressing the kind of warm emotions that can only come from brand names? Has Ogilvy & Mather, a systematic agency if ever there was one, decided that the way to break through in the era of tv commercial zapping is obliquely, abstractly, intensely?



Ogilvy & Mather's 10-second animated commercials for Trans World Airlines use visual abstractions that mirror O&M's distinctive Mummenschanz campaign launched earlier in the year for AT&T Information Systems.

The answer, as in most cases, is yes and no.

It's emphatically no, maintained O&M/NY seniot vp-creative director Jau Schulberg, if one perceives that the agency has abandoned human values. "I believe it is emotion that sells, supported by reason to believe," said Mr. Schulberg, noting the agency reel also includes heart-warming commercials such as those for Kimberly-Clark's Huggies, filled with cute babies, or Hardee's Food Systems, in which an enterprising boy's early-morning devotion to his newspaper route symbolizes the industriousness of the "good people" discussed in the campaign. And besides, TWA is continuing its main people-oriented "Faces" campaign, even while it uses the minimalist graphic technique in 10-second spots.

"I think it is very important today to get consumers' attention," said Mr. Schulberg, adding that he's "not a fan of cleverness for its own sake." There are "three or four very simple things" that advertising has to do, he continued: be on strategy, be distinctive, make sure the selling message comes through and be rewarding to the reader or viewer.

But at the same time, the intensity and purposefulness that characterize the TWA and AT&T spots do represent something about O&M's approach to advertising. "I believe that any good advertising has to be single-minded," said Mr. Schulberg, who sees no reason why copy points can't be made very directly, even in apparent isolation, or why every TWA spot, for example, has to show human beings "I don't believe you have to tell people the obvious," he said, explaining that research shows the TWA 10-second spots to be effective with their messages understood.

Belaboring the obvious is what Mr. Schulberg maintains was one of the problems with "a lot of advertising that came out of America in the 1970s." It insulted the average person's intelligence" and was often boring and cliche-ridden as it presented "artificial people in artificial situations."

Yet Mr. Schulberg does not dispute that some of the more recent advertising coming out of O&M is not different in spirit from what this agency

(Continued on Page [illegible])

for $50,000.

Although individual tastes vary, "Casablanca" remains the perennial favorite, garnering as much as $3,000 for an original movie poster, he says. Five years ago, the same poster sold for as little as $10. "It's a strange, growing business."

Marie Spadoni

There's no music, but the scenery's great in these hotel videos

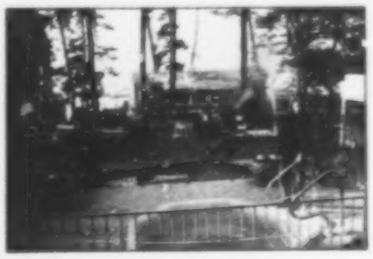
The video craze has graduated from mugging rock stars and slickly edited soft drink commercials to a new, more serene subject matter: High-class hotels.

Applying video techniques to tourism was the brainchild of Toni Doyle, director of marketing for the Highlands Inn in Carmel, Cal. Doyle came up with the idea of hiring nearby Michaelson-Ruskin Productions, Palo Alto, to shoot a 6½-minute video of the hotel—complete with background music and voiceover narration waxing eloquent on the virtues of the hotel and its surrounding environs.

"Decision makers can't always take the time to come see the property," Doyle notes. "This way, we can bring it to them."

So far, the inn has sent the video primarily to clients considering it for conferences, but it also plans to supply travel agents with copies. For a $25 deposit, they'll also send one to interested individuals.

According to Rob Berg, director of communications for Michaelson-Ruskin, the video will serve a dual purpose, promoting the inn and serving as a sort of visual resume for the developer. The video includes more than 40 shots, interior and exterior, highlighting hotel amenities and the beauty of the California coastline, done at a cost of $20,000.



The video has only recently been made available, but Doyle says the number of requests she's received suggest they'll have "tremendous success" with it. The production company, says producer Ira Ruskin, is developing a marketing strategy to promote this service to other hotels.

"The proliferation of the vcr makes this a very opportune time for this type of marketing," he says. "I look upon it as a significant extension of our business."

The job, says Ruskin, is not without its perks: "If it catches on, we'll get to stay in a lot of nice hotels."

Brian Lowry

A word of advice: Grab the mustache and run

No corporate type's Christmas will be complete this year without the "Executive Expense Account Kit" nestled under the tree. The kit is the brainchild of Marc Juris, a financial analyst-turned copywriter now with GM Communications, a small New York agency. It was his job as a financial analyst that taught him the ins and outs of expense account padding, but he realizes that account execs are experts, too.

The kit comes complete with an instruction manual ("If you must validate the taxi receipt quickly, sign it with the hand you do not write with"); a pen that writes in three different colors; pads of preprinted, guaranteed fake receipts from chichi restaurants such as "Lou Tess," "La Snobee du CoCo," and "Chez What," and a "Fail Safe" system in case of detection: A fake mustache.

The EXECUTIVE EXPENSE ACCOUNT KIT

Several thousand kits are already in Bloomingdale's and trendy card and gift shops across the country, Juris says, and retail for about $10.

Lisa Phillips

It has finally arrived! A thesaurus that works as hard as you do

"Dear Reader: Forget everything you've heard about **thesauri**. "Words That Sell," (by Richard Bayan, Caddylak Publishing, $19.95), may change the way you write copy.

Here's why: It's all here! Everything from "snappy transitions" to "knocking the competition."

"Words" leaves no stoned unturned **in its** step-by-step sections. All you do is look up "grabbers," and you'll discover how easy it is to "make the reader sit up and take notice." It's a snap. "Descriptions and benefits convey the value of your product or service."

Sections such as "clinchers, closing statements that motivate the reader to respond," **followed by** top-notch "terms and offers, making the 'bottom line' irresistible" and "special strategies, pulling out all the stops to make your point" will make you feel brand new.

Are we claiming too much? We don't think so. The key word is quality. You are the one who benefits. The ultimate **thesaurus** furnishes all the **words** you need to **create copy.**

The wizardry of **author Bayan** gives you an insider's grasp of **advertising and** takes the mystery out of **copywriting. "I could see it being used in advertising classes," he says, adding that it exposes a wealth of choices to expand the repertoire of the professional.**

You'll be tickled by **"Words," too. "The humor is to take knowledge of the fact that there's an element of fun in direct mail," says Bayan.**

words that sell

What kind of people read **"Words"**? You'll join the ranks of **20,000 other copywriters and marketing execs who own this thesaurus** of distinction, the kind you've only dreamed about, the first real improvement **since Roget.**

"Words That Sell" is billed as "A thesaurus to help promote your products, services, and ideas." It will revive your **vocabulary** and it's the **thesaurus** no family **(read: copywriter)** should be without. Snuggle up, cuddle up, get comfortable with it.

Can you think of any reason *not* to send for "Words that Sell"? Now is the best time. You've waited long enough. Take this important first step. Reserve your **thesaurus** today! **It's available by ordering from Caddylak Publishing, 201 Montrose Rd., Westbury, N.Y. 11590.**

You'll wonder how you ever managed without it.

Kevin Brown

*All copy in this story, except in boldface, was taken with great editorial liberty from "Words that Sell."

Dine out in Jakarta, work in New York, live in Lisbon, and you may break even

For all our Jakarta readers, we've got some good news and some bad news: The good is that a hearty meal (steak, two side dishes and dessert) can be had there for $11. The bad news is, quite possibly, you earn less than that in a week.

According to a worldwide wage and price survey conducted for the Union Bank of Switzerland by two independent organizations, New Yorkers command the highest salaries of the 49 major cities surveyed. In fact, the average worker in New York earns 42% more than a worker in Zurich or Tokyo and more than twice as much as the average worker in Paris. Los Angeles workers, meanwhile, are paid 36% more than their Zurich and Tokyo colleagues.

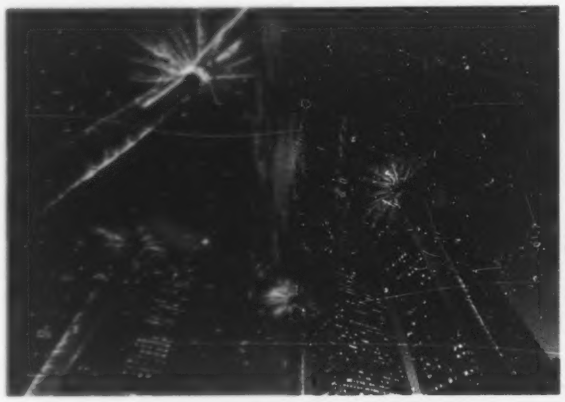
Low-end cities? Bombay, Manila and Jakarta. In fact, textile workers in Jakarta earn about $400 a year—lowest of any occupation in any city on the survey.

Dinner in a quality restaurant averaged $17 per person in the 49 cities, up from $13 in 1982. Cheap eats can be had in Bangkok, Brussels, Caracas, Dublin, Duesseldorf, Istanbul, Jakarta, Lisbon, Madrid, Manila, Tel Aviv and Rio. That's $10 or less for the steak dinner described above. On the other hand, eat that steak and potatoes in New York, and you (or your company) pay $35. Eat it in Tokyo (Benihana's, perhaps?) and cough up $42. In Abu Dhabi, be prepared to ransom your food for $59 (find a sheik to foot the bill).

Apartment rents can be really cheap some places. Abu Dhabi, New York, Chicago, L.A. and Houston are not among them. Average rent for a three-room unfurnished apartment ranged from $80 in Jakarta to $1,470 in Abu Dhabi. Average rent in New York is $1,050; $750 in Chicago; $580 in L.A., and $530 in Houston.

Lagos, Nigeria, followed by Tokyo, New York and, as always, swinging Abu Dhabi, are the four most expensive cities to live in, but each of the four U.S. cities surveyed made it to the top 10. Living in Rio, Lisbon, Luxembourg or enchanting Istanbul costs half of what it takes to live in the Big Apple or the Big Sushi.

Lenore Skenazy


Brett Froomer, ©Image Bank

Wage and salary levels
Gross salary level: Zurich=100

Duesseldorf	74
Geneva	103
London	57
Los Angeles	136
New York	142
Paris	56
Rio de Janeiro	18
Singapore	31
Tokyo	100
Zurich	100

Actual hourly earnings in 12 different occupations weighted according to occupational distribution.

Consumer price levels
Zurich=100

Duesseldorf	85
Geneva	97
London	93
Los Angeles	130
New York	166
Paris	82
Rio de Janeiro	63
Singapore	120
Tokyo	185
Zurich	100

Costs of a basket of 115 goods and services weighted by consumer habits.

Restaurant prices

Duesseldorf	$ 10
Geneva	14
London	15
Los Angeles	23
New York	35
Paris	13
Rio de Janeiro	8
Singapore	24
Tokyo	42
Zurich	13

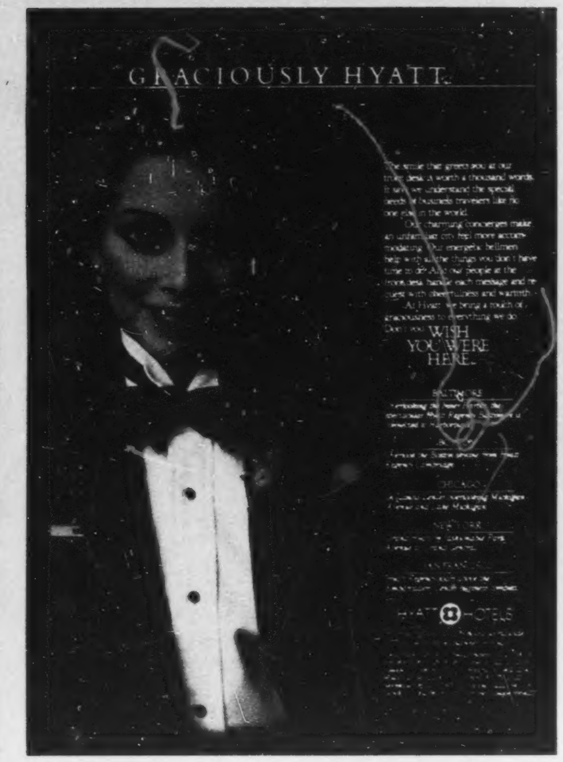
Price of a dinner for one (sirloin or rumpsteak with one vegetable, potatoes and a dessert; without drinks), incl. service in a good restaurant.

Hotel prices

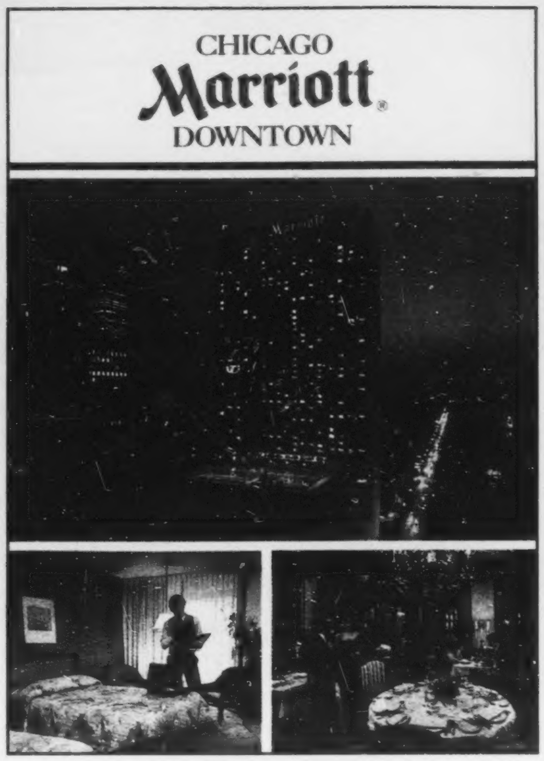
Duesseldorf	$ 90
Geneva	110
London	150
Los Angeles	150
New York	210
Paris	120
Rio de Janeiro	130
Singapore	90
Tokyo	140
Zurich	110

Price for a double room with private bath and toilet, including breakfast and service, in a first class hotel (Hilton, Intercontinental or similar).

Source: "Prices and Earnings Around the Globe," 1985 edition; published by Union Bank of Switzerland.



Hyatt was cited most frequently for consistency and quality of service . . .



. . . while Marriott was cited most for the friendliness of its personnel . . .

Come back for a weekend.
50% OFF
WESTIN HOTELS

. . . and Westin got more compliments for its food than any other chain.

Hyatt's the place

AA readers rank Marriott, Westin next best

By Robert Goldsborough

They did not mention glass elevators or soaring atriums, but readers who responded to ADVERTISING AGE *Thursday's* hotel-motel poll came out strongly in favor of the Hyatt Hotels Corp.

The poll, in the form of a questionnaire that ran in August in *Thursday*, asked readers to select their three favorite U.S. hotel-motel chains and also asked them to name their favorite single U.S. business and vacation hotel.

We received responses from more than 150 readers in 20 states, the District of Columbia, Canada and Australia. In all, 33 chains received votes.

The largest number of responses came from New York, with California second, Illinois third and Washington, D.C., fourth.

Hyatt was a clear winner in the chain category, garnering a total of 101 points, based on three points for a first-place listing, two points for second and one for third.

Runner-up Marriott Hotels Inc. picked up 85 points and got 17 first-place votes to 20 for Hyatt.

Although 76-hotel, Chicago-based Hyatt has among its signatures vaulted atrium lobbies, glass elevators and revolving rooftop restaurant-lounges, these stylish elements were not written about by any of those who voted for the chain.

Rather, Hyatt was praised most frequently for consistency and quality of service. Readers also gave it high marks for "upkeep of the hotels," "easy check-in and check-out," "no reservations foulups" and "female executive floors."

Interestingly, Marriott got more strongly favorable comments from its supporters than did Hyatt. The Washington-based chain, with about 135 domestic facilities, was cited most often for the friendliness of its personnel and its Honored Guest program, in which travelers accumulate points that can be used for merchandise and for discounts on rooms, airline tickets and car rentals.

A sample comment from a Cincinnati reader: "[Marriott] knows what a businessman wants and needs while traveling and they are especially good at employe attitudes and training."

AA hotel-motel poll

	Total points
1. Hyatt (20)	**101**
2. Marriott (17)	**85**
3. Westin (9)	**58**
4. Four Seasons (11)	**41**
5. Vista International (11)	**36**
6. Hilton (3)	**28**
7. Ritz-Carlton (1)	**12**
8. Sheraton	**11**
9. Holiday Inns (3)	**10**
Helmsley (1)	**10**

Source: ADVERTISING AGE readers' poll. Readers were asked to rate their favorite hotel-motel-chains. The results were derived by giving three points for each first-place vote, two points for second and one point for third. First-place votes are in parentheses.

Others gave the organization high marks for cleanliness, safety, express checkout, "great gift shops" and—from one California reader—"great bars!"

In third place was Westin Hotel Co., Seattle, a subsidiary of UAL Inc., which has 26 domestic hotels with six more under construction. "Class," "style" and "service" were the words most often used to describe the Westins, and the chain also got more praises for its food than any other. One New Yorker praised the chain for "service and people who are considerate and love what they do."

Several smaller chains did well in the balloting. Toronto-based Four Seasons, which has 10 U.S. hotels, finished fourth, with readers calling them "quiet," "comfortable" and "luxurious" and having "a passion for excellence."

Vista International, a group of five hotels that are part of Hilton International, itself a subsidiary of Transworld Corp., was fifth, getting praise for "European style of service" and "lovely atmosphere."

Atlanta-based Ritz-Carlton Co., which operates four hotels with three under construction, finished seventh. (The company owns the Ritz-Carlton in Boston, but not the hotels of the same name in New York and Chicago, the latter of which is a Four Seasons facility.)

A number of readers also showed preferences for all-suite hotels, a relatively new development. Several singled out the L'Ermitage group of all-suite hostelries in the Los Angeles area.

The ballots showed a wide variety of preferences in the favorite business and vacation hotel categories. Among hotels mentioned most frequently as business stopovers were the L'Ermitage, Westwood Marquis and Beverly Hills Hotel in the Los Angeles area, Arizona Biltmore in Phoenix, Mark Hopkins in San Francisco, Waldorf-Astoria in New York, and two Chicago hotels, the Tremont and Ritz-Carlton.

Vacation hotels that received multiple mentions include the Arizona Biltmore, Mark Hopkins, Fairmont and Four Seasons Clift in San Francisco, Carlyle in New York, Ritz-Carlton in Laguna, Cal., Ritz-Carlton in Chicago and the Hyatt on Maui, Hawaii.

We also asked readers what one hotel they would choose to stay in, anywhere in the world, if they had the opportunity.

Here also, there was a wide variety of nominations, with 46 hotels and resorts named, in the United States as well as in Canada, England, Scotland, France, Spain, Greece, Monte Carlo, Hong Kong, India, Japan, Jamaica and the Bahamas.

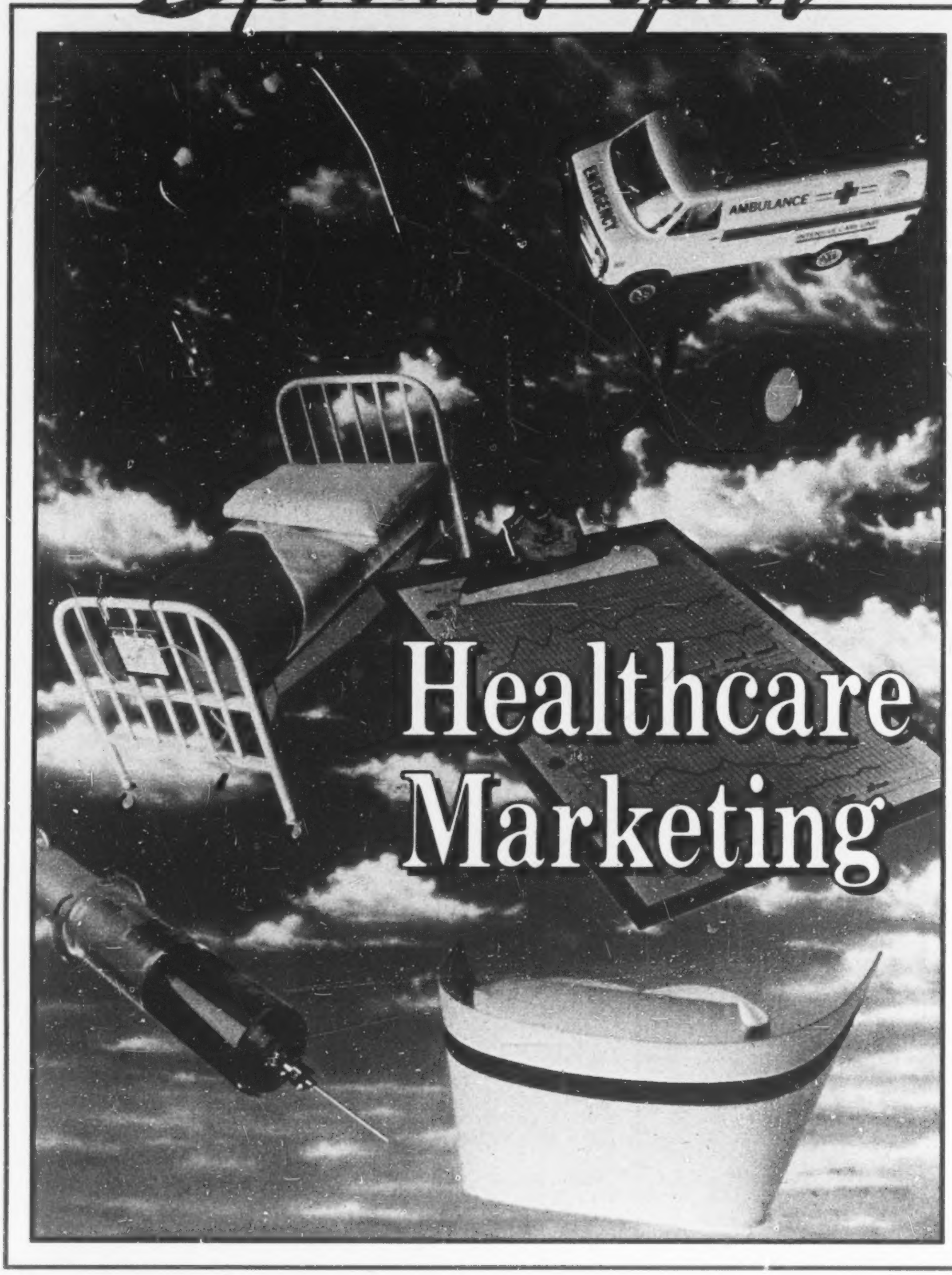
Hotels that received multiple mentions were the Kahala Hilton, Honolulu, the Ritz and George V in Paris, Mansion in Dallas, Westwood Marquis in Los Angeles, Fairmont in San Francisco, Broadmoor resort near Colorado Springs, Colo., and the Maui Hyatt.

Three Hong Kong hotels—Shangra La, Regent and Mandarin—were favorite choices, along with four in London: Sheraton Belgravia, Connaught, Berkeley and Churchill.

And one reader from Santa Ana, Cal., got very specific about an all-time favorite place to stay.

His ballot read: "Westin Hotel, Seattle, Wash. Top floor—face west!" ■

Special Report



Michel Tcherevkoff, ©Image Bank

Product management is in the air

By Richard Edel

The tv image is a young male executive. The voiceover: "A message to those who don't care." As the announcer talks about cocaine abuse, time-lapse photography shows dramatic deterioration of the man into a disheveled addict.

The 30-second spot, airing now in New York and for two weeks last June, is not a public service message. It targets loved ones of "briefcase addicts" and its goal is to fill beds in a new drug abuse treatment center called Stuyvesant Square at New York's Beth Israel Medical Center.

It is part of a national trend among healthcare providers to market services through product management, which is radically changing attitudes about medical marketing and advertising.

Richard Edel is a Chicago-based freelance writer.

Beth Israel's tv spot cost $40,000 to produce and $80,000 to air in June. Inpatient census in the 50-bed clinic for a 28-day initial treatment jumped from 21 before the June campaign to 40, a 90% increase. At a price of $10,000 a patient, Beth Israel will receive net income of $80,000 from initial advertising alone. As the first wave of in-patients is released, the cycle starts again with $90,000 in tv budgeted for the fourth quarter.

The idea of selling medical services like McDonald's sells hamburgers would have shocked New York's medical establishment even last year, says James Stark, Beth Israel's senior vp-marketing. But faced with a vast restructuring of the healthcare industry, the medical community is adapting.

Beth Israel's ad was the first paid ad by a nonprofit hospital in New York. But all the major institutions there are scrambling to begin marketing products. "I think you're going to see some million-dollar budgets popping up, compared with zero before," Mr. Stark says. And with no resistance from physicians, he says. "They see the writing on the wall."

Hospital marketers' media*

Medium	Per cent
Newspapers/magazines	94%
Radio	73
Direct mail	65
Television	33
Newsletters	27
Billboard/busboard	23
Other	4

*Multiple responses permitted.

Source: Allied Research Associates, Chicago

The dramatic turnabout is rooted in a mixture of political, economic and social forces. But a key factor is the need for healthcare providers—hospitals, insurance companies, health maintenance organizations, independent physician associations—to react to greater competition and concern about the bottom line.

One reason is a new medical reimbursement system for Medicare, the federal program that provides health benefits to those 65 and older, which established reimbursement levels for treatment of 468 common procedures, called diagnostic related groups of illnesses (DRGs). If a hospital provides the treatment for less than the DRG reimbursement, it makes money. If the treatment costs more, the hospital loses money. The transition, which began in late 1983 and will be introduced in New York in 1986, has healthcare providers in an uproar.

(Continued on Page 18)

Product

(Continued from Page 16)

"It's like a bomb went off here," Mr. Stark says. "It's amazing that everyone is reacting so quickly to the new system. It's a whole new ball game."

What is happening in New York already has happened or is occurring across the U.S., causing sweeping changes in the delivery of healthcare. Evolution in the system is being caused by many factors, says John Gaffney, economist for the American Medical Assn., Chicago.

A critical factor is the rising cost of care. In 1950, healthcare expenditures accounted for about 4.4% of the gross national product, or $83 billion. By 1982, it accounted for 10% of the gross national product, $322 billion. Health expenditures are expected to increase to $690 billion in 1990, 12% of the gnp, according to projections by the Health Care Financing Administration, Washington.

Pressure for cost containment is changing some time-honored traditions of medicine—for example, the patient and physician relationship, Mr. Gaffney says. With new incentives to release in-patients quickly and to perform more outpatient procedures, there is concern over the intrusion of economics into the physician's clinical decisions.

"It puts the physician in the middle," Mr. Gaffney says. "And it puts consumers under tremendous pressure to make informed decisions [about the course of treatment], which is difficult at any time, but especially when you're not well."

An abundant and growing supply of physicians also is dramatically increasing competition, Mr. Gaffney says. A study by *Internal Medicine News*, International Medical News Group, New York, predicts the ratio of physicians to population will reach 1 in 400 by 1990, compared with 1 in 540 today, and 1 in 625 in 1970.

A large supply of physicians stimulates formation of HMOs, preferred provider organizations and independent physician associations, and this is having a significant impact on competition for the delivery of healthcare. As competition intensifies, so will advertising and marketing, Mr. Gaffney says.

Steven R. Steiber, chief executive officer of Allied Research Associates, Chicago, estimates total 1985 measured-media hospital advertising in the U.S. at about $400 million, up from $100 million to $200 million in 1984 and $25 million to $50 million in 1983. "Where will that take us?" asks Mr. Gaffney.

"Is the healthcare product similar enough to other products that the same approach to producing, pricing and distribution will work to the benefit of the consumer? There is a great range of opinion," he says.

One possibility is that rising competition will cause advertisers to make increasingly strident claims about pricing and service to attract consumers, he says. But such claims could haunt advertisers in years to come, especially if they compromise the consumer's perception of quality care.

The American Medical Assn. favors self-adjusting market forces in healthcare as long as the quality of care is not hurt. But it is impossible to predict the effect on quality of product-oriented competition, Mr. Gaffney says.

Examples of product-oriented programs include those of highly aggressive for-profit companies, such as Republic Health Corp., a Dallas-based chain that offers discounts and freebies like a free pair of glasses for cataract operations or a free pair of shoes for foot surgery. For-profit hospitals, which were spawned by a flood of money from enactment of Medicare in 1965, are reacting most quickly to changes in the healthcare environment.

The greatest long-term effect in healthcare is demographic change, Mr. Gaffney says. As the U.S. population continues to age into the next century, the effect will be fewer workers supporting more older nonworkers. This trend will have profound implications on the cost, quality and accessibility of medical care in the future. At issue is the effect these factors will have on for-profit and nonprofit hospitals, and on alternative healthcare providers, says Daniel R. Longo, a professor with the Center for Health Services & Policy Research, Northwestern University, Evanston, Ill.

How diagnostic related groups of illnesses are changing purchasing decisions

Respondents reported alterations in degree of influence by various purchasing decision makers in light of recent drg regulations as follows:

Decision maker	More influence	Less influence	No change
Administrator	67.9%	3.6%	28.6%
Operating room supervisor	46.4	17.9	35.7
Individual physician/surgeons	21.4	42.9	35.7
Director of nursing	60.7	7.1	32.1
Central supply supervisor	46.4	10.7	42.9
Infection control supervisor	28.6	7.1	64.3
Emergency department supervisor	35.7	14.3	50.0
ICU/CCU supervisor	33.3	16.7	50.0

Key effects of diagnostic related groups of illnesses

	Effect	Per cent mentioned
1.	Shorten patient stay	72.7%
2.	Reduce drug, devices and other supply costs	60.0
3.	Reduce staff	54.4
4.	Increase in enhanced cost/accounting computer systems	48.5
5.	Use of lower cost distributors/buying groups	42.4
6.	Enhanced hospital marketing programs	39.4
7.	Increased use of reusables vs. disposables	18.2
8.	Increased early diagnostic procedures	15.2
9.	New or increased use of incentives for personnel to comply with drgs	14.3
10.	Increase in admissions	12.1
11.	Reduced purchases of capital equipment	12.1
12.	Transfer of more acutely ill patients to short-term extended care or nursing home facilities	9.1
13.	Adoption of cost-reducing medical equipment	6.1
14.	Increased in-house clinical lab tests	3.0
15.	Increased tendency toward surgical specialization	3.0

Source: Gordon DRG Report, Chart: *Medical Marketing & Media*, Boca Raton, Fla.

"The interesting question is whether hospitals will become healthcare institutions providing a whole array of services [including HMOs and PPOs], or whether they will remain mainly acute care institutions," he says.

"Nobody has a crystal ball," Mr. Longo says, "but there are a number of avenues for marketing that we hadn't dreamed of even two years ago."

These include more joint ventures among hospitals, physician groups, HMOs and insurance companies, all creating a plethora of possibilities. "Competition will continue to increase, not only between hospitals, but between physicians and hospitals, hospitals and corporations, and all of the alternative types of providers," Mr. Longo says.

The distinction among major elements in the health sector is becoming blurred by joint ventures among big corporations representing hospitals, insurance companies and alternative healthcare providers, says Stephen W. Brown of the center for services marketing, Arizona State University, Tempe. The healthcare industry is moving from a physician controlled economy to a consumer controlled market.

"That puts the consumer in the power position," says Mr. Brown, who is co-author with Dr. Andrew P. Morley Jr. of "Physician Marketing," released last week by Medical Economics Books, Oradell, N.J.

"It used to be that you had to go to the castle, or the physician's office, to get medical care," he says. Now providers are creating healthcare products that emphasize price, accessibility and convenience.

But the future will be dominated by huge healthcare corporations, which even now are creating national healthcare systems offering a variety of services through regional networks of hospitals, clinics and physicians. These systems are

(Continued on Page 19)

National networks develop brand names

Healthcare conglomerates will pump millions of dollars into advertising and marketing medical and insurance services as they develop national health system networks. The networks feature branded healthcare products, insurance services and financial incentives for using the systems.

"It's a terrific time for the creative juices to be flowing," says Roland Wussow, vp-communications at HCA (Hospital Corporation of America), Nashville, Tenn. Mr. Wussow says HCA, a 440-member, for-profit hospital chain, now is targeting employers, and later consumers, for its network, HCA Health Plans. The network combines managed healthcare plans with low-cost insurance and will be available in 10 markets by yearend and 40 markets by the end of 1986.

After successful tests this year in Nashville and Houston, where it was able to significantly increase HCA name awareness, the corporation plans heavy "brand" advertising in 1986, Mr. Wussow says.

The big, for-profit hospital chains, HCA, Humana, American Medical International and National Medical Enterprises, and nonprofit Voluntary Hospitals of America, Irving, Tex., all are forging national network systems combined with cut-rate group insurance either self-funded or through joint ventures.

VHA Enterprises, a VHA subsidiary, kicked off a joint venture this month with Aetna Life Insurance Co., Hartford, Conn., called Partners National Health Plan, combining reduced rates through 500 member hospitals and group insurance from Aetna, says Allen Maltz, senior vp at VHA in Dallas. Partners National is a preferred provider organization, which provides low-cost fee-for-service medicine and links employer premiums to the consumer price index.

"We think the country's going to eat it up," Mr. Maltz says.

Prudential Insurance Co. of America, the largest group insurance carrier, is rolling out a similar program called Pru-Care Plus, a health maintenance organization type plan combining prepaid healthcare and insurance options. Pru-Care is targeting 80 locations by 1988. Prudential already operates 18 HMOs across the U.S.

The Prudential program will involve heavy consumer advertising, a first for Prudential, which currently targets corporations only.

"We've never done [consumer] advertising for the group insurance," says Rollin Lacy, Prudential's vp for north-central group operations in Minneapolis. "But now we're going to be heavily involved in the advertising business."

Humana, an 87-member network, probably is the leader in developing a national system with Humana Care Plus, a PPO type arrangement with a self-funded group insurance plan that encourages use of the Humana network, or a $500 deductible for use of non-network hospitals, says Elroy Schuler, director-marketing, hospital division. Humana is recruiting new network members and plans more product-oriented advertising in 1986, he says.

Regional companies also are getting involved in networks through joint ventures.

For example, ChoicePlus, introduced this month by Group Health, Minneapolis, combines group insurance benefits from Prudential with Group Health's own HMO.

ChoicePlus is one of a growing number of hybrid-type arrangements that give consumers the option of using HMO facilities at no cost, or fee-for-service physicians with a co-payment.

Its introduction in Minneapolis-St. Paul, considered the most competitive healthcare market in the U.S., is a sign of what lies ahead for the rest of the country, says Leonard Schaeffer, president of Group Health.

"HMOs are the wave of the future and the step beyond is this type of combination plan," he says.

Stephen W. Brown, a marketing professor at Arizona State University, Tempe, says the healthcare industry is moving from one that is supply driven to one that is market driven, which means advertisers increasingly will emphasize such factors as price, quality, availability and convenience of service.

"These health plans could be the kingpins someday in dictating how healthcare is provided," Mr. Brown says. —*R.E.*

Insurers writing new healthcare policy

By Diane Lynn Kastiel

A new and aggressive healthcare provider has emerged from the metamorphosis of the healthcare industry—the insurance company.

Insurers are not conducting physicals or delivering babies, but they are organizing networks of doctors and hospitals to provide healthcare services such as these to their policyholders.

Responding to demands from policyholders protesting 25% yearly increases in healthcare premiums, insurers are offering alternatives to the traditional fee-for-service healthcare delivery system. The most common of these alternate delivery systems are known as health maintenance organizations and preferred provider organizations.

Insurers aren't alone in marketing such services. Their competitors include hospitals, doctors and entrepreneurs organizing similar healthcare delivery systems.

"It's necessary [to offer these alternatives] to stay in business," says Richard Freiburger, vp-healthcare cost management for Equitable Life Assurance Society of the United States in New York.

"You have to offer it or someone else will."

Although many of these alternative delivery systems can be incorporated into traditional group health insurance plans, some, such as HMOs, circumvent traditional health insurance by offering unlimited care for a prepaid subscriber's fee, which replaces the traditional health insurance premium—and takes money out of insurers' pockets.

"There's an increasing trend in terms of HMOs penetrating the insurance business and part of the impetus for insurance companies to get into HMOs is to keep the business," Mr. Freiburger says.

But insurers also are marketing healthcare delivery systems that don't necessarily eclipse traditional insurance—such as PPOs, which designate cost-efficient providers but usually get reimbursement through an insured health plan.

"The future of healthcare is going to be in managed healthcare plans," says Mary DeVasto, director-marketing for Hancock Preferred, the PPO from John Hancock Mutual Life Insurance Co. in Boston.

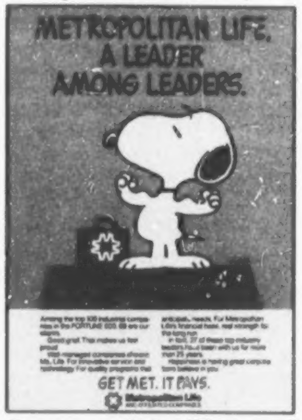
"And, a couple of years ago, it became clear that if John Hancock was to remain a viable force in the marketplace, they were going to have to get into this."

Although some of the major insurers are still in the early marketing stages of their alternative healthcare delivery systems, those up and running are becoming increasingly aggressive with their advertising, using a variety of media—tv, radio, trade publications, consumer publications and direct mail.

"It's a real competitive market, and we're going to do whatever we have to do to get our message across," Ms. DeVasto says. John Hancock uses radio, print and direct mail to advertise Hancock Preferred and is considering tv, she says.

Insurers are beefing up their ad budgets in response to this competitive environment. The Blue Cross & Blue Shield Assns., Chicago, will spend about an average of $8.5 million—for alternative healthcare advertising and promotion only—in 1985 and 1986, up from $7 million in 1984 and an average of only $1.5 million in 1983 and 1982.

And, CIGNA Health Plans, Inc., CIGNA Corp.'s HMO subsidiary based in Dallas, will spend between $200,000 and $1 million to advertise its HMOs in each of the 13 metropolitan areas where they are offered.



Snoopy and the "Peanuts" gang are leading Metropolitan Life's campaign to overhaul its image.

The biggest challenge insurers face in advertising these alternative healthcare delivery systems is getting their message to two distinct groups—employers and employes. Both groups are potential buyers of alternative healthcare.

Employers buy alternative healthcare delivery systems as part of their employe benefits program. Employes can choose between alternative healthcare plans and a traditional, fee-for-service plan. Rarely do employers not offer a traditional healthcare option along with an alternative healthcare option.

Both employers and employes are concerned with the quality, availability and cost of the delivery system, especially as employers require employes to pay more for healthcare and offer them more choices.

"It's imperative in this complex world, where healthcare costs are such a threat, to communicate to not only the major corporate decision maker—the chief executive officer or benefits manager—but to the end user as well—the employe," says Andrew Brennan, director-group insurance marketing for Metropolitan Life Insurance Co. in New York.

"We have to integrate the employe to have the active involvement of the end consumer. They can only make an intelligent decision to use that product or service when they know about it—when they're educated," he says.

Metropolitan's MetLife HealthCare Management Corp. subsidiary markets HMOs in St. Louis, Cleveland and Louisville and wants to offer its product nationwide eventually.

The company's Met-Elect PPOs are marketed in about 20 cities, including Miami, Los Angeles, Dallas and Chicago and eventually will be nationwide, Mr. Brennan says.

Metropolitan advertises both its HMO and PPO products in business and consumer publications, including *Fortune*, the *New York Times* and the *Wall Street Journal*.

Its first barrage of ads were black and white—and serious. Large, block letters dominated the page. "When it comes to containing health costs, hospitals know we mean business," one says. Another declared: "Our last word on containing health costs: Action." Copy explained exactly what Metropolitan's healthcare alternatives offer. The ads also included a coupon employers could send to get more information.

"We approached it in a serious vein and educated people," Mr. Brennan says. "Now we're ready to go to the next level. It doesn't have to be a drawn-out, gray, three-piece suit type of approach to be effective."

The next level is anything but a gray, three-piece-suit approach. Snoopy and the Peanuts comic strip gang are now the official representatives of Metropolitan for all lines of business and ready to spread the word about the company's healthcare products.

(Continued on Page 20)

Diane Lynn Kastiel is an associate editor for Business Insurance, *a Crain Communications Inc. publication.*

Product

(Continued from Page 18)

being tied together by insurance packages that offer consumers a variety of options from prepaid health plans, such as HMOs, to traditional insurance packages that reimburse medical expenses on a fee-for-service basis, or a hybrid combination of both.

"The healthcare industry is moving from a cottage industry with lots of mom-and-pop operations to one that resembles other industries," with mergers, acquisitions, joint ventures and other hallmarks of big business, Mr. Brown says.

But these developments also signal an impending shake-out.

"There's going to be a huge blood bath," he says. "The big companies with financial power can wait it out, but a lot of smaller companies won't be around after a couple years. We've never seen an industry buffeted by so many changes—not in our lifetimes."

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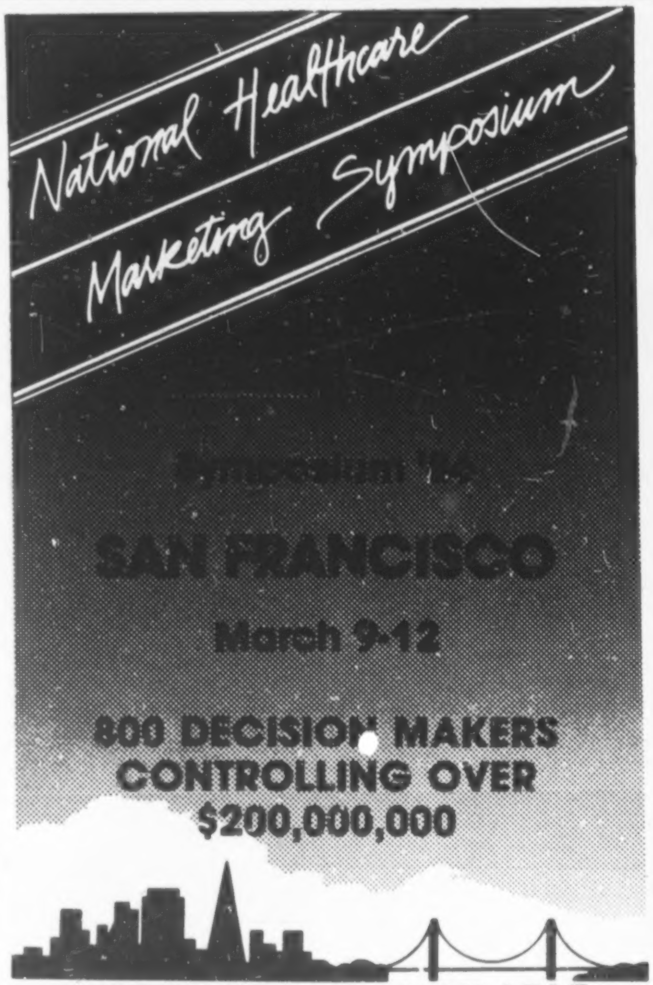
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Shorter patient stays dictate new game plan

By Beverly Montgomery-Karp

Selling to hospitals is a whole new ball game. The goal now is to shorten the hospital patient's stay, and ad executives need to remember that when marketing products to hospital administrators, says Karen York, chief executive officer of York Alpern/Doyle Dane Bernbach, Los Angeles.

"Until two years ago, hospitals set their own prices and could count on insurance or Medicare/Medicaid to pay whatever the hospital charged. There now is a limit to hospitals' reimbursement for each patient," Ms. York says.

Since 1980, Medicare and Medicaid have paid most healthcare bills for one of every five Americans. As a result, hospitals faced enormous consequences when the federal government changed the Medicare payment structure in 1983.

"Hospitals started pushing patients through the door faster," says John Reiff, president of JRA/Marketing Communications, Philadelphia. "Hospital administrators suddenly had a drastic need to control operational costs.

"They became concerned that nearly 70 cents of every dollar spent within the hospital goes for labor. Administrators began looking for labor-saving devices," he says.

In response to these changes, some hospital vendors modified their selling messages.

Advertisers "used to talk about technology, the quality of care, design of equipment and convenience the products offered to physicians," Ms. York says. "We're directly addressing the administrators' needs now: Shorter patient lengths of stay and limited reimbursement funds."

In national surveys, administrators indicate that the increased pressure to contain costs has changed some of their purchases, says Joyce Jensen, marketing director at National Research Corp., Lincoln, Neb.

Hospitals have become bigger purchasers of advertising services, market research, strategic planning and consulting services. "And they're adding sales people to the hospital staff to actually sell hospital services to consumers or employers," Ms. Jensen says.

National Research Corp. has documented increased sales by hospitals to consumers. "From June, 1984, to June, 1985, hospitals increased by 8% the amount of durable medical equipment [walkers, wheelchairs, intravenous equipment] that they were offering to patients.

Many of those supplies are for outpatient services. That business has become increasingly common because Medicare doesn't yet use the pricing restrictions on outpatient care.

For expensive purchases, hospital executives are shopping more carefully than they did two years ago, Ms. Jensen says.

Hospitals are renting or sharing some of the major equipment with other hospitals. "That's true even to the extent of putting some radiological equipment on a truck and moving it from hospital to hospital," Ms. Jensen says.

"On computer purchases, the administrators try to decide whether they should buy the more expensive, integrated system with capacity to network the entire hospital," Ms. Jensen says.

"The computer definitely is one product that is up in sales," despite hospital cost-containment pressures, says Marla Shelton, marketing communications manager for American Hospital Systems, a computer services group located in McGaw Park, Ill.

The division's parent company, American Hospital Supply Corp., Evanston, Ill., has been in the hospital market for more than 60 years and is known for an aggressive sales force. It recently was acquired by Baxter

(Continued on Page 32)

Shifts in marketers' goals for their hospitals

Goals	1984	1985
Increase patient volume	24%	39%
Increase referrals	3	2
Increase revenues	6	9
Cut costs	3	3
Product management	26	23
Public relations	25	17
Other (determine pricing strategies, etc.)	13	7

Source: Allied Research Associates, Chicago

Beverly Montgomery-Karp, a former editor for the Journal of the American Medical Assn., *is marketing director at* Modern Healthcare, *a Crain Communications Inc. publication.*

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Patient

(Continued from Page 31)

Travenol Laboratories, Deerfield, Ill., one of the biggest advertisers in medical and hospital publications. American Hospital Supply generally doesn't allow much advertising of its products. Ms. Shelton's division is an exception.

"A lot of the advertising this division uses is image advertising. I don't want to get too specific in the ads, because there is too much data to deal with in these products," she says.

Another marketing tool used by Ms. Shelton is "seminars that both prospects and actual buyers attend . . . . A seminar is a good sales tool. It educates the customer."

Mr. Reiff of JRA/Marketing Communications says he advises clients that if the product being sold is a contract management service, "the best way to reach people is through seminars as well as trade shows."

Seminars have been very successful for International Clinical Laboratories, Nashville, Tenn., says William O'Neil Jr., president. The company's market is made up of laboratories. Forty per cent of ICL business comes from hospitals, "And the hospital side of our business is getting bigger," Mr. O'Neil says.

He explains that one year ago the company added free seminars to its marketing mix. "We were looking for a new vehicle to communicate with people in the hospitals. With these seminars, administrators don't feel like their arms are getting twisted. Instead of a direct sale, we're talking with them about their problems."

Another marketing decision ICL made was to keep a lid on prices. "We decided that instead of raising prices, we would tighten up on our costs," Mr. O'Neil says. That decision has paid dividends; the "number of hospital laboratory agreements has increased 50% in the past year," he says.

Other healthcare companies have tried different marketing innovations.

Scott Dillion is manager-group development at Fischer Mangold, Pleasanton, Cal., a company contracting to manage hospital emergency medicine and ambulatory care services. He says most of the healthcare industry has not reached the stage of full lines of "brand" marketing.

"But our entire marketing staff—and much of the sales staff—are old Procter & Gamble people. Our strategy is to sell the emergency room as one hospital product line that could deliver more revenue."

Fischer Mangold recently completed a telemarketing experiment. "It was a two-week test. In 220 phone calls, hospital chief executive officers were reached on the phone 72% of the time. We were able to make appointments right then to see 22% of them. And nearly three-fourths of the people we called on asked that Fischer Mangold draw up a proposal for the hospital," Mr. Dillion says.

In addition to advertising in national hospital publications, the company is about to begin advertising in regional healthcare publications. Testimonial ads will be used, "because so much of the readership will know the person giving the testimonial," he says.

Mr. Dillion believes that for companies selling services, the testimonial may be "not only effective, but perhaps even critical."

But much of the healthcare industry involves manufactured goods. For that client, Mr. Reiff encourages the use of direct mail and trade journal advertising.

Ms. Jensen of National Research says: "Manufacturers once sold heavily at the department level. But today you need to involve not only the end user [nurses or physicians], but the one who makes the decision to buy, the administrator."

Additional changes are influencing healthcare sales. Many administrators believe their hospitals traditionally purchased supplies from too many vendors. Those administrators have decided to bargain with key vendors.

"Eighty-six per cent of hospital administrators are trying to standardize products to cut costs," Ms. Jensen says.

"We've gotten discounts on nearly everything we purchase," says Howard Goldstein, executive director-finance at the 614-bed Hahneman University Hospital, Philadelphia.

He says Hahneman purchases $20 million of surgical and medical supplies annually. "For a large portion of those supplies, do we want to go to 50 vendors? Or do we want to go to two or three vendors, from whom we'll expect big concessions on prices?"

At Hahneman, any contract for more than $500,000 has to be approved by the hospital board. "That happens maybe 20 times a year," Mr. Goldstein says. "At a smaller hospital, a $100,000 purchase might have as significant an impact on the over-all budget as the $500,000 purchase does on ours. So their board of directors may need to approve every purchase of $100,000 or more."

Several marketers indicate their agencies help prepare slides, charts and information packets for those hospital board presentations.

"Money isn't the only driving force in our purchase decisions. We're very concerned about the ease-of-use and the quality-of-care issues," says Vaughan Delk, Hahneman's assistant vp-support services. "And will the equipment be on the market a year from now, or two years from now?"

This fear of obsolescence is echoed by other hospital administrators, physicians and nurses.

"I strongly believe that too many vendors are concerned mainly about their sales this year and next. They don't have a five-year plan," says Charles S. Lauer, publisher of *Modern Healthcare*, Chicago, a Crain Communications Inc. publication. "To get a leg up on the competition, you need to develop products that won't be out of date in five years.

"Then the vendor needs product-specific ads that will convince the reader. Instead, too many ads I read are image ads filled with puff. They say: 'We are the best. We give you quality.' But they don't say anything to convince the reader."

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Drug companies reach into mixed marketing bag

By Jaan Kangilaski

Prescription drug marketers will reach into their medicine chest of marketing tactics and spend about $3.5 billion in 1985, equal to about 20% of the $17.3 billion of "human dosage products" that they expect to sell, according to the Pharmaceutical Manufacturers Assn., Washington.

The cost of marketing and promoting ethical pharmaceutical products is difficult to ascertain. A Federal Trade Commission study in 1976, the last of its kind, put the cost of marketing at 20.6% of the $7.7 billion in industry sales. Although the totals have gone up, agency executives say the proportion of ad spending to sales probably has stayed the same.

Traditional product advertising in scientific journals accounts for 24% of advertising efforts, direct mail about 6% and detail staff for another 20%. Half the marketing and promotion dollars go to happenings, product related exhibits at scientific meetings, special symposiums for select groups of doctors and an assortment of single-sponsor publications ranging from monographs to newsletters, special interest magazines, tapes and videocassettes.

Many doctors have special radio receivers on which they listen to the Physician's Radio Network, New York, for medical news and prescription drug commercials. The program is supported by most major pharmaceutical marketers.

Doctors also watch satellite transmissions of lectures and round-table discussions, often with the opportunity to ask questions of the experts and to earn Continuing Medical Education credits.

One major New York healthcare agency estimates about 65% of its billings cover printed materials, about 10% are for medical convention activities, and 25% are on happenings—the greatest growth area.

While the relative importance of happenings is increasing, journal advertising is down, in part because dollars have followed products reclassified by the Food & Drug Administration as over-the-counter drugs.

However, the American Medical Assn., expects 1985 billings to reach $36 million, up 13% from 1984, for the 11 periodicals published by the Chicago-based association.

Agencies that direct their efforts to the healthcare professionals tend to be wary of the otc switch. Marketing to the public calls for a different approach and different skills.

The impact of the medical products agencies' entry into the proprietary drug marketing field is not yet clear. One veteran agency executive, who asked not to be identified, says the switch to otc status is increasingly confusing to the consumer because of a lack of bona fide therapeutic breakthroughs and a basically static market that has brought a proliferation of product forms.

The same executive has doubts about the impact agencies and companies with an ethical pharmaceutical products background are likely to have in the $7 billion to $8 billion proprietary drug market.

"When you look at their ads you'll see they are not addressed to consumers' needs," he says. "They're long on fact and short on emotion."

"The key is to gain professional approval for the product. Ultimately it does not matter what kind of pressure the public may generate—the basic decision still rests with the doctors," says Jeftyn Portugill, vp, PRISM (public relations in science and medicine), division of BBDO Health and Medical Communications, New York.

Paul J. Abrams, senior vp of Ketchum Advertising/New York, sees little real difference in advertising either prescription or nonprescription products of Schering-Plough Corp., Kenilworth, N.J.

The key in selling to doctors is professionalism, with emphasis on facts. That means homework because health service professionals are aware no pharmaceutical product is perfect.

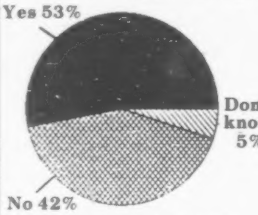
"You have to try to understand the product or service the client wants," says Ted Klein, president of Ted Klein & Co., New York. "You have to understand what the product will do, what it won't do, and what questions the doctors are likely to ask about it."

When Merrell Dow Pharma-

(Continued on Page 36)

Jaan Kangilaski is a Philadelphia-based free-lance writer and a former editor of the medical news section of the Journal of the American Medical Assn.

With more prescription drug advertising would you be more likely to ask your doctor for a specific drug?



Number of respondents: 1,007

Source: Ruder Finn & Rotman Health Care Survey, Sept., 1985.

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Drug

(Continued from Page 35)

ceuticals, Cincinnati, was preparing to introduce the new antihistamine Seldane, it commissioned a national survey by the Opinion Research Corp., Princeton, N.J., a subsidiary of Arthur D. Little Inc. The survey found that 62% of allergy patients don't always take their medication because they regard the resulting drowsiness as a worse problem than the allergy.

Opinion Research presented the findings in March as a scientific exhibit at the allergists' national meeting in New York. Allergists knew about drowsiness as a side effect of antihistamines, but they didn't know the extent of noncompliance.

Seldane had not received FDA approval for routine prescription at the time of the meeting, so there was no visible effort at product-oriented promotion. "We certainly would have hit that, and hit it hard, if the clearance had come through in time," says Lawrence J. Lesser, chairman-chief executive officer of Medicus Intercon International, the New York agency that handles the account.

The results from the meeting were "very dramatic," he says. "Even though we missed a significant part of the high allergy season, the projected sales for 1985 far exceed the original expectations.

The Seldane promotion was simplified because the drug had been approved for use in Europe years earlier. As a result, the experience of some widely recognized foreign doctors was available for promotion.

"A visiting expert is more convincing from a doctor's point of view than any presentation, no matter how creative or elaborate," Mr. Lesser says.

That's fine with him and other agency officials, because many Continuing Medical Education programs rely on presentations by visiting experts, whose travels often are sponsored by pharmaceutical manufacturers.

Some of these presentations are simple podium lectures, others are much more elaborate with three to eight experts. Doctors in the audience may get a booklet containing reprinted articles or an audio or videotape cassette.

Since the mid-1970s many national medical meetings have used closed-circuit tv. Drug companies have been making educational grants to help pick up the tab for such programs.

Variations of the technique are used for more direct marketing. "We recently used teleconferencing to introduce a new product used by dentists in this way," Mr. Klein says. "Every dentist in New York state was sent an invitation to call a free number to listen to the presentation and ask questions. Afterwards we sent all 1,500 dentists in the state a transcript of the question and answers, along with other material."

Selected doctors also may be invited to a meeting where they can listen to and mingle with the experts. Some of these promotions are very elaborate.

In 1982, Stuart Pharmaceuticals of Wilmington, Del., and its British parent company, ICI Ltd., flew cardiologists and their spouses to the French Riviera for a weeklong symposium on Tenormin, a beta-adrenergic blocker used to treat heart disease patients. About 600 doctors from the U.S. made the trip to hear the scientific reports.

Many of these meetings are billed as research conferences, giving doctors doing research in the field an opportunity to compare notes and present reports that may be published later with drug company support.

Occasionally the papers presented at a special symposium are published as a supplement to a scientific journal, with a note crediting the company with giving a grant to support the meeting.

Satellite broadcasting has added a new dimension to the special symposium: Transmission of its proceedings to meeting halls around the country. While the focus will be a medical problem, the company's products are likely to be mentioned during the discussion.

Pharmaceutical marketing also involves getting coverage by the medical press. *Medical Tribune, Medical World News* and similar publications are thick with prescription drug ads, and their reporters often are invited to cover invitational symposiums. Drug companies also retain agencies to publish newsletters and more elaborate periodicals aimed at specialists. The bigger medical organizations publish bulletins or convention newspapers—largely supported by pharmaceutical advertising—at their annual meetings.

Pharmaceutical marketers may even sponsor publication of a special tabloid-size newspaper devoted to a single meeting on a major medical problem like cancer and mailed to thousands of specialists in the field. Medical Publishing Enterprises of Fair Lawn, N.J., has done this for the past two years for Boehringer Ingleheim Pharmaceuticals, Ridgefield, Conn.

Boehringer Ingelheim's product—Torecam—is not an anti-cancer drug but an anti-emetic used to treat the nausea and vomiting that are a side effect of many anti-cancer treatments.

But what do you do when the product is an antibiotic that is administered in the hospital by intravenous drip? The key people in this case, according to Mr. Klein, are the hospital pharmacists and members of the hospital drug committee. The promotion was aimed specifically at these groups—after Mr. Klein found the product's particular appeal.

He held two invitational meetings for pharmacists from major hospitals and asked their opinion of the product, discovering that many of the pharmacists did not like the stopper on the bottle. "What these people are concerned with are price, effectiveness, and ease of handling," he says. "You find out what appeals to them, and concentrate on that."

Production editor Pat Gray Thomas coordinated this report on Healthcare Marketing.

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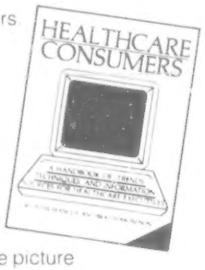

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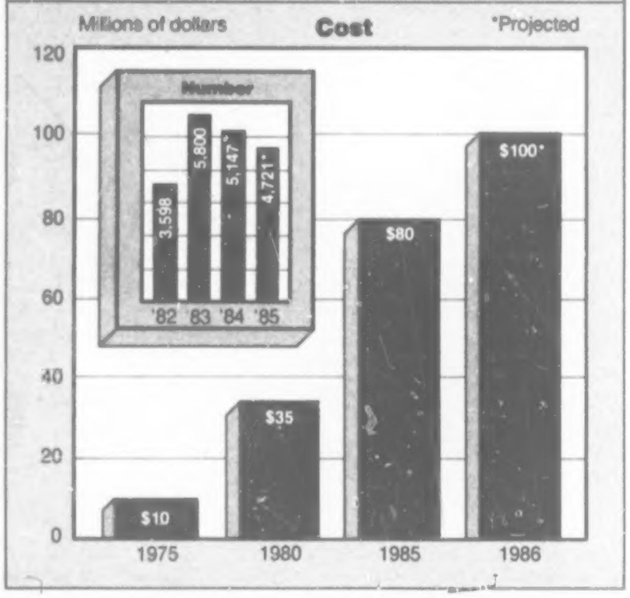
Megamergers

The mighty urge to merge

Launching new products

The cost of new products has increased tenfold during the 1980s, and is expected to top $100 million per launch next year. This has slowed the number of introductions (inset) while increasing the value of existing brand names. (See story on P. 46.) *Sources: Mark S. Albion, Harvard University, and Marketing Intelligence Service, Naples, N.Y. (inset).*



Big-name buyers bag brands

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An Advertising Age roundup

In recent weeks, the business world watched as almost $15 billion and about 400 brand names changed hands in rapid-fire sequence. Before the dust began to settle, Procter & Gamble owned Richardson-Vicks, Philip Morris Inc. had General Foods, R.J. Reynolds Industries consumed Nabisco Brands and Monsanto took G.D. Searle & Co.

Three megacompanies cracked the $1 billion-a-year advertising barrier in the space of six weeks. Three different times the honor of being the biggest American advertiser was passed from one to the other, finally landing back with perennial leader P&G. And with Pantry Pride and Forstmann Little vying to pay about $2 billion for Revlon, and untold billions still on the prowl for food and healthcare companies, the dust hasn't settled yet.

No company is safe from acquisition, not even Beatrice Cos., which acquired Esmark last year. The hunters have become the hunted. Even P&G was moved this month to stagger directors' terms and adopt other antitakeover measures.

In the wake of this merger mania, brand managers went to work one morning to discover that someone new was sharing their offices. And its name was Wall Street. The brand name suddenly has emerged as the most coveted corporate asset of all. And with each megamerger, new marching orders are being written for marketers and brand managers.

In the past, brands contributed to the bottom line. Now, the bottom line is burdened with huge debt ratios incurred through acquisitions, and brand management is burdened with new and severe pressures to carry the day. Brands no longer are merely products competing for market share; they're annuities being plugged into the big-money equations of corporate acquisitions, and share is no longer, in itself, enough. Brand performance must prove the wisdom of what already is a $20 billion gamble and growing.

To Wall Street, the established brand name looks better than money in the bank. It has all the makings of a once-in-a-lifetime chance for the big to get huge. Fish can even swallow whales, as Capital Cities Communications demonstrated by acquiring ABC Inc.

It has become wiser to grab somebody else's established brands and extend the lines than spend $80 million or more trying to get a new name into the mix. Convinced it was on to something, Wall Street started measuring the value of brand names against new and different equations. When the calculating was over, Wall Street could argue that paying more

(Continued on Page 38)

Inside

- **"Merger mania" roundtable:** Seven leading marketing and agency execs speak out on mergers' effect on marketing. Page 36.
- **Agencies expect new** conflict rules to emerge as the rash of megamergers put brand accounts up for grabs. Page 47.

Last Minute News

Ally, FCB have huddled on merger: Wilson

New York—Ally & Gargano, which has been seeking a way to expand its international presence *(see related story at right)*, has had "recent" merger conversations with Foote, Cone & Belding, confirmed Allan Wilson Jr., FCB exec vp-finance. Mr. Wilson emphasized, however, that the talks are "not active at this point."

ATW says it's shedding 2nd account

New York—Advertising To Women says it has resigned a second account, Wella Corp., Englewood, N.J., with a $3.6 million budget, as part of its restructuring *(see related story on Page 6)*. At press time, president Lois Geraci Ernst had yet to announce any new "equity" accounts. The second resignation leaves her agency with Carlyle Custom Convertibles, the American Home Sewing Assn., G.D. Searle & Co.'s Tanner of North Carolina division and *Good Housekeeping*. Also, ATW vp-executive art director Ray Seide has moved to Campbell-Mithun, Minneapolis, in the new post of vp-creative director.

Triple Crown mounts sponsorship effort

Louisville—Triple Crown Productions has been formed to seek corporate sponsorship for the prestigious Triple Crown thoroughbred horse races. It will offer a sponsorship to one company willing to pay between $3 million and $5 million, sources say. The events—including the Kentucky Derby, Preakness and Belmont Stakes—are being marketed together.

(Continued on Page 8)

Icahn's ax fells O&M, TWA exec

By BRIAN MORAN

New York—Carl Icahn's Trans World Airlines, in the first major sign that the leveraged buyout trend may damage the advertising business, fired Ogilvy & Mather last week, dismissed its top marketing executive and slashed its U.S. ad budget.

The dismissal of O&M, which had the $70 million account since 1979, also is the first significant operational change at TWA initiated by Mr. Icahn since that New York investor took control of the airline last summer.

Emma Hill, an analyst who covers both ad agencies and the cosmetics and household-goods industry at Wertheim & Co., sounded a note of warning for advertiser and agency executives. "These leveraged buyouts are not being made by marketing executives," she said. "When management that is financially sophisticated takes over a company with a leveraged buyout, using significant levels of debt to make the acquisition, their natural inclination is going to be to cut the advertising budget to improve earnings and help improve the cash flow and, ultimately, pay down the debt."

But not everyone agrees.

"I think the issue here is not leveraged buyouts as much as it is that this is the kind of thing that happens when there is an abrupt change in management," commented Kenneth Olshan, chairman of Wells, Rich, Greene/-Worldwide, a former TWA agency and currently the shop handling Pan American World Airways.

While TWA confirmed it had fired O&M, there still seemed to be some mystery last week about the status of the relationship.

A prepared statement issued by O&M indicated that agency apparently believes it has a chance to retain the account. In the statement, William Phillips, chairman of Ogilvy Group, said, "We have not as yet met with the new owners, but that is scheduled for

(Continued on Page 104)

Ally splits with foreign shop group

By STEWART ALTER and LAUREL WENTZ

Ally & Gargano is splitting up the international network it helped found seven months ago.

The New York agency and London-based Grandfield Rork Collins International both are seeking new partners, though A&G hopes to keep some of its European affiliate relationships with agencies in the GRC network. GRC International consists of six overseas agencies with a total gross income of about $90 million.

"There were differences of agreement about how to proceed," said A&G chairman Amil Gargano, adding that the agencies' styles were "incompatible." A&G has retained Richard Seclow, who recently left his post as president of New York-based Geer, DuBois (AA,

(Continued on Page 104)

HIGHLIGHTS

Buyout backlash hits ad business 1

Carl Icahn's Trans World Airlines, in the first major sign that the trend toward leveraged buyouts could be damaging for the advertising business last week fired Ogilvy & Mather, dismissed its top marketing executive and slashed its U.S. ad budget.

Net tv sales winds shift 3

Network tv sales divisions could soon be grappling with fundamental policy shifts in the way they sell their time, especially in the area of advertiser guarantees and commercial length.

Ford eyeing Alpha bet? 3

Ford Motor Co. may create an Alpha Corp. subsidiary that would parallel General Motors' Saturn Corp. The subsidiary would open the doors for an advertising agency assignment to handle the stand-alone Alpha nameplate and its separate dealer network.

Y&R gets a tough call 3

AT&T's consolidation of its $80 million Opportunity Calling program at Young & Rubicam comes as observers are terming the program too complicated to attract most consumers. An AT&T official acknowledged the promotion needs to be simplified, but said it will continue as long as it contributes to "consumer satisfaction."

COMING SOON...
Luvs
Introduces...
BABY PANTS!!
With A Comfort Waistband
NEW!
Luvs
disposable diapers
48
Look for it in your favorite store

P&G out to pin diaper foe 12

Procter & Gamble is laying some heavy punches on its archrival in disposable diapers, apparently believing two new Pampers diapers—and two ad campaigns—are better than one. P&G also is promoting heavily its new Luvs Baby Pants diapers, which are going national.

EXPLORE THE SENSE OF Rémy

Cognac on the upscale upswing 76

The quaffing of cognac among young professionals and ethnic groups in search of the good life is infusing the category with growth and spawning new products and line extensions. The category was up 16% in 1983 and 9% last year.

CONSUMER WATCH

Buyers' confidence shaken 84

A sudden tremor of uncertainty about personal and national well-being shook consumers nationwide as the third quarter ended. It has shifted downward buyer attitudes toward consumables, major goods and Christmas shopping plans. One in four Americans feels worse off financially than a year ago—the highest percentage in 18 months, according to the Advertising Age National Poll.

INTERNATIONAL

Ayer plays catch-up 58

N W Ayer is on the verge of buying shares of agencies in Spain, France, Germany, Brazil and Malaysia and is trying to buy into agencies in Hong Kong and Singapore. Spurring all this activity are two potential international clients: The U.S. Travel & Tourism Administration and Iberia Airlines. Ayer won the USTTA account last year and feels it has an inside track on acquiring Iberia's global account, via Spanish creative shop Tapsa.

Venezuela gets Big Mac attack 60

This fall Venezuela has become the second South American country, following Brazil, to sprout golden arches, but there is a catch: McDonald's Venta de Comida, a 100% Venezuelan-owned fast-food chain, says it has first rights to the trademark here and plans to open outlets later this year.

OTHER NEWS

Food marketers eager to emulate Kellogg's winning All-Bran campaign should be pleased with the Food & Drug Administration's proposed policy on the use of medical or health claims to promote foods. Page 4.

People's Savings Bank, the 10th-largest savings bank in the U.S., has more than doubled its ad budget for a new drive in one of the country's most competitive banking markets. Page 10.

American Airlines has switched the focus of its advertising in a national campaign that targets executives on the move. Page 12.

Rock music figured in the plans of several companies last week, ranging from Coca-Cola Co. to Trans World Concerts. Page 14.

Ad spending could increase substantially in a battle for the $260 million cat box-filler market as upstart Blue Ribbon Marketing turns its nose up and aims an ad campaign, using outdoor boards and tv, designed to play up Blue Ribbon cat litter's olfactory superiority. Page 72.

CAMPAIGNS BREAKING

Procter & Gamble's Crush International. Cincinnati, this week breaks a tv and couponing effort to support its reformulated orange, grape and strawberry soft drinks—with 10% juice—in southern Illinois and adjoining markets. Cunningham & Walsh, New York, handles (AA, Oct. 7).

Ocean Spray Cranberries, Plymouth, Mass., breaks a multi-million-dollar "educational" tv campaign today for its line of aseptically packaged juice and fruit-drink concentrate (AA, July 15) in New England, followed by a rollout across the country. Print begins in January. Kenyon & Eckhardt, Boston, handles.

Sandoz Nutrition Corp. breaks print ads featuring its reformulated hot cocoa mix in November issues of *Family Circle, Good Housekeeping, People, Self, Seventeen* and *Weight Watchers.* Network tv runs through December. Needham Harper Worldwide, Chicago, handles the $15 million effort (AA, Sept. 16).

COMING THURSDAY

Corporate America's newest sweetheart—and ubiquitous spokeswoman—is a 17-year-old, gum-chewing, 4-ft., 9-in. West Virginian. Mary Lou Retton already may have vaulted into history as the most successfully marketed athlete ever.

In Special Report: Business offices around the country have become playing fields for star athletes, pro teams and sports marketing specialists. Their goal? To push further into big-league marketing territory.

REGULAR FEATURES

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Another tobacco ad ban closer

By STEVEN W. COLFORD

Washington—Congress last week moved closer to doing to smokeless tobacco what it did to cigarets in the 1970s—boot its advertising off tv and radio and brand its packages and print advertising with health warnings of varying severity.

House legislation, sponsored by tobacco-industry critic Rep. Henry Waxman (D., Cal.), still faces a tough road when it moves to the full commerce committee, probably in November. Then, Rep. Tom Tauke (R., Ia.) plans to offer an amendment eliminating the bill's electronic-ad-ban provision.

The advertising industry, along with the Smokeless Tobacco Institute, is fighting both the House

(Continued on Page 106)

Newhouse is MPA's 'solid' No. 1

S. Newhouse

New York—S.I. Newhouse Jr. was "solidly the No. 1 choice" to be named the Magazine Publishers Assn.'s 1985 publisher of the year, says Philip Howlett, chairman of the selection committee.

"Clearly, Si Newhouse understands how to make the publishing formula work best, that delicate blending of editorial and publishing skills that produces outstanding, profitable magazines," said Mr. Howlett, senior vp-magazines, Time Inc.

Mr. Newhouse is chairman of

(Continued on Page 102)

West Coast news

Tiger lets marketing staff go

Hungry Tiger, Van Nuys, Cal., has laid off its two-person marketing staff and may end its relationship with agency Kresser, Craig/D.I.K., Los Angeles, following the company's acquisition by Irvine, Cal.-based W.R. Grace Restaurant Co. Hungry Tiger's office eventually will close and fold into Grace. Kresser, Craig will meet with Grace Nov. 1, though sources suggest the $1.5 million account is likely to move to Larsen, Bateman, McAllister, Santa Barbara, which

(Continued on Page 106)

ADWATCH

Cherry Coke takes fizz out of sister brands

By JULIE FRANZ

Despite the furor over whether new Coke will outsell Classic Coke, the success of Cherry Coke may be the real news.

Introduced nationally in July, Cherry Coke surprised everyone by making a splash at retail when Coke and Classic Coke were vying for shelf space. By mid-August a few retailers, when asked to compare Coke and Classic Coke sales, were saying that Cherry Coke was their best seller (AA, Sept. 2).

Initial network tv and radio spots position Cherry Coke as an "out and outrageous" alternative to other colas. And it looks like the $50 million spent to launch the product is getting a surprisingly strong and fast payback.

Cherry Coke's advertising made an impressive debut on ADVERTISING AGE's adWatch survey of advertising awareness last month, coming in at the No. 3 spot in the soft-drink category. With 2.7% first mentions, Cherry Coke bumped advertising for 7UP (2.1% of first mentions) out of its accustomed third-place ranking and back to the No. 5 slot. Dr Pepper held the No. 4 spot with a 2.5% share.

PepsiCo Inc.'s Slice, this year's other much-talked-about new soft drink, fell to eighth position (with 1%) in September after having been No. 4 for the past two months.

Meanwhile, Classic Coke is moving up in the survey. Last month it received 1.1% of first mentions to give it the seventh spot. Classic first appeared in adWatch data last month with 0.6% ad awareness to put it in ninth place.

With consumers recalling advertising for the various Coke sub-brands, awareness for "mega-brand" Coca-Cola continued to fizzle. Asked to name the first soft-drink advertising that came to mind, 43.1% last month named Coca-Cola, a drop of 5.8 percentage points from August.

Pepsi-Cola added 1.9 points to its awareness score, rising to 27.6%. That's the highest level of ad awareness Pepsi has gotten since it dropped 8.2 points to 24.0% in June.

Coke's lower ad awareness score isn't a reflection on the tv campaign that drops the distinction between Coke and Classic Coke (AA, Sept. 16).

Those ads only began airing as the September adWatch survey polling was ending. Any significant effect generated by the "We've got a taste for you" commercials is likely to show up in the next few months.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name advertising in a variety of product categories that first comes to mind from all seen, heard or read in the previous 30 days.

In September, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

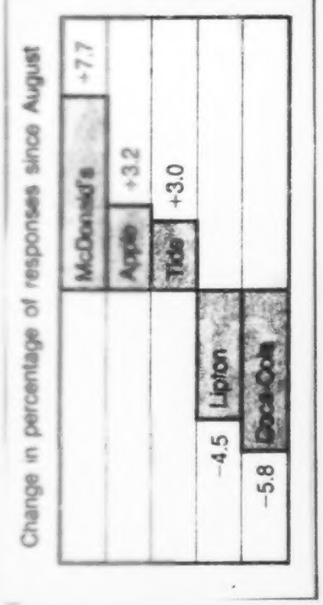
McDonald's was this month's biggest gainer, gaining 7.7 percentage points. The 43.9% share of first mentions in the fast-food advertising category was its highest level so far this year.

Consumers weren't as hungry for Burger King ads in September, and neither were they likely to remember Wendy's new theme "Choose fresh. Choose Wendy's." Ad recall for Wendy's fell 2.2 points to 12.6%, while BK's ad awareness continued its slide, last month dropping 2 points to 11.4%

(Continued on Page 98)

September winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Note:* A change of plus or minus 2.8 percentage points is statistically significant. *Source: SRI Reasearch Center Inc., Lincoln, Neb.*



At this rate, we're truly breaking tradition.

The

time has come to do away with the long-established practice of charging national advertisers disproportionately higher advertising rates than local advertisers. That's why The Boston Herald has responded with The Preferred Position Package Plan, available to national advertisers only.

Not only will The Boston Herald tailor make a guaranteed position plan for your ads, you'll pay only $70 per column inch. This is a 42% discount off the regular rate.

Simply run 200 inches or more within a 30-day period. Ad sizes may be different and copy changes are permitted.

The Boston Herald Preferred Position Package Plan—a break in tradition and a break for you!

For further information, call Diane Ripstein, National Advertising Manager, at (617) 426-3000.

The Boston Herald

Represented nationally by Branham Newspaper Sales

FDA policy targets food health claims

By STEVEN W. COLFORD

WASHINGTON—Food marketers eager to emulate Kellogg's winning All-Bran campaign should be pleased with the Food & Drug Administration's proposed policy on the use of medical or health claims to promote foods.

The agency's latest proposal eases present policy on what food marketers should not do, as well as on FDA enforcement of health claims, said agency sources.

It reflects a more encouraging attitude toward marketplace freedom, an idea that has split the FDA hierarchy into two camps: Political appointees and career regulators, who want a tight rein on food advertising.

The proposal maintains a hard line against any food marketer suggesting that its brand is superior to others.

"If it's proven that bananas are good for you, then they will be able to say that," an agency official said. "But United Brands couldn't say that Chiquita bananas from its eastern slopes are better for you than other bananas."

Another key element in the FDA proposal requires that full nutrition labeling be used by any food marketer who makes medical claims, according to the FDA official.

Perhaps the most controversial aspect of the original policy was the formation of a government committee to reach a consensus on dietary patterns and to develop "appropriate messages" for food marketers. That idea is retained in the latest version, according to the agency official.

But instead of suggesting that campaigns be "pre-cleared" by the committee, the latest version encourages "discussion" with the FDA before marketers decide on any health claims in labels. Marketers who fail to discuss their campaigns with the FDA or fail to use its "appropriate messages" risk agency action if their campaigns are found unacceptable by the committee.

Chaired by the FDA commissioner, the committee will include representatives of the Federal Trade Commission and various offices of the Public Health Service.

The latest proposal's specific criteria, according to a well informed source, include:

- Labeling should be educational.
- Claims will need consensus substantiation.
- Claims must emphasize the importance of a "total dietary pattern."
- Claims must not over-emphasize the role of a single food.

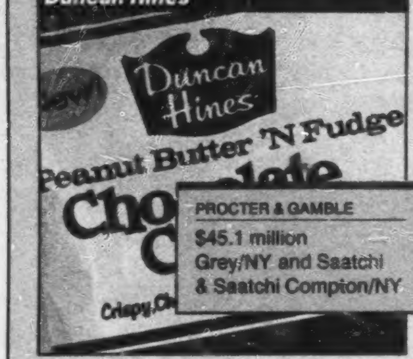
According to statistics provided to the FDA, there has been a 1% shift in the $4 billion cereal market toward high-fiber products in the last year. Kellogg Co., Battle Creek, Mich., which initiated its high fiber campaign a year ago, has won the lion's share of the shift, although rivals have made up ground in recent months with their own high-fiber cereals. J. Walter Thompson USA, Chicago, handles the Kellogg account.

Enforcement is downplayed in the proposed policy. It also represents a significant departure from

(Continued on Page 101)

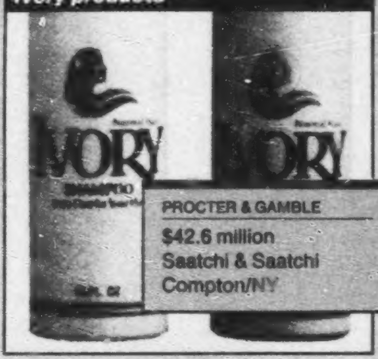
Procter & Gamble/Richardson-Vicks top brands

Duncan Hines



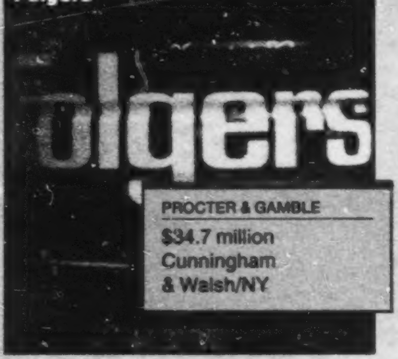
PROCTER & GAMBLE
$45.1 million
Grey/NY and Saatchi & Saatchi Compton/NY

Ivory products



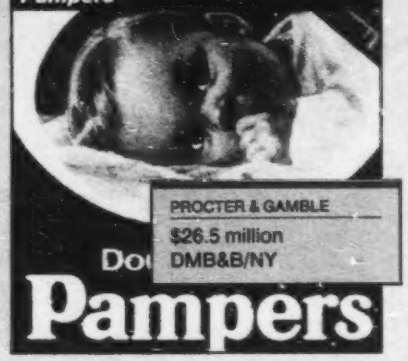
PROCTER & GAMBLE
$42.6 million
Saatchi & Saatchi Compton/NY

Folgers



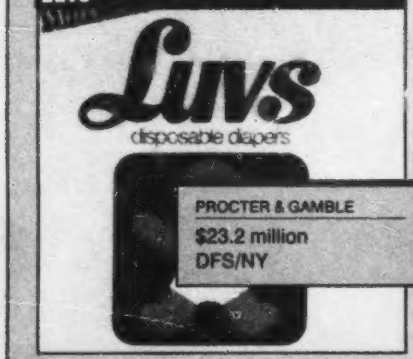
PROCTER & GAMBLE
$34.7 million
Cunningham & Walsh/NY

Pampers



PROCTER & GAMBLE
$26.5 million
DMB&B/NY

Luvs

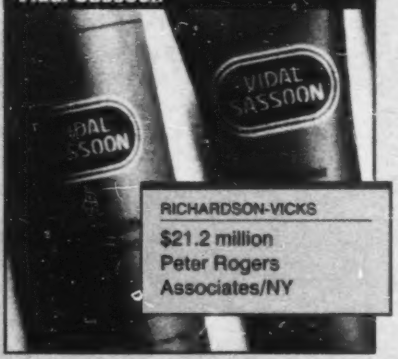


PROCTER & GAMBLE
$23.2 million
DFS/NY

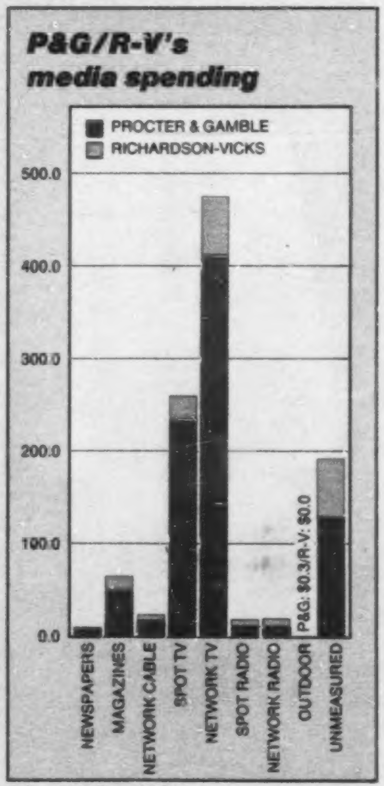
Oil of Olay

RICHARDSON-VICKS
$24.8 million
Y&R/NY

Vidal Sassoon

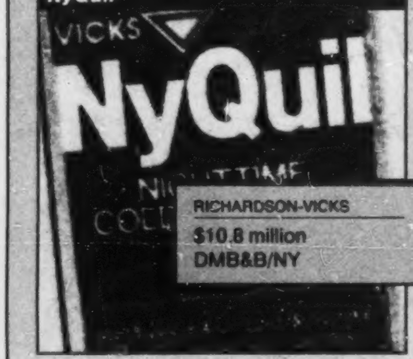


RICHARDSON-VICKS
$21.2 million
Peter Rogers Associates/NY



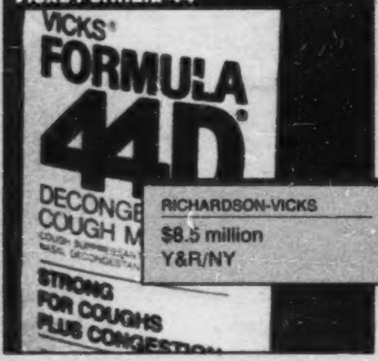
All figures in millions of dollars.

NyQuil



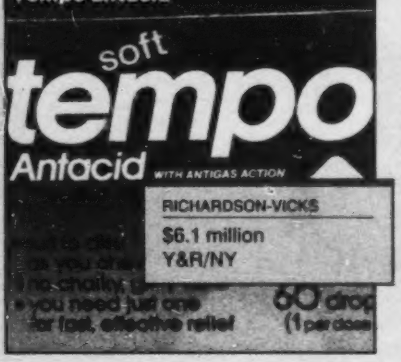
RICHARDSON-VICKS
$10.8 million
DMB&B/NY

Vicks Formula 44



RICHARDSON-VICKS
$8.5 million
Y&R/NY

Tempo antacid



RICHARDSON-VICKS
$6.1 million
Y&R/NY

Other products, Procter & Gamble: Crest, $29.6 mil, DMB&B/NY; Downy, $19.6 mil, Grey/NY; Encaprin, $18.7 mil, DFS/NY; Pringles, $18.0 mil, WRG/NY; Always, $17.8 mil, DMB&B/NY; Sure, $17.1 mil, WRG/NY; Crisco, $17.1 mil, Saatchi & Saatchi Compton/NY; Head & Shoulders, $16.7 mil, Tatham-Laird & Kudner/Chi; Tide, $16.7 mil, Saatchi & Saatchi Compton/NY; Dawn, $16.6 mil, DMB&B/NY; Era Plus, $16.5 mil, Leo Burnett/Chi; Cascade, $16.0 mil, Saatchi & Saatchi Compton/NY; Citrus Hill, $15.3 mil, Cunningham & Walsh/NY; Pepto Bismal, $15.0 mil, DMB&B/NY; Banner, $7.6 mil, WRG/NY; Biz, $7.1 mil, TLK/Chi; Bold 3, $11.7 mil, Grey/NY; Bounce, $9.0 mil, DMB&B/NY; Bounty, $11.2 mil, DFS/NY; Charmin, $7.6 mil, DMB&B/NY; Cheer, $9.4 mil, Leo Burnett/Chi; Chloraseptic, $6.0 mil, Leo Burnett/Chi; Coast, $7.8 mil, TLK/Chi; Comet, $6.4 mil, S&SC/NY; Crush, $3.9 mil, Cunningham & Walsh/NY; Gain, $3.0 mil, WRG/NY; Gleem, $4.5 mil, Leo Burnett/Chi; Head & Chest, $4.3 mil, Leo Burnett/Chi; Jif, $11.9 mil, Grey/NY; Joy, $11.1 mil, Grey/NY; Lilt, $5.6 mil, Leo Burnett/Chi; Mr. Clean, $7.2 mil, TLK/Chi; Oxydol, $7.8 mil, DFS/NY; Pert, $6.3 mil, Leo Burnett/Chi; Prell, $8.4 mil, WRG/NY; Piff, Puffs, $5.0 mil, Grey/NY; Puritan, $7.8 mil, Grey/NY; Safeguard, $8.7 mil, WRG/NY; Scope, $12.8 mil, DMB&B/NY; Secret, $14.7 mil, Leo Burnett/Chi; Solo, $4.9 mil, DFS/NY; Spic n Span, $7.2 mil, WRG/NY; Top Job, $6.9 mil, S&SC/NY; Zest, $8.5 mil, JCT&M/NY **Other products, Richardson-Vicks:** Vicks Lifestage Vitamins, $5.3 mil, DMB&B/NY; Sinex, $4.2 mil, DMB&B/NY; Clearasil, $4.0 mil, DMB&B/NY; Fixodent, $3.3 mil, Carrafiello-Diehl & Assocs.; Formby's, $3.0 mil, Slater Hanft Martin/NY; Creamcoat, $2.5 mil, DMB&B/NY; Fasteeth, $1.9 mil, Carrafiello-Diehl & Assocs.; Thompson Water Seal, $1.2 mil, Slater Hanft Martin/NY

Mergers

(Continued from Page 1)

than three times book value for a company loaded with long-established brands made financial sense.

But there was one fundamental proviso. Wall Street had to assume that if a brand could be merged into a megaparent company with its own strong brands and big ad budgets, it could be marketed with greater clout and its share of market could be expanded.

Wall Street figured that if it could up the ante, the small players would fold their hands. Regional upstarts not already in the megaparent fold would have to stay close to home to survive.

If the upstart brand spent $50 million to go national, the megacompany could spend $75 million or $100 million to go against it. The megaparent would have the top creative talent at the biggest and most sophisticated agencies. Its own corporate brand management would have resources that no upstart could match. And by the sheer size of its advertising and promotional spending, the megaparent could meld its brand into its corporate family buy and effect media economies of scale that the upstart could never compete against.

Bigness, Wall Street calculated, would bring together the top marketing professionals and give them an outlandish competitive edge.

The call went out almost immediately to brand managers to find synergies between the businesses of the acquirer and the acquired. On the surface, the proud new parents could expect greater influence getting retail distribution as their sales forces approached store buyers with massive product families backed by $1 billion in ad spending and impressive promotion budgets. On the media side, the parents could figure that magazines would offer even greater discounts for the volume advertising of the megaparent. Tv stations would bend their cost-per-thousand rates for clients that before were important, and now were so huge they became essential. Networks could be played off against each other, on the premise that none of the Big 3 could afford to be cut out of the media plan of a $1 billion advertiser.

But the *assumption* of clout seems to far outweigh the actual consolidation of spending from the mergers. In the cases of RJR/-Nabisco and PM/General Foods, the parent company acquired another concern whose media philosophy was totally different from its own, and the media mixes did not match.

Only in the case of P&G/Richardson-Vicks did the new subsidiary bring any significant amount of ad spending to the parent's previous media strength. And in this case, R-V simply helped P&G to further its claim as the biggest tv spender in the world. In spot tv, P&G before the merger had led No. 2 spender PepsiCo by $85 million; now P&G leads by $108.2 million. And in network tv, where P&G had been spending $159.6 million more than No. 2 AT&T, the Cincinnati-based megaparent now leads by an astounding $200 million, nearly doubling AT&T's spending.

P&G already had clout in tv. The Richardson-Vicks acquisition simply added to it. Much of the R-V tv budget is used to back its cold remedies, primarily NyQuil, DayQuil and Vicks Formula 44D. Since those budgets are spent during the cold season and not spread out through the entire year, the $70 million R-V will add to P&G's tv spending will have impact greater than its dollar worth.

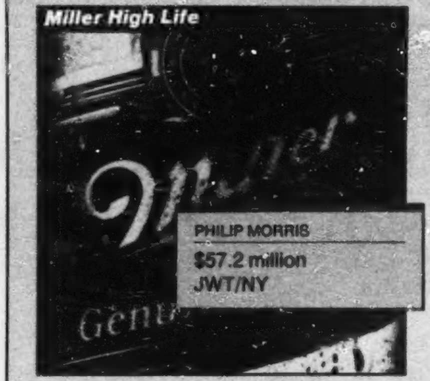
But exercising that clout is a more complicated matter than simply telling stations that what once was a $400 million tv spender is now a $470 million account. P&G handles network tv negotiations in-house.

R-V has its agencies make its buys. P&G also uses a complex agency-of-record system to purchase its spot tv time. Merging the tv budgets of P&G and R-V poses problems of assignment among agencies, and the outcome of that merger could have dramatic impact on the roles agencies play in the P&G roster, although things may shake out over time.

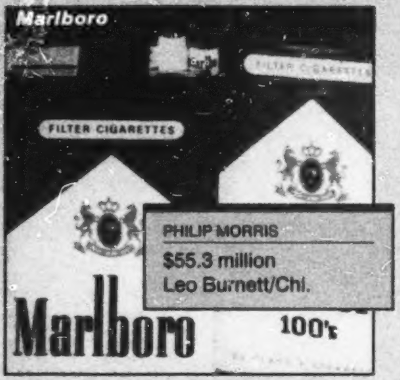
More immediate for the agencies is the entire question of who will hold and who will lose megacompany assignments. The megamergers have created numerous "soft" client conflicts; agencies may not be representing directly competitive brands, but their megaparent assignments could be jeopardized because the agency serves unrelated brands or subsidiaries of competing megaparents. The client-conflict question is under the

(Continued on Page 40)

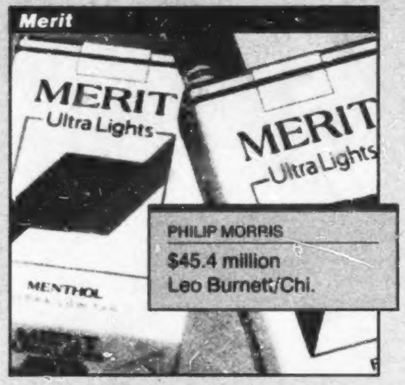
Philip Morris/General Foods top brands


Miller High Life

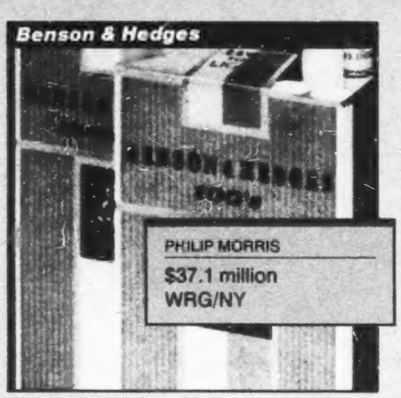
PHILIP MORRIS
$57.2 million
JWT/NY


Marlboro

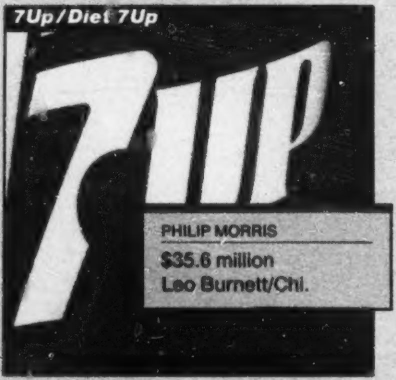
PHILIP MORRIS
$55.3 million
Leo Burnett/Chi.


Merit

PHILIP MORRIS
$45.4 million
Leo Burnett/Chi.


Benson & Hedges

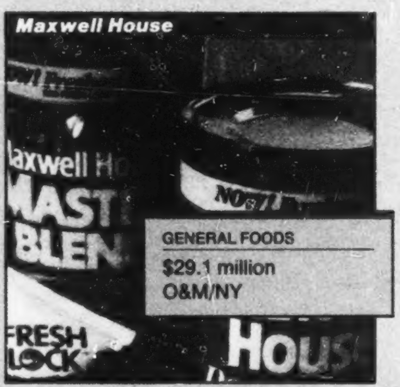
PHILIP MORRIS
$37.1 million
WRG/NY


7Up/Diet 7Up

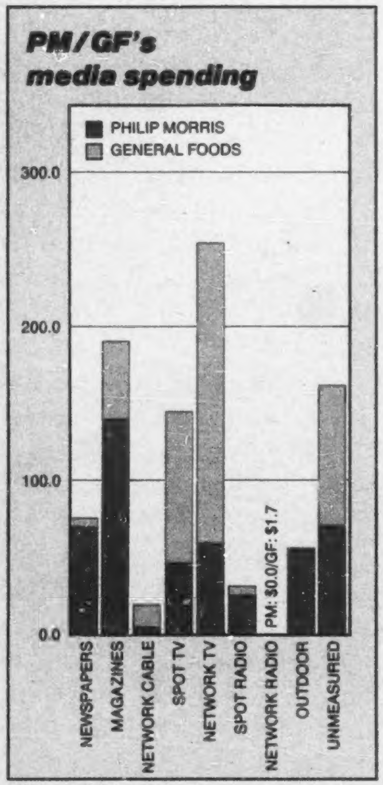
PHILIP MORRIS
$35.6 million
Leo Burnett/Chi.

Jell-O

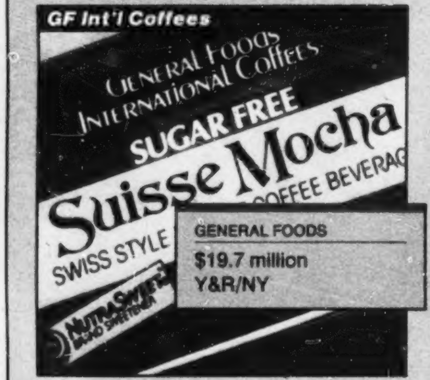
GENERAL FOODS
$48.1 million
Y&R/NY


Maxwell House

GENERAL FOODS
$29.1 million
O&M/NY


PM/GF's media spending

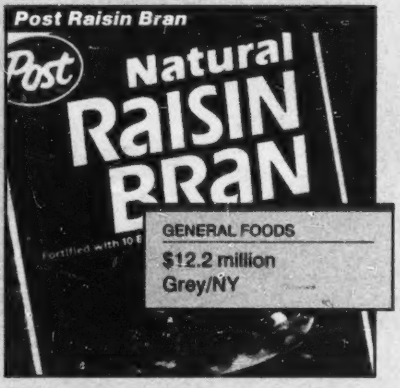
All figures in millions of dollars.


GF Int'l Coffees

GENERAL FOODS
$19.7 million
Y&R/NY

Louis Rich Turkey

GENERAL FOODS
$13.1 million
Ted Bates/NY


Post Raisin Bran

GENERAL FOODS
$12.2 million
Grey/NY

Other products, Philip Morris: Lite Beer, $67.0 mil, Backer & Spielvogel/NY; Virginia Slims, $26.5 mil, Leo Burnett/Chi; Meister Brau, $21.3 mil, Backer & Spielvogel/NY; Lowenbrau, $18.6 mil, JWT/Chi; Players Select, $17.4 mil, WRG/NY; Like, Sugar Free Like, $5.8 mil, Leo Burnett/Chi; Milwaukee's Best, $4.0 mil, Backer & Spielvogel/NY **Other products, General Foods:** Kool Aid, $27.3 mil, Grey/NY; Crystal Light, $20.3 mil, DMB&B/NY Brim, $19.0 mil, DMB&B/NY; Sanka, $16.9 mil, Y&R/NY; Post Grape Nuts, $11.8 mil, Grey/NY; Oscar Mayer, $11.8 mil, JWT/Chi; Birds Eye Cool Whip, $10.8 mil, DMB&B/NY; Post Fruit & Fibre, $10.1 mil, Grey/NY; Stove Top Stuffing, $9.6 mil, Grey/NY; Minute Rice, $9.2 mil, Grey/NY; Birds Eye Frozen Foods, $8.9 mil, Y&R/NY; Tang, $8.2 mil, O&M/NY; Shake n Bake, $8 mil, O&M/NY; Good Seasons, $7.7 mil, Ted Bates/NY; Country Time, $6.9 mil, O&M/NY; Post Honeycomb, $4.5 mil, Grey/NY; Post Alpha Bits, $3.4 mil, O&M/NY; Post Pebbles, $3.6 mil, O&M/NY; Yuban, $3.3 mil, DMB&B/NY; Post Super Sugar Crisp, $2.3 mil, O&M/NY; Post Smurfberry Crunch, $2.2 mil, O&M/NY; Ronzoni pasta, $2.0 mil, Y&R/NY; Post 40% Bran Flakes, $1.2 mil, Grey/NY; D-Zerta gelatin, $1.1 mil, Grey/NY

Mergers

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microscope now, and few observers expect advertisers to hold to previous strict interpretations, especially as further megamergers unfold.

That is not the agencies' only problem resulting from the megamergers. The pressure at agencies to stay on the megaparents' rosters is greater than ever, and agencies have to decide what resources to commit to keeping the megaparent brands without scaring off other clients worried that the best and the brightest at the agencies will be lost to them in favor of the bigger company *(see related story on Page 47)*.

Another aspect of the merger craze makes the agency community even more insecure. While advertising certainly played a critical role in making brand names valued assets, the motives for the acquisitions had little or nothing to do with the client-agency relationship. This despite the fact that each of the acquiring companies was itself a major advertiser and understood the value of good advertising and how it comes about. But even after the acquisitions were announced and completed in some cases, corporate management relegated the handling of potential conflicts to secondary considerations.

First, there is the business of accounting for just what was purchased, and then there is the difficult assignment of merging the two corporate cultures. Only then will the agency questions be addressed, and the final outcome will come in drips rather than in one sweeping rush.

In the acquisitions by RJR and Philip Morris, agency considerations played no role at all. The tobacco giants had lost favor with Wall Street, with many investment firms taking the cigaret stocks off their buy lists. A slew of product-liability lawsuits filed against the tobacco companies by persons or descendants of victims of cancer allegedly caused by smoking threatened the very industry itself, although there is now a strong movement afoot to have the cases dismissed and to have liability laws interpreted narrowly. And while Wall Street has soured on tobacco stocks, RJR is completing the largest, most technologically advanced cigaret manufacturing plant in the world in the quaint town of Tobaccoville, N.C., at a cost nearing $1 billion. This new manufacturing machinery will help RJR cut precipitously the cost of producing cigarets and should help boost profit margins.

But the tobacco industry is forecasting that 1995 cigaret sales will be 5% to 10% below 1985 levels, and once the savings from the improved manufacturing capabilities have been assimilated into its bottom line, where would RJR turn to improve quarterly return on stockholders' investments? Diversification into the food business should soothe Wall Street and get RJR's, and even Philip Morris' stock back up. RJR apparently thinks it has solved its problem. Earlier this month, RJR abolished its RJR Development Group, whose charter simply was to find corporations to acquire.

But why food companies? There is little synergy in distribution between food companies and tobacco concerns. Economies of scale must come from combined marketing clout and through the garnering of media discounts from the merger of huge, if divergent, ad budgets.

Bonnie Cook, an analyst with Salomon Bros, New York, explains the lure of food companies this way: "For the last four years food stocks have been outperforming the market. During the period of disinflation when commodity costs were flat or declining, it was a much more favorable environment for food stocks. In high inflation, people didn't want them [food stocks]."

In periods of high inflation, corporate raiders look for companies with tremendous cash flow, which explains in part why media companies became hotter takeover targets than food companies.

"The problem is, everybody is on a takeover kick," said Ms. Cook. "They want instant gratification. In the General Foods case, it was just a couple weeks from rumor to reality. That's so unusual. A normal deal is to spend two or three months lining up financing.

"There is speculative excess going on now. The market is not listening to any kind of reason."

P&G's acquisition of Richardson-Vicks had less to do with buying its way into entirely new product categories than it did with the prevailing theory that acquiring existing brands is cheaper and wiser than starting something new. There were also some apparent synergies, especially in distribution.

Hugh Zurkuhlen, another analyst at Salomon Bros., called the P&G buyout "a wonderful and rare leverage of P&G's balance sheet," predicting that P&G could still afford to compete in the acquisition waters.

"R-V and P&G have synergies in distribution and marketing channels, which will be helpful to both companies," said Mr. Zurkuhlen. "It appears, given P&G's [so-

(Continued on Page 44)

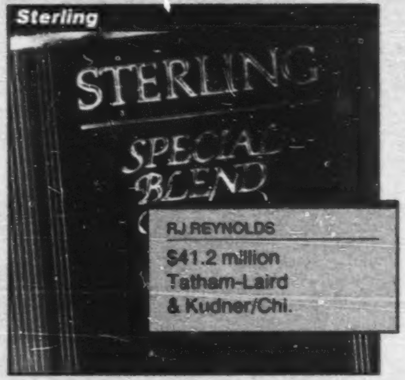
RJ Reynolds/Nabisco top brands

Kentucky Fried Chicken
Fried Chic

Kentucky Fried Chicken
RJ REYNOLDS
$63.3 million
Y&R/NY

VANTAGE
100s

Vantage
RJ REYNOLDS
$43.6 million
Leber Katz
Partners/NY



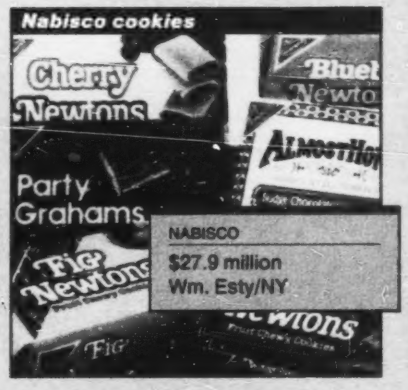
Sterling
RJ REYNOLDS
$41.2 million
Tatham-Laird
& Kudner/Chi.

CAMEL
FILTERS

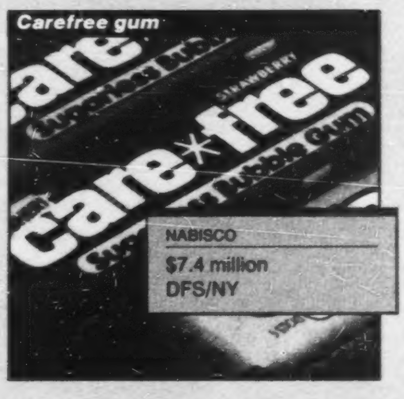
Camel
RJ REYNOLDS
$37.0 million
McCann-Erickson/NY

Del Monte
GREEN BEA
Del Monte
CREAM STYLE COR
Del Monte

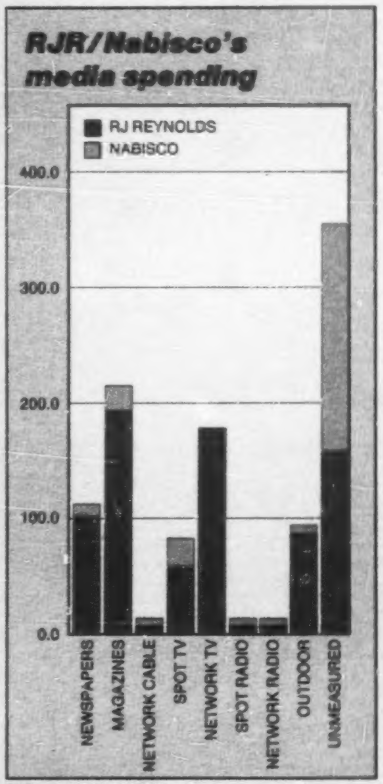
Del Monte
RJ REYNOLDS
$21.0 million
McCann-Erickson/S.F.



Nabisco cookies
NABISCO
$27.9 million
Wm. Esty/NY



Carefree gum
NABISCO
$7.4 million
DFS/NY



RJR/Nabisco's media spending

All figures in millions of dollars.

NABISCO
SHREDDED
WHEAT
100% NATURAL WHOLE WHEAT
NO SUGAR OR SALT ADDED

Shredded Wheat
NABISCO
$6.8 million
McCann-Erickson/NY

NO CHOLESTEROL
Fleischmann's
Margarine

Fleischmann's
NABISCO
$6.4 million
DeHakos/NY

MILK-BO
Dog Biscuits

Milk Bone
NABISCO
$4.9 million
Wm. Esty/NY

Other products, RJ Reynolds: Winston, $32.2 mil, McCann-Erickson/NY; Salem, $31.1 mil, Wm. Esty/NY (trade); More, $26.1 mil, Leber Katz Partners/NY; Now, $21.0 mil, Leber Katz Partners/NY; Century, $13.6 mil, Tatha-Laird & Kudner/Chi; A-1 Steak Sauce, $12.7 mil, Marschalk/S.F.; Canada Dry, $12.3 mil, Y&R/NY; Hawaiian Punch, $10.6 mil, Dentsu Y&R/LA; Bright, $10.3 mil, Leber Katz Partners/NY; Smirnoff, $9.0 mil, McCann-Erickson/NY; Ortega Mexican Foods, $8.6 mil, Marschalk/S.F.; RJ Reynolds corporate, $7.7 mil, Leber Katz & Partners/NY; Grey Poupon, $6.3 mil, Marschalk/S.F.; Inglenook wines, $6.2 mil, Dentsu Y&R NY; Black Velvet, $4.0 mil, McCann-Erickson/LA; Harvey's Bristol Cream, $3.5 mil, Dentsu Y&R/NY; Lancers wine, $2.7 mil, Y&R/NY; Sunkist, $1.9 mil, FCB/Chicago; Chun King, $1.6 mil, Marschalk/SF; Club Cocktails, $2.1 mil, Leber Katz Partners/NY; Jose Cuervo tequila, $1.8 mil, Y&R/NY; Patio frozen Mexican foods, $1.0 mil, Marschalk/SF; Doral, $1.0 mil, Long Haymes & Carr, Winston-Salem/NC **Other products, Nabisco:** Life Savers, $7.8 mil, DFS/NY; Planters Nuts, $7.3 mil, B&J/NY; Planters Cheese Snacks, $5.5 mil, B&J/NY; Butterfingers, $5.2 mil, B&J/NY; Planters Corn Chips, $5.0 mil, B&J/NY; Ritz Crackers, $4.7 mil, Wm. Esty/NY; Breath Savers, $4.5 mil, DFS/NY; Bubble Yum, $4.5 mil, DFS/NY; Fig and Apple Newtons, $3.6 mil, Wm. Esty/NY; Better Cheddar Crackers, $2.6 mil, Wm. Esty/NY; Bonkers, $2.5 mil, DFS/NY

Mergers

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so] success in new products, that it's easier to acquire existing products with name recognition [and market them heavily]. There's a question of what's the numerical value of a brand name? In today's competitive environment, P&G is buying a bunch of brands that it feels have great potential, and it's easier than starting from scratch."

Jay Freedman of Kidder Peabody added, "Conceptually, the merger is positive. It will give P&G exposure in businesses they've been trying to build; it will give them an entree into skincare and nutrition, and it will give them products in areas where they are already strong, like Vidal Sassoon haircare products. P&G is bringing most of the important distribution and marketing channels to the party. Richardson-Vicks, however, is noted to be strong in drug-chain outlets. The deal makes sense, but P&G paid a hefty price for it. Financially, they'll have to manage this deal very well in order to make it pay off."

The sheer size and marketing clout of the merged companies should give P&G and the others a marked advantage in making these deals pay off.

In a report prepared following the Beatrice acquisition of Esmark, Salomon Bros.' Ms. Cook wrote: "We believe that the [greater] spending ability is of major importance, since marketing and advertising expenditures are a key determinant of market share in the food industry. Even if competitors were to spend a larger percentage of sales on advertising and promotion, their absolute dollars would appear small relative to Beatrice."

Ms. Cook noted as an example of the power of clout the soft-drink and tobacco industries, in which two major companies in each industry dominate the expenditures behind new and existing products. "These companies have continued to gain a larger share of the market and have raised the cost of new-product introductions to almost prohibitive levels for smaller competitors," she said.

Following the RJR and Philip Morris acquisitions, Ms. Cook noted, "A $3 billion or $4 billion food company used to be large. Now they have huge dollars to contend with [from these even bigger companies] so there may be more consolidation just to be able to compete. It is being carried to the extreme. Marketing spending is very relevant when you only have 1% or 2% growth over-all because that determines a company's ability to market and push those products."

There are two primary ripple effects to this trend of consolidating companies and merging brand families. The media will be under mounting pressure to find ways to soften the influence the megacompanies will have over their own pricing structures, and several major brand-management teams will have to mesh, creating an entirely new culture in the purchasing of media time and space.

Magazines see little effect

Even before the mergers, R.J. Reynolds Industries and Philip Morris Inc. were the two biggest magazine advertisers. Their acquisitions just made each one bigger than before, although PM, with its acquisition of General Foods, gained on RJR in magazine spending. RJR, however, became the first advertiser to top $200 million in magazine spending.

The impact was less severe for Procter & Gamble's purchase of Richardson-Vicks, although P&G now is a respectable $65 million magazine spender.

Most magazine publishers seemed to think the megamergers would provide those companies with more clout with magazines, but none thought the clout would be able to make the publications break or drop their rate cards.

Philip Howlett, senior vp-magazines, Time Inc., said, "I rather like our chances with our magazine group in terms of this trend, because we have not been enormously strong in package goods in the past. A lot of these companies [General Foods, etc.] are suddenly moving into discount opportunities a company like Philip Morris had. Maybe they will take a more careful look at some of the propositions we've been putting forward, because the price may be right, too. I can see General Foods, with a number of its products, finding they'd like to try some of. . .these [Time Inc.] magazines." He is optimistic, though he realizes it "may not mean suddenly moving $50 million into magazines."

Robert Burton, president, ABC Publishing, added, "Two companies together have a lot more clout. You're not going to break rates [for them], but they're going to have clout." It has been his experience, with ABC Publishing's industrial trade publications, that when big companies combine, "you're not looking at the same kind of ad volume, you're looking at less. They're not going to need two schedules, they're going to

(Continued on next page)

Beatrice buy would break up Dutt's dream

By JULIE FRANZ

Kohlberg, Kravis, Roberts & Co.'s bid for Beatrice Cos. imperils former chairman James Dutt's dream of creating "a premier worldwide marketer of food and consumer goods" just as that dream was about to become reality.

Wall Street is firm in its belief that Chicago-based Beatrice will have to be broken up to finance the deal that includes a $4.9 billion cash transaction and the assumption of Beatrice's $2.5 billion debt.

Even with former Esmark chairman Donald Kelly and other former Esmark executives behind the transaction, the breakup of Beatrice to finance the deal, if successful, is almost inevitable, one financial analyst said. Mr. Kelly is known for an "if it's broke, sell it" management style, he added.

The financial community scoffed when Beatrice made its $2.7 billion bid for Esmark early last year. And rightly so.

The deal came after a complicated duel of one-upmanship between Chicago's two most powerful food-company ceos.

The duel began early in 1984 when rumors circulated that Mr. Kelly would bid for Beatrice. Beatrice stock rose to $32 a share from the mid-$20s. But Mr. Dutt stated unequivocally at a financial analysts meeting that spring that under no circumstances would he allow Beatrice to be acquired. That was followed by a statement from Mr. Kelly that the rumors were untrue. Beatrice's stock price dropped back.

Then, Mr. Kelly began a move to take Esmark private, backed by none other than Kohlberg, Kravis, Roberts. But Mr. Dutt spoiled the plan by making a play for Esmark, seemingly getting the better of Mr. Kelly. When the Esmark board looked like it was taking too long considering the Beatrice offer, Mr. Dutt put in a second, even higher bid.

While it may look like Mr. Dutt won, in fact Mr. Kelly got the last laugh.

The merger stuck Beatrice with nearly $3 billion in debt on top of an already heavy debt load. As ensuing quarterly earnings reports came out, each painting the same bleak picture, analysts continued to balk. Beatrice stock stood still at 33 and dropped off the buy list at several major financial houses.

As early as six months ago, Beatrice's financial results showed 46% of net income came from the sell-off of businesses, not the sale of goods and services (AA, May 13).

Now, for the first half of fiscal 1986, Beatrice's segment earnings are up nearly 10%, indicating a rise in both sales and the amount of profit reaching the bottom line. But net earnings for the first six months still were sabotaged by lingering merger expenses and the strong performance of the dollar abroad, slipping 26.2% to $128 million on sales of $6.22 billion.

Beatrice finally has everything going for it. The company's "We're Beatrice" campaign is producing 81% aided awareness among consumers. Retailers are lapping up Beatrice food products in anticipation of up to 18% higher sales during the company's multibrand promotions.

Corporate debt, which once reached $4 billion, or 70% of equity, is now at a more manageable 45% and will drop to 30% with the company's planned sale of its Avis, Pennaco, Danskin and International Jensen units, for which the company expects to get $300 million.

The ouster of former chairman Mr. Dutt and his replacement with William Granger Jr. boosted company morale and analysts' faith in the future of the company. During Mr. Dutt's chairmanship, beginning in July, 1979, earnings per share steadily declined and return on equity fell from 18% to 13%.

Mr. Dutt left Beatrice in a Catch-22 situation. While Beatrice finally is back on its feet financially, its brands have been merged, its corporate identity established, the company is without strong marketing leadership. In wielding his arbitrary ax, Mr. Dutt left Beatrice vulnerable to takeover.

But any concern looking to gobble Beatrice most likely would be stepping back 18 months, taking on massive debt and the bothersome project of meshing brands, just as Beatrice did with the Esmark merger.

Mr. Granger has said he is intent on doing "whatever is in the best interest of the shareholders. As far as I know, continuation of Beatrice as an independent company is in [the shareholders'] best interest," Mr. Granger told Advertising Age before the KKR offer.

Mr. Granger said the company is looking abroad for long-term growth, especially to the Far East, where developing markets such as China are ripe for the picking. As the standard of living increases in foreign countries, many U.S. product will begin to "fit nicely," Mr. Granger said.

Beatrice wants to keep a 70%-to-30% ratio of food to nonfood businesses, Mr. Granger said. The food business isn't affected by the economy, while nonfood businesses are more cyclical, he said. While most financial analysts are of the opinion that Beatrice will scuttle its Playtex operations, Mr. Granger said that "for the time being, Playtex fits well both domestically and internationally."

Consolidation of Beatrice's 104 agencies began a year before the Esmark merger and was reduced to the current 12 soon after. Beatrice looked for agencies that could handle large pieces of its business, and in which the Beatrice account would be important to the agency's billings. To that end, none of the 12 agencies has less than $10 million in Beatrice billings, according to senior vp-marketing Harold Handley.

Since the agency consolidation, Beatrice product ads have become more benefit-oriented and more strongly competitive. But most important is the creation of the $30 million "We're Beatrice, you've known us all along" campaign, via HCM, New York, that broke during the 1984 Winter Olympics, before the Esmark merger. The campaign for the first time tied together individual Beatrice brands under one theme. The campaign gave identity to Beatrice Foods, which until then had been a hodgepodge of 430 different brands.

Beatrice's agency reorganization also centralized its media buying, opening up volume discounts. All of Beatrice's network tv buying is done by either Leo Burnett USA or J. Walter Thompson USA, and all its print buys are handled by HCM.

Beatrice also is one of the few companies that can buy an entire freestanding newspaper insert. The inserts, running twice a year since January, 1984, have become the cornerstone of Beatrice's drive to tie its brands with the corporate name, Mr. Handley said.

By combining its brands, Beatrice has been able to develop a new posture with consumers and within the trade, Mr. Handley said.

Streamlining the distribution of Beatrice products by pushing them through the Swift/Hunt-Wesson, Beatrice Meats and Beatrice Dairy distribution systems should improve brand performance. While some of the products initially lost momentum, the system probably will work. But it's still too soon to tell what effect centralized distribution will have on brand performance.

"There's more reasons why it should than why it shouldn't [work]," said Paine-Webber food-industry analyst Roger Spencer.

While the system will cut costs, it also will endear Beatrice salesmen with retail grocery buyers, who now have fewer salesmen to see when buying Beatrice foods items.

There's no question that a genuine new-product introduction is more expensive than a line extension, Mr. Handley said. And a line extension is less risky. The key is the price-value relationship of the new product. Frequently, there are opportunities to introduce a product with a higher price-value relationship than any other on the market.

Beatrice already has said it will concentrate on wooing retailers as well as new-product and line-extension activity, which have virtually ground to a halt during the first 12 months after the merger (AA, Sept. 9).#

Mergers

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need one schedule."

This may not necessarily be true with the package-goods companies' mergers; in the PM-GF case, "because the companies are so diverse," he said, there is little chance of both folding their ad efforts into one corporate campaign.

Jack Rehm, president, publishing group, Meredith Corp., said the mergers will "generate bigger and bigger discount opportunities for many companies, now that they are consolidated." But the discounts being offered now—usually corporate discounts, also called volume discounts, offering lower rates if a company runs its many different brands in a magazine—"are pretty aggressive," he said.

In some cases, though, a company that might not have been large enough to earn maximum discounts might now benefit, he said, since Procter & Gamble would be earning maximum discounts.

Mr. Rehm does not envision dramatic changes at GF. "General Foods is a very well run company, a very sophisticated marketer. I don't think anyone would want to change that. I don't think this would lead to dramatic changes in the way they do business."

As for the issue of giant conglomerates periling magazines' independence, as more and more eggs wind up in a smaller number of baskets, Mr. Rehm said, "That may be a theoretical concern, but, practically, what do you do about it? I don't think this is a quantum change; we've always dealt with big companies generating huge amounts of business."

Lynn Mapes, vp-associate publisher, *Reader's Digest*: "When you add the Philip Morris discount to General Foods advertising, magazines that carry a lot of tobacco ads are a lot more attractive to General Foods than a week ago."

Tv-rate savings spotty

Except in a few instances, the top tv buyers don't necessarily have an advantage on a spot-market basis in tv advertising. There are local and regional advertisers who wield even more clout, such as Hardee's in Atlanta or Jack in the Box in Los Angeles.

What the big spot-tv spenders, such as Procter & Gamble and General Foods, have done to overcome an inherent disadvantage in markets such as Denver or Tucson, where they often are outspent by the local supermarkets, is to go to a "market specialist" and agency-buyer-of-record system.

In this system, one agency—and sometimes one buyer—buys for an individual market or group of markets, for all of the client's brands. The agency stays on top of ad rates, marketplace pressures, unusual conditions and other developments that affect pricing.

In network tv, the megamergers could have some impact on negotiations. P&G can add Richardson-Vicks' network spending to its own massive total, and perhaps extract from the nets even better rates than it receives already. However, Philip Morris Inc. and R.J. Reynolds Industries had some units using tv, but the core of their businesses—tobacco—is banned.

Papers' rate gap may close

Newspaper-industry executives expect to feel more pressure from newly merged package-goods giants as the advertisers seek more efficient ways to buy media.

Already, agencies and clients have approached marketing divisions of media giants such as Gannett Co., Taft Broadcasting Co. and Times Mirror Co., looking for "omnibus" deals comprising newspaper, tv, radio and outdoor buys (AA, Sept. 2). Now, newspaper sources expect added pressure from more powerful conglomerates to end the widening gap between national and local ad rates.

Most major dailies charge 40% to 187% more for national insertions than for those at the comparable local rate. Although intended as a bonus for retailers in a newspaper's primary market area, the local rate has increasingly been extended to certain coveted national advertisers as a means to stave off competition from other media.

Since budgets for many national advertisers' print media buys are often set well in advance, the immediate impact of mergers such as the Philip Morris Inc.-General Foods combination may be minimal. Most media reps deal on an agency-by-agency basis for each of a client's products.

But with mergers now allowing advertisers to cut deals more efficiently on widespread newspaper buys—including run-of-press, Sunday magazine and freestanding inserts, for example—the use of centralized media buying and even in-house services may become more prevalent.

Recently formed sales units such as Times Mirror National Marketing and Gannett Media Sales clearly stand to gain the most from such arrangements, because a single call to one of their sales reps can often reserve discounted space in several markets. Some of those independent companies, in turn, have responded by selling recruitment and local ads and taking a commission of a paper's total ad revenues instead of dealing only with national advertisers.

But media companies less homogeneous than Gannett, for example, have had a rougher time making package deals. Tribune Co. has tried to launch its Tribune National Marketing Co. for two years to sell papers as diverse as the *Chicago Tribune*, the *New York Daily News* and the *Orlando Sentinel*.

But the differences among readers of each of these properties has stymied such an effort. Instead, the company has begun using focused Zip code-cluster research to sell its flagship paper with the *New York Times* and the *Los Angeles Times*.

Mergers freshen outdoor

Outdoor-advertising executives anticipate greater attention and, they hope, more ad dollars to be spent on outdoor advertising as a result of the megamergers among package-goods companies.

R.J. Reynolds Industries' past purchase of Del Monte brought more ad dollars to the industry, said John Mathis, senior vp-eastern sales manager, Foster & Kleiser, New York, the largest U.S. outdoor company. Also, Miller Brewing has spent more on outdoor ads nationally since its purchase by Philip Morris Inc., he said.

Jack Donahue, a spokesman for Institute of Outdoor Advertising, New York, said the experience that RJR and Philip Morris have gained in using outdoor may be transferred to their new subsidiaries.

Last year, RJR was the biggest outdoor advertiser, spending $86.9 million. Philip Morris was second with $55 million, compared with GF's $626,000 and Nabisco Brands' $123,000 last year.

Procter & Gamble spent only $849,000 in 1984 measured outdoor advertising, and Richardson-Vicks had no measured outdoor spending last year, so their merger isn't any great cause for excitement in the outdoor business.

Despite a soft year for liquor and tobacco advertising in outdoor—estimated off by 1% to 3% compared with 1984—outdoor ad sales are up about 8% over-all for 1985, Mr. Donahue said.

When Gannett Outdoor, second-largest U.S. outdoor company, formed the Outdoor Network USA this year, it vowed to pursue pack-

(Continued on Page 46)

Mergers up new-product ante

By JUDANN DAGNOLI

Just 10 years ago, it cost a company $10 million to get a new product off the ground nationally.

This year, the average cost of a new-product launch is hovering at $80 million.

And next year, that average cost will break the $100 million barrier, in large part because of the impact of the megamergers in package-goods companies.

"It costs more and more to buy shelf space [in stores]," said Mark Albion, professor of marketing, Harvard University, Cambridge, Mass. "That's why they're spending the money on mergers."

As the fight for shelf space intensifies, and as the failure rate of new-product introductions increases, the value of an established brand name increases for its parent company, he said.

Despite the high risk and high price, new-product introductions are running 8.5% ahead of last year, reversing a trend from the early 1980s. New launches in 1984, for instance, were down 11.3% from 1983.

But in the wake of the megamergers, Mr. Albion and other experts predict new-product launches may start to decline once again.

The merger of food companies also is expected to drive down the number of new-product introductions. New food-product introductions have been declining for several years, dropping 14.1% from 1983 to 1984. In the first nine months of 1985, there were 1,806 new food-product launches. In 1984, there were 2,681, according to Marketing Intelligence Service, Naples, N.Y. In total, food products account for more than half of all new-product startups.

While total new-product launches may have peaked, line extensions of existing brands should continue to increase. This is especially true if food companies continue to be acquired.

Mr. Albion, who is a consultant to companies such as Coca-Cola Co. and Nabisco Brands, said he knows of at least two or three more megamergers in package goods companies that will occur within the next few months.#

Mergers

(Continued from Page 45)

age goods and brand advertisers. Gannett Outdoor hired Jay Zitz, former product marketing director at Bristol-Myers, as vp-marketing and sales in September.

Cable cool to mergers

The merger mania has made two of the three biggest spenders in cable tv slightly bigger, but the medium itself has no room to make more favorable deals.

Agency sources said the impact in cable will be negligible on deal-cutting. The major advertisers, which include Procter & Gamble as the biggest and Philip Morris Inc./General Foods as the third largest, behind Anheuser-Busch already receive substantial rat discounts, and another $1 millior or so isn't going to leverage an substantial rate reduction.

If P&G wants to influence Ricl ardson-Vicks' spending patte and move R-V into the mediu beyond its current $1 million- year level, there may be more tot money for cable. If that happer there could be greater competiti among the cable networks to sna a bigger percentage of the total p but most observers believe cab will continue to be sold as a me dium for reaching upscale audi ences and not as a discount vehicl

Furthermore, Nabisco Brands a minority owner of ESPN, yet spends only $1.7 million a year cable. RJR brands spend a paltr $800,000 a year, and few observer expect this to increase much.

Dan Lawlor, vp-sales, USA Cable Network, said, "Cable is very efficient medium as it is, ar rates can't go lower than they a now. I cannot envision the mark place becoming any more compe tive."

Radio outlook static

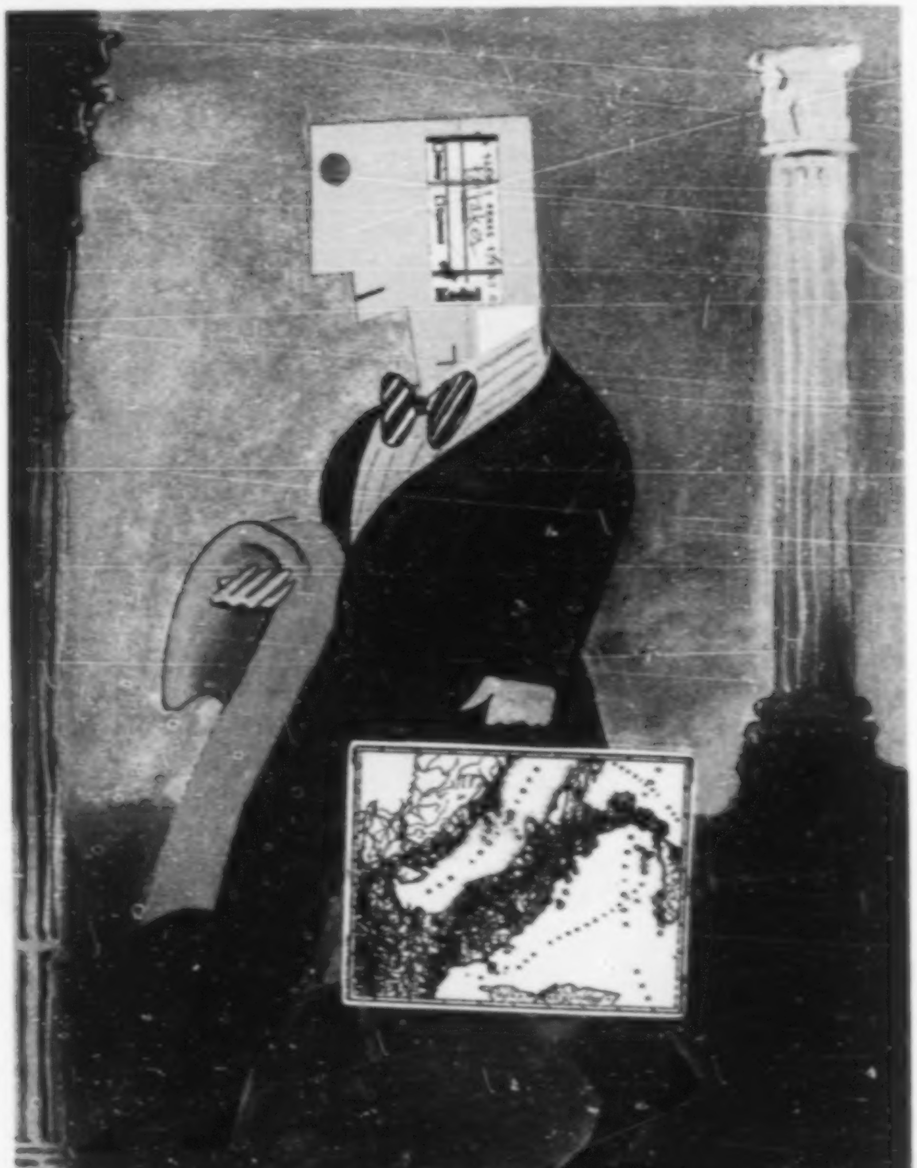
Radio will be affected minima by the pending mergers. With t exception of Philip Morris I which taps the medium on a sp basis for Miller Brewing, none the companies are heavy rad spenders.

Procter & Gamble, however, ha initiated network radio campaigr for a number of brands in the las year, notably for Crest and Luv Some observers think the compan will join the ranks of top spende in the medium by the end of th decade. Richardson-Vicks spen less than $2 million in both sp radio and network.

R.J. Reynolds Industries also is light user of the medium, as is ne partner Nabisco Brands. Togeth both spend less than $10 million radio, and it remains to be see whether the merger will affect this spending level, which has growr only slightly in recent years. Nabisco, another recent recruit to network radio, spent nearly $5 million in 1984 on a variety of feeds. It uses spot sparsely.

General Foods, too, is a light user of both spot and network. Spot expenditures in 1984 were $2.9 million, mostly in support of product tests and new-product introductions. Network spending was $1.7 million. New partner Philip Morris is a heavy user of local radio. The company supports numerous local sports franchises across the country via radio and tv.#

Contributing to this story were Julie Franz, Laurie Freeman and Gary Levin in Chicago; Stuart J. Elliott, Verne Gay, Nancy Giges, William F. Gloede, Lisa Phillips and Pat Sloan in New York. It was written by news editor Craig Reiss, New York, and designed by Bob Zeni.



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Tie-in deals abound for 'Rocky IV' movie

By JAMES P. FORKAN

New York—MGM/UA Entertainment Co. and MGM/UA Licensing & Merchandising hope their "Rocky IV" movie and extensive tie-in plans will pack a powerful one-two punch this holiday season.

More than 30 companies have been licensed to sell scores of "Rocky" products in the U.S. and Canada alone, said Carole Orgel, account exec at the New York-based licensing operation, compared with only a few for the three previous movies starring Sylvester Stallone as the all-American rags-to-riches boxer nicknamed the "Italian Stallion." There also will be more international activity than for the past films.

Bill Dennis, vp-licensing and merchandising, said the biggest tie-in ad support will be on the U.S. promotional/premium tie-in front, where Pepsi-Cola and Church's Fried Chicken will mount a "major" broadcast campaign. That tv-radio budget will top $2 million, breaking on or near the movie's Nov. 27 theatrical release, he added.

Although the various licensees are not expected to back their wares with much media advertising, other than perhaps advertising to the retail trade, the products' retail exposure in a wide variety of outlets should go a long way to build awareness in the movie, MGM/UA officials believe.

The Culver City-based studio itself plans to support the movie with an ad campaign in the "$8 million-to-$10 million" range, via Wells, Rich, Greene, Los Angeles; a record 2,200 theaters will show the film this Christmas season, promoted by two trailers, the first of which already is being seen by moviegoers in 5,000 theaters.

The film, capitalizing on U.S. versus U.S.S.R. feelings as Rocky battles a Soviet fighter, is expected to gross well above $100 million domestically.

In addition, the Baskin & Robbins ice cream chain will promote November as "Rocky Road" month, Ms. Orgel said, adding that B&R also gets some exposure within the film itself.

Parker Pen also plans some media advertising for its "Rocky IV" pen, personalized with Mr. Stallone's autograph.

Waymart Knitting Co. will soon be marketing a coordinated unisex knit and woven sportswear line that, as "the official 'Rocky' apparel line," will duplicate the character's look in the movie. Other apparel products will come from Izod, Allison Mfg. Co., Axelrod & Wilson, Four Seasons, Winston Imports Corp. and Bandana King.

In toys, Appleworks will add an action figure of the new Soviet antagonist Ivan Drago to its "Rocky" line, also selling soft-sculpture versions and playsets built around Rocky, Ivan and continuing character Apollo Creed.

Among the half-dozen other toy licensees are Diamond Toymakers, Globos International, IJE/Kidstuff and Jak-Pak. Sports-related items include Safe-Play's jump ropes and boxing equipment and Zee Toys' bop bags.

A variety of other categories also anticipate being caught up in what is expected to be the next "Rocky" blockbuster, *e.g.*, Fenited Publishing (in-theater souvenir program), Jay Franco & Sons (towels), Hallmark Cards (cards), One Stop Posters, Starmakers (portfolios, posters), Starlog (poster magazine) and Topps Chewing Gum (trading cards). Aside from all the shelf space to be devoted to these products, Ms. Orgel said that various retailers have expressed interest in showcasing "Rocky"-themed boutiques, *e.g.*, Spencer Gifts.

Although it is widely assumed in the industry that there will be a "Rocky V," MGM/UA officials said their licensing deals "made no such assumption." In fact, most of the products refer to "Rocky" rather than "Rocky IV."

The "Rocky" series is one of the most successful in movie history, they added, right up there with MGM/UA's James Bond films, 20th Century Fox's "Star Wars" and Paramount's "Indiana Jones." CBS-TV, which repeated the first "Rocky" last August, plans "Rocky III" for Nov. 16 prime time.

Whether or not Mr. Stallone plays Rocky Balboa again, his visage will remain a long-term fixture on movie screens and retail shelves for years to come, thanks to his "Rambo" movies and the upcoming "Over the Top" feature, plus their various product spinoffs.

"Rambo: First Blood Part II," having ranked as the summer's No. 1 box office hit at $150 million-plus (via Tri-Star Pictures), pulled more than 20 licensees via Stephen J. Cannell Productions, Los Angeles, including Coleco Industries, which plans to market a "Rambo" action figure line next year. That toy line and other products should enjoy a long shelf life, thanks to the late January videocassette release of the first sequel (via Thorn/EMI Home Video) plus the possibility of an animated tv series and the summer, 1987, release of a third "Rambo" film.

Coming in between "Rocky IV" and "Rambo III" will be Cannon Films' "Over the Top," due next summer, a movie featuring Mr. Stallone playing a trucker who competes in arm-wrestling contests.

As might be expected, Cannon's tie-in promo plans will zero in on truckers in a series of arm-wrestling competitions planned around the country for this fall and winter. Besides competing for a Volvo White truck, featured in the film, some footage from the competitors' matches will be incorporated into "Top." Anheuser-Busch's Budweiser, which has tied into "Rocky," will help promote Mr. Stallone's "Over the Top" as well next year.#

Can Hush Puppies heal now?

By PATRICIA STRNAD

Rockford, Mich.—Wolverine World Wide is keeping hush about future marketing plans after announcing the selection of Needham Harper Worldwide, Chicago, as new agency for its Hush Puppies footwear division.

But the agency switch likely is intended to aid the company's whimpering sales and upgrade its puppy dog imagery.

Hush Puppies went to Needham after a five-month review that included an unspecified number of agencies (AA, Oct. 10).

The account is worth about $2 million, according to Leading National Advertisers. But analysts say ad spending is closer to $3 million to $4 million.

The Chicago branch of previous agency Wells, Rich, Greene, New York, was included in the review. Sources also named Della Femina, Travisano & Partners, New York, and Ogilvy & Mather, Chicago, as participants. O&M confirmed its involvement.

Hush Puppies has run into several problems in the past few years, most stemming from the influx of less-expensive imported shoes, said Fred Anschel, vp-analyst at Dean Witter Reynolds, New York.

"The entire footwear industry has suffered as a result of imports from Brazil, the Far East and other countries," Mr. Anschel said. Also, "a few years back Hush Puppies had design problems with their women's shoes and lost a lot of shelf space. It takes time to recover."

Wolverine's revenues, however, climbed to a record high of $379.6 million in 1984, though net income, at $2.2 million, had dropped a precipitous 86% from '81.

The company lost money in the first two quarters of 1985, but a "modest profit" of about $3.6 million is expected for the entire year, which would be a 64% increase from '84, Mr. Anschel said.

The marketer reported third-quarter revenues of $98.7 million, down only 0.02% from the same period a year ago. Net income was up 8% to $1.3 million.

After figuring in the first and second-quarter losses, '85 net income to date is $29,000.

Hush Puppies footwear accounts for slightly less than half of all Wolverine sales.

Wolverine is the nation's largest tanner of pigskin leather. It is combating foreign competition by importing about 20% to 25% of its shoes, including all athletic shoes, and by using more imported pieces in its U.S.-made shoes.

The Hush Puppies line is becoming more fashion-conscious and producing a variety of styles: In the late 1950s, it produced only traditional suede pigskin shoes. It has since broadened the line to include golf shoes, boots and smoother cowhide shoes for men and women.

"I think a turnaround is in the works," Mr. Anschel said. "Hush Puppies may have wanted a new approach [to advertising and marketing] or a new image to support [that upswing]."

This doesn't mean that the division will shed its sad-eyed basset hound trademark. Hush Puppies always has capitalized on comfort in its pigskin leather shoes—"when feet hurt they are much like barking dogs," a company brochure says.

"I can't say whether we'll continue with that strategy," said C.A. Wolfe, president of Needham's Chicago division. "It's really too early to tell. But it's always better to build on the strengths of a brand."#

AdWatch data valid, two researchers say

New York—Two researchers have validated the monthly Advertising Age adWatch report as a "useful indicator of effectiveness of a brand's advertising" in head-to-head marketing battles.

Writing in the August/September issue of the *Journal of Advertising Research*, Arch Woodside, marketing professor at Tulane University's Freeman School of Business, and Elizabeth Wilson of the University of South Carolina's college of business administration reviewed the results of a survey research study that included top-of-mind awareness (TOMA) levels for advertising of competing brands.

They concluded that a brand's share of consumers who identify the brand's advertising in the TOMA position "may be one useful indicator of effectiveness of the brand's advertising relative to the advertising of competing brands." Their supporting statistical analyses included adWatch's TOMA results for Coca-Cola versus Pepsi-Cola, and the Burger King-McDonald's-Wendy's campaigns.

In recommending that researchers use a constant-sum scale in tracking both TOMA and brand-preference measurements, Mr. Woodside and Ms. Wilson wrote, "Based on findings reported here, reading Advertising Age and SRI [Research Center's] adWatch reports is worthwhile." The adWatch series appears in AA on the last Monday of the month.

"Unfortunately," the journal article noted, consumer product brand managers too often do not include both TOMA and brand preference measurements in their research budgets. "Using a tracking research program of competing brand advertising and brand preference would likely increase the perceived accountability of the impact and importance of advertising in senior management."#

AdWatch

(Continued from Page 4)

of first mentions.

BK's "Aren't you hungry?" theme apparently hasn't been able to stave off encroachment by McDonalds McD.L.T., its new sandwich that bears remarkable similarity to BK's Whopper.

McDonald's is scoring a hit by feeding the nation's craving for a lettuce-and-tomato-topped burger where, as McD.L.T. advertising claims, "the hot stays hot, and the cool stays cool." The McD.L.T. is McDonald's heir apparent to the slow-selling Quarter Pounder (AA, Jan 21).

The McD.L.T. already is backed by more than a half-dozen tv spots, surprisingly broad support for a menu item McDonald's still considers to be in test. The burger is available in about 50% of McDonald's 6,800 U.S. outlets.

Among other significant changes in the September survey results:

- Apple Computer reversed its six-month awareness decline in the **computer category** by gaining 3.2 percentage points to 28.9% of first mentions in September. The change may be due in part to the company's high news profile, as chairman Steven Jobs sparked controversy by leaving the company he had nurtured from its infancy. Apple hit its high for the year in February with 39.2% ad awareness. Apple's perennial competitor, IBM, garnered a 15.9% share of ad awareness. Commodore was No. 3 with 6.3%.
- The second-biggest loser in last month's survey, behind Coca-Cola, was Lipton Tea, falling 4.5 points to a 37.4% share. Lipton still is far and away the **tea category** leader. The next closest competitor for ad awareness, Nestea, registered 4.4% in September. Tetley commanded 3.6% of first mentions.
- Awareness for Procter & Gamble's Tide, down 3.6 points to 25.6% in August, regained ground in the **laundry detergent category** by rising 3 points to 28.5% in September. P&G's Cheer moved back into the No. 2 spot with 5.1%, up 1.1 points from 4.0% in August. Unilever's All, August's second-most-recalled laundry-product advertising with 4.1%, fell into the fourth spot with 2.9% ad awareness. Snuggle moved to No. 3 with a 3.1% share.
- P&G's Folgers and General Foods' Maxwell House are running neck and neck in the **coffee category**, where advertising for both brands came to mind first for 24% of the sample last month. The two have been playing leapfrog, with Folgers holding the top awareness spot for seven of the past nine months. To gain the tie, Folgers advertising rose 1.6 points, while Maxwell House, last month's category leader, gained 0.2 points.
- The **top 10** in over-all, unaided awareness (without asking for a specific product category) in September were, in descending order: Coca-Cola, McDonald's, Pepsi, Miller/Miller Lite, Budweiser/Bud Light, Ford, Pampers, Wendy's, Marlboro and Burger King.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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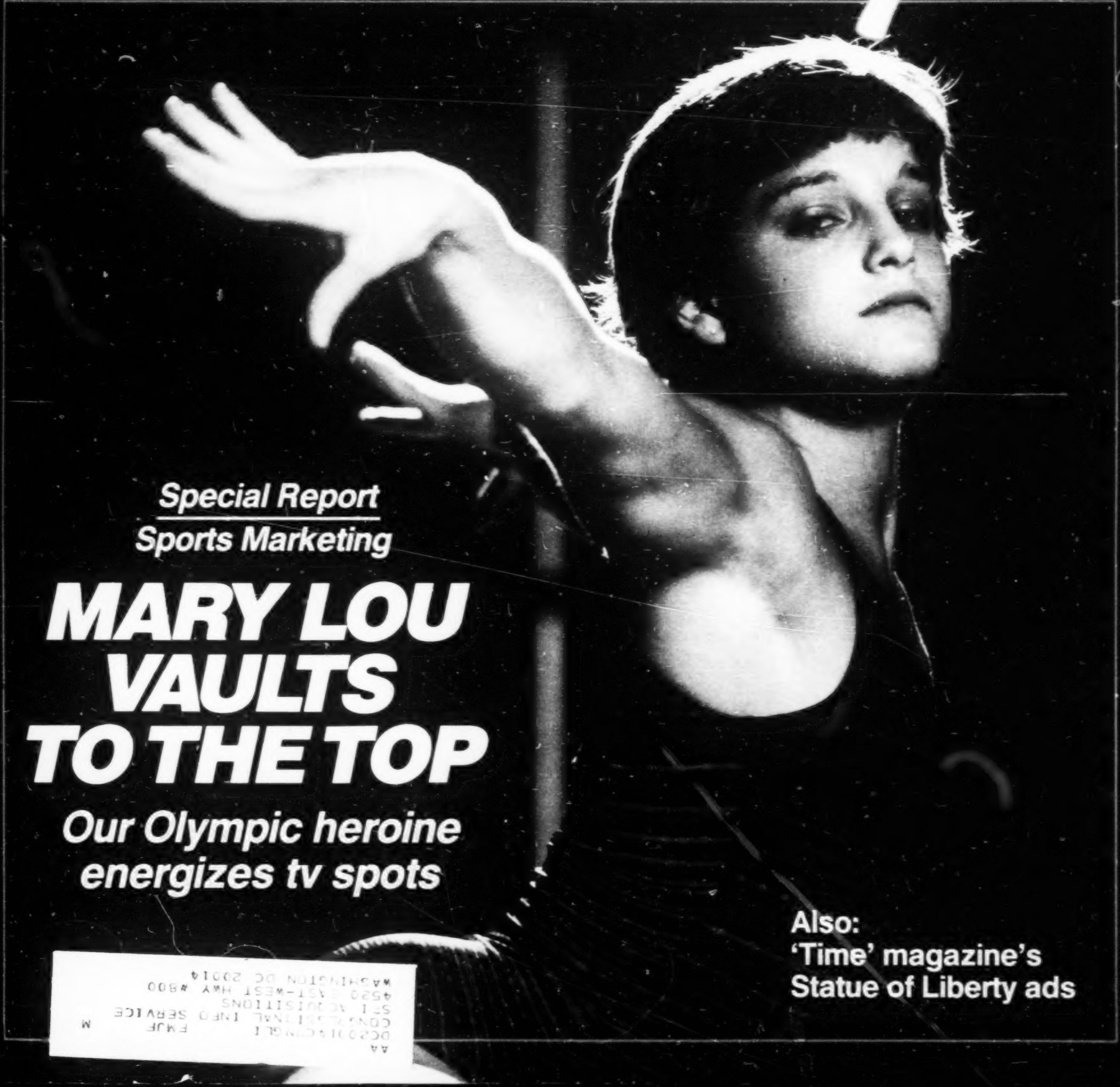

Special Report

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Thursday

Hello, Mary Lou

Corporate America's newest sweetheart—and ubiquitous spokeswoman—is a 17-year-old, gum-chewing, 4-ft., 9-in. West Virginian. Olympic gymnast and gold-medal winner Mary Lou Retton already may have vaulted into history as the most successfully marketed athlete ever. Between September, 1985, and September, 1986, the marketers that are using Mary Lou will make $35 million in media buys. *See Page 20.*

Cover photo by Shelly Katz

Oh, Lord

Tom Mabley's recent move to Henderson Friedlich Graf & Doyle (billing $35 million to $40 million) as its exec vp-creative director, U.S., from a key position at the creative centrifuge of Lord, Geller, Federico, Einstein (billings $200 million), is not, he insists, *just* for a substantial chunk of equity. For one thing, he believes there are strong analogies between the two agencies. "Five years ago, Lord, Geller was about the same size as Henderson Friedlich is now," he says. "Billings were the same; so were the number of employes, and Lord, Geller was characterized by its creative work on small print accounts. . .which may not have billed much but which were considered very good advertising." *See Page 15.*

Special Report—Sports Marketing

Business offices have become playing fields for star athletes, pro teams and sports marketing specialists. Their goal? To push further into big-league marketing territory. *Page 17.*

Presstime

FCB to get $20M AT&T job

Basking Ridge, N.J.—AT&T Communications next week is expected to award a $20 million assignment to FCB Direct, New York. Goal of the the effort is to ensure that consumers will keep or select AT&T as their primary long-distance carrier when they move. AT&T estimates that each year, of those households spending more than $11 a month on long-distance service, some 5 million to 7 million move. Other contenders for the account included Chapman Direct Marketing, DR Group, Ogilvy & Mather Direct Response and Wunderman, Ricotta & Kline.

Interpublic profits gain

New York—Interpublic Group of Cos. reports third-quarter gains of 5% in net income to $3.3 million and 8% in revenues to $156.2 million over the same period last year. The weakness of certain foreign operations combined with the strong dollar led to a 2% net income decline to $22.4 million for the January-through-September period, though net billings gains of $406 million helped boost revenues 5% to $485.1 million.

Esty stars for Texaco

White Plains, N.Y.—Texaco has assigned its account to William Esty Co., New York. Benton & Bowles resigned the account after agreeing to merge with Amoco Oil Co. agency D'Arcy MacManus Masius (AA, July 1). Texaco spent $24 million on advertising last year. Ross Roy/Colarossi still handles Texaco's industrial lubricants ads.

Vanderwarker to N.Y.

New York—Tony Vanderwarker, 42, has been named exec vp-director of creative services at Needham Harper Worldwide's division here. He succeeds Bob Cox, 48, who will head a new unit handling special accounts. Mr. Vanderwarker had been senior vp-group creative director at Needham's Chicago unit. He will report to Needham-New York president James Kuras; Mr. Cox will report to John Bradstock, president of Needham Harper International.

One-on-one vs. Santa

Beaverton, Ore.—Nike will break a new holiday-themed tv commercial early next month for Air Jordan basketball shoes. It features the product's namesake, Chicago Bulls guard Michael Jordan, playing one-on-one against Santa Claus. Chiat/Day, Los Angeles, handles.

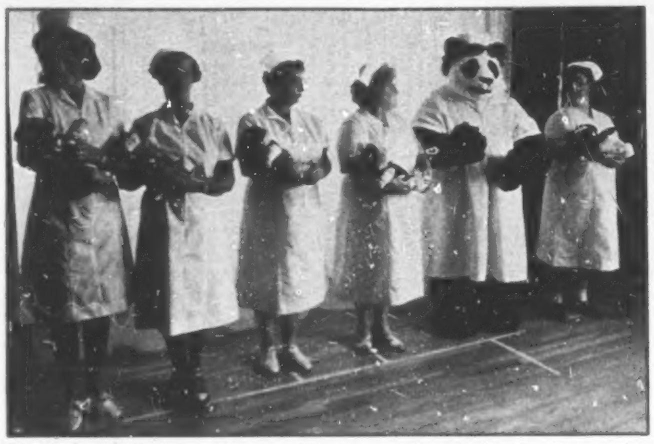
JWT's first Lowenbrau ads

Milwaukee—Miller Brewing Co. on Nov. 1 breaks new creative for its Lowenbrau superpremium brand during NBC-TV's "Miami Vice" and "Friday Night Videos." The campaign is the first from J. Walter Thompson USA, Chicago, which succeeded Backer & Spielvogel, New York, on the $20 million account (AA, July 8).

EPB rides with Roy Rogers

Washington—Marriott Corp.'s Roy Rogers restaurant chain confirms that its $15 million ac-

(Continued on Page 47)



That's a 70-lb. foam latex and fur-covered motorized suit covering actor Don McLeod, alias Peter Panda. Mr. McLeod shares center stage with attentive angels of mercy for the Child World commerical directed by Joe Standart. Mr. Standart made the transition from still to live photography with these ads.

Special effects panda-monium at Vogt's shop

By Judann Dagnoli

His light-brown hair darkened by perspiration, Don McLeod smiles and runs a paw over his dripping brow. "I used to be a Shakespearean actor before I slipped down the evolutionary ladder," he says.

Clad in a 70-lb., foam latex and fur-covered motorized panda suit, Mr. McLeod stars and swelters as Peter Panda, the silent spokesbear in local tv spots for Child World, the Avon, Mass.-based toy retailing chain.

The 6-ft. costume is the latest creation of San Francisco's McVey & Vogt, a fledgling production company formed by special-effects experts from Lucasfilm's Industrial Light & Magic unit.

Thanks to Mr. McLeod's skills as an actor and mime, and the last-minute attentions of Joseph Vogt, Tony McVey and Richard Snow of McVey & Vogt, Peter Panda was brought to life at 5 a.m. recently, shortly before filming began on a Child World commercial.

Mr. Vogt, 28, is director and creative impetus behind the special-effects group. Mr. McVey is a 32-year old sculptor who helped create characters in films such as "Gremlins," "Superman," "Dark Crystal" and "Star Trek II." Mr. Snow, 29, is a makeup artist and the mechanical wizard behind "Poltergeist II" and "Return of the Jedi."

"They've created just the image we're looking for," says Andy Mensing, copywriter, Schneider Parker Jakuc, Boston, the agency for Child World. "A benevolent panda with magical powers campaign."

Mr. Mensing, formerly of New York's Young & Rubicam, and Bill Monaghan, SPJ creative director and onetime BBDO employe, are pitting Peter Panda against Child World's competitor, Rochelle Park, N.J.-based Toys "R" Us and that company's mascot, Geoffrey the Giraffe.

Mr. McLeod had to cool down every 20 minutes; production company employes helped.

Since "toy companies operate on slim margins," Mr. Mensing says, special effects were almost ruled out until McVey & Vogt created a low-budget but fully technical panda with moving eyelids, mouth and ears. (In bidding for the project, it sent along a miniature panda that was so real "I spent hours talking to it," he says.)

The panda's eyes and ears are operated by remote control and considerable wiring, but the mouth and body movement is controlled by 37-year-old Mr. McLeod, who studied mime with Marcel Marceau and "never planned to be a special-effects actor" until he landed a role as a gorilla in a never-produced film in 1978.

More monkey business followed as he played a primate in "Trading Places," "The Man With Two Brains" and in ads for Proform, Atlas Van Lines, J.C. Penney Co. and American Tourister. The latter won two Clios.

He also is a proficient werewolf—as he demonstrated in "The Howling"—and will be appearing as a "top-secret Steven Spielberg creature who lives under the stairs" in an upcoming episode of "Steven Spielberg's Amazing Stories."

Peter Panda is another hot role for Mr. McLeod—the temperature rises to more than 130 degrees inside the costume—and a feather in the cap of McVey & Vogt. The special-effects company has amassed an impressive list of credits in its brief history, ranging from the American Cancer Society, Rick Springfield's video "Bop Till You Drop" and local advertising accounts including Kikkoman International and Prudential Insurance Cos. of America. In addition, the company will soon be filming a Missing

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NBA practices full-court press in marketing

By Mark Bittman

Jon Spoelstra, vp-marketing for the National Basketball Assn.'s Portland Trail Blazers, Portland, Ore., has seen some enormous changes in the way the league promotes itself. "Seven years ago," he says, "league marketing meetings adjourned in an hour and we'd go drink beers by the swimming pool."

But as few as three or four years ago, the NBA's lack of marketing skills paled in importance to some of the league's other problems.

Some franchises were for sale and others were mismanaged. Players were threatening to strike, and public perception of the league was at an alltime low. Attendance was down, drug use among players was up, and, in a market bursting with network, syndicated and cable tv sports programing, tv ratings were so low that a national cable deal was worth a paltry $600,000.

Now, with WTBS paying $11 million for 55 NBA games, the league enters informal contract negotiations with CBS-TV, its traditional carrier, in its strongest position ever. Not only has the NBA set attendance records for two years in a row, but its tv ratings also are increasing at a time when televised sports generally are suffering.

> **"Our consistent theme is that . . . marketing has to take a priority over virtually everything else."**
>
> *—David J. Stern NBA*

In early 1984, the league avoided a players strike—one it might not have survived—by instituting the widely praised team salary cap. This has led to an environment in which even historically troubled franchises such as the Cleveland Cavaliers can begin making money and building solid basketball teams.

In addition, the league that year negotiated a drug agreement that requires players to undergo testing at the league's request. NBA commissioner David J. Stern calls the agreement, which has given basketball a squeaky-clean look, "the privately negotiated equivalent of a search warrant."

The salary cap and drug testing agreement led to positive press. Since 1983, new owners have taken over in Cleveland, Indianapolis and Kansas City (now the Sacramento Kings), Milwaukee, Chicago, Denver and Salt Lake City, and the league, under Mr. Stern's leadership, began to look more like a business and less like a collection of ego trips.

Furthermore, the marketing department, which just four years ago consisted of three people running what was essentially a primitive licensing operation, has become solid, innovative, profitable and helpful to the individual franchises.

The National Basketball Assn. sells ads in its **Hoop Basketball Yearbook** *and licenses products in its merchandise catalog.*

That's just what Mr. Stern and the New York-based NBA set out to do when he took over in February, 1984. "Our consistent theme," the commissioner says, "is that, after putting your best team on the court, marketing has to take a priority over virtually everything else."

While Mr. Stern was still the league's exec vp, he began to put that axiom into practice, hiring a consumer products marketing expert, Adrian De Groot, to run NBA Properties. "That was a big departure for the NBA; they brought in someone from Lever Brothers," Mr. Spoelstra says. "But it's proved to be a bright move."

NBA Properties now employs 30 people in three divisions: Retail licensing, marketing and entertainment. Revenues in NBA Properties' first year, the 1980-81 season, totaled $1.2 million; by 1984-85, that figure had risen nearly 400%, to $5.8 million. The league projects $7.5 million for the current season.

"The first thing Adrian set out to change was licensing," says Rick Welts, the NBA's vp-pr. "We didn't have quality merchandise, it was really scattered, and there was no way for a retailer to look for NBA merchandise."

Now the league has a field force representing the line, an over-all higher quality of merchandise spread among fewer licensees and a 100-page official merchandise catalog.

Although the Trail Blazers' income from the licensing operation isn't significant, Mr. Spoelstra says, "We like to see people wearing Blazers jackets of good quality."

The Blazers' over-all income is becoming more significant, however, as a result of the league's intense marketing effort—encompassing licensing, sponsorship and special event programs, media sales and NBA Entertainment in its video/publications group.

The NBA had five corporate sponsors four years ago, has 18 going into this season and expects to add six more this year, according to Mr. De Groot.

Among these are American Airlines, PepsiCo, American Motors Corp. and Allstate Insurance Group. Their involvement ranges from a simple "official" designation—like that of Canon USA's cameras—to an intense

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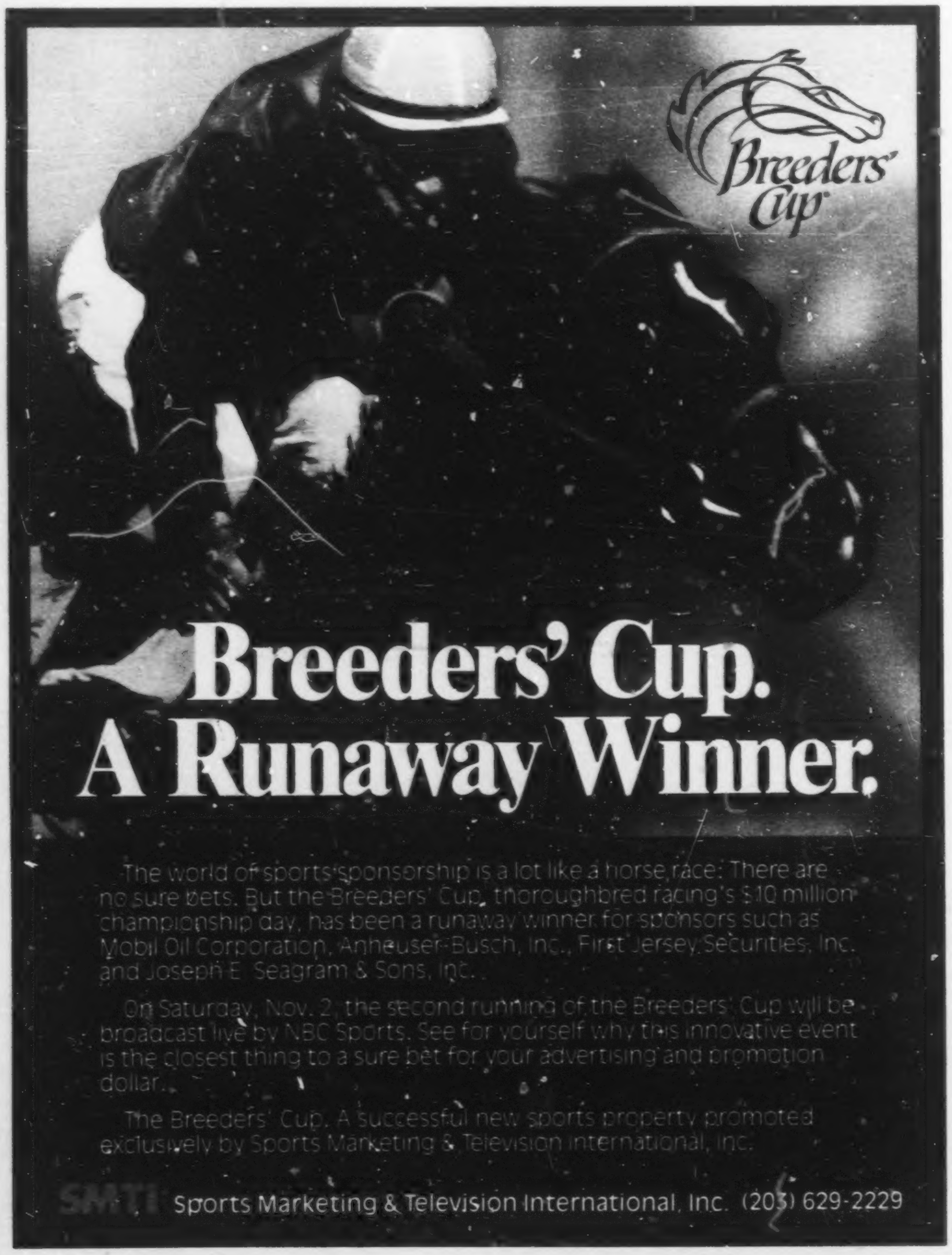
Mark Bittman is a frequent contributor to Special Report.



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NBA

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symbiotic relationship like the one with Warner-Lambert's Schick razors.

The latter relationship has resulted in a tremendous advertising presence for the razor company and has created NBA events that otherwise might not have existed.

"Schick had been looking for a sports-oriented association," says Robert J. Grant, a Schick category director for Morris Plains, N.J.-based Warner-Lambert, "and saw basketball as having a greater skew toward our target audience than even baseball or football. We began our association with the NBA in 1983 and have been enormously pleased with the increase in attendance and the over-all handling."

The company is represented by Peter J. Kaplan, a principal in National Media Group/High Bar Productions, New York. After creating a remarkably successful three-on-three college intramural league—Schick Super Hoops—Mr. Kaplan suggested that Schick become the official blades and razor of the NBA.

"The big sell," Mr. Kaplan says, "was to convince Schick that the NBA was on the rise, with a new cast of characters, and that NBA Properties was suited to work with major corporations."

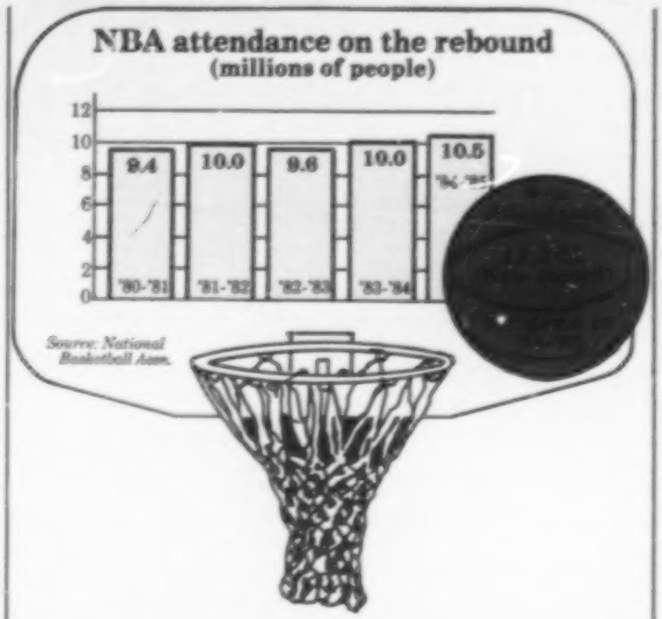
Schick took a one-year contract with the NBA during the 1983-84 season, renewed for a year in 1984-85 and recently signed on for the next two seasons.

"My company is doing close to 100 events for the NBA this year," Mr. Kaplan says. "It's almost like Schick has bought into stock that was near its low point and been with it during the rise."

To the extent that Schick has grown from a small sponsor to a major tv advertiser, the NBA has gained added leverage in CBS negotiations, which ultimately will show up as money for the individual teams.

Larry J. Fisher, the league's vp-media sales, also is seeking to boost the flow of revenue to the teams by providing representation in New York. He's on the hunt for national sponsors looking for local media buys in the 22 NBA cities. This worked with Beatrice Cos.' Fisher Nuts, a national sponsor that recently signed a contract with the Dallas Mavericks, according to Greg Jamison, the team's director-advertising and marketing.

"We've also helped advertisers who didn't want a national ad campaign to get in touch with the markets that they did want," Mr. Stern says. His idea of a cost-free media rep who potentially can sell 23 radio and tv markets "is a real breakthrough," Mr. Spoelstra says. "That is going to help the weaker teams, and it's even better because there's no commission." He says the league assistance should help teams expand their national advertiser lineup—traditionally limited to beer and car marketers—with smaller companies and products.



Mr. Spoelstra's Trail Blazers were pioneers in developing another angle in media sales that the league has helped popularize among other teams.

"Everyone used to sell 82 games to radio and 20 to television," Mr. Welts says. "But the Blazers began to pick their own stations and retain the rights, selling [to advertisers] a deal which includes signage in the arena, ads in the program, names on tickets and so on."

NBA Properties also has created an office to help teams share solid marketing ideas such as postgame concerts, toll-free numbers and the league's new program designed to cut down on drinking and driving, which began in Washington and will be in seven NBA cities this year. The program is co-sponsored by the U.S. Department of Transportation and CBS-TV.

The league's publishing and video groups further smooth the path between teams and sponsors.

Four years ago, for example, the NBA had a warehouse full of game films that no one knew what to do with. "That's all changed," Mr. Welts says. "The video production group is a going outfit which retrieves every game that's broadcast and is developing a complete library."

Despite its huge initial cost, the video group has become a profit center. Its 30-second vignettes have been used by sponsors including Schick and the U.S. Army; Quaker Oats' Gatorade and AMC are taking advantage of them as well.

Warner-Lambert's Schick razors began its relationship with the National Basketball Assn. in 1983.

Longer film clips are used by teams to upgrade the quality of their locally broadcast halftime shows.

The publishing group, which began as a league pr vehicle, also has become profitable; the NBA and its teams sell space in the official league magazine, *Hoop*, published eight times a year. The league even is making money on its calendar, including advertising in its 20 pages and packaging it as the *Hoop Basketball Yearbook*.

Speaking for the teams, Messrs. Spoelstra and Jamison both say they appreciate the way the league has changed in recent years. "The fact that they can sell national sponsorships on a leaguewide level," Mr. Jamison says, "gives more credibility to both leagues and teams."

"Now they're running the league the way a marketing company would run it," Mr. Spoelstra says. "It's not just scribbling notes on the back of an envelope anymore."

That's the way the commissioner wants it. "The whole marketing group at NBA Properties is geared to giving sponsors more exposure than a 30-second spot," Mr. Stern says. "And when the NBA does a positive job of marketing the league, it helps the clubs market themselves; attendance and tv ratings both go up."

With limited national tv exposure, he says, "We're offering sponsors much more exclusivity. We're focusing our product to make first the fans and then the sponsors recognize its value. We're fighting for a certain demographic, and our challenge for the next decade is to broaden that demographic; we owe that to the people who use the NBA as a vehicle and are in a position to do it."

The NBA's demographics compare favorably to those of football and baseball if the advertiser is looking for young men at leisure. Simmons Market Research Bureau's 1985 statistics show that the most frequent attendees of NBA games are men, 25 to 34-year-olds, college graduates, singles and blacks.

But the league and its teams are seeking to increase the number of women interested in the game, and a recent Dallas Mavericks survey revealed an audience that was 30% female.

Meanwhile, Mr. Stern is looking at a broader audience. "We're comfortable marketing the third most popular sport in the U.S.," he says, "but overseas"—where basketball is the second most popular sport after soccer—"we have the advantage; and we're perceived as playing the highest caliber of basketball in the world."

Now that the league and its owners are taking care of business, coaches and players can concentrate on maintaining that reputation.

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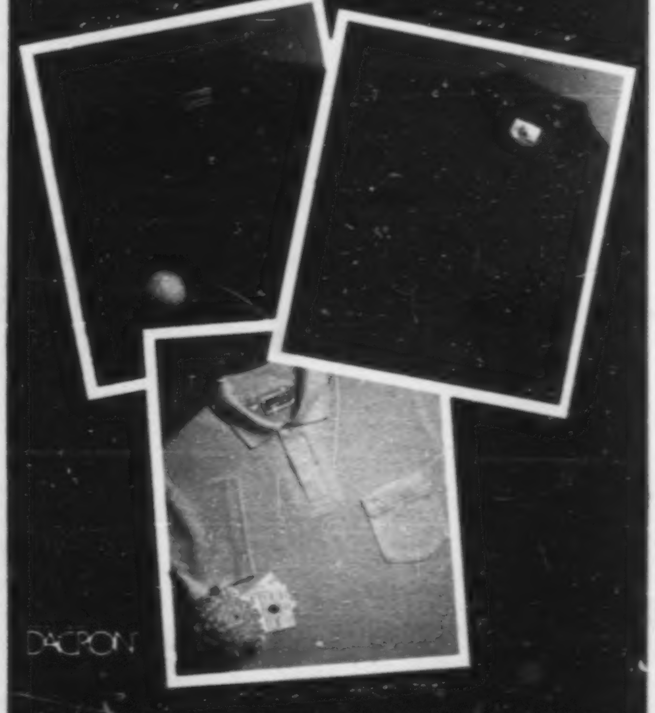

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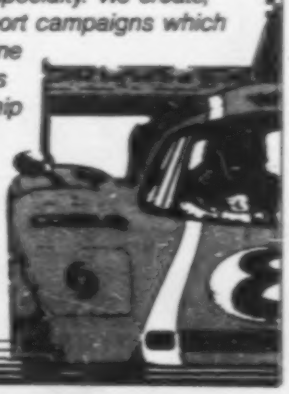THE CHAMPIONSHIP GROUP™ SPORTS AND LIFESTYLE MARKETING CONSULTANTS
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